

Annual  
Comprehensive  
Financial Report  
for the Year Ending  
December 31, 2021



County of Berks,  
Pennsylvania

**County of Berks,  
Pennsylvania  
Annual  
Comprehensive  
Financial Report  
for the Year Ending  
December 31, 2021**

**Commissioners:**

**Christian Y. Leinbach, Chair**

**Kevin S. Barnhardt, Vice Chair**

**Michael S. Rivera**

**Prepared by the**

**Office of the Controller**

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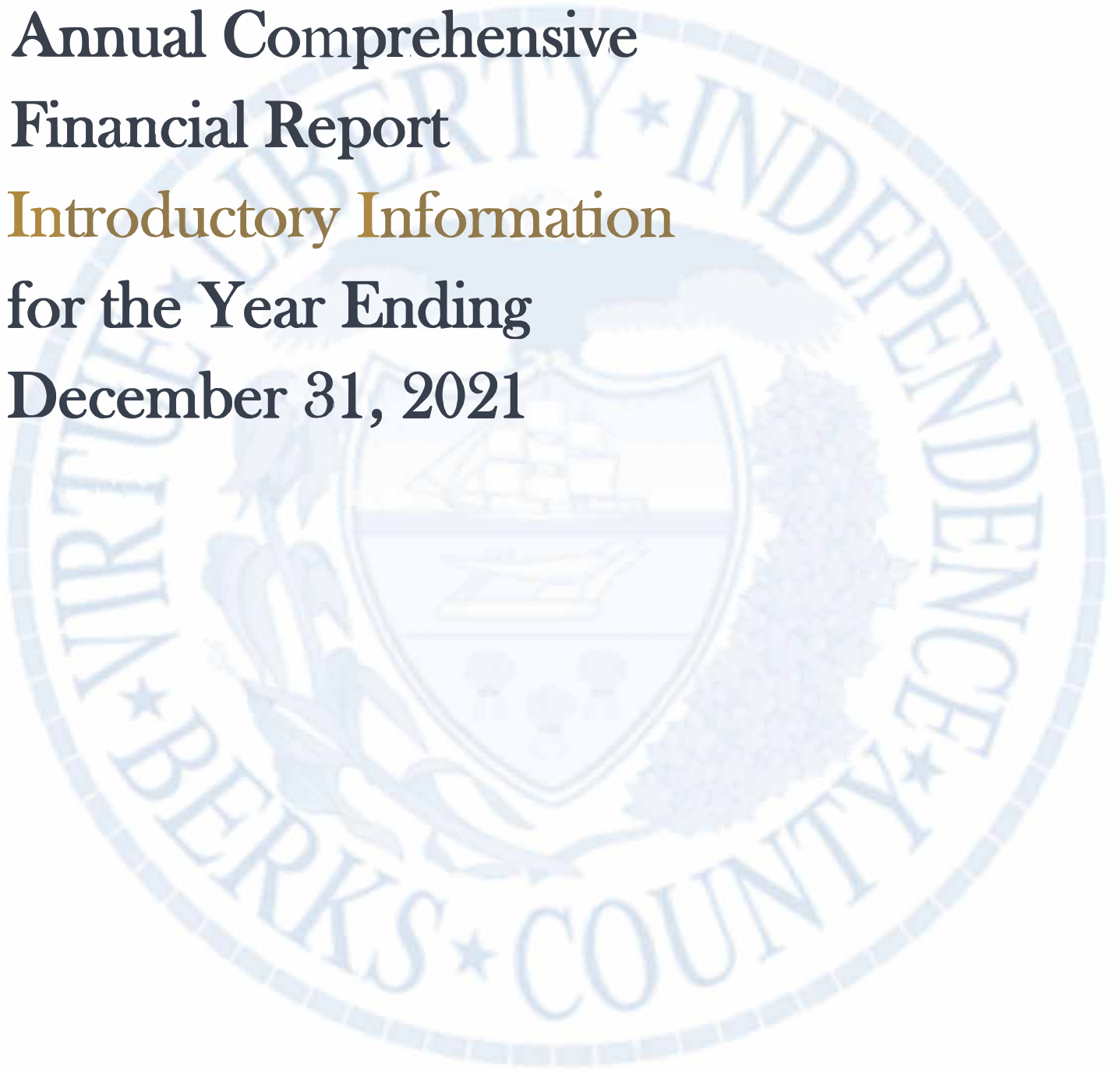
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County of Berks,  
Pennsylvania

Annual Comprehensive  
Financial Report

**Introductory Information**

for the Year Ending  
December 31, 2021







# COUNTY OF BERKS, PENNSYLVANIA

## Office of the Commissioners

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

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

Ronald R. Seaman, Chief Administrative Officer  
Christine M. Sadler, Solicitor  
Carmen Torres, Chief Clerk

September 2, 2022

### **To: The Citizens of the County of Berks**

This Annual Comprehensive Financial Report of the County of Berks for the year ended December 31, 2021 is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of RKL LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2021 are free of material misstatement. The independent certified public accounting firm has issued an unmodified opinion on the County's financial statements as of and for the year ended December 31, 2021. The auditor's report is located at the beginning of the financial section of this report.

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

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

## **Letter of Transmittal 2021 Annual Comprehensive Financial Report**

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

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

### **Profile of the County and Government**

The County of Berks is a diamond shaped area of 866 square miles located in Southeast Pennsylvania. It is strategically located at the intersection of a dynamic market of economic, trade and industrial activities in the New York - Washington, DC corridor. The county seat, the City of Reading, is 56 miles northwest of Philadelphia, one of the leading industrial and trade complexes of the nation, while also being near other major metropolitan areas of Baltimore, 97 miles to the south, and New York City, 125 miles to the northeast. The County is bordered by Lebanon and Lancaster Counties to the Southwest, Chester and Montgomery Counties to the Southeast, Lehigh County to the Northeast, and Schuylkill County to the Northwest.

Originally settled over 250 years ago, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. Based on the United States Census Bureau the County's estimated population as of July 1, 2021 is 429,342 in 73 boroughs, townships and the City of Reading, and has been exhibiting an upward trend for the last decade.

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

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

### **Financial Reporting Entity**

This Annual Comprehensive Financial Report 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**

### **2021 Annual Comprehensive Financial Report**

#### **Economic Condition & Outlook**

In 2021 regional businesses along with consumer fiscal spending levels point to Berks County's economic growth and significant recovery from the pandemic related disruptions in 2019 and 2020. Despite tightening labor supply, most of the Berks County businesses managed to preserve their workforce. At the end of 2021 unemployment rate of 4.5% was slightly higher than the state unemployment level of 4.3%. The manufacturing remains the largest employer followed by healthcare and government sector. Rising inflation and the looming recession will have a great impact on the trajectory for growth in the coming months and years.

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 \$584,977,309, an increase of 8.8% from the prior year. Please refer to Note 2 in the Notes to Financial Statements for a detailed analysis of cash and investment information and to Note 7 in the Notes to the Financial Statements for disclosure on the County's Employees' Pension Plan.

Even though the County was able to implement a no tax increase budget for the 2021 year, succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of the Children and Youth Services, Berks Heim, and the Criminal Justice System, notably the Jail. The County is now completing its 15th year of self-insurance in healthcare coverage, while maintaining other third-party coverage to control the rising, overall cost of insurance protection. Analysis of the ten-year history points to a substantial out-of-pocket savings through self-insurance. Workers' Compensation Insurance has been similarly self-insured, in this case since 2002. Please refer to Note 9 in the Notes to Financial Statements for detailed Risk Management information.

Several major capital projects were under construction during the year 2021. The most notable of which was the Department of Emergency Services GPS project. The expected final cost of construction is projected to be approximately \$2.3 million. The management anticipates this project to be completed by December 31, 2022.

Ongoing major initiatives of the County are restorations and maintenances of other County owned bridges. Total aggregate construction in progress on other bridges is approximately \$3.5 million at December 31, 2021. The bridge projects have varying dates of completion. The ongoing projects include the Althouse Mill Bridge, the Ebling Memorial Bridge, Peach Street Bridge and Pinnacle View Bridge.

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

**Letter of Transmittal  
2021 Annual Comprehensive Financial Report**

**Acknowledgements**

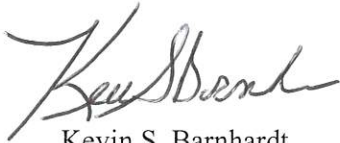
The preparation of this Annual Comprehensive Financial Report could not have been accomplished without the dedicated efforts and professionalism of the staff of the Accounting Department in the Office of the Controller and the Office of Budget and Finance. We would like to personally thank these individuals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

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

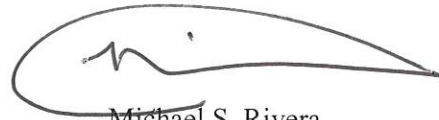
Respectfully submitted,



Christian Y. Leinbach  
Commissioner Chair



Kevin S. Barnhardt  
Commissioner



Michael S. Rivera  
Commissioner



Sandra M. Graffius  
Controller

**Letter of Transmittal  
2021 Annual Comprehensive Financial Report**



Grazyna Nykiel, CGFM, CICA  
Deputy Controller/Project Manager



Andrew Noll, CFE, CGFM  
Manager of Financial Reporting  
and Accounting



Patrick Sleppy  
Senior Governmental Accountant



Scott S. Poch, CPA, CGMA  
Senior Governmental Accountant



Mitchel D. Salvatore  
Senior Governmental Accountant

**Letter of Transmittal  
2021 Annual Comprehensive Financial Report**

**County of Berks  
List of Elected Officials  
July 2022**

**Commissioners**

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

**Controller**

Sandra M. Graffius

**Clerk of Courts**

James P. Troutman

**Treasurer**

A. Dennis Adams, CPA

**District Attorney**

John T. Adams, Esq.

**Register of Wills**

Lawrence J. Medaglia, Jr.

**Coroner**

John Fielding

**Prothonotary**

Jonathan DelCollo

**Sheriff**

Eric J. Weaknecht

**Recorder of Deeds**

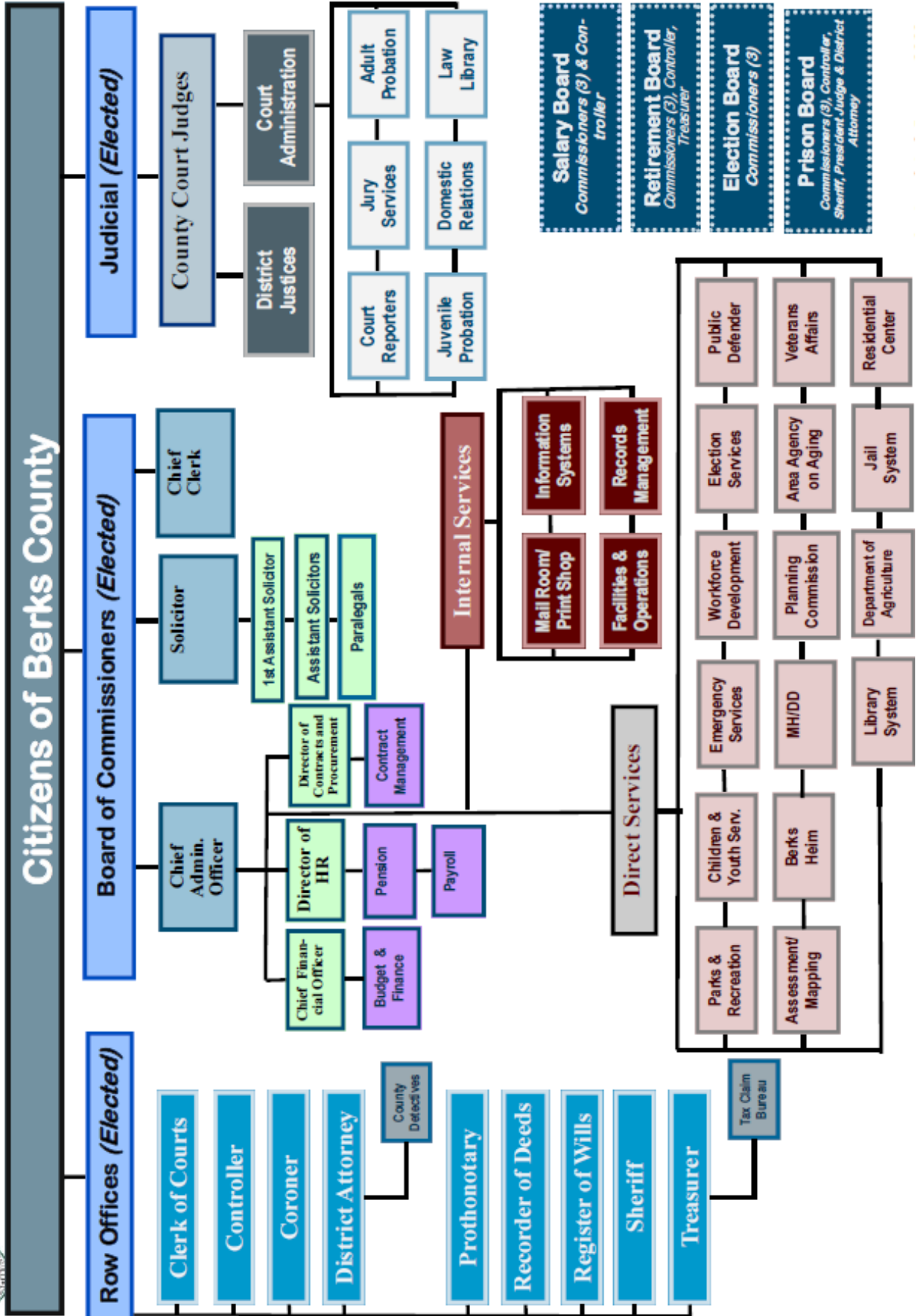
Mary Kozak

**Judges of Court**

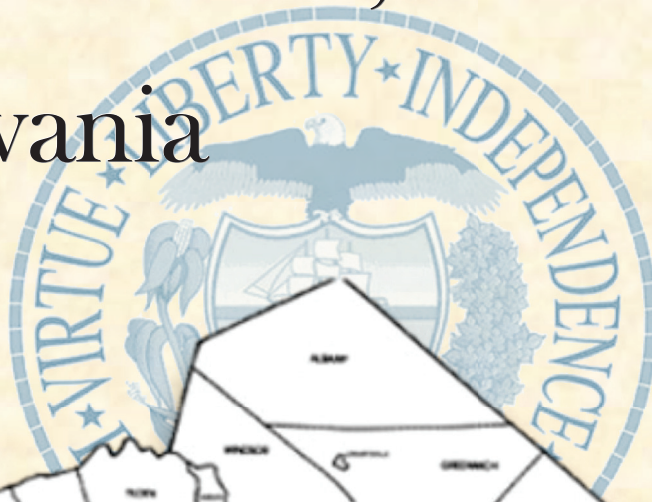
Honorable Thomas G. Parisi, President Judge  
Honorable Jeffrey K. Sprecher, Judge  
Honorable Scott E. Lash, Judge  
Honorable Paul M. Yatron, Judge  
Honorable Tina M. Boyd, Judge  
Honorable James E. Gavin, Judge  
Honorable Jill Gehamn Koestel, Judge  
Honorable Madelyn S. Fudeman, Judge  
Honorable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



# County of Berks Organizational Chart

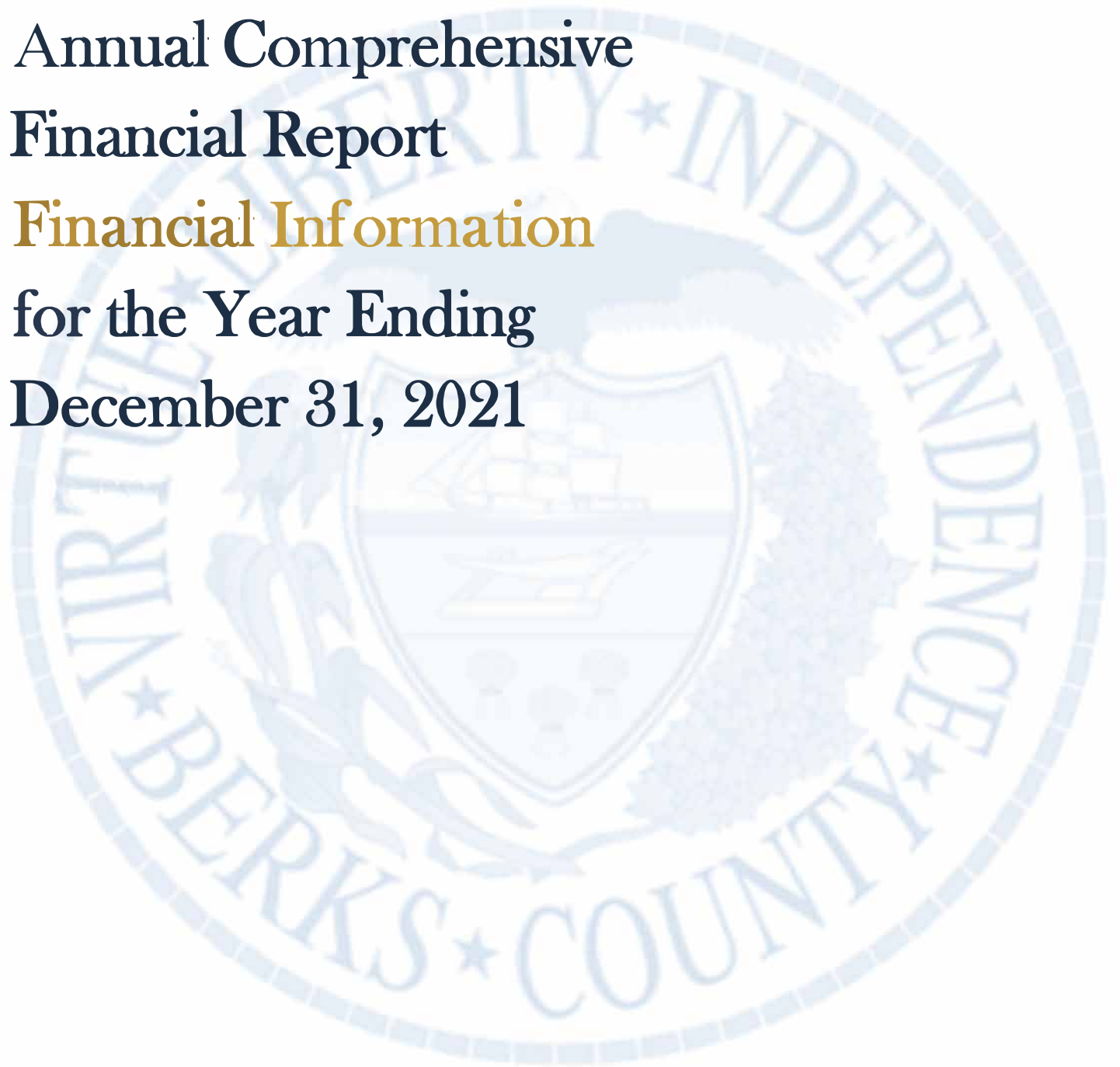


# County of Berks, Pennsylvania





**County of Berks,  
Pennsylvania  
Annual Comprehensive  
Financial Report  
Financial Information  
for the Year Ending  
December 31, 2021**





## 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, 2021.

## Independent Auditor's Report

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

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Berks (the County), Reading, Pennsylvania, as of and for the year ended December 31, 2021, 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.

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, 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.

We did not audit the financial statements of the Reading Regional Airport Authority and the Reading Area Community College as of September 30, 2021 and June 30, 2021, respectively, which represent 100% of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

### Basis for Opinions

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

### Responsibilities of Management for the Financial Statements

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and; therefore, is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information, including Management's Discussion and Analysis on Pages 12 to 23, budgetary comparison information on Pages RSI 1 to 6, Schedule of Changes in the County's Net Pension Asset (Liability) and Related Ratios and Schedule of County Contributions on Pages RSI 7 and RSI 8 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplementary information in the table of contents listed on Pages OSI 2 to 20, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, other supplementary information, and statistical section are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information on Pages OSI 2 to 20 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting, and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information on Pages OSI 2 to 20 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

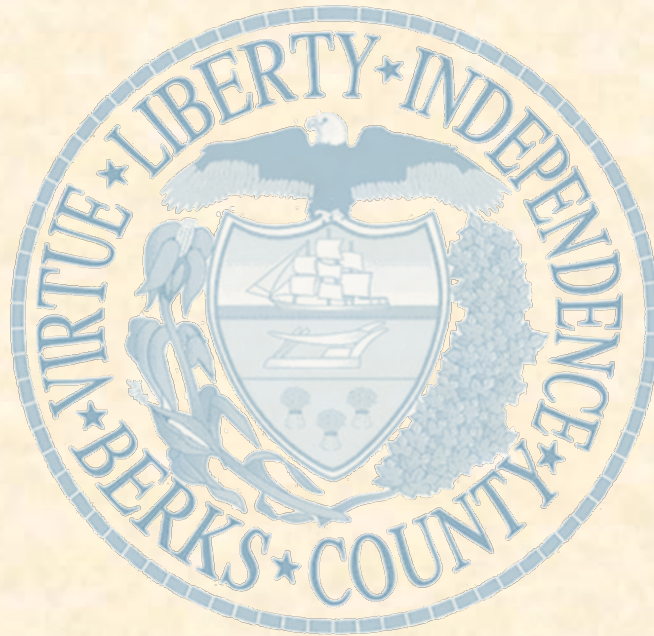
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 2, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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's internal control over financial reporting and compliance.

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

September 2, 2022  
Wyomissing, Pennsylvania



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**County of Berks**  
**Management's Discussion and Analysis**  
**December 31, 2021**  
**(amounts rounded to nearest thousand)**

The County of Berks' (County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2021. The MD&A is intended to be read in conjunction with the transmittal letter at the beginning of this report and the County's basic financial statements and notes to financial statements following this section to obtain a thorough understanding of the County's financial condition at December 31, 2021. Dollar amounts throughout the MD&A are rounded to the nearest thousands of dollars unless otherwise indicated.

**FINANCIAL HIGHLIGHTS**

- The County's net position, restated for 2020, increased in 2021 by \$42,174 to \$417,346. Unrestricted net position at year-end increased by \$26,861 to \$143,024.
- Total outstanding bonds and other debt at December 31, 2021 was \$147,390, a decrease of \$15,925 from the prior year, resulting from principal payments made during 2021. The County's bond rating from Moody's is **Aaa**, the highest bond rating a public entity can attain with a stable outlook.
- Property tax rates remained unchanged at 7.657 mills in 2021.
- During 2021, the County's General Fund balance increased by \$18,434 to \$175,468. The unassigned portion of that fund balance was \$149,962.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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



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

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

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

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

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

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

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

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

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

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

*Notes to the Basic Financial Statements* provide detailed information that is needed for a full understanding of the data provided in the government-wide and fund financial statements. The notes are an integral part of the financial statements and should be reviewed in conjunction with them. The notes can be found on pages N 1–N 76 of this report.

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

*Other Supplementary Information* includes the nonmajor funds balance sheet, budgetary comparison schedules for the nonmajor special revenue funds, the enterprise funds, and the change in net position of the agency fund. Other supplementary information can be found on pages OSI 2 to 20 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Condensed Statement of Net Position

The County of Berks' net position, which is the amount that assets and deferred outflows of resources exceed liabilities and deferred inflows of resources was \$417,346 at December 31, 2021. The following table breaks out governmental activities from business-type activities for total assets, total deferred outflows of resources, total liabilities, total deferred inflows of resources, and net position.

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Noncapital assets	\$ 400,232	\$ 290,824	\$ 34,404	\$ 29,458	\$ 434,636	\$ 320,282
Capital assets	283,473	289,336	36,762	34,993	320,235	324,329
Total assets	683,705	580,160	71,166	64,451	754,871	644,611
Deferred outflows	20,740	32,906	4,351	6,274	25,091	39,180
Total assets and deferred outflows	704,445	613,066	75,517	70,725	779,962	683,791
Current liabilities	136,045	83,583	9,970	7,462	146,015	91,045
Noncurrent liabilities	141,666	152,170	19,551	22,978	161,217	175,148
Total liabilities	277,711	235,753	29,521	30,440	307,232	266,193
Deferred inflows	44,522	34,303	10,861	8,655	55,383	42,958
Total liabilities and deferred inflows	322,233	270,056	40,382	39,095	362,615	309,151
Net position:						
Net investment in capital assets	180,572	174,067	15,678	15,085	196,250	189,152
Restricted	78,071	69,857	-	-	78,071	69,857
Unrestricted	123,568	99,617	19,456	16,546	143,024	116,163
Total net position	\$ 382,211	\$ 343,541	\$ 35,134	\$ 31,631	\$ 417,346	\$ 375,172

During 2021, net position increased \$42,174, or 11.2%, to \$417,346. Of this total, \$196,250 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$78,071 is restricted for various purposes by external entities. The unrestricted net position of \$143,024 represents funds available to support operations or provide for the repayment of long-term debt. Reasons for this change include:

Current and other assets increased by \$114,354, or 35.7%, to \$434,636. Reasons for this increase include:

- Increase in net pension asset from \$40,632 to a 2021 end of year net pension asset of \$66,099.
- Loans receivable decreased by \$1,429 mainly due to repayments by local governments on its end-user radios.
- Utilization of ARP Funds for lost revenue of \$17,813

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

Current liabilities increased by \$54,970, or 60.4%, to \$146,015.

Noncurrent liabilities decreased by \$13,931, or 8.0%, to \$161,217. This change is due primarily to the reasons described in the long-term debt section.

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**Changes in Net Position**

The following statement of activities represents the balances and changes that occurred in net position for the year ended December 31, 2021. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Program revenues:</b>						
Charges for services	\$ 43,426	\$ 41,591	\$ 54,291	\$ 56,421	\$ 97,717	\$ 98,012
Operating grants/contrib.	306,500	275,029	939	4,639	\$ 307,439	279,668
Capital grants/contrib.	2,277	4,806	-	-	2,277	4,806
<b>General revenues:</b>						
Property taxes	148,417	146,303	-	-	148,417	146,303
Hotel room tax	2,646	1,933	-	-	2,646	1,933
Payment in lieu of taxes	245	244	-	-	245	244
Investment earnings	(473)	4,933	1	5	(472)	4,938
Change - rate swaps	-	-	-	-	-	-
Miscellaneous - other	9,261	8,462	-	-	9,261	8,462
(Loss) Gain on disposal of capital assets	(286)	(2,015)	-	-	(286)	(2,015)
Rental of space	333	384	-	-	333	384
<b>Total revenues</b>	<u>512,346</u>	<u>481,670</u>	<u>55,231</u>	<u>61,065</u>	<u>567,577</u>	<u>542,735</u>
<b>Expenses:</b>						
General government	58,806	86,633	-	-	58,806	86,633
Judicial	53,371	47,847	-	-	53,371	47,847
Public safety	64,550	67,126	-	-	64,550	67,126
Human services	235,603	220,735	-	-	235,603	220,735
Culture and recreation	8,145	7,837	-	-	8,145	7,837
Comm & econ developmen	47,332	7,702	-	-	47,332	7,702
Public works	1,780	1,624	-	-	1,780	1,624
Community support	3,324	2,117	-	-	3,324	2,117
Debt service	1,583	4,031	-	-	1,583	4,031
Solid waste	270	265	-	-	270	265
Residential Center	-	-	6,428	7,037	6,428	7,037
Berks Heim	-	-	44,212	47,952	44,212	47,952
<b>Total expenses</b>	<u>474,764</u>	<u>445,917</u>	<u>50,640</u>	<u>54,989</u>	<u>525,404</u>	<u>500,906</u>
Change before other items	37,582	35,753	4,591	6,076	42,173	41,829
<b>Other items:</b>						
Transfers/cap contrib	1,089	1,089	(1,089)	(1,089)	-	-
Conversion to spec. rev.	-	-	-	-	-	-
<b>Total other items</b>	<u>1,089</u>	<u>1,089</u>	<u>(1,089)</u>	<u>(1,089)</u>	<u>-</u>	<u>-</u>
<b>Change in net position</b>	38,671	36,842	3,502	4,987	42,173	41,829
Net position - beginning	343,541	306,168	31,632	26,644	375,173	332,812
Prior Period Adjustments	-	531	-	1	-	532
<b>Net position - ending</b>	<u>\$ 382,212</u>	<u>\$ 343,541</u>	<u>\$ 35,134</u>	<u>\$ 31,632</u>	<u>\$ 417,346</u>	<u>\$ 375,173</u>

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The County's overall net position increased by \$42,174, which includes an increase due to governmental activities of \$38,671 and an increase in business-type activities of \$3,503.

**Governmental activities:**

Revenues increased by \$30,675. Charges for services increased \$1,835. Additionally, operating grant revenue increased by \$31,470.

Expenses increased by \$28,847, expenses for Community & Economic Development increased by \$39,630. Expenses for human services increased by \$14,868.

Other notable items decreased by \$27,827 for General Government and \$2,576 for Public Safety.

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

**Business-type activities:**

Charges for services decreased by \$2,130; a decrease to Berks Heim revenue of \$1,529 and a decrease of \$599 to the Berks County Residential Center.

Expenses decreased by \$4,349; Berks Heim in the amount of \$3,740 and \$609 related to the Berks County Residential Center.

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

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

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year. Governmental funds accounting was not affected by the adoption of GASB Statement No. 34. Therefore, schedules are presented to reconcile the fund statements to the government-wide statements.

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

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At December 31, 2021, the County's governmental funds reported total fund balances of \$196,885, an increase of \$20,544 in comparison with December 31, 2020. Unassigned fund balance of \$149,962, or 76.17%, is fund balance available for future appropriation. Restricted fund balance of \$21,910, or 11.13%, is fund balance restricted by external entities. Committed fund balance 9,406, is the amount committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$15,607, or 7.93%, represents non-spendable items such as inventory and amounts assigned for specific purposes.

**General Fund:**

The General Fund accounts for all financial resources of the County except for those accounted for in other funds. At December 31, 2021, total fund balance of the General Fund was \$175,468, while unrestricted fund balance was \$149,962. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 67.4% of total fund expenditures excluding other financing uses, while total fund balance represents 78.9% of the same amount.

General Fund revenues without other financing sources totaled \$229,953, which represents a 1.8% decrease, or \$4,141, from the 2020 year. This is primarily due to a decrease in departmental charges and reimbursements.

Expenditures without other financing uses totaled \$222,459, which represents a 7.9% decrease, or \$19,004, from the 2020 year.

**Children and Youth Services Special Revenue Fund**

The Children and Youth Services Special Revenue Fund is a major governmental fund that provides services to children and youth. This fund received \$32,794 of revenues and incurred \$37,758 of expenses. The General Fund contributed \$5,256 during 2021 as part of the required County contribution. Expenses decreased by \$1,658 compared to 2020. Overall revenue decreased by \$1,356 during 2021.

