

**County of Berks**  
**Friendly Understandable Financial Statement**  
**For the Year Ended December 31, 2012**



**Prepared by the Office of the Controller**

**Sandy Graffius, Controller**

## 2012 Friendly Understandable Financial Statement (FUFS)



### **CONTROLLER'S GREETING**

What a pleasure it is to be doing our second annual FUFS (Friendly Understandable Financial Statement). One of our CPAs, Scott Poch, has taken on this project again this year. He was Sammy Shutter going all over the county taking photos. We decided to change the format and show more of the advantages to living in Berks County. Our Office of Accounting and Financial Reporting is fortunate to have 4 CPA's - 1 CMA- 1 CGFM and 1 APM working for the county. Our Audit team has a newly commissioned Certified Fraud Examiner working at the county. What a quality staff we have working in the Controller department.

We closed our Youth Detention Center because the youth population at that facility continued to shrink. The Juvenile Probation Office introduced new programs that are carried out with the young people staying in their homes. Counseling takes place to help them turn their lives around and remain with their families. The Community Reentry Center (CRC) moved to the former Youth Detention Center. The programs at the CRC are giving jail inmates (within 60 days of their release) extensive help with locating a job, housing, and starting a new life. This program is being monitored by the Berks Connections/Pretrial Services which measures how often the inmates return to jail after their release. Statistics show, 145 out of 567 individuals - or 25% were rearrested in the year following their release. If we can continue improving this number, our jail population will continue to decline. I work along with several members of the business

community who go to the CRC different months of the year to do mock interviews. Many of these inmates have no experience writing a resume or taking part in a job interview.

The Old Berks Heim building was demolished. We had asbestos issues in that building and to upgrade it would have been more expensive than tearing it down. The 2010 cost to rehab the facility (assuming that we would do everything that was recommended) was estimated at \$18.4 million. The all-in costs to abate and demolish the structure are expected to total approximately \$1.3 million. There is no need for that building, so it will not be replaced at this time.

Sincerely,  
Sandy Graffius



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<b><u>OFFICE</u></b>	<b><u>OFFICIAL</u></b>	<b><u>PHONE</u></b>
Commissioner, Chair	Christian Y. Leinbach	(610) 478- 6136
Commissioner	Kevin S. Barnhardt	(610) 478- 6136
Commissioner	Mark C. Scott	(610) 478- 6136



*Commissioners (from left to right):  
Kevin S. Barnhardt, Mark C. Scott  
and Christian Y. Leinbach*

## **BERKS COUNTY SERVICES**

### **General Government- Administration**

Includes services provided by the Commissioners, Controller, Treasurer, Recorder of Deeds, Budget, Election Services, Information Systems, Human Resources, Maintenance and others.

### **General Government- Judicial**

Includes the Courts, and services provided by the District Attorney, Public Defender, Clerk of Courts, Prothonotary, Sheriff, District Justices, Coroner, Register of Wills and others.

### **Berks Heim (610) 376-4841**

Provides quality, individualized, long term residential healthcare for the elderly of the County with emphasis on the social, emotional and physical well-being of residents.

### **Children and Youth (610) 478-6700**

Provides services to protect children and assure their physical and emotional well-being, as provided by law, and to preserve, strengthen and empower their families.

### **Area Agency on Aging (610) 478-6500**

Provides comprehensive and coordinated services to meet the needs of county residents age 60 and older, or those eligible physically disabled age 18 to 59.

### **Library System (610) 378-5260**

Consists of 23 libraries spread throughout the county. Berks County government provides approximately 45% of the funding and the Commonwealth provides roughly 32%. The remaining 23% of the budget is raised through donations and fundraisers.

### **Council on Chemical Abuse (610) 376-8669**

Supports drug and alcohol prevention and intervention for all Berks County residents, and treatment services for persons of low and moderate income.

### **Employment and Training (610) 988-1300**

Provides work force resources for job seekers and employers through Berks Career Link.

### **Parks & Recreation (610) 372-8939**

Provides recreational opportunities and educational programs for its 11 county-owned parks.



