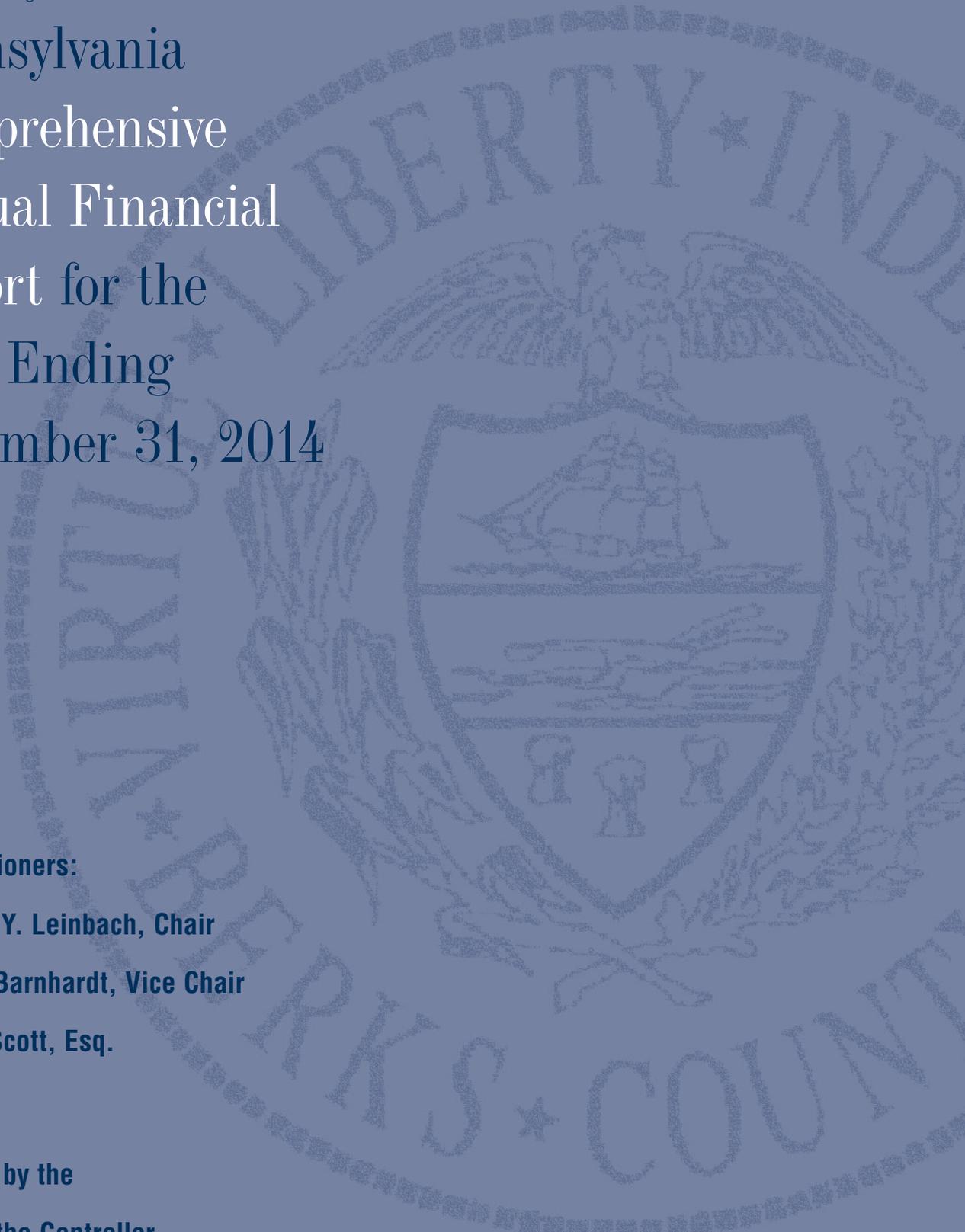


Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2014



County of Berks,
Pennsylvania

The background of the page features a large, faint, circular seal of Berks County, Pennsylvania. The seal contains the text "LIBERTY * INDEPENDENCE" at the top and "BERKS * COUNTY" at the bottom. In the center is a shield with a ship on the top half and a plow on the bottom half, flanked by two figures. Above the shield is an eagle with spread wings.

County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2014

Commissioners:

Christian Y. Leinbach, Chair

Kevin S. Barnhardt, Vice Chair

Mark C. Scott, Esq.

Prepared by the

Office of the Controller

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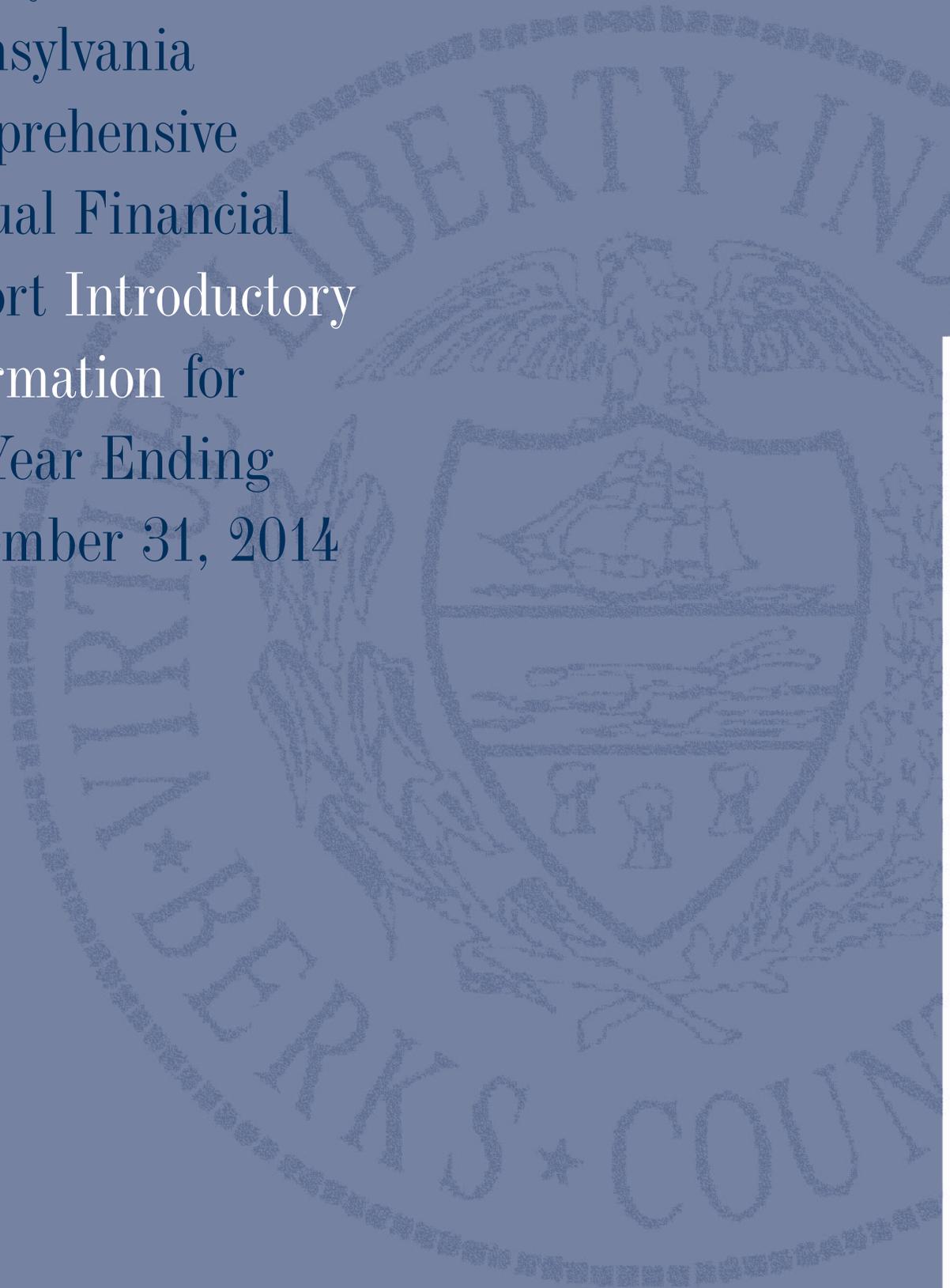
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County of Berks,
Pennsylvania
Comprehensive
Annual Financial
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Information for
the Year Ending
December 31, 2014





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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

Phone: 610.478.6136

Fax: 610.478.6293

E-mail: commissioners@countyofberks.com

Christian Y. Leinbach, Commissioner Chair

Kevin S. Barnhardt, Commissioner

Mark C. Scott, Esq., Commissioner

Carl E. Geffken, Chief Operating Officer

Alan S. Miller, Solicitor

Maryjo Gibson, Chief Clerk

June 29, 2015

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, 2014 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). In like manner, the financial statements referenced above are audited annually by the County's external CPA firm to ensure that those statements present fairly, in all material respects, the year-end financial position of the County.

This CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this Transmittal Letter, the County organization chart, a list of elected County officials, a map of the County, and Management's Discussion and Analysis. The Financial section includes the Financial Statements, Notes to the Financial Statements, and Required and Other Supplemental Information. For additional overview and analysis of the County's financial performance for the year ended December 31, 2014, readers should refer to the Management's Discussion and Analysis section. The Statistical section includes historical financial information, selected demographics and other miscellaneous data, in compliance with GASB Statement No. 44.

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 the US Office of Management and Budget's Circular A-133. Information related to this single audit is included in a separately issued Single Audit Report issued by the County's external CPA firm.

Letter of Transmittal

2014 Comprehensive Annual Financial Report

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

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 northeast 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 413,691 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. In 2014, the Commissioners adopted a balanced budget, requiring no tax increase.

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
2014 Comprehensive Annual Financial Report

Economic Condition & Outlook

Overall, the economic outlook remains positive for Berks County as several major construction projects have recently been undertaken. The Reading Hospital continues to expand and the Doubletree Hotel in the City of Reading is currently under construction. The hotel with its conference center figures to be the major revitalization project for the City of Reading as the city provides greater services to the area. Overhauls to the bridges leading in to the city are already in the planning stages. Manufacturing continues to be the largest sector in Berks County's economy and with the development of Berks Park 78, more national companies will strive to select Berks as a primary location.

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 assets were valued at \$413,013,535, an increase of 3.3% 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 2014 year, succeeding years budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of Children and Youth Services, Juvenile Probation and Youth Detention. In addressing these issues, the County is committed to maintaining a balanced budget, while working to restructure and reduce operating costs. The County is now completing its tenth 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.

In an on-going effort to fund the numerous capital projects undertaken by the County, the County continues to issue General Obligation Bonds. Proceeds of the 2014 bond issue were used to advance refund the County's 2010 General Obligation Bonds Series A resulting in a substantial cumulative savings on future debt service payments. The County also entered into an interest rate basis swap agreement during the year with the 2012 A Series Obligation Bonds resulting in a favorable debt arrangement which greatly reduces interest expense. The major capital project completed during the year was the Emergency 911 Tower Construction and subsequent modernization and overhaul of the entire E 911 system. Another large ongoing project continues to be the updating of the infrastructure and security system at the Prison.

Going forward, in order 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, which is updated annually as part of the annual budget.

**Letter of Transmittal
2014 Comprehensive Annual Financial Report**

Independent Audit

The County had an independent audit of its financial statements performed for the year ended December 31, 2014 by its certified public accounting firm, Reinsel Kuntz Leshner LLP.

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 help of 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 Reinsel Kuntz Leshner, who audited the general ledger and financial statements from which these schedules are taken, and who provided invaluable guidance in its presentation.

Respectfully submitted,



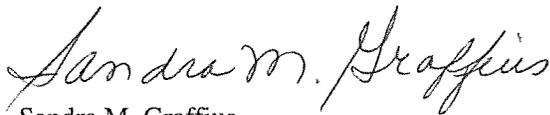
Christian Y. Leinbach
Commissioner Chair



Kevin S. Barnhardt
Commissioner



Mark C. Scott, Esq.
Commissioner



Sandra M. Graffius
Controller



Ronald M. Rutkowski, APM
Deputy Controller

County of Berks
List of Elected Officials
June 2015

Commissioners

Christian Y. Leinbach, Chair
Kevin S. Barnhardt, Vice Chair
Mark C. Scott, Esq.

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

Dennis J. Hess

Prothonotary

Marianne R. Sutton

Sheriff

Eric J. Weaknecht

Recorder of Deeds

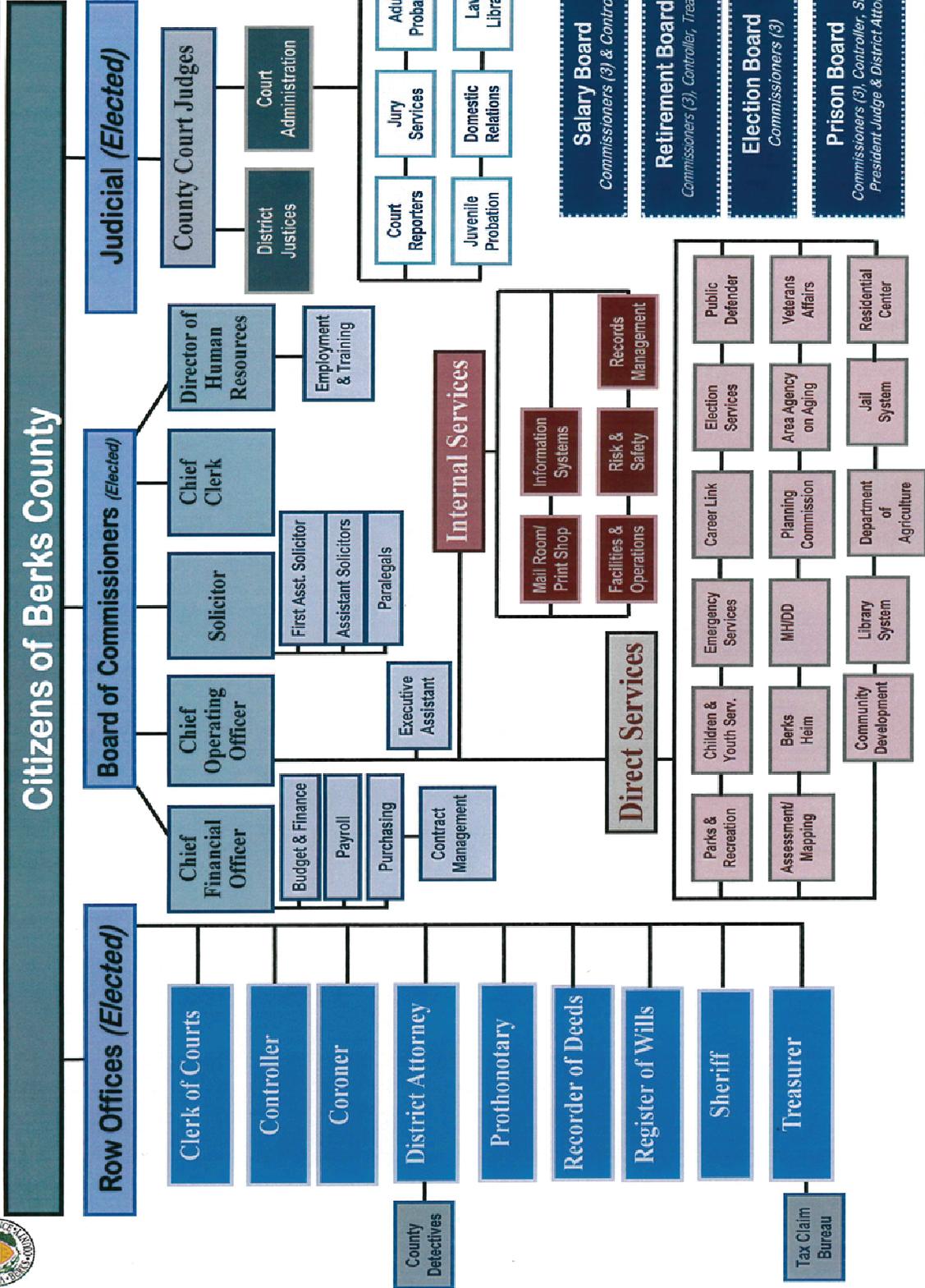
Frederick C. Sheeler

Judges of Court

Honorable Paul M. Yatron, President Judge
Honorable Scott D. Keller, Judge
Honorable Jeffrey K. Sprecher, Judge
Honorable Stephen B. Lieberman, Judge
Honorable Scott E. Lash, Judge
Honorable Mary Ann Ullman, Judge
Honorable Thomas G. Parisi, Judge
Honorable James M. Bucci, Judge
Honorable John A. Boccabella, Judge
Honorable Timothy J. Rowley, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable M. Theresa Johnson, Judge
Honorable A. Joseph Antanavage, Judge
Honorable Arthur E. Grim, Senior Judge
Honorable Linda K.M. Ludgate, Senior Judge
Honorable Peter W. Schmehl, Senior Judge



County of Berks Organizational Chart



Last updated March 2015

County of Berks, Pennsylvania



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report Financial
Information for
the Year Ending
December 31, 2014



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, 2014.



Independent Auditor's Report

Board of County Commissioners
and County Controller
County of Berks, 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, Pennsylvania, as of and for the year ended December 31, 2014 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, 2014 and June 30, 2014, respectively, which represent 99%, 100% and 97% of the assets and deferred outflows of resources, net position and revenues of the discretely presented component units, respectively. 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, 2014, 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.

Adoption of Governmental Accounting Standards Board Statements

As described in Note 1 to the financial statements, in 2014 the County of Berks adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 69, *Government Combinations and Disposals of Government Operations* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. In addition, the County of Berks early adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. Our opinion is not modified in respect to these matters.

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 10 - 30, budgetary comparison information on Pages RSI 1 - 7, Schedule of Changes in the County's Net Pension Liability and Related Ratios and Schedule of County Contributions on Pages RSI 8 and 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 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 - 17 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 - 17 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 - 17 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 June 29, 2015 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.



June 29, 2015
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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the Comprehensive Annual Financial Report for the County of Berks (the County) presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2014. Management recommends that it be read in conjunction with the accompanying Basic Financial Statements and Notes to Financial Statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2014.

FINANCIAL HIGHLIGHTS

- The County's net position, restated for 2013, increased in 2014 by \$29.4 million to \$224.2 million government-wide. Unrestricted net position at year-end increased by \$6.0 million to \$150.3 million.
- Total outstanding bonds and other debt at December 31, 2014 was \$295.2 million, a decrease of \$15.3 million from the prior year, as one bond issue was partially refunded, and 2013 bonds were restated.
- The County's bond rating from Moody's is **Aa1**, stable outlook.
- Property tax rates remained unchanged at 7.372 mills for the second straight year in 2014.
- The County's General Fund balance at December 31, 2014 increased by \$11.6 million to \$144.2 million. The unassigned portion of that fund balance was \$127.3 million, up \$16.9 million from the unassigned fund balance at the end of 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts:

- Management's Discussion and Analysis (this section)
- Basic Financial Statements (including Notes)
- Required Supplemental Information
- Other Supplemental Information

Management's Discussion and Analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the County government. The Basic Financial Statements include Notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required Supplemental Information is provided on the County's pension plan and budget to actual figures for major funds. In addition to these required elements, an optional Other Supplemental Information section is included with combining and other statements that provide particulars about non-major funds.

**Management's Discussion and Analysis
2014 Comprehensive Annual Financial Report**

The following table summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Major features of the government-wide and fund financial statements

	Government-wide statements	Fund financial statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity and component units (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	The activities of the County, that operate like a business, such as the long-term care facility	Instances in which the County administers resources on behalf of others, such as the employee pension plan
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures and changes in fund balances (deficits)	Statement of net position Statement of revenues, expenses and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Measurement focus and basis of accounting	Economic measurement focus and the accrual basis of accounting.	Current financial resources measurement focus and the modified accrual basis of accounting.	Accrual basis of accounting and economic resources measurement focus	Accrual basis of accounting and economic resources measurement focus
Type of asset, deferred outflow/inflows of resources, and liability information	All assets and liabilities, both financial and capital, short-term and long-term, deferred outflow/inflows of resources.	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year; regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Management's Discussion and Analysis 2014 Comprehensive Annual Financial Report

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the County's assets, deferred outflows/inflows of resources, and liabilities, except fiduciary funds, 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.

The statement of activities focuses on how the County's net position changed during the year. 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.

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 services are received, regardless of when cash is received or paid.

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 primary government and its 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 three discretely presented component units including the Berks County Solid Waste Authority; 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.)

There are two categories of activities for the primary government.

- *Governmental activities* include the County's basic services, such as general and judicial administration, corrections, public safety, public works, and health and welfare services. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities*, such as Berks Heim, the County's long-term care facility, the Residential Center and the Department of Emergency Services, charge a fee to those residents and customers to help cover the cost of services.

Net position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. Principal and interest payments are both considered expenditures when paid. Depreciation is not calculated, since it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

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Government wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays for capital assets
- Report debt principal as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position as follows:
 - Net investment in capital assets
 - Restricted for net position items are those with constraints placed on their use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation.
 - Unrestricted net position is net position that does not meet any of the above restrictions.

Fund financial statements

Fund financial statements provide more detailed information on the County's most significant funds, *not the County as a whole*. Funds are accounting devices, i.e., a group of related accounts, the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. The County has three kinds of funds:

- *Governmental funds* include most of 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. These funds are reported using the modified accrual basis of accounting and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the County's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. The County adopts an annual budget for the general, special revenue and capital project funds, as required by the state law. Budgetary comparisons of the County's non-major funds are presented as Other Supplemental Information.
- *Proprietary funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The County similarly adopts an annual budget for the proprietary funds, as required by the state law. Budgetary comparisons of the County's proprietary funds are presented as Other Supplemental Information. These funds report using the full accrual method of accounting.

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- *Fiduciary funds* are funds for which the County is the trustee or fiduciary. These include the Berks County Employees' Retirement Fund and certain agency 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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Condensed Statement of Net Position

The County of Berks' total net position, liabilities and deferred outflows were \$617.8 million at December 31, 2014 as compared to \$602.9 million as restated at year end 2013. Of the 2014 total, \$306.1 million were capital assets, including infrastructure and construction in progress. 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.

Condensed Statement of Net Position

	Governmental activities		Business-type activities		Total	
	2014	2013 (Restated)	2014	2013 (Restated)	2014	2013 (Restated)
Noncapital assets	\$ 281,465,430	\$ 300,338,088	\$ 21,840,697	\$ 23,225,494	\$ 303,306,127	\$ 323,563,582
Capital assets	<u>212,124,661</u>	<u>230,329,234</u>	<u>94,002,790</u>	<u>48,597,647</u>	<u>306,127,451</u>	<u>278,926,881</u>
Total assets	493,590,091	530,667,322	115,843,487	71,823,141	609,433,578	602,490,463
Deferred outflows	<u>6,057,819</u>	<u>389,718</u>	<u>2,334,065</u>	<u>-</u>	<u>8,391,884</u>	<u>389,718</u>
Total assets and deferred outflows	<u>499,647,910</u>	<u>531,057,040</u>	<u>118,177,552</u>	<u>71,823,141</u>	<u>617,825,462</u>	<u>602,880,181</u>
Current liabilities	59,867,811	55,392,975	27,161,367	26,968,512	87,029,178	82,361,487
Noncurrent liabilities	<u>219,098,844</u>	<u>281,875,492</u>	<u>73,353,522</u>	<u>29,535,735</u>	<u>292,452,366</u>	<u>311,411,227</u>
Total liabilities	278,966,655	337,268,467	100,514,889	56,504,247	379,481,544	393,772,714
Deferred inflows	<u>11,715,726</u>	<u>11,584,273</u>	<u>2,456,047</u>	<u>2,741,788</u>	<u>14,171,773</u>	<u>14,326,061</u>
Total liabilities and deferred inflows	<u>290,682,381</u>	<u>348,852,740</u>	<u>102,970,936</u>	<u>59,246,035</u>	<u>393,653,317</u>	<u>408,098,775</u>
Net position:						
Net investment in capital assets	23,918,071	9,829,007	25,658,496	25,034,275	49,576,567	34,863,282
Restricted	24,326,098	11,685,944	-	-	24,326,098	11,685,944
Unrestricted	<u>160,721,360</u>	<u>160,689,349</u>	<u>(10,451,880)</u>	<u>(12,457,169)</u>	<u>150,269,480</u>	<u>148,232,180</u>
Total net position	<u>\$ 208,965,529</u>	<u>\$ 182,204,300</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 224,172,145</u>	<u>\$ 194,781,406</u>

During 2014, net position increased \$29.4 million, or 15.1 percent to \$224.2 million. Of this amount, \$49.6 million represents the net balance of long-term assets in excess of long-term debt, while \$24.3 million is restricted for various purposes. The unrestricted net position of \$150.3 million represent funds available to support operations or provide for the repayment of long-term debt.

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Changes in Net Position

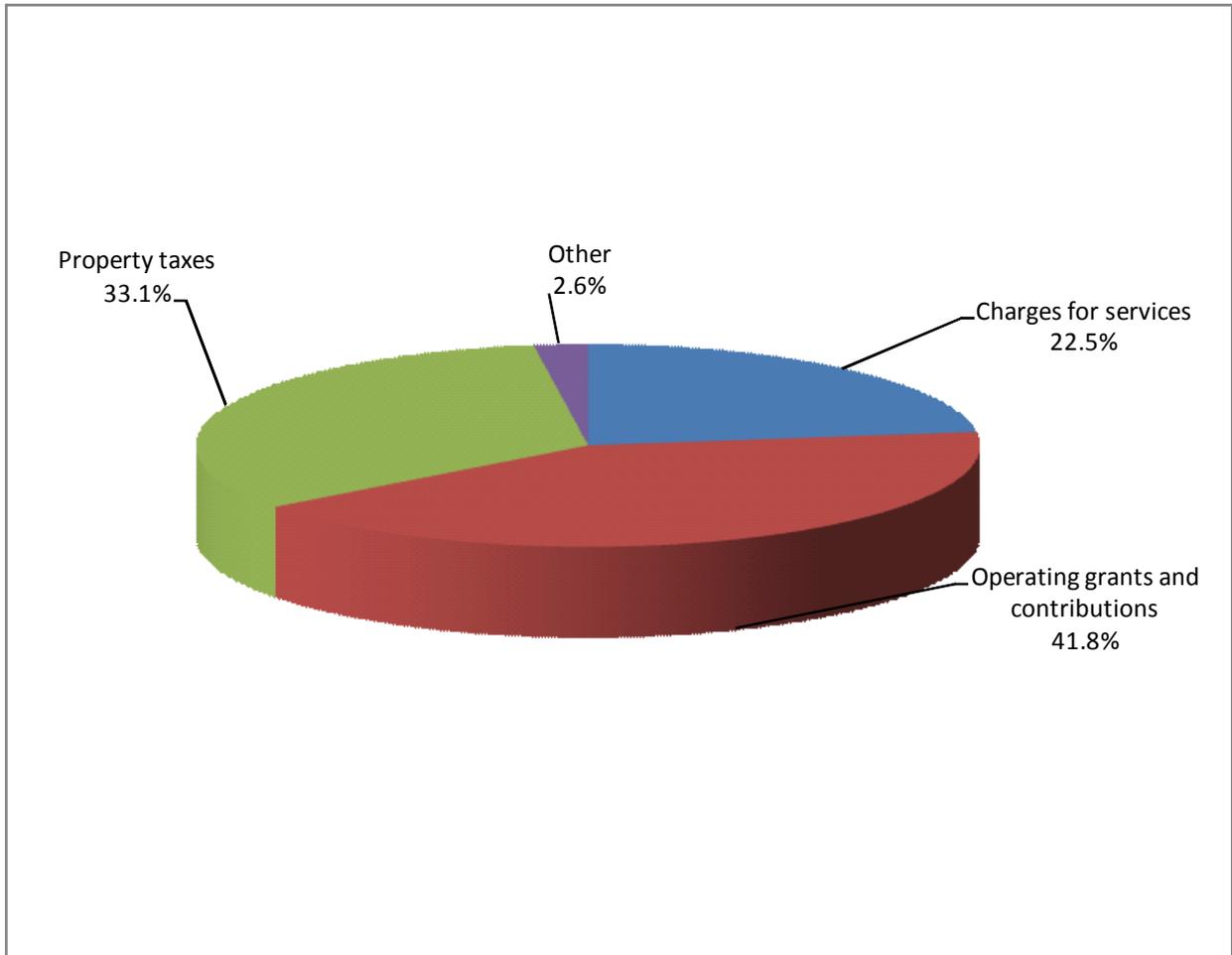
The following statement of activities represents the balances and changes that occurred in net position for the year ended December 31, 2014. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2014	2013 (Restated)	2014	2013 (Restated)	2014	2013 (Restated)
Program revenues:						
Charges for services	\$ 35,070,043	\$ 34,714,981	\$ 57,435,178	\$ 56,019,087	\$ 92,505,221	\$ 90,734,068
Operating grants/contrib.	171,346,332	174,282,405	33,808	51,522	171,380,140	174,333,927
Capital grants/contrib.	5,967,366	3,038,095	59,312	-	6,026,678	3,038,095
General revenues:						
Property taxes	136,033,476	134,808,089	-	-	136,033,476	134,808,089
Hotel room tax	2,055,944	1,844,957	-	-	2,055,944	1,844,957
Payment in lieu of taxes	266,532	220,931	-	-	266,532	220,931
Investment earnings	639,352	550,091	7,349	5,962	646,701	556,053
Change - rate swaps	601,668	-	830,097	-	1,431,765	-
(Loss)/Gain on sale of capital assets	(245,199)	68,874	(2,696)	818	(247,895)	69,692
Rental of space	328,094	356,407	43,998	27,643	372,092	384,050
Total revenues	352,063,608	349,884,830	58,407,046	56,105,032	410,470,654	405,989,862
Expenses:						
General government	15,721,339	18,758,919	-	-	15,721,339	18,758,919
Judicial	48,391,839	47,033,776	-	-	48,391,839	47,033,776
Public safety	58,902,986	58,557,094	-	-	58,902,986	58,557,094
Human services	167,089,187	169,216,796	-	-	167,089,187	169,216,796
Culture and recreation	7,392,985	7,541,491	-	-	7,392,985	7,541,491
Comm & econ developme	5,790,903	4,674,567	-	-	5,790,903	4,674,567
Public works	1,518,619	1,143,574	-	-	1,518,619	1,143,574
Community support	1,825,423	5,706,515	-	-	1,825,423	5,706,515
Debt service	11,239,235	16,320,620	-	-	11,239,235	16,320,620
Solid waste	1,247,078	1,245,347	-	-	1,247,078	1,245,347
Dept of Emer. Serv.	-	-	12,793,480	8,652,660	12,793,480	8,652,660
Residential Center	-	-	5,667,274	6,088,570	5,667,274	6,088,570
Berks Heim	-	-	37,753,556	38,407,434	37,753,556	38,407,434
Total expenses	319,119,594	330,198,699	56,214,310	53,148,664	375,333,904	383,347,363
Other items:						
Transfers/cap contrib	(436,774)	(10,196,998)	436,774	10,196,998	-	-
Transfer to related entity	(5,746,011)	-	-	-	(5,746,011)	-
Total other items	(6,182,785)	(10,196,998)	436,774	10,196,998	(5,746,011)	-
Change in net position	26,761,229	9,489,133	2,629,510	13,153,366	29,390,739	22,642,499
Net position - beginning	182,204,300	178,678,538	12,577,106	4,463,020	194,781,406	183,141,558
Prior Period Adjustments	-	(5,963,371)	-	(5,039,280)	-	(11,002,651)
Net position - ending	\$ 208,965,529	\$ 182,204,300	\$ 15,206,616	\$ 12,577,106	\$ 224,172,145	\$ 194,781,406

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Total government-wide revenues for 2014 were \$410.5 million, coming primarily from program-based operating grants and contributions of \$171.4 million, and represented 41.8 percent of the total. Property taxes at \$136.0 million made up the second largest source at 33.1 percent of the total, followed by charges for services of \$92.5 million, or 22.5 percent. All other revenue sources made up the remaining 2.6 percent. Overall government-wide revenues for 2014 were up 1.1 percent when compared to the prior year. The following chart depicts revenues by source.

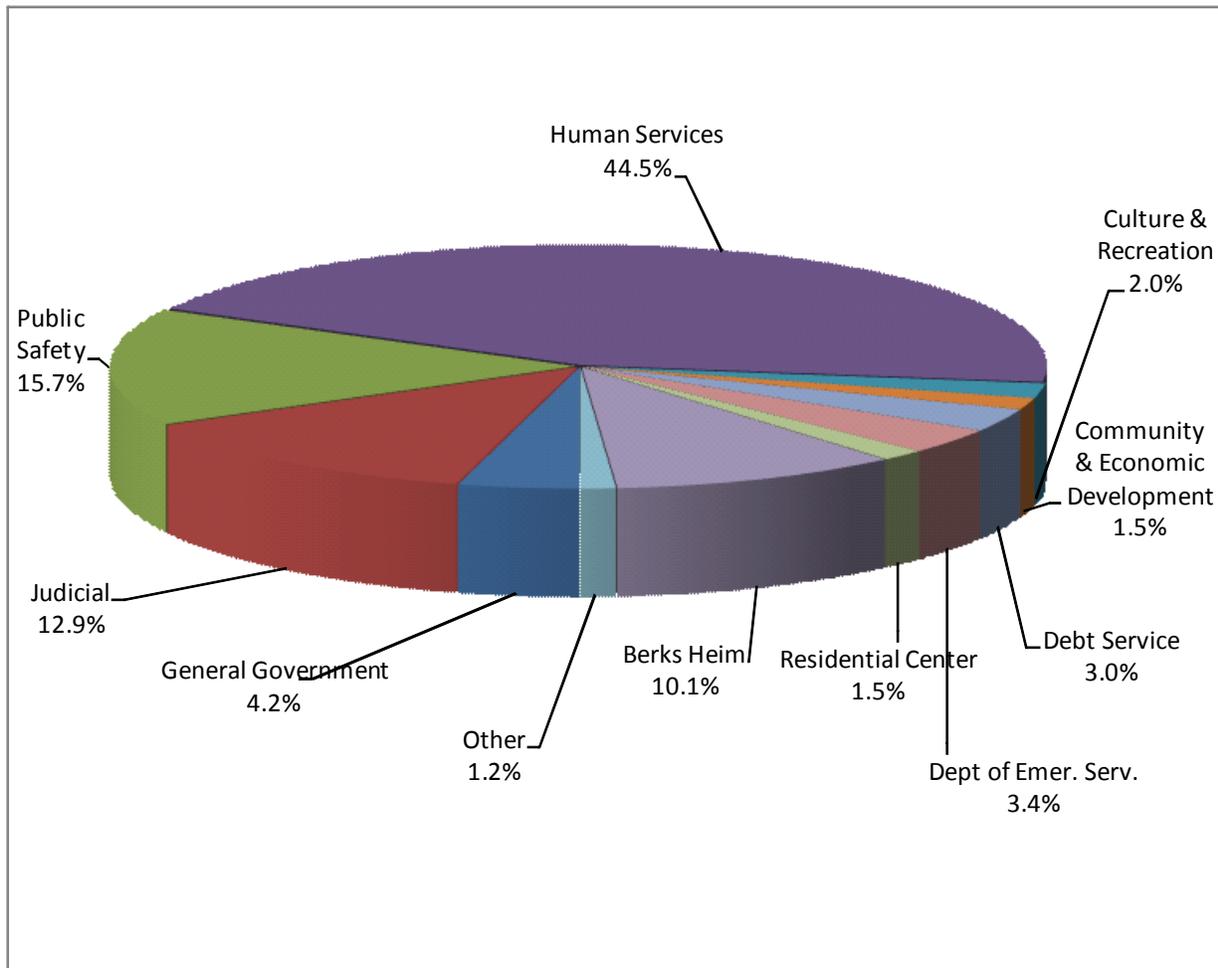
Revenues by source—government-wide basis.