**Health Choices Special Revenue Fund**

The Health Choices Special Revenue Fund is a major governmental fund. This fund accounts for financial resources for the provision of a behavioral health managed care program for medical assistance recipients. Revenues in 2021 were \$161,019, which represents a \$16,440, or 11.37% increase, from the 2020 year. Expenses in 2021 totaled \$161,005.

**Budgetary Highlights**

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

- To move specific line item, allocations to different line items on both an inter- and intra-departmental basis.

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- 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 2021, the General Fund revenue budget, excluding transfers and bond proceeds, increased by \$616 during the year from the original approved budget of \$235,331 to the final budget of \$235,947. Actual revenues received of \$229,953 were \$5,994 less than the final budget. The overall decrease of final revenue to final budget can be traced to decreased court costs and fines, as well as a decrease in investment earnings.

The General Fund expenditure budget, excluding transfers, increased by \$9,459 during 2021 from the original budget of \$234,321 to the final budget of \$243,800. Actual expenditures of \$222,459 were \$21,341 lower than the final budget. The overall less than budget condition for expenditures can be traced primarily as three different Facilities projects being deferred totaling approximately \$4.4 million, Information Systems projects and expenditures being deferred totaling approximately \$2,061million, Public Safety projects and expenditures being deferred totaling \$5,856 million, Parks projects and expenditures being deferred totaling approximately \$1.4 million and budgeted contingency expenditures were not used. In addition, overall general government expenses were lower than expected because of continued cost cutting measures in the County.

### **Capital Assets**

The County's investment in capital assets at December 31, 2021, net of accumulated depreciation, was \$320,235. Capital assets consist primarily of the categories shown in the table below. Major capital asset transaction activities during the year include:

#### Governmental activities:

- Agricultural easements increased by approximately \$.7 million as part of the County's farmland preservation program.
- Net infrastructure decreased by approximately \$.9 million. The net decrease is primarily because of overall infrastructure depreciation of approximately \$.9 million.
- Net buildings and improvements decreased by approximately \$.3 million. The net decrease is primarily because of current year improvements put into service of approximately \$5.9 million, less depreciation of approximately \$6.1 million.
- Furniture, fixtures, equipment, and vehicles increased by approximately \$1.1 million. The primary reasons for the overall increase are capital asset purchases and transfers from construction in progress of \$6.1 million and \$1.8 million, respectively, less depreciation of \$6.8 million.
- Software in progress decreased by approximately \$2.4 million primarily because of Human Resources department HRM and Payroll software project that was put in service totaling approximately \$4.2 million during the year.

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- Construction in progress decreased by approximately \$3.9 million. Significant reasons for the decrease are:
  - Net transfers of facilities projects to both buildings and improvements and furniture and fixtures costs of \$5.7 million, comprised of beginning cost of \$5.1 million, current year charges of \$.6 million, less transfers to depreciable assets of \$(5.7) million.
  - Costs incurred on various Dept. of Emergency Services projects of \$.7 million
  - Costs incurred on 6 other bridges not yet completed of approximately \$.5 million.
  - Costs incurred on various Parks projects of approximately \$.2 million.

Business-type activities:

- Net capital assets increased by approximately \$1.8 million, the primary reasons for the overall increase are capital asset purchases and transfers of \$3.7 million less current year depreciation totaling \$1.9 million, \$.4 million and \$1.5 million charged to Berks County Residential Center and Berks Heim, respectively.

**Capital Assets (net of depreciation)**

	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 15,885	\$ 15,937	\$ -	\$ -	\$ 15,885	\$ 15,937
Agricultural easements	83,767	83,034	-	-	83,767	83,034
Infrastructure	33,279	34,171	-	-	33,279	34,171
Buildings and improvements	81,231	81,610	35,392	31,757	116,623	113,367
Furniture, fixtures, equipment and vehicles	51,293	50,203	1,101	634	52,394	50,837
Historical treasures	2,290	2,290	-	-	2,290	2,290
Software in progress	9,979	12,424	-	-	9,979	12,424
Construction in progress	5,749	9,667	269	2,602	6,018	12,269
Totals	<u>\$ 283,473</u>	<u>\$ 289,336</u>	<u>\$ 36,762</u>	<u>\$ 34,993</u>	<u>\$ 320,235</u>	<u>\$ 324,329</u>

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

**Long-term debt:**

As of December 31, 2021, the County had outstanding debt of \$147,324, or 9.1 percent, of the maximum \$1,620,077 as permitted by law. The outstanding debt represents .8 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$15,835, or 9.8 percent, from the prior year due to maturity of the 1993 bonds in 2020, of \$14,960, refunding of 2010B, 2016, and a portion of 2015 bonds at net savings and continued principal payments on outstanding issues. In 2021 the County had issued General Obligation Note Series A and B, with proceeds amounting to \$28,149 and the purchase cost amounting to \$28,071.

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



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**Summary of outstanding debt**

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds and notes:						
Current portion	\$ 10,674	\$ 10,773	\$ 3,868	\$ 3,087	\$ 14,542	\$ 13,860
Noncurrent portion	114,897	127,969	17,885	21,330	132,782	149,299
Total	<u>\$ 125,571</u>	<u>\$ 138,742</u>	<u>\$ 21,753</u>	<u>\$ 24,417</u>	<u>\$ 147,324</u>	<u>\$ 163,159</u>

**Bond rating**

On June 03, 2021, Moody’s Investors Services re-affirmed the rating on the County’s general obligation bonds of **Aaa** (Stable Outlook).

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

**Economic conditions**

Despite the headwinds created by the Delta COVID-19 variant, the economy in 2021 was on the road to recovery. Economic growth during the pandemic has generally surpassed consensus expectations while households and businesses have maintained a surprising amount of activity and spending while social distancing.

The strength in economic output was, in part, a result of the enormous legislative response to both the pandemic and to the human hardship it caused. This includes laws passed in 2020 and 2021 by Congress, chief among them the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Consolidated Appropriations Act, and the American Rescue Plan Act. Successive rounds of substantial fiscal support have boosted economic activity since March 2020 and are projected to continue to do so through 2023.

The Berks County economy is broad-based, containing many sectors including, but not limited to, manufacturing, wholesale and retail trade, services, manufacturing and agriculture. 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 was considered as one with the lowest unemployment rate out of 67 counties in PA. 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 935 additional acres during 2021, bringing total acreage under preservation to 76,148 acres on 790 farms.

**Market impact on investment income**

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The County did experience continued strong investment earnings during the year 2021. This is primarily attributed to a change in the County's investment policy in 2015. The Commissioners approved an investment policy in 2015, which was updated in 2021 that authorizes investments pursuant to PA Act 72 and County code. The Commonwealth of Pennsylvania restricts county investments to government secured funds and certificates of deposit. The County laddered its investment portfolio to achieve maximum yield while preserving principal.

The County's Retirement Fund, with December 31, 2021 net position valued at \$584,977, experienced net investment income of \$59,586 during 2021. During the year, the Retirement Fund had a diversified asset allocation program as discussed in Note 2. Due to the prefunding of the pension plan in 2012 with cash and pension bonds totaling \$60,000, the County has minimized future required contributions to the plan. Based on investment experience and the prefunding of the plan, the contributions in 2021 were \$4,329, which is a decrease from \$5,188 in 2020. 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 2021. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for 2022 will be \$48K. The 2022 actuarially determined contribution is 0.04 percent of estimated 2022 compensation of \$109,028.

### **Government funding**

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2021, 45.0 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 27.0 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 2022, the County adopted a balanced budget at \$570,874 in revenues, with \$6,806 of fund balance reserves to pay for one-time capital 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 2022. The 2022 budget continues to focus on several fiscal initiatives including, but not limited to:

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

The greatest challenge to the upcoming 2022 operating budget is the economic impacts of Covid on supply chain and geo-political events that are fueling inflation, which in turn increases county operating cost. In addition, labor pool constriction is placing pressure on wages.

As the agencies develop their 2022 and forward budgets, the County is likely to receive less federal and state funding for mandated services in Children and Youth, Juvenile Probation and Aging services. This anticipated reduction in federal and state funding, combined with escalating wage, healthcare, pension and fuel costs, continues to put tremendous pressure on our budget. The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increases in

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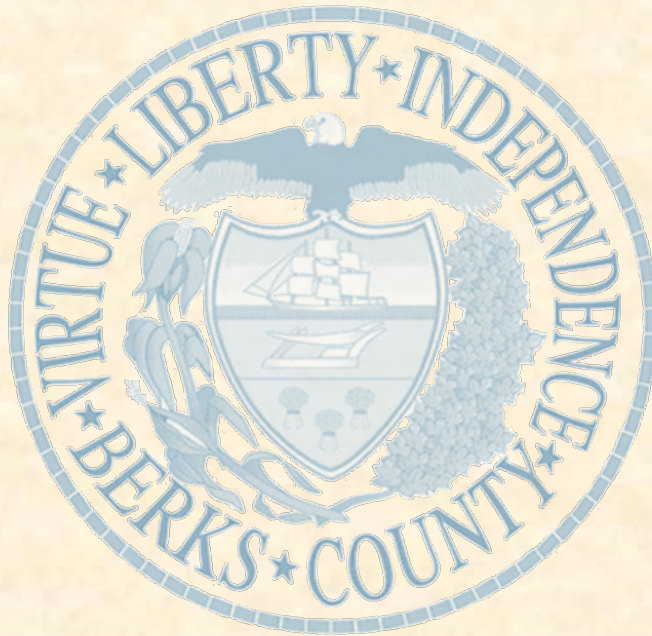
tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services.

To mitigate the impact of these negative budget factors, County management continues its multiple-strategy approach to reducing operating costs. One goal that centers on continued prioritization and evaluation of all programs, is 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, 12<sup>th</sup> floor  
Reading PA 19601-4311  
Phone: 610-478-6150  
Email: [controller@countyofberks.com](mailto:controller@countyofberks.com)



## FINANCIAL STATEMENTS

This section, along with the Notes to Financial Statements, constitutes the core of the Annual Comprehensive 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	
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 56,403,026	\$ 171,015	\$ 56,574,041	\$ 12,740,929
Cash and cash equivalents, restricted	99,299,768	115,385	99,415,153	514,476
Investments	36,277,324	-	36,277,324	30,654,084
Investments, restricted	3,076,047	-	3,076,047	-
Taxes receivable, net	7,228,340	-	7,228,340	-
Accounts receivable, net	10,847,574	5,897,555	16,745,129	7,754,148
Notes receivable	783,980	-	783,980	-
Due from other governments	34,514,944	736,254	35,251,198	490,522
Due from other funds	-	15,605,162	15,605,162	-
Inventories	187,633	249,300	436,933	17,216
Prepaid expenses	11,654,603	40,101	11,694,704	800,908
Restricted deposits	-	-	-	10,661
Total current assets	<u>260,273,239</u>	<u>22,814,772</u>	<u>283,088,011</u>	<u>52,982,944</u>
<b>Noncurrent assets:</b>				
Investments	\$ 84,576,007	\$ -	\$ 84,576,007	\$ -
Beneficial interests in perpetual trusts held by others	-	-	-	10,095,434
Other receivables	-	-	-	165,562
Restricted assets:				
Employee pay advance	38,507	23,458	61,965	-
Interest receivable	312,811	-	312,811	-
Investments	498,000	-	498,000	-
Net pension asset	54,533,296	11,565,271	66,098,567	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	115,284,328	269,219	115,553,547	8,624,035
Capital assets, net of accumulated depreciation	168,188,752	36,492,842	204,681,594	70,212,644
Total noncurrent assets	<u>423,431,701</u>	<u>48,350,790</u>	<u>471,782,491</u>	<u>90,007,108</u>
<b>Deferred outflows of resources:</b>				
Unamortized bond refunding loss	\$ 8,119,987	\$ 668,760	\$ 8,788,747	\$ -
Pension	12,619,828	3,682,437	16,302,265	1,252,842
Other postemployment benefits	-	-	-	462,395
Total deferred outflows of resources	<u>20,739,815</u>	<u>4,351,197</u>	<u>25,091,012</u>	<u>1,715,237</u>
Total assets and deferred outflows of resources	<u>704,444,755</u>	<u>75,516,759</u>	<u>779,961,514</u>	<u>144,705,289</u>

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	\$ 29,609,770	\$ 1,397,974	\$ 31,007,744	\$ 1,149,536
Accrued liabilities	8,378,741	1,460,437	9,839,178	1,277,806
Due to other governments	950,607	-	950,607	-
Unearned revenue	52,423,374	2,268,628	54,692,002	4,889,242
Advance revenue	70,163	-	70,163	-
Due to third parties	4,029,459	-	4,029,459	-
Due to other funds	15,596,373	-	15,596,373	-
Accrued interest payable	521,263	78,268	599,531	-
Compensated absences	1,324,267	487,691	1,811,958	429,336
Deposits	-	-	-	44,510
Accrued claims health insurance	12,213,131	294,618	12,507,749	-
Accrued claims liability	187,335	114,181	301,516	-
Notes payable, agricultural easement	66,676	-	66,676	-
Lease obligation	-	-	-	40,335
Bonds, loans and notes payable	10,673,894	3,868,107	14,542,001	1,127,227
Total current liabilities	<u>136,045,053</u>	<u>9,969,904</u>	<u>146,014,957</u>	<u>8,957,992</u>
<b>Noncurrent liabilities:</b>				
Compensated absences	6,842,931	854,957	7,697,888	446,577
Accrued claims liability	941,598	811,857	1,753,455	400,000
Other postemployment benefit liability	-	-	-	1,590,017
Net pension liability	-	-	-	4,889,872
Bonds, loans and notes payable	114,897,517	17,884,607	132,782,124	11,246,471
Payable from restricted assets	18,984,010	-	18,984,010	-
Total noncurrent liabilities	<u>141,666,056</u>	<u>19,551,421</u>	<u>161,217,477</u>	<u>18,572,937</u>
Total liabilities	<u>277,711,109</u>	<u>29,521,325</u>	<u>307,232,434</u>	<u>27,530,929</u>
<b>Deferred inflows of resources:</b>				
Deferred rent revenue	-	-	-	5,983,614
Pension	44,522,245	10,861,264	55,383,509	520,631
Other postemployment benefits expense	-	-	-	151,619
Total deferred inflows of resources	<u>44,522,245</u>	<u>10,861,264</u>	<u>55,383,509</u>	<u>6,655,864</u>
<b>Net position:</b>				
Net investment in capital assets	180,572,215	15,678,107	196,250,322	60,439,032
Restricted for:				
Gift fund	21,130	-	21,130	-
Farmland preservation	1,867,405	-	1,867,405	-
Hazmat response	2,064,910	-	2,064,910	-
Act 198 - Courts	287,247	-	287,247	-
Workers' compensation	140,162	-	140,162	-
Special revenue funds	65,380,088	-	65,380,088	-
2022 Capital Projects	6,510,943	-	6,510,943	-
2022 Budgeted Loss	541,801	-	541,801	-
Services Center Parking Garage	486,322	-	486,322	-
Act 13 Marcellus Shale	771,445	-	771,445	-
Debt service	-	-	-	514,476
Foundation for Reading Area Communi	-	-	-	24,085,543
Unrestricted net position	123,567,732	19,456,065	143,023,797	25,479,445
Total net position	<u>\$ 382,211,400</u>	<u>\$ 35,134,172</u>	<u>\$ 417,345,572</u>	<u>\$ 110,518,496</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
<b>Functions/Programs:</b>					
Primary government:					
Governmental activities:					
General government	\$ 75,669,492	\$ (16,863,953)	\$ 9,903,440	\$ 22,705,575	\$ -
Judicial	46,221,805	7,149,495	8,401,830	1,794,781	-
Public safety	60,767,765	3,782,513	15,907,187	7,219,313	-
Human services	232,762,317	2,840,335	1,139,778	234,868,728	479,280
Culture and recreation	7,717,278	428,100	24,285	1,554,028	246,774
Community and economic development	46,992,454	339,406	1,040,660	38,306,426	-
Public works	1,685,536	94,946	2,140,000	-	1,551,178
Community support	3,273,916	49,612	13,500	-	-
Debt service administrative expenses	1,575,775	6,903	61,865	-	-
Solid waste	257,751	12,199	4,793,065	51,105	-
Total governmental activities	<u>476,924,089</u>	<u>(2,160,444)</u>	<u>43,425,610</u>	<u>306,499,956</u>	<u>2,277,232</u>
Business-type activities					
Berks County Residential Center	5,764,210	663,350	7,456,553	-	-
Berks Heim	<u>42,715,224</u>	<u>1,497,094</u>	<u>46,835,012</u>	<u>939,267</u>	<u>-</u>
Total business-type activities	<u>48,479,434</u>	<u>2,160,444</u>	<u>54,291,565</u>	<u>939,267</u>	<u>-</u>
Total primary government	<u>\$ 525,403,523</u>	<u>\$ -</u>	<u>\$ 97,717,175</u>	<u>\$ 307,439,223</u>	<u>\$ 2,277,232</u>
<b>Component units:</b>					
Total component units	<u>\$ 44,246,440</u>	<u>\$ -</u>	<u>\$ 8,559,223</u>	<u>\$ 14,378,659</u>	<u>\$ -</u>



**Net (Expense) Revenue and Changes in Net Position**  
**Primary Government**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>Functions/Programs:</b>				
Primary government:				
Governmental activities:				
General government	\$ (26,196,524)	\$ -	\$ (26,196,524)	
Judicial	(43,174,689)	-	(43,174,689)	
Public safety	(41,423,778)	-	(41,423,778)	
Human services	885,134	-	885,134	
Culture and recreation	(6,320,291)	-	(6,320,291)	
Community and economic development	(7,984,774)	-	(7,984,774)	
Public works	1,910,696	-	1,910,696	
Community support	(3,310,028)	-	(3,310,028)	
Debt service administrative expenses	(1,520,813)	-	(1,520,813)	
Solid waste	4,574,220	-	4,574,220	
Total governmental activities	<u>(122,560,847)</u>	<u>-</u>	<u>(122,560,847)</u>	
Business-type activities				
Berks County Residential Center	-	1,028,993	1,028,993	
Berks Heim	-	3,561,963	3,561,963	
Total business-type activities	<u>-</u>	<u>4,590,956</u>	<u>4,590,956</u>	
Total primary government	<u>(122,560,847)</u>	<u>4,590,956</u>	<u>(117,969,891)</u>	
<b>Component units:</b>				\$ <u>(21,716,715)</u>
Total component units				
General Revenues				
Taxes:				
Property taxes, levied for general purposes	148,417,095	-	148,417,095	-
Hotel tax	2,645,645	-	2,645,645	-
Payments in lieu of taxes	244,669	-	244,669	-
Payments from County of Berks	-	-	-	3,876,636
Payments from other governments	-	-	-	16,491,920
Investment earnings	(472,832)	1,315	(471,517)	5,728,891
Insurance Income				1,341,148
Miscellaneous/other	9,261,001	-	9,261,001	2,347,840
Gain on disposal of capital assets	(286,385)	-	(286,385)	2,754
Rental of space	333,438	-	333,438	-
Transfers	1,088,977	(1,088,977)	-	-
Total general revenue and transfers	<u>161,231,608</u>	<u>(1,087,662)</u>	<u>160,143,946</u>	<u>29,789,189</u>
Change in net position	38,670,761	3,503,294	42,174,055	8,072,474
Net position, beginning, as restated	343,540,639	31,630,878	375,171,517	102,446,022
Net position, ending	<u>\$ 382,211,400</u>	<u>\$ 35,134,172</u>	<u>\$ 417,345,572</u>	<u>\$ 110,518,496</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
<b>Assets</b>					
Cash and cash equivalents	\$ 27,439,453	\$ 1,300	\$ 18,540,442	\$ 4,934,230	\$ 50,915,425
Cash and cash equivalents, restricted	28,391,477	-	9,338,073	66,573,109	104,302,659
Investments	36,277,324	-	-	-	36,277,324
Investments, restricted	498,000	-	1,831,047	747,000	3,076,047
Taxes receivable	7,228,340	-	-	-	7,228,340
Accounts receivable	8,487,074	3,723	-	2,395,281	10,886,078
Accrued interest receivable	315,761	-	-	-	315,761
Due from other governments	3,118,448	12,835,107	14,553,084	4,008,304	34,514,943
Due from other funds	-	-	52,898	-	52,898
Inventories	187,633	-	-	-	187,633
Prepaid expenses	8,605,282	-	-	3,049,321	11,654,603
Loans receivable	783,980	-	-	-	783,980
Investments, non-current	85,074,507	-	-	-	85,074,507
Investments, non-current, restricted	-	-	498,000	-	498,000
Total assets	<u>\$ 206,407,279</u>	<u>\$ 12,840,130</u>	<u>\$ 44,813,544</u>	<u>\$ 81,707,245</u>	<u>\$ 345,768,198</u>
<b>Liabilities</b>					
Accounts payable	\$ 6,265,752	\$ 2,079,947	\$ 16,983,767	\$ 4,280,303	\$ 29,609,769
Accrued liabilities	5,544,188	566,499	21,687	823,842	6,956,216
Due to other funds	3,563,740	6,557,140	-	5,542,180	15,663,060
Due to other governments	950,607	-	-	-	950,607
Unearned revenue	3,018,033	3,419,890	253,031	47,392,689	54,083,643
Due to third parties	4,020,234	9,225	-	-	4,029,459
Accrued claims health insurance	1,183,074	135,755	10,715,944	178,357	12,213,130
Payable from restricted assets	-	-	16,839,115	2,145,051	18,984,166
Total liabilities	<u>24,545,628</u>	<u>12,768,456</u>	<u>44,813,544</u>	<u>60,362,422</u>	<u>142,490,050</u>
<b>Deferred inflows of resources</b>					
Unavailable property taxes	5,079,607	-	-	-	5,079,607
Other unavailable	1,313,562	-	-	-	1,313,562
Total deferred inflows of resources	<u>6,393,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,393,169</u>
<b>Fund balances</b>					
Nonspendable:	8,820,887	3,724	-	2,766,068	11,590,679
Restricted	3,263,764	67,950	-	18,578,756	21,910,470
Committed	9,406,471	-	-	-	9,406,471
Assigned	4,015,377	-	-	-	4,015,377
Unassigned	149,961,983	-	-	-	149,961,983
Total fund balances	<u>175,468,482</u>	<u>71,674</u>	<u>-</u>	<u>21,344,824</u>	<u>196,884,980</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 206,407,279</u>	<u>\$ 12,840,130</u>	<u>\$ 44,813,544</u>	<u>\$ 81,707,245</u>	<u>\$ 345,768,198</u>

See accompanying notes to the financial statements.

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2021

County of Berks  
2021 Comprehensive Annual Financial Report

Total fund balances for governmental funds \$ 196,884,980

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and improvements, net	\$ 15,884,704	
Agland easements	83,767,155	
Infrastructure, net	33,278,731	
Building and improvements, net	81,230,716	
Furniture, fixtures, equipment and vehicles, net	48,314,682	
Historical treasures	2,290,344	
Software	2,978,208	
Software in progress	9,979,501	
Construction in progress	5,749,039	
		283,473,080

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

Net pension liability		54,533,296
Deferred outflow of resources		12,619,828
Deferred inflow of resources		(44,522,245)

Revenue that was not available soon enough to pay for the current period's expenditures and, therefore reported as advance revenue in the funds.

Property taxes	1,750,120	
Delinquent property taxes	3,329,488	
District Justices departmental charges and reimbursements	1,660,269	
		6,739,877

Other assets not available to pay for current period's expenditures and therefore not reported in the funds.

Accrued interest receivable from Greater Berks Development Fund		(2,949)
Other liabilities not paid until future periods that are a current period expense.		
Payroll and payroll taxes		(178,973)

Long-term liabilities related to the County's governmental activities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Both current and long-term liabilities are reported in the statement of net position. Amounts borrowed are recognized when received in the governmental funds and increase fund balance. Amounts disbursed to paying agents are paid from governmental funds and reduce fund balance.

Balances at December 31, 2021 are:

Accrued interest on bonds and notes	(521,263)	
Compensated absences	(8,167,199)	
Accrued claims liabilities	(1,128,933)	
Bonds and notes payable	(117,518,099)	
		(127,335,494)

Total net position of governmental activities \$ 382,211,400

See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
<b>Revenues</b>					
Taxes:					
Property	\$ 148,417,095	\$ -	\$ -	\$ -	\$ 148,417,095
Hotel	-	-	-	2,645,645	2,645,645
Court costs, fines and forfeitures	1,935,483	-	-	-	1,935,483
Intergovernmental revenue	10,177,145	32,050,781	160,957,399	105,447,822	308,633,147
Departmental charges and reimbursements	58,484,427	742,036	-	17,132,903	76,359,366
Payments in lieu of taxes	244,669	-	-	-	244,669
Rentals	278,542	-	-	54,895	333,437
Investment earnings	(600,941)	-	61,204	66,905	(472,832)
Miscellaneous	11,016,789	1,372	-	223,867	11,242,028
Total revenues	<u>229,953,209</u>	<u>32,794,189</u>	<u>161,018,603</u>	<u>125,572,037</u>	<u>549,338,038</u>
<b>Expenditures</b>					
Current:					
General government, administrative	45,692,732	-	-	7,509,189	53,201,921
General government, judicial	58,329,311	-	-	103,996	58,433,307
Public safety	70,634,144	-	-	11,411,594	82,045,738
Human services	-	37,757,867	161,005,489	46,507,428	245,270,784
Culture and recreation	7,763,693	-	-	-	7,763,693
Community and economic development	3,994,099	-	-	38,504,073	42,498,172
Public works	22,298	-	-	1,460,082	1,482,380
Community support	23,254,480	-	-	-	23,254,480
Intergovernmental expenditures - Solid waste	300,720	-	-	-	300,720
Debt service:					
Principal	9,319,017	-	-	1,771,528	11,090,545
Interest and fiscal charges	3,138,401	-	-	1,392,186	4,530,587
Administrative expenditures	88,392	-	-	-	88,392
Total expenditures	<u>222,537,287</u>	<u>37,757,867</u>	<u>161,005,489</u>	<u>108,660,076</u>	<u>529,960,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,415,922</u>	<u>(4,963,678)</u>	<u>13,114</u>	<u>16,911,961</u>	<u>19,377,319</u>
<b>Other financing sources (uses)</b>					
Proceeds of refunding notes	28,149,000	-	-	-	28,149,000
Payment to refunded bonds escrow agent	(28,071,066)	-	-	-	(28,071,066)
Transfers in	22,137,187	5,255,957	-	5,790,885	33,184,029
Transfers out	(11,197,372)	(291,613)	(13,114)	(20,592,953)	(32,095,052)
Total other financing sources (uses)	<u>11,017,749</u>	<u>4,964,344</u>	<u>(13,114)</u>	<u>(14,802,068)</u>	<u>1,166,911</u>
Net changes in fund balances	18,433,671	666	-	2,109,893	20,544,230
Fund balances, beginning, as restated	157,034,811	71,008	-	19,234,931	176,340,750
Fund balances, ending	<u>\$ 175,468,482</u>	<u>\$ 71,674</u>	<u>\$ -</u>	<u>\$ 21,344,824</u>	<u>\$ 196,884,980</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, 2021

County of Berks  
2021 Comprehensive

Net change in fund balances - total governmental funds \$ 20,544,230

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

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

Expenditures for capital assets / agricultural easements	\$ 8,328,738	
Depreciation expense	<u>(14,192,045)</u>	(5,863,307)

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

Debt principal repayments	30,834,084	
Issuance of notes payable	<u>(20,812,740)</u>	
Bond premium/discounts/refunding losses	3,209,586	13,230,930

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:

119,335

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:

Notes receivable	<u>(1,390,178)</u>	(1,390,178)
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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	436,995	
Net pension obligation	<u>11,592,756</u>	12,029,751

Change in net position of governmental activities \$ 38,670,761

See accompanying notes to the financial statements.

	<b>Berks County</b>		
	<b>Residential Center</b>	<b>Berks Heim</b>	<b>Totals</b>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,000	\$ 170,015	\$ 171,015
Cash and cash equivalents, restricted	-	115,385	115,385
Investments, restricted	-	-	-
Accounts receivable, net	-	5,897,555	5,897,555
Due from other governments	736,254	-	736,254
Due from other funds	1,018,746	14,586,416	15,605,162
Inventories	61,842	187,458	249,300
Prepaid expenses	-	40,101	40,101
Total current assets	<u>1,817,842</u>	<u>20,996,930</u>	<u>22,814,772</u>
<b>Noncurrent assets:</b>			
Employee pay advance	-	23,458	23,458
Investments	-	-	-
Pension asset	2,019,720	9,545,551	11,565,271
Capital assets	8,190,085	28,571,976	36,762,061
Total noncurrent assets	<u>10,209,805</u>	<u>38,140,985</u>	<u>48,350,790</u>
<b>Deferred outflows of resources:</b>			
Pension	500,371	3,182,066	3,682,437
Unamortized bond refunding gain/loss	262,534	406,226	668,760
Total deferred outflows of resources	<u>762,905</u>	<u>3,588,292</u>	<u>4,351,197</u>
Total assets and deferred outflows of resources	<u>12,790,552</u>	<u>62,726,207</u>	<u>75,516,759</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	110,642	1,287,332	1,397,974
Accrued liabilities	229,075	1,231,362	1,460,437
Due to other funds	-	-	-
Unearned grant revenue	920,302	1,348,326	2,268,628
Accrued interest payable	10,660	67,608	78,268
Compensated absences	23,312	464,379	487,691
Accrued claims health insurance	57,288	237,331	294,619
Accrued claims liability	1,477	112,704	114,181
Bonds payable, net	528,563	3,339,543	3,868,106
Total current liabilities	<u>1,881,319</u>	<u>8,088,585</u>	<u>9,969,904</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	166,401	688,555	854,956
Accrued claims liability	41,689	770,168	811,857
Pension Liability	-	-	-
Bonds payable, net	2,457,732	15,426,875	17,884,607
Total noncurrent liabilities	<u>2,665,822</u>	<u>16,885,598</u>	<u>19,551,420</u>
Total liabilities	<u>4,547,141</u>	<u>24,974,183</u>	<u>29,521,324</u>
<b>Deferred inflows of resources:</b>			
Unearned revenue	-	-	-
Unamortized bond refunding gain	-	-	-
Pension	1,780,352	9,080,911	10,861,263
Total deferred inflows of resources	<u>1,780,352</u>	<u>9,080,911</u>	<u>10,861,263</u>
<b>Net Position</b>			
Net investment in capital assets	5,466,323	10,211,784	15,678,107
Unrestricted net position	996,736	18,459,329	19,456,065
Total Net Postion	<u>\$ 6,463,059</u>	<u>\$ 28,671,113</u>	<u>\$ 35,134,172</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, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	<b>Berks County Residential Center</b>	<b>Berks Heim</b>	<b>Totals</b>
<b>Operating revenues</b>			
Charges for services	\$ 7,111,468	\$ 28,691,178	\$ 35,802,646
Other operating revenues	345,085	18,143,834	18,488,919
Total operating revenues	<u>7,456,553</u>	<u>46,835,012</u>	<u>54,291,565</u>
<b>Operating expenses</b>			
Program services	5,945,679	28,186,386	34,132,065
Administrative expenses	-	4,652,561	4,652,561
Depreciation	386,136	1,504,960	1,891,096
Total operating expenses	<u>6,331,815</u>	<u>34,343,907</u>	<u>40,675,722</u>
Operating income	<u>1,124,738</u>	<u>12,491,105</u>	<u>13,615,843</u>
<b>Nonoperating revenues (expenses)</b>			
Grants	-	939,267	939,267
Investment earnings	-	1,316	1,316
Interest expense	(95,745)	(607,410)	(703,155)
Contribution to General Fund	-	(9,261,000)	(9,261,000)
Total nonoperating revenues (expenses)	<u>(95,745)</u>	<u>(8,927,827)</u>	<u>(9,023,572)</u>
Income before transfers	1,028,993	3,563,278	4,592,271
Transfers in	-	-	-
Transfers out	(1,088,977)	-	(1,088,977)
Change in net position	(59,984)	3,563,278	3,503,294
Total net position, beginning, as restated	6,523,043	25,107,835	31,630,878
Total net position, ending	<u>\$ 6,463,059</u>	<u>\$ 28,671,113</u>	<u>\$ 35,134,172</u>

See accompanying notes to the financial statements.