## Where We Work



7,510 Employees



6,526 Employees



2,411 Employees



2,408 Employees



2,080 Employees

## How We Travel



BARTA Bus Service



Bieber Bus Service



Klein Bus Service



Reading Regional Airport



Reading Metro Taxi

## Where We Shop



Fairgrounds Square Mall



Berkshire Mall



Reading Mall



Fairgrounds Market



Leesport Market

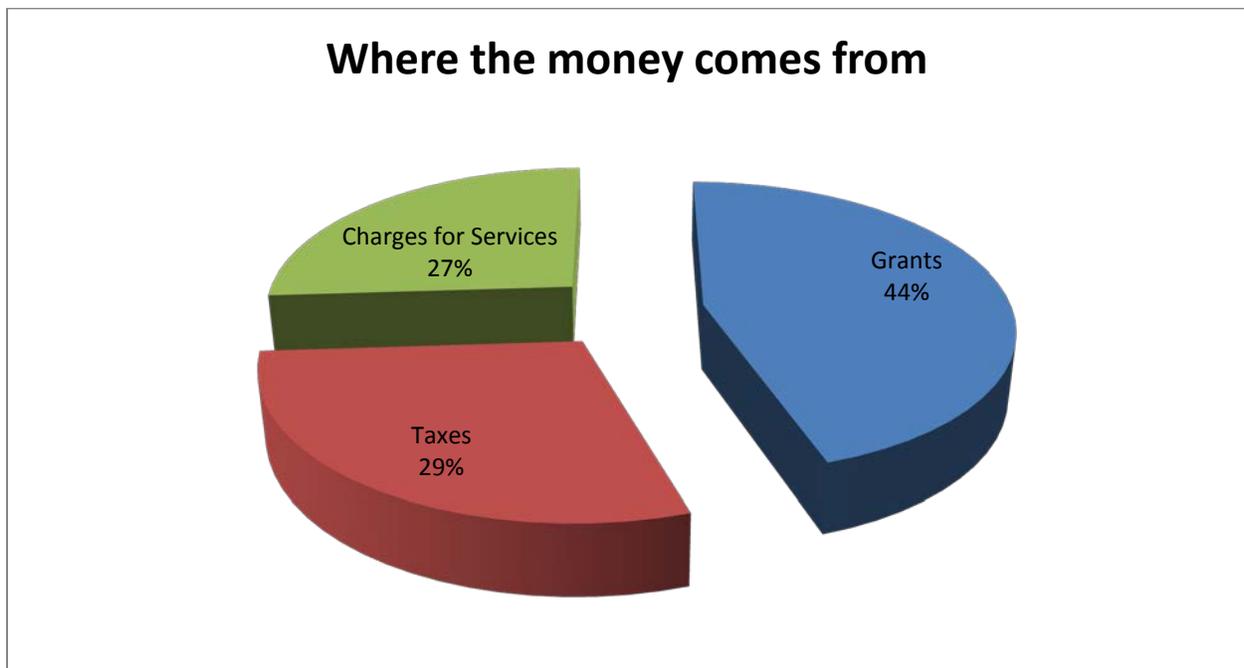
## **FINANCIAL OVERVIEW**

Berks County is fortunate to be on a sound financial footing as we report the results of operations for the calendar year 2012. Property tax rates remain unchanged at 6.935 mills for the sixth year in a row. The County's overall net assets (total assets minus total liabilities) for 2012 increased by \$18.7 million to \$208.3 million, and its unrestricted (available) net assets decreased by \$36.4 million to \$155.1 million. It is necessary to remember that included in these net asset numbers are capital assets (buildings and bridges) and restricted funds (funds set aside for special projects) that are not available for spending on daily operations.

	<b>2012</b>	<b>2011</b>	<b>2010</b>
Cash and investments	\$ 163,200,721	\$ 212,560,431	\$ 236,979,817
Other current assets	46,624,398	46,308,016	50,105,535
Capital assets and other	<u>355,500,069</u>	<u>274,267,945</u>	<u>252,900,997</u>
Total assets	<u>565,325,188</u>	<u>533,136,392</u>	<u>539,986,349</u>
<b>Liabilities:</b>			
Current liabilities	54,804,655	67,318,677	59,859,272
Noncurrent liabilities	<u>302,190,740</u>	<u>276,136,859</u>	<u>297,115,847</u>
Total liabilities	<u>356,995,395</u>	<u>343,455,536</u>	<u>356,975,119</u>
Net Assets	<u>\$ 208,329,793</u>	<u>\$ 189,680,856</u>	<u>\$ 183,011,230</u>

