

Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2020



County of Berks,
Pennsylvania

**County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2020**

Commissioners:

Christian Y. Leinbach, Chair

Kevin S. Barnhardt, Vice Chair

Michael S. Rivera

Prepared by the

Office of the Controller

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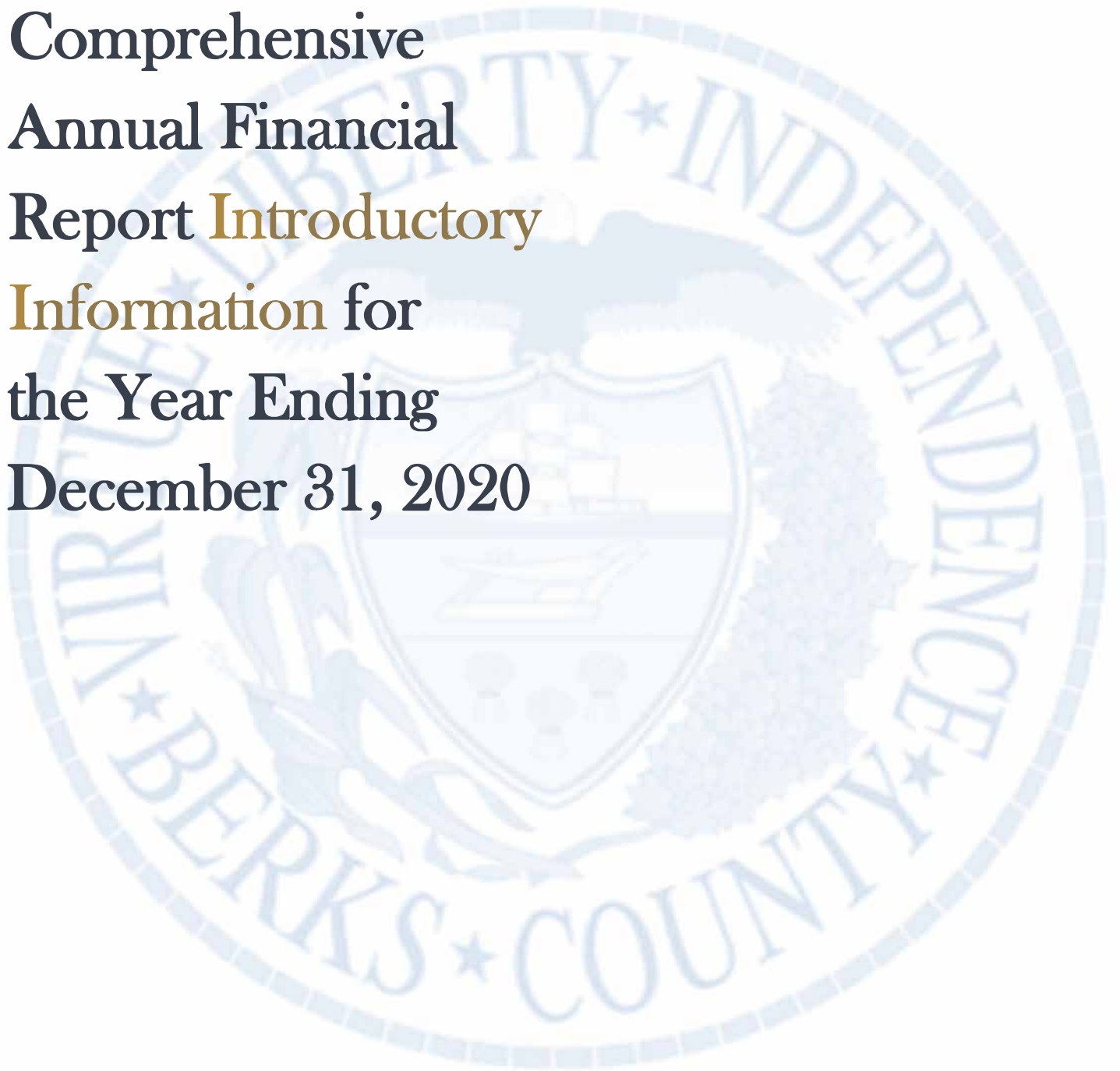
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County of Berks,
Pennsylvania
Comprehensive
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Report **Introductory**
Information for
the Year Ending
December 31, 2020





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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633 Court Street
Reading, PA 19601

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

Ronald R. Seaman, Chief Administrative Officer
Christine M. Sadler, Solicitor
Maryjo Gibson, Chief Clerk

June 30, 2021

To: The Citizens of the County of Berks

This Comprehensive Annual Financial Report of the County of Berks for the year ended December 31, 2020 is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This Comprehensive Annual Financial Report was prepared by the Office of the Controller on behalf of the Board of Commissioners. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form, and contents of this Comprehensive Annual Financial Report and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of RKL LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2020 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, 2020. The auditor's report is located at the beginning of the financial section of this report.

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

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

Letter of Transmittal 2020 Comprehensive Annual Financial Report

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

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

Profile of the County and Government

The County of Berks is a diamond shaped area of 864 square miles located in Southeast Pennsylvania. It is strategically located at the intersection of a dynamic market of economic, trade and industrial activities in the New York - Washington, DC corridor. The county seat, the City of Reading, is 56 miles northwest of Philadelphia, one of the leading industrial and trade complexes of the nation, while also being near other major metropolitan areas of Baltimore, 97 miles to the south, and New York City, 125 miles to the northeast. The County is bordered by Lebanon and Lancaster Counties to the Southwest, Chester and Montgomery Counties to the Southeast, Lehigh County to the Northeast, and Schuylkill County to the Northwest.

Originally settled over 250 years ago, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. The County's current estimated population is 421,799 in 73 boroughs, townships and the City of Reading, and has been exhibiting an upward trend for the last decade.

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

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

Financial Reporting Entity

This Comprehensive Annual Financial Report includes all funds (agencies) of the County, and through those funds, provides a full range of services including the court system, prison, nursing home, education and cultural programs, public safety, economic development, human services programs for children, families and the aged, as well as general administration. In addition to general governmental activities, the County also has discretely presented component units. These units of government are included in the County's reporting entity because of the County's authority to appoint a voting majority of their boards of directors and their dependent financial relationships with the County. Please refer to Note 1.A in the Notes to the Financial Statements for detailed information about the County's component units and related organizations.

Letter of Transmittal

2020 Comprehensive Annual Financial Report

Economic Condition & Outlook

Overall, the County economy is weathering the COVID pandemic showing stability in its major sectors. At the end of 2020 the unemployment rate of 6.4% was slightly lower than both the state and national unemployment levels of 6.7%. The manufacturing employment subsector held consistent with the same number of jobs while there was a small increase in the number of construction jobs. The healthcare and social assistance sector level of employment declined by over 4%. Manufacturing remains the largest employment sector of Berks County's economy and contributes the most to Berks County's GDP.

The County maintains many investments to facilitate operations, capital expansion and retirement plans. The investment policy is to minimize credit and market risks, while maintaining a competitive yield on the portfolios. Accordingly, deposits are insured by federal depository insurance, invested in governmental obligations, or collateralized in accordance with the Commonwealth of Pennsylvania Act 72. The County maintains a defined benefit retirement plan with mandatory membership for all full-time County employees, through a 5% required contribution. Net plan position was valued at \$525,391,259, an increase of 8.5% from the prior year. Please refer to Note 2 in the Notes to Financial Statements for a detailed analysis of cash and investment information and to Note 7 in the Notes to the Financial Statements for disclosure on the County's Employees' Pension Plan.

Even though the County was able to implement a no tax increase budget for the 2020 year, succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of the Children and Youth Services, Berks Heim, and the Criminal Justice System, notably the Jail. The County is now completing its fourteenth 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 completed during the year. The most notable of which was the Dreibelbis Station Bridge Project. The cost of construction was approximately \$4.9 million

Continuing major initiatives of the County are rehabilitations and repairs of six other County owned bridges. Total aggregate construction in progress on these six bridges is approximately \$.2 million at December 31, 2020. The bridge projects have varying dates of completion. The County's Department of Emergency Services continued its GPS project during the year. Expenditures incurred on the GPS project through December 31, 2020 are approximately \$1.2 million.

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

**Letter of Transmittal
2020 Comprehensive Annual Financial Report**

Acknowledgements

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

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

Respectfully submitted,



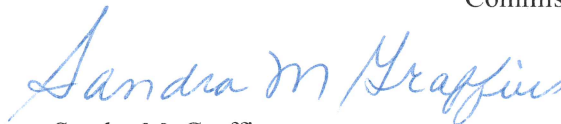
Christian Y. Leinbach
Commissioner Chair



Kevin S. Barnhardt
Commissioner



Michael S. Rivera
Commissioner



Sandra M. Graffius
Controller

**Letter of Transmittal
2020 Comprehensive Annual Financial Report**



Grazyna Nykiel, CICA, CGFM
Deputy Controller



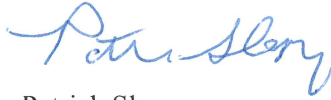
Andrew Noll, CFE, CGFM
Senior Governmental Accountant - Team
Lead



Daniel J. Jenkins, MBA
Manager of Financial Reporting
and Accounting



Scott S. Poch, CPA, CGMA
Senior Governmental Accountant



Patrick Sleppy
Senior Governmental Accountant



Candace Miller
Senior Governmental Accountant



Mitchel D. Salvatore
Accounting Assistant

**Letter of Transmittal
2020 Comprehensive Annual Financial Report**

**County of Berks
List of Elected Officials
July 2020**

Commissioners

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

Controller

Sandra M. Graffius

Clerk of Courts

James P. Troutman

Treasurer

A. Dennis Adams, CPA

District Attorney

John T. Adams, Esq.

Register of Wills

Lawrence J. Medaglia, Jr.

Coroner

John M. Hollenbach
Acting Coroner

Prothonotary

Jonathan DelCollo

Sheriff

Eric J. Weaknecht

Recorder of Deeds

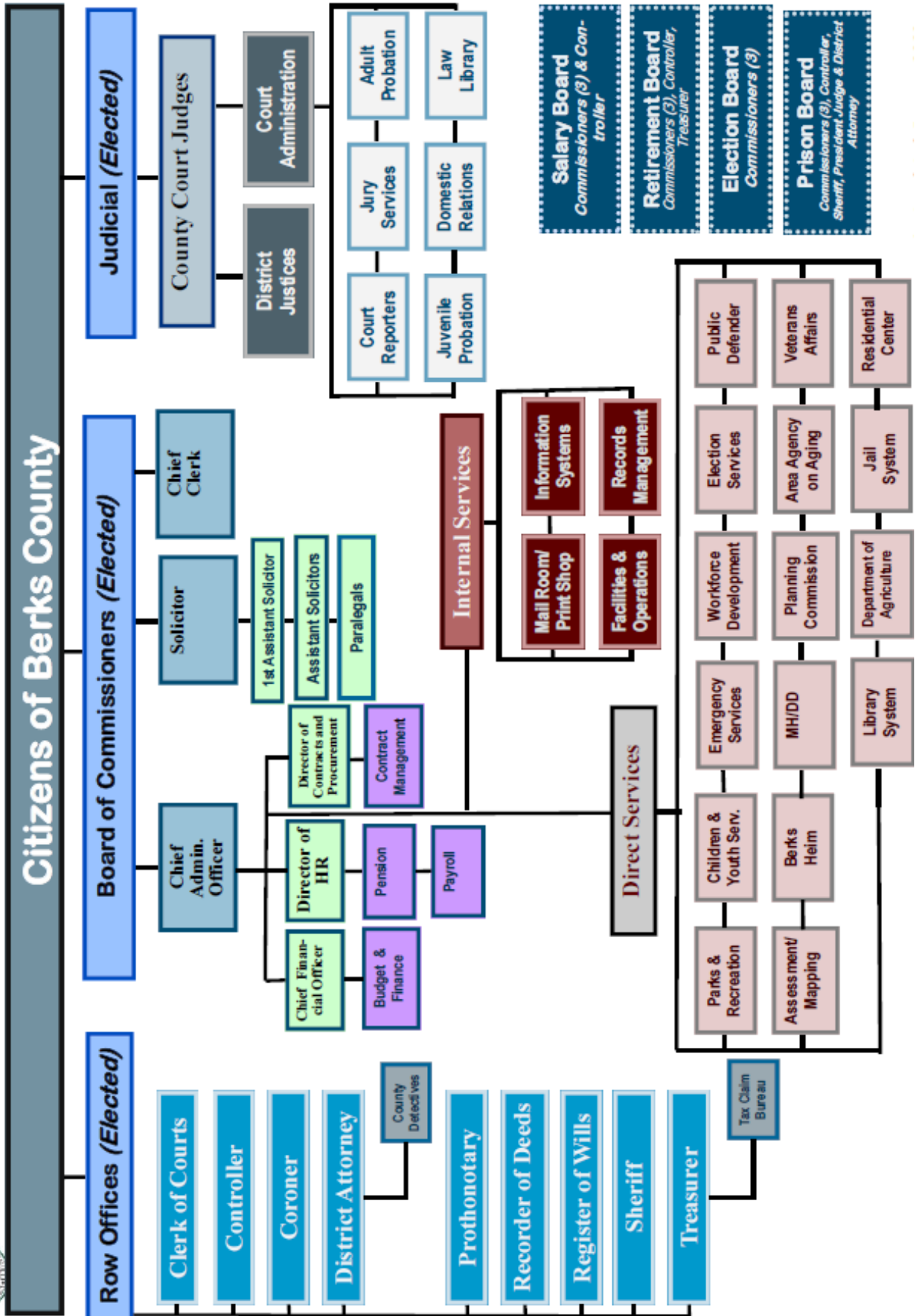
Mary Kozak

Judges of Court

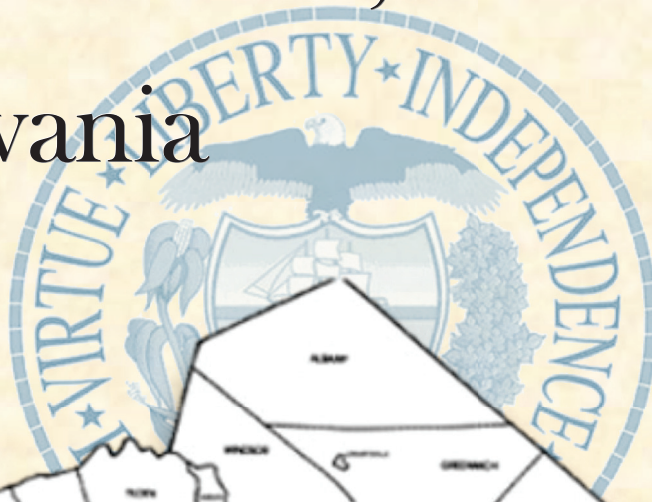
Honorable Thomas G. Parisi, President Judge
Honorable Jeffrey K. Sprecher, Judge
Honorable Scott E. Lash, Judge
Honorable Mary Ann Ullman, Judge
Honorable James M. Bucci, Judge
Honorable Paul M. Yatron, Judge
Honorable Timothy J. Rowley, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable M. Theresa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



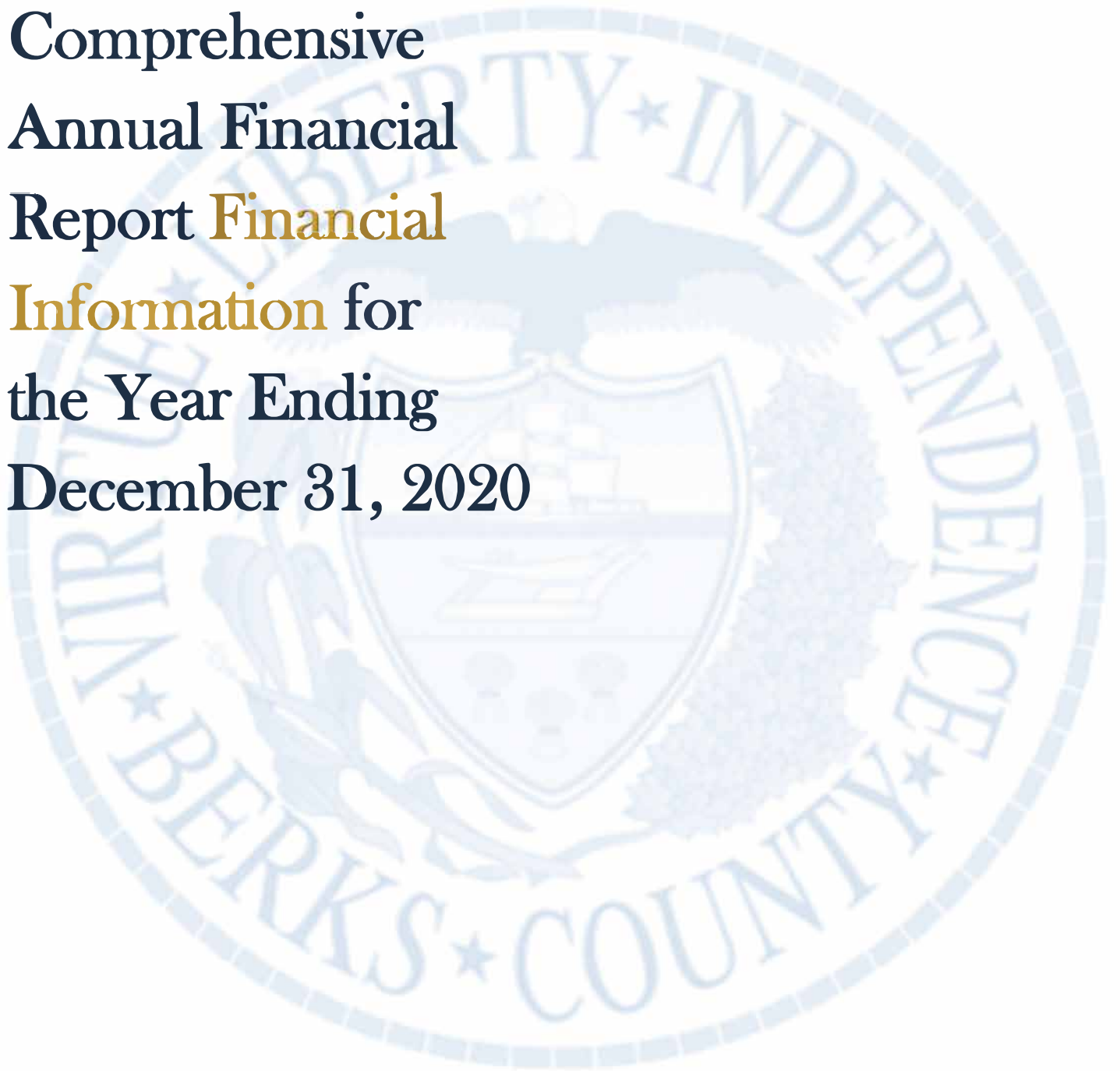
County of Berks Organizational Chart



County of Berks, Pennsylvania



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Financial
Information** for
the Year Ending
December 31, 2020





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, 2020.



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Berks, Reading, Pennsylvania, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Berks' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We did not audit the financial statements of the Reading Regional Airport Authority and the Reading Area Community College as of September 30, 2020 and June 30, 2020, respectively, which represent 100% of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Berks, Pennsylvania, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including Management's Discussion and Analysis on Pages 12 to 23, budgetary comparison information on Pages RSI 1 to 6, Schedule of Changes in the County's Net Pension Asset (Liability) and Related Ratios and Schedule of County Contributions on Pages RSI 7 and RSI 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

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

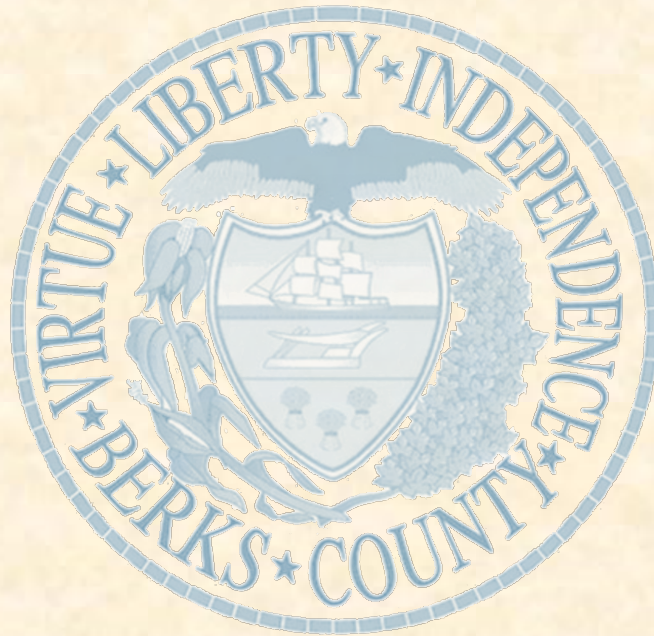
The introductory section and statistical section have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 30, 2021, on our consideration of the County of Berks' internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Berks' internal control over financial reporting and compliance.

Handwritten signature of RKL LLP in black ink.

June 30, 2021
Wyomissing, Pennsylvania



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

County of Berks
Management's Discussion and Analysis
December 31, 2020
(amounts reported in millions, rounded to nearest thousand)

The County of Berks' (County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2020. 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, 2020. Dollar amounts throughout the MD&A are rounded to the nearest thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The County's net position, restated for 2019, increased in 2020 by \$41,830 to \$374,641. Unrestricted net position at year-end increased by \$12,785 to \$115,632.
- Total outstanding bonds and other debt at December 31, 2020 was \$163,083, a decrease of \$35,018 from the prior year, resulting from principal payments made during 2019. The County's bond rating from Moody's is **Aaa**, the highest bond rating a public entity can attain with a stable outlook.
- Property tax rates remained unchanged at 7.657 mills in 2020.
- During 2020, the County's General Fund balance decreased by \$1,036 to \$156,503. The unassigned portion of that fund balance was \$133,260, an increase of \$28,521 from the unassigned fund balance at the end of 2019.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

County of Berks
Management's Discussion and Analysis
December 31, 2020
(amounts reported in millions, rounded to nearest thousand)

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

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

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

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

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

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

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

The County adopts an annual budget for all governmental funds. Budgetary comparisons are provided for

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the County's major funds on pages Required Supplemental Information ("RSI") pages 1-5, while the non-major funds are provided on pages OSI pages 8-20.

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

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

Notes to the Basic Financial Statements provide detailed information that is needed for a full understanding of the data provided in the government-wide and fund financial statements. The notes are an integral part of the financial statements and should be reviewed in conjunction with them. The notes can be found on pages N 1–N 77 of this report.

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

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

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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 \$374,641 at December 31, 2020. 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	
	2020	2019	2020	2019	2020	2019
Noncapital assets	\$ 290,824	\$ 266,231	\$ 29,458	\$ 16,439	\$ 320,282	\$ 282,670
Capital assets	289,336	286,012	34,993	34,170	324,329	320,182
Total assets	580,160	552,243	64,451	50,609	644,611	602,852
Deferred outflows	32,906	44,524	6,274	8,791	39,180	53,315
Total assets and deferred outflows	613,066	596,767	70,725	59,400	683,791	656,167
Current liabilities	83,583	80,874	7,462	5,190	91,045	86,064
Noncurrent liabilities	152,170	176,614	22,978	26,281	175,148	202,895
Total liabilities	235,753	257,488	30,440	31,471	266,193	288,959
Deferred inflows	34,303	33,678	8,655	8,544	42,958	42,222
Total liabilities and deferred inflows	270,056	291,166	39,095	40,015	309,151	331,181
Net position:						
Net investment in capital assets	174,067	137,967	15,085	13,784	189,152	151,751
Restricted	69,857	70,387	-	-	69,857	70,387
Unrestricted	99,086	97,247	16,546	5,601	115,632	102,848
Total net position	\$ 343,010	\$ 305,601	\$ 31,631	\$ 19,385	\$ 374,641	\$ 324,986

During 2020, net position increased \$49,655, or 15.3%, to \$374,641. Of this total, \$189,152 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$69,857 is restricted for various purposes by external entities. The unrestricted net position of \$115,632 represents funds available to support operations or provide for the repayment of long-term debt. Reasons for this change include:

Current and other assets increased by \$37,612, or 13.3%, to \$320,282. Reasons for this increase include:

- Increase in net pension asset from \$6,132 to a 2020 end of year net pension asset of \$25,467.
- Loans receivable decreased by \$1,429 mainly due to repayments by local governments on its end-user radios.

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

Current liabilities increased by \$4,981, or 5.8%, to \$91,045.

Noncurrent liabilities decreased by \$27,747, or 13.7%, to \$175,148. This change is due primarily to the reasons described in the long-term debt section.

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Changes in Net Position

The following statement of activities represents the balances and changes that occurred in net position for the year ended December 31, 2020. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019 (Restated)	2020	2019 (Restated)
Program revenues:						
Charges for services	\$ 41,591	\$ 42,039	\$ 56,421	\$ 62,494	\$ 98,012	\$ 104,533
Operating grants/contrib.	275,029	217,452	4,639	-	\$ 279,668	217,452
Capital grants/contrib.	4,806	4,920	-	-	4,806	4,920
General revenues:						
Property taxes	146,303	145,014	-	-	146,303	145,014
Hotel room tax	1,933	2,447	-	-	1,933	2,447
Payment in lieu of taxes	244	237	-	-	244	237
Investment earnings	4,933	5,647	5	6	4,938	5,653
Change - rate swaps	-	846	-	-	-	846
Miscellaneous - other	8,462	7,530	-	-	8,462	7,530
(Loss) Gain on disposal of capital assets	(2,015)	-	-	-	(2,015)	-
Rental of space	384	405	-	-	384	405
Total revenues	<u>481,670</u>	<u>426,537</u>	<u>61,065</u>	<u>62,500</u>	<u>542,735</u>	<u>489,037</u>
Expenses:						
General government	86,633	46,453	-	-	86,633	46,453
Judicial	47,847	53,106	-	-	47,847	53,106
Public safety	67,126	83,217	-	-	67,126	83,217
Human services	220,735	201,851	-	-	220,735	201,851
Culture and recreation	7,837	7,945	-	-	7,837	7,945
Comm & econ developmen	7,702	5,888	-	-	7,702	5,888
Public works	1,624	1,489	-	-	1,624	1,489
Community support	2,117	2,125	-	-	2,117	2,125
Debt service	4,031	4,383	-	-	4,031	4,383
Solid waste	265	315	-	-	265	315
Residential Center	-	-	7,037	7,546	7,037	7,546
Berks Heim	-	-	47,952	51,410	47,952	51,410
Total expenses	<u>445,917</u>	<u>406,772</u>	<u>54,989</u>	<u>58,956</u>	<u>500,906</u>	<u>465,728</u>
Change before other items	35,753	19,765	6,076	3,544	41,829	23,309
Other items:						
Transfers/cap contrib	1,089	1,089	(1,089)	(1,089)	-	-
Conversion to spec. rev.	-	-	-	-	-	-
Total other items	<u>1,089</u>	<u>1,089</u>	<u>(1,089)</u>	<u>(1,089)</u>	<u>-</u>	<u>-</u>
Change in net position	36,842	20,854	4,987	2,455	41,829	23,309
Net position - beginning	306,168	284,747	26,644	16,930	332,812	301,677
Prior Period Adjustments	-	567	-	7,259	-	7,826
Net position - ending	<u>\$ 343,010</u>	<u>\$ 306,168</u>	<u>\$ 31,631</u>	<u>\$ 26,644</u>	<u>\$ 374,641</u>	<u>\$ 332,812</u>

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The County's overall net position increased by \$41,829, which includes an increase due to governmental activities of \$36,842 and an increase in business-type activities of \$4,987.

Governmental activities:

Revenues increased by \$55,133. Charges for services decreased \$448. Additionally, operating grant revenue increased by \$57,577.

Expenses increased by \$39,145. As a result of increased operating grant revenue, expenses for general government increased by \$40,180. Expenses for human services increased by \$18,884.

Other notable items decreased by \$5,259 for Judicial and \$352 for Debt Service.

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

Business-type activities:

Charges for services decreased by \$6,073; a decrease to Berks Heim revenue of \$5,567 and a decrease of \$506 to the Berks County Residential Center.

Expenses decreased by \$3,967; Berks Heim in the amount of \$3,458 and a decrease of \$509 related to the Berks County Residential Center.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

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

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At December 31, 2020, the County's governmental funds reported total fund balances of \$175,810, a decrease of \$1,880 in comparison with December 31, 2019. Unassigned fund balance of \$133,260, or 75.8%, is fund balance available for future appropriation. Restricted fund balance of \$19,950, or 11.4%, is fund balance restricted by external entities. Committed fund balance of \$14,477, or 8.2%, is amounts committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$8,123, or 4.6%, represents non-spendable items such as inventory and amounts assigned for specific purposes.

General Fund:

The General Fund accounts for all financial resources of the County except for those accounted for in other funds. At December 31, 2020, total fund balance of the General Fund was \$156,503, while unrestricted fund balance was \$133,260. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 55.2% of total fund expenditures excluding other financing uses, while total fund balance represents 64.8% of the same amount.

The General Fund's fund balance decreased by \$1,036 during the 2020 year.

General Fund revenues without other financing sources totaled \$234,095, which represents a 1.0% increase, or \$2,386, from the 2019 year. This is primarily due to an increase in departmental charges and reimbursements of \$4,368.

Expenditures without other financing uses totaled \$241,463, which represents a 8.9% increase, or \$19,805, from the 2019 year.

Children and Youth Services Special Revenue Fund

The Children and Youth Services Special Revenue Fund is a major governmental fund that provides services to children and youth. This fund received \$34,150 of revenues and incurred \$39,416 of expenses. The General Fund contributed \$5,591 during 2020 as part of the required County contribution. Expenses decreased by \$3,488 compared to 2019. Overall revenue decreased a similar amount during 2020.

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 2020 were \$144,579, which represents a \$22,427 increase, or 18.4% increase, from the 2019 year.

Budgetary Highlights

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

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

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- To appropriate new revenue, when received, and the anticipated related spending authority.

Because the County is on a calendar year that differs from many Federal and State government agencies, it is difficult, at times, to forecast the exact amount of non-tax revenue that will be forthcoming during the County's year. Many of the revenue variances are the result of federal and state revenues being either increased or decreased after the County budget is adopted.

During 2020, the General Fund revenue budget, excluding transfers and bond proceeds, increased \$2,020 during the year from the original approved budget of \$232,900 to the final budget of \$234,920. Actual revenues received of \$234,095 were \$825 less than the final budget. The overall decrease of final revenue to final budget can be traced to decreased state agency funds.