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Total expenses for all programs in 2014 were \$375.3 million. These expenses cover a range of services, with the largest being human services at \$167.1 million or 44.5 percent of the total. The second largest program area was public safety at \$58.9 million or 15.7 percent, followed by judicial administration of \$48.4 million, or 12.9 percent, the operation of the Berks Heim county retirement home at \$37.8 million, or 10.1 percent, general government administration at \$15.7 million, or 4.2 percent, payments on debt service of \$11.2 million, or 3.0 percent, consisting of bond principal, interest, debt issuance and administrative costs, the Department of Emergency Services operation at \$12.8 million, or 3.4 percent. The following chart depicts expenses by source.

Expenses by function—government-wide basis.



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Net program expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for programs of the government after applying specific program revenues from grants and fees. In 2014, general property taxes brought in \$136.0 million. Of the remaining \$4.5 million in other general revenues, \$2.1 million were hotel taxes. The following table presents the comparative net program expenses paid from these general and governmental revenues for the years ended December 31, 2014 and 2013.

Net cost of governmental and business-type activities

	Total cost of services		Net cost of services	
	2014	2013	2014	2013
Program:				
General government	15,721,339	18,758,919	7,801,510	10,380,505
Judicial	48,391,839	47,033,776	34,400,374	33,679,007
Public safety	58,902,986	58,557,094	42,917,834	43,272,640
Human services	167,089,187	169,216,796	7,733,707	8,566,721
Culture and recreation	7,392,985	7,541,491	5,748,628	5,465,498
Comm & econ developme	5,790,903	4,674,567	2,209,612	747,669
Public works	1,518,619	1,143,574	(3,295,586)	(673,251)
Community support	1,825,423	5,706,515	1,752,573	5,621,440
Debt service	11,239,235	16,320,620	9,808,103	13,999,719
Solid waste	1,247,078	1,245,347	(2,340,902)	(2,896,730)
Dept of Emer. Serv.	12,793,480	8,652,660	4,040,191	592,920
Residential Center	5,667,274	6,088,570	(2,029,452)	(942,902)
Berks Heim	37,753,556	38,407,433	(3,324,727)	(2,571,964)
Total program expenses	<u>375,333,904</u>	<u>383,347,362</u>	<u>105,421,865</u>	<u>115,241,272</u>

This table presents the net cost of County services after coverage by program revenues. These remaining costs are covered by County property taxes and other local income sources. The County relied on property taxes and other general revenues to fund 27.8 percent of its total governmental and business-type activities in 2014. Property taxes are based on the assessed value of real property in the County, and changes in these assessed valuations affect tax revenues. The County's assessed valuation of real property increased \$66.7 million (less than a 1% increase) in 2014 to \$ 18.6 billion.

Most of the current increase in valuation is due to continuing growth in residential construction of new housing in the central and eastern end of the county, which serves New Jersey, New York, and Philadelphia area commuters. In 2014, the County derived 33.1 percent of its total revenues from property taxes. The last County tax rate increase was in 2013, with the current millage rate of 7.372 being well below the Commonwealth-set cap of 25 mills for operating costs.

After applying specific program revenues from grants and fees (43.2 percent of total 2014 revenues), property taxes, charges for services, and other general revenues covered the remaining 56.8 percent of general government spending. In like manner, 71.1 percent of judicial system spending was paid from property taxes and other general revenues, with the balance coming from grants, fines and court costs.

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Property taxes and other general revenues covered over 72.9 percent of public safety costs, after applying specific grants, fees and revenues, such as fees from housing Immigration and Customs Enforcement (ICE) detainees.

Human Services was nearly fully funded through grants and charges for services. Public works spending was fully funded through Commonwealth fuel tax and other revenues. Property taxes and other general revenues funded 77.8 percent of the cost of culture and recreation with state aid to libraries making up most of the remainder. Community and economic development was mostly funded from federal and state Housing and Urban Development programs, as well as by the County's agricultural land preservation program (which is funded by a bond issue), with only 38.2 percent coming from County revenues.

Solid Waste revenue includes dumping fees collected at local landfills. The revenue collected, although has stabilized in recent years and still provides what is needed to pay the debt of the Solid Waste Authority (a discrete component unit of the County), fund the cost of hazardous household waste collections and other projects selected by the Board of Commissioners.

Berks Heim, the County's long-term care and retirement facility, was nearly fully funded by Medicaid, other government medical assistance programs, and resident fees. Berks Heim has shown an operating profit in each of the last nine years, since moving into its new facility in Bern Township. The County's Department of Emergency Services showed a net operating loss because of depreciation on the implementation of a countywide tower project. The Berks County Residential Center was funded through a cost reimbursement plan with the federal government.

Capital Assets

The County's investment in capital assets at December 31, 2014, net of accumulated depreciation, was \$306.1 million. Capital assets consist primarily of the categories shown in the table below. During 2014, furniture, fixtures, and equipment, and vehicles, increased substantially with the completion of the 911 Tower & Infrastructure project; agricultural easements continued to grow as a part of the farmland preservation program; and infrastructure increased by the value of the improvements to County owned bridges. The following table presents a summary of capital assets as of December 31, 2014 and 2013. Detailed capital asset information can be found in Note 6, Notes to Financial Statements.

Capital Assets

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Land and land improvements	\$ 14,683,645	\$ 16,020,084	\$ -	\$ -	\$ 14,683,645	\$ 16,020,084
Agricultural easements	76,669,703	75,085,203	-	-	76,669,703	75,085,203
Infrastructure	4,084,588	2,961,489	-	-	4,084,588	2,961,489
Buildings and improvements	77,490,238	81,993,145	35,366,404	36,277,015	112,856,642	118,270,160
Furniture, fixtures, equipment, and vehicles	3,690,434	3,205,271	57,562,348	4,217,322	61,252,782	7,422,593
Historical treasures	2,279,644	2,279,644	-	-	2,279,644	2,279,644
Software in progress	1,437,896	1,065,960	-	-	1,437,896	1,065,960
Construction in progress	31,788,513	47,718,438	1,074,038	8,103,310	32,862,551	55,821,748
Total	\$ 212,124,661	\$ 230,329,234	\$ 94,002,790	\$ 48,597,647	\$ 306,127,451	\$ 278,926,881

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Debt Administration

Long-term debt:

At December 31, 2014, the County had \$295.2 million of debt outstanding, including bonds and notes. This was a decrease of \$15.2 million, or 4.9 percent, from the previous year, and reflects the advance refunding of the 2010 Series A General Obligation Bond with the issuance of the 2014 General Obligation Bonds and continued principal payments. An \$11.4 million prior period adjustment (see Note 1 to the Financial Statements for details) is removed from the change discussed in this paragraph. The following table provides a comparative summary of outstanding debt for the current and prior year.

Summary of outstanding debt

	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Bonds and notes:						
Current portion	\$ 19,477,649	\$ 20,066,723	\$ 1,692,051	\$ 922,977	\$ 21,169,700	\$ 20,989,700
Noncurrent portion	<u>203,053,850</u>	<u>262,360,301</u>	<u>71,001,906</u>	<u>27,108,396</u>	<u>274,055,756</u>	<u>289,468,697</u>
Total	<u>\$ 222,531,499</u>	<u>\$ 282,427,024</u>	<u>\$ 72,693,957</u>	<u>\$ 28,031,373</u>	<u>\$ 295,225,456</u>	<u>\$ 310,458,397</u>

The amount of indebtedness a county may incur is limited by Pennsylvania law to 300 percent (non-electoral) and 400 percent (net non-electoral and lease rental) of a three-year average of the total revenue received, exclusive of governmental grants for a specific purpose. The County's non-electoral debt limit at December 31, 2014 was approximately \$1.31 billion, compared to the total debt applicable to the debt limit of \$234.1 million, which is well below the legal debt limit. The County's net non-electoral and lease rental debt limit at December 31, 2014 was approximately \$1.74 billion, which when compared to applicable debt, is similarly below the legal debt limit. Detailed information about the County's Long-term Debt can be found in Note 10, Notes of the Financial Statements.

Bond rating

As of December 31, 2014, Moody's Investors Services continued to rate the County's general obligation bonds at **Aa1** (Stable Outlook), following the refunding of the 2010 Series A General Obligation bonds.

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 project 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

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bond issues. The major funds are shown on the statement of revenues, expenditures and changes in fund balances (deficits) in the financial statements section.

Governmental fund revenues by source

Governmental fund revenues by source and changes from the prior year are shown in the following table for the years ended December 31, 2014 and December 31, 2013:

Revenues by source, governmental funds

	2014	2013	Increase (Decrease)
Revenues:			
Property Taxes	\$ 136,328,388	\$ 135,388,540	\$ 939,848
Hotel tax	2,055,944	1,844,957	210,987
Court costs, fines and forfeitures	3,524,023	3,724,858	(200,835)
Intergovernmental revenue	178,186,729	177,199,936	986,793
Dept. charges and reimbursements	58,480,623	56,555,546	1,925,077
Payments in lieu of taxes	102,196	51,827	50,369
Rentals	328,094	356,407	(28,313)
Sales of property and equipment	18,250	68,874	(50,624)
Investment earnings	639,352	550,092	89,260
Miscellaneous	2,572,505	4,014,222	(1,441,717)
Total revenues	<u>\$ 382,236,104</u>	<u>\$ 379,755,259</u>	<u>\$ 2,480,845</u>
Other financing sources:			
Issuance of refunding bonds	\$ 10,000,000	\$ -	\$ 10,000,000
Issuance of capital project bonds	-	17,785,000	(17,785,000)
Bond premiums	82,210	2,860,762	(2,778,552)
Transfers in	12,607,913	14,488,107	(1,880,194)
Total other financing sources	<u>\$ 22,690,123</u>	<u>\$ 35,133,869</u>	<u>\$ (12,443,746)</u>

Governmental fund revenues totaled \$382.2 million for the year ended December 31, 2014. This is a decrease of \$2.5 million, or .7 percent from 2013. Explanations for significant changes are as follows:

- Property tax revenue increased by \$.9 million from 2013. Of this amount, approximately \$.5 million was because of an increase in the County's taxable assessed valuation of \$67 million from last year plus an additional \$.4 million received in the current period that did not go through the County's tax claim process.
- Intergovernmental revenue increased by \$1.0 million from 2013. The primary reasons for the overall increase in revenue since last year is as follows:
 - Liquid Fuels fund, a nonmajor fund, had a \$3.0 million increase in state and federal grant revenue since last year. There was a corresponding increase in this fund's expenditures.
 - Child Care Information Services fund, a nonmajor fund, had a \$7.6 million decrease in state and federal grant revenue since last year. 2013 was the final year of these grants and all grant funds were expended through the year ended December 31, 2013.
 - Children and Youth Services fund, a major fund, had a \$1.7 million increase in state and federal grant revenue since last year. There was a corresponding increase in this

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fund's overall expenditures.

- Health Choices fund, a major fund, had a \$4.6 million increase in state grant revenue since last year. There was a corresponding increase in this fund's expenditures.
- General fund had a \$.5 million decrease in revenue since last year. The primary reasons for the overall decrease in revenue since last year is as follows:
 - The Juvenile Probation department had an increase in state grant revenue of \$.5 million since last year.
 - The Parks department had a decrease in state grant revenue of \$.4 million since last year.
 - The Agricultural Preservation department had a decrease in federal grant revenue of \$.3 million since last year.
 - The General fund's interest reimbursement revenue decreased by \$.3 million from last year because the County's overall outstanding bonds and notes payable decreased by approximately \$27 million from last year.
- Departmental charges and reimbursements revenue increased by \$1.9 million from 2013. The primary reasons for the overall increase in revenue since last year is as follows:
 - Children and Youth Services fund, a major fund, had a \$.2 million increase in social security revenue since last year.
 - General fund had a \$1.6 million increase in revenue since last year. The primary reasons for the overall increase in revenue since last year is as follows:
 - Facilities revenue increased \$.8 million since last year because of increases in allocations from other departments.
 - Recorder of Deeds revenue decreased \$.7 million since last year because of decreases in transfer fees collected.
 - Information Systems revenue increased \$.7 million since last year because of increases in allocations from other departments.
 - Solid Waste revenue increased \$.7 million since last year because of increases in solid waste fees collected this year.
 - Recorder of Wills revenue decreased \$.5 million since last year because of decreases in fees collected.
 - Prison revenue increased \$.6 million since last year because of increases in room and board fees collected from a greater census of prisoners.
- Miscellaneous revenue decreased by \$1.4 million from 2013. The primary reason for the overall decrease in revenue since last year is because the prior year balance included \$1.3 million in revenue for the County's wastewater treatment plant project; this revenue did not recur this year. There was also an overall decrease in miscellaneous revenue among the County's remaining governmental funds of \$.1 million.

Other financing sources totaled \$22.7 million for the year ended December 31, 2014. This is a decrease of \$12.4 million, or 35.4 percent from 2013. Explanations for significant changes are as follows:

- Bonds issued decreased by \$7.8 million in 2014 from 2013, since the bonds from 2014 refunded a bond issue and the bonds from 2013 were issued to finance capital projects. The related bond premiums decreased by \$2.8 million in 2014 from 2013.
- Transfers in decreased by \$1.8 million in 2014 from 2013, because less transfers to special revenue funds were made during 2014 compared to 2013.

**Management's Discussion and Analysis
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Governmental fund expenditures

Governmental fund expenditures by function and changes from the prior year are shown in the following table for the years ended December 31, 2014 and December 31, 2013:

<u>Expenditures by function, governmental funds</u>			
	2014	2013	Increase (Decrease)
Expenditures:			
General government, administrative	\$ 41,134,083	\$ 39,852,191	\$ 1,281,892
General government, judicial	50,335,681	49,460,353	875,328
Public safety	61,456,822	58,692,210	2,764,612
Human services	167,515,886	169,602,996	(2,087,110)
Culture and recreation	6,435,971	7,885,299	(1,449,328)
Community and economic development	6,820,729	6,526,379	294,350
Public works	5,699,803	2,721,058	2,978,745
Community support	6,010,024	5,061,857	948,167
Intergovernmental expense - Solid Waste	998,452	997,007	1,445
Contingency general	(29,554)	-	(29,554)
Debt service	25,528,577	27,626,735	(2,098,158)
Capital outlay	26,310,999	24,595,446	1,715,553
Total expenditures	<u>\$ 398,217,473</u>	<u>\$ 393,021,531</u>	<u>\$ 5,195,942</u>
Other financing uses:			
Payment to escrow agent - bond refunding	\$ 9,963,468	\$ -	\$ 9,963,468
Transfers out	11,870,836	15,816,894	(3,946,058)
Total other financing uses	<u>\$ 21,834,304</u>	<u>\$ 15,816,894</u>	<u>\$ 6,017,410</u>

Governmental fund expenditures totaled \$398.2 million for the year ended December 31, 2014, with an overall increase of \$5.2 million, or 1.3 percent, from 2013. Explanations for significant changes are as follows:

- General government, administrative expenditures primarily increased because of increases in salary expense of \$.3 million, capital outlays of \$.6 million and indirect cost allocations of \$.6 million. The County realized an overall decrease in fringe benefits expense during 2014, \$.7 million of the overall decrease in fringe benefits expense was allocated to this expenditures line item based on overall salaries.
- Public safety expense generally increased because of increases in expenditures in the County's Prison department of \$1.7 million. Prison expenditures primarily increased because of increases in salary expense of \$0.7 million and capital outlays of \$2.0 million. The County realized an overall decrease in fringe benefits expense during 2014, \$.9 million of the overall decrease in fringe benefits expense was allocated to this expenditures line item based on overall salaries. The County also realized a decrease in food expense of \$.1 million.
- Public works expenditures increased by \$3.0 million because of bridge repairs on County owned bridges throughout the County.

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- Capital outlay expenditures increased by \$1.7 million from 2013 because of an overall increase in capital projects during 2014. Expenditures for the 911 infrastructure project increased by \$4.7 million, expenditures for the prison security package upgrade increased by \$1.3 million and expenditures for the envelope project, operational and security, increased by \$0.8 million. Expenditures for façade renovations for the County's services center building, downtown campus and North campus decreased by \$4.8 million.

Other financing uses totaled \$21.8 million for the year ended December 31, 2014. This is an increase of \$6.0 million, or 38.0 percent from 2013. Explanations for significant changes are as follows:

- Bonds were refunded in 2014, resulting in an escrow payment for bond refunding of \$10 million that didn't occur in 2013.
- Transfers out decreased by \$3.9 million in 2014 from 2013, primarily because less transfers to special revenue funds were made during 2014 compared to 2013.

**Management's Discussion and Analysis
2014 Comprehensive Annual Financial Report**

Governmental fund balances and proprietary fund net position

Governmental fund balances and net position for proprietary funds are shown in the following table at December 31, 2014 and December 31, 2013 are as follows:

Governmental fund balances and proprietary fund net position

	2014	2013	Increase (Decrease)
Fund Balances:			
Nonspendable:			
Conversion pay	\$ 70,193	\$ 87,192	\$ (16,999)
Inventories and prepaid expenses	1,326,542	323,698	1,002,844
Restricted:			
Gift fund	13,042	11,479	1,563
Farmland preservation	1,420,374	2,474,198	(1,053,824)
Hazmat response	1,515,820	1,435,456	80,364
Act 198 - Courts	197,358	122,231	75,127
Workers' compensation	362,229	420,408	(58,179)
Special revenue funds	6,655,563	7,060,580	(405,017)
Services Center parking garage	154,523	78,000	76,523
Act 13 Marcellus Shale money	550,978	338,945	212,033
Capital projects funds	15,808,953	42,116,278	(26,307,325)
Assigned:			
222 Corridor	5,000,000	5,000,000	-
Capital purchases	-	454,156	(454,156)
Debt service guarantees	-	582,000	(582,000)
911 Radio project	587,261	1,124,239	(536,978)
Environmental litigation	230,761	379,882	(149,121)
Encumbrances	399,438	362,357	37,081
Health care self insurance	4,000,000	4,000,000	-
Waster Water Treatment Plant	1,105,791	1,260,105	(154,314)
Unassigned	<u>127,304,922</u>	<u>114,198,094</u>	<u>13,106,828</u>
Total fund balance	<u>\$ 166,703,748</u>	<u>\$ 181,829,298</u>	<u>\$ (15,125,550)</u>
Net position:			
Net investment in capital assets			
Department of Emergency Services	\$ 12,644,476	\$ 12,042,355	\$ 602,121
Berks County Residential Center	4,015,328	3,950,440	64,888
Berks Heim	8,998,692	9,041,480	(42,788)
Unrestricted position (deficit)			
Department of Emergency Services	(5,502,905)	(3,182,981)	(2,319,924)
Berks County Residential Center	827,131	(60,870)	888,001
Berks Heim	<u>(5,776,106)</u>	<u>(9,213,318)</u>	<u>3,437,212</u>
Total net position	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 2,629,510</u>

Management's Discussion and Analysis

2014 Comprehensive Annual Financial Report

The County's governmental funds reported a combined fund balance of \$166.7 million at December 31, 2014. This total is comprised of:

- Nonspendable fund balance of \$1.4 million, which represents amounts either not in spendable form, or are legally required to be maintained intact.
- Restricted fund balance of \$26.7 million, which represents amounts to be used for specific purposes either by external groups or by law through constitutional provisions or enabling legislation.
- Assigned fund balance of \$11.3 million, which represents amounts to be used for specific purposes by the County.
- Unassigned fund balance of \$127.3 million, which represents amounts available to be used for current or future operating needs of the County that have not been assigned to other funds, and have not been restricted, committed or assigned to specific purposes within the General Fund.

Changes in each classification of the County's governmental funds fund balance are explained below:

- Nonspendable fund balance increased by \$1.0 million compared to 2013, primarily because of a prepaid lease and prepaid fringe benefits during 2014.
- Restricted fund balance decreased by \$27.4 million compared to 2013, primarily because of capital projects spending on the Tower and Infrastructure project, continued spending on farmland preservation, and bridge construction during 2014.
- Assigned fund balance decreased by \$1.8 million compared to 2013, primarily because of the 911 radio project winding down during 2014, capital project spending, and release of assignment on debt service guarantees during 2014.
- Unassigned fund balance increased by \$13.1 million compared to 2013, primarily because of general fund revenues exceeding expenses by \$17.4 million prior to other financing sources and uses. Expense savings that contributed to this increase include leaner operations in public safety, resulting in \$3.3 million of savings, delay of Parks expenditures of \$2.0 million, general government, administrative savings of \$5.5 million primarily in insurance and Facilities, and streamlined services in Judicial functions, resulting in a savings of \$1.7 million.

The County's proprietary fund's reported a combined net position of \$15.2 million at December 31, 2014. This total is comprised of:

- Net investment in capital assets of \$25.7 million
- Unrestricted deficit of \$10.5 million

Changes in each classification of the County's proprietary funds' net position are explained below:

- Net investment in capital assets increased \$.7 million compared to 2013, primarily because of investment in Department of Emergency Services towers and infrastructure.
- Unrestricted net position (deficit) decreased by \$2.0 million compared to 2013, primarily because of a correction to prior fund balance in Berks County Residential Center and a receivable from the federal government and an increase to Department of Emergency Services of depreciation expense related to Towers and Infrastructure which increased overall depreciation expense by \$2.1 million for all capital assets and transfers of \$1.4 million from the General Fund to Department of Emergency Services that didn't occur in 2014 but did occur in 2013.

Management's Discussion and Analysis 2014 Comprehensive Annual Financial Report

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 with Commissioner approval, as needed, on a weekly basis 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.

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 2014, the General Fund revenue budget, excluding transfers and bond proceeds, decreased \$.6 million during the year from the original approved budget of \$213.7 million to the final budget of \$213.1 million. Actual revenues received of \$211.2 million were \$1.9 million less than the final budget. The overall less than budget condition for revenues can be traced primarily to reduced investment earnings and reduced grants.

The General Fund expenditure budget, excluding transfers and the payment to the bond escrow agent, increased \$2.7 million during 2014 from the original budget of \$205.9 million to the final budget of \$208.6 million. Actual expenditures of \$193.8 million were \$14.7 million lower than the final budget. The overall less than budget condition for expenses can be traced primarily as Parks projects and expenditures were delayed and/or reorganized, budgeted contingency expenses were not used, Facilities costs were lower than expected, and overall general government expenses were lower than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions

The economic recovery continued to strengthen in 2014 as measured by the key economic statistics. Highlighting the strengthening economy continued to be double-digit stock market gains. The bull market continued into its sixth year. The Dow Jones industrial average returned 11% during the year 2014 and the Standard & Poor's 500 index returned 14%. Moreover, the nation's gross domestic product increased 2.4%, the greatest increase since 2010. Hiring and consumer confidence continued to improve. The year 2014 produced the best level of job growth since 1999 and manufacturing jobs were added by 15,000 per month. The high school graduation rate is the highest ever and more Americans are earning post-secondary degrees than ever before.

The Berks County economy is broad-based, containing many sectors included 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.

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 2012 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 1,699 additional acres during 2014, bringing total acreage under preservation to 67,970 acres on 679 farms.

Overall, the economic outlook remains positive for Berks County as several major construction projects have recently been undertaken. The Reading Hospital continues to expand and the Doubletree Hotel in the City of Reading is currently under construction. The hotel with its conference center figures to be the major revitalization project for the City of Reading as the city provides greater services to the area. Overhauls to the bridges leading in to the city are already in the planning stages. As noted above, manufacturing continues to be the largest sector in Berks County's economy and with the development of Berks Park 78, more national companies will strive to select Berks as a primary location.

Market impact on investment income

The County did experience, however, an increase in its investment earnings during the year (\$647 thousand in 2014 versus \$556 thousand in 2013). This comes after several consecutive decreases in investment earnings. This is primarily attributed to economic recovery. During late 2014, the Commissioners approved a partial advance refunding, replacing existing debt and related financial instruments with \$10.0 million of new 2014 General Obligation Bonds. The Commonwealth 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, 2014 net position valued at \$413.0 million, experienced investment income, net of investment expense, of \$23.0 million during 2014. During the year, the Retirement Fund had a diversified asset allocation program with targets of 60 percent equities, 40 percent fixed investments and less than 1 percent cash. Due to the prefunding of the pension plan in 2012 with cash and pension bonds totaling \$60 million, the County has minimized future required contributions to the plan. Based on investment experience and the prefunding of the plan, the contributions in 2014 were \$234 thousand, which is a decrease from \$2.7 million in 2013, and \$9.8 million in 2012. 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 2014. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for the 2015 will be \$1.4 million. The 2015 contribution is 1.4 percent of estimated 2015 compensation of \$101 million.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2014, 41.8 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 33.1 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 2015, the County adopted a balanced budget at \$456.5 million in revenues, through the use of \$3.2 of fund balance reserves to offset a revenue shortfall to expenditures. It was decided that it would be more prudent to use 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 throughout 2015. The 2015 budget continues to focus on several fiscal initiatives of no deficit spending, no net new headcount and no property tax increase.

As in the current year, the greatest challenge to the upcoming 2015 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 2015 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. When combined with escalating wage, healthcare, pension and fuel costs, this continues the tremendous pressure on our budget. Traditional sources for increased in tax revenue from higher assessed property values are not keeping up with growing 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. Other efforts include re-designing processes, 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	\$ 138,859,432	\$ 4,889,761	\$ 143,749,193	\$ 22,629,227
Cash and cash equivalents, restricted	26,654,078	73,341	26,727,419	2,425,035
Investments	1,780,066	-	1,780,066	10,415,703
Investments, restricted	6,120,500	224,860	6,345,360	-
Taxes receivable, net	8,809,263	-	8,809,263	-
Accounts receivable, net	14,800,782	6,064,418	20,865,200	5,478,060
Notes receivable	800,000	-	800,000	-
Due from other governments	10,839,970	374,354	11,214,324	144,332
Due from other funds	20,300,857	(20,300,946)	(89)	-
Due from fiduciary funds	89	-	89	-
Inventories	262,218	131,762	393,980	21,450
Prepaid expenses	1,064,324	2,091,236	3,155,560	537,041
Deposits	90,851	-	90,851	-
Total current assets	<u>230,382,430</u>	<u>(6,451,214)</u>	<u>223,931,216</u>	<u>41,650,848</u>
Noncurrent assets:				
Investments	2,760,133	-	2,760,133	-
Loans receivable	11,047,655	-	11,047,655	-
Restricted assets:				
Employee pay advance	70,193	62,620	132,813	-
Interest receivable	884,151	-	884,151	-
Liens receivable	4,419,852	-	4,419,852	-
Investments	5,968,217	-	5,968,217	60,739
Net pension asset	25,932,799	7,928,345	33,861,144	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated:				
Land	10,594,416	-	10,594,416	5,717,955
Historical treasures	2,279,644	-	2,279,644	-
Agland easements	76,669,703	-	76,669,703	103,002
Software in progress	1,437,896	-	1,437,896	-
Construction in progress	31,788,513	1,074,038	32,862,551	1,006,276
Capital assets, net of accumulated depreciation:				
Land improvements	4,089,229	-	4,089,229	2,089,393
Buildings and improvements, net	77,490,238	35,366,404	112,856,642	45,782,962
Furniture, fixtures, equipment and vehicles, net	3,690,434	57,562,348	61,252,782	2,590,033
Infrastructure, net	4,084,588	-	4,084,588	23,298,492
Leasehold improvements	-	-	-	1,007,738
Total noncurrent assets	<u>263,207,661</u>	<u>101,993,755</u>	<u>365,201,416</u>	<u>82,566,023</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	1,040,342	21,657	1,061,999	-
Derivative swap agreement	167,831	830,097	997,928	-
Pension	4,849,646	1,482,311	6,331,957	-
Deferred charge on bond refunding	-	-	-	539,319
Loss on debt refinancing, net of accumulated amortization	-	-	-	184,654
Total deferred outflows of resources	<u>6,057,819</u>	<u>2,334,065</u>	<u>8,391,884</u>	<u>723,973</u>
Total assets and deferred outflows of resources	<u>499,647,910</u>	<u>97,876,606</u>	<u>597,524,516</u>	<u>124,940,844</u>

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 22,323,142	\$ 2,493,255	\$ 24,816,397	\$ 1,790,455
Accrued liabilities	3,998,331	1,245,519	5,243,850	1,044,879
Due to other governments	1,339,459	-	1,339,459	-
Unearned revenue	-	-	-	4,192,135
Advance revenue	549,418	-	549,418	-
Due to third parties	1,850,309	-	1,850,309	-
Accrued interest payable	1,370,652	409,559	1,780,211	12,075
Compensated absences	995,247	360,256	1,355,503	464,851
Deposits	-	-	-	33,849
Accrued claims health insurance	7,739,284	474,606	8,213,890	-
Accrued claims liability	224,320	185,175	409,495	-
Notes payable, agricultural easement	59,700	-	59,700	-
Bonds and notes payable	19,417,949	1,692,051	21,110,000	2,290,649
Total current liabilities	<u>59,867,811</u>	<u>6,860,421</u>	<u>66,728,232</u>	<u>9,828,893</u>
Noncurrent liabilities:				
Compensated absences	3,027,778	841,046	3,868,824	452,145
Accrued claims liability	1,829,892	1,510,570	3,340,462	400,000
Postretirement benefit liability	-	-	-	243,452
Bonds and notes payable	203,053,850	71,001,906	274,055,756	20,805,580
Payable from restricted assets	11,187,324	-	11,187,324	-
Total noncurrent liabilities	<u>219,098,844</u>	<u>73,353,522</u>	<u>292,452,366</u>	<u>21,901,177</u>
Total liabilities	<u>278,966,655</u>	<u>80,213,943</u>	<u>359,180,598</u>	<u>31,730,070</u>
Deferred inflows of resources:				
Deferred grant revenue	11,715,726	50,426	11,766,152	-
Deferred rent revenue	-	-	-	3,357,989
Unamortized bond refunding gain	-	2,405,621	2,405,621	-
Total deferred inflows of resources	<u>11,715,726</u>	<u>2,456,047</u>	<u>14,171,773</u>	<u>3,357,989</u>
Net Position:				
Net investment in capital assets	23,918,071	25,658,496	49,576,567	61,265,819
Restricted for:				
Gift fund	13,042	-	13,042	-
Farmland preservation	1,420,374	-	1,420,374	-
Hazmat response	1,515,820	-	1,515,820	-
Act 198 - Courts	197,358	-	197,358	-
Debt service	-	-	-	569,267
Program purposes - Special revenue funds	21,179,504	-	21,179,504	-
Capital improvements, net of related debt	-	-	-	1,629,561
Foundation for Reading Area Community College	-	-	-	11,020,895
Unrestricted (deficit)	160,721,360	(10,451,880)	150,269,480	15,367,243
Total net position	<u>\$ 208,965,529</u>	<u>\$ 15,206,616</u>	<u>\$ 224,172,145</u>	<u>\$ 89,852,785</u>

See accompanying notes to the financial statements.

	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 31,697,451	\$ (15,976,112)	\$ 7,892,340	\$ 27,489	\$ -
Judicial	40,877,786	7,514,053	12,229,763	1,715,914	45,788
Public safety	55,822,319	3,080,667	7,219,251	8,732,946	32,955
Human services	164,199,174	2,890,013	1,842,966	157,003,426	509,088
Culture and recreation	7,163,200	229,785	112,481	1,322,710	209,166
Community and economic development	5,356,419	434,484	672,165	2,530,060	379,066
Public works	1,433,880	84,739	22,902	-	4,791,303
Community support	1,823,195	2,228	72,850	-	-
Debt service administrative expenses	11,238,386	849	1,431,132	-	-
Solid waste	1,239,533	7,545	3,574,193	13,787	-
Total governmental activities	<u>320,851,343</u>	<u>(1,731,749)</u>	<u>35,070,043</u>	<u>171,346,332</u>	<u>5,967,366</u>
Business-type activities					
Department of Emergency Services	12,458,202	335,278	8,753,289	-	-
Berks County Residential Center	5,278,311	388,963	7,664,164	32,562	-
Berks Heim	36,746,048	1,007,508	41,017,725	1,246	59,312
Total business-type activities	<u>54,482,561</u>	<u>1,731,749</u>	<u>57,435,178</u>	<u>33,808</u>	<u>59,312</u>
Total primary government	<u>\$ 375,333,904</u>	<u>\$ -</u>	<u>\$ 92,505,221</u>	<u>\$ 171,380,140</u>	<u>\$ 6,026,678</u>
Component units:					
Total component units	<u>\$ 51,249,454</u>	<u>\$ -</u>	<u>\$ 18,958,095</u>	<u>\$ 16,388,243</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	\$ (7,801,510)	\$ -	\$ (7,801,510)	
Judicial	(34,400,374)	-	(34,400,374)	
Public safety	(42,917,834)	-	(42,917,834)	
Human services	(7,733,707)	-	(7,733,707)	
Culture and recreation	(5,748,628)	-	(5,748,628)	
Community and economic development	(2,209,612)	-	(2,209,612)	
Public works	3,295,586	-	3,295,586	
Community support	(1,752,573)	-	(1,752,573)	
Debt Service administrative expenses	(9,808,103)	-	(9,808,103)	
Solid waste	2,340,902	-	2,340,902	
Total governmental activities	<u>(106,735,853)</u>	<u>-</u>	<u>(106,735,853)</u>	
Business-type activities				
Department of Emergency Services	-	(4,040,191)	(4,040,191)	
Berks County Residential Center	-	2,029,452	2,029,452	
Berks Heim	-	3,324,727	3,324,727	
Total business-type activities	<u>-</u>	<u>1,313,988</u>	<u>1,313,988</u>	
Total primary government	<u>(106,735,853)</u>	<u>1,313,988</u>	<u>(105,421,865)</u>	
Component units:				
Total component units				<u>\$ (15,903,116)</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes	136,033,476	-	136,033,476	-
Hotel tax	2,055,944	-	2,055,944	-
Payments in lieu of taxes	266,532	-	266,532	-
Payments from County of Berks	-	-	-	3,350,000
Payments from other governments	-	-	-	10,278,288
Investment earnings	639,352	7,349	646,701	1,737,972
Change in fair value of interest rate swaps	601,668	830,097	1,431,765	-
Miscellaneous/other	-	-	-	1,298,056
Loss on disposal of capital assets	(245,199)	(2,696)	(247,895)	(512,710)
Rental of space	328,094	43,998	372,092	-
Transfers of assets to related entity	(5,746,011)	-	(5,746,011)	-
Transfers	(436,774)	436,774	-	-
Total general revenue and transfers	<u>133,497,082</u>	<u>1,315,522</u>	<u>134,812,604</u>	<u>16,151,606</u>
Change in net position	26,761,229	2,629,510	29,390,739	248,490
Net position - beginning, as restated	182,204,300	12,577,106	194,781,406	89,604,295
Net position - ending	<u>\$ 208,965,529</u>	<u>\$ 15,206,616</u>	<u>\$ 224,172,145</u>	<u>\$ 89,852,785</u>

See accompanying notes to the financial statements.

