

Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2015



County of Berks,
Pennsylvania

County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2015

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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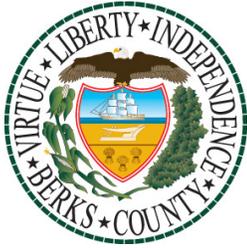
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County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Introductory
Information** for
the Year Ending
December 31, 2015





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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

Phone: 610.478.6136
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E-mail: commissioners@countyofberks.com

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

Christine M. Sadler, Solicitor
Maryjo Gibson, Chief Clerk

June 30, 2016

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, 2015 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. For additional overview and analysis of the County's financial performance for the year ended December 31, 2015, readers should refer to the Management's Discussion and Analysis section.

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

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

Letter of Transmittal
2015 Comprehensive Annual Financial Report

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 2015, 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
2015 Comprehensive Annual Financial Report

Economic Condition & Outlook

Overall, the County economy continues to show slow and steady growth. The labor market remains strong. The unemployment rate was at its lowest since 2007. Manufacturing remains the largest sector of Berks County's economy and employment. The Doubletree Hotel opened in December and figures to attract a variety of visitors to the area as events take place. St Joseph Regional Health Network partnered with Penn State Health in July to form Penn State Health St. Joseph. County infrastructure projects are under way, most notably the Buttonwood Street Bridge replacement. Warehousing continues to be a large part of the County of Berks economy especially at Berks Park 78 where it was recently announced that Samsung will open a distribution center.

The County maintains many investments to facilitate operations, capital expansion and retirement plans. The investment policy is to minimize credit and market risks, while maintaining a competitive yield on the portfolios. Accordingly, deposits are insured by federal depository insurance, invested in governmental obligations, or collateralized in accordance with the Commonwealth of Pennsylvania Act 72. The County maintains a defined benefit retirement plan with mandatory membership for all full-time County employees, through a 5% required contribution. Net plan position was valued at \$399,123,328, a decrease of 3.4% 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 2016 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 eleventh 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.

For the second consecutive year the County maintained its continuing effort to maximize cash flow related to its debt issues, and issued its 2015 General Obligation Bonds. Proceeds of the 2015 bond issue were used to advance refund the remaining portion of the County's 2010 General Obligation Bonds Series A as well as the 2008 General Obligation Bonds resulting in a substantial cumulative savings on future debt service payments. Several major capital projects were completed during the year, including but not limited to the Prison Security and Infrastructure Project, the Services Center Envelope Project and the Berne Station Bridge Project.

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.

Independent Audit

The County had an independent audit of its financial statements performed for the year ended December 31, 2015 by its certified public accounting firm, Reinsel Kuntz Leshner LLP.

**Letter of Transmittal
2015 Comprehensive Annual Financial Report**

Acknowledgements

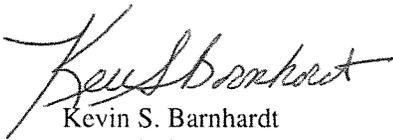
The preparation of this CAFR could not have been accomplished without the dedicated efforts and professionalism of the staff of the Accounting Department in the Office of the Controller and the help of the Office of Budget and Finance. We would like to personally thank these individuals for their assistance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

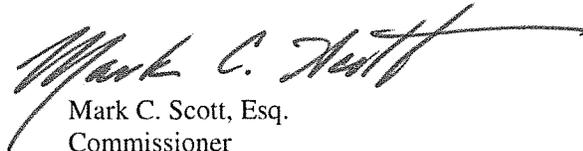
Respectfully submitted,



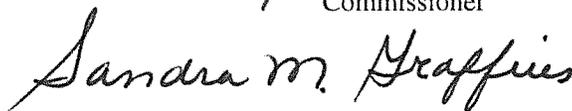
Christian Y. Leinbach
Commissioner Chair



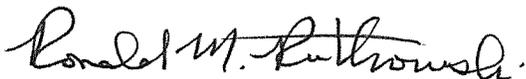
Kevin S. Barnhardt
Commissioner



Mark C. Scott, Esq.
Commissioner



Sandra M. Graffius
Controller



Ronald M. Rutkowski, APM
Deputy Controller



William T. Consugar, CPA, CGMA
Manager of Accounting & Financial Reporting



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



Judith R. Lumis, CGFM, CCS
Senior Governmental Accountant



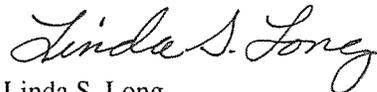
Kari L. Bollinger, CPA, CGMA
Senior Governmental Accountant



Michael R. Oppenheimer, CPA, CGMA
Senior Governmental Accountant



Scott S. Poch, CPA, CGMA
Senior Governmental Accountant



Linda S. Long
Accounting Assistant

County of Berks
List of Elected Officials
June 2016

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

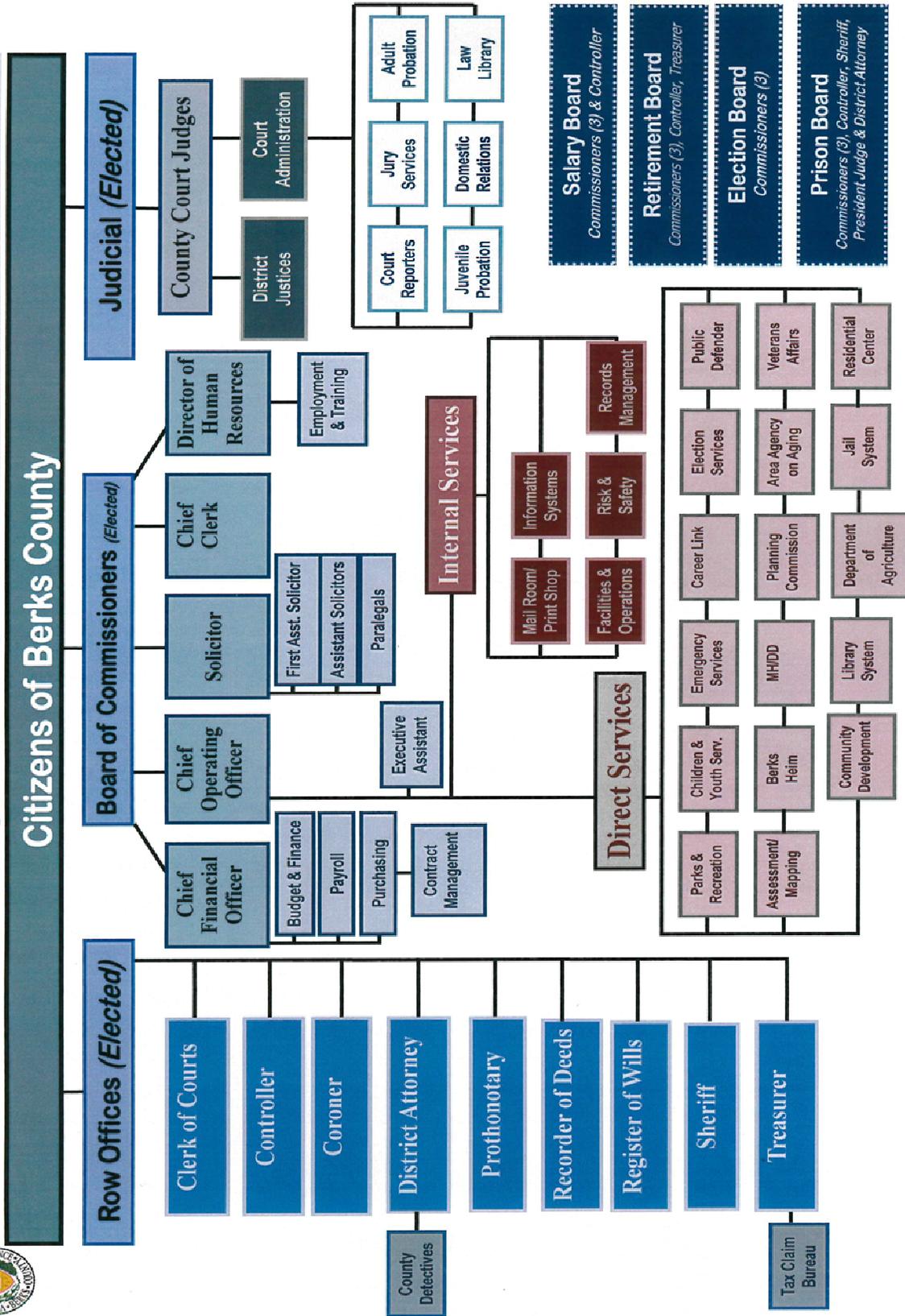
Recorder of Deeds
Frederick C. Sheeler

Judges of Court

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

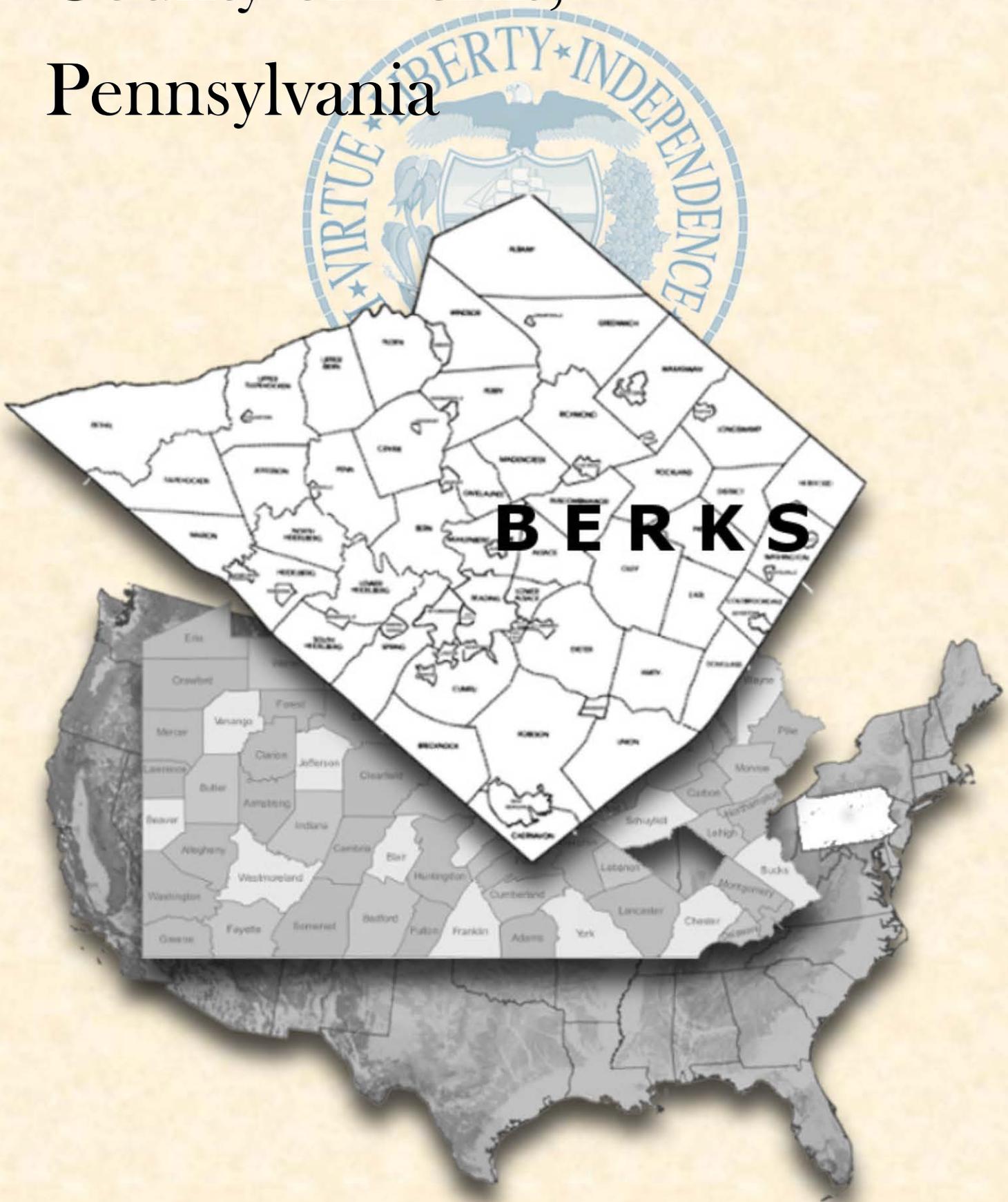


County of Berks Organizational Chart

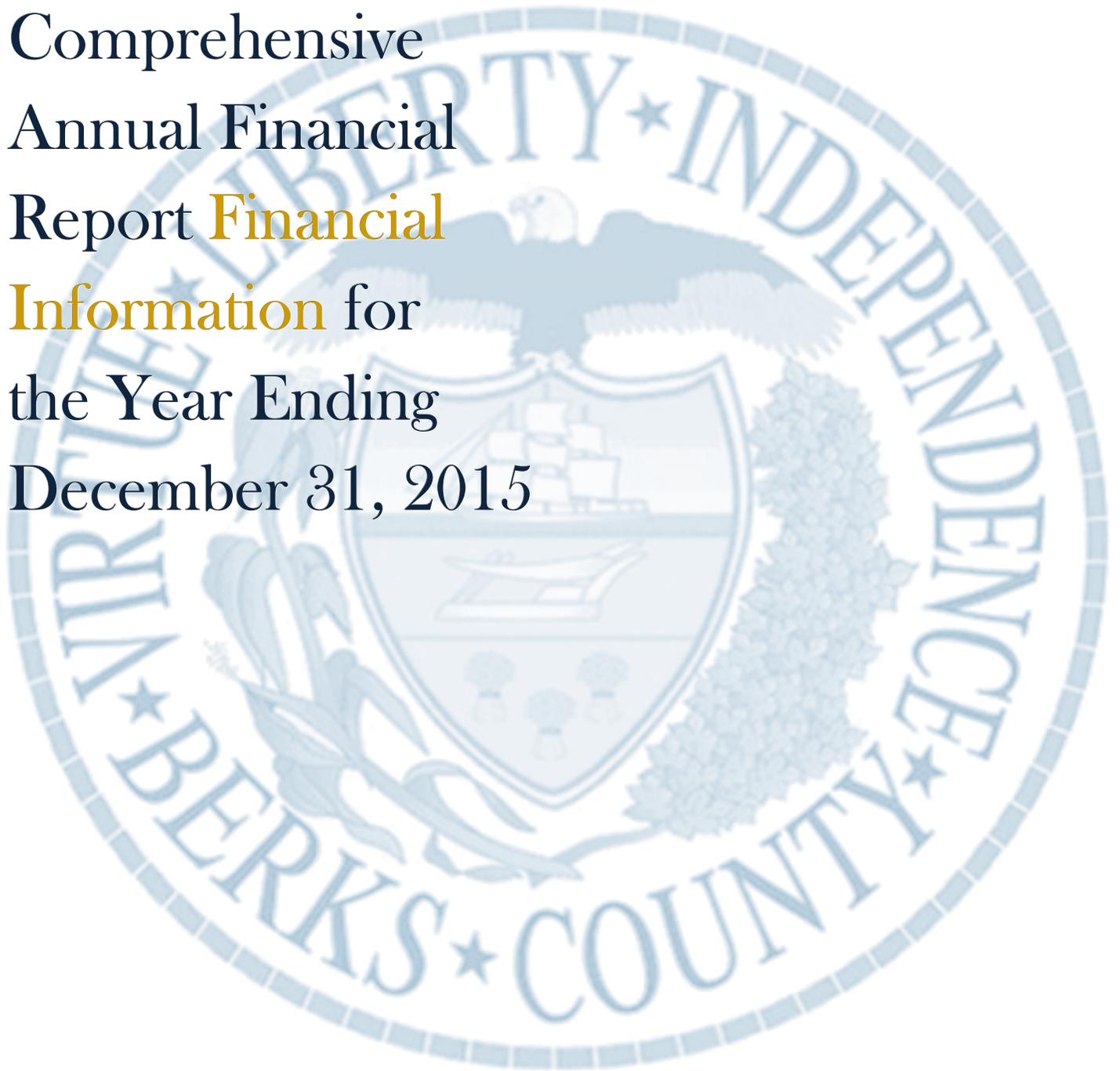


Last updated March 2015

County of Berks, Pennsylvania



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Financial
Information** for
the Year Ending
December 31, 2015





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, 2015.



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, 2015, 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, 2015 and June 30, 2015, respectively, which represent 99%, 100%, and 96% 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including Management's Discussion and Analysis on Pages 10 - 30, budgetary comparison information on Pages RSI 1 - 6, Schedule of Changes in the County of Berks' Net Pension Liability and Related Ratios and Schedule of County Contributions on Pages RSI 7 and 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 - 22 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Supplementary Information (continued)

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 - 22 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 - 22 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 30, 2016 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 30, 2016
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, 2015. 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, 2015.

FINANCIAL HIGHLIGHTS

- The County's net position, restated for 2014, increased in 2015 by \$27.2 million to \$250.1 million government-wide. Unrestricted net position at year-end increased by \$4.3 million to \$153.3 million.
- Total outstanding bonds and other debt at December 31, 2015 was \$283.7 million, a decrease of \$11.5 million from the prior year, as two previous bond issues were completely refunded.
- The County's bond rating from Moody's is **Aa1**, stable outlook.
- Property tax rates remained unchanged at 7.372 mills for the third straight year in 2015.
- The County's General Fund balance at December 31, 2015 increased by \$8.8 million to \$153.0 million. The unassigned portion of that fund balance was \$136.7 million, up \$9.4 million from the unassigned fund balance at the end of 2014.

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
2015 Comprehensive Annual Financial Report**

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

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

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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. During 2015, County management decided to change DES to a Special Revenue Fund because of changes in fixed assets and related debt structure no longer allowed DES to self fund itself through user charges and cost reimbursement plans. These statements reflect a transfer from the DES Enterprise Fund to the DES Special Revenue Fund as of December 31, 2015.

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.
- *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

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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 inflows were \$635.4 million at December 31, 2015 as compared to \$595.4 million as restated at year end 2014. Of the 2015 total, \$311.5 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	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Noncapital assets	\$ 276,774,635	\$ 281,441,660	\$ 1,968,423	\$ 1,539,751	\$ 278,743,058	\$ 282,981,411
Capital assets	<u>275,881,370</u>	<u>209,981,415</u>	<u>35,666,511</u>	<u>94,002,790</u>	<u>311,547,881</u>	<u>303,984,205</u>
Total assets	552,656,005	491,423,075	37,634,934	95,542,541	590,290,939	586,965,616
Deferred outflows	<u>37,012,887</u>	<u>6,057,819</u>	<u>8,059,883</u>	<u>2,334,065</u>	<u>45,072,770</u>	<u>8,391,884</u>
Total assets and deferred outflows	<u>589,668,892</u>	<u>497,480,894</u>	<u>45,694,817</u>	<u>97,876,606</u>	<u>635,363,709</u>	<u>595,357,500</u>
Current liabilities	85,542,134	58,944,319	3,936,422	6,860,421	89,478,556	65,804,740
Noncurrent liabilities	<u>253,471,036</u>	<u>219,098,844</u>	<u>29,469,990</u>	<u>73,353,522</u>	<u>282,941,026</u>	<u>292,452,366</u>
Total liabilities	339,013,170	278,043,163	33,406,412	80,213,943	372,419,582	358,257,106
Deferred inflows	<u>12,011,846</u>	<u>11,717,615</u>	<u>798,372</u>	<u>2,456,047</u>	<u>12,810,218</u>	<u>14,173,662</u>
Total liabilities and deferred inflows	<u>351,025,016</u>	<u>289,760,778</u>	<u>34,204,784</u>	<u>82,669,990</u>	<u>385,229,800</u>	<u>372,430,768</u>
Net position:						
Net investment in capital assets	43,806,168	23,918,071	13,187,836	25,658,496	56,994,004	49,576,567
Restricted	39,884,858	24,326,098	-	-	39,884,858	24,326,098
Unrestricted	<u>154,952,850</u>	<u>159,475,947</u>	<u>(1,697,803)</u>	<u>(10,451,880)</u>	<u>153,255,047</u>	<u>149,024,067</u>
Total net position	<u>\$ 238,643,876</u>	<u>\$ 207,720,116</u>	<u>\$ 11,490,033</u>	<u>\$ 15,206,616</u>	<u>\$ 250,133,909</u>	<u>\$ 222,926,732</u>

During 2015, net position increased \$27.2 million, or 12.2 percent to \$250.1 million. Of this amount, \$57.0 million represents the net balance of long-term assets in excess of long-term debt, while \$39.9 million is restricted for various purposes. The unrestricted net position of \$153.3 million represent funds available to support operations or provide for the repayment of long-term debt.

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Changes in Net Position

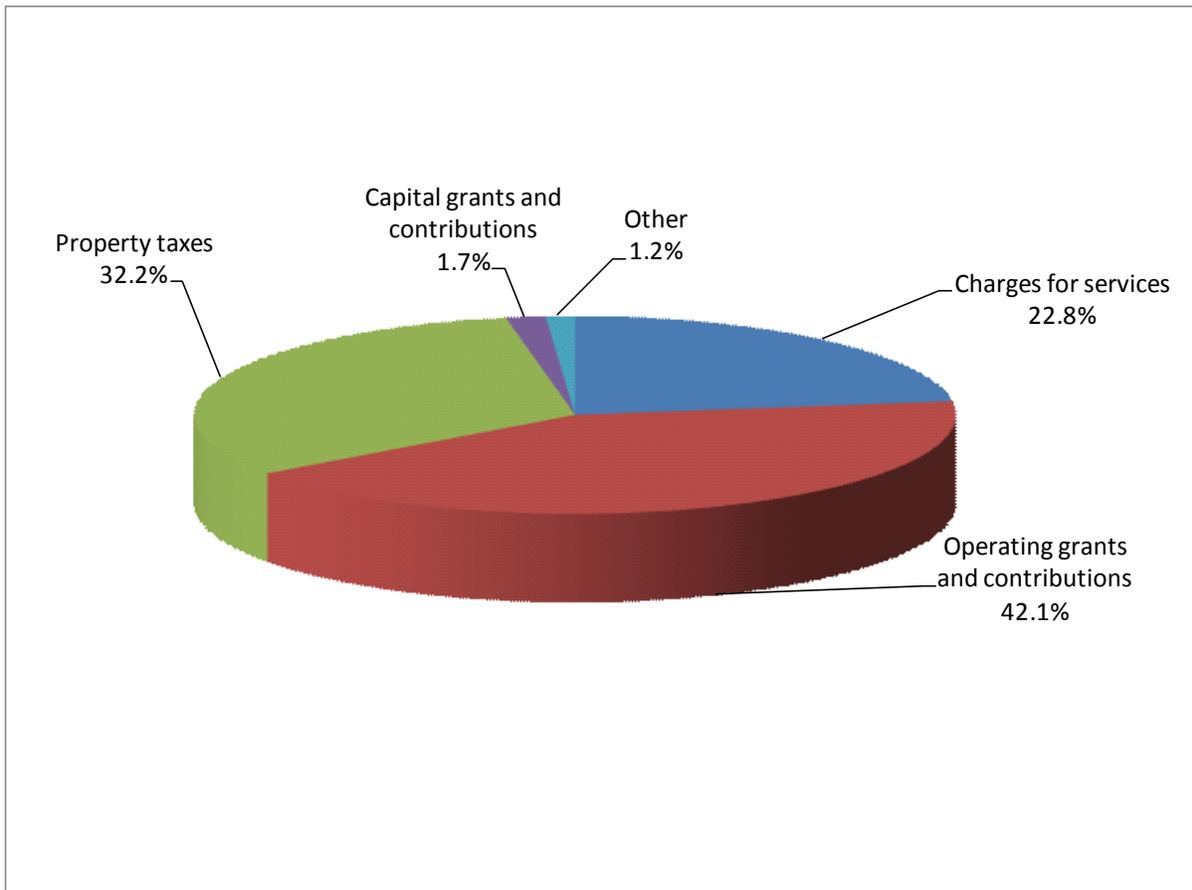
The following statement of activities represents the balances and changes that occurred in net position for the year ended December 31, 2015. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Program revenues:						
Charges for services	\$ 34,980,573	\$ 35,070,043	\$ 61,535,844	\$ 57,435,178	\$ 96,516,417	\$ 92,505,221
Operating grants/contrib.	178,140,256	171,346,332	21,236	33,808	178,161,492	171,380,140
Capital grants/contrib.	7,127,307	5,967,366	-	59,312	7,127,307	6,026,678
General revenues:						
Property taxes	136,151,892	136,033,476	-	-	136,151,892	136,033,476
Hotel room tax	2,225,844	2,055,944	-	-	2,225,844	2,055,944
Payment in lieu of taxes	242,774	266,532	-	-	242,774	266,532
Investment earnings	1,134,503	639,352	8,088	7,349	1,142,591	646,701
Change - rate swaps	490,084	601,668	626,541	830,097	1,116,625	1,431,765
(Loss)/Gain on sale of capital assets	20,720	(245,199)	-	(2,696)	20,720	(247,895)
Rental of space	389,756	328,094	48,230	43,998	437,986	372,092
Total revenues	360,903,709	352,063,608	62,239,939	58,407,046	423,143,648	410,470,654
Expenses:						
General government	24,518,197	15,721,339	-	-	24,518,197	15,721,339
Judicial	49,573,970	48,391,839	-	-	49,573,970	48,391,839
Public safety	60,793,123	58,902,986	-	-	60,793,123	58,902,986
Human services	173,389,044	167,089,187	-	-	173,389,044	167,089,187
Culture and recreation	7,756,963	7,392,985	-	-	7,756,963	7,392,985
Comm & econ developmen	6,466,588	5,790,903	-	-	6,466,588	5,790,903
Public works	2,212,561	1,518,619	-	-	2,212,561	1,518,619
Community support	564,489	1,825,423	-	-	564,489	1,825,423
Debt service	10,642,781	11,239,235	-	-	10,642,781	11,239,235
Solid waste	1,241,206	1,247,078	-	-	1,241,206	1,247,078
Dept of Emer. Serv.	-	-	12,445,334	12,793,480	12,445,334	12,793,480
Residential Center	-	-	6,999,440	5,667,274	6,999,440	5,667,274
Berks Heim	-	-	39,332,775	37,753,556	39,332,775	37,753,556
Total expenses	337,158,922	319,119,594	58,777,549	56,214,310	395,936,471	375,333,904
Other items:						
Transfers/cap contrib	1,088,977	(436,774)	(1,088,977)	436,774	-	-
Conversion to spec. rev.	6,089,996	(5,746,011)	(6,089,996)	-	-	(5,746,011)
Total other items	7,178,973	(6,182,785)	(7,178,973)	436,774	-	(5,746,011)
Change in net position	30,923,760	26,761,229	(3,716,583)	2,629,510	27,207,177	29,390,739
Net position - beginning	207,720,116	182,204,300	15,206,616	12,577,106	222,926,732	194,781,406
Prior Period Adjustments	-	(1,245,413)	-	-	-	(1,245,413)
Net position - ending	\$ 238,643,876	\$ 207,720,116	\$ 11,490,033	\$ 15,206,616	\$ 250,133,909	\$ 222,926,732

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Total government-wide revenues for 2015 were \$423.1 million, coming primarily from program-based operating grants and contributions of \$178.2 million, and represented 42.1 percent of the total. Property taxes at \$136.2 million made up the second largest source at 32.2 percent of the total, followed by charges for services of \$96.8 million, or 22.8 percent, and capital grants and contributions at 1.7 percent. All other revenue sources made up the remaining 1.2 percent. Overall government-wide revenues for 2015 were up 3.1 percent when compared to the prior year. The following chart depicts revenues by source.

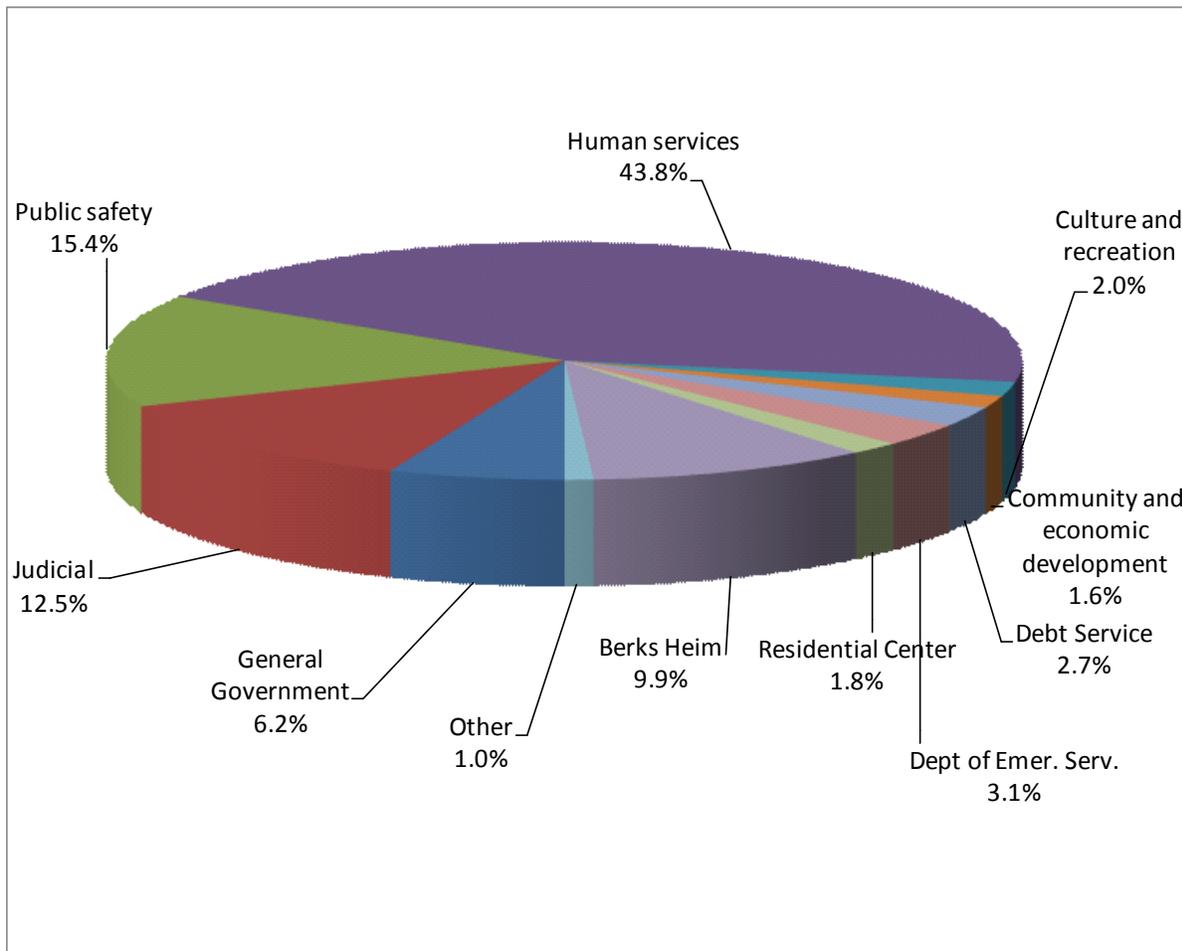
Revenues by source—government-wide basis.



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Total expenses for all programs in 2015 were \$395.9 million. These expenses cover a range of services, with the largest being human services at \$173.4 million or 43.8 percent of the total. The second largest program area was public safety at \$60.8 million or 15.4 percent, followed by judicial administration of \$49.6 million, or 12.5 percent, the operation of the Berks Heim county retirement home at \$39.3 million, or 9.9 percent, general government administration at \$24.6 million, or 6.2 percent, the Department of Emergency Services operation at \$12.4 million, or 3.1 percent, and payments on debt service of \$10.6 million, or 2.7 percent, consisting of bond principal, interest, debt issuance and administrative costs. 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 2015, general property taxes collected were \$136.2 million. Of the remaining \$4.5 million in other general revenues, \$2.2 million were hotel taxes that are remitted directly to two outside organizations less an administrative fee. The following table presents the comparative net program expenses paid from these general and governmental revenues for the years ended December 31, 2015 and 2014.