The General Fund expenditure budget, excluding transfers, increased \$17,341 during 2020 from the original budget of \$255,701 to the final budget of \$273,042. Actual expenditures of \$241,463 were \$31,579 lower than the final budget. The overall less than budget condition for expenditures can be traced primarily as three different Facilities projects being deferred totaling approximately \$4.4 million, Information Systems projects and expenditures being deferred totaling approximately \$1.2 million, Prison projects and expenditures being deferred totaling \$4.2 million, Parks projects and expenditures being deferred totaling approximately \$1.4 million and budgeted contingency expenditures were not used. In addition, overall general government expenses were lower than expected because of continued cost cutting measures in the County.

Capital Assets

The County's investment in capital assets at December 31, 2020, net of accumulated depreciation, was \$324,329. Capital assets consist primarily of the categories shown in the table below. Major capital asset transaction activities during the year include:

Governmental activities:

- Agricultural easements increased by approximately \$.5 million as part of the County's farmland preservation program.
- Net infrastructure increased by approximately \$3.9 million. The net increase is primarily because of the completion of work and subsequent release from construction in progress of one County owned bridge, Dreibelbis Station Bridge, with aggregate cost of approximately \$4.9 million, less overall infrastructure depreciation of approximately \$1 million.
- Net buildings and improvements decreased by approximately \$4.3 million. The net decrease is primarily because of current year improvements put into service of approximately \$1.5 million, less depreciation of approximately \$5.8 million.
- Furniture, fixtures, equipment, and vehicles decreased by approximately \$3.3 million. The primary reasons for the overall decrease are capital asset purchases and transfers from construction in progress of \$1.6 million and \$.2 million, respectively, less depreciation of \$5.1 million.
- Software in progress increased by approximately \$4.5 million primarily because of Assessment department Assessment Software project totaling approximately \$1.3 million and Human Resources department HRM and Payroll software project totaling approximately 2.9 million during the year.

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- Construction in progress increased by approximately \$1.4 million. Significant reasons for the increase are:
 - Net transfers of completed bridges to infrastructure of \$0 million, comprised of beginning cost of \$3.0 million, current year charges of \$3.5 million, less transfers to infrastructure of \$(6.5) million.
 - Costs incurred on 6 other bridges not yet completed of approximately \$.2 million.
 - Costs incurred on a Wastewater Treatment Plant Renovation project of approximately \$1.6 million.

Business-type activities:

- Net capital assets increased by approximately \$.8 million, the primary reasons for the overall increase are capital asset purchases and transfers of \$2.3 million less current year depreciation totaling \$1.5 million, \$.3 million and \$1.2 million charged to Berks County Residential Center and Berks Heim, respectively.

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Totals	
	2020	2019	2020	2019	2020	2019
Land and improvements	\$ 15,937	\$ 15,327	\$ -	\$ -	\$ 15,937	\$ 15,327
Agricultural easements	83,034	82,535	-	-	83,034	82,535
Infrastructure	34,171	30,254	-	-	34,171	30,254
Buildings and improvements	81,610	85,933	31,757	31,182	113,367	117,115
Furniture, fixtures, equipment and vehicles	50,203	53,533	634	720	50,837	54,253
Historical treasures	2,290	2,280	-	-	2,290	2,280
Software in progress	12,424	7,877	-	-	12,424	7,877
Construction in progress	9,667	8,273	2,602	2,268	12,269	10,541
Totals	<u>\$ 289,336</u>	<u>\$ 286,012</u>	<u>\$ 34,993</u>	<u>\$ 34,170</u>	<u>\$ 324,329</u>	<u>\$ 320,182</u>

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

Long-term debt:

As of December 31, 2020, the County had outstanding debt of \$163,083, or 10.1 percent, of the maximum \$1,620,077 as permitted by law. The outstanding debt represents .8 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$35,018, or 17.7 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.

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Summary of outstanding debt

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds and notes:						
Current portion	\$ 10,773	\$ 20,303	\$ 3,087	\$ 466	\$ 13,860	\$ 20,769
Noncurrent portion	<u>127,893</u>	<u>152,701</u>	<u>21,330</u>	<u>24,631</u>	<u>149,223</u>	<u>177,332</u>
Total	<u>\$ 138,666</u>	<u>\$ 173,004</u>	<u>\$ 24,417</u>	<u>\$ 25,097</u>	<u>\$ 163,083</u>	<u>\$ 198,101</u>

Bond rating

On July 25, 2019, Moody’s Investors Services upgraded the rating on the County’s general obligation bonds from **Aa1 to Aaa** (Stable Outlook), following the issuance of the 2019, 2019A and 2019B General Obligation bonds series which refunded the 2009B, 2010C, 2012, 2012A and 2014 General Obligation bond series.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic conditions

The nation’s economy experienced a rollercoaster ride in 2020 after the US Government declared a national emergency due to the coronavirus pandemic. A recession had taken hold, ending many years of economic expansion. The shutdown of businesses caused a considerable economic downturn, with record high unemployment levels, low consumer spending, falling home sales, and a stock market crash. GDP was down over 30% in the second quarter, with the service industry being hit the hardest. In March, the Dow Jones Industrial Average posted the three worst single-day point losses in US history, officially ending the decade-long bull market. Many workers were laid off or furloughed as nonessential businesses were being shut down, resulting in the loss of over 20 million jobs in April alone. Despite stimulus checks from the government, consumer spending declined drastically in the first two quarters of 2020, most notably on durable goods and services. In response, the Federal Reserve lowered the benchmark interest rate to almost 0% and Congress issued several trillion dollars in support to businesses and individuals to boost the economy.

As businesses found a way to open safely during the summer and fall, the economy experienced a significant upturn, recovering most of its early losses. The unemployment rate dropped to below 10% and the stock market gained momentum as investors’ confidence was restored. There was a boost in home sales, as demand increased for larger homes and apartments due to companies shifting to remote work. In December, two effective COVID-19 vaccines became available to frontline and other essential workers. As more and more Americans receive the vaccine and herd immunity is attained, the US is poised for further economic recovery.

The Berks County economy is broad-based, containing many sectors including, but not limited to, manufacturing, wholesale and retail trade, services, manufacturing and agriculture. While Berks County has lost a number of large organizations in the last 10 years, these jobs have been replaced with employers in other sectors. However, the manufacturing sector continues to generate the highest payroll as a whole throughout the County. There are several agencies throughout Berks County that are responsible for economic development. The Berks County Industrial Development Authority and the Greater Berks Development Fund provide site development and redevelopment assistance and financing. The Berks

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County Workforce Investment Board provides planning and funding for workforce education. The Berks Economic Partnership coordinates economic development marketing and outreach business development throughout the County. The Greater Reading Chamber of Commerce and Industry advocates for local businesses and provides training assistance.

Berks County continued to be third in Pennsylvania and among the top 100 counties in the entire nation in value of farm products sold as of the 2010 census. More than 40% of the County's 864 square miles are dedicated to farming. The County's growing farmland preservation program is designed to preserve the best lands for agricultural production and maintain viability of the County's agricultural businesses. The County purchased agricultural preservation easements for over 784 additional acres during 2020, bringing total acreage under preservation to 75,213 acres on 776 farms.

Market impact on investment income

The County did experience continued strong investment earnings during the year (\$4,938 in 2020 versus \$5,653 in 2019). This is primarily attributed to a change in the County's investment policy in 2015. In 2015, the Commissioners approved County investments in Treasuries, Fanny Mae and Freddie Mac, all instruments which usually produce higher rates of return than traditional money market accounts. The Commonwealth of Pennsylvania restricts county investments to government secured funds and certificates of deposit. The County uses LIBOR-based programs that have historically yielded a higher rate of return than standard money market and CD rates.

The County's Retirement Fund, with December 31, 2020 net position valued at \$525,391, experienced net investment income of \$54,229 during 2020. During the year, the Retirement Fund had a diversified asset allocation program as discussed in Note 2. Due to the prefunding of the pension plan in 2012 with cash and pension bonds totaling \$60,000, the County has minimized future required contributions to the plan. Based on investment experience and the prefunding of the plan, the contributions in 2020 were \$5,189, which is an increase from \$4,412 in 2019, and \$3,648 in 2018. 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 2020. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for 2021 will be \$4,329. The 2020 actuarially determined contribution is 3.92 percent of estimated 2021 compensation of \$110,466.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2020, 53.6 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 28.0 percent of government-wide revenues. Uncertainty about the direction and timing of federal and state budgets, especially their impact on the County's human services programs, will have a direct effect on the programs and services in which the County participates.

Next Year's Budget

For 2021, the County adopted a balanced budget at \$555,053 in revenues, with \$12,057 of fund balance reserves to offset a revenue shortfall to expenditures. It was decided that it would be more prudent to absorb this deficit with these reserves to balance the budget, rather than increase property taxes. The budget assumes federal and state funding will satisfy the demand for our core human services levels throughout 2021. The 2021 budget continues to focus on several fiscal initiatives including, but not limited to:

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

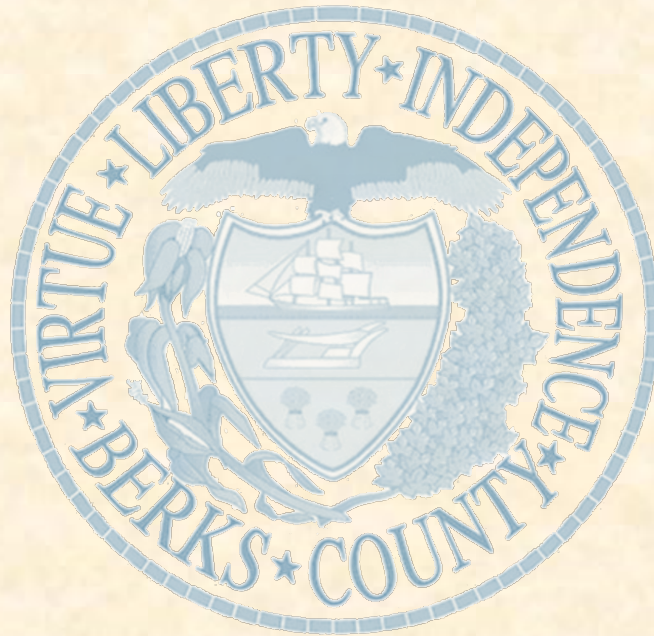
As in the current year, the greatest challenge to the upcoming 2021 operating budget continues to be the revenue compression coming from both the federal and state government grant programs and the minimal revenue increases coming from assessed values and property taxes. As the agencies develop their 2021 and forward budgets, the County is likely to receive less federal and state funding for mandated services in Children and Youth, Juvenile Probation and Aging services. This anticipated reduction in federal and state funding, combined with escalating wage, healthcare, pension and fuel costs, continues to put tremendous pressure on our budget. The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increases in tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

County of Berks
Office of the Controller
633 Court Street, 12th floor
Reading PA 19601-4311
Phone: 610-478-6150
Fax: 610-478-6890
Email: controller@countyofberks.com



FINANCIAL STATEMENTS

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



	Primary Government			Component Units
	Governmental	Business-type	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 50,705,650	\$ 295,241	\$ 51,000,891	\$ 11,060,241
Cash and cash equivalents, restricted	44,179,696	58,591	44,238,287	514,246
Investments	35,822,479	-	35,822,479	25,843,800
Investments, restricted	2,900,982	60,961	2,961,943	-
Taxes receivable, net	7,550,829	-	7,550,829	-
Accounts receivable, net	11,842,672	5,527,391	17,370,063	7,456,745
Notes receivable	748,494	-	748,494	-
Due from other governments	28,533,504	633,453	29,166,957	616,573
Due from other funds	-	17,620,258	17,620,258	-
Inventories	202,201	310,130	512,331	17,216
Prepaid expenses	4,975,151	44,201	5,019,352	520,444
Restricted deposits	-	-	-	14,378
Total current assets	187,461,658	24,550,226	212,011,884	46,043,643
Noncurrent assets:				
Investments	\$ 77,846,593	\$ -	\$ 77,846,593	\$ -
Loans receivable	1,488,180	-	1,488,180	-
Beneficial interests in perpetual trusts held by others	-	-	-	7,511,084
Other receivables	-	-	-	195,589
Restricted assets:				
Employee pay advance	41,874	26,760	68,634	-
Interest receivable	412,144	-	412,144	-
Investments	2,988,000	-	2,988,000	-
Net pension asset	20,585,501	4,881,355	25,466,856	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	120,941,416	2,601,518	123,542,934	8,713,470
Capital assets, net of accumulated depreciation	168,394,972	32,391,416	200,786,388	71,776,688
Total noncurrent assets	392,698,680	39,901,049	432,599,729	89,106,264
Deferred outflows of resources:				
Unamortized bond refunding loss	\$ 8,149,656	\$ 202,301	\$ 8,351,957	\$ -
Pension	24,755,827	6,071,871	30,827,698	1,033,250
Other postemployment benefits	-	-	-	252,840
Total deferred outflows of resources	32,905,483	6,274,172	39,179,655	1,286,090
Total assets and deferred outflows of resources	613,065,821	70,725,447	683,791,268	136,435,997

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 23,853,455	\$ 1,956,637	\$ 25,810,092	\$ 910,159
Accrued liabilities	7,195,135	1,409,126	8,604,261	1,135,172
Due to other governments	418,705	-	418,705	-
Unearned revenue	9,131,864	-	9,131,864	3,636,862
Advance revenue	70,058	-	70,058	-
Due to third parties	1,082,805	-	1,082,805	-
Due to other funds	17,620,258	-	17,620,258	-
Accrued interest payable	640,598	118,460	759,058	-
Compensated absences	1,333,435	411,672	1,745,107	488,323
Deposits	-	-	-	48,227
Accrued claims health insurance	11,116,893	331,412	11,448,305	-
Accrued claims liability	190,266	147,082	337,348	-
Notes payable, agricultural easement	156,995	-	156,995	-
Lease obligation	-	-	-	69,511
Bonds, loans and notes payable	10,772,530	3,087,469	13,859,999	1,145,516
Total current liabilities	<u>83,582,997</u>	<u>7,461,858</u>	<u>91,044,855</u>	<u>7,433,770</u>
Noncurrent liabilities:				
Compensated absences	7,161,317	842,785	8,004,102	500,772
Accrued claims liability	1,041,693	805,272	1,846,965	400,000
Other postemployment benefit liability	-	-	-	1,273,085
Lease obligation	-	-	-	40,335
Net pension liability	-	-	-	4,694,835
Bonds, loans and notes payable	127,969,159	21,329,703	149,298,862	12,525,762
Payable from restricted assets	15,997,431	-	15,997,431	-
Total noncurrent liabilities	<u>152,169,600</u>	<u>22,977,760</u>	<u>175,147,360</u>	<u>19,434,789</u>
Total liabilities	<u>235,752,597</u>	<u>30,439,618</u>	<u>266,192,215</u>	<u>26,868,559</u>
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	6,432,184
Pension	34,303,208	8,499,926	42,803,134	516,626
Other postemployment benefits expense	-	-	-	172,606
Unamortized bond refunding gain	-	155,025	155,025	-
Total deferred inflows of resources	<u>34,303,208</u>	<u>8,654,951</u>	<u>42,958,159</u>	<u>7,121,416</u>
Net position:				
Net investment in capital assets	174,067,177	15,084,385	189,151,562	60,282,778
Restricted for:				
Gift fund	20,557	-	20,557	-
Farmland preservation	1,135,521	-	1,135,521	-
Hazmat response	2,152,202	-	2,152,202	-
Act 198 - Courts	295,723	-	295,723	-
Workers' compensation	219,599	-	219,599	-
Special revenue funds	51,945,629	-	51,945,629	-
2021 Capital Projects	12,910,710	-	12,910,710	-
Services Center Parking Garage	430,504	-	430,504	-
Act 13 Marcellus Shale	746,840	-	746,840	-
Debt service	-	-	-	514,246
Foundation for Reading Area Community College	-	-	-	18,915,241
Unrestricted net position	99,085,554	16,546,493	115,632,047	22,733,757
Total net position	<u>\$ 343,010,016</u>	<u>\$ 31,630,878</u>	<u>\$ 374,640,894</u>	<u>\$ 102,446,022</u>

See accompanying notes to the financial statements.

	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 103,947,807	\$ (17,314,478)	\$ 8,157,798	\$ 40,065,268	\$ -
Judicial	40,478,404	7,369,061	7,776,595	1,496,101	29,882
Public safety	63,212,803	3,913,038	15,851,499	6,703,993	-
Human services	218,002,641	2,732,467	1,231,915	220,137,293	516,116
Culture and recreation	7,400,280	436,401	36,503	1,441,136	354,916
Community and economic development	7,347,113	355,136	785,328	5,144,048	-
Public works	1,531,696	92,607	2,044,440	-	3,905,591
Community support	2,037,082	79,947	675	-	-
Debt service administrative expenses	4,024,454	6,625	140,245	-	-
Solid waste	255,903	9,009	5,566,364	41,289	-
Total governmental activities	<u>448,238,183</u>	<u>(2,320,187)</u>	<u>41,591,362</u>	<u>275,029,128</u>	<u>4,806,505</u>
Business-type activities					
Berks County Residential Center	6,438,231	598,640	8,056,510	-	-
Berks Heim	46,229,983	1,721,547	48,364,200	4,638,567	-
Total business-type activities	<u>52,668,214</u>	<u>2,320,187</u>	<u>56,420,710</u>	<u>4,638,567</u>	<u>-</u>
Total primary government	<u>\$ 500,906,397</u>	<u>\$ -</u>	<u>\$ 98,012,072</u>	<u>\$ 279,667,695</u>	<u>\$ 4,806,505</u>
Component units:					
Total component units	<u>\$ 42,480,169</u>	<u>\$ -</u>	<u>\$ 8,724,396</u>	<u>\$ 17,183,093</u>	<u>\$ -</u>

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

	Governmental Activities	Business-type Activities	Total	Component Units
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ (38,410,263)	\$ -	\$ (38,410,263)	
Judicial	(38,544,887)	-	(38,544,887)	
Public safety	(44,570,349)	-	(44,570,349)	
Human services	1,150,216	-	1,150,216	
Culture and recreation	(6,004,126)	-	(6,004,126)	
Community and economic development	(1,772,873)	-	(1,772,873)	
Public works	4,325,728	-	4,325,728	
Community support	(2,116,354)	-	(2,116,354)	
Debt service administrative expenses	(3,890,834)	-	(3,890,834)	
Solid waste	5,342,741	-	5,342,741	
Total governmental activities	<u>(124,491,001)</u>	<u>-</u>	<u>(124,491,001)</u>	
Business-type activities				
Berks County Residential Center	-	1,019,638	1,019,638	
Berks Heim	-	5,051,239	5,051,239	
Total business-type activities	<u>-</u>	<u>6,070,877</u>	<u>6,070,877</u>	
Total primary government	<u>(124,491,001)</u>	<u>6,070,877</u>	<u>(118,420,124)</u>	
Component units:				\$ <u>(16,572,680)</u>
Total component units				
General Revenues				
Taxes:				
Property taxes, levied for general purposes	146,302,765	-	146,302,765	-
Hotel tax	1,932,948	-	1,932,948	-
Payments in lieu of taxes	243,773	-	243,773	-
Payments from County of Berks	-	-	-	3,850,000
Payments from other governments	-	-	-	11,860,265
Investment earnings	4,933,309	5,245	4,938,554	1,334,369
Change in fair value of interest rate swaps	-	-	-	-
Tapping fee income	-	-	-	-
Miscellaneous/other	8,462,528	-	8,462,528	1,764,122
Gain on disposal of capital assets	(2,015,390)	-	(2,015,390)	708
Rental of space	384,559	-	384,559	-
Transfers	1,088,977	(1,088,977)	-	-
Total general revenue and transfers	<u>161,333,469</u>	<u>(1,083,732)</u>	<u>160,249,737</u>	<u>18,809,464</u>
Change in net position	36,842,468	4,987,145	41,829,613	2,236,784
Net position, beginning, as restated	306,167,548	26,643,733	332,811,281	100,209,238
Net position, ending	\$ <u>343,010,016</u>	\$ <u>31,630,878</u>	\$ <u>374,640,894</u>	\$ <u>102,446,022</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Assets					
Cash and cash equivalents	\$ 28,249,955	\$ 1,300	\$ 9,524,302	\$ 4,340,484	\$ 42,116,041
Cash and cash equivalents, restricted	22,535,548	-	7,769,537	13,874,611	44,179,696
Investments	35,822,479	-	-	-	35,822,479
Investments, restricted	323,039	-	2,079,943	498,000	2,900,982
Taxes receivable	7,550,829	-	-	-	7,550,829
Accounts receivable	9,567,901	3,723	-	2,312,920	11,884,544
Accrued interest receivable	404,899	-	17	-	404,916
Due from other governments	3,212,376	6,210,414	15,011,074	4,099,641	28,533,505
Due from other funds	-	532,958	151,656	1,689,257	2,373,871
Inventories	202,201	-	-	-	202,201
Prepaid expenses	1,824,011	-	-	3,151,140	4,975,151
Loans receivable	856,674	-	-	-	856,674
Investments, non-current	86,436,203	-	-	-	86,436,203
Investments, non-current, restricted	498,000	-	1,743,000	747,000	2,988,000
Total assets	<u>\$ 197,484,115</u>	<u>\$ 6,748,395</u>	<u>\$ 36,279,529</u>	<u>\$ 30,713,053</u>	<u>\$ 271,225,092</u>
Liabilities					
Accounts payable	\$ 4,516,128	\$ 2,182,143	\$ 11,608,571	\$ 5,546,616	\$ 23,853,458
Accrued liabilities	4,925,458	539,649	18,635	760,210	6,243,952
Due to other funds	19,994,129	-	-	-	19,994,129
Due to other governments	418,705	-	-	-	418,705
Unearned revenue	3,012,862	3,813,907	-	3,965,364	10,792,133
Due to third parties	1,079,180	3,625	-	-	1,082,805
Accrued claims health insurance	1,119,826	138,063	9,682,183	176,821	11,116,893
Payable from restricted assets	-	-	14,970,140	1,027,447	15,997,587
Total liabilities	<u>35,066,288</u>	<u>6,677,387</u>	<u>36,279,529</u>	<u>11,476,458</u>	<u>89,499,662</u>
Deferred inflows of resources					
Unavailable property taxes	5,079,607	-	-	-	5,079,607
Other unavailable	835,699	-	-	-	835,699
Total deferred inflows of resources	<u>5,915,306</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,915,306</u>
Fund balances					
Nonspendable:	1,338,410	3,724	-	2,767,733	4,109,867
Restricted	3,414,364	67,284	-	16,468,863	19,950,511
Committed	14,476,735	-	-	-	14,476,735
Assigned	4,012,877	-	-	-	4,012,877
Unassigned	133,260,135	-	-	-	133,260,135
Total fund balances	<u>156,502,521</u>	<u>71,008</u>	<u>-</u>	<u>19,236,596</u>	<u>175,810,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 197,484,115</u>	<u>\$ 6,748,395</u>	<u>\$ 36,279,529</u>	<u>\$ 30,713,053</u>	<u>\$ 271,225,092</u>

See accompanying notes to the financial statements.

Total fund balances for governmental funds \$ 175,810,125

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	\$	15,936,928	
Agland easements		83,034,255	
Infrastructure, net		34,171,395	
Building and improvements, net		81,609,962	
Furniture, fixtures, equipment and vehicles, net		49,984,320	
Historical treasures		2,290,344	
Software		218,095	
Software in progress		12,423,852	
Construction in progress		9,667,237	
			289,336,388

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

Net pension liability			20,585,501
Deferred outflow of resources			24,755,827
Deferred inflow of resources			(34,303,207)

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

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

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

Amount due from Greater Berks Development Fund for outstanding bonds payable			1,380,000
Accrued interest receivable from Greater Berks Development Fund			7,228
Other liabilities not paid until future periods that are a current period expense.			
Payroll and payroll taxes			(185,387)

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, 2020 are:

Accrued interest on bonds and notes		(640,598)	
Compensated absences		(8,494,752)	
Accrued claims liabilities		(1,231,958)	
Bonds and notes payable		(130,749,028)	
			(141,116,336)

Total net position of governmental activities \$ 343,010,016

See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Revenues					
Taxes:					
Property	\$ 146,058,470	\$ -	\$ -	\$ -	\$ 146,058,470
Hotel	-	-	-	1,932,948	1,932,948
Court costs, fines and forfeitures	1,837,817	-	-	-	1,837,817
Intergovernmental revenue	12,057,516	33,254,208	144,430,896	90,180,128	279,922,748
Departmental charges and reimbursements	58,761,273	894,710	-	16,639,220	76,295,203
Payments in lieu of taxes	243,773	-	-	-	243,773
Rentals	323,517	-	-	61,042	384,559
Investment earnings	4,650,999	107	147,758	134,443	4,933,307
Miscellaneous	10,161,145	840	-	200,567	10,362,552
Total revenues	<u>234,094,510</u>	<u>34,149,865</u>	<u>144,578,654</u>	<u>109,148,348</u>	<u>521,971,377</u>
Expenditures					
Current:					
General government, administrative	60,072,158	-	-	24,898,075	84,970,233
General government, judicial	55,306,169	-	-	208,999	55,515,168
Public safety	66,508,178	-	-	18,138,674	84,646,852
Human services	-	39,415,875	144,564,586	46,500,777	230,481,238
Culture and recreation	7,544,387	-	-	-	7,544,387
Community and economic development	3,561,446	-	-	5,047,573	8,609,019
Public works	17,509	-	-	4,702,911	4,720,420
Community support	14,763,123	-	-	-	14,763,123
Intergovernmental expenditures - Solid waste	300,900	-	-	-	300,900
Debt service:					
Principal	17,474,779	-	-	-	17,474,779
Interest and fiscal charges	15,897,346	-	-	-	15,897,346
Administrative expenditures	16,948	-	-	-	16,948
Total expenditures	<u>241,462,943</u>	<u>39,415,875</u>	<u>144,564,586</u>	<u>99,497,009</u>	<u>524,940,413</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,368,433)</u>	<u>(5,266,010)</u>	<u>14,068</u>	<u>9,651,339</u>	<u>(2,969,036)</u>
Other financing sources (uses)					
Transfers in	18,677,909	5,590,589	-	6,613,632	30,882,130
Transfers out	<u>(12,345,510)</u>	<u>(324,291)</u>	<u>(14,068)</u>	<u>(17,109,284)</u>	<u>(29,793,153)</u>
Total other financing sources (uses)	<u>6,332,399</u>	<u>5,266,298</u>	<u>(14,068)</u>	<u>(10,495,652)</u>	<u>1,088,977</u>
Net changes in fund balances	(1,036,034)	288	-	(844,313)	(1,880,059)
Fund balances, beginning, as restated	157,538,555	70,720	-	20,080,909	177,690,184
Fund balances, ending	<u>\$ 156,502,521</u>	<u>\$ 71,008</u>	<u>\$ -</u>	<u>\$ 19,236,596</u>	<u>\$ 175,810,125</u>

See accompanying notes to the financial statements.

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2020

County of Berks
2020 Comprehensive Annual Financial Report

Net change in fund balances - total governmental funds \$ (1,880,059)

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

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

Expenditures for capital assets / agricultural easements	\$ 15,555,218	
Depreciation expense	<u>(12,231,093)</u>	3,324,125

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	33,425,824	
Issuance of notes payable	(33,979)	
Bond premium/discounts/refunding losses	659,379	
Accreted interest	<u>(411,011)</u>	33,640,213

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:

208,541

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	244,294	
Notes receivable	<u>(1,319,661)</u>	(1,075,367)

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	(1,662,208)	
Net pension obligation	<u>4,287,223</u>	<u>2,625,015</u>

Change in net position of governmental activities \$ 36,842,468

See accompanying notes to the financial statements.

