Annual Comprehensive Financial Report for the Year Ending December 31, 2025

County of Berks,
Pennsylvania

County of Berks, Pennsylvania

Annual Comprehensive Financial Report

for the Year Ending December 31, 2025

Commissioners:

Christian Y. Leinbach, Chair

Michael S. Rivera, Vice Chair

Dante Santoni, Jr.

Prepared by the

Office of the Controller

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County of Berks, Pennsylvania Annual Comprehensive Financial Report

Introductory Information

for the Year Ending December 31, 2025

COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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

Phone: 610.478.6136
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E-mail: commissioners@berkspa.gov

Christian Y. Leinbach, Chair
Michael S. Rivera, Vice Chair
Dante Santoni Jr., Commissioner

Kevin S. Barnhardt, Chief Operations Officer
Larry Medaglia, Jr., Deputy Chief Operations Officer
Christine M. Sadler, Solicitor

June 30, 2026

To: The Citizens of the County of Berks

This Annual Comprehensive Financial Report of the County of Berks for the year ended December 31, 2025, 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 the County Management. We believe the data, as presented, is accurate in all material respect; 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 Zelenkofske Axelrod, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2025, 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, 2025. 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 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 established in 1752, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The agriculture still remains one of the county's most important industries and defining part of its identity. Agriculture contributes more than $1 billion annually in direct and indirect economic activity and supports over 1,800 farms and agribusinesses throughout the county. 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. Berks County is one of the ten most populated counties in the state of Pennsylvania. Based on the United States Census Bureau, the County's estimated population as of July 1, 2025, is 440,072 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, 14 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

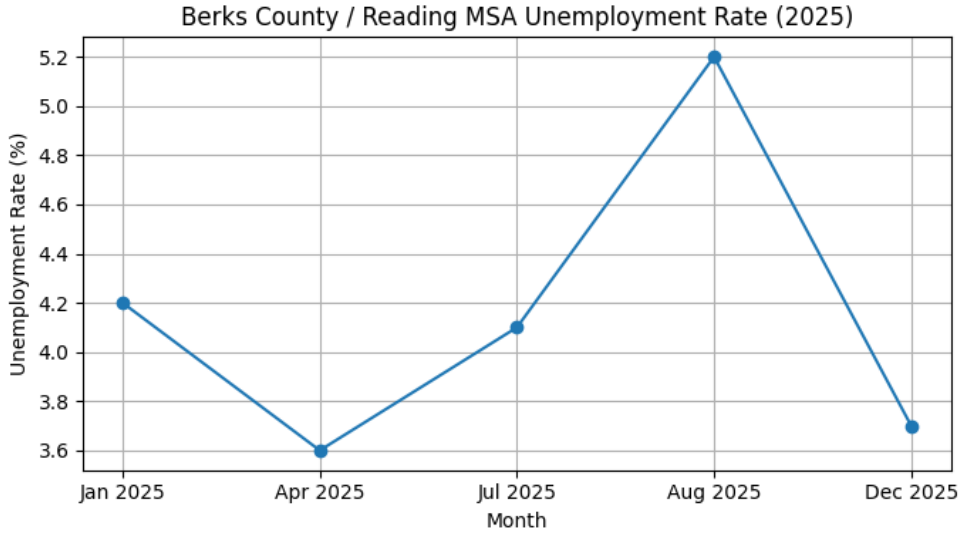
This Annual Comprehensive Financial Report includes all funds (agencies) of the County, and through those funds, provides a full range of services including the court system, prison, nursing home, education and cultural programs, public safety, economic development, human services programs for children, 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.

Economic Condition & Outlook

Continued product and business demand, paired with low unemployment rates, has played a significant role in boosting Berks County residents' confidence in the economy during 2025.

- Q1 2025: Consumer sentiment remained relatively strong, supported by low unemployment and stable economic activity.
- Q2 2025: Sentiment softened slightly as inflation and interest rates continued to pressure household budgets.
- Q3 2025: Confidence declined more noticeably due to affordability concerns, particularly housing and consumer prices.
- Q4 2025: Consumers remained cautious amid economic uncertainty and persistent cost-of-living pressures.

Over the course of 2025 the unemployment rate in Berks County was between 3.6% and 5.2%, which was slightly above compared to the state as well as national unemployment levels. Manufacturing remains the largest employer followed by healthcare and government sectors.



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 as of December 31, 2025, was valued at $651 million, an increase of 14% 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.

The County leadership implemented a tax increase of 8% in 2025, to balance the budget as succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of Children and Youth Services, Berks Heim, and the Criminal Justice System, and the Jail. The County has now completed yet another 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/are under construction during the year 2025/2026. The most notable of which are the Ag Center renovation projected to be completed by December 31, 2026. Another major renovation taking place is the Steam Plant Decentralization, which is now in the construction phase and is anticipated to be completed by December 31, 2026, with a projected final cost of nearly $5.5 million.

Also, ongoing major initiatives are restorations and maintenance of the County owned bridges. The bridge projects have varying dates of completion. The continuing renovation projects include the Weidner's Mill Bridge with December 2027 as the anticipated date of completion at a final cost of approximately $0.4 million. The Moselem Springs Bridge is in the design phase with a projected completion date of December 2027 at an approximate cost of $0.4 million. Similarly, the Berks Road Bridge project is in the construction phase with an anticipated date of completion of December 2026 totaling approximately $0.9 million.

The County Security project is in the implementation phase with an anticipated date of completion of December 2026 and a projected final cost of $2.2 million.

Going forward, it is imperative that the County continues 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
2025 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 Zelenkofske Axelrod, LLC, 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

Dante Santoni, Jr
Commissioner

Michael S. Rivera
Commissioner, Vice Chair

Joseph E. Rudderow, III
Controller

Grazyna Nykiel, CGFM, CICA
Deputy Controller/Project Manager

Samuel Heim, CPA
Manager of Accounting and
Financial Reporting

Patrick Sleppy
Senior Governmental Accountant

Daniel Petry, CPA
Senior Governmental Accountant

Mitchel D. Salvatore
Senior Governmental Accountant

Thomas Belluch
Governmental Accountant

Michael Spera - Accounting Assistant

County of Berks
List of Elected Officials

Commissioners

Christian Y. Leinbach, Chair
Michael S. Rivera, Vice Chair
Dante Santoni, Jr.

Clerk of Courts
Beth A. Jones

District Attorney
John T. Adams, Esq.

Coroner
Matthew J. Stitzel

Sheriff
Mandy P. Miller

Controller
Joseph E. Rudderow, III

Treasurer
Mitchell R. Darcourt

Register of Wills
Suzanne Myers

Prothonotary
Jonathan L. Del Collo

Recorder of Deeds
Fred Sheeler

Judges of Court
Honorable M. Theresa Johnson, President Judge
Honorable Scott E. Lash, Judge
Honorable Thomas G. Parisi, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable Eleni Dimitriou Geishauser, Judge
Honorable Patrick T. Barrett, Judge
Honorable J. Benjamin Nevius, Judge
Honorable Tina M. Boyd, Judge
Honorable James E. Gavin, Judge
Honorable Jill M. Scheidt, Judge
Honorable Justin D. Bodor, Judge
Honorable Eric J. Taylor, Judge

County of Berks Organizational Chart

Citizens of Berks County

ROW OFFICES (elected)

- CLERK OF COURTS
- CONTROLLER
- CORONER
- DISTRICT ATTORNEY
- CHILDREN'S ALLIANCE CENTER
- COUNTY DETECTIVES
- PROTHONOTARY
- RECORDER OF DEEDS
- REGISTER OF WILLS
- SHERIFF
- TREASURER
- TAX CLAIM BUREAU

BOARD OF COMMISSIONERS (elected)

- CHIEF OPERATIONS OFFICER
  - DEPUTY CHIEF OPERATIONS OFFICER
  - CHIEF FINANCIAL OFFICER
  - CHIEF CLERK + DEPUTY CHIEF CLERK
  - PUBLIC RELATIONS OFFICER
  - DIRECT SERVICES
    - LIBRARY SYSTEM
    - JAIL SYSTEM
    - VETERANS AFFAIRS
    - PUBLIC DEFENDER
    - PARKS + RECREATION
    - MH/DD
    - AREA AGENCY ON AGING
    - ASSESSMENT
    - BERKS HEIM
    - CHILDREN + YOUTH SERVICES
    - ELECTION SERVICES
    - EMERGENCY SERVICES
- DIRECTOR OF HUMAN RESOURCES
- DIRECTOR OF COMMUNITY ECONOMIC DEVELOPMENT
  - AGRICULTURE
  - CAREERLINK/WDB
  - PLANNING
- INTERNAL SERVICES
  - ARCHIVES/RECORDS MANAGEMENT
  - FACILITIES + OPERATIONS
  - INFORMATION SYSTEMS/GIS
  - MAIL ROOM/PRINT SHOP
  - PURCHASING
  - BERKS COUNTY YOUTH CENTER
- SOLICITOR
  - RIGHT TO KNOW OFFICER

JUDICIAL (elected)

- COUNTY COURT JUDGES
  - DISTRICT JUDGES (elected)
  - COURT ADMINISTRATION
    - ADULT PROBATION
    - COURT REPORTERS
    - DOMESTIC RELATIONS
    - JURY SERVICES
    - JUVENILE PROBATION
    - LAW LIBRARY

RDG. REG. AIRPORT AUTHORITY
- Commissioners (3), COO + DCED

ELECTION BOARD EXCEPT DURING REELECTION
- Commissioners (3)

PRISON BOARD
- Commissioners (3), Controller, Sheriff, President Judge + District Attorney

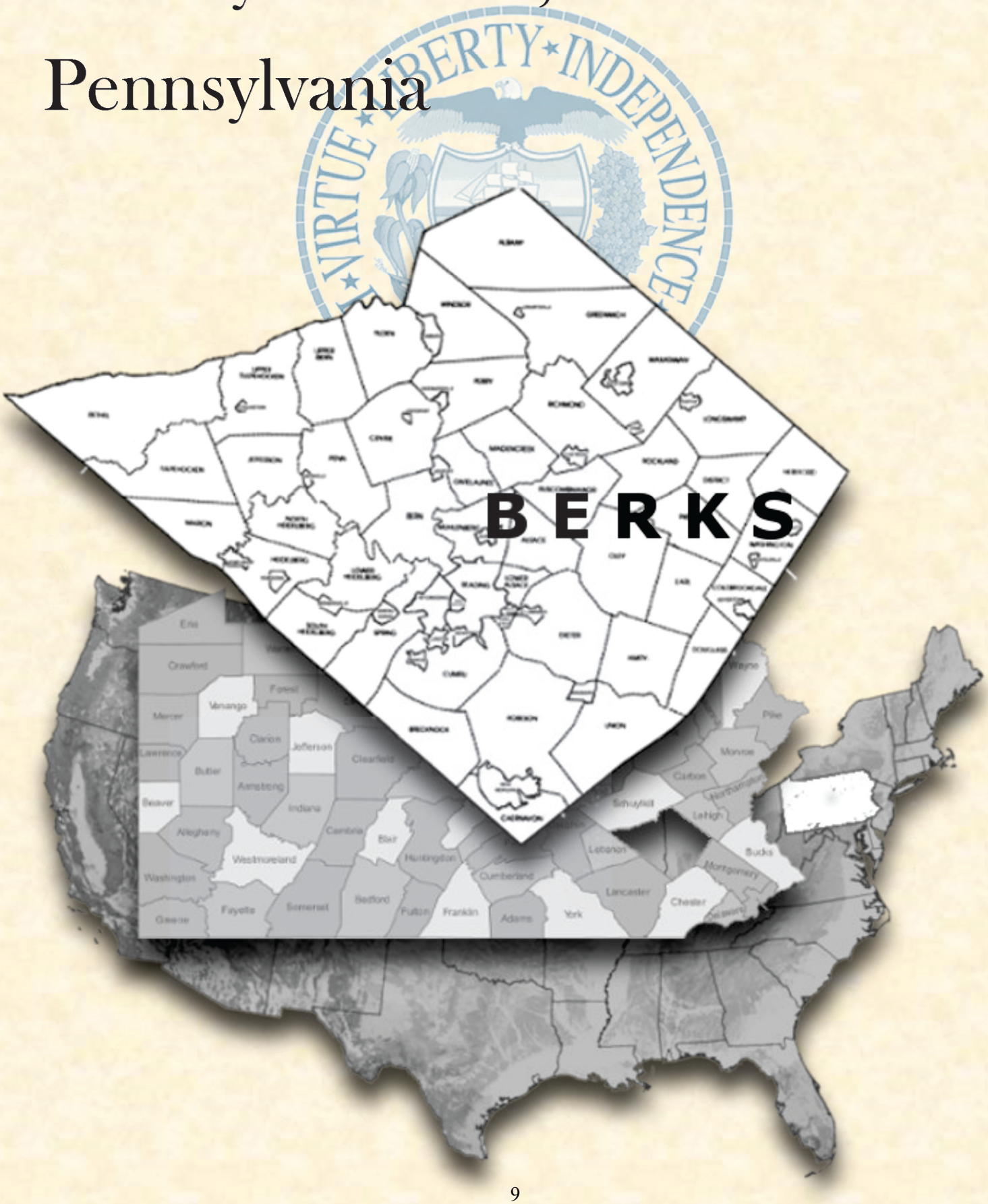
RETIREMENT BOARD
- Commissioners (3),Controller + Treasurer

SALARY BOARD ROW OFFICER OR PRES. JUDGE
- Commissioners (3) + Controller

VIRTUE ★ LIBERTY ★ INDEPENDENCE ★ BERKS ★ COUNTY ★

REVISED
December 2025

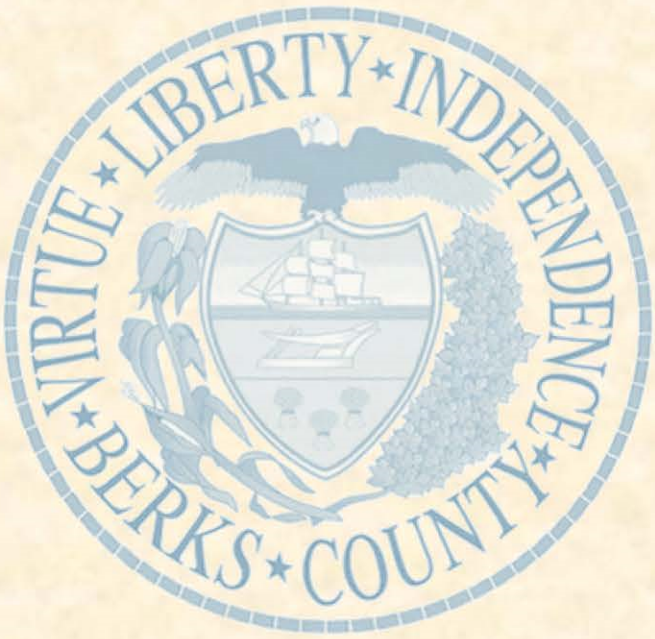
County of Berks, Pennsylvania



County of Berks, Pennsylvania Annual Comprehensive Financial Report

Financial Information

for the Year Ending December 31, 2025



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, 2025.

Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Berks
Reading, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of and for the year ended December 31, 2025, 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 and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of December 31, 2025, 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 discretely presented component units' financial statements for the Reading Area Community College and Reading Regional Airport Authority, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial 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 those aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 OF BERKS 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 OF BERKS' 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.

County Commissioners
County of Berks
Reading, Pennsylvania

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 misstatements, whether due to fraud or error, and to issue and auditor's report that includes our opinions. 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 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, of the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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.
- Obtaining 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 option on the effectiveness of the COUNTY OF BERKS' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by managements, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the COUNTY OF BERKS' ability to continue as a going concern for a reasonable period of time.

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

Adoption of New Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2025 the County adopted the provisions GASB Statement No. 102, "*Certain Risk Disclosures*". Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability and related ratios, schedule of County pension contributions, schedule of pension investment returns, component unit schedules of the proportionate share of the net pension and OPEB liabilities and related ratios, component unit contributions, component unit schedules of changes in the total OPEB liability and related ratios, budgetary comparison schedules on pages 16 through 30 and pages 140 through 155 be presented to supplement the basic financial statements.

County Commissioners
County of Berks
Reading, Pennsylvania

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 and other auditors 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF BERKS' basic financial statements. The supplementary information in the financial section (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information in the financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information 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 supplementary information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

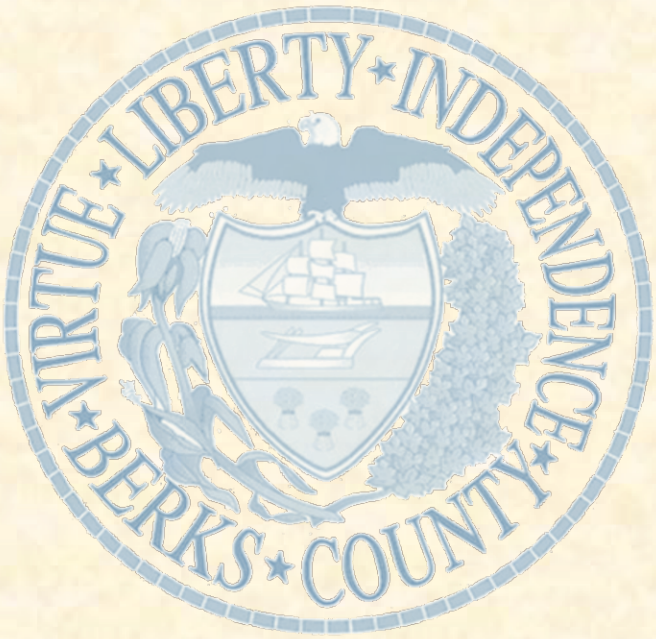
Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the 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 financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that in uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Harrisburg, Pennsylvania
June 29, 2026



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.

The County of Berks' (the 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, 2025. 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, 2025. Dollar amounts throughout the MD&A are rounded to the nearest thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The County's net position changed in 2025 by $28,082 to $506,537. Unrestricted net position at year-end changed by $26,006 to $91,499.

- Total outstanding bonds and other debt at December 31, 2025 was $72,260, a change of $(12,723) from the prior year, resulting from principal payments made during 2025. The County's bond rating from Moody's is **Aaa,** the highest bond rating a public entity can attain.

- Property tax rates changed by 0.668 mills to 9.013 mills in 2025.

- The County's General Fund balance, restated for 2024, changed in 2025 by $12,271 to $210,604. The unassigned portion of that fund balance was $166,944.

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 supplemental information and other supplemental information are included in the basic financial statements.

Government-wide financial statements, (pages 31-34 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, changes 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.

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, human services, 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. This activity charges a fee to 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, Section A, 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 through 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 fifteen individual governmental funds, four of which are considered major governmental funds. Information for the General Fund, Children and Youth Services, Health Choices, and Drug and Alcohol 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 supplemental information in the form of combining statements found in Other Supplemental Information ("OSI") pages 157-174 of this report.

The County adopts an annual budget for all governmental funds. Budgetary comparisons are provided for the County's major funds in Required Supplemental Information (RSI) pages 140-146, while the non-major funds are provided in the other supplemental inforrmation (OSI) pages 163-172.

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 include Berks Heim. The County adopts an annual budget for the proprietary funds, as required by the state. Budgetary comparisons for the County's proprietary funds are presented as other supplemental information (OSI). The proprietary fund financial statements are found on pages 39-41 and 173 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 42-43 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 47-138 of this report.

Required Supplemental Information includes budgetary comparison schedules for the General Fund and for major special revenue funds, notes to required supplemental information, schedules related to the County's net pension liability and County pension contributions, as well as various schedules from component unit required supplemental information sections. Required supplemental information can be found on pages 140-155 of this report.

Other Supplemental Information includes the nonmajor funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, budgetary comparison schedules for the nonmajor special revenue funds, notes to other supplemental information, and budgetary comparison schedules for the enterprise funds. Other supplemental information can be found on pages 157-174 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 $506,537 at December 31, 2025. 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	
	2025	2024	2025	2024	2025	2024
Noncapital assets	$ 404,998	$ 347,969	$ 29,714	$ 22,375	$ 434,712	$ 370,344
Capital assets	301,934	309,992	24,175	25,327	326,109	335,319
Total assets	706,931	657,961	53,889	47,702	760,821	705,663
Deferred outflows	13,387	20,160	2,166	297	15,552	20,457
Total assets and deferred outflows	720,318	678,121	56,055	47,999	776,373	726,120
Current liabilities	86,345	75,812	5,979	5,825	92,325	81,636
Noncurrent liabilities	118,525	151,546	7,626	11,496	126,151	163,042
Total liabilities	204,870	227,358	13,605	17,321	218,476	244,678
Deferred inflows	41,482	2,986	9,880	-	51,361	2,986
Total liabilities and deferred inflows	246,352	230,344	23,485	17,321	269,837	247,665
Net position:						
Net investment in capital assets	233,518	231,778	15,700	14,314	249,218	246,092
Restricted	165,820	166,870	-	-	165,820	166,870
Unrestricted	74,629	49,129	16,870	16,364	91,499	65,493
Total net position	$ 473,966	$ 447,777	$ 32,570	$ 30,678	$ 506,537	$ 478,455

During 2025, net position changed by $28,082, or 6%, to $506,537. Of this total, $249,218 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while $165,820 is restricted for various purposes by external entities. The unrestricted net position of $91,499 represents funds available to support operations or provide for the repayment of long-term debt. See Note 1, Section T: Restatement of financial statements, for more information on changes to beginning net position.

Reasons for the change in net position (shown in the table above) include:

Current and other assets changed by $64,367, or 17.4%, to $434,712, largely due to a significant decrease in cash balances, which vary due to timing, and a decrease in the amount due from other funds, which was caused by netting interfund activity in 2025. The decreases are partially offset by a change in investment balances at year-end 2025 and a change in the opioid settlement receivable, as the County recognized the second wave of payments relating to pharmaceutical companies.

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

Current liabilities changed by $10,689, or 13.1%, to $92,325. Most current liability categories changed at year-end 2025. The most impactful decreases were in accounts payable (due to the timing of payments versus billings), accrued claims health insurance (due to Health Choices self-insured payments exceeding incurred claims in 2025), unearned grant revenue (due to the County spending more grant funds than it received during 2025) and the amount due to other funds (due to netting interfund activity in 2025).

Noncurrent liabilities changed by $(36,891) , or (22)%, to $126,151. This change is due primarily to the reasons described in the long-term debt section, as well as a reduction in the net pension liability, which varies from year to year based on actuarial assumptions.

Net investment in capital assets changed by $3,126, or 1%, to $249,218 due to the reduction of related outstanding debt at year end.

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, 2025. It shows revenues by source and expenses by function.

	Govemmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	$ 46,124	$ 54,931	$ 63,896	$ 61,280	$ 110,020	$ 116,211
Operating grants/contrib.	275,366	248,657	-	5	275,366	248,662
Capital grants/contrib.	2,359	2,569	-	-	2,359	2,569
General revenues:						
Property taxes	180,181	166,432	-	-	180,181	166,432
Hotel room tax	3,380	3,336	-	-	3,380	3,336
Payments in lieu of taxes	348	293	-	-	348	293
Investment eamings	13,119	13,926	62	11	13,181	13,938
Miscellaneous - other	14,646	17,067	-	-	14,646	17,067
Gain on disposal of capital assets	131	143	-	-	131	143
Rental of space	425	326	-	-	425	326
Total revenues	536,079	507,680	63,958	61,296	600,037	568,977
Expenses:						
General goverment	51,288	81,070	-	-	51,288	81,070
Judicial	67,271	61,129	-	-	67,271	61,129
Public safety	106,305	93,446	-	-	106,305	93,446
Human services	261,672	234,789	-	-	261,672	234,789
Culture and recreation	10,603	10,101	-	-	10,603	10,101
Comm & econ development	13,081	17,212	-	-	13,081	17,212
Public works	2,117	1,927	-	-	2,117	1,927
Community support	2,512	1,380	-	-	2,512	1,380
Debt service	1,749	2,049	-	-	1,749	2,049
Solid waste	268	254	-	-	268	254
Residential Center	-	-	-	-	-	-
Berks Heim	-	-	60,566	63,173	60,566	63,173
Total expenses	516,866	503,356	60,566	63,173	577,432	566,529
Change before other items	19,214	4,325	3,392	(1,877)	22,606	2,448
Other items:						
Transfers	1,500	-	(1,500)	-	-	-
Transfers/cap contrib	-	-	-	-	-	-
BCRC closing transfer	-	-	-	-	-	-
Total other items	1,500	-	(1,500)	-	-	-
Change in net position	20,714	4,325	1,892	(1,877)	22,606	2,448
Net position - beginning as previously presented	447,777	443,388	30,678	32,555	478,455	475,943
Error correction	5,476	64	-	-	5,476	64
Net position - beginning, as restated	453,253	443,452	30,678	32,555	483,931	476,007
Net position - ending	$ 473,966	$ 447,777	$ 32,570	$ 30,678	$ 506,536	$ 478,455

The County's overall net position changed by $28,082, which includes a change due to governmental activities of $26,189 and a change in business-type activities of $1,892. Reasons for these changes are further described below.

Governmental activities:

Revenues changed by $28,399, primarily due to a change of $26,709 in operating grant revenue (less revenue was recognized within the general government, human services, and community and economic development functions). This was offset by changes in charges for services of $(8,807) (due to higher collections for human services) and property tax revenue of $13,749 (due to a tax rate change in 2025).

Expenses changed by $13,510, primarily due to changes in general government expenses of $(29,782) and human service expenses of $26,883 (the volume of Health Choices' claims fluctuates from year to year). This was offset by changes in judicial expenses of $6,142 and public safety expenses of $12,859. 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 reconciliations on pages 36 and 38 which further explain 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 changed by $2,616, due to a change to Berks Heim, the only Business-type activity. The change was primarily driven by the $2,558 increase in Medical Assistance revenue, along with $498 of new ISNP Capitated Revenue and a $648 increase in IGT payment partially offset by a $1,032 decrease in Contractual Adj Medicare Advantage/HMO .

Expenses changed by $(2,607), due to a change to Berks Heim, the only Business-type activity. The change was primarily driven by the decrease of $3,310 by the Adjustment to Net Pension Asset.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

The County's governmental funds include the general fund, special revenue funds, and a capital projects fund. The general fund is the chief operating fund for the County, while special revenue funds are restricted to specific legislated use. The capital project fund accounts for the proceeds and activity of bond issues. The major funds are shown on the Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements section.

At December 31, 2025, the County's governmental funds reported total fund balances of $249,012, a decrease of $19,024 in comparison with December 31, 2024. Unassigned fund balance of $166,944, or 67.04%, is fund balance available for future appropriation. Restricted fund balance of $40,469, or 16.25%, is fund balance restricted by external entities. Committed fund balance of $30,576, or 12.28%, is the amount committed by the Board of Commissioners for specific purposes. The remaining fund balance of $11,005, or 4.42%, represents non-spendable and assigned items such as inventory and amounts assigned for specific purposes.

General Fund:

The General Fund accounts for all financial resources for the County except for those accounted for in other funds. At December 31, 2025, total fund balance for the General Fund was $210,604, while unassigned fund balance was $166,944. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 61.85% of total fund expenditures excluding other financing uses, while total fund balance represents 78.03% of the same amount.

General Fund revenues without other financing sources totaled $287,718, which represents a 5.80% change, or $15,769, from the year 2024. This is primarily due to an change in property tax revenues stemming from a tax rate change in 2025.

Expenditures without other financing uses totaled $269,908, which represents a (1.43)% change, or $(3,926), from the year 2024. In particular, public safety expenditures changed by $7,220. Community support expenditures changed by $19,810 primarily due to changed funding provided to programs around the County. These changes are offset by a change in debt service principal payments of $(1,091), which is expected, as the County made scheduled principal payments and did not incur additional debt in 2025.

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 $38,668 of revenues and incurred $41,465 of expenditures. The General Fund contributed $2,796 during 2025 as part of the required County contribution. Overall revenue changed by $4,317, or 12.57%, and expenditures changed by $(928), or (2.19)%, during 2025. Children and Youth Services operates on the state fiscal year for grant funding purposes. For fiscal years 2024-2025 and 2025-2026, the approved state budgets for Children and Youth changed, meaning the County was planning for general expenditures to change year over year to continue performing daily operations. Since expenditures in general (such as wages, benefits, and placement costs) were expected to change year over year, grant revenue received was also expected to change, albeit at a slower rate because the state does not reimburse the County for 100% of the eligible expenditures incurred.

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 2025 were $162,020, which represents a $14,993 , or 10.20%, change from 2024. Expenses in 2025 totaled $162,020 which represents a $15,004, or 10.21%, change from 2024. The volume of Health Choices' claims fluctuates from year to year, which accounts for the changes in revenue and expense.

Drug and Alcohol Special Revenue Fund:

The Drug and Alcohol Special Revenue Fund is a major governmental fund. This fund accounts for financial resources related to the provision of services required as a result of the Opioid settlement signed in 2022. Revenues in 2025 were $8,862 which represents a $(3,810) , or (30.07)%, change compared to 2024. Expenses in 2025 totaled $11,913, which represents a $2,743 , or 29.91% , change compared to 2024.

BUDGETARY HIGHLIGHTS

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

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

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 changed or changed after the County budget is adopted.

Significant General Fund Budget Variance Experiences in the 2025 Reported Period

Original Budget versus Final Budget Results:

The most significant favorable variance experienced in 2025 when comparing the Original Budget to the Final Budget is $9,113 for the account string designated for Capital Improvements associated with the County's Space Study recommendations. This account string budgeted under the Facilities Department was intended for renovations at the County's Services Center and Court House facilities. This variance was the result of reducing the final budget for funds that would not be spent in 2025 and were reallocated to future periods in the County's five-year capital plan. As planning progressed, it became clear that the cost to modernize the Courthouse was rapidly escalating and alternative solutions were being considered.

The most significant unfavorable variance experienced in 2025 when comparing the Original Budget to the Final Budget is $5M appropriated to reflect funds specifically as a reservation of General Fund fund balance to commit funds for use under the County's Infrastructure Loan Program. These funds were reduced from the County's COVID Community Support Funds and added to a unique fund enabled to track and provide accounting for the County's Infrastructure Loan program. An operating transfer was used to reduce COVID Community Support committed funds and a revenue and expense account were funded to provide for the total $5M contribution of funds for this designated purpose. In 2025, one agreement was approved for Lower Heidelberg Township under the loan program to provide $1M to develop the water system pipeline along 422.

Final Budget versus Actual Budget Results:

The most significant favorable variance experienced in 2025 when comparing the final budget to the actual amounts is $17,713 for the department Community and Economic Development. Specifically, the account string is used to budget the County's COVID Community Support Funds. This variance is the result of a more defined plan for the COVID Community Support funds. $5M was reallocated to provide for the County's Infrastructure Loan program and $12M was reallocated to future periods, $8M in 2026 and $4M in 2027, to provide for a funding agreement to support economic development.

The most significant unfavorable variance experienced in 2025 when comparing the final budget to the actual amounts is $1,351 for the Information Systems Department software maintenance expense in relation to GASB 96 which provides for the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments. This statement requires that a SBITA result in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability and provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The related subscription-based expenditure was included in the 2025 budget however the amortization of the expense (credit) and the related principal and interest (debit) net to zero in total.

CAPITAL ASSETS

The County's investment in capital assets at December 31, 2025, net of accumulated depreciation and amortization, was $326,109. 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 changed by approximately $(0.1) million as part of the County's farmland preservation program.
- Net infrastructure changed by approximately $(1.2) million. The net change is primarily because of the lack of initiating new projects and the continued depreciation of existing structures.
- Net buildings and improvements changed by approximately $3.5 million. The net increase is primarily because of current year improvements and construction in progress put into

service by the Ag Center Renovation project of approximately $8.9 million, less depreciation of approximately $6.3 million.