	General	Children and Youth Services	Community Development
Assets:			
Cash and cash equivalents	\$ 129,053,803	\$ 1,300	\$ 42,354
Cash and cash equivalents, restricted	2,346,877	13,010	-
Investments	249,000	-	-
Investments, restricted	1,703,140	-	-
Taxes receivable	8,693,389	-	-
Accounts receivable	14,676,129	9,432	8,728
Accrued interest receivable	650	-	820,966
Due from other governments	2,568,041	4,626,130	166,171
Due from other funds	11,898,213	2,793,274	70,449
Inventories	262,218	-	-
Prepaid expenses	1,044,370	-	-
Deposits	90,851	-	-
Loans receivable	3,332,655	-	4,719,852
Investments, non-current	-	-	-
Investments, non-current, restricted	-	-	-
Total assets	\$ 175,919,336	\$ 7,443,146	\$ 5,828,520
Liabilities:			
Accounts payable	\$ 5,256,443	\$ 3,808,238	\$ 287,116
Accrued liabilities	2,910,784	520,233	-
Due to other funds	-	-	-
Due to other governments	1,339,459	-	-
Deferred revenue	17,745,062	-	5,240,818
Advance revenue	1,337,741	2,930,175	300,000
Due to third parties	1,929,396	24,023	-
Accrued claims health insurance	1,204,661	140,835	2,594
Payable from restricted assets	-	-	-
Total liabilities	31,723,546	7,423,504	5,830,528
Fund balances:			
Nonspendable:			
Conversion pay	57,739	6,600	-
Inventories and prepaid expenses	1,306,588	-	-
Restricted:			
Gift fund	-	13,042	-
Farmland preservation	1,420,374	-	-
Hazmat response	1,515,820	-	-
Act 198 - Courts	197,358	-	-
Workers' compensation	362,229	-	-
Special revenue funds	-	-	-
Services Center Parking Garage	154,523	-	-
Act 13 Marcellus Shale Money	550,978	-	-
Capital projects	-	-	-
Assigned:			
222 Corridor	5,000,000	-	-
911 Radio project	587,261	-	-
Environmental litigation	230,761	-	-
Encumbrances	399,438	-	-
Health care self insurance	4,000,000	-	-
Waste Water Treatment Plant	1,105,791	-	-
Unassigned	127,306,930	-	(2,008)
Total fund balances (deficit)	144,195,790	19,642	(2,008)
Total liabilities and fund balances (deficit)	\$ 175,919,336	\$ 7,443,146	\$ 5,828,520

See accompanying notes to the financial statements.

	Health Choices	Capital Projects	Nonmajor	Total Governmental
Assets:				
Cash and cash equivalents	\$ 7,477,276	\$ -	\$ 2,284,699	\$ 138,859,432
Cash and cash equivalents, restricted	371,943	20,567,988	3,354,260	26,654,078
Investments	-	-	1,531,066	1,780,066
Investments, restricted	4,417,360	-	-	6,120,500
Taxes receivable	-	-	115,874	8,809,263
Accounts receivable	-	-	176,695	14,870,984
Accrued interest receivable	2,217	-	-	823,833
Due from other governments	-	-	3,479,710	10,840,052
Due from other funds	104,325	2,323,956	4,841,415	22,031,632
Inventories	-	-	-	262,218
Prepaid expenses	-	-	19,954	1,064,324
Deposits	-	-	-	90,851
Loans receivable	-	-	-	8,052,507
Investments, non-current	-	-	2,760,133	2,760,133
Investments, non-current, restricted	5,968,217	-	-	5,968,217
Total assets	<u>\$ 18,341,338</u>	<u>\$ 22,891,944</u>	<u>\$ 18,563,806</u>	<u>\$ 248,988,090</u>
Liabilities:				
Accounts payable	\$ 1,514,345	\$ 7,082,991	\$ 4,373,562	\$ 22,322,695
Accrued liabilities	11,117	-	461,202	3,903,336
Due to other funds	-	-	1,730,775	1,730,775
Due to other governments	-	-	-	1,339,459
Deferred revenue	5	-	498	22,986,383
Advance revenue	-	-	5,316,398	9,884,314
Due to third parties	-	-	-	1,953,419
Accrued claims health insurance	5,628,392	-	-	6,976,482
Payable from restricted assets	11,187,479	-	-	11,187,479
Total liabilities	<u>18,341,338</u>	<u>7,082,991</u>	<u>11,882,435</u>	<u>82,284,342</u>
Fund balances:				
Nonspendable:				
Conversion pay	-	-	5,854	70,193
Inventories and prepaid expenses	-	-	19,954	1,326,542
Restricted:				
Gift fund	-	-	-	13,042
Farmland preservation	-	-	-	1,420,374
Hazmat response	-	-	-	1,515,820
Act 198 - Courts	-	-	-	197,358
Workers' compensation	-	-	-	362,229
Special revenue funds	-	-	6,655,563	6,655,563
Services Center Parking Garage	-	-	-	154,523
Act 13 Marcellus Shale Money	-	-	-	550,978
Capital projects	-	15,808,953	-	15,808,953
Assigned:				
222 Corridor	-	-	-	5,000,000
911 Radio project	-	-	-	587,261
Environmental litigation	-	-	-	230,761
Encumbrances	-	-	-	399,438
Health care self insurance	-	-	-	4,000,000
Waste Water Treatment Plant	-	-	-	1,105,791
Unassigned	-	-	-	127,304,922
Total fund balances (deficit)	<u>-</u>	<u>15,808,953</u>	<u>6,681,371</u>	<u>166,703,748</u>
Total liabilities and fund balances (deficit)	<u>\$ 18,341,338</u>	<u>\$ 22,891,944</u>	<u>\$ 18,563,806</u>	<u>\$ 248,988,090</u>

See accompanying notes to the financial statements.

Total fund balances for governmental funds \$ 166,703,748

Total net assets 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	\$ 14,683,645	
Agland easements	76,669,703	
Infrastructure, net	4,084,588	
Building and improvements, net	77,490,238	
Furniture, fixtures, equipment and vehicles, net	3,690,434	
Historical treasures	2,279,644	
Software in Progress	1,437,896	
Construction in progress	<u>31,788,513</u>	
		212,124,661

The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore not reported in the funds. 30,782,445

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	2,726,029	
Delinquent property taxes	3,747,113	
Clerk of Courts departmental charges and reimbursements	7,231,325	
Community Development liens receivable	5,240,818	
District Justices departmental charges and reimbursements	<u>1,660,270</u>	
		20,605,555

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	8,215,000	
Accrued interest receivable from Greater Berks Development Fund	<u>60,318</u>	
		8,275,318

Other liabilities not paid until future periods that are a current period expense.

Payroll and payroll taxes		(123,184)
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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 assets. 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, 2014 are:

Swap agreement	167,831	
Accrued interest on bonds and notes	(1,370,652)	
Compensated absences	(4,023,025)	
Accrued claims health/other insurance	(631,799)	
Accrued claims liabilities	(2,054,212)	
Bonds and notes payable	<u>(221,491,157)</u>	
		(229,403,014)

Total net position of governmental activities \$ 208,965,529

See accompanying notes to the financial statements.



Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Governmental Funds
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	General Fund	Children and Youth Services	Community Development
Revenues			
Taxes:			
Property	\$ 136,328,388	\$ -	\$ -
Hotel	-	-	-
Court costs, fines and forfeitures	3,524,023	-	-
Intergovernmental revenue	12,838,766	33,619,775	2,162,092
Departmental charges and reimbursement	55,153,008	990,746	508,169
Payments in lieu of taxes	102,196	-	-
Rentals	318,194	-	-
Sales of property, supplies and equipment	18,250	-	-
Investment earnings	582,834	15,092	4
Miscellaneous	2,323,831	1,635	49,572
Total revenues	<u>211,189,490</u>	<u>34,627,248</u>	<u>2,719,837</u>
Expenditures			
Current:			
General government, administrative	38,853,096	-	-
General government, judicial	50,311,329	-	-
Public safety	61,456,822	-	-
Human services	-	39,266,230	-
Culture and recreation	6,435,971	-	-
Community and economic development	4,075,825	-	2,744,904
Public works	197,993	-	-
Community support	6,010,024	-	-
Intergovernmental expenditures - Solid waste	998,452	-	-
Contingency general	(29,554)	-	-
Debt service:			
Principal	19,026,576	-	-
Interest and fiscal charges	6,274,112	-	-
Debt issuance costs	118,742	-	-
Administrative expenses	108,947	-	-
Capital outlay	-	-	-
Total expenditures	<u>193,838,335</u>	<u>39,266,230</u>	<u>2,744,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,351,155</u>	<u>(4,638,982)</u>	<u>(25,067)</u>
Other financing sources (uses)			
Issuance of refunding bonds	10,000,000	-	-
Premium on issuance of refunding bonds	82,210	-	-
Payment to escrow agent - bond refunding	(9,963,468)	-	-
Transfers in	3,496,321	4,905,381	-
Transfers out	(9,398,934)	(264,836)	(7,447)
Total other financing sources (uses)	<u>(5,783,871)</u>	<u>4,640,545</u>	<u>(7,447)</u>
Net changes in fund balances (deficits)	<u>11,567,284</u>	<u>1,563</u>	<u>(32,514)</u>
Fund balances, beginning, as restated	132,628,506	18,079	30,506
Fund balances (deficits), ending	<u>\$ 144,195,790</u>	<u>\$ 19,642</u>	<u>\$ (2,008)</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Governmental Funds
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Health Choices	Capital Projects	Nonmajor	Total Governmental
Revenues				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 136,328,388
Hotel	-	-	2,055,944	2,055,944
Court costs, fines and forfeitures	-	-	-	3,524,023
Intergovernmental revenue	83,617,166	-	45,948,930	178,186,729
Departmental charges and reimbursement	-	-	1,828,700	58,480,623
Payments in lieu of taxes	-	-	-	102,196
Rentals	-	-	9,900	328,094
Sales of property, supplies and equipment	-	-	-	18,250
Investment earnings	10,538	3,874	27,010	639,352
Miscellaneous	-	-	197,467	2,572,505
Total revenues	<u>83,627,704</u>	<u>3,874</u>	<u>50,067,951</u>	<u>382,236,104</u>
Expenditures				
Current:				
General government, administrative	-	-	2,280,987	41,134,083
General government, judicial	-	-	24,352	50,335,681
Public safety	-	-	-	61,456,822
Human services	83,616,774	-	44,632,882	167,515,886
Culture and recreation	-	-	-	6,435,971
Community and economic development	-	-	-	6,820,729
Public works	-	-	5,501,810	5,699,803
Community support	-	-	-	6,010,024
Intergovernmental expenditures - Solid waste	-	-	-	998,452
Contingency general	-	-	-	(29,554)
Debt service:				
Principal	-	-	-	19,026,576
Interest and fiscal charges	-	-	-	6,274,112
Debt issuance costs	-	-	-	118,742
Administrative expenses	-	200	-	109,147
Capital outlay	-	26,310,999	-	26,310,999
Total expenditures	<u>83,616,774</u>	<u>26,311,199</u>	<u>52,440,031</u>	<u>398,217,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,930</u>	<u>(26,307,325)</u>	<u>(2,372,080)</u>	<u>(15,981,369)</u>
Other financing sources (uses)				
Issuance of refunding bonds	-	-	-	10,000,000
Premium on issuance of refunding bonds	-	-	-	82,210
Payment to escrow agent - bond refunding	-	-	-	(9,963,468)
Transfers in	-	-	4,206,211	12,607,913
Transfers out	(10,930)	-	(2,188,689)	(11,870,836)
Total other financing sources (uses)	<u>(10,930)</u>	<u>-</u>	<u>2,017,522</u>	<u>855,819</u>
Net changes in fund balances (deficits)	<u>-</u>	<u>(26,307,325)</u>	<u>(354,558)</u>	<u>(15,125,550)</u>
Fund balances, beginning, as restated	-	42,116,278	7,035,929	181,829,298
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ 15,808,953</u>	<u>\$ 6,681,371</u>	<u>\$ 166,703,748</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, 2014

County of Berks
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Net change in fund balances - total governmental funds \$ (15,125,550)

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. In the current period these amounts are:

Expenditures for capital assets / agricultural easements	\$ 37,475,184	
Depreciation expense	<u>(5,958,321)</u>	31,516,863

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 assets. Also, governmental funds report the effect of issuance costs, 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	601,668	
Bond principal repayments	10,401,974	
Bond principal borrowings - refunding	(10,000,000)	
Payment to escrow agent for refunded bonds	9,963,468	
Bond premium/discounts/refunding gains	<u>(61,494)</u>	10,905,616

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: 3,868,301

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	(294,914)	
Services	<u>739,372</u>	444,458

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	(237,567)	
Capital assets and bonds transferred to business type activities	(1,173,851)	
Transfer of assets to related entity	(5,871,499)	
Loss on disposal of capital assets	(245,199)	
Pension deferred outflows of resources	4,849,646	
Net pension obligation	<u>(2,169,989)</u>	<u>(4,848,459)</u>

Change in net assets of governmental activities \$ 26,761,229

See accompanying notes to the financial statements.

	Department of Emergency Services	Berks County Residential Center	Berks Heim	Totals
Assets:				
Current assets:				
Cash and cash equivalents	\$ 4,626,879	\$ 1,000	\$ 261,882	\$ 4,889,761
Cash and cash equivalents, restricted	-	-	73,341	73,341
Investments, restricted	-	-	224,860	224,860
Accounts receivable, net	183,479	687,004	5,193,935	6,064,418
Due from other governments	-	374,354	-	374,354
Due from other funds	-	28,464	-	28,464
Inventories	-	42,747	89,015	131,762
Prepaid expenses	2,049,941	-	41,295	2,091,236
Total current assets	<u>6,860,299</u>	<u>1,133,569</u>	<u>5,884,328</u>	<u>13,878,196</u>
Noncurrent assets:				
Employee pay advance	704	-	61,916	62,620
Pension asset, net	1,395,658	1,004,647	5,528,040	7,928,345
Capital Assets:				
Buildings and improvements, net	316,450	6,499,968	28,549,986	35,366,404
Furniture, fixtures, equipment and vehicles, net	57,242,623	66,038	253,687	57,562,348
Construction in progress	668,570	126,822	278,646	1,074,038
Total noncurrent assets	<u>59,624,005</u>	<u>7,697,475</u>	<u>34,672,275</u>	<u>101,993,755</u>
Deferred outflows of resources:				
Pension	260,243	188,059	1,034,009	1,482,311
Unamortized bond refunding loss	21,657	-	-	21,657
Derivative swap agreement	746,418	12,414	71,265	830,097
Total deferred outflows of resources	<u>1,028,318</u>	<u>200,473</u>	<u>1,105,274</u>	<u>2,334,065</u>
Total assets and deferred outflows of resources	<u>67,512,622</u>	<u>9,031,517</u>	<u>41,661,877</u>	<u>118,206,016</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,204,036	196,357	1,092,862	2,493,255
Accrued liabilities	206,718	135,385	903,416	1,245,519
Due to other funds	11,695,412	-	8,633,998	20,329,410
Accrued interest payable	270,657	18,780	120,122	409,559
Compensated absences	20,689	24,904	314,663	360,256
Accrued claims health insurance	82,558	55,728	336,320	474,606
Accrued claims liability	12,462	8,412	164,301	185,175
Bonds payable, net	1,046,075	89,224	556,752	1,692,051
Total current liabilities	<u>14,538,607</u>	<u>528,790</u>	<u>12,122,434</u>	<u>27,189,831</u>
Noncurrent liabilities:				
Compensated absences	113,870	116,884	610,292	841,046
Accrued claims liability	101,660	68,621	1,340,289	1,510,570
Bonds payable, net	45,611,128	3,474,763	21,916,015	71,001,906
Total noncurrent liabilities	<u>45,826,658</u>	<u>3,660,268</u>	<u>23,866,596</u>	<u>73,353,522</u>
Total liabilities	<u>60,365,265</u>	<u>4,189,058</u>	<u>35,989,030</u>	<u>100,543,353</u>
Deferred inflows of resources:				
Deferred grant revenue	5,786	-	44,640	50,426
Unamortized bond refunding gain	-	-	2,405,621	2,405,621
Total deferred inflows of resources	<u>5,786</u>	<u>-</u>	<u>2,450,261</u>	<u>2,456,047</u>
Net position:				
Net investment in capital assets	12,644,476	4,015,328	8,998,692	25,658,496
Unrestricted position (deficit)	(5,502,905)	827,131	(5,776,106)	(10,451,880)
Total net position	<u>\$ 7,141,571</u>	<u>\$ 4,842,459</u>	<u>\$ 3,222,586</u>	<u>\$ 15,206,616</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position (Deficit)
 Proprietary Funds - Enterprise Funds
 Year ended December 31, 2014

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	Department of Emergency Services	Berks County Residential Center	Berks Heim	Totals
Operating revenues				
Charges for services	\$ 7,836,359	\$ 7,076,383	\$ 38,256,074	\$ 53,168,816
Other operating revenues	657,676	587,781	2,761,654	4,007,111
Total operating revenues	<u>8,494,035</u>	<u>7,664,164</u>	<u>41,017,728</u>	<u>57,175,927</u>
Operating expenses				
Program services	5,715,246	5,306,602	31,508,287	42,530,135
Administrative expenses	2,284,762	-	3,944,052	6,228,814
Depreciation	2,659,445	212,042	1,347,612	4,219,099
Total operating expenses	<u>10,659,453</u>	<u>5,518,644</u>	<u>36,799,951</u>	<u>52,978,048</u>
Operating income (loss)	<u>(2,165,418)</u>	<u>2,145,520</u>	<u>4,217,777</u>	<u>4,197,879</u>
Nonoperating revenues (expenses)				
Grants	-	32,562	60,558	93,120
Investment earnings	6,221	-	1,128	7,349
Change in fair value of interest rate swaps	746,418	12,414	71,265	830,097
Interest expense	(1,874,773)	(148,630)	(953,608)	(2,977,011)
Rental of space	43,998	-	-	43,998
Loss on disposal of capital assets	-	-	(2,696)	(2,696)
Total nonoperating revenues (expenses)	<u>(1,078,136)</u>	<u>(103,654)</u>	<u>(823,353)</u>	<u>(2,005,143)</u>
Income (loss) before transfers	<u>(3,243,554)</u>	<u>2,041,866</u>	<u>3,394,424</u>	<u>2,192,736</u>
Transfers in	1,525,751	-	-	1,525,751
Transfers out	-	(1,088,977)	-	(1,088,977)
Change in net position (deficit)	<u>(1,717,803)</u>	<u>952,889</u>	<u>3,394,424</u>	<u>2,629,510</u>
Total net position (deficit), beginning, as restated	<u>8,859,374</u>	<u>3,889,570</u>	<u>(171,838)</u>	<u>12,577,106</u>
Total net position, ending	<u>\$ 7,141,571</u>	<u>\$ 4,842,459</u>	<u>\$ 3,222,586</u>	<u>\$ 15,206,616</u>

See accompanying notes to the financial statements.

	Department of Emergency Services	Berks County Residential Center	Berks Heim	Totals
Cash flows from operating activities				
Receipts from customers	\$ 8,504,844	\$ 7,174,483	\$ 42,653,132	\$ 58,332,459
Payments to suppliers	(1,446,391)	(1,443,431)	(10,878,508)	(13,768,330)
Payments to employees	(5,736,572)	(3,798,088)	(25,558,121)	(35,092,781)
Net cash provided by operating activities	<u>1,321,881</u>	<u>1,932,964</u>	<u>6,216,503</u>	<u>9,471,348</u>
Cash flows from noncapital financing activities				
Principal paid on bonds	(239,753)	(27,645)	(158,408)	(425,806)
Receipts from other governments	259,254	32,562	60,558	352,374
Receipts from rental of space	43,998	-	-	43,998
Interest paid	(57,069)	(21,683)	(124,471)	(203,223)
Transfers from (to) other funds	1,525,751	(1,088,977)	-	436,774
Amounts due to other funds	2,954,069	(423,067)	(4,230,282)	(1,699,280)
Net cash provided (used) by noncapital financing activities	<u>4,486,250</u>	<u>(1,528,810)</u>	<u>(4,452,603)</u>	<u>(1,495,163)</u>
Cash flows from capital and related financing activities				
Borrowings on bonds	300,000	-	-	300,000
Bond premium	2,466	-	-	2,466
Principal paid on bonds	(1,053,818)	(94,000)	(605,500)	(1,753,318)
Interest paid	(1,811,078)	(127,224)	(829,584)	(2,767,886)
Transfers from other funds for capital acquisition	(1,200,618)	-	-	(1,200,618)
Construction in progress	(1,213,785)	(126,822)	(278,646)	(1,619,253)
Purchase of capital assets	(40,972)	(56,108)	(92,929)	(190,009)
Net cash used by capital and related financing activities	<u>(5,017,805)</u>	<u>(404,154)</u>	<u>(1,806,659)</u>	<u>(7,228,618)</u>
Cash flows from investing activities				
Decrease in investments, restricted	-	-	(112,431)	(112,431)
Investment earnings received	6,221	-	1,128	7,349
Net cash provided (used) by investing activities	<u>6,221</u>	<u>-</u>	<u>(111,303)</u>	<u>(105,082)</u>
Net increase (decrease) in cash and cash equivalents	796,547	-	(154,062)	642,485
Cash and cash equivalents, beginning	3,830,332	1,000	489,285	4,320,617
Cash and cash equivalents, ending	<u>\$ 4,626,879</u>	<u>\$ 1,000</u>	<u>\$ 335,223</u>	<u>\$ 4,963,102</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (2,165,418)	\$ 2,145,520	\$ 4,217,777	\$ 4,197,879
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	2,659,445	212,042	1,347,612	4,219,099
Amortization of bond premium and refunding loss	(54,840)	(6,032)	(330,445)	(391,317)
Changes in assets and liabilities:				
Accounts receivable, net	10,796	(117,522)	1,630,562	1,523,836
Due from other governments	-	(372,159)	-	(372,159)
Employee pay advance	-	-	11,148	11,148
Inventories	-	(3,303)	803	(2,500)
Prepaid expenses	60,514	-	5,451	65,965
Deposits	250,000	-	-	250,000
Pension asset, net	116,785	84,066	462,572	663,423
Pension deferred outflow	(260,243)	(188,059)	(1,034,009)	(1,482,311)
Accounts payable and accrued liabilities	681,890	166,826	(8,570)	840,146
Deferred grant revenue	13	-	6,087	6,100
Advance revenue	-	-	(1,245)	(1,245)
Compensated absences	10,470	3,220	24,257	37,947
Accrued claims health insurance	5,297	3,229	12,504	21,030
Accrued claims liability	7,172	5,136	(128,001)	(115,693)
Net cash provided by operating activities	<u>\$ 1,321,881</u>	<u>\$ 1,932,964</u>	<u>\$ 6,216,503</u>	<u>\$ 9,471,348</u>
Noncash Capital and Related Financing Activities:				
Transfer of fixed assets from general fund	\$ (47,589,976)	\$ -	\$ (227,700)	\$ (47,817,676)
Transfer of bonds from (to) other funds	47,589,976	-	227,700	47,817,676
Total noncash capital and related financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

	Berks County Employees' Retirement	Agency
Assets		
Cash and cash equivalents	\$ 397,873	\$ 10,731,027
Investments, at fair value (see Note 2)	412,580,194	-
Contributions receivable	235,297	-
Investment income receivable	231,987	-
Due from other funds	89	-
Total assets	413,445,440	\$ 10,731,027
Liabilities		
Accounts payable	416,587	-
Due to third parties	15,318	10,731,027
Total liabilities	431,905	\$ 10,731,027
Net plan position		
Held in trust for pension benefits	\$ 413,013,535	

See accompanying notes to the financial statements.

**Berks County
 Employees'
 Retirement**

Additions

Contributions:

Member	\$	6,074,679
County		233,518
Total contributions		<u>6,308,197</u>

Investment income:

Net increase in fair value of investments		15,828,721
Interest and dividends		8,698,140
Less investment expenses		<u>(1,482,692)</u>
Net investment income		23,044,169
Other		27,002
Total additions		<u>29,379,368</u>

Deductions

Benefit payments, including refunds of member contributions		16,016,484
Administrative expenses		<u>63,398</u>
Total deductions		<u>16,079,882</u>
Change in net position		13,299,486
Net plan position held in trust for pension benefits, beginning		<u>399,714,049</u>
Net plan position held in trust for pension benefits, ending	\$	<u><u>413,013,535</u></u>

See accompanying notes to the financial statements.

	Berks County Solid Waste Authority	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 509,039	\$ 1,474,877	\$ 20,645,311	\$ 22,629,227
Cash and cash equivalents, restricted	-	2,425,035	-	2,425,035
Investments	-	-	10,415,703	10,415,703
Accounts receivable, net	105,515	153,005	5,219,540	5,478,060
Due from other governments	-	144,332	-	144,332
Inventories	-	-	21,450	21,450
Prepaid expenses	7,381	11,759	517,901	537,041
Total current assets	<u>621,935</u>	<u>4,209,008</u>	<u>36,819,905</u>	<u>41,650,848</u>
Noncurrent assets:				
Restricted assets:				
Investments	60,739	-	-	60,739
Collections - works of art	-	-	909,433	909,433
Capital Assets:				
Land and improvements, net	103,178	7,410,950	1,081,556	8,595,684
Air easement rights	-	103,002	-	103,002
Infrastructure, net	-	23,298,492	-	23,298,492
Buildings and improvements, net	-	7,377,274	37,617,352	44,994,626
Furniture, fixtures, equipment and vehicles, net	123,288	932,625	1,534,120	2,590,033
Leasehold improvements	-	1,007,738	-	1,007,738
Construction in progress	-	298,180	708,096	1,006,276
Total noncurrent assets	<u>287,205</u>	<u>40,428,261</u>	<u>41,850,557</u>	<u>82,566,023</u>
Deferred outflow of resources:				
Loss on debt refinancing, net of accumulated amortization	184,654	-	-	184,654
Deferred charge on bond refunding	-	-	539,319	539,319
Total deferred outflows of resources	<u>184,654</u>	<u>-</u>	<u>539,319</u>	<u>723,973</u>
Total assets and deferred outflows of resources	<u>1,093,794</u>	<u>44,637,269</u>	<u>79,209,781</u>	<u>124,940,844</u>
Liabilities				
Accounts payable	5,537	122,130	1,662,788	1,790,455
Accrued liabilities	7,125	20,133	1,017,621	1,044,879
Unearned revenue	-	51,085	4,141,050	4,192,135
Accrued interest payable	12,075	-	-	12,075
Compensated absences	-	-	464,851	464,851
Deposits	-	33,849	-	33,849
Bonds and notes payable	955,000	-	1,335,649	2,290,649
Total current liabilities	<u>979,737</u>	<u>227,197</u>	<u>8,621,959</u>	<u>9,828,893</u>
Noncurrent liabilities:				
Compensated absences	-	-	452,145	452,145
Medical insurance liability	-	-	400,000	400,000
Postretirement benefit liability	-	-	243,452	243,452
Bonds and notes payable	984,932	6,340,000	13,480,648	20,805,580
Total noncurrent liabilities	<u>984,932</u>	<u>6,340,000</u>	<u>14,576,245</u>	<u>21,901,177</u>
Total liabilities	<u>1,964,669</u>	<u>6,567,197</u>	<u>23,198,204</u>	<u>31,730,070</u>
Deferred inflows of resources				
Deferred rent revenue	-	3,357,989	-	3,357,989
Total deferred inflows of resources	<u>-</u>	<u>3,357,989</u>	<u>-</u>	<u>3,357,989</u>
Net position (deficit):				
Net investment in capital assets	226,466	34,375,207	26,664,146	61,265,819
Restricted for:				
Debt service	60,739	508,528	-	569,267
Capital improvements, net of related debt	-	1,629,561	-	1,629,561
Foundation for Reading Area Community College	-	-	11,020,895	11,020,895
Unrestricted (deficit)	<u>(1,158,080)</u>	<u>(1,801,213)</u>	<u>18,326,536</u>	<u>15,367,243</u>
Total net position (deficit)	<u>\$ (870,875)</u>	<u>\$ 34,712,083</u>	<u>\$ 56,011,577</u>	<u>\$ 89,852,785</u>

* Presented as of June 30, 2014

** Presented as of September 30, 2014

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
 Component Units
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Berks County Solid Waste Authority	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues				
Charges for services	\$ 236,359	\$ 1,549,982	\$ 15,989,054	\$ 17,775,395
Charges for services (from County of Berks)	1,182,700	-	-	1,182,700
Operating grants and contributions	-	543,873	15,825,420	16,369,293
Investment earnings	-	-	1,662,909	1,662,909
Other revenues	-	-	1,269,935	1,269,935
Total operating revenues	<u>1,419,059</u>	<u>2,093,855</u>	<u>34,747,318</u>	<u>38,260,232</u>
Total operating expenses	<u>569,914</u>	<u>4,038,195</u>	<u>45,731,886</u>	<u>50,339,995</u>
Net operating income (loss)	<u>849,145</u>	<u>(1,944,340)</u>	<u>(10,984,568)</u>	<u>(12,079,763)</u>
Nonoperating revenues (expenses)				
Payments from County of Berks	-	-	3,100,000	3,100,000
Payments from other governments	201,220	-	8,229,131	8,430,351
Contributions	-	18,950	-	18,950
Investment income	3,006	7,430	64,627	75,063
Interest expense	(53,000)	(281,377)	(575,082)	(909,459)
Loss on disposal of capital assets	-	-	(512,710)	(512,710)
Miscellaneous income (loss)	(61,621)	89,742	-	28,121
Total nonoperating revenues (expenses)	<u>89,605</u>	<u>(165,255)</u>	<u>10,305,966</u>	<u>10,230,316</u>
Other revenues:				
Payments from County of Berks	-	-	250,000	250,000
Payments from other governments	-	-	1,847,937	1,847,937
Total other revenues	<u>-</u>	<u>-</u>	<u>2,097,937</u>	<u>2,097,937</u>
Change in net position (deficit)	938,750	(2,109,595)	1,419,335	248,490
Net position (deficit) - beginning	(1,809,625)	36,821,678	54,592,242	89,604,295
Net position (deficit) - ending	<u>\$ (870,875)</u>	<u>\$ 34,712,083</u>	<u>\$ 56,011,577</u>	<u>\$ 89,852,785</u>

* Presented for the year ended June 30, 2014

** Presented for the year ended September 30, 2014

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: NATURE OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Berks (the County), formed in 1752, operates under the direction of an elected Board of Commissioners, and provides the following services: general administrative services, tax assessment and collection, judicial, public improvements, public safety, conservation and development, and human services programs. The accompanying financial statements 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 summary of the County's significant accounting policies is as follows:

A. Reporting entity

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 two of 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 component units in the financial reporting entity:

- Berks County Solid Waste Authority was created to develop and implement a municipal waste management system for the County consistent with the Berks County Municipal Waste Management Plan. The members of the governing board of the Solid Waste Authority are appointed by the Board of County Commissioners. The County allocates a portion of the landfill host fees to pay the debt service of the Authority, and the County guarantees the debt of the Solid Waste Authority. The Authority operates on a fiscal year ending December 31.
- The Reading Regional Airport Authority is a public authority responsible for the operations of the Reading Regional Airport. All of the members of the governing board of the Reading Regional Airport Authority are appointed by the Board of County Commissioners, and the County guarantees a portion of the debt of the Reading Regional Airport Authority. The 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 members of the governing board of Reading Area Community College are appointed by the Board of County Commissioners. 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:

Berks County Solid Waste Authority
 Berks County Services Center – 14th Floor
 633 Court Street
 Reading, PA 19601

Reading Regional Airport Authority
 2501 Bernville Road
 Reading, PA 19605

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

2. 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 Convention Center Authority
- Council on Chemical Abuse, Inc.
- Redevelopment Authority of the County of Berks

B. Measurement focus and basis of accounting

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 particular 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 general 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 on the basis of 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, liabilities, 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 do 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 similar to a proprietary fund.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be 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 resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in 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 in spite of 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 source 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. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary

funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on 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 2014:

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 the proceeds of specific revenue sources related to the provision of services to children and youth that are restricted to expenditures for these specified purposes.
- **Community Development**
The Community Development Fund accounts for the proceeds of specific revenue sources related to programs that provide housing, a suitable living environment and economic opportunities primarily for persons of low and moderate income.

- **Health Choices**
The Health Choices Fund accounts for the proceeds of specific revenue sources relating to the provision of a behavioral health managed care program for medical assistance recipients.
- **Capital Projects**
The Capital Projects Fund accounts for the proceeds of debt used to finance various capital expenditures of the County, as well as to pay the cost and expenses related to the issuance of the bonds.

2. Proprietary fund types

- **Enterprise: Department of Emergency Services**
The Department of Emergency Services Fund accounts for operations of the County's emergency communication system, 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.
- **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.
- **Agency**
Agency 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 2014 property tax levy outstanding at December 31, 2014. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2014. The allowance for district justices' fines and court costs is equal to 50 percent of the outstanding accounts receivable at December 31, 2014. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2014. 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, 2014.

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 (FIFO) method. Inventories in excess of \$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.

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.

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, plant, 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 are recorded at the estimated fair market value at the time of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are 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	20 years
Buildings and improvements	40 years
Machinery and equipment	6 - 10 years
Motor vehicles	3 - 5 years
Computer equipment	3 - 5 years
Infrastructure	40 years

K. Deferred outflows/inflows

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 balances

GASB Statement No. 54 (GASB 54), “*Fund Balance Reporting and Governmental Fund Type Definitions*,” establishes accounting and financial standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions as follows:

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 (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.

Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed.

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.