Statement of Net Position
 Proprietary Funds - Enterprise Funds
 December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Berks County Residential Center	Berks Heim	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,000	\$ 294,241	\$ 295,241
Cash and cash equivalents, restricted	-	58,591	58,591
Investments, restricted	-	60,961	60,961
Accounts receivable, net	-	6,200,878	6,200,878
Due from other governments	84,706	-	84,706
Due from other funds	1,570,408	16,049,850	17,620,258
Inventories	67,187	242,943	310,130
Prepaid expenses	-	44,201	44,201
Total current assets	<u>1,723,301</u>	<u>22,951,665</u>	<u>24,674,966</u>
Noncurrent assets:			
Employee pay advance	-	26,760	26,760
Pension asset	719,505	4,161,849	4,881,354
Capital assets	8,417,079	26,575,855	34,992,934
Total noncurrent assets	<u>9,136,584</u>	<u>30,764,464</u>	<u>39,901,048</u>
Deferred outflows of resources:			
Pension	965,185	5,106,686	6,071,871
Unamortized bond refunding gain/loss	202,301	-	202,301
Total deferred outflows of resources	<u>1,167,486</u>	<u>5,106,686</u>	<u>6,274,172</u>
Total assets and deferred outflows of resources	<u>12,027,371</u>	<u>58,822,815</u>	<u>70,850,186</u>
Liabilities:			
Current liabilities:			
Accounts payable	128,469	1,828,170	1,956,639
Accrued liabilities	242,123	1,167,003	1,409,126
Unearned grant revenue	-	124,739	124,739
Accrued interest payable	16,138	102,321	118,459
Compensated absences	30,419	381,253	411,672
Accrued claims health insurance	58,075	273,338	331,413
Accrued claims liability	7,716	139,367	147,083
Bonds payable, net	422,155	2,665,314	3,087,469
Total current liabilities	<u>905,095</u>	<u>6,681,505</u>	<u>7,586,600</u>
Noncurrent liabilities:			
Compensated absences	262,436	580,349	842,785
Accrued claims liability	42,243	763,027	805,270
Bonds payable, net	2,928,096	18,401,605	21,329,701
Total noncurrent liabilities	<u>3,232,775</u>	<u>19,744,981</u>	<u>22,977,756</u>
Total liabilities	<u>4,137,870</u>	<u>26,426,486</u>	<u>30,564,356</u>
Deferred inflows of resources:			
Unamortized bond refunding gain	-	155,025	155,025
Pension	1,366,458	7,133,469	8,499,927
Total deferred inflows of resources	<u>1,366,458</u>	<u>7,288,494</u>	<u>8,654,952</u>
Net Position			
Net investment in capital assets	5,932,024	9,152,361	15,084,385
Unrestricted net position	591,019	15,955,474	16,546,493
Total Net Position	<u>\$ 6,523,043</u>	<u>\$ 25,107,835</u>	<u>\$ 31,630,878</u>

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Operating revenues			
Charges for services	\$ 7,513,223	\$ 33,103,490	\$ 40,616,713
Other operating revenues	543,287	15,260,710	15,803,997
Total operating revenues	<u>8,056,510</u>	<u>48,364,200</u>	<u>56,420,710</u>
Operating expenses			
Program services	6,593,115	32,579,639	39,172,754
Administrative expenses	-	4,911,754	4,911,754
Depreciation	313,464	1,171,894	1,485,358
Total operating expenses	<u>6,906,579</u>	<u>38,663,287</u>	<u>45,569,866</u>
Operating income	<u>1,149,931</u>	<u>9,700,913</u>	<u>10,850,844</u>
Nonoperating revenues (expenses)			
Grants	-	4,638,567	4,638,567
Investment earnings	-	5,245	5,245
Interest expense	(130,293)	(825,713)	(956,006)
Contribution to General Fund	-	(8,462,528)	(8,462,528)
Total nonoperating revenues (expenses)	<u>(130,293)</u>	<u>(4,644,429)</u>	<u>(4,774,722)</u>
Income before transfers	1,019,638	5,056,484	6,076,122
Transfers in	-	1,136,769	1,136,769
Transfers out	<u>(1,088,977)</u>	<u>(1,136,769)</u>	<u>(2,225,746)</u>
Change in net position	(69,339)	5,056,484	4,987,145
Total net position, beginning, as restated	6,592,382	20,051,351	26,643,733
Total net position, ending	<u>\$ 6,523,043</u>	<u>\$ 25,107,835</u>	<u>\$ 31,630,878</u>

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Cash flows from operating activities			
Receipts from customers	\$ 8,127,777	\$ 54,201,922	\$ 62,329,699
Payments to suppliers	(2,068,470)	(11,946,756)	(14,015,226)
Payments to employees	(4,934,084)	(26,826,393)	(31,760,477)
Net cash provided by operating activities	<u>1,125,223</u>	<u>15,428,773</u>	<u>16,553,996</u>
Cash flows from noncapital financing activities			
Principal paid on bonds	(33,628)	(192,695)	(226,323)
Receipts from other governments	236,150	3,965,080	4,201,230
Interest paid	(17,554)	(100,590)	(118,144)
Contribution from General Fund	-	(8,462,528)	(8,462,528)
Transfers from (to) other funds	(1,088,979)	-	(1,088,979)
Amounts due from (to) other funds	368,430	(7,753,698)	(7,385,268)
Net cash used by noncapital financing activities	<u>(535,581)</u>	<u>(12,544,431)</u>	<u>(13,080,012)</u>
Cash flows from capital and related financing activities			
Principal paid on bonds	(32,700)	(207,120)	(239,820)
Interest paid	(112,908)	(726,144)	(839,052)
Construction in progress	(302,449)	(31,135)	(333,584)
Purchase of capital assets	(141,585)	(1,833,378)	(1,974,963)
Net cash used by capital and related financing activities	<u>(589,642)</u>	<u>(2,797,777)</u>	<u>(3,387,419)</u>
Cash flows from investing activities			
Investment earnings received	-	117,677	117,677
Net cash provided by investing activities	-	117,677	117,677
Net decrease in cash and cash equivalents	-	204,242	204,242
Cash and cash equivalents, beginning	1,000	148,590	149,590
Cash and cash equivalents, ending	<u>\$ 1,000</u>	<u>\$ 352,832</u>	<u>\$ 353,832</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	1,149,931	9,700,913	\$ 10,850,844
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	313,464	1,171,894	1,485,358
Amortization of bond premium	(28,680)	(185,426)	(214,106)
Amortization of refunding loss	23,102	(33,452)	(10,350)
Changes in assets and liabilities:			
Accounts receivable, net	71,267	5,712,984	5,784,251
Employee pay advance	-	7,813	7,813
Inventories	(8,883)	(125,508)	(134,391)
Prepaid expenses	-	1,098	1,098
Pension asset, net	(636,107)	(2,992,991)	(3,629,098)
Pension deferred outflow	437,147	2,056,852	2,493,999
Accounts payable and accrued liabilities	(269,119)	(134,150)	(403,269)
Unearned grant revenue	-	124,739	124,739
Compensated absences	46,865	108,136	155,001
Accrued claims health insurance	6,186	1,727	7,913
Accrued claims liability	(5,268)	(104,979)	(110,247)
Pension deferred inflow	25,318	119,123	144,441
Net cash provided by operating activities	<u>\$ 1,125,223</u>	<u>\$ 15,428,773</u>	<u>\$ 16,553,996</u>

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Berks County Employees' Retirement	Custodial
Assets		
Cash and cash equivalents	\$ 121,755	\$ 11,093,933
Receivables:		
Contributions receivable	448,850	-
Investment income receivable	213,524	-
Total receivables	<u>662,374</u>	<u>-</u>
Investments, at fair value (see Note 2):		
Fixed income securities	98,667,418	-
Domestic equities	353,900,143	-
Real estate/Alternative	72,450,664	-
Certificates of deposit	-	4,928,976
Total investments	<u>525,018,224</u>	<u>4,928,976</u>
Total assets	<u>525,802,353</u>	<u>16,022,909</u>
Liabilities		
Accounts payable	411,094	-
Due to third parties	-	1,225,701
Fees due to Commonwealth of Pennsylvania	-	16,520
Real estate taxes due to City of Reading	-	189,362
Due to other governments	-	151,339
Other	-	5,660,893
Total liabilities	<u>411,094</u>	<u>7,243,815</u>
Net position		
Net position restricted for pension	525,391,259	-
Net position restricted for individuals, organizations and other governments	-	8,779,094
Total Net Position	<u>\$ 525,391,259</u>	<u>\$ 8,779,094</u>

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Berks County Employees' Retirement	Custodial
Additions		
Fee collections for government entities	\$ -	\$ 69,683,824
Escheated funds received for Commonwealth of Pennsylvania	-	150,757
Real estate tax collections for City of Reading, Pennsylvania	-	24,404,086
Receipts from Others	-	17,492,360
Subtotal	<u>-</u>	<u>111,731,027</u>
Contributions:		
Member	7,338,292	-
County	5,188,611	-
Total contributions	<u>12,526,903</u>	<u>-</u>
Investment income:		
Net increase in fair value of investments	47,608,594	-
Interest and dividends	8,176,461	43,786
Miscellaneous	263	-
Less investment expenses	(1,556,299)	-
Net investment income	<u>54,229,019</u>	<u>43,786</u>
Total additions	<u>66,755,922</u>	<u>111,774,813</u>
Deductions		
Benefit payments, including refunds of member contributions	25,510,784	-
Administrative/other expense	52,116	-
Payments of fees collected to Commonwealth of Pennsylvania	-	22,719,076
Payments of fees collected to other government entities	-	42,406,913
Payments of escheated funds to Commonwealth of Pennsylvania	-	68,314
Payments of real estate tax collected to City of Reading	-	24,516,956
Payments to others	-	18,820,635
Total deductions	<u>25,562,900</u>	<u>108,531,894</u>
Change in net position	41,193,022	3,242,919
Net position restricted, beginning	484,198,237	5,536,175
Net position restricted, ending	<u>\$ 525,391,259</u>	<u>\$ 8,779,094</u>

See accompanying notes to the financial statements.

Statement of Net Position (Deficit)
Component Units
December 31, 2020

County of Berks
2020 Comprehensive Annual Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,640,479	\$ 9,419,762	\$ 11,060,241
Cash and cash equivalents, restricted	514,246	-	514,246
Investments	-	25,843,800	25,843,800
Accounts receivable, net	199,399	7,257,346	7,456,745
Due from other governments	616,573	-	616,573
Inventories	-	17,216	17,216
Prepaid expenses	7,855	512,589	520,444
Deposits	14,378	-	14,378
Total current assets	<u>2,992,930</u>	<u>43,050,713</u>	<u>46,043,643</u>
Noncurrent assets:			
Investments	-	-	-
Beneficial interests in perpetual trusts held by others	-	7,511,084	7,511,084
Other receivables	-	195,589	195,589
Collections - works of art	-	909,433	909,433
Capital assets:			
Land and improvements	8,034,855	1,081,556	9,116,411
Air easement rights	103,002	-	103,002
Infrastructure, net	17,507,645	-	17,507,645
Buildings and improvements, net	10,667,938	37,020,513	47,688,451
Furniture, fixtures, equipment and vehicles, net	486,453	2,237,621	2,724,074
Leasehold improvements, net	458,062	-	458,062
Construction in progress	2,006,965	885,548	2,892,513
Total noncurrent assets	<u>39,264,920</u>	<u>49,841,344</u>	<u>89,106,264</u>
Deferred outflows of resources:			
Pension	-	1,033,250	1,033,250
Other postemployment benefits	-	252,840	252,840
Total deferred outflows of resources	<u>-</u>	<u>1,286,090</u>	<u>1,286,090</u>
Total assets and deferred outflows of resources	<u>42,257,850</u>	<u>94,178,147</u>	<u>136,435,997</u>
Liabilities			
Accounts payable	106,726	803,433	910,159
Accrued liabilities	10,787	1,124,385	1,135,172
Unearned revenue	51,505	3,585,357	3,636,862
Compensated absences	-	488,323	488,323
Deposits	48,227	-	48,227
Lease obligation	-	69,511	69,511
Bonds, loans and notes payable	150,000	995,516	1,145,516
Total current liabilities	<u>367,245</u>	<u>7,066,525</u>	<u>7,433,770</u>
Noncurrent liabilities:			
Compensated absences	-	500,772	500,772
Medical insurance liability	-	400,000	400,000
Other postemployment benefit liability	-	1,273,085	1,273,085
Lease obligation	-	40,335	40,335
Net pension liability	-	4,694,835	4,694,835
Bonds, loans and notes payable	3,695,000	8,830,762	12,525,762
Total noncurrent liabilities	<u>3,695,000</u>	<u>15,739,789</u>	<u>19,434,789</u>
Total liabilities	<u>4,062,245</u>	<u>22,806,314</u>	<u>26,868,559</u>
Deferred inflows of resources			
Deferred rent revenue	6,432,184	-	6,432,184
Deferred pension expense	-	516,626	516,626
Deferred other postemployment benefits expense	-	172,606	172,606
Total deferred inflows of resources	<u>6,432,184</u>	<u>689,232</u>	<u>7,121,416</u>
Net position:			
Net investment in capital assets	28,993,664	31,289,114	60,282,778
Restricted for:			
Debt service	514,246	-	514,246
Foundation for Reading Area Community College	-	18,915,241	18,915,241
Unrestricted net position	<u>2,255,511</u>	<u>20,478,246</u>	<u>22,733,757</u>
Total net position	<u>\$ 31,763,421</u>	<u>\$ 70,682,601</u>	<u>\$ 102,446,022</u>

* Presented as of June 30, 2020

** Presented as of September 30, 2020

See accompanying notes to the financial statements

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
 Component Units
 Year ended December 31, 2020

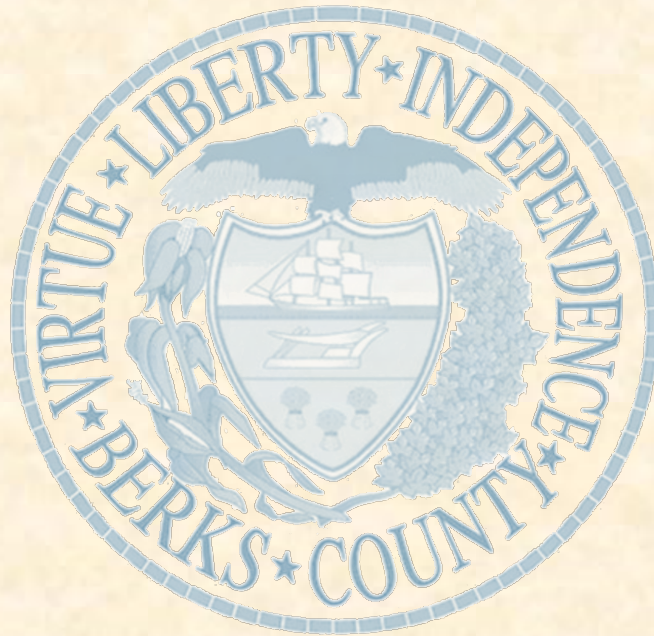
County of Berks
 2020 Comprehensive Annual Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 2,614,340	\$ 6,110,056	\$ 8,724,396
Operating grants and contributions	2,058,050	15,125,043	17,183,093
Investment earnings	-	552,076	552,076
Other revenues	-	1,552,487	1,552,487
Total operating revenues	<u>4,672,390</u>	<u>23,339,662</u>	<u>28,012,052</u>
Total operating expenses	<u>4,209,606</u>	<u>37,882,750</u>	<u>42,092,356</u>
Operating income (loss)	<u>462,784</u>	<u>(14,543,088)</u>	<u>(14,080,304)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	10,512,564	10,512,564
Investment income	2,892	779,401	782,293
Interest expense	(115,809)	(272,004)	(387,813)
Gain on disposal of capital assets	-	708	708
Total nonoperating revenues (expenses)	<u>(112,917)</u>	<u>14,270,669</u>	<u>14,157,752</u>
Other revenues (expense):			
Payments from County of Berks	-	600,000	600,000
Payments from other governments	-	1,347,701	1,347,701
Long-term gifts and grants	-	211,635	211,635
Total other revenues (expense)	<u>-</u>	<u>2,159,336</u>	<u>2,159,336</u>
Change in net position	349,867	1,886,917	2,236,784
Net position, beginning	31,413,554	68,795,684	100,209,238
Total net position, ending	<u>\$31,763,421</u>	<u>\$ 70,682,601</u>	<u>\$ 102,446,022</u>

* Presented for the year ended June 30, 2020

** Presented for the year ended September 30, 2020

See accompanying notes to the financial statements.



NOTES TO FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The financial reporting entity

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

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

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

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

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

Reading Regional Airport Authority
2385 Bernville Road
Reading, PA 19605

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

Related organizations

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

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

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

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

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

1. Government-wide financial statements

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

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

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

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

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

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

2. Fund financial statements

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

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

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

- **Governmental funds**

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

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

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

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

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

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

- **Proprietary funds**

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

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

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”. The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2020:

1. Governmental fund types

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

2. Proprietary fund types

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

3. Other fund types

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

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

D. Investments

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

E. Cash and cash equivalents

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

F. Receivables

All property taxes receivable, accounts receivable, interest and liens receivable are shown net of an allowance for uncollectible amounts. The allowance for property taxes is equal to .09 percent of the 2020 property tax levy outstanding at December 31, 2020. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2020. The allowance for district justices' fines and court costs is equal to 40 percent of the outstanding accounts receivable at December 31, 2020. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2020. 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, 2020.

G. Interfund transactions

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

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

H. Inventories and prepaid items

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

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

I. Restricted assets

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

J. Capital assets

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

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

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

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

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

K. Deferred outflows/inflows of resources

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

L. Fund balance

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

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

M. Net Position

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

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

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

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

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

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

O. Compensated absences

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

P. Pension

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

Q. Self-insurance

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

R. Estimates

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

S. Long-term obligations

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

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

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

T. Intergovernmental revenues

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

U. Allowable Expenses under Grants

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

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

V. Restatement of Financial Statements

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

General Fund

Fund balance, beginning, as previously reported	\$ 156,974,520
Prior period adjustments	<u>564,035</u>
Fund balance, beginning, as restated	<u>\$ 157,538,555</u>

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

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

Governmental Funds

Fund balance, beginning, as previously reported	\$ 305,601,459
Prior period adjustments	<u>566,089</u>
Fund balance, beginning, as restated	<u>\$ 306,167,548</u>

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

Berks Heim Enterprise Fund

Fund balance, beginning, as previously reported	\$ 19,384,647
Prior period adjustments	<u>7,259,086</u>
Fund balance, beginning, as restated	<u>\$ 26,643,733</u>

The Berks Heim Enterprise Fund experienced a prior period adjustment related to the restatement of the opening net assets as of January 1, 2020.

W. Pending and Adopted Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, “*Fiduciary Activities.*” The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. The County has implemented the effects of this Statement for the reporting period ended December 31, 2019.

In June 2017, the GASB issued Statement No. 87, "*Leases.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. The County is currently evaluating the effect of implementation of this Statement.

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

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

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

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

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

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

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

NOTE 2: CASH AND INVESTMENTS

A. Primary government

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

secondary market to ensure liquidity. The County investment policy follows Section 1706 of the County Code of the Commonwealth of Pennsylvania.

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

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

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

The carrying amounts of the cash and investments at December 31, 2020 consist of the following:

Cash and cash equivalents	\$ 106,437,355
Petty cash	17,511
Investments	649,566,214
	<u>\$ 756,021,080</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 51,000,891
Current assets, cash and cash equivalents, restricted	44,238,287
Current assets, investments	35,822,479
Current assets, investments, restricted	2,961,942
Noncurrent assets, investments	77,846,593
noncurrent assets, investments, restricted	2,988,000

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	121,755
Investments	525,018,224

Agency fund:

Cash and cash equivalents	11,093,933
Investments	4,928,976

\$ 756,021,080

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, 2020, the carrying amounts of the County's bank deposits were \$106,437,355 and the bank balances were \$110,500,184, of which \$510,852 was covered by Federal Depository Insurance, \$75,689,308 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits, \$19,381,307 was invested in an external investment pool, described in more detail below, \$7,150,261 was invested in money market funds, \$749,796 was invested in commercial paper, and the remaining balance of \$7,018,660 was invested in U.S. Gov't Debt Securities.

The County invests in PLGIT, an external investment pool, to ensure safety and maximize efficiency, liquidity, and yield for County funds. PLGIT issues separately audited financial statements which are available to the public. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2020, 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 \$7,150,261, which have been classified as cash and cash equivalents in the statement of net position. These money market funds are unrated and have an average maturity of less than one year.

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

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

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

As of December 31, 2020, the County had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	<1	1 - 5	6 - 10	>10
Governmental Fund					
General Fund					
Negot. Certif. of deposit	\$ 25,804,240	\$ 18,930,120	\$ 6,874,120	\$ -	\$ -
U.S. Govt agency securities	84,690,700	13,220,227	71,470,473	-	-
Commercial Paper	3,995,169	3,995,169	-	-	-
Health Choices Fund					
Negot. Certif. of deposit	3,822,943	2,079,943	1,743,000	-	-
Other Governmental Funds					
Negot. Certif. of deposit	1,245,000	498,000	747,000	-	-
Total Governmental Funds	<u>\$ 119,558,052</u>	<u>\$ 38,723,459</u>	<u>\$ 80,834,593</u>	<u>\$ -</u>	<u>\$ -</u>
Enterprise Funds					
Berks Heim					
Negot. Certif. of deposit	<u>60,961</u>	<u>60,961</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Funds					
County Employee's Retirement:					
Collective Trusts					
Core Trust Property	\$ 57,446,670	\$ 57,446,670	\$ -	\$ -	\$ -
Energy Debt	15,003,994	15,003,994	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Funds	48,568,823	48,568,823	-	-	-
S&P 500 500IDX-A	179,626,342	179,626,342	-	-	-
Emerging Markets	15,154,053	15,154,053	-	-	-
World Ex-US	110,550,925	110,550,925	-	-	-
U.S. Equity Factor Allocation	-	-	-	-	-
Dynamic Asset Allocation	-	-	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income	78,886,761	78,886,761	-	-	-
High Yield Bonds	9,882,844	9,882,844	-	-	-
Emerging Markets Dept	9,897,813	9,897,813	-	-	-
Agency Funds:					
Negot. Certif. of deposit	4,928,976	4,928,976	-	-	-
Total Fiduciary Funds	<u>529,947,201</u>	<u>529,947,201</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 649,566,214</u>	<u>\$ 568,731,621</u>	<u>\$ 80,834,593</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in certificates of deposit at December 31, 2020 were \$35,862,120. Of this total, \$35,115,120 was covered by Federal Depository Insurance, and \$747,000 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County had the following level of exposure to credit risk as of December 31, 2020:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 84,690,700	AAA
Negotiable certificates of deposit	\$ 35,862,123	Unrated
Commercial Paper	\$ 3,995,169	Unrated
Mutual funds - Core fixed income	\$ 78,886,761	AA-
Mutual funds - High Yield Bonds	\$ 9,882,844	B+
Mutual funds - Emerging Mkts Debt	\$ 9,897,813	BBB-

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

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

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

At December 31, 2020, 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, 2020, \$649,566,214 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, 2020.

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, 2020:

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	\$ 35,862,120	\$ -	\$ -	\$ 35,862,120
U.S. Government Agency notes	84,690,700	-	-	84,690,700
Commercial Paper	3,995,169	-	-	3,995,169
Fixed income mutual funds				
Core Fixed Income	78,886,761	-	-	78,886,761
High Yield Bond	9,882,844	-	-	9,882,844
Emerging Markets Debt	9,897,813	-	-	9,897,813
Total fixed income mutual funds	98,667,418	-	-	98,667,418
Equity mutual funds				
Extended Market Index Fund	48,568,823	-	-	48,568,823
S&P 500 500IDX-A	179,626,342	-	-	179,626,342
Emerging Markets	15,154,053	-	-	15,154,053
World Ex-US	110,550,925	-	-	110,550,925
U.S. Equity Factor Allocation	-	-	-	-
Total equity mutual funds	353,900,143	-	-	353,900,143
Total investments by fair value level	<u>\$ 577,115,550</u>	<u>\$ -</u>	<u>\$ -</u>	577,115,550
Measured at Net Asset Value (NAV)				
Collective Trust Funds				<u>72,450,664</u>
Total investment measured at fair value				<u>\$ 649,566,214</u>
Investment derivative instruments				
Interest Rate Swap		<u>1,020,624</u>		<u>1,020,624</u>

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

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

		<u>Fair</u> <u>Value</u>	<u>Unfunded</u> <u>Commitment</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Collective Trust Funds					
Core Property	(a)	\$ 57,446,670	\$ -	Immediate	None
Energy Debt	(b)	<u>15,003,994</u>	<u>-</u>	Immediate	None
Total Collective Trust Funds		<u>\$ 72,450,664</u>	<u>\$ -</u>		

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

B. Component units

1. Reading Regional Airport Authority

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

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

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

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

The Authority's cash and cash equivalents consist of the following at September 30, 2020:

	2020
Petty cash	\$ 250
Unrestricted cash	1,640,229
Restricted Cash:	
Debt service funds	514,246
Escrow deposits	14,378
	<u>\$ 2,169,103</u>

Custodial credit risk – deposit: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. At September 30, 2020, \$1,920,600 of the Authority's bank balance of \$2,170,600 was exposed to custodial credit risk, but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

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

2. Reading Area Community College

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

Cash and cash equivalents at June 30, 2020 consist of the following:

Cash on hand	\$ 3,675
Cash	8,342,747
Investments	13,410,962
	<u>\$ 21,757,384</u>

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. The College has adopted a policy for custodial credit risk, which includes monthly monitoring of the assets and annual verification. As of June 30, 2020, the carrying amount of the College's deposits was \$11,181,747 and the bank balance was \$12,192,099. Of the bank balance, \$3,089,000 was covered by federal depository insurance and \$9,103,009 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the College's name. At June 30, 2020, the cash and cash equivalents for the College Foundation was \$1,073,340. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly.

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

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

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

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

The College’s entire investment fair value of \$13,410,962 is valued using bid prices for comparable securities (Level 2 input).

The fair value of investments for the College is presented below as of June 30, 2020:

Investment	Interest Rates	Total	< 1 year	> 1 year
Certificates of Deposit	0.150% - 1.650%	2,839,000	\$ 2,839,000	\$ -
FHLB	1.125% - 2.500%	1,141,138	-	1,141,138
FNMA	1.375% - 2.375%	2,088,998	-	2,088,998
FHLMC	0.500% - 2.375%	470,348	-	470,348
Tenn Valley Authority	0.75%	213,762	-	213,762
US Treasury Note	1.125% - 2.875%	6,657,716	30,282	6,627,434
Total Investments		\$ 13,410,962	\$ 2,869,282	\$ 10,541,680

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

Credit risk and concentration of credit risk: The College does have an investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2020, the College’s investments in FHLB, FNMA, and FHLMC were rated as Aaa by Standard & Poor’s. The College places no limit on the amount the College may invest in any one issuer. The College’s investments

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

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

The Foundation's investments as of June 30, 2020 are summarized as follows:

<u>Investment</u>	<u>Total</u>
Equity funds	\$ 1,611,624
Fixed income securities	3,721,902
Mutual funds	6,907,288
Cash and equivalents	<u>192,024</u>
 Total Investments	 <u>\$ 12,432,838</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2020:

<u>Category</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$ 51,263	\$ 247,555	\$ -	\$ 298,818
Market gains	51,811	261,683	-	313,494
Fees	<u>(60,236)</u>	<u>-</u>	<u>-</u>	<u>(60,236)</u>
 Total Investments	 <u>\$ 42,838</u>	 <u>\$ 509,238</u>	 <u>\$ -</u>	 <u>\$ 552,076</u>

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020.

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

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

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

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

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2020:

Category	Level 1	Level 2	Level 3	Total
Equity	\$ 1,611,624	\$ -	\$ -	\$ 1,611,624
Fixed income	3,721,902	-	-	3,721,902
Mutual funds	6,907,288	-	-	6,907,288
	12,240,814	-	-	12,240,814
Beneficial interest in perpetual trusts	-	-	7,511,084	7,511,084
Beneficial interest in CRAT	-	-	125,000	125,000
Total assets at fair value	\$ 12,240,814	\$ -	\$ 7,636,084	\$ 19,876,898

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, 2020:

Balance, beginning of year	\$ 7,841,609
Contributions/purchases	-
Realized and unrealized gains (losses)	<u>(205,525)</u>
Balance, end of year	<u>\$ 7,636,084</u>

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

The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded on the statements of revenues, expenses, and changes in net position, and amounted to \$265,233 for the year ended June 30, 2020. The value of the trusts recorded is \$7,511,084 at June 30, 2020.

NOTE 3: RESTRICTED ASSETS

Cash and investment whose use is limited to a specific purpose have been classified as “restricted” in the Statement of Net Assets/Balance Sheet. Restricted assets at December 31, 2020 are composed of the following:

Governmental Funds

	Cash and Cash equivalents	Investments
General Funds		
Environmental Litigation	\$ 69,702	\$ -
Hazmat Response Fund	1,485,144	747,000
MCT Trust	572,790	-
Inmate Pay	955,445	-
PLGIT	19,381,307	-
Worker's Compensation Trust	71,160	74,039
Health Choices special revenue		
Appendix V-Jumbo Auto Renew CD	-	834,943
Reinvestment	3,040,837	-
Risk and Contingency	4,728,700	2,988,000
Department of Emergency Services		
Hazmat Response Fund	6,846	
Liquid Fuels		
Liquid Fuels-ACT 13	3,055,062	1,245,000
Liquid Fuels-ACT 89	1,506,477	-
Liquid Fuels-Local Use Fund	6,844,051	-
Special Legislation Fund		
Adult Probation Supervision Fund	1,822,304	-
Coroner Record Improvement Fund	183,413	-
Courts Automation Fund	240,705	-
Hotel Tax Fund	88,972	-
Prothonotary Automation Fund	4,845	-
Register of Wills Record Improvement Fund	121,936	-
Total governmental funds	<u>\$ 44,179,696</u>	<u>\$ 5,888,982</u>

Business Type Activities

Berks Heim		
Worker's Compensation Trust	<u>\$ 58,591</u>	<u>\$ 60,961</u>

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March, payable under the following terms: 2% discount, March through April 30; face amount, May through June 30, and 10% penalty between July 1 and January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Berks County Tax Claim Bureau for collection. The County bills these taxes that are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The 2020 adopted rate of taxation was 7.657 mills.

County property tax revenues were reduced by approximately \$1,015,300 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

Local Economic Revitalization Tax Assistance (LERTA) Program

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

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

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

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

- City of Reading
- Borough of Wyomissing
- Bethel Township

- Borough of Birdsboro
- Bern Township

The County has forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$833,800 for the year ended December 31, 2020.

Keystone Opportunity Zone Program (KOZ) Program

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

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

The County has forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$181,500 for the year ended December 31, 2020.

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, 2020 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General Fund	\$ -	\$ 19,994,129
Children and Youth Services	532,958	-
Health Choices	151,656	-
Nonmajor	1,689,257	-
	<u>2,373,871</u>	<u>19,994,129</u>
Proprietary funds:		
Berks County Residential Center	1,570,408	-
Berks Heim	16,049,850	-
	<u>17,620,258</u>	<u>-</u>
Total	<u>19,994,129</u>	<u>19,994,129</u>

Transfers represent the settlement of interfund transactions between the general fund and other types of funds. Transfers may cover temporary cash shortfalls or be a permanent allocation of local tax resources.

Transfers of each individual fund in 2020 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 18,677,909	\$ 12,345,510
Children and Youth Services	5,590,589	324,291
Health Choices	-	14,068
Nonmajor	6,613,632	17,109,284
	<u>30,882,130</u>	<u>29,793,153</u>
Proprietary funds:		
Berks County Residential Center	-	1,088,977
Berks Heim	1,136,769	1,136,769
	<u>1,136,769</u>	<u>2,225,746</u>
Total	<u>32,018,899</u>	<u>32,018,899</u>

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

- Transfers of \$10,879,576 were made from the General Fund to several funds during 2020 to cover deficits in several special revenue funds.
- Transfers of \$15,624,609 were made from the COVID Impacts Grants Fund to the General Fund for Prison and Sheriff department grant eligible payroll expense reimbursements.