## **SOURCES OF REVENUES (where the money comes from)**

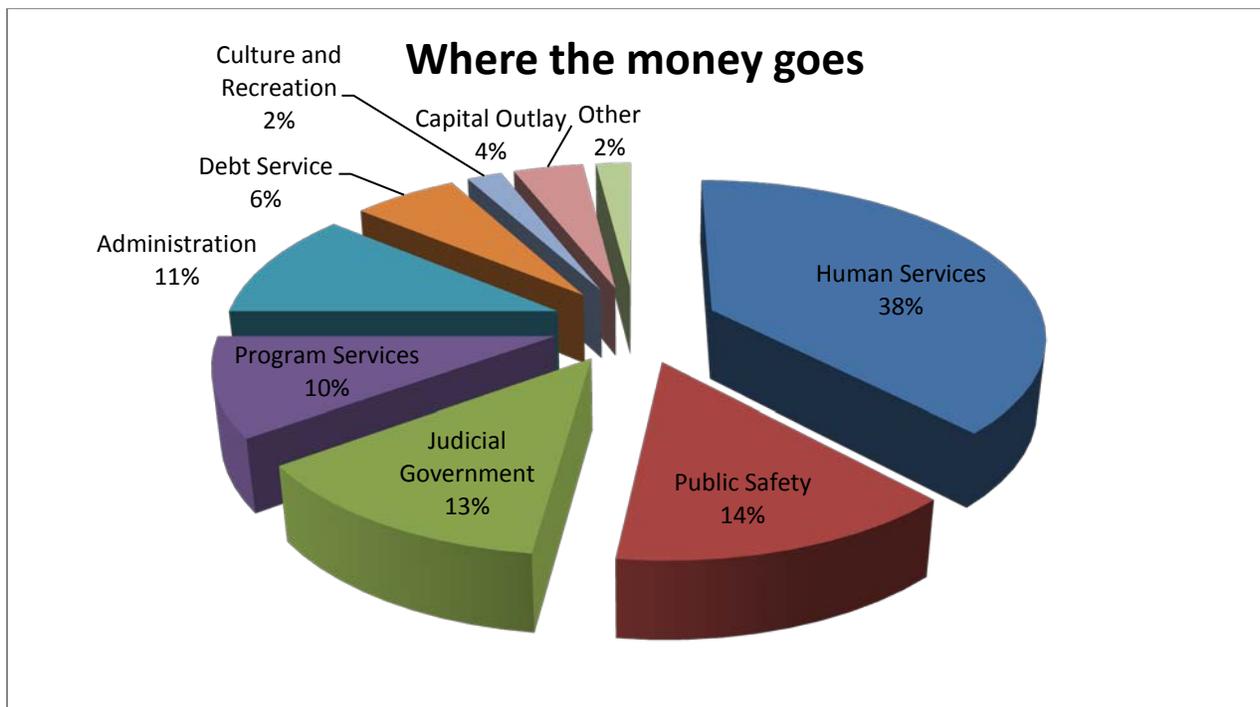
Revenues totaled \$436.1 million for 2012, while total expenses came in at \$509.3 million. Revenues were down \$7.8 million over the prior year, primarily due to budget cuts to grant funding. Grant revenue is the largest source of revenue for the County. Expenses were up by \$63.1 million as the result of increased public safety costs as well as general government administrative and judicial costs. Our money comes from federal and state program grants (the largest segment at nearly 45% of revenues), property and hotel taxes (at 29% of the total) and charges for services performed by operating departments of the County (the remaining 26%). With such a large dependence on federal and state grants to fund social programs, it leaves the County very susceptible to budget cuts at the federal and state levels. When this happens, it would then be up to the Commissioners to decide whether to provide for these programs out of future saved funds, increase taxes to pay for the programs, downsize the programs or eliminate selected ones entirely.