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 or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents net assets 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 Refundings of Debt Reported by Proprietary Activities*,” the County has adopted the following policy for current refundings and advance refundings 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 on the basis of 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 funds 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 Entity-Wide Financial Statements

The County’s beginning entity-wide fund balances had been restated to properly reflect the effect of prior and current period adjustments as follows:

Governmental funds:

Beginning fund balance, as previously reported	\$ 188,167,671
Amounts in "W" Restatement of Governmental Funds Financial Statements (see below)	(501,202)
Prior period adjustment	<u>(5,462,169)</u>
Fund balance, beginning, as restated	<u>\$ 182,204,300</u>

In addition to the reasons noted for the Governmental Funds Financial Statements, these adjustments reflect an adjustment to the General Fund for GASB 68 implementation resulting in a reduction of \$18,646,689, an increase to capitalize demolition costs amounting to \$1,834,520, and an increase to correct prior year bond liabilities of \$11,350,000.

W. Restatement of Governmental Funds Financial Statements

The County’s beginning fund balances have been restated to properly reflect the effect of prior and current period adjustments as follows:

General Fund:

Beginning fund balance, as previously reported	\$ 133,095,632
Prior period adjustment	<u>(467,126)</u>
Fund balance, beginning, as restated	<u>\$ 132,628,506</u>

Prior period adjustment in the General Fund is due to the restatement of prior year MHDD Special Revenue Fund accruals and the closing of a Capital Projects Fund that was no longer in use.

Capital Projects Special Revenue Fund

Beginning fund balance, as previously reported	\$ 41,448,887
Prior period adjustment	<u>667,391</u>
Fund balance, beginning, as restated	<u>\$ 42,116,278</u>

Prior period adjustment in the Capital Projects Special Revenue Fund due to the closing of a fund that was no longer in use.

Liquid Fuels Special Revenue Fund

Beginning fund balance, as previously reported	\$ 4,594,000
Prior period adjustment	<u>(529,058)</u>
Fund balance, beginning, as restated	<u>\$ 4,064,942</u>

Prior period adjustment in the Liquid Fuels Special Revenue Fund is due to the restatement of prior year deferrals in the Act 44 Fund.

Domestic Relations Special Revenue Fund

Beginning fund balance, as previously reported	\$ 3,550
Prior period adjustment	<u>(172,409)</u>
Fund balance (deficit), beginning, as restated	<u>\$ (168,859)</u>

Prior period adjustment in the Domestic Relations Special Revenue Fund is due to the restatement of prior year deferrals and receivable in grant revenue.

Department of Emergency Services Enterprise Fund

Beginning fund balance, as previously reported	\$ 9,862,907
Prior period adjustment	<u>(1,003,533)</u>
Fund balance, beginning, as restated	<u>\$ 8,859,374</u>

Berks County Residential Center Enterprise Fund

Beginning fund balance, as previously reported	\$ 3,950,440
Prior period adjustment	<u>(60,870)</u>
Fund balance, beginning, as restated	<u>\$ 3,889,570</u>

Berks Heim Enterprise Fund

Beginning fund balance, as previously reported	\$ 3,803,039
Prior period adjustment	<u>(3,974,877)</u>
Fund balance (deficit), beginning, as restated	<u>\$ (171,838)</u>

Prior period adjustments in the three enterprise funds are due to restatement of the net pension asset to implement GASB 68. In addition, Berks County Residential Center prior period adjustment is due to correction of fund balance for fixed assets purchased with federal service contract revenue to offset future depreciation expense.

W. Accounting Pronouncements Adopted/Pending

In June 2012, the GASB issued Statement No. 68, “*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*”. The County adopted GASB Statement No. 68 for its calendar year 2014 financial statements. The adoption of this statement decreased our government-wide beginning net position by \$24,347,480 overall, with \$18,646,689 adjustment to Governmental Activities and \$5,700,791 adjustment to Business-type Activities.

In November 2013, the GASB issued Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB No. 68*.” The County adopted GASB Statement No. 71 for its calendar year 2014 financial statements. The adoption of this statement had no effect on the financial reporting information of the County.

In January 2013, the GASB issued Statement No. 69, “*Government Combinations and Disposals of Government Operations*.” The County adopted GASB Statement No. 69 for its calendar year 2014 financial statements. The adoption of this statement had no effect on the financial reporting information of the County.

In April 2013, the GASB issued Statement No. 70, “*Accounting and Financial Reporting for Nonexchange Financial Guarantees*.” The County adopted GASB Statement No. 70 for its calendar year 2014 financial statements. The adoption of this statement had no effect on the financial reporting information of the County.

In February 2015, the GASB issued Statement No. 72, “*Fair Value Measurement and Application*.” The County is required to adopt Statement No. 72 for its calendar year 2016 financial statements.

NOTE 2: CASH AND INVESTMENTS

A. Primary government

Interest rate risk: The County of Berks does not have a formal investment policy for its funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, with the exception of the Retirement Fund which has an official investment policy. The County 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 PA.A. Ch. 7302b (relating to fiduciaries' investments).

The carrying amounts of the cash and investments at December 31, 2014 consist of the following:

Cash and cash equivalents	\$ 181,588,356
Petty cash	17,156
Investments	<u>429,433,970</u>
	<u>\$ 611,039,482</u>

Classification per financial statement:

Statement of net position:

Current assets, cash and cash equivalents	\$ 143,749,193
Current assets, cash and cash equivalents, restricted	26,727,419
Current assets, investments	1,780,066
Current assets, investments, restricted	6,345,360
Noncurrent assets, investments	2,760,133
Noncurrent assets, investments, restricted	5,968,217

Statement of fiduciary net position:

Retirement fund, cash and cash equivalents	397,873
Agency fund, cash and cash equivalents	10,731,027
Retirement fund, investments	<u>412,580,194</u>
	<u>\$ 611,039,482</u>

"Retirement Fund" referenced herein is the Berks County Employees' Retirement Trust Fund.

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, 2014, the carrying amounts of the County's bank deposits were \$181,588,356 and the bank balances were \$186,672,560, of which \$917,815 was covered by Federal Depository Insurance, \$139,010,604 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, \$20,567,988 was invested in an external investment pool, described in more detail below, and the remaining balance of \$26,176,153 was invested in repurchase agreements.

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, 2014, PLGIT carried an AAA rating and had an average maturity of less than one year.

The County invests in various money market funds, in the amount of \$92,108,000 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 invests in repurchase agreements where the underlying securities are U.S. Government mortgage-backed securities. These securities are unrated and have an average maturity of less than one year. The County's investment in repurchase agreements is held by the counterparty, not in the County's name.

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 of 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.

Special situations Collective 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, 2014, the County had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	< 1	1-5	6-10	>10
Governmental Funds					
General Fund					
Negot. certif. of deposit	\$ 1,952,140	\$ 1,952,140	\$ -	\$ -	\$ -
U.S. Govt agency securities	-	-	-	-	-
Health Choices Fund					
Negot. certif. of deposit	800,028	800,028	-	-	-
U.S. Govt agency securities	9,585,549	3,617,332	5,968,217	-	-
Other Governmental Funds					
U.S. Govt agency securities	4,291,199	1,531,066	2,760,133	-	-
Total Governmental Funds	<u>16,628,916</u>	<u>7,900,566</u>	<u>8,728,350</u>	<u>-</u>	<u>-</u>
Enterprise Funds					
Berks Heim					
Negot. certif. of deposit	224,860	224,860	-	-	-
Fiduciary - Retirement Funds					
SEI Collective Trusts					
Core Trust Property	\$ 35,177,518	\$ 35,177,518	\$ -	\$ -	\$ -
Special Situations	28,961,161	28,961,161	-	-	-
SEI Mutual Funds					
Emerging Markets Debt	23,735,098	23,735,098	-	-	-
Emerging Markets Equity	11,215,486	11,215,486	-	-	-
High Yield Bond	20,926,178	20,926,178	-	-	-
Large Cap Disc Equity	35,807,462	35,807,462	-	-	-
Sm/Mid Cap Equity	17,952,034	17,952,034	-	-	-
Limited Duration Bonds	35,863,011	35,863,011	-	-	-
Multi-Asset Real Return	16,898,083	16,898,083	-	-	-
World Equity Ex US	39,544,236	39,544,236	-	-	-
Core Fixed Income	39,288,422	39,288,422	-	-	-
Ultra Short Duration Bond	11	11	-	-	-
Opportunistic Income	32,530,670	32,530,670	-	-	-
US Managed Volatility Fund	51,102,366	51,102,366	-	-	-
Dynamic Asset Allocation	23,578,458	23,578,458	-	-	-
Total Fiduciary Funds	<u>412,580,194</u>	<u>412,580,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 429,433,970</u>	<u>\$ 420,705,620</u>	<u>\$ 8,728,350</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 has no investment policy that would further limit its investment choices. The County invested in certificates of deposit in 2014. Total investments were \$2,977,028. Of this total, \$2,177,000 was covered by Federal Depository Insurance, and \$800,028 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, 2014:

	<u>Fair Value</u>	<u>Rating</u>
U.S. Govt agency obligations	\$ 13,876,748	AAA
Negotiable certificates of deposit	2,977,028	Unrated
Mutual funds - Core fixed income	39,288,422	AA-
Mutual funds - High Yield Bonds	20,926,178	B+
Mutual funds - Emerging Mkts Debt	23,735,098	BBB-
Mutual funds - Ultra Short Duration	11	AA-

Concentration in credit risk: The County places no limit on the amount the County may invest in any one issuer, with the exception of its Pension Funds. The County Pension Fund Investment policy limits the amount of any managers' portfolio at cost to be invested in any single issue or issuer to no more than five percent of the portfolio except obligations guaranteed by the full faith and credit of the U.S. government or issued by U.S. government agencies. The Pension Investment policy also limits the investing into "Yankee" bonds with a minimum investment grade rating at purchase to no more than ten percent of the portfolio. At December 31, 2014, there were no investments in a single issuer that represented more than 5% of the County's total investment portfolio.

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, 2014, \$429,433,970 of the County's investments is 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, 2014.

B. Component units

1. Berks County Solid Waste Authority

The Authority's available cash is invested in demand deposit accounts and U.S. Government Agency Obligations. The carrying amounts of the cash deposits and investments at December 31, 2014 consist of the following:

Demand deposits	\$ 509,039
Cash in trust accounts	<u>60,739</u>
Total	<u>\$ 569,778</u>

Custodial credit risk - deposits: Custodial risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority 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, 2014, the carrying amount of the Authority's cash deposits was \$509,039 and the bank balance was \$506,578, of which \$7,786 was exposed to custodial risk because they were uninsured and collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the Authority's name. The Authority is in compliance with Act 72 of the Pennsylvania Municipal Authority Act.

At December 31, 2014, the Authority had the following investment, held by the Trustee:

		Maturity - Less than <u>One Year</u>
	<u>Fair Value</u>	
Cash	<u>\$ 60,739</u>	<u>\$ 60,739</u>

Investment credit risk: The Authority limits the type of investments permitted as defined in the Pennsylvania Municipal Authorities Act. When making investments, the Authority can combine monies from more than one fund under the Authority's control for the purchase of a single investment and join with other political subdivisions in the purchase of a single investment.

Investment interest rate risk: The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk investments: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2014, \$60,739 was held by the investments counterparty, not in the name of the Authority.

2. Reading Regional Airport Authority

The Authority's investment authority is set by state statute to include: U.S. Treasury Bills, short-term U.S. Government or Agency obligations, deposits in savings accounts, time deposits, or share accounts, obligations of the United States or any of its agencies or instrumentalities, obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities and shares of any investment company which invests only in the above or certificates of deposit. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

The Authority's cash and cash equivalents consist of the following at September 30, 2014:

Petty cash	\$	250
Unrestricted cash		1,474,627
Settlement fund cash		508,528
Capital improvements accounts		<u>1,916,507</u>
	\$	<u><u>3,899,912</u></u>

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, 2014, \$3,649,812 of the Authority's bank balance of \$3,899,812 was exposed to custodial credit risk because it was uninsured and the collateral held by the depositing agent was not in the Authority's name.

As of September 30, 2014, bank balances of deposits were entirely insured by either Federal Depository Insurance or collateralized in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

Investment Policies: The Authority does not have a formal investment policy establishing interest rate, 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.

3. Reading Area Community College

The College invests its funds in accordance with the board's investment policy, which authorizes the College to invest in repurchase agreements. Cash and cash equivalents at June 30, 2014 consist of the following:

Cash on hand	\$	1,150
Cash		<u>20,644,161</u>
	\$	<u><u>20,645,311</u></u>

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, 2014, the carrying amount of the College’s deposits was \$20,048,671 and the bank balance was \$20,721,746. Of the bank balance, \$250,000 was covered by federal depository insurance and \$20,471,746 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, 2014, the cash and cash equivalents for the College Foundation were \$595,490. Investments of \$10,415,703 are comprised of mutual funds carried at market value in the Common Fund – Equity Fund of \$7,301,838, the Common Fund - Bond Fund of \$3,113,712, and the Common Fund – Realty Fund of \$153.

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 Position and Balance Sheet. Restricted assets at December 31, 2014 consist of the following:

	Cash and cash equivalents	Investments
Governmental funds		
General Fund		
Antietam Lake	\$ 923,475	\$ -
Children and Youth Gift Funds	13,010	-
Area Agency on Aging Alzheimer's Fund	808	
Environmental Litigation	131,761	99,000
Hazmat Response Fund	237,123	1,331,000
MCT Trust	281,358	-
Inmate Pay	3,502	-
Parks Trust Accounts	680,569	-
Workers' Compensation Trust	89,089	273,140
Special Legislation Funds		
Adult Probation Supervision Fund	2,157,194	-
Coroner Record Improvement Fund	84,628	-
Courts Automation Fund	200,659	-
Hotel Tax Account	156,772	-
Prothonotary Automation Fund	120,754	-
Register of Wills Records Improvement Fund	108,374	-
Recorder of Deeds Record Improvement Fund	117,976	-
Treasurer Record Improvement Fund	407,095	-
Health Choices Special Revenue Fund		
Reinvestment account	162,982	4,330,855
Risk & Contingency account	208,961	5,254,694
Appendix V - Jumbo Auto Renew CD	-	800,028
Capital Projects Funds		
Unspent bond proceeds Series B of 2009	427,599	-
Unspent bond proceeds Series A of 2010	425,773	-
Unspent bond proceeds Series B of 2010	838,580	-
Unspent bond proceeds Series C of 2010	4,414,730	-
Unspent bond proceeds Series D of 2010	117,398	-
Unspent bond proceeds 2012 Tax Exempt	1,332,828	-
Unspent bond proceeds Series A of 2012	2,923,154	-
Unspent bond proceeds Series of 2013 A	1,084,274	-
Unspent bond proceeds Series of 2013 B	9,003,652	-
Total governmental funds	<u>\$ 26,654,078</u>	<u>\$ 12,088,717</u>
 Business-Type Activity		
Berks Heim		
Workers' Compensation Trust	<u>\$ 73,341</u>	<u>\$ 224,860</u>

NOTE 4: REAL ESTATE TAXES

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through April 30; face amount, May 1 through June 30, and 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 2014 adopted rate of taxation was 7.372 mills.

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, 2014 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General fund	\$ 11,898,213	\$ -
Children and Youth Services	2,793,274	-
Community Development	70,449	-
Health Choices	104,325	-
Capital Projects	2,323,956	-
Other governmental funds	<u>4,841,415</u>	<u>1,730,775</u>
	<u>22,031,632</u>	<u>1,730,775</u>
Proprietary funds:		
Dept. of Emergency Services	-	11,695,412
Berks County Residential Center	28,464	-
Berks Heim	<u>-</u>	<u>8,633,998</u>
	<u>28,464</u>	<u>20,329,410</u>
Fiduciary funds:		
Berks County Employee's Retirement	<u>89</u>	<u>-</u>
Total	<u>\$ 22,060,185</u>	<u>\$ 22,060,185</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 2014 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General fund	\$ 3,496,321	\$ 9,398,934
Children and Youth Services	4,905,381	264,836
Community Development	-	7,447
Health Choices	-	10,930
Other governmental funds	<u>4,206,211</u>	<u>2,188,689</u>
	<u>12,607,913</u>	<u>11,870,836</u>
Proprietary funds:		
Dept. of Emergency Services	1,525,751	-
Berks County Residential Center	<u>-</u>	<u>1,088,977</u>
	<u>1,525,751</u>	<u>1,088,977</u>
Total	<u>\$ 14,133,664</u>	<u>\$ 12,959,813</u>

Transfers of \$1,525,751 were made from the General Fund to the Department of Emergency Services Fund for the 911 Countywide Safety Network Radio Project. Part of this transfer in the amount of \$1,173,851 results from transfer of capital assets from the General Fund to the Department of Emergency Services Enterprise Fund and results in transfers in and transfers out being different by that amount.

Other transfers between funds to note include:

- Transfers of \$7,221,087 were made from the General Fund to several funds during 2014 to cover deficits.
- Transfers of \$1,725,946 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.
- Transfers of \$1,726,311 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2014 was as follows:

• **Governmental activities:**

	Beginning balance	Additions/ Transfers in	Retirements/ Transfers out	Ending balance
Capital assets, not being depreciated:				
Land	\$ 11,871,523	\$ 72,893	\$ (1,350,000)	\$ 10,594,416
Historical treasures	2,279,644	-	-	2,279,644
Agricultural easements	75,085,203	1,584,500	-	76,669,703
Software in progress	1,065,960	675,783	(303,847)	1,437,896
Construction in progress	<u>47,718,438</u>	<u>33,256,975</u>	<u>(49,186,900)</u>	<u>31,788,513</u>
Total capital assets, not being depreciated	<u>138,020,768</u>	<u>35,590,151</u>	<u>(50,840,747)</u>	<u>122,770,172</u>
Capital assets, being depreciated:				
Land improvements	5,160,347	59,364	-	5,219,711
Buildings and improvements	176,886,357	453,736	(585,503)	176,754,590
Furniture, fixtures, equipment, and vehicles	15,870,166	1,878,711	(688,499)	17,060,378
Infrastructure	<u>4,799,840</u>	<u>1,501,709</u>	<u>(250,123)</u>	<u>6,051,426</u>
Total capital assets, being depreciated	<u>202,716,710</u>	<u>3,893,520</u>	<u>(1,524,125)</u>	<u>205,086,105</u>
Total capital assets, historical cost	<u>340,737,478</u>	<u>39,483,671</u>	<u>(52,364,872)</u>	<u>327,856,277</u>
Less accumulated depreciation for:				
Land improvements	1,011,786	118,696	-	1,130,482
Building and improvements	94,893,212	4,480,671	(109,531)	99,264,352
Furniture, fixtures, equipment, and vehicles	12,664,895	1,324,566	(619,517)	13,369,944
Infrastructure	<u>1,838,351</u>	<u>128,487</u>	<u>-</u>	<u>1,966,838</u>
Total accumulated depreciation	<u>110,408,244</u>	<u>6,052,420</u>	<u>(729,048)</u>	<u>115,731,616</u>
Total capital assets, net of accumulated depreciation	<u>\$ 230,329,234</u>	<u>\$ 33,431,251</u>	<u>\$ (51,635,824)</u>	<u>\$ 212,124,661</u>

- **Business-type activities:**

	Beginning balance	Additions/ Transfers in	Retirements/ Transfers out	Ending balance
Capital assets, not being depreciated:				
Construction in progress	<u>\$ 8,103,310</u>	<u>\$ 1,619,253</u>	<u>\$(8,648,525)</u>	<u>\$ 1,074,038</u>
Capital assets, being depreciated:				
Buildings and improvements	46,139,160	274,005	-	46,413,165
Furniture, fixtures, equipment, and vehicles	<u>15,428,116</u>	<u>56,407,503</u>	<u>(6,735)</u>	<u>71,828,884</u>
Total capital assets, being depreciated	<u>61,567,276</u>	<u>56,681,508</u>	<u>(6,735)</u>	<u>118,242,049</u>
Total capital assets, historical cost	<u>69,670,586</u>	<u>58,300,761</u>	<u>(8,655,260)</u>	<u>119,316,087</u>
Less accumulated depreciation for:				
Building and improvements	9,862,145	1,187,491	(2,875)	11,046,761
Furniture, fixtures, equipment, and vehicles	<u>11,210,794</u>	<u>3,059,783</u>	<u>(4,041)</u>	<u>14,266,536</u>
Total accumulated depreciation	<u>21,072,939</u>	<u>4,247,274</u>	<u>(6,916)</u>	<u>25,313,297</u>
Total capital assets, net of accumulated depreciation	<u>\$48,597,647</u>	<u>\$ 54,053,487</u>	<u>\$(8,648,344)</u>	<u>\$94,002,790</u>

2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2014 as follows:

- **Governmental activities:**

Judicial	\$ 402,787
Public safety	1,527,746
Public works	330,283
General government	3,279,506
Community and economic development	52,765
Culture and recreation	<u>365,234</u>
Total	<u>\$ 5,958,321</u>

- **Business-type activities:**

Department of Emergency Services	\$ 2,659,445
Berks County Residential Center	212,042
Berks Heim	<u>1,347,612</u>
Total	<u>\$ 4,219,099</u>

3. Capital projects commitments

The Anthony's Mill Bridge project is in the development phase with expenditures to date totaling \$106,619. Management anticipates this project to be completed by October 31, 2015 with a projected final cost of approximately \$418 thousand.

The Berne Station Bridge project is in the construction phase with expenditures to date totaling \$3,280,466. Management anticipates this project to be completed by May 31, 2015 with a projected final cost of approximately \$3.4 million.

The Buttonwood Street Bridge project is in the design phase with expenditures to date totaling \$766,044. Management anticipates this project to be completed by April 30, 2017 with a projected final cost of approximately \$12.4 million.

The Prison Security Package Upgrade project is in the construction phase with expenditures to date totaling \$2,413,362. Management anticipates this project to be completed by August 31, 2015 with a projected final cost of approximately \$2.8 million.

The Prison Infrastructure project is in the developmental phase with expenditures to date totaling \$7,897,780. Management anticipates this project to be completed by August 31, 2015 with a projected final cost of approximately \$9.9 million.

The Blandon Bridge project is in the design phase with expenditures to date totaling \$203,020. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$1.9 million.

The Trestle Bridge project is in the design phase with expenditures to date totaling \$51,092. Management anticipates this project to be completed by December 31, 2015 with a projected final cost of approximately \$757 thousand.

The NORESKO Project for Energy Conservation Measures is in the construction phase with expenditures to date totaling \$7,862,528. Management anticipates this project to be completed by June 30, 2015 with a projected final cost of approximately \$9.9 million.

The Elevator Rehabilitation Project is in the design phase with expenditures to date totaling \$208,680. Management anticipates this project to be completed by December 31, 2017 with a projected final cost of approximately \$4.1 million.

The Berks County Residential Center 4th Floor Renovation Project is in the construction phase with expenditures to date totaling \$104,796. Management anticipates this project to be completed by June 30, 2015 with a projected final cost of approximately \$900 thousand.

The Annex Envelope Project is in the construction phase with expenditures to date totaling \$808,925. Management anticipates this project to be completed by June 30, 2015 with a projected final cost of approximately \$1.1 million.

The Parks Department is engaged with several projects at the Antietam Dam Park. Many of these projects are in the design phase with expenditures to date totaling \$196,646. Management anticipates these projects to be completed by December 31, 2017 with a projected final cost of approximately \$2.9 million.

B. Component units

1. Berks County Solid Waste Authority

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Capital assets:				
Site improvements	\$ 149,764	\$ 24,425	\$ -	\$ 174,189
Recycling equipment	154,244	33,472	-	187,716
Furniture and equipment	9,021	-	-	9,021
Total capital assets	<u>313,029</u>	<u>57,897</u>	<u>-</u>	<u>370,926</u>
Less accumulated depreciation for:				
Site improvements	48,995	22,016	-	71,011
Recycling equipment	44,044	20,384	-	64,428
Furniture and equipment	9,021	-	-	9,021
Total accumulated depreciation	<u>102,060</u>	<u>42,400</u>	<u>-</u>	<u>144,460</u>
Total capital assets, net	<u>\$ 210,969</u>	<u>\$ 15,497</u>	<u>\$ -</u>	<u>\$ 226,466</u>

2. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2014 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2014 was \$2,547,582.

	Balance October 1, 2013	Additions	Transfers/ Deletions	Balance September 30, 2014
Capital assets, not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	978,071	555,197	(1,235,088)	298,180
Total capital assets, not being depreciated	<u>5,717,472</u>	<u>555,197</u>	<u>(1,235,088)</u>	<u>5,037,581</u>
Capital assets, being depreciated:				
Land improvements	8,517,543	-	-	8,517,543
Infrastructure	39,490,303	-	-	39,490,303
Buildings and improvements	17,440,810	-	788,336	18,229,146
Furniture and equipment	3,304,891	9,341	446,752	3,760,984
Leasehold improvements	2,198,700	-	-	2,198,700
Total capital assets, being depreciated	<u>70,952,247</u>	<u>9,341</u>	<u>1,235,088</u>	<u>72,196,676</u>
Total capital assets, historical cost	<u>76,669,719</u>	<u>564,538</u>	<u>-</u>	<u>77,234,257</u>
Less accumulated depreciation for:				
Land improvements	6,257,881	273,447	-	6,531,328
Infrastructure	14,581,336	1,610,475	-	16,191,811
Buildings and improvements	9,581,180	482,356	-	10,063,536
Furniture and equipment	2,738,667	89,692	-	2,828,359
Leasehold improvements	1,099,350	91,612	-	1,190,962
Total accumulated depreciation	<u>34,258,414</u>	<u>2,547,582</u>	<u>-</u>	<u>36,805,996</u>
Total capital assets, net of accumulated depreciation	<u>\$ 42,411,305</u>	<u>\$ (1,983,044)</u>	<u>\$ -</u>	<u>\$ 40,428,261</u>

3. Reading Area Community College

Capital asset activity for the year ended June 30, 2014 is as follows:

Depreciation expense for the College for the year ended June 30, 2014 was \$2,068,278.

	July 1, 2013	Additions	Transfers/ Deletions	June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	576,645	979,677	(848,226)	708,096
Total capital assets, not being depreciated	<u>1,658,201</u>	<u>979,677</u>	<u>(848,226)</u>	<u>1,789,652</u>
Capital assets, being depreciated:				
Buildings and improvements	62,114,553	36,877	285,501	62,436,931
Equipment, furnishings and library books	7,862,374	223,986	(61,312)	8,025,048
Total capital assets, being depreciated	<u>69,976,927</u>	<u>260,863</u>	<u>224,189</u>	<u>70,461,979</u>
Total capital assets, historical cost	<u>71,635,128</u>	<u>1,240,540</u>	<u>(624,037)</u>	<u>72,251,631</u>
Less accumulated depreciation for:				
Buildings and improvements	23,231,109	1,638,484	(50,014)	24,819,579
Equipment, furnishings and library books	6,122,447	429,794	(61,313)	6,490,928
Total accumulated depreciation	<u>29,353,556</u>	<u>2,068,278</u>	<u>(111,327)</u>	<u>31,310,507</u>
Total capital assets, net of accumulated depreciation	<u>\$ 42,281,572</u>	<u>\$ (827,738)</u>	<u>\$ (512,710)</u>	<u>\$ 40,941,124</u>

NOTE 7: BERKS COUNTY EMPLOYEES’ PENSION PLAN

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 benefits 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, 2014, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,063
Inactive plan members entitled to but not yet receiving benefits	196
Active plan members	<u>2,009</u>
Total members	<u>3,268</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 2014 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was .24 percent of annual payroll.

2. Net Pension Asset

The County’s net pension asset was measured as of December 31, 2014, and the total pension asset used to calculate the net pension assets was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension asset in the December 31, 2014 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 the 1983 Group Annuitant Mortality Tables for Males and

Females with no projected improvement.

The actuarial assumptions used in the valuation for the 2014 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.

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 2014 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%
International equity	5.5%
Fixed income	1.3%
Real estate	4.5%
Cash	0.0%

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 8 and 9 for further information.

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

Discount rate	County's net pension asset
1% decrease (6.5%)	\$ 3,740,366
Current discount rate (7.5%)	\$ 33,861,144
1% increase (8.5%)	\$ 65,404,247

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available on pages FS 16 and FS 17 of this financial statement.

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

For the year ended December 31, 2014, the County recognized pension expense (income) of \$(3,265,029) and reported deferred outflows of resources related to pensions from the following sources:

	Total Pension Liability	Plan Fiduciary Net Position	Total
Deferred Outflows of Resources	<u>\$ 1,093,215</u>	<u>\$ 5,238,742</u>	<u>\$6,331,957</u>

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

Year Ended	Deferred Outflows of Resources
2015	\$ 1,470,453
2016	1,470,453
2017	1,470,453
2018	1,470,453
2019	450,145
	<u>\$ 6,331,957</u>

4. Payable to the Pension Plan

For the year ended December 31, 2014, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2014.

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 thirteen weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; the monthly contribution amount was \$456 at September 30, 2014. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2014 was \$32,685.

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, 2014 was \$4,798.

2. Reading Area Community College

Employees of the College are currently 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 and have not withdrawn their funds in full are automatically enrolled in SERS upon employment with the College; otherwise, only the PSERS and TIAA/CREF are available to employees.

The contribution to SERS for the year ended June 30, 2014 was \$22,303, which consisted of \$15,780 from the College and \$6,523 from employees. The contribution to PSERS for the year ended June 30, 2014 was \$412,361, which consisted of \$220,375 from the College and \$191,986 from employees. The contribution to TIAA-CREF for the year ended June 30, 2014 was \$1,682,717, which consisted of \$912,403 from the College and \$770,314 from employees.

The College's total payroll for the year ended June 30, 2014 was \$16,995,982; total covered employees' salaries in SERS, PSERS and TIAA-CREF were \$105,779, \$2,603,368 and \$12,753,713, respectively. Covered employees do not include students and certain part-time employees. Neither SERS nor PSERS make separate measurements of assets and pension benefit obligations for individual employers. Ten year historical trend information is available in separate financial reports issued by SERS and PSERS.

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, 2014, future minimum lease payments receivable under significant non-cancelable long-term operating leases are as follows:

Year ending September 30:	
2015	\$ 892,127
2016	867,960
2017	626,866
2018	525,749
2019	498,191
Thereafter	<u>5,458,203</u>
	<u>\$ 8,869,096</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 \$660,430 for 2014.

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, 2014, are summarized as follows:

Governmental activities	\$ 2,054,212
Business-type activities	<u>1,695,745</u>
Total	<u>\$ 3,749,957</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2012, 2013 and 2014.

Year	January 1 liability	Incurred claims	Payments	December 31 liability
2012	\$ 4,130,121	\$ 1,098,561	\$ 1,089,814	\$ 4,138,868
2013	\$ 4,138,868	\$ 1,011,479	\$ 1,360,259	\$ 3,790,088
2014	\$ 3,790,088	\$ 948,752	\$ 988,883	\$ 3,749,957

2. 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 2014, the County has incurred and processed healthcare claims of \$26.6 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2014, are summarized as follows:

Governmental activities	\$ 1,484,051
Business-type activities	<u>474,606</u>
Total	<u>\$ 1,958,657</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2012, 2013 and 2014.

Year	January 1 liability	Incurred claims	Payments	December 31 liability
2012	\$ 1,368,819	\$ 25,081,354	\$ 23,910,998	\$ 2,539,175
2013	\$ 2,539,175	\$ 24,113,713	\$ 24,781,542	\$ 1,871,346
2014	\$ 1,871,346	\$ 26,731,037	\$ 26,643,726	\$ 1,958,657

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, 2014 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, 2014 is \$5,623,434, and is included in accrued claims other 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 end December 31, 2012, 2013 and 2014.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2012	\$ 6,440,450	\$ 67,234,584	\$ 67,115,942	\$ 6,559,092
2013	\$ 6,559,092	\$ 61,285,796	\$ 62,141,286	\$ 5,703,602
2014	\$ 5,703,602	\$ 66,380,363	\$ 66,460,531	\$ 5,623,434

A. Component units

1. Reading Area Community College

The College funds health insurance claims up to \$65,000 individually and \$3,918,747 in the aggregate for the year ended June 30, 2014. Stop gap insurance is in place for claims in excess of these thresholds. Included in the financial statement is a liability for \$400,000 for outstanding estimated claims at June 30, 2014. This liability is entirely funded. Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows:

<u>2014</u>	
Balance at July 1	\$ 600,000
Claims incurred	2,927,659
Claims paid	<u>(3,127,659)</u>
Balance at June 30	<u>\$ 400,000</u>

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds

Governmental activities

During 2014, the County issued General Obligation Bond Series 2014 in the amount of \$10,000,000. The 2014 Series Bonds were issued at a premium of \$82,210 (\$79,744 for governmental activities and \$2,466 for business type activities). The proceeds of the bonds were used to advance refund a portion of the 2010 Series A General Obligation Bonds and to pay issuance costs. The bond proceeds of \$10,000,000 (\$9,700,000 for governmental activities and \$300,000 for business type activities) were used to pay bond issuance costs of \$118,742 and to transfer \$9,963,438 (\$9,664,534 for governmental activities and \$298,904 for business type activities) to an escrow agent for the future payments on the 2010A Bonds. The aggregate difference in debt service between the 2014 Series Bonds and the 2010 A Series Bonds totaled \$474,726. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$439,928. 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 2014 Series Bonds.

At December 31, 2014, general obligation bonds consisted of the following:

	Balance outstanding January 1, 2014	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2014
1992 Second Series General Obligation Bonds, \$108,070,131, varying interest rates ranging from 2.70% to 6.25% through 2017, including current interest bonds and capital appreciation bonds, to advance refund the Series 1990 General Obligation Bonds and a portion of the 1992 First Series General Obligation Bonds.	\$ 39,525,347	\$ -	\$ 2,503,309	\$ 11,615,000	\$ 30,413,656
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.	45,520,949	-	2,499,714	3,345,000	44,675,663
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.	8,890,000	-	-	675,000	8,215,000
2008 General Obligation Bonds, \$33,980,000 (governmental activities \$7,925,026; business-type activities \$26,054,974), varying interest rates ranging from 2.15% to 5.00% through 2028, to refund the Series 1998 General Obligation Bonds and 2002 General Obligation Bonds.	7,205,900	-	-	244,400	6,961,500
2009 General Obligation Bonds Series A, \$29,800,000, varying interest rates ranging from 3% to 4.7% through 2029, to refund the Series 1999 General Obligation Bonds.	24,975,000	-	-	1,160,000	23,815,000

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.	14,315,000	(227,700)	-	191,100	13,896,200
2010 General Obligation Bonds Series A, \$30,000,000 (governmental activities \$29,205,201; business-type activities \$794,799), varying interest rates ranging from 1% to 4.15% through 2029, to refund the Series 2006 General Obligation Note and to pay a swap termination fee.	28,475,000	(794,799)	-	9,428,400	18,251,801
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.	7,775,000	-	-	5,000	7,770,000
2010 General Obligation Bonds Series C, Build America Bonds, \$42,405,000 (governmental activities \$13,377,336; business-type activities \$29,027,664), varying interest rates ranging from 2.35% to 5.8% through 2030, to fund County Capital Projects.	42,385,000	(29,027,664)	-	1,500	13,355,836
2010 General Obligation Bonds Series D, \$6,550,000 (governmental activities \$1,765,000; business-type activities \$4,785,000), varying interest rates ranging from .87% to 4.16% through 2020, to fund County Capital Projects.	4,785,000	(4,785,000)	-	-	-
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.	9,660,000	-	-	85,000	9,575,000
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.	29,005,288	(6,121,262)	-	729,194	22,154,832
2013 General Obligation Bonds, \$17,785,000 (government activities \$12,785,678; business-type activities \$4,999,322), varying interest rates ranging from 1% to 5% through 2033, to fund County Capital Projects.	17,085,000	(4,999,322)	-	461,282	11,624,396

2014 General Obligation Bonds, \$10,000,000 (governmental activities \$9,700,000; business-type activities \$300,000), 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.