- Transfers of \$1,053,269 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$1,324,646 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.
- Transfers of \$1,088,977 were made from Berks County Residential Center to the General Fund for rental of space.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2020 was as follows:

- **Governmental activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,525,728	\$ -	\$ -	\$ -	\$ 13,525,728
Historical Treasures	2,279,644	10,700	-	-	2,290,344
Agricultural Easements	82,534,643	499,613	-	-	83,034,256
Software In Progress	7,877,399	4,638,045	-	(91,592)	12,423,852
Construction In Progress	8,272,904	9,267,208	-	(7,872,876)	9,667,236
Total capital assets, not being depreciated	<u>114,490,318</u>	<u>14,415,566</u>	<u>-</u>	<u>(7,964,468)</u>	<u>120,941,416</u>
Capital assets, being depreciated:					
Land and Improvements	3,764,671	802,578	-	13,003	4,580,252
Bldgs and Improvements	214,268,251	293,151	-	1,229,487	215,790,889
Furniture, Fixtures, Equip & Vehicles	87,849,668	1,641,416	(462,452)	204,196	89,232,828
Infrastructure	35,232,183	418,026	(2,015,390)	6,517,652	40,152,471
Total capital assets, being depreciated	<u>341,114,773</u>	<u>3,155,171</u>	<u>(2,477,842)</u>	<u>7,964,338</u>	<u>349,756,440</u>
Total capital assets, historical cost	<u>455,605,091</u>	<u>17,570,737</u>	<u>(2,477,842)</u>	<u>(129)</u>	<u>470,697,856</u>
Less accumulated depreciation for:					
Land and Improvements	1,963,633	205,418	-	-	2,169,051
Bldgs and Improvements	128,335,272	5,845,656	-	-	134,180,928
Furniture, Fixtures, Equip & Vehicles	34,316,054	5,176,811	(462,452)	-	39,030,413
Infrastructure	4,977,868	1,053,593	(50,385)	-	5,981,076
Total accumulated depreciation	<u>169,592,827</u>	<u>12,281,478</u>	<u>(512,837)</u>	<u>-</u>	<u>181,361,468</u>
Net capital assets, being depreciated	<u>171,521,946</u>	<u>(9,126,307)</u>	<u>(1,965,005)</u>	<u>7,964,338</u>	<u>168,394,972</u>
Total capital assets, net of accumulated depreciation	<u>\$ 286,012,264</u>	<u>\$ 5,289,259</u>	<u>\$ (1,965,005)</u>	<u>\$ (130)</u>	<u>\$ 289,336,388</u>

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	\$ 2,267,934	\$ 1,428,267	\$ -	\$ (1,094,683)	\$ 2,601,518
Capital assets, being depreciated:					
Buildings and improvements	48,397,318	849,814	-	1,094,683	50,341,815
Furniture, fixtures, equipment and vehicles	5,212,644	30,465	-	-	5,243,109
Total capital assets, being depreciated	53,609,962	880,279	-	1,094,683	55,584,924
Total capital assets, historical cost	55,877,896	2,308,546	-	-	58,186,442
Less accumulated depreciation for:					
Buildings and improvements	17,215,406	1,369,116	-	-	18,584,522
Furniture, fixtures, equipment and vehicles	4,492,744	116,242	-	-	4,608,986
Total accumulated depreciation	21,708,150	1,485,358	-	-	23,193,508
Net capital assets, being depreciated	31,901,812	(605,079)	-	1,094,683	32,391,416
Total capital assets, net of accumulated depreciation	\$ 34,169,746	\$ 823,188	\$ -	\$ -	\$ 34,992,934

2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2020 as follows:

- **Governmental activities:**

Judicial	\$	291,373
Public safety		4,338,560
Public works		1,240,689
General government		5,745,081
Human services		79,578
Community and economic development		54,744
Culture and recreation		531,453
Total	\$	12,281,478

- **Business-type activities:**

Berks County Residential Center	\$	313,464
Berks Heim		1,171,894
Total	\$	1,485,358

3. Capital projects commitments

The County Security project is in the construction phase with expenditures to date totaling \$1,608,037. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$2 million.

The Wastewater Treatment Plant Renovation project is in the construction phase with expenditures to date totaling \$3,286,930. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$3.2 million.

The Agricultural Center Renovation project is in the construction phase with expenditures to date totaling \$95,638. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$.5 million.

The Department of Emergency Services GPS project is in the construction phase with expenditures to date totaling \$1,156,582. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$2.3 million.

The Department of Emergency Services Mount Penn Tower Redevelopment project is in the construction phase with expenditures to date totaling \$758,793. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$1.7 million.

The Althouse Mill Bridge project is in the design phase with expenditures to date totaling \$14,988. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.1 million.

The Ebling Memorial Bridge project is in the design phase with expenditures to date totaling \$234,792. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$1.7 million.

The Peach Street Bridge project is in the design phase with expenditures to date totaling \$24,820. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.2 million.

The Glendale Bridge project is in the design phase with expenditures to date totaling \$126,982. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$.6 million.

The Pinnacle View Bridge project is in the design phase with expenditures to date totaling \$121,980. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$1.0 million.

The County Welfare Rd. Bridge project is in the design phase with expenditures to date totaling \$22,782. Management anticipates this project to be completed by 12/31/2021, with a projected final cost of approximately \$.5 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling \$286,216.

B. Component units

1. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2020 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2020 was \$2,563,319.

	Balance October 1, 2019	Additions	Deletions (Reclass)	Balance September 30, 2020
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	3,510,388	1,872,269	(3,375,692)	2,006,965
Total not being depreciated	<u>8,249,789</u>	<u>1,872,269</u>	<u>(3,375,692)</u>	<u>6,746,366</u>
Capital assets being depreciated:				
Terminal building	8,191,642	-	959,890	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Sanitary sewer system	5,106,229	-	-	5,106,229
Land improvements	9,305,878	-	2,313,254	11,619,132
Runway improvements	37,306,995	-	-	37,306,995
Machinery and equipment	3,810,339	9,360	102,548	3,922,247
Total being depreciated	<u>80,162,532</u>	<u>9,360</u>	<u>3,375,692</u>	<u>83,547,584</u>
Less accumulated depreciation:				
Terminal building	3,931,461	145,719	-	4,077,180
Other buildings and related improvements	9,906,695	483,106	-	10,389,801
Sanitary sewer system	1,609,275	133,711	-	1,742,986
Land improvements	7,882,440	338,236	-	8,220,676
Runway improvements	21,803,565	1,359,028	-	23,162,593
Machinery and equipment	3,332,275	103,519	-	3,435,794
Total accumulated depreciation	<u>48,465,711</u>	<u>2,563,319</u>	<u>-</u>	<u>51,029,030</u>
Total capital assets being depreciated, net	<u>31,696,821</u>	<u>(2,553,959)</u>	<u>3,375,692</u>	<u>32,518,554</u>
Total Capital Assets, Net	<u>\$ 39,946,610</u>	<u>\$ (681,690)</u>	<u>\$ -</u>	<u>\$ 39,264,920</u>

B. Component units (continued)

1. Reading Regional Airport Authority (Continued)

Construction in progress/commitments

Construction projects in progress at September 30, 2020 consist of the following:

Airport Security Fence	\$ -
Rehab West/North Apron	\$ 2,004,515
Rehab Terminal Apron	<u>2,450</u>
	<u>\$ 2,006,965</u>

At September 30, 2020, the Authority has no construction contracts relating to these projects, with remaining commitments.

Related to the construction in progress and operations, the Authority has been awarded grants to fund approved outstanding capital improvement projects. The following are the amounts remaining on the grants and the local match commitment at September 30, 2020:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Rehab West/North Apron	\$ 521,217	\$ 28,957	\$ 28,957	\$ 579,131
Terminal HVAC Upgrade	-	1,865	1,865	3,730
Snow Removal Equipment	211,105	-	-	211,105
Rehab Terminal Apron	<u>172,741</u>	<u>-</u>	<u>-</u>	<u>172,741</u>
Total Grants	<u>\$ 905,063</u>	<u>\$ 30,822</u>	<u>\$ 30,822</u>	<u>\$ 966,707</u>

2. Reading Area Community College

Capital asset activity for the year ended June 30, 2020 is as follows:

Depreciation expense for the College for the year ended June 30, 2020 was \$2,516,940.

	Balance July 1, 2019	Additions	Deletions (Reclass)	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	1,269,140	1,169,047	(1,552,639)	885,548
Total capital assets, not being depreciated	<u>2,350,696</u>	<u>1,169,047</u>	<u>(1,552,639)</u>	<u>1,967,104</u>
Capital assets, being depreciated:				
Buildings and improvements	70,084,254	33,405	1,487,566	71,605,225
Equipment, furnishings and library books	10,966,566	584,186	39,903	11,590,655
Total capital assets, being depreciated	<u>81,050,820</u>	<u>617,591</u>	<u>1,527,469</u>	<u>83,195,880</u>
Total capital assets, historical cost	<u>83,401,516</u>	<u>1,786,638</u>	<u>(25,170)</u>	<u>85,162,984</u>
Less accumulated depreciation for:				
Buildings and improvements	32,753,597	1,831,115	-	34,584,712
Equipment, furnishings and library books	8,692,379	685,825	(25,170)	9,353,034
Total accumulated depreciation	<u>41,445,976</u>	<u>2,516,940</u>	<u>(25,170)</u>	<u>43,937,746</u>
Total capital assets being depreciated, net	<u>39,604,844</u>	<u>(1,899,349)</u>	<u>1,552,639</u>	<u>39,258,134</u>
Total capital assets, net of accumulated depreciation	<u>\$ 41,955,540</u>	<u>\$ (730,302)</u>	<u>\$ -</u>	<u>\$ 41,225,238</u>

NOTE 7: RETIREMENT PLANS

A. Primary government

1. General information about the Plan

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

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

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

Employees covered by benefit terms. At December 31, 2020, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,385
Inactive plan members entitled to but not yet receiving benefits	298
Active plan members	1,911
Total members	<u>3,594</u>

Contributions. An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amount to finance an unfunded accrued liability. For the 2020 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 4.5 percent of annual payroll.

2. Net Pension (Asset) Liability

The County's net pension (asset) liability was measured as of December 31, 2020, and the total pension asset used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2020 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 2020 measurement period (see pension plan's investment policy) are summarized in the following table:

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

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

Changes in Net Pension Asset (Liability)

	Increase(Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Asset (Liability)
	(a)	(b)	(b)-(a)
Balance at December 31, 2019	\$ 478,065,947	\$ 484,198,237	\$ 6,132,290
Changes for the year:			
Service cost	10,088,504	-	(10,088,504)
Interest cost	35,784,446	-	(35,784,446)
Difference between expected and actual experience	1,496,290	-	(1,496,290)
Changes of Assumptions	-	-	-
Contributions - County	-	5,188,611	5,188,611
Contributions - member	-	7,338,292	7,338,292
Net investment income	-	54,228,756	54,228,756
Benefit payments, including refunds of member contributions	(25,510,784)	(25,510,784)	-
Administrative expense	-	(51,853)	(51,853)
Net changes	<u>21,858,456</u>	<u>41,193,022</u>	<u>19,334,566</u>
Balance at December 31, 2020	<u>\$ 499,924,403</u>	<u>\$ 525,391,259</u>	<u>\$ 25,466,856</u>

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

Discount rate	Net Pension Asset (Liability)
1% decrease (6.5%)	\$ (26,569,763)
Current Discount Rate (7.5%)	\$ 25,466,856
1% increase (8.5%)	\$ 62,680,647

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

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

At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Pension Liability		Plan Fiduciary Net Position		Assumptions	Total
	(Outflow)	Inflow	(Outflow)	Inflow	(Outflow)	
Deferred Inflow/(Outflow) of Resources as of January 1, 2020	\$ (6,068,619)	\$ 3,227,674	\$ (34,642,572)	\$ 38,805,932	\$ (3,403,663)	\$ (2,081,248)
Differences Between Expected and Actual Experience for 2020	(1,496,290)	-	-	18,392,608	-	16,896,318
Portion Recognized in 2020 Pension Expense	<u>(2,105,477)</u>	<u>1,498,138</u>	<u>(11,580,014)</u>	<u>16,124,942</u>	<u>(1,097,955)</u>	<u>2,839,634</u>
Deferred (Inflow)/Outflow of Resources as of December 31, 2020 : (1)+(2)-(3)	(5,459,432)	1,729,536	(23,062,558)	41,073,598	(2,305,708)	\$ 11,975,436
Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2020:						\$ 14,056,684

*Determined as follows:

Projected Earnings on Plan Investments for 2020	\$ 35,836,148
Actual Earnings on Plan Investments for 2020	<u>54,228,756</u>
Difference Between Expected and Actual Exp.	<u>\$ 18,392,608</u>

For the 2020 year, the County recognized pension income of \$89,271. Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2021	\$ 2,794,977
2022	(3,575,415)
2023	9,376,612
2024	3,379,262
2025	-
Thereafter	-
Total:	<u>\$11,975,436</u>

4. Payable to the Pension Plan

For the year ended December 31, 2020, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

B. Component units

1. Reading Regional Airport Authority

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

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible for participation in the Plan after they have been employed by the Authority for 13 weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; this contribution amount was \$491 at September 30, 2020. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2020 was \$44,603.

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, 2020 was \$13,304.

2. Reading Area Community College

Retirement Plans

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

Employee Defined Benefit Pension Plans

Summary of Significant Accounting Policies

Pension Plans

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

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

General Information about the Pension Plan

Plan descriptions

SERS is a governmental cost-sharing multi-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state

government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. SERS issues a publicly available financial report that can be obtained at www.sers.pa.gov.

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

Benefits provided

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

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

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

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

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

Contributions

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

SERS Member Contributions:

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

SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2020 ranged between 24.92 percent and 36.04 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$21,231 for the year ended June 30, 2020.

PSERS Member Contributions:

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

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

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

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

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2020 was 33.36 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the College were \$417,567 for the year ended June 30, 2020.

PSERS State Contributions:

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

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

The College reported a net pension liability of \$4,694,835 for the year ended June 30, 2020, consisting of \$203,835 related to SERS and \$4,491,000 related to PSERS.

At June 30, 2020, the College reported a liability of \$203,835 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, 2019. 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, 2019 the College's proportion was 0.0011%, which is unchanged from its proportion measured as of December 31, 2018.

At June 30, 2020, the College reported a liability for its proportionate share of the PSERS net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 4,491,000
Commonwealth's proportional share of the net pension liability	<u>4,491,000</u>
 Total proportionate share of the net pension liability	 <u>\$ 8,982,000</u>

The PSERS net pension liability was measured as of June 30, 2019, 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, 2018 to June 30, 2019. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the College's proportion was 0.0096 percent, which was an increase of 0.0015 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the College recognized total pension expense from the two plans of \$457,615. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual investment earnings	\$ -	\$ 27,538
Change of assumptions	50,855	-
Difference between expected and actual experience	27,544	150,381
Changes in proportions	537,284	332,451
Difference between employer contributions and proportionate share of total contributions	-	6,256
Contributions subsequent to the measurement date	<u>417,567</u>	<u>-</u>
	<u>\$ 1,033,250</u>	<u>\$ 516,626</u>

The \$417,567 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, 2021.

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:

2021	\$	(3,636)
2022		(33,344)
2023		133,761
2024		1,896
2025		380
		<hr/>
	\$	99,057
		<hr/>

SERS Actuarial Assumptions

The actuarial valuation uses assumptions regarding future rates of investment return and rates of retirement, withdrawal, death, and disability among SERS members and their beneficiaries. The current set of assumptions used in the December 31, 2019 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 2011 through 2015. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 7.25 percent to 7.125 percent effective as of the December 31, 2019 actuarial valuation. In addition, the SERS board approved a reduction in the inflation rate from 2.75 percent to 2.6 percent effective as of the December 21, 2016 actuarial valuation based on the experience study and has remained in effect since then. The following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method: Entry Age
- Investment return: 7.125 percent, includes inflation at 2.60 percent.
- Salary increases: Effective average of 5.60 percent, with a range of 3.70 percent and 8.90 percent including inflation at 2.60 percent.
- Mortality rates were based on the RP-2000 Mortality Tables adjusted for actual plan experience and future improvement.

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2019 was determined by rolling forward the System's total pension liability as of the June 30, 2018 actuarial valuation to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The SERS board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2019 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	7.25%
Global public equity	48.0%	5.15%
Real estate	12.0%	5.26%
Multi-strategy	10.0%	4.44%
Fixed income	11.0%	1.26%
Cash	3.0%	0.00%
	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, 2019 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.6%
Fixed income	36.0%	1.9%
Commodities	8.0%	2.7%
Absolute return	10.0%	3.4%
Risk parity	10.0%	4.1%
Infrastructure/MLP's	8.0%	5.5%
Real estate	10.0%	4.1%
Alternative investments	15.0%	7.4%
Cash	3.0%	0.3%
Financing (LIBOR)	-20.0%	0.7%
	<u>100.0%</u>	

Discount Rate: SERS and PSERS

The discount rate used to measure the total pension liability was 7.125 percent. This is a decrease in SERS from 7.25 percent in the prior valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the SERS discount rate of 7.125 percent and PSERS discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.125 percent for SERS and 6.25 percent for PSERS) or one-percentage point higher (8.125 percent for SERS and 8.25 percent for PSERS) than the current rate as:

	<u>1% Decrease 6.125%</u>	<u>Discount Rate 7.125%</u>	<u>1% Increase 8.125%</u>
College's proportionate share of the SERS net pension liability	\$ 259,001	\$ 203,835	\$ 156,603
	<u>1% Decrease 6.25%</u>	<u>Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
College's proportionate share of the PSERS net pension liability	5,594,000	4,491,000	3,557,000

Pension Plan Fiduciary Net Position

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

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

On June 21, 2017, Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation establishes a new hybrid defined benefit/defined contribution (DF) retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan design options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. A stand-alone defined benefit plan is no longer available to new members after June 30, 2019. Contributions to the defined contribution pension plan from the College were \$1,127 for the year ended June 30, 2020.

Payable to the Pension Plan

At June 30, 2020, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB liabilities of \$109,147. This amount represents the College's contractually obligated contributions for wages earned in April 2020 through June 2020.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5% if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2020 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, 2020 was \$2,041,826, which consisted of \$1,189,092 from the College and \$852,734 from employees.

403(b) Tax Shelter Plan

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

NOTE 8: FUTURE LEASE RENTALS RECEIVABLE AND RELATED DEBT

A. Component units

1. Reading Regional Airport Authority

The majority of rental agreements currently in effect for airport facilities are multi-year leases, subject to renewal. At September 30, 2020, future minimum lease payments receivable under significant noncancelable long-term operating leases are as follows for each year ending September 30:

For the year ended September 30, 2020, total rental income received under these noncancelable leases were \$1,186,537.

2021	\$	1,078,328
2022		811,104
2023		707,103
2024		660,333
2025		629,394
2026-2030		2,424,430
2031-2032		<u>377,259</u>
	\$	<u>6,687,951</u>

NOTE 9: RISK MANAGEMENT

A. Primary government

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past five years.

1. Self-insured workers' compensation

Since 2002, the County is exposed to risk of loss related to self-insurance activities for workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$600,000.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements. Based on history of claims paid and the County's Aa1 Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is \$253,898 for 2020.

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, 2020, are summarized as follows:

Governmental Activities	\$ 1,231,959
Business-type Activities	<u>952,354</u>
Total	<u>\$ 2,184,313</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2018, 2019 and 2020.

Year	January 1	Incurred		December 31
	Liability	Claims	Payments	Liability
2018	\$ 2,903,301	\$ 630,373	\$ 880,097	\$ 2,653,577
2019	\$ 2,653,577	\$ 553,087	\$ 722,751	\$ 2,483,913
2020	\$ 2,483,913	\$ 467,340	\$ 766,941	\$ 2,184,312

3. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2020, the County has incurred and processed healthcare claims of \$30.5 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2020, are summarized as follows:

Governmental Activities	\$ 1,439,693
Business-type Activities	<u>331,411</u>
Total	<u>\$ 1,771,104</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2018, 2019 and 2020.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2018	\$ 1,798,965	\$ 32,020,106	\$ 32,010,949	\$ 1,808,122
2019	\$ 1,808,122	\$ 33,458,933	\$ 33,608,359	\$ 1,658,696
2020	\$ 1,658,696	\$ 30,652,495	\$ 30,540,087	\$ 1,771,104

3. Health Choices self-insured healthcare

During 1997, the Commonwealth of Pennsylvania’s Department of Human Services (DHS) implemented a managed care program for the Medicaid population in Pennsylvania. This program, called the Health Choices Program, was developed and implemented in stages with the County being part of the third implementation.

The County has contracted with a behavioral health managed care organization, Community Care Behavioral Health Organization (Community Care), which is responsible for most of the day to day functions including care management, establishment of the provider network, and claims payments to providers. Community Care accrues an estimate of its healthcare cost liability at the end of each accounting period. All monthly incurred claims’ estimates are calculated by Community Care’s actuary. The actuary uses a multitude of items in the calculation of incurred claims. Such items include authorizations, paid claims, historical trends, completion factors, provider issues, etc. Incurred claims are accrued on a monthly basis in Community Care’s general ledger. Community Care and the actuary continuously monitor prior month’s incurred amounts and regularly make contract year to date adjustments to Community Care’s incurred balances.

Medical liability is composed of two parts: Received but Unpaid Claims (RBUCs) and IBNR. Community Care generates its estimate of RBUCs by using all claims that were actually entered into the claims’ processing system using a hierarchy of paid amount, allowed amount, or billed amount to calculate the RBUCs amount. IBNR is the difference between the total estimated medical liability and the RBUCs. These are reported on the DHS Financial Report 6, Claims Payable (RBUCs and IBNRs).

The actuary issued a Statement of Actuarial Opinion certifying the total June 30, 2020 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, 2020, is \$9,667,200, 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, 2018, 2019 and 2020.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2018	\$ 8,314,607	\$ 84,650,922	\$ 85,297,562	\$ 7,667,967
2019	\$ 7,667,967	\$ 85,594,415	\$ 84,806,206	\$ 8,456,176
2020	\$ 8,456,176	\$ 101,455,020	\$ 100,233,996	\$ 9,677,200

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 2019/2020 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$85,000 individually for the year ended June 30, 2020. Stop gap insurance is in place for claims in excess of the threshold. Included in the financial statement is a liability for \$400,000 for outstanding estimated claims at June 30, 2020. This liability is entirely funded.

Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the period ending June 30, 2020:

Balance at July 1	\$	400,000
Claims incurred		3,343,190
Claims paid		<u>(3,343,190)</u>
Balance at June 30	\$	<u>400,000</u>

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds

Governmental activities

During 2020, the County did not issue or refund any bonds. At December 31, 2020, general obligation bonds consisted of the following:

	Balance outstanding January 1, 2020	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2020	Due within one year
1993 Second Series General Obligation Bonds, \$43,057,830, varying interest rates ranging from 2.50% to 5.00% through 2020, including current interest bonds and capital appreciation bonds to advance refund a portion of the 1992 Second Series General Obligation Bonds.	14,548,989	-	411,011	14,960,000	-	-
2005 General Obligation Bonds, \$9,415,000, varying interest rates ranging from 5.10% to 5.90% through 2021, to refund a portion of principal and interest on the Series 1995 General Obligation Bonds.	2,690,000	-	-	1,310,000	1,380,000	1,380,000
2010 General Obligation Bonds Series B, Recovery Zone Economic Development Bonds, \$7,790,000, varying interest rates ranging from 4.27% to 5.485% through 2025, to fund County Capital Projects.	5,400,000	-	-	840,000	4,560,000	860,000
2010 General Obligation Bonds Series D, \$6,550,000, varying interest rates ranging from .87% to 4.16% through 2020, to fund County Capital Projects.	760,000	-	-	760,000	-	-
2012 Federally Taxable General Obligation Bonds Series A, \$37,280,000 (governmental activities \$29,940,942; business-type activities \$7,339,058), varying interest rates ranging from .382% to 3.328% through 2037 to fund County Pension Liabilities, and to fund County Capital Projects.	2,093,037	-	-	1,036,060	1,056,977	1,056,977
2013 General Obligation Bonds, \$17,785,000, varying interest rates ranging from 1% to 5% through 2033, to fund County Capital Projects.	13,245,000	-	-	13,245,000	-	-
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	22,937,600	-	-	305,200	22,632,400	3,620,400

2016 General Obligation Bonds, \$9,790,000, varying interest rates ranging from .43% to 4.0% through 2029, to advance refund the 2009 Series A General Obligation Bonds.	7,290,000	-	-	655,000	6,635,000	680,000
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	56,019,375	-	-	4,980	56,014,395	3,027,536
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.	8,500,000	-	-	5,000	8,495,000	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.	<u>23,477,092</u>	-	-	<u>142,616</u>	<u>23,334,476</u>	<u>142,617</u>
	\$ 156,961,093	\$ -	\$ 411,011	\$ 33,263,856	\$ 124,108,248	\$ 10,772,530
Unamortized premium 2013	1,907,175	-	-	136,226	1,770,949	
Unamortized premium 2015	2,409,130	-	-	267,681	2,141,449	
Unamortized premium 2016	149,964	-	-	14,996	134,968	
Unamortized premium 2019	10,114,192	-	-	919,472	9,194,720	
Unamortized premium 2019A	<u>1,461,847</u>	-	-	<u>146,185</u>	<u>1,315,662</u>	
Total	<u>\$ 173,003,401</u>	<u>\$ -</u>	<u>\$ 411,011</u>	<u>\$ 34,748,416</u>	<u>\$ 138,665,996</u>	
Less: Current Maturities					<u>(10,772,530)</u>	
					<u>\$ 127,893,466</u>	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2021	\$ 10,772,529	\$ 5,104,430	\$ 15,876,959
2022	10,455,693	4,627,574	15,083,267
2023	11,884,213	4,164,201	16,048,414
2024	10,785,055	3,626,856	14,411,911
2025	11,199,844	3,169,302	14,369,146
2026-2030	57,786,203	8,586,984	66,373,187
2031-2035	7,793,540	1,162,666	8,956,206
2036-2037	<u>3,431,171</u>	<u>153,347</u>	<u>3,584,518</u>
	\$ 124,108,248	\$ 30,595,360	\$ 154,703,608
Unamortized premium	<u>14,557,748</u>		
Bonds and notes payable at December 31, 2020	<u>\$ 138,665,996</u>		

· **Business-type activities**

	Balance outstanding January 1, 2020	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2020	Due within one year
2012 Federally Taxable General Obligation Bonds Series A, \$37,280,000 (governmental activities \$29,940,942; business-type activities 7,339,058), varying interest rates ranging from .382% to 3.328% through 2037 to fund County Pension Liabilities, and to fund County Capital Projects.	401,963	-	-	198,940	203,023	203,023
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	18,022,400	-	-	239,800	17,782,600	2,844,600
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	230,625	-	-	20	230,605	12,464
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	4,507,908	-	-	27,384	4,480,524	27,382
	\$ 23,162,896	\$ -	\$ -	\$ 466,144	\$ 22,696,752	\$ 3,087,469
Unamortized premium 2015	1,892,887	-	-	210,321	1,682,566	
Unamortized premium 2019	41,639	-	-	3,785	37,854	
Total	<u>\$ 25,097,422</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 680,250</u>	<u>\$ 24,417,172</u>	
Less: Current Maturities					<u>(3,087,469)</u>	
					<u>\$ 21,329,703</u>	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2021	\$ 3,087,471	\$ 947,680	\$ 4,035,151
2022	3,749,306	799,504	4,548,810
2023	830,787	619,550	1,450,337
2024	2,364,945	585,650	2,950,595
2025	2,460,156	475,102	2,935,258
2026-2030	8,048,795	872,867	8,921,662
2031-2035	1,496,462	223,246	1,719,708
2036-2037	658,830	29,445	688,275
	<u>\$ 22,696,752</u>	<u>\$ 4,553,044</u>	<u>\$ 27,249,796</u>
Unamortized premium	1,720,420		
Bonds and notes payable at December 31, 2020	<u>\$ 24,417,172</u>		

2. Defeasance of debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2020, \$40,665,000 of bonds outstanding is considered defeased.

During 2016, the County defeased its Series A of 2009 General Obligation Bonds by placing proceeds from its 2016 General Obligation Bonds and by separately contributing County funds 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, 2020, \$15,955,000 of bonds outstanding is considered defeased.

During 2019, the County defeased the entirety of its Series B of 2009 General Obligation Bonds, its Series C of 2010 General Obligation Bonds, and 2012 General Obligation Bonds by placing proceeds from its 2019 General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2020, \$64,170,000 of bonds outstanding is considered defeased.

During 2019, the County defeased the entirety of its 2014 General Obligation Bonds by placing proceeds from its Series A of 2019 General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2020, \$9,930,000 of bonds outstanding is considered defeased.

During 2019, the County defeased a portion of its Series A of 2012 Federally Taxable General Obligation Bonds by placing proceeds from its Series B of 2019 Federally Taxable General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2020, \$27,805,000 of bonds outstanding is considered defeased.

3. Reimbursement agreement

In connection with the issuance of the 1995 General Obligation Bonds in the amount of \$9,840,000, the County entered into a reimbursement agreement with the Greater Berks Development Fund. Under the terms of the agreement, the County is reimbursed for the debt service requirements of the 1995 General Obligation Bonds. The 2005 General Obligation Bonds in accordance with the negotiated Option Agreement of September 2002 refunded the 1995 General Obligation bonds in November 2005. The reimbursement agreement with the Greater Berks Development Fund remains in place as of December 31, 2020.

4. Federal arbitrage regulations

The County is subject to federal arbitrage regulations on its non-taxable general obligation bonds and notes. There was no outstanding liability for federal arbitrage due and payable in the governmental funds or the accrual-based government wide financial statements at December 31, 2020.