	<b>Berks County Residential Center</b>	<b>Berks Heim</b>	<b>Totals</b>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 7,449,336	\$ 46,340,257	\$ 53,789,593
Payments to suppliers	(1,575,289)	(11,300,064)	(12,875,353)
Payments to employees	<u>(4,909,723)</u>	<u>(23,395,166)</u>	<u>(28,304,889)</u>
Net cash provided by operating activities	<u>964,324</u>	<u>11,645,027</u>	<u>12,609,351</u>
<b>Cash flows from noncapital financing activities</b>			
Principal paid on bonds	(32,313)	(185,022)	(217,335)
Receipts from other governments	275,970	2,287,443	2,563,413
Interest paid	(16,825)	(96,548)	(113,373)
Contribution from General Fund	-	(9,260,885)	(9,260,885)
Transfers from (to) other funds	(1,088,979)	-	(1,088,979)
Amounts due from (to) other funds	<u>546,553</u>	<u>1,471,143</u>	<u>2,017,696</u>
Net cash used by noncapital financing activities	<u>(315,594)</u>	<u>(5,783,869)</u>	<u>(6,099,463)</u>
<b>Cash flows from capital and related financing activities</b>			
Principal paid on bonds	(405,191)	(2,578,672)	(2,983,863)
Interest paid	(84,397)	(545,577)	(629,974)
Construction in progress	1,294,302	1,037,998	2,332,300
Purchase of capital assets	<u>(1,453,444)</u>	<u>(3,905,002)</u>	<u>(5,358,446)</u>
Net cash used by capital and related financing activities	<u>(648,730)</u>	<u>(5,991,253)</u>	<u>(6,639,983)</u>
<b>Cash flows from investing activities</b>			
Investment earnings received	-	<u>62,277</u>	<u>62,277</u>
Net cash provided by investing activities	-	<u>62,277</u>	<u>62,277</u>
Net decrease in cash and cash equivalents	-	(67,817)	(67,817)
Cash and cash equivalents, beginning	1,000	352,832	353,832
Cash and cash equivalents, ending	<u>\$ 1,000</u>	<u>\$ 285,015</u>	<u>\$ 286,015</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	1,124,738	12,491,104	\$ 13,615,842
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	386,136	1,504,960	1,891,096
Amortization of bond premium	(28,680)	(185,426)	(214,106)
Amortization of refunding loss	43,936	98,497	142,433
Bond issuance costs	3,169	20,072	23,241
Changes in assets and liabilities:			
Accounts receivable, net	(7,217)	(370,162)	(377,379)
Employee pay advance	-	3,302	3,302
Inventories	5,345	55,485	60,830
Prepaid expenses	-	4,100	4,100
Pension asset, net	(1,300,215)	(5,383,702)	(6,683,917)
Pension deferred outflow	464,814	1,924,620	2,389,434
Accounts payable and accrued liabilities	(30,876)	(476,479)	(507,355)
Unearned grant revenue	-	(124,590)	(124,590)
Compensated absences	(103,141)	191,333	88,192
Accrued claims health insurance	(787)	(36,007)	(36,794)
Accrued claims liability	(6,793)	(19,523)	(26,316)
Pension deferred inflow	<u>413,895</u>	<u>1,947,442</u>	<u>2,361,337</u>
Net cash provided by operating activities	<u>\$ 964,324</u>	<u>\$ 11,645,027</u>	<u>\$ 12,609,351</u>

See accompanying notes to the financial statements.



Statement of Fiduciary Net Position  
 Fiduciary Funds  
 December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	<b>Berks County Employees' Retirement</b>	<b>Custodial</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 129,896	\$ 12,683,261
Receivables:		
Contributions receivable \Due from other funds	491,087	5,000
Investment income receivable	205,001	-
Total receivables	<u>696,088</u>	<u>5,000</u>
Investments, at fair value (see Note 2):		
Fixed income securities	114,636,138	-
Domestic equities	415,156,721	-
Real estate/Alternative	54,761,511	-
Certificates of deposit	4,681	4,803,555
Total investments	<u>584,559,051</u>	<u>4,803,555</u>
Total assets	<u>585,385,035</u>	<u>17,491,816</u>
<b>Liabilities</b>		
Accounts payable	407,726	-
Due to third parties	-	1,632,538
Fees due to Commonwealth of Pennsylvania	-	16,520
Real estate taxes due to City of Reading	-	16,804
Due to other governments	-	265,118
Other	-	6,936,431
Total liabilities	<u>407,726</u>	<u>8,867,411</u>
<b>Net position</b>		
Net position restricted for pension	584,977,309	-
Net position restricted for individuals, organizations and other governments	-	8,624,405
Total Net Position	<u>\$ 584,977,309</u>	<u>\$ 8,624,405</u>

**See accompanying notes to the financial statements.**

Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	<b>Berks County Employees' Retirement</b>	<b>Custodial</b>
<b>Additions</b>		
Fee collections for government entities	\$ -	\$ 89,268,908
Escheated funds received for Commonwealth of Pennsylvania	-	127,244
Real estate tax collections for City of Reading, Pennsylvania	-	23,485,152
Receipts from Others	-	27,464,424
Subtotal	<u>-</u>	<u>140,345,728</u>
Contributions:		
Member	7,450,219	-
County	4,329,291	-
Total contributions	<u>11,779,510</u>	<u>-</u>
Investment income:		
Net gain in fair value of investments	68,281,916	-
Interest and dividends	9,768,002	21,435
Miscellaneous	856	-
Less investment expenses	(1,627,931)	-
Net investment income	<u>76,422,843</u>	<u>21,435</u>
Total additions	<u>88,202,353</u>	<u>140,367,164</u>
<b>Deductions</b>		
Benefit payments, including refunds of member contributions	28,545,773	-
Administrative/other expense	70,530	-
Payments of fees collected to Commonwealth of Pennsylvania	-	33,062,477
Payments of fees collected to other government entities	-	56,177,513
Payments of escheated funds to Commonwealth of Pennsylvania	-	127,244
Payments of real estate tax collected to City of Reading	-	23,485,152
Payments to others	-	27,669,466
Total deductions	<u>28,616,303</u>	<u>140,521,853</u>
Change in net position	59,586,050	(154,689)
Net position restricted, beginning	525,391,259	8,779,094
Net position restricted, ending	<u>\$ 584,977,309</u>	<u>\$ 8,624,405</u>

See accompanying notes to the financial statements.

Statement of Net Position (Deficit)  
Component Units  
December 31, 2021

County of Berks  
2021 Comprehensive Annual Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3,034,269	\$ 9,706,660	\$ 12,740,929
Cash and cash equivalents, restricted	514,476	-	514,476
Investments	-	30,654,084	30,654,084
Accounts receivable, net	175,263	7,578,885	7,754,148
Due from other governments	490,522	-	490,522
Inventories	-	17,216	17,216
Prepaid expenses	87,536	713,372	800,908
Deposits	10,661	-	10,661
Total current assets	<u>4,312,727</u>	<u>48,670,217</u>	<u>52,982,944</u>
<b>Noncurrent assets:</b>			
Investments	-	-	-
Beneficial interests in perpetual trusts held by others	-	10,095,434	10,095,434
Other receivables	-	165,562	165,562
Collections - works of art	-	909,433	909,433
<b>Capital assets:</b>			
Land and improvements	7,696,619	1,081,556	8,778,175
Air easement rights	103,002	-	103,002
Infrastructure, net	16,024,217	-	16,024,217
Buildings and improvements, net	10,090,730	37,066,910	47,157,640
Furniture, fixtures, equipment and vehicles, net	621,844	2,982,274	3,604,118
Leasehold improvements, net	366,449	-	366,449
Construction in progress	2,348,269	454,809	2,803,078
Total noncurrent assets	<u>37,251,130</u>	<u>52,755,978</u>	<u>90,007,108</u>
<b>Deferred outflows of resources:</b>			
Pension	-	1,252,842	1,252,842
Other postemployment benefits	-	462,395	462,395
Total deferred outflows of resources	<u>-</u>	<u>1,715,237</u>	<u>1,715,237</u>
Total assets and deferred outflows of resources	<u>41,563,857</u>	<u>103,141,432</u>	<u>144,705,289</u>
<b>Liabilities</b>			
Accounts payable	168,161	981,375	1,149,536
Accrued liabilities	14,315	1,263,491	1,277,806
Unearned revenue	54,522	4,834,720	4,889,242
Compensated absences	-	429,336	429,336
Deposits	44,510	-	44,510
Lease obligation	-	40,335	40,335
Bonds, loans and notes payable	107,936	1,019,291	1,127,227
Total current liabilities	<u>389,444</u>	<u>8,568,548</u>	<u>8,957,992</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	-	446,577	446,577
Medical insurance liability	-	400,000	400,000
Other postemployment benefit liability	-	1,590,017	1,590,017
Lease obligation	-	-	-
Net pension liability	-	4,889,872	4,889,872
Bonds, loans and notes payable	3,435,000	7,811,471	11,246,471
Total noncurrent liabilities	<u>3,435,000</u>	<u>15,137,937</u>	<u>18,572,937</u>
Total liabilities	<u>3,824,444</u>	<u>23,706,485</u>	<u>27,530,929</u>
<b>Deferred inflows of resources</b>			
Deferred rent revenue	5,983,614	-	5,983,614
Deferred pension expense	-	520,631	520,631
Deferred other postemployment benefits expense	-	151,619	151,619
Total deferred inflows of resources	<u>5,983,614</u>	<u>672,250</u>	<u>6,655,864</u>
<b>Net position:</b>			
Net investment in capital assets	27,724,580	32,714,452	60,439,032
Restricted for:			
Debt service	514,476	-	514,476
Foundation for Reading Area Community College	-	24,085,543	24,085,543
Unrestricted net position	<u>3,516,743</u>	<u>21,962,702</u>	<u>25,479,445</u>
Total net position	<u>\$ 31,755,799</u>	<u>\$ 78,762,697</u>	<u>\$ 110,518,496</u>

\* Presented as of June 30, 2021

\*\* Presented as of September 30, 2021

See accompanying notes to the financial statements

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)  
Component Units  
Year ended December 31, 2021

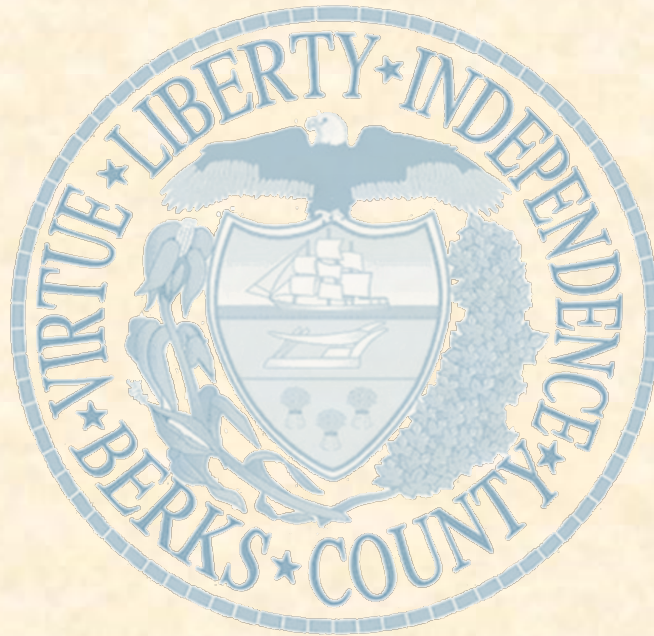
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	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 2,557,254	\$6,001,969	\$ 8,559,223
Charges for services (from County of Berks)	-	-	-
Operating grants and contributions	830,028	13,548,631	14,378,659
Investment earnings	-	5,729,589	5,729,589
Other revenues	-	<u>2,201,302</u>	<u>2,201,302</u>
Total operating revenues	<u>3,387,282</u>	<u>27,481,491</u>	<u>30,868,773</u>
Total operating expenses	<u>4,231,735</u>	<u>39,671,103</u>	<u>43,902,838</u>
Operating income (loss)	<u>(844,453)</u>	<u>(12,189,612)</u>	<u>(13,034,065)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	15,338,358	15,338,358
Contributions to County of Berks	-	-	-
Investment income	2,992	(3,690)	(698)
Tapping fee income	-	-	-
Insurance income	1,341,148	-	1,341,148
Debt issuance costs	-	-	-
Interest expense	(101,752)	(241,850)	(343,602)
Insurance reimburseable expense	(408,157)	-	(408,157)
Gain on disposal of capital assets	<u>2,600</u>	<u>154</u>	<u>2,754</u>
Miscellaneous loss	-	-	-
Total nonoperating revenues (expenses)	<u>836,831</u>	<u>18,342,972</u>	<u>19,179,803</u>
Other revenues (expense):			
Payments from County of Berks	-	626,636	626,636
Payments from other governments	-	1,153,562	1,153,562
Long-term gifts and grants	-	<u>146,538</u>	<u>146,538</u>
Other expense	-	-	-
Insurance proceeds	-	-	-
Total other revenues (expense)	<u>-</u>	<u>1,926,736</u>	<u>1,926,736</u>
Change in net position (deficit)	<u>(7,622)</u>	<u>8,080,096</u>	<u>8,072,474</u>
Net position, beginning	<u>31,763,421</u>	<u>70,682,601</u>	<u>102,446,022</u>
Total net position, ending	<u>\$31,755,799</u>	<u>\$ 78,762,697</u>	<u>\$ 110,518,496</u>

\* Presented for the year ended June 30, 2021

\*\* Presented for the year ended September 30, 2021

See accompanying notes to the financial statements.



## NOTES TO FINANCIAL STATEMENTS

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

## **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. The financial reporting entity**

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

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

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

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

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

Reading Regional Airport Authority  
2385 Bernville Road  
Reading, PA 19605

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

### **Related organizations**

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for these organizations generally does not extend beyond making the appointments. These organizations include:

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

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

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

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

### **1. Government-wide financial statements**

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, as well as its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

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

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

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

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

## **2. Fund financial statements**

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

The financial statements for governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statements include financial information for the agency fund and the retirement fund. The agency fund primarily represents assets held by the County in a custodial capacity for other individuals or governments and does not involve the measurement of results of operations. Agency funds and the Berks County Employees’ Retirement Fund account for the additions and deductions in a manner like a proprietary fund.

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

- **Governmental funds**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues,



except property taxes, to be available if they are collected within 180 days of the end of the current fiscal period. Property taxes are deemed available if collected within 60 days of the end of the current fiscal period. Licenses, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

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

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

- **Proprietary funds**

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

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

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

## C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”. The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2021:

### 1. Governmental fund types

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

### 2. Proprietary fund types

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

### 3. Other fund types

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

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

#### **D. Investments**

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

#### **E. Cash and cash equivalents**

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

#### **F. Receivables**

All property taxes receivable, accounts receivable, interest and liens receivable are shown net of an allowance for uncollectible amounts. The allowance for property taxes is equal to .09 percent of the 2021 property tax levy outstanding at December 31, 2021. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2021. The allowance for district justices' fines and court costs is equal to 40 percent of the outstanding accounts receivable at December 31, 2021. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2021. 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, 2021.

#### **G. Interfund transactions**

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

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

#### **H. Inventories and prepaid items**

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

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

**I. Restricted assets**

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

**J. Capital assets**

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

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

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

**K. Deferred outflows/inflows of resources**

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

**L. Fund balance**

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

County in accordance with policies established by the Board of Commissioners. Please refer to Note 11 for more information on fund balance.

#### **M. Net Position**

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

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

*Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This category represents net position of the County, which are not restricted for any project or other purpose.

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

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

#### **O. Compensated absences**

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

#### **P. Pension**

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

## **Q. Self-insurance**

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

## **R. Estimates**

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

## **S. Long-term obligations**

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

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

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

## **T. Intergovernmental revenues**

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

## **U. Allowable Expenses under Grants**

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

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

**V. Restatement of Financial Statements**

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

**General Fund**

Fund balance, beginning, as previously reported	\$ 156,502,521
Prior period adjustments	<u>532,290</u>
Fund balance, beginning, as restated	<u>\$ 157,034,811</u>

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

**Non-Major Governmental Funds**

Fund balance, beginning, as previously reported	\$ 19,236,596
Prior period adjustments	<u>(1,665)</u>
Fund balance, beginning, as restated	<u>\$ 19,234,931</u>

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

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

**Governmental Activities**

Net position, beginning, as previously reported	\$ 343,010,016
Prior period adjustments	<u>530,623</u>
Net position, beginning, as restated	<u>\$ 343,540,639</u>

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

**W. Pending and Adopted Accounting Pronouncements**

In June 2017, the GASB issued Statement No. 87, “Leases.” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently in the process of implementing this Statement, which will be reflected in 2022 reporting.

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

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

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

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

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

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

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

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

In June 2022, the GASB issued Statement No. 101, “*Compensated Absences.*” The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2023. The County is currently evaluating the effect of implementation of this Statement.

## **NOTE 2: CASH AND INVESTMENTS**

### **A. Primary government**

*Interest rate risk:* The County of Berks has a formal investment policy for General Operating Funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, except for the Retirement Fund which has an official investment policy. The maximum remaining maturity of any individual security is 5 years or less at the time of purchase. The average duration of the Portfolio shall be 3 years or less. All investments will be actively traded in a secondary market to ensure liquidity. The County investment policy follows Section 1706 of the County Code of the Commonwealth of Pennsylvania.



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

- United States Treasury Bills.
- Short-term obligations of the United States government or its agencies or instrumentalities.
- Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation (“FDIC”) or other like insurance.
- Obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States, the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or of any political subdivision of the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940; whose shares are registered under the Securities Act of 1933.
- Certificates of deposit purchased from institutions having their principal place of business in or outside the Commonwealth of Pennsylvania that are insured by the FDIC or other like insurance. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of deposit may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets net of its liabilities.
- Commercial paper and prime commercial paper meeting certain requirements.
- Repurchase agreements that are fully collateralized by obligations of the United States of America.

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

The carrying amounts of the cash and investments at December 31, 2021 consist of the following:

Cash and cash equivalents	\$ 169,636,889
Petty cash	17,461
Investments	712,951,775
	<u>\$ 882,606,125</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 57,421,359
Current assets, cash and cash equivalents, restricted	99,415,153
Current assets, investments	36,277,324
Current assets, investments, restricted	3,076,047
Noncurrent assets, investments	83,742,479
noncurrent assets, investments, restricted	498,000

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	134,577
Investments	584,554,370

Custodial fund:

Cash and cash equivalents	12,683,261
Investments	4,803,555
	<u>\$ 882,606,125</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, 2021, the carrying amounts of the County's bank deposits were \$168,784,890 and the bank balances were \$172,563,241, of which \$500,000 was covered by Federal Depository Insurance, \$103,088,655 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, \$57,168,271 was invested in an external investment pool, described in more detail below, \$11,308,315 was invested in money market funds and the remaining balance of \$498,000 was invested in U.S. Gov't Debt Securities.

The County invests in PLGIT, an external investment pool, to ensure safety and maximize efficiency, liquidity, and yield for County funds. PLGIT issues separately audited financial statements which are available to the public. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2021, PLGIT carried a AAA rating and had an average maturity of less than one year. While the PLGIT portfolios seek to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in PLGIT. An investment in PLGIT is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Securities held in PLGIT accounts owned by the County are stated at amortized cost, which approximates market value.

The County invests in various money market funds, in the amount of \$11,308,315, which have been classified as cash and cash equivalents in the statement of net position. These money market funds are unrated and have an average maturity of less than one year.

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

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

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

As of December 31, 2021, the County had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	<1	1 - 5	6 - 10	>10
<b>Governmental Fund</b>					
General Fund					
Negot. Certif. of deposit	\$ 25,096,825	\$ 19,964,733	\$ 5,132,092	\$ -	\$ -
U.S. Govt agency securities	96,259,187	17,648,800	78,610,387	-	-
Health Choices Fund					
Negot. Certif. of deposit	2,329,047	1,831,047	498,000	-	-
Other Governmental Funds					
Negot. Certif. of deposit	742,319	747,000	-	-	-
Total Governmental Funds	\$ 124,427,378	\$ 40,191,580	\$ 84,240,479	\$ -	\$ -
<b>Enterprise Funds</b>					
Berks Heim					
Negot. Certif. of deposit	-	-	-	-	-
<b>Fiduciary Funds</b>					
County Employee's Retirement:					
Collective Trusts					
Core Trust Property	\$ 33,935,628	\$ 33,935,628	\$ -	\$ -	\$ -
Energy Debt	20,825,883	20,825,883	-	-	-
<b>Equity and Other Mutual Funds</b>					
Extended Market Index Funds	56,117,124	56,117,124	-	-	-
S&P 500 500IDX-A	216,182,104	216,182,104	-	-	-
Emerging Markets	17,105,976	17,105,976	-	-	-
World Ex-US	125,751,517	125,751,517	-	-	-
U.S. Equity Factor Allocation	-	-	-	-	-
Dynamic Asset Allocation	-	-	-	-	-
<b>Fixed Income Mutual Funds</b>					
Core Fixed Income	91,800,269	91,800,269	-	-	-
High Yield Bonds	11,607,175	11,607,175	-	-	-
Emerging Markets Dept	11,228,694	11,228,694	-	-	-
Agency Funds:					
Negot. Certif. of deposit	4,808,236	4,803,555	-	-	-
Total Fiduciary Funds	589,362,606	589,357,925	-	-	-
Total Investments	\$ 713,789,984	\$ 629,549,505	\$ 84,240,479	\$ -	\$ -

*Credit risk:* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in certificates of deposit at December 31, 2021 were \$32,976,427. Of this total, \$32,478,427 was covered by Federal Depository Insurance, and \$498,000 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County had the following level of exposure to credit risk as of December 31, 2021:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 96,259,187	AAA
Negotiable certificates of deposit	\$ 32,976,427	Unrated
Mutual funds - Core fixed income	\$ 91,800,269	AA-
Mutual funds - High Yield Bonds	\$ 11,607,175	B+
Mutual funds - Emerging Mkts Debt	\$ 11,228,694	BBB-

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

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

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

At December 31, 2021, 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, 2021, \$713,789,984 of the County’s investments are held by the investment counterparties.

*Foreign currency risk:* The County does not have a formal policy to limit foreign currency risk with the exception of its Pension Funds. The County Pension Fund Investment policy prohibits the buying and selling of foreign securities not registered through an SEC filing or not denominated in US dollars, except for managers hired specifically for international investments. Risk of loss arises from changes in currency exchange rates. The County had no exposure to foreign currency risk as of December 31, 2021.

*Fair Value Measurement:* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the

lowest priority to unobservable inputs (Level 3 measurement). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurements will be classified and disclosed in one of the following three categories:

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

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

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

The following table presents the balances of fair value measurements on a recurring basis by level within the hierarchy as of December 31, 2021:

Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
By fair value level				
Negotiable Certificates of Deposit	\$ 32,976,427	\$ -	\$ -	\$ 32,976,427
U.S. Govnment Agency notes	96,259,187	-	-	96,259,187
Fixed income mutual funds				
Core Fixed Income	91,800,269	-	-	91,800,269
High Yield Bond	11,607,175	-	-	11,607,175
Opportunisitic Income		-	-	-
Emerging Markets Debt	11,228,694	-	-	11,228,694
Total fixed income mutual funds	114,636,138	-	-	114,636,138
Equity mutual funds				
Extended Market Index Funds	56,117,124	-	-	56,117,124
S&P 500 IDX-A	216,182,104	-	-	216,182,104
Emerging Markets	17,105,976	-	-	17,105,976
World Ex-US	125,751,517	-	-	125,751,517
Total equity mutual funds	415,156,721	-	-	415,156,721
Total investments by fair value level	659,028,473			659,028,473
Measured at Net Asset Value (NAV)				
Collective Trust Funds				54,761,511
Total Investment measured at fair value				\$ 713,789,984
Investment derivative instruments				
Interest Rate Swap		1,020,624		1,020,624

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

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

		<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective Trust Funds					
Core Property	(a)	\$ 33,935,628	\$ -	Immediate	None
Energy Debt	(b)	<u>20,825,883</u>	<u>-</u>	Immediate	None
Total Collective Trust Funds		<u>\$ 54,761,511</u>	<u>\$ -</u>		

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

## **B. Component units**

### **1. Reading Regional Airport Authority**

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

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

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



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

The Authority's cash and cash equivalents consist of the following at September 30, 2021:

Petty cash	\$	250
Unrestricted cash		1,781,773
Restricted Cash:		
Airport improvement project funds		514,476
Sewage treatment plant reserve funds		319,255
Insurance proceeds		932,991
Escrow deposits		10,661
	\$	<u>3,559,406</u>

Custodial credit risk – deposit: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. At September 30, 2021, \$3,386,500 of the Authority's bank balance of \$3,636,500 was exposed to custodial credit risk, but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

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

## 2. Reading Area Community College

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

Cash and cash equivalents at June 30, 2021 consist of the following:

Cash on hand	\$	3,675
Cash		8,328,825
Investments		15,603,340
	\$	<u>23,935,840</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. As of June 30, 2021, the carrying amount of the College's deposits was \$11,316,825 and the bank balance was \$11,515,325. Of the bank balance, \$3,238,000 was covered by federal depository insurance and \$8,277,325 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, 2021, the cash and cash equivalents for the College Foundation was \$1,374,160. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly.

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

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

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

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

The College’s entire investment fair value of \$15,603,340 is valued using bid prices for comparable securities (Level 2 input).

The fair value of investments for the College is presented below as of June 30, 2021:

Investment	Interest Rates	Total	< 1 year	> 1 year
Certificates of Deposit	0.050% - 0.200%	\$ 2,988,000	\$ 2,241,000	\$ 747,000
FHLB	2.125% - 2.500%	739,951	422,926	317,025
FNMA	0.375% - 2.875%	2,980,466	316,265	2,664,201
FHLMC	0.125% - 0.375%	636,479	-	636,479
Tenn Valley Authority	0.75%	212,262	-	212,262
US Treasury Note	1.250% - 2.875%	8,006,497	231,313	7,775,184
Other Investments		39,685	39,685	-
Total Investments		\$ 15,603,340	\$ 3,251,189	\$ 12,352,151

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

*Credit risk and concentration of credit risk:* The College does have an investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2021, the College’s investments in FHLB, FNMA, and FHLMC were rated as Aaa by Standard & Poor’s. The College places no limit on the amount the College may invest in any one issuer. The College’s investments

are not subject to concentration of credit risk since all securities are guaranteed by the U.S. government. The College's investments in FHLB, FNMA, and FHLMC are all over five percent of total investments.

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

The Foundation's investments as of June 30, 2021 are summarized as follows:

<u>Investment</u>	<u>Total</u>
Equity funds	\$ 531,999
Fixed income securities	4,224,094
Mutual funds	10,063,047
Cash and equivalents	<u>231,604</u>
 Total Investments	 <u>\$ 15,050,744</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2021:

<u>Category</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$ 37,393	\$ 405,276	\$ -	\$ 442,669
Market gains	231,590	2,529,729	-	2,761,319
Fees	<u>(58,749)</u>	<u>-</u>	<u>-</u>	<u>(58,749)</u>
 Total Investments	 <u>\$ 210,234</u>	 <u>\$ 2,935,005</u>	 <u>\$ -</u>	 <u>\$ 3,145,239</u>

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021.

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

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

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

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

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2021:

Category	Level 1	Level 2	Level 3	Total
Equity	\$ 531,999	\$ -	\$ -	\$ 531,999
Fixed income	4,224,094	-	-	4,224,094
Mutual funds	10,063,047	-	-	10,063,047
	14,819,140	-	-	14,819,140
Beneficial interest in perpetual trusts	-	-	10,095,434	10,095,434
Beneficial interest in CRAT	-	-	125,000	125,000
Total assets at fair value	\$ 14,819,140	\$ -	\$ 10,220,434	\$ 25,039,574

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2021:

Balance, beginning of year	\$ 7,636,084
Contributions/purchases	-
Realized and unrealized gains (losses)	<u>2,584,350</u>
Balance, end of year	<u>\$ 10,220,434</u>

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

The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded on the statements of revenues, expenses, and changes in net position, and amounted to \$264,540 for the year ended June 30, 2021. The value of the trusts recorded is \$10,095,434 at June 30, 2021.

**NOTE 3: RESTRICTED ASSETS**

Cash and investment whose use is limited to a specific purpose have been classified as “restricted” in the Statement of Net Assets/Balance Sheet. Restricted assets at December 31, 2021 are composed of the following:

**Governmental Funds**

	Cash and Cash equivalents	Investments
<b>General Funds</b>		
Environmental Litigation	\$ 69,807	\$ -
Hazmat Response Fund	1,690,245	498,000
MCT Trust	718,681	-
Inmate Pay	1,379,459	-
Santander	5,002,891	-
PLGIT	19,390,258	-
Worker's Compensation Trust	140,136	-
<b>Health Choices special revenue</b>		
Appendix V-Jumbo Auto Renew CD	-	835,047
Reinvestment	2,121,191	-
Risk and Contingency	7,216,882	1,494,000
<b>Department of Emergency Services</b>		
Hazmat Response Fund	6,846	-
<b>Liquid Fuels</b>		
Liquid Fuels-ACT 13	3,903,369	747,000
Liquid Fuels-ACT 89	1,749,206	-
Liquid Fuels-Local Use Fund	8,829,023	-
<b>Special Legislation Fund</b>		
Adult Probation Supervision Fund	1,701,505	-
Coroner Record Improvement Fund	203,093	-
Courts Automation Fund	224,990	-
Hotel Tax Fund	211,169	-
Prothonotary Automation Fund	9,485	-
Register of Wills Record Improvement Fund	146,786	-
<b>COVID Grant Fund</b>		
Emergency Rental Assistance Plan	1,904,704	-
Emergency Rental Assistance Plan 2	20,521,840	-
American Rescue Plan	27,161,093	-
<b>Total governmental funds</b>	<u>\$ 104,302,659</u>	<u>\$ 3,574,047</u>
<b>Business Type Activities</b>		
<b>Berks Heim</b>		
Worker's Compensation Trust	<u>\$ 115,385</u>	<u>\$ -</u>

**NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS**

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March, payable under the following terms: 2% discount, March through April 30; face amount, May through June 30, and 10% penalty between July 1 and January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Berks County Tax Claim Bureau for collection. The County bills these taxes that are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The 2021 adopted rate of taxation was 7.657 mills.