	-	<u>9,700,000</u>	-	-	<u>9,700,000</u>
	279,602,484	(36,255,747)	5,003,023	27,940,876	220,408,884
Unamortized premium 2008	144,954	-	-	15,683	129,271
Unamortized premium 2009A	75,189	-	-	7,653	67,536
Unamortized discount 2010A	(97,706)	2,931	-	(5,923)	(88,852)
Unamortized discount 2012	(82,132)	-	-	(5,054)	(77,078)
Unamortized premium 2013	2,724,535	(664,242)	-	103,015	1,957,278
Unamortized premium 2014	-	<u>79,744</u>	-	<u>4,984</u>	<u>74,760</u>
Total	<u>\$ 282,367,324</u>	<u>\$ (36,837,314)</u>	<u>\$ 5,003,023</u>	<u>\$ 28,061,234</u>	<u>\$ 222,471,799</u>
Less: Current Maturities					<u>(19,417,949)</u>
					<u>\$ 203,053,850</u>

The 1992 Second Series and 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
2015	\$ 19,417,949	\$ 6,567,708	\$ 25,985,657
2016	19,605,777	6,421,700	26,027,477
2017	19,791,562	6,249,201	26,040,763
2018	19,953,338	6,067,596	26,020,934
2019	20,104,137	5,878,918	25,983,055
2020-2024	58,189,034	25,227,785	83,416,819
2025-2029	62,988,521	13,746,626	76,735,147
2030-2034	11,100,340	2,018,754	13,119,094
2035-2037	<u>3,918,908</u>	<u>314,614</u>	<u>4,233,522</u>
	<u>\$ 235,069,566</u>	<u>\$ 72,492,902</u>	<u>\$ 307,562,468</u>
Unaccreted principal	(14,660,682)		
Unamortized premium	2,228,845		
Unamortized discount	<u>(165,930)</u>		
Bonds and notes payable at December 31, 2014	<u>\$ 222,471,799</u>		

Business-type activities

	Balance outstanding January 1, 2014	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2014
2008 General Obligation Bonds, \$33,980,000 (governmental activities \$7,925,026; business-type activities \$26,054,974), varying interest rates ranging from 2.15% to 5.00% through 2028, to refund the Series 1998 General Obligation Bonds and 2002 General Obligation Bonds.	\$ 20,509,100	\$ -	\$ -	\$ 695,600	\$ 19,813,500
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.	-	227,700	-	3,900	223,800
2010 General Obligation Bonds Series A, \$30,000,000 (governmental activities \$29,205,201; business-type activities \$794,799), varying interest rates ranging from 1% to 4.15% through 2029, to refund the Series 2006 General Obligation Note and to pay a swap termination fee.	-	794,799	-	291,600	503,199
2010 General Obligation Bonds Series C, Build America Bonds, \$42,405,000 (governmental activities \$13,377,336; business-type activities \$29,027,664), varying interest rates ranging from 2.35% to 5.8% through 2030, to fund County Capital Projects.	-	29,027,664	-	3,500	29,024,164
2010 General Obligation Bonds Series D, \$6,550,000 (governmental activities \$1,765,000; business-type activities \$4,785,000), varying interest rates ranging from .87% to 4.16% through 2020, to fund County Capital Projects.	-	4,785,000	-	610,000	4,175,000
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.	7,109,714	6,121,262		425,806	12,805,170
2013 General Obligation Bonds, \$17,785,000 (government activities \$12,785,678; business-type activities \$4,999,322), varying interest rates ranging from 1% to 5% through 2033, to fund County Capital Projects.	-	4,999,322	-	148,718	4,850,604

2014 General Obligation Bonds, \$10,000,000 (governmental activities \$9,700,000; business-type activities \$300,000), 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.

	-	300,000	-	-	300,000
	\$ 27,618,814	\$ 46,255,747	\$ -	\$ 2,179,124	\$ 71,695,437
Unamortized premium 2008	412,559	-	-	44,634	367,925
Unamortized discount 2010A	-	(2,931)	-	(183)	(2,748)
Unamortized premium 2013	-	664,242	-	33,211	631,031
Unamortized premium 2014	-	2,466	-	154	2,312
Total	<u>\$ 28,031,373</u>	<u>\$ 46,919,524</u>	<u>\$ -</u>	<u>\$ 2,256,940</u>	<u>\$ 72,693,957</u>
Less: Current Maturities					<u>(1,692,051)</u>
					<u>\$ 71,001,906</u>

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2015	\$ 1,692,051	\$ 3,248,986	\$ 4,941,037
2016	1,684,223	3,211,428	4,895,651
2017	1,708,438	3,170,872	4,879,310
2018	1,751,662	3,126,581	4,878,243
2019	1,820,863	3,075,498	4,896,361
2020-2024	28,135,965	12,614,055	40,750,020
2025-2029	24,621,479	6,154,396	30,775,875
2030-2034	7,974,662	1,180,440	9,155,102
2035-2037	2,306,094	181,841	2,487,935
	<u>\$ 71,695,437</u>	<u>\$ 35,964,097</u>	<u>\$ 107,659,534</u>
Unamortized premium	1,001,268		
Unamortized discount	(2,748)		
Bonds and notes payable at December 31, 2014	<u>\$ 72,693,957</u>		

2. Derivatives

In March 2014, the County entered into an interest rate basis swap agreement with a financial institution in connection with the Series A of 2012 General Obligation Bonds. The agreement effective date is March 17, 2014 and terminates on November 15, 2037. The financial institution is a floating rate payor based on 67% of 30-day LIBOR. The County is a floating rate payor based upon the BMA Municipal Bond Index as published by Municipal Market Data.

In May 2011, 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 May 11, 2011 and terminates on November 15, 2030. The financial institution is a floating rate payor based on 67% of 30-day LIBOR. The County is a floating rate payor based upon the BMA Municipal Bond Index as published by Municipal Market Data.

The fair value (liability) asset as of December 31 is as follows:

Associated Bond Issue	Notional Amount	Balance January 1, 2014	Increase/ (Decrease)	Balance December 31, 2014
Series C of 2010 GOB	\$42,405,000	\$(433,837)	\$ 912,338	\$ 478,501
Series A of 2012 GOB	<u>36,115,000</u>	<u>-</u>	<u>519,427</u>	<u>519,427</u>
Totals	<u>\$78,520,000</u>	<u>\$(433,837)</u>	<u>\$1,431,765</u>	<u>\$ 997,928</u>

The valuations shown are not actual market prices at which an offer would be made for unwinding any transactions, but rather calculated mathematical approximations of market values derived from proprietary models as of a given date. As these basis swaps are considered to be investment type derivative instruments per accounting standards, they are reported as a derivative asset and as a borrowing on the governmental activities column of the statement of net position. The change in fair market value during the year ended December 31, 2014, is accounted for as a component of investment earnings on the statement of activities.

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 – is 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 and Series A of 2012.

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 \$215,000 at December 31, 2014. 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, 2014, \$34,600,000 of bonds outstanding is considered defeased.

During 2014, the County defeased a portion of its Series A of 2010 General Obligation Bonds by placing proceeds from its 2014 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, 2014, \$9,190,000 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, 2014.

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, 2014.

7. Other changes in long term liabilities

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

	Balance January 1, 2014	Additions	Reductions	Balance December 31, 2014	Due within one year
Governmental activities:					
Agricultural easement installment purchases	\$ 119,400	\$ -	\$ 59,700	\$ 59,700	\$ 59,700
Workers compensation accrued liabilities	1,978,649	627,216	551,653	2,054,212	224,320
Compensated absences payable	<u>3,859,905</u>	<u>6,379,412</u>	<u>6,216,292</u>	<u>4,023,025</u>	<u>995,247</u>
Total governmental activities	<u>\$5,957,954</u>	<u>\$7,006,628</u>	<u>\$6,827,645</u>	<u>\$ 6,136,937</u>	<u>\$1,279,267</u>
Business-type activities:					
Workers compensation accrued liabilities	\$1,811,438	\$ 321,537	\$ 437,230	\$ 1,695,745	\$ 185,175
Compensated absences payable	<u>1,163,355</u>	<u>1,966,921</u>	<u>1,928,974</u>	<u>1,201,302</u>	<u>360,256</u>
Total business-type activities	<u>\$2,974,793</u>	<u>\$2,288,458</u>	<u>\$2,366,204</u>	<u>\$ 2,897,047</u>	<u>\$ 545,431</u>

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

8. Guaranteed debt of others

The following revenue bonds and notes are guaranteed by the County, with balances outstanding as of December 31, 2014 (except for Reading Area Community College with the outstanding balance as of June 30, 2014). The County has not been called upon to make any payments related to this debt.

Series of 2009, Berks County Solid Waste Authority	\$ 1,930,000
Series of 2008, Reading Regional Airport Authority Notes	\$ 6,340,000
Series of 2007, Redevelopment Authority of the County of Berks Note	\$ 2,092,420

B. Component units

1. Revenue bonds payable

• Berks County Solid Waste Authority

At December 31, 2014, revenue bonds payable consisted of the following:

Bonds	Balance outstanding December 31, 2013	Additions (payments)	Balance outstanding December 31, 2014
County Guaranteed Revenue Bonds, Series of 2009, varying interest rates from 2.00% to 2.75% through 2016, initial issue \$6,290,000	\$ 2,870,000	\$ (940,000)	\$ 1,930,000
Less:			
Current maturities			(955,000)
Unamortized bond premium			9,932
			<u>\$ 984,932</u>

Aggregate sinking fund installments required on bonded debt at December 31, 2014 are as follows:

Year Ending	Principal	Interest	Service
2015	955,000	37,556	992,556
2016	975,000	13,407	988,407
	<u>1,930,000</u>	<u>50,963</u>	<u>1,980,963</u>

The County of Berks has unconditionally and irrevocably guaranteed the full and prompt payment of the debt service on the 2009 revenue bonds when they become due and payable, pursuant to the guaranty agreement dated September 15, 2009 between the County and the Authority. In addition, the bonds are collateralized by substantially all revenues of the Authority and balances in the Authority's trust accounts.

- **Reading Area Community College**

Bonds payable on June 30, 2014 consisted of several outstanding tax-exempt revenue bond series issued by the State Public School Building Authority (SPSBA). In connection with the bond issuance, the College entered into a loan agreement with SPSBA under which the College has pledged its full faith and credit for the repayment of the bonds. The loan constitutes an unsecured general obligation of the College. 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 series for the year ended June 30, 2014 was as follows:

	Balance outstanding July 1, 2013	Redeemed/ Refunded	Balance outstanding June 30, 2014
College Revenue Bonds, Series of 2002, original issue \$7,170,000, interest rate 4.00%, final maturity April 2014.	\$ 540,000	\$ (540,000)	\$ -
College Revenue Bonds, Series of 2003, original issue \$12,490,000, interest rate 4.13%, final maturity April 2029.	1,945,000	(360,000)	1,585,000
College Revenue Bonds, Series of 2004, original issue \$2,500,000, interest rate 1.79%, final maturity April 2020.	1,948,000	(164,000)	1,784,000
College Revenue Bonds, Series of 2005, original issue \$1,860,000, interest rate 3.90%, final maturity April 2016.	618,000	(199,000)	419,000
College Revenue Bonds, Series of 2007, original issue \$2,713,000, interest rate 4.23%, final maturity May 2014.	95,000	(95,000)	-
College Revenue Bonds, Series of 2012, original issue \$9,995,000, interest rate of 2.00%, final maturity April 2029	<u>9,995,000</u>	<u>(5,000)</u>	<u>9,990,000</u>
	<u>\$ 15,141,000</u>	<u>\$ (1,363,000)</u>	<u>\$ 13,778,000</u>
Less: Current maturities			<u>(847,000)</u>
			<u>\$ 12,931,000</u>

Principal and interest requirements to maturity are as follows:

Year ending June 30	Principal	Interest	Total Debt service
2015	\$ 847,000	\$ 446,572	\$ 1,293,572
2016	993,000	411,978	1,404,978
2017	996,000	373,156	1,369,156
2018	1,039,000	333,449	1,372,449
2019	1,067,000	301,413	1,368,413
2020-2024	4,286,000	1,101,435	5,387,435
2025-2029	<u>4,550,000</u>	<u>458,810</u>	<u>5,008,810</u>
	<u>\$ 13,778,000</u>	<u>\$ 3,426,813</u>	<u>\$ 17,204,813</u>

• **Reading Regional Airport Authority**

September 30,
2014

Notes

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 refund the 2004A Bonds. The Note will mature on April 1, 2026. The Note bears interest at fixed rate of 4.45% through October 2015. 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 8.00% per annum. Interest is paid semi-annually.

\$ 2,490,000

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 refund the 2004B Bonds. The Note will mature on October 1, 2033. The Note bears interest at fixed rate of 4.43% through October 2015. Thereafter, the interest rate shall be adjusted from time to time to equal 67% of the 1-Month London Interbank Offered Rate, plus 215 basis points. However, the maximum interest rate on the Note shall never exceed 6.50% per annum. Interest is paid semi-annually.

3,850,000

Total \$ 6,340,000

Less: Amount due within one year and classified as current

-

\$ 6,340,000

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

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Amount Due Within One Year
Revenue Note:					
Series A of 2008	\$ 2,490,000	\$ -	\$ -	\$ 2,490,000	\$ -
Series B of 2008	3,850,000	-	-	3,850,000	-
	<u>\$ 6,340,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,340,000</u>	<u>\$ -</u>

The following schedule summarizes debt service requirements to maturity:

Year ending Sept 30	Revenue Bonds, Series A and B of 2008		
	Principal	Interest	Total Debt service
2015	\$ -	\$ 281,360	\$ 281,360
2016	-	281,360	281,360
2017	-	281,360	281,360
2018	-	286,360	286,360
2019	5,000	281,249	286,249
2020-2024	1,670,000	1,208,219	2,878,219
2025-2029	2,320,000	787,676	3,107,676
2030-2034	<u>2,345,000</u>	<u>266,797</u>	<u>2,611,797</u>
	<u>\$ 6,340,000</u>	<u>\$ 3,674,381</u>	<u>\$ 10,014,381</u>

On October 2, 2014, the Authority refinanced both revenue notes, Series A and B of 2008. Commencing October 1, 2014, the 2008A and 2008B Notes will bear interest at a 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 2008A and 2008B Notes shall never exceed 4.50% and 5.50% per annum, respectively. No changes were made to the principal maturity schedules for either revenue note.

3. Lines of Credit

- **Reading Area Community College**

As of June 30, 2014, the College has an unsecured bank line of credit of \$1,000,000. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 % and expired on December 31, 2014. There was no outstanding balance on this line of credit at June 30, 2014.

4. Long-term liabilities

- Reading Area Community College

	Balance outstanding June 30, 2014
Loans payable to Pennsylvania State Public School Building Authority:	
On March 5, 2010, the College entered into an agreement to borrow up to \$1,500,000 to finance the purchase and related costs of property in proximity to the College. The agreement requires semi-annual payments of \$160,520, including interest at 2.50% per annum. The note was satisfied during 2014.	\$ -
On March 15, 2012, the College entered into an agreement to borrow up to \$700,000 to finance the renovations to two buildings of the College. The agreement requires semi-annual payments of \$120,392, including interest at 2.00% per annum. Final payment is due in January 2015. The College has pledged its full faith and credit for the repayment of the loan.	228,982
On October 31, 2012, the College entered into an agreement to borrow up to \$1,100,000 to finance the Campus Wide Building Emergency Audio Mass Notification System and an Energy Conservation Lighting Initiative. The agreement requires semi-annual payments of \$115,848, including interest at 2.00% per annum. Final payment is due in June 2017. The College has pledged its full faith and credit for the repayment of the loan.	767,075
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 is due in March 2019. The College has pledged its full faith and credit for the repayment of the loan.	<u>42,240</u>
	1,038,297
Portion payable within one year and classified as current.	<u>(488,649)</u>
Total long term debt	<u><u>\$ 549,648</u></u>

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

	Principal	Interest
2015	\$ 488,649	\$ 21,308
2016	221,520	10,176
2017	225,997	5,699
2018	<u>102,131</u>	<u>1,030</u>
	<u>\$ 1,038,297</u>	<u>\$ 38,213</u>

Accrued compensated absences for the year ending June 30, 2014 was \$916,996, with \$464,851 due within one year.

NOTE 11: FUND BALANCE POLICY

A. Primary government

Fund balances of the County's governmental funds at December 31, 2014 consist of the following:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total Fund Balance (Deficit)
General Fund	\$ 1,364,327	\$ 4,201,282	\$ -	\$ 11,323,251	\$ 127,306,930	\$ 144,195,790
Children and Youth Services Fund	6,600	13,042	-	-	-	19,642
Community Development Fund	-	-	-	-	(2,008)	(2,008)
Capital Projects Fund	-	15,808,953	-	-	-	15,808,953
Other Governmental	<u>25,308</u>	<u>6,656,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,681,371</u>
	<u>\$ 1,396,235</u>	<u>\$ 26,679,340</u>	<u>\$ -</u>	<u>\$ 11,323,251</u>	<u>\$ 127,304,922</u>	<u>\$ 166,703,748</u>

The County has established and will maintain reservations of fund balance in accordance with GASB 54. This policy applies to the County's General Fund and all governmental funds. Fund balance is composed on nonspendable, restricted, committed, assigned and unassigned amounts.

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.

Spending policy:

The County’s policy is to first use restricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available.

The County’s policy is to use unrestricted fund balance in the following order, committed, assigned and unassigned, when an expenditure is incurred for purposes for which each of these fund balance classifications are available.

Minimum fund balance policy:

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

Committed fund balance:

The Board of Commissioners is the County’s highest level of decision making authority. The County has not formally adopted a policy as to the formal action that is required to be taken to establish, modify or rescind a fund balance commitment.

Assigned fund balance:

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.

Disbursement of fund balance reserves:

No formal policy has been adopted by the County regarding disbursement of funds within the fund balance reserves; however, disbursement is approved by the Board of Commissioners by inclusion in the approved annual budget and amendments thereto.

Annual review and determination of fund balance reserve amounts:

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’s Board of Commissioners hereby establishes the following nonspendable fund balance reserves:

Employee pay advance

This reservation represents long term receivable from employees resulting from a change in payroll records. This receivable is not available to meet current expenditures. \$ 70,193

Inventories and prepaid expenses

This reservation represents inventories and prepaid expenses. These items are not available to meet current expenditures. 1,326,542

The County's Board of Commissioners hereby establishes the following restricted fund balance reserves in the fund noted in the descriptions:

Gift fund

This restriction represents funds donated by individuals to be used to provide gifts or special services to children under the care of Children and Youth Services Fund. \$ 13,042

Farmland preservation

This restriction represents funds raised to purchase farmland as part of the agricultural preservation program in the General Fund. 1,420,374

Hazmat response

This restriction represents fees and other charges to be used to fund the clean up of hazardous materials incidents in the General Fund. 1,515,820

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. 197,358

Workers compensation

This restriction represents funds restricted to pay future workers compensation claims in the General Fund. 362,229

Program purposes

This restriction represents amounts restricted to fund the operations of certain special revenue funds. 6,655,563

Services Center Parking Garage

This restriction represents amounts restricted to fund any repairs necessary to the Services Center Parking Garage 154,523

Act 13 Marcellus Shale Money

This restriction represents amounts restricted to fund improvements to the County's park system 550,978

Capital Projects

This restriction represents amounts restricted to fund the operations of certain special revenue funds in the Capital Projects Fund. 15,808,953

The County's Board of Commissioners' hereby establishes the following assigned fund balance reserves in the fund noted in the descriptions:

222 Corridor

This assignment represents future expenditures in the 222 Corridor project in the General Fund. \$ 5,000,000

911 Radio Project

This assignment represents funds to purchase 911 radios. 587,261

Environmental Litigation

This assignment represents possible environmental litigation costs made by the County of Berks in the General Fund 230,761

Encumbrances

This assignment represents the outstanding contractual obligations for goods and services not yet received. 399,438

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 2015 year 4,000,000

Waste Water Treatment Plant

This assignment represents the funds assigned to the Waste Water Treatment Plant 1,105,791

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, 2014:

Computer equipment and copiers	\$ 46,520
Less: Accumulated depreciation	<u>(36,062)</u>
	<u>\$ 10,458</u>

The capital lease obligations were fully satisfied during the year ended June 30, 2014. 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 65% of the County’s employees are covered by collective bargaining agreements as of December 31, 2014. Four of the seven contracts have expiration dates of December 31, 2015. The Fraternal Order of Police’s contract expires December 31, 2016. The AFSCME Union now has two groups with an expiration date of December 31, 2015. The Pennsylvania Social Services Unit contract expires on December 31, 2017.

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 2019. Total expenses for all operating leases were \$1,367,555 for the year ended December 31, 2014.

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

2015	\$ 996,423
2016	758,543
2017	733,733
2018	418,298
2019	4,388
Total	<u>\$ 2,911,385</u>

B. Component units

1. Berks County Solid Waste Authority

The Authority has employment agreements with the Executive Director and the Recycling Center Operator through March 31, 2015 and July 31, 2015, respectively, which provides for specific wages, benefits (defined therein), and amendment and termination provisions. The agreements may automatically be renewed for successive one-year terms thereafter absent notice of termination by either party.

2. 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 during the 2013/2014 year. Settlement amounts have not exceeded insurance coverage for the current year.

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.

3. Reading Area Community College

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.

The College has entered into several lease agreements for the rental of classroom space, parking space and certain equipment. Rent expense for the year ended June 30, 2014 approximated \$1,045,000. Minimum future rental payments under non-cancelable operating leases are as follows:

Year ending June 30:	
2015	\$ 962,401
2016	608,056
2017	553,201
2018	<u>90,910</u>
Total	<u>\$ 2,214,568</u>

At June 30, 2014, the College had \$896,800 in contracts relating to the Berks Hall windows project, with \$584,209 of outstanding commitments remaining. The commitments will be funded through cash on hand and additional drawdowns available on loans payable.

NOTE 14: CONTRACTUAL AGREEMENT REVENUE

Component unit

Berks County Solid Waste Authority

On April 20, 2000, the Authority entered into an agreement with Allied Waste Industries, Inc., Browning-Ferris, Inc., New Morgan Landfill Company, and all of their affiliated companies and representatives and agents (collectively "BFI".) The agreement states that in return for BFI's consideration of \$100,000 annually, the Authority shall not contest, challenge, reverse, terminate, affect or undo either the Eco Industrial Park or the reconfiguration of the boundaries of the Conestoga Landfill or the definition of the Facility Site in the Disposal Service Agreement as amended as the reconfiguration boundaries are described in the Authority's February 16, 1999 Resolution and in the amended Disposal Service Agreement of October 12, 1989. The annual payments will cease upon the permanent cessation of receipt of waste at the landfill.

On January 24, 2008, the Authority entered into an agreement with the County of Berks, in which the Authority will administer the county-wide drop-off recycling and rural recycling programs. As per the agreement, the County paid the Authority \$185,000 for the 2014 year. In the event that neither party terminates this agreement, the agreement shall automatically renew each year on January 1.

The Authority's ability to generate revenue from administrative fees or other surcharges related to "flow controlled" delivery of trash is severely limited. Sufficient revenue for Authority debt service and operating expenses may be available in the form of host fees payable to the County and specifically earmarked for payment of debt service under the terms of a Stipulation of Settlement entered into by the County, the Authority, and Browning-Ferris, Inc. The County has abided by its obligation to provide sufficient host fees for payment of the Authority's debt service. During 2014, the Authority received \$997,700 in host fees from the County.

Reading Area Community College

The College entered into a contract with Follett Higher Education Group, Inc. effective November 2007 for a period of five years to operate the College's bookstore. Effective November 2012, the contract was renewed for an additional five years with certain amendments. Terms of the contract require 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. Prior to November 2012, the College received 11.25 percent of sales up to \$2,500,000, 12.25 percent of sales from \$2,500,000 to \$5,000,000 and 13.25 percent of sales over \$5,000,000.

In addition, the amended contract stated that Follett will renovate and move the bookstore facility for a cost of up to \$525,000. The actual total cost of renovations was \$435,506. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Follett the book value of renovations put in service by Follett depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Follett over the life of the contract. Unearned revenue from the renovations is \$290,337 as of June 30, 2014.

Total revenues from this agreement, including amortization of the bookstore renovations, was \$365,516 for the year ended June 30, 2014.

NOTE 15: LITIGATION

Primary government

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. 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.

NOTE 16: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component units

Reading Area Community College

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 Postemployment Benefits Plan does not issue a publicly available financial report and the College is implementing GASB Statement 45 prospectively.

Contribution requirements are negotiated between the College and union representatives. The required contribution is based on pay as you go for financing. The College provides life insurance and medical, dental and prescription benefits to employees upon retirement depending upon various eligibility requirements. Retirees who reach 55 years of age with at least 5 years of service are provided life insurance at no cost to the retiree. In addition, retirees at 55 with at least 15 years of service are provided the option to purchase medical, dental and prescription coverage at 102% of the COBRA rate, or receive a lump sum payment of \$6,250 or receive cash payments of up to 50% of the College's COBRA rate for outside coverage. For those retirees who reach 59.5 years of age with 20 years of service, the lump sum payment increases to \$12,500 or cash payments for up to the full reimbursement of the College's COBRA rate for outside coverage. The plan is provided to retirees as part of the College's negotiated agreements with employees. For the fiscal year ended June 30, 2014, the College contributed \$45,492 to the plan related to retirees.

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation:

	June 30, 2014
Annual required contribution	\$ 94,107
Interest on net OPEB obligation	7,935
Adjustment to annual required contribution	<u>(11,472)</u>
Annual OPEB cost	90,570
Contributions made	<u>(45,492)</u>
Increase in net OPEB obligation	45,078
Net OPEB obligation - beginning of year	<u>198,374</u>
Net OPEB obligation - end of year	<u><u>\$ 243,452</u></u>

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 90,570	50.2%	\$ 243,452
6/30/2013	95,977	62.7%	198,374
6/30/2012	95,977	62.7%	162,616

As of July 1, 2013 the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$983,753, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$983,753.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% discount rate and 2.8% rate of inflation. The annual healthcare cost trend rate of 7.0% initially, decreasing .5% per year to an ultimate rate of 4.5% in 2020 and later. The unfunded actuarial accrued liability is being amortized at the end of the year based on level dollar and a thirty year open amortization period.

NOTE 17: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 29, 2015. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2014 were noted, except for the bond issuance described in the following paragraph.

1. Bond issuance

The County of Berks issued \$44,030,000 in bonds as an advance refunding in January 2015. The County received a net wire transfer of \$50,490,869 including original issue premium less underwriter's discount. These bonds are satisfying the obligation owed by the County of Berks for the 2008 General Obligation Bonds and the 2010 General Obligation Bonds, Series A. The maturity date of these bonds is November 15, 2028.



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, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 135,550,507	\$ 135,550,507	\$ 136,328,388	\$ 777,881
Court costs, fines and forfeitures	3,808,975	3,808,975	3,524,023	(284,952)
Investment earnings	1,274,795	1,274,795	582,834	(691,961)
Intergovernmental revenue	14,089,727	14,198,476	12,838,766	(1,359,710)
Departmental charges and reimbursements	56,438,804	55,655,275	55,153,008	(502,267)
Payments in lieu of taxes	94,607	94,607	102,196	7,589
Rentals	331,878	331,878	318,194	(13,684)
Sale of property, supplies and equipment	24,000	24,000	18,250	(5,750)
Miscellaneous	2,120,333	2,161,060	2,323,831	162,771
Total revenues	<u>213,733,626</u>	<u>213,099,573</u>	<u>211,189,490</u>	<u>(1,910,083)</u>
Expenditures				
General government, administrative:				
Commissioners	1,975,461	2,025,472	1,824,579	200,893
Solicitors	1,230,309	1,609,571	1,686,641	(77,070)
Facilities	11,344,835	13,249,749	10,747,541	2,502,208
Courthouse Security	1,399,937	1,402,120	1,347,092	55,028
Election Services	1,738,242	1,757,082	1,724,105	32,977
Real Estate Assessment	3,119,159	3,166,724	2,687,234	479,490
Treasurer	873,228	915,699	898,361	17,338
Tax Collectors	511,187	512,038	512,596	(558)
Tax Claim Bureau	758,384	924,544	841,974	82,570
Controller	2,292,776	2,346,574	2,174,577	171,997
Recorder of Deeds	1,313,048	1,339,681	1,304,730	34,951
Mailroom/Printing	468,068	511,850	477,334	34,516
Information Systems	6,977,519	6,646,458	5,860,086	786,372
Purchasing	632,488	651,430	616,309	35,121
Archives	374,283	384,661	358,935	25,726
Budget	1,182,813	1,220,098	1,154,122	65,976
Human Resources	2,930,260	2,909,918	3,092,599	(182,681)
Insurance	1,816,577	1,810,199	696,060	1,114,139
Telecommunications	362,490	331,813	233,429	98,384
Veterans Affairs	665,089	678,155	614,792	63,363
Total general government, administrative	<u>41,966,153</u>	<u>44,393,836</u>	<u>38,853,096</u>	<u>5,540,740</u>
General government, judicial:				
Register of Wills	1,035,213	1,042,399	1,044,598	(2,199)
Sheriff	8,941,447	9,072,034	8,648,383	423,651
Coroner	1,391,491	1,412,829	1,549,977	(137,148)
Prothonotary	2,792,952	2,861,751	2,766,587	95,164
Clerk of Courts	2,473,769	2,493,072	2,331,926	161,146
Public Defender	3,098,195	3,122,034	2,977,561	144,473
District Attorney	10,094,200	10,298,610	9,881,981	416,629
Law Library	613,581	618,191	596,948	21,243
Court Administration	8,435,299	8,597,248	8,481,523	115,725
District Justices	10,330,227	10,332,496	9,825,219	507,277
Court Reporters	2,181,992	2,212,997	2,206,626	6,371
Total general government, judicial	<u>51,388,366</u>	<u>52,063,661</u>	<u>50,311,329</u>	<u>1,752,332</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	7,343,660	7,394,155	7,129,353	264,802
Juvenile Probation	15,617,185	15,742,426	14,632,591	1,109,835
Prison	35,303,825	35,503,843	34,790,316	713,527
Community Corrections	2,229,400	2,248,597	2,069,928	178,669
Department of Emergency Services	3,618,866	3,855,117	2,834,634	1,020,483
Total public safety	<u>64,112,936</u>	<u>64,744,138</u>	<u>61,456,822</u>	<u>3,287,316</u>
Culture and recreation:				
Berks County Public Libraries	3,771,296	3,860,814	3,691,637	169,177
Parks	4,457,629	4,697,177	2,744,334	1,952,843
Total culture and recreation	<u>8,228,925</u>	<u>8,557,991</u>	<u>6,435,971</u>	<u>2,122,020</u>
Community and economic development:				
Planning	1,558,253	1,573,216	1,567,356	5,860
Agricultural Extension Service	536,837	536,837	528,385	8,452
Agland Preservation	1,958,666	1,999,799	1,980,084	19,715
Total community and economic development	<u>4,053,756</u>	<u>4,109,852</u>	<u>4,075,825</u>	<u>34,027</u>
Public Works:				
Recycling	<u>197,926</u>	<u>197,881</u>	<u>197,993</u>	<u>(112)</u>
Community Support:				
Contributions:				
Community Bail Program	570,313	570,962	570,572	390
Berks Area Regional Transportation Authority	472,053	472,053	472,052	1
Berks Economic Partnership	500,000	700,000	700,000	-
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	265,000	275,000	267,400	7,600
Reading Area Community College	3,100,000	3,100,000	3,100,000	-
Total community support	<u>5,807,366</u>	<u>6,018,015</u>	<u>6,010,024</u>	<u>7,991</u>
Contingency:				
Contingency general	<u>3,500,000</u>	<u>1,653,688</u>	<u>(29,554)</u>	<u>1,683,242</u>
Debt service:				
Principal, interest and fiscal charges	25,651,351	25,713,015	25,300,688	412,327
Debt issuance costs	-	-	118,742	(118,742)
Administrative expenses	16,098	111,793	108,947	2,846
Total debt service	<u>25,667,449</u>	<u>25,824,808</u>	<u>25,528,377</u>	<u>296,431</u>
Intergovernmental:				
Solid Waste debt service	<u>998,408</u>	<u>998,453</u>	<u>998,452</u>	<u>1</u>
Total expenditures for general fund	<u>205,921,285</u>	<u>208,562,323</u>	<u>193,838,335</u>	<u>14,723,988</u>
Excess of revenue over expenditures	<u>7,812,341</u>	<u>4,537,250</u>	<u>17,351,155</u>	<u>12,813,905</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
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	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Issuance of refunding bonds	-	-	10,000,000	10,000,000
Premium on issuance of refunding bonds	-	-	82,210	82,210
Payment to escrow agent - bond refunding	-	-	(9,963,468)	(9,963,468)
Transfers in	3,957,970	3,535,108	3,496,321	(38,787)
Transfers out	(10,442,618)	(10,814,840)	(9,398,934)	1,415,906
Total other financing sources (uses)	<u>(6,484,648)</u>	<u>(7,279,732)</u>	<u>(5,783,871)</u>	<u>1,495,861</u>
Net change in fund balances	1,327,693	(2,742,482)	11,567,284	14,309,766
Fund balances, beginning	132,628,506	132,628,506	132,628,506	-
Fund balances, ending	<u>\$ 133,956,199</u>	<u>\$ 129,886,024</u>	<u>\$ 144,195,790</u>	<u>\$ 14,309,766</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficit)
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 34,592,491	\$ 34,833,483	\$ 33,619,775	\$ (1,213,708)
Departmental charges and reimbursements	689,000	796,000	990,746	194,746
Investment earnings	-	-	15,092	15,092
Miscellaneous	6,808	6,808	1,635	(5,173)
Total revenues	<u>35,288,299</u>	<u>35,636,291</u>	<u>34,627,248</u>	<u>(1,009,043)</u>
Expenditures				
Current:				
Human services	40,771,884	41,210,191	39,266,230	1,943,961
Total expenditures	<u>40,771,884</u>	<u>41,210,191</u>	<u>39,266,230</u>	<u>1,943,961</u>
(Excess) Deficiency of revenues over (under) expenditures	<u>(5,483,585)</u>	<u>(5,573,900)</u>	<u>(4,638,982)</u>	<u>934,918</u>
Other financing sources (uses):				
Transfers in	5,870,582	5,878,931	4,905,381	(973,550)
Transfers out	(386,997)	(264,836)	(264,836)	-
Total other financing sources (uses)	<u>5,483,585</u>	<u>5,614,095</u>	<u>4,640,545</u>	<u>(973,550)</u>
Net change in fund balances	-	40,195	1,563	(38,632)
Fund balances, beginning	18,079	18,079	18,079	-
Fund balances (deficit), ending	<u>\$ 18,079</u>	<u>\$ 58,274</u>	<u>\$ 19,642</u>	<u>\$ (38,632)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 3,519,174	\$ 3,589,174	\$ 2,162,092	\$ (1,427,082)
Departmental charges and reimbursements	630,000	630,000	508,169	(121,831)
Investment earnings	-	-	4	4
Miscellaneous	54,304	54,304	49,572	(4,732)
Total revenues	<u>4,203,478</u>	<u>4,273,478</u>	<u>2,719,837</u>	<u>(1,553,641)</u>
Expenditures				
Current:				
Community & economic development	2,733,352	3,556,211	2,744,904	811,307
Total expenditures	<u>2,733,352</u>	<u>3,556,211</u>	<u>2,744,904</u>	<u>811,307</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,470,126</u>	<u>717,267</u>	<u>(25,067)</u>	<u>(742,334)</u>
Other financing uses:				
Transfers out	(1,470,125)	(717,266)	(7,447)	709,819
Total other financing uses	<u>(1,470,125)</u>	<u>(717,266)</u>	<u>(7,447)</u>	<u>709,819</u>
Net change in fund balances (deficits)	1	1	(32,514)	(32,515)
Fund balances, beginning	30,506	30,506	30,506	-
Fund balances (deficits), ending	<u>\$ 30,507</u>	<u>\$ 30,507</u>	<u>\$ (2,008)</u>	<u>\$ (32,515)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 82,000,000	\$ 83,837,935	\$ 83,617,166	\$ (220,769)
Investment earnings	2	2	10,538	10,536
Total revenues	<u>82,000,002</u>	<u>83,837,937</u>	<u>83,627,704</u>	<u>(210,233)</u>
Expenditures				
Current:				
Human services	81,984,032	83,827,007	83,616,774	210,233
Total expenditures	<u>81,984,032</u>	<u>83,827,007</u>	<u>83,616,774</u>	<u>210,233</u>
Excess of revenues over expenditures	<u>15,970</u>	<u>10,930</u>	<u>10,930</u>	<u>-</u>
Other Financing uses:				
Transfers out	(15,970)	(10,930)	(10,930)	-
Total other financial uses	<u>(15,970)</u>	<u>(10,930)</u>	<u>(10,930)</u>	<u>-</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 request document. 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 Director of Budget and Finance may make transfers between accounts under \$5,000, while transfers of \$5,000 or greater require the approval of the Board of Commissioners. Any supplemental appropriations to the Budget are approved 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 reservations of fund balances, and do not constitute expenditures or liabilities, because the commitments will be re-appropriated and honored during the subsequent year.