## **COUNTY EXPENSES (where the money goes)**

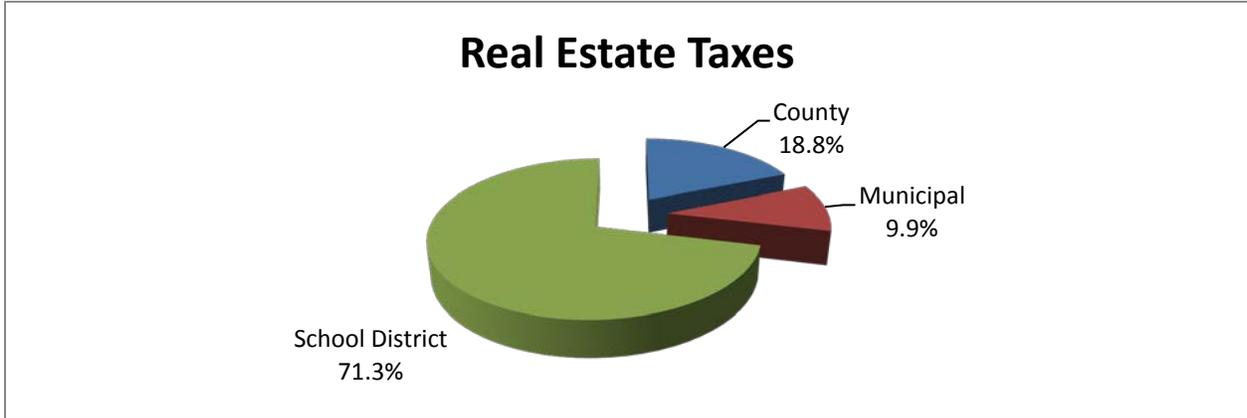
As with most counties in Pennsylvania, the Human Services function is by far the single largest area of expense for Berks County (38% of total expenses). Expenditures in the area include Children and Youth Services, Health Choices, Mental Health/ Developmental Disabilities, Child Care Services, Area Agency on Aging, Domestic Relations, Employment & Training, Drug and Alcohol Prevention and the County's Nursing Home. Many of these expenditures are dictated by mandates (demands) coming down from federal and state governments beyond the County's control. The problem is, when the federal and state budgets are cut the county must come up with the money to fund these mandates. Judicial, Courts and Public Safety functions account for another 27% of total expenditures.

As you can readily see, the Board of Commissioners has actual "control" over no more than 25% of the discretionary County expense budget. It is with this in mind that all elected officials must constantly monitor local activities as well as those in Harrisburg and Washington. Decisions made outside of Berks County affect us greatly. That's why the County is in regular contact with state lawmakers and government associations to stay informed about pending legislation and present local views of importance to federal and state decision makers.



## YOUR TAX DOLLARS AND WHAT THEY COVER

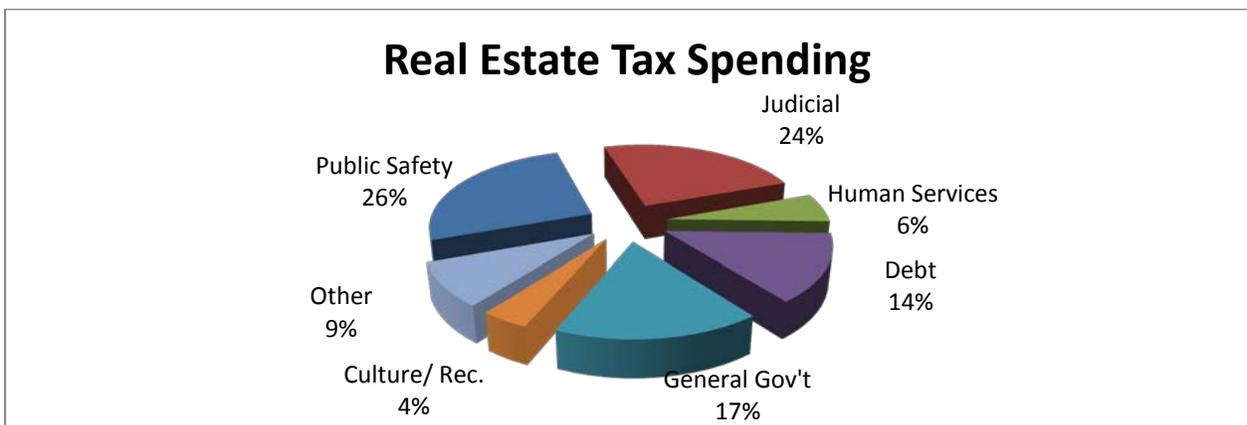
In general, 20% of your local real estate taxes is paid to the county.



In 2012, Berks County residents paid an average of \$3,683 in local real estate taxes on every \$100,000 of assessed value. Of that amount, \$694 (19%) is paid to the county.

The county's millage rate did not change in 2012 and remains at 6.935. The last tax increase occurred in 2005. Each mill generated approximately \$18,300,000 in taxes.

The majority (59% of \$509.3 million) of the county's spending is funded by federal and state grants and/or charges for services. The \$210.1 million of remaining spending must be financed primarily by your county real estate taxes.



## **FUN FACTS:**

In 1752, Berks County was incorporated from parts of Lancaster, Chester, and Philadelphia Counties. In 1772, Berks gave up territory for the formation of Northumberland County, and again in 1811, for the formation of Schuylkill County.