County property tax revenues were reduced by approximately \$923,400 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

**Local Economic Revitalization Tax Assistance (LERTA) Program**

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

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

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

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

- City of Reading
- Borough of Wyomissing
- Bethel Township

- Borough of Birdsboro
- Bern Township

The County has forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$797,600 for the year ended December 31, 2021.

### **Keystone Opportunity Zone Program (KOZ) Program**

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

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

The County has forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$125,800 for the year ended December 31, 2021.

### **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, 2021 are as follows:



	Due from other funds	Due to other funds
Governmental funds:		
General Fund	\$ -	\$ 3,563,740
Children and Youth Services	-	6,557,140
Health Choices	52,898	-
Nonmajor	-	5,542,180
	<u>52,898</u>	<u>15,663,060</u>
Proprietary funds:		
Berks County Residential Center	1,018,746	-
Berks Heim	14,586,416	-
	<u>15,605,162</u>	<u>-</u>
Custodial Fund:		
District Attorney	5,000	-
	<u>5,000</u>	<u>-</u>
Total	<u>15,663,060</u>	<u>15,663,060</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 2021 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 22,137,187	\$ 11,197,372
Children and Youth Services	5,255,957	291,613
Health Choices	-	13,114
Nonmajor	5,790,885	20,592,953
	<u>33,184,029</u>	<u>32,095,052</u>
Proprietary funds:		
Berks County Residential Center	-	1,088,977
Berks Heim	-	-
	<u>-</u>	<u>1,088,977</u>
Total	<u>33,184,029</u>	<u>33,184,029</u>

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

- Transfers of \$10,099,259 were made from the General Fund to several funds during 2021 to cover deficits in several special revenue funds.

- Transfers of \$17,813,979 were made from the COVID Impacts Grants Fund to the General Fund for Prison and Sheriff department grant eligible payroll expense reimbursements.
- Transfers of \$2,447,140 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$1,098,687 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.
- Transfers of \$1,088,977 were made from Berks County Residential Center to the General Fund for rental of space.

## NOTE 6: CAPITAL ASSETS

### A. Primary government

#### 1. Capital assets

Capital asset activity for the year ended December 31, 2021 was as follows:

- **Governmental activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,525,728	\$ -	\$ (27,440)	\$ -	\$ 13,498,288
Historical Treasures	2,290,344	-	-	-	2,290,344
Agricultural Easements	83,034,256	732,900	-	-	83,767,156
Software In Progress	12,423,852	1,797,093	(4,241,443)	-	9,979,502
Construction In Progress	9,667,236	2,088,263	(6,006,461)	-	5,749,038
Total capital assets, not being depreciated	<u>120,941,416</u>	<u>4,618,256</u>	<u>(10,275,344)</u>	<u>-</u>	<u>115,284,328</u>
Capital assets, being depreciated:					
Land and Improvements	4,580,252	285,039	(393,643)	-	4,471,648
Bldgs and Improvements	215,790,889	5,907,252	(1,873,324)	-	219,824,817
Furniture, Fixtures, Equip & Vehicles	89,232,828	7,963,369	(1,278,824)	-	95,917,373
Infrastructure	40,152,471	113,380	-	-	40,265,851
Total capital assets, being depreciated	<u>349,756,440</u>	<u>14,269,040</u>	<u>(3,545,791)</u>	<u>-</u>	<u>360,479,689</u>
Total capital assets, historical cost	<u>470,697,856</u>	<u>18,887,296</u>	<u>(13,821,135)</u>	<u>-</u>	<u>475,764,017</u>
Less accumulated depreciation for:					
Land and Improvements	2,169,051	219,670	(303,490)	-	2,085,231
Bldgs and Improvements	134,180,928	6,123,640	(1,710,470)	-	138,594,098
Furniture, Fixtures, Equip & Vehicles	39,030,413	6,842,692	(1,248,616)	-	44,624,489
Infrastructure	5,981,076	1,006,043	-	-	6,987,119
Total accumulated depreciation	<u>181,361,468</u>	<u>14,192,045</u>	<u>(3,262,576)</u>	<u>-</u>	<u>192,290,937</u>
Net capital assets, being depreciated	<u>168,394,972</u>	<u>76,995</u>	<u>(283,215)</u>	<u>-</u>	<u>168,188,752</u>
Total capital assets, net of accumulated depreciation	<u>\$ 289,336,388</u>	<u>\$ 4,695,251</u>	<u>\$ (10,558,559)</u>	<u>\$ -</u>	<u>\$ 283,473,080</u>

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	\$ 2,601,518	\$ 9,449	\$ (2,341,748)	\$ -	\$ 269,219
Capital assets, being depreciated:					
Buildings and improvements	50,341,815	5,278,107	-	-	55,619,922
Furniture, fixtures, equipment and vehicles	5,243,109	714,415	-	-	5,957,524
Total capital assets, being depreciated	55,584,924	5,992,522	-	-	61,577,446
Total capital assets, historical cost	58,186,442	6,001,971	(2,341,748)	-	61,846,665
Less accumulated depreciation for:					
Buildings and improvements	18,584,522	1,643,646	-	-	20,228,168
Furniture, fixtures, equipment and vehicles	4,608,986	247,450	-	-	4,856,436
Total accumulated depreciation	23,193,508	1,891,096	-	-	25,084,604
Net capital assets, being depreciated	32,391,416	4,101,426	-	-	36,492,842
Total capital assets, net of accumulated depreciation	\$ 34,992,934	\$ 4,110,875	\$ (2,341,748)	\$ -	\$ 36,762,061

## 2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2021 as follows:

- **Governmental activities:**

Judicial	\$	335,375
Public safety		4,362,306
Public works		1,203,974
General government		7,633,137
Human services		63,984
Community and economic development		54,744
Culture and recreation		538,525
Total	\$	<u>14,192,045</u>

- **Business-type activities:**

Berks County Residential Center	\$	386,136
Berks Heim		1,504,960
Total	\$	<u>1,891,096</u>

### **3. Capital projects commitments**

The Department of Emergency Services GPS project is in the construction phase with expenditures to date totaling \$1,616,582. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$2.3 million.

The Department of Emergency Services Mount Penn Tower Redevelopment project is in the construction phase with expenditures to date totaling \$838,423. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$1.7 million.

The Althouse Mill Bridge project is in the design phase with expenditures to date totaling \$26,085. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.1 million.

The Ebling Memorial Bridge project is in the design phase with expenditures to date totaling \$548,362. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$1.7 million.

The Peach Street Bridge project is in the design phase with expenditures to date totaling \$25,422. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$.2 million.

The Glendale Bridge project is in the design phase with expenditures to date totaling \$258,919. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.6 million.

The Pinnacle View Bridge project is in the design phase with expenditures to date totaling \$134,436. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$1.0 million.

The County Welfare Rd. Bridge project is in the design phase with expenditures to date totaling \$61,351. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.4 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling \$468,559.

## B. Component units

### 1. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2021 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2021 was \$2,614,205.

	Balance October 1, 2020	Additions	Deletions (Reclass)	Balance September 30, 2021
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	2,006,965	341,304	-	2,348,269
Total not being depreciated	6,746,366	341,304	-	7,087,670
Capital assets being depreciated:				
Terminal building	9,151,532	-	-	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Sanitary sewer system	5,106,229	-	-	5,106,229
Land improvements	11,619,132	-	-	11,619,132
Runway improvements	37,306,995	9,469	-	37,316,464
Machinery and equipment	3,922,247	249,642	-	4,171,889
Total being depreciated	83,547,584	259,111	-	83,806,695
Less accumulated depreciation:				
Terminal building	4,077,180	185,715	-	4,262,895
Other buildings and related improvements	10,389,801	483,106	-	10,872,907
Sanitary sewer system	1,742,986	133,711	-	1,876,697
Land improvements	8,220,676	338,236	-	8,558,912
Runway improvements	23,162,593	1,359,186	-	24,521,779
Machinery and equipment	3,435,794	114,251	-	3,550,045
Total accumulated depreciation	51,029,030	2,614,205	-	53,643,235
Total capital assets being depreciated, net	32,518,554	(2,355,094)	-	30,163,460
<b>Total Capital Assets, Net</b>	<b>\$39,264,920</b>	<b>\$ (2,013,790)</b>	<b>\$ -</b>	<b>\$37,251,130</b>

**B. Component units (continued)**

**1. Reading Regional Airport Authority (Continued)**

**Construction in progress/commitments**

Construction projects in progress at September 30, 2021 consist of the following:

Rehab West/North Apron	\$ 2,037,809
Rehab Terminal Apron	194,709
Sewer Treatment Plant SBR Tank	<u>115,750</u>
	<u>\$ 2,348,268</u>

At September 30, 2021, the Authority has no construction contracts relating to these projects, with remaining commitments.

Related to the construction in progress and operations, the Authority has been awarded grants to fund approved outstanding capital improvement projects. The following are the amounts remaining on the grants and the local match commitment at September 30, 2021:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Rehab West/North Apron	\$ 534,562	\$ 27,293	\$ 29,698	\$ 591,553
Rehab Terminal Apron	1,780,750	-	-	1,780,750
Snow Removal Equipment	<u>899</u>	<u>-</u>	<u>-</u>	<u>899</u>
Total Grants	<u>\$2,316,211</u>	<u>\$ 27,293</u>	<u>\$ 29,698</u>	<u>\$2,373,202</u>

## 2. Reading Area Community College

Capital asset activity for the year ended June 30, 2021 is as follows:

Depreciation expense for the College for the year ended June 30, 2021 was \$2,581,404.

	Balance July 1, 2020	Additions	Deletions (Reclass)	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	885,548	2,667,786	(3,098,525)	454,809
Total capital assets, not being depreciated	<u>1,967,104</u>	<u>2,667,786</u>	<u>(3,098,525)</u>	<u>1,536,365</u>
Capital assets, being depreciated:				
Buildings and improvements	71,605,225	13,801	1,935,471	73,554,497
Equipment, furnishings and library books	11,590,655	260,128	1,072,912	12,923,695
Total capital assets, being depreciated	<u>83,195,880</u>	<u>273,929</u>	<u>3,008,383</u>	<u>86,478,192</u>
Total capital assets, historical cost	<u>85,162,984</u>	<u>2,941,715</u>	<u>(90,142)</u>	<u>88,014,557</u>
Less accumulated depreciation for:				
Buildings and improvements	34,584,712	1,907,858	(4,983)	36,487,587
Equipment, furnishings and library books	9,353,034	673,546	(85,159)	9,941,421
Total accumulated depreciation	<u>43,937,746</u>	<u>2,581,404</u>	<u>(90,142)</u>	<u>46,429,008</u>
Total capital assets being depreciated, net	<u>39,258,134</u>	<u>(2,307,475)</u>	<u>3,098,525</u>	<u>40,049,184</u>
Total capital assets, net of accumulated depreciation	<u>\$ 41,225,238</u>	<u>\$ 360,311</u>	<u>\$ -</u>	<u>\$ 41,585,549</u>

## NOTE 7: RETIREMENT PLANS

### A. Primary government

#### 1. General information about the Plan

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

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

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

*Employees covered by benefit terms.* At January, 2022, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,433
Inactive plan members entitled to but not yet receiving benefits	326
Active plan members	1,819
Total members	<u>3,578</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 2021 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 4.5 percent of annual payroll.



## 2. Net Pension (Asset) Liability

The County's net pension (asset) liability was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2021 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2021 measurement period (see pension plan's investment policy) are summarized in the following table:

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

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

**Changes in Net Pension Asset (Liability)**

	Increase(Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (Liability) (b)-(a)
Balance at December 31, 2020	\$ 499,924,403	\$ 525,391,259	\$ 25,466,856
Changes for the year:			
Service cost	10,022,547	-	(10,022,547)
Interest cost	37,214,627	-	(37,214,627)
Difference between expected and actual experience	262,938	-	(262,938)
Changes of Assumptions	-	-	-
Contributions - County	-	4,329,291	4,329,291
Contributions - member	-	7,450,219	7,450,219
Net investment income	-	76,421,987	76,421,987
Benefit payments, including refunds of member contributions	(28,545,773)	(28,545,773)	-
Administrative expense	-	(69,674)	(69,674)
Net changes	<u>18,954,339</u>	<u>59,586,050</u>	<u>40,631,711</u>
Balance at December 31, 2021	<u>\$ 518,878,742</u>	<u>\$ 584,977,309</u>	<u>\$ 66,098,567</u>

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

Discount rate	Net Pension Asset (Liability)
1% decrease (6.5%)	\$ 8,650,730
Current Discount Rate (7.5%)	\$ 66,098,567
1% increase (8.5%)	\$ 114,251,710

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

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

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Pension Liability		Plan Fiduciary Net Position		Assumptions	Total
	(Outflow)	Inflow	(Outflow)	Inflow	(Outflow)	
Deferred Inflow/(Outflow) of Resources as of January 1, 2021	\$ (5,459,432)	\$ 1,729,536	\$ (23,062,558)	\$ 41,073,598	\$ (2,305,708)	\$ 11,975,436
Differences Between Expected and Actual Experience for 2021	(262,938)	-	-	37,637,577	-	37,374,639
Portion Recognized in 2021 Pension Expense	<u>(2,159,138)</u>	<u>1,404,747</u>	<u>(11,531,278)</u>	<u>23,652,455</u>	<u>(1,097,955)</u>	<u>10,268,831</u>
Deferred (Inflow)/Outflow of Resources as of December 31, 2021 : (1)+(2)-(3)	(3,563,232)	324,789	(11,531,280)	55,058,720	(1,207,753)	\$ 39,081,244
Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2021:						\$ 27,105,808

*\*Determined as follows:*

Projected Earnings on Plan Investments for 2021	\$ 38,784,410
Actual Earnings on Plan Investments for 2021	<u>76,421,987</u>
Difference Between Expected and Actual Exp.	<u>\$ 37,637,577</u>

For the 2021 year, the County recognized pension income of \$9,196,612. Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended:</b>	
2022	\$ 3,898,439
2023	16,850,466
2024	10,853,116
2025	7,479,223
2026	-
Thereafter	-
<b>Total:</b>	<u>\$ 39,081,244</u>

### 4. Payable to the Pension Plan

For the year ended December 31, 2021, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

## B. Component units

### 1. Reading Regional Airport Authority

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

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible for participation in the Plan after they have been employed by the Authority for 13 weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; this contribution amount was \$496 at September 30, 2021. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2021 was \$40,605.

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, 2021 was \$13,397.

## **2. Reading Area Community College**

### **Retirement Plans**

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

### **Employee Defined Benefit Pension Plans**

#### ***Summary of Significant Accounting Policies***

##### Pension Plans

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

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

#### ***General Information about the Pension Plan***

##### Plan descriptions

SERS is a governmental cost-sharing multi-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state government and certain independent agencies. SERS is a component unit of the

Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. SERS issues a publicly available financial report that can be obtained at [www.sers.pa.gov](http://www.sers.pa.gov).

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

### Benefits provided

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

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

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

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

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

### Contributions

Pursuant to Section 5507 of the SERC (71 PA. C.S. section 5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. In the Commonwealth's 2018-2019 fiscal year, the Commonwealth paid the full actuarially required rate after being collared in the previous years due to Act 2010-120.

#### SERS Member Contributions:

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

#### SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2021 ranged between 25.47 percent and 36.84 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$44,678 for the year ended June 30, 2021.

#### 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, 2021 was 33.51 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the College were \$425,022 for the year ended June 30, 2021.

#### PSERS State Contributions:

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

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

The College reported a net pension liability of \$4,889,872 for the year ended June 30, 2021, consisting of \$457,872 related to SERS and \$4,432,000 related to PSERS.

At June 30, 2020, the College reported a liability of \$457,872 for its proportionate share of the SERS net pension liability. The SERS net pension liability and total pension liability were measured and actuarially determined as of December 31, 2020. 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, 2020 the College's proportion was 0.0025%, which is an increase of 0.0014% from its proportion measured as of December 31, 2019.

At June 30, 2021, the College reported a liability for its proportionate share of the PSERS net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$	4,432,000
Commonwealth's proportional share of the net pension liability	\$	4,432,000
Total proportionate share of the net pension liability	\$	<u>8,864,000</u>

The PSERS net pension liability was measured as of June 30, 2020, 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, 2019 to June 30, 2020. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the College's proportion was 0.0090 percent, which was a decrease of 0.0006 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the College recognized total pension expense from the two plans of \$449,151. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Net difference between projected and actual investment earnings	\$ 195,000	\$ 58,583
Change of assumptions	50,914	-
Difference between expected and actual experience	16,302	106,514
Changes in proportions	565,604	345,000
Difference between employer contributions and proportionate share of total contributions	-	10,534
Contributions subsequent to the measurement date	<u>425,022</u>	<u>-</u>
	<u>\$ 1,252,842</u>	<u>\$ 520,631</u>

The \$425,022 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, 2022.



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:

2022	\$	(2,401)
2023		167,259
2024		22,249
2025		108,460
2026		11,622
		<hr/>
	\$	307,189
		<hr/>

### 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, 2020 actuarial valuation, with the exception of the discount rate and inflation assumptions, was adopted by the State Employees' Retirement Board based upon actual experience of SERS during the years 2015 through 2019. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 7.125 percent to 7.00 percent effective as of the December 31, 2020 actuarial valuation. In addition, the SERS board approved a reduction in the inflation rate from 2.60 percent to 2.50 percent effective as of the December 21, 2020 actuarial valuation based on the experience study and has remained in effect since then. The following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method: Entry Age
- Investment return: 7.00 percent, includes inflation at 2.50 percent.
- Salary increases: Effective average of 4.60 percent, with a range of 3.30 percent and 6.95 percent including inflation at 2.50 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, 2020 was determined by rolling forward the System's total pension liability as of the June 30, 2019 actuarial valuation to June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The SERS board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2020 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	14.0%	6.25%
Private credit	4.0%	4.25%
Real estate	8.0%	5.60%
U.S. equity	25.0%	4.90%
International developed markets equity	13.0%	4.75%
Emerging markets equity	4.0%	5.00%
Fixed income - core	22.0%	1.50%
Fixed income - opportunistic	4.0%	3.00%
Inflation protection (TIPS)	4.0%	1.50%
Cash	2.0%	0.25%
	100.0%	

The PSERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The PSERS board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	15.0%	5.2%
Private equity	15.0%	7.2%
Fixed income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute return	10.0%	2.5%
Infrastructure/MLP's	6.0%	5.7%
Real estate	10.0%	5.5%
Risk parity	8.0%	3.3%
Cash	6.0%	-1.0%
Financing (LIBOR)	-14.0%	-0.7%
	100.0%	

Discount Rate: SERS and PSERS

The discount rate used to measure the total pension liability was 7.00 percent. This is a decrease in SERS from 7.125 percent in the prior valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the SERS discount rate of 7.00 percent and PSERS discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.00 percent for SERS and 6.25 percent for PSERS) or one-percentage point higher (8.00 percent for SERS and 8.25 percent for PSERS) than the current rate as:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
College's proportionate share of the SERS net pension liability	\$ 572,408	\$ 457,872	\$ 311,615
	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
College's proportionate share of the PSERS net pension liability	5,483,000	4,432,000	3,541,000

### Pension Plan Fiduciary Net Position

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

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

On June 21, 2017, Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation establishes a new hybrid defined benefit/defined contribution (DF) retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan design options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. A stand-alone defined benefit plan is no longer available to new members after June 30, 2019. Contributions to the defined contribution pension plan from the College were \$2,283 for the year ended June 30, 2021.

### Payable to the Pension Plan

At June 30, 2021, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB liabilities of \$114,939. This amount represents the College's contractually obligated contributions for wages earned in April 2021 through June 2021.

### **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, 2021 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, 2021 was \$2,217,188, which consisted of \$1,137,104 from the College and \$1,080,084 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, 2021, future minimum lease payments receivable under significant noncancelable long-term operating leases are as follows for each year ending September 30:

For the year ended September 30, 2021, total rental income received under these noncancelable leases were \$1,078,328.

2022	\$	835,910
2023		731,180
2024		683,954
2025		653,015
2026		609,322
2027 - 2031		2,192,704
2032		107,765
	\$	<u>5,813,850</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 for presumptive loss to any employee classified under class code(s) for which applicable state presumption laws have deemed compensability to apply for \$750,000. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$600,000 for all other employees.

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 \$145,957.16 for 2021.

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, 2021, are summarized as follows:

Governmental Activities	\$1,128,679
Business-type Activities	<u>925,915</u>
Total	<u>\$2,054,594</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2019, 2020 and 2021.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2019	\$ 2,653,577	\$ 553,087	\$ 722,751	\$ 2,483,913
2020	\$ 2,483,913	\$ 467,340	\$ 766,941	\$ 2,184,312
2021	\$ 2,184,312	\$ 468,787	\$ 598,505	\$ 2,054,594

### 3. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2021, the County has incurred and processed healthcare claims of \$33.4 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2021, are summarized as follows:

Governmental Activities	\$1,502,210
Business-type Activities	<u>294,618</u>
Total	<u>\$1,796,828</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2019, 2020 and 2021.

	January 1	Incurred		December 31
Year	Liability	Claims	Payments	Liability
2019	\$ 1,808,122	\$33,458,933	\$ 33,608,359	\$ 1,658,696
2020	\$ 1,658,696	\$30,652,495	\$ 30,540,087	\$ 1,771,104
2021	\$ 1,771,104	\$33,506,673	\$ 33,480,949	\$ 1,796,828

### 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, 2021 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, 2021, is \$10,710,921, and is included in accrued claims health insurance in the accompanying governmental funds balance sheet.

The following summary provides aggregate information on Health Choice’s self-insured healthcare liabilities, incurred claims’ and payments during the years ended December 31, 2019, 2020 and 2021.

	January 1	Incurred		December 31
Year	Liability	Claims	Payments	Liability
2019	\$ 7,667,967	\$ 85,594,415	\$ 84,806,206	\$ 8,456,176
2020	\$ 8,456,176	\$ 101,455,020	\$ 100,233,996	\$ 9,677,200
2021	\$ 9,677,200	\$ 109,545,079	\$ 108,511,358	\$ 10,710,921

## B. Component units

### 1. Reading Area Community College

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for health insurance, for which the College retains partial risk of loss. For insured programs there were no significant reductions in insurance coverages of the 2020/2021 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$85,000 individually for the year ended June 30, 2021. Stop gap insurance is in place for claims in excess of the threshold. Included in the financial statement is a liability for \$400,000 for outstanding estimated claims at June 30, 2021. This liability is entirely funded.

Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the period ending June 30, 2021:

Balance at July 1	\$ 400,000
Claims incurred	3,884,650
Claims paid	<u>(3,884,650)</u>
Balance at June 30	<u>\$ 400,000</u>



**NOTE 10: LONG-TERM DEBT**

**A. Primary government**

**1. General obligation bonds and notes**

**Governmental activities**

During 2021, the County issued General Obligation Note Series A of 2021 in the amount of \$11,375,000. The proceeds of the note were used to refund the 2010 General Obligation Bonds Series B and to also refund the 2016 General Obligation Bonds and also to pay for costs of issuance for the note. The note proceeds of \$11,375,000 were used to pay issuance costs of \$25,113 and to transfer \$11,349,887 to an escrow agent for the refunded bonds. The aggregate difference in debt service between the 2021 Series A Note and the 2010 Series B and 2016 Bonds totaled \$587,410. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$569,366. Due to this transaction, a refunding loss is recognized in the funds where the note is recorded. The refunding loss will be amortized over the life of the 2021 Series A Note.

During 2021, the County issued Federally Taxable General Obligation Note Series B of 2021 in the amount of \$16,774,000. The proceeds of the note were used to advance refund a portion of the 2015 General Obligation Bonds and to pay for costs of issuance for the note. The note proceeds of \$16,774,000 (\$9,393,440 for governmental activities and \$7,380,560 for business-type activities) were used to pay bond issuance costs of \$52,821 and to transfer \$16,721,179 (\$9,363,860 for governmental activities and \$7,357,319 for business-type activities) to an escrow agent for the refunded bonds. The aggregate difference in debt service between the 2021 Series B Note and the 2015 Series Bonds totaled \$988,039. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$959,015. Due to this transaction, a refunding loss is recognized in the funds where the note is recorded. The refunding loss will be amortized over the life of the 2021 Series B Note.

At December 31, 2021, general obligation bonds and notes consisted of the following:

	Balance outstanding January 1, 2021	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2021	Due within one year
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.	1,380,000	-	-	1,380,000	-	-
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.	4,560,000	-	-	4,560,000	-	-
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.	1,056,977	-	-	1,056,977	-	-
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.	22,632,400	-	-	12,012,000	10,620,400	4,454,800
2016 General Obligation Bonds, \$9,790,000, varying interest rates ranging from .43% to 4.0% through 2029, to advance refund the 2009 Series A General Obligation Bonds.	6,635,000	-	-	6,635,000	-	-
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	56,014,395	-	-	3,027,536	52,986,859	3,186,880

2019 General Obligation Bonds Series A, \$8,555,000, varying interest rates ranging from 1.05% to 4.00% through 2029, to currently refund the 2014 General Obligation Bonds.

8,495,000 - 5,000 8,490,000 5,000

2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.

23,334,476 - 142,616 23,191,860 1,229,014

	Balance outstanding January 1, 2021	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2021	Due within one year
2021 General Obligation Note Series A, \$11,375,000 interest rate .9% through 2029, to advance refund the 2010 Series B General Obligation Bonds, and to advance refund the 2016	-	11,375,000	-	1,667,000	9,708,000	1,647,000

2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028,

- 9,393,440 - 190,960 9,202,480 151,200

\$ 124,108,248 \$ 20,768,440 \$ - \$ 30,677,089 \$ 114,199,599 \$ 10,673,894

Unamortized premium 2013	1,770,949	-	-	1,770,949	-	
Unamortized premium 2015	2,141,449	-	-	267,680	1,873,769	
Unamortized premium 2016	134,968	-	-	134,968	-	
Unamortized premium 2019	9,194,720	-	-	919,472	8,275,248	
Unamortized premium 2019A	1,315,662	-	-	146,185	1,169,477	

Total	\$ 138,665,996	\$ 20,768,440	\$ -	\$ 33,916,343	\$ 125,518,093	
Less: Current Maturities					(10,673,894)	
					<u>\$ 114,844,199</u>	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2022	\$ 10,673,894	\$ 4,170,102	\$ 14,843,996
2023	12,078,652	3,748,918	15,827,570
2024	10,954,175	3,258,820	14,212,995
2025	11,342,204	2,850,219	14,192,423
2026	11,389,098	2,397,361	13,786,459
2027-2031	48,017,554	5,992,958	54,010,512
2032-2036	8,003,269	953,273	8,956,542
2037	1,740,753	51,613	1,792,366
	\$ 114,199,599	\$ 23,423,264	\$ 137,622,863
Unamortized premium	11,318,494		
Bonds and notes payable at December 31, 2021	<u>\$ 125,518,093</u>		

**Business-type activities**

	Balance outstanding January 1, 2021	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2021	Due within one year
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.	203,023	-	-	203,023	-	-
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.	17,782,600	-	-	9,438,000	8,344,600	3,500,200
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	230,605	-	-	12,465	218,140	13,120
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	4,480,524	-	-	27,384	4,453,140	235,987
2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028, to currently refund a portion of the 2015 General Obligation Bonds.	-	7,380,560	-	150,040	7,230,520	118,800
	\$ 22,696,752	\$ 7,380,560	\$ -	\$ 9,830,911	\$ 20,246,401	\$ 3,868,107
Unamortized premium 2015	1,682,566	-	-	210,321	1,472,245	
Unamortized premium 2019	37,854	-	-	3,785	34,069	
<b>Total</b>	<b>\$ 24,417,172</b>	<b>\$ 7,380,560</b>	<b>\$ -</b>	<b>\$ 10,045,017</b>	<b>\$ 21,752,715</b>	
Less: Current Maturities					(3,868,107)	
					<u>\$ 17,884,608</u>	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2022	\$ 3,868,107	\$ 626,150	\$ 4,494,257
2023	951,346	444,710	1,396,056
2024	2,486,825	409,304	2,896,129
2025	2,583,796	297,232	2,881,028
2026	3,119,902	180,190	3,300,092
2027-2031	5,365,446	437,211	5,802,657
2032-2036	1,536,732	183,040	1,719,772
2037	334,247	9,911	344,158
	<u>\$ 20,246,401</u>	<u>\$ 2,587,748</u>	<u>\$ 22,834,149</u>
Unamortized premium	1,506,314		
Bonds and notes payable at December 31, 2021	<u>\$ 21,752,715</u>		

## **2. 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, 2021, \$96,565,000 of bonds outstanding is considered defeased.

During 2021, the County defeased a portion of its 2015 General Obligation Bonds by placing proceeds from its Series B of 2021 Federally Taxable General Obligation Notes 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, 2021, \$14,985,000 of bonds outstanding is considered defeased.

## **3. 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 terminated as of December 31, 2021.

## **4. 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, 2021.

## **5. Covenants**

The County's outstanding debt from direct borrowings and direct placements are secured under indentures by an assignment and pledge to the trustee. Under the indentures, If the County defaults in the payment of principal or interest, or if the County fails to comply with any provision of the Bonds or of the Ordinance, the registered owners of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the registered owners. Such trustee may, and upon written request of the registered owners of 25% in aggregate principal amount of the Bonds and being furnished with satisfactory indemnity must, take one or more of the following actions, which will preclude similar action by the individual registered owners: (i) bring suit to enforce all rights of the registered owners; (ii) bring suit on the Bonds; (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes); and 5 (iv) by suit in equity, enjoin any acts and things which may be unlawful or in violation of the rights of the registered owners all as set forth more fully in the Debt Act.

The outstanding bonds are subject to covenants, including a requirement to annually budget amounts required to pay debt service and pledges its full faith, credit and taxing power. In addition,

the County has certain continuing disclosure requirements. At December 31, 2021, the County was in compliance with these financial and operational covenants.