Schedule of Changes in the County's Net Pension Liability and Related Ratios
 Berks County Employees' Retirement Fund
 Last 10 Fiscal Years

County of Berks
 2014 Comprehensive Annual Financial Report

	<u>2014</u>
Total pension liability	
Service cost	\$ 3,961,298
Interest	26,933,820
Changes in terms benefits	-
Differences between expected and actual experience	1,253,982
Changes of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(16,016,484)</u>
Net change in total pension liability	16,132,616
Total pension liability, beginning	<u>363,019,775</u>
Total pension liability, ending	<u><u>\$ 379,152,391</u></u>
Plan fiduciary net position	
Contributions-employer	\$ 233,518
Contributions-member	6,074,679
Net investment income	23,044,169
Other additions	27,002
Benefit payments, including refunds of member contributions	(16,016,484)
Administrative expense	<u>(63,398)</u>
Net change in plan fiduciary net position	13,299,486
Plan fiduciary net position, beginning	<u>399,714,049</u>
Plan fiduciary net position, ending	<u><u>\$ 413,013,535</u></u>
County of Berks' net pension asset	<u><u>\$ 33,861,144</u></u>
Plan fiduciary net position as a percentage of total pension liability	108.93%
Covered-employee payroll	\$ 100,988,654
County of Berks' net position liability as a percentage of covered-employee payroll	33.5%

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
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	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Actuarially determined contributions	\$ 233,518	\$ 2,665,246	\$ 9,796,229	\$ 8,002,599	\$ 11,599,747	\$ 11,064,607	\$ 5,039,939	\$ 6,902,040	\$ 7,675,390	\$ 8,612,680
Pension prefunding	-	-	63,144,061	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	<u>233,518</u>	<u>2,665,246</u>	<u>9,796,229</u>	<u>8,002,599</u>	<u>11,599,747</u>	<u>11,064,607</u>	<u>5,039,939</u>	<u>6,902,040</u>	<u>7,675,390</u>	<u>8,612,680</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,144,061)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 100,988,654	\$ 98,776,314	\$ 99,233,198	\$ 98,644,764	\$ 96,728,405	\$ 93,697,475	\$ 91,594,431	\$ 90,809,719		
Contributions as a percentage of covered-employee payroll	0.23%	2.70%	9.87%	8.11%	11.99%	11.81%	5.50%	7.60%		

Notes to Schedule:

Valuation date: January 1, 2014

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	21 years
Asset valuation method	5-year smoothed market
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	1983 Group Annuity 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.
 2006 and 2005 covered payroll is unavailable at the time this schedule was prepared.





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	Special Legislation
Assets					
Cash and cash equivalents	\$ 1,954,227	\$ 550	\$ 329,697	\$ 225	\$ -
Cash and cash equivalents, restricted	-	-	-	808	3,353,452
Investments	1,531,066	-	-	-	-
Taxes receivable	-	-	-	-	115,874
Accounts receivable	-	107,217	37,427	28,471	3,580
Due from other governments	925,429	1,571,721	427,358	59,340	396,507
Due from other funds	434,691	-	-	1,965,759	201,088
Prepaid expenses	-	-	19,954	-	-
Investments, non-current	2,760,133	-	-	-	-
Total assets	<u>\$ 7,605,546</u>	<u>\$ 1,679,488</u>	<u>\$ 814,436</u>	<u>\$ 2,054,603</u>	<u>\$ 4,070,501</u>
Liabilities and fund balances					
Accounts payable	\$ 705,091	\$ 2,075	\$ 234,018	\$ 843,217	\$ 989,935
Accrued liabilities	1,847	224,484	114,631	101,998	-
Advance revenue	3,502,947	-	-	1,108,830	-
Deferred revenue	-	-	-	498	-
Due to other funds	-	1,449,380	281,395	-	-
Total liabilities	<u>4,209,885</u>	<u>1,675,939</u>	<u>630,044</u>	<u>2,054,543</u>	<u>989,935</u>
Fund balances:					
Nonspendable:					
Conversion pay	-	3,549	2,305	-	-
Prepaid expense	-	-	19,954	-	-
Assigned:					
Special Revenue funds	<u>3,395,661</u>	<u>-</u>	<u>162,133</u>	<u>60</u>	<u>3,080,566</u>
Total fund balances	<u>3,395,661</u>	<u>3,549</u>	<u>184,392</u>	<u>60</u>	<u>3,080,566</u>
Total liabilities and fund balances	<u>\$ 7,605,546</u>	<u>\$ 1,679,488</u>	<u>\$ 814,436</u>	<u>\$ 2,054,603</u>	<u>\$ 4,070,501</u>

Special Revenue

	Mental Health/ Developmental Disabilities	Human Services	Drug & Alcohol	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,284,699
Cash and cash equivalents, restricted	-	-	-	3,354,260
Investments	-	-	-	1,531,066
Taxes receivable	-	-	-	115,874
Accounts receivable	-	-	-	176,695
Due from other governments	20,628	78,727	-	3,479,710
Due from other funds	1,928,596	54,718	256,563	4,841,415
Prepaid expenses	-	-	-	19,954
Investments, non-current	-	-	-	2,760,133
Total assets	<u>\$ 1,949,224</u>	<u>\$ 133,445</u>	<u>\$ 256,563</u>	<u>\$ 18,563,806</u>
Liabilities and fund balances				
Accounts payable	\$ 1,254,128	\$ 88,535	\$ 256,563	\$ 4,373,562
Accrued liabilities	17,830	412	-	461,202
Advance revenue	677,273	27,348	-	5,316,398
Deferred revenue	-	-	-	498
Due to other funds	-	-	-	1,730,775
Total liabilities	<u>1,949,231</u>	<u>116,295</u>	<u>256,563</u>	<u>11,882,435</u>
Fund balances:				
Nonspendable:				
Conversion pay	-	-	-	5,854
Prepaid expense	-	-	-	19,954
Assigned:				
Special Revenue funds	<u>(7)</u>	<u>17,150</u>	<u>-</u>	<u>6,655,563</u>
Total fund balances	<u>(7)</u>	<u>17,150</u>	<u>-</u>	<u>6,681,371</u>
Total liabilities and fund balances	<u>\$ 1,949,224</u>	<u>\$ 133,445</u>	<u>\$ 256,563</u>	<u>\$ 18,563,806</u>

	Special Revenue				
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging	Special Legislation
Revenues					
Intergovernmental revenue	\$ 4,791,303	\$ 4,286,690	\$ 5,180,350	\$ 8,503,973	\$ 911,284
Hotel tax	-	-	-	-	2,055,944
Departmental charges and reimbursements	-	382,010	-	261,430	1,151,054
Investment earnings	11,299	-	-	5,038	4,574
Rental	9,900	-	-	-	-
Miscellaneous	22,902	-	161,524	1,557	-
Total revenues	<u>4,835,404</u>	<u>4,668,700</u>	<u>5,341,874</u>	<u>8,771,998</u>	<u>4,122,856</u>
Expenditures					
Current:					
General government, administrative	-	-	-	-	2,280,987
General government, judicial	-	-	-	-	24,352
Human services	-	6,069,321	5,201,805	8,728,650	-
Public works	5,501,810	-	-	-	-
Total expenditures	<u>5,501,810</u>	<u>6,069,321</u>	<u>5,201,805</u>	<u>8,728,650</u>	<u>2,305,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(666,406)</u>	<u>(1,400,621)</u>	<u>140,069</u>	<u>43,348</u>	<u>1,817,517</u>
Other financing sources (uses)					
Transfers in	2,798	1,680,137	-	91,923	-
Transfers out	(5,673)	(107,108)	(45,790)	(135,211)	(1,769,811)
Total other financing sources (uses)	<u>(2,875)</u>	<u>1,573,029</u>	<u>(45,790)</u>	<u>(43,288)</u>	<u>(1,769,811)</u>
Net changes in fund balances (deficits)	(669,281)	172,408	94,279	60	47,706
Fund balances (deficits), beginning, as restated	4,064,942	(168,859)	90,113	-	3,032,860
Fund balances (deficits), ending	<u>\$ 3,395,661</u>	<u>\$ 3,549</u>	<u>\$ 184,392</u>	<u>\$ 60</u>	<u>\$ 3,080,566</u>

	Special Revenue			Total
	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol	
Revenues				
Intergovernmental revenue	\$ 15,298,748	\$ 2,632,751	\$ 4,343,831	\$ 45,948,930
Hotel tax	-	-	-	2,055,944
Departmental charges and reimbursements	34,206	-	-	1,828,700
Investment earnings	5,540	559	-	27,010
Rental	-	-	-	9,900
Miscellaneous	11,086	398	-	197,467
Total revenues	<u>15,349,580</u>	<u>2,633,708</u>	<u>4,343,831</u>	<u>50,067,951</u>
Expenditures				
Current:				
General government, administrative	-	-	-	2,280,987
General government, judicial	-	-	-	24,352
Human services	16,039,353	2,522,322	6,071,431	44,632,882
Public works	-	-	-	5,501,810
Total expenditures	<u>16,039,353</u>	<u>2,522,322</u>	<u>6,071,431</u>	<u>52,440,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(689,773)</u>	<u>111,386</u>	<u>(1,727,600)</u>	<u>(2,372,080)</u>
Other financing sources (uses)				
Transfers in	703,753	-	1,727,600	4,206,211
Transfers out	(13,987)	(111,109)	-	(2,188,689)
Total other financing sources (uses)	<u>689,766</u>	<u>(111,109)</u>	<u>1,727,600</u>	<u>2,017,522</u>
Net changes in fund balances (deficits)	(7)	277	-	(354,558)
Fund balances (deficits), beginning, as restated	-	16,873	-	7,035,929
Fund balances (deficits), ending	<u>\$ (7)</u>	<u>\$ 17,150</u>	<u>\$ -</u>	<u>\$ 6,681,371</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

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	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 9,456,407	\$ 9,833,730	\$ 4,791,303	\$ (5,042,427)
Investment earnings	59,100	59,100	11,299	(47,801)
Rental	10,000	10,000	9,900	(100)
Miscellaneous	-	-	22,902	22,902
Total revenues	<u>9,525,507</u>	<u>9,902,830</u>	<u>4,835,404</u>	<u>(5,067,426)</u>
Expenditures				
Current:				
Public works	12,264,612	12,294,682	5,501,810	6,792,872
Total expenditures	<u>12,264,612</u>	<u>12,294,682</u>	<u>5,501,810</u>	<u>6,792,872</u>
Excess (deficiency) of revenues over (under) expenditures	(2,739,105)	(2,391,852)	(666,406)	1,725,446
Other financing sources (uses):				
Transfers In	1,341,068	591,068	2,798	(588,270)
Transfers out	(8,290)	(5,673)	(5,673)	-
Total other financing sources (uses)	<u>1,332,778</u>	<u>585,395</u>	<u>(2,875)</u>	<u>(588,270)</u>
Net change in fund balances	(1,406,327)	(1,806,457)	(669,281)	1,137,176
Fund balances, beginning, as restated	4,064,942	4,064,942	4,064,942	-
Fund balances, ending	<u>\$ 2,658,615</u>	<u>\$ 2,258,485</u>	<u>\$ 3,395,661</u>	<u>\$ 1,137,176</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,353,938	\$ 4,304,532	\$ 4,286,690	\$ (17,842)
Departmental charges and reimbursements	340,000	340,000	382,010	42,010
Total revenues	<u>4,693,938</u>	<u>4,644,532</u>	<u>4,668,700</u>	<u>24,168</u>
Expenditures				
Current:				
Human services	6,418,328	6,419,328	6,069,321	350,007
Total expenditures	<u>6,418,328</u>	<u>6,419,328</u>	<u>6,069,321</u>	<u>350,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,724,390)</u>	<u>(1,774,796)</u>	<u>(1,400,621)</u>	<u>374,175</u>
Other financing sources (uses):				
Transfers In	1,880,904	1,880,904	1,680,137	(200,767)
Transfers out	(156,514)	(107,108)	(107,108)	-
Total other financing sources (uses)	<u>1,724,390</u>	<u>1,773,796</u>	<u>1,573,029</u>	<u>(200,767)</u>
Net change in fund balances (deficits)	-	(1,000)	172,408	173,408
Fund balances (deficits), beginning, as restated	(168,859)	(168,859)	(168,859)	-
Fund balances (deficits), ending	<u>\$ (168,859)</u>	<u>\$ (169,859)</u>	<u>\$ 3,549</u>	<u>\$ 173,408</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Employment and Training Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,036,864	\$ 5,480,664	\$ 5,180,350	\$ (300,314)
Departmental charges and reimbursements	50,000	50,000	-	(50,000)
Miscellaneous	150,000	150,000	161,524	11,524
Total revenues	<u>5,236,864</u>	<u>5,680,664</u>	<u>5,341,874</u>	<u>(338,790)</u>
Expenditures				
Current:				
Human services	5,169,953	5,623,874	5,201,805	422,069
Total expenditures	<u>5,169,953</u>	<u>5,623,874</u>	<u>5,201,805</u>	<u>422,069</u>
Excess of revenues over expenditures	<u>66,911</u>	<u>56,790</u>	<u>140,069</u>	<u>83,279</u>
Other financing uses:				
Transfers out	(66,911)	(45,790)	(45,790)	-
Total other financing uses	<u>(66,911)</u>	<u>(45,790)</u>	<u>(45,790)</u>	<u>-</u>
Net change in fund balances	-	11,000	94,279	83,279
Fund balances, beginning	90,113	90,113	90,113	-
Fund balances, ending	<u>\$ 90,113</u>	<u>\$ 101,113</u>	<u>\$ 184,392</u>	<u>\$ 83,279</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2014

County of Berks
2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 9,201,014	\$ 9,292,212	\$ 8,503,973	\$ (788,239)
Departmental charges and reimbursements	438,491	254,890	261,430	6,540
Investment earnings	15,000	6,259	5,038	(1,221)
Miscellaneous	250	1,120	1,557	437
Total revenues	<u>9,654,755</u>	<u>9,554,481</u>	<u>8,771,998</u>	<u>(782,483)</u>
Expenditures				
Current:				
Human services	9,572,501	9,511,134	8,728,650	782,484
Total expenditures	<u>9,572,501</u>	<u>9,511,134</u>	<u>8,728,650</u>	<u>782,484</u>
Excess of revenues over expenditures	<u>82,254</u>	<u>43,347</u>	<u>43,348</u>	<u>1</u>
Other financing sources (uses):				
Transfers in	153,485	153,485	91,923	(61,562)
Transfers out	(235,739)	(196,832)	(135,211)	61,621
Total other financing sources (uses)	<u>(82,254)</u>	<u>(43,347)</u>	<u>(43,288)</u>	<u>59</u>
Net change in fund balances	-	-	60	60
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Special Legislation Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 804,000	\$ 804,000	\$ 911,284	\$ 107,284
Hotel tax	1,960,000	1,960,000	2,055,944	95,944
Departmental charges and reimbursements	1,197,000	1,197,000	1,151,054	(45,946)
Investment earnings	3,120	3,120	4,574	1,454
Total revenues	<u>3,964,120</u>	<u>3,964,120</u>	<u>4,122,856</u>	<u>158,736</u>
Expenditures				
Current:				
General government, administrative	2,122,056	2,186,740	2,280,987	(94,247)
General government, judicial	254	254	24,352	(24,098)
Total expenditures	<u>2,122,310</u>	<u>2,186,994</u>	<u>2,305,339</u>	<u>(118,345)</u>
Excess of revenues over expenditures	<u>1,841,810</u>	<u>1,777,126</u>	<u>1,817,517</u>	<u>40,391</u>
Other financing uses:				
Transfers out	<u>(1,695,765)</u>	<u>(1,683,113)</u>	<u>(1,769,811)</u>	<u>(86,698)</u>
Total other financing uses	<u>(1,695,765)</u>	<u>(1,683,113)</u>	<u>(1,769,811)</u>	<u>(86,698)</u>
Net change in fund balances (deficits)	146,045	94,013	47,706	(46,307)
Fund balances, beginning	3,032,860	3,032,860	3,032,860	-
Fund balances (deficits), ending	<u>\$ 3,178,905</u>	<u>\$ 3,126,873</u>	<u>\$ 3,080,566</u>	<u>\$ (46,307)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2014

County of Berks
2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 15,903,561	\$ 15,987,634	\$ 15,298,748	\$ (688,886)
Departmental charges and reimbursements	35,402	35,402	34,206	(1,196)
Investment earnings	2,500	2,500	5,540	3,040
Miscellaneous	17,702	17,702	11,086	(6,616)
Total revenues	<u>15,959,165</u>	<u>16,043,238</u>	<u>15,349,580</u>	<u>(693,658)</u>
Expenditures				
Current:				
Human services	16,699,169	16,029,251	16,039,353	(10,102)
Total expenditures	<u>16,699,169</u>	<u>16,029,251</u>	<u>16,039,353</u>	<u>(10,102)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(740,004)</u>	<u>13,987</u>	<u>(689,773)</u>	<u>(703,760)</u>
Other financing sources (uses):				
Transfers in	760,443	762,955	703,753	(59,202)
Transfers out	<u>(20,439)</u>	<u>(13,987)</u>	<u>(13,987)</u>	<u>-</u>
Total other financing sources (uses)	<u>740,004</u>	<u>748,968</u>	<u>689,766</u>	<u>(59,202)</u>
Net change in fund balances (deficits)	-	762,955	(7)	(762,962)
Fund balances, beginning	-	-	-	-
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ 762,955</u>	<u>\$ (7)</u>	<u>\$ (762,962)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Human Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 2,884,589	\$ 2,877,846	\$ 2,632,751	\$ (245,095)
Investment earnings	300	300	559	259
Miscellaneous	488	488	398	(90)
Total revenues	<u>2,885,377</u>	<u>2,878,634</u>	<u>2,633,708</u>	<u>(244,926)</u>
Expenditures				
Current:				
Human services	2,781,678	2,766,711	2,522,322	244,389
Total expenditures	<u>2,781,678</u>	<u>2,766,711</u>	<u>2,522,322</u>	<u>244,389</u>
Excess (deficiency) of revenues over (under)expenditures	<u>103,699</u>	<u>111,923</u>	<u>111,386</u>	<u>(537)</u>
Other financing uses:				
Transfers out	<u>(103,707)</u>	<u>(111,931)</u>	<u>(111,109)</u>	<u>822</u>
Total other financing uses	<u>(103,707)</u>	<u>(111,931)</u>	<u>(111,109)</u>	<u>822</u>
Net change in fund balances	(8)	(8)	277	285
Fund balances, beginning	16,873	16,873	16,873	-
Fund balances, ending	<u>\$ 16,865</u>	<u>\$ 16,865</u>	<u>\$ 17,150</u>	<u>\$ 285</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2014

County of Berks
2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 4,225,398	\$ 4,343,831	\$ 4,343,831	\$ -
Total revenue	<u>4,225,398</u>	<u>4,343,831</u>	<u>4,343,831</u>	<u>-</u>
Expenditures				
Current:				
Human services	5,952,998	6,071,431	6,071,431	-
Total expenditures	<u>5,952,998</u>	<u>6,071,431</u>	<u>6,071,431</u>	<u>-</u>
Deficiency of revenue under expenditures	<u>(1,727,600)</u>	<u>(1,727,600)</u>	<u>(1,727,600)</u>	<u>-</u>
Other financing sources:				
Transfers in	1,727,600	1,727,600	1,727,600	-
Total other financing sources	<u>1,727,600</u>	<u>1,727,600</u>	<u>1,727,600</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, Expenses and Changes in Net Position
 Department of Emergency Services Enterprise Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services				
Phone bill surcharge	\$ 1,566,556	\$ 1,566,556	\$ 1,537,156	\$ (29,400)
County wide radio	2,516,607	2,516,607	2,516,920	313
Cellular fee	3,706,441	3,706,441	3,782,283	75,842
Voice Over IP (VoIP)	616,635	616,635	657,676	41,041
Total operating revenues	<u>8,406,239</u>	<u>8,406,239</u>	<u>8,494,035</u>	<u>87,796</u>
Operating expenses				
Communications center				
Wages, salaries and fringe benefits	2,417,263	2,417,263	1,241,038	1,176,225
Administrative expenses	2,265,523	2,258,554	1,329,010	929,544
Materials and supplies	56,594	65,039	52,965	12,074
Depreciation	2,673,542	2,673,542	2,239,990	433,552
911 System				
Wages, salaries and fringe benefits	1,113,774	1,113,774	1,092,328	21,446
Administrative expenses	514,885	514,885	372,348	142,537
Materials and supplies	4,200	4,882	-	4,882
Depreciation	179,140	179,140	150,090	29,050
Wireless 911				
Wages, salaries and fringe benefits	3,026,923	3,026,923	3,311,113	(284,190)
Administrative expenses	646,487	663,436	583,404	80,032
Materials and supplies	25,846	26,283	4,515	21,768
Depreciation	321,501	321,501	269,365	52,136
Voice Over IP (VOIP)				
Materials and supplies	272,500	272,500	13,287	259,213
Total operating expenses	<u>13,518,178</u>	<u>13,537,722</u>	<u>10,659,453</u>	<u>2,878,269</u>
Operating income (loss)	<u>(5,111,939)</u>	<u>(5,131,483)</u>	<u>(2,165,418)</u>	<u>2,966,065</u>
Nonoperating revenues (expenses)				
Investment earnings	6,058	6,058	6,221	163
Change in fair value of interest rate swaps	-	-	746,418	746,418
Interest expense	(843,437)	(781,773)	(1,874,773)	(1,093,000)
Rental of space	34,563	34,563	43,998	9,435
Total nonoperating revenues (expenses)	<u>(802,816)</u>	<u>(741,152)</u>	<u>(1,078,136)</u>	<u>(336,984)</u>
Loss before transfers	<u>(5,914,755)</u>	<u>(5,872,635)</u>	<u>(3,243,554)</u>	<u>2,629,081</u>
Transfers in				
Change in net position	-	535,110	1,525,751	990,641
Change in net position	<u>(5,914,755)</u>	<u>(5,337,525)</u>	<u>(1,717,803)</u>	<u>3,619,722</u>
Total net position, beginning, as restated	<u>8,859,374</u>	<u>8,859,374</u>	<u>8,859,374</u>	<u>-</u>
Total net position, ending	<u>\$ 2,944,619</u>	<u>\$ 3,521,849</u>	<u>\$ 7,141,571</u>	<u>\$ 3,619,722</u>

Note: Capital outlay Original and Final budget was \$1,072,873 and \$1,647,943, respectively.

Schedule of Revenues, Expenses and Changes in Net Position (Deficit)
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 6,671,747	\$ 6,671,747	\$ 7,076,383	\$ 404,636
Other operating revenues	474,232	1,545,347	587,781	(957,566)
Total operating revenues	<u>7,145,979</u>	<u>8,217,094</u>	<u>7,664,164</u>	<u>(552,930)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	5,976,301	6,072,629	5,306,602	766,027
Depreciation	-	-	212,042	(212,042)
Total operating expenses	<u>5,976,301</u>	<u>6,072,629</u>	<u>5,518,644</u>	<u>553,985</u>
Operating income	<u>1,169,678</u>	<u>2,144,465</u>	<u>2,145,520</u>	<u>1,055</u>
Nonoperating revenues (expenses)				
Grants	57,362	57,962	32,562	(25,400)
Change in fair value of interest rate swaps	-	-	12,414	12,414
Interest expense	(123,400)	(123,400)	(148,630)	(25,230)
Total nonoperating revenues (expenses)	<u>(66,038)</u>	<u>(65,438)</u>	<u>(103,654)</u>	<u>(38,216)</u>
Income before transfers	<u>1,103,640</u>	<u>2,079,027</u>	<u>2,041,866</u>	<u>(37,161)</u>
Transfers out	<u>(1,088,977)</u>	<u>(1,088,977)</u>	<u>(1,088,977)</u>	<u>-</u>
Change in net position	14,663	990,050	952,889	(37,161)
Total net position (deficit), beginning, as restated	3,889,570	3,889,570	3,889,570	-
Total net position (deficit), ending	<u>\$ 3,904,233</u>	<u>\$ 4,879,620</u>	<u>\$ 4,842,459</u>	<u>\$ (37,161)</u>

Note: Capital outlay Original and Final budget was \$0 and \$976,537, respectively.

Schedule of Revenues, Expenses and Changes in Net Position (Deficit)
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 38,765,644	\$ 38,765,644	\$ 38,256,074	\$ (509,570)
Other operating revenues	2,614,237	2,641,537	2,761,654	120,117
Total operating revenues	<u>41,379,881</u>	<u>41,407,181</u>	<u>41,017,728</u>	<u>(389,453)</u>
Operating expenses				
Financial administration	2,663,822	2,712,222	2,553,421	158,801
Administrative expenses	2,105,926	2,110,077	1,390,631	719,446
Special services	157,416	156,616	151,084	5,532
Dietary	3,605,355	3,636,005	3,424,199	211,806
Laundry	681,578	677,653	663,790	13,863
Environmental services	1,965,730	1,920,730	1,768,797	151,933
Plant operations	1,398,281	1,448,981	1,385,639	63,342
Nursing	19,078,423	19,126,265	18,341,519	784,746
Physician services	78,698	78,698	73,386	5,312
Pharmacy services	604,107	602,107	512,819	89,288
Medical services	275,932	275,932	255,545	20,387
Therapeutic activity	509,455	509,455	436,470	72,985
Social service	283,598	283,598	262,964	20,634
Physical therapy service	2,173,360	2,026,339	1,627,074	399,265
Staff development	347,958	347,958	356,186	(8,228)
Materials management	256,268	245,588	199,113	46,475
Personnel	124,395	124,395	117,048	7,347
Security	258,391	260,701	248,191	12,510
Volunteers	68,650	68,575	68,104	471
Nursing administration	1,480,641	1,512,721	1,393,571	119,150
Admissions	180,078	180,078	132,383	47,695
Rehabilitation service	-	118,120	90,405	27,715
Depreciation	1,383,295	1,383,295	1,347,612	35,683
Total operating expenses	<u>39,681,357</u>	<u>39,806,109</u>	<u>36,799,951</u>	<u>3,006,158</u>
Operating income	<u>1,698,524</u>	<u>1,601,072</u>	<u>4,217,777</u>	<u>2,616,705</u>
Nonoperating revenues (expenses)				
Grants	-	59,312	60,558	1,246
Investment earnings	-	-	1,128	1,128
Change in fair value of interest rate swaps	-	-	71,265	71,265
Interest expense	(893,270)	(893,270)	(953,608)	(60,338)
Loss on disposal of capital assets	-	-	(2,696)	(2,696)
Total nonoperating revenues (expenses)	<u>(893,270)</u>	<u>(833,958)</u>	<u>(823,353)</u>	<u>10,605</u>
Change in net position	805,254	767,114	3,394,424	2,627,310
Total net deficit, beginning, as restated	<u>(171,838)</u>	<u>(171,838)</u>	<u>(171,838)</u>	<u>-</u>
Total net position, ending	<u>\$ 633,416</u>	<u>\$ 595,276</u>	<u>\$ 3,222,586</u>	<u>\$ 2,627,310</u>

Note: Capital outlay Original and Final budget was \$553,831 and \$582,812, respectively.

Schedule of Changes in Net Position
 Agency Fund
 Year ended December 31, 2014

County of Berks
 2014 Comprehensive Annual Financial Report

	Balance January 1, 2014	Net Change Incr (Decr)	Balance December 31, 2014
Assets			
Cash and cash equivalents	\$ 8,188,226	\$ 2,542,801	\$ 10,731,027
Total assets	<u>\$ 8,188,226</u>	<u>\$ 2,542,801</u>	<u>\$ 10,731,027</u>
Liabilities			
Due to third parties by department:			
Prothonotary	\$ 712,076	\$ 565,387	\$ 1,277,463
Register of Wills	141,667	7,840	149,507
Berks Heim	318,821	(30,017)	288,804
District Attorney	1,348,978	1,285,561	2,634,539
Sheriff	2,056,705	164,554	2,221,259
Clerk of Courts	1,711,192	86,507	1,797,699
Juvenile Probation	10,211	7,371	17,582
Recorder of Deeds	880,894	483,866	1,364,760
Berks County Residential Center	6,972	25,509	32,481
Domestic Relations	132,709	(35,356)	97,353
Prison	75,096	(6,616)	68,480
Controller	34,550	18,236	52,786
Treasurer	756,740	(29,721)	727,019
Office of Aging	1,615	(320)	1,295
Total liabilities	<u>\$ 8,188,226</u>	<u>\$ 2,542,801</u>	<u>\$ 10,731,027</u>



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report Statistical
Information for
the Year Ending
December 31, 2014

County of Berks
Statistical Section - Categories
Year Ended December 31, 2014

This section presents trend, 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 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 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 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 better understand the demographics in which the County of Berks' operates and exists.

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

	<u>2014</u>	<u>2013</u> (Restated)	<u>2012</u>
Governmental activities			
Net Investment in Capital Assets	\$ 23,918,071	\$ 9,829,007	\$ 17,083,783
Restricted	24,326,098	11,685,944	12,257,593
Unrestricted	<u>160,721,360</u>	<u>160,689,349</u>	(1) <u>165,487,146</u>
Total governmental activities net position	<u>\$ 208,965,529</u>	<u>\$ 182,204,300</u>	<u>\$ 194,828,522</u>
Business-type activities			
Net Investment in Capital Assets	\$ 25,658,496	\$ 25,034,275	\$ 13,829,836
Restricted	-	-	-
Unrestricted deficit	<u>(10,451,880)</u>	<u>(12,457,169)</u>	(2) <u>(9,366,816)</u>
Total business-type activities net position	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 4,463,020</u>
Primary government			
Net Investment in Capital Assets	\$ 49,576,567	\$ 34,863,282	\$ 30,913,619
Restricted	24,326,098	11,685,944	12,257,593
Unrestricted	<u>150,269,480</u>	<u>148,232,180</u>	<u>156,120,330</u>
Total primary government net position	<u>\$ 224,172,145</u>	<u>\$ 194,781,406</u>	<u>\$ 199,291,542</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.

Note:

This schedule is being prepared prospectively in accordance with GASB 63.

The next schedule has been included to provide unrestated prior years' information as it was presented in the prior year's reports.

Source:

Statement of Net Position, County of Berks Financial Statements

**County of Berks
Net Assets by Component
Last Seven Years
(accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities							
Invested in capital assets, net of related debt	\$ 9,109,197	\$ 1,934,910	\$ (3,074,102)	\$ (806,368)	\$ (6,609,944)	\$ (16,037,205)	\$ (19,205,439)
Restricted	16,010,546	24,338,877	15,006,073	15,532,395	22,090,866	\$ 22,526,229	\$ 10,306,760
Unrestricted	163,473,570	171,236,880	158,519,256	178,601,460	141,295,519	109,736,793	76,722,636
Total governmental activities net assets	<u>\$ 188,593,313</u>	<u>\$ 197,510,667</u>	<u>\$ 170,451,227</u>	<u>\$ 193,327,487</u>	<u>\$ 156,776,441</u>	<u>\$ 116,225,817</u>	<u>\$ 67,823,957</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 9,406,663	\$ 8,680,936	\$ 7,679,473	\$ 6,993,441	\$ 6,232,707	\$ 5,946,353	\$ 6,533,308
Restricted	-	-	-	-	-	-	-
Unrestricted	(8,319,120)	(23,180,373)	(22,007,130)	(21,971,731)	(17,113,402)	\$ (16,226,365)	\$ (14,214,271)
Total business-type activities net assets	<u>\$ 1,087,543</u>	<u>\$ (14,499,437)</u>	<u>\$ (14,327,657)</u>	<u>\$ (14,978,290)</u>	<u>\$ (10,880,695)</u>	<u>\$ (10,280,012)</u>	<u>\$ (7,680,963)</u>
Primary government							
Invested in capital assets, net of related debt	\$ 18,515,860	\$ 10,615,846	\$ 4,605,371	\$ 6,187,073	\$ (377,237)	\$ (10,090,852)	\$ (12,672,131)
Restricted	16,010,546	24,338,877	15,006,073	15,532,395	22,090,866	22,526,229	10,306,760
Unrestricted	155,154,450	148,056,507	136,512,126	156,629,729	124,182,117	93,510,428	62,508,365
Total primary government net assets	<u>\$ 189,680,856</u>	<u>\$ 183,011,230</u>	<u>\$ 156,123,570</u>	<u>\$ 178,349,197</u>	<u>\$ 145,895,746</u>	<u>\$ 105,945,805</u>	<u>\$ 60,142,994</u>

Note:

This schedule is being included to provide prior years' information as it was presented in prior years' reports.