Berks County is 56 miles northwest of Philadelphia, 97 miles north of Baltimore and 125 miles southwest of New York City.

Reading is the county's largest municipality and is the fifth largest city in Pennsylvania after Philadelphia, Pittsburgh, Allentown and Erie. A total of 29 boroughs and 44 townships comprise the other county municipalities.

The Great- Great Grandfather, Great Grandfather and Grandfather of Abraham Lincoln all resided in Berks County.

John Philips Sousa died in his sleep at the Lincoln Plaza Hotel in 1932 at age 77. The last song he conducted was "Stars and Stripes Forever" played by the Ringgold Band.

The 5<sup>th</sup> Ave Candy Bar and York Peppermint Patty were invented in Greater Reading.

In 1908, Reading became home to a seven-story Pagoda constructed on nearby Mt. Penn by William Witman. It is the only Pagoda in the country and the only one in the world with a fireplace.

The Lindbergh Viaduct was the first concrete bridge built on a curve in the United States in 1927. It is located between Mt. Penn and the City of Reading.

The first gasoline-powered practical automobile was invented here in 1900. The Duryea had the first engine capable of climbing hills and to this day Duryea Drive is part of our landscape.

The most recognizable piece of heritage is the Reading Railroad. At one time it was the largest corporation in the world, as evidenced by earning a position on the Monopoly board.

## **NOTABLE PEOPLE FROM BERKS COUNTY**

### **SPORTS:**

<u>Allison Baver-</u>	Olympic Speed Skater
<u>Rocky Colavito-</u>	Right Fielder, Cleveland Indians
<u>Kerry Collins-</u>	Quarterback, National Football League
<u>Carl Furillo-</u>	Right Fielder, Brooklyn Dodgers
<u>Chad Henne-</u>	Quarterback, National Football League
<u>Betsy King-</u>	Golfer, Ladies Professional Golf Association
<u>Kristy Kowal-</u>	Olympic Medalist, Swimming
<u>Donyell Marshall-</u>	Forward, National Basketball Association
<u>Lenny Moore-</u>	Hall of Fame Halfback, Baltimore Colts
<u>Ross Tucker-</u>	Offensive Lineman, National Football League
<u>Charlie Wagner-</u>	Pitcher and Scout, Boston Red Sox

### **HISTORY/ ARTS AND ENTERTAINMENT:**

<u>Daniel Boone-</u>	American pioneer, explorer and frontiersman
<u>Michael Constantine-</u>	Actor, Room 22, My Big Fat Greek Wedding
<u>Kate Gosselin-</u>	Reality TV Star, Jon & Kate Plus 8
<u>Chad Hurley-</u>	Co-Founder of Youtube
<u>Taylor Swift-</u>	Grammy Award winning country singer
<u>Nicole Tranquillo-</u>	Semi-finalist, American Idol
<u>John Updike-</u>	Pulitzer-prize winning author

**COUNTY OFFICIALS AT YOUR FINGERTIPS:**

<b><u>OFFICE</u></b>	<b><u>OFFICIAL</u></b>	<b><u>PHONE</u></b>
Commissioner, Chair	Christian Y. Leinbach	(610) 478-6136
Commissioner	Kevin S. Barnhardt	(610) 478-6136
Commissioner	Mark C. Scott	(610) 478-6136
Controller	Sandra M. Graffius	(610) 478-6150
Clerk of Courts	James P. Troutman	(610) 478-6550
Coroner	Dennis J. Hess	(610) 478-3280
District Attorney	John T. Adams	(610) 478-6000
Prothonotary	Marianne R. Sutton	(610) 478-6970
Recorder of Deeds	Frederick C. Sheeler	(610) 478-3380
Register of Wills	Lawrence J. Medaglia Jr.	(610) 478-6600
Sheriff	Eric J. Weaknecht	(610) 478-6240
Treasurer	Nelson H. Long	(610) 478-6640

**OTHER DEPARTMENTS:**

Agricultural Coordinator	(610) 898-5482
CareerLink	(610) 988-1300
Election Services	(610) 478-6490
Emergency Services	(610) 374-4800
Library System	(610) 378-5260
Parks & Recreation	(610) 372-8939
Purchasing	(610) 478-6168
Veterans Affairs	(610) 378-5601
Solid Waste Authority	(610) 478-6362

**PENNSYLVANIA STATE HOTLINES:**

Child Abuse	(800) 932-0313
Crisis & Suicide (Berks)	(610) 236-0530
Elder Abuse	(800) 490-8505
Welfare Fraud	(800) 932-0582