## 6. Other changes in long term liabilities

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

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due within one year
Governmental activities:					
Agricultural easement installment purchases	\$ 232,688	\$ 44,300	\$ 156,995	\$ 119,993	\$ 66,676
Workers compensation accrued liabilities	1,231,704	286,411	389,436	1,128,679	187,296
Compensated absences payable	8,494,752	9,994,417	10,321,970	8,167,199	1,351,376
Total governmental activities	<u>\$ 9,959,144</u>	<u>\$ 10,325,128</u>	<u>\$ 10,868,401</u>	<u>\$ 9,415,871</u>	<u>\$ 1,605,348</u>
Business-type activities:					
Workers compensation accrued liabilities	\$ 952,231	\$ 182,376	\$ 208,692	\$ 925,915	\$ 153,649
Compensated absences payable	1,254,457	928,362	1,327,862	854,957	487,691
Total business-type activities	<u>\$ 2,206,688</u>	<u>\$ 1,110,738</u>	<u>\$ 1,536,554</u>	<u>\$ 1,780,872</u>	<u>\$ 641,340</u>

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

## Component units

### Revenue bonds payable and notes payable

- Reading Area Community College

Notes payable on June 30, 2021 consist of several outstanding tax-exempt revenue bonds and notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority (SPSBA). The College has pledged its full faith and credit for the repayment notes issued. The notes 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 note series for the year ended June 30, 2021, was as follows:

	Balance outstanding July 1, 2020	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2021	Current Portion
College Revenue Note, Series A of 2016, original issue \$3,355,738, interest rate 2.30%, final maturity April 2036.	1,587,000	-	90,000	\$ 1,497,000	92,500
College Revenue Note, Series B of 2017, original issue \$8,066,000, interest rate 2.50%, final maturity April 2029.	7,989,000	-	805,000	\$ 7,184,000	824,000
	<u>\$ 9,576,000</u>	<u>\$ -</u>	<u>\$ 895,000</u>	<u>\$ 8,681,000</u>	<u>\$ 916,500</u>
Less: Current maturities				(916,500)	
				<u>\$ 7,764,500</u>	

Principal and interest requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2022	916,500	\$ 214,031	\$ 1,130,531
2023	937,500	191,304	1,128,804
2024	961,500	168,055	1,129,555
2025	985,000	144,211	1,129,211
2026	1,008,000	119,784	1,127,784
2027-2031	3,316,000	320,717	3,636,717
2032-2036	556,500	77,355	633,855
	\$ 8,681,000	\$ 1,235,457	\$ 9,916,457

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

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

**Reading Regional Airport Authority**

2021

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 of \$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 4.45% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with the same financial institution, which lowered the interest rate to 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. In June 2021, the Authority entered into a note modification agreement, with the bank, fixing the interest rate at 2.55% through note maturity. Principal and interest are payable semi-annually.

\$ 972,936

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 of \$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 a fixed rate of 4.43% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with a different financial institution, which lowered the interest rate to 2.80% through October 1, 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the note shall never exceed 5.50% per annum. In June 2021, the Authority entered into a note modification agreement, with the bank, fixing the interest rate at 2.65% through October 1, 2030. Thereafter, the interest rate shall be adjusted from time to time to equal 1-Month London Interbank Offered Rate, plus 1.5%. However, the maximum interest rate on the note shall never exceed 4.00% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,280,000, which satisfies principal payments through October 2025.

2,570,000

3,542,936

Less: Amount due within one year and classified as current

(107,936)

\$ 3,435,000

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 County has not been called upon to make any payments related to this debt.

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

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Amount Due Within One Year
Revenue Notes:					
Series A of 2008	\$ 1,275,000	\$ -	\$ (302,064)	\$ 972,936	\$ 107,936
Series B of 2008	2,570,000	-	-	2,570,000	-
	<u>\$ 3,845,000</u>	<u>\$ -</u>	<u>\$ (302,064)</u>	<u>\$ 3,542,936</u>	<u>\$ 107,936</u>

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

Year Ending September 30	Revenue Notes, Series A and B of 2008			Total Debt Service
	Principal	Interest		
2022	\$ 107,936	\$ 46,457		\$ 154,393
2023	225,000	88,760		313,760
2024	240,000	82,895		322,895
2025	250,000	76,711		326,711
2026	150,000	70,273		220,273
2027-2031	1,305,000	207,628		1,512,628
2032-2034	1,265,000	68,701		1,333,701
	<u>\$ 3,542,936</u>	<u>\$ 641,425</u>		<u>\$ 4,184,361</u>

#### A. Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street Journal prime rate. Interest only payments are due monthly with principal due on April 30, 2021. There was no balance on the line of credit at September 30, 2021.

- **Reading Area Community College**

At June 30, 2021, the College has an unsecured bank line of credit with maximum borrowings of \$5,000,000. The maximum borrowings will be reduced to \$2,500,000 from July 1 to December 31 of each year during the term of the loan. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2022. There is no outstanding balance on this line of credit at June 30, 2021.

#### B. Loans Payable and long-term liabilities



- **Reading Area Community College**

	Balance outstanding June 30, 2021
The College entered into loan agreements with the Pennsylvania State Public School Building Authority (SPSBA):	
On January 1, 2018, the College entered into an agreement to borrow up to \$500,000 to finance the Card Access System Project to the buildings of the College. The agreement requires semiannual payments of \$52,795, including interest at 2.25% per annum. Final payment is due in December 2022. The College has pledged its full faith and credit for the repayment of the loan.	149,762
	\$ 149,762
Portion payable within one year and classified as current	(102,791)
Total long term debt	\$ 46,971

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

	Principal	Interest
2022	102,791	2,915
2023	46,971	592
	\$ 149,762	\$ 3,507

Accrued compensated absences for the year ending June 30, 2021 was \$875,913, with \$429,336 due within one year.

## NOTE 11: FUND BALANCE POLICY

### A. Primary government

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

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

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

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

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

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

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

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

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

Fund balances of the County's governmental funds at December 31, 2021 consist of the following:

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Nonspendable:					
Employee pay advance	\$ 35,545	\$ 3,724	\$ -	\$ 596	\$ 39,866
Inventories and prepaid expenses	8,785,342	-	-	2,765,471	11,550,813
Total Nonspendable	8,820,887	3,724	-	2,766,068	11,590,679
Restricted:					
Gift fund	-	21,130	-	-	21,130
Hazmat Response	2,064,910	-	-	-	2,064,910
Act 198 - Courts	287,247	-	-	-	287,247
Workers' compensation	140,162	-	-	-	140,162
Special revenue funds	-	46,820	-	18,578,756	18,625,576
Act 13 Marcellus Shale	771,445	-	-	-	771,445
Total Restricted	3,263,764	67,950	-	18,578,756	21,910,469
Committed:					
Farmland preservation	1,867,405	-	-	-	1,867,405
Services Center Parking Garage	486,322	-	-	-	486,322
2022 Budgeted Loss	541,801	-	-	-	541,801
2022 Capital Projects	6,510,943	-	-	-	6,510,943
Total Committed	9,406,471	-	-	-	9,406,471
Assigned:					
Divorce Masters	15,377	-	-	-	15,377
Health care self insurance	4,000,000	-	-	-	4,000,000
Total Assigned	4,015,377	-	-	-	4,015,377
Unassigned	149,961,983	-	-	-	149,961,983
Total Governmental Fund Balance	\$ 175,468,482	\$ 71,674	\$ -	\$ 21,344,824	\$ 196,884,980

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

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

- Services Center Parking Garage – this commitment represents amounts restricted to fund any necessary repairs to the Services Center Parking Garage.
- 2022 Capital Projects – this commitment represents amounts to be used for 2022 capital projects.
- Divorce Masters – this assignment represents a commitment to this program.
- Health care self-insurance – this assignment represents the estimated obligation in excess of stop loss insurance for the health care self-insurance program due within the 2021 year.

**NOTE 12: OBLIGATIONS UNDER CAPITAL LEASES**

**A. Component units**

**1. Reading Area Community College**

Following is a summary of property held under capital leases at June 30, 2021:

Computer equipment and copiers	\$ 285,705
Less: Accumulated depreciation	(238,600)
	\$ 47,105

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

2022	42,645
Less: amount representing interest	(2,310)
Present value of lease payments	\$ 40,335

The interest rates on the capitalized leases range from 4.20% to 6.29% and are imputed based on the lower of the College's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

## NOTE 13: COMMITMENTS AND CONTINGENCIES

### A. Primary government

Approximately 64.5% of the County's employees are covered by collective bargaining agreements as of December 31, 2021. Two AFSCME union contracts expired December 31, 2021 and negotiations are in progress. The Teamster union contract expired December 31, 2021 and negotiations are in progress. The Fraternal Order of Police contract expires December 31, 2021. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2024. The Deputy Sheriff's Association union contract expired December 31, 2021.

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 2025. Total expenses for all operating leases were \$1,115,144 for the year ended December 31, 2021.

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

2022	\$ 1,007,151
2023	847,392
2024	708,849
2025	548,268
2026	<u>10,770,991</u>
Total	<u>\$ 13,882,651</u>

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended December 31, 2021 have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

### B. Component units

#### 1. Reading Regional Airport Authority

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

no significant reductions in insurance coverage for the year ended September 30, 2020. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

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

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

## **2. Reading Area Community College**

### Federal and State revenues

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

### Operating lease commitments

The College has entered into several lease agreements for the rental of parking space and certain equipment. Rent expense for the year ended June 30, 2021 approximated \$278,498. Minimum future rental payments under noncancelable operating leases as of June 30 are as follows:

2022	\$118,019
2023	67,142
2024	28,470
2025	<u>6,110</u>
Total	<u>\$219,741</u>

## **NOTE 14: CONTRACTUAL AGREEMENT REVENUE**

### **Component unit**

#### **Reading Area Community College**

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

In addition, the contract stated that Barnes & Noble will renovate and move the bookstore facility for a cost up to \$165,000. The actual total cost of renovations at June 30, 2018 was \$107,604. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Barnes & Noble the book value of the renovations put in service by Barnes & Noble depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Barnes & Noble over the life of the contract. Unearned revenue from the renovations is \$30,487 as of June 30, 2021.

Total revenues from these agreements, including the amortization of the bookstore renovations, was \$247,715 for the year ended June 30, 2021 and is included in other revenues on the statement of revenues, expenses and changes in net position.

**NOTE 15: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS**

**A. Component units**

**Reading Area Community College**

**Health Insurance Premium Assistance Program**

Employee Defined Benefit Other Postemployment Benefit Plans

The College has other postemployment benefits (OPEB) under two different plans: (1) a cost sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (College OPEB Plan). The College’s aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2021 are as follows:

Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
PSERS OPEB Plan	\$ 192,000	\$ 43,400	\$ 30,000
College OPEB Plan	1,398,017	418,995	121,619
	\$ 1,590,017	\$ 462,395	\$ 151,619

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental, cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and



- Participate in the Health Option Program or employer-sponsored health insurance program.

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2020, there were no assumed future benefit increases to participating eligible retirees.

Contributions

The College's contractually required contribution rate for the fiscal year ended June 30, 2021, was 0.82% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the College were \$10,400 for the year ended June 30, 2021.

PSERS State Contributions:

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

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

At June 30, 2021, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 192,000
Commonwealth's proportional share of the net pension liability	<u>192,000</u>
Total proportionate share of the net pension liability	<u>\$ 384,000</u>

The net OPEB obligation was measured as of June 30, 2020, and the total OPEB obligation used to calculate the net OPEB obligation was determined by rolling forward the System's total OPEB obligation as of June 30, 2018 to June 30, 2019. The College's proportion of the net OPEB obligation was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2021, the College's proportion was 0.0090 percent, which was a decrease of 0.0006 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the College recognized OPEB expense of \$7,514. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,000	\$ -
Changes in assumptions	8,000	4,000
Changes in proportion	23,000	26,000
Contributions made subsequent to the measurement date	<u>10,400</u>	<u>-</u>
	<u>\$ 43,400</u>	<u>\$ 30,000</u>

The \$10,400 reported as deferred outflows of resources related to OPEB resulting from College contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2022	\$ (1,000)
2023	(1,000)
2024	(1,000)
2025	2,000
2026	4,000
Thereafter	-
	<u>\$ 3,000</u>

#### Actuarial Assumptions

The total OPEB obligation as of June 30, 2020, was determined by rolling forward the System's total OPEB obligation as of June 30, 2019 to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level percent of pay
- Investment return – 2.66 percent – S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 5 percent, comprised of inflation of 2.75 percent and 2.25 percent for real wage growth and for merit of seniority increases

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2018, determined the employer contribution rate for fiscal year 2020.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	50.3%	-1.0%
US core fixed income	46.5%	-0.1%
Non-US developed fixed	3.2%	-0.1%
	100.0%	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2020.

Discount Rate

The discount rate used to measure the total OPEB obligation was 2.66 percent. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of

Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.66% which represents the S&P 20-year Municipal Bond Rate at June 30, 2020, was applied to all projected benefit payments to measure the total OPEB liability.

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

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2020, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2020, 93,693 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2020, 688 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the College's proportionate share of the net OPEB liability for the June 30, 2020 measurement date, calculated using current Healthcare cost trends as well as what the College's proportionate share of the net OPEB liability would be if the health cost trends were one-percentage point lower or one-percentage point higher than the current rate:

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

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

The following presents the net OPEB liability, calculated using the discount rate of 2.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.66%) or 1-percentage point higher (3.66%) than the current rate:

	<u>1% Decrease 1.66%</u>	<u>Current Rate 2.66%</u>	<u>1% Increase 3.66%</u>
College's proportionate share of the net OPEB liability	\$ 219,000	\$ 192,000	\$ 170,000

OPEB Plan Fiduciary Net Position

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

## Payables Related to the Plan

At June 30, 2021, the College had an accrued balance due to PSERS including contributions related to pension and OPEB liabilities of \$114,939. This amount represents the College's contractually obligated contributions for wages earned in April 2021 through June 2021.

## **College OPEB Plan**

### **General Information About the College OPEB Plan**

#### Plan description

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

#### Benefits Provided

##### Benefit A – Life Insurance

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

##### Benefit B – Medical, Prescription Drug, Vision and Dental

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

##### Benefit C – Early Retirement Lump Sum Payment

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

##### Benefit D – COBRA Reimbursement

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

## Eligibility

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

### Retirement Level 1

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

### Retirement Level 2

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

### Retirement Level 3

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

## Employees Covered by Benefit Terms

At July 1, 2019, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Active participants	190
Retired participants	<u>116</u>
	<u>306</u>

## OPEB Liability

### Actuarial Assumptions and Other Inputs

The total OPEB liability as of July 1, 2019, was determined by rolling forward the College's total OPEB liability as of July 1, 2018 to July 1, 2019, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method – Entry Age Normal as a level percentage of pay
- Inflation rate – 3 percent
- Salary increases –2.50 percent
- Discount rate – 3.50 percent, based on the Bond Buyers 20-Bond Index
- Mortality rates were based on the RPH-2014 Total Dataset Mortality Table projected using Scale MP-2017

- Healthcare cost trend rates – 6.5 percent for 2021, decreasing between .25 percent and .50 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2029 and later

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

**Changes in the Total OPEB Liability**

	<u>Total OPEB Liability</u>
Balance at July 1, 2020	<u>\$ 1,069,085</u>
Changes for the year:	
Service cost	40,345
Interest	37,418
Differences between expected and actual experience	-
Changes of assumptions or other inputs	274,384
Benefit payments	<u>(23,215)</u>
Net changes	<u>328,932</u>
	<u><u>\$ 1,398,017</u></u>
Balance at June 30, 2021	

Changes of assumptions or other inputs reflect the following changes:

- The decrease in the discount rate from 3.50 percent in 2020 to 2.21 percent in 2021
- A change in the Mortality Improvement Projection Scale to MP-2019
- Changed the mortality table to Pri.H-2012 Total Dataset

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

The following presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (1.21%) or 1-percentage point higher (3.21%) than the current discount rate:

	<u>1% Decrease 1.21%</u>	<u>Current Rate 2.21%</u>	<u>1% Increase 3.21%</u>
OPEB Plan - Total OPEB Liability	\$ 1,640,628	\$ 1,398,017	\$ 1,203,674

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Liability	\$ 1,384,173	\$ 1,398,017	\$ 1,413,774

For the year ended June 30, 2021, the College recognized OPEB expense of \$123,382. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 384,889	\$ 184,111
Net difference between projected and actual experience	-	-
Benefit payments made subsequent to the measurement date	<u>34,106</u>	<u>23,215</u>
	<u>\$ 418,995</u>	<u>\$ 207,326</u>

The \$34,106 reported as deferred outflows of resources related to OPEB liabilities resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB obligation in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2022	\$ 45,619
2023	\$ 45,619
2024	\$ 45,619
2025	\$ 45,619
2026	\$ 41,598
Thereafter	<u>39,196</u>
Total	<u>\$263,270</u>



**NOTE 16: SUBSEQUENT EVENTS**

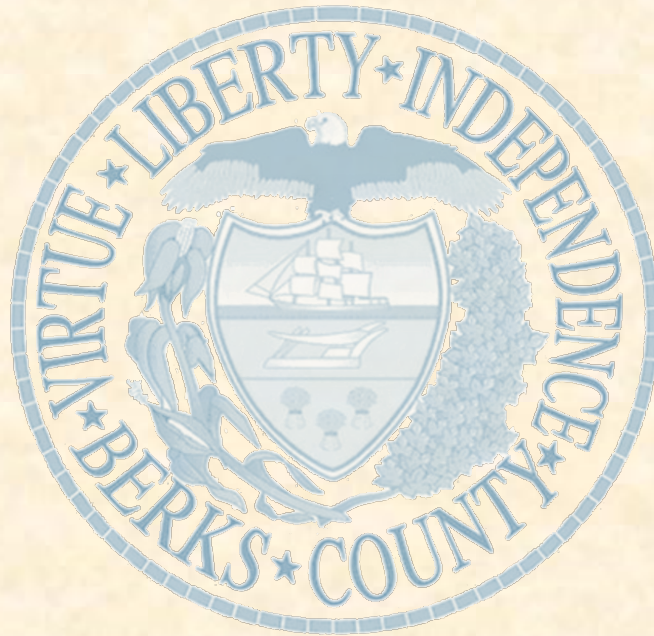
**A. Primary government**

The County has evaluated no subsequent events through June 30, 2021. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2021 were noted as a result of this evaluation.

**B. Reading Regional Airport Authority**

The Authority has evaluated subsequent events through February 15, 2022. This date is the date that the Authority's financial statements were available to be issued. The following event subsequent to September 30, 2021 were noted as a result of this evaluation:

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



## REQUIRED SUPPLEMENTAL INFORMATION

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

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 General Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Property taxes	\$ 147,794,054	\$ 147,794,054	\$ 148,417,095	\$ 623,041
Court costs, fines and forfeitures	2,655,412	2,655,412	1,935,483	(719,929)
Investment earnings	2,606,661	2,606,661	(600,941)	(3,207,602)
Intergovernmental revenue	12,941,774	13,537,257	10,177,145	(3,360,112)
Departmental charges and reimbursements	57,960,933	57,978,753	58,484,425	505,672
Payments in lieu of taxes	233,704	233,704	244,669	10,965
Rentals	292,964	292,964	278,542	(14,422)
Miscellaneous	10,845,634	10,848,489	11,016,789	168,300
Total revenues	<u>235,331,136</u>	<u>235,947,294</u>	<u>229,953,207</u>	<u>(5,994,087)</u>
<b>Expenditures</b>				
General government, administrative:				
Commissioners	1,840,754	2,828,839	2,455,753	373,086
Solicitors	2,282,799	2,298,331	1,916,719	381,612
Facilities	15,543,890	15,713,907	11,385,378	4,328,529
Courthouse Security	1,203,620	1,259,508	1,035,324	224,184
Election Services	3,855,391	4,176,262	3,348,585	827,677
Real Estate Assessment	3,471,179	4,115,685	3,294,709	820,976
Treasurer	968,451	1,038,982	986,844	52,138
Tax Collectors	465,674	465,674	465,689	(15)
Tax Claim Bureau	1,004,847	1,013,732	844,633	169,099
Controller	2,195,525	2,277,646	2,196,742	80,904
Recorder of Deeds	1,247,095	1,269,752	1,133,371	136,381
Mailroom/Printing	510,051	518,686	508,361	10,325
Information Systems	7,948,348	7,317,019	5,256,143	2,060,876
Purchasing	945,964	971,112	921,701	49,411
Archives	295,268	308,554	305,673	2,881
Budget	1,486,551	1,527,544	1,407,060	120,484
Human Resources	5,559,013	5,603,906	5,650,199	(46,293)
Insurance	2,274,728	2,274,728	1,766,043	508,685
Telecommunications	221,359	172,762	166,666	6,096
Veterans Affairs	644,614	660,628	647,137	13,491
Total general government, administrative	<u>53,965,121</u>	<u>55,813,257</u>	<u>45,692,730</u>	<u>10,120,527</u>
General government, judicial:				
Register of Wills	1,140,939	1,159,976	1,103,354	56,622
Sheriff	11,012,321	11,217,414	11,131,924	85,490
Coroner	1,739,548	1,821,424	1,911,892	(90,468)
Prothonotary	2,369,181	2,388,845	2,196,398	192,447
Clerk of Courts	2,984,557	3,031,072	2,929,739	101,333
Public Defender	3,883,638	3,928,652	3,827,746	100,906
District Attorney	12,604,949	13,275,215	13,123,728	151,487
Law Library	777,371	803,616	785,008	18,608
Court Administration	10,872,299	11,293,519	10,712,717	580,802
District Justices	9,161,221	9,334,343	7,960,789	1,373,554
Court Reporters	2,723,700	2,744,313	2,646,016	98,297
Total general government, judicial	<u>59,269,724</u>	<u>60,998,389</u>	<u>58,329,311</u>	<u>2,669,078</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 General Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Public Safety:</b>				
Adult Probation	\$ 10,053,518	\$ 10,468,854	\$ 9,831,189	\$ 637,665
Juvenile Probation	15,761,796	15,835,550	12,252,065	3,583,485
Prison	47,047,524	47,516,991	46,063,486	1,453,505
Community Corrections	130,024	132,199	188,668	(56,469)
Emergency Services Non Communications	2,269,641	2,536,632	2,298,736	237,896
Total public safety	<u>75,262,503</u>	<u>76,490,226</u>	<u>70,634,144</u>	<u>5,856,082</u>
<b>Culture and Recreation:</b>				
Berks County Public Libraries	4,111,525	4,201,746	4,072,048	129,698
Parks	4,387,521	5,098,062	3,691,645	1,406,417
Total culture and recreation	<u>8,499,046</u>	<u>9,299,808</u>	<u>7,763,693</u>	<u>1,536,115</u>
<b>Community and Economic Development:</b>				
Planning	2,088,885	2,144,216	2,027,585	116,631
Agricultural Extension Service	618,782	618,782	657,540	(38,758)
Agland Preservation	1,429,425	1,439,441	1,308,974	130,467
Total community and economic development	<u>4,137,092</u>	<u>4,202,439</u>	<u>3,994,099</u>	<u>208,340</u>
<b>Public Works:</b>				
Recycling	<u>20,745</u>	<u>20,745</u>	<u>22,298</u>	<u>(1,553)</u>
<b>Community Support:</b>				
Contributions:				
Community Bail Program	763,155	765,399	765,178	221
Berks Economic Partnership	600,000	800,184	587,839	212,345
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	864,613	8,514,019	8,490,578	23,441
Berks Heim	9,260,885	9,260,885	9,260,885	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	<u>15,638,653</u>	<u>23,490,487</u>	<u>23,254,480</u>	<u>236,007</u>
<b>Contingency:</b>				
Contingency general	<u>4,500,000</u>	<u>456,580</u>	<u>-</u>	<u>456,580</u>
<b>Debt Service:</b>				
Principal, interest and fiscal charges	12,710,835	12,710,835	12,457,418	253,417
Administrative expenses	16,263	16,263	88,392	(72,129)
Total debt service	<u>12,727,098</u>	<u>12,727,098</u>	<u>12,545,810</u>	<u>181,288</u>
<b>Intergovernmental:</b>				
Solid Waste debt service	<u>300,720</u>	<u>300,720</u>	<u>300,720</u>	<u>-</u>
<b>Total expenditures for general fund</b>	<u>234,320,702</u>	<u>243,799,749</u>	<u>222,537,285</u>	<u>21,262,464</u>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<u>1,010,434</u>	<u>(7,852,455)</u>	<u>7,415,922</u>	<u>15,214,602</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 General Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Other financing sources (uses):</b>				
Proceeds of refunding notes	-	-	28,149,000	28,149,000
Payment to refunded bonds escrow agent	-	-	(28,071,066)	(28,071,066)
Transfers in	\$ 3,886,618	\$ 21,701,431	\$ 22,137,187	\$ 435,756
Transfers out	<u>(14,859,016)</u>	<u>(16,762,057)</u>	<u>(11,197,372)</u>	<u>5,564,685</u>
Total other financing sources (uses)	<u>(10,972,398)</u>	<u>4,939,374</u>	<u>11,017,749</u>	<u>6,078,375</u>
Net change in fund balances	(9,961,964)	(2,913,081)	18,433,671	21,370,911
Fund balances, beginning, as restated	<u>157,034,811</u>	<u>157,034,811</u>	<u>157,034,811</u>	<u>-</u>
Fund balances, ending	<u>\$ 147,072,847</u>	<u>\$ 154,121,730</u>	<u>\$ 175,468,482</u>	<u>\$ 21,370,911</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Children and Youth Services Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 39,866,820	\$ 40,342,860	\$ 32,050,781	\$ (8,292,079)
Departmental charges and reimbursements	786,680	786,680	742,036	(44,644)
Investment earnings	-	-	-	-
Miscellaneous	1,600	1,600	1,372	(228)
Total revenues	<u>40,655,100</u>	<u>41,131,140</u>	<u>32,794,189</u>	<u>(8,336,951)</u>
<b>Expenditures</b>				
Current:				
Human services	<u>46,970,562</u>	<u>47,485,648</u>	<u>37,757,867</u>	<u>9,727,781</u>
Total expenditures	<u>46,970,562</u>	<u>47,485,648</u>	<u>37,757,867</u>	<u>9,727,781</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,315,462)</u>	<u>(6,354,508)</u>	<u>(4,963,678)</u>	<u>1,390,830</u>
<b>Other financing sources (uses):</b>				
Transfers in	6,637,733	6,676,779	5,255,957	(1,420,822)
Transfers out	<u>(322,271)</u>	<u>(322,271)</u>	<u>(291,613)</u>	<u>30,658</u>
Total other financing sources (uses)	<u>6,315,462</u>	<u>6,354,508</u>	<u>4,964,344</u>	<u>(1,390,164)</u>
Net change in fund balances	-	-	666	666
Fund balances, beginning, as restated	<u>71,008</u>	<u>71,008</u>	<u>71,008</u>	<u>-</u>
Fund balances, ending	<u>\$ 71,008</u>	<u>\$ 71,008</u>	<u>\$ 71,674</u>	<u>\$ 666</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Health Choices Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 144,244,152	\$ 164,004,865	\$ 160,957,399	\$ (3,047,466)
Investment earnings	123,000	123,000	61,204	(61,796)
Total revenues	<u>144,367,152</u>	<u>164,127,865</u>	<u>161,018,603</u>	<u>(3,109,262)</u>
<b>Expenditures</b>				
Current:				
Human services	144,353,933	164,114,646	161,005,489	3,109,157
Total expenditures	<u>144,353,933</u>	<u>164,114,646</u>	<u>161,005,489</u>	<u>3,109,157</u>
Excess (deficiency) of revenue over (under) expenditures	<u>13,219</u>	<u>13,219</u>	<u>13,114</u>	<u>(105)</u>
<b>Other financing uses:</b>				
Transfers out	(13,219)	(13,219)	(13,114)	105
Total other financing sources (uses)	<u>(13,219)</u>	<u>(13,219)</u>	<u>(13,114)</u>	<u>105</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 1: Budgets and budgetary accounting**

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

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

The County maintains budgetary control at the line item level of expenditures as authorized by resolution of the Board of Commissioners. The Chief Financial Officer may make transfers between accounts under \$10,000, while transfers of \$10,000 or greater require approval by the Board of Commissioners. Any supplemental appropriations to the Budget require approval by the Board of Commissioners.