- Furniture, fixtures, equipment, and vehicles changed by approximately $(6.0) million. The primary reason for the overall change is additions that were fewer than 1.0 million and depreciation of high value items of approximately $7.0 million.
- Software in progress changed by approximately $0.3 million due to Case Management software being placed in service totaling approximately $0.39 million.
- Construction in progress changed by approximately $(2.0) million. Significant reasons for the change are:
    - Ag Center Renovations cost that were moved from CIP and placed in service were about $8.0 million
    - Phase 2 of Ag Center Renovations along with a a few other large projects were initiated this year such as the South Campus Leasehold improvement at $0.9 million, Chiller replacement at $0.5 million and Camera and Access card upgrades at $0.5 million.

Business-type activities:

- Net capital assets changed by approximately $(1.2) million. The primary reasons for the overall change are capital asset purchases of $0.6 million less current year depreciation totaling $1.8 million.

Capital Assets (net of depreciation and amortization)

	Governmental activities		Business-type activities		Totals	
	2025	2024	2025	2024	2025	2024
Land and improvements	$ 15,795	$ 16,045	$ -	$ -	$ 15,795	$ 16,045
Agricultural easements	85,421	85,505	-	-	85,421	85,505
Infrastructure	35,805	37,045	-	-	35,805	37,045
Buildings and improvements	78,906	75,411	22,905	23,890	101,811	99,301
Furniture, fixtures, equipment and vehicles	42,044	48,023	1,258	1,436	43,303	49,460
Right-To-Use Lease Real Estate	25,108	25,654	-	-	25,108	25,654
Right-To-Use Lease Equipment	2	19	-	-	2	19
Right-To-Use SBITA	5,973	7,726	-	-	5,973	7,726
Historical treasures	2,290	2,290	-	-	2,290	2,290
Software in progress	975	683	-	-	975	683
Construction in progress	9,614	11,590	12	-	9,626	11,590
Totals	$ 301,934	$ 309,991	$ 24,175	$ 25,327	$ 326,109	$ 335,318

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

LONG-TERM DEBT

As of December 31, 2025, the County had outstanding debt of $72,260 , or 3.9 percent, of the maximum $1,857,239 as permitted by law. The outstanding debt represents 0.4 percent of the total assessed taxable property value as of the end of the year. Total debt changed $(12,723), or (15) percent, from the prior year due to continued principal payments.

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

Summary of outstanding debt

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds and notes:						
Current portion	$ 9,925	$ 10,317	$ 2,683	$ 2,406	$ 12,608	$ 12,723
Noncurrent portion	53,448	63,373	6,203	8,887	59,652	72,260
Total	$ 63,373	$ 73,689	$ 8,887	$ 11,293	$ 72,260	$ 84,983

Bond rating:

On February 1, 2025, Moody's Investors Services reaffirmed the rating on the County's general obligation bonds of **Aaa**.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions:

In 2025, Berks County, Pennsylvania, experienced a dynamic economic landscape characterized by labor market shifts, housing market trends, infrastructure investments, and fiscal challenges. Here's an overview of the key economic factors and conditions:

Labor Market and Employment:

Berks County labor and unemployment conditions in 2025 were relatively stable, though unemployment trended slightly higher than 2024 levels.

Key 2025 labor statistics for Berks County / the Reading metro area included:

- Labor force: approximately 217,000–220,000 workers during 2025
- Unemployment rate:
  - January 2025: 4.2%
  - April 2025: 3.6%
  - July 2025: 4.1%
  - August 2025: 5.2% (seasonal increase)
  - December 2025: 3.7%
- February 2026 preliminary unemployment rate: 4.7%, higher than February 2025's 4.3%.

Major employment sectors in Berks County during 2025 were:

Industry Sector	Approx. Employment	2025 Trend
Manufacturing	~31,600	Stable/slight growth
Healthcare & Social Assistance	~31,200	Strong growth
Transportation/Warehousing/Utilities	~11,300	Growing
Construction	~8,500	Stable growth

Overall, Berks County's 2025 labor market showed:

- Moderate job growth
- Strong healthcare and logistics sectors
- Stable manufacturing employment
- Slightly higher unemployment than 2024, but still relatively low historically.

Housing Market Trends

The Berks County housing market remained active during 2025 and into 2026, although affordability pressures and elevated mortgage interest rates continued affecting both buyers and sellers. Housing demand remained relatively strong due to limited inventory, steady population retention within the region, and the County's comparatively affordable housing market relative to neighboring metropolitan areas.

Median home sale prices in Berks County continued increasing during 2025, although at a slower pace than the rapid appreciation experienced in prior years. Zillow reported average home values in Berks County ranging from approximately $300,000 to $310,000 during late 2025 and early 2026, reflecting annual appreciation of approximately 2% to 4%.

The Berks County economy is broad-based, containing many sectors including, but not limited to, manufacturing, wholesale and retail trade, services, and agriculture. In 2025 the manufacturing sector continued to generate the highest payroll 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 to have 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 the viability of the County's agricultural businesses. The County purchased agricultural preservation easements for over 686 additional acres during 2025, bringing total acreage under preservation to over 80,000 acres on 832 farms. The County continues its long standing commitment to farmland preservation through joint County and Commonwealth funding initiatives designed to permanently protect agricultural land from residential and commercial development.

Market impact on investment income:

Investment income during 2025 was influenced significantly by financial market conditions, interest rate movements, and ongoing economic uncertainty. The County's investment portfolio benefited from higher short-term interest rates during much of 2025, which continued to generate improved yields on cash equivalents, money market investments, and short-duration fixed income securities compared with prior years.

Financial markets experienced periods of volatility throughout 2025 due to inflation concerns, Federal Reserve monetary policy decisions, geopolitical developments, and uncertainty surrounding economic growth. Despite these fluctuations, fixed income markets generally produced positive returns during the latter portion of 2025 as interest rates stabilized and investor demand for high-quality municipal securities strengthened. The outlook for investment income in 2026 remains cautiously favorable. Although interest rates may gradually decline if additional Federal Reserve easing occurs, investment yields are expected to remain above pre-2022 historical levels.

The County's Retirement Fund, with December 31, 2025 net position valued at $651,330, experienced the change in net position of $79,085, during 2025. Throughout the year, the Retirement Fund had a diversified asset allocation program as discussed in Note 2. County contributions in 2025 were $7,070. 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 2025. The County has not yet received the final report from the actuary, but the annual certified actuarially determined contribution for 2026 is estimated to be $7,400. The 2026 actuarially determined contribution is 5.4 percent of estimated 2026 compensation of $137,560.

Government funding:

The County finances its operations through a combination of local revenue, state and federal grants, and other funding sources that include fees for services. Property taxes are a significant revenue stream for Berks County. While Berks County does not impose its own local sales tax, it benefits from the state sales tax revenue collected by Pennsylvania. A portion of this revenue is distributed back to counties, including Berks, to support various services. Berks County also receives funding from both state and federal sources for specific programs and initiatives.

Next Year's Budget:

For 2026, the County adopted a balanced budget of $677.2 million in revenues for all funds, and projected expenses of $690.0 million for all funds, which will create a deficit of $12.8 million. We believe this budget is supportive of the needs of the county taxpayers and the Commissioners' goal of a responsible budget that satisfies the mandated service requirement and other needs of the community with no tax increase. We have responded by implementing a countywide initiative for departments to implement spending cuts and provide reductions to operational expenditures of $1.4M which helped avert a tax increase.

This budget specifically achieves the Commissioners' directive to present a budget that: supports our anticipated core service levels, maintains long term financial stability, limits the growth of new discretionary county services, limits additional employees to service level growth, funds one-time capital

expenditures with a responsible combination of both reserves and new debt, prioritizes capital expenditures for facility/bridge infrastructure, and utilizes technology that enhances process improvement and security. In addition, we believe this budget further supports the County's efforts to preserve our Aaa Moody's bond rating and maintains our ability to be of the highest quality and lowest level of risk for a debt issuer.

This budget continues our maintenance of facilities and parks, a commitment to agricultural land preservation, and funds our pension and debt service obligations. It also maintains our commitment to economic development, libraries, drug and alcohol treatment (COCA), and diversionary court programming that reduces the size of our jail population.

We continue to experience the compounding effects of residual inflation as it relates to contracted services, utilities, cost of facility maintenance, wages, and benefit costs. While we have had success in retaining employees, we still have increasing pressure on wage growth resulting from collective bargaining labor negotiations.

The real estate tax rate will remain unchanged for 2026 at 9.013 mills. We believe the proposed budget enables us to maintain a strong financial position, in terms of available reserves, liquidity and debt profile that has been noted by Moody's as a pillar of our Aaa bond rating which will be important in lowering the interest costs on a new bond issue in 2026.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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

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	
Assets:				
Current assets:				
Cash and cash equivalents	$ 103,761,224	$ 323,812	$ 104,085,036	$ 26,421,205
Cash and cash equivalents, restricted	55,165,221	108,135	55,273,356	12,930,723
Deposits with trustee under debt aggreement	-	-	-	1,123,648
Investments	53,166,092	-	53,166,092	-
Taxes receivable, net	9,170,076	-	9,170,076	-
Accounts receivable, net	8,743,002	6,665,444	15,408,446	13,471,829
Notes receivable	926,018	-	926,018	-
Lease receivable	123,157	-	123,157	205,007
Due from other governments	35,190,458	-	35,190,458	333,005
Due to/from other funds	(13,240,812)	13,240,812	-	-
Inventories	247,600	156,254	403,854	17,216
Prepaid expenses	1,469,990	212,416	1,682,406	256,670
Total current assets	254,722,026	20,706,873	275,428,899	54,759,303
Noncurrent assets:				
Investments	89,519,963	-	89,519,963	25,185,524
Loans receivable	5,000,000	-	5,000,000	-
Lease receivable	2,836,093	-	2,836,093	12,911,598
Opioid settlement receivable	19,867,558	-	19,867,558	-
Beneficial interests in perpetual trusts held by others	-	-	-	12,213,398
Other receivables	-	-	-	932,830
Restricted assets:				
Employee pay advance	21,701	14,705	36,406	-
Interest receivable	653,520	-	653,520	-
Cash	-	-	-	900,647
Pension asset	32,376,918	8,992,237	41,369,155	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	111,633,875	12,494	111,646,369	10,758,112
Capital assets, net of accumulated depreciation and amortization	190,299,687	24,162,975	214,462,662	84,591,094
Total noncurrent assets	452,209,315	33,182,411	485,391,726	148,402,636
Total assets	706,931,341	53,889,284	760,820,625	203,161,939
Deferred outflows of resources:				
Unamortized bond refunding loss	3,860,971	411,637	4,272,608	-
Pension	9,525,861	1,754,022	11,279,883	615,091
Other postemployment benefits	-	-	-	281,392
Excess consideration provided for business acquisitions	-	-	-	10,706,285
Total deferred outflows of resources	13,386,832	2,165,659	15,552,491	11,602,768
Total assets and deferred outflows of resources	$ 720,318,173	$ 56,054,943	$ 776,373,116	$ 214,764,707

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	$ 37,623,067	$ 1,362,455	$ 38,985,522	$ 2,589,262
Accrued liabilities	7,022,075	1,077,729	8,099,804	1,518,826
Due to other governments	455,001	-	455,001	-
Unearned grant revenue	9,030,262	-	9,030,262	1,692,776
Unearned revenue	912,925	160,951	1,073,876	6,485,295
Due to third parties	6,039,140	-	6,039,140	-
Accrued interest payable	233,157	19,131	252,288	375,307
Compensated absences	1,529,887	200,243	1,730,130	347,561
Deposits	-	-	-	56,556
Accrued claims health insurance	10,984,895	364,876	11,349,771	-
Accrued workers compensation liability	268,049	110,505	378,554	-
Notes payable, agricultural easement	111,100	-	111,100	-
Lease payable	995,996	-	995,996	-
SBITA payable	1,215,211	-	1,215,211	-
Bonds, loans and notes payable	9,924,607	2,683,415	12,608,022	7,770,141
Total current liabilities	86,345,372	5,979,305	92,324,677	20,835,724
Noncurrent liabilities:				
Compensated absences	13,678,682	855,036	14,533,718	994,734
Accrued workers compensation liability	1,022,223	567,526	1,589,749	261,434
Other postemployment benefit liability	-	-	-	1,272,397
Lease payable	16,628,294	-	16,628,294	150,466
SBITA payable	3,036,478	-	3,036,478	166,152
Net pension liability	-	-	-	3,869,902
NC Notes payable, agricultural easement	5,754	-	5,754	-
Bonds, loans and notes payable	53,448,287	6,203,361	59,651,648	38,297,974
Payable from restricted assets	30,705,183	-	30,705,183	-
Total noncurrent liabilities	118,524,901	7,625,923	126,150,824	45,013,059
Total liabilities	204,870,273	13,605,228	218,475,501	65,848,783
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	4,294,756
Pension	38,669,875	9,879,533	48,549,408	319,590
Leases	2,811,690	-	2,811,690	11,322,078
Other postemployment benefits expense	-	-	-	440,905
Total deferred inflows of resources	41,481,565	9,879,533	51,361,098	16,377,329
Net position:				
Net investment in capital assets	233,517,660	15,700,330	249,217,990	72,631,657
Restricted for:				
Gift fund	23,701	-	23,701	-
Farmland preservation	3,681,452	-	3,681,452	-
Hazmat response	2,744,774	-	2,744,774	-
Act 198 - Courts	129,560	-	129,560	-
Workers' compensation	131,321	-	131,321	-
Special revenue funds	98,860,257	-	98,860,257	-
Opioid settlement	24,345,756	-	24,345,756	-
2026 Capital Projects	10,427,401	-	10,427,401	-
COVID Community Support Funds	12,000,000	-	12,000,000	-
Infrastructure Loan Fund	4,000,000	-	4,000,000	-
Services Center Parking Garage	8,467,244	-	8,467,244	-
Act 13 Marcellus Shale	1,008,381	-	1,008,381	-
Airport improvement projects	-	-	-	521,369
Sewage treatment plant capital improvements	-	-	-	379,278
Foundation for Reading Area Community College	-	-	-	29,201,805
Unrestricted net position	74,628,828	16,869,852	91,498,680	29,804,486
Total net position	473,966,335	32,570,182	506,536,517	132,538,595
Total liabilities, deferred inflows of resources, and net position	$ 720,318,173	$ 56,054,943	$ 776,373,116	$ 214,764,707

See accompanying notes to the financial statements.

Functions/Programs:	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Component Units
Primary government:									
Governmental activities:									
General government, administrative	$ 73,347,914	$ (22,059,666)	$ 8,799,270	$ 1,390,513	$ -	$ (41,098,465)	$ -	$ (41,098,465)	
General government, judicial	57,702,471	9,568,526	8,975,792	2,359,803	-	(55,935,402)	-	(55,935,402)	
Public safety	100,937,150	5,367,382	16,088,466	12,652,979	-	(77,563,087)	-	(77,563,087)	
Human services	257,601,363	4,070,138	6,053,998	250,464,164	460,806	(4,692,533)	-	(4,692,533)	
Culture and recreation	10,047,871	554,855	97,065	1,835,848	284,362	(8,385,451)	-	(8,385,451)	
Community and economic development	12,499,402	581,943	740,553	6,612,880	-	(5,727,912)	-	(5,727,912)	
Public works	2,070,474	46,714	2,139,892	-	1,613,626	1,636,330	-	1,636,330	
Community support	2,502,875	8,965	500	-	-	(2,511,340)	-	(2,511,340)	
Debt service administrative expenditures	1,744,852	4,630	-	-	-	(1,749,482)	-	(1,749,482)	
Intergovernmental expenditures - Solid waste	246,702	21,001	3,228,361	49,500	-	3,010,158	-	3,010,158	
Total governmental activities	518,701,074	(1,835,512)	46,123,897	275,365,687	2,358,794	(193,017,184)	-	(193,017,184)	
Business-type activities:									
Berks Heim	58,730,656	1,835,512	63,895,888	-	-	-	3,329,720	3,329,720	
Total business-type activities	58,730,656	1,835,512	63,895,888	-	-	-	3,329,720	3,329,720	
Total primary government	$ 577,431,730	$ -	$ 110,019,785	$ 275,365,687	$ 2,358,794	$ (193,017,184)	$ 3,329,720	$ (189,687,464)	
Component units:									
Total component units	$ 58,560,962	$ -	$ 13,906,013	$ 22,379,796	$ 3,725,285				$ (18,549,868)
General Revenues:									
Taxes:									
Property taxes, levied for general purposes						180,181,185	-	180,181,185	-
Hotel tax						3,379,862	-	3,379,862	-
Payments in lieu of taxes						347,998	-	347,998	-
Payments from County of Berks						-	-	-	6,500,004
Payments from other governments						-	-	-	10,427,005
Investment earnings						13,118,877	62,209	13,181,086	3,498,775
Miscellaneous/other						14,646,492	-	14,646,492	7,462,121
Gain on disposal of capital assets						131,032	-	131,032	-
Rental of space						425,429	-	425,429	-
Transfers						1,500,000	(1,500,000)	-	-
Total general revenues and transfers						213,730,875	(1,437,791)	212,293,084	27,887,905
Change in net position						20,713,691	1,891,929	22,605,620	9,338,037
Net position, beginning, as previously presented						447,776,532	30,678,253	478,454,785	123,649,431
Error correction						5,476,112	-	5,476,112	(448,873)
Net position, beginning, as restated						453,252,644	30,678,253	483,930,897	123,200,558
Net position, ending						$ 473,966,335	$ 32,570,182	$ 506,536,517	$ 132,538,595

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Drug and Alcohol	Nonmajor	Total Governmental
Assets						
Cash and cash equivalents	$ 75,981,910	$ 1,300	$ 22,623,153	$ -	$ 5,154,861	$ 103,761,224
Cash and cash equivalents, restricted	5,614,992	-	24,231,247	-	25,318,982	55,165,221
Investments	53,166,092	-	-	-	-	53,166,092
Taxes receivable	9,170,076	-	-	-	-	9,170,076
Accounts receivable	6,073,891	621	-	-	2,690,195	8,764,707
Lease receivable	2,959,250	-	-	-	-	2,959,250
Opioid settlement receivable	-	-	-	19,867,558	-	19,867,558
Accrued interest receivable	656,407	-	63	-	-	656,470
Due from other governments	3,217,069	13,348,536	13,640,992	1,214,397	3,767,284	35,188,278
Due from other funds	110,965,585	847,668	2,449,734	4,377,561	20,460,176	139,100,724
Inventories	247,600	-	-	-	-	247,600
Prepaid expenses	8,782,892	-	-	-	1,952,920	10,735,812
Loans receivable	5,926,018	-	-	-	-	5,926,018
Investments, non-current	89,519,963	-	-	-	-	89,519,963
Total assets	$ 372,281,745	$ 14,198,125	$ 62,945,189	$ 25,459,516	$ 59,344,418	$ 534,228,993
Liabilities						
Accounts payable	$ 6,383,230	$ 4,161,164	$ 21,182,342	$ 2,807,960	$ 3,088,371	$ 37,623,067
Accrued liabilities	5,716,526	356,265	18,919	-	780,435	6,872,145
Due to other funds	129,689,967	9,471,480	2,403,928	161,113	10,615,049	152,341,537
Due to other governments	455,001	-	-	-	-	455,001
Unearned revenue	3,052,356	31,143	161,844	-	8,104,296	11,349,639
Due to third parties	5,822,582	5,200	-	-	211,358	6,039,140
Accrued claims health insurance	1,580,084	148,551	8,962,664	-	293,597	10,984,896
Payable from restricted assets	-	-	30,215,492	1,397	488,295	30,705,184
Total liabilities	152,699,746	14,173,803	62,945,189	2,970,470	23,581,401	256,370,609
Deferred inflows of resources						
Unavailable property taxes	5,912,836	-	-	-	-	5,912,836
Opioid settlement	-	-	-	19,867,558	-	19,867,558
Leases	2,811,690	-	-	-	-	2,811,690
Other unavailable	253,816	-	-	-	-	253,816
Total deferred inflows of resources	8,978,342	-	-	19,867,558	-	28,845,900
Fund balances						
Nonspendable	9,051,574	621	-	-	1,952,920	11,005,115
Restricted	4,014,036	23,701	-	2,621,488	33,810,097	40,469,322
Committed	30,576,097	-	-	-	-	30,576,097
Assigned	17,797	-	-	-	-	17,797
Unassigned	166,944,153	-	-	-	-	166,944,153
Total fund balances	210,603,657	24,322	-	2,621,488	35,763,017	249,012,484
Total liabilities, deferred inflows of resources and fund balances	$ 372,281,745	$ 14,198,125	$ 62,945,189	$ 25,459,516	$ 59,344,418	$ 534,228,993

See accompanying notes to the financial statements.

Total fund balances for governmental funds		$ 249,012,484
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	$ 15,794,550	
Agland easements	85,421,401	
Infrastructure, net	35,804,698	
Building and improvements, net	78,906,326	
Furniture, fixtures, equipment and vehicles, net	38,773,189	
Historical treasures	2,290,344	
Software	3,271,108	
Software in progress	975,455	
Construction in progress	9,613,814	
		270,850,885
Lease and SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Right to use assets, net		31,082,675
Difference in prepaid expense in accordance with GASB 87 lease disclosure		(9,266,592)
These pension items are not financial resources and therefore not reported in the funds.		
Net pension liability/asset		32,376,918
Deferred outflows (inflows) of resources		(29,144,014)
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	3,745,215	
Delinquent property taxes	2,167,621	
Deferred inflow - Opioid Settlement	19,867,558	
District Justices departmental charges and reimbursements	1,660,269	
		27,440,663
Other liabilities not paid until future periods that are a current period expense.		
Payroll and payroll taxes		(149,930)
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, 2025 are:		
Accrued interest on bonds and notes	(233,157)	
Compensated absences	(15,208,569)	
Accrued workers compensation liability	(1,290,272)	
Lease and SBITA payable	(21,875,979)	
Bonds and notes payable and refunding loss	(59,628,777)	
		(98,236,754)
Total net position of governmental activities		$ 473,966,335

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Drug and Alcohol	Nonmajor	Total Governmental
Revenues						
Taxes:						
Property	$ 179,896,097	$ -	$ -	$ -	$ -	$ 179,896,097
Hotel	-	-	-	-	3,379,862	3,379,862
Court costs, fines and forfeitures	2,598,688	-	-	-	-	2,598,688
Intergovernmental revenue	19,176,388	38,231,878	160,937,005	8,854,590	50,511,201	277,711,062
Departmental charges and reimbursements	59,471,670	435,814	-	-	24,379,920	84,287,404
Payments in lieu of taxes	347,998	-	-	-	-	347,998
Rentals	376,500	-	-	-	48,929	425,429
Sales of property, supplies and equipment	127,264	-	-	-	-	127,264
Investment earnings	10,871,524	-	1,082,942	7,747	1,156,664	13,118,877
Miscellaneous	14,851,549	300	-	-	86,247	14,938,096
Total revenues	287,717,678	38,667,992	162,019,947	8,862,337	79,562,823	576,830,777
Expenditures						
Current:						
General government, administrative	63,444,592	-	-	-	3,944,256	67,388,848
General government, judicial	67,571,940	-	-	-	599,086	68,171,026
Public safety	88,676,980	-	-	-	13,455,647	102,132,627
Human services	-	41,464,512	162,019,947	11,913,241	52,592,435	267,990,135
Culture and recreation	9,044,060	-	-	-	-	9,044,060
Community and economic development	4,689,766	-	-	-	6,495,793	11,185,559
Public works	24,901	-	-	-	1,208,590	1,233,491
Community support	24,327,999	-	-	-	-	24,327,999
Intergovernmental expenditures - Solid waste	290,802	-	-	-	-	290,802
Debt service:						
Principal	9,637,800	-	-	-	1,721,586	11,359,386
Interest and fiscal charges	2,190,432	-	-	-	627,265	2,817,697
Administrative expenditures	8,500	-	-	-	-	8,500
Total expenditures	269,907,772	41,464,512	162,019,947	11,913,241	80,644,658	565,950,130
Excess (deficiency) of revenues over (under) expenditures	17,809,906	(2,796,520)	-	(3,050,904)	(1,081,835)	10,880,647
Other financing sources (uses)						
Transfers in	8,701,126	2,795,919	-	1,239,970	5,224,110	17,961,125
Transfers out	(15,406,891)	-	-	-	(1,054,233)	(16,461,124)
Lease proceeds	1,166,928	-	-	-	-	1,166,928
Total other financing sources (uses)	(5,538,837)	2,795,919	-	1,239,970	4,169,877	2,666,929
Net change in fund balances	12,271,069	(601)	-	(1,810,934)	3,088,042	13,547,576
Fund balances, beginning, as previously presented	198,332,588	24,923	-	4,432,422	27,198,863	229,988,796
Error correction	-	-	-	-	5,476,112	5,476,112
Fund balances, beginning, as restated	198,332,588	24,923	-	4,432,422	32,674,975	235,464,908
Fund balances, ending	$ 210,603,657	$ 24,322	$ -	$ 2,621,488	$ 35,763,017	$ 249,012,484

See accompanying notes to the financial statements.

Net change in fund balances - total governmental funds		$ 13,547,576
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 capital outlays exceeded depreciation expense in the current period are as follows:		
Expenditures for capital assets / agricultural easements	$ 11,597,569	
Gain or (loss) on Sale	(188,451)	
Depreciation expense	(19,467,903)	
		(8,058,785)
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	11,475,764	
Note Payable Principal	83,738	
Bond premium/discounts	1,111,719	
Refunding Amortization	(1,224,888)	
Change in Accrued Interest	43,030	
Lease Proceeds	(1,166,928)	
		10,322,435
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:		14,203
Revenues in the statement of activities that are not available to provide current financial resources are not reported as revenues in the funds. At the government-wide level revenue recognition is not limited by availability. The effects of these adjustments in the current year are:		
Taxes	285,088	
		285,088
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/comp Absences/workers comp	(7,350,264)	
Net pension obligation	11,953,438	
		4,603,174
Change in net position of governmental activities		$ 20,713,691

See accompanying notes to the financial statements.

	Berks Heim
Assets	
Current assets:	
Cash and cash equivalents	$ 323,812
Cash and cash equivalents, restricted	108,135
Accounts receivable, net	6,665,444
Due from other funds	13,240,812
Inventories	156,254
Prepaid expenses	212,416
Total current assets	20,706,873
Noncurrent assets:	
Employee pay advance	14,705
Pension asset	8,992,237
Capital assets	24,175,470
Total noncurrent assets	33,182,412
Total assets	53,889,285
Deferred outflows of resources:	
Pension	1,754,022
Unamortized bond refunding loss	411,636
Total deferred outflows of resources	2,165,658
Total assets and deferred outflows of resources	56,054,943
Liabilities	
Current liabilities:	
Accounts payable	1,362,455
Accrued liabilities	1,077,729
Accrued interest payable	19,131
Compensated absences	200,243
Accrued claims health insurance	364,876
Accrued claims liability	110,505
Unearned revenue	160,951
Bonds payable, net	2,683,415
Total current liabilities	5,979,305
Noncurrent liabilities:	
Compensated absences	855,036
Accrued claims liability	567,526
Bonds payable, net	6,203,361
Total noncurrent liabilities	7,625,923
Deferred inflows of resources:	
Pension	9,879,533
Total deferred inflows of resources	9,879,533
Total liabilities	23,484,761
Net Position	
Net investment in capital assets	15,700,330
Unrestricted net position	16,869,852
Total net position	$ 32,570,182

See accompanying notes to the financial statements.

	Berks Heim
Operating revenues	
Charges for services	$ 37,572,237
Other operating revenues	26,323,651
Total operating revenues	63,895,888
Operating expenses	
Program services	38,923,066
Administration expenses	4,934,787
Depreciation	1,822,512
Total operating expenses	45,680,365
Operating income	18,215,523
Nonoperating revenues (expenses)	
Investment earnings	62,209
Interest expense	(241,124)
Contribution to General Fund	(14,644,679)
Total nonoperating revenue (expenses)	(14,823,594)
Income (loss) before contributions and transfers	3,391,929
Transfers out	(1,500,000)
Change in net position	1,891,929
Total net position, beginning	30,678,253
Total net position, ending	$ 32,570,182

See accompanying notes to the financial statements.

	Berks Heim
Cash flows from operating activities	
Receipts from customers	$ 62,450,115
Payments to suppliers	(12,900,437)
Payments to employees	(33,651,427)
Net cash provided by (used in) operating activities	15,898,251
Cash flows from noncapital financing activities	
Receipts from other governments	-
Contribution from (to) General Fund	(14,644,679)
Amounts due from (to) other funds	3,477,961
Operating transfer	(1,500,000)
Net cash provided by (used in) noncapital financing activities	(12,666,718)
Cash flows from capital and related financing activities	
Principal paid on bonds	(2,221,208)
Interest paid	(253,706)
Purchase of capital assets	(671,204)
Net cash provided by (used in) capital and related financing activities	(3,146,118)
Cash flows from investing activities	
Investment earnings received	62,208
Net cash provided by investing activties	62,208
Net increase in cash and cash equivalents	147,623
Cash and cash equivalents, beginning (including $91,847 reported in restricted accounts)	284,325
Cash and cash equivalents, ending (including $108,135 reported in restricted accounts)	$ 431,947
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income (loss)	$ 18,215,523
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,822,512
Amortization of bond premium	(185,208)
Amortization of refunding loss	(131,230)
Changes in assets and liabilities:	
Accounts receivable, net	(1,606,724)
Employee pay advance	2,645
Inventories	25,092
Prepaid expenses	(97,554)
Pension asset / liability, net	(10,343,037)
Pension deferred outflow	4,441,146
Accounts payable and accrued liabilities	47,996
Unearned grant revenue	160,951
Compensated absences	(15,587)
Accrued claims health insurance	(112,868)
Accrued claims liability	(26,279)
Pension deferred inflow	3,700,873
Net cash provided by (used in) operating activities	$ 15,898,251

See accompanying notes to the financial statements.

	Berks County Employees' Retirement Fund	Custodial Funds
Assets		
Cash and cash equivalents	$ 312,469	$ 17,698,847
Receivables:		
Contributions receivable / Due from other funds	-	26,568
Investment income receivable	508,322	-
Total receivables	508,322	26,568
Investments, at fair value (see Note 2):		
Fixed income securities	145,212,690	-
Domestic equities	421,450,644	-
Real estate / Alternative	84,312,778	-
Certificates of deposit	77	4,250,389
Total investments	650,976,189	4,250,389
Total assets	651,796,980	21,975,804
Liabilities		
Accounts payable	466,625	-
Due to third parties	-	842,603
Fees due to Commonwealth of Pennsylvania	-	16,520
Real estate taxes due to City of Reading	-	307,849
Due to other governments	-	493,243
Other	-	8,551,652
Total liabilities	466,625	10,211,867
Net position		
Net position restricted for pensions	651,330,355	-
Net position restricted for others	-	11,763,937
Total net position	$ 651,330,355	$ 11,763,937

See accompanying notes to the financial statements.