Net cost of governmental and business-type activities

	Total cost of services		Net cost of services	
	2015	2014	2015	2014
Program:				
General government	\$ 24,518,197	\$ 15,721,339	\$ 16,531,012	\$ 7,801,510
Judicial	49,573,970	48,391,839	36,793,455	34,400,374
Public safety	60,793,123	58,902,986	46,014,845	42,917,834
Human services	173,389,044	167,089,187	8,603,960	7,733,707
Culture and recreation	7,756,963	7,392,985	6,180,614	5,748,628
Comm & econ developme	6,466,588	5,790,903	1,488,094	2,209,612
Public works	2,212,561	1,518,619	(6,156,684)	(3,295,586)
Community support	564,489	1,825,423	498,139	1,752,573
Debt service	10,642,781	11,239,235	9,194,573	9,808,103
Solid waste	1,241,206	1,247,078	(2,237,222)	(2,340,902)
Dept of Emer. Serv.	12,445,334	12,793,480	1,657,836	4,040,191
Residential Center	6,999,440	5,667,274	(1,883,157)	(2,029,452)
Berks Heim	39,332,775	37,753,556	(2,554,210)	(3,324,727)
Total program expenses	<u>\$ 395,936,471</u>	<u>\$ 375,333,904</u>	<u>\$ 114,131,255</u>	<u>\$ 105,421,865</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 33.5 percent of its total governmental and business-type activities in 2015. 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 \$64.1 million (less than a 1% increase) in 2015 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 2015, the County derived 32.2 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 (43.8 percent of total 2015 revenues), property taxes, charges for services, and other general revenues covered the remaining 56.2 percent of general government spending. In like manner, 74.2 percent of judicial system spending was paid from property taxes and other general revenues, with the balance coming from grants, fines and court costs. Property taxes and other general revenues covered over 75 percent of public safety costs, after applying specific grants, fees and revenues.

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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 81.2 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, with only 23.0 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 ten 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, 2015, net of accumulated depreciation, was \$311.5 million. Capital assets consist primarily of the categories shown in the table below. During 2015, both buildings and improvements as well as infrastructure increased greatly as a result of the completion of a majority of large scale in process projects to County owned structures and bridges; construction in progress decreased significantly due to these projects being placed in service; and agricultural easements continued to grow as a part of the farmland preservation program.

During 2015 the County converted its Dept. of Emergency Services to a special revenue fund. As a result, furniture, fixtures, equipment and vehicles increased substantially for Governmental activities with a resulting decrease in Business-type activities for this conversion. The following table presents a summary of capital assets as of December 31, 2015 and 2014. Detailed capital asset information can be found in Note 6, Notes to Financial Statements.

Capital Assets

	Governmental activities		Business-type activities		Total	
	2015	2014 (restated)	2015	2014	2015	2014
Land and land improvements	\$ 14,643,582	\$ 14,683,645	\$ -	\$ -	\$ 14,643,582	\$ 14,683,645
Agricultural easements	78,161,441	76,669,703	-	-	78,161,441	76,669,703
Infrastructure	8,355,557	4,084,588	-	-	8,355,557	4,084,588
Buildings and improvements	100,789,722	77,589,711	34,863,619	35,366,404	135,653,341	112,956,115
Furniture, fixtures, equipment, and vehicles	61,766,984	3,233,572	788,526	57,562,348	62,555,510	60,795,920
Historical treasures	2,279,644	2,279,644	-	-	2,279,644	2,279,644
Software in progress	2,560,399	1,437,896	-	-	2,560,399	1,437,896
Construction in progress	7,324,041	30,002,657	14,366	1,074,038	7,338,407	31,076,695
Total	\$ 275,881,370	\$ 209,981,416	\$ 35,666,511	\$ 94,002,790	\$ 311,547,881	\$ 303,984,206

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Debt Administration

Long-term debt:

At December 31, 2015, the County had \$283.7 million of debt outstanding, including bonds and notes. This was a decrease of \$11.5 million, or 3.9 percent, from the previous year, and reflects the advance refunding of the 2008 General Obligation Bonds and also the advance refunding of the remaining portion of the 2010 Series A General Obligation Bonds with the issuance of the 2015 General Obligation Bonds and continued principal payments. 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	
	2015	2014	2015	2014	2015	2014
Bonds and notes:						
Current portion	\$ 20,561,906	\$ 19,477,649	\$ 748,319	\$ 1,692,051	\$ 21,310,225	\$ 21,169,700
Noncurrent portion	<u>235,486,703</u>	<u>203,053,850</u>	<u>26,919,161</u>	<u>71,001,906</u>	<u>262,405,864</u>	<u>274,055,756</u>
Total	<u>\$ 256,048,609</u>	<u>\$ 222,531,499</u>	<u>\$ 27,667,480</u>	<u>\$ 72,693,957</u>	<u>\$ 283,716,089</u>	<u>\$ 295,225,456</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, 2015 was approximately \$1.32 billion, compared to the total debt applicable to the debt limit of \$256.0 million, which is well below the legal debt limit. The County's net non-electoral and lease rental debt limit at December 31, 2015 was approximately \$1.78 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, 2015, Moody's Investors Services continued to rate the County's general obligation bonds at **Aa1** (Stable Outlook), following the refunding of the 2008 General Obligation bonds and the remaining portion 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.

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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 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, 2015 and December 31, 2014:

	<u>Revenues by source, governmental funds</u>		
	2015	2014	Increase (Decrease)
Revenues:			
Property Taxes	\$ 136,536,071	\$ 136,328,388	\$ 207,683
Hotel tax	2,225,844	2,055,944	169,900
Court costs, fines and forfeitures	3,350,999	3,524,023	(173,024)
Intergovernmental revenue	185,900,383	178,186,729	7,713,654
Dept. charges and reimbursements	55,614,535	58,480,623	(2,866,088)
Payments in lieu of taxes	89,730	102,196	(12,466)
Rentals	389,756	328,094	61,662
Sales of property and equipment	20,720	18,250	2,470
Investment earnings	1,134,503	639,352	495,151
Miscellaneous	<u>5,088,961</u>	<u>2,572,505</u>	<u>2,516,456</u>
Total revenues	<u>\$ 390,351,502</u>	<u>\$ 382,236,104</u>	<u>\$ 8,115,398</u>
Other financing sources:			
Issuance of refunding bonds	\$ 23,776,200	\$ 10,000,000	\$ 13,776,200
Bond premiums	3,613,694	82,210	3,531,484
Transfers in	13,749,987	12,607,913	1,142,074
Conv. to Special Revenue Fund	<u>554,492</u>	<u>-</u>	<u>554,492</u>
Total other financing sources	<u>\$ 41,694,373</u>	<u>\$ 22,690,123</u>	<u>\$ 19,004,250</u>

Governmental fund revenues totaled \$390.4 million for the year ended December 31, 2015. This is a decrease of \$8.1 million, or 2.1 percent from 2014. Explanations for significant changes are as follows:

- Intergovernmental revenue increased by \$7.7 million from 2014. The primary reasons for the overall increase in revenue since last year is as follows:
 - Liquid Fuels fund, a nonmajor fund, had a \$1.6 million increase in state and federal grant revenue since last year. The primary reason for this increase is greater amounts spent for the Buttonwood Street Bridge project, resulting in greater revenue recognition.
 - Children and Youth Services fund, a major fund, had a \$2.8 million increase in state and federal grant revenue since last year. \$1.0 million of the increase was for final allocations from the Commonwealth's Title IV-E program and foster care resulting from net additional billings. \$1.1 million of the increase is because of net increases

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corresponding increase in this fund's overall expenditures.

- Health Choices fund, a major fund, had a \$3.5 million increase in state grant revenue since last year because of a retroactive increase in the amount reimbursed to the County for claims. There was a corresponding increase in this fund's expenditures.
- Community Development, a nonmajor fund, had a \$1.3 million increase in grant revenue since last year because of increased allocations to the Fleetwood Redevelopment Authority, two County bridges, Sinking Spring Street improvements, and Veterans Affairs that totaled \$2.3 million. This was offset by a decreased allocation of \$1 million to a local college as no projects were allocated funding in 2015. There was a corresponding increase in the fund's overall expenditures.
- Departmental charges and reimbursements revenue decreased by \$2.9 million from 2014. The primary reasons for the overall decrease in revenue since last year is as follows:
 - General fund had the entire \$2.9 million decrease in revenue since last year. This is primarily attributed to an overall decrease of \$1.7 million in revenue due to decreases in allocations from other departments. Most notably Information Systems revenue from allocations decreased \$.9 million and Prison revenue decreased \$.9 million since last year because of decreases in room and board fees collected from a fewer number of prisoners. Other primary reasons for the variance are as follows:
 - Recorder of Deeds revenue decreased \$.3 million since last year because of decreases in transfer fees recorded.
 - Facilities revenue decreased \$.2 million since last year because of decreases in allocations from other departments.
- Investment earnings increased by \$495 thousand from 2014. This is because of a change in the County's investment policy, which expanded allowable investment options to generate a higher rate of return.
- Miscellaneous revenue increased by \$2.5 million from 2014. The primary reason for the overall increase in revenue since last year is the result of increased revenue recognition for the Normal Avenue and Temple Bridge Projects as well as extensive utility work performed on the Buttonwood Street Bridge.

Other financing sources totaled \$41.7 million for the year ended December 31, 2015. This is an increase of \$19.0 million, or 83.8 percent from 2014. Explanations for significant changes are as follows:

- Bonds issued increased by \$13.8 million in 2015 from 2014, since the bonds from 2015 refunded two previous bond issues. The related bond premiums increased by \$3.5 million in 2015 from 2014.
- Transfers in increased by \$9.0 million in 2015 from 2014, primarily because of the following reasons:
 - Return of the net pension assets and prior bond payments for long-term debt related to capital projects to the Department of Emergency Services enterprise fund by the General Fund, totaling \$7.0 million.
 - Several recurring transfers decreased in 2015 from the 2014 amount depending on activities in each fund.

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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, 2015 and December 31, 2014:

<u>Expenditures by function, governmental funds</u>			
	2015	2014	Increase (Decrease)
Expenditures:			
General government, administrative	\$ 42,140,641	\$ 41,134,083	\$ 1,006,558
General government, judicial	51,638,171	50,335,681	1,302,490
Public safety	61,057,768	61,456,822	(399,054)
Human services	173,905,554	167,515,886	6,389,668
Culture and recreation	6,801,869	6,435,971	365,898
Community and economic development	7,976,468	6,820,729	1,155,739
Public works	8,681,128	5,699,803	2,981,325
Community support	5,537,268	6,010,024	(472,756)
Intergovernmental expense - Solid Waste	993,342	998,452	(5,110)
Contingency general	-	(29,554)	29,554
Debt service	24,791,229	25,528,577	(737,348)
Capital outlay	4,671,727	26,310,999	(21,639,272)
Total expenditures	<u>\$ 388,195,165</u>	<u>\$ 398,217,473</u>	<u>\$ (10,022,308)</u>
Other financing uses:			
Payment to escrow agent - bond refunding	\$ 27,211,227	\$ 9,963,468	\$ 17,247,759
Transfers out	19,631,432	11,870,836	7,760,596
Total other financing uses	<u>\$ 46,842,659</u>	<u>\$ 21,834,304</u>	<u>\$ 25,008,355</u>

Governmental fund expenditures totaled \$388.2 million for the year ended December 31, 2015, with an overall decrease of \$10.0 million, or 2.5 percent, from 2014. Explanations for significant changes are as follows:

- General government, administrative expenditures primarily increased because of increases of costs in the following departments:
 - Insurance expenditures increased \$885 thousand because of an increase in policy premiums and the timing of the payments in 2015 compared to 2014.
 - Information Systems expenditures increased \$442 thousand because of several large software implementations for the overall network, the Budget department, and Children and Youth Services. This was tempered by vacancies in Information Systems while interviews were being conducted to fill the vacancies.
 - Human Resources expenditures decreased \$242 thousand primarily because of decreased retiree self funded health insurance and dental claims of \$517 thousand, and increased legal costs related to labor/employment issues and union contracts of \$232 thousand.
- General government, judicial expenditures primarily increased because of increases of costs in the following departments:
 - District Attorney expenditures increased \$267 thousand because of increase payroll expense consisting of wages and related benefits and taxes throughout the department. Additionally there was a greater cost allocation for contracted services

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- from the Information Services department.
- Sheriff expenditures increased \$441 thousand due to an increase in headcount and a general increase in payroll expense consisting of wages and related benefits and taxes throughout the department. Additionally, costs were incurred for the construction of a K-9 training facility, Livescan booking workstations, and office furniture. Lastly, there was a greater cost allocation for contracted services from the Information Services department.
- Court Administration expenditures increased \$524 thousand because of an increase in both criminal and civil court appointed counsel and legal counsel. There was also a general increase in payroll expense consisting of wages and related benefits and taxes throughout the department. Additionally there was a greater cost allocation for contracted services from the Information Services department.
- Human services expenditures primarily increased because of increases of expenditures in the following departments:
 - Liquid Fuels fund, a nonmajor fund, increased by \$3.0 million compared to 2014 because of increased construction on various bridges.
 - Children and Youth Services, a major fund, increased by \$3.2 million compared to 2014 because of additional services provided reimbursed by the Commonwealth.
 - Health Choices fund, a major fund, increased by \$3.6 million because of a retroactive increase in the amount reimbursed to the County that had to be passed through to the management company.
- Community and economic development expenses increased primarily because of increased allocations to the Fleetwood Redevelopment Authority, two County bridges, Sinking Spring Street improvements, and Veterans Affairs that totaled \$2.3 million. This was offset by a decreased allocation of \$1 million to a local college as no projects were allocated funding in 2015. There was a corresponding increase in the fund's overall revenues.
- Public works expenditures increased by \$3.0 million because of bridge repairs on County owned bridges throughout the County, most notably the Buttonwood Street Bridge project.
- Capital outlay expenditures decreased by \$21.7 million from 2014 because of an overall decrease in capital projects during 2015. Several major ongoing projects were completed in 2015 including, but not limited to the Prison Security and Infrastructure Project, the Services Center Envelope Project, the NORESCO Project, and the Annex Project.

Other financing uses totaled \$46.8 million for the year ended December 31, 2015. This is an increase of \$25.0 million, or 114.7 percent from 2014. Explanations for significant changes are as follows:

- Two bonds were refunded in 2015, resulting in an increased escrow payment for bond refundings of \$17.2 million during 2015 compared with 2014.
- Transfers out increased by \$7.8 million in 2015 from 2014, primarily because of the following reasons:
 - Reimbursement of the net pension assets and prior bond payments for long-term debt related to capital projects to the Department of Emergency Services enterprise fund by the General Fund, totaling \$7.0 million.
 - Additional transfers of \$900 thousand to cover operating deficits because of spending in special revenue funds for human services functions to meet public need.

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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, 2015 and December 31, 2014 are as follows:

Governmental fund balances and proprietary fund net position

	2015	2014 (Restated)	Increase (Decrease)
Fund Balances:			
Nonspendable:			
Conversion pay	\$ 69,952	\$ 70,193	\$ (241)
Inventories and prepaid expenses	4,630,758	1,326,542	3,304,216
Restricted:			
Gift fund	13,939	13,042	897
Farmland preservation	947,713	1,420,374	(472,661)
Hazmat response	1,587,897	1,515,820	72,077
Act 198 - Courts	249,854	197,358	52,496
Workers' compensation	285,567	362,229	(76,662)
Special revenue funds	10,288,876	15,043,019	(4,754,143)
Services Center parking garage	223,381	154,523	68,858
Act 13 Marcellus Shale money	830,594	550,978	279,616
Assigned:			
222 Corridor	5,000,000	5,000,000	-
911 Radio project	-	587,261	(587,261)
Environmental litigation	69,590	230,761	(161,171)
Encumbrances	482,940	399,438	83,502
Health care self insurance	4,000,000	4,000,000	-
Waster Water Treatment Plant	1,065,518	1,105,791	(40,273)
Unassigned	<u>134,227,669</u>	<u>134,988,868</u>	<u>(761,199)</u>
Total fund balance	<u>\$ 163,974,248</u>	<u>\$ 166,966,197</u>	<u>\$ (2,991,949)</u>
Net position:			
Net investment in capital assets			
Department of Emergency Services	\$ -	\$ 12,644,476	\$ (12,644,476)
Berks County Residential Center	4,624,373	4,015,328	609,045
Berks Heim	8,563,463	8,998,692	(435,229)
Unrestricted position (deficit)			
Department of Emergency Services	-	(5,502,905)	5,502,905
Berks County Residential Center	1,023,470	827,131	196,339
Berks Heim	<u>(2,721,273)</u>	<u>(5,776,106)</u>	<u>3,054,833</u>
Total net position	<u>\$ 11,490,033</u>	<u>\$ 15,206,616</u>	<u>\$ (3,716,583)</u>

The County's governmental funds reported a combined fund balance of \$164.0 million at December 31, 2015. This total is comprised of:

- Nonspendable fund balance of \$4.7 million, which represents amounts either not in spendable form, or are legally required to be maintained intact.
- Restricted fund balance of \$14.4 million, which represents amounts to be used for specific

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- purposes either by external groups or by law through constitutional provisions or enabling legislation.
- Assigned fund balance of \$10.6 million, which represents amounts to be used for specific purposes by the County.
 - Unassigned fund balance of \$134.2 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 \$3.3 million compared to 2014, primarily because of prepaid expenses for Department of Emergency Services being converted to a Special Revenue Fund at December 31, 2015, resulting in the addition of .9 million of maintenance contracts and \$2.1 million of prepaid tower rent being added to the nonspendable fund balance classification.
- Restricted fund balance decreased by \$4.8 million compared to 2014, primarily because of \$4.6 million spending on the prison security project, the prison infrastructure project, and the NORESCO environmental project.
- Assigned fund balance decreased by \$705 thousand compared to 2014, primarily because of the 911 radio project winding down during 2014 and increased expenses for environmental litigation related to Growing Greener.

The County's proprietary fund's reported a combined net position of \$11.5 million at December 31, 2015. This total is comprised of:

- Net investment in capital assets of \$13.2 million
- Unrestricted deficit of \$1.7 million

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

- Net investment in capital assets decreased \$12.5 million compared to 2014, primarily because of Department of Emergency Services conversion from an Enterprise Fund to a Special Revenue Fund resulting in the elimination of the net investment of capital assets for Department of Emergency Services.
- Unrestricted net position (deficit) increased by \$8.8 million compared to 2014, primarily because of Department of Emergency Services conversion to a Special Revenue Fund at December 31, 2015 and the resulting elimination of the fund balance in the Enterprise Fund upon conversion to a Special Revenue Fund which removed \$5.5 million of deficit. Another reason it decreased is because of another profitable year for Berks Heim with an overall net position increase of \$3.1 million, which resulted from an increase in pension valuation costs of \$1.1 million this year compared to 2014 and overall increase of net position of \$2.6 million vs. \$3.4 million in 2014.

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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 2015, the General Fund revenue budget, excluding transfers and bond proceeds, increased \$.5 million during the year from the original approved budget of \$212.4 million to the final budget of \$212.9 million. Actual revenues received of \$208.9 million were \$4.0 million less than the final budget. The overall less than budget condition for revenues can be traced primarily to reduced departmental charges and reimbursements and reduced grants.

The General Fund expenditure budget, excluding transfers and the payment to the bond escrow agent, increased \$3.0 million during 2015 from the original budget of \$201.2 million to the final budget of \$204.2 million. Actual expenditures of \$194.6 million were \$9.6 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 2015 as highlighted by several labor market statistics. The unemployment rate continued to fall to a level of approximately 5%. Levels of underemployed and discouraged workers also decreased. Showing its confidence that the U.S. economy would continue to improve, the Federal Reserve announced that it would raise interest rates for the first time since 2006. The year 2015 also brought about the end of the oil surge and indications of a return to normal monetary policy. The U.S. economy will be facing some challenges in 2016 with a presidential election, China's economy slowing and economic/ social tensions in Europe.

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 1,041 additional acres during 2015, bringing total acreage under preservation to 69,011 acres on 692 farms.

Overall, the County economy continues to show slow and steady growth. The labor market remains strong. The unemployment rate was at its lowest since 2007. Manufacturing remains the largest sector of Berks County's economy and employment. The Doubletree Hotel opened in December and figures to attract a variety of visitors to the area as events take place. St Joseph Regional Health Network partnered with Penn State Health in July to form Penn State Health St. Joseph. County infrastructure projects are under way, most notably the Buttonwood Street Bridge replacement. Warehousing continues to be a large part of the County of Berks economy especially at Berks Park 78 where it was recently announced that Samsung will open a distribution center.

Market impact on investment income

The County did experience, however, a significant increase in its investment earnings during the year (\$1.1 million in 2015 versus \$647 thousand in 2014). This is primarily attributed to a change in the County's investment policy. In 2015, the Commissioners approved County investments in Treasuries, Fanny Maes and Freddie Macs, all instruments which traditionally produce higher rates of return than traditional money market accounts. The Commonwealth of Pennsylvania restricts county investments to government secured funds and certificates of deposit. The County uses LIBOR-based programs that have historically yielded a higher rate of return than standard money market and CD rates.

The County's Retirement Fund, with December 31, 2015 net position valued at \$399.1 million, experienced investment loss, net of investment expense, of \$2.8 million during 2015. During the year, the Retirement Fund had a diversified asset allocation program with targets of 40 percent equities, 40 percent fixed income investments, 20 percent other assets, 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 2015 were \$1.4 million, which is a increase from \$234 thousand in 2014, and \$2.7 million in 2013. 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 2015. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for the 2016 will be \$2.1 million. The 2016 contribution is 1.9 percent of estimated 2016 compensation of \$103.8 million.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2015, 43.6 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 32.3 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 2016, the County adopted a balanced budget at \$475.9 million in revenues, through the use of \$16.6 of fund balance reserves to offset a revenue shortfall to expenditures. It was decided that it would be more prudent to absorb this deficit with these reserves to balance the budget, rather than increase property taxes. The budget assumes federal and state funding will satisfy the demand for our core human services levels throughout 2016. The 2016 budget continues to focus on several fiscal initiatives including, but not limited to the defeasement of outstanding debt, no deficit spending, limited new headcount and no property tax increase.

As in the current year, the greatest challenge to the upcoming 2016 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 2016 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. The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increased in tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services.

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

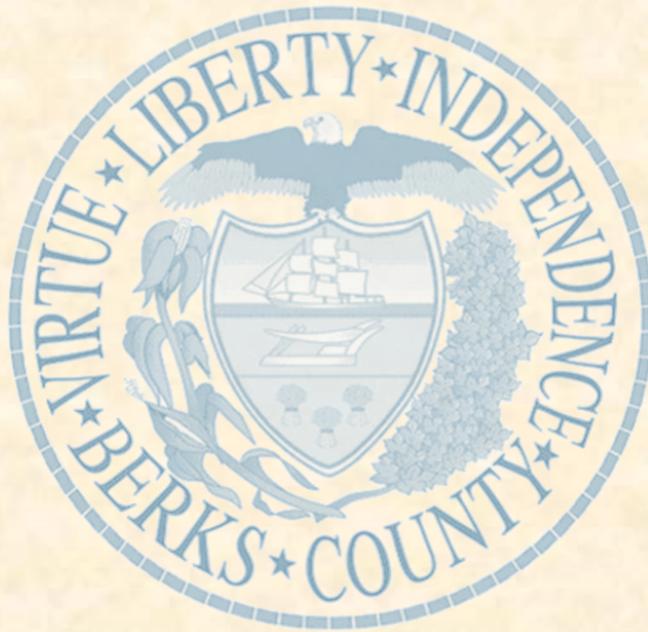
CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

County of Berks

Office of the Controller
633 Court Street, 12th floor
Reading PA 19601-4311

Phone: 610-478-6150
Fax: 610-478-6890
Email: controller@countyofberks.com



FINANCIAL STATEMENTS

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



	Primary Government			Component Units
	Governmental	Business-type	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 54,760,581	\$ 339,977	\$ 55,100,558	\$ 17,808,981
Cash and cash equivalents, restricted	16,376,682	10,234	16,386,916	509,546
Investments	19,175,924	-	19,175,924	3,995,116
Investments, restricted	7,155,850	224,864	7,380,714	-
Taxes receivable, net	8,494,912	-	8,494,912	-
Accounts receivable, net	21,554,834	6,185,060	27,739,894	6,488,741
Notes receivable	877,931	-	877,931	-
Due from other governments	50,259,121	1,124,199	51,383,320	112,943
Due from other funds	6,191,767	(6,191,767)	-	-
Inventories	264,600	157,605	422,205	21,450
Prepaid expenses	4,366,158	55,176	4,421,334	661,388
Deposits	35,830	-	35,830	-
Total current assets	<u>189,514,190</u>	<u>1,905,348</u>	<u>191,419,538</u>	<u>29,598,165</u>
Noncurrent assets:				
Investments	70,037,995	-	70,037,995	-
Loans receivable	8,682,589	-	8,682,589	-
Restricted assets:				
Employee pay advance	69,952	63,075	133,027	-
Interest receivable	1,130,318	-	1,130,318	-
Liens receivable	4,387,852	-	4,387,852	-
Investments	2,951,739	-	2,951,739	10,688,078
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated:				
Land	13,481,858	-	13,481,858	8,280,894
Historical treasures	2,279,644	-	2,279,644	-
Agland easements	78,161,441	-	78,161,441	103,002
Software in progress	2,560,399	-	2,560,399	-
Construction in progress	7,324,041	14,366	7,338,407	960,930
Capital assets, net of accumulated depreciation:				
Land improvements	1,161,724	-	1,161,724	-
Buildings and improvements, net	100,789,722	34,863,619	135,653,341	44,094,601
Furniture, fixtures, equipment and vehicles, net	61,766,984	788,526	62,555,510	3,381,811
Infrastructure, net	8,355,557	-	8,355,557	21,891,488
Leasehold improvements	-	-	-	916,125
Total noncurrent assets	<u>363,141,815</u>	<u>35,729,586</u>	<u>398,871,401</u>	<u>91,226,362</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	3,171,663	275,089	3,446,752	-
Derivative swap agreement	1,955,470	159,082	2,114,552	-
Pension	31,885,754	7,625,712	39,511,466	-
Deferred charge on bond refunding	-	-	-	397,081
Pension contributions made subsequent to the measurement date	-	-	-	272,325
Loss on debt refinancing, net of accumulated amortization	-	-	-	116,242
Total deferred outflows of resources	<u>37,012,887</u>	<u>8,059,883</u>	<u>45,072,770</u>	<u>785,648</u>
Total assets and deferred outflows of resources	<u>589,668,892</u>	<u>45,694,817</u>	<u>635,363,709</u>	<u>121,610,175</u>

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 44,781,629	\$ 982,367	\$ 45,763,996	\$ 1,957,149
Accrued liabilities	4,485,719	1,166,233	5,651,952	1,082,254
Due to other governments	1,211,874	-	1,211,874	-
Unearned revenue	-	-	-	4,384,689
Advance revenue	2,675,863	-	2,675,863	-
Due to third parties	1,477,428	1,166	1,478,594	-
Accrued interest payable	1,500,009	131,399	1,631,408	6,703
Compensated absences	1,055,513	366,337	1,421,850	421,911
Deposits	-	-	-	33,849
Accrued claims health insurance	7,577,151	380,412	7,957,563	-
Accrued claims liability	215,042	160,189	375,231	-
Notes payable, agricultural easement	45,225	-	45,225	-
Lease obligations	-	-	-	1,174
Bonds, loans and notes payable	<u>20,516,681</u>	<u>748,319</u>	<u>21,265,000</u>	<u>2,424,587</u>
Total current liabilities	<u>85,542,134</u>	<u>3,936,422</u>	<u>89,478,556</u>	<u>10,312,316</u>
Noncurrent liabilities:				
Compensated absences	3,219,384	787,567	4,006,951	472,531
Accrued claims liability	1,684,624	1,254,909	2,939,533	400,000
Other postemployment benefit liability	-	-	-	281,280
Lease obligations	-	-	-	4,014
Net pension liability	2,126,615	508,353	2,634,968	4,282,386
Bonds, loans and notes payable	235,486,703	26,919,161	262,405,864	17,387,234
Payable from restricted assets	<u>10,953,710</u>	<u>-</u>	<u>10,953,710</u>	<u>-</u>
Total noncurrent liabilities	<u>253,471,036</u>	<u>29,469,990</u>	<u>282,941,026</u>	<u>22,827,445</u>
Total liabilities	<u>339,013,170</u>	<u>33,406,412</u>	<u>372,419,582</u>	<u>33,139,761</u>
Deferred inflows of resources:				
Deferred grant revenue	12,011,846	137,985	12,149,831	-
Deferred rent revenue	-	-	-	3,071,226
Deferred pension expense	-	-	-	99,384
Unamortized bond refunding gain	-	660,387	660,387	-
Total deferred inflows of resources	<u>12,011,846</u>	<u>798,372</u>	<u>12,810,218</u>	<u>3,170,610</u>
Net position:				
Net investment in capital assets	43,806,168	13,187,836	56,994,004	61,190,176
Restricted for:				
Gift fund	13,939	-	13,939	-
Farmland preservation	947,713	-	947,713	-
Hazmat response	1,587,897	-	1,587,897	-
Act 198 - Courts	249,854	-	249,854	-
Debt service	-	-	-	570,285
Program purposes - Special revenue funds	37,085,455	-	37,085,455	-
Foundation for Reading Area Community College	-	-	-	11,299,861
Unrestricted net position (deficit)	<u>154,952,850</u>	<u>(1,697,803)</u>	<u>153,255,047</u>	<u>12,239,482</u>
Total net position	<u>\$ 238,643,876</u>	<u>\$ 11,490,033</u>	<u>\$ 250,133,909</u>	<u>\$ 85,299,804</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	\$ 39,881,791	\$ (15,363,594)	\$ 7,974,794	\$ 12,391	\$ -
Judicial	42,315,275	7,258,695	11,114,805	1,665,710	-
Public safety	57,991,658	2,801,465	6,135,812	8,609,705	32,761
Human services	170,699,719	2,689,325	1,720,468	162,436,984	627,632
Culture and recreation	7,502,232	254,731	135,187	1,321,910	119,252
Community and economic development	6,091,733	374,855	940,375	4,038,119	-
Public works	2,118,454	94,107	2,021,583	-	6,347,662
Community support	562,819	1,670	66,350	-	-
Debt service administrative expenses	10,575,203	67,578	1,448,208	-	-
Solid waste	1,233,674	7,532	3,422,991	55,437	-
Total governmental activities	<u>338,972,558</u>	<u>(1,813,636)</u>	<u>34,980,573</u>	<u>178,140,256</u>	<u>7,127,307</u>
Business-type activities					
Department of Emergency Services	12,012,477	432,857	10,787,498	-	-
Berks County Residential Center	6,610,942	388,498	8,861,784	20,813	-
Berks Heim	38,340,494	992,281	41,886,562	423	-
Total business-type activities	<u>56,963,913</u>	<u>1,813,636</u>	<u>61,535,844</u>	<u>21,236</u>	<u>-</u>
Total primary government	<u>\$ 395,936,471</u>	<u>\$ -</u>	<u>\$ 96,516,417</u>	<u>\$ 178,161,492</u>	<u>\$ 7,127,307</u>
Component units:					
Total component units	<u>\$ 39,464,254</u>	<u>\$ -</u>	<u>\$ 9,028,849</u>	<u>\$ 13,756,455</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	\$ (16,531,012)	\$ -	\$ (16,531,012)	
Judicial	(36,793,455)	-	(36,793,455)	
Public safety	(46,014,845)	-	(46,014,845)	
Human services	(8,603,960)	-	(8,603,960)	
Culture and recreation	(6,180,614)	-	(6,180,614)	
Community and economic development	(1,488,094)	-	(1,488,094)	
Public works	6,156,684	-	6,156,684	
Community support	(498,139)	-	(498,139)	
Debt Service administrative expenses	(9,194,573)	-	(9,194,573)	
Solid waste	<u>2,237,222</u>	<u>-</u>	<u>2,237,222</u>	
Total governmental activities	<u>(116,910,786)</u>	<u>-</u>	<u>(116,910,786)</u>	
Business-type activities				
Department of Emergency Services	-	(1,657,836)	(1,657,836)	
Berks County Residential Center	-	1,883,157	1,883,157	
Berks Heim	<u>-</u>	<u>2,554,210</u>	<u>2,554,210</u>	
Total business-type activities	<u>-</u>	<u>2,779,531</u>	<u>2,779,531</u>	
Total primary government	<u>(116,910,786)</u>	<u>2,779,531</u>	<u>(114,131,255)</u>	
Component units:				<u>\$ (16,678,950)</u>
Total component units				
General Revenues				
Taxes:				
Property taxes, levied for general purposes	136,151,892	-	136,151,892	-
Hotel tax	2,225,844	-	2,225,844	-
Payments in lieu of taxes	242,774	-	242,774	-
Payments from County of Berks	-	-	-	3,850,000
Payments from other governments	-	-	-	10,250,312
Investment earnings	1,134,503	8,088	1,142,591	514,120
Change in fair value of interest rate swaps	490,084	626,541	1,116,625	-
Miscellaneous/other	-	-	-	1,505,926
Gain on disposal of capital assets	20,720	-	20,720	(4,277)
Rental of space	389,756	48,230	437,986	-
Conversion to special revenue fund	6,089,996	(6,089,996)	-	-
Transfers	<u>1,088,977</u>	<u>(1,088,977)</u>	<u>-</u>	<u>-</u>
Total general revenue and transfers	<u>147,834,546</u>	<u>(6,496,114)</u>	<u>141,338,432</u>	<u>16,116,081</u>
Change in net position	30,923,760	(3,716,583)	27,207,177	(562,869)
Net position - beginning, as restated	<u>207,720,116</u>	<u>15,206,616</u>	<u>222,926,732</u>	<u>85,862,673</u>
Net position, ending	<u>\$ 238,643,876</u>	<u>\$ 11,490,033</u>	<u>\$ 250,133,909</u>	<u>\$ 85,299,804</u>

See accompanying notes to the financial statements.