Source:

Statement of Net Assets, County of Berks Financial Statements

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses			
Governmental activities:			
General government	\$ 15,721,339	\$ 18,758,919	\$ 17,615,938
Judicial	48,391,839	47,033,776	48,313,567
Public safety	58,902,986	58,557,094	57,900,874
Human services	167,089,187	169,216,796	181,005,416
Culture and recreation	7,392,985	7,541,491	7,961,633
Community and economic development	5,790,903	4,674,567	5,447,335
Public works	1,518,619	1,143,574	997,263
Community support	1,825,423	5,706,515	5,308,083
Debt service administrative expenses	11,239,235	16,320,620	12,442,872
Solid waste	1,247,078	1,245,347	1,280,046
Total governmental activities expenses	<u>\$ 319,119,594</u>	<u>\$ 330,198,699</u>	<u>\$ 338,273,027</u>
Business-type activities			
Department of Emergency Services	12,793,480	8,652,660	8,614,042
Berks County Residential Center	5,667,274	6,088,570	6,047,116
Berks Heim	37,753,556	38,407,433	38,763,708
Youth Center	-	-	4,416,787
Total business-type activities expenses	<u>56,214,310</u>	<u>53,148,663</u>	<u>57,841,653</u>
Total primary government expenses	<u>\$ 375,333,904</u>	<u>\$ 383,347,362</u>	<u>\$ 396,114,680</u>
 Program Revenues			
Governmental activities:			
Charges for Services :			
General government	7,892,340	8,370,615	7,700,054
Judicial	12,229,763	11,650,097	10,056,699
Public safety	7,219,251	7,081,372	5,619,927
Human services	1,842,966	1,561,502	2,016,753
Culture and recreation	112,481	75,756	124,492
Community and economic development	672,165	749,067	1,053,516
Public works	22,902	-	-
Solid waste	3,574,193	2,820,596	2,775,018
Other activities	1,503,982	2,405,976	1,934,098
Operating grants and contributions	177,271,350	174,282,405	189,380,439
Capital grants and contributions	42,348	3,038,095	675,629
Total governmental activities program revenues	<u>\$ 212,383,741</u>	<u>\$ 212,035,481</u>	<u>\$ 221,336,625</u>
Business-type activities			
Charges for Services :			
Department of Emergency Services	8,753,289	8,059,740	7,687,064
Berks County Residential Center	7,664,164	6,985,278	6,523,375
Berks Heim	41,017,725	40,974,069	40,567,133
Youth Center	-	-	567,352
Operating grants and contributions	93,120	51,522	1,252,856
Capital grants and contributions	-	-	-
Total business-type activities program revenues	<u>57,528,298</u>	<u>56,070,609</u>	<u>56,597,780</u>
Total primary government program revenues	<u>\$ 269,912,039</u>	<u>\$ 268,106,090</u>	<u>\$ 277,934,405</u>
 Net (expense)/revenue			
Governmental activities	(106,735,853)	(118,163,218)	(116,936,402)
Business-type activities	1,313,988	2,921,946	(1,243,873)
Total primary government net expense	<u>\$ (105,421,865)</u>	<u>\$ (115,241,272)</u>	<u>\$ (118,180,275)</u>

Note:

This schedule is being presented in accordance with GASB 63.

The next schedule has been included to provide unrestated prior years' information as it was presented in prior year's reports.

Source:

Statement of Net Position, County of Berks Financial Statements

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	\$ 136,033,476	\$ 134,808,089	\$ 127,067,035
Hotel room	2,055,944	1,844,957	1,647,698
Payments in lieu of taxes	266,532	220,931	316,221
Investment earnings	639,352	550,091	833,259
Change in fair value of interest rate swaps	601,668	-	-
Rentals	328,094	356,407	202,812
Miscellaneous	-	-	-
Gain/(loss) on disposal of capital assets	(245,199)	68,874	46,931
Transfer of assets to related entity	(5,746,011)	-	-
Transfers	(436,774)	(10,196,998)	(4,816,823)
Total governmental activities	<u>\$ 133,497,082</u>	<u>\$ 127,652,351</u>	<u>\$ 125,297,133</u>
Business-type activities			
Investment earnings	7,349	5,962	5,248
Change in fair value of interest rate swaps	830,097	-	-
Rental of space	43,998	27,643	22,464
Loss on disposal of capital assets	(2,696)	818	-
Transfers	436,774	10,196,997	4,816,823
Total business-type activities	<u>1,315,522</u>	<u>10,231,420</u>	<u>4,844,535</u>
Total primary government general revenue and other changes	<u>\$ 134,812,604</u>	<u>\$ 137,883,771</u>	<u>\$ 130,141,668</u>
 Changes in Net Position			
Governmental activities	26,761,229	\$ 9,489,133	\$ 8,360,731
Business-type activities	2,629,510	13,153,366	3,600,662
Total primary government net (expense)/revenue	<u>\$ 29,390,739</u>	<u>\$ 22,642,499</u>	<u>\$ 11,961,393</u>

Note:

This schedule is being prepared prospectively in accordance with GASB 63. The next schedule has been included to provide unrestated prior years' information as it was presented in the prior years' reports.

Source:

Statement of Net Position, County of Berks Financial Statements

**County of Berks
Changes in Net Assets
Last Seven Years
(accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses							
Governmental activities:							
General government	\$ 19,358,233	\$ 20,021,126	\$ 19,027,105	\$ 16,967,271	\$ 17,137,883	\$ 15,897,670	\$ 13,877,478
Judicial	46,672,086	45,019,035	43,649,614	39,902,544	38,851,150	36,824,350	35,940,682
Public safety	53,971,066	53,449,933	51,736,377	51,349,756	50,612,056	47,913,202	50,210,538
Human services	187,841,278	171,929,312	197,140,748	215,746,590	198,740,276	183,042,301	173,576,067
Culture and recreation	7,127,616	7,653,072	8,365,231	3,637,542	7,217,689	7,096,723	7,122,257
Community and economic development	7,164,309	8,114,649	9,127,377	11,503,120	9,070,704	10,791,916	9,761,755
Public works	948,645	523,018	500,943	1,754,015	1,460,151	1,907,692	2,634,242
Community support (misc)	6,858,598	6,659,295	4,349,754	4,413,443	4,481,716	4,305,082	3,743,500
Debt service administrative expenses	16,918,941	11,508,880	8,832,087	25,017,761	11,800,763	11,620,598	12,984,496
Solid waste	1,275,635	1,141,743	1,184,106	948,403	1,051,489	1,002,202	794,110
Capital projects	-	-	647,030	570,118	-	-	-
Total governmental activities expenses	<u>\$ 348,136,407</u>	<u>\$ 326,020,063</u>	<u>\$ 344,560,372</u>	<u>\$ 371,810,563</u>	<u>\$ 340,423,877</u>	<u>\$ 320,401,736</u>	<u>\$ 310,645,125</u>
Business-type activities							
Department of Emergency Services	7,967,837	7,454,948	6,599,262	5,759,836	5,280,858	5,789,746	6,290,517
Berks County Residential Center	-	-	-	-	-	-	-
Berks Heim	37,757,747	36,383,076	35,501,563	37,089,818	32,818,771	32,426,149	35,911,973
ICE Family Center	5,464,568	-	-	-	-	-	-
Youth Center	5,885,897	12,778,024	12,804,773	14,033,304	12,783,713	12,655,224	12,748,262
Total business-type activities expenses	<u>57,076,049</u>	<u>56,616,048</u>	<u>54,905,598</u>	<u>56,882,958</u>	<u>50,883,342</u>	<u>50,871,119</u>	<u>54,950,752</u>
Total primary government expenses	<u>\$ 405,212,456</u>	<u>\$ 382,636,111</u>	<u>\$ 399,465,970</u>	<u>\$ 428,693,521</u>	<u>\$ 391,307,219</u>	<u>\$ 371,272,855</u>	<u>\$ 365,595,877</u>
Program Revenues							
Governmental activities:							
Charges for Services :							
General government	7,449,565	7,002,381	6,253,914	5,595,438	7,831,963	7,996,604	6,625,689
Judicial	10,256,054	11,472,650	10,403,760	32,281,495	11,416,614	8,822,620	8,598,451
Public safety	5,148,579	5,594,622	5,392,272	5,337,705	4,663,580	4,450,438	4,668,952
Human services	2,071,743	2,114,879	2,983,530	2,358,379	2,455,765	2,420,651	2,308,058
Culture and recreation	116,685	133,154	92,750	128,830	103,783	96,844	123,589
Community and economic development	573,080	1,417,454	1,108,273	3,096,504	1,109,761	1,654,986	763,957
Public works	346	3,225	11,995	98,605	131,732	438,747	87,628
Solid waste	2,911,968	2,738,410	4,142,028	3,886,825	4,588,050	4,546,366	4,740,372
Other activities	1,941,296	1,180,059	271,123	-	-	-	1,556,344
Operating grants and contributions	194,760,629	191,577,202	203,067,031	224,184,850	209,042,189	197,140,722	185,840,178
Capital grants and contributions	2,820,932	1,921,128	2,382,912	1,935,758	2,045,758	928,802	1,131,290
Total governmental activities program revenues	<u>\$ 228,050,877</u>	<u>\$ 225,155,164</u>	<u>\$ 236,109,588</u>	<u>\$ 278,904,405</u>	<u>\$ 243,389,195</u>	<u>\$ 228,496,780</u>	<u>\$ 216,444,508</u>
Business-type activities							
Charges for Services :							
Department of Emergency Services	7,867,909	8,349,161	7,582,026	6,998,921	5,184,269	5,724,124	7,531,718
Berks County Residential Center	-	-	-	-	-	-	-
Berks Heim	40,201,168	37,117,616	36,386,199	34,821,807	33,224,695	32,606,290	31,858,925
ICE Family Center	6,018,136	-	-	-	-	-	-
Youth Center	2,091,611	8,432,646	8,465,715	8,299,295	8,816,470	6,581,111	6,569,730
Operating grants and contributions	2,296,085	2,117,133	2,659,792	2,146,724	2,447,643	2,789,175	5,525,958
Capital grants and contributions	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>58,474,909</u>	<u>56,016,556</u>	<u>55,093,732</u>	<u>52,266,747</u>	<u>49,673,077</u>	<u>47,700,700</u>	<u>51,486,331</u>
Total primary government program revenues	<u>\$ 286,525,786</u>	<u>\$ 281,171,720</u>	<u>\$ 291,203,320</u>	<u>\$ 331,171,152</u>	<u>\$ 293,062,272</u>	<u>\$ 276,197,480</u>	<u>\$ 267,930,839</u>
Net (expense)/revenue							
Governmental activities	(120,085,530)	(100,864,899)	(108,450,784)	(92,906,158)	(97,034,682)	(91,904,956)	(94,200,617)
Business-type activities	1,398,860	(599,492)	188,134	(4,616,211)	(1,210,265)	(3,170,419)	(3,464,421)
Total primary government net expense	<u>\$ (118,686,670)</u>	<u>\$ (101,464,391)</u>	<u>\$ (108,262,650)</u>	<u>\$ (97,522,369)</u>	<u>\$ (98,244,947)</u>	<u>\$ (95,075,375)</u>	<u>\$ (97,665,038)</u>

Note:

This schedule is being included to provide prior years' information as it was presented in prior years' reports.

Source:

Statement of Net Assets, County of Berks Financial Statements

County of Berks
Changes in Net Assets (continued)
Last Seven Years
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes:							
Property taxes, levied for general purposes	\$ 127,133,403	\$ 127,849,461	\$ 126,343,025	\$ 125,151,669	\$ 123,269,687	\$ 121,757,207	\$ 118,093,345
Hotel room	1,590,516	1,471,283	1,335,233	1,632,693	1,677,537	1,548,341	1,448,340
Payments in lieu of taxes	249,053	324,063	170,159	274,085	223,628	290,923	204,257
Investment earnings	1,049,014	850,893	3,438,690	6,108,261	9,632,013	7,269,432	4,263,259
Rentals	-	-	-	-	-	-	-
Miscellaneous	-	-	-	8,615,137	-	3,614,537	5,848,301
Gain on sale of capital assets	18,100	27,008	26,006	18,777	26,558	18,725	18,915
Special item:	-	-	-	-	-	-	-
Swap termination fee	-	-	(13,766,920)	(5,663,249)	-	-	-
Transfers	(14,158,452)	(401,900)	(396,908)	(412,300)	(437,520)	(477,852)	-
Total governmental activities	<u>\$ 115,881,634</u>	<u>\$ 130,120,808</u>	<u>\$ 117,149,285</u>	<u>\$ 135,725,073</u>	<u>\$ 134,391,903</u>	<u>\$ 134,021,313</u>	<u>\$ 129,876,417</u>
Business-type activities							
Investment earnings	8,658	25,828	66,604	48,924	172,062	93,518	53,214
Rental of space	21,010	-	-	-	-	-	-
Miscellaneous	-	(16)	(1,013)	-	-	-	-
Transfers	14,158,452	401,900	396,908	412,300	437,520	477,852	-
Total business-type activities	<u>14,188,120</u>	<u>427,712</u>	<u>462,499</u>	<u>461,224</u>	<u>609,582</u>	<u>571,370</u>	<u>53,214</u>
Total primary government general revenue	<u>\$ 130,069,754</u>	<u>\$ 130,548,520</u>	<u>\$ 117,611,784</u>	<u>\$ 136,186,297</u>	<u>\$ 135,001,485</u>	<u>\$ 134,592,683</u>	<u>\$ 129,929,631</u>
Changes in Net Assets							
Governmental activities	(4,203,896)	29,255,909	8,698,501	42,818,915	37,357,221	42,116,356	35,675,800
Business-type activities	15,586,980	(171,780)	650,633	(4,154,987)	(600,683)	(2,599,049)	(3,411,207)
Total primary government net (expense)/revenue	<u>\$ 11,383,084</u>	<u>\$ 29,084,129</u>	<u>\$ 9,349,134</u>	<u>\$ 38,663,928</u>	<u>\$ 36,756,538</u>	<u>\$ 39,517,307</u>	<u>\$ 32,264,593</u>

Note:

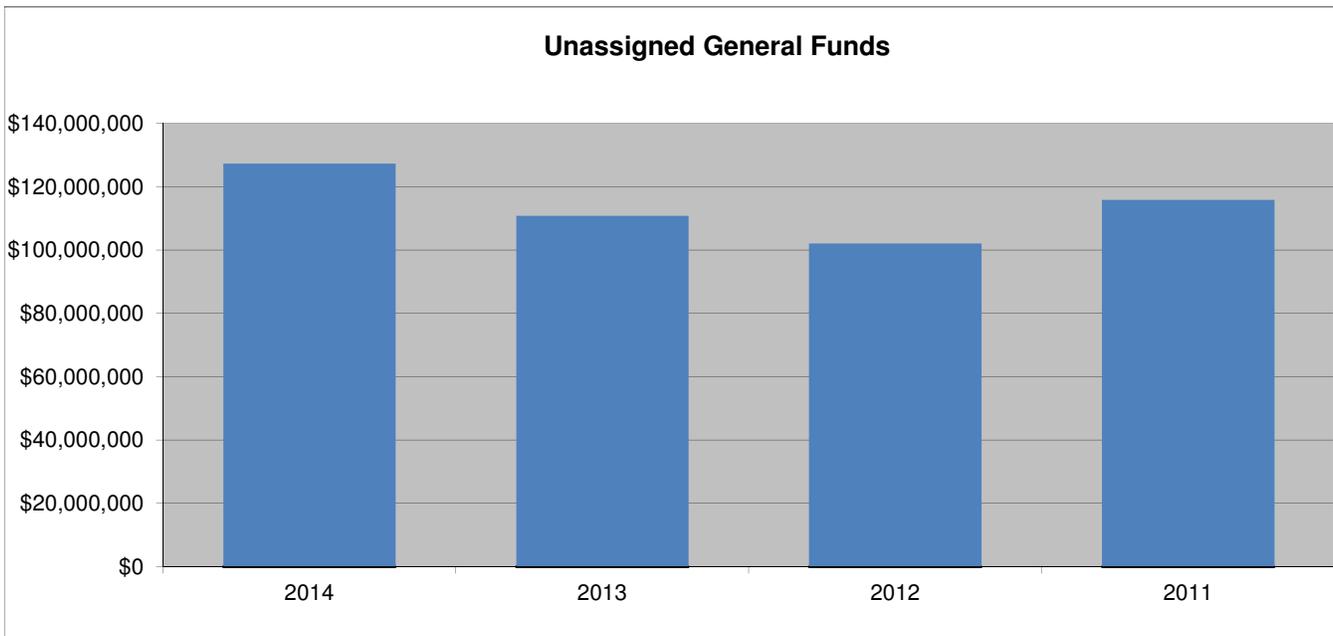
This schedule is being included to provide prior years' information as it was presented in prior years' reports.

Source:

Statement of Net Assets, County of Berks Financial Statements

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

	<u>2014</u>	<u>2013</u> (Restated)	<u>2012</u>	<u>2011</u>
General Fund				
Nonspendable	\$ 1,364,327	\$ 398,435	\$ 592,927	\$ 878,350
Restricted	4,201,282	4,869,238	2,299,603	1,865,358
Assigned	11,323,251	16,953,963	19,545,324	35,008,622
Unassigned	127,306,930	110,406,873	102,045,175	115,808,679
Total General Fund	<u>\$ 144,195,790</u>	<u>\$ 132,628,509</u>	<u>\$ 124,483,029</u>	<u>\$ 153,561,009</u>
All other governmental funds				
Nonspendable:				
Conversion pay	12,454	12,455	15,128	15,891
Inventories and prepaid expenses	19,954	-	-	-
Restricted:				
Gift fund	13,042	11,479	750	4,411
Special revenue funds	6,653,555	7,060,580	9,958,532	10,600,423
Capital project funds	15,808,953	42,116,278	45,528,531	55,369,043
Unassigned	-	-	(45,567)	(270,263)
Total all other governmental funds	<u>\$ 22,507,958</u>	<u>\$ 49,200,792</u>	<u>\$ 55,457,374</u>	<u>\$ 65,719,505</u>
Total governmental funds	<u>\$ 166,703,748</u>	<u>\$ 181,829,301</u>	<u>\$ 179,940,403</u>	<u>\$ 219,280,514</u>



Note:

This schedule is being prepared prospectively in accordance with GASB 54.

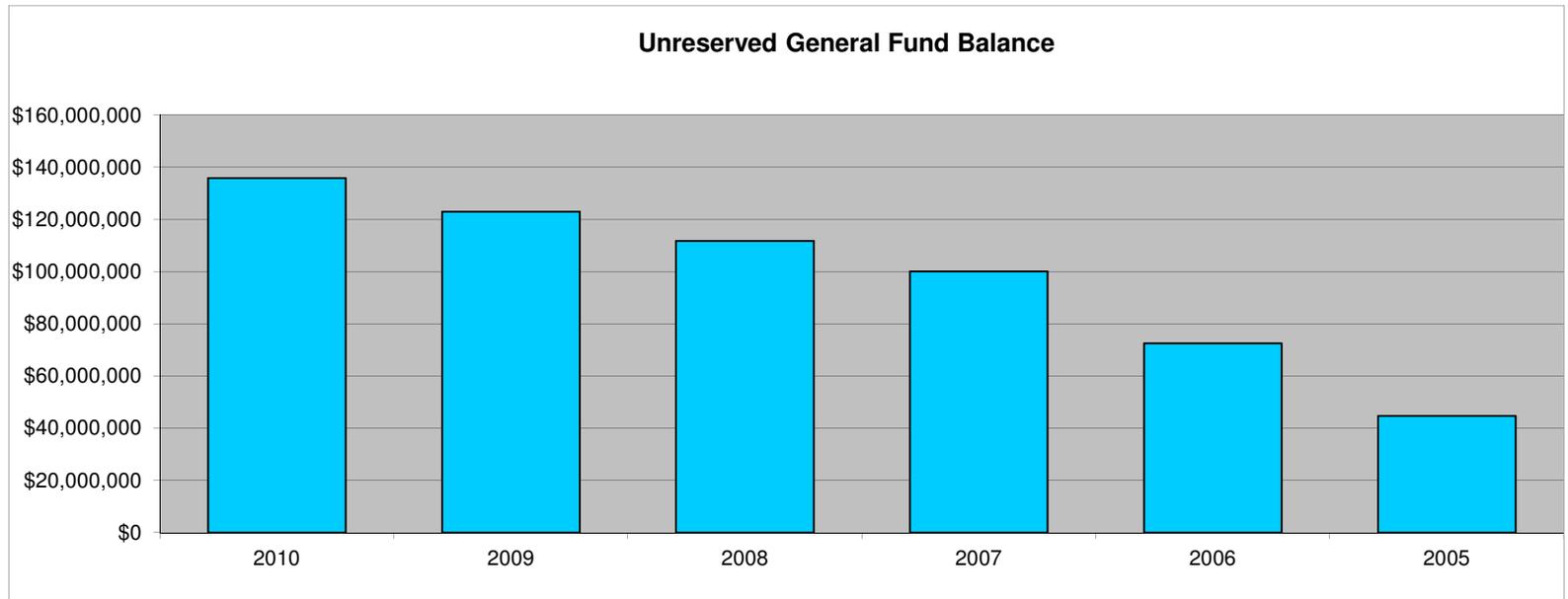
The next schedule has been included to provide unrestated prior years' information as it was presented in the prior years' reports.

Source:

County of Berks - Financial Statements

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund						
Reserved	\$ 22,143,083	\$ 22,126,655	\$ 22,282,025	\$ 17,214,184	\$ 15,609,253	\$ 12,936,592
Unreserved	135,857,859	123,004,381	111,756,048	100,028,177	72,516,994	44,661,476
Total General Fund	<u>\$ 158,000,942</u>	<u>\$ 145,131,036</u>	<u>\$ 134,038,073</u>	<u>\$ 117,242,361</u>	<u>\$ 88,126,247</u>	<u>\$ 57,598,068</u>
All other governmental funds						
Reserved	20,302	13,029,506	22,149	2,323,617	1,051,241	277,365
Unreserved, reported in:						
Special revenue funds	22,724,781	13,709,145	14,604,561	20,696,447	20,737,443	7,506,938
Capital projects funds	66,978,405	-	(432,740)	38,155,424	44,701,926	49,631,962
Total all other governmental funds	<u>\$ 89,723,488</u>	<u>\$ 26,738,651</u>	<u>\$ 14,193,970</u>	<u>\$ 61,175,488</u>	<u>\$ 66,490,610</u>	<u>\$ 57,416,265</u>
Total governmental fund balance	<u>\$ 247,724,430</u>	<u>\$ 171,869,687</u>	<u>\$ 148,232,043</u>	<u>\$ 178,417,849</u>	<u>\$ 154,616,857</u>	<u>\$ 115,014,333</u>



Note:

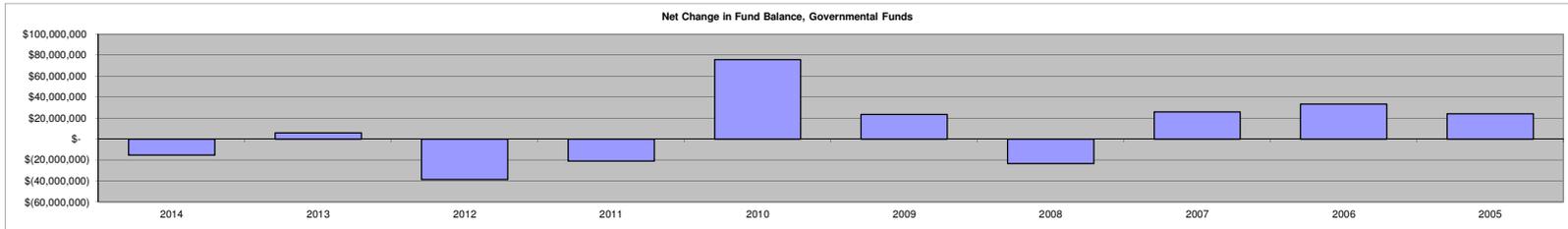
This schedule has been included to provide prior years' information as it was presented in the prior years' reports.

Source:

County of Berks - Financial Statements, not restated for Prior Year adjustments

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Taxes:										
Property	\$ 136,328,388	\$ 135,388,540	\$ 127,003,623	\$ 127,740,394	\$ 125,922,864	\$ 126,396,815	\$ 125,151,669	\$ 123,621,270	\$ 120,937,581	\$ 117,492,028
Hotel	2,055,944	1,844,957	1,647,698	1,590,516	1,471,283	1,335,233	1,632,693	1,677,537	1,548,341	1,448,340
Court costs, fines and forfeitures	3,524,023	3,724,858	3,533,648	3,600,846	4,556,223	3,698,738	322,746	448,271	570,880	618,965
Intergovernmental revenue	178,186,729	177,199,936	191,267,090	198,655,502	193,442,460	206,041,376	225,381,966	210,396,462	197,727,101	185,782,919
Department charges and reimbursements	58,480,623	56,555,546	54,394,935	51,789,888	24,701,700	25,136,056	29,965,275	29,520,039	29,396,139	29,952,015
Payments in lieu of taxes	102,196	51,827	135,367	61,979	131,780	58,551	274,085	223,628	290,923	204,258
Rentals	328,094	356,407	202,812	224,206	216,663	223,811	237,981	237,344	229,193	244,838
Sales of property, supplies and equipment	18,250	68,874	46,931	18,100	27,008	26,006	18,777	26,556	18,725	18,915
Investment earnings	639,352	550,092	833,261	1,049,014	1,695,035	3,438,710	5,968,895	9,530,791	7,512,957	4,270,669
Other revenue	2,572,505	4,014,222	1,444,130	1,754,018	7,045,682	6,625,792	5,660,307	6,578,373	9,190,198	12,046,294
Total revenues	\$ 382,236,104	\$ 379,755,259	\$ 380,509,495	\$ 386,484,463	\$ 359,210,698	\$ 372,981,088	\$ 394,614,414	\$ 382,260,271	\$ 367,422,038	\$ 352,079,241
Expenditures										
Current:										
General government, administrative	\$ 41,134,083	\$ 39,852,191	\$ 47,959,429	\$ 38,636,615	\$ 18,830,640	\$ 19,573,975	\$ 15,639,565	\$ 15,187,582	\$ 14,770,575	\$ 13,546,337
General government, judicial	50,335,681	49,460,353	65,573,490	48,819,429	46,906,599	44,664,478	42,020,768	40,376,874	38,407,211	38,159,909
Public safety	61,456,822	58,692,210	72,374,351	53,443,564	53,128,773	52,369,464	52,120,453	50,209,220	47,272,359	49,517,438
Human services	167,515,886	169,602,996	191,747,864	190,338,788	172,719,027	197,741,401	216,731,445	199,443,663	183,779,298	174,593,963
Culture and recreation	6,435,971	7,885,299	9,268,854	11,176,693	8,004,068	8,421,498	8,139,205	7,532,798	6,988,490	6,972,972
Community and economic development	6,820,729	6,526,379	7,180,694	7,578,062	10,839,751	15,402,477	22,159,195	15,382,486	14,407,593	13,682,452
Public works	5,699,803	2,721,058	1,868,944	1,210,529	979,830	823,743	1,672,100	1,240,471	1,667,217	2,071,634
Community support	5,980,470	5,061,857	5,307,490	5,133,316	6,692,107	4,376,935	4,410,317	4,485,602	4,348,941	3,702,584
Intergovernmental expenditures- Solid waste	998,452	997,007	1,000,219	997,450	844,401	893,571	948,403	1,051,489	1,001,133	792,531
Debt service:										
Principal	8,145,069	19,429,357	19,481,932	14,127,753	29,068,574	8,292,218	45,445,174	11,652,987	11,035,287	10,504,009
Interest	17,155,619	8,043,447	9,346,689	9,934,093	5,976,629	4,488,528	7,105,831	8,008,564	8,079,599	9,778,250
Debt issuance costs	118,742	141,629	430,673	-	691,302	407,689	8,744	-	50,000	102,640
Administrative expenditures	109,147	12,302	15,518	38,902	-	37,239	136,994	158,583	367,768	557,552
Capital outlay	26,310,999	24,595,446	20,906,488	8,702,465	15,017,354	1,216,625	5,197,641	3,395,612	1,526,842	4,481,304
Total expenditures	\$ 398,217,473	\$ 393,021,531	\$ 452,462,635	\$ 390,137,659	\$ 369,699,055	\$ 358,709,841	\$ 421,735,835	\$ 358,125,931	\$ 333,702,313	\$ 328,462,975
Excess (deficiency) of revenues over (under) expenditures	\$ (15,981,369)	\$ (13,266,272)	\$ (71,953,140)	\$ (3,653,196)	\$ (10,488,357)	\$ 14,271,247	\$ (27,121,421)	\$ 24,134,340	\$ 33,719,725	\$ 23,616,266
Other financing sources (uses)										
Transfers in	\$ 12,607,913	\$ 14,488,107	\$ 21,491,843	\$ 18,964,872	\$ 8,468,764	\$ 10,138,474	\$ 13,288,542	\$ 10,270,640	\$ 10,603,065	\$ 9,295,722
Transfers out	(11,870,836)	(15,816,894)	(27,676,447)	(33,123,324)	(8,870,664)	(10,535,383)	(13,700,842)	(10,708,160)	(11,080,917)	(9,295,722)
Bond premium	82,210	2,860,762	-	-	114,396	-	-	-	-	-
Issuance of long term debt	-	17,785,000	29,940,941	-	72,077,540	19,874,004	16,151,487	2,243,417	50,000	9,517,640
Payments to refunded bond escrow agent	(9,963,468)	-	-	-	-	(26,258,174)	(1,042,021)	-	-	-
Issuance of refunding bonds	10,000,000	-	9,870,000	-	14,667,460	29,800,000	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	154,085	410,630
Payment to escrow agent	-	-	-	-	-	-	(5,073,078)	-	-	(9,415,000)
Discount of bond issue	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 855,819	\$ 19,316,975	\$ 33,626,337	\$ (14,158,452)	\$ 86,343,100	\$ 23,133,317	\$ 9,624,088	\$ 1,805,897	\$ (273,767)	\$ 513,270
Special Item										
Swap termination fee		\$ -	\$ -	\$ (2,876,000)	\$ -	\$ (13,766,920)	\$ (5,663,249)	\$ -	\$ -	\$ -
Net change in fund balances	\$ (15,125,550)	\$ 6,050,703	\$ (38,326,803)	\$ (20,687,648)	\$ 75,854,743	\$ 23,637,644	\$ (23,160,582)	\$ 25,940,237	\$ 33,445,958	\$ 24,129,536
Debt Service										
Percentage of noncapital expenditures	6.9%	7.5%	6.8%	6.3%	10.1%	3.7%	12.3%	5.6%	5.9%	6.5%



Note:
This schedule has been included to provide prior years' information as it was presented in the prior years' reports.