5. Other changes in long term liabilities

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

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due within one year
Governmental activities:					
Agricultural easement installment purchases	\$ 360,677	\$ 33,979	\$ 161,968	\$ 232,688	\$ 156,995
Workers compensation accrued liabilities	1,421,312	293,045	482,398	1,231,959	190,266
Compensated absences payable	6,685,522	9,759,003	7,949,773	8,494,752	1,333,435
Total governmental activities	<u>\$ 8,467,511</u>	<u>\$ 10,086,027</u>	<u>\$ 8,594,139</u>	<u>\$ 9,959,399</u>	<u>\$ 1,680,696</u>
Business-type activities:					
Workers compensation accrued liabilities	\$ 1,062,600	\$ 174,296	\$ 284,542	\$ 952,354	\$ 147,082
Compensated absences payable	1,099,456	2,284,379	2,129,378	1,254,457	411,672
Total business-type activities	<u>\$ 2,162,056</u>	<u>\$ 2,458,675</u>	<u>\$ 2,413,920</u>	<u>\$ 2,206,811</u>	<u>\$ 558,754</u>

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

A. Component units

Revenue bonds payable and notes payable

- Reading Area Community College

Bonds and notes payable on June 30, 2020 consist of several outstanding tax-exempt revenue bonds and notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority (SPSBA). The College has pledged its full faith and credit for the repayment of the bonds and notes issued. The College Revenue Bonds Series of 2012 are guaranteed by the County of Berks. The bonds were issued to provide funds to undertake various capital projects at the College or to advance refund certain previously issued bonds. Activity for the various bond and note series for the year ended June 30, 2020, was as follows:

	Balance outstanding July 1, 2019	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2020	Current Portion
College Revenue Note, Series of 2004, original issue \$2,500,000, interest rate 1.79%, final maturity April 2020.	\$ 356,000	\$ -	\$ 356,000	\$ -	\$ -
College Revenue Bonds, Series of 2012, original issue \$9,995,000, interest rate 2.00% - 3.35%, final maturity April 2029.	745,000	-	745,000	\$ -	-
College Revenue Note, Series A of 2016, original issue \$3,355,738, interest rate 2.30%, final maturity April 2036.	1,675,000	-	88,000	\$ 1,587,000	90,000
College Revenue Note, Series B of 2017, original issue \$8,066,000, interest rate 2.50%, final maturity April 2029.	8,028,000	-	39,000	\$ 7,989,000	805,000
	<u>\$ 10,804,000</u>	<u>\$ -</u>	<u>\$ 1,228,000</u>	<u>\$ 9,576,000</u>	<u>\$ 895,000</u>
Less: Current maturities				(895,000)	
				<u>\$ 8,681,000</u>	

Principal and interest requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2021	\$ 895,000	\$ 236,226	\$ 1,131,226
2022	916,500	214,031	1,130,531
2023	937,500	191,303	1,128,803
2024	961,500	168,055	1,129,555
2025	985,000	144,211	1,129,211
2026-2030	4,226,500	411,070	4,637,570
2031-2035	532,500	101,318	633,818
2036	121,500	5,467	126,967
	<u>\$ 9,576,000</u>	<u>\$ 1,471,681</u>	<u>\$ 11,047,681</u>

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

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

The County and the College entered into a Reimbursement Agreement in April 2012. This agreement requires the College to pay to the County, on demand, an amount equal to any amount paid by the County plus an additional amount equal to any and all reasonable charges and expenses which the County may pay or incur in connection with making payments under the Guaranty Agreement or enforcing reimbursement hereunder plus interest on any such amounts from the date which such amounts accrue until payment in full, at an interest rate of 10% per annum. The College’s outstanding balance on the 2012 Bonds is \$0 as of June 30, 2020 (the College’s most recent financial statements). The College paid the remaining \$745,000 in April 2020. The County has not been called upon to make any payments on behalf of the College on the 2012 Bonds.

- **Reading Regional Airport Authority**

September 30,
2020

<p>Revenue Note, Series A of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series A of 2008 (AMT) in the amount of \$3,705,000. The proceeds were used to currently refund the 2004A Bonds. The note will mature on April 1, 2026. The note bears interest at a fixed rate of 4.45% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with the same financial institution, which lowered the interest rate to 2.80% through October 1, 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the Note shall never exceed 4.50% per annum. Principal and interest are payable semi-annually. The Authority made prepayments in the amount of \$1,855,000, which satisfied principal payments through October 2018.</p>	\$1,275,000
<p>Revenue Note, Series B of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series B of 2008 (Non-AMT) in the amount of \$3,850,000. The proceeds were used to currently refund the 2004B Bonds. The note will mature on October 1, 2033. The note bears interest at a fixed rate of 4.43% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with a different financial institution, which lowered the interest rate to .2.80% through October 1, 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the Note shall never exceed 5.50% per annum. 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.</p>	<u>\$2,570,000</u> \$3,845,000
<p>Less: Amount due within one year and classified as current</p>	<u>(\$150,000)</u>
	<u><u>\$3,695,000</u></u>

The County of Berks guaranteed the \$3,705,000 and the \$3,850,000 Revenue Notes, Series A of 2008 and Series B of 2008 issuances, respectively, of Reading Regional Airport Authority where the County of Berks guaranteed full and prompt payment of the debt service on the 2008 Revenue Notes when they become due and payable, pursuant to a guaranty agreement dated June 23, 2004, between the County of Berks and Reading Regional Airport Authority. In the event that Reading Regional Airport Authority is unable to make a payment, the County of Berks will be required to make that payment. The County has not been called upon to make any payments related to this debt.

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

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Due Within One Year
Revenue Notes:					
Series A of 2008	\$ 1,565,000	\$ -	\$ (290,000)	\$ 1,275,000	\$ 150,000
Series B of 2008	2,570,000	-	-	2,570,000	-
	<u>\$ 4,135,000</u>	<u>\$ -</u>	<u>\$ (290,000)</u>	<u>\$ 3,845,000</u>	<u>\$ 150,000</u>

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

Year Ending September 30	<u>Revenue Notes, Series A and B of 2008</u>		
	Principal	Interest	Total Debt Service
2021	\$ 150,000	\$ 89,810	\$ 239,810
2022	260,000	101,360	361,360
2023	225,000	94,640	319,640
2024	240,000	88,200	328,200
2025	250,000	81,400	331,400
2025-2029	1,455,000	293,720	1,748,720
2030-2034	1,265,000	72,590	1,337,590
	<u>\$ 3,845,000</u>	<u>\$ 821,720</u>	<u>\$ 4,666,720</u>

A. Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street Journal prime rate. Interest only payments are due monthly with principal due on April 30, 2020. There was no balance on the line of credit at September 30, 2020.

- **Reading Area Community College**

At June 30, 2020, the College has an unsecured bank line of credit with maximum borrowings of \$5,000,000. The maximum borrowings will be reduced to \$2,500,000 from July 1 to December 31 of each year during the term of the loan. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2021. There is no outstanding balance on this line of credit at June 30, 2020.

B. Loans Payable and long-term liabilities

- **Reading Area Community College**

The College entered into loan agreements with the Pennsylvania State Public School Building Authority (SPSBA):

Balance
outstanding
June 30,
2020

On January 1, 2018, the College entered into an agreement to borrow up to \$500,000 to finance the Card Access System Project to the buildings of the College. The agreement requires semiannual payments of \$52,795, including interest at 2.25% per annum. Final payment is due in December 2022. The College has pledged its full faith and credit for the repayment of the loan.

Portion payable within one year and classified as current
Total long term debt

	250,278
	<u>\$ 250,278</u>
	(100,516)
	<u>\$ 149,762</u>

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

	<u>Principal</u>	<u>Interest</u>
2021	\$ 100,516	\$ 5,187
2022	102,675	2,915
2023	47,084	592
	<u>\$ 250,275</u>	<u>\$ 8,694</u>

Accrued compensated absences for the year ending June 30, 2020 was \$989,095, with \$488,323 due within one year.

NOTE 11: FUND BALANCE POLICY

A. Primary government

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

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

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

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

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

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

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

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

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

Fund balances of the County's governmental funds at December 31, 2020 consist of the following:

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Nonspendable:					
Employee pay advance	\$ 36,958	\$ 3,724	\$ -	\$ 2,262	\$ 42,944
Inventories and prepaid expenses	1,301,452	-	-	2,765,471	4,066,923
Total Nonspendable	<u>1,338,410</u>	<u>3,724</u>	<u>-</u>	<u>2,767,733</u>	<u>4,109,867</u>
Restricted:					
Gift fund	-	20,557	-	-	20,557
Hazmat Response	2,152,202	-	-	-	2,152,202
Act 198 - Courts	295,723	-	-	-	295,723
Workers' compensation	219,599	-	-	-	219,599
Special revenue funds	-	46,727	-	16,468,863	16,515,590
Act 13 Marcellus Shale	746,840	-	-	-	746,840
Total Restricted	<u>3,414,364</u>	<u>67,284</u>	<u>-</u>	<u>16,468,863</u>	<u>19,950,511</u>
Committed:					
Farmland preservation	1,135,521	-	-	-	1,135,521
Services Center Parking Garage	430,504	-	-	-	430,504
2021 Capital Projects	12,910,710	-	-	-	12,910,710
Total Committed	<u>14,476,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,476,735</u>
Assigned:					
Divorce Masters	12,877	-	-	-	12,877
Health care self insurance	4,000,000	-	-	-	4,000,000
Total Assigned	<u>4,012,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,012,877</u>
Unassigned	<u>133,260,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,260,135</u>
Total Governmental Fund Balance	<u>\$ 156,502,521</u>	<u>\$ 71,008</u>	<u>\$ -</u>	<u>\$ 19,236,596</u>	<u>\$ 175,810,125</u>

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

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

- 2021 Capital Projects – this commitment represents amounts to be used for 2021 capital projects.
- Divorce Masters – this assignment represents a commitment to this program.
- Health care self-insurance – this assignment represents the estimated obligation in excess of stop loss insurance for the health care self-insurance program due within the 2020 year.

NOTE 12: OBLIGATIONS UNDER CAPITAL LEASES

A. Component units

1. Reading Area Community College

Following is a summary of property held under capital leases at June 30, 2020:

Computer equipment and copiers	\$ 285,705
Less: Accumulated depreciation	<u>(162,030)</u>
	<u>\$ 123,675</u>

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

2021	\$ 75,346
2022	42,645
Less: amount representing interest	<u>(8,145)</u>
Present value of lease payments	<u>\$ 109,846</u>

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

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 65.8% of the County’s employees are covered by collective bargaining agreements as of December 31, 2020. Two AFSCME union contracts expire December 31, 2021. The Teamster union contract expired December 31, 2020 and negotiations are in progress. The Fraternal Order of Police contract expires December 31, 2021. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2024. The Deputy Sheriff’s Association union contract expires December 31, 2021.

The County leases building space for certain County and District Justice Offices. The County has also entered into an operating lease for equipment. These leases have expiration dates extending through 2025. Total expenses for all operating leases were \$1,104,943 for the year ended December 31, 2020.

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

2021	\$	676,662
2022		468,972
2023		465,988
2024		294,543
2025		658,526
Total	\$	<u>2,564,691</u>

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended December 31, 2020 have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. Accordingly, the County’s compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

B. Component units

1. Reading Regional Airport Authority

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

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

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

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

2. Reading Area Community College

Federal and State revenues

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

Operating lease commitments

The College has entered into several lease agreements for the rental of parking space and certain equipment. Rent expense for the year ended June 30, 2020 approximated \$550,472. Minimum future rental payments under noncancelable operating leases as of June 30 are as follows:

2021	\$194,042
2022	55,823
2023	12,219
2024	12,219
2025	<u>6,110</u>
Total	<u>\$280,413</u>

NOTE 14: CONTRACTUAL AGREEMENT REVENUE

Component unit

Reading Area Community College

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

In addition, the contract stated that Barnes & Noble will renovate and move the bookstore facility for a cost up to \$165,000. The actual total cost of renovations at June 30, 2018 was \$107,604. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Barnes & Noble the book value of the renovations put in service by Barnes & Noble depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Barnes & Noble over the life of the contract. Unearned revenue from the renovations is \$50,009 as of June 30, 2020.

Total revenues from these agreements, including the amortization of the bookstore renovations, was \$325,512 for the year ended June 30, 2020 and is included in other revenues on the statement of revenues, expenses and changes in net position.

NOTE 15: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component units

Reading Area Community College

Health Insurance Premium Assistance Program

Employee Defined Benefit Other Postemployment Benefit Plans

The College has other postemployment benefits (OPEB) under two different plans: (1) a cost sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (College OPEB Plan). The College's aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2020 are as follows:

<u>Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSERS OPEB Plan	\$ 204,000	\$ 45,514	\$ 23,000
College OPEB Plan	<u>1,069,085</u>	<u>207,326</u>	<u>149,606</u>
	<u>\$ 1,273,085</u>	<u>\$ 252,840</u>	<u>\$ 172,606</u>

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental, cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

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

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2019, there were no assumed future benefit increases to participating eligible retirees.

Contributions

The College's contractually required contribution rate for the fiscal year ended June 30, 2020, was 0.84% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the College were \$10,514 for the year ended June 30, 2020.

PSERS State Contributions:

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

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

At June 30, 2020, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 204,000
Commonwealth's proportional share of the net pension liability	<u>204,000</u>
Total proportionate share of the net pension liability	<u>\$ 408,000</u>

The net OPEB obligation was measured as of June 30, 2019, and the total OPEB obligation used to calculate the net OPEB obligation was determined by rolling forward the System's total OPEB obligation as of June 30, 2017 to June 30, 2018. The College's proportion of the net OPEB obligation was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2020, the College's proportion was 0.0096 percent, which was an increase of 0.0015 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the College recognized OPEB expense of \$10,384. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,000	\$ -
Changes in assumptions	7,000	6,000
Changes in proportion	27,000	17,000
Contributions made subsequent to the measurement date	<u>10,514</u>	<u>-</u>
	<u>\$ 45,514</u>	<u>\$ 23,000</u>

The \$10,514 reported as deferred outflows of resources related to OPEB resulting from College contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. 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:

2021	\$ (1,000)
2022	(1,000)
2023	(1,000)
2024	(1,000)
2025	(4,000)
Thereafter	(4,000)
	<u>\$ (12,000)</u>

Actuarial Assumptions

The total OPEB obligation as of June 30, 2018, was determined by rolling forward the System's total OPEB obligation as of June 30, 2017 to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level percent of pay
- Investment return – 2.78 percent – S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 5 percent, comprised of inflation of 2.75 percent and 2.25 percent for real wage growth and for merit of seniority increases

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2017, determined the employer contribution rate for fiscal year 2019.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	13.2%	0.2%
US core fixed income	83.1%	1.0%
Non-US developed fixed	<u>3.7%</u>	0.0%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB obligation was 2.78 percent. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of

Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.79% which represents the S&P 20-year Municipal Bond Rate at June 30, 2019, 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, 2019, 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, 2019, 93,339 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2019, 780 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, 2019 measurement date, calculated using current Healthcare cost trends as well as what the College's proportionate share of the net OPEB liability would be if the health cost trends were one-percentage point lower or one-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
College's proportionate share of the net OPEB liability	\$ 204,000	\$ 204,000	\$ 204,000

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

The following presents the net OPEB liability, calculated using the discount rate of 2.78 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.78%) or 1-percentage point higher (3.78%) than the current rate:

	<u>1% Decrease 1.79%</u>	<u>Current Rate 2.79%</u>	<u>1% Increase 3.79%</u>
College's proportionate share of the net OPEB liability	\$ 233,000	\$ 204,000	\$ 181,000

OPEB Plan Fiduciary Net Position

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

Payables Related to the Plan

At June 30, 2020, the College had an accrued balance due to PSERS including contributions related to pension and OPEB liabilities of \$109,147. This amount represents the College's contractually obligated contributions for wages earned in April 2020 through June 2020.

College OPEB Plan

General Information About the College OPEB Plan

Plan description

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

Benefits Provided

Benefit A – Life Insurance

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

Benefit B – Medical, Prescription Drug, Vision and Dental

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

Benefit C – Early Retirement Lump Sum Payment

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

Benefit D – COBRA Reimbursement

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

Eligibility

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

Retirement Level 1

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

Retirement Level 2

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

Retirement Level 3

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

Employees Covered by Benefit Terms

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

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

OPEB Liability

Actuarial Assumptions and Other Inputs

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

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

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

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2019	<u>\$ 967,607</u>
Changes for the year:	
Service cost	39,476
Interest	37,446
Changes of benefit terms	-
Differences between expected and actual experience	(29,377)
Changes of assumptions or other inputs	84,543
Benefit payments	<u>(30,610)</u>
Net changes	<u>101,478</u>
Balance at June 30, 2020	<u>\$ 1,069,085</u>

Changes of assumptions or other inputs reflect the following changes:

- The decrease in the discount rate from 3.87 percent in 2019 to 3.50 percent in 2020
- A change in the Mortality Improvement Projection Scale to MP-2018
- Updates to the assumed healthcare trend rates

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 (2.50%) or 1-percentage point higher (4.50%) than the current discount rate:

	1% Decrease <u>2.50%</u>	Current Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
OPEB Plan - Total OPEB Liability	\$ 1,251,788	\$ 1,069,085	\$ 922,465

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Liability	\$ 1,059,422	\$ 1,069,085	\$ 1,080,083

For the year ended June 30, 2020, the College recognized OPEB expense of \$83,343. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 184,111	\$ 32,890
Net difference between projected and actual experience	-	116,716
Benefit payments made subsequent to the measurement date	<u>23,215</u>	<u>-</u>
	<u>\$ 207,326</u>	<u>\$ 149,606</u>

The \$23,215 reported as deferred outflows of resources related to OPEB liabilities resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB obligation in the year ended June 30, 2021. 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:

2021	\$ (6,421)
2022	(6,421)
2023	(6,421)
2024	(6,421)
2025	(6,421)
Thereafter	<u>(2,400)</u>
Total	<u>\$ (34,505)</u>

NOTE 16: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 30, 2021. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2020 were noted as a result of this evaluation, except as follows:

- The County issued General Obligation Note Series A of 2021 in the amount of \$11,375,000 through TD Bank as an advance refunding in March 2021, satisfying the obligations owed by the County for the 2010 General Obligation Bonds Series B and the 2016 General Obligation Bonds. The County received a net wire transfer of \$11,349,887, including cost of issuance. The maturity date of the note is November 15, 2029.

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	1,667,000	65,975	1,732,975
2022	1,647,000	87,372	1,734,372
2023	1,661,000	72,549	1,733,549
2024	1,674,000	57,600	1,731,600
2025	1,685,000	42,534	1,727,534
2026-2029	<u>3,041,000</u>	<u>68,742</u>	<u>3,109,742</u>
	<u>11,375,000</u>	<u>394,772</u>	<u>11,769,772</u>

The county's combined future debt service requirements as a result of the 2021 bond issuance for the General Fund is as follows:

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	11,090,486	4,530,577	15,621,063
2022	10,673,893	4,170,102	14,843,995
2023	12,078,653	3,748,918	15,827,571
2024	10,954,175	3,258,820	14,212,995
2025	11,342,204	2,850,219	14,192,423
2026-2030	57,925,964	8,079,192	66,005,156
2031-2035	7,793,540	1,162,666	8,956,206
2036-2037	<u>3,431,171</u>	<u>153,347</u>	<u>3,584,518</u>
	<u>125,290,086</u>	<u>27,953,841</u>	<u>153,243,927</u>

The County issued General Obligation Note Series B of 2021 in the amount of \$16,774,000 through TD Bank as a current refunding in March 2021 in a portion of the 2015 bonds, satisfying the obligations owed by the County for the 2015 General Obligation Bonds. The County received a net wire transfer of \$16,721,176, including costs of issuance. The maturity date of the note is November 15, 2028.

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	341,000	135,124	476,124
2022	270,000	205,412	475,412
2023	274,000	202,037	476,037
2024	277,000	198,613	475,613
2025	281,000	195,150	476,150
2026-2028	15,331,000	332,025	15,663,025
	<u>16,774,000</u>	<u>1,268,361</u>	<u>18,042,361</u>

The county's combined future debt service requirements as a result of the 2021 bond issuance for the General Fund is as follows:

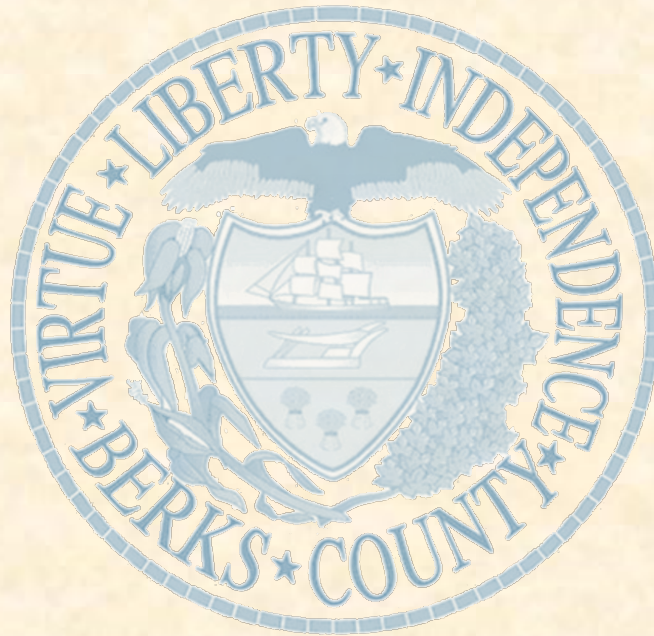
<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021	3,237,510	743,415	3,980,925
2022	3,868,106	626,150	4,494,256
2023	951,347	444,710	1,396,057
2024	2,486,825	409,304	2,896,129
2025	2,583,796	297,232	2,881,028
2026-2030	8,201,035	557,661	8,758,696
2031-2035	1,496,462	223,246	1,719,708
2036-2037	658,829	29,445	688,274
	<u>23,483,910</u>	<u>3,331,163</u>	<u>26,815,073</u>

B. Reading Regional Airport Authority

The Authority has evaluated subsequent events through February 7, 2020. This date is the date that the Authority's financial statements were available to be issued. The following event subsequent to September 30, 2020 were noted as a result of this evaluation:

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

The World Health Organization has recognized COVID-19 as a global pandemic, prompting many national and local governments to implement preventative or protective measures, such as travel and business restrictions, temporary store closures, and wide-sweeping quarantines and stay-at-home orders. As part of the CARES Act funding in response to the pandemic, the Authority received \$157,000 of funds that it used towards debt payments during the year ended September 30, 2020/ As a result of the pandemic, the Authority has experienced and continues to experience a decrease in operating revenues, particularly rental income, due to the Authority's tenants experiencing decreased sales.



REQUIRED SUPPLEMENTAL INFORMATION

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 144,707,835	\$ 144,707,835	\$ 146,058,470	\$ 1,350,635
Court costs, fines and forfeitures	2,716,886	2,716,886	1,837,817	(879,069)
Investment earnings	3,021,781	3,021,781	4,650,999	1,629,218
Intergovernmental revenue	12,367,249	14,227,082	12,057,516	(2,169,566)
Departmental charges and reimbursements	59,460,326	59,617,613	58,761,273	(856,340)
Payments in lieu of taxes	228,852	228,852	243,773	14,921
Rentals	331,618	331,618	323,517	(8,101)
Miscellaneous	10,065,465	10,068,275	10,161,145	92,870
Total revenues	<u>232,900,012</u>	<u>234,919,942</u>	<u>234,094,510</u>	<u>(825,432)</u>
Expenditures				
General government, administrative:				
Commissioners	1,525,978	12,903,502	8,046,312	4,857,190
Solicitors	2,162,035	2,377,385	2,273,948	103,437
Facilities	21,017,300	22,337,740	15,378,177	6,959,563
Courthouse Security	1,286,195	1,295,027	1,198,856	96,171
Election Services	2,479,160	4,801,626	4,461,508	340,118
Real Estate Assessment	4,308,934	5,327,536	4,267,123	1,060,413
Treasurer	1,016,802	1,038,526	965,430	73,096
Tax Collectors	427,246	427,246	424,606	2,640
Tax Claim Bureau	916,212	925,623	735,300	190,323
Controller	2,372,798	2,468,304	2,273,031	195,273
Recorder of Deeds	1,272,056	1,295,201	1,170,327	124,874
Mailroom/Printing	525,065	534,856	529,718	5,138
Information Systems	8,361,623	6,895,513	5,573,734	1,321,779
Purchasing	919,735	944,138	830,698	113,440
Archives	308,670	317,130	291,215	25,915
Budget	1,346,845	2,260,723	2,142,473	118,250
Human Resources	6,686,543	6,728,332	7,185,166	(456,834)
Insurance	2,103,223	2,103,223	1,569,455	533,768
Telecommunications	212,219	170,852	169,081	1,771
Veterans Affairs	633,469	650,057	586,000	64,057
Total general government, administrative	<u>59,882,108</u>	<u>75,802,540</u>	<u>60,072,158</u>	<u>15,730,382</u>
General government, judicial:				
Register of Wills	1,130,481	1,146,424	1,063,001	83,423
Sheriff	10,706,077	10,839,537	10,490,291	349,246
Coroner	1,695,922	1,716,783	1,750,221	(33,438)
Prothonotary	2,586,806	2,738,107	2,287,686	450,421
Clerk of Courts	2,950,458	2,992,808	2,746,249	246,559
Public Defender	3,756,559	3,809,522	3,546,913	262,609
District Attorney	12,359,969	12,665,329	12,113,779	551,550
Law Library	791,607	799,779	761,024	38,755
Court Administration	11,228,555	11,564,409	10,515,651	1,048,758
District Justices	8,980,503	9,122,672	7,479,466	1,643,206
Court Reporters	2,675,771	2,703,008	2,551,888	151,120
Total general government, judicial	<u>58,862,708</u>	<u>60,098,378</u>	<u>55,306,169</u>	<u>4,792,209</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	\$ 9,722,438	\$ 9,955,481	\$ 9,463,428	\$ 492,053
Juvenile Probation	15,186,624	15,357,075	13,096,598	2,260,477
Prison	44,953,926	45,924,660	41,689,370	4,235,290
Community Corrections	92,025	93,184	148,485	(55,301)
Emergency Services Non Communications	2,218,757	2,836,486	2,110,297	726,189
Total public safety	<u>72,173,770</u>	<u>74,166,886</u>	<u>66,508,178</u>	<u>7,658,708</u>
Culture and Recreation:				
Berks County Public Libraries	3,931,645	3,940,080	3,708,496	231,584
Parks	3,989,204	5,284,040	3,835,891	1,448,149
Total culture and recreation	<u>7,920,849</u>	<u>9,224,120</u>	<u>7,544,387</u>	<u>1,679,733</u>
Community and Economic Development:				
Planning	2,007,674	2,049,171	1,926,858	122,313
Agricultural Extension Service	624,350	624,350	617,393	6,957
Total community and economic development	<u>4,052,615</u>	<u>4,105,700</u>	<u>3,561,446</u>	<u>544,254</u>
Public Works:				
Recycling	<u>17,905</u>	<u>17,905</u>	<u>17,509</u>	<u>396</u>
Community Support:				
Contributions:				
Community Bail Program	789,460	792,490	644,182	148,308
Berks Economic Partnership	500,000	750,000	696,125	53,875
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	863,872	1,102,289	810,724	291,565
Berks Heim	8,462,092	8,462,092	8,462,092	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	<u>14,765,424</u>	<u>15,256,871</u>	<u>14,763,123</u>	<u>493,748</u>
Contingency:				
Contingency general	<u>4,320,000</u>	<u>663,841</u>	<u>-</u>	<u>663,841</u>
Debt Service:				
Principal, interest and fiscal charges	33,376,785	33,376,785	33,372,125	4,660
Administrative expenses	27,625	27,625	16,948	10,677
Total debt service	<u>33,404,410</u>	<u>33,404,410</u>	<u>33,389,073</u>	<u>15,337</u>
Intergovernmental:				
Solid Waste debt service	<u>300,720</u>	<u>300,900</u>	<u>300,900</u>	<u>-</u>
Total expenditures for general fund	<u>255,700,509</u>	<u>273,041,551</u>	<u>241,462,943</u>	<u>31,578,608</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(22,800,497)</u>	<u>(38,121,609)</u>	<u>(7,368,433)</u>	<u>30,753,176</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Transfers in	\$ 3,837,131	\$ 3,841,190	\$ 18,677,909	\$ 14,836,719
Transfers out	<u>(20,048,995)</u>	<u>(20,908,348)</u>	<u>(12,345,510)</u>	<u>8,562,838</u>
Total other financing sources (uses)	<u>(16,211,864)</u>	<u>(17,067,158)</u>	<u>6,332,399</u>	<u>23,399,557</u>
Net change in fund balances	(39,012,361)	(55,188,767)	(1,036,034)	54,152,733
Fund balances, beginning, as restated	<u>157,538,555</u>	<u>157,538,555</u>	<u>157,538,555</u>	<u>-</u>
Fund balances, ending	<u>\$ 118,526,194</u>	<u>\$ 102,349,788</u>	<u>\$ 156,502,521</u>	<u>\$ 54,152,733</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 40,430,457	\$ 40,665,032	\$ 33,254,208	\$ (7,410,824)
Departmental charges and reimbursements	786,680	894,713	894,710	(3)
Investment earnings	-	-	107	107
Miscellaneous	1,600	1,600	840	(760)
Total revenues	<u>41,218,737</u>	<u>41,561,345</u>	<u>34,149,865</u>	<u>(7,411,480)</u>
Expenditures				
Current:				
Human services	<u>48,126,934</u>	<u>48,703,970</u>	<u>39,415,875</u>	<u>9,288,095</u>
Total expenditures	<u>48,126,934</u>	<u>48,703,970</u>	<u>39,415,875</u>	<u>9,288,095</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,908,197)</u>	<u>(7,142,625)</u>	<u>(5,266,010)</u>	<u>1,876,615</u>
Other financing sources (uses):				
Transfers in	7,234,371	7,468,799	5,590,589	(1,878,210)
Transfers out	<u>(326,174)</u>	<u>(326,174)</u>	<u>(324,291)</u>	<u>1,883</u>
Total other financing sources (uses)	<u>6,908,197</u>	<u>7,142,625</u>	<u>5,266,298</u>	<u>(1,876,327)</u>
Net change in fund balances	-	-	288	288
Fund balances, beginning, as restated	<u>70,720</u>	<u>70,720</u>	<u>70,720</u>	<u>-</u>
Fund balances, ending	<u>\$ 70,720</u>	<u>\$ 70,720</u>	<u>\$ 71,008</u>	<u>\$ 288</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 129,000,000	\$ 144,391,113	\$ 144,430,896	\$ 39,783
Investment earnings	292,695	292,695	147,758	(144,937)
Total revenues	<u>129,292,695</u>	<u>144,683,808</u>	<u>144,578,654</u>	<u>(105,154)</u>
Expenditures				
Current:				
Human services	129,279,105	144,670,218	144,564,586	105,632
Total expenditures	<u>129,279,105</u>	<u>144,670,218</u>	<u>144,564,586</u>	<u>105,632</u>
Excess (deficiency) of revenue over (under) expenditures	<u>13,590</u>	<u>13,590</u>	<u>14,068</u>	<u>478</u>
Other financing uses:				
Transfers out	(13,590)	(13,590)	(14,068)	(478)
Total other financing sources (uses)	<u>(13,590)</u>	<u>(13,590)</u>	<u>(14,068)</u>	<u>(478)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Budgets and budgetary accounting

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

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

The County maintains budgetary control at the line item level of expenditures as authorized by resolution of the Board of Commissioners. The Chief Financial Officer may make transfers between accounts under \$5,000, while transfers of \$5,000 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.