	Berks County Employees' Retirement Fund	Custodial Funds
Additions		
Fee collections for government entities	$ -	$ 78,782,721
Escheated funds received for Commonwealth of Pennsylvania	-	379,466
Real estate tax collections for City of Reading, Pennsylvania	-	24,755,559
Receipts from others	5,987	52,508,505
Subtotal	5,987	156,426,251
Contributions:		
Member	9,178,763	-
County	7,070,095	-
Total contributions	16,248,858	-
Investment income:		
Net increase in fair value of investments	82,015,060	-
Interest and dividends	16,649,698	560,570
Total investment income	98,664,758	560,570
Less investment expense	1,636,857	-
Net investment income	97,027,901	560,570
Total additions	113,282,746	156,986,821
Deductions		
Benefit payments and refunds to member contributions	34,088,059	-
Administrative/other expense	109,640	-
Payments of fees collected to:		
Commonwealth of PA	-	27,697,511
Other govt entities	-	51,069,605
Payments of escheated funds to Commonwealth of PA	-	379,466
Payments of real estate tax coll/ City of Reading	-	24,755,559
Payments to others	-	52,976,859
Total deductions	34,197,699	156,879,000
Change in net position	79,085,047	107,821
Net position restricted, beginning	572,245,308	11,656,116
Net position restricted, ending	$ 651,330,355	$ 11,763,937

See accompanying notes to the financial statements.

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 3,323,467	$ 23,097,738	$ 26,421,205
Cash and cash equivalents, restricted	22,209	12,908,514	12,930,723
Deposits with trustee under debt agreement	1,123,648	-	1,123,648
Accounts receivable, net	325,599	13,146,230	13,471,829
Due from other governments	333,005	-	333,005
Lease receivable	205,007	-	205,007
Inventories	-	17,216	17,216
Prepaid expenses	96,203	160,467	256,670
Total current assets	5,429,138	49,330,165	54,759,303
Noncurrent assets:			
Investments	-	25,185,524	25,185,524
Beneficial interests in perpetual trusts held by others	-	12,213,398	12,213,398
Other receivables	-	932,830	932,830
Collections - works of art	-	909,433	909,433
Restricted assets - cash	900,647	-	900,647
Capital assets:			
Land and improvements, net	6,754,191	1,081,556	7,835,747
Air easement rights	103,493	-	103,493
Infrastructure, net	15,994,637	-	15,994,637
Buildings and improvements, net	8,147,842	52,022,073	60,169,915
Furniture, fixtures, equipment and vehicles, net	2,177,319	5,294,236	7,471,555
Right-to-use lease assets, net	361	851,133	851,494
Construction in progress	2,161,828	760,537	2,922,365
Lease receivable	12,911,598	-	12,911,598
Total noncurrent assets	49,151,916	99,250,720	148,402,636
Total assets	54,581,054	148,580,885	203,161,939
Deferred outflows of resources:			
Pension	-	615,091	615,091
Other postemployment benefits	-	281,392	281,392
Excess consideration provided for business acquisitions	10,706,285	-	10,706,285
Total deferred outflows of resources	10,706,285	896,483	11,602,768
Total assets and deferred outflows of resources	65,287,339	149,477,368	214,764,707
Liabilities			
Current liabilities:			
Accounts payable	$ 1,121,516	$ 1,467,746	$ 2,589,262
Accrued liabilities	120,942	1,397,884	1,518,826
Accrued interest payable	366,413	8,894	375,307
Unearned revenue	-	8,178,071	8,178,071
Compensated absences	-	347,561	347,561
Deposits	56,556	-	56,556
Current portion of long-term debt	625,361	7,144,780	7,770,141
Total current liabilities	2,290,788	18,544,936	20,835,724
Noncurrent liabilities:			
Compensated absences	-	994,734	994,734
Medical insurance liabillity	-	261,434	261,434
Net other postemployment benefit liabilities	-	1,272,397	1,272,397
Lease payable	-	150,466	150,466
Net pension liability	-	3,869,902	3,869,902
Subscription liability	-	166,152	166,152
Bonds, loans and notes payable	17,489,974	20,808,000	38,297,974
Total noncurrent liabilities	17,489,974	27,523,085	45,013,059
Total liabilities	19,780,762	46,068,021	65,848,783
Deferred inflows of resources:			
Deferred rent revenue	4,294,756	-	4,294,756
Deferred inflows of resources for lease revenue	11,322,078	-	11,322,078
Deferred pension expense	-	319,590	319,590
Deferred other postemployment benefits expense	-	440,905	440,905
Total deferred inflows of resources	15,616,834	760,495	16,377,329
Net position:			
Net investment in capital assets	28,203,851	44,427,806	72,631,657
Restricted for:			
Airport improvement projects	521,369	-	521,369
Sewage treatment plant capital improvements	379,278	-	379,278
Foundation for Reading Area Community College	-	29,201,805	29,201,805
Unrestricted net position (deficit)	785,245	29,019,241	29,804,486
Total net position	$ 29,889,743	$ 102,648,852	$ 132,538,595

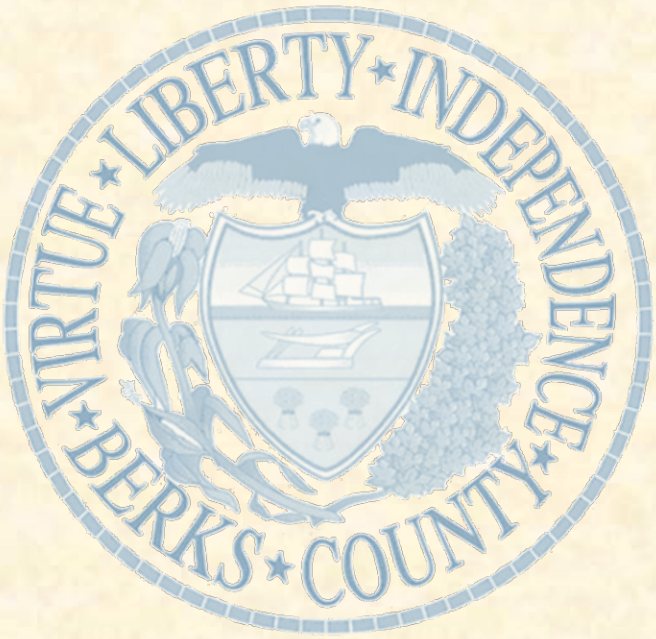
*** Presented as of June 30, 2025**
**** Presented as of September 30, 2025**

See accompanying notes to the financial statements.

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	$ 7,801,368	$ 6,104,645	$ 13,906,013
Operating grants and contributions	-	22,379,796	22,379,796
Investment earnings	-	1,535,369	1,535,369
Other revenues	-	5,746,430	5,746,430
Total operating revenues	7,801,368	35,766,240	43,567,608
Total operating expenses	9,403,258	47,510,567	56,913,825
Operating income (loss)	(1,601,890)	(11,744,327)	(13,346,217)
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	10,427,005	10,427,005
Investment income	-	937,691	937,691
Unrealized gain (loss) on investments	-	435,154	435,154
Interest income, deposits	162,661	-	162,661
Interest income, leases	427,900	-	427,900
Interest expense	(870,902)	(668,235)	(1,539,137)
Bond issuance costs	-	(108,000)	(108,000)
Total nonoperating revenues (expenses)	(280,341)	14,273,615	13,993,274
Other revenues (expenses)			
Payments from County of Berks	-	3,250,004	3,250,004
Federal grants, capital	2,513,581	-	2,513,581
State appropriations, capital	-	1,211,704	1,211,704
Long-term gifts and grants	-	1,715,691	1,715,691
Total other revenues (expenses)	2,513,581	6,177,399	8,690,980
Change in net position (deficit)	631,350	8,706,687	9,338,037
Net position, beginning, as previously reported	29,258,393	94,391,038	123,649,431
Prior period adjustment	-	(448,873)	(448,873)
Net position, beginning, as restated	29,258,393	93,942,165	123,200,558
Net position, ending	$ 29,889,743	$ 102,648,852	$ 132,538,595

*** Presented for the year ended June 30, 2025**
**** Presented for the year ended September 30, 2025**

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 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 Municipality Authorities Act of 1935 and 1945 of Pennsylvania. The Authority is responsible for operations of the Reading Regional Airport. The governing body of the Authority is a Board consisting of five directors. All directors are appointed by the County. The five board members consist of the three Berks County Commissioners, the Chief Operations Officer of Berks County, and the Director of Community and Economic Development of Berks County. The member terms are five years, or until expiration of the current term as a county commissioner, or until termination of the position as an employee of Berks County. The County has agreed to guarantee the revenue notes of the Authority. The County also leases office space from the Authority. The Reading Regional Airport Authority operates on a fiscal year ending September 30.

- The Reading Area Community College (the "College"), serving primarily Berks County, is a publicly supported comprehensive community college. The College is a creation of the state and is one of 15 community colleges in the Commonwealth of Pennsylvania operating in accordance with the provisions of the Community College Act of 1963. A 15-member board of trustees governs the College's operations. The Berks County Board of Commissioners, the

local sponsor of the College, appoints trustees to a six-year term. The County also supports the College's capital expansion initiatives. Sponsor appropriations from the County are received annually by the College for operating expenses. From time to time the College will also receive a capital appropriation from the County to be used for an approved project. For the year ended June 30, 2025, the County appropriation for operating expenses was $3,250,000. During the year ended June 30, 2025, the College also received a capital appropriation of $3,250,004. The Reading Area Community College operates on a fiscal year ending June 30.

The College's discretely presented component unit is the Foundation for Reading Area Community College (the "Foundation"). The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Foundation was created to raise, invest and manage private funds for the benefit of the College. The Foundation supports the College's mission to build communities of learning to encourage educational growth by providing scholarship funding for all students who demonstrated financial need and for emerging initiatives that serve to further enhance the College's programs and facilities. The Foundation's support comes primarily from individual donors' contributions and various campaign drives. The College provides accounting and administrative services to the Foundation. Contributed services for salaries and benefits of $504,986 was recognized for the year ended June 30, 2025. During the year ended June 30, 2025, the Foundation provided support for scholarships, capital improvement projects, and students in the total amount to the College of $3,377,516. The Foundation 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

The County signed an agreement in 2022 authorizing a $5 million bridge loan to the Redevelopment Authority of the County of Berks.

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

The basic financial statements of the County are comprised 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 responsible.

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 custodial fund and the retirement fund. The custodial 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. Custodial 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 deferred inflows of resources or 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 2025:

1. Governmental fund types

- General Fund
  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.

- Drug and Alcohol
  The purpose of the Drug and Alcohol Fund is to prevent, treat, and reduce the harms associated with substance addiction. Its key functions typically include prevention and education as well as treatment services such as counseling, rehabilitation, detoxification, medication-assisted treatment, and recovery support services. Expenditures are restricted to provision of the program.

2. Proprietary fund types

- 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 - fiduciary

- Retirement Trust Fund
  The Berks County Employees' Retirement Trust Fund is included as a fiduciary component unit and 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 Funds
  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. 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.

E. Investments

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

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 0.09 percent of the 2025 property tax levy outstanding at December 31, 2025. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2025. The allowance for district justices' fines and court costs is equal to 65 percent of the outstanding accounts receivable at December 31, 2025. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2025. 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, 2025.

G. Interfund transaction

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 are 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 assets 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 assets 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

For the year ended December 31, 2025, the County implemented the provisions of GASB Statement No. 101, "*Compensated Absences"*, which requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The County recognizes a liability for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. 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 liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Berks County Employees' Pension Plan ("BCEPP") and additions to/deductions from BCEPP's fiduciary net position have been determined on the same basis as reported by BCEPP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Self-insurance

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

R. Estimates

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

S. Long-term obligations

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

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

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

T. Restatement of financial statements

	12/31/2024 As previously reported	Error correction	12/31/2024 As restated
Government-wide			
Governmental activities	$ 447,776,532	$ 5,476,112	$ 453,252,644
Business-type activities	30,678,253	-	30,678,253
Total government-wide	$ 478,454,785	$ 5,476,112	$ 483,930,897
Governmental funds			
Major funds:			
General Fund	$ 198,332,588	$ -	$ 198,332,588
Children and Youth Services	24,923	-	24,923
Health Choices	-	-	-
Drug and Alcohol	4,432,422	-	4,432,422
Nonmajor funds	27,198,863	5,476,112	32,674,975
Total governmental funds	$ 229,988,796	$ 5,476,112	$ 235,464,908

Error correction:

Governmental activities

It was discovered during 2025 that unspent funds for the Office of Aging were incorrectly classified as a liability. An adjustment was made to move the liability balance to restricted fund balance. Had this error been recorded properly in prior periods, total liabilities for nonmajor funds would have been lower on the Governmental Funds Balance Sheet. This error understated fund balance for the nonmajor funds.

Nonmajor funds

The explanation for this adjustment is explained under Governmental activities above.

U. 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.

V. 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.

W. Leases

For the year ended December 31, 2022, the County implemented the provisions of GASB Statement No. 87, "*Leases"*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the County's financial statements have been modified to reflect the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows of resources based on the contract payment provisions.

The County determines if an arrangement is a lease at inception. Lessee arrangements include Right-to-Use (ROU) lease assets which are included in capital assets and lease liabilities which are included in current and noncurrent liabilities on the statement of net position.

ROU lease assets represent the County's control of the right to use an underlying asset for the noncancelable lease term, as specified in the contract, in an exchange or exchange-like transaction. ROU lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term that relate to future periods and certain direct costs. ROU lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the County's obligation to make lease payments arising from the lessee arrangement. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term. The lease term may include options to extend or terminate the lease when it is reasonably certain that the County will exercise that option.

The County recognizes payments made for short-term leases with a lease term of twelve months or less as expenses as incurred. These leases are not included as lease liabilities or ROU lease assets on the statement of net position.

Lessor arrangements are included in lease receivables and deferred inflows of resources on the statement of net position. Lease receivables represent the County's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at the commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term. The County recognizes payments received for short-term leases with a lease term of twelve months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statement of net position.

As a lessee, the County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County has determined that the County's Series B of 2021 Federally Taxable General Obligation Note issuance provided an appropriate base rate for the purpose of establishing its incremental borrowing rate used to measure

leases at transition and leases commencing during the current report year. Certain required adjustments were then made to the Series B of 2021 Federally Taxable General Obligation Note rate to arrive at an estimated incremental borrowing rate. See Note 6 Capital Assets for information on right-to-use assets and associated accumulated amortization. See Note 8 Leases and Subscription-Based Information Technology Arrangements for future minimum lease payments schedule.

X. Subscription-Based Information Technology Arrangements

For the year ending December 31, 2023 the financial statements included the adoption of GASB Statement No. 96, *"Subscription-Based Information Technology Arrangements"* (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Under this Statement, a government generally should recognize a right-to-use subscription asset, and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

The subscription asset should be initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

The County recognizes payments made for short-term SBITAs with a subscription term of twelve months or less as expenses as incurred. These SBITAs are not included as SBITA liabilities or Right-To-Use SBITA assets on the statement of net position.

The County monitors changes in circumstance that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

The County uses its estimated incremental borrowing rate to measure the subscription liability unless it can readily determine the interest rate implicit in the SBITA. The County has determined that the County's Series B of 2021 Federally Taxable General Obligation Note issuance provided an appropriate base rate for the purpose of establishing its incremental borrowing rate used to measure SBITAs at transition and SBITAs commencing during the current report year. Certain required adjustments were then made to the Series B of 2021 Federally Taxable General Obligation Note rate to arrive at an estimated incremental borrowing rate. See Note 6 Capital Assets for information on Right-To-Use SBITA and associated accumulated amortization. See Note 8 Leases and Subscription-Based Information Technology Arrangements for future minimum SBITA obligations.

Y. Pending and adopted accounting pronouncements

In December 2023, the GASB issued Statement No. 102, *"Certain Risk Disclosures."* The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County has implemented this Statement, which is reflected in the 2025 reporting.

In April 2025, the GASB issued Statement No. 103, *"Financial Reporting Model Improvements."* The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

In September 2025, the GASB issued Statement No. 104, *"Disclosure of Certain Capital Assets."* The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

In December 2025, the GASB issued Statement No. 105, *"Subsequent Events."* The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2026. 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 percent of a bank's total capital surplus or 20 percent 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, 2025 consist of the following:

Cash and cash equivalents	$	177,354,435
Petty cash		15,274
Investments		797,912,632
	$	975,282,341
Financial statement classification:		
Statement of net position:		
Current assets, cash and cash equivalents	$	104,085,036
Current assets, cash and cash equivalents, restricted		55,273,356
Current assets, investments		53,166,092
Noncurrent assets, investments		89,519,963
Statement of fiduciary net position:		
Berks County Employees' Retirement Trust Fund:		
Cash and cash equivalents		312,469
Investments		650,976,189
Custodial fund:		
Cash and cash equivalents		17,698,847
Investments		4,250,389
	$	975,282,341

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, 2025, the carrying amounts of the County’s bank deposits were $177,354,435 and the bank balances were $183,726,096. For all bank accounts under the County of Berks EIN, amounts up to $250,000 per financial institution are covered by Federal Depository Insurance and the remaining amounts are 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 invests in PLGIT, an external investment pool, in the amount of $58,480,086, to ensure safety and maximize efficiency, liquidity, and yield for County funds. The County is limited to two withdrawals per month from PLGIT. 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, 2025, 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 $16,564,086 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.

As of December 31, 2025, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years) <1	1 - 5	6 - 10	>10
Governmental Fund					
General Fund					
Negotiable Certificates of Deposits	$ 35,401,953				
U.S. Govt agency securities	$ 107,284,101	$ 17,764,138	$ 89,519,963	$ -	$ -
Total Governmental Funds	142,686,054	17,764,138	89,519,963	-	-
Fiduciary Funds					
County Employee's Retirement:					
Negot. Certif. of deposit	77	77	-	-	-
Collective Trusts					
Special Situations Collective Fund	33,580,945	33,580,945	-	-	-
Global Private Assets VI	10,244,073	10,244,073	-	-	-
Global Privae Assets VII	1,556,723	1,556,723			
Core Property	37,463,732	37,463,732	-	-	-
Energy Debt	1,467,306	1,467,306	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Fund	26,504,282	26,504,282	-	-	-
S&P 500 IDX-A	79,794,374	79,794,374	-	-	-
Emerging Markets Equity Fund	20,278,917	20,278,917	-	-	-
US Equity Factor Allocation Fund	113,312,202	113,312,202	-	-	-
SIIT Dynamic Asset Allocation Fund	33,236,821	33,236,821	-	-	-
World Equity Ex-US Fund	148,324,047	148,324,047	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income Fund	72,361,978	72,361,978	-	-	-
High Yield Bond Fund	19,834,940	19,834,940	-	-	-
Limited Duration Bond	33,011,169	33,011,169	-	-	-
Emerging Markets Debt Fund	20,004,603	20,004,603	-	-	-
Custodial Funds:					
Negot. Certif. of deposit	4,250,389	4,250,389	-	-	-
Total Fiduciary Funds	655,226,578	655,226,578	-	-	-
Total Investments	$ 797,912,632	$ 672,990,716	$ 89,519,963	$ -	$ -

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, 2025 was $39,652,419 which was covered by Federal Depository Insurance.

The County had the following level of exposure to credit risk as of December 31, 2025:

	Fair Value	Rating
U. S. Govt agency obligations	$ 107,284,101	AAA
Negotiable certificates of deposit	39,652,419	Unrated
Mutual funds - Core fixed income	72,361,978	AA
Mutual funds - High Yield Bonds	19,834,940	B+
Mutual funds - Emerging Mkts Debt	20,004,603	BBB-
Mutual funds - SIIT Limited Duration	33,011,169	AA-
	$ 292,149,210	

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:

Asset Class	Target Allocation
Domestic equity	38%
International equity	25%
Fixed Income	22%
Real Estate/Alternative	15%
Cash	0%
Total	100%

At December 31, 2025, 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, 2025, $797,912,632 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, 2025.

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, 2025:

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	$ 39,652,419	$ -	$ -	$ 39,652,419
U.S. Government Agency securities	107,284,101	-	-	107,284,101
Fixed income mutual funds				
Core Fixed Income Fund	72,361,978	-	-	72,361,978
High Yield Bond Fund	19,834,940	-	-	19,834,940
Limited Duration Bond	33,011,169	-	-	33,011,169
Emerging Markets Debt Fund	20,004,603	-	-	20,004,603
Total fixed income mutual funds	145,212,690	-	-	145,212,690
Equity mutual funds				
Extended Market Index Fund	26,504,282	-	-	26,504,282
S&P 500 IDX-A	79,794,374	-	-	79,794,374
US Equity Factor Allocation Fund	113,312,202	-	-	113,312,202
Dynamic Asset Allocation Fund	33,236,821	-	-	33,236,821
Emerging Markets Equity Fund	20,278,917	-	-	20,278,917
World Equity Ex-US	148,324,047	-	-	148,324,047
Total equity mutual funds	421,450,643	-	-	421,450,643
Total investments by fair value level	$ 713,599,853	$ -	$ -	$ 713,599,853
Measured at Net Asset Value (NAV)				
Collective Trust Funds				84,312,779
Total Investment measured at fair value				$ 797,912,632

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. 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. The following table summarizes investments for which fair value is measured using the NAV per share practical expedient:

		Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Collective Trust Funds					
Special Situations Collective Fund	(a)	$ 33,580,945	$ -		
Global Private Assets VI	(b)	10,244,073	8,811,541		
Global Private Assets VII	(c)	1,556,723	6,443,277		
Core Property	(d)	37,463,732	-	Immediate	None
Energy Debt	(e)	1,467,306	-		None
Total Collective Trust Funds		$ 84,312,779	$ 15,254,818		

(a) The Special Situations Collective Investment Trust Fund is a "master feeder" complex, by which the Trust invests substantially all of its assets in the SEI Special Situations Fund, LP (SSF). This structure provides a means for eligible investors to invest primarily in "fund of fund" hedge funds, while also opportunistically investing directly in any other securities and financial instruments. The SSF seeks to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. Investments in this Fund can be redeemed semiannually at the current NAV per share based on the fair value of the underlying investments once the 2 year lock up has been met (9/30/2025). The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.

(b) The Global Private Assets VI Collective Investment Trust Fund is a "master feeder" complex, by which the Trust invests substantially all of its assets in the SEI Global Private Assets VI, LP (GPAF). This structure provides a means for eligible investors to invest directly and indirectly in a diversified pool of private investment vehicles. The GPAF seeks to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and selection of a set of private assets managers across a broad spectrum of venture capital, buyouts, debt, real estate, and real asset / infrastructure investments. An investment in GPAF will be illiquid. The GPAF is established as a limited partnership and has not issued any units/shares to limited partners.

(c) The Global Private Assets VII Collective Investment Trust Fund is a "master feeder" complex, by which the Trust invests substantially all of its assets in the SEI Global Private Assets VI, LP (GPAF). This structure provides a means for eligible investors to invest directly and indirectly in a diversified pool of private investment vehicles. The GPAF seeks to achieve an attractive risk-adjusted return relative to other asset class alternatives through the identification and selection of a set of private assets managers across a broad spectrum of venture capital, buyouts, debt, real estate, and real asset / infrastructure investments. An investment in GPAF will be illiquid. The GPAF is established as a limited partnership and has not issued any units/shares to

limited partners.

(d) 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 percent 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 quarterly 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.

(e) 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. No requested redemptions from EDF as it is in wind down. 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's cash consists of the following at September 30, 2025:

Petty cash	$	250
Unrestricted deposits		3,323,217
Restricted current deposits:		
Debt service account		1,123,648
Escrow deposits		22,209
Restricted noncurrent deposits:		
Airport improvement project funds		521,369
Sewage treatment plant reserve funds		379,278
	$	5,369,971

Custodial credit risk – deposits: 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 formal policy for custodial credit risk. As of September 30, 2025, the carrying amount of the Authority's deposits was $5,369,721, and the bank balance was $5,445,405.

For the year ended September 30, 2025, $500,000 of the Authority's bank balance was covered by federal depository insurance (FDIC) and the remaining balance of $4,869,721 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.

2. Reading Area Community College

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 Loan Banks (FHLB), and Federal National Mortgage Associations (FNMA) excluding "stripped mortgage securities" purchased 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 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.

The breakdown of total cash and investments is as follows for the year ended June 30, 2025:

Cash-on-hand	$	3,500
Deposits		15,575,300
Investments		27,603,668
Total	$	43,182,468

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, 2025, the carrying amount of the College's deposits was $15,575,300 and the bank balance was $15,549,541. Of the bank balance, $250,000 was covered by federal depository insurance, and $15,299,541 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. 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 fair value of investments for the College is presented below for the year ended June 30, 2025:

Investment	Interest Rates	Total	< 1 year	1 - 5 years
FNMA	0.500%	$ 138,152	$ 138,152	$ -
FHLMC	0.375%	138,725	138,725	-
U.S. Treasury bills	N/A	12,777,656	12,777,656	-
U.S. Treasury note	0.250% - 4.750%	12,332,689	3,123,738	9,208,951
Other investments		2,216,446	2,216,446	-
Total investments		$ 27,603,668	$ 18,394,717	$ 9,208,951

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 noted in the previous table (excluding certificates of deposit) is valued using bid prices for comparable securities (Level 2 input), with exception of other investments which are money market accounts reported at net asset value.

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 5 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, 2025, the College's investments in 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.

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.

Investments and Fair Value Measurements - Foundation for Reading Area Community College:

The Foundation's investments as of June 30, 2025 are summarized as follows:

Cash and equivalents	$	438,049
Equities		8,531,875
Equity mutal funds		703,909
Exchange traded funds		2,390,151
Real estate invetment trust		196,318
Options		(62,390)
Fixed income		3,778,661
Total Investments	$	15,976,573

The following schedule summarizes the Foundation's allocation of interest and investment return between net asset classifications in the statements of revenues, expenses, and changes in net position for the year ended June 30, 2025:

Category	Without Donor Restrictions	With Donor Restrictions	Total
Interest	$ 85,152	$ 295,648	$ 380,800
Market gains	105,065	1,132,205	1,237,270
Fees	(7,022)	(75,679)	(82,701)
Total investment return	$ 183,195	$ 1,352,174	$ 1,535,369

Generally accepted accounting principles establish 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 the fair value measurement statement 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, 2025.

Investments: Charles Schwab holds the investments of the Foundation. The investments consist of money market funds, fixed income, real estate investment funds, exchange traded funds, equity mutual funds, and equity securities. The investment 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, real estate investment funds, exchange traded funds, equity mutual funds, 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.

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, 2025:

Category	Level 1	Level 2	Level 3	Total
Equities	$ 8,531,875	$ -	$ -	$ 8,531,875
Equity mutual funds	703,909	-	-	703,909
Exchange traded funds	2,390,151	-	-	2,390,151
Real estate investment trust	196,318	-	-	196,318
Options	(62,390)	-	-	(62,390)
Fixed income	3,778,661	-	-	3,778,661
	15,538,524	-	-	15,538,524
Beneficial interest in perpetual trusts	-	-	12,213,398	12,213,398
Total assets at fair value	$ 15,538,524	$ -	$ 12,213,398	$ 27,751,922

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, 2025:

Balance, beginning of year	$ 10,955,026
Realized and unrealized gains	1,258,372
Balance, end of year	$ 12,213,398

Beneficial Interests in Perpetual Trusts Held by Others - Foundation for Reading Area Community College: The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded as trust income in net assets with donor restrictions and amounted to $0 for the year ended June 30, 2025. The value of the trusts recorded is $12,213,398 at June 30, 2025.

NOTE 3: RESTRICTED ASSETS

Cash and investments whose use is limited to a specific purpose have been classified as "restricted" in the Statement of Net Position/Balance Sheet. Restricted assets at December 31, 2025 are composed of the following:

Governmental Funds

	Cash and Cash Equivalents	Investments
General Fund		
Environmental Litigation	$ 14,736	$ -
Hazmat Response Fund Investors Trust	3,470,657	-
MCT Trust	547,481	-
Worker's Compensation Trust	131,321	-
Elections Integrity	1,450,798	-
Department of Emergency Services		
Hazmat Response Fund	9,949	
Health Choices Special Revenue		
Appendix V-PLGIT	893,469	-
Reinvestment	12,691,139	-
Risk and Contingency	10,646,639	-
Liquid Fuels		
Liquid Fuels-ACT 13	6,144,979	-
Liquid Fuels-ACT 89	2,632,508	-
Liquid Fuels-Local Use Fund	14,695,567	-
Special Legislation Fund		
Adult Probation Supervision Fund	1,004,633	-
Coroner Record Improvement Fund	47,315	-
Courts Automation Fund	21,435	-
Hotel Tax Fund	304,189	-
Prothonotary Automation Fund	184,095	-
Register of Wills Record Improvement Fund	274,313	-
Total Governmental Funds	$ 55,165,221	$ -
Business Type Activities		
Berks Heim		
Worker's Compensation Trust	$ 108,135	$ -

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 1, payable under the following terms: 2 percent discount, March 1 through April 30; face amount, May 1 through June 30, and 10 percent 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 2025 adopted rate of taxation was 9.013 mills.

County property tax revenues were reduced by approximately $1,079,451 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
- Bern Township
- Bethel Township
- Borough of Birdsboro
- Borough of West Reading
- Borough of Wyomissing
- Exeter Township
- Marion Township
- Muhlenberg Township
- Township of Cumru
- Upper 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 $1,079,451 for the year ended December 31, 2025.

Keystone Opportunity Zone Program (KOZ) Program

The KOZ Program provides 100 percent 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 PA Department of Community and Economic Development (DCED) 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 DCED 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 DCED in order to receive approval for property tax abatement,as required by Section 907 of the Act. The deadline to file a KOZ application is December 31st of the year for which benefits are to be received. Applicants must be in full compliance with all state and local tax laws and building and housing code provisions, in order to claim property tax abatements offered in the Act. Compliant applications will receive an approval letter from the DCED. 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.

For the year ended December 31, 2025, all existing KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania had expired effective December 31, 2024. Therefore, the County did not forego any real estate tax revenue for 2025.

