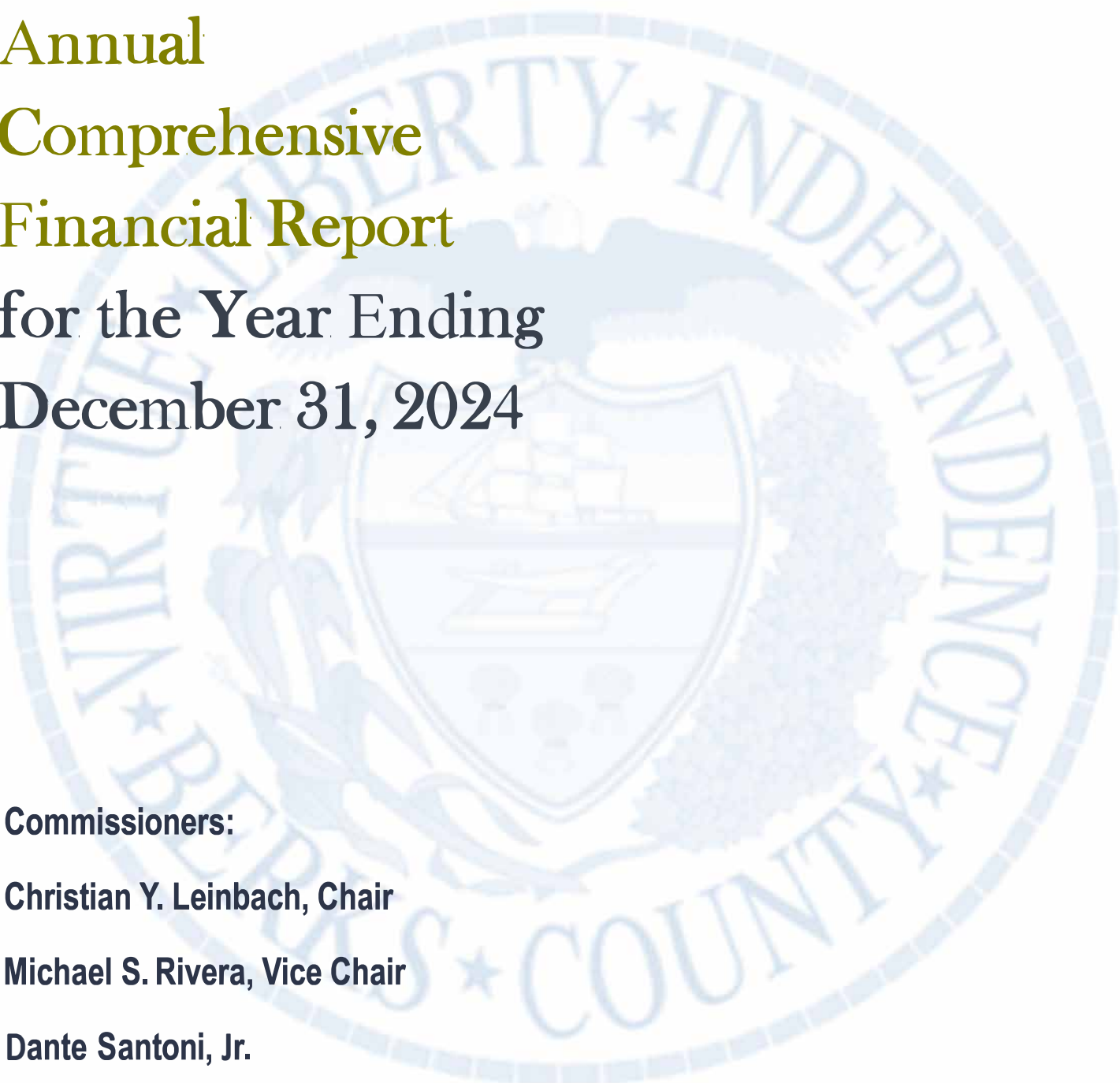


Annual
Comprehensive
Financial Report
for the Year Ending
December 31, 2024



County of Berks,
Pennsylvania

The seal of Berks County, Pennsylvania, is a large, light blue circular emblem in the background. It features a central shield with a ship on water and a plow on land. The shield is surrounded by a wreath. The outer ring of the seal contains the text "LIBERTY * INDEPENDENCE" at the top and "BERKS * COUNTY" at the bottom, separated by stars.

County of Berks, Pennsylvania

Annual Comprehensive Financial Report

for the Year Ending December 31, 2024

Commissioners:

Christian Y. Leinbach, Chair

Michael S. Rivera, Vice Chair

Dante Santoni, Jr.