	General	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Assets:					
Cash and cash equivalents	\$ 37,494,888	\$ 1,300	\$ 7,624,220	\$ 9,640,173	\$ 54,760,581
Cash and cash equivalents, restricted	3,068,622	13,939	149,189	13,144,932	16,376,682
Investments	17,969,265	-	-	1,206,659	19,175,924
Investments, restricted	1,269,136	-	5,886,714	-	7,155,850
Taxes receivable	8,342,042	-	-	152,870	8,494,912
Accounts receivable	14,548,876	64,741	3,648,833	3,362,250	21,624,700
Accrued interest receivable	189,484	-	-	887,683	1,077,167
Due from other governments	7,230,439	24,001,107	-	19,027,662	50,259,208
Due from other funds	27,490,705	-	101,349	284,629	27,876,683
Inventories	264,600	-	-	-	264,600
Prepaid expenses	1,258,963	-	-	3,107,195	4,366,158
Deposits	35,830	-	-	-	35,830
Loans receivable	2,025,521	-	-	4,687,852	6,713,373
Investments, non-current	67,497,548	-	-	2,540,447	70,037,995
Investments, non-current, restricted	-	-	2,951,739	-	2,951,739
Total assets	\$ 188,685,919	\$ 24,081,087	\$ 20,362,044	\$ 58,042,352	\$ 291,171,402
Liabilities:					
Accounts payable	\$ 8,927,827	\$ 10,096,497	\$ 3,676,412	\$ 22,080,364	44,781,100
Accrued liabilities	3,446,981	338,953	11,146	688,491	4,485,571
Due to other funds	-	9,225,356	-	12,459,560	21,684,916
Due to other governments	1,211,874	-	-	-	1,211,874
Deferred revenue	17,913,074	-	-	5,300,045	23,213,119
Advance revenue	1,607,795	4,271,443	-	6,132,607	12,011,845
Due to third parties	1,473,686	-	-	-	1,473,686
Accrued claims health insurance	1,141,624	130,339	6,109,214	-	7,381,177
Payable from restricted assets	-	-	10,565,272	388,594	10,953,866
Total liabilities	\$ 35,722,861	\$ 24,062,588	\$ 20,362,044	\$ 47,049,661	\$ 127,197,154
Fund balances (deficit)					
Nonspendable:					
Conversion pay	60,991	4,560	-	4,401	69,952
Inventories and prepaid expenses	1,523,563	-	-	3,107,195	4,630,758
Restricted:					
Gift fund	-	13,939	-	-	13,939
Farmland preservation	947,713	-	-	-	947,713
Hazmat response	1,587,897	-	-	-	1,587,897
Act 198 - Courts	249,854	-	-	-	249,854
Workers' compensation	285,567	-	-	-	285,567
Special revenue funds	-	-	-	10,288,876	10,288,876
Services Center Parking Garage	223,381	-	-	-	223,381
Act 13 Marcellus Shale Money	830,594	-	-	-	830,594
Assigned:					
222 Corridor	5,000,000	-	-	-	5,000,000
Environmental litigation	69,590	-	-	-	69,590
Encumbrances	416,181	-	-	66,759	482,940
Health care self insurance	4,000,000	-	-	-	4,000,000
Waste Water Treatment Plant	1,065,518	-	-	-	1,065,518
Unassigned:	136,702,209	-	-	(2,474,540)	134,227,669
Total fund balances	\$ 152,963,058	\$ 18,499	\$ -	\$ 10,992,691	\$ 163,974,248
Total liabilities and fund balances (deficit)	\$ 188,685,919	\$ 24,081,087	\$ 20,362,044	\$ 58,042,352	\$ 291,171,402

See accompanying notes to the financial statements.

Total fund balances for governmental funds \$ 163,974,248

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	\$	14,643,582	
Agland easements		78,161,441	
Infrastructure, net		8,355,557	
Building and improvements, net		100,789,722	
Furniture, fixtures, equipment and vehicles, net		61,766,984	
Historical treasures		2,279,644	
Software in Progress		2,560,399	
Construction in progress		<u>7,324,041</u>	
			275,881,370

These pension items are not financial resources and therefore not reported in the funds.

Net pension liability		(2,126,615)	
Deferred outflow of resources			31,885,754

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		2,374,885	
Delinquent property taxes		3,714,078	
Clerk of Courts departmental charges and reimbursements		7,512,489	
Community Development liens receivable		5,275,535	
District Justices departmental charges and reimbursements		<u>1,660,269</u>	
			20,537,256

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		7,235,000	
Accrued interest receivable from Greater Berks Development Fund		<u>53,151</u>	
			7,288,151

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

Payroll and payroll taxes			(200,239)
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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, 2015 are:

Swap agreement		1,955,470	
Accrued interest on bonds and notes		(1,500,009)	
Compensated absences		(4,274,897)	
Accrued claims liabilities		(1,899,666)	
Bonds and notes payable		<u>(252,876,947)</u>	
			(258,596,049)

Total net position of governmental activities \$ 238,643,876

See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Governmental Funds
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Revenues					
Taxes:					
Property	\$ 136,536,071	\$ -	\$ -	\$ -	\$ 136,536,071
Hotel	-	-	-	2,225,844	2,225,844
Court costs, fines and forfeitures	3,350,999	-	-	-	3,350,999
Intergovernmental revenue	12,245,035	36,371,942	87,158,497	50,124,909	185,900,383
Departmental charges and reimbursement	52,422,421	915,692	-	2,276,422	55,614,535
Payments in lieu of taxes	89,730	-	-	-	89,730
Rentals	378,656	-	-	11,100	389,756
Sales of property, supplies and equipment	20,720	-	-	-	20,720
Investment earnings	1,035,291	5,163	48,241	45,808	1,134,503
Miscellaneous	2,852,942	1,651	-	2,234,368	5,088,961
Total revenues	<u>208,931,865</u>	<u>37,294,448</u>	<u>87,206,738</u>	<u>56,918,451</u>	<u>390,351,502</u>
Expenditures					
Current:					
General government, administrative	39,650,544	-	-	2,490,097	42,140,641
General government, judicial	51,606,404	-	-	31,767	51,638,171
Public safety	61,057,768	-	-	-	61,057,768
Human services	-	42,481,532	87,190,934	44,233,088	173,905,554
Capital outlay	-	-	-	4,671,727	4,671,727
Culture and recreation	6,801,869	-	-	-	6,801,869
Community and economic development	3,977,572	-	-	3,998,896	7,976,468
Public works	197,894	-	-	8,483,234	8,681,128
Community support	5,537,268	-	-	-	5,537,268
Intergovernmental expenditures - Solid waste	993,342	-	-	-	993,342
Debt service:					
Principal	18,758,298	-	-	-	18,758,298
Interest and fiscal charges	5,773,802	-	-	-	5,773,802
Debt issuance costs	178,668	-	-	-	178,668
Administrative expenses	80,461	-	-	-	80,461
Capital outlay	-	-	-	-	-
Total expenditures	<u>194,613,890</u>	<u>42,481,532</u>	<u>87,190,934</u>	<u>63,908,809</u>	<u>388,195,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,317,975</u>	<u>(5,187,084)</u>	<u>15,804</u>	<u>(6,990,358)</u>	<u>2,156,337</u>
Other financing sources (uses)					
Issuance of refunding bonds	23,776,200	-	-	-	23,776,200
Premium on issuance of refunding bonds	3,613,694	-	-	-	3,613,694
Payment to refunded bonds escrow agent	(27,211,227)	-	-	-	(27,211,227)
Transfers in	3,504,316	5,564,294	-	4,681,377	13,749,987
Transfers out	(16,917,636)	(378,353)	(15,804)	(2,319,639)	(19,631,432)
Conversion to special revenue fund	-	-	-	554,492	554,492
Total other financing sources (uses)	<u>(13,234,653)</u>	<u>5,185,941</u>	<u>(15,804)</u>	<u>2,916,230</u>	<u>(5,148,286)</u>
Net changes in fund balances (deficits)	<u>1,083,322</u>	<u>(1,143)</u>	<u>-</u>	<u>(4,074,128)</u>	<u>(2,991,949)</u>
Fund balances, beginning, as restated	<u>151,879,736</u>	<u>19,642</u>	<u>-</u>	<u>15,066,819</u>	<u>166,966,197</u>
Fund balances (deficits), ending	<u>\$ 152,963,058</u>	<u>\$ 18,499</u>	<u>\$ -</u>	<u>\$ 10,992,691</u>	<u>\$ 163,974,248</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, 2015

County of Berks
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Net change in fund balances - total governmental funds \$ (2,991,949)

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	\$ 17,856,543	
Depreciation expense	<u>(7,778,652)</u>	10,077,891

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	490,084	
Bond principal repayments	6,640,828	
Bond principal borrowings - refunding	(23,776,200)	
Payment to escrow agent for refunded bonds	27,211,227	
Bond premium/discounts/refunding gains	<u>(3,562,661)</u>	7,003,278

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: 6,891,529

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	(384,179)	
Services	<u>315,881</u>	(68,298)

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	44,005	
Conversion to special revenue fund	12,505,927	
Net pension obligation	<u>(2,538,623)</u>	<u>10,011,309</u>

Change in net assets of governmental activities \$ 30,923,760

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	\$ -	\$ 1,000	\$ 338,977	\$ 339,977
Cash and cash equivalents, restricted	-	-	10,234	10,234
Investments, restricted	-	-	224,864	224,864
Accounts receivable, net	-	-	6,185,060	6,185,060
Due from other governments	-	1,124,199	-	1,124,199
Due from other funds	-	202,711	-	202,711
Inventories	-	62,038	95,567	157,605
Prepaid expenses	-	-	55,176	55,176
Total current assets	<u>-</u>	<u>1,389,948</u>	<u>6,909,878</u>	<u>8,299,826</u>
Noncurrent assets:				
Employee pay advance	-	-	63,075	63,075
Capital assets:				
Buildings and improvements, net	-	7,258,288	27,605,331	34,863,619
Furniture, fixtures, equipment and vehicles, net	-	91,537	696,989	788,526
Construction in progress	-	-	14,366	14,366
Total noncurrent assets	<u>-</u>	<u>7,349,825</u>	<u>28,379,761</u>	<u>35,729,586</u>
Deferred outflows of resources:				
Pension	-	1,173,490	6,452,222	7,625,712
Unamortized bond refunding loss	-	275,089	-	275,089
Derivative swap agreement	-	23,618	135,464	159,082
Total deferred outflows of resources	<u>-</u>	<u>1,472,197</u>	<u>6,587,686</u>	<u>8,059,883</u>
Total assets and deferred outflows of resources	<u>-</u>	<u>10,211,970</u>	<u>41,877,325</u>	<u>52,089,295</u>
Liabilities:				
Current liabilities:				
Accounts payable	-	220,418	761,949	982,367
Accrued liabilities	-	165,247	1,000,986	1,166,233
Due to other funds	-	-	6,394,478	6,394,478
Due to third parties	-	-	1,166	1,166
Accrued interest payable	-	17,962	113,437	131,399
Compensated absences	-	31,474	334,863	366,337
Accrued claims health insurance	-	59,743	320,669	380,412
Accrued claims liability	-	8,713	151,476	160,189
Bonds payable, net	-	103,904	644,415	748,319
Total current liabilities	<u>-</u>	<u>607,461</u>	<u>9,723,439</u>	<u>10,330,900</u>
Noncurrent liabilities:				
Compensated absences	-	104,594	682,973	787,567
Accrued claims liability	-	68,254	1,186,655	1,254,909
Pension liability, net	-	78,178	430,175	508,353
Bonds payable, net	-	3,705,640	23,213,521	26,919,161
Total noncurrent liabilities	<u>-</u>	<u>3,956,666</u>	<u>25,513,324</u>	<u>29,469,990</u>
Total liabilities	<u>-</u>	<u>4,564,127</u>	<u>35,236,763</u>	<u>39,800,890</u>
Deferred inflows of resources:				
Deferred grant revenue	-	-	137,985	137,985
Unamortized bond refunding gain	-	-	660,387	660,387
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>798,372</u>	<u>798,372</u>
Net position:				
Net investment in capital assets	-	4,624,373	8,563,463	13,187,836
Unrestricted net position (deficit)	-	1,023,470	(2,721,273)	(1,697,803)
Total net position	<u>\$ -</u>	<u>\$ 5,647,843</u>	<u>\$ 5,842,190</u>	<u>\$ 11,490,033</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds - Enterprise Funds
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Department of Emergency Services	Berks County Residential Center	Berks Heim	Totals
Operating revenues				
Charges for services	\$ 10,314,541	\$ 6,504,455	\$ 38,880,691	\$ 55,699,687
Other operating revenues	<u>472,957</u>	<u>2,357,329</u>	<u>3,005,871</u>	<u>5,836,157</u>
Total operating revenues	<u>10,787,498</u>	<u>8,861,784</u>	<u>41,886,562</u>	<u>61,535,844</u>
Operating expenses				
Program services	5,996,485	6,585,809	32,716,736	45,299,030
Administrative expenses	2,220,880	-	4,626,715	6,847,595
Depreciation	<u>2,799,592</u>	<u>274,194</u>	<u>1,106,587</u>	<u>4,180,373</u>
Total operating expenses	<u>11,016,957</u>	<u>6,860,003</u>	<u>38,450,038</u>	<u>56,326,998</u>
Operating income (loss)	<u>(229,459)</u>	<u>2,001,781</u>	<u>3,436,524</u>	<u>5,208,846</u>
Nonoperating revenues (expenses)				
Grants	-	20,813	423	21,236
Investment earnings	6,893	-	1,195	8,088
Change in fair value of interest rate swaps	551,138	11,204	64,199	626,541
Interest expense	(1,421,760)	(119,585)	(757,008)	(2,298,353)
Bond issuance costs	(6,617)	(19,852)	(125,729)	(152,198)
Rental of space	<u>48,230</u>	<u>-</u>	<u>-</u>	<u>48,230</u>
Total nonoperating revenues (expenses)	<u>(822,116)</u>	<u>(107,420)</u>	<u>(816,920)</u>	<u>(1,746,456)</u>
Income (loss) before transfers	(1,051,575)	1,894,361	2,619,604	3,462,390
Transfers in	-	-	-	-
Transfers out	-	(1,088,977)	-	(1,088,977)
Conversion to special revenue fund	<u>(6,089,996)</u>	<u>-</u>	<u>-</u>	<u>(6,089,996)</u>
Change in net position (deficit)	(7,141,571)	805,384	2,619,604	(3,716,583)
Total net position (deficit), beginning, as restated	<u>7,141,571</u>	<u>4,842,459</u>	<u>3,222,586</u>	<u>15,206,616</u>
Total net position, ending	<u>\$ -</u>	<u>\$ 5,647,843</u>	<u>\$ 5,842,190</u>	<u>\$ 11,490,033</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	\$ 8,956,571	\$ 8,798,944	\$ 40,994,168	\$ 58,749,683
Payments to suppliers	(5,987,466)	(3,022,336)	(16,824,196)	(25,833,998)
Payments to employees	<u>(3,906,949)</u>	<u>(3,440,738)</u>	<u>(20,554,691)</u>	<u>(27,902,378)</u>
Net cash provided (used) by operating activities	<u>(937,844)</u>	<u>2,335,870</u>	<u>3,615,281</u>	<u>5,013,307</u>
Cash flows from noncapital financing activities				
Principal paid on bonds	(240,791)	(27,765)	(159,094)	(427,650)
Receipts from other governments	517,274	20,813	423	538,510
Receipts from rental of space	48,230	-	-	48,230
Interest paid	(170,650)	(19,918)	(98,406)	(288,974)
Transfers to other funds	(5,291,925)	(1,088,977)	-	(6,380,902)
Amounts due from (to) other funds	<u>4,364,184</u>	<u>(174,247)</u>	<u>(2,239,520)</u>	<u>1,950,417</u>
Net cash used by noncapital financing activities	<u>(773,678)</u>	<u>(1,290,094)</u>	<u>(2,496,597)</u>	<u>(4,560,369)</u>
Cash flows from capital and related financing activities				
Borrowings on bonds	880,600	2,641,800	16,731,400	20,253,800
Bond premium	133,840	401,522	2,542,970	3,078,332
Bond issuance costs	(6,617)	(19,852)	(125,729)	(152,198)
Bond refunding escrow deposit	(1,007,823)	(3,023,470)	(19,148,641)	(23,179,934)
Principal paid on bonds	(790,692)	(14,100)	(94,260)	(899,052)
Interest paid	(1,768,295)	(100,485)	(670,672)	(2,539,452)
Construction in progress	(140,267)	-	(174,963)	(315,230)
Purchase of capital assets	<u>(222,996)</u>	<u>(931,191)</u>	<u>(165,992)</u>	<u>(1,320,179)</u>
Net cash used by capital and related financing activities	<u>(2,922,250)</u>	<u>(1,045,776)</u>	<u>(1,105,887)</u>	<u>(5,073,913)</u>
Cash flows from investing activities				
Decrease in investments, restricted	-	-	(4)	(4)
Investment earnings received	<u>6,893</u>	<u>-</u>	<u>1,195</u>	<u>8,088</u>
Net cash provided by investing activities	<u>6,893</u>	<u>-</u>	<u>1,191</u>	<u>8,084</u>
Net increase (decrease) in cash and cash equivalents	(4,626,879)	-	13,988	(4,612,891)
Cash and cash equivalents, beginning	<u>4,626,879</u>	<u>1,000</u>	<u>335,223</u>	<u>4,963,102</u>
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 349,211</u>	<u>\$ 350,211</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (229,459)	\$ 2,001,781	\$ 3,436,524	\$ 5,208,846
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	2,799,592	274,194	1,106,587	4,180,373
Amortization of bond premium	(40,178)	(28,680)	(181,641)	(250,499)
Amortization of refunding loss	35,040	21,161	(50,799)	5,402
Changes in assets and liabilities:				
Accounts receivable, net	(1,825,141)	-	(985,739)	(2,810,880)
Due from other governments	-	(62,841)	-	(62,841)
Employee pay advance	704	-	(1,159)	(455)
Inventories	-	(19,291)	(6,552)	(25,843)
Prepaid expenses	(976,293)	-	(13,881)	(990,174)
Deposits	-	-	-	-
Pension asset, net	1,504,264	1,082,825	5,958,215	8,545,304
Pension deferred outflow	(1,363,678)	(985,431)	(5,418,213)	(7,767,322)
Accounts payable and accrued liabilities	(797,135)	53,923	(233,343)	(976,555)
Deferred grant revenue	(5,786)	-	93,345	87,559
Due to third parties	-	-	1,166	1,166
Compensated absences	(19,637)	(5,720)	92,881	67,524
Accrued claims health insurance	(5,407)	4,015	(15,651)	(17,043)
Accrued claims liability	<u>(14,730)</u>	<u>(66)</u>	<u>(166,459)</u>	<u>(181,255)</u>
Net cash provided (used) by operating activities	<u>\$ (937,844)</u>	<u>\$ 2,335,870</u>	<u>\$ 3,615,281</u>	<u>\$ 5,013,307</u>

See accompanying notes to the financial statements.

	Berks County Employees' Retirement	Agency
Assets		
Cash and cash equivalents	\$ 157,544	\$ 9,551,268
Receivables:		
Contributions receivable	271,909	-
Investment income receivable	222,613	-
Total receivables	<u>494,522</u>	<u>-</u>
Investments, at fair value (see Note 2):		
Fixed income securities	155,441,473	-
Domestic equities	102,206,136	-
International equities	52,386,719	-
Real estate/Alternative	89,331,332	-
Total investments	<u>399,365,660</u>	<u>-</u>
Total assets	<u>400,017,726</u>	<u>\$ 9,551,268</u>
Liabilities		
Accounts payable	879,080	-
Due to third parties	15,318	9,551,268
Total liabilities	<u>894,398</u>	<u>\$ 9,551,268</u>
Net plan position		
Held in trust for pension benefits	<u>\$ 399,123,328</u>	

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

**Berks County
 Employees'
 Retirement**

Additions

Contributions:

Member	\$ 6,256,829
County	<u>1,408,537</u>
Total contributions	<u>7,665,366</u>

Investment loss:

Net decrease in fair value of investments	(9,327,330)
Interest and dividends	8,079,935
Less investment expenses	<u>(1,550,543)</u>
Net investment loss	<u>(2,797,938)</u>

Other

	<u>5,708</u>
Total additions	<u>4,873,136</u>

Deductions

Benefit payments, including refunds of member contributions	18,690,853
Administrative expenses	<u>72,490</u>
Total deductions	<u>18,763,343</u>
Change in net position	(13,890,207)
Net plan position held in trust for pension benefits, beginning	<u>413,013,535</u>
Net plan position held in trust for pension benefits, ending	<u>\$ 399,123,328</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	\$ 471,199	\$ 1,656,673	\$ 15,681,109	\$ 17,808,981
Cash and cash equivalents, restricted	-	509,546	-	509,546
Investments	-	-	3,995,116	3,995,116
Accounts receivable, net	90,907	213,184	6,184,650	6,488,741
Due from other governments	-	112,943	-	112,943
Inventories	-	-	21,450	21,450
Prepaid expenses	9,831	43,666	607,891	661,388
Total current assets	<u>571,937</u>	<u>2,536,012</u>	<u>26,490,216</u>	<u>29,598,165</u>
Noncurrent assets:				
Restricted assets:				
Investments	60,739	-	10,627,339	10,688,078
Collections - works of art	-	-	909,433	909,433
Capital assets:				
Land and improvements, net	116,560	7,082,778	1,081,556	8,280,894
Air easement rights	-	103,002	-	103,002
Infrastructure, net	-	21,891,488	-	21,891,488
Buildings and improvements, net	-	6,894,919	37,199,682	44,094,601
Furniture, fixtures, equipment and vehicles, net	118,418	826,976	2,436,417	3,381,811
Leasehold improvements	-	916,125	-	916,125
Construction in progress	-	391,914	569,016	960,930
Total noncurrent assets	<u>295,717</u>	<u>38,107,202</u>	<u>52,823,443</u>	<u>91,226,362</u>
Deferred outflows of resources:				
Loss on debt refinancing, net of accumulated amortization	116,242	-	-	116,242
Deferred charge on bond refunding	-	-	397,081	397,081
Pension contributions made subsequent to the measurement date	-	-	272,325	272,325
Total deferred outflows of resources	<u>116,242</u>	<u>-</u>	<u>669,406</u>	<u>785,648</u>
Total assets and deferred outflows of resources	<u>983,896</u>	<u>40,643,214</u>	<u>79,983,065</u>	<u>121,610,175</u>
Liabilities				
Accounts payable	22,150	74,967	1,860,032	1,957,149
Accrued liabilities	7,035	2,466	1,072,753	1,082,254
Unearned revenue	-	40,081	4,344,608	4,384,689
Accrued interest payable	6,703	-	-	6,703
Compensated absences	-	-	421,911	421,911
Deposits	-	33,849	-	33,849
Lease obligations	-	-	1,174	1,174
Bonds, loans and notes payable	981,253	-	1,443,334	2,424,587
Total current liabilities	<u>1,017,141</u>	<u>151,363</u>	<u>9,143,812</u>	<u>10,312,316</u>
Noncurrent liabilities:				
Compensated absences	-	-	472,531	472,531
Medical insurance liability	-	-	400,000	400,000
Other postemployment benefit liability	-	-	281,280	281,280
Lease obligations	-	-	4,014	4,014
Net pension liability	-	-	4,282,386	4,282,386
Bonds, loans and notes payable	-	4,420,000	12,967,234	17,387,234
Total noncurrent liabilities	<u>-</u>	<u>4,420,000</u>	<u>18,407,445</u>	<u>22,827,445</u>
Total liabilities	<u>1,017,141</u>	<u>4,571,363</u>	<u>27,551,257</u>	<u>33,139,761</u>
Deferred inflows of resources				
Deferred rent revenue	-	3,071,226	-	3,071,226
Deferred pension expense	-	-	99,384	99,384
Total deferred inflows of resources	<u>-</u>	<u>3,071,226</u>	<u>99,384</u>	<u>3,170,610</u>
Net position (deficit):				
Net investment in capital assets	234,978	33,687,202	27,267,996	61,190,176
Restricted for:				
Debt service	60,739	509,546	-	570,285
Foundation for Reading Area Community College	-	-	11,299,861	11,299,861
Unrestricted net position (deficit)	<u>(328,962)</u>	<u>(1,196,123)</u>	<u>13,764,567</u>	<u>12,239,482</u>
Total net position (deficit)	<u>\$ (33,245)</u>	<u>\$ 33,000,625</u>	<u>\$ 52,332,424</u>	<u>\$ 85,299,804</u>

* Presented as of June 30, 2015

** Presented as of September 30, 2015

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
 Component Units
 Year ended December 31, 2015

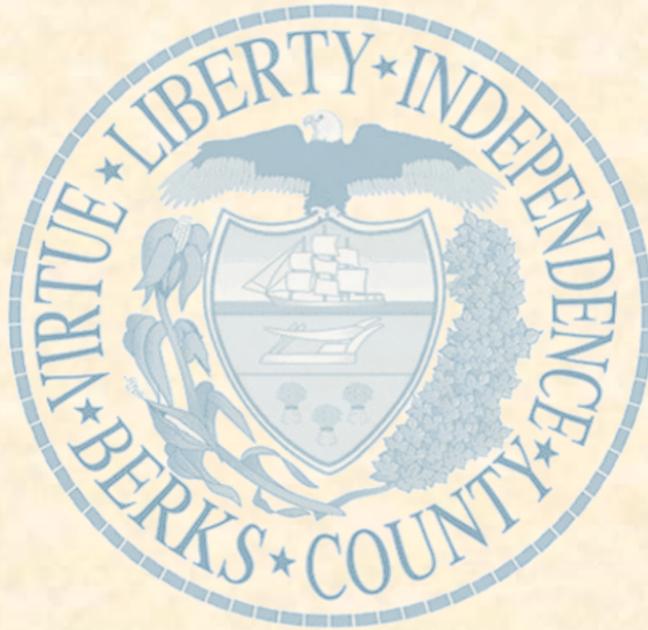
County of Berks
 2015 Comprehensive Annual Financial Report

	Berks County Solid Waste Authority	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues				
Charges for services	\$ 235,673	\$ 2,130,410	\$ 5,485,210	\$ 7,851,293
Charges for services (from County of Berks)	1,177,556	-	-	1,177,556
Operating grants and contributions	-	164,964	13,587,581	13,752,545
Investment earnings	-	-	451,945	451,945
Other revenues	-	-	1,476,211	1,476,211
Total operating revenues	<u>1,413,229</u>	<u>2,295,374</u>	<u>21,000,947</u>	<u>24,709,550</u>
Total operating expenses	<u>621,913</u>	<u>3,948,655</u>	<u>34,129,177</u>	<u>38,699,745</u>
Operating income (loss)	<u>791,316</u>	<u>(1,653,281)</u>	<u>(13,128,230)</u>	<u>(13,990,195)</u>
Nonoperating revenues (expenses)				
Payments from County of Berks	-	-	3,100,000	3,100,000
Payments from other governments	136,670	-	8,378,799	8,515,469
Contributions	-	3,910	-	3,910
Investment income	4,160	6,217	51,798	62,175
Interest expense	(32,184)	(160,351)	(571,974)	(764,509)
Loss on disposal of capital assets	-	-	(4,277)	(4,277)
Miscellaneous income (loss)	(62,332)	92,047	-	29,715
Total nonoperating revenues (expenses)	<u>46,314</u>	<u>(58,177)</u>	<u>10,954,346</u>	<u>10,942,483</u>
Other revenues:				
Payments from County of Berks	-	-	750,000	750,000
Payments from other governments	-	-	1,734,843	1,734,843
Total other revenues	<u>-</u>	<u>-</u>	<u>2,484,843</u>	<u>2,484,843</u>
Change in net position (deficit)	837,630	(1,711,458)	310,959	(562,869)
Net position (deficit) - beginning, restated	<u>(870,875)</u>	<u>34,712,083</u>	<u>52,021,465</u>	<u>85,862,673</u>
Total net position (deficit), ending	<u>\$ (33,245)</u>	<u>\$ 33,000,625</u>	<u>\$ 52,332,424</u>	<u>\$ 85,299,804</u>

* Presented for the year ended June 30, 2015

** Presented for the year ended September 30, 2015

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 created under the Pennsylvania Municipal Authorities Act of 1935 and 1945 and is responsible for the operations of the Reading Regional Airport. The governing body of the Reading Regional Airport Authority is a Board consisting of seven directors who are appointed by the Board of County Commissioners. The County guarantees a portion of the debt of the Reading Regional Airport Authority. The Reading Regional Airport Authority operates on a fiscal year ending September 30.

- Reading Area Community College is a publicly-supported comprehensive community college, serving primarily Berks County. The members of the governing board of Reading Area Community College are appointed by the Board of County Commissioners. The County sponsors the College and supports its capital expansion initiatives. The Reading Area Community College operates on a fiscal year ending June 30.

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

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 an 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 and the economic resources measurement focus. Revenues are recognized when they are

earned and expenses are recognized when the related goods or services are delivered. All assets and all liabilities (whether current or noncurrent) associated with their activity are included on the statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues and expenses, such as charges for services, program services and administrative expenses, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues and expenses, such as operating grants, subsidies, investment earnings, interest expense and bond issuance costs, result from nonexchange transactions or ancillary activities.

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, "*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*". The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2015:

1. Governmental fund types

- **General**
The General Fund accounts for all financial resources except those accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, the judicial system, public safety, culture and recreation, and some community and economic development and human services.
- **Children and Youth Services**
The Children and Youth Services Fund accounts for financial resources related to the provision of services to children and youth. Revenues of this fund are derived from federal and state grants. Expenditures are restricted to provision of the program.
- **Health Choices**
The Health Choices Fund accounts for financial resources related to the provision of a behavioral health managed care program for medical assistance recipients. Revenues of this fund are derived from state grants. Expenditures are restricted to provision of the program.

2. Proprietary fund types

- **Enterprise: Department of Emergency Services**
The Department of Emergency Services Fund (DES) 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. During 2015, County management decided to change DES to a Special Revenue Fund because of changes in fixed assets and related debt structure no longer allowed DES to self fund itself through user charges and cost reimbursement plans. These statements reflect a transfer from the DES Enterprise Fund to the DES Special Revenue Fund as of December 31, 2015.
- **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 2015 property tax levy outstanding at December 31, 2015. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2015. The allowance for district justices' fines and court costs is equal to 50 percent of the outstanding accounts receivable at December 31, 2015. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2015. 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, 2015.

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.

It is the County's policy when more than one classification of fund balance is available for a particular purpose, to first apply expenditures against the restricted fund followed by committed, assigned, and then 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	\$ 208,965,529
Amounts in "W" Restatement of Governmental Funds Financial Statements (see below)	262,448
Prior period adjustment	<u>(1,507,861)</u>
Fund balance, beginning, as restated	<u>\$ 207,720,116</u>

In addition to the reasons noted for the Governmental Funds Financial Statements, these adjustments reflect an adjustment to the General Fund for write off of prior construction in progress not complete, a correction of overstated fixed asset balances, and a correction of overstated accrued claims liabilities.