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

County of Berks
 2020 Comprehensive Annual Financial Report

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

(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. The increase in the actuarially determined contribution is \$634,360

Note to Schedule:

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

Schedule of County Contributions
Berks County Employees' Retirement Fund
Last 10 Fiscal Years

County of Berks
2020 Comprehensive Annual Financial Report

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

Notes to Schedule:

Valuation date: January 1 of each year

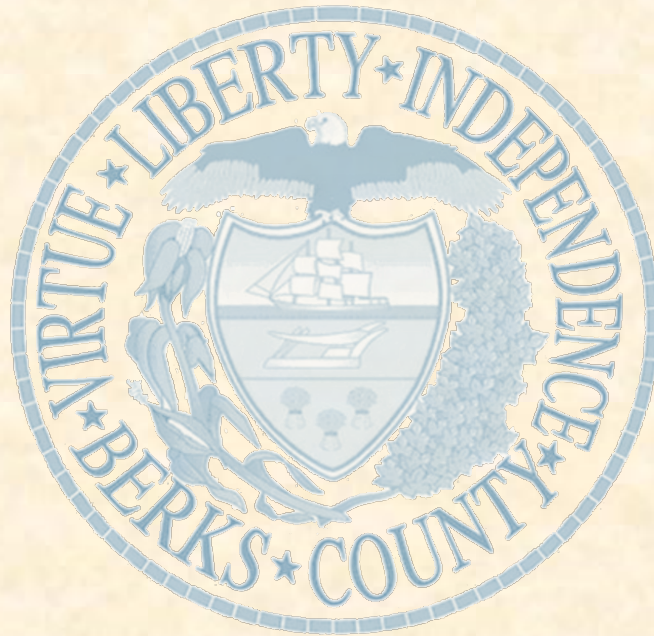
Actuarially determined contributions rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	The Method that is prescribed by Pennsylvania State Law, Act 44
Inflation	3.0%
Salary increase	3.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

Other information:

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



OTHER SUPPLEMENTAL INFORMATION

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



	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Assets				
Cash and cash equivalents	\$ 2,696,315	\$ 250	\$ 100	\$ 225
Cash and cash equivalents, restricted	11,405,590	-	-	-
Investments	498,000	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	20,185	14,194	36,364	5,639
Accrued interest receivable	-	-	-	-
Due from other governments	384,148	1,817,615	553,923	114,400
Due from other funds	-	-	1,694,051	4,118,900
Prepaid expenses	-	-	23,736	-
Loans receivable	-	-	-	-
Investments, non-current	747,001	-	-	-
Total assets	<u>\$ 15,751,239</u>	<u>\$ 1,832,059</u>	<u>\$ 2,308,174</u>	<u>\$ 4,239,164</u>
Liabilities				
Accounts payable	\$ 504,989	\$ 20,852	\$ 395,304	\$ 544,342
Accrued liabilities	1,384	343,946	32,779	149,613
Unearned revenue	-	-	-	2,678,259
Due to other funds	975,774	1,466,068	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	600,882
Total liabilities	<u>1,482,147</u>	<u>1,830,866</u>	<u>428,083</u>	<u>3,973,096</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	1,193	21,002	-
Restricted	14,269,092	-	1,859,089	266,068
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>14,269,092</u>	<u>1,193</u>	<u>1,880,091</u>	<u>266,068</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,751,239</u>	<u>\$ 1,832,059</u>	<u>\$ 2,308,174</u>	<u>\$ 4,239,164</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Drug and Alcohol
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	2,462,175	-	-	-
Investments	-	-	-	-
Taxes receivable	24,055	-	-	-
Accounts receivable	-	-	81,953	-
Accrued interest receivable	-	-	-	-
Due from other governments	227,816	374,517	8,998	-
Due from other funds	431,394	2,619,398	90,991	124,090
Prepaid expenses	-	-	-	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 3,145,440</u>	<u>\$ 2,993,915</u>	<u>\$ 181,942</u>	<u>\$ 124,090</u>
Liabilities				
Accounts payable	\$ 353,921	\$ 1,276,743	\$ 150,012	\$ 124,090
Accrued liabilities	-	20,020	1,614	-
Unearned revenue	-	1,270,586	16,520	-
Due to other funds	-	-	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	426,566	-	-
Total liabilities	<u>353,921</u>	<u>2,993,915</u>	<u>168,146</u>	<u>124,090</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	61,924	-	-	-
Restricted	2,729,595	-	13,796	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,791,519</u>	<u>-</u>	<u>13,796</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,145,440</u>	<u>\$ 2,993,915</u>	<u>\$ 181,942</u>	<u>\$ 124,090</u>

	Special Revenue			
	Department of Emergency Services	Community Development	COVID Impact Grants	Total
Assets				
Cash and cash equivalents	\$ 1,643,594	\$ -	\$ -	\$ 4,340,484
Cash and cash equivalents, restricted	6,847	-	-	13,874,612
Investments	-	-	-	498,000
Taxes receivable	-	-	-	24,055
Accounts receivable	2,029,368	135,259	-	2,322,962
Accrued interest receivable	-	-	-	-
Due from other governments	-	-	584,125	4,065,542
Due from other funds	-	-	-	9,078,824
Prepaid expenses	3,127,403	-	-	3,151,139
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	747,001
Total assets	<u>\$ 6,807,212</u>	<u>\$ 135,259</u>	<u>\$ 584,125</u>	<u>\$ 38,102,619</u>
Liabilities				
Accounts payable	\$ 1,938,933	\$ 69,443	\$ 167,888	\$ 5,546,517
Accrued liabilities	387,675	-	-	937,031
Unearned revenue	-	-	-	3,965,365
Due to other funds	4,465,767	65,816	416,237	7,389,662
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	1,027,448
Total liabilities	<u>6,792,375</u>	<u>135,259</u>	<u>584,125</u>	<u>18,866,023</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	2,683,614	-	-	2,767,733
Restricted	(2,668,777)	-	-	16,468,863
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>14,837</u>	<u>-</u>	<u>-</u>	<u>19,236,596</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,807,212</u>	<u>\$ 135,259</u>	<u>\$ 584,125</u>	<u>\$ 38,102,619</u>

	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 3,905,591	\$ 4,768,119	\$ 5,403,735	\$ 8,568,610
Hotel tax	-	-	-	-
Departmental charges and reimbursements	2,044,440	182,141	-	155,064
Investment earnings	76,549	-	4,249	4,610
Rental	11,100	-	-	-
Miscellaneous	-	-	195,005	5,562
Total revenues	<u>6,037,680</u>	<u>4,950,260</u>	<u>5,602,989</u>	<u>8,733,846</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	6,410,468	5,064,606	8,618,960
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	4,702,911	-	-	-
Total expenditures	<u>4,702,911</u>	<u>6,410,468</u>	<u>5,064,606</u>	<u>8,618,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,334,769</u>	<u>(1,460,208)</u>	<u>538,383</u>	<u>114,886</u>
Other financing sources (uses)				
Transfers in	22,077	1,578,215	11,930	-
Transfers out	<u>(2,263)</u>	<u>(118,007)</u>	<u>(15,719)</u>	<u>(82,152)</u>
Total other financing sources (uses)	<u>19,814</u>	<u>1,460,208</u>	<u>(3,789)</u>	<u>(82,152)</u>
Net changes in fund balances	1,354,583	-	534,594	32,734
Fund balances, beginning	12,914,509	1,193	1,345,497	233,334
Fund balances, ending	<u>\$ 14,269,092</u>	<u>\$ 1,193</u>	<u>\$ 1,880,091</u>	<u>\$ 266,068</u>

	Special Revenue			
	Special Legislation	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol
Revenues				
Intergovernmental revenue	\$ 251,996	\$ 17,042,930	\$ 1,108,565	\$ 6,070,148
Hotel tax	1,932,948	-	-	-
Departmental charges and reimbursements	1,153,057	-	-	-
Investment earnings	8,470	4,974	278	-
Rental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,346,471</u>	<u>17,047,904</u>	<u>1,108,843</u>	<u>6,070,148</u>
Expenditures				
Current:				
General government, administrative	1,853,405	-	-	-
General government, judicial	208,999	-	-	-
Public safety	-	-	-	-
Human services	-	17,902,647	1,109,302	7,394,794
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>2,062,404</u>	<u>17,902,647</u>	<u>1,109,302</u>	<u>7,394,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,284,067</u>	<u>(854,743)</u>	<u>(459)</u>	<u>(1,324,646)</u>
Other financing sources (uses)				
Transfers in	-	868,748	-	1,324,646
Transfers out	(1,053,269)	(14,005)	(912)	-
Total other financing sources (uses)	<u>(1,053,269)</u>	<u>854,743</u>	<u>(912)</u>	<u>1,324,646</u>
Net changes in fund balances	230,798	-	(1,371)	-
Fund balances, beginning	2,560,721	-	15,167	-
Fund balances, ending	<u>\$ 2,791,519</u>	<u>\$ -</u>	<u>\$ 13,796</u>	<u>\$ -</u>

	Special Revenue			Total
	Department of Emergency Services	Community Development	COVID Impact Grants	
Revenues				
Intergovernmental revenue	\$ 75,497	\$ 4,344,698	\$ 38,640,239	\$ 90,180,128
Hotel tax	-	-	-	1,932,948
Departmental charges and reimbursements	12,401,642	702,875	-	16,639,219
Investment earnings	6,274	-	29,040	134,444
Rental	49,942	-	-	61,042
Miscellaneous	-	-	-	200,567
Total revenues	<u>12,533,355</u>	<u>5,047,573</u>	<u>38,669,279</u>	<u>109,148,348</u>
Expenditures				
Current:				
General government, administrative	-	-	23,044,670	24,898,075
General government, judicial	-	-	-	208,999
Public Safety	18,138,674	-	-	18,138,674
Human services	-	-	-	46,500,777
Capital outlay	-	-	-	-
Community and economic development	-	5,047,573	-	5,047,573
Public works	-	-	-	4,702,911
Total expenditures	<u>18,138,674</u>	<u>5,047,573</u>	<u>23,044,670</u>	<u>99,497,009</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,605,319)</u>	<u>-</u>	<u>15,624,609</u>	<u>9,651,339</u>
Other financing sources (uses)				
Transfers in	2,808,016	-	-	6,613,632
Transfers out	<u>(198,348)</u>	<u>-</u>	<u>(15,624,609)</u>	<u>(17,109,284)</u>
Total other financing sources (uses)	<u>2,609,668</u>	<u>-</u>	<u>(15,624,609)</u>	<u>(10,495,652)</u>
Net changes in fund balances	(2,995,651)	-	-	(844,313)
Fund balances, beginning	3,010,488	-	-	20,080,909
Fund balances, ending	<u>\$ 14,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,236,596</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 3,118,759	\$ 4,077,161	\$ 3,905,591	\$ (171,570)
Departmental charges and reimbursements	2,032,415	2,032,415	2,044,440	12,025
Investment earnings	124,831	124,831	76,549	(48,282)
Rental	11,100	11,100	11,100	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,287,105</u>	<u>6,245,507</u>	<u>6,037,680</u>	<u>(207,827)</u>
Expenditures				
Current:				
Public works	4,164,145	6,543,324	4,702,911	1,840,413
Total expenditures	<u>4,164,145</u>	<u>6,543,324</u>	<u>4,702,911</u>	<u>1,840,413</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,122,960</u>	<u>(297,817)</u>	<u>1,334,769</u>	<u>1,632,586</u>
Other financing sources (uses):				
Transfers in	-	-	22,077	22,077
Transfers out	(6,770)	(6,770)	(2,263)	4,507
Total other financing sources (uses)	<u>(6,770)</u>	<u>(6,770)</u>	<u>19,814</u>	<u>26,584</u>
Net change in fund balances (deficits)	1,116,190	(304,587)	1,354,583	1,659,170
Fund balances, beginning	12,914,509	12,914,509	12,914,509	-
Fund balances, ending	<u>\$ 14,030,699</u>	<u>\$ 12,609,922</u>	<u>\$ 14,269,092</u>	<u>\$ 1,659,170</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,177,050	\$ 5,177,050	\$ 4,768,119	\$ (408,931)
Departmental charges and reimbursements	170,750	170,750	182,141	11,391
Investment earnings	-	-	-	-
Total revenues	<u>5,347,800</u>	<u>5,347,800</u>	<u>4,950,260</u>	<u>(397,540)</u>
Expenditures				
Current:				
Human services	<u>7,410,588</u>	<u>7,410,588</u>	<u>6,410,468</u>	<u>1,000,120</u>
Total expenditures	<u>7,410,588</u>	<u>7,410,588</u>	<u>6,410,468</u>	<u>1,000,120</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,062,788)</u>	<u>(2,062,788)</u>	<u>(1,460,208)</u>	<u>602,580</u>
Other financing sources (uses):				
Transfers in	2,192,900	2,192,900	1,578,215	(614,685)
Transfers out	<u>(130,112)</u>	<u>(130,112)</u>	<u>(118,007)</u>	<u>12,105</u>
Total other financing sources (uses)	<u>2,062,788</u>	<u>2,062,788</u>	<u>1,460,208</u>	<u>(602,580)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	<u>1,193</u>	<u>1,193</u>	<u>1,193</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Employment and Training Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,780,714	\$ 7,050,425	\$ 5,403,735	\$ (1,646,690)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	-	-	4,249	4,249
Miscellaneous	334,504	348,238	195,005	(153,233)
Total revenues	<u>5,115,218</u>	<u>7,398,663</u>	<u>5,602,989</u>	<u>(1,795,674)</u>
Expenditures				
Current:				
Human services	5,099,448	7,407,988	5,064,606	2,343,382
Total expenditures	<u>5,099,448</u>	<u>7,407,988</u>	<u>5,064,606</u>	<u>2,343,382</u>
Excess (deficiency) of revenue over (under) expenditures	<u>15,770</u>	<u>(9,325)</u>	<u>538,383</u>	<u>547,708</u>
Other financing sources (uses):				
Transfers in	-	-	11,930	11,930
Transfers out	<u>(15,770)</u>	<u>(15,770)</u>	<u>(15,719)</u>	<u>51</u>
Total other financing sources (uses)	<u>(15,770)</u>	<u>(15,770)</u>	<u>(3,789)</u>	<u>11,981</u>
Net change in fund balances (deficits)	-	(25,095)	534,594	559,689
Fund balances, beginning	1,345,497	1,345,497	1,345,497	-
Fund balances, ending	<u>\$ 1,345,497</u>	<u>\$ 1,320,402</u>	<u>\$ 1,880,091</u>	<u>\$ 559,689</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2020

County of Berks
2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 8,989,107	\$ 11,869,961	\$ 8,568,610	\$ (3,301,351)
Departmental charges and reimbursements	218,300	218,300	155,064	(63,236)
Investment earnings	9,000	9,000	4,610	(4,390)
Miscellaneous	1,400	1,400	5,562	4,162
Total revenues	<u>9,217,807</u>	<u>12,098,661</u>	<u>8,733,846</u>	<u>(3,364,815)</u>
Expenditures				
Current:				
Human services	<u>9,136,538</u>	<u>12,017,392</u>	<u>8,618,960</u>	<u>3,398,432</u>
Total expenditures	<u>9,136,538</u>	<u>12,017,392</u>	<u>8,618,960</u>	<u>3,398,432</u>
Excess (deficiency) of revenue over (under) expenditures	<u>81,269</u>	<u>81,269</u>	<u>114,886</u>	<u>33,617</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(81,269)</u>	<u>(81,269)</u>	<u>(82,152)</u>	<u>(883)</u>
Total other financing sources (uses)	<u>(81,269)</u>	<u>(81,269)</u>	<u>(82,152)</u>	<u>(883)</u>
Net change in fund balances (deficits)	-	-	32,734	32,734
Fund balances, beginning	<u>233,334</u>	<u>233,334</u>	<u>233,334</u>	-
Fund balances, ending	<u>\$ 233,334</u>	<u>\$ 233,334</u>	<u>\$ 266,068</u>	<u>\$ 32,734</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Special Legislation Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 799,500	\$ 799,500	\$ 251,996	\$ (547,504)
Hotel tax	2,640,000	2,640,000	1,932,948	(707,052)
Departmental charges and reimbursements	1,139,044	1,139,044	1,153,057	14,013
Investment earnings	24,695	24,695	8,470	(16,225)
Miscellaneous	-	-	-	-
Total revenues	<u>4,603,239</u>	<u>4,603,239</u>	<u>3,346,471</u>	<u>(1,256,768)</u>
Expenditures				
Current:				
General government, administrative	2,754,694	2,774,963	1,853,405	921,558
General government, judicial	51,590	153,269	208,999	(55,730)
Total expenditures	<u>2,806,284</u>	<u>2,928,232</u>	<u>2,062,404</u>	<u>865,828</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,796,955</u>	<u>1,675,007</u>	<u>1,284,067</u>	<u>(390,940)</u>
Other financing uses:				
Transfers out	<u>(1,817,286)</u>	<u>(1,817,286)</u>	<u>(1,053,269)</u>	<u>764,017</u>
Total other financing sources (uses)	<u>(1,817,286)</u>	<u>(1,817,286)</u>	<u>(1,053,269)</u>	<u>764,017</u>
Net change in fund balances (deficits)	(20,331)	(142,279)	230,798	373,077
Fund balances, beginning	<u>2,560,721</u>	<u>2,560,721</u>	<u>2,560,721</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,540,390</u>	<u>\$ 2,418,442</u>	<u>\$ 2,791,519</u>	<u>\$ 373,077</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2020

County of Berks
2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 16,423,073	\$ 17,916,767	\$ 17,042,930	\$ (873,837)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	15,400	15,400	4,974	(10,426)
Miscellaneous	-	-	-	-
Total revenues	<u>16,438,473</u>	<u>17,932,167</u>	<u>17,047,904</u>	<u>(884,263)</u>
Expenditures				
Current:				
Human services	17,231,159	18,824,761	17,902,647	922,114
Total expenditures	<u>17,231,159</u>	<u>18,824,761</u>	<u>17,902,647</u>	<u>922,114</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(792,686)</u>	<u>(892,594)</u>	<u>(854,743)</u>	<u>37,851</u>
Other financing sources (uses):				
Transfers in	807,290	907,198	868,748	(38,450)
Transfers out	(14,604)	(14,604)	(14,005)	599
Total other financing sources (uses)	<u>792,686</u>	<u>892,594</u>	<u>854,743</u>	<u>(37,851)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Human Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 955,338	\$ 1,212,134	\$ 1,108,565	\$ (103,569)
Investment earnings	1,400	1,400	278	(1,122)
Miscellaneous	-	-	-	-
Total revenues	<u>956,738</u>	<u>1,213,534</u>	<u>1,108,843</u>	<u>(104,691)</u>
Expenditures				
Current:				
Human services	955,881	1,212,677	1,109,302	103,375
Total expenditures	<u>955,881</u>	<u>1,212,677</u>	<u>1,109,302</u>	<u>103,375</u>
Excess (deficiency) of revenue over (under) expenditures	<u>857</u>	<u>857</u>	<u>(459)</u>	<u>(1,316)</u>
Other financing sources (uses):				
Transfers out	<u>(857)</u>	<u>(857)</u>	<u>(912)</u>	<u>(55)</u>
Total other financing sources (uses)	<u>(857)</u>	<u>(857)</u>	<u>(912)</u>	<u>(55)</u>
Net change in fund balances (deficits)	-	-	(1,371)	(1,371)
Fund balances, beginning	15,167	15,167	15,167	-
Fund balances, ending	<u>\$ 15,167</u>	<u>\$ 15,167</u>	<u>\$ 13,796</u>	<u>\$ (1,371)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2020

County of Berks
2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 4,683,825	\$ 6,173,273	\$ 6,070,148	\$ (103,125)
Total revenue	<u>4,683,825</u>	<u>6,173,273</u>	<u>6,070,148</u>	<u>(103,125)</u>
Expenditures				
Current:				
Human services	6,113,828	7,497,919	7,394,794	103,125
Total expenditures	<u>6,113,828</u>	<u>7,497,919</u>	<u>7,394,794</u>	<u>103,125</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,430,003)</u>	<u>(1,324,646)</u>	<u>(1,324,646)</u>	<u>-</u>
Other financing sources:				
Transfers in	1,430,003	1,324,646	1,324,646	-
Total other financing sources (uses)	<u>1,430,003</u>	<u>1,324,646</u>	<u>1,324,646</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Department of Emergency Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 11,700	\$ 122,155	\$ 75,497	\$ (46,658)
Departmental charges and reimbursements	11,618,528	12,384,559	12,401,642	17,083
Investment earnings	15,197	15,197	6,274	(8,923)
Rental	50,675	50,675	49,942	(733)
Miscellaneous	-	-	-	-
Total revenues	<u>11,696,100</u>	<u>12,572,586</u>	<u>12,533,355</u>	<u>(39,231)</u>
Expenditures				
Current:				
Public safety	<u>19,738,809</u>	<u>21,133,414</u>	<u>18,138,675</u>	<u>2,994,739</u>
Total expenditures	<u>19,738,809</u>	<u>21,133,414</u>	<u>18,138,675</u>	<u>2,994,739</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(8,042,709)</u>	<u>(8,560,828)</u>	<u>(5,605,320)</u>	<u>2,955,508</u>
Other financing uses:				
Transfers in	8,238,219	8,759,177	2,808,017	(5,951,160)
Transfers out	<u>(195,510)</u>	<u>(198,349)</u>	<u>(198,348)</u>	<u>1</u>
Total other financing sources (uses)	<u>8,042,709</u>	<u>8,560,828</u>	<u>2,609,669</u>	<u>(5,951,159)</u>
Net change in fund balances (deficits)	-	-	(2,995,651)	(2,995,651)
Fund balances, beginning	<u>3,010,488</u>	<u>3,010,488</u>	<u>3,010,488</u>	<u>-</u>
Fund balances (deficits), ending	<u>\$ 3,010,488</u>	<u>\$ 3,010,488</u>	<u>\$ 14,837</u>	<u>\$ (2,995,651)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,745,152	\$ 7,033,295	\$ 4,344,698	\$ (2,688,597)
Departmental charges and reimbursements	526,574	702,886	702,875	(11)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,271,726</u>	<u>7,736,181</u>	<u>5,047,573</u>	<u>(2,688,608)</u>
Expenditures				
Current:				
Community and economic development	<u>5,271,726</u>	<u>7,736,181</u>	<u>5,047,573</u>	<u>2,688,608</u>
Total expenditures	<u>5,271,726</u>	<u>7,736,181</u>	<u>5,047,573</u>	<u>2,688,608</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 COVID Impact Grants Special Revenue Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ -	\$ 38,726,587	\$ 38,640,239	\$ (86,348)
Investment earnings	-	29,042	29,040	(2)
Total revenues	<u>-</u>	<u>38,755,629</u>	<u>38,669,279</u>	<u>(86,350)</u>
Expenditures				
Current:				
General government, administrative	-	23,131,020	23,044,670	86,350
Total expenditures	<u>-</u>	<u>23,131,020</u>	<u>23,044,670</u>	<u>86,350</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>15,624,609</u>	<u>15,624,609</u>	<u>-</u>
Other financing sources (uses):				
Transfers out	-	(15,624,609)	(15,624,609)	-
Total other financing sources (uses)	<u>-</u>	<u>(15,624,609)</u>	<u>(15,624,609)</u>	<u>-</u>
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenses and Changes in Net Position
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2020

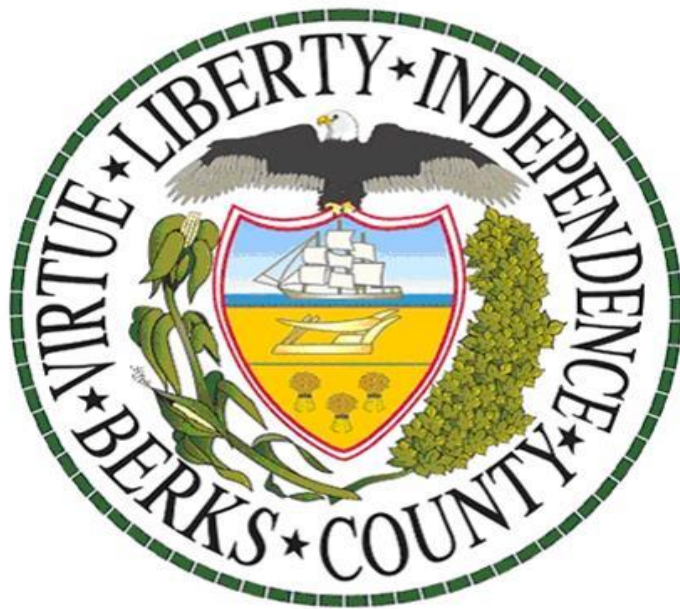
County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 8,235,709	\$ 8,235,709	\$ 7,513,223	\$ (722,486)
Other operating revenues	1,166,985	1,166,985	543,287	(623,698)
Total operating revenues	<u>9,402,694</u>	<u>9,402,694</u>	<u>8,056,510</u>	<u>(1,346,184)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	7,840,694	7,840,694	6,593,115	1,247,579
Depreciation	-	-	313,464	(313,464)
Total operating expenses	<u>7,840,694</u>	<u>7,840,694</u>	<u>6,906,579</u>	<u>934,115</u>
Operating income (loss)	<u>1,562,000</u>	<u>1,562,000</u>	<u>1,149,931</u>	<u>(412,069)</u>
Nonoperating revenues (expenses)				
Interest expense	(130,462)	(130,462)	(130,293)	169
Total nonoperating revenues (expenses)	<u>(130,462)</u>	<u>(130,462)</u>	<u>(130,293)</u>	<u>169</u>
Income before transfers	1,431,538	1,431,538	1,019,638	(411,900)
Transfers in	-	-	-	-
Transfers out	(1,088,977)	(1,088,977)	(1,088,977)	-
Change in net position	342,561	342,561	(69,339)	(411,900)
Total net position, beginning	6,592,382	6,592,382	6,592,382	-
Total net position, ending	<u>\$ 6,934,943</u>	<u>\$ 6,934,943</u>	<u>\$ 6,523,043</u>	<u>\$ (411,900)</u>

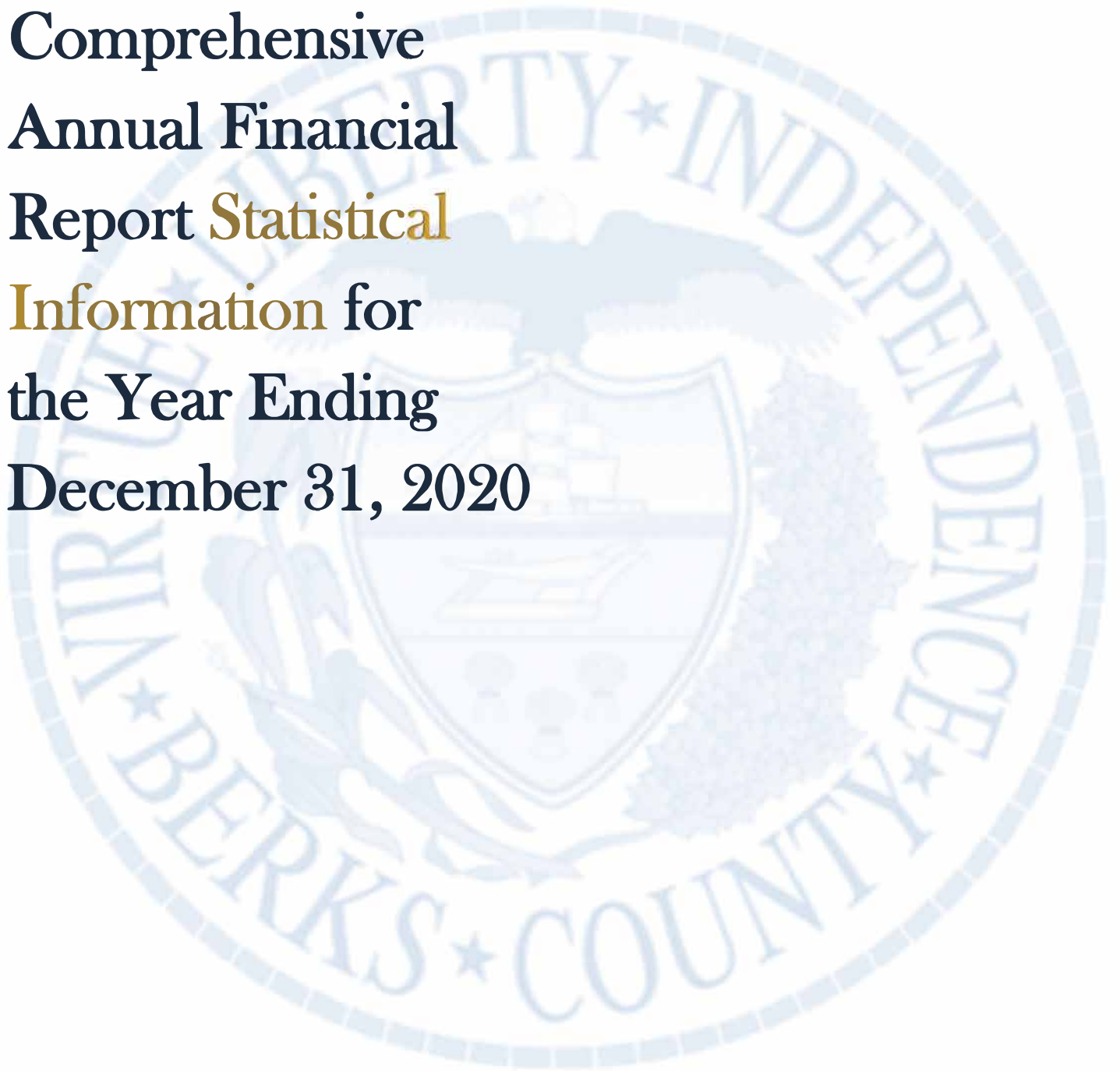
Schedule of Revenues, Expenditures and Changes in Net Position
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2020