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, 2025 are as follows:

	Due from other funds	Due to other funds
Governmental funds:		
General Fund	$ 110,965,585	$ 129,689,966
Children and Youth Services	847,668	9,471,480
Health Choices	2,449,734	2,403,928
Drug and Alcohol	4,377,561	161,113
Nonmajor	20,460,176	10,615,049
	139,100,724	152,341,536
Proprietary fund:		
Berks Heim	$ 13,240,812	-
Total	$ 152,341,536	$ 152,341,536

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 2025 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	$ 8,701,126	$ 15,406,891
Children and Youth Services	2,795,919	-
Health Choices	-	-
Drug and Alcohol	1,239,970	-
Nonmajor	5,224,110	1,054,233
	17,961,125	16,461,124
Proprietary funds		
Berks Heim	-	1,500,001
	$ 17,961,125	$ 17,961,125

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

- Transfers of $5,224,110 were made from the General Fund to several funds during 2025 to cover deficits in several special revenue funds.
- Transfers of $2,795,919 were made from the General Fund to Children and Youth Services to cover the County's portion of CYS expenses and the change in invoice estimates.
- Transfers of $1,239,970 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2025 was as follows:

- **Governmental activities:**

	Beginning Balance	Additions/ Transfers in	Disposals/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	$ 13,332,861	$ -	$ -	$ -	$ 13,332,861
Historical Treasures	2,290,344	-	-	-	2,290,344
Agricultural Easements	85,505,138	-	(83,737)	-	85,421,401
Software In Progress	682,623	680,042	(387,210)	-	975,455
Construction In Progress	11,590,133	9,758,495	(11,734,814)	-	9,613,814
Total capital assets, not being depreciated	113,401,099	10,438,537	(12,205,761)	-	111,633,875
Capital assets, being depreciated and amortized:					
Land and Improvements	5,339,632	-	-	-	5,339,632
Bldgs and Improvements	234,747,157	10,024,554	-	-	244,771,711
Furniture, Fixtures, Equip & Vehicles	107,370,379	2,156,161	(638,088)	-	108,888,452
Infrastructure	47,315,021	17,150	(75,841)	-	47,256,330
Right-To-Use Lease Real Estate	29,861,568	1,166,928	(688,024)	-	30,340,472
Right-To-Use Lease Equipment	117,439	-	(95,458)	-	21,981
Right-To-Use SBITA	10,955,069	-	(427,899)	-	10,527,170
Total capital assets, being depreciated and amortized	435,706,265	13,364,793	(1,925,311)	-	447,145,748
Total capital assets, historical cost	549,107,364	23,803,330	(14,131,072)	-	558,779,623
Less accumulated depreciation and amortization for:					
Land and Improvements	2,627,487	250,456	-	-	2,877,943
Bldgs and Improvements	159,335,036	6,530,349	-	-	165,865,385
Furniture, Fixtures, Equip & Vehicles	59,346,961	8,135,280	(638,088)	-	66,844,153
Infrastructure	10,270,471	1,181,161	-	-	11,451,632
Right-To-Use Lease Real Estate	4,208,003	1,599,609	(575,414)	-	5,232,198
Right-To-Use Lease Equipment	98,208	17,541	(95,458)	-	20,291
Right-To-Use SBITA	3,228,851	1,753,507	(427,899)	-	4,554,459
Total accumulated depreciation and amortization	239,115,017	19,467,903	(1,736,859)	-	256,846,061
Net capital assets, being depreciated and amortized	196,591,248	(6,103,110)	(188,451)	-	190,299,687
Total capital assets, net of accumulated depreciation and amortization	$ 309,992,347	$ 4,335,427	$ (12,394,212)	$ -	$ 301,933,562

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	$ -	$ 12,494	$ -	$ -	$ 12,494
Capital assets, being depreciated:					
Buildings and improvements	44,335,924	335,126	-	-	44,671,050
Furniture, fixtures, equipment and vehicles	6,875,028	323,584	-	-	7,198,612
Total capital assets, being depreciated	51,210,952	658,710	-	-	51,869,662
Total capital assets, historical cost	51,210,952	671,204	-	-	51,882,156
Less accumulated depreciation for:					
Buildings and improvements	20,445,582	1,320,839	-	-	21,766,421
Furniture, fixtures, equipment and vehicles	5,438,592	501,673	-	-	5,940,265
Total accumulated depreciation	25,884,174	1,822,512	-	-	27,706,686
Net capital assets, being depreciated	25,326,778	(1,163,803)	-	-	24,162,975
Total capital assets, net of accumulated depreciation	$ 25,326,778	$ (1,151,309)	$ -	$ -	$ 24,175,469

2. Depreciation and amortization expense

Depreciation and amortization expense was charged to functions/programs of the primary government during 2025 as follows:

- **Governmental activities:**

Judicial	$ 596,968
Public safety	4,182,839
Public works	1,353,985
General government	12,514,857
Human services	48,833
Community and economic development	57,834
Culture and recreation	712,586
Total	$ 19,467,903

- **Business-type activities:**

Berks Heim	$ 1,822,512
Total	$ 1,822,512

3. Capital projects commitments

The County Security project is in the construction phase with expenditures to date totaling $622,706. Management anticipates this project to be completed by December 31, 2026 with a projected final cost of approximately $2.2 million.

The Steam Plant Decentralization project is in the construction phase with expenditures to date totaling $366,421. Management anticipates this project to be completed by December 31, 2026 with a projected final cost of approximately $5.5 million.

The Ag Center Renovation project phase 2 is in the design phase with expenditures to date totaling $155,148. Management anticipates this project to be completed by December 31, 2026 with a projected final cost of approximately $4.9 million.

The Weidner's Mill Bridge project is in the design phase with expenditures to date totaling $40,086. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately $0.4 million.

The Moselem Springs Bridge project is in the construction phase with expenditures to date totaling $201,359. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately $0.4 million.

The Deysher's Bridge project is in the design phase with expenditures to date totaling $28,205. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately $0.4 million.

The Berks Road Bridge project is in the construction phase with expenditures to date totaling $163,405. Management anticipates this project to be completed by December 31, 2026 with a projected final cost of approximately $0.9 million.

The Liebert Unit Replacement project is in the implementation phase with expenditures to date of $888,100. Management anticipates this project to be completed by April 9, 2026 with a projected final cost of approximately $1.4 million.

The Department of Emergency Services GPS project with accumulated costs of $1,616,582 remains on hold at this time and management believes the project will be ultimately completed at a cost of $2.3 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling $308,923.

B. Component units

1. Reading Regional Airport Authority

Capital asset balances and activity for the year ended September 30, 2025 were as follows:

	Balance October 1, 2024	Additions	Transfers	Balance September 30, 2025
Capital assets not being depreciated:				
Land	$ 4,636,399	$ -	$ -	$ 4,636,399
Air easement rights	103,002	491	-	103,493
Construction in progress	2,850,417	3,482,215	(4,170,804)	2,161,828
Total capital assets not being depreciated	7,589,818	3,482,706	(4,170,804)	6,901,720
Capital assets being depreciated:				
Terminal building	9,151,532	-	-	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Wastewater Collection and treatment system	5,327,892	-	-	5,327,892
Land improvements	11,619,132	-	431,426	12,050,558
Runway improvements	39,359,488	-	3,739,378	43,098,866
Machinery and equipment	6,377,353	80,500	-	6,457,853
Total capital assets being depreciated	88,276,846	80,500	4,170,804	92,528,150
Less accumulated depreciation:				
Terminal building	4,820,040	185,715	-	5,005,755
Other buildings and related improvements	12,111,106	328,278	-	12,439,384
Wastewater Collection and treatment system	2,465,767	179,849	-	2,645,616
Land improvements	9,573,620	359,146	-	9,932,766
Runway improvements	28,556,085	1,230,420	-	29,786,505
Machinery and equipment	4,000,040	280,494	-	4,280,534
Total accumulated depreciation	61,526,658	2,563,902	-	64,090,560
Total capital assets being depreciated, net	26,750,188	(2,483,402)	4,170,804	28,437,590
Right-to-use lease assets being amortized:				
Equipment	19,335	-	-	19,335
Less accumulated amortization for:				
Equipment	15,146	3,828	-	18,974
Total right-to-use lease assets being amortized, net	4,189	(3,828)	-	361
Total Capital Assets, Net	$ 34,344,195	$ 995,476	$ -	$ 35,339,671

Construction in progress/commitments

Construction projects in progress at September 30, 2025 consist of the following:

FBO renovation	$ 1,358,318
Wasterwater treatment plant replacement pump	338,037
Rehab north taxiway, Phase 1	287,917
Construct hangar, Phase 1	174,587
No foam testing equipment	2,969
Terminal apron	-
Airfield guidance signs	-
Rehab lighting	-
Rehab terminal parking, Phase 1	-
Total	$ 2,161,828

At September 30, 2025, the Authority had $2,171,814 in open contracts relating to the above projects, with $1,013,763 of outstanding commitments remaining. Financial resources for these projects will come from FAA and BOA grants and existing Authority funds.

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, 2025:

	Federal Grant	State Grant	Local Match	Totals
MALR feasibility study	$ 530,281	$ -	$ -	$ 530,281
Rehab north taxiway, Phase 2	355,966	-	-	355,966
Construct de-icing materials storage building	192,054	-	-	192,054
Rehab terminal apron	186,519	-	-	186,519
Rehab lighting	119,304	-	-	119,304
Construct hangar, Phase 1	118,278	-	-	118,278
Airfield guidance signs	108,883	6,048	6,048	120,979
Acquire/install airfield lighting	91,542	-	-	91,542
Extend TW C, Phase 1	59,102	-	-	59,102
Terminal parking lot	17,485	-	-	17,485
ARFF safety equipment	11,728	-	-	11,728
Rehab north taxiway, Phase 1	1,425	-	-	1,425
Total Grants	$ 1,792,567	$ 6,048	$ 6,048	$ 1,804,663

4. Reading Area Community College

Capital assets balances and activity for the year ended June 30, 2025 are as follows:

	Balance July 1, 2024	Additions	Deletions/ Transfers	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 1,081,556	$ -	$ -	$ 1,081,556
Construction in progress	14,699,712	6,147,647	(20,086,822)	760,537
Total capital assets not being depreciated	15,781,268	6,147,647	(20,086,822)	1,842,093
Capital assets being depreciated:				
Buildings and improvements	80,877,487	16,237,971	(2,278)	97,113,180
Equipment and furnishings	12,100,844	3,912,868	(376,981)	15,636,731
Library books	322,941	-	-	322,941
Total capital assets being depreciated	93,301,272	20,150,839	(379,259)	113,072,852
Less accumulated depreciation for:				
Buildings and improvements	42,710,777	2,382,608	(2,278)	45,091,107
Equipment and furnishings	9,986,375	733,101	(376,981)	10,342,495
Library books	322,941	-	-	322,941
Total accumulated depreciation	53,020,093	3,115,709	(379,259)	55,756,543
Total capital assets being depreciated, net	40,281,179	17,035,130	-	57,316,309
Right-to-use assets:				
Leased equipment and furnishings	675,564	233,902	(406,908)	502,558
Subscriptions	2,502,581	-	(1,101,275)	1,401,306
Total right-to-use assets	3,178,145	233,902	(1,508,183)	1,903,864
Less accumulated amortization for:				
Leased equipment and furnishings	414,328	173,681	(406,908)	181,101
Subscriptions	1,390,431	582,474	(1,101,275)	871,630
Total accumulated amortization	1,804,759	756,155	(1,508,183)	1,052,731
Right-to-use assets, net	1,373,386	(522,253)	-	851,133
Capital assets, net	$ 57,435,833	$ 22,660,524	$ (20,086,822)	$ 60,009,535

Depreciation and amortization expense for the College for the year ended June 30, 2025 was $3,871,864.

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 percent of highest average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of the member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

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

Employees covered by benefit terms. At December 31, 2025, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,540
Inactive plan members entitled to but not yet receiving benefits	396
Active plan members	1,877
Total members	3,813

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 an additional amount to finance an unfunded accrued liability. For the 2025 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 3.87 percent of annual payroll.

2. Net Pension Asset (Liability)

The County's net pension asset (liability) was measured as of December 31, 2025, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation for the 2025 measurement period at January 1 and rolled-forward to December 31.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation for the 2025 measurement period at January 1 and rolled-forward to December 31 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 2025 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 2025 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 / Alternative	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 147 and 148 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, 2024	$ 597,390,859	$ 572,245,308	$ (25,145,551)
Changes for the year:			
Service cost	10,744,207	-	(10,744,207)
Interest cost	44,331,828	-	(44,331,828)
Difference between expected and actual experience	2,828,995	-	(2,828,995)
Changes of Assumptions	-	-	-
Contributions - County	-	7,070,095	7,070,095
Contributions - member	-	9,178,764	9,178,764
Net investment income	-	97,027,899	97,027,899
Benefit payments, including refunds of member contributions	(34,088,058)	(34,088,058)	-
Administrative expense	-	(71,840)	(71,840)
Other	(11,246,631)	(31,813)	11,214,818
Net changes	12,570,341	79,085,047	66,514,706
Balance at December 31, 2025	$ 609,961,200	$ 651,330,355	$ 41,369,155

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 percent, 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%)	$ (23,515,941)
Current Discount Rate (7.5%)	$ 41,369,155
1% increase (8.5%)	$ 96,122,052

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available on pages 42 and 43 of this financial statement.

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

At December 31, 2025, the County 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
Difference Between Expected and Actual Experience	$ 11,279,883	$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		48,549,408
Total	$ 11,279,883	$ 48,549,408

For the 2025 measurement period, the County recognized pension expense/(income) of $(7,084,361). Amounts reported as deferred (outflows) inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2026	$ (7,529,645)
2027	19,396,221
2028	14,673,728
2029	10,729,221
2030	-
Thereafter	-
Total:	$ 37,269,525

4. Payable to the Pension Plan

For the 2025 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2025.

B. Component units

1. Reading Regional Airport Authority

The Authority contributes to the Central Pennsylvania Teamsters Pension Fund (CPTPF), a multi-employer, defined benefit pension plan, on behalf of the employees covered by the collective bargaining unit. Management has determined that the CPTPF is not material to the Authority's financial statements, and has chosen to eliminate substantially all of the defined benefit plan disclosures.

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 $516 at September 30, 2025. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2025 was $51,181.

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, 2025 was $10,072.

2. Reading Area Community College

Employee Defined Benefit Pension Plans

General Information about the Pension Plans

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.

PSERS (the system) 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.pa.gov/PSERS.

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 multiplied by the final average salary multiplied by the annual accrual rate. 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 full 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, through December 31, 2018. The Act created a class of service in which members earn a benefit that accrues at 2 percent of the member's final average salary instead of 2.5 percent each year and vests in 10 years instead of five. The full retirement age is 65 for most employees who entered SERS membership after January 1, 2011, and age 55 for members of the General Assembly and certain employees classified in hazardous duty positions. Act 2017-5 changed the benefit structure for most new employees effective January 1, 2019, which created two hybrid plan options. The two hybrid plan options contain a Defined Benefit Plan component with a full retirement age of 67 that accrues at 1.25 percent or 1 percent of the member's final average salary.

Most members of SERS, and all state employees hired after June 30, 2001 and prior to January 1, 2011 (except state police officers and certain members of the judiciary and legislators), are Class

AA members. Each class of benefits is based on a multiple of the base accrual rate of 2 percent, which is called the multiplier. The multiplier for Class AA is 1.25, which translate into an annual benefit of 2.5 percent of the member's highest three-year average salary multiplied by years of service and became effective for members July 1, 2001. The general annual benefit for Class A members is 2 percent of the member's highest three-year average salary multiplied by years of service.

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 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 become 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.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T- H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1 percent to 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.

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 had retired on the day before death.

Contributions

Pursuant to 5507 of the SERC (71 PA. C.S. §5507) the Commonwealth and other employers whose employees are SERS members are required 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 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 2017-2018 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 9.30 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 4.00 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, 2025 ranged between 27.09 percent and 40.33 percent of gross pay depending on the class of employee. Contributions to the pension plan from the College were $55,926 for the year ended June 30, 2025.

PSERS Member Contributions:

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

The contribution rates based on qualified member compensation for virtually all members are presented in the tables below.

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% 6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.50%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/- 0.75%	1.50%	7.50%

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2025, was 32.92 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. Contributions to the pension plan from the College were $453,471 for the year ended June 30, 2025. The college also contributed $4,821 to the defined contribution pension plan for the year ended June 30, 2025.

PSERS State Contributions:

Pursuant to §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 Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The College reported a net pension liability of $3,869,902 for the year ended June 30, 2025, consisting of $479,902 related to SERS and $3,390,000 related to PSERS.

At June 30, 2025, the College reported a liability of $479,902 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, 2025. 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, 2025, the College's proportion was 0.0024 percent, which is an increase of 0.0001 percent from its proportion measured as of December 31, 2023.

At June 30, 2025, 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 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 at June 30, 2025:

College's proportional share of the PSERS net pension liability	$	3,390,000
Commonwealth's proportional share of the PSERS net pension liability		3,390,000
Total proportionate share of the PSERS net pension liability	$	6,780,000

The PSERS net pension liability was measured as of June 30, 2025, 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, 2023 to June 30, 2025. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the College's proportion was 0.0081 percent, which was a decrease of 0.0003 percent from its proportion measured as of June 30, 2025.

For the year ended June 30, 2025, the College recognized total pension expense from the two plans of $321,577. At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summary of Deferred Outflows	SERS	PSERS	Total
Net difference between projected and actual investment earnings	$ 14,088	$ 56,000	$ 70,088
Change in assumptions	8,453	-	8,453
Differences between expected and actual experience	21,754	-	21,754
Changes in proportions	59,549	-	59,549
Differences between employer contributions and proportionate share of total contributions	1,776	-	1,776
Contributions subsequent to measurement date	-	453,471	453,471
	$ 105,620	$ 509,471	$ 615,091

Summary of Deferred Inflows	SERS	PSERS	Total
Net difference between projected and actual investment earnings	$ -	$ -	$ -
Differences between employer contributions and proportionate share of total contributions	6,261	-	6,261
Differences between expected and actual experience	536	53,000	53,536
Changes in proportions	39,793	220,000	259,793
	$ 46,590	$ 273,000	$ 319,590

The $453,471 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, 2026.

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:

	SERS	PSERS	Total
2026	$ 23,510	$ (201,000)	$ (177,490)
2027	45,489	13,000	58,489
2028	(3,586)	(17,000)	(20,586)
2029	(5,969)	(12,000)	(17,969)
2030	(414)	-	(414)
	$ 59,030	$ (217,000)	$ (157,970)

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, 2024 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. The Board reduced the annual investment return assumption from 7.000 percent to 6.875 percent during its 2022 review for the December 31, 2022 valuations. 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 31, 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: 6.875 percent, includes inflation at 2.50 percent.
- Salary increases: Effective average of 4.58 percent, with a range of 3.30 percent and 6.95 percent including inflation at 2.50 percent.
- Mortality rates were based on the PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement

PSERS Actuarial Assumptions

The total pension liability at June 30, 2025 was determined by rolling forward the System's total pension liability at June 30, 2023 to June 30, 2025, using the following actuarial assumptions applied to all periods included in the measurement:

- Valuation date – June 30, 2023
- Actuarial cost method: Entry Age Normal – level percent of pay
- Investment return: 7.00 percent, includes inflation at 2.50 percent.
- Salary growth: Effective average of 4.50 percent, comprised of inflation of 2.50 percent and 2.00 percent for real wage growth and merit or seniority increases
- Mortality rates were based on a blend of 50 percent PubT-2010 and 50 percent PubG- 2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study that was performed for the five year period ended June 30, 2020.

Long-Term Rate of Return

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.

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the SERS 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, 2025 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	6.25%
Real estate	7.0%	5.15%
U.S. equity	37.0%	5.15%
International developed markets equity	14.0%	5.00%
Emerging markets equity	2.0%	5.20%
Fixed income	19.0%	2.85%
Inflation protection (TIPS)	3.0%	2.55%
Cash	2.0%	0.50%
	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, 2025 is:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
	100.0%	

Discount Rate - SERS and PSERS

The discount rate used to measure the total pension liability was 6.875 percent for SERS and 7.00 percent for PSERS. 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 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 6.875 percent and PSERS discount rate of 7.00 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 (5.875 percent for SERS and 6.00 percent for PSERS) or one-percentage point higher (7.875 percent for SERS and 8.00 percent for PSERS) than the current rate as:

	1% Decrease 5.875%	Current Discount Rate 6.875%	1% Increase 7.875%
College's proportionate share of the SERS net pension liability	$ 586,315	$ 479,902	$ 314,146

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
College's proportionate share of the PSERS net pension liability	$ 4,466,000	$ 3,390,000	$ 2,482,000

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

At June 30, 2025, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB of $148,980. This amount represents the College's contractually obligated contributions for wages earned in April 2025 through June 2025.

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 percent if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2025 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, 2025 were $2,772,001, which consisted of $1,396,394 from the College and $1,375,607 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: LEASES AND SUBSCRUPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Primary government

Leases

At December 31, 2025, the County included $25,109,964 for the net right-to-use lease assets in capital assets, net of accumulated depreciation and amortization on its statement of net position. During 2025, the County recognized amortization expense and interest expense of $1,617,150 and $412,718, respectively, related to lease agreements. At December 31, 2025, the County included $995,996 and $16,628,294 for the current and noncurrent portions of the lease liabilities, respectively, on its statement of net position. At December 31, 2025, the lease activity was as follows:

Lease Payments	
Short-Term Lease Payments	$ 50,570

Lease Assets	Beginning Balance	Additions	Deductions	Ending Balance
Lease Assets being Amortized				
Lease - Equipment	$ 117,439	$ -	$ (95,458)	$ 21,981
Lease - Real Estate	29,861,568	1,166,928	(688,024)	30,340,472
Total Lease Assets Being Amortized	29,979,007	1,166,928	(783,482)	30,362,453
Less: Accumulated Amortization				
Lease - Equipment	(98,208)	(17,541)	95,458	(20,291)
Lease - Real Estate	(4,208,003)	(1,599,609)	575,414	(5,232,198)
Total Accumulated Amortization	(4,306,211)	(1,617,150)	670,872	(5,252,489)
Total, Net of Accumulated Amortization	$ 25,672,796	$ (450,222)	$ (112,610)	$ 25,109,964

As a lessor, the County uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The County's estimated incremental borrowing rate is calculated as described in Note 1.

Lessee Arrangements

The County leases office space for certain County and District Justice Offices, land for communication towers and vehicles from external parties for various terms under long-term non-cancelable lease agreements. The leases generally expire at various dates through 2051 and provide for renewal options ranging from month-to-month to fourteen years per renewal option. In accordance with GASB Statement No. 87, the County records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate implicit in the lease, if available, or are otherwise discounted using the County's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The County had no variable lease expense during the year ended December 31, 2025. Certain of the County's leases are subject to residual value guarantees that were not included in the lease liability because they are not reasonably certain of being required. See Note 6 Capital Assets for information on right-to-use assets and associated accumulated amortization.

Maturity Analysis	Principal	Interest	Total
2026	$ 995,996	$ 401,091	$ 1,397,087
2027	1,033,806	374,806	1,408,612
2028	964,119	347,442	1,311,561
2029	474,174	326,704	800,878
2030	336,617	312,936	649,553
2031 - 2035	1,480,792	1,438,641	2,919,433
2036 - 2040	1,314,978	1,256,585	2,571,563
2041 - 2045	757,923	1,141,503	1,899,426
2046 - 2050	827,228	1,055,643	1,882,871
2051 - 2055	1,773,107	915,946	2,689,053
2056 - 2060	2,216,595	689,300	2,905,895
2061 - 2065	2,326,795	441,674	2,768,469
2066 - 2070	2,573,153	176,847	2,750,000
2071 - 2075	549,006	994	550,000
Total	$ 17,624,289	$ 8,880,112	$ 26,504,401

Lessor Arrangements

The County leases office space, communication tower space and land to external parties. The leases generally expire at various dates through 2033 and provide for renewal options of five years per renewal option. The County records lease receivables and deferred inflows of resources based on the present value of expected receipts over the lease term of the respective leases. The expected receipts are discounted using the County's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The County had no variable lease revenues during the year ended December 31, 2025. During the year ended December 31, 2025, the County recognized lease revenues and interest revenues related to lessor agreements totaling $174,499 and $99,672, respectively. The County also recognized short-term lease revenues of $36,928 during the year ended December 31, 2025.

Subscription-Based Information Technology Arrangements

The County has SBITAs that are used primarily for various software and related licenses which meet the capitalization criteria specified by Generally Accepted Accounting Principles. Therefore, the County has recorded the SBITAs at the present value of the future minimum payments as of the inception date using its own estimated incremental borrowing rate (see Note 1). The SBITAs generally include original terms of three to ten years. Certain SBITAs include renewal options which extend the terms of the underlying agreements for one to three years per renewal option. Additionally, certain SBITAs include an unspecified number of autorenewal options for the County to extend the term for a period of one year each. At December 31, 2025, the County included $5,972,711 for the net right-to-use assets in capital assets, net of accumulated depreciation and amortization on its statement of net position. At December 31, 2025, the SBITA activity was as follows:

Subscription Assets	Beginning Balance	Additions	Deductions	Ending Balance
Assets being amortized				
Right-To-Use SBITA	$ 10,955,069	$ -	$ (427,899)	$ 10,527,170
Total assets being amortized	10,955,069	-	(427,899)	10,527,170
Less: Accumulated amortization				
Right-To-Use SBITA	(3,228,851)	(1,753,507)	427,899	(4,554,459)
Total accumulated amortization	(3,228,851)	(1,753,507)	427,899	(4,554,459)
Net of accumulated amortization	$ 7,726,218	$ (1,753,507)	$ -	$ 5,972,711

During 2025, the County recognized amortization expense and interest expense of $1,753,507 and $195,488, respectively, related to SBITA agreements. During 2025, the County did not recognize any short-term expense related to SBITA agreements. The cost and accumulated amortization of the assets under the County's SBITAs included in capital assets totaled $10,527,170 and $4,554,459, respectively, as of December 31, 2025. The County's SBITA obligation included in current liabilities and noncurrent liabilities totaled $1,215,211 and $3,036,478, respectively, as of December 31, 2025.

Maturity Analysis	Principal	Interest	Total
2026	$ 1,215,211	$ 146,385	$ 1,361,596
2027	1,276,062	94,823	1,370,885
2028	1,339,705	40,697	1,380,402
2029	420,710	1,421	422,131
2030	-	-	-
Total	$ 4,251,688	$ 283,326	$ 4,535,014

B. Component units

1. Reading Regional Airport Authority

A significant portion of the property owned by the Authority is subject to noncancelable leases. The Authority, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for regulated leases, short-term leases, and leases that transfer ownership of underlying assets. For the purposes of GASB Statement No. 87, leases have been categorized as follows:

GASB No. 87 Leases – Included

GASB No. 87 Leases – Excluded – Regulated

GASB No. 87 Leases – Included

In accordance with GASB No. 87, the Authority recognizes a lease receivable and a deferred inflow of resources for leases that are categorized as GASB No. 87- Included.

The Authority leases land, commercial buildings, and terminal office space to various third parties. These leases are payable monthly and accrue interest at 3.25 percent. The rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through January 2072. The Authority has recorded a lease receivable from these agreements as of September 30, 2025 of $13,116,605 as well as a related deferred inflow of resources of $11,322,078.

Lease-related revenue is as follows for the years ended September 30, 2025:

Lease income	$	566,495
Interest income		427,900
Total	$	994,395

The receivable on these leases was discounted to the net present value based on the Authority's estimated incremental borrowing rate at the lease start date or GASB No. 87 implementation date, which was 3.25 percent.

Total future minimum lease payments to be received under GASB No. 87, Leases - Included lease agreements are as follows for the years ending September 30:

	Principal	Interest	Total Payments
2026	$ 205,007	$ 421,637	$ 626,644
2027	238,337	414,447	652,784
2028	274,467	405,993	680,460
2029	300,730	396,683	697,413
2030	330,652	386,485	717,137
2031-2035	2,161,552	1,741,326	3,902,878
2036-2040	3,075,225	1,318,051	4,393,276
2041-2045	3,696,493	732,530	4,429,023
2046-2050	847,539	372,740	1,220,279
2051-2055	589,809	272,684	862,493
2056-2060	353,209	198,042	551,251
2061-2065	415,441	135,810	551,251
2066-2070	488,638	62,613	551,251
2071-2075	139,506	2,752	142,258
Total	$ 13,116,605	$ 6,861,793	$ 19,978,398

GASB No. 87 Leases – Excluded - Regulated

The Authority leases certain assets to various third parties, including hangars, grounds, and land, that are regulated leases under the FFA Rates and Charges Policy and Grant Assurance 22. Leased hangars, grounds, and land are considered exclusive use. These leases are payable monthly and the rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through May 2059. For the years ended September 30, 2025, the Authority received $463,378 in payments from leases under regulated lease agreements, including those leases that are renewed month-to-month.

Future noncancelable fixed minimum payments under regulated lease agreements are as follows for the years ending September 30:

2026	$ 607,733
2027	551,755
2028	505,453
2029	499,665
2030	514,655
2031-2035	2,814,345
2036-2040	2,663,937
2041-2045	2,920,686
2046-2050	3,149,460
2051-2055	3,257,548
2056-2060	3,371,430
2061-2065	3,908,411
2066-2070	4,530,920
2071-2075	4,692,000
Total	$ 33,987,998

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 Aaa Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is $420,322 for 2025.

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, 2025, are summarized as follows:

Governmental Activities	$ 1,290,272
Business-type Activities	678,031
Total	$ 1,968,303

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2023, 2024 and 2025.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2023	$ 1,704,234	$ 549,418	$ 504,993	$ 1,748,659
2024	$ 1,748,659	$ 657,506	$ 714,698	$ 1,691,467
2025	$ 1,691,467	$ 727,974	$ 451,138	$ 1,968,303

2. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2025, the County has incurred and processed healthcare claims of $41.4 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2025, are summarized as follows:

Governmental Activities	$	2,030,151
Business-type Activities		364,876
Total	$	2,395,027

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2023, 2024 and 2025.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2023	$ 2,778,883	$ 32,260,445	$ 31,585,098	$ 3,454,230
2024	$ 3,454,230	$ 37,981,985	$ 38,202,455	$ 3,233,760
2025	$ 3,233,760	$ 40,605,052	$ 41,443,785	$ 2,395,027

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 on April 15, 2026 certifying the total December 31, 2025 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, 2025, is $8,954,744, 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, 2023, 2024 and 2025.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2023	$ 15,097,361	$ 110,238,450	$ 111,213,932	$ 14,121,879
2024	$ 14,121,879	$ 95,647,150	$ 104,914,837	$ 4,854,192
2025	$ 4,854,192	$ 121,206,249	$ 117,105,697	$ 8,954,744

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 2024/2025 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 $110,000 individually and for the year ended June 30, 2025. Stop gap insurance is in place for claims in excess of this threshold. Included in the financial statements is a liability for $261,434 for outstanding estimated claims for the year ended June 30, 2025. This liability is entirely funded.

Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the year ending June 30, 2025:

Beginning of year medical insurance liability	$	722,485
Claims incurred		2,973,870
Claims paid		(3,434,921)
Ending medical insurance liability	$	261,434

2. Reading Regional Airport Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage for the year ended September 30, 2025. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 10 LONG-TERM DEBT

A Primary Government

1. General obligation bonds and notes

Governmental activities

At December 31, 2025, general obligation bonds and notes consisted of the following:

	Balance outstanding January 1, 2025	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2025	Due within one year
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.	$ 3,084,500	$ -	$ 3,084,500	$ -	$ -
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.	22,696,560	-	2,922,966	19,773,594	2,987,700
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.	8,475,000	-	5,000	8,470,000	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.	19,992,257	-	1,333,104	18,659,153	1,363,305
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 General Obligation Bonds.	4,726,000	-	1,685,000	3,041,000	750,000
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, to currently refund a portion of the 2015 General Obligation Bonds.	9,679,440	-	174,220	9,505,220	4,004,580
	$ 68,653,757	$ -	$ 9,204,790	$ 59,448,967	$ 9,110,585
Unamortized premium 2015	297,696	-	297,696	-	-
Unamortized premium 2019	4,007,026	-	667,838	3,339,188	667,838
Unamortized premium 2019A	730,922	-	146,185	584,737	146,184
Total	$ 73,689,401	$ -	$ 10,316,509	$ 63,372,892	$ 9,924,607
Less: Current Maturities				(9,924,607)	
				$ 53,448,285	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2026	$ 9,110,585	$ 1,865,256	$ 10,975,841
2027	9,196,868	1,720,211	10,917,079
2028	11,019,435	1,482,075	12,501,510
2029	12,293,456	1,094,163	13,387,619
2030-2034	12,612,688	1,637,207	14,249,895
2035-2039	5,215,934	312,376	5,528,310
			-
	$ 59,448,966	$ 8,111,288	$ 67,560,254
Unamortized premium	3,923,926		
Bonds and notes payable at December 31, 2025	$ 63,372,892		

Business-type activities

	Balance outstanding January 1, 2025	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2025	Due within one year
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.	$ 1,890,500	$ -	$ 1,890,500	$ -	$ -
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.	93,438	-	12,033	81,405	12,300
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.	3,177,742	-	211,895	2,965,847	216,695
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.	5,932,560	-	106,780	5,825,780	2,454,420
	$ 11,094,240	$ -	$ 2,221,208	$ 8,873,032	$ 2,683,415
Unamortized premium 2015	182,458	-	182,459	-	-
Unamortized premium 2019	16,497	-	2,749	13,747	
Total	$ 11,293,195	$ -	$ 2,406,416	$ 8,886,779	$ 2,683,415
Less: Current Maturities				(2,683,418)	
				$ 6,203,361	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2026	$ 2,683,415	$ 153,045	$ 2,836,460
2027	2,708,132	117,607	2,825,739
2028	1,136,565	81,224	1,217,789
2029	253,544	64,135	317,679
2030-2034	1,262,310	223,108	1,485,418
2035-2039	829,066	49,652	878,718
			-
	$ 8,873,032	$ 688,771	$ 9,561,803
Unamortized premium	13,747		
Bonds and notes payable at December 31, 2025	$ 8,886,779		

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, 2025, $94,505,000 of bonds outstanding is considered defeased.