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	\$ 144,195,790
Prior period adjustment	<u>7,683,946</u>
Fund balance, beginning, as restated	<u>\$ 151,879,736</u>

Prior period adjustment in the General Fund to reclassify revenues and expenses from prior years to the proper funds from the Capital Projects Fund as described below.

Capital Projects Fund

Beginning fund balance, as previously reported	\$ 15,808,953
Prior period adjustment	<u>(7,275,823)</u>
Fund balance, beginning, as restated	<u>\$ 8,533,130</u>

Prior period adjustment in the Capital Projects Fund to reclassify revenues and expenses from prior years to the proper funds from due from other funds and due to other funds. This consisted of a swap termination fee, capital project expenditures not included in the fund where the asset was capitalized and prior debt service expenditures not paid from the fund where the debt maintained.

Special Legislation Special Revenue Fund

Beginning fund balance, as previously reported	\$ 3,080,566
Prior period adjustment	<u>(145,674)</u>
Fund balance, beginning, as restated	<u>\$ 2,934,892</u>

Prior period adjustment in the Special Legislation Special Revenue Fund is due to the correction of timing of a 2014 expense and correction of prior year transaction previously recorded as due from other funds.

X. Accounting Pronouncements Adopted/Pending

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

In June 2015, the GASB issued Statement No. 76, *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.”* The County adopted GASB Statement No. 76 for its year 2015 financial statements. The adoption of this statement had no effect on the financial reporting information for the County.

In August 2015, the GASB issued Statement No. 77, *“Tax Abatement Disclosures.”* The County is required to adopt GASB Statement No. 77 for its year 2016 financial statements.

In December 2015, the GASB issued Statement No. 79, *“Certain External Investment Pools and Pool Participants.”* The County is required to adopt GASB No. 79 for its year 2016 financial statements.

In January 2016, the GASB issued Statement No. 80, “*Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14.*” The County is required to adopt GASB No. 80 for its year 2017 financial statements.

In March 2016, the GASB issued Statement No. 81, “*Irrevocable Split-Interest Agreements.*” The County is required to adopt GASB No. 81 for its year 2017 financial statements.

In March 2016, the GASB issued Statement No. 82, “*Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.*” The County is required to adopt GASB No. 82 for its year 2017 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, 2015 consist of the following:

Cash and cash equivalents	\$ 81,179,230
Petty cash	17,056
Investments	<u>498,912,032</u>
	<u>\$ 580,108,318</u>

Classification per financial statement:

Statement of net position:

Current assets, cash and cash equivalents	\$ 55,100,558
Current assets, cash and cash equivalents, restricted	16,386,916
Current assets, investments	19,175,924
Current assets, investments, restricted	7,380,714
Noncurrent assets, investments	70,037,995
Noncurrent assets, investments, restricted	2,951,739

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund, cash and cash equivalents	157,544
Berks County Employees' Retirement Trust Fund, investments	399,365,660
Agency fund, cash and cash equivalents	<u>9,551,268</u>
	<u>\$ 580,108,318</u>

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, 2015, the carrying amounts of the County's bank deposits were \$81,179,230 and the bank balances were \$95,486,542, of which \$896,421 was covered by Federal Depository Insurance, \$72,507,228 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, \$9,630,520 was invested in an external investment pool, described in more detail below, and the remaining balance of \$12,452,373 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, 2015, PLGIT carried an AAAM rating and had an average maturity of less than one year. The County's position in the pool is the same value as the pool shares.

The County invests in various money market funds, in the amount of \$8,384,300 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, 2015, 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	\$ 1,269,137	\$ 1,269,137	\$ -	\$ -	\$ -
U.S. Govt agency securities	85,466,812	17,969,265	67,497,547	-	-
Health Choices Fund					
Negot. certif. of deposit	1,051,829	802,829	249,000	-	-
U.S. Govt agency securities	7,786,624	5,083,885	2,702,739	-	-
Other Governmental Funds					
Negot. certif. of deposit	1,245,000	-	1,245,000	-	-
U.S. Govt agency securities	2,502,106	1,206,658	1,295,448	-	-
Total Governmental Funds	<u>99,321,508</u>	<u>26,331,774</u>	<u>72,989,734</u>	<u>-</u>	<u>-</u>
Enterprise Funds					
Berks Heim					
Negot. certif. of deposit	<u>224,864</u>	<u>224,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary - Retirement Funds					
SEI Collective Trusts					
Core Trust Property	\$ 40,252,859	\$ 40,252,859	\$ -	\$ -	\$ -
Special Situations	28,429,463	28,429,463	-	-	-
SEI Mutual Funds					
Emerging Markets Debt	15,822,323	15,822,323	-	-	-
Emerging Markets Equity	10,571,206	10,571,206	-	-	-
High Yield Bonds	15,881,898	15,881,898	-	-	-
Large Cap Disciplined Equity	42,336,976	42,336,976	-	-	-
Small/Mid Cap Equity	15,800,000	15,800,000	-	-	-
Limited Duration Bonds	36,152,269	36,152,269	-	-	-
Multi-Asset Real Return	16,501,028	16,501,028	-	-	-
World Equity Ex US	52,386,719	52,386,719	-	-	-
Core Fixed Income	38,557,741	38,557,741	-	-	-
Opportunistic Income	32,526,214	32,526,214	-	-	-
US Managed Volatility	33,497,954	33,497,954	-	-	-
Dynamic Asset Allocation	20,649,010	20,649,010	-	-	-
Total Fiduciary Funds	<u>399,365,660</u>	<u>399,365,660</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 498,912,032</u>	<u>\$ 425,922,298</u>	<u>\$ 72,989,734</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’s investments in certificates of deposit at December 31, 2015 were \$3,790,830. Of this total, \$2,988,001 was covered by Federal Depository Insurance, and \$802,829 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, 2015:

	<u>Fair Value</u>	<u>Rating</u>
U.S. Govt agency obligations	\$ 95,755,544	AAA
Negotiable certificates of deposit	3,790,830	Unrated
Mutual funds - Core fixed income	38,557,741	AA-
Mutual funds - Emerging Mkts Debt	15,822,323	BBB-
Mutual funds - High Yield Bonds	15,881,898	BB-
Mutual funds - Limited Duration	36,152,269	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 managers are authorized by the Retirement Board to invest in marketable debt issues of the U.S. Treasury, U.S. Agencies, U.S. corporations, U.S. banks or other financial institutions, mortgage or asset backed securities, Yankee bonds, and cash equivalents. Investment managers may also invest in mutual funds and other commingled investments.

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

- Domestic Equities – 40 percent
- International Equities – 10 percent
- Domestic Fixed Income – 33 percent
- International Fixed Income – 7 percent
- Alternatives – 10 percent

At December 31, 2015, the pension investment portfolio was in compliance with the County’s investment policy as it relates to pension funds.

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the County’s investment policy does not specifically address the issue of custodial credit risk, it is the practice of the County to hold all investments in the counterparties’ name. As of December 31, 2015, \$498,912,032 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, 2015.

B. Component units

1. Berks County Solid Waste Authority

The Authority’s available cash is invested in demand deposit accounts and money market accounts. The carrying amounts of the cash deposits and investments at December 31, 2015 consist of the following:

Demand deposits	\$ 471,199
Cash in trust accounts	<u>60,739</u>
Total	<u>\$ 531,938</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, 2015, the carrying amount of the Authority’s cash deposits was \$471,199 and the bank balance was \$471,434, of which \$0 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, 2015, the Authority had the following investment, held by the Trustee:

	<u>Fair Value</u>	Maturity - Less than <u>One Year</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, 2015, \$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, 2015:

Petty cash	\$	250
Unrestricted cash		1,656,423
Settlement fund cash		<u>509,546</u>
	\$	<u>2,166,219</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, 2015, \$1,898,729 of the Authority's bank balance of \$2,148,729 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, 2015, 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 currently 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, 2015 consist of the following:

Cash on hand	\$	3,650
Cash		15,677,459
Investments		<u>14,622,455</u>
	\$	<u><u>30,303,564</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, 2015, the carrying amount of the College's deposits was \$15,042,520 and the bank balance was \$15,649,802. Of the bank balance, \$250,000 was covered by federal depository insurance and \$15,399,802 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, 2015, the cash and cash equivalents for the College Foundation were \$634,939. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72.

Investments of the College of \$3,995,116 are comprised of obligations of government sponsored agencies of the United States of America carried at market value in FHLB Notes of \$496,361, FNMA Notes of \$1,713,747, FHLMC of \$1,722,448 and Other of \$62,560.

Investments of the College Foundation of \$10,627,339 are comprised of mutual funds carried at market value in the Common Fund – Equity Fund of \$7,452,865 and the Common Fund - Bond Fund of \$3,174,474.

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, 2015 consist of the following:

	Cash and cash equivalents	Investments
Governmental funds		
General Fund		
Antietam Lake	\$ 540,249	\$ -
Act 198 Fund	147,247	-
Environmental Litigation	174,267	-
Hazmat Response Fund	721,192	996,000
MCT Trust	433,834	-
Inmate Pay	3,502	-
Parks Trust Accounts	1,035,900	-
Workers' Compensation Trust	12,431	273,136
Special Legislation Funds		
Adult Probation Supervision Fund	2,231,644	-
Coroner Record Improvement Fund	106,438	-
Courts Automation Fund	202,038	-
Hotel Tax Account	150,135	-
Prothonotary Automation Fund	103,645	-
Register of Wills Record Improvement Fund	119,007	-
Recorder of Deeds Record Improvement Fund	209,441	-
Treasurer Record Improvement Fund	392,064	-
Children and Youth Services		
Gift Fund	13,939	
Health Choices Special Revenue Fund		
Appendix V - Jumbo Auto Renew CD	-	802,829
Reinvestment account	(99,946)	4,638,517
Risk & Contingency account	249,135	3,397,107
Capital Projects Funds		
Unspent bond proceeds Series B of 2009	401,356	-
Unspent bond proceeds Series A of 2010	227,103	-
Unspent bond proceeds Series B of 2010	270,101	-
Unspent bond proceeds Series C of 2010	361,660	-
Unspent bond proceeds Series D of 2010	115,246	-
Unspent bond proceeds 2012 Tax Exempt	1,302,054	-
Unspent bond proceeds Series A of 2012	1,481,614	-
Unspent bond proceeds Series of 2013	5,471,386	-
Total governmental funds	<u>\$ 16,376,682</u>	<u>\$ 10,107,589</u>
Business-Type Activity		
Berks Heim		
Workers' Compensation Trust	<u>\$ 10,234</u>	<u>\$ 224,864</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 2015 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, 2015 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General fund	\$ 27,490,705	\$ -
Children and Youth Services	-	9,225,356
Health Choices	101,349	-
Nonmajor	<u>284,629</u>	<u>12,459,560</u>
	<u>27,876,683</u>	<u>21,684,916</u>
Proprietary funds:		
Berks County Residential Center	202,711	-
Berks Heim	<u>-</u>	<u>6,394,478</u>
	<u>202,711</u>	<u>6,394,478</u>
Fiduciary funds:		
Berks County Employee's Retirement	<u>-</u>	<u>-</u>
Total	<u>\$ 28,079,394</u>	<u>\$ 28,079,394</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 2015 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General fund	\$ 3,504,316	\$ 16,917,636
Children and Youth Services	5,564,294	378,353
Health Choices	-	15,804
Nonmajor	<u>4,681,377</u>	<u>2,319,639</u>
	<u>13,749,987</u>	<u>19,631,432</u>
Proprietary funds:		
Berks County Residential Center	<u>-</u>	<u>1,088,977</u>
Total	<u>\$ 13,749,987</u>	<u>\$ 20,720,409</u>

Other transfers between funds to note include:

- Transfers of \$8,112,267 were made from the General Fund to several funds during 2015 to cover deficits.
- Transfers of \$1,734,946 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 \$1,586,192 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfer of \$6,970,424 to Department of Emergency Services Special Revenue Fund from General Fund to recognize prior payments for long-term debt and net pension asset in the General Fund.
- Transfers In do not equal transfers out because of the conversion of the Department Emergency Services conversion to a special revenue fund from an Enterprise Fund resulting from different bases of accounting.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2015 was as follows:

• **Governmental activities:**

	Beginning balance (restated)	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending balance
Capital assets, not being depreciated:					
Land	\$ 10,594,416	\$ 2,887,442	\$ -	\$ -	\$ 13,481,858
Historical treasures	2,279,644	-	-	-	2,279,644
Agricultural easements	76,669,703	1,491,738	-	-	78,161,441
Software in progress	1,437,896	1,122,503	-	-	2,560,399
Construction in progress	30,002,657	12,966,459	(35,645,075)	-	7,324,041
Total capital assets, not being depreciated	<u>120,984,316</u>	<u>18,468,142</u>	<u>(35,645,075)</u>	<u>-</u>	<u>103,807,383</u>
Capital assets, being depreciated:					
Land improvements	5,219,711	82,772	(2,887,442)	-	2,415,041
Buildings and improvements	176,854,063	28,575,660	-	486,845	205,916,568
Furniture, fixtures, equipment, and vehicles	16,604,775	4,757,591	(2,641,005)	68,612,865	87,334,226
Infrastructure	6,051,426	4,535,646	-	-	10,587,072
Total capital assets, being depreciated	<u>204,729,975</u>	<u>37,951,669</u>	<u>(5,528,447)</u>	<u>69,099,710</u>	<u>306,252,907</u>
Total capital assets, historical cost	<u>325,714,291</u>	<u>56,419,811</u>	<u>(41,173,522)</u>	<u>69,099,710</u>	<u>410,060,290</u>
Less accumulated depreciation for:					
Land improvements	1,130,482	122,835	-	-	1,253,317
Building and improvements	99,264,352	5,667,756	-	194,738	105,126,846
Furniture, fixtures, equipment, and vehicles	13,371,203	1,723,385	(2,641,005)	13,113,659	25,567,242
Infrastructure	1,966,838	264,677	-	-	2,231,515
Total accumulated depreciation	<u>115,732,875</u>	<u>7,778,653</u>	<u>(2,641,005)</u>	<u>13,308,397</u>	<u>134,178,920</u>
Total capital assets, net of accumulated depreciation	<u>\$ 209,981,416</u>	<u>\$ 48,641,158</u>	<u>\$ (38,532,517)</u>	<u>\$ 55,791,313</u>	<u>\$ 275,881,370</u>

Transfers between activities in both capital asset tables represents Department of Emergency Services conversion from an Enterprise Fund to a Special Revenue Fund.

- **Business-type activities:**

	Beginning balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending balance
Capital assets, not being depreciated:					
Construction in progress	<u>\$ 1,074,038</u>	<u>\$ 1,184,746</u>	<u>\$ (2,244,418)</u>	<u>\$ -</u>	<u>\$ 14,366</u>
Capital assets, being depreciated:					
Buildings and improvements	46,413,165	1,014,909	-	(486,845)	46,941,229
Furniture, fixtures, equipment, and vehicles	<u>71,828,884</u>	<u>1,680,170</u>	<u>-</u>	<u>(68,612,865)</u>	<u>4,896,189</u>
Total capital assets, being depreciated	<u>118,242,049</u>	<u>2,695,079</u>	<u>-</u>	<u>(69,099,710)</u>	<u>51,837,418</u>
Total capital assets, historical cost	<u>119,316,087</u>	<u>3,879,825</u>	<u>(2,244,418)</u>	<u>(69,099,710)</u>	<u>51,851,784</u>
Less accumulated depreciation for:					
Building and improvements	11,046,761	1,225,587	-	(194,738)	12,077,610
Furniture, fixtures, equipment, and vehicles	<u>14,266,536</u>	<u>2,954,786</u>	<u>-</u>	<u>(13,113,659)</u>	<u>4,107,663</u>
Total accumulated depreciation	<u>25,313,297</u>	<u>4,180,373</u>	<u>-</u>	<u>(13,308,397)</u>	<u>16,185,273</u>
Total capital assets, net of accumulated depreciation	<u>\$ 94,002,790</u>	<u>\$ (300,548)</u>	<u>\$ (2,244,418)</u>	<u>\$ (55,791,313)</u>	<u>\$ 35,666,511</u>

2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2015 as follows:

- **Governmental activities:**

Judicial	\$ 369,709
Public safety	1,641,956
Public works	470,981
General government	4,820,461
Human services	37,484
Community and economic development	52,000
Culture and recreation	<u>386,062</u>
Total	<u>\$ 7,778,653</u>

- **Business-type activities:**

Department of Emergency Services	\$ 2,799,592
Berks County Residential Center	274,194
Berks Heim	<u>1,106,587</u>
Total	<u>\$ 4,180,373</u>

3. Capital projects commitments

The Anthony's Mill Bridge project is in the development phase with expenditures to date totaling \$162,294. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$420 thousand.

The Buttonwood Street Bridge project is in the construction phase with expenditures to date totaling \$5,511,268. Management anticipates this project to be completed by April 30, 2017 with a projected final cost of approximately \$13.4 million.

The Blandon Bridge project is in the design phase with expenditures to date totaling \$262,554. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$1.9 million.

The Normal Avenue Bridge project is in the design phase with expenditures to date totaling \$86,506. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$1.1 million.

The Dreibelbis Station Bridge project is in the design phase with expenditures to date totaling \$124,363. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$1.2 million.

The Manatawny Bridge project is in the design phase with expenditures to date totaling \$346,390. Management anticipates this project to be completed by December 31, 2017 with a projected final cost of approximately \$6.4 million.

The Phillips Bridge project is in the design phase with expenditures to date totaling \$83,461. Management anticipates this project to be completed by December 31, 2016 with a projected final cost of approximately \$1.1 million.

The Elevator Rehabilitation Project is in the construction phase with expenditures to date totaling \$492,012. Management anticipates this project to be completed by December 31, 2017 with a projected final cost of approximately \$5.9 million.

B. Component units

1. Berks County Solid Waste Authority

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Capital assets:				
Site improvements	\$ 174,189	\$ 40,102	\$ -	\$ 214,291
Recycling equipment	187,716	18,154	-	205,870
Furniture and equipment	<u>9,021</u>	<u>-</u>	<u>(9,021)</u>	<u>-</u>
Total capital assets	<u>370,926</u>	<u>58,256</u>	<u>(9,021)</u>	<u>420,161</u>
Less accumulated depreciation for:				
Site improvements	71,011	26,720	-	97,731
Recycling equipment	64,428	23,024	-	87,452
Furniture and equipment	<u>9,021</u>	<u>-</u>	<u>(9,021)</u>	<u>-</u>
Total accumulated depreciation	<u>144,460</u>	<u>49,744</u>	<u>(9,021)</u>	<u>185,183</u>
Total capital assets, net	<u>\$ 226,466</u>	<u>\$ 8,512</u>	<u>\$ -</u>	<u>\$ 234,978</u>

2. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Transfers/ Deletions	Balance September 30, 2015
Capital assets, not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	298,180	190,864	(97,130)	391,914
Total capital assets, not being depreciated	<u>5,037,581</u>	<u>190,864</u>	<u>(97,130)</u>	<u>5,131,315</u>
Capital assets, being depreciated:				
Land improvements	8,517,543	-	-	8,517,543
Infrastructure	39,490,303	-	97,130	39,587,433
Buildings and improvements	18,229,146	-	-	18,229,146
Furniture and equipment	3,760,984	-	-	3,760,984
Leasehold improvements	2,198,700	-	-	2,198,700
Total capital assets, being depreciated	<u>72,196,676</u>	<u>-</u>	<u>97,130</u>	<u>72,293,806</u>
Total capital assets, historical cost	<u>77,234,257</u>	<u>190,864</u>	<u>-</u>	<u>77,425,121</u>
Less accumulated depreciation for:				
Land improvements	6,531,328	328,172	-	6,859,500
Infrastructure	16,191,811	1,504,134	-	17,695,945
Buildings and improvements	10,063,536	482,355	-	10,545,891
Furniture and equipment	2,828,359	105,649	-	2,934,008
Leasehold improvements	1,190,962	91,613	-	1,282,575
Total accumulated depreciation	<u>36,805,996</u>	<u>2,511,923</u>	<u>-</u>	<u>39,317,919</u>
Total capital assets, net of accumulated depreciation	<u>\$ 40,428,261</u>	<u>\$ (2,321,059)</u>	<u>\$ -</u>	<u>\$ 38,107,202</u>

Depreciation expense for the Authority for the year ended September 30, 2015 was \$2,511,923.

3. Reading Area Community College

Capital asset activity for the year ended June 30, 2015 is as follows:

Depreciation expense for the College for the year ended June 30, 2015 was \$2,132,619.

	Balance July 1, 2014	Additions	Transfers/ Deletions	Balance June 30, 2015
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	<u>708,096</u>	<u>1,389,943</u>	<u>(1,529,023)</u>	<u>569,016</u>
Total capital assets, not being depreciated	<u>1,789,652</u>	<u>1,389,943</u>	<u>(1,529,023)</u>	<u>1,650,572</u>
Capital assets, being depreciated:				
Buildings and improvements	62,436,931	1,273,980	(42,108)	63,668,803
Equipment, furnishings and library books	<u>8,025,048</u>	<u>1,349,327</u>	<u>(133,033)</u>	<u>9,241,342</u>
Total capital assets, being depreciated	<u>70,461,979</u>	<u>2,623,307</u>	<u>(175,141)</u>	<u>72,910,145</u>
Total capital assets, historical cost	<u>72,251,631</u>	<u>4,013,250</u>	<u>(1,704,164)</u>	<u>74,560,717</u>
Less accumulated depreciation for:				
Buildings and improvements	24,819,579	1,686,098	(36,556)	26,469,121
Equipment, furnishings and library books	<u>6,490,928</u>	<u>446,521</u>	<u>(132,524)</u>	<u>6,804,925</u>
Total accumulated depreciation	<u>31,310,507</u>	<u>2,132,619</u>	<u>(169,080)</u>	<u>33,274,046</u>
Total capital assets, net of accumulated depreciation	<u>\$ 40,941,124</u>	<u>\$1,880,631</u>	<u>\$(1,535,084)</u>	<u>\$ 41,286,671</u>

NOTE 7: RETIREMENT PLANS

A. Primary government

1. General information about the Plan

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

Benefits provided. BCEPP provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of highest average salary at time of retirement. Death 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, 2015, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,122
Inactive plan members entitled to but not yet receiving benefits	227
Active plan members	<u>1,994</u>
Total members	<u><u>3,343</u></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 2015 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 1.39 percent of annual payroll.

2. Net Pension (Asset) Liability

The County's net pension (asset) liability was measured as of December 31, 2015, and the total pension asset used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension asset in the December 31, 2015 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 2015 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 2015 measurement period (see pension plan's investment policy) are summarized in the following table:

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

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

Changes in Net Pension (Asset) Liability

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2014	\$ 379,152,391	\$ 413,013,535	\$ (33,861,144)
Changes for the year:			
Service cost	4,075,232	-	4,075,232
Interest cost	28,053,835	-	28,053,835
Difference between expected and actual experience	9,167,691	-	9,167,691
Contributions - County	-	1,408,537	(1,408,537)
Contributions - member	-	6,256,829	(6,256,829)
Net investment income	-	(2,797,938)	2,797,938
Other additions	-	5,708	(5,708)
Benefit payments, including refunds of member contributions	(18,690,853)	(18,690,853)	-
Administrative expense	-	(72,490)	72,490
Balance at December 31, 2015	<u>\$ 401,758,296</u>	<u>\$ 399,123,328</u>	<u>\$ 2,634,968</u>

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

Discount rate	County's net pension (asset) liability
1% decrease (6.5%)	\$ 40,048,919
Current discount rate (7.5%)	\$ 2,634,968
1% increase (8.5%)	\$ (28,114,926)

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

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

For the year ended December 31, 2015, the County recognized pension expense of \$4,725,144

At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual assumptions	\$ 8,893,864
Net differences between projected and actual earnings on pension plan investments	<u>30,617,602</u>
Total	<u>\$ 39,511,466</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
2016	\$ 9,348,864
2017	9,348,864
2018	9,348,864
2019	8,039,178
2020	1,367,042
Thereafter	<u>2,058,654</u>
	<u>\$ 39,511,466</u>

4. Payable to the Pension Plan

For the year ended December 31, 2015, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

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;

this contribution amount was \$466 at September 30, 2015. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2015 was \$33,405.

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, 2015 was \$9,910.

2. Reading Area Community College

Retirement Plans

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.

Restatement of Beginning Net Position

Effective July 1, 2014, the College adopted GASB Statements No. 68, *Accounting and Financial Reporting for Pensions* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, to be in conformity with generally accepted accounting principles.

Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures in order to improve accounting and financial reporting by governments for pensions. The statement also enhances note disclosure and required supplementary information for government pension plans.

Statement No. 71 establishes standards for recording and reporting contributions made to a defined benefit plan after the measurement date of the government's beginning net pension liability.

The adoption of these standards resulted in the College restating beginning net position as of July 1, 2014 for \$3,990,112 which represents \$3,798,406 to account for the PSERS net pension liability as of June 30, 2014 (measurement date of June 30, 2013) and deferred outflows for pension contributions made subsequent to the measurement date, and \$191,706 to account for the SERS net pension liability as of December 31, 2014 (measurement date of December 31, 2013). Beginning net position decreased from \$44,990,682 to \$41,000,570.

Employee Defined Benefit Pension Plans

Summary of Significant Accounting Policies

Pension Plans

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

General Information about the Pension Plan

Plan descriptions

SERS is a governmental cost-sharing multi-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

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

Benefits provided

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

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

instead of the previous 2.5 percent. The new vesting period changed from five to ten years of credit service.

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

PSERS participants are eligible for disability retirement benefits after completion of five years of credit service. Such benefits are generally equal to 2 percent or 2.5 percent, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

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

Contributions

The SERS contribution policy is set by statute and requires contributions by active members, employers, and the Commonwealth of Pennsylvania.

SERS Member Contributions:

The general membership contribution rate for all Class A and Class AA members is 5 percent and 6.25 percent of salary, respectively. The general membership contribution rate under Act 2010-120 for A-3 and A-4 members is 6.25 percent and 9.3 percent of salary, respectively. The contribution rate for Class D-4 members is 7.5 percent. Judges and Magisterial District Judges have the option of electing special membership classes requiring a contribution of 10 percent and 7.5 percent, respectively. All employee contributions are recorded in individually identified accounts that are credited with interest, calculated at 4 percent per annum, as mandated by statute.

SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2015 ranged between 13.77 percent and 19.92 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$16,980 for the year ended June 30, 2015. The PSERS contribution policy is set by state statute and requires contributions by active members, employees and the Commonwealth of Pennsylvania.

PSERS Member Contributions:

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

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

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

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

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2015 was 20.50 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actually determined as an amount that, when combined with the employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The rate was certified by the PSERS board of trustees. Contributions to the pension plan from the College were \$272,325 for the year ended June 30, 2015.

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

At June 30, 2015, the College reported a liability of \$245,386 for its proportionate shares of the SERS net pension liability. The SERS net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of December 31, 2013 to December 31, 2014. The College's proportion of the SERS net pension liability was calculated utilizing the projected employer's contributions for the following year as it relates to the total projected employer's contributions for the following year. At December 31, 2014, the College's proportion was 0.0017 percent, which was an increase of 0.0003 percent from its proportion measured as of December 31, 2013.

At June 30, 2015, the College reported a liability for its proportionate share of the net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$4,037,000
Commonwealth's proportional share of the net pension liability	<u>4,037,000</u>
Total proportionate share of the net pension liability	<u>\$8,074,000</u>

The PSERS net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2013 to June 30, 2014. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported covered payroll. At June 30, 2014, the College's proportion was 0.0102 percent, which was an increase of 0.0004 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the College recognized total pension expense from the two plans of \$391,658. At June 30, 2015, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual investment earnings	\$ -	\$ 281,910
Net difference between expected and actual experience	1,332	-
Changes in proportions	153,298	-
Difference between employer contributions and proportionate share of total contributions	27,896	-
Contributions subsequent to the measurement date	<u>272,325</u>	<u>-</u>
	<u>\$ 454,851</u>	<u>\$ 281,910</u>

The \$272,325 reported as deferred outflows of resources resulting from College pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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

2016	\$	(27,243)
2017		(27,243)
2018		(27,243)
2019		(27,243)
2020		9,588
	\$	<u>(99,384)</u>

SERS Actuarial Assumptions

The actuarial valuation uses assumptions regarding future rates of investment return and rates of retirement, withdrawal, death, and disability among SERS members and their beneficiaries. The current set of assumptions used in the December 31, 2013 actuarial valuation, with the exception of the discount rate assumption, was adopted by the State Employees' Retirement Board based upon actual experience of SERS during the years 2006 through 2010. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 8.00 percent to 7.50 percent effective as of the December 31, 2011 actuarial valuation and the 7.50 percent assumption has remained in effect since then. The following actuarial assumptions, applied to all periods, included in the measurement:

- Actuarial cost method: Entry Age Normal.
- Investment return: 7.50 percent, includes inflation at 2.75 percent.
- Salary increases: Effective average of 6.10 percent, with a range of 4.30 percent and 11.05 percent including inflation at 2.75 percent.
- Mortality rates were based on the RP-2000 Mortality Tables adjusted for actual plan experience and future improvement.

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2014 was determined by rolling forward the System's total pension liability as of the June 30, 2013 actuarial valuation to June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method: Entry Age Normal level of percent pay
- Investment return: 7.50 percent, includes inflation at 3.00 percent.
- Salary increases: Effective average of 5.50 percent, with a range of 3.00 percent, real wage growth of 1 percent, and merit or seniority increases of 1.50 percent .
- Mortality rates were based on the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and

females. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the experience study that was performed for the five-year period ended June 30, 2010. The recommended assumption changes based on this experience study were adopted by the board at its March 11, 2011 board meeting, and were effective beginning with the June 30, 2011 actuarial valuation.

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

The SERS pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The below was the board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of December 31, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alternative investments	15%	8.50%
Global public equity	40%	5.40%
Real assets	17%	4.95%
Diversifying assets	10%	5.00%
Fixed income	15%	1.50%
Liquidity reserve	<u>3%</u>	0.00%
	<u>100%</u>	

The PSERS pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The below was the board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2014.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public markets global equity	19%	5.0%
Private markets equity	21%	6.5%
Private real estate	13%	4.7%
Global fixed income	8%	2.0%
U.S. long treasuries	3%	1.4%
TIPS	12%	1.2%
High yield bonds	6%	1.7%
Cash	3%	0.9%
Absolute return	10%	4.8%
Risk parity	5%	3.9%
MLPs/Infrastructure	3%	5.3%
Commodities	6%	3.3%
Financing (LIBOR)	-9%	1.1%
	<u>100%</u>	

Discount Rate: SERS and PSERS

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
College's proportionate share of the SERS net pension liability	\$ 314,088	\$ 245,386	\$ 186,313
College's proportionate share of the PSERS net pension liability	5,036,000	4,037,000	3,185,000

Pension Plan Fiduciary Net Position

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

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

Payable to the Pension Plan

At June 30, 2015, the College had an accrued balance due to PSERS of \$68,419. This amount represents the College's contractually obligated contributions for wages earned in April 2015 through June 2015. The balance will be paid in September 2015.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5% if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2015 was between 6.00 percent and 9.00 percent of gross pay depending on the class of employee. Beyond that salary-based contribution, the College bears no responsibility for any liabilities, funded or unfunded, of TIAA/CREF. Contributions are immediately and fully vested. The contributions to TIAA-CREF for the year ended June 30, 2015 was \$1,854,394, which consisted of \$1,074,412 from the College and \$779,982 from employees.

403(b) Tax Shelter Plan

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

NOTE 8: FUTURE LEASE RENTALS RECEIVABLE AND RELATED DEBT

A. Component units

1. Reading Regional Airport Authority

The majority of rental agreements currently in effect for airport facilities are multi-year leases, subject to renewal. At September 30, 2015, future minimum lease payments receivable under significant non-cancelable long-term operating leases are as follows:

Year ending September 30:

2016	\$ 880,560
2017	639,435
2018	538,308
2019	510,750
2020	487,495
Thereafter	<u>5,010,449</u>
	<u>\$ 8,066,997</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 \$520,665 for 2015.

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, 2015, are summarized as follows:

Governmental activities	\$ 1,899,666
Business-type activities	<u>1,415,098</u>
Total	<u>\$ 3,314,764</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2013, 2014 and 2015.