Source:
County of Berks - Financial Statements, 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
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	135,367	202,812	46,931	833,261	1,444,130	380,509,495
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
2009	127,732,048	3,698,738	206,041,376	25,136,056	58,551	223,811	26,006	3,438,710	6,625,792	372,981,088
2008	126,784,362	322,746	225,381,986	29,965,275	274,085	237,981	18,777	5,968,895	5,660,307	394,614,414
2007	125,298,807	448,271	210,396,462	29,520,039	223,628	237,344	26,556	9,530,791	6,578,373	382,260,271
2006	122,485,922	570,880	197,727,101	29,396,139	290,923	229,193	18,725	7,512,957	9,190,198	367,422,038
2005	118,940,368	618,965	185,782,919	29,952,015	204,258	244,838	18,915	4,270,669	12,046,294	352,079,241

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>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Less: Tax-Exempt Property</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2014	\$14,383,351,500	\$3,381,283,700	\$792,507,900	\$2,773,724,300	\$18,557,143,100	7.372%	\$19,265,737,800	96.3%
2013	14,339,515,800	3,363,960,000	787,046,700	2,756,192,800	18,490,522,500	7.372%	19,194,308,100	96.3%
2012	14,333,218,900	3,364,298,400	775,615,500	2,744,225,900	18,473,132,800	6.935%	19,170,097,000	96.4%
2011	14,312,618,000	3,355,340,500	789,901,800	2,722,905,100	18,457,860,300	6.935%	19,151,011,000	96.4%
2010	14,250,643,200	3,369,197,100	807,453,600	2,690,011,100	18,427,293,900	6.935%	19,120,898,600	96.4%
2009	14,198,056,200	3,328,190,800	806,966,600	2,626,786,500	18,333,213,600	6.935%	19,021,124,000	96.4%
2008	14,104,166,100	3,255,012,600	806,598,200	2,598,730,300	18,165,776,900	6.935%	18,824,246,500	96.5%
2007	13,848,061,200	3,179,432,600	825,152,900	2,483,014,000	17,852,646,700	6.935%	18,517,754,300	96.4%
2006	13,504,909,500	3,111,834,100	830,363,400	2,366,871,900	17,447,107,000	6.935%	18,114,224,000	96.3%
2005	13,135,358,700	3,044,658,800	842,996,500	2,344,716,500	17,023,014,000	6.935%	17,751,970,800	95.9%

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>
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
2009	6.935	2.70	24.66	34.30
2008	6.935	2.78	22.32	32.05
2007	6.935	2.77	23.58	33.30
2006	6.935	2.59	22.60	32.14
2005	6.935	2.56	21.77	31.27

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	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Berkshire Mall Associates	\$ 59,000,000	1	0.32%	\$ 75,500,000	1	0.45%
GH Spring Ridge Associates, Inc.	40,130,200	2	0.22%	40,131,600	2	0.24%
Highlands at Wyomissing	29,511,500	3	0.16%	28,055,000	4	0.17%
Green Hills Realty Association, LP	29,148,100	4	0.16%	-	-	-
Morgantown Crossing LP	24,500,000	5	0.13%	-	-	-
Ashley Furniture Industries	21,960,000	6	0.12%	24,554,500	5	0.15%
Heritage of Green Hills	20,000,000	7	0.11%	-	-	-
Phoebe Berks Village Inc.	19,319,000	8	0.10%	-	-	-
Meridian Blvd. Investors, LP	18,294,500	9	0.10%	22,310,600	7	0.13%
Bank of New York Mellon Trust Co.	16,907,500	10	0.09%	-	-	-
Brandywine Operating Partnership	-	-	0.00%	29,147,100	3	0.18%
Sithe Pennsylvania Holdings	-	-	-	22,511,900	6	0.14%
Fairgrounds Square	-	-	-	21,847,000	8	0.13%
Cabelas Rental, Inc.	-	-	-	21,639,100	9	0.13%
Berks International Corp.	-	-	-	21,396,000	10	0.13%
Total	\$ 278,770,800		1.51%	\$ 307,092,800		1.85%

Note

Total County of Berks assessed valuation for 2014:
\$ 18,557,143,100

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
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%
2009	127,793,283	121,851,760	95.35%	4,635,366	126,396,815	98.98%
2008	126,776,530	120,903,442	95.37%	4,156,787	125,151,669	98.65%
2007	125,166,266	119,508,722	95.48%	3,785,225	123,621,270	98.50%
2006	122,840,726	117,496,554	95.65%	3,060,897	120,937,581	98.14%
2005	119,576,754	116,027,517	97.03%	2,973,644	117,492,028	99.52%

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
County Direct Rates										
Total direct rate	7.37	7.37	6.94	6.94	6.94	6.94	6.94	6.94	6.94	6.94
Municipalities										
City:										
City of Reading	15.69	15.69	14.33	14.33	11.95	10.90	11.45	10.90	10.40	10.40
Boroughs:										
Bally	4.70	4.50	4.50	4.30	4.10	4.10	3.30	3.30	3.30	3.30
Bechtelsville	4.50	4.50	4.00	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Bernville	4.44	4.44	3.94	3.94	3.94	2.94	2.94	2.94	2.69	2.69
Birdsboro	6.66	6.16	6.16	6.16	6.16	4.36	3.33	3.33	3.33	3.33
Boyertown	5.14	5.14	5.14	5.14	4.99	4.84	3.85	3.85	3.85	3.85
Centerport	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Fleetwood	5.50	5.50	5.50	3.00	2.75	2.70	2.70	2.70	2.75	2.75
Hamburg	7.50	6.50	5.50	5.50	5.50	5.50	5.25	5.25	5.00	5.00
Kenhorst	5.60	4.60	3.60	3.60	3.60	3.10	3.10	3.10	3.10	3.10
Kutztown	3.35	3.10	3.10	2.85	2.85	2.85	2.40	2.40	1.20	1.20
Laureldale	5.90	4.90	4.90	4.90	4.90	4.90	3.60	3.60	3.60	3.60
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	4.30	3.80	3.80	3.80	3.60	3.60	2.27	2.27	2.77	2.77
Mt. Penn	7.40	7.40	7.40	7.40	7.40	7.40	6.40	6.40	4.90	6.40
New Morgan	4.50	4.50	2.99	2.99	1.83	1.83	25.52	25.52	25.50	25.50
Robesonia	4.40	4.40	4.40	4.15	4.15	4.15	3.15	3.15	3.15	3.15
St. Lawrence	5.70	5.70	5.30	5.30	5.30	3.84	3.84	3.84	3.84	3.84
Shillington	5.89	4.89	4.89	4.89	4.39	4.39	3.89	3.89	3.55	3.55
Shoemakersville	5.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00	4.50	4.50
Sinking Spring	7.32	6.32	6.32	5.04	5.04	3.84	3.84	3.84	3.19	3.69
Strausstown	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	1.50	1.50
Topton	5.85	5.85	6.35	5.60	5.60	5.40	5.00	5.00	3.50	3.50
Wernersville	6.10	5.60	5.60	5.60	5.60	5.60	4.20	4.20	3.70	4.20
West Lawn	-	-	-	-	-	-	-	-	-	-
West Reading	7.10	7.10	7.10	7.10	7.10	6.85	5.60	5.60	5.60	5.60
Womelsdorf	3.50	3.00	3.00	3.00	3.00	3.06	2.50	2.50	2.50	2.50
Wyomissing	3.90	3.63	3.63	3.43	3.13	2.63	2.63	2.63	2.63	2.63
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Amity	1.95	1.80	1.80	1.80	1.80	1.80	1.03	1.03	1.00	1.00
Bern	3.19	3.12	3.12	3.12	3.12	2.60	2.60	2.60	2.60	2.60
Bethel	2.00	2.00	2.00	2.00	1.50	2.12	1.50	1.50	1.50	1.50
Brecknock	1.95	1.95	1.95	1.75	1.75	1.75	1.00	1.00	1.00	1.00
Caernarvon	2.48	2.48	2.38	2.38	2.38	2.13	1.88	1.88	1.88	1.88
Centre	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	3.50	3.50	3.00	3.00	3.00	3.00	3.00	3.00	2.40	3.00
Cumru	5.68	5.28	5.28	4.78	4.78	3.78	3.60	3.60	3.00	3.00
District	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Douglass	2.30	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Earl	-	-	-	-	-	-	-	-	-	-
Exeter	2.87	2.87	2.69	2.69	2.43	2.33	1.30	1.30	1.30	1.30
Greenwich	1.00	1.00	1.00	0.60	0.80	0.60	0.60	0.60	0.60	0.60
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.20	1.20	1.20	1.20
Hereford	0.96	0.96	0.96	0.96	0.80	0.80	0.80	0.80	0.80	0.80
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	2.80	2.80	2.85	2.32	2.32	2.32	2.18	2.18	1.98	1.98

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

Function/Program	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Townships (continued)										
Lower Alsace	7.18	6.68	6.68	6.68	6.68	6.68	4.07	4.07	4.00	4.00
Lower Heidelberg	4.79	4.80	4.85	4.85	2.55	0.68	0.68	0.68	0.68	0.68
Maidencreek	1.50	1.50	1.13	1.13	1.13	1.13	1.25	1.25	1.25	1.25
Marion	1.30	1.30	1.30	1.20	1.00	1.00	1.00	1.00	1.00	1.00
Maxatawny	2.36	3.36	3.36	3.36	3.36	2.68	2.68	2.68	2.68	2.68
Muhlenberg	4.80	4.80	4.50	4.25	4.25	4.25	4.05	4.05	3.55	3.55
North Heidelberg	0.40	0.40	0.40	0.40	0.20	0.20	0.20	0.20	0.20	0.20
Oley	2.80	2.80	2.59	2.50	2.50	3.10	3.00	3.00	2.20	2.20
Ontelaunee	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Penn	1.00	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	0.25	0.25	0.25	0.25	0.25	0.25
Pike	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Richmond	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.50	1.50
Robeson	2.75	2.50	2.50	2.25	2.25	2.25	2.00	2.00	1.25	1.25
Rockland	1.00	1.00	0.60	0.60	0.30	0.30	0.30	0.30	0.30	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	3.05	2.55	2.55	2.25	2.25	1.75	1.25	1.25	1.25	1.25
Spring	3.25	3.25	3.25	3.00	2.65	2.75	2.35	2.35	2.00	2.06
Tilden	1.45	1.45	0.95	0.92	0.92	0.42	0.42	0.42	0.42	0.42
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	2.15	2.15	2.15	1.90	1.90	1.90	1.90	1.90
Upper Bern	1.95	1.95	1.95	1.95	1.20	1.20	1.20	1.20	1.20	1.20
Upper Tulpehocken	0.80	0.80	0.80	0.80	0.80	0.80	0.60	0.60	0.60	0.60
Washington	2.70	4.32	4.32	2.32	2.32	1.70	1.70	1.70	1.70	1.70
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	35.86	34.56	33.75	32.35	31.60	31.60	30.80	30.80	29.25	28.06
Boyertown	23.39	22.52	21.88	20.77	20.02	19.64	19.24	19.24	19.18	19.46
Brandywine Heights	32.30	32.30	31.25	30.00	29.70	29.00	28.10	28.10	27.30	26.50
Conrad Weiser	25.71	25.71	25.27	24.32	24.32	24.32	24.20	23.40	21.76	21.76
Daniel Boone	28.96	28.96	28.96	28.42	27.65	27.65	26.25	26.25	25.25	24.50
Exeter	31.25	30.80	30.10	29.62	28.62	27.78	25.83	25.83	23.50	22.00
Fleetwood	30.21	29.21	28.22	27.28	26.61	26.35	25.56	25.56	24.41	23.82
Governor Mifflin	26.00	25.30	24.50	23.20	22.60	22.50	21.60	21.60	20.30	19.15
Hamburg	26.21	25.96	25.71	25.21	24.96	24.71	23.73	23.27	22.08	19.64
Kutztown	29.95	29.25	28.76	28.28	28.28	27.17	25.53	25.53	24.70	24.26
Muhlenberg	27.56	26.81	26.31	25.56	25.06	24.31	23.81	23.81	23.31	21.81
Oley Valley	25.39	24.93	24.56	23.82	23.82	23.82	23.42	23.42	22.50	21.50
Reading	17.41	16.92	16.92	16.46	16.46	19.75	19.75	19.75	19.75	19.75
Schuylkill Valley	26.79	26.79	26.27	25.13	24.43	23.68	22.88	22.88	21.87	20.47
Tulpehocken	27.70	27.70	27.70	27.45	27.08	27.08	25.83	25.83	24.71	20.85
Twin Valley	24.54	23.88	22.60	21.70	21.40	20.30	19.30	19.30	18.60	18.10
Upper Perkiomen	24.25	24.00	23.66	23.66	20.75	22.76	19.69	19.69	19.42	19.42
Wilson	24.25	24.00	23.66	21.95	20.75	19.55	18.55	18.55	17.59	16.18
Wyomissing	29.49	29.05	28.57	27.89	27.11	26.41	25.17	25.17	23.84	22.35

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			
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
2009	163,896,982	-	29,562,972	36,349,947	-	1,348,848	\$ 231,158,749	1.22%	\$ 568.68
2008	154,732,469	96,058	18,830,213	38,109,124	1,491,840	417,771	\$ 213,677,475	1.14%	\$ 522.47
2007	186,653,453	236,177	13,046,596	37,587,254	-	1,213,668	\$ 238,737,148	1.29%	\$ 589.31
2006	192,652,923	378,263	12,386,988	38,800,607	-	1,154,100	\$ 245,372,881	1.35%	\$ 611.68
2005	200,439,552	385,084	11,946,784	39,954,392	-	1,095,619	\$ 253,821,431	1.43%	\$ 648.10

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>
2014	413,691 *	\$ 19,265,737,800	\$ 222,471,799	1.15%	537.77
2013	413,521	19,194,308,100	282,367,324	1.47%	682.84
2012	412,948	19,170,097,000	272,903,274	1.42%	660.87
2011	412,279	19,151,011,000	244,993,930	1.28%	594.24
2010	411,442	19,120,898,600	255,512,850	1.34%	621.02
2009	406,481	19,021,124,000	193,547,750	1.02%	476.15
2008	408,979	18,824,246,500	163,143,276	0.87%	398.90
2007	405,113	18,517,754,300	196,170,436	1.06%	484.24
2006	401,149	18,114,224,000	203,399,337	1.12%	507.04
2005	391,640	17,751,970,800	210,165,568	1.18%	536.63

Notes:

* Estimate used for 2014 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, 2014

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 222,471,799	100%	\$ 222,471,799
Overlapping Debt			
School Districts:			
Antietam	\$ 18,265,000	100%	\$ 18,265,000
Boyertown Area	29,690,000	100%	29,690,000
Brandywine Heights	24,055,000	100%	24,055,000
Conrad Weiser	44,077,000	100%	44,077,000
Daniel Boone Area	87,306,218	100%	87,306,218
Exeter Township	82,692,328	100%	82,692,328
Fleetwood Area	35,468,559	100%	35,468,559
Governor Mifflin Area	69,895,000	100%	69,895,000
Hamburg Area	52,015,000	100%	52,015,000
Kutztown Area	17,685,000	100%	17,685,000
Muhlenberg Area	45,755,000	100%	45,755,000
Oley Valley	32,002,144	100%	32,002,144
Reading School District	266,671,402 (1)	100%	266,671,402
Schuylkill Valley	23,350,000	100%	23,350,000
Tulpehocken Area	29,240,000	100%	29,240,000
Twin Valley	53,713,162	100%	53,713,162
Wilson Area	102,930,000	100%	102,930,000
Wyomissing Area	29,695,000	100%	29,695,000
Total School Districts	<u>\$ 1,044,505,813</u>		<u>\$ 1,044,505,813</u>
Municipalities			
City of Reading	\$ 142,711,858 (1)	100%	\$ 142,711,858
Alsace Township	2,519,052	100%	2,519,052
Amity Township	3,574,501	100%	3,574,501
Bally Borough	1,571,000	100%	1,571,000
Bechtelsville Borough	15,297	100%	15,297
Bern Township	454,070	100%	454,070
Bernville Borough	595,099	100%	595,099
Bethel Township	874,434	100%	874,434
Birdsboro Borough	1,647,508	100%	1,647,508
Boyertown Borough	4,167,316 (1)	100%	4,167,316
Brecknock Township	85,923	100%	85,923
Caernarvon Township	1,927,055	100%	1,927,055
Colebrookdale Township	648,435	100%	648,435
Cumru Township	3,231,000	100%	3,231,000
Exeter Township	52,224,509	100%	52,224,509
Fleetwood Borough	1,974,908	100%	1,974,908
Greenwich Township	164,059	100%	164,059
Hamburg Borough	10,258,151	100%	10,258,151
Heidelberg Township	40,733	100%	40,733
Hereford Township	56,414	100%	56,414
Kutztown Borough	22,491,208 (1)	100%	22,491,208
Laureldale Borough	113,535	100%	113,535
Leesport Borough	34,570	100%	34,570
Lenhartsville Borough	434,780	100%	434,780
Longswamp Township	1,020,565	100%	1,020,565
Lower Alsace Township	3,411,512	100%	3,411,512
Lower Heidelberg Township	4,244,311	100%	4,244,311

Note

(1) Unavailable - used latest data available

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2014

<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>
Lyons Borough	5,643	100%	5,643
Maidencreek Township	324,334	100%	324,334
Maxatawny Township	1,043,002	100%	1,043,002
Muhlenberg Township	15,398,356	100%	15,398,356
Oley Township	111,273	100%	111,273
Ontelaunee Township	2,888,757	100%	2,888,757
Penn Township	102,330 (1)	100%	102,330
Richmond Township	2,961,466	100%	2,961,466
Robeson Township	1,534,059	100%	1,534,059
Robesonia Borough	242,635 (1)	100%	242,635
St. Lawrence Borough	922,745	100%	922,745
Shillington Borough	2,679,959	100%	2,679,959
Shoemakersville Borough	667,724	100%	667,724
Sinking Spring Borough	4,900,762	100%	4,900,762
Spring Township	22,315,247	100%	22,315,247
South Heidelberg	177,347	100%	177,347
Strausstown	2,875,078 (1)	100%	2,875,078
Tilden Township	7,260,805	100%	7,260,805
Topton Borough	1,665,044	100%	1,665,044
Tulpehocken Township	2,583,831	100%	2,583,831
Union Township	1,269,633	100%	1,269,633
Washington Township	11,645,000	100%	11,645,000
Wernersville Borough	1,325,000	100%	1,325,000
West Reading Borough	10,804,971	100%	10,804,971
Womelsdorf Borough	309,835	100%	309,835
Wyomissing Borough	115,821	100%	115,821
Total Municipalities	<u>\$ 356,622,460</u>		<u>\$ 356,622,460</u>
Total overlapping debt			<u>\$ 1,401,128,273</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u><u>\$ 1,623,600,072</u></u>

Note

(1) Unavailable - used latest data available

Source

Annual Reports from individual School Districts and Municipalities

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

	Calendar Year									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit at 300%	\$ 1,307,926,447	\$ 1,309,909,635	\$ 1,288,660,406	\$ 1,266,195,075	\$ 1,257,080,566	\$ 1,263,049,573	\$ 1,249,850,277	\$ 1,198,877,349	\$ 1,126,288,962	\$ 1,045,207,788
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<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>	<u>279,590,000</u>	<u>238,784,576</u>	<u>261,601,800</u>	<u>269,925,451</u>	<u>206,848,752</u>
Legal Debt Margin	<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>	<u>\$ 983,459,573</u>	<u>\$ 1,011,065,701</u>	<u>\$ 937,275,549</u>	<u>\$ 856,363,511</u>	<u>\$ 838,359,036</u>
Total net debt applicable to the limit as a percentage of debt limit	17.03%	18.85%	18.66%	18.75%	19.28%	22.14%	19.11%	21.82%	23.97%	19.79%
Total Revenues Received	\$ 439,409,335	\$ 434,340,809	\$ 434,176,303	\$ 441,392,523	\$ 413,091,580	\$ 411,710,972	\$ 433,221,494	\$ 418,117,107	\$ 398,511,676	\$ 382,248,566
Total net revenue	\$ 1,307,926,447	\$ 1,309,909,635	\$ 1,288,660,406							
Borrowing base = Total net revenues, divided by three	\$ 435,975,482	\$ 436,636,545	\$ 429,553,469							

Note:
2008 total revenues received restated

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
2014	\$ 8,145,069	\$ 17,155,619	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%
2009	8,292,218	4,488,528	12,780,746	358,709,841	3.56%
2008	45,445,174	7,105,831	52,551,005	338,327,940	15.53%
2007	11,652,987	8,008,564	19,661,551	310,232,438	6.34%
2006	11,035,287	8,079,599	19,114,886	288,957,245	6.62%
2005	10,504,009	9,778,250	20,282,259	286,947,268	7.07%

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
2014	413,691	*	*	*	*	*	4.8%	*
2013	412,078	26,723	55,170	39.5	28,648	71,866	7.2%	164,700
2012	411,094	26,478	55,021	39.4	28,341	72,288	7.7%	164,900
2011	409,624	26,332	54,823	39.1	27,919	72,356	7.9%	163,200
2010	407,310	25,518	53,470	38.9	27,660	72,063	8.7%	159,300
2009	406,481	26,505	56,983	36.7	27,568	73,138	5.5%	192,400
2008	408,979	24,488	55,103	38.5	25,360	75,447	5.5%	153,100
2007	405,113	25,030	54,402	38.4	22,273	70,415	4.5%	149,700
2006	401,149	24,017	50,871	38.3	20,888	70,284	3.7%	138,400
2005	391,640	30,798	49,670	38.1	19,095	68,869	4.4%	131,659

* 2014 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	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Reading Health System	6,878	1	3.27%	4,104	2	1.93%
East Penn Manufacturing Co. Inc.	6,851	2	3.25%	4,076	1	1.92%
Carpenter Technology Corp.	2,432	3	1.15%	2,658	4	1.25%
County of Berks	2,370	4	1.13%	2,589	3	1.22%
Reading School District	1,903	5	0.90%	2,087	6	0.98%
Pennsylvania government	1,886	6	0.90%	1,700	8	0.80%
Wal-Mart Stores Inc.	1,818	7	0.86%	1,813	7	0.85%
Boscov's Inc.	1,740	8	0.83%	2,087	5	0.98%
St. Joseph Medical Center	1,566	9	0.74%	1,490	9	0.70%
Penske Truck Leasing	1,535	10	0.73%			
Sovereign Bank		(1)		1,359	(1)	0.64%
Total	28,979		13.76%	23,963		11.28%
 Total County Labor Force	 210,590			 212,346		

Note:

(1) - Employer not on both lists.

Source:

Reading Eagle Company

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

Function/Program	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:										
General government	193	205	203	209	200	181	186	200	243	328
Judicial	465	457	463	468	471	451	454	454	426	389
Public safety	398	397	390	391	404	380	389	508	473	455
Public works	-	-	-	-	-	2	2	1	2	3
Human services	297	302	307	315	313	298	312	252	242	225
Culture and recreation	35	35	35	30	31	36	36	42	41	37
Community and economic development	17	21	22	9	9	23	41	17	16	17
Total governmental activities	<u>1,405</u>	<u>1,417</u>	<u>1,420</u>	<u>1,422</u>	<u>1,428</u>	<u>1,371</u>	<u>1,420</u>	<u>1,474</u>	<u>1,443</u>	<u>1,454</u>
Business-type activities										
Berks Heim	398	399	398	403	415	384	430	433	437	417
Emergency Services	78	79	81	77	77	56	54	62	61	57
Berks County Residential Center	57	55	55	54	51	(2) -	-	-	-	-
Youth Center	-	-	1	(1) 58	71	134	142	164	148	143
Total business-type activities expenses	<u>533</u>	<u>533</u>	<u>535</u>	<u>592</u>	<u>614</u>	<u>574</u>	<u>626</u>	<u>659</u>	<u>646</u>	<u>617</u>
Total primary government expenses	<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>	<u><u>1,945</u></u>	<u><u>2,046</u></u>	<u><u>2,133</u></u>	<u><u>2,089</u></u>	<u><u>2,071</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

Source:

County of Berks, Personnel Statements

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	4,896	4,360	11,283 **	4,494	5,782	3,795	27,128 **	6,269	8,556	7,995
Absentee Ballots Processed	2,830	1,962	7,396	2,814	5,282	3,034	12,501	2,246	4,732	1,657
Change of Address/Party	20,178	18,954	22,397	22,405	21,063	21,679	36,117	19,971	18,403	20,270
Cancellations	8,641	3,023	6,262	2,615	19,110	4,496	8,447	25,206	16,913	6,051
**2008 and 2012 were presidential election years, which accounts for higher voter turnout										
Real Estate										
Appeal summaries	1,657	1,075	1,517	1,720	2,070	2,421	1,713	1,010	940	828
Change Notices	4,299	3,205	3,840	2,002	3,907	7,517	12,509	8,291	13,420	10,984
Parcels Created	328	384	288	373	451	568	670	1,549	1,289	1,754
Acreage Changed	470	524	600	664	735	785	1,205	1,150	2,450	2,940
Judicial										
Coroner										
Total Cases	3,057	3,172	2,966	3,044	2,863	2,792	2,757	2,732	2,599	600
Cremations	1,699	1,695	1,518	1,367	1,291	1,294	1,158	1,050	1,112	959
District Attorney										
Criminal Case Prosecution										
Adult Cases	6,865	6,500	6,135	5,258	5,965	6,516	6,436	5,585	5,892	6,980
Juvenile Cases	2,074	2,371	2,454	1,967	1,958	2,247	2,365	2,278	2,417	2,488
Fugitive/Warrants Unit	-	-	-	-	-	-	1,960	1,900	1,923	1,869
Narcotics Enforcement Team	187	251	236	295	257	308	625	550	488	424
DUI Central Booking	665	620	587	522	492	567	670	639	574	497
Major Crimes	1,592	2,481	1,382	1,322	1,250	1,098	930	838	3,462	3,351
Register of Wills										
Estates Opened	1,670	1,764	1,778	1,870	1,780	1,646	1,661	1,695	1,598	1,674
Marriage Licenses Issued	2,349	2,268	2,410	2,253	2,268	2,286	2,406	2,400	2,387	2,348
Adoptions	214	207	215	235	215	238	220	185	185	164
Public Safety										
County Prison										
Inmates Committed	6,840	7,050	6,774	6,557	6,816	7,105	7,875	7,783	7,416	6,935
Average Daily Population	1,187	1,199	1,115	1,045	1,046	1,083	1,161	1,198	1,324	1,268
Inmate Counseling Sessions	1,547	2,582	1,630	1,687	1,579	1,900	1,948	1,344	2,009	2,492
Inmate Work Release Participants	110	114	108	114	116	113	177	178	182	146
Inmates Enrolled in Education	395	362	502	378	412	584	471	563	456	483
Public Works										
Recycling Center										
Tons Recycled Curbside	51,757	52,250	51,708	44,069	40,650	56,220	47,027	(1)	27,649	27,904
Tons Recycled Drop-off	1,660	1,662	1,547	1,450	1,804	1,290	1,479	15,000	22,859	11,643
Tons Recycled Commercial	142,918	124,200	120,669	113,237	157,390	165,823	56,361	38,000	164,803	29,779
Tons Recycled by County	1,659	1,600	1,881	1,413	2,009	1,856	352	15,000	1,696	12,876

Note
(1) Data unavailable - estimated used for reporting purposes

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

Function/Program	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Human services										
CareerLink								(1)		
Companies Served	375	310	725	720	700	750	975	805	850	365
Adults Served	149	152	110	137	84	61	58	110	150	131
Youth Served	539	593	734	837	604	457	353	400	500	405
Dislocated Workers Served	434	451	472	605	553	386	279	350	330	268
JOBS Program (EARN)	342	356	609	1,848	1,426	1,910	1,966	1,500	1,200	149
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	139	139	131	125	115	115	131	164	195	207
Number of Farms Selected	23	21	43	30	19	19	72	54	111	55
Funds Raised	147	-	2,349	145	40,000	149	-	2,000	2,243	575
Community and economic development										
Planning										
Act 247 Subdivision Reviews	152	142	143	143	180	159	246	292	351	408
Act 247 Ordinance Reviews	31	45	74	69	57	92	76	87	78	76
Act 537 Sewage Reviews	3	3	1	8	4	2	5	6	6	5
Act 97 Solid Waste Reviews	2	3	3	1	2	-	3	3	2	3
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	19,983	21,790	21,535	21,681	21,766	21,780	25,330	20,931	19,592	16,053
Medical Assistance/Medicare A	129,382	127,730	130,110	129,520	127,634	127,403	119,235	126,161	130,651	135,433
Bedhold Days	500	742	574	725	705	693	608	620	685	751
911										
Total 911 Calls	210,461	204,083	218,832	219,556	195,568	182,918	189,082	189,063	185,277	183,783
Average Daily Call Volume	577	560	600	602	536	501	518	517	507	503
Average Answer in < 10 seconds	99%	99%	99%	99%	99%	90%	98%	97%	96%	94%
Surcharge Funds Received	\$ 2,194,832	\$ 2,286,686	\$ 2,346,944	\$ 2,456,854	\$ 2,596,960	\$ 2,805,471	\$ 2,743,870	\$ 3,008,941	\$ 3,240,610	\$ 3,325,861
Surcharge Funds Disbursed	\$ 1,628,053	\$ 1,776,841	\$ 1,923,136	\$ 2,094,802	\$ 2,429,253	\$ 2,646,909	\$ 2,743,870	\$ 3,535,439	\$ 4,044,218	\$ 3,771,826
Youth Center										
Average Daily Population										
Youth Center (2)	-	-	-	23	30	31	53	65	57	45
Berks County Residential Center	67	74	80	56	64	69	78	78	74	64

Note
(1) Data unavailable - estimated used for reporting purposes
(2) Youth Center closed in 2011

Source:
Individual County Departments

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

Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
General government										
Land and land improvements	\$ 2,221,983	\$ 3,499,090	\$ 1,664,570	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143
Buildings and building improvements	112,153,205	111,790,776	126,923,789	120,179,203	113,359,988	109,873,007	108,974,664	107,843,698	103,947,457	103,930,692
Furniture, fixtures, and equipment	9,957,844	9,444,535	12,334,176	14,743,969	16,663,345	15,089,538	11,664,913	10,612,067	12,885,400	11,245,247
Construction in progress	28,606,688	46,783,680	23,243,334	9,352,390	8,166,676	467,408	1,843,385	5,804,530	-	-
Agricultural easements	76,669,703	75,085,203	73,173,727	71,453,155	70,520,705	65,523,487	60,241,043	50,202,075	-	-
	<u>229,609,423</u>	<u>246,603,284</u>	<u>237,339,596</u>	<u>215,877,860</u>	<u>208,859,857</u>	<u>191,102,583</u>	<u>182,873,148</u>	<u>174,611,513</u>	<u>116,982,000</u>	<u>115,325,082</u>
Judicial										
Buildings and building improvements	757,634	1,128,901	1,128,901	1,036,828	1,029,921	808,116	808,116	798,116	450,062	450,062
Furniture, fixtures, and equipment	2,775,316	2,577,830	2,537,914	2,570,410	2,810,086	2,572,079	2,367,352	2,605,100	2,603,196	2,603,196
Construction in progress	-	-	87,621	-	-	17,201	-	-	-	-
	<u>3,532,950</u>	<u>3,706,731</u>	<u>3,754,436</u>	<u>3,607,238</u>	<u>3,840,007</u>	<u>3,397,396</u>	<u>3,175,468</u>	<u>3,403,216</u>	<u>3,053,258</u>	<u>3,053,258</u>
Public Safety										
Buildings and building improvements	46,797,847	46,872,609	53,039,836	43,681,188	43,681,189	40,648,038	34,312,739	33,591,909	33,523,295	33,432,663
Furniture, fixtures, and equipment	2,509,700	2,104,994	2,469,719	2,567,719	2,885,226	2,845,873	2,703,657	2,620,782	2,407,255	2,278,039
Construction in progress	-	-	-	-	-	1,857,450	7,882,680	-	-	-
	<u>49,307,547</u>	<u>48,977,603</u>	<u>55,509,555</u>	<u>46,248,907</u>	<u>46,566,415</u>	<u>45,351,361</u>	<u>44,899,076</u>	<u>36,212,692</u>	<u>35,930,550</u>	<u>35,710,702</u>
Public Works										
Land and land improvements	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	7,931,533	7,931,533	7,931,533
Furniture, fixtures, and equipment	176,726	176,726	192,317	179,409	179,409	179,409	179,409	179,409	179,409	179,409
Construction in progress	4,619,721	2,000,718	1,160,164	555,538	446,340	183,685	-	-	-	-
Infrastructure	6,051,426	4,799,840	4,132,152	4,116,857	4,003,494	3,836,116	3,836,116	2,481,469	2,481,469	2,481,469
	<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>	<u>12,251,073</u>	<u>12,067,388</u>	<u>10,592,411</u>	<u>10,592,411</u>	<u>10,592,411</u>
Human services										
Buildings and building improvements	-	110,700	110,700	110,700	110,700	110,700	-	-	-	-
Furniture, fixtures, and equipment	500,493	569,902	550,415	672,658	693,168	636,117	620,454	567,660	578,369	537,533
	<u>500,493</u>	<u>680,602</u>	<u>661,115</u>	<u>783,358</u>	<u>803,868</u>	<u>746,817</u>	<u>620,454</u>	<u>567,660</u>	<u>578,369</u>	<u>537,533</u>
Culture and recreation										
Land and land improvements	13,550,628	13,491,264	13,081,317	11,064,480	11,041,962	11,041,962	9,691,962	4,993,128	4,367,653	4,367,653
Buildings and building improvements	7,150,341	7,087,808	6,904,979	7,514,007	6,856,080	6,506,061	6,426,624	6,376,113	6,376,113	6,350,795
Furniture, fixtures, and equipment	1,116,940	972,820	1,061,688	934,890	1,180,422	1,136,603	963,677	889,462	877,839	877,839
Construction in progress	-	-	-	2,456,287	566,848	124,215	-	-	-	-
Historical treasures	2,279,644	2,279,644	2,166,153	1,915,631	873,000	873,000	873,000	873,000	873,000	873,000
	<u>24,097,553</u>	<u>23,831,536</u>	<u>23,214,137</u>	<u>23,885,295</u>	<u>20,518,312</u>	<u>19,681,841</u>	<u>17,955,263</u>	<u>13,131,703</u>	<u>12,494,605</u>	<u>12,469,287</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	-	-
Furniture, fixtures, and equipment	23,359	23,359	48,648	144,457	144,457	144,457	135,803	135,803	135,803	135,803
	<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>	<u>1,988,157</u>	<u>1,979,503</u>	<u>1,979,503</u>	<u>135,803</u>	<u>135,803</u>
Total governmental - cost	<u><u>327,856,277</u></u>	<u><u>340,737,478</u></u>	<u><u>335,949,199</u></u>	<u><u>305,300,298</u></u>	<u><u>295,257,722</u></u>	<u><u>274,519,228</u></u>	<u><u>263,570,300</u></u>	<u><u>240,498,699</u></u>	<u><u>179,766,996</u></u>	<u><u>177,824,076</u></u>
Business-type activities										
Department of Emergency Services										
Buildings and building improvements	486,846	486,845	486,846	486,846	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	10,191,152	9,855,214	5,641,157	6,024,678	5,796,845
Construction in progress	668,570	8,103,310	6,885,539	2,119,052	1,374,341	30,915	-	-	-	-
	<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>	<u>10,708,913</u>	<u>10,342,060</u>	<u>5,641,157</u>	<u>6,024,678</u>	<u>5,796,845</u>
Berks County Residential Center (1)										
Buildings and building improvements	7,912,681	7,902,464	505,847	9,718,080	9,718,080	9,718,080	9,607,709	9,456,623	9,456,623	9,456,623
Furniture, fixtures, and equipment	285,023	239,133	239,133	731,975	731,975	731,975	656,862	634,455	591,734	591,734
Construction in progress	126,822	-	412,450	-	-	-	7,348	-	-	-
	<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>	<u>10,450,055</u>	<u>10,271,919</u>	<u>10,091,078</u>	<u>10,048,357</u>	<u>10,048,357</u>
Berks Heim										
Buildings and building improvements	38,013,639	37,749,851	37,731,995	37,601,419	37,601,419	37,601,420	37,601,420	37,544,028	41,087,802	41,087,802
Furniture, fixtures, and equipment	3,962,829	3,887,423	3,808,013	3,727,912	3,438,957	3,429,756	3,417,718	3,370,361	3,309,683	3,305,050
Construction in progress	278,646	-	-	12,620	-	-	-	-	-	-
	<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>	<u>41,031,176</u>	<u>41,019,138</u>	<u>40,914,389</u>	<u>44,397,485</u>	<u>44,392,852</u>
Total business-type activities	<u><u>119,316,087</u></u>	<u><u>69,670,586</u></u>	<u><u>60,024,560</u></u>	<u><u>64,590,288</u></u>	<u><u>63,543,500</u></u>	<u><u>62,190,142</u></u>	<u><u>61,633,117</u></u>	<u><u>56,646,625</u></u>	<u><u>60,470,520</u></u>	<u><u>60,238,054</u></u>
Total primary government	<u><u>447,172,364</u></u>	<u><u>410,408,064</u></u>	<u><u>395,973,759</u></u>	<u><u>369,890,586</u></u>	<u><u>358,801,222</u></u>	<u><u>336,709,370</u></u>	<u><u>325,203,417</u></u>	<u><u>297,145,324</u></u>	<u><u>240,237,516</u></u>	<u><u>238,062,130</u></u>

Note:
(1) Youth Center closed in 2012
Berks County Residential Center opened in 2010

Source:
Comprehensive Annual Financial Reports