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



	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total pension liability</b>								
Service cost	\$ 10,022,547	\$ 10,088,504	\$ 9,947,632	\$ 9,849,878	\$ 11,027,621	\$ 10,623,914	\$ 10,332,061	\$ 10,035,976
Interest	37,214,627	35,784,446	34,184,164	32,446,090	30,192,609	29,071,529	27,673,435	25,973,019
Differences between expected and actual experience	262,938	1,496,290	3,992,429	2,596,591	(5,056,232)	(501,667)	3,789,345	(3,642,225)
Changes of Assumptions (1)	-	-	-	5,599,573	-	-	-	-
Benefit payments, including refunds of employee contributions	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)	(18,690,853)	(16,016,484)
<b>Net change in total pension liability</b>	18,954,339	21,858,456	24,732,946	27,453,389	15,745,450	19,811,000	23,103,988	16,350,286
<b>Total pension liability, beginning</b>	499,924,403	478,065,947	453,333,001	425,879,612	410,134,162	390,323,162	367,219,174	350,868,888
<b>Total pension liability, ending</b>	<u>\$ 518,878,742</u>	<u>\$ 499,924,403</u>	<u>\$ 478,065,947</u>	<u>\$ 453,333,001</u>	<u>\$ 425,879,612</u>	<u>\$ 410,134,162</u>	<u>\$ 390,323,162</u>	<u>\$ 367,219,174</u>
<b>Plan fiduciary net position</b>								
Contributions-employer	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518
Contributions-member	7,450,219	7,338,292	7,347,118	7,119,321	6,900,703	6,500,174	6,256,829	6,074,679
Net investment income	76,421,987	54,228,756	66,553,930	(23,240,032)	58,362,251	29,291,596	(2,797,938)	23,044,386
Other additions/deductions	(35,174)	(34,853)	(30,718)	-	-	-	5,708	27,002
Benefit payments, including refunds of member contributions	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,777)	(18,690,853)	(16,016,484)
Administrative expense	(34,500)	(17,000)	(38,415)	(71,124)	(67,535)	(71,068)	(72,490)	(63,898)
<b>Net change in plan fiduciary net position</b>	59,586,050	41,193,022	54,852,375	(35,582,515)	47,378,348	18,426,701	(13,890,207)	13,299,203
<b>Plan fiduciary net position, beginning</b>	\$ 525,391,259	\$ 484,198,237	429,345,862	464,928,377	417,550,029	399,123,328	413,013,535	399,714,332
<b>Plan fiduciary net position, ending</b>	<u>\$ 584,977,309</u>	<u>\$ 525,391,259</u>	<u>\$ 484,198,237</u>	<u>\$ 429,345,862</u>	<u>\$ 464,928,377</u>	<u>\$ 417,550,029</u>	<u>\$ 399,123,328</u>	<u>\$ 413,013,535</u>
<b>County of Berks' net pension (liability) asset</b>	<u>\$ 66,098,567</u>	<u>\$ 25,466,856</u>	<u>\$ 6,132,290</u>	<u>\$ (23,987,139)</u>	<u>\$ 39,048,765</u>	<u>\$ 7,415,867</u>	<u>\$ 8,800,166</u>	<u>\$ 45,794,361</u>
<b>Plan fiduciary net position as a percentage of total pension (liability) asset</b>	112.74%	105.09%	101.28%	94.71%	109.17%	101.81%	102.25%	112.47%
<b>Covered-employee payroll</b>	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314
<b>County of Berks' net pension (liability) asset as a percentage of covered-employee payroll</b>	59.84%	22.70%	5.6%	-22.0%	37.3%	7.1%	8.7%	46.4%

**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  
2021 Comprehensive Annual Financial Report

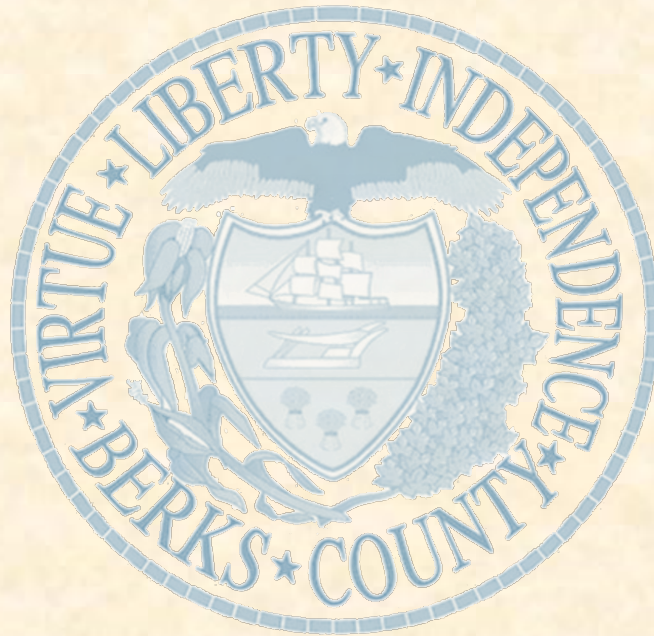
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518	\$ 2,665,246	\$ 9,796,229	\$ 8,002,599
Pension prefunding			-	-	-	-	-	-	-	63,144,061	-
Contributions in relation to the actuarially determined contribution	<u>4,329,291</u>	<u>5,188,611</u>	<u>4,411,739</u>	<u>3,648,063</u>	<u>2,601,477</u>	<u>2,088,776</u>	<u>1,408,537</u>	<u>233,518</u>	<u>2,665,246</u>	<u>9,796,229</u>	<u>8,002,599</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,144,061)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314	\$ 99,233,198	\$ 98,644,764	\$ 96,728,405
Contributions as a percentage of covered-employee payroll	3.92%	4.63%	4.05%	3.35%	2.48%	2.01%	1.39%	0.24%	2.69%	9.93%	8.27%
Annual money-weighted rate of return, net of investment expense	14.73%	11.31%	15.68%	-4.75%	13.80%	7.89%	-0.51%	5.75%			

**Notes to Schedule:**

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

**Other information:**

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



## **OTHER SUPPLEMENTAL INFORMATION**

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



	<b>Special Revenue</b>			
	<b>Liquid Fuels</b>	<b>Domestic Relations</b>	<b>Employment &amp; Training</b>	<b>Office of Aging</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,372,869	\$ 250	\$ 100	\$ 186
Cash and cash equivalents, restricted	14,481,599	-	-	-
Investments	747,000	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	5,204	7,637	39,307	5,580
Accrued interest receivable	-	-	-	-
Due from other governments	-	1,716,574	642,282	33,849
Due from other funds	-	-	1,637,447	4,420,456
Prepaid expenses	-	-	23,685	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 17,606,672</u>	<u>\$ 1,724,461</u>	<u>\$ 2,342,821</u>	<u>\$ 4,460,071</u>
<b>Liabilities</b>				
Accounts payable	\$ 126,298	\$ 8,773	\$ 421,268	\$ 554,751
Accrued liabilities	1,838	398,668	35,935	168,922
Unearned revenue	-	-	-	2,264,436
Due to other funds	908,101	1,316,424	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	1,052,114
Total liabilities	<u>1,036,237</u>	<u>1,723,865</u>	<u>457,203</u>	<u>4,040,223</u>
<b>Deferred inflows of resources</b>				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	596	19,933	-
Restricted	16,570,435	-	1,865,685	419,848
Current year income				
Current year expense				
Subtotal				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>16,570,435</u>	<u>596</u>	<u>1,885,618</u>	<u>419,848</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,606,672</u>	<u>\$ 1,724,461</u>	<u>\$ 2,342,821</u>	<u>\$ 4,460,071</u>

	<b>Special Revenue</b>			
	<b>Special Legislation</b>	<b>Mental Health/ Developmental Disabilities</b>	<b>Human Services</b>	<b>Drug and Alcohol</b>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	2,497,027	-	-	-
Investments	-	-	-	-
Taxes receivable	26,975	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	398,695	710,858	57,529	370,634
Due from other funds	673,593	4,292,196	56,116	7,708
Prepaid expenses	-	-	-	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 3,596,290</u>	<u>\$ 5,003,054</u>	<u>\$ 113,645</u>	<u>\$ 378,342</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,140,194	\$ 1,295,402	\$ 71,709	\$ 370,634
Accrued liabilities	-	23,589	1,731	-
Unearned revenue	-	2,594,750	24,352	7,708
Due to other funds	-	-	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	1,089,313	3,624	-
Total liabilities	<u>1,140,194</u>	<u>5,003,054</u>	<u>101,416</u>	<u>378,342</u>
<b>Deferred inflows of resources</b>				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	61,924	-	-	-
Restricted	2,394,172	-	12,229	-
Current income				
Current expense				
Subtotal				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,456,096</u>	<u>-</u>	<u>12,229</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,596,290</u>	<u>\$ 5,003,054</u>	<u>\$ 113,645</u>	<u>\$ 378,342</u>

	<b>Special Revenue</b>			
	<b>Department of Emergency Services</b>	<b>Community Development</b>	<b>COVID Impact Grants</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,559,804	\$ 22,426,544	\$ 1,021	\$ 27,360,774
Cash and cash equivalents, restricted	6,847	-	27,161,093	44,146,566
Investments	-	-	-	747,000
Taxes receivable	-	-	-	26,975
Accounts receivable	2,261,639	138,524	-	2,457,891
Accrued interest receivable	-	-	-	-
Due from other governments	-	-	-	3,930,419
Due from other funds	-	-	-	11,087,516
Prepaid expenses	3,025,636	-	-	3,049,321
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 7,853,926</u>	<u>\$ 22,565,068</u>	<u>\$ 27,162,114</u>	<u>\$ 92,806,462</u>
<b>Liabilities</b>				
Accounts payable	\$ 218,473	\$ 72,801	\$ -	\$ 4,280,303
Accrued liabilities	371,518	-	-	1,002,201
Unearned revenue	-	-	-	4,891,246
Due to other funds	7,263,935	3,070,309	4,082,628	16,641,397
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	2,145,051
Total liabilities	<u>7,853,926</u>	<u>3,143,110</u>	<u>4,082,628</u>	<u>28,960,198</u>
<b>Deferred inflows of resources</b>				
Other unavailable	-	19,421,958	23,079,487	42,501,445
Total deferred inflows of resources	<u>-</u>	<u>19,421,958</u>	<u>23,079,487</u>	<u>42,501,445</u>
<b>Fund balances</b>				
Nonspendable	2,683,614	-	-	2,766,067
Restricted	(2,683,614)	-	-	18,578,754
Current year income	-	-	-	-
Current year expense	-	-	-	-
Subtotal	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,344,821</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,853,926</u>	<u>\$ 22,565,068</u>	<u>\$ 27,162,114</u>	<u>\$ 92,806,462</u>

	<b>Special Revenue</b>			
	<b>Liquid Fuels</b>	<b>Domestic Relations</b>	<b>Employment &amp; Training</b>	<b>Office of Aging</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 1,551,178	\$ 4,883,682	\$ 5,675,947	\$ 9,149,861
Hotel tax	-	-	-	-
Departmental charges and reimbursements	2,137,400	164,014	-	233,506
Investment earnings	41,675	-	2,624	6,491
Rental	11,100	-	-	-
Miscellaneous	2,600	-	220,564	703
Total revenues	<u>3,743,953</u>	<u>5,047,696</u>	<u>5,899,135</u>	<u>9,390,561</u>
<b>Expenditures</b>				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	7,116,216	5,874,939	9,154,740
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	1,460,082	-	-	-
Total expenditures	<u>1,460,082</u>	<u>7,116,216</u>	<u>5,874,939</u>	<u>9,154,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,283,871</u>	<u>(2,068,520)</u>	<u>24,196</u>	<u>235,821</u>
<b>Other financing sources (uses)</b>				
Transfers in	17,474	2,128,553	127	-
Transfers out	-	(60,033)	(17,726)	(82,041)
Total other financing sources (uses)	<u>17,474</u>	<u>2,068,520</u>	<u>(17,599)</u>	<u>(82,041)</u>
Net changes in fund balances	2,301,345	-	6,597	153,780
Fund balances, beginning	14,269,092	1,192	1,880,090	266,068
Prior Period Adjustment to Conversion Pay	-	(596)	(1,069)	-
Fund balances, ending	<u>\$ 16,570,437</u>	<u>\$ 596</u>	<u>\$ 1,885,618</u>	<u>\$ 419,848</u>



	<b>Special Revenue</b>			
	<b>Special Legislation</b>	<b>Mental Health/ Development Disabilities</b>	<b>Human Services</b>	<b>Drug and Alcohol</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 992,417	\$ 16,581,427	\$ 889,218	\$ 5,157,136
Hotel tax	2,645,645	-	-	-
Departmental charges and reimbursements	1,232,319	-	-	-
Investment earnings	4,372	7,099	504	-
Rental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,874,753</u>	<u>16,588,526</u>	<u>889,722</u>	<u>5,157,136</u>
<b>Expenditures</b>				
Current:				
General government, administrative	2,659,040	-	-	-
General government, judicial	103,996	-	-	-
Public safety	-	-	-	-
Human services	-	17,361,962	890,430	6,109,141
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>2,763,036</u>	<u>17,361,962</u>	<u>890,430</u>	<u>6,109,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,111,717</u>	<u>(773,436)</u>	<u>(708)</u>	<u>(952,005)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	784,176	-	952,005
Transfers out	<u>(2,447,140)</u>	<u>(10,740)</u>	<u>(859)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,447,140)</u>	<u>773,436</u>	<u>(859)</u>	<u>952,005</u>
Net changes in fund balances	(335,423)	-	(1,567)	-
Fund balances, beginning	2,791,519	-	13,796	-
Prior Period Adjustment to Conversion Pay	-	-	-	-
Fund balances, ending	<u>\$ 2,456,096</u>	<u>\$ -</u>	<u>\$ 12,229</u>	<u>\$ -</u>

	<b>Special Revenue</b>			
	<b>Department of Emergency Services</b>	<b>Community Development</b>	<b>COVID Impact Grants</b>	<b>Total</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 299,851	\$ 37,594,638	\$ 22,672,466	\$ 105,447,819
Hotel tax	-	-	-	2,645,645
Departmental charges and reimbursements	12,456,231	909,434	-	17,132,904
Investment earnings	3,700	-	440	66,905
Rental	43,795	-	-	54,895
Miscellaneous	-	-	-	223,868
Total revenues	<u>12,803,577</u>	<u>38,504,072</u>	<u>22,672,906</u>	<u>125,572,036</u>
<b>Expenditures</b>				
Current:				
General government, administrative	-	-	4,858,927	7,517,967
General government, judicial	-	-	-	103,996
Public Safety	14,566,528	-	-	14,566,528
Human services	-	-	-	46,507,427
Capital outlay	-	-	-	-
Community and economic development	-	38,504,072	-	38,504,072
Public works	-	-	-	1,460,082
Total expenditures	<u>14,566,528</u>	<u>38,504,072</u>	<u>4,858,927</u>	<u>108,660,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,762,951)</u>	<u>-</u>	<u>17,813,979</u>	<u>16,911,964</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,908,549	-	-	5,790,884
Transfers out	<u>(160,435)</u>	<u>-</u>	<u>(17,813,979)</u>	<u>(20,592,953)</u>
Total other financing sources (uses)	<u>1,748,114</u>	<u>-</u>	<u>(17,813,979)</u>	<u>(14,802,069)</u>
Net changes in fund balances	(14,837)	-	-	2,109,895
Fund balances, beginning	14,837	-	-	19,236,594
Prior Period Adjustment to Conversion Pay	-	-	-	(1,665)
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,344,824</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Liquid Fuels Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 1,709,939	\$ 1,709,939	\$ 1,551,178	\$ (158,761)
Departmental charges and reimbursements	2,044,440	2,044,440	2,137,400	92,960
Investment earnings	66,516	66,516	41,675	(24,841)
Rental	11,100	11,100	11,100	-
Miscellaneous	-	-	2,600	2,600
Total revenues	<u>3,831,995</u>	<u>3,831,995</u>	<u>3,743,953</u>	<u>(88,042)</u>
<b>Expenditures</b>				
Current:				
Public works	<u>4,238,631</u>	<u>2,962,575</u>	<u>1,460,082</u>	<u>1,502,493</u>
Total expenditures	<u>4,238,631</u>	<u>2,962,575</u>	<u>1,460,082</u>	<u>1,502,493</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(406,636)</u>	<u>869,420</u>	<u>2,283,871</u>	<u>1,414,451</u>
<b>Other financing sources (uses):</b>				
Transfers in	21,801	21,801	17,474	(4,327)
Transfers out	<u>(6,563)</u>	<u>(6,563)</u>	-	<u>6,563</u>
Total other financing sources (uses)	<u>15,238</u>	<u>15,238</u>	<u>17,474</u>	<u>2,236</u>
Net change in fund balances (deficits)	<u>(391,398)</u>	<u>884,658</u>	<u>2,301,345</u>	<u>1,416,687</u>
Fund balances, beginning	<u>14,269,092</u>	<u>14,269,092</u>	<u>14,269,092</u>	<u>-</u>
Fund balances, ending	<u>\$ 13,877,694</u>	<u>\$ 15,153,750</u>	<u>\$ 16,570,437</u>	<u>\$ 1,416,687</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Domestic Relations Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget positive (negative)</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 5,208,608	\$ 5,208,608	\$ 4,883,682	\$ (324,926)
Departmental charges and reimbursements	177,000	177,000	164,014	(12,986)
Investment earnings	-	-	-	-
Total revenues	<u>5,385,608</u>	<u>5,385,608</u>	<u>5,047,696</u>	<u>(337,912)</u>
<b>Expenditures</b>				
Current:				
Human services	<u>7,536,332</u>	<u>7,536,332</u>	<u>7,116,216</u>	<u>420,116</u>
Total expenditures	<u>7,536,332</u>	<u>7,536,332</u>	<u>7,116,216</u>	<u>420,116</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,150,724)</u>	<u>(2,150,724)</u>	<u>(2,068,520)</u>	<u>82,204</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,279,594	2,279,594	2,128,553	(151,041)
Transfers out	<u>(128,870)</u>	<u>(128,870)</u>	<u>(60,033)</u>	<u>68,837</u>
Total other financing sources (uses)	<u>2,150,724</u>	<u>2,150,724</u>	<u>2,068,520</u>	<u>(82,204)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	1,192	1,192	1,192	-
Prior Period Adjustment to Conversion Pay	<u>-</u>	<u>-</u>	<u>(596)</u>	<u>(596)</u>
Fund balances, ending	<u>\$ 1,192</u>	<u>\$ 1,192</u>	<u>\$ 596</u>	<u>\$ (596)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Employment and Training Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 5,650,104	\$ 7,585,001	\$ 5,675,947	\$ (1,909,054)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	-	-	2,624	2,624
Miscellaneous	319,026	337,378	220,564	(116,814)
Total revenues	<u>5,969,130</u>	<u>7,922,379</u>	<u>5,899,135</u>	<u>(2,023,244)</u>
<b>Expenditures</b>				
Current:				
Human services	5,951,169	7,904,418	5,874,939	2,029,479
Total expenditures	<u>5,951,169</u>	<u>7,904,418</u>	<u>5,874,939</u>	<u>2,029,479</u>
Excess of revenue over expenditures	<u>17,961</u>	<u>17,961</u>	<u>24,196</u>	<u>6,235</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	127	127	-
Transfers out	<u>(17,961)</u>	<u>(17,961)</u>	<u>(17,726)</u>	<u>235</u>
Total other financing sources (uses)	<u>(17,961)</u>	<u>(17,834)</u>	<u>(17,599)</u>	<u>235</u>
Net change in fund balances (deficits)	-	127	6,597	6,470
Fund balances, beginning	1,880,090	1,880,090	1,880,090	-
Prior Period Adjustment to Conversion Pay	-	-	(1,069)	(1,069)
Fund balances, ending	<u>\$ 1,880,090</u>	<u>\$ 1,880,217</u>	<u>\$ 1,885,618</u>	<u>\$ 5,401</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Office of Aging Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 9,241,980	\$ 12,342,239	\$ 9,149,861	\$ (3,192,378)
Departmental charges and reimbursements	175,000	175,000	233,506	58,506
Investment earnings	9,000	9,000	6,491	(2,509)
Miscellaneous	1,300	1,300	703	(597)
Total revenues	<u>9,427,280</u>	<u>12,527,539</u>	<u>9,390,561</u>	<u>(3,136,978)</u>
<b>Expenditures</b>				
Current:				
Human services	9,341,197	12,441,456	9,154,740	3,286,716
Total expenditures	<u>9,341,197</u>	<u>12,441,456</u>	<u>9,154,740</u>	<u>3,286,716</u>
Excess (deficiency) of revenue over (under) expenditures	<u>86,083</u>	<u>86,083</u>	<u>235,821</u>	<u>149,738</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	(86,083)	(86,083)	(82,041)	4,042
Total other financing sources (uses)	<u>(86,083)</u>	<u>(86,083)</u>	<u>(82,041)</u>	<u>4,042</u>
Net change in fund balances (deficits)	-	-	153,780	153,780
Fund balances, beginning	266,068	266,068	266,068	-
Fund balances, ending	<u>\$ 266,068</u>	<u>\$ 266,068</u>	<u>\$ 419,848</u>	<u>\$ 153,780</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Special Legislation Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 776,882	\$ 776,882	\$ 992,417	\$ 215,535
Hotel tax	2,440,000	2,440,000	2,645,645	205,645
Departmental charges and reimbursements	1,109,882	1,109,882	1,232,319	122,437
Investment earnings	10,566	10,566	4,372	(6,194)
Miscellaneous	-	-	-	-
Total revenues	<u>4,337,330</u>	<u>4,337,330</u>	<u>4,874,753</u>	<u>537,423</u>
<b>Expenditures</b>				
Current:				
General government, administrative	2,580,070	2,646,462	2,659,040	(12,578)
General government, judicial	67,400	119,184	103,996	15,188
Total expenditures	<u>2,647,470</u>	<u>2,765,646</u>	<u>2,763,036</u>	<u>2,610</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,689,860</u>	<u>1,571,684</u>	<u>2,111,717</u>	<u>540,033</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	19,503	-	(19,503)
Transfers out	<u>(1,861,812)</u>	<u>(1,881,315)</u>	<u>(2,447,140)</u>	<u>(565,825)</u>
Total other financing sources (uses)	<u>(1,861,812)</u>	<u>(1,881,315)</u>	<u>(2,447,140)</u>	<u>(565,825)</u>
Net change in fund balances (deficits)	(171,952)	(309,631)	(335,423)	(25,792)
Fund balances, beginning	2,791,519	2,791,519	2,791,519	-
Fund balances, ending	<u>\$ 2,619,567</u>	<u>\$ 2,481,888</u>	<u>\$ 2,456,096</u>	<u>\$ (25,792)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual  
Year ended December 31, 2021

County of Berks  
2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 17,177,524	\$ 19,401,978	\$ 16,581,427	\$ (2,820,551)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	21,600	21,600	7,099	(14,501)
Miscellaneous	-	-	-	-
Total revenues	<u>17,199,124</u>	<u>19,423,578</u>	<u>16,588,526</u>	<u>(2,835,052)</u>
<b>Expenditures</b>				
Current:				
Human services	<u>18,084,221</u>	<u>20,420,607</u>	<u>17,361,962</u>	<u>3,058,645</u>
Total expenditures	<u>18,084,221</u>	<u>20,420,607</u>	<u>17,361,962</u>	<u>3,058,645</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(885,097)</u>	<u>(997,029)</u>	<u>(773,436)</u>	<u>223,593</u>
<b>Other financing sources (uses):</b>				
Transfers in	897,157	1,009,089	784,176	(224,913)
Transfers out	<u>(12,060)</u>	<u>(12,060)</u>	<u>(10,740)</u>	<u>1,320</u>
Total other financing sources (uses)	<u>885,097</u>	<u>997,029</u>	<u>773,436</u>	<u>(223,593)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Human Services Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 891,287	\$ 997,561	\$ 889,218	\$ (108,343)
Investment earnings	1,300	1,300	504	(796)
Miscellaneous	-	-	-	-
Total revenues	<u>892,587</u>	<u>998,861</u>	<u>889,722</u>	<u>(109,139)</u>
<b>Expenditures</b>				
Current:				
Human services	<u>891,735</u>	<u>998,009</u>	<u>890,430</u>	<u>107,579</u>
Total expenditures	<u>891,735</u>	<u>998,009</u>	<u>890,430</u>	<u>107,579</u>
Excess (deficiency) of revenue over (under) expenditures	<u>852</u>	<u>852</u>	<u>(708)</u>	<u>(1,560)</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(852)</u>	<u>(852)</u>	<u>(859)</u>	<u>(7)</u>
Total other financing sources (uses)	<u>(852)</u>	<u>(852)</u>	<u>(859)</u>	<u>(7)</u>
Net change in fund balances (deficits)	-	-	(1,567)	(1,567)
Fund balances, beginning	13,796	13,796	13,796	-
Fund balances, ending	<u>\$ 13,796</u>	<u>\$ 13,796</u>	<u>\$ 12,229</u>	<u>\$ (1,567)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
Drug and Alcohol Special Revenue Fund - Budget and Actual  
Year ended December 31, 2021

County of Berks  
2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenue</b>				
Intergovernmental revenue	\$ 4,902,573	\$ 5,549,393	\$ 5,157,136	\$ (392,257)
Total revenue	<u>4,902,573</u>	<u>5,549,393</u>	<u>5,157,136</u>	<u>(392,257)</u>
<b>Expenditures</b>				
Current:				
Human services	6,332,942	6,979,762	6,109,141	870,621
Total expenditures	<u>6,332,942</u>	<u>6,979,762</u>	<u>6,109,141</u>	<u>870,621</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,430,369)</u>	<u>(1,430,369)</u>	<u>(952,005)</u>	<u>478,364</u>
<b>Other financing sources:</b>				
Transfers in	1,430,369	1,430,369	952,005	478,364
Total other financing sources (uses)	<u>1,430,369</u>	<u>1,430,369</u>	<u>952,005</u>	<u>478,364</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, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ 28,700	\$ 411,700	\$ 299,851	\$ (111,849)
Departmental charges and reimbursements	11,665,194	12,456,506	12,456,231	(275)
Investment earnings	16,732	16,732	3,700	(13,032)
Rental	51,183	51,183	43,795	(7,388)
Miscellaneous	-	-	-	-
Total revenues	<u>11,761,809</u>	<u>12,936,121</u>	<u>12,803,577</u>	<u>(132,544)</u>
<b>Expenditures</b>				
Current:				
Public safety	<u>15,006,221</u>	<u>17,971,266</u>	<u>14,566,528</u>	<u>3,404,738</u>
Total expenditures	<u>15,006,221</u>	<u>17,971,266</u>	<u>14,566,528</u>	<u>3,404,738</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,244,412)</u>	<u>(5,035,145)</u>	<u>(1,762,951)</u>	<u>3,272,194</u>
<b>Other financing uses:</b>				
Transfers in	3,442,091	5,181,056	1,908,549	(3,272,507)
Transfers out	<u>(197,679)</u>	<u>(159,862)</u>	<u>(160,435)</u>	<u>(573)</u>
Total other financing sources (uses)	<u>3,244,412</u>	<u>5,021,194</u>	<u>1,748,114</u>	<u>(3,273,080)</u>
Net change in fund balances (deficits)	-	(13,951)	(14,837)	(886)
Fund balances, beginning	<u>14,837</u>	<u>14,837</u>	<u>14,837</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 14,837</u>	<u>\$ 886</u>	<u>\$ -</u>	<u>\$ (886)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Community Development Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	<b>Original budget</b>	<b>Final budget</b>	<b>Actual</b>	<b>Variance with final budget positive (negative)</b>
<b>Revenues</b>				
Intergovernmental revenue	\$ 6,262,700	\$ 39,262,785	\$ 37,594,638	\$ (1,668,147)
Departmental charges and reimbursements	555,002	921,429	909,434	(11,995)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,817,702</u>	<u>40,184,214</u>	<u>38,504,072</u>	<u>(1,680,142)</u>
<b>Expenditures</b>				
Current:				
Community and economic development	<u>6,817,702</u>	<u>40,184,214</u>	<u>38,504,072</u>	<u>1,680,142</u>
Total expenditures	<u>6,817,702</u>	<u>40,184,214</u>	<u>38,504,072</u>	<u>1,680,142</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing uses:</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances  
 COVID Impact Grants Special Revenue Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Revenues</b>				
Intergovernmental revenue	\$ -	\$ 22,690,179	\$ 22,672,466	\$ (17,713)
Investment earnings	-	441	440	(1)
Total revenues	<u>-</u>	<u>22,690,620</u>	<u>22,672,906</u>	<u>(17,714)</u>
<b>Expenditures</b>				
Current:				
General government, administrative	-	4,876,641	4,858,927	17,714
Total expenditures	<u>-</u>	<u>4,876,641</u>	<u>4,858,927</u>	<u>17,714</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>17,813,979</u>	<u>17,813,979</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	(17,813,979)	(17,813,979)	-
Total other financing sources (uses)	<u>-</u>	<u>(17,813,979)</u>	<u>(17,813,979)</u>	<u>-</u>
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenses and Changes in Net Position  
 Berks County Residential Center Enterprise Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

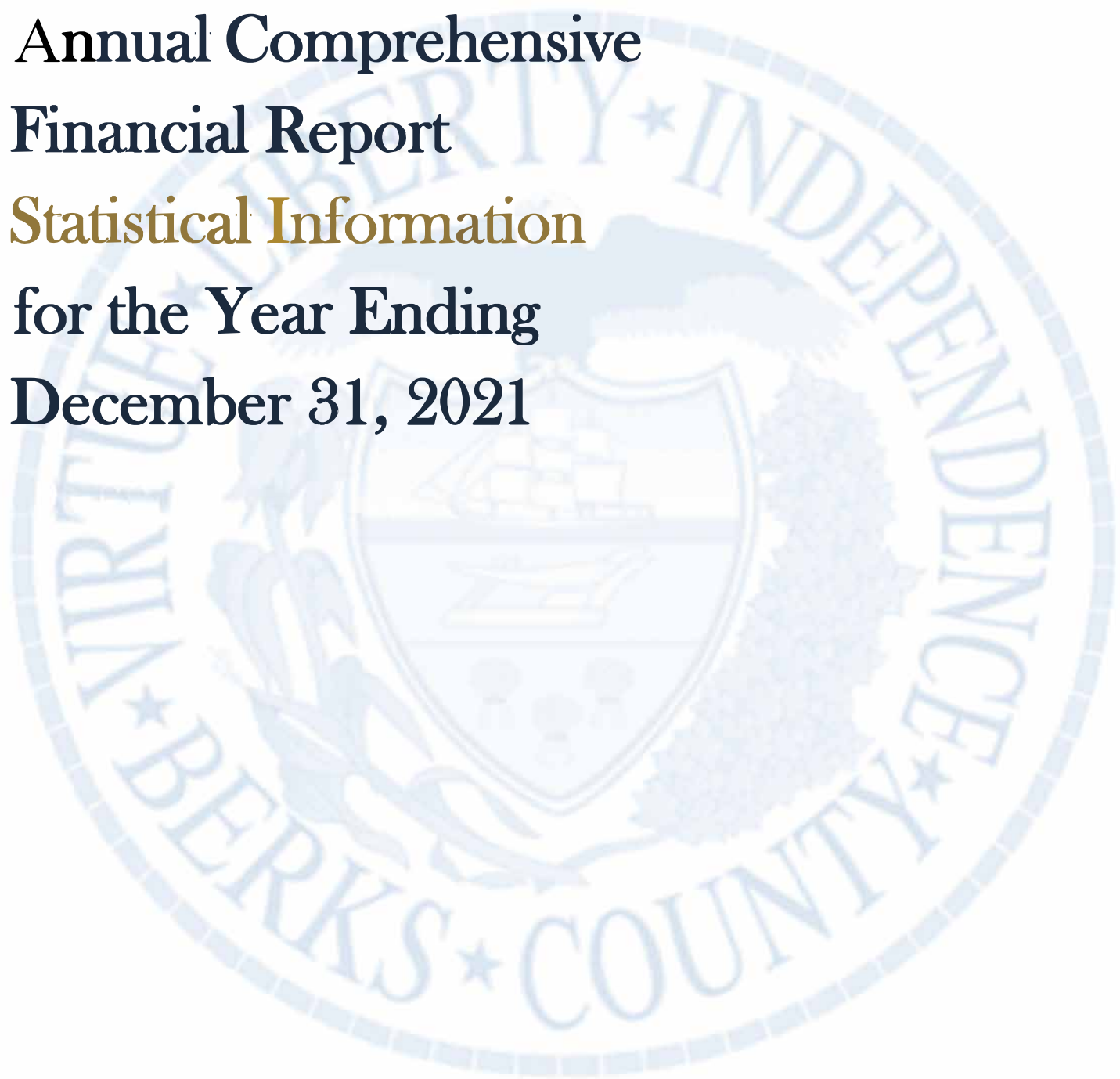
	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Operating revenues</b>				
Charges for services	\$ 8,472,526	\$ 8,472,526	\$ 7,111,468	\$ (1,361,058)
Other operating revenues	711,800	711,800	345,085	(366,715)
Total operating revenues	<u>9,184,326</u>	<u>9,184,326</u>	<u>7,456,553</u>	<u>(1,727,773)</u>
<b>Operating expenses</b>				
Shelter care - Immigration and naturalizations	7,619,930	7,619,930	5,945,679	1,674,251
Depreciation	-	-	386,136	(386,136)
Total operating expenses	<u>7,619,930</u>	<u>7,619,930</u>	<u>6,331,815</u>	<u>1,288,115</u>
Operating income (loss)	<u>1,564,396</u>	<u>1,564,396</u>	<u>1,124,738</u>	<u>(439,658)</u>
<b>Nonoperating revenues (expenses)</b>				
Investment earnings	-	-	-	-
Change in fair value of interest rate swaps	-	-	-	-
Interest expense	(129,108)	(129,108)	(95,745)	33,363
Total nonoperating revenues (expenses)	<u>(129,108)</u>	<u>(129,108)</u>	<u>(95,745)</u>	<u>33,363</u>
Income before transfers	1,435,288	1,435,288	1,028,993	(406,295)
Transfers in	-	-	-	-
Transfers out	(1,088,977)	(1,088,977)	(1,088,977)	-
Change in net position	346,311	346,311	(59,984)	(406,295)
Total net position, beginning	6,523,043	6,523,043	6,523,043	-
Total net position, ending	<u>\$ 6,869,354</u>	<u>\$ 6,869,354</u>	<u>\$ 6,463,059</u>	<u>\$ (406,295)</u>