Year	January 1 liability	Incurred claims	Payments	December 31 liability
2013	\$ 4,138,868	\$ 1,011,479	\$ 1,360,259	\$ 3,790,088
2014	\$ 3,790,088	\$ 948,752	\$ 988,883	\$ 3,749,957
2015	\$ 3,749,957	\$ 932,703	\$ 1,367,896	\$ 3,314,764

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 2015, the County has incurred and processed healthcare claims of \$28.1 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2015, are summarized as follows:

Governmental activities	\$ 1,472,588
Business-type activities	<u>380,412</u>
Total	<u>\$ 1,853,000</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2013, 2014 and 2015.

Year	January 1 liability	Incurred claims	Payments	December 31 liability
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
2015	\$ 1,958,657	\$ 27,968,237	\$ 28,073,894	\$ 1,853,000

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, 2015 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, 2015 is \$6,104,563, 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 ended December 31, 2013, 2014 and 2015.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
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
2015	\$ 5,623,434	\$ 70,726,711	\$ 70,245,582	\$ 6,104,563

A. Component units

1. Reading Area Community College

The College funds health insurance claims up to \$65,000 individually and \$3,871,338 in the aggregate for the year ended June 30, 2015. 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, 2015. This liability is entirely funded. Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows:

<u>2015</u>	
Balance at July 1	\$ 400,000
Claims incurred	2,989,991
Claims paid	<u>(2,989,991)</u>
Balance at June 30	<u>\$ 400,000</u>

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds

Governmental activities

During 2015, the County issued General Obligation Bond Series 2015 in the amount of \$44,030,000. The 2015 Series Bonds were issued at a premium of \$6,692,026 (\$3,613,694 for governmental activities and \$3,078,332 for business type activities). The proceeds of the bonds were used to advance refund the 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds and to pay issuance costs. The bond proceeds of \$44,030,000 (\$23,776,200 for governmental activities and \$20,253,800 for business type activities) were used to pay bond issuance costs of \$330,866 and to transfer \$50,391,160 (\$27,211,226 for governmental activities and \$23,179,934 for business type activities) to an escrow agent for the 2010A Bonds. The aggregate difference in debt service between the 2015 Series Bonds and the 2008 and 2010 A Series Bonds totaled \$1,340,628. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$1,316,389. 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 2015 Series Bonds.

At December 31, 2015, general obligation bonds consisted of the following:

	Balance outstanding January 1, 2015	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2015	Due within one year
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.	\$ 30,413,656	\$ -	\$ 1,930,552	\$ 11,460,000	\$ 20,884,208	\$ 11,495,000
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.	44,675,663	-	2,449,610	3,500,000	43,625,273	3,460,000
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.	8,215,000	-	-	980,000	7,235,000	1,040,000
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.	6,961,500	-	-	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.	23,815,000	-	-	1,195,000	22,620,000	1,235,000

2009 General Obligation Bonds Series B Build America, \$15,050,000 (governmental activities \$14,823,000; business-type activities \$227,700), varying interest rates ranging from 1.234% to 6.133% through 2029, to fund County Capital Projects.	13,896,200	-	-	195,040	13,701,160	201,750
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.	18,251,801	503,199	-	18,755,000	-	-
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.	7,770,000	-	-	5,000	7,765,000	5,000
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.	13,355,836	29,024,164	-	5,000	42,375,000	5,000
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.	-	4,175,000	-	630,000	3,545,000	660,000
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.	9,575,000	-	-	85,000	9,490,000	85,000
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.	22,154,832	7,173,642	-	973,142	28,355,332	981,531
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.	11,624,396	4,850,604	-	625,000	15,850,000	635,000
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.	9,700,000	300,000	-	5,000	9,995,000	5,000

2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.

	-	<u>24,656,800</u>	-	<u>131,600</u>	<u>24,525,200</u>	<u>708,400</u>
	\$ 220,408,884	\$ 70,683,409	\$ 4,380,162	\$ 45,506,282	\$ 249,966,173	\$ 20,516,681
Unamortized premium 2008	129,271	-	-	129,271	-	
Unamortized premium 2009A	67,536	-	-	7,395	60,141	
Unamortized discount 2010A	(88,852)	-	-	(88,852)	-	
Unamortized discount 2012	(77,078)	-	-	(5,054)	(72,024)	
Unamortized premium 2013	1,957,278	631,030	-	136,227	2,452,081	
Unamortized premium 2014	74,760	2,312	-	5,138	71,934	
Unamortized premium 2015	-	<u>3,747,535</u>	-	<u>267,681</u>	<u>3,479,854</u>	
Total	<u>\$ 222,471,799</u>	<u>\$ 75,064,286</u>	<u>\$ 4,380,162</u>	<u>\$ 45,958,088</u>	<u>\$ 255,958,159</u>	
Less: Current Maturities					<u>(20,516,681)</u>	
					<u>\$ 235,441,478</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
2016	\$ 20,516,681	\$ 8,224,550	\$ 28,741,231
2017	21,037,112	8,048,390	29,085,502
2018	21,230,138	7,835,752	29,065,890
2019	21,437,957	7,609,919	29,047,876
2020	21,722,298	7,344,306	29,066,604
2021-2025	67,752,908	29,482,175	97,235,083
2026-2030	71,602,632	13,005,296	84,607,928
2031-2035	11,398,354	2,003,760	13,402,114
2036-2039	<u>3,548,611</u>	<u>210,884</u>	<u>3,759,495</u>
	\$ 260,246,691	\$ 83,765,032	\$ 344,011,723
Unaccrued principal	(10,280,518)		
Unamortized premium	6,064,010		
Unamortized discount	<u>(72,024)</u>		
Bonds and notes payable at December 31, 2015	<u>\$ 255,958,159</u>		

Business-type activities

	Balance outstanding January 1, 2015	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2015	Due within one year
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.	\$ 19,813,500	\$ -	\$ -	\$ 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.	223,800	-	-	4,960	218,840	3,250
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.	503,199	(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.	29,024,164	(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.	4,175,000	(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.	12,805,170	(7,173,642)	-	186,859	5,444,669	188,469
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.	4,850,604	(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)	-	-	-	-

2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.

	-	19,373,200	-	103,400	19,269,800	556,600
	\$ 71,695,437	\$ (26,653,409)	\$ -	\$ 20,108,719	\$ 24,933,309	\$ 748,319
Unamortized premium 2008	367,925	-	-	367,925	-	-
Unamortized discount 2010A	(2,748)	-	-	(2,748)	-	-
Unamortized premium 2013	631,031	(631,031)	-	-	-	-
Unamortized premium 2014	2,312	(2,312)	-	-	-	-
Unamortized premium 2015	-	2,944,492	-	210,321	2,734,171	-
	<u>-</u>	<u>2,944,492</u>	<u>-</u>	<u>210,321</u>	<u>2,734,171</u>	<u>-</u>
Total	\$ 72,693,957	\$ (24,342,260)	\$ -	\$ 20,684,217	\$ 27,667,480	-
Less: Current Maturities					(748,319)	
					<u>\$ 26,919,161</u>	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2016	\$ 748,319	\$ 1,051,236	\$ 1,799,555
2017	417,888	1,038,066	1,455,954
2018	424,862	1,028,783	1,453,645
2019	437,043	1,016,630	1,453,673
2020	442,702	1,003,476	1,446,178
2021-2025	12,317,091	3,660,013	15,977,104
2026-2030	7,972,370	1,053,083	9,025,453
2031-2035	1,491,645	313,898	1,805,543
2036-2039	681,389	40,493	721,882
	<u>\$ 24,933,309</u>	<u>\$ 10,205,678</u>	<u>\$ 35,138,987</u>
Unamortized premium	2,734,171		
Unamortized discount	-		
Bonds and notes payable at December 31, 2015	<u>\$ 27,667,480</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, 2015	Increase/ (Decrease)	Balance December 31, 2015
Series C of 2010 GOB	\$42,405,000	\$ 478,501	\$ 648,531	\$ 1,127,032
Series A of 2012 GOB	<u>36,115,000</u>	<u>519,427</u>	<u>468,093</u>	<u>987,520</u>
Totals	<u>\$78,520,000</u>	<u>\$ 997,928</u>	<u>\$ 1,116,624</u>	<u>\$ 2,114,552</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, 2015, 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 \$100,000 at December 31, 2015. 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, 2015, \$34,600,000 of bonds outstanding is considered defeased.

During 2015, the County defeased the remaining portion of its Series A of 2010 General Obligation Bonds as well as the entirety of the 2008 General Obligation Bonds by placing proceeds from its 2015 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, 2015, \$44,270,000 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, 2015.

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, 2015.

7. Other changes in long term liabilities

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

	Balance January 1, 2015 (Restated)	Additions	Reductions	Transfer Between Activities	Balance December 31, 2015	Due within one year
Governmental activities:						
Agricultural easement installment purchases	\$ 59,700	\$ 90,450	\$ 59,700	\$ -	\$ 90,450	\$ 45,225
Workers compensation accrued liabilities	2,054,212	636,915	890,853	99,392	1,899,666	215,042
Compensated absences payable	<u>4,157,583</u>	<u>6,624,596</u>	<u>6,216,069</u>	<u>(291,213)</u>	<u>4,274,897</u>	<u>1,055,513</u>
Total governmental activities	<u>\$ 6,271,495</u>	<u>\$ 7,351,961</u>	<u>\$ 7,166,622</u>	<u>\$ (191,821)</u>	<u>\$ 6,265,013</u>	<u>\$ 1,315,780</u>
Business-type activities:						
Workers compensation accrued liabilities	\$ 1,695,745	\$ 295,789	\$ 477,044	\$ (99,392)	\$ 1,415,098	\$ 160,189
Compensated absences payable	<u>1,066,744</u>	<u>1,813,419</u>	<u>2,017,472</u>	<u>291,213</u>	<u>1,153,904</u>	<u>366,337</u>
Total business-type activities	<u>\$ 2,762,489</u>	<u>\$ 2,109,208</u>	<u>\$ 2,494,516</u>	<u>\$ 191,821</u>	<u>\$ 2,569,002</u>	<u>\$ 526,526</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, 2015 (except for Reading Area Community College with the outstanding balance as of June 30, 2015). The County has not been called upon to make any payments related to this debt.

Series of 2009, Berks County Solid Waste Authority	\$ 975,000
Series of 2008, Reading Regional Airport Authority Notes	\$ 4,420,000
Series of 2007, Redevelopment Authority of the County of Berks Note	\$ 1,383,829
Series of 2009, Reading Area Community College	\$ 975,000

B. Component units

1. Revenue bonds payable

• Berks County Solid Waste Authority

At December 31, 2015, revenue bonds payable consisted of the following:

Bonds	Balance outstanding January 1, 2015	Additions (payments)	Balance outstanding December 31, 2015
County Guaranteed Revenue Bonds, Series of 2009, varying interest rates from 2.00% to 2.75% through 2016, initial issue \$6,290,000	\$ 1,930,000	\$ (955,000)	\$ 975,000
Less:			
Current maturities			-
Unamortized bond premium			-
			<u>\$ 975,000</u>

Aggregate sinking fund installments required on bonded debt at December 31, 2015 are as follows:

Year Ending	Principal	Interest	Total Debt Service
2016	<u>975,000</u>	<u>13,407</u>	<u>988,407</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.

In March 2016, the bonds were paid in full and trust accounts were subsequently closed.

- **Reading Area Community College**

Bonds payable on June 30, 2015 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, 2015 was as follows:

	Balance outstanding July 1, 2014	Redeemed/ Refunded	Balance outstanding June 30, 2015
College Revenue Bonds, Series of 2003, original issue \$12,490,000, interest rate 4.13%, final maturity April 2029.	\$ 1,585,000	\$ (420,000)	\$ 1,165,000
College Revenue Bonds, Series of 2004, original issue \$2,500,000, interest rate 1.79%, final maturity April 2020.	1,784,000	(216,000)	1,568,000
College Revenue Bonds, Series of 2005, original issue \$1,860,000, interest rate 3.90%, final maturity April 2016.	419,000	(206,000)	213,000
College Revenue Bonds, Series of 2012, original issue \$9,995,000, interest rate of 2.00%, final maturity April 2029.	9,990,000	(5,000)	9,985,000
	<u>\$ 13,778,000</u>	<u>\$ (847,000)</u>	\$ 12,931,000
Less: Current maturities			(993,000)
			<u>\$ 11,938,000</u>

Principal and interest requirements to maturity are as follows:

Year ending June 30	Principal	Interest	Total Debt service
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	1,101,000	272,188	1,373,188
2021-2025	4,040,000	977,293	5,017,293
2026-2029	<u>3,695,000</u>	<u>310,765</u>	<u>4,005,765</u>
	<u>\$ 12,931,000</u>	<u>\$ 2,980,242</u>	<u>\$ 15,911,242</u>

• Reading Regional Airport Authority

September 30,
2015

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 currently refund the 2004A Bonds. The Note will mature on April 1, 2026. The Note bears 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 Note shall never exceed 4.50% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,885,000, which satisfied principal payments through October 2018.

\$ 1,850,000

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 currently refund the 2004B Bonds. The Note will mature on October 1, 2033. The Note bears interest at fixed rate of 2.80% through October 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the Note shall never exceed 5.50% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,280,000, which satisfied principal payments through October 2025.

2,570,000

Total \$ 4,420,000

Less: Amount due within one year and classified as current

-
\$ 4,420,000

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	\$ -	\$ (640,000)	\$ 1,850,000	\$ -
Series B of 2008	<u>3,850,000</u>	<u>-</u>	<u>(1,280,000)</u>	<u>2,570,000</u>	<u>-</u>
	<u>\$ 6,340,000</u>	<u>\$ -</u>	<u>\$ (1,920,000)</u>	<u>\$ 4,420,000</u>	<u>\$ -</u>

The following schedule summarizes debt service requirements to maturity, where interest for the variable portion of the notes is calculated at the maximum rate:

Year ending Sept 30	Revenue Bonds, Series A and B of 2008		
	Principal	Interest	Total Debt service
2016	\$ -	\$ 61,880	\$ 61,880
2017	-	123,760	123,760
2018	-	123,760	123,760
2019	140,000	123,760	263,760
2020	290,000	117,810	407,810
2021-2025	1,270,000	755,820	2,025,820
2026-2030	1,455,000	576,100	2,031,100
2031-2034	<u>1,265,000</u>	<u>142,588</u>	<u>1,407,588</u>
	<u>\$ 4,420,000</u>	<u>\$ 2,025,478</u>	<u>\$ 6,445,478</u>

3. Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street prime rate. Interest only payments are due monthly with principal due on April 30, 2016. There was no balance on the line of credit at September 30, 2015.

- **Reading Area Community College**

As of June 30, 2015, 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 Journal prime rate minus 0.50 percent and expired on December 31, 2015. There was no outstanding balance on this line of credit at June 30, 2015.

4. Long-term liabilities

- Reading Area Community College

	Balance outstanding June 30, 2015
Loans payable to Pennsylvania State Public School Building Authority:	
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 semiannual payments of \$120,392, including interest at 2.00% per annum. The loan was satisfied in 2015.	-
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 semiannual 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.	549,648
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>929,920</u>
	1,479,568
Portion payable within one year and classified as current.	<u>(450,334)</u>
Total long term debt	<u><u>\$ 1,029,234</u></u>

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

	Principal	Interest
2016	\$ 450,334	\$ 27,649
2017	459,154	18,576
2018	339,720	9,221
2019	<u>230,360</u>	<u>3,410</u>
	<u><u>\$ 1,479,568</u></u>	<u><u>\$ 58,856</u></u>

Accrued compensated absences for the year ending June 30, 2015 was \$894,442, with \$421,911 due within one year.

NOTE 11: FUND BALANCE POLICY

A. Primary government

Fund balances of the County’s governmental funds at December 31, 2015 consist of the following:

	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total Fund Balance (Deficit)
General Fund	\$ 1,584,554	\$ 4,125,006	\$ -	\$ 10,551,289	\$ 136,702,209	\$ 152,963,058
Children and Youth Services Fund	4,560	13,939	-	-	-	18,499
Nonmajor Funds	<u>3,111,596</u>	<u>10,288,876</u>	<u>-</u>	<u>66,759</u>	<u>(2,474,540)</u>	<u>10,992,691</u>
	<u>\$ 4,700,710</u>	<u>\$ 14,427,821</u>	<u>\$ -</u>	<u>\$ 10,618,048</u>	<u>\$ 134,227,669</u>	<u>\$ 163,974,248</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. \$ 69,952

Inventories and prepaid expenses

This reservation represents inventories and prepaid expenses. These items are not available to meet current expenditures. 4,630,758

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

Farmland preservation

This restriction represents funds raised to purchase farmland as part of the agricultural preservation program in the General Fund. \$ 947,713

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. 1,587,897

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. 249,854

Workers compensation

This restriction represents funds restricted to pay future workers compensation claims in the General Fund. 285,567

Program purposes

This restriction represents amounts restricted to fund the operations of certain special revenue funds. 10,288,876

Services Center Parking Garage

This restriction represents amounts restricted to fund any repairs necessary to the Services Center Parking Garage 223,381

Act 13 Marcellus Shale Money

This restriction represents amounts restricted to fund improvements to the County's park system 830,594

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

Environmental Litigation

This assignment represents possible environmental litigation costs made by the County of Berks in the General Fund 69,590

Encumbrances

This assignment represents the outstanding contractual obligations for goods and services not yet received. 482,940

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 1,065,518

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, 2015:

Computer equipment and copiers	\$ 9,360
Less: Accumulated depreciation	<u>(1,404)</u>
	<u>\$ 7,956</u>

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

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

2016	\$ 1,520
2017	1,520
2018	1,520
2019	1,521
Less: amount representing interest	<u>(893)</u>
Present value of lease payments	<u>\$ 5,188</u>

Subsequent to year-end, The College entered into an additional capital lease.

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 66% of the County’s employees are covered by collective bargaining agreements as of December 31, 2015. Two AFSCME unions and the Teamster union contract, which expired December 31, 2015, are still under negotiation. The Fraternal Order of Police contract expires December 31, 2016. The Pennsylvania Social Services Unit contract expires on December 31, 2017. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2019. A new union, the Deputy Sheriff’s Association, started in 2015 and contract negotiations are still ongoing.

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 \$1,365,654 for the year ended December 31, 2015.

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

2016	\$ 1,071,078
2017	749,959
2018	422,409
2019	<u>4,388</u>
Total	<u>\$ 2,247,834</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, 2016 and July 31, 2016, 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 2014/2015 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, 2015 approximated \$1,076,000. Minimum future rental payments under noncancelable operating leases are as follows:

2016	\$ 897,988
2017	822,680
2018	103,545
2019	8,071
2020	<u>8,071</u>
Total	<u>\$ 1,840,355</u>

At June 30, 2015, the College had \$414,400 and \$227,270 in contracts relating to the roof project and Berks Hall Welcome Center renovations project, respectively, with \$55,308 and \$131,442 of outstanding commitments remaining, respectively. 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 2015 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 2015, the Authority received \$992,556 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.

In addition, the amended contract stated that Follett will renovate and move the bookstore facility for a cost 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 the 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 \$203,326 as of June 30, 2015.

Total revenues from this agreement, including the amortization of the bookstore renovations, was \$332,874 for the year ended June 30, 2015.

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 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 five years of service are provided life insurance at no cost to the retiree. In addition, retirees at age 55 with at least 15 years of service are provided the option to purchase medical, dental, and prescription coverage at 102 percent 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 a part of the College's negotiated agreements with employees. For the fiscal year ended June 30, 2015, the College contributed \$51,938 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,
2015

Annual required contribution	\$ 94,107
Interest on net OPEB obligation	9,738
Adjustment to annual required contribution	<u>(14,079)</u>
Annual OPEB cost	89,766
Contributions made	<u>(51,938)</u>
Increase in net OPEB obligation	37,828
Net OPEB obligation - beginning of year	<u>243,452</u>
Net OPEB obligation - end of year	<u><u>\$ 281,280</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, 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 89,766	57.9%	\$ 281,280
6/30/2014	90,570	50.2%	243,452
6/30/2013	95,278	62.5%	198,374

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 0.5% 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.

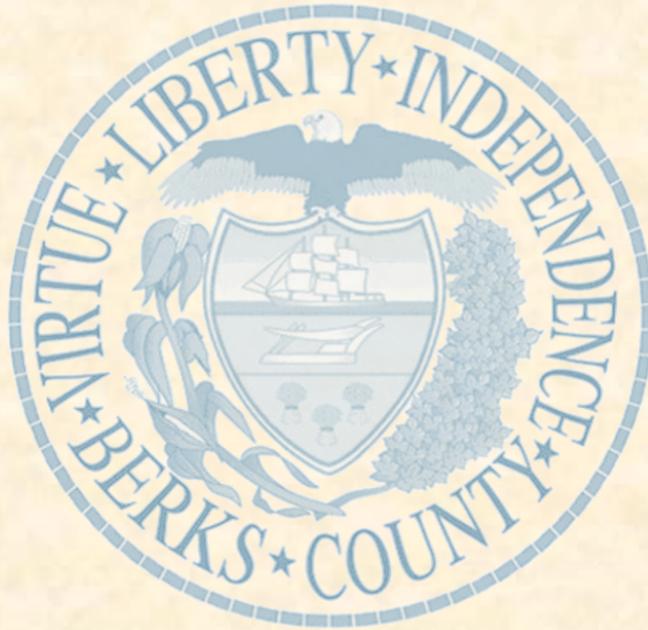
NOTE 17: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 30, 2016. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2015 were noted, except for the bond issuance described in the following paragraph.

1. Bond issuance

The County issued \$9,790,000 in bonds through RBC Capital Markets as an advance refunding in February 2016, satisfying the obligation owed by the County for the 2009 General Obligation Bonds Series A. A total of \$15,062,585 of County funds for the defeasance of the portion of the 2009 A bonds not refinanced with the new issue were deposited with the escrow agent. The County received a net wire transfer of \$9,948,552, including original issue premium less underwriter's discount. The maturity date of these bonds is November 15, 2029.



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, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 136,469,175	\$ 136,469,175	\$ 136,536,071	\$ 66,896
Court costs, fines and forfeitures	3,614,210	3,614,210	3,350,999	(263,211)
Investment earnings	1,007,664	1,007,664	1,035,291	27,627
Intergovernmental revenue	13,922,767	14,313,140	12,245,035	(2,068,105)
Departmental charges and reimbursements	54,176,171	54,364,045	52,422,421	(1,941,624)
Payments in lieu of taxes	98,116	98,116	89,730	(8,386)
Rentals	364,674	364,674	378,656	13,982
Sale of property, supplies and equipment	20,000	20,000	20,720	720
Miscellaneous	2,695,801	2,695,413	2,852,942	157,529
Total revenues	<u>212,368,578</u>	<u>212,946,437</u>	<u>208,931,865</u>	<u>(4,014,572)</u>
Expenditures				
General government, administrative:				
Commissioners	1,793,601	2,090,822	1,920,824	169,998
Solicitors	1,235,328	1,740,500	1,538,804	201,696
Facilities	10,798,314	12,450,908	10,874,857	1,576,051
Courthouse Security	1,396,920	1,401,090	1,327,811	73,279
Election Services	1,819,068	1,837,321	1,741,530	95,791
Real Estate Assessment	2,791,087	2,958,748	2,648,293	310,455
Treasurer	907,632	925,582	887,847	37,735
Tax Collectors	433,897	435,417	425,016	10,401
Tax Claim Bureau	934,512	968,292	856,900	111,392
Controller	2,178,487	2,229,840	2,110,188	119,652
Recorder of Deeds	1,110,572	1,133,541	1,133,681	(140)
Mailroom/Printing	429,426	459,205	434,852	24,353
Information Systems	7,552,777	6,878,721	6,301,353	577,368
Purchasing	610,723	624,148	628,074	(3,926)
Archives	246,114	259,906	257,131	2,775
Budget	1,238,123	1,260,198	1,196,090	64,108
Human Resources	3,129,277	3,205,355	2,850,075	355,280
Insurance	2,020,816	2,000,958	1,673,832	327,126
Telecommunications	276,512	249,992	204,082	45,910
Veterans Affairs	652,003	662,251	639,304	22,947
Total general government, administrative	<u>41,555,189</u>	<u>43,772,795</u>	<u>39,650,544</u>	<u>4,122,251</u>
General government, judicial:				
Register of Wills	1,002,724	1,026,565	994,655	31,910
Sheriff	9,008,523	9,196,166	9,088,885	107,281
Coroner	1,377,561	1,427,093	1,526,682	(99,589)
Prothonotary	2,767,574	2,831,151	2,753,263	77,888
Clerk of Courts	2,450,598	2,491,407	2,356,312	135,095
Public Defender	3,251,203	3,323,751	3,164,948	158,803
District Attorney	10,231,493	10,481,048	10,149,408	331,640
Law Library	612,174	622,616	608,189	14,427
Court Administration	8,609,183	9,071,376	9,005,714	65,662
District Justices	10,353,450	10,444,513	9,702,110	742,403
Court Reporters	2,201,163	2,218,826	2,256,238	(37,412)
Total general government, judicial	<u>51,865,646</u>	<u>53,134,512</u>	<u>51,606,404</u>	<u>1,528,108</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	7,427,614	7,592,114	7,337,626	254,488
Juvenile Probation	14,849,500	14,796,101	14,410,227	385,874
Prison	34,235,415	35,041,215	35,917,465	(876,250)
Community Corrections	2,075,211	2,067,342	1,758,290	309,052
Department of Emergency Services	1,814,456	2,422,885	1,634,160	788,725
Total public safety	<u>60,402,196</u>	<u>61,919,657</u>	<u>61,057,768</u>	<u>861,889</u>
Culture and Recreation:				
Berks County Public Libraries	3,803,674	3,879,940	3,790,281	89,659
Parks	5,573,465	5,912,859	3,011,588	2,901,271
Total culture and recreation	<u>9,377,139</u>	<u>9,792,799</u>	<u>6,801,869</u>	<u>2,990,930</u>
Community and Economic Development:				
Planning	1,585,050	1,669,798	1,602,784	67,014
Agricultural Extension Service	538,873	538,873	562,178	(23,305)
Agland Preservation	1,415,055	1,848,004	1,812,610	35,394
Total community and economic development	<u>3,538,978</u>	<u>4,056,675</u>	<u>3,977,572</u>	<u>79,103</u>
Public Works:				
Recycling	198,039	198,006	197,894	112
Community Support:				
Contributions:				
Community Bail Program	554,194	564,599	565,018	(419)
Berks Economic Partnership	500,000	700,000	700,000	-
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	258,000	273,000	272,250	750
Reading Area Community College	3,100,000	3,100,000	3,100,000	-
Total community support	<u>5,312,194</u>	<u>5,537,599</u>	<u>5,537,268</u>	<u>331</u>
Contingency:				
Contingency general	3,500,000	315,163	-	315,163
Debt Service:				
Principal, interest and fiscal charges	24,379,889	24,379,889	24,532,100	(152,211)
Debt issuance costs	-	-	178,668	(178,668)
Administrative expenses	82,806	82,673	80,461	2,212
Total debt service	<u>24,462,695</u>	<u>24,462,562</u>	<u>24,791,229</u>	<u>(328,667)</u>
Intergovernmental:				
Solid Waste debt service	993,317	993,350	993,342	8
Total expenditures for general fund	<u>201,205,393</u>	<u>204,183,118</u>	<u>194,613,890</u>	<u>9,569,228</u>
Excess of revenue over expenditures	<u>11,163,185</u>	<u>8,763,319</u>	<u>14,317,975</u>	<u>5,554,656</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Issuance of refunding bonds	-	-	23,776,200	23,776,200
Premium on issuance of refunding bonds	-	-	3,613,694	3,613,694
Payment to refunded bonds escrow agent	-	-	(27,211,227)	(27,211,227)
Transfers in	3,299,885	3,816,063	3,504,316	(311,747)
Transfers out	<u>(10,453,966)</u>	<u>(10,908,384)</u>	<u>(16,917,636)</u>	<u>(6,009,252)</u>
Total other financing sources (uses)	<u>(7,154,081)</u>	<u>(7,092,321)</u>	<u>(13,234,653)</u>	<u>(6,142,332)</u>
Net change in fund balances	4,009,104	1,670,998	1,083,322	(587,676)
Fund balances, beginning, as restated	<u>151,879,736</u>	<u>151,879,736</u>	<u>151,879,736</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 155,888,840</u>	<u>\$ 153,550,734</u>	<u>\$ 152,963,058</u>	<u>\$ (587,676)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 36,441,936	\$ 36,591,894	\$ 36,371,942	\$ (219,952)
Departmental charges and reimbursements	801,500	917,692	915,692	(2,000)
Investment earnings	-	-	5,163	5,163
Miscellaneous	<u>6,444</u>	<u>6,444</u>	<u>1,651</u>	<u>(4,793)</u>
Total revenues	<u>37,249,880</u>	<u>37,516,030</u>	<u>37,294,448</u>	<u>(221,582)</u>
Expenditures				
Current:				
Human services	<u>43,167,162</u>	<u>43,225,294</u>	<u>42,481,532</u>	<u>743,762</u>
Total expenditures	<u>43,167,162</u>	<u>43,225,294</u>	<u>42,481,532</u>	<u>743,762</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,917,282)</u>	<u>(5,709,264)</u>	<u>(5,187,084)</u>	<u>522,180</u>
Other financing sources (uses):				
Transfers in	6,053,767	6,107,879	5,564,294	(543,585)
Transfers out	<u>(136,485)</u>	<u>(403,050)</u>	<u>(378,353)</u>	<u>24,697</u>
Total other financing sources (uses)	<u>5,917,282</u>	<u>5,704,829</u>	<u>5,185,941</u>	<u>(518,888)</u>
Net change in fund balances	-	(4,435)	(1,143)	3,292
Fund balances, beginning	<u>19,642</u>	<u>19,642</u>	<u>19,642</u>	<u>-</u>
Fund balances, ending	<u>\$ 19,642</u>	<u>\$ 15,207</u>	<u>\$ 18,499</u>	<u>\$ 3,292</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 81,000,000	\$ 88,696,793	\$ 87,158,497	\$ (1,538,296)
Investment earnings	70,000	70,000	48,241	(21,759)
Total revenues	<u>81,070,000</u>	<u>88,766,793</u>	<u>87,206,738</u>	<u>(1,560,055)</u>
Expenditures				
Current:				
Human services	81,064,312	88,750,958	87,190,934	1,560,024
Total expenditures	<u>81,064,312</u>	<u>88,750,958</u>	<u>87,190,934</u>	<u>1,560,024</u>
Excess (deficiency) of revenue over (under) expenditures	<u>5,688</u>	<u>15,835</u>	<u>15,804</u>	<u>(31)</u>
Other Financing uses:				
Transfers out	<u>(5,688)</u>	<u>(15,835)</u>	<u>(15,804)</u>	<u>31</u>
Total other financial uses	<u>(5,688)</u>	<u>(15,835)</u>	<u>(15,804)</u>	<u>31</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 assigned fund balance, 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
 2015 Comprehensive Annual Financial Report

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 4,075,232	\$ 3,961,298
Interest	28,053,835	26,933,820
Differences between expected and actual experience	9,167,691	1,253,982
Benefit payments, including refunds of employee contributions	<u>(18,690,853)</u>	<u>(16,016,484)</u>
Net change in total pension liability	22,605,905	16,132,616
Total pension liability, beginning	<u>379,152,391</u>	<u>363,019,775</u>
Total pension liability, ending	<u>\$ 401,758,296</u>	<u>\$ 379,152,391</u>
Plan fiduciary net position		
Contributions-employer	\$ 1,408,537	\$ 233,518
Contributions-member	6,256,829	6,074,679
Net investment income	(2,797,938)	23,044,169
Other additions	5,708	27,002
Benefit payments, including refunds of member contributions	(18,690,853)	(16,016,484)
Administrative expense	<u>(72,490)</u>	<u>(63,398)</u>
Net change in plan fiduciary net position	(13,890,207)	13,299,486
Plan fiduciary net position, beginning	<u>413,013,535</u>	<u>399,714,049</u>
Plan fiduciary net position, ending	<u>\$ 399,123,328</u>	<u>\$ 413,013,535</u>
County of Berks' net pension (liability) asset	<u>\$ (2,634,968)</u>	<u>\$ 33,861,144</u>
Plan fiduciary net position as a percentage of total pension (liability) asset	99.34%	108.93%
Covered-employee payroll	\$ 103,847,803	\$ 100,988,654
County of Berks' net pension (liability) asset as a percentage of covered-employee payroll	-2.5%	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
 2015 Comprehensive Annual Financial Report