3. 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, 2025.

4. 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 percent 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 percent 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 (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, 2025, the County was in compliance with these financial and operational covenants.

5. Other changes in long term liabilities

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

	Balance January 1, 2025	Additions & Transfers	Reductions & Transfers	Balance December 31, 2025	Due within one year
Governmental activities:					
Lease payable	$ 17,572,863	$ 1,166,928	$ 1,115,502	$ 17,624,289	$ 995,996
SBITA payable	5,407,160	-	1,155,472	4,251,688	1,215,211
Net pension liability/(asset)	23,794,751	-	56,171,669	(32,376,918)	-
Bonds, loans and notes payable, net	73,689,401	-	10,316,509	63,372,892	9,924,607
Payable from restricted assets	35,979,575	19,722,686	24,997,078	30,705,183	-
Agricultural easement installment purchases	200,592	33,078	116,816	116,854	111,100
Workers compensation accrued liabilities	987,157	303,115	-	1,290,272	268,049
Compensated absences payable	8,161,420	7,174,676	127,527	15,208,569	1,529,887
Total governmental activities	$ 165,792,919	$ 28,400,483	$ 94,000,573	$ 100,192,829	$ 14,044,850
Business-type activities:					
Net pension liability/(asset)	$ 1,350,800		$ 10,343,037	$ (8,992,237)	$ -
Bonds, loans and notes payable	11,293,195	-	2,406,416	8,886,779	2,683,415
Workers compensation accrued liabilities	704,310	-	26,279	678,031	110,505
Compensated absences payable	1,070,866	172,080	187,667	1,055,279	200,243
Total business-type activities	$ 14,419,171	$ 172,080	$ 12,963,399	$ 1,627,852	$ 2,994,163

For governmental activities, agricultural easement installment purchases are liquidated by the land preservation fund. Lease and SBITA payables and payable from restricted assets are typically liquidated by the general fund. Workers' compensation accrued liabilities, compensated absences payable and net pension liability (if applicable) are typically liquidated by the general fund, special revenue funds and enterprise fund. Bonds, loans and notes payable are typically liquidated by the general fund and debt service fund.

B. Component units

Revenue bonds payable and notes payable

- **Reading Area Community College**

  Notes payable from direct borrowings on June 30, 2025 consist of several outstanding tax- exempt revenue notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority. The College has pledged its full faith and credit for the repayment of the 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, 2025, was as follows:

Description	Original Issue	Interest Rate	July 1, 2024	Bonds Issued	Redeemed/ Refunded	June 30, 2025
College Revenue Note Series A of 2016, final maturity April 2036	$ 3,355,738	2.30%	$ 1,213,500	$ -	$ 99,000	$ 1,114,500
College Revenue Note Series of 2017, final maturity April 2029	8,066,000	2.50%	4,652,000	-	886,000	3,766,000
College Revenue Note Series of 2023A, final maturity April 2043	3,000,000	4.21%	3,000,000	-	-	3,000,000
College Revenue Note Series of 2023B, final maturity June 2028	4,000,000	3.71%	2,000,000	-	1,000,000	1,000,000
College Revenue Note Series of 2023C, final maturity June 2026	3,000,000	3.80%	3,000,000	-	-	3,000,000
College Revenue Note Series of 2023D, final maturity June 2026	2,000,000	4.87%	2,000,000	-	-	2,000,000
College Revenue Note Series A of 2025, final maturity June 2045	13,000,000	4.82%	-	13,000,000	-	13,000,000
	$ 36,421,738		$ 15,865,500	$ 13,000,000	$ 1,985,000	$ 26,880,500

Principal and interest requirements to maturity are as follows:

	Direct Borrowings				
Maturity Date	Revenue Note, Series A of 2016	Revenue Note, Series of 2017	Revenue Note, Series of 2023A	Revenue Note, Series of 2023B	Revenue Note, Series of 2023C
2026	$ 101,000	$ 907,000	65,000	$ -	$ 3,000,000
2027	92,000	931,000	90,000	-	-
2028	85,500	950,000	130,000	1,000,000	-
2029	89,000	978,000	135,000	-	-
2030	93,000	-	140,000	-	-
2031-2035	532,500	-	785,000	-	-
2036-2040	121,500	-	970,000	-	-
2041-2045	-	-	685,000	-	-
	$ 1,114,500	$ 3,766,000	$ 3,000,000	$ 1,000,000	$ 3,000,000

	Direct Borrowings			
Maturity Date	Revenue Note, Series of 2023D	Revenue Note, Series A of 2025	Total Notes Payable	Interest
2026	$ 2,000,000	$ 440,000	$ 6,513,000	$ 1,156,417
2027	-	460,000	1,573,000	871,990
2028	-	480,000	2,645,500	829,762
2029	-	500,000	1,702,000	742,639
2030	-	520,000	753,000	678,217
2031-2035	-	2,980,000	4,297,500	2,831,437
2036-2040	-	3,280,000	4,371,500	1,812,909
2041-2045	-	4,340,000	5,025,000	708,768
	$ 2,000,000	$ 13,000,000	$ 26,880,500	$ 9,632,139

Leases

The College has entered into lease agreements for various technology equipment including copiers, printers, and computers. The leases have various termination dates through September 2029. These leases include either monthly or annual payments of principal and interest at rates ranging from 1.90 percent to 8.00 percent.

Future lease maturities as of June 30 are as follows:

	Principal	Interest	Total
2026	$ 134,580	$ 10,710	$ 145,290
2027	46,542	2,455	48,997
2028	47,434	1,563	48,997
2029	48,343	654	48,997
2030	8,147	19	8,166
Total	$ 285,046	$ 15,401	$ 300,447

Subscriptions

The College has entered into various agreements for subscription-based information technology arrangements. The arrangements mature at various times through April 2028. Interest rates are 4.50 percent and are paid annually based on the lease agreement

The College's subscription liabilities mature as follows for the years ending June 30:

	Principal	Interest	Total
2026	$ 166,715	$ 15,256	$ 181,971
2027	80,841	7,624	88,465
2028	85,311	3,919	89,230
Total	$ 332,867	$ 26,799	$ 359,666

The College entered into an agreement for a new software subscription commencing July 1, 2025 and terminating June 30, 2030. Annual payments are due July 1 of each year with a five year total payment of $2,149,331.

Long-term liabilities and activity for the year ended June 30, 2025 is as follows:

	Balance June 30, 2024 (Restated)	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Direct borrowings	$ 16,559,096	$ 13,507,672	$ 2,415,283	$ 27,651,485	$ 6,843,485
Lease payable	168,381	229,819	113,154	285,046	134,580
Subscription liability	594,459	-	261,592	332,867	166,715
Total long-term debt	17,321,936	13,737,491	2,790,029	28,269,398	7,144,780
Medical insurance liability	722,485	2,953,237	3,414,288	261,434	-
Compensated absences	1,387,196	-	44,901	1,342,295	347,561
Net pension liability	4,264,982	-	395,080	3,869,902	-
Net other postemployment benefit liabilities	1,268,253	4,144	-	1,272,397	-
	$ 24,964,852	$ 16,694,872	$ 6,644,298	$ 35,015,426	$ 7,492,341

Total interest expense for the year ended June 30, 2025 was $668,235.

The net pension and PSERS portion of the net OPEB liabilities will be liquidated through future contributions to the plans at the statutory rates. The College OPEB Plan portion of the OPEB liability will be liquidated through future payments as benefits become due.

- **Reading Regional Airport Authority**

The Authority issued debt to provide resources for major capital improvements and business acquisitions. Long-term debt is direct borrowing and is summarized as follows at September 30

	September 30, 2025
Revenue Note, Series A of 2008 (Direct Borrowing) - 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. 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.	$ -
Revenue Note, Series B of 2008 (Direct Borrowing) 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. 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 1.50%. 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
Revenue Bonds, Series of 2023 (Direct Borrowing) On November 1, 2023, the Authority authorized the issuance and sale of the Series of 2023 Bonds for $15,985,000 under terms of the trust indenture the following revenue bonds were issued to the Authority with the County Commissioners agreeing to guarantee the bonds. The proceeds were used for the aquistion of two FBOs in 2024. The bonds will bear interest at a fixed rate of 5.00% through October 1, 2033. From October 1, 2033 through April 2044, the interest rate ranges from 4.25% to 5.25%	15,495,000
Total long-term debt	$ 18,065,000

The Authority's revenues are pledged as security for repayment of the Revenue Notes, Series A and B of 2008 and Series of 2023 and the notes are also guaranteed by the County of Berks. Since inception, the Authority has met each of its semi-annual debt service payment requirements on the 2008 and 2023 bonds.

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 Reading Regional Airport Authority issued the Series 2023 bonds in November 2023 totaling $15,985,000 to finance the Authority's acquisition of two fixed based operators (FBOs) located at the Airport. The bonds mature April 1, 2044 with interest payable semi-annually April 1 and October 1 at rates ranging from 4.25 percent to 5.25 percent. The bonds are guaranteed by the County of Berks. 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 future annual payments required to amortize all outstanding long-term debt, all of which are considered direct borrowings, are as follows for the years ending September 30:

Years Ending September 30:	Revenue Note, Series B of 2008 Principal	Revenue Note, Series of 2023 Bonds Principal	Total Long-Term Debt	Total Interest*	Total Debt Service
2026	$ 110,000	$ 515,000	$ 625,000	$ 791,390	$ 1,416,390
2027	275,000	540,000	815,000	758,353	1,573,353
2028	290,000	565,000	855,000	723,543	1,578,543
2029	305,000	595,000	900,000	686,585	1,586,585
2030	1,590,000	625,000	2,215,000	647,848	2,862,848
2031-2035	-	3,630,000	3,630,000	2,614,886	6,244,886
2036-2040	-	4,555,000	4,555,000	1,644,057	6,199,057
2041-2045	-	4,470,000	4,470,000	489,669	4,959,669
Total	$ 2,570,000	$ 15,495,000	$ 18,065,000	$ 8,356,331	$ 26,421,331

*Interest for the variable portion of the notes is calculated at the interest rate in effect at year end (2.65 percent for Series B).

Leases Payable

The Authority has entered into a lease agreement for copiers. The lease has a termination date of November 2025. The lease includes monthly payments of principal and interest at a rate of 3.25 percent. The lease is secured by the copier equipment.

Future lease maturities as of September 30 are as follows:

	Principal	Interest	Total Payments
2026	361	-	$ 361
Total	$ 361	$ -	$ 361

Long-term liability balances and activity for the year ended September 30, 2025 are as follows:

	Beginning Balance	Additions	Payments/ Amortization	Ending Balance	Due Within One Year
Direct borrowings:					
Revenue Note, Series A of 2008	$ 272,936	$ -	$ 272,936	$ -	$ -
Revenue Note, Series B of 2008	2,570,000	-	-	2,570,000	110,000
Revenue Note, Series of 2023	15,985,000	-	490,000	15,495,000	515,000
Total direct borrowings	18,827,936	-	762,936	18,065,000	625,000
Premium on Bonds	52,687	-	2,713	49,974	-
Lease payable	4,469	-	4,108	361	361
Total	$ 18,885,092	$ -	$ 769,757	$ 18,115,335	$ 625,361

Total interest expense during the year ended September 30, 2025 was $820,451.

Events of Default

The Authority's revenue notes contain a provision that in the event of default of nonpayment of principal and interest, registered owners of 25 percent principal amount of the notes may appoint a trustee to represent the owners of the notes to protect and enforce rights of registered owners of the notes under the laws of the Commonwealth of Pennsylvania.

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 (7.25 percent at September 30, 2025). Interest only payments are due monthly with principal due on November 1, 2025. There was no balance on the line of credit at September 30, 2025.

- **Reading Area Community College**

  At June 30, 2025, the College has an unsecured bank line of credit with availability of $5,000,000. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2026. There is no outstanding balance on this line of credit at June 30, 2025.

Loans payable and long-term liabilities

- **Reading Area Community College**

	Balance outstanding June 30, 2025
In October 2022, the College entered into an agreement to borrow up to $878,659 to finance bathroom renovations and plumbing upgrades through the Pennsylvania State Public School Building Authority (PSPSBA). The agreement requires semiannual payments of $92,773, including interest at 2.00% per annum. Final payment is due in October 2027. The College has pledged its full faith and credit for the repayment of the loan.	$ 449,310
In May 2023, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $76,932 including 9.37% interest through maturity in May 2025. The purchase is secured by the underlying assets.	-
In July 2024. the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $23,515 including 16.28% interest through maturity in July 2026. The purchase is secured by the underlying assets.	37,613
In August 2024, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $40,868.69 including 16.28% interest through maturity in August 2026. The purchase is secured by the underlying assets.	65,371
In October 2024, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $58,475 including 7.60% interest through maturity in October 2026. The purchase is secured by the underlying assets.	71,605
In October 2024, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $58,475 including 7.60% interest through maturity in October 2026. The purchase is secured by the underlying assets.	104,856
In April 2025, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of $23,207 including 6.54% interest through maturity in April 2027. The purchase is secured by the underlying assets.	42,230
Total loan and financed purchases payable	$ 770,985

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

	Direct Borrowings		
	Principal	Interest	Total Debt Service
2026	$ 330,485	$ 41,060	$ 371,545
2027	349,598	21,946	371,544
2028	90,902	921	91,823
	$ 770,985	$ 63,927	$ 834,912

Event of Default

The College's notes and loans contain a provision that in the event of default of non-payment of principal and interest, all amounts outstanding may be declared or may become due and payable immediately. Upon being notified of the event of default on the PSPSBA note, the State Secretary of the Department of Education may withhold out of any state appropriation due to the College under School Code, an amount equal to the sum owed by the College to the PSPSBA under the loan or note agreement.

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, 2025 consist of the following:

	General Fund	Children and Youth Services	Health Choices	Drug and Alcohol	Nonmajor	Total Governmental
Nonspendable:						
Employee pay advance	$ 21,082	$ 621	$ -	$ -	$ -	$ 21,703
Inventories and prepaid expenses	9,030,492	-	-	-	1,952,920	10,983,412
Total Nonspendable	9,051,574	621	-	-	1,952,920	11,005,115
Restricted:						
Gift fund	-	23,701	-	-	-	23,701
Hazmat response	2,744,774	-	-	-	-	2,744,774
Act 198 - Courts	129,560	-	-	-	-	129,560
Workers' compensation	131,321	-	-	-	-	131,321
Special revenue funds	-	-	-	-	33,810,097	33,810,097
Opioid settlement	-	-	-	2,621,488	-	2,621,488
Act 13 Marcellus Shale	1,008,381	-	-	-	-	1,008,381
Total Restricted	4,014,036	23,701	-	2,621,488	33,810,097	40,469,322
Committed:						
Farmland preservation	3,681,452	-	-	-	-	3,681,452
Services Center Parking Garage	467,244	-	-	-	-	467,244
COVID Community Support Funds	12,000,000	-	-	-	-	12,000,000
Infrastructure Loan Fund	4,000,000					4,000,000
2026 Capital Projects	10,427,401	-	-	-	-	10,427,401
Total Committed	30,576,097	-	-	-	-	30,576,097
Assigned:						
Divorce Hearing Officers	17,797	-	-	-	-	17,797
Total Assigned	17,797	-	-	-	-	17,797
Unassigned	166,944,153	-	-	-	-	166,944,153
Total Governmental Fund Balance	$ 210,603,657	$ 24,322	$ -	$ 2,621,488	$ 35,763,017	$ 249,012,484

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.
- Opioid settlement – this restriction represents funds restricted to combat the opioid crisis, including services for treatment, prevention, and recovery.
- Act 13 Marcellus Shale – 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 to be used to fund any necessary repairs to the Services Center Parking Garage.

- COVID Community Support Funds – this commitment represents amounts in the general fund to be used to support local communities due to the impact of the COVID pandemic.
- Infrastructure Loan Fund - this commitment represents amounts in the general fund to be used to support the County sponsored infrastructure and foster economic development.
- 2026 Capital Projects – this commitment represents amounts to be used for 2026 capital projects.
- Divorce Hearing Officers – this assignment represents amounts to be used for the Divorce Hearing Officers.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 61.4 percent of the County's employees are covered by collective bargaining agreements as of December 31, 2025. The AFSCME union contract expires December 31, 2026. The Teamsters union contract expired December 31, 2027. The United Food & Commercial Workers union contract expired on December 31, 2028. The Service Employees International Union contract expires January 31, 2029. The Deputy Sheriff's Association union contract expired December 31, 2025, and is in the process of negotiations. Both the PSSU and Detective contracts expire on December 31, 2026.

B. Component units

1. Reading Regional Airport Authority

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. The 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 with certain litigation matters, which are in the early stages. 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

Construction Commitments

At June 30, 2025, the College has entered into a number of contracts related to College renovation and capital projects. Commitments outstanding are as follows at June 30, 2025:

	Contract Amount	Commitment Remaining
SUB Renovations	$ 1,805,050	$ 1,340,190
Parking Lot Signs	314,433	314,433
	$ 2,119,483	$ 1,654,623

The construction commitments will be satisfied through debt proceeds on hand and grant revenues.

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.

NOTE 13: CONTRACTUAL AGREEMENT REVENUE

A. 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. The contract was amended effective December 1, 2023 through June 30, 2024, changing the terms of payments to the college to 0.0 percent on all Gross Sales of Course Materials, 5.0 percent on all Gross Sales of First Day and Digital products, and 5.0 percent on all Gross Sales of General Merchandise.

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. All unearned revenue from the renovations has been recognized as of June 30, 2024.

Total revenues from these agreements, including the amortization of the bookstore renovations, was $187,786 for the year ended June 30, 2025 and is included in other revenues on the statements of revenues, expenses and changes in net position.

In February 2024, the College entered into a new five-year contract with BibliU Campus to operate the College's bookstore. Terms of the contract require BibliU Campus to pay the College 12.0 percent of Course Materials Commissionable Sales, 7.0 percent of Pure Digital Course Materials Commissionable Sales, and 12.0 percent of General Merchandise Commissionable Sales.

NOTE 14: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component unit

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, 2025 are as follows:

Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
PSERS OPEB Plan	$ 144,000	$ 24,678	$ 42,000
College OPEB Plan	1,128,397	256,714	398,905
Total	$ 1,272,397	$ 281,392	$ 440,905

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

PSERS (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, 2024, 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.

For Class DC members to become eligible for Premium Assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

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.pa.gov/PSERS.

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.

Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The College's contractually required contribution rate for the fiscal year ended June 30, 2025, was 0.63 percent 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 $8,678 for the year ended June 30, 2025.

PSERS State Contributions:

Pursuant to §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.

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

At June 30, 2025, 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 OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the College are as follows at June 30, 2025:

College's proportional share of the net OPEB liability	$ 144,000
Commonwealth's proportional share of the net OPEB liability	144,000
Total proportionate share of the net OPEB liability	$ 288,000

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The College's proportion of the net OPEB 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, 2025, the College's proportion was 0.0081 percent, which was a decrease of 0.0003 percent from its proportion measured as of June 30, 2024

For the year ended June 30, 2025, the College recognized OPEB expense of $1,143. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,000	$ 2,000
Changes in assumptions	9,000	22,000
Changes in proportion	6,000	18,000
Contributions made subsequent to the measurement date	8,678	-
	$ 24,678	$ 42,000

The $8,678 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 ending June 30, 2026. 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:

2026	$ (4,000)
2027	(9,000)
2028	(8,000)
2029	(3,000)
2030	(2,000)
	$ (26,000)

Actuarial Assumptions

The total OPEB liability as of June 30, 2024, was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial valuation date – June 30, 2023
- Actuarial cost method – Entry Age Normal – level percent of pay.
- Investment return – 4.21 percent – S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50 percent, comprised of inflation of 2.50 percent and 2.00 percent for real wage growth and for merit or 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 a blend of 50 percent PubT-2010 and 50 percent PubG- 2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate Pre-age 65 at 50 percent
  - Eligible retirees will elect to participate Post-age 65 at 70 percent

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- 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: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63 percent utilization assumption for eligible retirees.
- 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 PSERS 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 benefits for each succeeding year.

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, 2024 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100%	1.7%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21 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 4.21 percent which represents the S&P 20-year Municipal Bond Rate, at June 30, 2024, 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, 2024, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of $1,200 per year. As of June 30, 2024, 489 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, 2024 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:

	1% Decrease	Current Trend Rate	1% Increase
College's proportionate share of the net OPEB liability	$ 144,000	$ 144,000	$ 144,000

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

The following presents the net OPEB liability, calculated using the discount rate of 4.21 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (3.21 percent) or one-percentage point higher (5.21 percent) than the current rate:

	1% Decrease (3.21)%	Current Discount Rate (4.21)%	1% Increase (5.21)%
College's proportionate share of the net OPEB liability	$ 163,000	$ 144,000	$ 128,000

OPEB Plan Fiduciary Net Position

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

Payables Related to the Plan

At June 30, 2025, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB of $148,980. This amount represents the College's contractually obligated contributions for wages earned in April 2025 through June 2025.

College OPEB Plan

General Information About the College OPEB Plan

Plan Description

Reading Area Community College administers a single-employer defined benefit plan (the OPEB Plan). The OPEB 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 percent of the premium rate for this coverage.

Benefit C – Early Retirement Lump Sum Payment

Eligible retirees are provided with a 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 percent (option D1) or 50 percent (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, 2023, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Retired participants	138
Active participants	213
	351

OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of July 1, 2023, was determined by rolling forward the College's total OPEB liability as of July 1, 2022 to July 1, 2023, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial valuation date – June 30, 2023.
- Actuarial cost method – Entry Age Normal as a Level Percentage of Pay.
- Inflation rate – 3 percent.
- Salary increases –2.50 percent.
- Discount rate – 4.29 percent - based on S&P Municipal Bond 20-Year High Grade Rate Index.
- Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021.
- Healthcare cost trend rates – 7.50 percent for 2025, decreasing 0.50 percent per year through 2028 and 0.25 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2032, and later.
- Participation rates of: benefit C only 90.0 percent; benefit D only 2.5 percent; benefits B and C 2.5 percent; and benefits B and D 5.0 percent.

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at beginning of year	$ 1,116,253
Changes for the year:	
Service cost	25,834
Interest	46,101
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(24,988)
Benefit payments	(34,803)
Net changes	12,144
Balance at end of year	$ 1,128,397

Changes of assumptions or other inputs reflect the following changes:

- The increase in the discount rate from 4.13 percent in 2024 to 4.29 percent in 2025

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 (3.29 percent) or one-percentage point higher (5.29 percent) than the current discount rate

	1% Decrease (3.29)%	Current Discount Rate (4.29)%	1% Increase (5.29)%
OPEB Plan - Total OPEB Liability	$ 1,297,641	$ 1,128,397	$ 992,180

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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
OPEB Plan - Total OPEB Liability	$ 1,117,169	$ 1,128,397	$ 1,145,527

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the College recognized OPEB expense of $64,119. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2025:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 15,867	$ 127,144
Changes of assumptions or other inputs	187,979	271,761
Benefit payments made subsequent to the measurement date	52,868	-
	$ 256,714	$ 398,905

The $52,868 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. 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:

2026	$	(11,837)
2027		(14,239)
2028		(53,435)
2029		(53,430)
2030		(47,076)
Thereafter		(15,042)
	$	(195,059)

NOTE 15: RESTATEMENT OF BEGINNING NET POSITION

A. Component unit

Reading Area Community College

During the year ended June 30, 2025, the College adopted new accounting guidance GASB Statement No. 101, retroactive July 1, 2023. GASB Statement No. 101 was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The following restatements were made to implement the new accounting guidance:

Net position for June 30, 2023	$	55,930,719
Compensated absence liability		(540,664)
Restated net position for June 30, 2023		55,390,055
Original change in net position for the year ended June 30, 2024		9,511,019
Adjustment to operating expenses		91,791
Restated net position for June 30, 2024	$	64,992,865

NOTE 16: PRIMARY FUNDING SOURCES

A. Component unit

Reading Area Community College

General state legislation establishing community colleges provides for the reimbursement of certain college expenses from Commonwealth funds appropriated for this purpose. For the

2025 fiscal year, the community colleges in the Commonwealth of Pennsylvania were funded by a fixed appropriation. Each college's share of the appropriation is allocated based on its prorated percentage of total community college eligible full-time equivalent enrollments in credit and noncredit courses generated throughout the Commonwealth's community college system. Capital expenditures, including debt services and net rental costs, are reimbursed to the extent appropriated. Any excesses or deficiencies between provisional payments and the final annual appropriation calculation in annual Commonwealth funding are reflected as a payable to or receivable from the Commonwealth. Total appropriations from the Commonwealth for the year ended June 30, 2025 were $11,638,709.

NOTE 17: UNRESTRICTED NET POSITION/ASSETS

A. Component unit

Reading Area Community College

Unrestricted net position/assets are not subject to donor-imposed restrictions. The College's board of trustees and the Foundation's board of directors have differentiated unrestricted net position/assets as board-designated or undesignated assets for the following purposes at June 30, 2025:

	Reading Area Community College	Foundation for Reading Area Community College
Designated:		
Capital	$ 1,453,064	$ -
Technology	3,232,564	-
Campus enhancements	3,791,564	-
Challenge match	-	1,022,078
Books and equipment	-	115,021
Scholarships	-	300,710
Arts & culture	-	13,572
Student emergency assistance	-	62,280
Planned giving campaign	-	462
Presidential scholarships	-	260,000
Total designated	8,477,192	1,774,123
Undesignated	17,757,090	1,010,836
Total unrestricted net position/assets	$ 26,234,282	$ 2,784,959

NOTE 18: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 30, 2026. This is the date that the financial statements were available to be issued.

Subsequent to December 31, 2025, and prior to the issuance of these financial statements, on April 28, 2026, the County issued General Obligation Bonds, Series of 2026, in the aggregate principal amount of $26,990,000. The bonds were issued for the purpose of capital improvements and other projects.

Subsequent to December 31, 2025 and prior to the issuance of these financial statements, the County entered into an intergovernmental cooperation agreement with Lehigh, Dauphin, and Lackawanna Counties to establish the Southwest Youth Detention Agency for the purpose of developing and operating a regional juvenile detention facility located in Berks County. The facility is expected to provide approximately 40 detention beds, with participating counties receiving allocated capacity under the agreement. The County anticipates financing a portion of the project through the issuance of debt for facility renovations and improvements. The facility is currently expected to commence operations in 2027.

Subsequent to December 31, 2025, and prior to the issuance of these financial statements, the County approved the acquisition of the property located at 600 Penn Street, Reading, Pennsylvania, commonly known as the former Wells Fargo Building. The acquisition is intended to facilitate the consolidation of various County administrative departments into a centralized County Government Center. As part of the County's long-term facilities strategy, the relocation of administrative operations to 600 Penn Street is expected to allow the existing County Services Center to be repurposed for judicial functions, including court operation and related services.

The total acquisition and renovation costs are currently being evaluated and will be financed through a combination of available resources and/or debt issuances, as determined by the County Commissioners.

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.