Schedule of Revenues, Expenditures and Changes in Net Position  
 Berks Heim Enterprise Fund - Budget and Actual  
 Year ended December 31, 2021

County of Berks  
 2021 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
<b>Operating expenses</b>				
<b>Operating revenues</b>				
Charges for services	\$ 33,103,581	\$ 33,103,581	\$ 28,691,178	\$ (4,412,403)
Other operating revenues	16,550,003	16,552,703	18,143,834	1,591,131
Total operating revenues	<u>49,653,584</u>	<u>49,656,284</u>	<u>46,835,012</u>	<u>(2,821,272)</u>
<b>Operating expenses</b>				
Financial administration	3,124,754	3,124,789	2,835,665	289,124
Administrative expenses	2,127,610	2,252,126	955,544	1,296,582
Special services	132,790	132,790	109,170	23,620
Dietary	3,513,419	3,547,123	3,135,276	411,847
Laundry	801,671	804,171	445,462	358,709
Environmental services	1,940,056	1,944,720	1,858,184	86,536
Plant operations	1,534,336	1,593,581	1,625,166	(31,585)
add back to actuals only				
Nursing	19,763,298	19,947,671	15,926,875	4,020,796
Physician services	81,953	81,953	47,197	34,756
Pharmacy services	646,494	410,084	349,693	60,391
Medical services	267,336	267,336	259,742	7,594
Therapeutic activity	569,526	569,726	469,662	100,064
Social service	322,160	322,160	312,988	9,172
Physical therapy service	1,886,952	1,884,952	1,715,587	169,365
Staff development	394,612	394,612	389,299	5,313
Materials management	188,720	188,720	191,618	(2,898)
Personnel	151,641	151,641	146,656	4,985
Security	282,678	287,753	244,528	43,225
Volunteers	87,073	87,074	82,591	4,483
Nursing administration	1,593,878	1,604,990	1,498,287	106,703
Admissions	254,617	261,399	239,757	21,642
Depreciation	-	-	1,504,960	(1,504,960)
Total operating expenses	<u>39,665,574</u>	<u>39,859,371</u>	<u>34,343,907</u>	<u>5,515,464</u>
Operating income (loss)	<u>9,988,010</u>	<u>9,796,913</u>	<u>12,491,105</u>	<u>2,694,192</u>
<b>Nonoperating revenues (expenses)</b>				
Grants	-	109,027	939,267	830,240
Investment earnings	4,421	4,421	1,316	(3,105)
Interest Expense	(818,574)	(818,574)	(607,410)	211,164
Contribution to General Fund	(9,261,000)	(9,261,000)	(9,261,000)	-
Total nonoperating revenues (expenses)	<u>(10,075,153)</u>	<u>(9,966,126)</u>	<u>(8,927,827)</u>	<u>1,038,299</u>
Income before transfers	(87,143)	(169,213)	3,563,278	3,732,491
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	<u>(87,143)</u>	<u>(169,213)</u>	<u>3,563,278</u>	<u>3,732,491</u>
Total net position, beginning, as restated	<u>25,107,835</u>	<u>25,107,835</u>	<u>25,107,835</u>	<u>-</u>
Total net position, ending	<u>\$ 25,020,692</u>	<u>\$ 24,938,622</u>	<u>\$ 28,671,113</u>	<u>\$ 3,732,491</u>

**County of Berks,  
Pennsylvania  
Annual Comprehensive  
Financial Report  
Statistical Information  
for the Year Ending  
December 31, 2021**





County of Berks  
Statistical Section - Categories  
Year Ended December 31, 2021

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

**Financial Trends**

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

**Revenue Capacity**

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

**Debt Capacity**

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

**Demographic and Economic Information**

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

**Operating Information**

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

**Miscellaneous Statistics**

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

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

	2021	2020	2019 (Restated)	2018 (Restated)	2017 (Restated)	2016	2015	2014	2013	2012
<b>Governmental activities</b>										
Net Investment in Capital Assets	\$ 180,572,215	\$ 174,067,177	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168	\$ 23,918,071	\$ 9,829,007	\$ 17,083,783
Restricted	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593
Unrestricted	<u>123,567,732</u>	<u>99,085,554</u>	<u>97,549,776</u>	<u>86,028,855</u>	<u>117,240,734</u>	<u>129,854,361</u>	<u>156,023,750</u>	<u>159,475,948</u>	(1) <u>160,689,349</u>	(1) <u>165,487,146</u>
Total governmental activities net position	<u>\$ 382,211,400</u>	<u>\$ 343,010,016</u>	<u>\$ 306,167,548</u>	<u>\$ 284,747,074</u>	<u>\$ 271,624,147</u>	<u>\$ 252,194,353</u>	<u>\$ 239,714,776</u>	<u>\$ 207,720,117</u>	<u>\$ 182,204,300</u>	<u>\$ 194,828,522</u>
<b>Business-type activities</b>										
Net Investment in Capital Assets	\$ 15,678,107	\$ 15,084,385	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836	\$ 25,658,496	\$ 25,034,275	\$ 13,829,836
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted deficit	<u>19,456,065</u>	<u>16,546,493</u>	<u>12,859,882</u>	<u>4,815,598</u>	<u>3,236,555</u>	<u>441,397</u>	<u>(1,095,778)</u>	<u>(10,451,880)</u>	(2) <u>(12,457,169)</u>	(2) <u>(9,366,816)</u>
Total business-type activities net position	<u>\$ 35,134,172</u>	<u>\$ 31,630,878</u>	<u>\$ 26,643,733</u>	<u>\$ 16,930,343</u>	<u>\$ 16,214,338</u>	<u>\$ 14,165,042</u>	<u>\$ 12,092,058</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 4,463,020</u>
<b>Primary government</b>										
Net Investment in Capital Assets	\$ 196,250,322	\$ 189,151,562	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004	\$ 49,576,567	\$ 34,863,282	\$ 30,913,619
Restricted	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593
Unrestricted	<u>143,023,797</u>	<u>115,632,047</u>	<u>110,409,658</u>	<u>90,844,453</u>	<u>120,477,289</u>	<u>130,295,758</u>	<u>154,927,972</u>	<u>149,024,068</u>	<u>148,232,180</u>	<u>156,120,330</u>
Total primary government net position	<u>\$ 417,345,572</u>	<u>\$ 374,640,894</u>	<u>\$ 332,811,281</u>	<u>\$ 301,677,417</u>	<u>\$ 287,838,485</u>	<u>\$ 266,359,395</u>	<u>\$ 251,806,834</u>	<u>\$ 222,926,733</u>	<u>\$ 194,781,406</u>	<u>\$ 199,291,542</u>

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

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

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 58,805,539	\$ 86,633,329	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197	\$ 15,721,339	\$ 18,758,919	\$ 17,615,938
Judicial	53,371,300	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970	48,391,839	47,033,776	48,313,567
Public safety	64,550,278	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123	58,902,986	58,557,094	57,900,874
Human services	235,602,652	220,735,108	201,850,983	203,987,908	204,645,396	195,370,229	173,389,044	167,089,187	169,216,796	181,005,416
Culture and recreation	8,145,378	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963	7,392,985	7,541,491	7,961,633
Community and economic development	47,331,860	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588	5,790,903	4,674,567	5,447,335
Public works	1,780,482	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561	1,518,619	1,143,574	997,263
Community support	3,323,528	2,117,029	2,124,745	2,770,282	626,679	601,605	564,489	1,825,423	5,706,515	5,308,083
Debt service administrative expenses	1,582,678	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762	10,642,771	11,239,235	16,320,620	12,442,872
Capital Projects	-	-	-	-	-	-	-	-	-	-
Solid waste	269,950	264,912	314,950	191,695	359,419	1,176,581	1,241,206	1,247,078	1,245,347	1,280,046
Total governmental activities expenses	\$ 474,763,645	\$ 445,917,996	\$ 406,771,725	\$ 409,731,571	\$ 386,631,184	\$ 381,126,056	\$ 337,158,922	\$ 319,119,594	\$ 330,198,699	\$ 338,273,027
Business-type activities										
Department of Emergency Services	-	-	-	-	-	-	12,445,334	12,793,480	8,652,660	8,614,042
Berks County Residential Center	6,427,560	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440	5,667,274	6,088,570	6,047,116
Berks Heim	44,212,318	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775	37,753,556	38,407,433	38,763,708
Youth Center	-	-	-	-	-	-	-	-	-	4,416,787
Total business-type activities expenses	50,639,878	54,988,401	58,956,628	58,926,691	56,239,120	54,738,651	58,777,549	56,214,310	53,148,663	57,841,653
Total primary government expenses	\$ 525,403,523	\$ 500,906,397	\$ 465,728,353	\$ 468,658,262	\$ 442,870,304	\$ 435,864,707	\$ 395,936,471	\$ 375,333,904	\$ 383,347,362	\$ 396,114,680
<b>Program Revenues</b>										
Governmental activities:										
Charges for services :										
General government	9,903,440	8,157,798	8,480,343	8,944,575	9,090,716	8,170,571	7,974,794	7,892,340	8,370,615	7,700,054
Judicial	8,401,830	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805	12,229,763	11,650,097	10,056,699
Public safety	15,907,187	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812	7,219,251	7,081,372	5,619,927
Human services	1,139,778	1,231,915	1,124,165	1,274,856	1,505,680	1,529,874	1,720,468	1,842,966	1,561,502	2,016,753
Culture and recreation	24,285	36,503	120,948	216,108	201,503	575,744	135,187	112,481	75,756	124,492
Community and economic development	1,040,660	785,328	659,079	(4,916,987)	861,287	2,035,597	940,375	672,165	749,067	1,053,516
Public works	2,140,000	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583	22,902	-	-
Solid waste	4,793,065	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991	3,574,193	2,820,596	2,775,018
Other activities	75,365	140,920	227,835	1,471,216	1,521,986	1,543,670	1,514,558	1,503,982	2,405,976	1,934,098
Operating grants and contributions	306,499,956	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256	177,271,350	174,282,405	189,380,439
Capital grants and contributions	2,277,232	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307	42,348	3,038,095	675,629
Total governmental activities program revenues	\$ 352,202,798	\$ 326,065,562	\$ 264,411,155	\$ 261,369,670	\$ 254,327,503	\$ 257,410,443	\$ 220,248,136	\$ 212,383,741	\$ 212,035,481	\$ 221,336,625
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	7,456,553	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784	7,664,164	6,985,278	6,523,375
Berks Heim	46,835,012	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562	41,017,725	40,974,069	40,567,133
Youth Center	-	-	-	-	-	-	-	-	-	567,352
Operating grants and contributions	939,267	-	-	-	-	-	21,236	93,120	51,522	1,252,856
Capital grants and contributions	-	-	-	7,463	8,384	8,587	-	-	-	-
Total business-type activities program revenues	55,230,832	56,420,710	62,493,896	60,860,053	59,304,928	56,741,398	61,557,080	57,528,298	56,070,609	56,597,780
Total primary government program revenues	\$ 407,433,630	\$ 382,486,272	\$ 326,905,051	\$ 322,229,723	\$ 313,632,431	\$ 314,151,841	\$ 281,805,216	\$ 269,912,039	\$ 268,106,090	\$ 277,934,405
Net (expense)/revenue										
Governmental activities	(122,560,847)	(119,852,434)	(142,360,570)	(148,361,901)	(132,303,681)	(123,715,613)	(116,910,786)	(106,735,853)	(118,163,218)	(116,936,402)
Business-type activities	4,590,954	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531	1,313,988	2,921,946	(1,243,873)
Total primary government net expense	\$ (117,969,893)	\$ (118,420,125)	\$ (138,823,302)	\$ (146,428,539)	\$ (129,237,873)	\$ (121,712,866)	\$ (114,131,255)	\$ (105,421,865)	\$ (115,241,272)	\$ (118,180,275)

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 148,417,095	\$ 146,302,765	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892	\$ 136,033,476	\$ 134,808,089	\$ 127,067,035
Hotel room	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698
Payments in lieu of taxes	244,669	243,773	236,984	221,485	219,602	237,561	242,774	266,532	220,931	316,221
Investment earnings	(472,832)	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503	639,352	550,091	833,259
Changes in fair value of investment rate swaps	-	-	845,879	(2,273,517)	581,988	(1,109,819)	490,084	601,668	-	-
Rentals	333,438	384,559	405,200	440,093	489,566	464,950	389,756	328,094	356,407	202,812
Miscellaneous	9,261,001	8,462,528	7,530,000	7,439,000	6,068,787	4,945,007	-	-	-	-
Gain (loss) on sale of capital assets	(286,385)	(2,015,390)	-	(281,413)	(690,319)	86,776	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)	-	-
Swap termination fee	-	-	-	-	-	-	-	-	-	-
Transfers	1,088,977	1,088,977	1,088,977	1,088,979	1,083,238	(146,980)	1,088,977	(436,774)	(10,196,998)	(4,816,823)
Total governmental activities	\$ 161,231,608	\$ 161,333,469	\$ 163,214,955	\$ 156,379,779	\$ 148,833,562	\$ 145,255,063	\$ 147,834,546	\$ 133,497,082	\$ 127,652,351	\$ 125,297,133
Business-type activities										
Investment earnings	1,315	5,245	6,013	4,448	14,667	1,986	8,088	7,349	5,962	5,248
Changes in fair value of investment rate swaps	-	-	-	(132,828)	52,475	(78,729)	626,541	830,097	-	-
Rental of space	-	-	-	-	-	-	48,230	43,998	27,643	22,464
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	(2,696)	818	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	(6,089,996)	-	-	-
Transfers	(1,088,977)	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)	436,774	10,196,997	4,816,823
Total business-type activities	(1,087,662)	(1,083,732)	(1,082,964)	(1,217,359)	(1,016,096)	70,237	(6,496,114)	1,315,522	10,231,420	4,844,535
Total primary government general revenue	\$ 160,143,946	\$ 160,249,737	\$ 162,131,991	\$ 155,162,420	\$ 147,817,466	\$ 145,325,300	\$ 141,338,432	\$ 134,812,604	\$ 137,883,771	\$ 130,141,668
<b>Changes in Net Position</b>										
Governmental activities	38,670,761	36,842,468	20,854,385	8,017,878	16,529,881	21,539,450	30,923,760	26,761,229	9,489,133	8,360,731
Business-type activities	3,503,294	4,987,145	2,454,304	716,005	2,049,712	2,072,984	(3,716,583)	2,629,510	13,153,366	3,600,662
Total primary government net revenue	\$ 42,174,055	\$ 41,829,613	\$ 23,308,689	\$ 8,733,883	\$ 18,579,593	\$ 23,612,434	\$ 27,207,177	\$ 29,390,739	\$ 22,642,499	\$ 11,961,393

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

	<u>2021</u>	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund										
Nonspendable	\$ 8,820,887	\$ 1,338,410	\$ 1,338,410	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554	\$ 1,364,327	\$ 398,435	\$ 592,927
Restricted	3,263,764	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389	4,125,006	4,201,282	4,869,238	2,299,603
Committed	9,406,471	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174	-	-	-	-
Assigned	4,015,377	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537	10,551,289	11,323,251	16,953,963	19,545,324
Unassigned	149,961,983	133,260,135	105,605,582	113,305,213	115,222,806	118,930,211	135,023,020	134,990,876	110,406,873	102,045,175
Total General Fund	<u>\$ 175,468,482</u>	<u>\$ 156,502,521</u>	<u>\$ 157,538,555</u>	<u>\$ 154,027,820</u>	<u>\$ 144,047,190</u>	<u>\$ 134,841,154</u>	<u>\$ 151,283,869</u>	<u>\$ 151,879,736</u>	<u>\$ 132,628,509</u>	<u>\$ 124,483,029</u>
All other governmental funds										
Nonspendable	2,769,792	2,771,457	2,771,457	2,771,457	2,712,241	2,836,878	3,116,156	32,408	12,455	15,128
Restricted	18,646,706	16,536,147	17,380,172	16,816,476	14,259,149	13,852,760	10,523,506	15,054,053	49,188,337	55,487,813
Assigned	-	-	-	-	-	-	66,759	-	-	-
Unassigned	-	-	-	-	-	-	(2,466,812)	-	-	(45,567)
Total all other governmental funds	<u>\$ 21,416,498</u>	<u>\$ 19,307,604</u>	<u>\$ 20,151,629</u>	<u>\$ 19,587,933</u>	<u>\$ 16,971,390</u>	<u>\$ 16,689,638</u>	<u>\$ 11,239,609</u>	<u>\$ 15,086,461</u>	<u>\$ 49,200,792</u>	<u>\$ 55,457,374</u>
Total governmental funds	<u>\$ 196,884,980</u>	<u>\$ 175,810,125</u>	<u>\$ 177,690,184</u>	<u>\$ 173,615,753</u>	<u>\$ 161,018,580</u>	<u>\$ 151,530,792</u>	<u>\$ 162,523,478</u>	<u>\$ 166,966,197</u>	<u>\$ 181,829,301</u>	<u>\$ 179,940,403</u>

**Note:**

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

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

<b>Revenues</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Taxes:</b>										
Property	\$ 148,417,095	\$ 146,058,470	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071	\$ 136,328,388	\$ 135,388,540	\$ 127,003,623
Hotel	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698
Court costs, fines and forfeitures	1,935,483	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999	3,524,023	3,724,858	3,533,648
Intergovernmental revenue	308,633,147	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383	178,186,729	177,199,936	191,267,090
Department charges and reimbursements	76,359,366	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535	58,480,623	56,555,546	54,394,935
Payments in lieu of taxes	244,669	243,773	236,984	221,485	219,602	237,561	89,730	102,196	51,827	135,367
Rentals	333,437	384,559	405,201	440,093	489,566	464,950	389,756	328,094	356,407	202,812
Sales of property, supplies and equipment	-	-	4,168	12,040	(770)	86,776	20,720	18,250	68,874	46,931
Investment earnings	(472,832)	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503	639,352	550,092	833,261
Other revenue	11,242,028	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961	2,572,505	4,014,222	1,444,130
<b>Total revenues</b>	<u>\$ 549,338,038</u>	<u>\$ 521,971,377</u>	<u>\$ 459,782,705</u>	<u>\$ 457,982,631</u>	<u>\$ 434,852,318</u>	<u>\$ 431,454,454</u>	<u>\$ 390,351,502</u>	<u>\$ 382,236,104</u>	<u>\$ 379,755,259</u>	<u>\$ 380,509,495</u>
<b>Expenditures</b>										
<b>Current:</b>										
General government, administrative	\$ 53,201,921	\$ 84,970,233	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641	\$ 41,134,083	\$ 39,852,191	\$ 47,959,429
General government, judicial	58,433,307	55,515,168	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171	50,335,681	49,460,353	65,573,490
Public safety	82,045,738	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768	61,456,822	58,692,210	72,374,351
Human services	245,270,784	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554	167,515,886	169,602,996	191,747,864
Culture and recreation	7,763,693	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869	6,435,971	7,885,299	9,268,854
Community and economic development	42,498,172	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468	6,820,729	6,526,379	7,180,694
Public works	1,482,380	4,720,420	4,207,148	6,276,293	2,729,499	11,693,954	8,681,128	5,699,803	2,721,058	1,868,944
Community support	23,254,480	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268	5,980,470	5,061,857	5,307,490
Intergovernmental expenditures- Solid waste	300,720	300,900	250,720	220,870	295,029	928,453	993,342	998,452	997,007	1,000,219
<b>Debt service:</b>										
Principal	11,090,545	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645	7,620,828	8,145,069	8,043,447	19,481,932
Interest	4,530,587	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219	16,911,272	17,155,619	19,429,357	9,346,689
Debt issuance costs	-	-	900,000	-	-	119,123	178,668	118,742	141,629	430,673
Administrative expenditures	88,392	16,948	19,091	31,096	22,528	141,015	80,461	109,147	12,302	15,518
Capital outlay	-	-	453,954	591,891	936,616	2,143,152	4,671,727	26,310,999	24,595,446	20,906,488
<b>Total expenditures</b>	<u>\$ 529,960,719</u>	<u>\$ 524,940,413</u>	<u>\$ 457,363,337</u>	<u>\$ 451,579,486</u>	<u>\$ 429,347,681</u>	<u>\$ 428,526,206</u>	<u>\$ 388,195,165</u>	<u>\$ 398,217,473</u>	<u>\$ 393,021,531</u>	<u>\$ 452,462,635</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>\$ 19,377,319</u>	<u>\$ (2,969,036)</u>	<u>\$ 2,419,368</u>	<u>\$ 6,403,145</u>	<u>\$ 5,504,637</u>	<u>\$ 2,928,248</u>	<u>\$ 2,156,337</u>	<u>\$ (15,981,369)</u>	<u>\$ (13,266,272)</u>	<u>\$ (71,953,140)</u>
<b>Other financing sources (uses)</b>										
Transfers in	\$ 33,184,029	\$ 30,882,130	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987	\$ 12,607,913	\$ 14,488,107	\$ 21,491,843
Transfers out	(32,095,052)	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)	(11,870,836)	(15,816,894)	(27,676,447)
Bond premium	-	-	-	-	-	209,950	3,613,694	82,210	2,860,762	-
Issuance of long term notes	28,149,000	-	-	-	-	-	-	-	17,785,000	29,940,941
Payments to refunded bond escrow agent	(28,071,066)	-	-	-	-	(24,943,412)	(27,211,227)	(9,963,468)	-	-
Issuance of refunding bonds	-	-	-	-	-	9,790,000	23,776,200	10,000,000	-	9,870,000
Conversion to special revenue fund	-	-	-	-	-	-	554,492	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>\$ 1,166,911</u>	<u>\$ 1,088,977</u>	<u>\$ 1,088,976</u>	<u>\$ 1,088,979</u>	<u>\$ 1,083,238</u>	<u>\$ (13,869,487)</u>	<u>\$ (5,148,286)</u>	<u>\$ 855,819</u>	<u>\$ 19,316,975</u>	<u>\$ 33,626,337</u>
<b>Special Item</b>										
Swap termination fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net change in fund balances</b>	<u>\$ 20,544,230</u>	<u>\$ (1,880,059)</u>	<u>\$ 3,508,344</u>	<u>\$ 7,492,124</u>	<u>\$ 6,587,875</u>	<u>\$ (10,941,239)</u>	<u>\$ (2,991,949)</u>	<u>\$ (15,125,550)</u>	<u>\$ 6,050,703</u>	<u>\$ (38,326,803)</u>
<b>Debt Service</b>										
Percentage of noncapital expenditures	1.6%	4.6%	3.4%	2.8%	2.2%	5.9%	4.9%	10.0%	8.1%	7.9%

**Note:**

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

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

Fiscal Year	Taxes	Court Costs, Fines & Forfeitures	Inter - Governmental Revenues	Department Charges & Reimbursements	Payments in Lieu of Taxes	Rentals	Sale of property, supplies, and equipment	Investment Earnings	Other Revenues	Totals
2021	\$ 151,062,740	\$ 1,935,483	\$ 308,633,147	\$ 76,359,366	\$ 244,669	\$ 333,437	\$ -	\$ (472,832)	\$ 11,242,028	\$ 549,338,038
2020	147,991,418	1,837,817	279,922,748	76,295,203	243,773	384,559	-	4,933,307	10,362,552	521,971,377
2019	147,768,079	2,686,290	222,680,006	70,649,378	236,984	405,201	4,168	5,647,381	9,705,218	459,782,705
2018	146,441,690	2,673,976	222,165,757	72,824,610	221,485	440,093	12,040	3,331,493	9,871,487	457,982,631
2017	140,327,121	2,825,583	210,267,612	70,478,089	219,602	489,566	(770)	1,616,192	8,629,323	434,852,318
2016	139,359,005	3,021,575	210,291,504	67,134,262	237,561	464,950	86,776	1,474,025	9,384,796	431,454,454
2015	138,761,915	3,350,999	185,900,383	55,614,535	89,730	389,756	20,720	1,134,503	5,088,961	390,351,502
2014	138,384,332	3,524,023	178,186,729	58,480,623	102,196	328,094	18,250	639,352	2,572,505	382,236,104
2013	137,233,497	3,724,858	177,199,936	56,555,546	51,827	356,407	68,874	550,092	4,014,222	379,755,259
2012	128,651,321	3,533,648	191,267,090	54,394,935	135,364	202,812	46,931	833,261	1,444,130	380,509,492

**Source:**  
County of Berks, Financial Statements, as restated in individual Comprehensive Annual Financial Reports

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

Fiscal Year	Tax-Exempt Property	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Market Value	Assessed Value as a Percentage of Market Value	Common Level Ratio	Total Direct Tax Rate
2021	\$ 2,932,016,200	\$ 14,748,202,100	\$ 3,810,743,000	\$ 936,002,600	\$ 19,494,947,700	\$ 20,230,314,800	96.3%	52.00%	7.657%
2020	2,959,293,300	14,697,408,900	3,631,975,900	883,952,700	19,213,337,500	19,945,612,100	96.3%	56.30%	7.657%
2019	2,976,705,700	14,631,813,800	3,526,903,700	875,883,200	19,034,600,700	19,764,524,800	96.3%	62.20%	7.657%
2018	2,850,561,100	14,567,436,400	3,465,305,500	850,850,000	18,883,591,900	19,610,606,700	96.3%	68.50%	7.657%
2017	2,838,979,500	14,509,132,100	3,459,131,800	824,364,000	18,792,627,900	19,515,064,200	96.3%	74.30%	7.372%
2016	2,813,697,200	14,452,726,600	3,390,894,000	815,271,200	18,658,891,800	19,378,229,700	96.3%	75.60%	7.372%
2015	2,792,647,500	14,426,375,000	3,388,924,200	806,010,200	18,621,309,400	19,335,256,500	96.3%	76.30%	7.372%
2014	2,773,724,300	14,383,351,500	3,381,283,700	792,507,900	18,557,143,100	19,265,737,800	96.3%	78.10%	7.372%
2013	2,756,192,800	14,339,515,800	3,363,960,000	787,046,700	18,490,522,500	19,194,308,100	96.3%	77.90%	7.372%
2012	2,744,225,900	14,333,218,900	3,364,298,400	775,615,500	18,473,132,800	19,170,097,000	96.4%	73.20%	6.935%

**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>
2021	7.657	4.13	30.02	41.81
2020	7.657	4.07	29.56	41.28
2019	7.657	3.95	29.30	40.91
2018	7.657	3.84	28.81	40.31
2017	7.372	3.80	28.46	39.63
2016	7.372	3.63	28.07	39.07
2015	7.372	3.35	27.57	38.29
2014	7.372	3.32	27.22	37.91
2013	7.372	3.22	26.77	37.36
2012	6.935	3.08	26.24	36.26

Notes:

- (1) Each unit within these classes levies its own millage rate. The rates shown are averages. The Comprehensive Annual Financial Report'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  
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
2021	\$ 149,272,826	\$ 143,788,997	96.33%	\$ 4,628,098	\$ 148,417,095	99.43%
2020	147,116,536	142,629,613	96.95%	3,428,857	146,058,470	99.28%
2019	145,747,949	141,210,114	96.89%	4,110,951	145,321,065	99.71%
2018	144,441,118	139,455,986	96.55%	4,249,856	143,705,842	99.49%
2017	138,386,112	133,476,216	96.45%	4,214,714	137,690,930	99.50%
2016	137,553,350	132,573,006	96.38%	4,351,873	136,924,879	99.54%
2015	137,276,293	132,039,450	96.19%	4,496,621	136,536,071	99.46%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%
2013	136,318,729	130,260,182	95.56%	5,128,358	135,388,540	99.09%
2012	128,117,506	122,243,142	95.41%	4,760,481	127,003,623	99.06%

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)

<b>Function/Program</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
County Direct Rates										
Total direct rate	7.66	7.66	7.66	7.66	7.37	7.37	7.37	7.37	7.37	6.94
Municipalities										
City:										
City of Reading	18.13	17.69	17.69	17.69	17.69	17.69	15.69	15.69	15.69	14.33
Boroughs:										
Bally	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.70	4.50	4.50
Bechtelsville	6.00	6.00	5.50	5.00	5.00	4.50	4.50	4.50	4.50	4.00
Bernville	5.44	5.44	4.44	4.44	4.44	4.44	4.44	4.44	4.44	3.94
Birdsboro	6.86	6.86	6.86	6.86	6.86	6.86	6.66	6.66	6.16	6.16
Boyertown	7.49	7.34	6.69	6.34	6.14	5.64	5.14	5.14	5.14	5.14
Centerport	3.10	3.10	3.10	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fleetwood	6.70	6.45	6.45	6.25	6.25	6.00	6.00	5.50	5.50	5.50
Hamburg	8.25	8.25	8.00	8.00	8.00	8.00	8.00	7.50	6.50	5.50
Kenhorst	5.81	5.81	5.81	5.60	5.60	5.60	5.60	5.60	4.60	3.60
Kutztown	4.60	4.60	4.10	4.10	4.10	4.10	4.10	3.35	3.10	3.10
Laureldale	6.80	6.80	6.80	6.05	6.05	5.90	5.90	5.90	4.90	4.90
Leesport	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lyons	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85
Mohnton	5.70	5.70	5.50	5.13	5.10	4.55	4.30	4.30	3.80	3.80
Mt. Penn	11.10	10.70	10.50	10.50	9.50	8.50	7.40	7.40	7.40	7.40
New Morgan	1.86	1.86	1.86	1.86	1.50	1.56	1.56	4.50	4.50	2.99
Robesonia	4.90	4.90	4.90	4.90	4.65	4.65	4.65	4.40	4.40	4.40
St. Lawrence	7.51	7.51	6.89	6.64	6.64	6.64	6.00	5.70	5.70	5.30
Shillington	7.14	7.14	7.14	7.14	7.14	7.14	5.89	5.89	4.89	4.89
Shoemakersville	6.50	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50
Sinking Spring	8.37	8.37	8.32	7.99	7.99	7.32	7.32	7.32	6.32	6.32
Topton	7.55	7.55	6.55	6.55	6.05	5.85	5.85	5.85	5.85	6.35
Wernersville	6.60	6.60	6.60	6.60	6.10	6.10	6.10	6.10	5.60	5.60
West Reading	10.85	9.85	9.60	8.85	8.10	7.60	7.10	7.10	7.10	7.10
Womelsdorf	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.00	3.00
Wyomissing	4.50	4.25	3.90	3.90	3.90	3.90	3.90	3.90	3.63	3.63
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Amity	2.80	2.80	2.80	2.60	2.45	1.95	1.95	1.95	1.80	1.80
Bern	4.19	4.19	3.94	3.94	3.94	3.44	3.44	3.19	3.12	3.12
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brecknock	2.58	2.58	2.33	2.33	2.33	2.33	1.95	1.95	1.95	1.95
Caernarvon	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.38
Centre	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.00
Cumru	6.48	6.48	6.46	6.20	6.18	6.18	6.18	5.68	5.28	5.28
District	1.10	0.60	0.55	0.45	0.35	0.35	0.35	0.35	0.35	0.35
Douglass	4.80	4.30	4.30	4.30	3.30	3.30	2.30	2.30	2.00	2.00
Exeter	3.47	3.47	3.47	3.34	3.34	3.25	2.87	2.87	2.87	2.69
Greenwich	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hereford	1.20	1.20	1.20	1.20	1.20	1.20	0.96	0.96	0.96	0.96
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	3.21	3.21	3.05	3.05	3.05	2.80	2.80	2.80	2.80	2.85