	<u>2015</u>	<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>
Actuarially determined contributions	\$ 1,408,537	\$ 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
Pension prefunding	-	-	-	63,144,061	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	<u>1,408,537</u>	<u>233,518</u>	<u>2,665,246</u>	<u>9,796,229</u>	<u>8,002,599</u>	<u>11,599,747</u>	<u>11,064,607</u>	<u>5,039,939</u>	<u>6,902,040</u>	<u>7,675,390</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,144,061)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 103,847,803	\$ 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	1.36%	0.23%	2.70%	9.87%	8.11%	11.99%	11.81%	5.50%	7.60%	

Notes to Schedule:

Valuation date: January 1 of each year

Actuarially determined contributions rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Market value
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 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
Assets				
Cash and cash equivalents	\$ 4,021,649	\$ 550	\$ 318,002	\$ 7,636
Cash and cash equivalents, restricted	-	-	-	-
Investments	1,206,659	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	484,177	113,020	40,615	76,900
Accrued interest receivable	-	-	-	-
Due from other governments	1,818,521	2,204,478	828,837	3,467,796
Due from other funds	-	-	-	251,766
Prepaid expenses	-	-	19,037	-
Loans receivable	-	-	-	-
Investments, non-current	2,540,447	-	-	-
Total assets	<u>\$ 10,071,453</u>	<u>\$ 2,318,048</u>	<u>\$ 1,206,491</u>	<u>\$ 3,804,098</u>
Liabilities and fund balances				
Accounts payable	\$ 2,059,020	\$ 2,879	\$ 362,837	\$ 2,509,635
Accrued liabilities	1,047	235,304	56,170	102,745
Advance revenue	3,870,569	-	220,691	1,153,301
Deferred revenue	-	-	-	-
Due to other funds	828,841	2,077,151	368,593	-
Payable from restricted assets	-	-	-	-
Total liabilities	<u>6,759,477</u>	<u>2,315,334</u>	<u>1,008,291</u>	<u>3,765,681</u>
Fund balances:				
Nonspendable:				
Conversion pay	-	2,714	1,687	-
Prepaid expense	-	-	19,037	-
Assigned:				
Encumbrances	62,966	-	-	-
Special Revenue funds	3,249,010	-	177,476	38,417
Unassigned	-	-	-	-
Total fund balances	<u>3,311,976</u>	<u>2,714</u>	<u>198,200</u>	<u>38,417</u>
Total liabilities and fund balances	<u>\$ 10,071,453</u>	<u>\$ 2,318,048</u>	<u>\$ 1,206,491</u>	<u>\$ 3,804,098</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Drug & Alcohol
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	3,514,412	-	-	-
Investments	-	-	-	-
Taxes receivable	152,870	-	-	-
Accounts receivable	19,245	507,805	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	396,787	7,673,708	514,906	2,114,555
Due from other funds	-	3,812	29,051	-
Prepaid expenses	61,924	-	-	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 4,145,238</u>	<u>\$ 8,185,325</u>	<u>\$ 543,957</u>	<u>\$ 2,114,555</u>
Liabilities and fund balances				
Accounts payable	\$ 1,123,437	\$ 7,223,339	\$ 489,199	\$ 2,114,555
Accrued liabilities	-	17,706	461	-
Advance revenue	-	551,524	36,522	-
Deferred revenue	24,510	-	-	-
Due to other funds	3,829	-	-	-
Payable from restricted assets	-	388,594	-	-
Total liabilities	<u>1,151,776</u>	<u>8,181,163</u>	<u>526,182</u>	<u>2,114,555</u>
Fund balances:				
Nonspendable:				
Conversion pay	-	-	-	-
Prepaid expense	61,924	-	-	-
Assigned:				
Encumbrances	995	-	-	-
Special Revenue funds	2,930,543	4,162	17,775	-
Unassigned	-	-	-	-
Total fund balances	<u>2,993,462</u>	<u>4,162</u>	<u>17,775</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,145,238</u>	<u>\$ 8,185,325</u>	<u>\$ 543,957</u>	<u>\$ 2,114,555</u>

Special Revenue

	Department of Emergency Services	Community Development	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 5,291,925	\$ 411	\$ -	\$ 9,640,173
Cash and cash equivalents, restricted	-	-	9,630,520	13,144,932
Investments	-	-	-	1,206,659
Taxes receivable	-	-	-	152,870
Accounts receivable	2,008,620	111,868	-	3,362,250
Accrued interest receivable	-	887,683	-	887,683
Due from other governments	-	8,074	-	19,027,662
Due from other funds	-	-	-	284,629
Prepaid expenses	3,026,234	-	-	3,107,195
Loans receivable	-	4,687,852	-	4,687,852
Investments, non-current	-	-	-	2,540,447
Total assets	<u>\$ 10,326,779</u>	<u>\$ 5,695,888</u>	<u>\$ 9,630,520</u>	<u>\$ 58,042,352</u>
Liabilities and fund balances				
Accounts payable	\$ 408,057	\$ 49,430	\$ 5,737,976	\$ 22,080,364
Accrued liabilities	275,058	-	-	688,491
Advance revenue	-	300,000	-	6,132,607
Deferred revenue	-	5,275,535	-	5,300,045
Due to other funds	9,089,172	70,512	21,462	12,459,560
Payable from restricted assets	-	-	-	388,594
Total liabilities	<u>9,772,287</u>	<u>5,695,477</u>	<u>5,759,438</u>	<u>47,049,661</u>
Fund balances:				
Nonspendable:				
Conversion pay	-	-	-	4,401
Prepaid expense	3,026,234	-	-	3,107,195
Assigned:				
Encumbrances	2,798	-	-	66,759
Special Revenue funds	0	411	3,871,082	10,288,876
Unassigned	(2,474,540)	-	-	(2,474,540)
Total fund balances	<u>554,492</u>	<u>411</u>	<u>3,871,082</u>	<u>10,992,691</u>
Total liabilities and fund balances	<u>\$ 10,326,779</u>	<u>\$ 5,695,888</u>	<u>\$ 9,630,520</u>	<u>\$ 58,042,352</u>

Special Revenue

	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 6,347,662	\$ 4,263,750	\$ 4,527,210	\$ 8,457,447
Hotel tax	-	-	-	-
Departmental charges and reimbursements	-	325,337	-	234,967
Investment earnings	22,760	-	-	3,230
Rental	11,100	-	-	-
Miscellaneous	2,021,583	-	183,964	8,492
Total revenues	<u>8,403,105</u>	<u>4,589,087</u>	<u>4,711,174</u>	<u>8,704,136</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Human services	-	6,167,398	4,639,479	8,587,946
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	8,483,234	-	-	-
Total expenditures	<u>8,483,234</u>	<u>6,167,398</u>	<u>4,639,479</u>	<u>8,587,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,129)</u>	<u>(1,578,311)</u>	<u>71,695</u>	<u>116,190</u>
Other financing sources (uses)				
Transfers in	-	1,719,728	-	364,167
Transfers out	(3,556)	(142,252)	(57,887)	(442,000)
Conversion to special revenue fund	-	-	-	-
Total other financing sources (uses)	<u>(3,556)</u>	<u>1,577,476</u>	<u>(57,887)</u>	<u>(77,833)</u>
Net changes in fund balances (deficits)	(83,685)	(835)	13,808	38,357
Fund balances (deficits), beginning, as restated	3,395,661	3,549	184,392	60
Fund balances (deficits), ending	<u>\$ 3,311,976</u>	<u>\$ 2,714</u>	<u>\$ 198,200</u>	<u>\$ 38,417</u>

	Special Revenue			
	Special Legislation	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol
Revenues				
Intergovernmental revenue	\$ 777,371	\$ 15,185,835	\$ 2,775,688	\$ 4,300,103
Hotel tax	2,225,844	-	-	-
Departmental charges and reimbursements	1,169,668	34,985	-	-
Investment earnings	5,218	4,169	625	-
Rental	-	-	-	-
Miscellaneous	2,801	17,364	164	-
Total revenues	<u>4,180,902</u>	<u>15,242,353</u>	<u>2,776,477</u>	<u>4,300,103</u>
Expenditures				
Current:				
General government, administrative	2,489,977	-	-	-
General government, judicial	31,767	-	-	-
Human services	-	16,081,914	2,720,280	6,036,071
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>2,521,744</u>	<u>16,081,914</u>	<u>2,720,280</u>	<u>6,036,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,659,158</u>	<u>(839,561)</u>	<u>56,197</u>	<u>(1,735,968)</u>
Other financing sources (uses)				
Transfers in	-	861,514	-	1,735,968
Transfers out	(1,600,588)	(17,784)	(55,572)	-
Conversion to special revenue fund	-	-	-	-
Total other financing sources (uses)	<u>(1,600,588)</u>	<u>843,730</u>	<u>(55,572)</u>	<u>1,735,968</u>
Net changes in fund balances (deficits)	58,570	4,169	625	-
Fund balances (deficits), beginning, as restated	<u>2,934,892</u>	<u>(7)</u>	<u>17,150</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 2,993,462</u>	<u>\$ 4,162</u>	<u>\$ 17,775</u>	<u>\$ -</u>

	Special Revenue			Total
	Department of Emergency Services	Community Development	Capital Projects	
Revenues				
Intergovernmental revenue	\$ -	\$ 3,489,843	\$ -	\$ 50,124,909
Hotel tax	-	-	-	2,225,844
Departmental charges and reimbursements	-	511,465	-	2,276,422
Investment earnings	-	7	9,799	45,808
Rental	-	-	-	11,100
Miscellaneous	-	-	-	2,234,368
Total revenues	<u>-</u>	<u>4,001,315</u>	<u>9,799</u>	<u>56,918,451</u>
Expenditures				
Current:				
General government, administrative	-	-	120	2,490,097
General government, judicial	-	-	-	31,767
Human services	-	-	-	44,233,088
Capital outlay	-	-	4,671,727	4,671,727
Community and economic development	-	3,998,896	-	3,998,896
Public works	-	-	-	8,483,234
Total expenditures	<u>-</u>	<u>3,998,896</u>	<u>4,671,847</u>	<u>63,908,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>2,419</u>	<u>(4,662,048)</u>	<u>(6,990,358)</u>
Other financing sources (uses)				
Transfers in	-	-	-	4,681,377
Transfers out	-	-	-	(2,319,639)
Conversion to special revenue fund	<u>554,492</u>	<u>-</u>	<u>-</u>	<u>554,492</u>
Total other financing sources (uses)	<u>554,492</u>	<u>-</u>	<u>-</u>	<u>2,916,230</u>
Net changes in fund balances (deficits)	554,492	2,419	(4,662,048)	(4,074,128)
Fund balances (deficits), beginning, as restated	<u>-</u>	<u>(2,008)</u>	<u>8,533,130</u>	<u>15,066,819</u>
Fund balances (deficits), ending	<u>\$ 554,492</u>	<u>\$ 411</u>	<u>\$ 3,871,082</u>	<u>\$ 10,992,691</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 10,540,888	\$ 11,064,985	\$ 6,347,662	\$ (4,717,323)
Investment earnings	60,300	60,300	22,760	(37,540)
Rental	9,900	9,900	11,100	1,200
Miscellaneous	<u>770,000</u>	<u>2,043,875</u>	<u>2,021,583</u>	<u>(22,292)</u>
Total revenues	<u>11,381,088</u>	<u>13,179,060</u>	<u>8,403,105</u>	<u>(4,775,955)</u>
Expenditures				
Current:				
Public works	<u>13,742,600</u>	<u>15,784,253</u>	<u>8,483,234</u>	<u>7,301,019</u>
Total expenditures	<u>13,742,600</u>	<u>15,784,253</u>	<u>8,483,234</u>	<u>7,301,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,361,512)</u>	<u>(2,605,193)</u>	<u>(80,129)</u>	<u>2,525,064</u>
Other financing uses:				
Transfers out	<u>(2,909)</u>	<u>(8,075)</u>	<u>(3,556)</u>	<u>4,519</u>
Total other financing uses	<u>(2,909)</u>	<u>(8,075)</u>	<u>(3,556)</u>	<u>4,519</u>
Net change in fund balances	(2,364,421)	(2,613,268)	(83,685)	2,529,583
Fund balances, beginning, as restated	<u>3,395,661</u>	<u>3,395,661</u>	<u>3,395,661</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,031,240</u>	<u>\$ 782,393</u>	<u>\$ 3,311,976</u>	<u>\$ 2,529,583</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,381,609	\$ 4,495,988	\$ 4,263,750	\$ (232,238)
Departmental charges and reimbursements	<u>320,000</u>	<u>320,000</u>	<u>325,337</u>	<u>5,337</u>
Total revenues	<u>4,701,609</u>	<u>4,815,988</u>	<u>4,589,087</u>	<u>(226,901)</u>
Expenditures				
Current:				
Human services	<u>6,576,798</u>	<u>6,602,295</u>	<u>6,167,398</u>	<u>434,897</u>
Total expenditures	<u>6,576,798</u>	<u>6,602,295</u>	<u>6,167,398</u>	<u>434,897</u>
Excess (deficiency) of revenue over (under)	<u>(1,875,189)</u>	<u>(1,786,307)</u>	<u>(1,578,311)</u>	<u>207,996</u>
Other financing sources (uses):				
Transfers In	1,930,126	1,938,795	1,719,728	(219,067)
Transfers out	<u>(54,937)</u>	<u>(152,488)</u>	<u>(142,252)</u>	<u>10,236</u>
Total other financing sources (uses)	<u>1,875,189</u>	<u>1,786,307</u>	<u>1,577,476</u>	<u>(208,831)</u>
Net change in fund balances	-	-	(835)	(835)
Fund balances, beginning, as restated	<u>3,549</u>	<u>3,549</u>	<u>3,549</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 3,549</u>	<u>\$ 3,549</u>	<u>\$ 2,714</u>	<u>\$ (835)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Employment and Training Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,283,761	\$ 5,908,292	\$ 4,527,210	\$ (1,381,082)
Departmental charges and reimbursements	-	-	-	-
Miscellaneous	<u>161,084</u>	<u>176,849</u>	<u>183,964</u>	<u>7,115</u>
Total revenues	<u>5,444,845</u>	<u>6,085,141</u>	<u>4,711,174</u>	<u>(1,373,967)</u>
Expenditures				
Current:				
Human services	<u>5,421,654</u>	<u>6,056,229</u>	<u>4,639,479</u>	<u>1,416,750</u>
Total expenditures	<u>5,421,654</u>	<u>6,056,229</u>	<u>4,639,479</u>	<u>1,416,750</u>
Excess of revenue over expenditures	<u>23,191</u>	<u>28,912</u>	<u>71,695</u>	<u>42,783</u>
Other financing uses:				
Transfers out	<u>(23,191)</u>	<u>(64,390)</u>	<u>(57,887)</u>	<u>6,503</u>
Total other financing uses	<u>(23,191)</u>	<u>(64,390)</u>	<u>(57,887)</u>	<u>6,503</u>
Net change in fund balances	-	(35,478)	13,808	49,286
Fund balances, beginning	<u>184,392</u>	<u>184,392</u>	<u>184,392</u>	<u>-</u>
Fund balances, ending	<u>\$ 184,392</u>	<u>\$ 148,914</u>	<u>\$ 198,200</u>	<u>\$ 49,286</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2015

County of Berks
2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 8,452,443	\$ 9,025,030	\$ 8,457,447	\$ (567,583)
Departmental charges and reimbursements	257,954	257,954	234,967	(22,987)
Investment earnings	6,259	6,259	3,230	(3,029)
Miscellaneous	300	798	8,492	7,694
Total revenues	<u>8,716,956</u>	<u>9,290,041</u>	<u>8,704,136</u>	<u>(585,905)</u>
Expenditures				
Current:				
Human services	8,721,229	9,199,611	8,587,946	611,665
Total expenditures	<u>8,721,229</u>	<u>9,199,611</u>	<u>8,587,946</u>	<u>611,665</u>
Excess (deficiency) of revenue over (under)	<u>(4,273)</u>	<u>90,430</u>	<u>116,190</u>	<u>25,760</u>
Other financing sources (uses):				
Transfers in	331,544	413,168	364,167	(49,001)
Transfers out	<u>(327,271)</u>	<u>(503,598)</u>	<u>(442,000)</u>	<u>61,598</u>
Total other financing sources (uses)	<u>4,273</u>	<u>(90,430)</u>	<u>(77,833)</u>	<u>12,597</u>
Net change in fund balances	-	-	38,357	38,357
Fund balances, beginning	<u>60</u>	<u>60</u>	<u>60</u>	<u>-</u>
Fund balances, ending	<u>\$ 60</u>	<u>\$ 60</u>	<u>\$ 38,417</u>	<u>\$ 38,357</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Special Legislation Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 831,504	\$ 831,504	\$ 777,371	\$ (54,133)
Hotel tax	1,960,000	1,960,000	2,225,844	265,844
Departmental charges and reimbursements	1,121,836	1,121,836	1,169,668	47,832
Investment earnings	3,006	3,006	5,218	2,212
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,801</u>	<u>2,801</u>
Total revenues	<u>3,916,346</u>	<u>3,916,346</u>	<u>4,180,902</u>	<u>264,556</u>
Expenditures				
Current:				
General government, administrative	2,092,305	2,107,400	2,489,977	(382,577)
General government, judicial	<u>53</u>	<u>53</u>	<u>31,767</u>	<u>(31,714)</u>
Total expenditures	<u>2,092,358</u>	<u>2,107,453</u>	<u>2,521,744</u>	<u>(414,291)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,823,988</u>	<u>1,808,893</u>	<u>1,659,158</u>	<u>(149,735)</u>
Other financing uses:				
Transfers out	<u>(1,543,231)</u>	<u>(1,586,055)</u>	<u>(1,600,588)</u>	<u>(14,533)</u>
Total other financing uses	<u>(1,543,231)</u>	<u>(1,586,055)</u>	<u>(1,600,588)</u>	<u>(14,533)</u>
Net change in fund balances (deficits)	280,757	222,838	58,570	(164,268)
Fund balances, beginning, as restated	<u>2,934,892</u>	<u>2,934,892</u>	<u>2,934,892</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 3,215,649</u>	<u>\$ 3,157,730</u>	<u>\$ 2,993,462</u>	<u>\$ (164,268)</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, 2015

County of Berks
2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 15,903,561	\$ 16,235,971	\$ 15,185,835	\$ (1,050,136)
Departmental charges and reimbursements	35,047	35,047	34,985	(62)
Investment earnings	2,500	2,500	4,169	1,669
Miscellaneous	17,524	17,524	17,364	(160)
Total revenues	<u>15,958,632</u>	<u>16,291,042</u>	<u>15,242,353</u>	<u>(1,048,689)</u>
Expenditures				
Current:				
Human services	<u>16,660,252</u>	<u>17,154,153</u>	<u>16,081,914</u>	<u>1,072,239</u>
Total expenditures	<u>16,660,252</u>	<u>17,154,153</u>	<u>16,081,914</u>	<u>1,072,239</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(701,620)</u>	<u>(863,111)</u>	<u>(839,561)</u>	<u>23,550</u>
Other financing sources (uses):				
Transfers in	709,000	886,289	861,514	(24,775)
Transfers out	<u>(7,380)</u>	<u>(23,178)</u>	<u>(17,784)</u>	<u>5,394</u>
Total other financing sources (uses)	<u>701,620</u>	<u>863,111</u>	<u>843,730</u>	<u>(19,381)</u>
Net change in fund balances	-	-	4,169	4,169
Fund balances, beginning	<u>(7)</u>	<u>(7)</u>	<u>(7)</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ (7)</u>	<u>\$ (7)</u>	<u>\$ 4,162</u>	<u>\$ 4,169</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Human Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 2,646,792	\$ 2,799,777	\$ 2,775,688	\$ (24,089)
Investment earnings	220	220	625	405
Miscellaneous	164	164	164	-
Total revenues	<u>2,647,176</u>	<u>2,800,161</u>	<u>2,776,477</u>	<u>(23,684)</u>
Expenditures				
Current:				
Human services	<u>2,539,921</u>	<u>2,745,219</u>	<u>2,720,280</u>	<u>24,939</u>
Total expenditures	<u>2,539,921</u>	<u>2,745,219</u>	<u>2,720,280</u>	<u>24,939</u>
Excess of revenue over expenditures	<u>107,255</u>	<u>54,942</u>	<u>56,197</u>	<u>1,255</u>
Other financing sources (uses):				
Transfers in	882	882	-	(882)
Transfers out	<u>(108,137)</u>	<u>(55,824)</u>	<u>(55,572)</u>	<u>252</u>
Total other financing sources (uses)	<u>(107,255)</u>	<u>(54,942)</u>	<u>(55,572)</u>	<u>(630)</u>
Net change in fund balances	-	-	625	625
Fund balances, beginning	<u>17,150</u>	<u>17,150</u>	<u>17,150</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,150</u>	<u>\$ 17,150</u>	<u>\$ 17,775</u>	<u>\$ 625</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2015

County of Berks
2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 4,213,348	\$ 4,300,104	\$ 4,300,103	\$ (1)
Total revenue	<u>4,213,348</u>	<u>4,300,104</u>	<u>4,300,103</u>	<u>(1)</u>
Expenditures				
Current:				
Human services	<u>5,940,316</u>	<u>6,036,072</u>	<u>6,036,071</u>	<u>(1)</u>
Total expenditures	<u>5,940,316</u>	<u>6,036,072</u>	<u>6,036,071</u>	<u>(1)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,726,968)</u>	<u>(1,735,968)</u>	<u>(1,735,968)</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>1,726,968</u>	<u>1,735,968</u>	<u>1,735,968</u>	<u>-</u>
Total other financing sources	<u>1,726,968</u>	<u>1,735,968</u>	<u>1,735,968</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Department of Emergency Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Conversion to special revenue fund	\$ -	\$ -	\$ 554,492	\$ 554,492
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>554,492</u>	<u>554,492</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>554,492</u>	<u>554,492</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 554,492</u>	<u>\$ 554,492</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits)
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 2,621,560	\$ 4,194,871	\$ 3,489,843	\$ (705,028)
Departmental charges and reimbursements	431,780	510,862	511,465	603
Investment earnings	-	-	7	7
Miscellaneous	-	-	-	-
Total revenues	<u>3,053,340</u>	<u>4,705,733</u>	<u>4,001,315</u>	<u>(704,418)</u>
Expenditures				
Current:				
Community and economic development	<u>3,053,340</u>	<u>4,705,733</u>	<u>3,998,896</u>	<u>706,837</u>
Total expenditures	<u>3,053,340</u>	<u>4,705,733</u>	<u>3,998,896</u>	<u>706,837</u>
Excess of revenue over expenditures	<u>-</u>	<u>-</u>	<u>2,419</u>	<u>2,419</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>-</u>	<u>-</u>	<u>2,419</u>	<u>2,419</u>
Fund balances (deficits), beginning	<u>(2,008)</u>	<u>(2,008)</u>	<u>(2,008)</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ (2,008)</u>	<u>\$ (2,008)</u>	<u>\$ 411</u>	<u>\$ 2,419</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Special Revenue Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Investment earnings	\$ -	\$ -	\$ 9,799	\$ 9,799
Expenditures				
Current:				
Administrative expense	-	133	120	13
Capital outlay	<u>4,459,238</u>	<u>7,018,132</u>	<u>4,671,727</u>	<u>2,346,405</u>
Total expenditures	<u>4,459,238</u>	<u>7,018,265</u>	<u>4,671,847</u>	<u>2,346,418</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(4,459,238)</u>	<u>(7,018,265)</u>	<u>(4,662,048)</u>	<u>2,356,217</u>
Net change in fund balances	(4,459,238)	(7,018,265)	(4,662,048)	2,356,217
Fund balances, beginning, as restated	<u>8,533,130</u>	<u>8,533,130</u>	<u>8,533,130</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,073,892</u>	<u>\$ 1,514,865</u>	<u>\$ 3,871,082</u>	<u>\$ 2,356,217</u>

Schedule of Revenues, Expenses and Changes in Net Position (Deficit)
 Department of Emergency Services Enterprise Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services				
Phone bill surcharge	\$ 1,415,680	\$ 1,415,680	\$ 837,100	\$ (578,580)
County wide radio	2,970,116	2,970,116	2,969,422	(694)
Cellular fee	3,835,624	3,835,624	6,508,019	2,672,395
Voice Over IP (VoIP)	681,249	681,249	460,210	(221,039)
Reimbursements	-	12,747	12,747	-
Total operating revenues	<u>8,902,669</u>	<u>8,915,416</u>	<u>10,787,498</u>	<u>1,872,082</u>
Operating expenses				
Communications center				
Wages, salaries and fringe benefits	2,134,536	2,134,536	818,451	1,316,085
Administrative expenses	4,060,392	3,962,114	1,560,843	2,401,271
Materials and supplies	67,242	67,348	22,459	44,889
Depreciation	2,893,702	2,893,702	2,255,060	638,642
911 System				
Wages, salaries and fringe benefits	4,380	4,380	1,068	3,312
Administrative expenses	364,580	365,953	232,451	133,502
Materials and supplies	44,100	44,100	112	43,988
Depreciation	295,435	295,435	230,232	65,203
Wireless 911				
Wages, salaries and fringe benefits	3,298,396	3,298,396	4,551,470	(1,253,074)
Administrative expenses	486,341	490,226	427,586	62,640
Materials and supplies	34,313	34,900	12,467	22,433
Depreciation	403,311	403,311	314,300	89,011
Voice Over IP (VOIP)				
Materials and supplies	990,976	990,976	590,458	400,518
Total operating expenses	<u>15,077,704</u>	<u>14,985,377</u>	<u>11,016,957</u>	<u>3,968,420</u>
Operating income (loss)	<u>(6,175,035)</u>	<u>(6,069,961)</u>	<u>(229,459)</u>	<u>5,840,502</u>
Nonoperating revenues (expenses)				
Investment earnings	6,135	6,135	6,893	758
Change in fair value of interest rate swaps	-	-	551,138	551,138
Interest expense	(1,414,564)	(1,414,564)	(1,421,760)	(7,196)
Bond issuance costs	-	-	(6,617)	(6,617)
Rental of space	46,857	46,857	48,230	1,373
Total nonoperating revenues (expenses)	<u>(1,361,572)</u>	<u>(1,361,572)</u>	<u>(822,116)</u>	<u>539,456</u>
Income (loss) before transfers	(7,536,607)	(7,431,533)	(1,051,575)	6,379,958
Transfers in	-	174,570	-	(174,570)
Conversion to special revenue fund	-	-	(6,089,996)	(6,089,996)
Change in net position	(7,536,607)	(7,256,963)	(7,141,571)	115,392
Total net position, beginning	<u>7,141,571</u>	<u>7,141,571</u>	<u>7,141,571</u>	<u>-</u>
Total net position (deficit), ending	<u>\$ (395,036)</u>	<u>\$ (115,392)</u>	<u>\$ -</u>	<u>\$ 115,392</u>

Note: Capital outlay Original and Final budget was \$50,000 and \$478,203, respectively.

Schedule of Revenues, Expenses and Changes in Net Position
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 8,906,226	\$ 8,906,226	\$ 6,504,455	\$ (2,401,771)
Other operating revenues	1,352,086	1,985,841	2,357,329	371,488
Total operating revenues	<u>10,258,312</u>	<u>10,892,067</u>	<u>8,861,784</u>	<u>(2,030,283)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	8,045,168	8,529,485	6,585,809	1,943,676
Depreciation	158,867	158,867	274,194	(115,327)
Total operating expenses	<u>8,204,035</u>	<u>8,688,352</u>	<u>6,860,003</u>	<u>1,828,349</u>
Operating income (loss)	<u>2,054,277</u>	<u>2,203,715</u>	<u>2,001,781</u>	<u>(201,934)</u>
Nonoperating revenues (expenses)				
Grants	57,362	57,362	20,813	(36,549)
Change in fair value of interest rate swaps	-	-	11,204	11,204
Interest expense	(122,099)	(122,099)	(119,585)	2,514
Bond issuance costs	-	-	(19,852)	(19,852)
Total nonoperating revenues (expenses)	<u>(64,737)</u>	<u>(64,737)</u>	<u>(107,420)</u>	<u>(42,683)</u>
Income before transfers	<u>1,989,540</u>	<u>2,138,978</u>	<u>1,894,361</u>	<u>(244,617)</u>
Transfers out	<u>(1,388,977)</u>	<u>(1,388,977)</u>	<u>(1,088,977)</u>	<u>300,000</u>
Change in net position	600,563	750,001	805,384	55,383
Total net position, beginning	<u>4,842,459</u>	<u>4,842,459</u>	<u>4,842,459</u>	<u>-</u>
Total net position, ending	<u>\$ 5,443,022</u>	<u>\$ 5,592,460</u>	<u>\$ 5,647,843</u>	<u>\$ 55,383</u>

Note: Capital outlay Original and Final budget was \$831,576 and \$1,002,157, respectively.