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property	$ 179,670,663	$ 179,670,663	$ 179,896,097	$ 225,434
Court costs, fines and forfeitures	2,315,518	2,315,518	2,598,688	283,170
Intergovernmental revenue	15,099,338	19,709,141	19,176,388	(532,753)
Departmental charges and reimbursements	60,384,318	60,787,105	59,471,670	(1,315,435)
Payments in lieu of taxes	276,063	276,063	347,998	71,935
Rentals	456,940	456,940	376,500	(80,440)
Sales of property, supplies and equipment	27,956	27,956	127,264	99,308
Investment earnings	8,574,335	8,574,335	10,871,524	2,297,189
Miscellaneous	14,812,502	14,818,224	14,851,549	33,325
Total revenues	281,617,633	286,635,945	287,717,678	1,081,733
Expenditures				
General government, administrative:				
Commissioners	3,091,909	3,123,111	3,052,612	70,499
Solicitors	3,140,301	3,147,075	2,599,569	547,506
Facilities	42,653,636	24,467,474	20,195,160	4,272,314
Courthouse Security	1,358,128	1,375,354	1,275,048	100,306
Election Services	5,075,122	5,193,939	5,252,480	(58,541)
Real Estate Assessment	4,184,280	4,991,417	4,498,725	492,692
Treasurer	1,045,731	1,096,506	1,123,082	(26,576)
Tax Collectors	450,082	450,069	445,475	4,594
Tax Claim Bureau	1,138,764	1,157,974	1,047,964	110,010
Controller	2,767,214	2,843,844	2,640,890	202,954
Recorder of Deeds	1,318,515	1,343,232	1,274,567	68,665
Mailroom/Printing	634,957	655,868	658,418	(2,550)
Information Systems	10,323,225	7,425,634	5,641,180	1,784,454
Purchasing	1,482,537	1,511,300	1,285,327	225,973
Archives	544,612	552,291	459,928	92,363
Budget	1,949,035	1,729,071	1,609,737	119,334
Human Resources	7,436,182	7,516,925	7,250,940	265,985
Insurance	2,851,032	2,851,032	2,226,843	624,189
Telecommunications	81,684	40,136	31,695	8,441
Veterans Affairs	891,597	944,250	874,952	69,298
Total general government, administrative	92,418,543	72,416,502	63,444,592	8,971,910
General government, judicial:				
Register of Wills	1,285,116	1,316,937	1,334,555	(17,618)
Sheriff	12,001,879	12,319,431	11,621,035	698,396
Coroner	2,330,087	2,463,478	2,420,455	43,023
Prothonotary	2,642,724	2,708,023	2,532,242	175,781
Clerk of Courts	3,261,543	3,338,915	3,289,036	49,879
Public Defender	5,095,605	5,212,814	4,755,299	457,515
District Attorney	16,127,424	16,542,335	16,276,370	265,965
Law Library	700,892	633,900	549,296	84,604
Court Administration	11,629,859	11,885,954	12,183,882	(297,928)
District Justices	9,181,841	9,350,432	9,678,613	(328,181)
Court Reporters	2,840,335	2,875,416	2,931,157	(55,741)
Total general government, judicial	$ 67,097,305	$ 68,647,635	$ 67,571,940	$ 1,075,695

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	$ 11,169,630	$ 11,320,079	$ 11,796,329	$ (476,250)
Juvenile Probation	15,623,387	21,296,817	21,005,339	291,478
Prison	54,289,483	54,677,374	53,017,617	1,659,757
Community Corrections	373,893	414,345	422,577	(8,232)
Emergency Services Non Communications	2,546,194	3,353,190	2,435,118	918,072
Total public safety	84,002,587	91,061,805	88,676,980	2,384,825
Culture and Recreation:				
Berks County Public Libraries	4,954,023	5,004,907	5,003,609	1,298
Parks	4,841,458	4,429,284	4,040,451	388,833
Total culture and recreation	9,795,481	9,434,191	9,044,060	390,131
Community and Economic Development:				
Planning	2,329,909	2,370,705	2,274,539	96,166
Agricultural Extension Service	716,527	716,527	723,028	(6,501)
Agland Preservation	2,007,810	2,029,890	1,692,199	337,691
Total community and economic development	5,054,246	5,117,122	4,689,766	427,356
Public Works:				
Recycling	24,697	24,697	24,901	(204)
Community Support:				
Contributions:				
Community Bail Program	693,263	697,134	660,392	36,742
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	28,379,143	26,851,400	4,873,415	21,977,985
Berks Heim	14,644,192	14,644,192	14,644,192	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	47,866,598	46,342,726	24,327,999	22,014,727
Contingency:				
Contingency general	9,676,406	8,070,666	-	8,070,666
Intergovernmental:				
Solid Waste	290,981	291,070	290,802	268
Debt Service:				
Principal	8,492,501	8,492,501	9,637,800	(1,145,299)
Interest and fiscal charges	3,109,614	3,109,614	2,190,432	919,182
Administrative expenditures	9,250	9,250	8,500	750
Total debt service	11,611,365	11,611,365	11,836,732	(225,367)
Total expenditures for general fund	327,838,209	313,017,779	269,907,772	43,110,007
Excess (deficiency) of revenue over (under) expenditures	$ (46,220,576)	$ (26,381,834)	$ 17,809,906	$ 44,191,740

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Issuance of refunding bonds	$ 35,000,000	$ 35,000,000	$ -	$ (35,000,000)
Transfers in	3,736,609	8,736,609	8,701,126	(35,483)
Transfers out	(19,853,539)	(21,536,295)	(15,406,891)	6,129,404
Lease proceeds	-	-	1,166,928	1,166,928
Total other financing sources (uses)	18,883,070	22,200,314	(5,538,837)	(27,739,151)
Net change in fund balances	(27,337,506)	(4,181,520)	12,271,069	16,452,589
Fund balances, beginning			198,332,588	
Fund balances, ending			$ 210,603,657	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 37,693,511	$ 39,537,200	$ 38,231,878	$ (1,305,322)
Departmental charges and reimbursements	484,534	484,534	435,814	(48,720)
Miscellaneous	735	735	300	(435)
Total revenues	38,178,780	40,022,469	38,667,992	(1,354,477)
Expenditures				
Current:				
Human services	45,424,687	47,421,466	41,464,512	5,956,954
Total expenditures	45,424,687	47,421,466	41,464,512	5,956,954
Excess (deficiency) of revenue over (under) expenditures	(7,245,907)	(7,398,997)	(2,796,520)	4,602,477
Other financing sources (uses):				
Transfers in	7,245,907	7,398,997	2,795,919	(4,603,078)
Total other financing sources (uses)	7,245,907	7,398,997	2,795,919	(4,603,078)
Net change in fund balances	-	-	(601)	(601)
Fund balances, beginning			24,923	
Fund balances, ending			$ 24,322	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 168,658,607	$ 168,658,607	$ 160,937,005	$ (7,721,602)
Departmental charges and reimbursements	9,083	9,083	-	(9,083)
Investment earnings	900,000	900,000	1,082,942	182,942
Total revenues	169,567,690	169,567,690	162,019,947	(7,547,743)
Expenditures				
Current:				
Human services	169,567,690	169,567,690	162,019,947	7,547,743
Total expenditures	169,567,690	169,567,690	162,019,947	7,547,743
Net change in fund balances	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 5,674,426	$ 12,654,727	$ 8,854,590	$ (3,800,137)
Investment earnings	-	3,800	7,747	3,947
Total revenues	5,674,426	12,658,527	8,862,337	(3,796,190)
Expenditures				
Current:				
Human services	7,106,788	13,898,498	11,913,241	1,985,257
Total expenditures	7,106,788	13,898,498	11,913,241	1,985,257
Excess (deficiency) of revenue over (under) expenditures	(1,432,362)	(1,239,971)	(3,050,904)	(1,810,933)
Other financing sources (uses):				
Transfers in	1,432,362	1,239,971	1,239,970	(1)
Total other financing sources (uses)	1,432,362	1,239,971	1,239,970	(1)
Net change in fund balances	-	-	(1,810,934)	(1,810,934)
Fund balances, beginning			4,432,422	
Fund balances, ending			$ 2,621,488	

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.

Note 2: Excess of expenditures over appropriations

On Schedule of Revenues, Expenditures, and Fund Balances, actual Debt Service expenditures exceed final budgeted amounts. This is due to the actual amounts containing principal and interest components for bonds, loans and notes payable, as well as GASB 87 leases and GASB 96 SBITA. Principal and interest expenditures were not budgeted for GASB 87 and GASB 96 principal and interest amounts.

For Public Works - Recycling, the $204 favorable variance is a result of lower than anticipated telephone local/long distance expense, ($368), offset by higher than anticipated Electricity expense, $163.45, which combined equal the $204 variance.

For the GF Debt variance, the County budgeted the amount in anticipation of bond issuance, however, this was postponed until 2026 to take advantage of better rates , which resulted in lower financing costs.

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 10,744,207	$ 9,706,944	$ 8,820,227	$ 10,525,761	$ 10,022,547	$ 10,088,504	$ 9,947,632	$ 9,849,878	$ 11,027,621	$ 10,623,914
Interest	44,331,828	42,865,894	40,705,919	38,824,582	37,214,627	35,784,446	34,184,164	32,446,090	30,192,609	29,071,529
Differences between expected and actual experience	2,828,995	10,828,616	8,590,744	3,393,455	262,938	1,496,290	3,992,429	2,596,591	(5,056,232)	(501,667)
Changes of Assumptions (1)	-	-	-	-	-	-	-	5,599,573	-	-
Other	(11,246,631)	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(34,088,058)	(33,436,110)	(31,482,822)	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)
Net change in total pension liability	12,570,341	29,965,344	26,634,068	21,912,705	18,954,339	21,858,456	24,732,946	27,453,389	15,745,450	19,811,000
Total pension liability, beginning	597,390,859	567,425,515	540,791,447	518,878,742	499,924,403	478,065,947	453,333,001	425,879,612	410,134,162	390,323,162
Total pension liability, ending	$ 609,961,200	$ 597,390,859	$ 567,425,515	$ 540,791,447	$ 518,878,742	$ 499,924,403	$ 478,065,947	$ 453,333,001	$ 425,879,612	$ 410,134,162
Plan fiduciary net position										
Contributions-employer	$ 7,070,095	$ 4,727,765	$ 771,559	$ 48,474	$ 4,329,291	$ 5,188,611	$ 4,411,739	$ 3,648,063	$ 2,601,477	$ 2,088,776
Contributions-member	9,178,764	8,984,408	8,628,323	8,106,646	7,450,219	7,338,292	7,347,118	7,119,321	6,900,703	6,500,174
Net investment income	97,027,899	64,384,749	72,204,632	(84,607,899)	76,421,987	54,228,756	66,553,930	(23,240,032)	58,362,251	29,291,596
Other additions/deductions	(31,813)	(37,781)	(37,721)	(37,581)	(35,174)	(34,853)	(30,718)	(32,785)	(29,500)	(29,494)
Benefit payments, including refunds of member contributions	(34,088,058)	(33,436,110)	(31,482,822)	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)
Administrative expense	(71,840)	(41,550)	(41,500)	(34,500)	(34,500)	(17,000)	(38,415)	(38,339)	(38,035)	(41,575)
Net change in plan fiduciary net position	79,085,047	44,581,481	50,042,471	(107,355,953)	59,586,050	41,193,022	54,852,375	(35,582,515)	47,378,348	18,426,701
Plan fiduciary net position, beginning	572,245,308	527,663,827	477,621,356	584,977,309	525,391,259	484,198,237	429,345,862	464,928,377	417,550,029	399,123,328
Plan fiduciary net position, ending	$ 651,330,355	$ 572,245,308	$ 527,663,827	$ 477,621,356	$ 584,977,309	$ 525,391,259	$ 484,198,237	$ 429,345,862	$ 464,928,377	$ 417,550,029
County of Berks' net pension (liability) asset	$ 41,369,155	$ (25,145,551)	$ (39,761,688)	$ (63,170,091)	$ 66,098,567	$ 25,466,856	$ 6,132,290	$ (23,987,139)	$ 39,048,765	$ 7,415,867
Plan fiduciary net position as a percentage of total pension (liability) asset	106.78%	95.79%	92.99%	88.32%	112.74%	105.09%	101.28%	94.71%	109.17%	101.81%
Covered payroll	$ 131,601,692	$ 122,263,718	$ 116,011,387	$ 109,027,818	$ 110,465,715	$ 112,177,834	$ 108,888,713	$ 108,798,581	$ 104,729,710	$ 103,847,803
County of Berks' net pension (liability) asset as a percentage of covered payroll	31.44%	-20.57%	-34.27%	-57.94%	59.84%	22.70%	5.63%	-22.05%	37.29%	7.14%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	$ 7,070,095	$ 4,727,765	$ 771,559	$ 48,474	$ 4,329,291	$ 5,188,611	$ 4,411,739	$ 3,648,063	$ 2,601,477	$ 2,088,776
Pension prefunding	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	7,070,095	4,727,765	771,559	48,474	4,329,291	5,188,611	4,411,739	3,648,063	2,601,477	2,088,776
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 131,601,692	$ 122,263,718	$ 116,011,387	$ 109,027,818	$ 110,465,715	$ 112,177,834	$ 108,888,713	$ 108,798,581	$ 104,729,710	$ 103,847,803
Contributions as a percentage of covered payroll	5.37%	3.87%	0.67%	0.04%	3.92%	4.63%	4.05%	3.35%	2.48%	2.01%
Annual money-weighted rate of return, net of investment expense	17.18%	12.37%	15.43%	-14.71%	14.73%	11.31%	15.68%	-4.75%	13.80%	7.89%

Notes to Schedule:

Valuation date: January 1 of each year

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	Market Value adjusted for unrecognized gains and losses from prior years
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

READING AREA COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS - SERS PENSION PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion of the collective net pension liability	0.0024%	0.0025%	0.0023%	0.0019%	0.0025%	0.0011%	0.0011%	0.0011%	0.0011%	0.0010%
College's proportionate share of the collective net pension liability	$ 479,902	$ 527,982	$ 514,897	$ 281,279	$ 457,872	$ 203,835	$ 229,754	$ 190,475	$ 208,064	$ 186,577
College's covered payroll	$ 164,944	$ 169,921	$ 147,363	$ 139,656	$ 181,901	$ 65,722	$ 64,499	$ 63,254	$ 62,010	$ 60,606
College's proportionate share of the net pension liability as a percentage of its covered payroll	290.95%	310.72%	349.41%	201.41%	251.71%	310.15%	356.21%	301.13%	335.53%	307.85%
Plan fiduciary net position as a percentage of the total pension liability	67.70%	65.30%	61.50%	76.00%	67.00%	63.10%	56.40%	63.00%	57.80%	58.90%

The College's covered payroll noted above is as of the measurement date of the net pension liability, which is one year prior to the fiscal year end.

NOTES TO SCHEDULE

Changes of Benefit Terms
None.

Changes of Assumptions

The following actuarial assumptions were changed for the 2024 measurement date:
Salary increases - Average of 4.85% with a range of 3.30% to 6.95%, includes inflation at 2.50%

The following actuarial assumptions were changed for the 2022 measurement date:
The investment return 6.875%, including inflation at 2.50%, net of expenses
Salary increases - Average of 4.55% with a range of 3.30% to 6.95%, includes inflation at 2.50%

The following actuarial assumptions were changed for the 2021 measurement date:
The investment return 7.00%, including inflation at 2.50%, net of expenses
Salary increases - Average of 4.60% with a range of 3.30% to 6.95%, includes inflation at 2.50%

The following actuarial assumptions were changed for the 2020 measurement date:
The investment return 7.125%, including inflation at 2.50%, net of expenses

This schedule is presented to illustrate the requirement to show information for 10 years.

READING AREA COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS - PSERS PENSION PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
College's proportion of the collective net pension liability	0.0081%	0.0084%	0.0088%	0.0091%	0.0090%	0.0096%	0.0081%	0.0089%	0.0093%	0.0101%
College's proportionate share of the collective net pension liability	$ 3,390,000	$ 3,737,000	$ 3,912,000	$ 3,736,000	$ 4,432,000	$ 4,491,000	$ 3,888,000	$ 4,396,000	$ 4,609,000	$ 4,375,000
Commonwealth's proportionate share of the collective net pension liability	3,390,000	3,737,000	3,912,000	3,736,000	4,432,000	4,491,000	3,888,000	4,396,000	4,609,000	4,375,000
Total proportional share of the collective net pension liability	$ 6,780,000	$ 7,474,000	$ 7,824,000	$ 7,472,000	$ 8,864,000	$ 8,982,000	$ 7,776,000	$ 8,792,000	$ 9,218,000	$ 8,750,000
College's covered payroll	$ 1,283,798	$ 1,293,034	$ 1,294,814	$ 1,291,806	$ 1,254,994	$ 1,325,999	$ 1,090,131	$ 1,184,173	$ 1,202,332	$ 1,303,494
College's proportionate share of the net pension liability as a percentage of its covered payroll	264.06%	289.01%	302.13%	289.21%	353.15%	338.69%	356.65%	371.23%	383.34%	335.64%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

The College's covered payroll noted above is as of the measurement date of the net pension liability, which is one year prior to the fiscal year end.

NOTES TO SCHEDULE

Changes in benefit terms

With the passage of Act 5 on June 12, 2017, class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2021

- The Discount Rate decreased from 7.25% to 7.00%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.
- Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.
- For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2016

- The Investment Rate of Return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.
- Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to 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. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to 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.

READING AREA COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS - SERS PENSION PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 55,926	$ 55,738	$ 52,762	$ 43,895	$ 44,678	$ 21,231	$ 19,543	$ 18,751	$ 17,075	$ 15,211
Contributions in relation to the contractually required contribution	55,926	55,738	52,762	43,895	44,678	21,231	19,543	18,751	17,075	15,211
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 175,709	$ 161,690	$ 153,654	$ 136,852	$ 151,630	$ 60,013	$ 56,435	$ 54,444	$ 57,055	$ 62,156
Contributions as a percentage of covered payroll	31.83%	34.47%	34.34%	32.07%	29.47%	35.38%	34.63%	34.44%	29.93%	24.47%

READING AREA COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS - PSERS PENSION PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 453,471	$ 421,036	$ 429,801	$ 428,195	$ 425,022	$ 417,567	$ 407,862	$ 379,744	$ 347,998	$ 304,638
Contributions in relation to the contractually required contribution	453,471	421,036	429,801	428,195	425,022	417,567	407,862	379,744	347,998	304,638
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 1,353,472	$ 1,283,798	$ 1,293,034	$ 1,294,814	$ 1,291,806	$ 1,254,994	$ 1,325,999	$ 1,090,131	$ 1,184,173	$ 1,202,332
Contributions as a percentage of covered payroll	33.50%	32.80%	33.24%	33.07%	32.90%	33.27%	30.76%	34.83%	29.39%	25.34%

READING AREA COMMUNITY COLLEGE

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS - PSERS OPEB PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the collective net PSERS OPEB liability	0.0081%	0.0084%	0.0088%	0.0091%	0.0090%	0.0096%	0.0081%	0.0089%	0.0093%
College's proportionate share of the collective net PSERS OPEB liability	$ 144,000	$ 152,000	$ 162,000	$ 216,000	$ 192,000	$ 204,000	$ 169,000	$ 181,000	$ 200,000
Commonwealth's proportionate share of the collective net PSERS OPEB liability	144,000	152,000	162,000	216,000	192,000	204,000	169,000	181,000	200,000
Total proportionate share of the collective net PSERS OPEB liability	$ 288,000	$ 304,000	$ 324,000	$ 432,000	$ 384,000	$ 408,000	$ 338,000	$ 362,000	$ 400,000
College's covered payroll	$ 1,283,798	$ 1,293,034	$ 1,294,814	$ 1,291,806	$ 1,254,994	$ 1,325,999	$ 1,090,131	$ 1,184,173	$ 1,202,332
College's proportionate share of the net PSERS OPEB liability as a percentage of its covered payroll	11.22%	11.76%	12.51%	16.72%	15.30%	15.38%	15.50%	15.28%	16.63%
Plan fiduciary net position as a percentage of the total PSERS OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

The College's covered payroll noted above is as of the measurement date of the net PSERS OPEB liability, which is one year prior to the fiscal year end.

NOTES TO SCHEDULE

Changes in benefit terms
None.

Changes in assumptions used in measurement of the Total OPEB Liability beginning June 30, 2021

- The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.
- Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.
- For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the Total OPEB liability beginning June 30, 2016

- Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to 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. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to 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.

For each year presented, the discount rate is updated using the S&P 20-year Municipal Bond Rate.

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

READING AREA COMMUNITY COLLEGE

SCHEDULE OF COLLEGE CONTRIBUTIONS - PSERS OPEB PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 8,678	$ 8,143	$ 9,395	$ 10,078	$ 10,400	$ 10,514	$ 10,384	$ 9,930	$ 9,892	$ 10,236
Contributions in relation to the contractually required contribution	8,678	8,143	9,395	10,078	10,400	10,514	10,384	9,930	9,892	10,236
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 1,353,472	$ 1,283,798	$ 1,293,034	$ 1,294,814	$ 1,291,806	$ 1,254,994	$ 1,325,999	$ 1,090,131	$ 1,184,173	$ 1,202,332
Contributions as a percentage of covered payroll	0.64%	0.63%	0.73%	0.78%	0.81%	0.84%	0.78%	0.91%	0.84%	0.85%

READING AREA COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - COLLEGE OPEB PLAN

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service cost	$ 25,834	$ 29,669	$ 38,210	$ 53,140	$ 40,345	$ 39,476	$ 39,943	$ 27,177
Interest	46,101	40,515	30,177	30,896	37,418	37,446	34,291	38,101
Changes of benefit terms	-	-	-	-	-	-	-	18,119
Changes of assumptions or other inputs	(24,988)	(91,546)	(281,210)	195,018	274,384	84,543	(43,854)	(146,460)
Differences between expected and actual experience	-	21,155	-	(245,901)	-	(29,377)	-	178,636
Benefit payments	(34,803)	(28,039)	(39,742)	(34,106)	(23,215)	(30,610)	(20,623)	(110,238)
Net change in total OPEB liability	12,144	(28,246)	(252,565)	(953)	328,932	101,478	9,757	5,335
Total OPEB liability, beginning	1,116,253	1,144,499	1,397,064	1,398,017	1,069,085	967,607	957,850	952,515
Total OPEB liability, ending	$ 1,128,397	$ 1,116,253	$ 1,144,499	$ 1,397,064	$ 1,398,017	$ 1,069,085	$ 967,607	$ 957,850
Covered Employee Payroll	$ 14,043,163	$ 14,402,827	$ 12,786,284	$ 12,474,423	$ 12,043,163	$ 11,749,427	$ 11,414,104	$ 11,135,711
Total OPEB liability as a Percentage of Covered Employee Payroll	8.04%	7.75%	8.95%	11.20%	11.61%	9.10%	8.48%	8.60%

NOTES TO SCHEDULE

Changes of Benefit Terms
June 30, 2018 - As of July 1, 2017, eligible retirees are able to continue medical coverage for 2 years, regardless of their age.
Also, employees hired after July 1, 2017 will not be eligible for retiree life insurance coverage.

Changes of Assumptions
Significant changes in assumptions for the July 1, 2023 measurement date are as follows:

- The assumed medical trend rates were updated.

The discount rate used for fiscal year end:

2025 4.29%
2024 4.13%
2023 3.54%
2022 2.16%
2021 2.21%
2020 3.50%
2019 3.87%
2018 3.58%

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

OTHER SUPPLEMENTAL INFORMATION

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

	Special Revenue			
	Liquid Fuels	**Domestic Relations**	**Employment & Training**	**Office of Aging**
Assets				
Cash and cash equivalents	$ 2,676,197	$ 250	$ -	$ 225
Cash and cash equivalents, restricted	23,473,053	-	-	-
Accounts receivable	-	5,234	53,631	13,817
Due from other governments	-	2,335,293	582,027	175,000
Due from other funds	-	-	1,669,527	8,020,892
Prepaid expenses	-	-	-	-
Total assets	$ 26,149,250	$ 2,340,777	$ 2,305,185	$ 8,209,934
Liabilities				
Accounts payable	$ 67,992	$ 5,766	$ 423,041	$ 35,961
Accrued liabilities	-	215,092	14,661	126,402
Due to other funds	965,452	2,029,639	83,909	105,629
Unearned revenue	-	-	-	1,867,966
Due to third parties	-	-	-	-
Accrued claims health insurance	1,425	90,280	8,119	54,036
Payable from restricted assets	-	-	-	-
Total liabilities	1,034,869	2,340,777	529,730	2,189,994
Deferred inflows of resources				
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	25,114,381	-	1,775,455	6,019,940
Total fund balances	25,114,381	-	1,775,455	6,019,940
Total liabilities, deferred inflows of resources and fund balances	$ 26,149,250	$ 2,340,777	$ 2,305,185	$ 8,209,934

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Department of Emergency Services
Assets				
Cash and cash equivalents	$ -	$ -	$ -	$ 2,477,939
Cash and cash equivalents, restricted	1,835,980	-	-	9,949
Accounts receivable	18,271	-	-	2,402,926
Due from other governments	-	615,611	59,353	-
Due from other funds	1,697,258	8,648,053	192,563	107,520
Prepaid expenses	-	-	-	1,952,920
Total assets	$ 3,551,509	$ 9,263,664	$ 251,916	$ 6,951,254
Liabilities				
Accounts payable	$ 461,848	$ 1,736,468	$ 223,389	$ 45,454
Accrued liabilities	-	15,079	1,112	284,995
Due to other funds	33,050	824,509	-	6,507,139
Unearned revenue	-	6,192,994	18,962	24,374
Due to third parties	211,358	-	-	-
Accrued claims health insurance	-	6,319	465	89,292
Payable from restricted assets	-	488,295	-	-
Total liabilities	706,256	9,263,664	243,928	6,951,254
Deferred inflows of resources				
Total deferred inflows of resources	-	-	-	-
Fund balances				
Nonspendable	-	-	-	1,952,920
Restricted	2,845,253	-	7,988	(1,952,920)
Total fund balances	2,845,253	-	7,988	-
Total liabilities, deferred inflows of resources and fund balances	$ 3,551,509	$ 9,263,664	$ 251,916	$ 6,951,254

	Special Revenue		
	Community Development	Youth Center	Total
Assets			
Cash and cash equivalents	$ -	$ 250	$ 5,154,861
Cash and cash equivalents, restricted	-	-	25,318,982
Accounts receivable	124,744	71,572	2,690,195
Due from other governments	-	-	3,767,284
Due from other funds	-	124,363	20,460,176
Prepaid expenses	-	-	1,952,920
Total assets	$ 124,744	$ 196,185	$ 59,344,418
Liabilities			
Accounts payable	$ 59,022	$ 29,430	$ 3,088,371
Accrued liabilities	-	123,094	780,435
Due to other funds	65,722	-	10,615,049
Unearned revenue	-	-	8,104,296
Due to third parties	-	-	211,358
Accrued claims health insurance	-	43,661	293,597
Payable from restricted assets	-	-	488,295
Total liabilities	124,744	196,185	23,581,401
Deferred inflows of resources			
Total deferred inflows of resources	-	-	-
Fund balances			
Nonspendable	-	-	1,952,920
Restricted	-	-	33,810,097
Total fund balances	-	-	35,763,017
Total liabilities, deferred inflows of resources and fund balances	$ 124,744	$ 196,185	$ 59,344,418

	Special Revenue			
	Liquid Fuels	**Domestic Relations**	**Employment & Training**	**Office of Aging**
Revenues				
Hotel	$ -	$ -	$ -	$ -
Intergovernmental revenue	1,613,626	5,708,862	6,382,347	9,336,259
Departmental charges and reimbursements	2,139,890	63,017	320,074	171,056
Rentals	7,400	-	-	-
Investment earnings	658,633	-	-	213,547
Miscellaneous	67,624	-	-	100
Total revenues	4,487,173	5,771,879	6,702,421	9,720,962
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	8,251,475	6,716,259	9,666,526
Community and economic development	-	-	-	-
Public works	1,208,590	-	-	-
Debt service:				
Principal	-	-	869	8,427
Interest and fiscal charges	-	-	2,561	24,823
Total expenditures	1,208,590	8,251,475	6,719,689	9,699,776
Excess (deficiency) of revenues over (under) expenditures	3,278,583	(2,479,596)	(17,268)	21,186
Other financing sources (uses)				
Transfers in	-	2,479,596	4,109	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	2,479,596	4,109	-
Net change in fund balances	3,278,583	-	(13,159)	21,186
Fund balances, beginning, as previously presented	21,835,798	-	1,788,614	522,642
Error correction	-	-	-	5,476,112
Fund balances, beginning, as restated	21,835,798	-	1,788,614	5,998,754
Fund balances, ending	$ 25,114,381	$ -	$ 1,775,455	$ 6,019,940

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Department of Emergency Services
Revenues				
Hotel	$ 3,379,862	$ -	$ -	$ -
Intergovernmental revenue	-	20,397,886	1,069,443	82,040
Departmental charges and reimbursements	1,961,727	-	-	13,761,271
Rentals	-	-	-	41,529
Investment earnings	59,052	187,596	3,184	34,652
Miscellaneous	-	-	-	-
Total revenues	5,400,641	20,585,482	1,072,627	13,919,492
Expenditures				
Current:				
General government, administrative	3,944,256	-	-	-
General government, judicial	599,086	-	-	-
Public safety	-	-	-	13,455,647
Human services	-	21,477,561	1,074,261	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Debt service:				
Principal	-	-	-	1,712,290
Interest and fiscal charges	-	-	-	599,881
Total expenditures	4,543,342	21,477,561	1,074,261	15,767,818
Excess (deficiency) of revenues over (under) expenditures	857,299	(892,079)	(1,634)	(1,848,326)
Other financing sources (uses)				
Transfers in	-	892,079	-	1,848,326
Transfers out	(1,051,626)	-	(2,607)	-
Total other financing sources (uses)	(1,051,626)	892,079	(2,607)	1,848,326
Net change in fund balances	(194,327)	-	(4,241)	-
Fund balances, beginning, as previously presented	3,039,580	-	12,229	-
Error correction	-	-	-	-
Fund balances, beginning, as restated	3,039,580	-	12,229	-
Fund balances, ending	$ 2,845,253	$ -	$ 7,988	$ -

	Special Revenue		
	Community Development	**Youth Center**	**Total Governmental**
Revenues			
Hotel	$ -	$ -	$ 3,379,862
Intergovernmental revenue	5,920,738	-	50,511,201
Departmental charges and reimbursements	575,055	5,387,830	24,379,920
Rentals	-	-	48,929
Investment earnings	-	-	1,156,664
Miscellaneous	-	18,523	86,247
Total revenues	6,495,793	5,406,353	79,562,823
Expenditures			
Current:			
General government, administrative	-	-	3,944,256
General government, judicial	-	-	599,086
Public safety	-	-	13,455,647
Human services	-	5,406,353	52,592,435
Community and economic development	6,495,793	-	6,495,793
Public works	-	-	1,208,590
Debt service:			
Principal	-	-	1,721,586
Interest and fiscal charges	-	-	627,265
Total expenditures	6,495,793	5,406,353	80,644,658
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,081,835)
Other financing sources (uses)			
Transfers in	-	-	5,224,110
Transfers out	-	-	(1,054,233)
Total other financing sources (uses)	-	-	4,169,877
Net change in fund balances	-	-	3,088,042
Fund balances, beginning, as previously presented	-	-	27,198,863
Error correction	-	-	5,476,112
Fund balances, beginning, as restated	-	-	32,674,975
Fund balances, ending	$ -	$ -	$ 35,763,017