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

<b>Function/Program</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Townships (continued)</b>										
Lower Alsace	9.35	9.25	8.68	8.68	8.68	7.95	7.18	7.18	6.68	6.68
Lower Heidelberg	6.04	6.04	5.54	5.19	4.79	4.79	4.79	4.79	4.80	4.85
Maidencreek	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.50	1.50	1.13
Marion	2.00	2.00	1.80	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Maxatawny	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	3.36	3.36
Muhlenberg	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80	4.50
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.40	0.40	0.40
Oley	4.19	4.19	4.19	4.10	3.20	2.80	2.80	2.80	2.80	2.59
Ontelaunee	4.05	4.05	4.05	4.05	4.05	4.05	3.80	3.80	3.80	3.80
Penn	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Perry	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Pike	1.50	1.50	1.50	1.50	1.50	0.87	0.87	0.87	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.25	2.00	1.75
Robeson	3.25	3.25	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60
Ruscombmanor	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.15	4.15	4.10	4.10	4.10	3.35	3.35	3.05	2.55	2.55
Spring	4.45	4.45	3.95	4.01	4.01	3.25	3.25	3.25	3.25	3.25
Tilden	2.10	2.10	2.20	1.45	1.45	1.45	1.45	1.45	1.45	0.95
Tulpehocken	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Union	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	2.15
Upper Bern	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	1.00	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Washington	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	4.32	4.32
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
<b>School Districts:</b>										
Antietam	43.82	42.54	40.99	39.74	39.15	37.79	36.79	35.86	34.56	33.75
Boyertown	29.05	28.20	27.33	26.37	25.02	24.27	23.96	23.39	22.52	21.88
Brandywine Heights	34.42	34.08	33.74	33.24	32.78	32.30	32.30	32.30	32.30	31.25
Conrad Weiser	31.38	30.63	29.65	28.86	28.00	27.14	26.32	25.71	25.71	25.27
Daniel Boone	32.38	31.58	31.58	30.83	30.20	29.70	28.96	28.96	28.96	28.96
Exeter	34.20	33.61	33.11	32.62	32.62	32.22	31.25	31.25	30.80	30.10
Fleetwood	33.36	33.36	33.11	33.11	32.56	31.81	30.96	30.21	29.21	28.22
Governor Mifflin	29.10	28.60	28.60	28.10	27.60	27.10	26.60	26.00	25.30	24.50
Hamburg	26.96	26.96	26.96	26.96	26.96	26.71	26.46	26.21	25.96	25.71
Kutztown	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.25	28.76
Muhlenberg	31.48	30.73	30.73	29.81	29.06	28.56	27.81	27.56	26.81	26.31
Oley Valley	29.04	28.54	27.94	27.34	26.93	26.33	25.84	25.39	24.93	24.56
Reading	17.93	17.93	17.93	17.93	17.93	17.93	17.41	17.41	16.92	16.92
Schuylkill Valley	27.82	27.82	27.82	27.07	27.07	27.07	26.79	26.79	26.79	26.27
Tulpehocken	26.00	26.75	26.85	27.10	27.60	27.70	27.70	27.70	27.70	27.70
Twin Valley	28.07	26.90	27.56	27.55	27.55	26.77	25.74	24.54	23.88	22.60
Upper Perkiomen	25.23	25.23	25.23	24.54	24.35	24.95	24.60	24.25	24.00	23.66
Wilson	27.66	26.26	26.26	25.67	25.29	24.95	24.60	24.25	24.00	23.66
Wyomissing	32.54	31.91	31.43	30.67	30.07	30.07	29.78	29.49	29.05	28.57

**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			
2021	\$ 114,844,199	\$ -	\$ 10,673,893	\$ 17,884,608	\$ -	\$ 3,868,107	\$ 147,270,807	0.74%	\$ 348.62
2020	127,893,467	-	10,772,529	21,329,701	-	3,087,471	163,083,168	0.83%	386.64
2019	152,700,553	-	20,302,848	24,631,280	-	466,142	198,100,823	1.01%	473.90
2018	169,202,807	-	20,686,984	25,004,760	-	438,016	215,332,567	1.10%	512.51
2017	188,367,121	-	20,504,206	25,653,096	-	425,795	234,950,218	1.20%	562.28
2016	206,960,390	-	19,676,075	26,289,210	-	418,780	253,344,455	1.30%	611.80
2015	235,441,478	-	20,516,681	26,919,161	-	748,319	283,625,639	1.47%	685.14
2014	203,053,850	-	19,417,949	71,001,906	-	1,692,051	295,165,756	1.53%	713.49
2013	262,360,301	-	20,007,023	27,108,396	-	922,977	310,398,697	1.62%	750.62
2012	254,178,922	-	18,724,352	30,903,986	-	1,480,648	305,287,908	1.59%	739.29

**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**

Fiscal Year	Population	Estimated Actual Taxable Value	General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
2021	422,434	\$ 20,230,314,800	\$ 147,270,807	0.73%	\$ 348.62
2020	421,799	19,945,612,100	163,083,168	0.82%	386.64
2019	418,025	19,764,524,800	198,100,823	1.00%	473.90
2018	420,152	19,610,606,700	215,332,567	1.10%	512.51
2017	417,854	19,549,373,000	234,950,218	1.20%	562.28
2016	414,097	19,454,270,800	253,344,455	1.30%	611.80
2015	413,965	19,335,256,500	283,625,639	1.47%	685.14
2014	413,691	19,265,737,800	295,165,756	1.53%	713.49
2013	413,521	19,194,308,100	321,748,697	1.68%	778.07
2012	412,948	19,170,097,000	305,287,908	1.59%	739.29

**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, 2020

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 125,518,092	100%	\$ 125,518,092
<b>Overlapping Debt</b>			
<b>School Districts:</b>			
Antietam	\$ 21,136,849	100%	\$ 21,136,849
Boyertown Area	92,167,000	100%	92,167,000
Brandywine Heights	21,790,000	100%	21,790,000
Conrad Weiser	43,672,415	100%	43,672,415
Daniel Boone Area	69,515,000	100%	69,515,000
Exeter Township	54,570,000	100%	54,570,000
Fleetwood Area	20,179,738	100%	20,179,738
Governor Mifflin Area	68,990,000	100%	68,990,000
Hamburg Area	50,527,142	100%	50,527,142
Kutztown Area	29,440,000	100%	29,440,000
Muhlenberg Area	28,009,375	100%	28,009,375
Oley Valley	22,219,535	100%	22,219,535
Reading School District	456,476,952 (1)	100%	456,476,952
Schuylkill Valley	30,167,000	100%	30,167,000
Tulpehocken Area	12,954,724	100%	12,954,724
Twin Valley	23,143,489	100%	23,143,489
Wilson Area	100,610,000	100%	100,610,000
Wyomissing Area	30,700,000	100%	30,700,000
<b>Total School Districts</b>	<b>\$ 1,176,269,219</b>		<b>\$ 1,176,269,219</b>
<b>Municipalities</b>			
City of Reading	\$ 352,436,914	100%	\$ 352,436,914
Albany Township	203,844	100%	203,844
Alsace Township	1,908,090	100%	1,908,090
Amity Township	4,070,000	100%	4,070,000
Bally Borough	4,101,000	100%	4,101,000
Bethel Township	620,686	100%	620,686
Birdsboro Borough	838,000 (1)	100%	838,000
Boyertown Borough	3,539,020	100%	3,539,020
Caernarvon Township	1,006,000	100%	1,006,000
Colebrookdale Township	514,083 (1)	100%	514,083
Cumru Township	15,475,000	100%	15,475,000
District Township	493,199	100%	493,199
Exeter Township	13,557,912	100%	13,557,912
Fleetwood Borough	1,284,682	100%	1,284,682
Greenwich Township	133,023	100%	133,023
Hamburg Borough	395,705	100%	395,705
Hereford Township	60,703	100%	60,703
Kutztown Borough	15,092,000	100%	15,092,000
Leesport Borough	564,956	100%	564,956
Lenhartsville Borough	388,015 (1)	100%	388,015
Longswamp Township	194,119	100%	194,119
Lower Alsace Township	1,201,209 (1)	100%	1,201,209
Lower Heidelberg Township	10,135,396	100%	10,135,396

**Note**

(1) Unavailable - used latest data available



County of Berks  
Direct and Overlapping Governmental Activities Debt  
December 31, 2020

<u>Direct Debt of County and Related Entities (continued)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Maidencreek Township	26,229	100%	26,229
Maxatawny Township	317,905	100%	317,905
Mt. Penn Borough	201,699 (1)	100%	201,699
Mohnton Borough	486	100%	486
Muhlenberg Township	17,138,911	100%	17,138,911
Ontelaunee Township	14,532,000 (1)	100%	14,532,000
Penn Township	57,646	100%	57,646
Richmond Township	2,018,233	100%	2,018,233
Robeson Township	471,933	100%	471,933
St. Lawrence Borough	53,593 (1)	100%	53,593
Shillington Borough	1,513,000	100%	1,513,000
Shoemakersville Borough	2,035,945	100%	2,035,945
Sinking Spring Borough	5,410,483	100%	5,410,483
South Heidelberg Township	1,177,101	100%	1,177,101
Spring Township	15,900,000	100%	15,900,000
Tilden Township	4,190,820	100%	4,190,820
Topton Borough	2,128,264	100%	2,128,264
Tulpehocken Township	2,208,594 (1)	100%	2,208,594
Union Township	477,416	100%	477,416
Upper Bern Township	2,283,767	100%	2,283,767
Upper Tulpehocken Township	2,125,021	100%	2,125,021
Washington Township	8,338,000	100%	8,338,000
Wernersville Borough	976,000	100%	976,000
West Reading Borough	8,139,180	100%	8,139,180
Total Municipalities	<u>\$ 520,239,334</u>		<u>\$ 520,239,334</u>
Total overlapping debt			<u>\$ 1,696,508,553</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,822,026,645</u>

**Note**

(1) Unavailable - used latest data available

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit at 300%	\$ 1,704,298,292	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399	\$ 1,307,926,447	\$ 1,309,909,635	\$ 1,288,660,406
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>125,518,092</u>	<u>138,665,996</u>	<u>173,003,401</u>	<u>189,889,791</u>	<u>208,871,327</u>	<u>226,636,465</u>	<u>255,958,159</u>	<u>222,677,099</u>	<u>246,929,029</u>	<u>240,494,029</u>
Legal Debt Margin	<u>\$ 1,578,780,200</u>	<u>\$ 1,480,837,914</u>	<u>\$ 1,362,257,284</u>	<u>\$ 1,311,281,557</u>	<u>\$ 1,224,669,055</u>	<u>\$ 1,152,164,390</u>	<u>\$ 1,068,996,240</u>	<u>\$ 1,085,249,348</u>	<u>\$ 1,062,980,606</u>	<u>\$ 1,048,166,377</u>
Total net debt applicable to the limit as a percentage of debt limit	7.36%	8.56%	11.27%	12.65%	14.57%	16.44%	19.32%	17.03%	18.85%	18.66%
Total Revenues Received	\$ 603,629,603	\$ 578,392,087	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255	\$ 439,409,335	\$ 434,340,809	\$ 434,176,303
Total net revenue	\$ 1,704,298,292	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855				
Borrowing base = Total net revenues, divided by three	\$ 568,099,431	\$ 539,834,637	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285				

**Source:**  
County of Berks, Financial Statements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2021	\$ 11,090,545	\$ 4,530,587	\$ 15,621,132	\$ 529,960,719	2.95%
2020	17,474,779	15,897,346	33,372,125	524,940,413	6.36%
2019	8,663,370	14,779,894	23,443,264	457,363,337	5.13%
2018	8,318,135	15,605,850	23,923,985	451,579,486	5.30%
2017	7,725,669	16,629,718	24,355,387	429,347,681	5.67%
2016	7,527,645	16,475,219	24,002,864	428,526,206	5.60%
2015	7,620,828	16,911,272	24,532,100	388,195,165	6.32%
2014	8,145,069	17,155,619	25,300,688	398,217,473	6.35%
2013	8,043,447	19,429,357	27,472,804	393,021,531	6.99%
2012	19,481,932	9,346,689	28,828,621	452,462,635 *	6.37%

**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
2021	422,434	\$ 32,781	\$ 66,154	39.9	*	*	5.1%	\$ 187,600
2020	421,799	32,252	63,728	39.9	27,037	70,322	7.6%	178,700
2019	418,025	31,571	61,522	40.2	26,982	69,505	4.6%	174,200
2018	420,152	30,187	61,058	39.8	26,437	70,247	4.2%	173,700
2017	417,854	29,041	59,580	39.9	26,590	69,871	4.2%	170,900
2016	414,097	27,844	57,068	39.8	27,081	70,329	4.4%	169,000
2015	413,965	27,146	55,936	39.7	27,985	71,160	4.8%	168,200
2014	413,691	26,998	55,798	39.7	28,503	71,358	4.8%	169,200
2013	412,078	26,723	55,170	39.5	28,648	71,866	7.2%	170,600
2012	411,094	26,478	55,021	39.4	28,341	72,288	7.7%	173,400

\* 2021 data not available.

**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**

<b>Employer</b>	<u>2021</u>			<u>2012</u>		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,908	1	3.92%	6,526	2	3.11%
Tower Health	7,206	2	3.57%	7,510	1	3.58%
Wal-Mart Stores	2,300	3	1.14%	1,718	7	0.82%
Penske Transportation Solutions	2,253	4	1.12%	(1)	(1)	
Reading School District	2,250	5	1.11%	2,080	5	0.99%
Penn State St. Joseph Medical Center	2,177	6	1.08%	1,562	8	0.74%
County of Berks	2,125	7	1.05%	2,411	3	1.15%
Amazon	2,000	8	0.99%	(1)	(1)	
Carpenter Technology Corp.	1,878	9	0.93%	2,408	4	1.15%
Wilson School District	1,541	10	0.76%	(1)	(1)	
Weis Markets		(1)	0.00%	1,450	10	0.69%
Pennsylvania Government		(1)	0.00%	1,816	6	0.86%
Redner's Markets Inc.		(1)		1,477	9	0.70%
<b>Total</b>	<u><u>31,638</u></u>		<u><u>15.68%</u></u>	<u><u>28,958</u></u>		<u><u>13.79%</u></u>
 Total County Labor Force	 201,800			 210,000	 (2)	

**Note:**

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

**Source:**

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

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

<b>Function/Program</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental activities:</b>										
General government	213	202	182	184	200	197	196	193	205	203
Judicial	425	442	446	455	451	458	462	465	457	463
Public safety	476	504	506	492	505	487	412	398	397	390
Human services	270	280	286	291	288	294	293	297	302	307
Culture and recreation	30	35	41	39	32	34	35	35	35	35
Community and economic development	16	15	15	15	22	19	19	17	21	22
<b>Total governmental activities</b>	<u>1,430</u>	<u>1,478</u>	<u>1,476</u>	<u>1,476</u>	<u>1,498</u>	<u>1,489</u>	<u>1,417</u>	<u>1,405</u>	<u>1,417</u>	<u>1,420</u>
<b>Business-type activities</b>										
Berks Heim	278	366	375	381	396	399	402	398	399	398
Emergency Services	-	-	-	-	-	-	79	78	79	81
Berks County Residential Center	56	59	61	62	67	64	68	57	55	55
Youth Center	-	-	-	-	-	-	-	-	-	1
<b>Total business-type activities expenses</b>	<u>334</u>	<u>425</u>	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>	<u>533</u>	<u>533</u>	<u>535</u>
<b>Total primary government expenses</b>	<u>1,764</u>	<u>1,903</u>	<u>1,912</u>	<u>1,919</u>	<u>1,961</u>	<u>1,952</u>	<u>1,966</u>	<u>1,938</u>	<u>1,950</u>	<u>1,955</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) Emergency Services merged with Public Safety in 2016

**Source:**

County of Berks, Personnel Statements

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Function/Program</b>										
<b>Governmental activities:</b>										
General government										
Elections										
New Registrations	10,829	26,100 **	6,400	10,245	4,000	20,387 **	4,859	4,896	4,360	11,283
Total Ballots Cast	75,527	272,192	-	-	-	-	-	-	-	-
In-Person Ballots	59,041	189,805 *	-	-	-	-	-	-	-	-
Mail-In Ballots	16,486	72,598	-	-	-	-	-	-	-	-
Absentee Ballots Processed	- ***	9,789	3,289	6,392	1,500	9,358	2,177	2,830	1,962	7,396
Change of Address/Party	24,461	18,810	30,267	26,371	18,000	62,101	25,057	20,178	18,954	22,397
Cancellations	12,139	9,319	2,709	17,053	3,000	43,348	7,092	8,641	3,023	6,262
* New mail-in process started in 2020										
** 2012, 2016, and 2020 were presidential election years,										
*** Absentee and Mail-In Ballots combined as of 2021										
Real Estate										
Appeal summaries	669	788	596	573	713	950	1,485	1,657	1,075	1,517
Change Notices	2,458	1,807	3,150	3,577	2,616	3,190	2,964	4,299	3,205	3,840
Parcels Created	206	231	250	462	374	548	388	328	384	288
Acreage Changed	470	307	375	526	1,884	473	587	470	524	600
Judicial										
Coroner										
Total Cases	4,279	4,112	3,505	3,363	3,371	3,386	3,230	3,057	3,172	2,966
Cremations	2,737	2,636	2,197	2,043	2,028	2,004	1,865	1,699	1,696	1,518
District Attorney										
Criminal Case Prosecution										
Adult Cases	5,082	4,536	6,251	6,473	7,019	6,560	6,533	6,865	6,500	6,135
Juvenile Cases	1,625	2,257	3,024	3,024	736	804	890	2,074	2,371	2,454
Narcotics Enforcement Team	211	319	241	235	272	780	602	187	251	236
DUI Central Booking	562	449	836	802	735	658	602	665	620	587
Major Crimes	2,318	1,750	2,917	2,401	2,408	2,484	2,215	1,592	2,481	1,382
Fugitive/Warrants Unit					-	-	226	-	-	-
Register of Wills										
Estates Opened	1,784	1,793	1,871	1,872	2,023	1,886	1,865	1,670	1,764	1,778
Marriage Licenses Issued	2,187	1,984	2,294	2,380	2,462	2,396	2,403	2,349	2,268	2,410
Adoptions	226	233	249	243	82	227	190	214	207	215
Public Safety										
County Prison										
Inmates Committed	3,493	3,623	6,094	6,611	6,994	6,328	6,701	6,840	7,050	6,774
Average Daily Population	747	743	1,044	1,104	999	1,024	1,171	1,187	1,199	1,115
Inmate Counseling Sessions	673	685	1,243	1,317	1,607	1,690	1,568	1,547	2,582	1,630
Inmate Work Release Participants	-	36	159	146	117	92	83	110	114	108
Inmates Enrolled in Education	346	570	388	463	542	422	498	395	362	502
Public Works										
Recycling Center										
Tons Recycled Curbside	55,000	55,976	44,031	44,133	45,759	51,597	55,291	51,757	52,250	51,708
Tons Recycled Drop-off	400	496	719	7,529	1,492	1,625	1,585	1,660	1,662	1,547
Tons Recycled Commercial	14,500	145,902	149,554	184,759	169,106	161,972	158,866	142,918	124,200	120,669
Tons Recycled by County	800	116	1,116	1,273	1,209	1,472	1,510	1,659	1,600	1,881

**Note**

\*\* Presidential election year, so more registrations processed.

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

Function/Program	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Human services</b>										
CareerLink										
Companies Served	750	832	751	654	647	465	417	375	310	725
Adults Served	227	129	102	79	97	58	126	149	152	110
Youth Served	325	296	395	440	502	545	571	539	593	734
Dislocated Workers Served	113	79	97	135	324	265	304	434	451	472
JOBS Program (EARN)	152	211	327	359	327	340	442	342	356	609
<b>Culture and recreation</b>										
Ag Land Preservation										
Number of Farm Applicants	92	117	108	117	132	127	123	139	139	131
Number of Farms Selected	14	19	16	30	24	24	21	23	21	43
Funds Raised	150,196	675	522	10,000	4,625	100	-	197	-	2,349
<b>Community and economic development</b>										
Planning										
Act 247 Subdivision Reviews	213	128	150	153	180	151	134	152	142	143
Act 247 Ordinance Reviews	39	34	47	70	72	42	44	31	45	74
Act 537 Sewage Reviews	1	-	2	2	4	10	-	3	3	1
Act 97 Solid Waste Reviews	-	-	2	2	4	5	1	2	3	3
<b>911</b>										
Total 911 Calls	173,300	164,949	173,197	176,619	183,498	194,460	211,700	210,461	204,083	218,832
Average Daily Call Volume	475	452	475	484	503	533	580	577	560	600
Average Answer in < 10 seconds	(1)	(1)	(1)	93%	99%	99%	99%	99%	99%	99%
Surcharge Funds Received	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,297,310	\$ 2,194,832	\$ 2,286,686	\$ 2,346,944
Surcharge Funds Disbursed	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,054,321	\$ 1,628,053	\$ 1,776,841	\$ 1,923,136
<b>Business-type activities</b>										
<b>Berks Heim</b>										
In-house Days										
Private Pay	13,973	14,313	17,018	18,957	20,178	22,090	20,866	19,983	21,790	21,535
Medical Assistance/Medicare A	91,075	108,488	128,325	128,701	127,894	127,110	127,593	129,382	127,730	130,110
Bedhold Days	412	419	725	751	742	556	554	500	742	574
<b>Berks County Residential Center/Youth Center</b>										
Average Daily Population										
Berks County Residential Center	3	28	57	51	61	80	80	67	74	80

**Note**

(1) As of 2019, no longer tracked.

(2) As of August 2015, no longer tracking because of change in funding regulations.

**Source:**

Individual County Departments



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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities:</b>										
General government										
Land and land improvements	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 3,499,090	\$ 1,664,570
Buildings and building improvements	148,861,055	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289	112,252,678	111,790,776	126,923,789
Furniture, fixtures, and equipment	24,598,664	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364	9,878,697	9,444,535	12,334,176
Construction in progress	10,109,129	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230	26,820,832	46,783,680	23,243,334
Infrastructure	94,401	94,401	94,401	94,401	94,401	85,760	-	-	-	-
Agricultural easements	83,767,156	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441	76,669,703	75,085,203	73,173,727
	<u>269,652,388</u>	<u>266,622,795</u>	<u>257,239,921</u>	<u>248,122,799</u>	<u>245,560,649</u>	<u>240,001,403</u>	<u>303,483,307</u>	<u>227,843,693</u>	<u>246,603,284</u>	<u>237,339,596</u>
Judicial										
Buildings and building improvements	1,216,111	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804	907,096	757,634	1,128,901	1,128,901
Furniture, fixtures, and equipment	2,727,631	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887	2,625,854	2,577,830	2,537,914
Construction in progress	-	-	203,871	223,792	-	-	-	-	-	87,621
	<u>3,943,742</u>	<u>4,160,724</u>	<u>3,952,225</u>	<u>3,852,835</u>	<u>3,308,181</u>	<u>3,558,665</u>	<u>3,169,983</u>	<u>3,383,488</u>	<u>3,706,731</u>	<u>3,754,436</u>
Public Safety										
Buildings and building improvements	51,580,695	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401	46,797,847	46,872,609	53,039,836
Furniture, fixtures, and equipment	66,408,061	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160	2,356,084	2,104,994	2,469,719
Construction in progress	4,096,280	3,469,970	1,996,743	2,285,848	763,784	102,128	-	-	-	-
Infrastructure	28,759	28,759	28,759	28,759	28,759	-	-	-	-	-
	<u>122,113,795</u>	<u>120,490,658</u>	<u>118,161,836</u>	<u>117,461,729</u>	<u>115,298,226</u>	<u>117,243,682</u>	<u>51,127,561</u>	<u>49,153,931</u>	<u>48,977,603</u>	<u>55,509,555</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516
Buildings and building improvements	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	148,217	88,063	208,286	208,286	225,836	225,836	225,836	176,726	176,726	192,317
Construction in progress	1,054,575	546,345	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210	4,619,721	2,000,718	1,160,164
Infrastructure	40,103,929	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072	6,051,426	4,799,840	4,132,152
	<u>49,400,100</u>	<u>48,718,337</u>	<u>46,795,764</u>	<u>43,220,858</u>	<u>38,167,045</u>	<u>36,235,110</u>	<u>25,505,497</u>	<u>18,941,252</u>	<u>15,070,663</u>	<u>13,578,012</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	137,750	113,931	-	110,700	110,700
Furniture, fixtures, and equipment	563,945	635,231	492,933	499,981	455,048	482,406	500,446	500,493	569,902	550,415
	<u>701,695</u>	<u>772,981</u>	<u>630,683</u>	<u>637,711</u>	<u>592,798</u>	<u>620,156</u>	<u>614,377</u>	<u>500,493</u>	<u>680,602</u>	<u>661,115</u>
Culture and recreation										
Land and land improvements	15,706,436	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400	13,550,628	13,491,264	13,081,317
Buildings and building improvements	8,133,643	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287	7,150,341	7,087,808	6,904,979
Furniture, fixtures, and equipment	1,427,118	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175	1,043,562	972,820	1,061,688
Construction in progress	468,559	286,216	228,908	171,532	113,187	39,143	-	-	-	-
Historical treasures	2,290,344	2,290,344	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,166,153
Infrastructure	38,762	38,762	38,762	38,762	-	-	-	-	-	-
	<u>28,064,862</u>	<u>28,053,379</u>	<u>26,943,758</u>	<u>26,569,773</u>	<u>26,464,996</u>	<u>26,204,843</u>	<u>24,292,506</u>	<u>24,024,175</u>	<u>23,831,536</u>	<u>23,214,137</u>
Community and economic development										
Buildings and building improvements	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700
Furniture, fixtures, and equipment	43,736	35,282	37,204	30,217	43,254	23,359	23,359	23,359	23,359	48,648
	<u>1,887,436</u>	<u>1,878,982</u>	<u>1,880,904</u>	<u>1,873,917</u>	<u>1,886,954</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,892,348</u>
<b>Total governmental - cost</b>	<b>\$ 475,764,018</b>	<b>\$ 470,697,856</b>	<b>\$ 455,605,091</b>	<b>\$ 441,739,622</b>	<b>\$ 431,278,849</b>	<b>\$ 425,730,918</b>	<b>\$ 410,060,290</b>	<b>\$ 325,714,291</b>	<b>\$ 340,737,478</b>	<b>\$ 335,949,199</b>
<b>Business-type activities</b>										
Department of Emergency Services (1)										
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,846	\$ 486,845	\$ 486,846
Furniture, fixtures, and equipment	-	-	-	-	-	-	-	67,581,031	11,301,560	9,954,737
Construction in progress	-	-	-	-	-	-	-	668,570	8,103,310	6,885,539
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,236,447</u>	<u>19,891,715</u>	<u>17,327,122</u>
Berks County Residential Center (2)										
Buildings and building improvements	11,782,088	10,328,645	10,187,060	10,187,060	10,187,060	10,187,060	8,909,018	7,912,681	7,902,464	505,847
Furniture, fixtures, and equipment	223,327	223,327	223,327	223,327	337,121	368,724	346,699	285,023	239,133	239,133
Construction in progress	9,449	1,303,750	1,001,301	-	-	-	-	126,822	-	412,450
	<u>12,014,864</u>	<u>11,855,722</u>	<u>11,411,688</u>	<u>10,410,387</u>	<u>10,524,181</u>	<u>10,555,784</u>	<u>9,255,717</u>	<u>8,324,526</u>	<u>8,141,597</u>	<u>1,157,430</u>
Berks Heim										
Buildings and building improvements	43,837,834	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210	38,013,639	37,749,851	37,731,995
Furniture, fixtures, and equipment	5,734,197	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490	3,962,829	3,887,423	3,808,013
Construction in progress	259,770	1,297,768	1,266,633	35,398	29,945	17,642	14,367	278,646	-	-
	<u>49,831,801</u>	<u>46,330,721</u>	<u>44,466,208</u>	<u>42,857,205</u>	<u>42,806,689</u>	<u>42,650,700</u>	<u>42,596,067</u>	<u>42,255,114</u>	<u>41,637,274</u>	<u>41,540,008</u>
<b>Total business-type activities</b>	<b>\$ 61,846,665</b>	<b>\$ 58,186,443</b>	<b>\$ 55,877,896</b>	<b>\$ 53,267,592</b>	<b>\$ 53,330,870</b>	<b>\$ 53,206,484</b>	<b>\$ 51,851,784</b>	<b>\$ 119,316,087</b>	<b>\$ 69,670,586</b>	<b>\$ 60,024,560</b>
<b>Total primary government</b>	<b>\$ 537,610,683</b>	<b>\$ 528,884,299</b>	<b>\$ 511,482,987</b>	<b>\$ 495,007,214</b>	<b>\$ 484,609,719</b>	<b>\$ 478,937,402</b>	<b>\$ 461,912,074</b>	<b>\$ 445,030,378</b>	<b>\$ 410,408,064</b>	<b>\$ 395,973,759</b>

**Note:**  
(1) Converted to special revenue fund in 2015  
(2) Youth Center closed in 2012

**Source:**  
Comprehensive Annual Financial Reports