Schedule of Revenues, Expenses and Changes in Net Position
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 39,300,200	\$ 39,300,200	\$ 38,880,691	\$ (419,509)
Other operating revenues	<u>2,767,358</u>	<u>2,769,598</u>	<u>3,005,871</u>	<u>236,273</u>
Total operating revenues	<u>42,067,558</u>	<u>42,069,798</u>	<u>41,886,562</u>	<u>(183,236)</u>
Operating expenses				
Financial administration	2,676,594	2,676,169	2,458,501	217,668
Administrative expenses	2,011,884	2,008,696	2,168,214	(159,518)
Special services	156,710	156,775	151,131	5,644
Dietary	3,634,603	3,666,359	3,446,653	219,706
Laundry	662,489	676,189	689,508	(13,319)
Environmental services	1,952,389	1,966,249	1,863,050	103,199
Plant operations	1,397,789	1,467,357	1,379,449	87,908
Nursing	18,942,537	18,879,132	18,959,540	(80,408)
Physician services	78,311	78,311	71,163	7,148
Pharmacy services	561,266	764,066	764,044	22
Medical services	277,293	277,993	283,600	(5,607)
Therapeutic activity	506,664	506,664	451,534	55,130
Social service	280,644	280,644	263,535	17,109
Physical therapy service	2,179,448	1,946,648	1,772,389	174,259
Staff development	345,703	347,278	354,758	(7,480)
Materials management	223,467	245,467	245,280	187
Personnel	122,914	122,914	120,949	1,965
Security	257,039	260,602	244,424	16,178
Volunteers	68,652	70,652	70,456	196
Nursing administration	1,491,011	1,489,476	1,416,854	72,622
Admissions	204,806	204,806	166,516	38,290
Rehabilitation service	3,000	6,300	1,903	4,397
Depreciation	<u>802,626</u>	<u>802,626</u>	<u>1,106,587</u>	<u>(303,961)</u>
Total operating expenses	<u>38,837,839</u>	<u>38,901,373</u>	<u>38,450,038</u>	<u>451,335</u>
Operating income	<u>3,229,719</u>	<u>3,168,425</u>	<u>3,436,524</u>	<u>268,099</u>
Nonoperating revenues (expenses)				
Grants	-	5,000	423	(4,577)
Investment earnings	5,420	5,420	1,195	(4,225)
Change in fair value of interest rate swaps	-	-	64,199	64,199
Interest expense	(771,678)	(771,678)	(757,008)	14,670
Bond issuance costs	<u>-</u>	<u>-</u>	<u>(125,729)</u>	<u>(125,729)</u>
Total nonoperating revenues (expenses)	<u>(766,258)</u>	<u>(761,258)</u>	<u>(816,920)</u>	<u>(55,662)</u>
Change in net position	2,463,461	2,407,167	2,619,604	212,437
Total net position, beginning	<u>3,222,586</u>	<u>3,222,586</u>	<u>3,222,586</u>	<u>-</u>
Total net position, ending	<u>\$ 5,686,047</u>	<u>\$ 5,629,753</u>	<u>\$ 5,842,190</u>	<u>\$ 212,437</u>

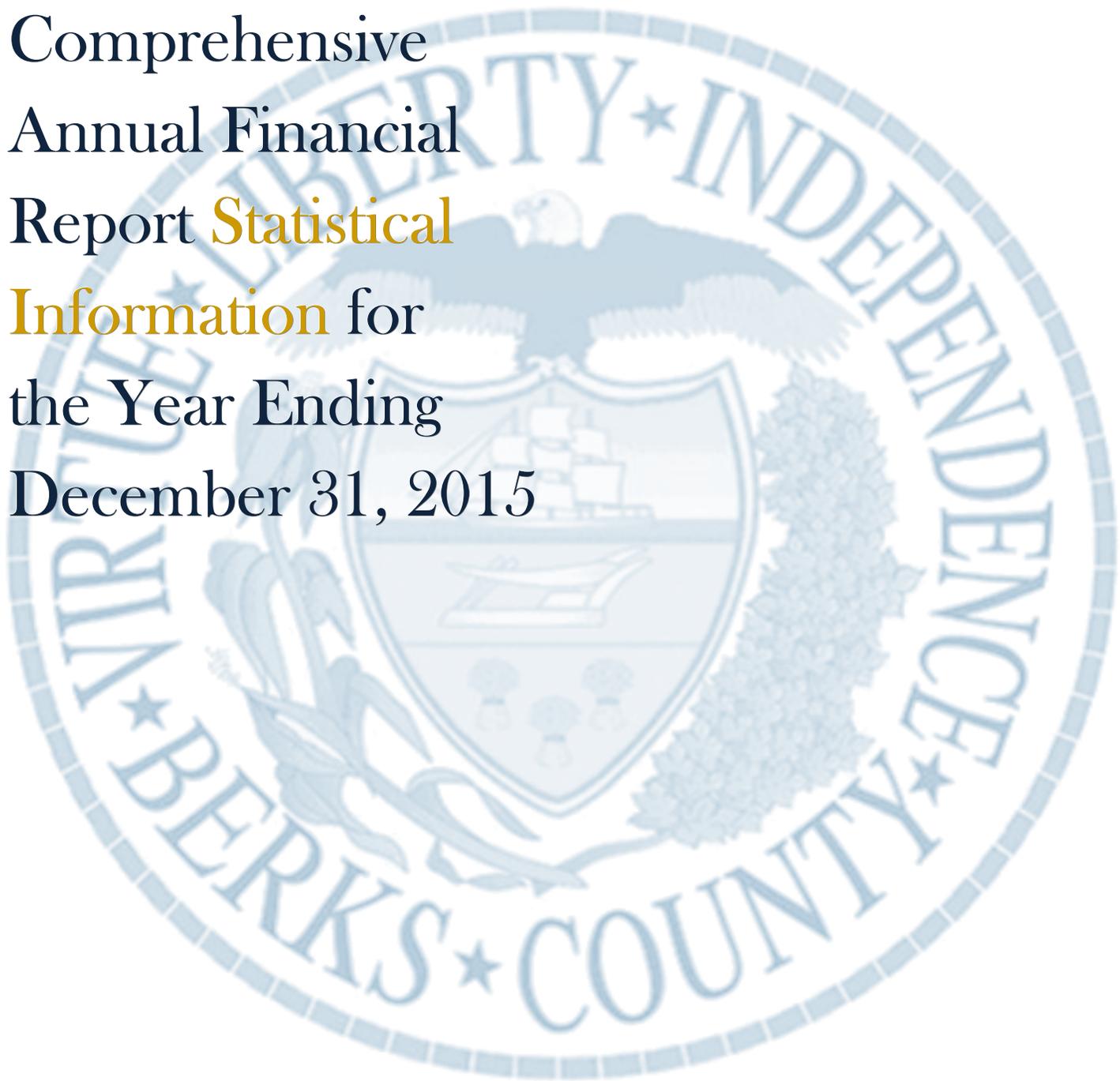
Note: Capital outlay Original and Final budget was \$399,993 and \$526,631, respectively.

Statement of Changes in Net Position
 Agency Fund
 Year ended December 31, 2015

County of Berks
 2015 Comprehensive Annual Financial Report

	Balance January 1, 2015	Additions Increase (Decrease)	Reductions (Decrease) Increase	Balance December 31, 2015
Assets				
Cash and cash equivalents	\$ 10,731,027	\$ 114,736,490	\$ (115,916,249)	\$ 9,551,268
Total assets	<u>\$ 10,731,027</u>	<u>\$ 114,736,490</u>	<u>\$ (115,916,249)</u>	<u>\$ 9,551,268</u>
Liabilities				
Due to third parties by department:				
Prothonotary	\$ 1,277,463	\$ (4,696,950)	\$ 5,127,460	\$ 1,707,973
Register of Wills	149,507	(1,164,234)	1,158,165	143,438
Berks Heim	288,804	(272,528)	211,039	227,315
District Attorney	2,634,539	(3,113,577)	1,562,455	1,083,417
Sheriff	2,221,259	(14,533,504)	14,451,392	2,139,147
Clerk of Courts	1,797,699	(7,364,251)	7,403,715	1,837,163
Juvenile Probation	17,582	(78,657)	63,896	2,821
Recorder of Deeds	1,364,760	(33,815,793)	34,179,198	1,728,165
Berks County Residential Center	32,481	(134,489)	108,867	6,859
Domestic Relations	97,353	(2,180,440)	2,175,599	92,512
Prison	68,480	(2,404,726)	2,413,510	77,264
Controller	52,785	(998,494)	1,015,126	69,417
Treasurer	727,019	(45,172,736)	44,881,494	435,777
Office of Aging	1,295	(3,000)	1,705	-
Total liabilities	<u>\$ 10,731,026</u>	<u>\$ (115,933,379)</u>	<u>\$ 114,753,621</u>	<u>\$ 9,551,268</u>

County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Statistical
Information** for
the Year Ending
December 31, 2015



County of Berks
Statistical Section - Categories
Year Ended December 31, 2015

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 Four Years
(accrual basis of accounting)**

	<u>2015</u>	<u>2014</u> (Restated)	<u>2013</u> (Restated)	<u>2012</u>
Governmental activities				
Net Investment in Capital Assets	\$ 43,806,168	\$ 23,918,071	\$ 9,829,007	\$ 17,083,783
Restricted	39,884,858	24,326,098	11,685,944	12,257,593
Unrestricted	<u>154,952,850</u>	<u>159,475,948</u>	(1) <u>160,689,349</u>	(1) <u>165,487,146</u>
Total governmental activities net position	<u>\$ 238,643,876</u>	<u>\$ 207,720,117</u>	<u>\$ 182,204,300</u>	<u>\$ 194,828,522</u>
Business-type activities				
Net Investment in Capital Assets	\$ 13,187,836	\$ 25,658,496	\$ 25,034,275	\$ 13,829,836
Restricted	-	-	-	-
Unrestricted deficit	<u>(1,697,803)</u>	<u>(10,451,880)</u>	(2) <u>(12,457,169)</u>	(2) <u>(9,366,816)</u>
Total business-type activities net position	<u>\$ 11,490,033</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 4,463,020</u>
Primary government				
Net Investment in Capital Assets	\$ 56,994,004	\$ 49,576,567	\$ 34,863,282	\$ 30,913,619
Restricted	39,884,858	24,326,098	11,685,944	12,257,593
Unrestricted	<u>153,255,047</u>	<u>149,024,068</u>	<u>148,232,180</u>	<u>156,120,330</u>
Total primary government net position	<u>\$ 250,133,909</u>	<u>\$ 222,926,733</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 Six Years
(accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</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)
Restricted	16,010,546	24,338,877	15,006,073	15,532,395	22,090,866	22,526,229
Unrestricted	<u>163,473,570</u>	<u>171,236,880</u>	<u>158,519,256</u>	<u>178,601,460</u>	<u>141,295,519</u>	<u>109,736,793</u>
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>
 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
Restricted	-	-	-	-	-	-
Unrestricted	<u>(8,319,120)</u>	<u>(23,180,373)</u>	<u>(22,007,130)</u>	<u>(21,971,731)</u>	<u>(17,113,402)</u>	<u>(16,226,365)</u>
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>
 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)
Restricted	16,010,546	24,338,877	15,006,073	15,532,395	22,090,866	22,526,229
Unrestricted	<u>155,154,450</u>	<u>148,056,507</u>	<u>136,512,126</u>	<u>156,629,729</u>	<u>124,182,117</u>	<u>93,510,428</u>
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>

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 Four Years
(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses				
Governmental activities:				
General government	\$ 24,518,197	\$ 15,721,339	\$ 18,758,919	\$ 17,615,938
Judicial	49,573,970	48,391,839	47,033,776	48,313,567
Public safety	60,793,123	58,902,986	58,557,094	57,900,874
Human services	173,389,044	167,089,187	169,216,796	181,005,416
Culture and recreation	7,756,963	7,392,985	7,541,491	7,961,633
Community and economic development	6,466,588	5,790,903	4,674,567	5,447,335
Public works	2,212,561	1,518,619	1,143,574	997,263
Community support	564,489	1,825,423	5,706,515	5,308,083
Debt service administrative expenses	10,642,781	11,239,235	16,320,620	12,442,872
Solid waste	1,241,206	1,247,078	1,245,347	1,280,046
Total governmental activities expenses	<u>\$ 337,158,922</u>	<u>\$ 319,119,594</u>	<u>\$ 330,198,699</u>	<u>\$ 338,273,027</u>
Business-type activities				
Department of Emergency Services	12,445,334	12,793,480	8,652,660	8,614,042
Berks County Residential Center	6,999,440	5,667,274	6,088,570	6,047,116
Berks Heim	39,332,775	37,753,556	38,407,433	38,763,708
Youth Center	-	-	-	4,416,787
Total business-type activities expenses	<u>58,777,549</u>	<u>56,214,310</u>	<u>53,148,663</u>	<u>57,841,653</u>
Total primary government expenses	<u>\$ 395,936,471</u>	<u>\$ 375,333,904</u>	<u>\$ 383,347,362</u>	<u>\$ 396,114,680</u>
Program Revenues				
Governmental activities:				
Charges for services :				
General government	7,974,794	7,892,340	8,370,615	7,700,054
Judicial	11,114,805	12,229,763	11,650,097	10,056,699
Public safety	6,135,812	7,219,251	7,081,372	5,619,927
Human services	1,720,468	1,842,966	1,561,502	2,016,753
Culture and recreation	135,187	112,481	75,756	124,492
Community and economic development	940,375	672,165	749,067	1,053,516
Public works	2,021,583	22,902	-	-
Solid waste	3,422,991	3,574,193	2,820,596	2,775,018
Other activities	1,514,558	1,503,982	2,405,976	1,934,098
Operating grants and contributions	178,140,256	177,271,350	174,282,405	189,380,439
Capital grants and contributions	7,127,307	42,348	3,038,095	675,629
Total governmental activities program revenues	<u>\$ 220,248,136</u>	<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	10,787,498	8,753,289	8,059,740	7,687,064
Berks County Residential Center	8,861,784	7,664,164	6,985,278	6,523,375
Berks Heim	41,886,562	41,017,725	40,974,069	40,567,133
Youth Center	-	-	-	567,352
Operating grants and contributions	21,236	93,120	51,522	1,252,856
Total business-type activities program revenues	<u>61,557,080</u>	<u>57,528,298</u>	<u>56,070,609</u>	<u>56,597,780</u>
Total primary government program revenues	<u>\$ 281,805,216</u>	<u>\$ 269,912,039</u>	<u>\$ 268,106,090</u>	<u>\$ 277,934,405</u>
Net (expense)/revenue				
Governmental activities	(116,910,786)	(106,735,853)	(118,163,218)	(116,936,402)
Business-type activities	2,779,531	1,313,988	2,921,946	(1,243,873)
Total primary government net expense	<u>\$ (114,131,255)</u>	<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 Four Years
(accrual basis of accounting)

	<u>2015</u>	<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	\$ 136,151,892	\$ 136,033,476	\$ 134,808,089	\$ 127,067,035
Hotel room	2,225,844	2,055,944	1,844,957	1,647,698
Payments in lieu of taxes	242,774	266,532	220,931	316,221
Investment earnings	1,134,503	639,352	550,091	833,259
Change in fair value of interest rate swaps	490,084	601,668	-	-
Rentals	389,756	328,094	356,407	202,812
Miscellaneous	-	-	-	-
Gain/(loss) on disposal of capital assets	20,720	(245,199)	68,874	46,931
Conversion to special revenue fund	6,089,996	-	-	-
Transfer of assets to related entity	-	(5,746,011)	-	-
Transfers	1,088,977	(436,774)	(10,196,998)	(4,816,823)
Total governmental activities	<u>\$ 147,834,546</u>	<u>\$ 133,497,082</u>	<u>\$ 127,652,351</u>	<u>\$ 125,297,133</u>
Business-type activities				
Investment earnings	8,088	7,349	5,962	5,248
Change in fair value of interest rate swaps	626,541	830,097	-	-
Rental of space	48,230	43,998	27,643	22,464
Loss on disposal of capital assets	-	(2,696)	818	-
Conversion to special revenue fund	(6,089,996)	-	-	-
Transfers	(1,088,977)	436,774	10,196,997	4,816,823
Total business-type activities	<u>(6,496,114)</u>	<u>1,315,522</u>	<u>10,231,420</u>	<u>4,844,535</u>
Total primary government general revenue and other changes	<u>\$ 141,338,432</u>	<u>\$ 134,812,604</u>	<u>\$ 137,883,771</u>	<u>\$ 130,141,668</u>
Changes in Net Position				
Governmental activities	30,923,760	26,761,229	\$ 9,489,133	\$ 8,360,731
Business-type activities	(3,716,583)	2,629,510	13,153,366	3,600,662
Total primary government net revenue	<u>\$ 27,207,177</u>	<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 Six Years
(accrual basis of accounting)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses						
Governmental activities:						
General government	\$ 19,358,233	\$ 20,021,126	\$ 19,027,105	\$ 16,967,271	\$ 17,137,883	\$ 15,897,670
Judicial	46,672,086	45,019,035	43,649,614	39,902,544	38,851,150	36,824,350
Public safety	53,971,066	53,449,933	51,736,377	51,349,756	50,612,056	47,913,202
Human services	187,841,278	171,929,312	197,140,748	215,746,590	198,740,276	183,042,301
Culture and recreation	7,127,616	7,653,072	8,365,231	3,637,542	7,217,689	7,096,723
Community and economic development	7,164,309	8,114,649	9,127,377	11,503,120	9,070,704	10,791,916
Public works	948,645	523,018	500,943	1,754,015	1,460,151	1,907,692
Community support (misc)	6,858,598	6,659,295	4,349,754	4,413,443	4,481,716	4,305,082
Debt service administrative expenses	16,918,941	11,508,880	8,832,087	25,017,761	11,800,763	11,620,598
Solid waste	1,275,635	1,141,743	1,184,106	948,403	1,051,489	1,002,202
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>
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
Berks County Residential Center	-	-	-	-	-	-
Berks Heim	37,757,747	36,383,076	35,501,563	37,089,818	32,818,771	32,426,149
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
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>
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>
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
Judicial	10,256,054	11,472,650	10,403,760	32,281,495	11,416,614	8,822,620
Public safety	5,148,579	5,594,622	5,392,272	5,337,705	4,663,580	4,450,438
Human services	2,071,743	2,114,879	2,983,530	2,358,395	2,455,765	2,420,651
Culture and recreation	116,685	133,154	92,750	128,830	103,783	96,844
Community and economic development	573,080	1,417,454	1,108,273	3,096,504	1,109,761	1,654,986
Public works	346	3,225	11,995	98,605	131,732	438,747
Solid waste	2,911,968	2,738,410	4,142,028	3,886,825	4,588,050	4,546,366
Other activities	1,941,296	1,180,059	271,123	-	-	-
Operating grants and contributions	194,760,629	191,577,202	203,067,031	224,184,850	209,042,189	197,140,722
Capital grants and contributions	2,820,932	1,921,128	2,382,912	1,935,758	2,045,758	928,802
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>
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
Berks County Residential Center	-	-	-	-	-	-
Berks Heim	40,201,168	37,117,616	36,386,199	34,821,807	33,224,695	32,606,290
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
Operating grants and contributions	2,296,085	2,117,133	2,659,792	2,146,724	2,447,643	2,789,175
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>
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>
Net (expense)/revenue						
Governmental activities	(120,085,530)	(100,864,899)	(108,450,784)	(92,906,158)	(97,034,682)	(91,904,956)
Business-type activities	1,398,860	(599,492)	188,134	(4,616,211)	(1,210,265)	(3,170,419)
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>

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 Six Years
(accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</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
Hotel room	1,590,516	1,471,283	1,335,233	1,632,693	1,677,537	1,548,341
Payments in lieu of taxes	249,053	324,063	170,159	274,085	223,628	290,923
Investment earnings	1,049,014	850,893	3,438,690	6,108,261	9,632,013	7,269,432
Rentals	-	-	-	-	-	-
Miscellaneous	-	-	-	8,615,137	-	3,614,537
Gain on sale of capital assets	18,100	27,008	26,006	18,777	26,558	18,725
Special item:	-	-	-	-	-	-
Swap termination fee	-	-	(13,766,920)	(5,663,249)	-	-
Transfers	<u>(14,158,452)</u>	<u>(401,900)</u>	<u>(396,908)</u>	<u>(412,300)</u>	<u>(437,520)</u>	<u>(477,852)</u>
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>
Business-type activities						
Investment earnings	8,658	25,828	66,604	48,924	172,062	93,518
Rental of space	21,010	-	-	-	-	-
Miscellaneous	-	(16)	(1,013)	-	-	-
Transfers	<u>14,158,452</u>	<u>401,900</u>	<u>396,908</u>	<u>412,300</u>	<u>437,520</u>	<u>477,852</u>
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>
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>
Changes in Net Assets						
Governmental activities	(4,203,896)	29,255,909	8,698,501	42,818,915	37,357,221	42,116,356
Business-type activities	<u>15,586,980</u>	<u>(171,780)</u>	<u>650,633</u>	<u>(4,154,987)</u>	<u>(600,683)</u>	<u>(2,599,049)</u>
Total primary government net 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>

Note:

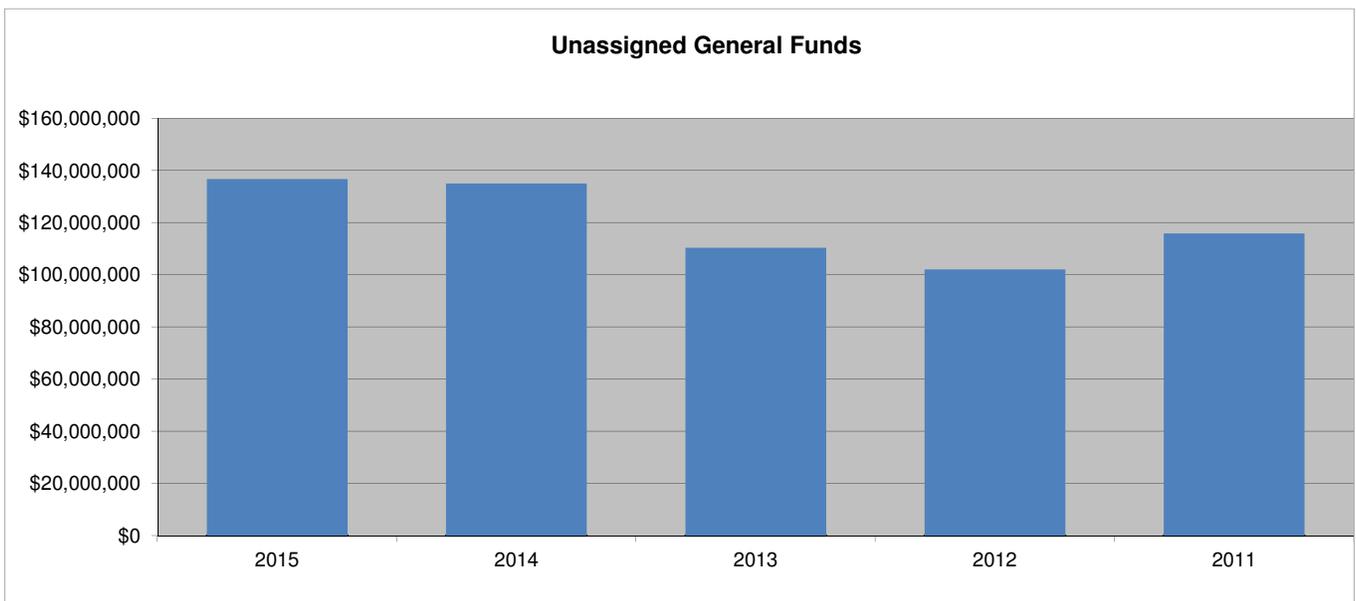
This schedule is being included to provide prior years' information as it was presented in prior years' reports.

Source:

Statement of Net Assets, County of Berks Financial Statements

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

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>	<u>2013</u> <u>(Restated)</u>	<u>2012</u>	<u>2011</u>
General Fund					
Nonspendable	\$ 1,584,554	\$ 1,364,327	\$ 398,435	\$ 592,927	\$ 878,350
Restricted	4,125,006	4,201,282	4,869,238	2,299,603	1,865,358
Assigned	10,551,289	11,323,251	16,953,963	19,545,324	35,008,622
Unassigned	<u>136,702,209</u>	<u>134,990,876</u>	<u>110,406,873</u>	<u>102,045,175</u>	<u>115,808,679</u>
Total General Fund	<u>\$ 152,963,058</u>	<u>\$ 151,879,736</u>	<u>\$ 132,628,509</u>	<u>\$ 124,483,029</u>	<u>\$ 153,561,009</u>
All other governmental funds					
Nonspendable:					
Conversion pay	8,961	12,454	12,455	15,128	15,891
Inventories and prepaid expenses	3,107,195	19,954	-	-	-
Restricted:					
Gift fund	13,939	13,042	11,479	750	4,411
Special revenue funds	10,288,876	6,507,881	7,060,580	9,958,532	10,600,423
Capital project funds	-	8,533,130	42,116,278	45,528,531	55,369,043
Assigned	66,759	-	-	-	-
Unassigned	<u>(2,474,540)</u>	<u>-</u>	<u>-</u>	<u>(45,567)</u>	<u>(270,263)</u>
Total all other governmental funds	<u>\$ 11,011,190</u>	<u>\$ 15,086,461</u>	<u>\$ 49,200,792</u>	<u>\$ 55,457,374</u>	<u>\$ 65,719,505</u>
Total governmental funds	<u>\$ 163,974,248</u>	<u>\$ 166,966,197</u>	<u>\$ 181,829,301</u>	<u>\$ 179,940,403</u>	<u>\$ 219,280,514</u>



Note:

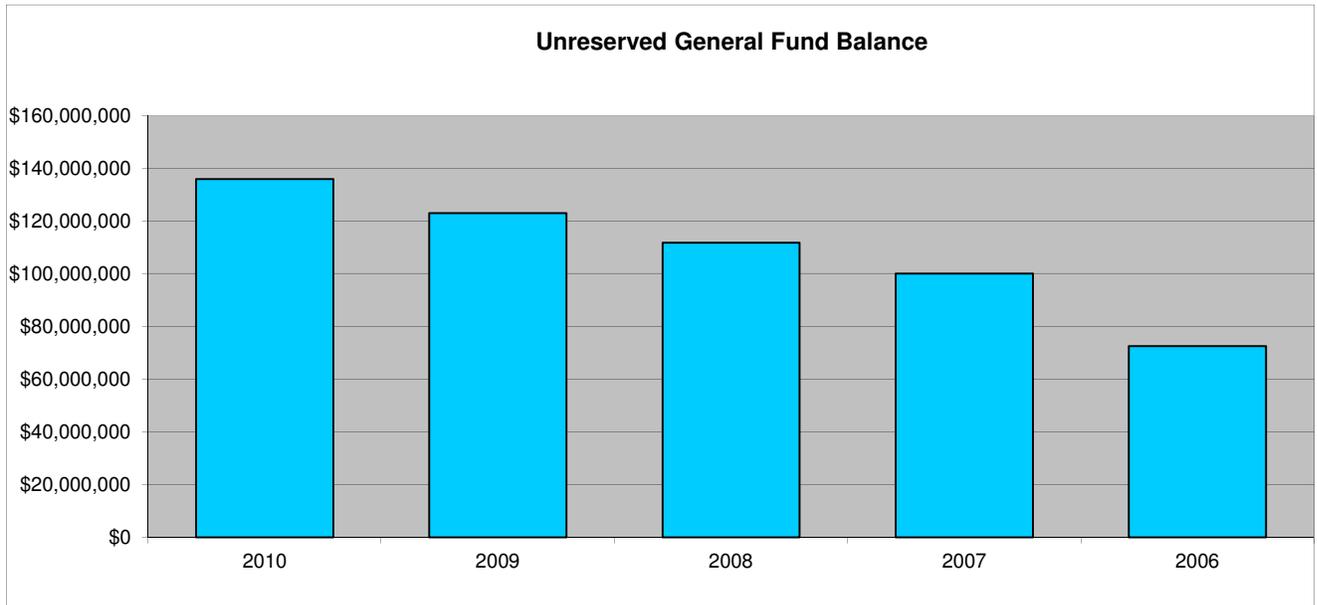
This schedule is being prepared prospectively in accordance with GASB 54.
The next schedule has been included to provide unrestated prior years' information as it was presented in the prior years' reports.

Source:

County of Berks - Financial Statements

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund					
Reserved	\$ 22,143,083	\$ 22,126,655	\$ 22,282,025	\$ 17,214,184	\$ 15,609,253
Unreserved	135,857,859	123,004,381	111,756,048	100,028,177	72,516,994
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>
All other governmental funds					
Reserved	20,302	13,029,506	22,149	2,323,617	1,051,241
Unreserved, reported in:					
Special revenue funds	22,724,781	13,709,145	14,604,561	20,696,447	20,737,443
Capital projects funds	66,978,405	-	(432,740)	38,155,424	44,701,926
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>
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>



Note:

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

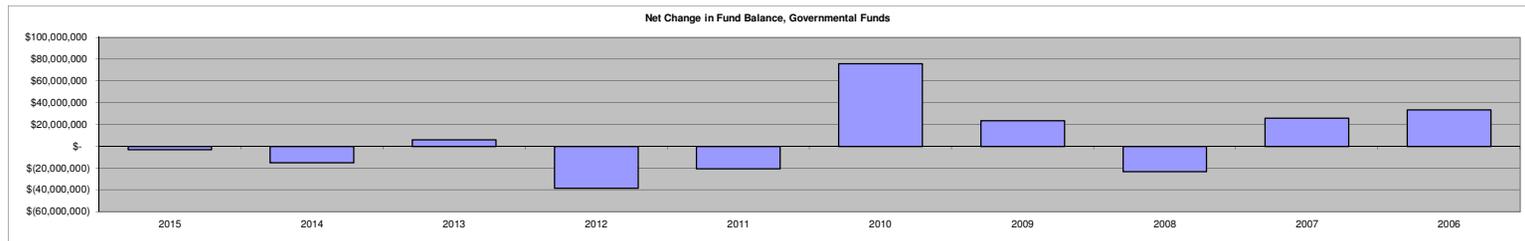
Source:

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)

Revenues	<u>2015</u>	<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>
Taxes:										
Property	\$ 136,536,071	\$ 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
Hotel	2,225,844	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
Court costs, fines and forfeitures	3,350,999	3,524,023	3,724,858	3,533,648	3,600,846	4,556,223	3,698,738	322,746	448,271	570,880
Intergovernmental revenue	185,900,383	178,186,729	177,199,936	191,267,090	198,655,502	193,442,460	206,041,376	225,381,986	210,396,462	197,727,101
Department charges and reimbursements	55,614,535	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
Payments in lieu of taxes	89,730	102,196	51,827	135,367	61,979	131,780	58,551	274,085	223,628	290,923
Rentals	389,756	328,094	356,407	202,812	224,206	216,663	223,811	237,981	237,344	229,193
Sales of property, supplies and equipment	20,720	18,250	68,874	46,931	18,100	27,008	26,006	18,777	26,556	18,725
Investment earnings	1,134,503	639,352	550,092	833,261	1,049,014	1,695,035	3,438,710	5,968,895	9,530,791	7,512,957
Other revenue	5,088,961	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
Total revenues	\$ 390,351,502	\$ 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
Expenditures										
Current:										
General government, administrative	\$ 42,140,641	\$ 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
General government, judicial	51,638,171	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
Public safety	61,057,768	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
Human services	173,905,554	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
Culture and recreation	6,801,869	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
Community and economic development	7,976,468	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
Public works	8,681,128	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
Community support	5,537,268	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
Intergovernmental expenditures- Solid waste	993,342	998,452	997,007	1,000,219	997,450	844,401	893,571	948,403	1,051,489	1,001,133
Debt service:										
Principal	18,758,298	19,026,576	19,429,357	19,481,932	14,127,753	29,068,574	8,292,218	45,445,174	11,652,987	11,035,287
Interest	5,773,802	6,274,112	8,043,447	9,346,689	9,934,093	5,976,629	4,488,528	7,105,831	8,008,564	8,079,599
Debt issuance costs	178,668	118,742	141,629	430,673	-	691,302	407,689	8,744	-	50,000
Administrative expenditures	80,461	109,147	12,302	15,518	38,902	-	37,239	136,994	158,583	367,768
Capital outlay	4,671,727	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
Total expenditures	\$ 388,195,165	\$ 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
Excess (deficiency) of revenues over (under) expenditures	\$ 2,156,337	\$ (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
Other financing sources (uses)										
Transfers in	\$ 13,749,987	\$ 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
Transfers out	(19,631,432)	(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)
Bond premium	3,613,694	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
Payments to refunded bond escrow agent	(27,211,227)	(9,963,468)	-	-	-	-	(26,258,174)	(1,042,021)	-	-
Issuance of refunding bonds	23,776,200	10,000,000	-	9,870,000	-	14,667,460	29,800,000	-	-	-
Conversion to special revenue fund	554,492	-	-	-	-	-	-	-	-	-
Capital lease	-	-	-	-	-	-	-	-	-	154,085
Payment to escrow agent	-	-	-	-	-	-	-	(5,073,078)	-	-
Total other financing sources (uses)	\$ (5,148,286)	\$ 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)
Special Item										
Swap termination fee	\$ -	\$ -	\$ -	\$ -	\$ (2,876,000)	\$ -	\$ (13,766,920)	\$ (5,663,249)	\$ -	\$ -
Net change in fund balances	\$ (2,991,949)	\$ (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

Debt Service										
Percentage of noncapital expenditures	6.5%	6.9%	7.5%	6.8%	6.3%	10.1%	3.7%	12.3%	5.6%	5.9%



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
2015	\$ 138,761,915	\$ 3,350,999	\$ 185,900,383	\$ 55,614,535	\$ 89,730	\$ 389,756	\$ 20,720	\$ 1,134,503	\$ 5,088,961	\$ 390,351,502
2014	138,384,332	3,524,023	178,186,729	58,480,623	102,196	328,094	18,250	639,352	2,572,505	382,236,104
2013	137,233,497	3,724,858	177,199,936	56,555,546	51,827	356,407	68,874	550,092	4,014,222	379,755,259
2012	128,651,321	3,533,648	191,267,090	54,394,935	135,364	202,812	46,931	833,261	1,444,130	380,509,492
2011	129,330,910	3,600,846	198,655,502	51,789,888	61,979	224,206	18,100	1,049,014	1,754,018	386,484,463
2010	127,394,147	4,556,223	193,442,460	24,701,700	131,780	216,663	27,008	1,695,035	7,045,682	359,210,698
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

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**

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Common Level Ratio	Assessed Value as a Percentage of Actual Value
2015	\$14,426,375,000	\$3,388,924,200	\$806,010,200	\$2,792,647,500	\$18,621,309,400	7.372%	\$19,335,256,500	76.30%	96.3%
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	78.10%	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	77.90%	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	73.20%	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	70.70%	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	67.70%	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	65.70%	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	68.10%	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	75.00%	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	80.00%	96.3%

Notes:

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

Source:

County of Berks Assessment Office

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

<u>Tax Year</u>	<u>County of Berks</u>	<u>City, Borough, or Township</u>	<u>School District (1)</u>	<u>Total</u>
2015	7.372	3.35	27.57	38.29
2014	7.372	3.32	27.22	37.91
2013	7.372	3.22	26.77	37.36
2012	6.935	3.08	26.24	36.26
2011	6.935	2.92	25.42	35.28
2010	6.935	2.77	24.80	34.51
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

Notes:

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

Source:
County of Berks Assessment Office

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

Taxpayer	Business/ Product	2015			2006		
		Taxable Assessed		Percentage of Total County Taxable Assessed	Taxable Assessed		Percentage of Total County Taxable Assessed
		Value	Rank		Value	Rank	
Berkshire Mall LLC	Shopping Mall	\$ 63,049,400	1	0.34%	\$ 75,500,000	1	0.43%
Green Hills Realty Association, LP	Leasing	42,348,100	2	0.23%	29,148,100	3	0.17%
Spring Ridge Associates, Inc.	Shopping Mall	41,491,000	3	0.22%	40,131,600	2	0.23%
East Penn Manufacturing Co.	Manufacturing	39,527,000	4	0.21%	-	-	-
Highlands at Wyomissing	Intermediate Care	37,153,300	5	0.20%	28,055,000	4	0.16%
Phoebe Berks Village Inc.	Intermediate Care	28,976,400	6	0.16%	-	-	-
Morgantown Crossings LP	Shopping Mall	24,560,300	7	0.13%	-	-	-
Carpenter Technology Corp.	Manufacturing	22,529,500	8	0.12%	-	-	-
Ashley Furniture Industries	Furniture Manufacturing	21,960,000	9	0.12%	24,554,500	5	0.14%
Meridian Blvd. Investors, LP	Rental Property	20,358,700	10	0.11%	20,480,000	10	0.12%
Sithe Pennsylvania Holdings		-		-	22,511,900	6	0.13%
Fairgrounds Square		-		-	21,847,000	7	0.13%
Cabelas Rental, Inc.		-		-	21,525,600	8	0.12%
Berks International Corp.		-		-	21,396,000	9	0.12%
Total		\$ 341,953,700		1.84%	\$ 305,149,700		1.75%

Note

Total County of Berks assessed valuation for 2015: 18,621,309,400

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
2015	\$137,276,293	\$132,039,450	96.19%	\$4,496,621	\$136,536,071	99.46%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%
2013	136,318,729	130,260,182	95.56%	5,128,358	135,388,540	99.09%
2012	128,117,506	122,243,142	95.41%	4,760,481	127,003,623	99.06%
2011	128,011,510	122,252,616	95.50%	5,487,778	127,740,394	99.79%
2010	127,825,213	121,799,628	95.29%	4,123,236	125,922,864	98.51%
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%

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>2015</u>	<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>
County Direct Rates										
Total direct rate	7.37	7.37	7.37	6.94	6.94	6.94	6.94	6.94	6.94	6.94
Municipalities										
City:										
City of Reading	15.69	15.69	15.69	14.33	14.33	11.95	10.90	11.45	10.90	10.40
Boroughs:										
Bally	5.00	4.70	4.50	4.50	4.30	4.10	4.10	3.30	3.30	3.30
Bechtelsville	4.50	4.50	4.50	4.00	3.60	3.60	3.60	3.60	3.60	3.60
Bernville	4.44	4.44	4.44	3.94	3.94	3.94	2.94	2.94	2.94	2.69
Birdsboro	6.66	6.66	6.16	6.16	6.16	6.16	4.36	3.33	3.33	3.33
Boyertown	5.14	5.14	5.14	5.14	5.14	4.99	4.84	3.85	3.85	3.85
Centerport	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Fleetwood	6.00	5.50	5.50	5.50	3.00	2.75	2.70	2.70	2.70	2.75
Hamburg	8.00	7.50	6.50	5.50	5.50	5.50	5.50	5.25	5.25	5.00
Kenhorst	5.60	5.60	4.60	3.60	3.60	3.60	3.10	3.10	3.10	3.10
Kutztown	4.10	3.35	3.10	3.10	2.85	2.85	2.85	2.40	2.40	1.20
Laureldale	5.90	5.90	4.90	4.90	4.90	4.90	4.90	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	4.30	3.80	3.80	3.80	3.60	3.60	2.27	2.27	2.77
Mt. Penn	7.40	7.40	7.40	7.40	7.40	7.40	7.40	6.40	6.40	4.90
New Morgan	1.56	4.50	4.50	2.99	2.99	1.83	1.83	25.52	25.52	25.50
Robesonia	4.65	4.40	4.40	4.40	4.15	4.15	4.15	3.15	3.15	3.15
St. Lawrence	6.00	5.70	5.70	5.30	5.30	5.30	3.84	3.84	3.84	3.84
Shillington	5.89	5.89	4.89	4.89	4.89	4.39	4.39	3.89	3.89	3.55
Shoemakersville	5.50	5.50	5.50	5.50	5.50	5.00	5.00	5.00	5.00	4.50
Sinking Spring	7.32	7.32	6.32	6.32	5.04	5.04	3.84	3.84	3.84	3.19
Strausstown	3.00	2.50	2.50	2.50	2.50	2.00	2.00	2.00	2.00	1.50
Topton	5.85	5.85	5.85	6.35	5.60	5.60	5.40	5.00	5.00	3.50
Wernersville	6.10	6.10	5.60	5.60	5.60	5.60	5.60	4.20	4.20	3.70
West Lawn		-	-	-	-	-	-	-	-	-
West Reading	7.10	7.10	7.10	7.10	7.10	7.10	6.85	5.60	5.60	5.60
Womelsdorf	3.50	3.50	3.00	3.00	3.00	3.00	3.06	2.50	2.50	2.50
Wyomissing	3.90	3.90	3.63	3.63	3.43	3.13	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	1.95	1.80	1.80	1.80	1.80	1.80	1.03	1.03	1.00
Bern	3.44	3.19	3.12	3.12	3.12	3.12	2.60	2.60	2.60	2.60
Bethel	2.00	2.00	2.00	2.00	2.00	1.50	2.12	1.50	1.50	1.50
Brecknock	1.95	1.95	1.95	1.95	1.75	1.75	1.75	1.00	1.00	1.00
Caernarvon	2.48	2.48	2.48	2.38	2.38	2.38	2.13	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	3.50	3.00	3.00	3.00	3.00	3.00	3.00	2.40
Cumru	6.18	5.68	5.28	5.28	4.78	4.78	3.78	3.60	3.60	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	2.30	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Earl		-	-	-	-	-	-	-	-	-
Exeter	2.87	2.87	2.87	2.69	2.69	2.43	2.33	1.30	1.30	1.30
Greenwich	1.00	1.00	1.00	1.00	0.60	0.80	0.60	0.60	0.60	0.60
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.20	1.20	1.20
Hereford	0.96	0.96	0.96	0.96	0.96	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	2.80	2.85	2.32	2.32	2.32	2.18	2.18	1.98

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

Function/Program	<u>2015</u>	<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>
Townships (continued)										
Lower Alsace	7.18	7.18	6.68	6.68	6.68	6.68	6.68	4.07	4.07	4.00
Lower Heidelberg	4.79	4.79	4.80	4.85	4.85	2.55	0.68	0.68	0.68	0.68
Maidencreek	1.75	1.50	1.50	1.13	1.13	1.13	1.13	1.25	1.25	1.25
Marion	1.30	1.30	1.30	1.30	1.20	1.00	1.00	1.00	1.00	1.00
Maxatawny	2.36	2.36	3.36	3.36	3.36	3.36	2.68	2.68	2.68	2.68
Muhlenberg	5.00	4.80	4.80	4.50	4.25	4.25	4.25	4.05	4.05	3.55
North Heidelberg	1.00	0.40	0.40	0.40	0.40	0.20	0.20	0.20	0.20	0.20
Oley	2.80	2.80	2.80	2.59	2.50	2.50	3.10	3.00	3.00	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	0.80	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	2.50	2.25	2.00	1.75	1.75	1.75	1.75	1.75	1.75	1.50
Robeson	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.00	2.00	1.25
Rockland	1.00	1.00	1.00	0.60	0.60	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	3.35	3.05	2.55	2.55	2.25	2.25	1.75	1.25	1.25	1.25
Spring	3.25	3.25	3.25	3.25	3.00	2.65	2.75	2.35	2.35	2.00
Tilden	1.45	1.45	1.45	0.95	0.92	0.92	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	3.65	2.15	2.15	2.15	1.90	1.90	1.90	1.90
Upper Bern	1.95	1.95	1.95	1.95	1.95	1.20	1.20	1.20	1.20	1.20
Upper Tulpehocken	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.60	0.60	0.60
Washington	2.70	2.70	4.32	4.32	2.32	2.32	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	36.79	35.86	34.56	33.75	32.35	31.60	31.60	30.80	30.80	29.25
Boyertown	23.96	23.39	22.52	21.88	20.77	20.02	19.64	19.24	19.24	19.18
Brandywine Heights	32.30	32.30	32.30	31.25	30.00	29.70	29.00	28.10	28.10	27.30
Conrad Weiser	26.32	25.71	25.71	25.27	24.32	24.32	24.32	24.20	23.40	21.76
Daniel Boone	28.96	28.96	28.96	28.96	28.42	27.65	27.65	26.25	26.25	25.25
Exeter	31.25	31.25	30.80	30.10	29.62	28.62	27.78	25.83	25.83	23.50
Fleetwood	30.96	30.21	29.21	28.22	27.28	26.61	26.35	25.56	25.56	24.41
Governor Mifflin	26.60	26.00	25.30	24.50	23.20	22.60	22.50	21.60	21.60	20.30
Hamburg	26.46	26.21	25.96	25.71	25.21	24.96	24.71	23.73	23.27	22.08
Kutztown	29.95	29.95	29.25	28.76	28.28	28.28	27.17	25.53	25.53	24.70
Muhlenberg	27.81	27.56	26.81	26.31	25.56	25.06	24.31	23.81	23.81	23.31
Oley Valley	25.84	25.39	24.93	24.56	23.82	23.82	23.82	23.42	23.42	22.50
Reading	17.41	17.41	16.92	16.92	16.46	16.46	19.75	19.75	19.75	19.75
Schuylkill Valley	26.79	26.79	26.79	26.27	25.13	24.43	23.68	22.88	22.88	21.87
Tulpehocken	27.70	27.70	27.70	27.70	27.45	27.08	27.08	25.83	25.83	24.71
Twin Valley	25.74	24.54	23.88	22.60	21.70	21.40	20.30	19.30	19.30	18.60
Upper Perkiomen	24.60	24.25	24.00	23.66	23.66	20.75	22.76	19.69	19.69	19.42
Wilson	24.60	24.25	24.00	23.66	21.95	20.75	19.55	18.55	18.55	17.59
Wyomissing	29.78	29.49	29.05	28.57	27.89	27.11	26.41	25.17	25.17	23.84

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			
2015	\$ 235,441,478	-	\$ 20,516,681	\$ 26,919,161	-	\$ 748,319	\$ 283,625,639	1.47%	\$ 682.99
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

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>
2015	415,271 *	\$ 19,335,256,500	\$ 283,625,639	1.47%	682.99
2014	413,691	19,265,737,800	295,165,756	1.53%	713.49
2013	413,521	19,194,308,100	321,748,697	1.68%	778.07
2012	412,948	19,170,097,000	305,287,908	1.59%	739.29
2011	412,279	19,151,011,000	278,905,880	1.46%	676.50
2010	411,442	19,120,898,600	291,456,084	1.52%	708.38
2009	406,481	19,021,124,000	215,831,423	1.02%	476.15
2008	408,979	18,824,246,500	201,390,664	0.87%	398.90
2007	405,113	18,517,754,300	234,906,800	1.06%	484.24
2006	401,149	18,114,224,000	243,359,404	1.12%	507.04

Notes:

* Estimate used for 2015 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, 2015

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 283,625,639	100%	\$ 283,625,639
Overlapping Debt			
School Districts:			
Antietam	\$ 17,780,000	100%	\$ 17,780,000
Boyertown Area	70,340,000	100%	70,340,000
Brandywine Heights	21,455,000	100%	21,455,000
Conrad Weiser	40,307,000	100%	40,307,000
Daniel Boone Area	86,938,579	100%	86,938,579
Exeter Township	79,951,306	100%	79,951,306
Fleetwood Area	35,914,345	100%	35,914,345
Governor Mifflin Area	67,180,000	100%	67,180,000
Hamburg Area	51,865,000	100%	51,865,000
Kutztown Area	16,245,000	100%	16,245,000
Muhlenberg Area	42,990,000	100%	42,990,000
Oley Valley	29,797,981	100%	29,797,981
Reading School District	266,671,402 (1)	100%	266,671,402
Schuylkill Valley	21,985,000	100%	21,985,000
Tulpehocken Area	27,110,000	100%	27,110,000
Twin Valley	40,193,338	100%	40,193,338
Wilson Area	94,830,000	100%	94,830,000
Wyomissing Area	33,370,000	100%	33,370,000
Total School Districts	<u>\$ 1,044,923,951</u>		<u>\$ 1,044,923,951</u>
Municipalities			
City of Reading	\$ 277,289,132 (1)	100%	\$ 277,289,132
Alsace Township	2,392,093	100%	2,392,093
Amity Township	3,332,813	100%	3,332,813
Bally Borough	1,442,000	100%	1,442,000
Bern Township	275,821	100%	275,821
Bernville Borough	1,182,318	100%	1,182,318
Bethel Township	760,758	100%	760,758
Birdsboro Borough	1,581,387	100%	1,581,387
Boyertown Borough	2,028,623	100%	2,028,623
Brecknock Township	68,738	100%	68,738
Caernarvon Township	1,759,227	100%	1,759,227
Colebrookdale Township	1,159,887	100%	1,159,887
Cumru Township	2,952,000	100%	2,952,000
Exeter Township	51,114,533	100%	51,114,533
Fleetwood Borough	1,875,111	100%	1,875,111
Greenwich Township	120,927	100%	120,927
Hamburg Borough	9,583,795	100%	9,583,795
Heidelberg Township	27,155	100%	27,155
Hereford Township	39,091	100%	39,091
Kutztown Borough	20,185,000	100%	20,185,000
Leesport Borough	56,248	100%	56,248
Lenhartsville Borough	415,812	100%	415,812
Longswamp Township	872,423	100%	872,423
Lower Alsace Township	3,080,346	100%	3,080,346
Lower Heidelberg Township	4,079,311	100%	4,079,311

Note

(1) Unavailable - used latest data available

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2015

<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	3,762	100%	3,762
Maidencreek Township	262,077	100%	262,077
Maxatawny Township	770,409	100%	770,409
Mt. Penn Borough	405,270	100%	405,270
Muhlenberg Township	17,770,188	100%	17,770,188
New Morgan Borough	13,539,953 (1)	100%	13,539,953
Oley Township	89,019	100%	89,019
Ontelaunee Township	2,745,833	100%	2,745,833
Penn Township	80,808 (1)	100%	80,808
Richmond Township	2,280,960	100%	2,280,960
Robeson Township	1,434,496	100%	1,434,496
Robesonia Borough	242,635 (1)	100%	242,635
St. Lawrence Borough	862,335	100%	862,335
Shillington Borough	2,365,967	100%	2,365,967
Shoemakersville Borough	588,364	100%	588,364
Sinking Spring Borough	4,978,352	100%	4,978,352
Spring Township	21,632,001	100%	21,632,001
South Heidelberg Township	1,893,433	100%	1,893,433
Strausstown Borough	2,698,965	100%	2,698,965
Tilden Township	6,829,330	100%	6,829,330
Topton Borough	1,460,763	100%	1,460,763
Tulpehocken Township	2,504,059	100%	2,504,059
Union Township	1,188,167	100%	1,188,167
Washington Township	11,100,000	100%	11,100,000
Wernersville Borough	1,384,000	100%	1,384,000
West Reading Borough	10,273,418	100%	10,273,418
Womelsdorf Borough	284,493	100%	284,493
Total Municipalities	<u>\$ 497,343,606</u>		<u>\$ 497,343,606</u>
Total overlapping debt			<u>\$ 1,542,267,557</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,825,893,196</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>2015</u>	<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>
Debt Limit at 300%	\$ 1,324,954,399	\$ 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
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>255,958,159</u>	<u>222,677,099</u>	<u>246,929,029</u>	<u>240,494,029</u>	<u>237,407,346</u>	<u>242,343,081</u>	<u>279,590,000</u>	<u>238,784,576</u>	<u>261,601,800</u>	<u>269,925,451</u>
Legal Debt Margin	<u>\$ 1,068,996,240</u>	<u>\$ 1,085,249,348</u>	<u>\$ 1,062,980,606</u>	<u>\$ 1,048,166,377</u>	<u>\$ 1,028,787,729</u>	<u>\$ 1,014,737,485</u>	<u>\$ 983,459,573</u>	<u>\$ 1,011,065,701</u>	<u>\$ 937,275,549</u>	<u>\$ 856,363,511</u>
Total net debt applicable to the limit as a percentage of debt limit	19.32%	17.03%	18.85%	18.66%	18.75%	19.28%	22.14%	19.11%	21.82%	23.97%
Total Revenues Received	\$ 451,204,255	\$ 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
Total net revenue	\$ 1,324,954,399	\$ 1,307,926,447	\$ 1,309,909,635							
Borrowing base = Total net revenues, divided by three	\$ 441,651,466	\$ 435,975,482	\$ 436,636,545							

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
2015	\$ 18,758,298	\$ 5,773,802	24,532,100	\$ 388,195,165	6.32%
2014	19,026,576	6,274,112	25,300,688	398,217,473	6.35%
2013	19,429,357	8,043,447	27,472,804	393,021,531	6.99%
2012	19,481,932	9,346,689	28,828,621	452,462,635 *	6.37%
2011	14,127,753	9,934,093	24,061,846	390,137,659	6.17%
2010	29,068,574	5,976,629	35,045,203	369,699,055	9.48%
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%

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
2015	415,271	*	*	*	*	*	4.8%	*
2014	413,691	26,998	55,798	39.7	28,503	71,358	4.8%	169,200
2013	412,078	26,723	55,170	39.5	28,648	71,866	7.2%	170,600
2012	411,094	26,478	55,021	39.4	28,341	72,288	7.7%	173,400
2011	409,624	26,332	54,823	39.1	27,919	72,356	7.9%	174,000
2010	407,310	25,518	53,470	38.9	27,660	72,063	8.7%	170,400
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

* 2015 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	<u>2015</u>			<u>2006</u>		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,145	1	3.39%	4,938	2	2.44%
Reading Health System	6,673	2	3.17%	5,226	1	2.58%
County of Berks	2,400	3	1.14%	2,569	3	1.27%
Carpenter Technology Corp.	2,305	4	1.09%	1,868	7	0.92%
Reading School District	2,000	5	0.95%	2,048	4	1.01%
Boscov's Inc.	1,750	6	0.83%	2,000	5	0.99%
Pennsylvania Government	1,720	7	0.82%	1,800	8	0.89%
Penske Truck Leasing	1,683	8	0.80%	(1)	(1)	
St. Joseph Medical Center	1,623	9	0.77%	1,493	10	0.74%
Redner's Warehouse Markets	1,361	10	0.65%	(1)	(1)	
Wal-Mart Stores	(1)	(1)		1,974	6	0.98%
Sovereign Bank	(1)	(1)		1,555	9	0.77%
Total	<u>28,660</u>		<u>13.61%</u>	<u>25,471</u>		<u>12.59%</u>
 Total County Labor Force	 210,600			 202,260		

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>2015</u>	<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>
Governmental activities:										
General government	196	193	205	203	209	200	181	186	200	243
Judicial	462	465	457	463	468	471	451	454	454	426
Public safety	412	398	397	390	391	404	380	389	508	473
Public works	-	-	-	-	-	-	2	2	1	2
Human services	293	297	302	307	315	313	298	312	252	242
Culture and recreation	35	35	35	35	30	31	36	36	42	41
Community and economic development	19	17	21	22	9	9	23	41	17	16
Total governmental activities	<u>1,417</u>	<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>
Business-type activities										
Berks Heim	402	398	399	398	403	415	384	430	433	437
Emergency Services	79	78	79	81	77	77	56	54	62	61
Berks County Residential Center	68	57	55	55	54	51	-	-	-	-
Youth Center	-	-	-	1	(1) 58	71	(2) 134	142	164	148
Total business-type activities expenses	<u>549</u>	<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>
Total primary government expenses	<u><u>1,966</u></u>	<u><u>1,938</u></u>	<u><u>1,950</u></u>	<u><u>1,955</u></u>	<u><u>2,014</u></u>	<u><u>2,042</u></u>	<u><u>1,945</u></u>	<u><u>2,046</u></u>	<u><u>2,133</u></u>	<u><u>2,089</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>2015</u>	<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>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	4,859	4,896	4,360	11,283 **	4,494	5,782	3,795	27,128 **	6,269	8,556
Absentee Ballots Processed	2,177	2,830	1,962	7,396	2,814	5,282	3,034	12,501	2,246	4,732
Change of Address/Party	25,057	20,178	18,954	22,397	22,405	21,063	21,679	36,117	19,971	18,403
Cancellations	7,092	8,641	3,023	6,262	2,615	19,110	4,496	8,447	25,206	16,913
**2008 and 2012 were presidential election years, which accounts for higher voter turnout										
Real Estate										
Appeal summaries	1,485	1,657	1,075	1,517	1,720	2,070	2,421	1,713	(1)	940
Change Notices	2,964	4,299	3,205	3,840	2,002	3,907	7,517	12,509	8,291	13,420
Parcels Created	388	328	384	288	373	451	568	670	1,549	1,289
Acreage Changed	587	470	524	600	664	735	785	1,205	1,150	2,450
Judicial										
Coroner										
Total Cases	3,230	3,057	3,172	2,966	3,044	2,863	2,792	2,757	2,732	2,599
Cremations	1,865	1,699	1,695	1,518	1,367	1,291	1,294	1,158	1,050	1,112
District Attorney										
Criminal Case Prosecution										
Adult Cases	6,533	6,865	6,500	6,135	5,258	5,965	6,516	6,436	5,585	5,892
Juvenile Cases	890	2,074	2,371	2,454	1,967	1,958	2,247	2,365	2,278	2,417
Narcotics Enforcement Team	226	187	251	236	295	257	308	625	550	488
DUI Central Booking	602	665	620	587	522	492	567	670	639	574
Major Crimes	2,208	1,592	2,481	1,382	1,322	1,250	1,098	930	838	3,462
Fugitive/Warrants Unit	-	-	-	-	-	-	-	1,960	1,900	1,923
Register of Wills										
Estates Opened	1,865	1,670	1,764	1,778	1,870	1,780	1,646	1,661	1,695	1,598
Marriage Licenses Issued	2,403	2,349	2,268	2,410	2,253	2,268	2,286	2,406	2,400	2,387
Adoptions	190	214	207	215	235	215	238	220	185	185
Public Safety										
County Prison										
Inmates Committed	6,701	6,840	7,050	6,774	6,557	6,816	7,105	7,875	7,783	7,416
Average Daily Population	1,171	1,187	1,199	1,115	1,045	1,046	1,083	1,161	1,198	1,324
Inmate Counseling Sessions	1,568	1,547	2,582	1,630	1,687	1,579	1,900	1,948	1,344	2,009
Inmate Work Release Participants	83	110	114	108	114	116	113	177	178	182
Inmates Enrolled in Education	498	395	362	502	378	412	584	471	563	456
Public Works										
Recycling Center										
Tons Recycled Curbside	55,291	51,757	52,250	51,708	44,069	40,650	56,220	47,027	(1)	27,649
Tons Recycled Drop-off	1,585	1,660	1,662	1,547	1,450	1,804	1,290	1,479	15,000	22,859
Tons Recycled Commercial	158,866	142,918	124,200	120,669	113,237	157,390	165,823	56,361	38,000	164,803
Tons Recycled by County	1,510	1,659	1,600	1,881	1,413	2,009	1,856	352	15,000	1,696

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

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

Function/Program	<u>2015</u>	<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>
Human services										
CareerLink									(1)	
Companies Served	417	375	310	725	720	700	750	975	805	850
Adults Served	126	149	152	110	137	84	61	58	110	150
Youth Served	571	539	593	734	837	604	457	353	400	500
Dislocated Workers Served	304	434	451	472	605	553	386	279	350	330
JOBS Program (EARN)	442	342	356	609	1,848	1,426	1,910	1,966	1,500	1,200
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	123	139	139	131	125	115	115	131	164	195
Number of Farms Selected	21	23	21	43	30	19	19	72	54	111
Funds Raised	-	147	-	2,349	145	40,000	149	-	2,000	2,243
Community and economic development										
Planning										
Act 247 Subdivision Reviews	134	152	142	143	143	180	159	246	292	351
Act 247 Ordinance Reviews	44	31	45	74	69	57	92	76	87	78
Act 537 Sewage Reviews	-	3	3	1	8	4	2	5	6	6
Act 97 Solid Waste Reviews	1	2	3	3	1	2	-	3	3	2
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	20,866	19,983	21,790	21,535	21,681	21,766	21,780	25,330	20,931	19,592
Medical Assistance/Medicare A	127,593	129,382	127,730	130,110	129,520	127,634	127,403	119,235	126,161	130,651
Bedhold Days	554	500	742	574	725	705	693	608	620	685
911										
Total 911 Calls	211,700	210,461	204,083	218,832	219,556	195,568	182,918	189,082	189,063	185,277
Average Daily Call Volume	580	577	560	600	602	536	501	518	517	507
Average Answer in < 10 seconds	99%	99%	99%	99%	99%	99%	90%	98%	97%	96%
Surcharge Funds Received	\$ 1,297,310	\$ 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
Surcharge Funds Disbursed	\$ 1,054,321	\$ 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
Berks County Residential Center/Youth Center										
Average Daily Population										
Berks County Residential Center	80	67	74	80	56	64	69	78	78	74
Youth Center (2)	-	-	-	-	23	30	31	53	65	57

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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government										
Land and land improvements	\$ 2,221,983	\$ 2,221,983	\$ 3,499,090	\$ 1,664,570	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143	\$ 149,143
Buildings and building improvements	138,719,289	112,252,678	111,790,776	126,923,789	120,179,203	113,359,988	109,873,007	108,974,664	107,843,698	103,947,457
Furniture, fixtures, and equipment	81,095,364	9,878,697	9,444,535	12,334,176	14,743,969	16,663,345	15,089,538	11,664,913	10,612,067	12,885,400
Construction in progress	3,285,230	26,820,832	46,783,680	23,243,334	9,352,390	8,166,676	467,408	1,843,385	5,804,530	-
Agricultural easements	78,161,441	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>303,483,307</u>	<u>227,843,893</u>	<u>246,603,284</u>	<u>237,339,596</u>	<u>215,877,860</u>	<u>208,859,857</u>	<u>191,102,583</u>	<u>182,873,148</u>	<u>174,611,513</u>	<u>116,982,000</u>
Judicial										
Buildings and building improvements	907,096	757,634	1,128,901	1,128,901	1,036,828	1,029,921	808,116	808,116	798,116	450,062
Furniture, fixtures, and equipment	2,262,887	2,625,854	2,577,830	2,537,914	2,570,410	2,810,086	2,572,079	2,367,352	2,605,100	2,603,196
Construction in progress	-	-	-	87,621	-	-	17,201	-	-	-
	<u>3,169,983</u>	<u>3,383,488</u>	<u>3,706,731</u>	<u>3,754,436</u>	<u>3,607,238</u>	<u>3,840,007</u>	<u>3,397,396</u>	<u>3,175,468</u>	<u>3,403,216</u>	<u>3,053,258</u>
Public Safety										
Buildings and building improvements	48,959,403	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
Furniture, fixtures, and equipment	2,168,160	2,356,084	2,104,994	2,469,719	2,567,719	2,885,226	2,845,873	2,703,657	2,620,782	2,407,255
Construction in progress	-	-	-	-	-	-	1,857,450	7,882,680	-	-
	<u>51,127,563</u>	<u>49,153,931</u>	<u>48,977,603</u>	<u>55,509,555</u>	<u>46,248,907</u>	<u>46,566,415</u>	<u>45,351,361</u>	<u>44,899,076</u>	<u>36,212,692</u>	<u>35,930,550</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	5,816	-	-	-	-	-
Buildings and building improvements	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	7,931,533	7,931,533
Furniture, fixtures, and equipment	225,836	176,726	176,726	192,317	179,409	179,409	179,409	179,409	179,409	179,409
Construction in progress	6,599,210	4,619,721	2,000,718	1,160,164	555,538	446,340	183,685	-	-	-
Infrastructure	10,587,072	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
	<u>25,505,497</u>	<u>18,941,252</u>	<u>15,070,663</u>	<u>13,578,012</u>	<u>12,909,483</u>	<u>12,681,106</u>	<u>12,251,073</u>	<u>12,067,388</u>	<u>10,592,411</u>	<u>10,592,411</u>
Human services										
Buildings and building improvements	113,931	-	110,700	110,700	110,700	110,700	110,700	-	-	-
Furniture, fixtures, and equipment	500,446	500,493	569,902	550,415	672,658	693,168	636,117	620,454	567,660	578,369
	<u>614,377</u>	<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>
Culture and recreation										
Land and land improvements	13,633,400	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
Buildings and building improvements	7,321,287	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
Furniture, fixtures, and equipment	1,058,175	1,043,562	972,820	1,061,688	934,890	1,180,422	1,136,603	963,677	889,462	877,839
Construction in progress	-	-	-	-	2,456,287	566,848	124,215	-	-	-
Historical treasures	2,279,644	2,279,644	2,279,644	2,166,153	1,915,631	873,000	873,000	873,000	873,000	873,000
	<u>24,292,506</u>	<u>24,024,175</u>	<u>23,831,536</u>	<u>23,214,137</u>	<u>23,885,295</u>	<u>20,518,312</u>	<u>19,681,841</u>	<u>17,955,263</u>	<u>13,131,703</u>	<u>12,494,605</u>
Community and economic development										
Buildings and building improvements	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	-
Furniture, fixtures, and equipment	23,359	23,359	23,359	48,648	144,457	144,457	144,457	135,803	135,803	135,803
	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,892,348</u>	<u>1,988,157</u>	<u>1,988,157</u>	<u>1,988,157</u>	<u>1,979,503</u>	<u>1,979,503</u>	<u>135,803</u>
Total governmental - cost	<u>410,060,292</u>	<u>325,714,291</u>	<u>340,737,478</u>	<u>335,949,199</u>	<u>305,300,298</u>	<u>295,257,722</u>	<u>274,519,228</u>	<u>263,570,300</u>	<u>240,498,699</u>	<u>179,766,996</u>
Business-type activities										
Department of Emergency Services (1)										
Buildings and building improvements	-	486,846	486,846	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
Construction in progress	-	668,570	8,103,310	6,885,539	2,119,052	1,374,341	30,915	-	-	-
	<u>-</u>	<u>68,736,447</u>	<u>19,891,715</u>	<u>17,327,122</u>	<u>12,798,282</u>	<u>12,053,069</u>	<u>10,708,913</u>	<u>10,342,060</u>	<u>5,641,157</u>	<u>6,024,678</u>
Berks County Residential Center (2)										
Buildings and building improvements	8,909,018	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
Furniture, fixtures, and equipment	346,699	285,023	239,133	239,133	731,975	731,975	731,975	656,862	634,455	591,734
Construction in progress	-	126,822	-	412,450	-	-	-	7,348	-	-
	<u>9,255,717</u>	<u>8,324,526</u>	<u>8,141,597</u>	<u>1,157,430</u>	<u>10,450,055</u>	<u>10,450,055</u>	<u>10,450,055</u>	<u>10,271,919</u>	<u>10,091,078</u>	<u>10,048,357</u>
Berks Heim										
Buildings and building improvements	38,032,210	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
Furniture, fixtures, and equipment	4,549,490	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
Construction in progress	14,367	278,646	-	-	12,620	-	-	-	-	-
	<u>42,596,067</u>	<u>42,255,114</u>	<u>41,637,274</u>	<u>41,540,008</u>	<u>41,341,951</u>	<u>41,040,376</u>	<u>41,031,176</u>	<u>41,019,138</u>	<u>40,914,389</u>	<u>44,397,485</u>
Total business-type activities	<u>51,851,784</u>	<u>119,316,087</u>	<u>69,670,586</u>	<u>60,024,560</u>	<u>64,590,288</u>	<u>63,543,500</u>	<u>62,190,142</u>	<u>61,633,117</u>	<u>56,646,625</u>	<u>60,470,520</u>
Total primary government	<u>461,912,076</u>	<u>445,030,378</u>	<u>410,408,064</u>	<u>395,973,759</u>	<u>369,890,586</u>	<u>358,801,222</u>	<u>336,709,370</u>	<u>325,203,417</u>	<u>297,145,324</u>	<u>240,237,516</u>

Note:
(1) Converted to special revenue fund in 2015

(2) Youth Center closed in 2012
Berks County Residential Center opened in 2010

Source:
Comprehensive Annual Financial Reports