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 1,673,164	$ 1,673,164	$ 1,613,626	$ (59,538)
Departmental charges and reimbursements	2,075,020	2,075,020	2,139,890	64,870
Rentals	11,100	11,100	7,400	(3,700)
Investment earnings	724,890	724,890	658,633	(66,257)
Miscellaneous	-	60,910	67,624	6,714
Total revenues	4,484,174	4,545,084	4,487,173	(57,911)
Expenditures				
Current:				
Public works	5,134,408	2,632,764	1,208,590	1,424,174
Total expenditures	5,134,408	2,632,764	1,208,590	1,424,174
Net change in fund balances (deficits)	(650,234)	1,912,320	3,278,583	1,366,263
Fund balances, beginning			21,835,798	
Fund balances, ending			$ 25,114,381	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 5,784,203	$ 5,782,830	$ 5,708,862	$ (73,968)
Departmental charges and reimbursements	63,400	63,400	63,017	(383)
Total revenues	5,847,603	5,846,230	5,771,879	(74,351)
Expenditures				
Current:				
Human services	8,510,571	8,508,492	8,251,475	257,017
Total expenditures	8,510,571	8,508,492	8,251,475	257,017
Excess (deficiency) of revenue over (under) expenditures	(2,662,968)	(2,662,262)	(2,479,596)	182,666
Other financing sources (uses):				
Transfers in	2,662,968	2,662,262	2,479,596	(182,666)
Total other financing sources (uses)	2,662,968	2,662,262	2,479,596	(182,666)
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 6,338,840	$ 7,331,672	$ 6,382,347	$ (949,325)
Departmental charges and reimbursements	377,574	382,814	320,074	(62,740)
Total revenues	6,716,414	7,714,486	6,702,421	(1,012,065)
Expenditures				
Current:				
Human services	6,716,414	7,742,918	6,716,259	1,026,659
Principal	-	-	869	(869)
Interest and fiscal charges	-	-	2,561	(2,561)
Total expenditures	6,716,414	7,742,918	6,719,689	1,023,229
Excess (deficiency) of revenue over (under) expenditures	-	(28,432)	(17,268)	11,164
Other financing sources (uses):				
Transfers in	-	4,217	4,109	(108)
Total other financing sources (uses)	-	4,217	4,109	(108)
Net change in fund balances (deficits)	-	(24,215)	(13,159)	11,056
Fund balances, beginning			1,788,614	
Fund balances, ending			$ 1,775,455	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 10,146,232	$ 13,534,390	$ 9,336,259	$ (4,198,131)
Departmental charges and reimbursements	162,800	162,800	171,056	8,256
Investment earnings	139,300	250,403	213,547	(36,856)
Miscellaneous	-	-	100	100
Total revenues	10,448,332	13,947,593	9,720,962	(4,226,631)
Expenditures				
Current:				
Human services	9,981,744	13,661,820	9,666,526	3,995,294
Principal	-	-	8,427	(8,427)
Interest and fiscal charges	-	-	24,823	(24,823)
Total expenditures	9,981,744	13,661,820	9,699,776	3,962,044
Net change in fund balances (deficits)	466,588	285,773	21,186	(264,587)
Fund balances, beginning			522,642	
Error correction			5,476,112	
Fund balances, beginning, as restated			5,998,754	
Fund balances, ending			$ 6,019,940	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Hotel	$ 3,137,636	$ 3,137,636	$ 3,379,862	$ 242,226
Departmental charges and reimbursements	1,935,178	1,935,178	1,961,727	26,549
Investment earnings	71,514	71,514	59,052	(12,462)
Total revenues	5,144,328	5,144,328	5,400,641	256,313
Expenditures				
Current:				
General government, administrative	3,447,971	3,535,088	3,944,256	(409,168)
General government, judicial	574,883	785,344	599,086	186,258
Total expenditures	4,022,854	4,320,432	4,543,342	(222,910)
Excess (deficiency) of revenue over (under) expenditures	1,121,474	823,896	857,299	33,403
Other financing sources (uses):				
Transfers out	(1,087,109)	(1,087,109)	(1,051,626)	35,483
Total other financing sources (uses)	(1,087,109)	(1,087,109)	(1,051,626)	35,483
Net change in fund balances (deficits)	34,365	(263,213)	(194,327)	68,886
Fund balances, beginning			3,039,580	
Fund balances, ending			$ 2,845,253	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 22,173,847	$ 24,134,931	$ 20,397,886	$ (3,737,045)
Investment earnings	105,000	105,000	187,596	82,596
Total revenues	22,278,847	24,239,931	20,585,482	(3,654,449)
Expenditures				
Current:				
Human services	23,292,668	25,336,269	21,477,561	3,858,708
Total expenditures	23,292,668	25,336,269	21,477,561	3,858,708
Excess (deficiency) of revenue over (under) expenditures	(1,013,821)	(1,096,338)	(892,079)	204,259
Other financing sources (uses):				
Transfers in	1,013,821	1,096,338	892,079	(204,259)
Total other financing sources (uses)	1,013,821	1,096,338	892,079	(204,259)
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 943,895	$ 1,154,020	$ 1,069,443	$ (84,577)
Investment earnings	5,200	5,200	3,184	(2,016)
Total revenues	949,095	1,159,220	1,072,627	(86,593)
Expenditures				
Current:				
Human services	949,095	1,159,220	1,074,261	84,959
Total expenditures	949,095	1,159,220	1,074,261	84,959
Excess (deficiency) of revenue over (under) expenditures	-	-	(1,634)	(1,634)
Other financing sources (uses):				
Transfers out	-	(2,609)	(2,607)	2
Total other financing sources (uses)	-	(2,609)	(2,607)	2
Net change in fund balances (deficits)	-	(2,609)	(4,241)	(1,632)
Fund balances, beginning			12,229	
Fund balances, ending			$ 7,988	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 45,000	$ 45,000	$ 82,040	$ 37,040
Departmental charges and reimbursements	13,906,938	13,906,938	13,761,271	(145,667)
Rentals	40,073	40,073	41,529	1,456
Investment earnings	42,200	42,200	34,652	(7,548)
Total revenues	14,034,211	14,034,211	13,919,492	(114,719)
Expenditures				
Current:				
Public safety	18,071,020	14,486,658	13,455,647	1,031,011
Principal	1,712,290	1,712,290	1,712,290	-
Interest and fiscal charges	599,882	599,882	599,881	1
Total expenditures	20,383,192	16,798,830	15,767,818	1,031,012
Excess (deficiency) of revenue over (under) expenditures	(6,348,981)	(2,764,619)	(1,848,326)	916,293
Other financing sources (uses):				
Transfers in	6,348,981	2,764,619	1,848,326	(916,293)
Total other financing sources (uses)	6,348,981	2,764,619	1,848,326	(916,293)
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	$ 3,321,700	$ 5,920,742	$ 5,920,738	$ (4)
Departmental charges and reimbursements	471,041	575,056	575,055	(1)
Total revenues	3,792,741	6,495,798	6,495,793	(5)
Expenditures				
Current:				
Community and economic development	3,792,741	6,495,798	6,495,793	5
Total expenditures	3,792,741	6,495,798	6,495,793	5
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Departmental charges and reimbursements	$ 5,589,764	$ 5,589,764	$ 5,387,830	$ (201,934)
Miscellaneous	-	-	18,523	18,523
Total revenues	5,589,764	5,589,764	5,406,353	(183,411)
Expenditures				
Current:				
Human services	5,589,764	5,589,764	5,406,353	183,411
Total expenditures	5,589,764	5,589,764	5,406,353	183,411
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			$ -	

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	$ 37,423,410	$ 37,423,410	$ 37,572,237	$ 148,827
Other operating revenues	29,154,110	29,154,110	26,323,651	(2,830,459)
Total operating revenues	66,577,520	66,577,520	63,895,888	(2,681,632)
Operating expenses				
Financial administration	3,500,572	3,667,404	3,602,712	64,692
Administrative expenses	1,907,847	1,923,475	487,617	1,435,858
Special services	136,856	136,878	127,100	9,778
Dietary	4,001,808	4,158,818	3,975,551	183,267
Laundry	836,573	847,573	841,086	6,487
Environmental services	2,178,657	2,178,657	2,055,605	123,052
Plant operations	1,809,064	1,813,054	1,869,550	(56,496)
Nursing	24,628,786	24,341,216	24,129,998	211,218
Physician services	58,983	58,983	53,607	5,376
Pharmacy services	410,000	463,600	408,033	55,567
Medical services	358,776	358,776	341,582	17,194
Therapeutic activity	661,878	661,878	527,594	134,284
Social service	468,461	468,461	459,859	8,602
Physical therapy service	1,451,259	1,506,903	1,489,001	17,902
Staff development	528,280	528,671	512,663	16,008
Materials management	211,496	211,521	217,267	(5,746)
Personnel	200,977	200,977	197,569	3,408
Security	401,586	401,586	330,598	70,988
Volunteers	103,397	103,397	95,010	8,387
Nursing administration	2,144,746	2,117,186	1,865,599	251,587
Admissions	298,417	298,917	270,252	28,665
Depreciation	-	-	1,822,512	(1,822,512)
Total operating expenses	46,298,419	46,447,931	45,680,365	767,566
Operating income (loss)	20,279,101	20,129,589	18,215,523	(1,914,066)
Nonoperating revenues (expenses)				
Grants	5,000	30,000	-	(30,000)
Investment earnings	7,900	7,900	62,209	54,309
Interest expense	(253,707)	(253,707)	(241,124)	12,583
Contribution to General Fund	(14,644,679)	(14,644,679)	(14,644,679)	-
Total nonoperating revenues (expenditures)	(14,885,486)	(14,860,486)	(14,823,594)	36,892
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-
Income (loss) before transfers	3,893,615	3,769,103	1,891,929	(1,877,174)
Total net position, beginning			30,678,253	
Total net position, ending			$ 32,570,182	

Note 1: Excess of expenditures over appropriations

On page 167, actual expenditures exceed final budgeted amounts. The budgeted amounts represent a best estimate. Actual expenditures may exceed budgeted amounts due to the presence of accounts with advisory control and not absolute control.

County of Berks, Pennsylvania Annual Comprehensive Financial Report

Statistical Information

for the Year Ending December 31, 2025

County of Berks
Statistical Section - Categories
Year Ended December 31, 2025

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 information 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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	(Restated)		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
Governmental activities										
Net Investment in Capital Assets	$ 233,517,660	$ 231,777,284	$ 220,237,338	$ 182,579,908	$ 180,572,215	$ 174,067,177	$ 137,967,636	$ 114,240,905	$ 95,148,395	$ 81,931,824
Restricted	165,819,847	166,870,382	165,651,719	118,556,834	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168
Unrestricted	74,628,828	49,128,866	57,562,784	110,170,849	123,664,386	99,616,177	97,549,776	86,028,855	117,240,734	129,854,361
Total governmental activities net position	$ 473,966,335	$ 447,776,532	$ 443,451,841	$ 411,307,591	$ 382,308,054	$ 343,540,639	$ 306,167,548	$ 284,747,074	$ 271,624,147	$ 252,194,353
Business-type activities										
Net Investment in Capital Assets	$ 15,700,330	$ 14,313,989	$ 13,085,486	$ 18,160,887	$ 15,678,107	$ 15,084,385	$ 13,783,851	$ 12,114,745	$ 12,977,783	$ 13,723,645
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	16,869,852	16,364,264	19,469,671	17,107,747	19,513,359	16,546,493	12,859,882	4,815,598	3,236,555	441,397
Total business-type activities net position	$ 32,570,182	$ 30,678,253	$ 32,555,157	$ 35,268,634	$ 35,191,466	$ 31,630,878	$ 26,643,733	$ 16,930,343	$ 16,214,338	$ 14,165,042
Primary government										
Net Investment in Capital Assets	$ 249,217,990	$ 246,091,273	$ 233,322,824	$ 200,740,795	$ 196,250,322	$ 189,151,562	$ 151,751,487	$ 126,355,650	$ 108,126,178	$ 95,655,469
Restricted	165,819,847	166,870,382	165,651,719	118,556,834	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168
Unrestricted	91,498,680	65,493,130	77,032,455	127,278,596	143,177,745	116,162,670	110,409,658	90,844,453	120,477,289	130,295,758
Total primary government net position	$ 506,536,517	$ 478,454,785	$ 476,006,998	$ 446,576,225	$ 417,499,520	$ 375,171,517	$ 332,811,281	$ 301,677,417	$ 287,838,485	$ 266,359,395

Explanations for Restatements:

2025 governmental activities beginning balances were restated to correct errors and estimates in various departments, particularly Aging Department.

2023 governmental activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth and Employment & Training, as well as in the general fund from the closure of the Berks County Residential Center.

2022 governmental activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Courts, Treasurer, Prison, Sheriff, and Special Legislation.

2021 governmental activities and business-type activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2020 governmental activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2019 governmental activities and business-type activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, Parks, Aging, and Berks Heim.

2018 governmental activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, Parks, Aging, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2017 governmental activities and business-type activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Mental Health/Developmental Disabilities, Aging, and Domestic Relations, as well as in the general fund for capital projects.

2016 governmental activities beginning balances were restated to correct errors and estimates in various departments, including Mental Health/Developmental Disabilities, to correct pooled cash balances for capital projects, and to write off a receivable that was not the County's receivable.

Note: Certain amounts presented in the prior period have been reclassified to conform to the current year's financial statements.
Source: Statement of Net Position, Annual Comprehensive Financial Report

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
General government	$ 51,288,248	$ 81,070,188	$ 118,475,976	$ 104,901,381	$ 58,805,539	$ 86,633,329	$ 46,452,638	$ 48,039,250	$ 30,620,288	$ 36,082,577
Judicial	67,270,997	61,128,520	48,319,002	44,186,975	53,371,300	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752
Public safety	106,304,532	93,446,003	57,127,064	59,565,145	64,550,278	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374
Human services	261,671,501	234,788,579	253,725,745	258,160,117	235,602,652	220,735,108	201,850,983	203,987,908	204,645,396	195,370,229
Culture and recreation	10,602,726	10,100,548	9,781,384	8,712,348	8,145,378	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701
Community and economic development	13,081,345	17,212,103	16,957,238	32,637,998	47,331,860	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313
Public works	2,117,188	1,926,643	1,750,774	1,792,751	1,780,482	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162
Community support	2,511,840	1,379,707	2,463,064	3,303,363	3,323,528	2,117,029	2,124,745	2,770,282	626,679	601,605
Debt service administrative expenses	1,749,482	2,049,307	1,261,280	2,609,417	1,582,678	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762
Solid waste	267,703	254,157	255,520	268,753	269,950	264,912	314,950	191,695	359,419	1,176,581
Total governmental activities expenses	$ 516,865,562	$ 503,355,755	$ 510,117,047	$ 516,138,248	$ 474,763,645	$ 445,917,996	$ 406,771,725	$ 409,731,571	$ 386,631,184	$ 381,126,056
Business-type activities										
Department of Emergency Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Berks County Residential Center	-	-	3,432,785	7,538,390	6,427,559	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438
Berks Heim	60,566,168	63,173,090	58,881,793	48,102,228	44,212,317	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213
Total business-type activities expenses	60,566,168	63,173,090	62,314,578	55,640,618	50,639,876	54,988,401	58,956,628	58,926,691	56,239,120	54,738,651
Total primary government expenses	$ 577,431,730	$ 566,528,845	$ 572,431,625	$ 571,778,866	$ 525,403,521	$ 500,906,397	$ 465,728,353	$ 468,658,262	$ 442,870,304	$ 435,864,707
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 8,799,270	$ 8,475,086	$ 8,209,290	$ 9,066,380	$ 9,903,440	$ 8,157,798	$ 8,480,343	$ 8,944,575	$ 9,090,716	$ 8,170,571
Judicial	8,975,792	8,973,291	8,498,636	8,006,633	8,401,830	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779
Public safety	16,088,466	15,547,895	14,097,203	15,001,874	15,907,187	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735
Human services	6,053,998	14,887,890	709,182	16,324,938	1,139,778	1,231,915	1,124,165	1,274,856	1,505,680	1,529,874
Culture and recreation	97,065	82,370	48,886	39,223	24,285	36,503	120,948	216,108	201,503	575,744
Community and economic development	740,553	707,395	619,189	744,223	1,040,660	785,328	659,079	(4,916,987)	861,287	2,035,597
Public works	2,139,892	2,075,020	2,079,201	2,068,680	2,140,000	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078
Community support	500	11,150	3,780,736	-	-	-	-	-	-	-
Solid waste	3,228,361	4,169,263	4,278,694	4,880,200	4,793,065	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496
Other activities	-	1,726	-	4,500	75,365	140,920	227,835	1,471,216	1,521,986	1,543,670
Operating grants and contributions	275,365,687	248,657,101	306,497,092	322,698,933	307,439,223	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775
Capital grants and contributions	2,358,794	2,569,370	3,099,315	2,781,429	2,277,232	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124
Total governmental activities program revenues	$ 323,848,378	$ 306,157,557	$ 351,917,424	$ 381,617,013	$ 353,142,065	$ 326,065,562	$ 264,411,155	$ 261,369,670	$ 254,327,503	$ 257,410,443
Business-type activities										
Charges for services:										
Department of Emergency Services	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Berks County Residential Center	-	-	897,054	8,360,990	7,456,553	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182
Berks Heim	63,895,888	61,279,993	61,991,562	46,752,795	46,835,012	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629
Operating grants and contributions	-	4,882	426,305	1,622,373	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	7,463	8,384	8,587
Total business-type activities program revenues	63,895,888	61,284,875	63,314,921	56,736,158	54,291,565	56,420,710	62,493,896	60,860,053	59,304,928	56,741,398
Total primary government program revenues	$ 387,744,266	$ 367,442,432	$ 415,232,345	$ 438,353,171	$ 407,433,630	$ 382,486,272	$ 326,905,051	$ 322,229,723	$ 313,632,431	$ 314,151,841
Net (expense)/revenue										
Governmental activities	$ (193,017,184)	$ (197,198,198)	$ (158,199,623)	$ (134,521,235)	$ (121,621,580)	$ (119,852,434)	$ (142,360,570)	$ (148,361,901)	$ (132,303,681)	$ (123,715,613)
Business-type activities	3,329,720	(1,888,215)	1,000,343	1,095,540	3,651,689	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747
Total primary government net expense	$ (189,687,464)	$ (199,086,413)	$ (157,199,280)	$ (133,425,695)	$ (117,969,891)	$ (118,420,125)	$ (138,823,302)	$ (146,428,539)	$ (129,237,873)	$ (121,712,866)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	$ 180,181,185	$ 166,432,129	$ 152,372,336	$ 151,044,990	$ 148,417,095	$ 146,302,765	$ 145,013,522	$ 143,677,809	$ 136,828,317	$ 136,869,417
Hotel room	3,379,862	3,336,367	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126
Payments in lieu of taxes	347,998	292,512	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561
Investment earnings	13,118,877	13,926,471	15,369,618	(1,127,057)	(472,832)	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025
Changes in fair value of investment rate swaps	-	-	-	-	-	-	845,879	(2,273,517)	581,988	(1,109,819)
Rental of space	425,429	325,935	332,623	303,905	333,438	384,559	405,200	440,093	489,566	464,950
Miscellaneous	14,646,492	17,066,586	15,007,039	9,366,250	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	131,032	142,889	103,298	(211,310)	(286,385)	(2,015,390)	-	(281,413)	(690,319)	86,776
BCRC closing transfers	-	-	3,724,741	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	-
Transfer of assets to related entity	-	-	-	-	-	-	-	-	-	-
Transfers	1,500,000	-	-	1,033,000	1,088,977	1,088,977	1,088,977	1,088,979	1,083,238	(146,980)
Total governmental activities	$ 213,730,875	$ 201,522,889	$ 190,279,477	$ 163,776,347	$ 161,231,608	$ 161,333,469	$ 163,214,955	$ 156,379,779	$ 148,833,562	$ 145,255,063
Business-type activities										
Investment earnings	$ 62,209	$ 11,311	$ 10,921	$ 14,628	$ 1,316	$ 5,245	$ 6,013	$ 4,448	$ 14,667	$ 1,986
Changes in fair value of investment rate swaps	-	-	-	-	-	-	-	(132,828)	52,475	(78,729)
Rental of space	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	-
BCRC closing transfers	-	-	(3,724,741)	-	-	-	-	-	-	-
Transfers	(1,500,000)	-	-	(1,033,000)	(1,088,977)	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980
Total business-type activities	(1,437,791)	11,311	(3,713,820)	(1,018,372)	(1,087,661)	(1,083,732)	(1,082,964)	(1,217,359)	(1,016,096)	70,237
Total primary government general revenue	$ 212,293,084	$ 201,534,200	$ 186,565,657	$ 162,757,975	$ 160,143,947	$ 160,249,737	$ 162,131,991	$ 155,162,420	$ 147,817,466	$ 145,325,300
Changes in Net Position										
Governmental activities	$ 20,713,691	$ 4,324,691	$ 32,079,854	$ 29,255,112	$ 38,670,761	$ 36,842,468	$ 20,854,385	$ 8,017,878	$ 16,529,881	$ 21,539,450
Business-type activities	1,891,929	(1,876,904)	(2,713,477)	77,168	3,503,294	4,987,145	2,454,304	716,005	2,049,712	2,072,984
Total primary government net revenue	$ 22,605,620	$ 2,447,787	$ 29,366,377	$ 29,332,280	$ 42,174,055	$ 41,829,613	$ 23,308,689	$ 8,733,883	$ 18,579,593	$ 23,612,434

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	(Restated)		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
General Fund										
Nonspendable	$ 9,051,574	$ 9,347,740	$ 10,385,517	$ 9,924,369	$ 8,820,887	$ 1,338,410	$ 1,338,410	$ 1,761,032	$ 1,405,524	$ 1,641,843
Restricted	4,014,036	3,736,982	4,406,501	4,203,486	3,263,764	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389
Committed	30,576,097	47,559,771	59,513,624	23,940,467	9,406,471	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174
Assigned	17,797	10,897	10,785	4,005,427	4,015,377	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537
Unassigned	166,944,153	137,677,198	136,292,794	161,771,803	149,980,953	133,792,425	105,605,582	113,305,213	115,222,806	118,930,211
Total General Fund	$ 210,603,657	$ 198,332,588	$ 210,609,221	$ 203,845,552	$ 175,487,452	$ 157,034,811	$ 157,538,555	$ 154,027,820	$ 144,047,190	$ 134,841,154
All other governmental funds										
Nonspendable	$ 1,953,541	$ 2,217,619	$ 2,450,610	$ 2,768,342	$ 2,769,792	$ 2,771,457	$ 2,771,457	$ 2,771,457	$ 2,712,241	$ 2,836,878
Restricted	36,455,286	29,438,589	23,183,292	20,130,824	18,651,468	16,534,482	17,380,172	16,816,474	14,259,149	13,852,760
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	2,515,495	-	-	-	-	-	-	-
Total all other governmental funds	38,408,827	31,656,208	28,149,397	22,899,166	21,421,260	19,305,939	20,151,629	19,587,931	16,971,390	16,689,638
Total governmental funds	$ 249,012,484	$ 229,988,796	$ 238,758,618	$ 226,744,718	$ 196,908,712	$ 176,340,750	$ 177,690,184	$ 173,615,751	$ 161,018,580	$ 151,530,792

Explanations for Restatements:

2025 governmental funds beginning balances were restated to correct errors and estimates in various departments, particularly Aging Department.

2023 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth and Employment & Training, as well as in the general fund from the closure of the Berks County Residential Center.

2022 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Courts, Treasurer, Prison, Sheriff, and Special Legislation.

2021 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2020 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2019 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, Parks, and Aging.

2018 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, Parks, Aging, Domestic Relations, and Liquid Fuels, as well as in the general fund for capital projects.

2017 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, District Attorney, Mental Health/Developmental Disabilities, Aging, and Domestic Relations, as well as in the general fund for capital projects.

2016 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Mental Health/Developmental Disabilities and to correct pooled cash balances for capital projects.

Note: Certain amounts presented in the prior period have been reclassified to conform to the current year's financial statements.
Source: Balance Sheet Governmental Funds, Annual Comprehensive Financial Report

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

Revenues	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Taxes:										
Property	$ 179,896,097	$ 165,839,849	$ 152,445,733	$ 151,015,732	$ 148,417,095	$ 146,058,470	$ 145,321,065	$ 143,705,841	$ 137,690,930	$ 136,924,879
Hotel	3,379,862	3,336,367	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126
Court costs, fines and forfeitures	2,598,688	2,472,121	2,205,072	1,903,506	1,935,483	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575
Intergovernmental revenue	277,711,062	255,734,091	310,346,846	325,448,468	308,633,147	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504
Department charges and reimbursements	84,287,404	80,173,743	71,135,620	75,063,700	76,359,366	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262
Payments in lieu of taxes	347,998	292,512	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561
Rentals	425,429	151,286	57,203	333,584	333,437	384,559	405,201	440,093	489,566	464,950
Sales of property, supplies and equipment	127,264	100,165	88,706	40,889	-	-	4,168	12,040	(770)	86,776
Investment earnings	13,118,877	13,926,471	15,410,413	(1,167,853)	(472,832)	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025
Other revenue	14,938,096	17,816,887	15,821,920	11,227,578	11,241,913	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796
Total revenues	$ 576,830,777	$ 539,843,492	$ 570,881,335	$ 567,232,173	$ 549,337,923	$ 521,971,377	$ 459,782,705	$ 457,982,631	$ 434,852,318	$ 431,454,454
Expenditures										
Current:										
General government, administrative	$ 67,388,848	$ 72,949,081	$ 68,765,280	$ 53,711,504	$ 53,201,921	$ 84,970,233	$ 50,043,396	$ 43,284,381	$ 44,076,078	$ 43,561,692
General government, judicial	68,171,026	63,242,313	61,387,798	60,068,270	58,433,307	55,515,168	56,278,837	54,987,295	52,602,699	51,897,682
Public safety	102,132,627	94,203,129	84,180,894	83,236,321	82,045,736	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496
Human services	267,990,135	247,059,911	264,506,066	268,805,239	245,270,784	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654
Culture and recreation	9,044,060	9,444,927	9,721,562	7,843,441	7,763,693	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093
Community and economic development	11,185,559	8,573,345	14,293,014	26,563,507	42,498,172	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219
Public works	1,233,491	4,791,662	1,501,389	2,102,045	1,482,380	4,720,420	4,207,148	6,276,293	2,729,499	11,693,954
Community support	24,327,999	32,369,406	23,701,213	23,879,870	23,254,480	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809
Intergovernmental expenditures- Solid waste	290,802	291,003	291,485	300,720	300,720	300,900	250,720	220,870	295,029	928,453
Debt service:										
Principal	11,359,386	13,491,358	27,997,582	8,794,834	11,090,545	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645
Interest	2,817,697	3,270,044	4,046,260	2,858,134	4,530,587	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219
Debt issuance costs	-	-	1,856,955	-	-	-	900,000	-	-	119,123
Administrative expenditures	8,500	6,595	28,831	9,711	88,392	16,948	19,091	31,096	22,528	141,015
Capital outlay	-	-	-	-	-	-	453,954	591,891	936,616	2,143,152
Total expenditures	$ 565,950,130	$ 549,692,774	$ 562,278,329	$ 538,173,596	$ 529,960,717	$ 524,940,413	$ 457,363,337	$ 451,579,486	$ 429,347,681	$ 428,526,206
Excess (deficiency) of revenues over (under) expenditures	$ 10,880,647	$ (9,849,282)	$ 8,603,006	$ 29,058,577	$ 19,377,206	$ (2,969,036)	$ 2,419,368	$ 6,403,145	$ 5,504,637	$ 2,928,248
Other financing sources (uses)										
Transfers in	$ 17,961,125	$ 21,673,088	$ 59,954,199	$ 51,015,747	$ 33,184,029	$ 30,882,130	$ 14,261,224	$ 15,337,061	$ 16,582,778	$ 23,118,717
Transfers out	(16,461,124)	(21,673,088)	(59,826,201)	(49,982,746)	(32,095,052)	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)
Lease proceeds	1,166,928	1,079,460	330,014	-	-	-	-	-	-	-
SBITA proceeds	-	-	4,271,573	-	-	-	-	-	-	-
BCRC closing transfer out	-	-	(1,380,905)	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	-	209,950
Issuance of long term notes	-	-	-	-	28,149,000	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	(28,071,066)	-	-	-	-	(24,943,412)
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	9,790,000
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	2,666,929	1,079,460	3,348,680	1,033,001	1,166,911	1,088,977	1,088,976	1,088,979	1,083,238	(13,869,487)
Net change in fund balances	$ 13,547,576	$ (8,769,822)	$ 11,951,686	$ 30,091,578	$ 20,544,117	$ (1,880,059)	$ 3,508,344	$ 7,492,124	$ 6,587,875	$ (10,941,239)
Debt Service										
Percentage of noncapital expenditures	2.10%	3.40%	2.50%	6.30%	1.60%	4.60%	3.40%	2.80%	2.20%	5.90%

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
2025	$ 183,275,959	$ 2,598,688	$ 277,711,062	$ 84,287,404	$ 347,998	$ 425,429	$ 127,264	$ 13,118,877	$ 14,938,096	$ 576,830,777
2024	169,176,216	2,472,121	255,734,091	80,173,743	292,512	151,286	100,165	13,926,471	17,816,887	539,843,492
2023	155,546,459	2,205,072	310,346,846	71,135,620	269,096	57,203	88,706	15,410,413	15,821,920	570,881,335
2022	154,131,603	1,903,506	325,448,468	75,063,700	250,698	333,584	40,889	(1,167,853)	11,227,578	567,232,173
2021	151,062,740	1,935,483	308,633,147	76,359,366	244,669	333,437	-	(472,832)	11,241,913	549,337,923
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

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

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Tax-Exempt Property	Market Value	Assessed Value as a Percentage of Market Value	Total Direct Tax Rate
2025	$ 15,411,964,300	$ 3,689,631,300	$ 1,049,761,600	$ 20,151,357,200	$ 3,011,911,700	$ 58,630,658,132	34.37%	9.013%
2024	15,372,556,100	3,686,108,800	1,038,970,900	20,097,635,800	2,979,218,900	55,213,285,165	36.40%	8.345%
2023	15,322,123,000	3,601,169,400	991,669,000	19,914,961,400	2,991,879,700	50,037,591,457	39.80%	7.657%
2022	15,245,031,700	3,469,964,200	959,007,400	19,674,003,300	2,971,328,900	43,720,007,333	45.00%	7.657%
2021	14,748,202,100	3,810,743,000	936,002,600	19,494,947,700	2,932,016,200	37,490,284,000	52.00%	7.657%
2020	14,697,408,900	3,631,975,900	883,952,700	19,213,337,500	2,959,293,300	34,126,709,600	56.30%	7.657%
2019	14,631,813,800	3,526,903,700	875,883,200	19,034,600,700	2,976,705,700	30,602,251,900	62.20%	7.657%
2018	14,567,436,400	3,465,305,500	850,850,000	18,883,591,900	2,850,561,100	27,567,287,400	68.50%	7.657%
2017	14,509,132,100	3,459,131,800	824,364,000	18,792,627,900	2,838,979,500	25,992,569,703	72.30%	7.372%
2016	14,452,726,600	3,390,894,000	815,271,200	18,658,891,800	2,813,697,200	25,112,909,546	74.30%	7.372%

Note:
For Population Figures, Refer to Demographic and Economic Statistics Page of Annual Comprehensive 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

Tax Year	County of Berks	City, Borough, or Township	School District (1)	Total
2025	9.013	4.23	32.89	46.13
2024	8.345	4.61	31.88	44.84
2023	7.657	4.32	30.99	42.97
2022	7.657	4.18	30.71	42.55
2021	7.657	4.13	30.05	41.84
2020	7.657	4.07	29.56	41.29
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

Note:

(1) Each unit within these classes levies its own millage rate. The rates shown are averages. The Annual Comprehensive 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
Principal Taxpayers
Current and Nine Years Ago

		2025			2016		
Taxpayer	**Business/ Product**	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Tower Health/Reading Hospital	Healthcare	$ 68,378,800	1	0.34%			
HLP LLC	Warehousing	65,692,600	2	0.33%			
Highlands at Wyomissing	Intermediate Care	57,102,900	3	0.28%	$ 37,449,800	6	0.20%
Duke Realty LP	Warehousing	47,483,800	4	0.24%			
Hamburg Commerce Park	Warehousing	42,931,400	5	0.21%			
East Penn Manufacturing Co.	Battery Manufacturing	41,763,600	6	0.21%	41,736,400	4	0.22%
DPML Midway LLC	Warehousing	41,244,000	7	0.20%			
GH Spring Ridge Associates Inc.	Shopping Mall	40,058,000	8	0.20%			
DolgenCorp LLC	Warehousing	38,770,000	9	0.19%			
Central Logistics Park LP	Warehousing	36,903,500	10	0.18%			
Berkshire Mall LLC	Shopping Mall				63,049,400	1	0.34%
BRE RC Exeter PA LP	Shopping Mall				56,207,100	2	0.30%
Green Hills Realty Association, LP	Leasing				42,348,100	3	0.23%
Spring Ridge Associates, Inc.	Shopping mall				41,491,000	5	0.22%
Reading Hospitality LLC	Lodging				32,087,900	7	0.17%
Phoebe Berks Village Inc.	Intermediate Care				28,976,400	8	0.16%
Morgantown Crossings LP	Shopping Mall				24,560,300	9	0.13%
Carpenter Technology Corp.	Specialty Steel Manufacturing				22,513,900	10	0.12%
Total		$ 480,328,600		2.38%	$ 390,420,300		2.09%

Note:

Total County of Berks assessed valuation for 2025 and 2016: $ 20,151,357,200 $ 18,658,891,800

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 (4)	Total Tax Collections To Tax Levy
2025	$ 181,101,368	$ 176,187,166	97.29%	$ 3,708,931	$ 179,896,097	99.33%
2024	167,316,176	162,684,815	97.23%	3,155,034	165,839,849	99.12%
2023	152,367,151	149,115,836	97.87%	3,329,897	152,445,733	100.05%
2022	150,448,065	147,095,648	97.77%	3,920,084	151,015,732	100.38%
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%

Notes:

(1) Does not include interims, excludes exonerations. No offset for tax paid in the discount period.
(2) Includes discounts, penalties, interest, interims, and adjustments
(3) Includes penalties, interest and adjustments
(4) Total Collections equal Revenue Taxes Property on page 37