County of Berks
 2020 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating expenses				
Operating revenues				
Charges for services	\$ 38,805,689	\$ 38,805,689	\$ 33,103,490	\$ (5,702,199)
Other operating revenues	16,478,983	16,478,983	15,260,710	(1,218,273)
Total operating revenues	<u>55,284,672</u>	<u>55,284,672</u>	<u>48,364,200</u>	<u>(6,920,472)</u>
Operating expenses				
Financial administration	3,137,024	4,388,095	4,212,142	175,953
Administrative expenses	2,041,958	2,180,237	1,183,174	997,063
Special services	166,662	167,172	166,465	707
Dietary	3,832,586	3,827,699	3,529,603	298,096
Laundry	801,593	804,813	536,598	268,215
Environmental services	2,083,277	2,085,209	2,055,453	29,756
Plant operations	1,533,950	1,554,365	1,381,521	172,844
Nursing	19,915,070	19,926,272	18,208,642	1,717,630
Physician services	80,541	69,041	47,998	21,043
Pharmacy services	693,441	466,478	242,390	224,088
Medical services	320,508	320,508	303,648	16,860
Therapeutic activity	565,319	565,319	514,220	51,099
Social service	313,445	313,445	311,253	2,192
Physical therapy service	2,205,588	2,075,588	1,784,548	291,040
Staff development	381,638	381,638	414,486	(32,848)
Materials management	177,688	177,688	199,762	(22,074)
Personnel	142,971	142,971	149,246	(6,275)
Security	271,769	271,769	270,273	1,496
Volunteers	82,344	84,669	80,631	4,038
Nursing administration	1,650,538	1,664,538	1,658,571	5,967
Admissions	242,606	255,212	240,769	14,443
Depreciation	-	-	1,171,894	(1,171,894)
Total operating expenses	<u>40,640,516</u>	<u>41,722,726</u>	<u>38,663,287</u>	<u>3,059,439</u>
Operating income (loss)	<u>14,644,156</u>	<u>13,561,946</u>	<u>9,700,913</u>	<u>(3,861,033)</u>
Nonoperating revenues (expenses)				
Grants	5,000	2,226,131	4,638,567	2,412,436
Investment earnings	5,233	5,394	5,245	(149)
Interest Expense	(822,948)	(822,948)	(825,713)	(2,765)
Contribution to General Fund	(8,462,528)	(8,462,528)	(8,462,528)	-
Total nonoperating revenues (expenses)	<u>(9,275,243)</u>	<u>(7,053,951)</u>	<u>(4,644,429)</u>	<u>2,409,522</u>
Income before transfers	5,368,913	6,507,995	5,056,484	(1,451,511)
Transfers in	-	1,136,776	1,136,769	(7)
Transfers out	-	(1,136,776)	(1,136,769)	7
Change in net position	5,368,913	6,507,995	5,056,484	(1,451,511)
Total net position, beginning, as restated	<u>20,051,351</u>	<u>20,051,351</u>	<u>20,051,351</u>	<u>-</u>
Total net position, ending	<u>\$ 25,420,264</u>	<u>\$ 26,559,346</u>	<u>\$ 25,107,835</u>	<u>\$ (1,451,511)</u>



**County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Statistical
Information** for
the Year Ending
December 31, 2020**



County of Berks
Statistical Section - Categories
Year Ended December 31, 2020

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Miscellaneous Statistics

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

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

	2020	2019 (Restated)	2018 (Restated)	2017 (Restated)	2016	2015	2014	2013	2012	2011
Governmental activities										
Net Investment in Capital Assets	\$ 174,067,177	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168	\$ 23,918,071	\$ 9,829,007	\$ 17,083,783	\$ 9,109,197
Restricted	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593	16,010,546
Unrestricted	<u>99,085,554</u>	<u>97,549,776</u>	<u>86,028,855</u>	<u>117,240,734</u>	<u>129,854,361</u>	<u>156,023,750</u>	<u>159,475,948</u>	(1) <u>160,689,349</u>	(1) <u>165,487,146</u>	<u>163,473,570</u>
Total governmental activities net position	<u>\$ 343,010,016</u>	<u>\$ 306,167,548</u>	<u>\$ 284,747,074</u>	<u>\$ 271,624,147</u>	<u>\$ 252,194,353</u>	<u>\$ 239,714,776</u>	<u>\$ 207,720,117</u>	<u>\$ 182,204,300</u>	<u>\$ 194,828,522</u>	<u>\$ 188,593,313</u>
Business-type activities										
Net Investment in Capital Assets	\$ 15,084,385	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836	\$ 25,658,496	\$ 25,034,275	\$ 13,829,836	\$ 9,406,663
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted deficit	<u>16,546,493</u>	<u>12,859,882</u>	<u>4,815,598</u>	<u>3,236,555</u>	<u>441,397</u>	<u>(1,095,778)</u>	<u>(10,451,880)</u>	(2) <u>(12,457,169)</u>	(2) <u>(9,366,816)</u>	<u>(8,319,120)</u>
Total business-type activities net position	<u>\$ 31,630,878</u>	<u>\$ 26,643,733</u>	<u>\$ 16,930,343</u>	<u>\$ 16,214,338</u>	<u>\$ 14,165,042</u>	<u>\$ 12,092,058</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 4,463,020</u>	<u>\$ 1,087,543</u>
Primary government										
Net Investment in Capital Assets	\$ 189,151,562	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004	\$ 49,576,567	\$ 34,863,282	\$ 30,913,619	\$ 18,515,860
Restricted	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593	16,010,546
Unrestricted	<u>115,632,047</u>	<u>110,409,658</u>	<u>90,844,453</u>	<u>120,477,289</u>	<u>130,295,758</u>	<u>154,927,972</u>	<u>149,024,068</u>	<u>148,232,180</u>	<u>156,120,330</u>	<u>155,154,450</u>
Total primary government net position	<u>\$ 374,640,894</u>	<u>\$ 332,811,281</u>	<u>\$ 301,677,417</u>	<u>\$ 287,838,485</u>	<u>\$ 266,359,395</u>	<u>\$ 251,806,834</u>	<u>\$ 222,926,733</u>	<u>\$ 194,781,406</u>	<u>\$ 199,291,542</u>	<u>\$ 189,680,856</u>

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses										
Governmental activities:										
General government	\$ 86,633,329	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197	\$ 15,721,339	\$ 18,758,919	\$ 17,615,938	\$ 19,358,233
Judicial	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970	48,391,839	47,033,776	48,313,567	46,672,086
Public safety	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123	58,902,986	58,557,094	57,900,874	53,971,066
Human services	220,735,108	201,850,983	203,987,908	204,645,399	195,370,229	173,389,044	167,089,187	169,216,796	181,005,416	187,841,278
Culture and recreation	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963	7,392,985	7,541,491	7,961,633	7,127,616
Community and economic development	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588	5,790,903	4,674,567	5,447,335	7,164,309
Public works	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561	1,518,619	1,143,574	997,263	948,645
Community support	2,117,029	2,124,745	2,770,282	626,679	601,605	564,489	1,825,423	5,706,515	5,308,083	6,858,598
Debt service administrative expenses	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762	10,642,781	11,239,235	16,320,620	12,442,872	16,918,941
Capital Projects	-	-	-	-	-	-	-	-	-	-
Solid waste	264,912	314,950	191,695	359,419	1,176,581	1,241,206	1,247,078	1,245,347	1,280,046	1,275,635
Total governmental activities expenses	<u>\$ 445,917,996</u>	<u>\$ 406,771,725</u>	<u>\$ 409,731,571</u>	<u>\$ 386,631,184</u>	<u>\$ 381,126,056</u>	<u>\$ 337,158,922</u>	<u>\$ 319,119,594</u>	<u>\$ 330,198,699</u>	<u>\$ 338,273,027</u>	<u>\$ 348,136,407</u>
Business-type activities										
Department of Emergency Services	-	-	-	-	-	12,445,334	12,793,480	8,652,660	8,614,042	7,967,837
Berks County Residential Center	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440	5,667,274	6,088,570	6,047,116	5,464,568
Berks Heim	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775	37,753,556	38,407,433	38,763,708	37,757,747
Youth Center	-	-	-	-	-	-	-	-	4,416,787	5,885,897
Total business-type activities expenses	<u>54,988,401</u>	<u>58,956,628</u>	<u>58,926,691</u>	<u>56,239,120</u>	<u>54,738,651</u>	<u>58,777,549</u>	<u>56,214,310</u>	<u>53,148,663</u>	<u>57,841,653</u>	<u>57,076,049</u>
Total primary government expenses	<u>\$ 500,906,397</u>	<u>\$ 465,728,353</u>	<u>\$ 468,658,262</u>	<u>\$ 442,870,304</u>	<u>\$ 435,864,707</u>	<u>\$ 395,936,471</u>	<u>\$ 375,333,904</u>	<u>\$ 383,347,362</u>	<u>\$ 396,114,680</u>	<u>\$ 405,212,456</u>
Program Revenues										
Governmental activities:										
Charges for services :										
General government	8,157,798	8,480,343	8,944,575	9,090,716	8,170,571	7,974,794	7,892,340	8,370,615	7,700,054	7,449,565
Judicial	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805	12,229,763	11,650,097	10,056,699	10,256,054
Public safety	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812	7,219,251	7,081,372	5,619,927	5,148,579
Human services	1,231,915	1,124,165	1,274,856	1,505,680	1,529,874	1,720,468	1,842,966	1,561,502	2,016,753	2,071,743
Culture and recreation	36,503	120,948	216,108	201,503	575,744	135,187	112,481	75,756	124,492	116,685
Community and economic development	785,328	659,079	(4,916,987)	861,287	2,035,597	940,375	672,165	749,067	1,053,516	573,080
Public works	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583	22,902	-	-	346
Solid waste	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991	3,574,193	2,820,596	2,775,018	2,911,968
Other activities	140,920	227,835	1,471,216	1,521,986	1,543,670	1,514,558	1,503,982	2,405,976	1,934,098	1,941,296
Operating grants and contributions	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256	177,271,350	174,282,405	189,380,439	194,760,629
Capital grants and contributions	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307	42,348	3,038,095	675,629	2,820,932
Total governmental activities program revenues	<u>\$ 326,065,562</u>	<u>\$ 264,411,155</u>	<u>\$ 261,369,670</u>	<u>\$ 254,327,503</u>	<u>\$ 257,410,443</u>	<u>\$ 220,248,136</u>	<u>\$ 212,383,741</u>	<u>\$ 212,035,481</u>	<u>\$ 221,336,625</u>	<u>\$ 228,050,877</u>
Business-type activities										
Charges for services :										
Department of Emergency Services	-	-	-	-	-	10,787,498	8,753,289	8,059,740	7,687,064	7,867,909
Berks County Residential Center	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784	7,664,164	6,985,278	6,523,375	6,018,136
Berks Heim	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562	41,017,725	40,974,069	40,567,133	40,201,168
Youth Center	-	-	-	-	-	-	-	-	567,352	2,091,611
Operating grants and contributions	-	-	-	-	-	21,236	93,120	51,522	1,252,856	2,296,085
Capital grants and contributions	-	-	7,463	8,384	8,587	-	-	-	-	-
Total business-type activities program revenues	<u>56,420,710</u>	<u>62,493,896</u>	<u>60,860,053</u>	<u>59,304,928</u>	<u>56,741,398</u>	<u>61,557,080</u>	<u>57,528,298</u>	<u>56,070,609</u>	<u>56,597,780</u>	<u>58,474,909</u>
Total primary government program revenues	<u>\$ 382,486,272</u>	<u>\$ 326,905,051</u>	<u>\$ 322,229,723</u>	<u>\$ 313,632,431</u>	<u>\$ 314,151,841</u>	<u>\$ 281,805,216</u>	<u>\$ 269,912,039</u>	<u>\$ 268,106,090</u>	<u>\$ 277,934,405</u>	<u>\$ 286,525,786</u>
Net (expense)/revenue										
Governmental activities	(119,852,434)	(142,360,570)	(148,361,901)	(132,303,681)	(123,715,613)	(116,910,786)	(106,735,853)	(118,163,218)	(116,936,402)	(120,085,530)
Business-type activities	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531	1,313,988	2,921,946	(1,243,873)	1,398,860
Total primary government net expense	<u>\$ (118,420,125)</u>	<u>\$ (138,823,302)</u>	<u>\$ (146,428,539)</u>	<u>\$ (129,237,873)</u>	<u>\$ (121,712,866)</u>	<u>\$ (114,131,255)</u>	<u>\$ (105,421,865)</u>	<u>\$ (115,241,272)</u>	<u>\$ (118,180,275)</u>	<u>\$ (118,686,670)</u>

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 146,302,765	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892	\$ 136,033,476	\$ 134,808,089	\$ 127,067,035	\$ 127,133,403
Hotel room	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698	1,590,516
Payments in lieu of taxes	243,773	236,984	221,485	219,602	237,561	242,774	266,532	220,931	316,221	249,053
Investment earnings	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503	639,352	550,091	833,259	1,049,014
Changes in fair value of investment rate swaps	-	845,879	(2,273,517)	581,988	(1,109,819)	490,084	601,668	-	-	-
Rentals	384,559	405,200	440,093	489,566	464,950	389,756	328,094	356,407	202,812	-
Miscellaneous	8,462,528	7,530,000	7,439,000	6,068,787	4,945,007	-	-	-	-	-
Gain (loss) on sale of capital assets	(2,015,390)	-	(281,413)	(690,319)	86,776	20,720	(245,199)	68,874	46,931	18,100
Conversion to special revenue fund	-	-	-	-	-	6,089,996	-	-	-	-
Transfer of assets to related entity	-	-	-	-	-	-	(5,746,011)	-	-	-
Swap termination fee	-	-	-	-	-	-	-	-	-	-
Transfers	1,088,977	1,088,977	1,088,979	1,083,238	(146,980)	1,088,977	(436,774)	(10,196,998)	(4,816,823)	(14,158,452)
Total governmental activities	\$ 161,333,469	\$ 163,214,955	\$ 156,379,779	\$ 148,833,562	\$ 145,255,063	\$ 147,834,546	\$ 133,497,082	\$ 127,652,351	\$ 125,297,133	\$ 115,881,634
Business-type activities										
Investment earnings	5,245	6,013	4,448	14,667	1,986	8,088	7,349	5,962	5,248	8,658
Changes in fair value of investment rate swaps	-	-	(132,828)	52,475	(78,729)	626,541	830,097	-	-	-
Rental of space	-	-	-	-	-	48,230	43,998	27,643	22,464	21,010
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(2,696)	818	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	(6,089,996)	-	-	-	-
Transfers	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)	436,774	10,196,997	4,816,823	14,158,452
Total business-type activities	(1,083,732)	(1,082,964)	(1,217,359)	(1,016,096)	70,237	(6,496,114)	1,315,522	10,231,420	4,844,535	14,188,120
Total primary government general revenue	\$ 160,249,737	\$ 162,131,991	\$ 155,162,420	\$ 147,817,466	\$ 145,325,300	\$ 141,338,432	\$ 134,812,604	\$ 137,883,771	\$ 130,141,668	\$ 130,069,754
Changes in Net Position										
Governmental activities	36,842,468	20,854,385	8,017,878	16,529,881	21,539,450	30,923,760	26,761,229	9,489,133	8,360,731	(4,203,896)
Business-type activities	4,987,145	2,454,304	716,005	2,049,712	2,072,984	(3,716,583)	2,629,510	13,153,366	3,600,662	15,586,980
Total primary government net revenue	\$ 41,829,613	\$ 23,308,689	\$ 8,733,883	\$ 18,579,593	\$ 23,612,434	\$ 27,207,177	\$ 29,390,739	\$ 22,642,499	\$ 11,961,393	\$ 11,383,084

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

	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund										
Nonspendable	\$ 1,338,410	\$ 1,338,410	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554	\$ 1,364,327	\$ 398,435	\$ 592,927	\$ 878,350
Restricted	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389	4,125,006	4,201,282	4,869,238	2,299,603	1,865,358
Committed	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174	-	-	-	-	-
Assigned	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537	10,551,289	11,323,251	16,953,963	19,545,324	35,008,622
Unassigned	133,260,135	105,605,582	113,305,213	115,222,806	118,930,211	135,023,020	134,990,876	110,406,873	102,045,175	115,808,679
Total General Fund	<u>\$ 156,502,521</u>	<u>\$ 157,538,555</u>	<u>\$ 154,027,820</u>	<u>\$ 144,047,190</u>	<u>\$ 134,841,154</u>	<u>\$ 151,283,869</u>	<u>\$ 151,879,736</u>	<u>\$ 132,628,509</u>	<u>\$ 124,483,029</u>	<u>\$ 153,561,009</u>
All other governmental funds										
Nonspendable	2,771,457	2,771,457	2,771,457	2,712,241	2,836,878	3,116,156	32,408	12,455	15,128	15,891
Restricted	16,536,147	17,380,172	16,816,476	14,259,149	13,852,760	10,523,506	15,054,053	49,188,337	55,487,813	65,973,877
Assigned	-	-	-	-	-	66,759	-	-	-	-
Unassigned	-	-	-	-	-	(2,466,812)	-	-	(45,567)	(270,263)
Total all other governmental funds	<u>\$ 19,307,604</u>	<u>\$ 20,151,629</u>	<u>\$ 19,587,933</u>	<u>\$ 16,971,390</u>	<u>\$ 16,689,638</u>	<u>\$ 11,239,609</u>	<u>\$ 15,086,461</u>	<u>\$ 49,200,792</u>	<u>\$ 55,457,374</u>	<u>\$ 65,719,505</u>
Total governmental funds	<u>\$ 175,810,125</u>	<u>\$ 177,690,184</u>	<u>\$ 173,615,753</u>	<u>\$ 161,018,580</u>	<u>\$ 151,530,792</u>	<u>\$ 162,523,478</u>	<u>\$ 166,966,197</u>	<u>\$ 181,829,301</u>	<u>\$ 179,940,403</u>	<u>\$ 219,280,514</u>

Note:

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

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

Revenues	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Taxes:										
Property	\$ 146,058,470	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071	\$ 136,328,388	\$ 135,388,540	\$ 127,003,623	\$ 127,740,394
Hotel	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698	1,590,516
Court costs, fines and forfeitures	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999	3,524,023	3,724,858	3,533,648	3,600,846
Intergovernmental revenue	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383	178,186,729	177,199,936	191,267,090	198,655,502
Department charges and reimbursements	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535	58,480,623	56,555,546	54,394,935	51,789,888
Payments in lieu of taxes	243,773	236,984	221,485	219,602	237,561	89,730	102,196	51,827	135,367	61,979
Rentals	384,559	405,201	440,093	489,566	464,950	389,756	328,094	356,407	202,812	224,206
Sales of property, supplies and equipment	-	4,168	12,040	(770)	86,776	20,720	18,250	68,874	46,931	18,100
Investment earnings	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503	639,352	550,092	833,261	1,049,014
Other revenue	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961	2,572,505	4,014,222	1,444,130	1,754,018
Total revenues	\$ 521,971,377	\$ 459,782,705	\$ 457,982,631	\$ 434,852,318	\$ 431,454,454	\$ 390,351,502	\$ 382,236,104	\$ 379,755,259	\$ 380,509,495	\$ 386,484,463
Expenditures										
Current:										
General government, administrative	\$ 84,970,233	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641	\$ 41,134,083	\$ 39,852,191	\$ 47,959,429	\$ 38,636,615
General government, judicial	55,515,168	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171	50,335,681	49,460,353	65,573,490	48,819,429
Public safety	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768	61,456,822	58,692,210	72,374,351	53,443,564
Human services	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554	167,515,886	169,602,996	191,747,864	190,338,788
Culture and recreation	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869	6,435,971	7,885,299	9,268,854	11,176,693
Community and economic development	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468	6,820,729	6,526,379	7,180,694	7,578,062
Public works	4,720,420	4,207,148	6,276,293	2,729,499	11,693,954	8,681,128	5,699,803	2,721,058	1,868,944	1,210,529
Community support	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268	5,980,470	5,061,857	5,307,490	5,133,316
Intergovernmental expenditures- Solid waste	300,900	250,720	220,870	295,029	928,453	993,342	998,452	997,007	1,000,219	997,450
Debt service:										
Principal	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645	7,620,828	8,145,069	8,043,447	19,481,932	14,127,753
Interest	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219	16,911,272	17,155,619	19,429,357	9,346,689	9,934,093
Debt issuance costs	-	900,000	-	-	119,123	178,668	118,742	141,629	430,673	-
Administrative expenditures	16,948	19,091	31,096	22,528	141,015	80,461	109,147	12,302	15,518	38,902
Capital outlay	-	453,954	591,891	936,616	2,143,152	4,671,727	26,310,999	24,595,446	20,906,488	8,702,465
Total expenditures	\$ 524,940,413	\$ 457,363,337	\$ 451,579,486	\$ 429,347,681	\$ 428,526,206	\$ 388,195,165	\$ 398,217,473	\$ 393,021,531	\$ 452,462,635	\$ 390,137,659
Excess (deficiency) of revenues over (under) expenditures	\$ (2,969,036)	\$ 2,419,368	\$ 6,403,145	\$ 5,504,637	\$ 2,928,248	\$ 2,156,337	\$ (15,981,369)	\$ (13,266,272)	\$ (71,953,140)	\$ (3,653,196)
Other financing sources (uses)										
Transfers in	\$ 30,882,130	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987	\$ 12,607,913	\$ 14,488,107	\$ 21,491,843	\$ 18,964,872
Transfers out	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)	(11,870,836)	(15,816,894)	(27,676,447)	(33,123,324)
Bond premium	-	-	-	-	209,950	3,613,694	82,210	2,860,762	-	-
Issuance of long term debt	-	-	-	-	-	-	-	17,785,000	29,940,941	-
Payments to refunded bond escrow agent	-	-	-	-	(24,943,412)	(27,211,227)	(9,963,468)	-	-	-
Issuance of refunding bonds	-	-	-	-	9,790,000	23,776,200	10,000,000	-	9,870,000	-
Conversion to special revenue fund	-	-	-	-	-	554,492	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 1,088,977	\$ 1,088,976	\$ 1,088,979	\$ 1,083,238	\$ (13,869,487)	\$ (5,148,286)	\$ 855,819	\$ 19,316,975	\$ 33,626,337	\$ (14,158,452)
Special Item										
Swap termination fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,876,000)
Net change in fund balances	\$ (1,880,059)	\$ 3,508,344	\$ 7,492,124	\$ 6,587,875	\$ (10,941,239)	\$ (2,991,949)	\$ (15,125,550)	\$ 6,050,703	\$ (38,326,803)	\$ (20,687,648)
Debt Service										
Percentage of noncapital expenditures	4.6%	3.4%	2.8%	2.2%	5.9%	4.9%	10.0%	8.1%	7.9%	3.6%

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
2020	\$ 147,991,418	\$ 1,837,817	\$ 279,922,748	\$ 76,295,203	\$ 243,773	\$ 384,559	\$ -	\$ 4,933,307	\$ 10,362,552	\$ 521,971,377
2019	147,768,079	2,686,290	222,680,006	70,649,378	236,984	405,201	4,168	5,647,381	9,705,218	459,782,705
2018	146,441,690	2,673,976	222,165,757	72,824,610	221,485	440,093	12,040	3,331,493	9,871,487	457,982,631
2017	140,327,121	2,825,583	210,267,612	70,478,089	219,602	489,566	(770)	1,616,192	8,629,323	434,852,318
2016	139,359,005	3,021,575	210,291,504	67,134,262	237,561	464,950	86,776	1,474,025	9,384,796	431,454,454
2015	138,761,915	3,350,999	185,900,383	55,614,535	89,730	389,756	20,720	1,134,503	5,088,961	390,351,502
2014	138,384,332	3,524,023	178,186,729	58,480,623	102,196	328,094	18,250	639,352	2,572,505	382,236,104
2013	137,233,497	3,724,858	177,199,936	56,555,546	51,827	356,407	68,874	550,092	4,014,222	379,755,259
2012	128,651,321	3,533,648	191,267,090	54,394,935	135,364	202,812	46,931	833,261	1,444,130	380,509,492
2011	129,330,910	3,600,846	198,655,502	51,789,888	61,979	224,206	18,100	1,049,014	1,754,018	386,484,463

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

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

<u>Fiscal Year</u>	<u>Tax-Exempt Property</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Total Taxable Assessed Value</u>	<u>Market Value</u>	<u>Assessed Value as a Percentage of Market Value</u>	<u>Common Level Ratio</u>	<u>Total Direct Tax Rate</u>
2020	\$ 2,959,293,300	\$ 14,697,408,900	\$ 3,631,975,900	\$ 883,952,700	\$ 19,213,337,500	\$ 19,945,612,100	96.3%	56.30%	7.657%
2019	2,976,705,700	14,631,813,800	3,526,903,700	875,883,200	19,034,600,700	19,764,524,800	96.3%	62.20%	7.657%
2018	2,850,561,100	14,567,436,400	3,465,305,500	850,850,000	18,883,591,900	19,610,606,700	96.3%	68.50%	7.657%
2017	2,838,979,500	14,509,132,100	3,459,131,800	824,364,000	18,792,627,900	19,515,064,200	96.3%	74.30%	7.372%
2016	2,813,697,200	14,452,726,600	3,390,894,000	815,271,200	18,658,891,800	19,378,229,700	96.3%	75.60%	7.372%
2015	2,792,647,500	14,426,375,000	3,388,924,200	806,010,200	18,621,309,400	19,335,256,500	96.3%	76.30%	7.372%
2014	2,773,724,300	14,383,351,500	3,381,283,700	792,507,900	18,557,143,100	19,265,737,800	96.3%	78.10%	7.372%
2013	2,756,192,800	14,339,515,800	3,363,960,000	787,046,700	18,490,522,500	19,194,308,100	96.3%	77.90%	7.372%
2012	2,744,225,900	14,333,218,900	3,364,298,400	775,615,500	18,473,132,800	19,170,097,000	96.4%	73.20%	6.935%
2011	2,722,905,100	14,312,618,000	3,355,340,500	789,901,800	18,457,860,300	19,151,011,000	96.4%	70.70%	6.935%

Notes:

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

Source:

County of Berks Assessment Office

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

<u>Tax Year</u>	<u>County of Berks</u>	<u>City, Borough, or Township</u>	<u>School District (1)</u>	<u>Total</u>
2020	7.657	4.07	29.56	41.28
2019	7.657	3.95	29.30	40.91
2018	7.657	3.84	28.81	40.31
2017	7.372	3.80	28.46	39.63
2016	7.372	3.63	28.07	39.07
2015	7.372	3.35	27.57	38.29
2014	7.372	3.32	27.22	37.91
2013	7.372	3.22	26.77	37.36
2012	6.935	3.08	26.24	36.26
2011	6.935	2.92	25.42	35.28

Notes:

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

Source:
County of Berks Assessment Office

**County of Berks
Property Tax Levies and Collections
Last Ten Years**

Calendar Year ended December 31	Total Tax Levy (1)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Tax Collections To Tax Levy
2020	\$ 147,116,536	\$ 142,629,613	96.95%	\$ 3,428,857	\$ 146,058,470	99.28%
2019	145,747,949	141,210,114	96.89%	4,110,951	145,321,065	99.71%
2018	144,441,118	139,455,986	96.55%	4,249,856	143,705,842	99.49%
2017	138,386,112	133,476,216	96.45%	4,214,714	137,690,930	99.50%
2016	137,553,350	132,573,006	96.38%	4,351,873	136,924,879	99.54%
2015	137,276,293	132,039,450	96.19%	4,496,621	136,536,071	99.46%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%
2013	136,318,729	130,260,182	95.56%	5,128,358	135,388,540	99.09%
2012	128,117,506	122,243,142	95.41%	4,760,481	127,003,623	99.06%
2011	128,011,510	122,252,616	95.50%	5,487,778	127,740,394	99.79%

Notes:

- (1) Does not include interims and additions to duplicate
- (2) Includes discounts, penalties, interims, additions, rebates and error adjustments
- (3) Includes penalties and adjustments

Source:

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

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

Function/Program	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
County Direct Rates										
Total direct rate	7.66	7.66	7.66	7.37	7.37	7.37	7.37	7.37	6.94	6.94
Municipalities										
City:										
City of Reading	17.69	17.69	17.69	17.69	17.69	15.69	15.69	15.69	14.33	14.33
Boroughs:										
Bally	5.00	5.00	5.00	5.00	5.00	5.00	4.70	4.50	4.50	4.30
Bechtelsville	6.00	5.50	5.00	5.00	4.50	4.50	4.50	4.50	4.00	3.60
Bernville	5.44	4.44	4.44	4.44	4.44	4.44	4.44	4.44	3.94	3.94
Birdsboro	6.86	6.86	6.86	6.86	6.86	6.66	6.66	6.16	6.16	6.16
Boyetown	7.34	6.69	6.34	6.14	5.64	5.14	5.14	5.14	5.14	5.14
Centerport	3.10	3.10	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Fleetwood	6.45	6.45	6.25	6.25	6.00	6.00	5.50	5.50	5.50	3.00
Hamburg	8.25	8.00	8.00	8.00	8.00	8.00	7.50	6.50	5.50	5.50
Kenhorst	5.81	5.81	5.60	5.60	5.60	5.60	5.60	4.60	3.60	3.60
Kutztown	4.60	4.10	4.10	4.10	4.10	4.10	3.35	3.10	3.10	2.85
Laureldale	6.80	6.80	6.05	6.05	5.90	5.90	5.90	4.90	4.90	4.90
Leesport	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lyons	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85
Mohnton	5.70	5.50	5.13	5.10	4.55	4.30	4.30	3.80	3.80	3.80
Mt. Penn	10.70	10.50	10.50	9.50	8.50	7.40	7.40	7.40	7.40	7.40
New Morgan	1.86	1.86	1.86	1.50	1.56	1.56	4.50	4.50	2.99	2.99
Robesonia	4.90	4.90	4.90	4.65	4.65	4.65	4.40	4.40	4.40	4.15
St. Lawrence	7.51	6.89	6.64	6.64	6.64	6.00	5.70	5.70	5.30	5.30
Shillington	7.14	7.14	7.14	7.14	7.14	5.89	5.89	4.89	4.89	4.89
Shoemakersville	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.50
Sinking Spring	8.37	8.32	7.99	7.99	7.32	7.32	7.32	6.32	6.32	5.04
Topton	7.55	6.55	6.55	6.05	5.85	5.85	5.85	5.85	6.35	5.60
Wernersville	6.60	6.60	6.60	6.10	6.10	6.10	6.10	5.60	5.60	5.60
West Reading	9.85	9.60	8.85	8.10	7.60	7.10	7.10	7.10	7.10	7.10
Womelsdorf	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.00	3.00	3.00
Wyomissing	4.25	3.90	3.90	3.90	3.90	3.90	3.90	3.63	3.63	3.43
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00
Amity	2.80	2.80	2.60	2.45	1.95	1.95	1.95	1.80	1.80	1.80
Bern	4.19	3.94	3.94	3.94	3.44	3.44	3.19	3.12	3.12	3.12
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brecknock	2.58	2.33	2.33	2.33	2.33	1.95	1.95	1.95	1.95	1.75
Caernarvon	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.38	2.38
Centre	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.00	3.00
Cumru	6.48	6.46	6.20	6.18	6.18	6.18	5.68	5.28	5.28	4.78
District	0.60	0.55	0.45	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Douglass	4.30	4.30	4.30	3.30	3.30	2.30	2.30	2.00	2.00	2.00
Exeter	3.47	3.47	3.34	3.34	3.25	2.87	2.87	2.87	2.69	2.69
Greenwich	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hereford	1.20	1.20	1.20	1.20	1.20	0.96	0.96	0.96	0.96	0.96
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	3.21	3.05	3.05	3.05	2.80	2.80	2.80	2.80	2.85	2.32

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

Function/Program	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Townships (continued)										
Lower Alsace	9.25	8.68	8.68	8.68	7.95	7.18	7.18	6.68	6.68	6.68
Lower Heidelberg	6.04	5.54	5.19	4.79	4.79	4.79	4.79	4.80	4.85	4.85
Maidencreek	1.75	1.75	1.75	1.75	1.75	1.75	1.50	1.50	1.13	1.13
Marion	2.00	1.80	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.20
Maxatawny	2.36	2.36	2.36	2.36	2.36	2.36	2.36	3.36	3.36	3.36
Muhlenberg	5.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80	4.50	4.25
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	0.40	0.40	0.40	0.40
Oley	4.19	4.19	4.10	3.20	2.80	2.80	2.80	2.80	2.59	2.50
Ontelaunee	4.05	4.05	4.05	4.05	4.05	3.80	3.80	3.80	3.80	3.80
Penn	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Perry	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Pike	1.50	1.50	1.50	1.50	0.87	0.87	0.87	0.87	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	3.50	2.50	2.25	2.00	1.75	1.75
Robeson	3.25	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.25
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60
Ruscombmanor	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.15	4.10	4.10	4.10	3.35	3.35	3.05	2.55	2.55	2.25
Spring	4.45	3.95	4.01	4.01	3.25	3.25	3.25	3.25	3.25	3.00
Tilden	2.10	2.20	1.45	1.45	1.45	1.45	1.45	1.45	0.95	0.92
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	2.15	2.15
Upper Bern	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Washington	2.70	2.70	2.70	2.70	2.70	2.70	2.70	4.32	4.32	2.32
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	42.54	40.99	39.74	39.15	37.79	36.79	35.86	34.56	33.75	32.35
Boyertown	28.20	27.33	26.37	25.02	24.27	23.96	23.39	22.52	21.88	20.77
Brandywine Heights	34.08	33.74	33.24	32.78	32.30	32.30	32.30	32.30	31.25	30.00
Conrad Weiser	30.63	29.65	28.86	28.00	27.14	26.32	25.71	25.71	25.27	24.32
Daniel Boone	31.58	31.58	30.83	30.20	29.70	28.96	28.96	28.96	28.96	28.42
Exeter	33.61	33.11	32.62	32.62	32.22	31.25	31.25	30.80	30.10	29.62
Fleetwood	33.36	33.11	33.11	32.56	31.81	30.96	30.21	29.21	28.22	27.28
Governor Mifflin	28.60	28.60	28.10	27.60	27.10	26.60	26.00	25.30	24.50	23.20
Hamburg	26.96	26.96	26.96	26.96	26.71	26.46	26.21	25.96	25.71	25.21
Kutztown	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.25	28.76	28.28
Muhlenberg	30.73	30.73	29.81	29.06	28.56	27.81	27.56	26.81	26.31	25.56
Oley Valley	28.54	27.94	27.34	26.93	26.33	25.84	25.39	24.93	24.56	23.82
Reading	17.93	17.93	17.93	17.93	17.93	17.41	17.41	16.92	16.92	16.46
Schuylkill Valley	27.82	27.82	27.07	27.07	27.07	26.79	26.79	26.79	26.27	25.13
Tulpehocken	26.75	26.85	27.10	27.60	27.70	27.70	27.70	27.70	27.70	27.45
Twin Valley	26.90	27.56	27.55	27.55	26.77	25.74	24.54	23.88	22.60	21.70
Upper Perkiomen	25.23	25.23	24.54	24.35	24.95	24.60	24.25	24.00	23.66	23.66
Wilson	26.26	26.26	25.67	25.29	24.95	24.60	24.25	24.00	23.66	21.95
Wyomissing	31.91	31.43	30.67	30.07	30.07	29.78	29.49	29.05	28.57	27.89

Note:

Total annual real estate taxes (county, municipal, school) per \$1,000 of assessed value.