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

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
County Direct Rates										
Total direct rate	9.01	8.35	7.66	7.66	7.66	7.66	7.66	7.66	7.37	7.37
Municipalities										
City:										
City of Reading	18.13	18.13	18.13	18.13	18.13	17.69	17.69	17.69	17.69	17.69
Boroughs:										
Bally	5.30	5.30	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bechtelsville	6.00	6.30	6.30	6.00	6.00	6.00	5.50	5.00	5.00	4.50
Bernville	5.69	5.69	5.69	5.44	5.44	5.44	4.44	4.44	4.44	4.44
Birdsboro	7.61	7.11	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.86
Boyertown	10.29	9.04	8.64	8.19	7.49	7.34	6.69	6.34	6.14	5.64
Centerport	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.00	3.00	3.00
Fleetwood	6.45	7.45	6.95	6.70	6.70	6.45	6.45	6.25	6.25	6.00
Hamburg	8.50	9.00	8.50	8.50	8.25	8.25	8.00	8.00	8.00	8.00
Kenhorst	4.31	5.81	5.81	5.81	5.81	5.81	5.81	5.60	5.60	5.60
Kutztown	2.80	5.50	4.60	4.60	4.60	4.60	4.10	4.10	4.10	4.10
Laureldale	6.05	6.80	6.80	6.80	6.80	6.80	6.80	6.05	6.05	5.90
Leesport	7.22	8.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.50	1.50	1.50	1.50	1.50	1.50	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	6.20	7.05	7.05	5.70	5.70	5.70	5.50	5.13	5.10	4.55
Mt. Penn	13.45	14.85	14.10	11.10	11.10	10.70	10.50	10.50	9.50	8.50
New Morgan	0.00	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.50	1.56
Robesonia	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.65	4.65
St. Lawrence	7.00	8.18	7.68	7.51	7.51	7.51	6.89	6.64	6.64	6.64
Shillington	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14
Shoemakersville	8.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Sinking Spring	7.16	8.80	8.80	8.67	8.37	8.37	8.32	7.99	7.99	7.32
Topton	7.40	8.55	7.55	7.55	7.55	7.55	6.55	6.55	6.05	5.85
Wernersville	5.70	6.84	5.66	6.60	6.60	6.60	6.60	6.60	6.10	6.10
West Reading	9.75	13.10	12.10	11.10	10.85	9.85	9.60	8.85	8.10	7.60
Womelsdorf	6.32	6.97	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Wyomissing	5.15	5.40	4.50	4.50	4.50	4.25	3.90	3.90	3.90	3.90
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Amity	3.05	3.73	3.50	3.10	2.80	2.80	2.80	2.60	2.45	1.95
Bern	5.36	4.56	4.19	4.19	4.19	4.19	3.94	3.94	3.94	3.44
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brecknock	1.88	2.93	2.58	2.58	2.58	2.58	2.33	2.33	2.33	2.33
Caernarvon	2.78	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48
Centre	0.54	0.54	0.54	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	5.00	5.00	5.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50
Cumru	5.35	7.57	7.47	6.85	6.48	6.48	6.46	6.20	6.18	6.18
District	1.10	1.45	1.10	1.10	1.10	0.60	0.55	0.45	0.35	0.35
Douglass	4.55	4.90	4.90	4.90	4.80	4.30	4.30	4.30	3.30	3.30
Exeter	3.62	4.44	3.57	3.57	3.47	3.47	3.47	3.34	3.34	3.25
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	1.50	1.50	1.50	1.50	1.20	1.20	1.20	1.20	1.20	1.20
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	1.70	2.95	3.21	3.21	3.21	3.21	3.05	3.05	3.05	2.80

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Townships (continued):										
Lower Alsace	10.00	10.35	9.85	9.35	9.35	9.25	8.68	8.68	8.68	7.95
Lower Heidelberg	6.75	6.75	6.75	6.75	6.04	6.04	5.54	5.19	4.79	4.79
Maidencreek	2.60	3.60	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Marion	2.75	2.75	2.75	2.00	2.00	2.00	1.80	1.30	1.30	1.30
Maxatawny	2.00	3.00	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
Muhlenberg	4.80	5.70	5.30	5.30	5.00	5.00	5.00	5.00	5.00	5.00
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Oley	4.48	4.48	4.48	4.19	4.19	4.19	4.19	4.10	3.20	2.80
Ontelaunee	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05
Penn	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Perry	0.25	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	1.50	1.50	1.50	1.50	0.87
Richmond	2.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Robeson	3.25	3.25	3.25	3.25	3.25	3.25	3.00	2.75	2.75	2.75
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ruscombmanor	1.30	1.20	0.11	0.10	0.10	0.09	0.09	0.09	0.09	0.09
South Heidelberg	3.90	4.60	4.60	4.60	4.15	4.15	4.10	4.10	4.10	3.35
Spring	3.65	4.95	4.45	4.45	4.45	4.45	3.95	4.01	4.01	3.25
Tilden	1.95	2.35	2.20	2.10	2.10	2.10	2.20	1.45	1.45	1.45
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	3.65
Upper Bern	1.41	1.41	1.48	1.65	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	1.00	1.00	1.00	1.00	1.00	0.80	0.80	0.80	0.80	0.80
Washington	2.45	2.45	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Windsor	0.60	0.60	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	51.30	48.76	46.31	45.31	43.82	42.54	40.99	39.74	39.15	37.79
Boyertown	32.69	31.74	30.81	29.92	29.05	28.20	27.33	26.37	25.02	24.27
Brandywine Heights	36.98	36.25	35.98	35.45	34.42	34.08	33.74	33.24	32.78	32.30
Conrad Weiser	35.87	34.78	32.86	32.36	31.38	30.63	29.65	28.86	28.00	27.14
Daniel Boone	34.25	33.76	32.55	32.55	32.38	31.58	31.58	30.83	30.20	29.70
Exeter	37.00	35.38	34.71	34.71	34.20	33.61	33.11	32.62	32.62	32.22
Fleetwood	36.41	34.61	34.11	33.61	33.36	33.36	33.11	33.11	32.56	31.81
Governor Mifflin	33.12	31.55	30.10	29.60	29.10	28.60	28.60	28.10	27.60	27.10
Hamburg	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.71
Kutztown	32.24	31.00	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95
Muhlenberg	38.41	36.66	34.10	32.23	31.48	30.73	30.73	29.81	29.06	28.56
Oley Valley	32.13	31.13	30.34	29.54	29.04	28.54	27.94	27.34	26.93	26.33
Reading	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93
Schuylkill Valley	27.82	27.82	27.82	27.82	27.82	27.82	27.82	27.07	27.07	27.07
Tulpehocken	25.75	25.75	25.80	25.90	26.00	26.75	26.85	27.10	27.60	27.70
Twin Valley	30.10	28.55	28.30	29.02	28.07	26.90	27.56	27.55	27.55	26.77
Upper Perkiomen	28.80	27.83	26.89	28.86	25.73	25.23	25.23	24.54	24.35	24.95
Wilson	31.80	30.64	29.49	28.66	27.66	26.26	26.26	25.67	25.29	24.95
Wyomissing	35.37	34.59	33.83	33.20	32.54	31.91	31.43	30.67	30.07	30.07

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

	Governmental Activities				Business-type Activities						
Year	General Obligation Bond Long Term	Leases	SBITA	General Obligation Bond Current	General Obligation Bond Long Term	Leases	SBITA	General Obligation Bond Current	Total Primary Government	Percentage of Personal Income	Per Capita
2025	$ 53,448,287	$ 17,624,290	$ 4,251,689	$ 9,924,607	$ 6,203,361	$ -	$ -	$ 2,683,415	$ 94,135,649	0.34%	214.37
2024	63,372,892	17,572,863	5,407,160	10,316,509	8,886,777	-	-	2,406,418	107,962,619	0.54%	231.67
2023	73,689,401	17,734,030	6,507,911	12,405,093	11,293,195	-	-	2,332,834	123,962,464	0.49%	287.98
2022	101,432,208	18,596,124	-	12,078,653	16,719,154	-	-	951,347	149,777,486	0.60%	348.85
2021	114,844,199	-	-	10,673,893	17,884,608	-	-	3,868,107	147,270,807	0.62%	343.41
2020	127,893,467	-	-	10,772,529	21,329,701	-	-	3,087,471	163,083,168	0.76%	386.64
2019	152,700,553	-	-	20,302,848	24,631,280	-	-	466,142	198,100,823	0.97%	473.90
2018	169,202,807	-	-	20,686,984	25,004,760	-	-	438,016	215,332,567	1.09%	512.51
2017	188,367,121	-	-	20,504,206	25,653,096	-	-	425,795	234,950,218	1.18%	562.28
2016	206,960,390	-	-	19,676,075	26,289,210	-	-	418,780	253,344,455	1.33%	611.80

Note:
Amounts netted for discounts and premiums.

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
2025	439,117	$ 20,151,357,200	$ 72,259,670	0.36%	$ 164.56
2024	432,821	20,097,635,800	84,982,596	0.42%	196.35
2023	430,449	19,914,961,400	99,720,526	0.50%	231.67
2022	429,342	19,674,003,300	131,181,362	0.67%	305.54
2021	428,849	19,494,947,700	147,270,807	0.76%	343.41
2020	421,799	19,213,337,500	163,083,168	0.85%	386.64
2019	418,025	19,034,600,700	198,100,823	1.04%	473.90
2018	420,152	18,883,591,900	215,332,567	1.14%	512.51
2017	417,854	18,792,627,900	234,950,218	1.25%	562.28
2016	414,097	18,658,891,800	253,344,455	1.36%	611.80

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, 2025

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	$ 85,248,873	100%	$ 85,248,873
Overlapping Debt			
School Districts: [1]			
Antietam	$ 39,411,828	100%	$ 39,411,828
Boyertown Area	77,828,163	42%	32,687,828
Brandywine Heights	15,475,195	100%	15,475,195
Conrad Weiser	32,985,171	100%	32,985,171
Daniel Boone Area	55,352,932	100%	55,352,932
Exeter Township	61,755,096	100%	61,755,096
Fleetwood Area	14,773,621	100%	14,773,621
Governor Mifflin Area	91,133,893	100%	91,133,893
Hamburg Area	36,987,910	100%	36,987,910
Kutztown Area	39,113,530	100%	39,113,530
Muhlenberg Area	71,233,625	100%	71,233,625
Oley Valley	23,496,746	100%	23,496,746
Reading School District	342,358,028	100%	342,358,028
Schuylkill Valley	24,762,817	100%	24,762,817
Tulpehocken Area	65,378,400	100%	65,378,400
Twin Valley	48,120,000	54%	25,984,800
Upper Perkiomen	54,754,464	11%	6,022,991
Wilson Area	90,357,571	100%	90,357,571
Wyomissing Area	39,460,005	100%	39,460,005
Total School Districts	$ 1,224,738,995		$ 1,108,731,987
Municipalities			
City of Reading	$ 281,268,383	100%	$ 281,268,383
Albany Township	18,293	100%	18,293
Alsace Township	1,681,100	100%	1,681,100
Amity Township	25,075,752	100%	25,075,752
Bally Borough	3,083,000	100%	3,083,000
Bechtelsville	43,032	100%	43,032
Bern Township	765,580	100%	765,580
Bethel Township	214,114	100%	214,114
Boyertown Borough	4,104,713	100%	4,104,713
Brecknock Township	1,248,000	100%	1,248,000
Caernarvon Township	450,783	100%	450,783
Colebrookdale	6,522	100%	6,522
Cumru Township	15,093,690	100%	15,093,690
District Township	354,449	100%	354,449

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2025

Direct Debt of County and Related Entities (continued)	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Douglass Township	$ 25,257	100%	25,257
Exeter Township	10,000,000	100%	10,000,000
Fleetwood Borough	2,669,371	100%	2,669,371
Greenwich Township	329,271	100%	329,271
Hamburg Borough	642,386	100%	642,386
Kutztown Borough	11,587,000	100%	11,587,000
Leesport Borough	1,186,162	100%	1,186,162
Lenhartsville Borough	215,098	100%	215,098
Longswamp Township	32,596	100%	32,596
Lower Alsace Township	675,000	100%	675,000
Lower Heidelberg Township	1,000,000	100%	1,000,000
Maidencreek Township	4,805,000	100%	4,805,000
Marion Township	13,305	100%	13,305
Maxatawny Township	93,054	100%	93,054
Mohnton Borough	495,000	100%	495,000
Mount Penn Borough	260,347	100%	260,347
Muhlenberg Township	12,701,613	100%	12,701,613
New Morgan Borough	1,322,828	100%	1,322,828
Ontelaunee Township	10,003,405	100%	10,003,405
Penn Township	301,267	100%	301,267
Pike Township	597,082	100%	597,082
Richmond Township	1,305,399	100%	1,305,399
Shillington Borough	1,173,000	100%	1,173,000
Sinking Spring	444,738	100%	444,738
South Heidelberg Township	1,061,930	100%	1,061,930
Spring Township	17,740,000	100%	17,740,000
St. Lawrence	577,034	100%	577,034
Tilden Township	1,628,691	100%	1,628,691
Topton Borough	2,721,000	100%	2,721,000
Tulpehocken Township	1,859,153	100%	1,859,153
Union Township	245,875	100%	245,875
Upper Bern Township	1,653,432	100%	1,653,432
Upper Tulpehocken Township	1,638,540	100%	1,638,540
Washington Township	4,883,000	100%	4,883,000
Wernersville Borough	505,000	100%	505,000
West Reading Borough	6,612,079	100%	6,612,079
Wyomissing Borough	4,827,000	100%	4,827,000
Total Municipalities	$ 441,238,325		$ 441,238,325
Total Overlapping Debt			$ 1,549,970,312
TOTAL DIRECT AND OVERLAPPING DEBT			$ 1,635,219,185

Source:
Annual Reports from individual School Districts and Municipalities

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Berks County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

[1] The school district debt is as of June 30, 2025.

County of Berks
Legal Debt Margin Information
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit at 300%	$ 1,876,732,044	$ 1,857,239,393	$ 1,859,745,397	$ 1,804,367,532	$ 1,704,298,177	$ 1,619,503,910	$ 1,535,260,685	$ 1,501,171,348	$ 1,433,540,382	$ 1,378,800,855
*Total amount of debt applicable to debt limit net of discount on zero coupon bonds	72,259,670	84,982,596	99,720,523	131,181,362	147,270,807	163,083,168	198,100,823	215,332,567	234,950,218	253,344,455
Legal Debt Margin	$ 1,804,472,374	$ 1,772,256,797	$ 1,760,024,874	$ 1,673,186,170	$ 1,557,027,370	$ 1,456,420,742	$ 1,337,159,862	$ 1,285,838,781	$ 1,198,590,164	$ 1,125,456,400
Total net debt applicable to the limit as a percentage of debt limit	3.85%	4.58%	5.36%	7.27%	8.64%	10.07%	12.90%	14.34%	16.39%	18.37%
Total Revenues Received	$ 640,726,665	$ 601,123,484	$ 633,769,952	$ 622,345,957	$ 603,629,488	$ 578,392,087	$ 522,276,602	$ 518,835,221	$ 494,148,862	$ 488,187,265
Total net revenue	$ 1,876,732,044	$ 1,857,239,393	$ 1,859,745,397	$ 1,804,367,532	$ 1,704,298,177	$ 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	$ 625,577,348	$ 619,079,798	$ 619,915,132	$ 601,455,844	$ 568,099,392	$ 539,834,637	$ 511,753,562	$ 500,390,449	$ 477,846,794	$ 459,600,285

Source:
County of Berks, Financial Statements
*Total amount of debt applicable to debt limit includes Primary Government debt as well as Berks Heim debt.

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

Fiscal Year	Principal	Interest	Administrative Expenditures	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
2025	$ 11,359,386	$ 2,817,697	$ 8,500	$ 14,185,583	$ 565,950,130	2.51%
2024	13,491,358	3,270,044	6,595	16,767,997	549,692,774	3.05%
2023	27,997,582	4,046,260	1,885,786	33,929,628	562,278,329	6.03%
2022	8,794,834	2,858,135	9,711	11,662,680	538,173,596	2.17%
2021	11,090,545	4,530,587	88,392	15,709,524	529,960,719	2.96%
2020	17,474,779	15,897,346	16,948	33,389,073	524,940,413	6.36%
2019	14,779,894	8,663,370	919,091	24,362,355	457,363,337	5.33%
2018	15,605,850	8,318,135	31,096	23,955,081	451,579,486	5.30%
2017	20,356,220	3,999,167	22,528	24,377,915	429,347,681	5.68%
2016	18,896,062	5,106,802	260,138	24,263,002	428,526,206	5.66%

Source:
County of Berks, Financial Statements

County of Berks
Demographic and Economic Statistics
Last Ten Years

Calendar Year	Population	Per Capita Income	Personal Income	Higher Education Enrollment	Public School Enrollment	Unemployment Rate	Median Sales Price of Residential Property
2025	439,117	$ 62,942	$ 27,638,902,214	*	68,417	3.7%	$ 290,000
2024	432,821	61,575	26,650,953,036	27,376	68,568	3.3%	285,849
2023	430,449	58,311	25,099,911,600	25,879	68,699	3.0%	270,195
2022	429,342	57,970	24,888,955,700	23,129	69,432	3.1%	269,659
2021	428,849	55,045	23,605,993,200	23,919	69,768	3.8%	242,283
2020	421,799	50,657	21,367,072,000	27,037	70,322	7.8%	206,292
2019	418,025	48,741	20,374,956,500	26,982	69,505	4.3%	189,538
2018	420,152	46,960	19,730,337,900	26,437	70,247	4.2%	182,246
2017	417,854	47,629	19,901,968,200	26,590	69,871	4.2%	170,900
2016	414,097	46,142	19,107,263,800	27,081	70,329	4.4%	169,000

***** Data not available.

Source:
Bureau of Economic Analysis
County of Berks Assessment Office
Pennsylvania Department of Labor & Industry, Bureau of Research and Statistics
Pennsylvania Department of Education
Unemployment Rate not seasonally adjusted: https://ycharts.com/indicators/berks_county_pa_unemployment_rate
Census: https://censusreporter.org/profiles/05000US42011-berks-county-pa/

County of Berks
Principal Employers
Current Year and Nine Years Ago

Employer	2025 Employees	2025 Rank	2025 Percentage of Total Employment	2016 Employees	2016 Rank	2016 Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,595	1	3.47%	7,363	1	3.51%
Amazon.com Services Inc	7,005	2	3.20%		(a)	
Tower Health/Reading Hospital	5,832	3	2.67%	7,270	2	3.47%
Carpenter Technology Corp.	2,364	4	1.08%	2,168	4	1.03%
Penske Transportation Solutions	2,240	5	1.02%		(a)	
Reading School District	2,203	6	1.01%	2,000	5	0.95%
County of Berks	2,194	7	1.00%	2,342	3	1.12%
Wal-Mart Associates Inc	2,038	8	0.93%	1,818	7	0.87%
State Government	1,630	9	0.75%	1,720	9	0.82%
Saint Joseph Regional Health Network	1,410	10	0.64%	1,536	10	0.73%
Supportive Concepts For Families	(b)			1,829	6	0.87%
Boscovs Inc.	1,383		0.63%	1,740	8	0.83%
Total	35,894		16.41%	29,786		14.21%
Total County Labor Force	218,700			209,600		

Note:
(a) - Employer not on both lists
(b) - Data not available for 2025

Source:
Pennsylvania Department of Labor & Industry, Bureau of Research and Statistics
County of Berks Payroll Records, Berks Earned Income Tax Bureau

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
General government	228	231	233	198	213	202	182	184	200	197
Judicial	568	571	484	442	425	442	446	455	451	458
Public safety	450	443	512	462	476	504	506	492	505	487
Human services	368	377	335	275	270	280	286	291	288	294
Culture and recreation	47	47	47	38	30	35	41	39	32	34
Community and economic development	18	18	17	16	16	15	15	15	22	19
Total governmental activities	1,679	1,687	1,628	1,431	1,430	1,478	1,476	1,476	1,498	1,489
Business-type activities:										
Berks Heim	410	411	328	244	278	366	375	381	396	399
Emergency Services	-	-	-	-	-	-	-	-	-	-
Berks County Residential Center	-	-	39	58	56	59	61	62	67	64
Total business-type activities	410	411	367	302	334	425	436	443	463	463
Total primary government	2,089	2,098	1,995	1,733	1,764	1,903	1,912	1,919	1,961	1,952

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) Emergency Services merged with Public Safety in 2016
(2) Berks County Youth Center opened in 2024
(3) Berks County Residential Center closed in 2023

Source:
County of Berks, Personnel Statements

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
General government										
Elections										
New Registrations	8,903	31,912 **	8,519	9,895	10,829	26,100 **	6,400	10,245	4,000	20,387 **
Total Ballots Cast	103,716	211483	85,725	156,332	75,527	272,192	-	-	-	-
In-Person Ballots	80,221	161,707 **	66,305	127,503	59,041	189,805 **	-	-	-	-
Mail-In Ballots	23,495	49,776 ***	19,420	28,829	16,486 ***	72,598 *	-	-	-	-
Absentee Ballots Processed	-	-	-	-	-	9,789	3,289	6,392	1,500	9,358
Change of Address/Party	41,943	61,654	35,807	34,813	24,461	18,810	30,267	26,371	18,000	62,101
Cancellations	8,650	20,776	7,393	16,984	12,139	9,319	2,709	17,053	3,000	43,348
* New mail-in process started in 2020										
** 2016, 2020 and 2024 were presidential election years, so more registrations processed										
*** Absentee and Mail-In Ballots combined as of 2021										
Real Estate										
Appeal summaries	1,025	1,013	964	561	669	788	596	573	713	950
Change Notices	2,976	2,619	2,914	3,286	2,458	1,807	3,150	3,577	2,616	3,190
Parcels Created	435	408	376	269	206	231	250	462	374	548
Acreage Changed	495	450	585	476	470	307	375	526	1,884	473
Judicial										
Coroner										
Total Cases	3,536	3,627	3,619	3,933	4,279	4,112	3,505	3,363	3,371	3,386
Cremations	2,493	2,491	2,480	2,576	2,737	2,636	2,197	2,043	2,028	2,004
District Attorney										
Criminal Case Prosecution										
Adult Cases	5,097	4,554	5,025	4,675	5,082	4,536	6,251	6,473	7,019	6,560
Juvenile Cases	428	416	501	421	1,625	2,257	3,024	3,024	736	804
Narcotics Enforcement Team	124	146	264	200	211	319	241	235	272	780
DUI Central Booking	640	631	654	626	562	449	836	802	735	658
Major Crimes	2,589	2,556	2,552	2,698	2,318	1,750	2,917	2,401	2,408	2,484
Fugitive/Warrants Unit	-	-	-	-	-	-	-	-	-	-
Register of Wills										
Estates Opened	2,146	2,101	2,157	2,384	1,784	1,793	1,871	1,872	2,023	1,886
Marriage Licenses Issued	2,535	2,540	2,365	2,123	2,187	1,984	2,294	2,380	2,462	2,396
Adoptions	124	115	152	205	226	233	249	243	82	227
Public Safety										
County Prison										
Inmates Committed	3,876	3,778	3,995	3,720	3,493	3,623	6,094	6,611	6,994	6,328
Average Daily Population	722	749	759	705	747	743	1,044	1,104	999	1,024
Inmate Counseling Sessions	1,114	1,059	704	1,104	673	685	1,243	1,317	1,607	1,690
Inmate Work Release Participants	-	-	-	-	-	36	159	146	117	92
Inmates Enrolled in Education	748	410	411	395	346	570	388	463	542	422
Public Works										
Recycling Center										
Tons Recycled Curbside	68,431	62,100	62,039	61,000	55,000	55,976	44,031	44,133	45,759	51,597
Tons Recycled Drop-off	414	450	372	475	400	496	719	7,529	1,492	1,625
Tons Recycled Commercial	190,810	170,000	172,481	184,836	145,000	145,902	149,554	184,759	169,106	161,972
Tons Recycled by County	911	900	581	925	800	116	1,116	1,273	1,209	1,472

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Human services										
CareerLink										
Companies Served	893	829	844	771	750	832	751	654	647	465
Adults Served	204	200	202	173	227	129	102	79	97	58
Youth Served	125	351	245	380	325	296	395	440	502	545
Dislocated Workers Served	89	94	48	51	113	79	97	135	324	265
JOBS Program (EARN)	227	247	236	151	152	211	327	359	327	340
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	62	56	65	76	92	117	108	117	132	127
Number of Farms Selected	16	18	18	18	14	19	16	30	24	24
Funds Raised	500	24,349	645	200	150,196	675	522	10,000	4,625	100
Community and economic development										
Planning										
Act 247 Subdivision Reviews	147	171	186	184	213	128	150	153	180	151
Act 247 Ordinance Reviews	60	59	51	42	39	34	47	70	72	42
Act 537 Sewage Reviews	27	-	-	-	1	-	2	2	4	10
Act 97 Solid Waste Reviews	-	1	1	1	-	-	2	2	4	5
911										
Total 911 Calls	166,516	170,632	176,524	166,751	173,300	164,949	173,197	176,619	183,498	194,460
Average Daily Call Volume	456	467	484	457	475	452	475	484	503	533
Average Answer in < 10 seconds	(a)	(a)	(a)	(a)	(a)	(a)	(a)	93%	99%	99%
Surcharge Funds Received	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b) $
Surcharge Funds Disbursed	(c)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b) $
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	18,910	14,132	16,469	17,349	13,973	14,313	17,018	18,957	20,178	22,090
Medical Assistance/Medicare A	93,345	94,667	91,338	89,641	91,075	108,488	128,325	128,701	127,894	127,110
Bedhold Days	587	233	434	427	412	419	725	751	742	556
Berks County Residential Center										
Average Daily Population										
Berks County Residential Center	(c)	(c)	(c)	-	3	28	57	51	61	80

Note:
(a) As of 2019, no longer tracked.
(b) As of August 2015, no longer tracking because of change in funding regulations.
(c) Berks County Residential Center closed in 2023.

Source:
Individual County Departments

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
General government										
Land and land improvements	$ 2,219,949	$ 2,219,949	$ 2,192,943	$ 2,072,841	$ 2,221,983	$ 2,221,983	$ 2,221,983	$ 2,221,983	$ 2,221,983	$ 2,221,983
Buildings and building improvements	172,647,746	163,294,514	160,367,491	148,412,208	148,861,055	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541
Furniture, fixtures, and equipment	31,908,795	31,313,026	21,709,130	24,913,794	24,598,664	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370
Construction in progress	4,509,874	9,422,082	12,717,256	11,599,188	10,109,129	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633
Infrastructure	111,551	94,401	94,401	94,401	94,401	94,401	94,401	94,401	94,401	85,760
Agricultural easements	85,421,401	85,505,138	84,712,126	84,431,856	83,767,156	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116
Right-To-Use Lease Assets	30,362,453	29,979,007	29,661,390	28,981,049	-	-	-	-	-	-
Right-To-Use SBITA	10,527,170	10,955,069	10,955,069	-	-	-	-	-	-	-
	337,708,939	332,783,186	322,409,806	300,505,337	269,652,388	266,622,795	257,239,921	248,122,799	245,560,649	240,001,403
Judicial										
Buildings and building improvements	1,655,377	1,634,610	1,634,610	1,232,174	1,216,111	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804
Furniture, fixtures, and equipment	3,599,072	3,362,657	2,790,654	2,433,188	2,727,631	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861
Construction in progress	-	-	-	-	-	-	203,871	223,792	-	-
	5,254,448	4,997,267	4,425,264	3,665,362	3,943,742	4,160,724	3,952,225	3,852,835	3,308,181	3,558,665
Public Safety										
Land and land improvements	284,945	284,945	-	-	-	-	-	-	-	-
Buildings and building improvements	52,231,709	51,594,603	51,475,452	51,629,902	51,580,695	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760
Furniture, fixtures, and equipment	70,353,700	69,916,881	69,531,743	68,933,438	66,408,061	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794
Construction in progress	2,207,603	2,049,949	1,674,723	1,671,614	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	28,759	28,759	28,759	28,759	-
	125,106,715	123,875,137	122,710,677	122,263,713	122,113,795	120,490,658	118,161,836	117,461,729	115,298,226	117,243,682
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	7,551,517	7,538,066	7,538,066	7,538,066	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	157,233	157,233	163,208	141,791	148,217	88,063	208,286	208,286	225,836	225,836
Construction in progress	3,018,850	1,830	1,119,721	732,367	1,054,575	546,345	3,423,838	3,266,432	1,902,992	15,158,118
Infrastructure	47,077,258	47,153,099	42,007,225	41,746,131	40,103,929	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777
	57,846,373	54,891,744	50,869,736	50,199,871	49,400,100	48,718,337	46,795,764	43,220,858	38,167,045	36,235,110
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750
Furniture, fixtures, and equipment	461,213	488,530	472,560	458,805	563,945	635,231	492,933	499,961	455,048	482,406
	598,962	626,280	610,310	596,555	701,695	772,981	630,683	637,711	592,798	620,156
Culture and recreation										
Land and land improvements	16,126,085	16,126,084	16,086,234	15,748,698	15,706,436	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868
Buildings and building improvements	8,719,214	8,719,214	8,290,704	7,970,344	8,133,643	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125
Furniture, fixtures, and equipment	2,365,550	2,089,162	1,834,228	1,345,780	1,427,118	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063
Construction in progress	852,942	798,895	834,811	843,622	468,559	286,216	228,908	171,532	113,187	39,143
Historical treasures	2,290,344	2,290,344	2,290,344	2,290,344	2,290,344	2,290,344	2,279,644	2,279,644	2,279,644	2,279,644
Infrastructure	38,762	38,762	38,762	38,762	38,762	38,762	38,762	38,762	-	-
	30,392,896	30,062,461	29,375,083	28,237,550	28,064,862	28,053,379	26,943,758	26,569,773	26,464,996	26,204,843
Community and economic development										
Buildings and building improvements	1,828,400	1,828,400	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	42,889	42,889	64,452	35,282	43,736	35,282	37,204	30,217	43,254	23,359
	1,871,289	1,871,289	1,908,152	1,878,982	1,887,436	1,878,982	1,880,904	1,873,917	1,886,954	1,867,059
Total governmental - cost	$ 558,779,623	$ 549,107,364	$ 532,309,028	$ 507,347,370	$ 475,764,018	$ 470,697,856	$ 455,605,091	$ 441,739,622	$ 431,278,849	$ 425,730,918
Business-type activities:										
Berks County Residential Center										
Buildings and building improvements	$ -	$ -	$ -	$ 11,774,556	$ 11,782,088	$ 10,328,645	$ 10,187,060	$ 10,187,060	$ 10,187,060	$ 10,187,060
Furniture, fixtures, and equipment	-	-	-	236,456	223,327	223,327	223,327	223,327	337,121	368,724
Construction in progress	-	-	-	13,119	9,449	1,303,750	1,001,301	-	-	-
	-	-	-	12,024,131	12,014,864	11,855,722	11,411,688	10,410,387	10,524,181	10,555,784
Berks Heim										
Buildings and building improvements	44,671,050	44,335,924	44,330,030	43,846,901	43,837,834	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576
Furniture, fixtures, and equipment	7,198,612	6,875,028	6,434,697	5,952,912	5,734,197	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482
Construction in progress	12,494	-	158,828	360,066	259,770	1,297,768	1,266,633	35,398	29,945	17,642
	51,882,156	51,210,952	50,923,555	50,159,879	49,831,801	46,330,721	44,466,208	42,857,205	42,806,689	42,650,700
Total business-type activities	$ 51,882,156	$ 51,210,952	$ 50,923,555	$ 62,184,010	$ 61,846,665	$ 58,186,443	$ 55,877,896	$ 53,267,592	$ 53,330,870	$ 53,206,484
Total primary government	$ 610,661,778	$ 600,318,316	$ 583,232,583	$ 569,531,380	$ 537,610,683	$ 528,884,299	$ 511,482,987	$ 495,007,214	$ 484,609,719	$ 478,937,402

Note: (1) Berks County Residential Center closed in 2023
Source: Annual Comprehensive Financial Reports