Source:

County of Berks Assessment Office

**County of Berks
Ratio of Outstanding Debt by Type
Last Ten Years**

Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current			
2020	\$ 127,893,467	\$ -	\$ 10,772,529	\$ 21,329,701	\$ -	\$ 3,087,471	\$ 163,083,168	0.83%	\$ 386.64
2019	152,700,553	-	20,302,848	24,631,280	-	466,142	198,100,823	1.01%	473.90
2018	169,202,807	-	20,686,984	25,004,760	-	438,016	215,332,567	1.10%	512.51
2017	188,367,121	-	20,504,206	25,653,096	-	425,795	234,950,218	1.20%	562.28
2016	206,960,390	-	19,676,075	26,289,210	-	418,780	253,344,455	1.30%	611.80
2015	235,441,478	-	20,516,681	26,919,161	-	748,319	283,625,639	1.47%	685.14
2014	203,053,850	-	19,417,949	71,001,906	-	1,692,051	295,165,756	1.53%	713.49
2013	262,360,301	-	20,007,023	27,108,396	-	922,977	310,398,697	1.62%	750.62
2012	254,178,922	-	18,724,352	30,903,986	-	1,480,648	305,287,908	1.59%	739.29
2011	228,146,210	-	16,847,720	32,766,807	-	1,401,466	279,162,203	1.46%	677.12

Note:

Amounts netted for discounts, premiums and deferred refundings losses.

Source:

County of Berks Financial Statements, as restated in Prior Years adjustments

**County of Berks
Ratios of General Bonded Debt Outstanding
Last Ten Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Debt</u>	<u>Ratio of General Obligation Debt to Assessed Value</u>	<u>General Obligation Debt Per Capita</u>
2020	421,799 *	\$ 19,945,612,100	\$ 163,083,168	0.82%	\$ 386.64
2019	418,025	19,764,524,800	198,100,823	1.00%	473.90
2018	420,152	19,610,606,700	215,332,567	1.10%	512.51
2017	417,854	19,549,373,000	234,950,218	1.20%	562.28
2016	414,097	19,454,270,800	253,344,455	1.30%	611.80
2015	413,965	19,335,256,500	283,625,639	1.47%	685.14
2014	413,691	19,265,737,800	295,165,756	1.53%	713.49
2013	413,521	19,194,308,100	321,748,697	1.68%	778.07
2012	412,948	19,170,097,000	305,287,908	1.59%	739.29
2011	412,279	19,151,011,000	278,905,880	1.46%	676.50

Notes:

* Estimate used for 2020 population

Source:

Pennsylvania State Data Center or Census Bureau (Census Report or Most Recent Yearly Estimates)
County of Berks Assessment Office
County of Berks Financial Statements, as restated in Prior Year adjustments

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

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 138,665,997	100%	\$ 138,665,997
Overlapping Debt			
School Districts:			
Antietam	\$ 18,332,000	100%	\$ 18,332,000
Boyertown Area	94,725,000	100%	94,725,000
Brandywine Heights	18,079,465	100%	18,079,465
Conrad Weiser	47,680,332	100%	47,680,332
Daniel Boone Area	6,805,500	100%	6,805,500
Exeter Township	59,951,000	100%	59,951,000
Fleetwood Area	24,336,814	100%	24,336,814
Governor Mifflin Area	45,035,000	100%	45,035,000
Hamburg Area	39,315,000	100%	39,315,000
Kutztown Area	24,475,000	100%	24,475,000
Muhlenberg Area	30,495,000	100%	30,495,000
Oley Valley	12,004,872	100%	12,004,872
Reading School District	456,476,952	100%	456,476,952
Schuylkill Valley	9,900,000	100%	9,900,000
Tulpehocken Area	15,135,000	100%	15,135,000
Twin Valley	23,630,000	100%	23,630,000
Wilson Area	32,965,000	100%	32,965,000
Wyomissing Area	19,725,000	100%	19,725,000
Total School Districts	\$ 979,066,935		\$ 979,066,935
Municipalities			
City of Reading	\$ 367,432,235 (1)	100%	\$ 367,432,235
Albany Township	147,266	100%	147,266
Alsace Township	2,092,236	100%	2,092,236
Amity Township	4,415,000	100%	4,415,000
Bally Borough	4,101,000	100%	4,101,000
Bechtelsville Borough	56,896	100%	56,896
Bernville Borough	151,762	100%	151,762
Bethel Township	813,633	100%	813,633
Birdsboro Borough	838,000	100%	838,000
Boyertown Borough	3,780,962	100%	3,780,962
Caernarvon Township	1,132,235	100%	1,132,235
Colebrookdale Township	514,083	100%	514,083
Cumru Township	1,575,000	100%	1,575,000
Exeter Township	17,026,000	100%	17,026,000
Fleetwood Borough	1,382,989	100%	1,382,989
Greenwich Township	133,023	100%	133,023
Hamburg Borough	574,427	100%	574,427
Hereford Township	55,779	100%	55,779
Kutztown Borough	15,525,000	100%	15,525,000
Leesport Borough	456,294	100%	456,294
Lenhartsville Borough	388,015	100%	388,015
Longswamp Township	291,777	100%	291,777
Lower Alsace Township	1,201,209	100%	1,201,209
Lower Heidelberg Township	6,061,782	100%	6,061,782

Note

(1) Unavailable - used latest data available

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

<u>Direct Debt of County and Related Entities (continued)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Maidencreek Township	26,229	100%	26,229
Maxatawny Township	234,390	100%	234,390
Mt. Penn Borough	201,699	100%	201,699
Mohnton Borough	245,307	100%	245,307
Muhlenberg Township	18,219,805	100%	18,219,805
North Heidelberg Township	30,326	100%	30,326
Ontelaunee Township	14,532,000	100%	14,532,000
Penn Township	32,260	100%	32,260
Richmond Township	2,172,333	100%	2,172,333
Robeson Township	648,053	100%	648,053
St. Lawrence Borough	53,593	100%	53,593
Shillington Borough	1,600,000	100%	1,600,000
Shoemakersville Borough	1,401,978	100%	1,401,978
Sinking Spring Borough	5,103,447	100%	5,103,447
South Heidelberg Township	1,053,000	100%	1,053,000
Spring Township	16,728,571	100%	16,728,571
Tilden Township	4,201,976	100%	4,201,976
Topton Borough	2,655,127	100%	2,655,127
Tulpehocken Township	2,208,594	100%	2,208,594
Union Township	639,608	100%	639,608
Upper Bern Township	2,347,488	100%	2,347,488
Upper Tulpehocken Township	2,238,906	100%	2,238,906
Washington Township	8,220,000	100%	8,220,000
Wernersville Borough	1,059,000	100%	1,059,000
West Reading Borough	7,919,859	100%	7,919,859
Windsor Township	64,567	100%	64,567
Total Municipalities	<u>\$ 523,984,719</u>		<u>\$ 523,984,719</u>
Total overlapping debt			<u>\$ 1,503,051,654</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,641,717,651</u>

Source

Annual Reports from individual School Districts and Municipalities

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit at 300%	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399	\$ 1,307,926,447	\$ 1,309,909,635	\$ 1,288,660,406	\$ 1,266,195,075
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>138,665,996</u>	<u>173,003,401</u>	<u>189,889,791</u>	<u>208,871,327</u>	<u>226,636,465</u>	<u>255,958,159</u>	<u>222,677,099</u>	<u>246,929,029</u>	<u>240,494,029</u>	<u>237,407,346</u>
Legal Debt Margin	<u>\$ 1,480,837,914</u>	<u>\$ 1,362,257,284</u>	<u>\$ 1,311,281,557</u>	<u>\$ 1,224,669,055</u>	<u>\$ 1,152,164,390</u>	<u>\$ 1,068,996,240</u>	<u>\$ 1,085,249,348</u>	<u>\$ 1,062,980,606</u>	<u>\$ 1,048,166,377</u>	<u>\$ 1,028,787,729</u>
Total net debt applicable to the limit as a percentage of debt limit	8.56%	11.27%	12.65%	14.57%	16.44%	19.32%	17.03%	18.85%	18.66%	18.75%
Total Revenues Received	\$ 578,392,087	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255	\$ 439,409,335	\$ 434,340,809	\$ 434,176,303	\$ 441,392,523
Total net revenue	\$ 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	\$ 539,834,637	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285					

Source:
County of Berks, Financial Statements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
2020	\$ 17,474,779	\$ 15,897,346	\$ 33,372,125	\$ 524,940,413	6.36%
2019	8,663,370	14,779,894	23,443,264	457,363,337	5.13%
2018	8,318,135	15,605,850	23,923,985	451,579,486	5.30%
2017	7,725,669	16,629,718	24,355,387	429,347,681	5.67%
2016	7,527,645	16,475,219	24,002,864	428,526,206	5.60%
2015	7,620,828	16,911,272	24,532,100	388,195,165	6.32%
2014	8,145,069	17,155,619	25,300,688	398,217,473	6.35%
2013	8,043,447	19,429,357	27,472,804	393,021,531	6.99%
2012	19,481,932	9,346,689	28,828,621	452,462,635 *	6.37%
2011	14,127,753	9,934,093	24,061,846	390,137,659	6.17%

Notes:

* Includes prefunding of pension plan

Source:

County of Berks, Financial Statements

**County of Berks
Demographic and Economics Statistics
Last Ten Years**

Calendar Year	Population	Per Capita Personal Income	Median Household Income	Median Age	Higher Education Enrollment	Public School Enrollment	Unemployment Rate	Average Sales Price of Residential Property
2020	421,799	\$ 32,252	\$ 63,728	39.9	*	*	7.6%	\$ 178,700
2019	418,025	31,571	61,522	40.2	26,982	69,505	4.6%	174,200
2018	420,152	30,187	61,058	39.8	26,437	70,247	4.2%	173,700
2017	417,854	29,041	59,580	39.9	26,590	69,871	4.2%	170,900
2016	414,097	27,844	57,068	39.8	27,081	70,329	4.4%	169,000
2015	413,965	27,146	55,936	39.7	27,985	71,160	4.8%	168,200
2014	413,691	26,998	55,798	39.7	28,503	71,358	4.8%	169,200
2013	412,078	26,723	55,170	39.5	28,648	71,866	7.2%	170,600
2012	411,094	26,478	55,021	39.4	28,341	72,288	7.7%	173,400
2011	409,624	26,332	54,823	39.1	27,919	72,356	7.9%	174,000

* 2020 data not available. Population estimated

Source:
Individual Institutions
County of Berks Assessment Office
Pennsylvania Department of Labor & Industry, Bureau of Research and Statistics

**County of Berks
Principal Employers
Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	8,151	1	3.69%	5,800	2	2.76%
Tower Health	7,494	2	3.39%	6,877	1	3.27%
Imperium Management Services Inc.	2,935	3	1.33%		(1)	
County of Berks	2,300	4	1.04%	2,494	4	1.19%
Penn State St. Joseph Medical Center	2,194	5	0.99%	1,525	8	0.73%
Carpenter Technology Corp.	2,116	6	0.96%	2,040	5	0.97%
Penske Transportation Solutions	2,043	7	0.92%		(1)	
Reading School District	2,000	8	0.90%	2,583	3	1.23%
Wal-Mart Stores	1,786 (2)	9	0.81%	1,786	7	0.85%
Boscovs Inc.	1,650	10	0.75%	1,400	10	0.67%
Pennsylvania Government		(1)	0.00%	1,800	6	0.86%
Redner's Markets Inc.		(1)		1,411	9	0.67%
Total	32,669		14.78%	27,716		13.20%
 Total County Labor Force	 221,100			 210,000	 (2)	

Note:

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

Source:

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

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

Function/Program	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:										
General government	202	182	184	200	197	196	193	205	203	209
Judicial	442	446	455	451	458	462	465	457	463	468
Public safety	504	506	492	505	487	412	398	397	390	391
Human services	280	286	291	288	294	293	297	302	307	315
Culture and recreation	35	41	39	32	34	35	35	35	35	30
Community and economic development	15	15	15	22	19	19	17	21	22	9
Total governmental activities	<u>1,478</u>	<u>1,476</u>	<u>1,476</u>	<u>1,498</u>	<u>1,489</u>	<u>1,417</u>	<u>1,405</u>	<u>1,417</u>	<u>1,420</u>	<u>1,422</u>
Business-type activities										
Berks Heim	366	375	381	396	399	402	398	399	398	403
Emergency Services	-	-	-	-	-	79	78	79	81	77
Berks County Residential Center	59	61	62	67	64	68	57	55	55	54
Youth Center	-	-	-	-	-	-	-	-	1	58
Total business-type activities expenses	<u>425</u>	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>	<u>533</u>	<u>533</u>	<u>535</u>	<u>592</u>
Total primary government expenses	<u>1,903</u>	<u>1,912</u>	<u>1,919</u>	<u>1,961</u>	<u>1,952</u>	<u>1,966</u>	<u>1,938</u>	<u>1,950</u>	<u>1,955</u>	<u>2,014</u>

Note:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

(1) Youth Center closed in 2012

(2) Berks County Residential Center opened in 2010

(3) Emergency Services merged with Public Safety in 2016

Source:

County of Berks, Personnel Statements

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	26,100 **	6,400	10,245	4,000	20,387 **	4,859	4,896	4,360	11,283 **	4,494
Total Ballots Cast	272,192	-	-	-	-	-	-	-	-	-
In-Person Ballots	189,805 *	-	-	-	-	-	-	-	-	-
Mail-In Ballots	72,598	-	-	-	-	-	-	-	-	-
Absentee Ballots Processed	9,789	3,289	6,392	1,500	9,358	2,177	2,830	1,962	7,396	2,814
Change of Address/Party	18,810	30,267	26,371	18,000	62,101	25,057	20,178	18,954	22,397	22,405
Cancellations	9,319	2,709	17,053	3,000	43,348	7,092	8,641	3,023	6,262	2,615
* New mail-in process started in 2020										
** 2012, 2016, and 2020 were presidential election years.										
Real Estate										
Appeal summaries	788	596	573	713	950	1,485	1,657	1,075	1,517	1,720
Change Notices	1,807	3,150	3,577	2,616	3,190	2,964	4,299	3,205	3,840	2,002
Parcels Created	231	250	462	374	548	388	328	384	288	373
Acreage Changed	307	375	526	1,884	473	587	470	524	600	664
Judicial										
Coroner										
Total Cases	4,112	3,505	3,363	3,371	3,386	3,230	3,057	3,172	2,966	3,044
Cremations	2,636	2,197	2,043	2,028	2,004	1,865	1,699	1,696	1,518	1,367
District Attorney										
Criminal Case Prosecution										
Adult Cases	4,536	6,251	6,473	7,019	6,560	6,533	6,865	6,500	6,135	5,258
Juvenile Cases	2,257	3,024	3,024	736	804	890	2,074	2,371	2,454	1,967
Narcotics Enforcement Team	319	241	235	272	780	602	187	251	236	295
DUI Central Booking	449	836	802	735	658	602	665	620	587	522
Major Crimes	1,750	2,917	2,401	2,408	2,484	2,215	1,592	2,481	1,382	1,322
Fugitive/Warrants Unit	-	-	-	-	-	226	-	-	-	-
Register of Wills										
Estates Opened	1,793	1,871	1,872	2,023	1,886	1,865	1,670	1,764	1,778	1,870
Marriage Licenses Issued	1,984	2,294	2,380	2,462	2,396	2,403	2,349	2,268	2,410	2,253
Adoptions	233	249	243	82	227	190	214	207	215	235
Public Safety										
County Prison										
Inmates Committed	3,623	6,094	6,611	6,994	6,328	6,701	6,840	7,050	6,774	6,557
Average Daily Population	743	1,044	1,104	999	1,024	1,171	1,187	1,199	1,115	1,045
Inmate Counseling Sessions	685	1,243	1,317	1,607	1,690	1,568	1,547	2,582	1,630	1,687
Inmate Work Release Participants	36	159	146	117	92	83	110	114	108	114
Inmates Enrolled in Education	570	388	463	542	422	498	395	362	502	378
Public Works										
Recycling Center										
Tons Recycled Curbside	55,976	44,031	44,133	45,759	51,597	55,291	51,757	52,250	51,708	44,069
Tons Recycled Drop-off	496	719	7,529	1,492	1,625	1,585	1,660	1,662	1,547	1,450
Tons Recycled Commercial	145,902	149,554	184,759	169,106	161,972	158,866	142,918	124,200	120,669	113,237
Tons Recycled by County	116	1,116	1,273	1,209	1,472	1,510	1,659	1,600	1,881	1,413

Note

** Presidential election year, so more registrations processed.

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

Function/Program	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Human services										
CareerLink										
Companies Served	832	751	654	647	465	417	375	310	725	720
Adults Served	129	102	79	97	58	126	149	152	110	137
Youth Served	296	395	440	502	545	571	539	593	734	837
Dislocated Workers Served	79	97	135	324	265	304	434	451	472	605
JOBS Program (EARN)	211	327	359	327	340	442	342	356	609	1,848
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	117	108	117	132	127	123	139	139	131	125
Number of Farms Selected	19	16	30	24	24	21	23	21	43	30
Funds Raised	675	522	10,000	4,375	100	-	147	-	2,349	145
Community and economic development										
Planning										
Act 247 Subdivision Reviews	128	150	153	180	151	134	152	142	143	143
Act 247 Ordinance Reviews	34	47	70	72	42	44	31	45	74	69
Act 537 Sewage Reviews	-	2	2	4	10	-	3	3	1	8
Act 97 Solid Waste Reviews	-	2	2	4	5	1	2	3	3	1
911										
Total 911 Calls	164,949	173,197	176,619	183,498	194,460	211,700	210,461	204,083	218,832	219,556
Average Daily Call Volume	452	475	484	503	533	580	577	560	600	602
Average Answer in < 10 seconds	(1)	(1)	93%	99%	99%	99%	99%	99%	99%	99%
Surcharge Funds Received	(2)	(2)	(2)	(2)	(2)	\$ 1,297,310	\$ 2,194,832	\$ 2,286,686	\$ 2,346,944	\$ 2,456,854
Surcharge Funds Disbursed	(2)	(2)	(2)	(2)	(2)	\$ 1,054,321	\$ 1,628,053	\$ 1,776,841	\$ 1,923,136	\$ 2,094,802
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	14,313	17,018	18,957	20,178	22,090	20,866	19,983	21,790	21,535	21,681
Medical Assistance/Medicare A	108,488	128,325	128,701	127,894	127,110	127,593	129,382	127,730	130,110	129,520
Bedhold Days	419	725	751	742	556	554	500	742	574	725
Berks County Residential Center/Youth Center										
Average Daily Population										
Berks County Residential Center	28	57	51	61	80	80	67	74	80	56
Youth Center (3)	-	-	-	-	-	-	-	-	-	23

Note

- (1) As of 2019, no longer tracked.
- (2) As of August 2015, no longer tracking because of change in funding regulations.
- (3) Youth Center closed in 2011

Source:

Individual County Departments

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government										
Land and land improvements	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 3,499,090	\$ 1,664,570	\$ 149,143
Buildings and building improvements	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289	112,252,678	111,790,776	126,923,789	120,179,203
Furniture, fixtures, and equipment	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364	9,878,697	9,444,535	12,334,176	14,743,969
Construction in progress	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230	26,820,832	46,783,680	23,243,334	9,352,390
Infrastructure	94,401	94,401	94,401	94,401	85,760	-	-	-	-	-
Agricultural easements	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441	76,669,703	75,085,203	73,173,727	71,453,155
	<u>266,622,795</u>	<u>257,239,921</u>	<u>248,122,799</u>	<u>245,560,649</u>	<u>240,001,403</u>	<u>303,483,307</u>	<u>227,843,893</u>	<u>246,603,284</u>	<u>237,339,596</u>	<u>215,877,860</u>
Judicial										
Buildings and building improvements	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804	907,096	757,634	1,128,901	1,128,901	1,036,828
Furniture, fixtures, and equipment	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887	2,625,854	2,577,830	2,537,914	2,570,410
Construction in progress	-	203,871	223,792	-	-	-	-	-	87,621	-
	<u>4,160,724</u>	<u>3,952,225</u>	<u>3,852,835</u>	<u>3,308,181</u>	<u>3,558,665</u>	<u>3,169,983</u>	<u>3,383,488</u>	<u>3,706,731</u>	<u>3,754,436</u>	<u>3,607,238</u>
Public Safety										
Buildings and building improvements	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401	46,797,847	46,872,609	53,039,836	43,681,188
Furniture, fixtures, and equipment	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160	2,356,084	2,104,994	2,469,719	2,567,719
Construction in progress	3,469,970	1,996,743	2,285,848	763,784	102,128	-	-	-	-	-
Infrastructure	28,759	28,759	28,759	28,759	-	-	-	-	-	-
	<u>120,490,658</u>	<u>118,161,836</u>	<u>117,461,729</u>	<u>115,298,226</u>	<u>117,243,682</u>	<u>51,127,561</u>	<u>49,153,931</u>	<u>48,977,603</u>	<u>55,509,555</u>	<u>46,248,907</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	5,816
Buildings and building improvements	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	88,063	208,286	208,286	225,836	225,836	176,726	176,726	192,317	179,409	-
Construction in progress	546,345	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210	4,619,721	2,000,718	1,160,164	555,538
Infrastructure	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072	6,051,426	4,799,840	4,132,152	4,116,857
	<u>48,718,337</u>	<u>46,795,764</u>	<u>43,220,858</u>	<u>38,167,045</u>	<u>36,235,110</u>	<u>25,505,497</u>	<u>18,941,252</u>	<u>15,070,663</u>	<u>13,578,012</u>	<u>12,909,483</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	113,931	-	110,700	110,700	110,700
Furniture, fixtures, and equipment	635,231	492,933	499,961	455,048	482,406	500,446	500,493	569,902	550,415	672,658
	<u>772,981</u>	<u>630,683</u>	<u>637,711</u>	<u>592,798</u>	<u>620,156</u>	<u>614,377</u>	<u>500,493</u>	<u>680,602</u>	<u>661,115</u>	<u>783,358</u>
Culture and recreation										
Land and land improvements	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400	13,550,628	13,491,264	13,081,317	11,064,480
Buildings and building improvements	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287	7,150,341	7,087,808	6,904,979	7,514,007
Furniture, fixtures, and equipment	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175	1,043,562	972,820	1,061,688	934,890
Construction in progress	286,216	228,908	171,532	113,187	39,143	-	-	-	-	2,456,287
Historical treasures	2,290,344	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,166,153	1,915,631
Infrastructure	38,762	38,762	38,762	-	-	-	-	-	-	-
	<u>28,053,379</u>	<u>26,943,758</u>	<u>26,569,773</u>	<u>26,464,996</u>	<u>26,204,843</u>	<u>24,292,506</u>	<u>24,024,175</u>	<u>23,831,536</u>	<u>23,214,137</u>	<u>23,885,295</u>
Community and economic development										
Buildings and building improvements	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700
Furniture, fixtures, and equipment	35,282	37,204	30,217	43,254	23,359	23,359	23,359	23,359	48,648	144,457
	<u>1,878,982</u>	<u>1,880,904</u>	<u>1,873,917</u>	<u>1,886,954</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,892,348</u>	<u>1,988,157</u>
Total governmental - cost	<u>\$ 470,697,856</u>	<u>\$ 455,605,091</u>	<u>\$ 441,739,622</u>	<u>\$ 431,278,849</u>	<u>\$ 425,730,918</u>	<u>\$ 410,060,290</u>	<u>\$ 325,714,291</u>	<u>\$ 340,737,478</u>	<u>\$ 335,949,199</u>	<u>\$ 305,300,298</u>
Business-type activities										
Department of Emergency Services (1)										
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,846	\$ 486,845	\$ 486,846	\$ 486,846
Furniture, fixtures, and equipment	-	-	-	-	-	-	67,581,031	11,301,560	9,954,737	10,192,384
Construction in progress	-	-	-	-	-	-	668,570	8,103,310	6,885,539	2,119,052
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,736,447</u>	<u>19,891,715</u>	<u>17,327,122</u>	<u>12,798,282</u>
Berks County Residential Center (2)										
Buildings and building improvements	10,328,645	10,187,060	10,187,060	10,187,060	10,187,060	8,909,018	7,912,681	7,902,464	505,847	9,718,080
Furniture, fixtures, and equipment	223,327	223,327	223,327	337,121	368,724	346,699	285,023	239,133	239,133	731,975
Construction in progress	1,303,750	1,001,301	-	-	-	-	126,822	-	412,450	-
	<u>11,855,722</u>	<u>11,411,688</u>	<u>10,410,387</u>	<u>10,524,181</u>	<u>10,555,784</u>	<u>9,255,717</u>	<u>8,324,526</u>	<u>8,141,597</u>	<u>1,157,430</u>	<u>10,450,055</u>
Berks Heim										
Buildings and building improvements	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210	38,013,639	37,749,851	37,731,995	37,601,419
Furniture, fixtures, and equipment	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490	3,962,829	3,887,423	3,808,013	3,727,912
Construction in progress	1,297,768	1,266,633	35,398	29,945	17,642	14,367	278,646	-	-	12,620
	<u>46,330,721</u>	<u>44,466,208</u>	<u>42,857,205</u>	<u>42,806,689</u>	<u>42,650,700</u>	<u>42,596,067</u>	<u>42,255,114</u>	<u>41,637,274</u>	<u>41,540,008</u>	<u>41,341,951</u>
Total business-type activities	<u>\$ 58,186,443</u>	<u>\$ 55,877,896</u>	<u>\$ 53,267,592</u>	<u>\$ 53,330,870</u>	<u>\$ 53,206,484</u>	<u>\$ 51,851,784</u>	<u>\$ 119,316,087</u>	<u>\$ 69,670,586</u>	<u>\$ 60,024,560</u>	<u>\$ 64,590,288</u>
Total primary government	<u>\$ 528,884,299</u>	<u>\$ 511,482,987</u>	<u>\$ 495,007,214</u>	<u>\$ 484,609,719</u>	<u>\$ 478,937,402</u>	<u>\$ 461,912,074</u>	<u>\$ 445,030,378</u>	<u>\$ 410,408,064</u>	<u>\$ 395,973,759</u>	<u>\$ 369,890,586</u>

Note:
(1) Converted to special revenue fund in 2015
(2) Youth Center closed in 2012
Berks County Residential Center opened in 2010

Source:
Comprehensive Annual Financial Reports