Prepared by the

Office of the Controller

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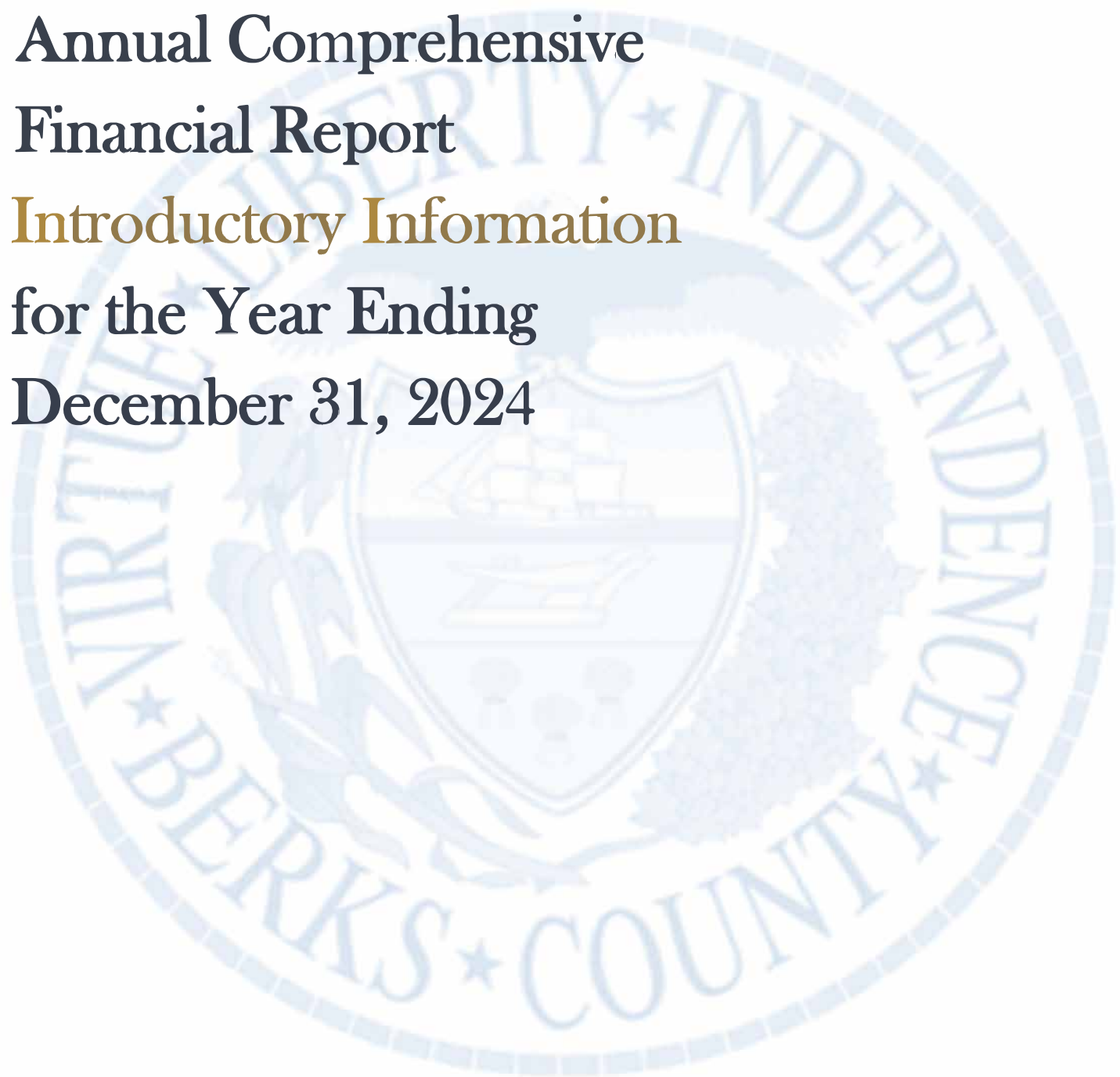
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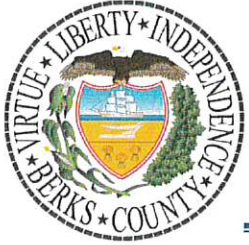
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County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Introductory Information
for the Year Ending
December 31, 2024





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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

Phone: 610.478.6136

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

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

June 27, 2025

To: The Citizens of the County of Berks

This Annual Comprehensive Financial Report of the County of Berks for the year ended December 31, 2024, is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This Annual Comprehensive Financial Report was prepared by the Office of the Controller on behalf of the Board of Commissioners. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County Management. We believe the data, as presented, is accurate in all material respect; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form, and contents of this Annual Comprehensive Financial Report and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of Zelenkofske Axelrod, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2024, 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, 2024. 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.

Letter of Transmittal

2024 Annual Comprehensive Financial Report

We believe that the County's internal accounting controls (1) adequately safeguard assets, (2) provide reasonable assurance of proper recording of financial transactions, and (3) maintain accountability for assets.

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

Profile of the County and Government

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

Originally established in 1752, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. Berks County is one of the ten most populated counties in the state of Pennsylvania. Based on the United States Census Bureau, the County's estimated population as of July 1, 2024, is 439,117 in 73 boroughs, townships and the City of Reading, and has been exhibiting an upward trend for the last decade.

The County is a third-class county, by population, and is governed by a Board of Commissioners under the County Code of 1955. Three County Commissioners, not all from the same political party, are elected every four years, and are assisted in the operation of County government by 9 elected Row Officers, 14 elected Judges of Court and Judicial Officers, and several appointed department heads. A full organization chart follows this Letter of Transmittal.

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

Financial Reporting Entity

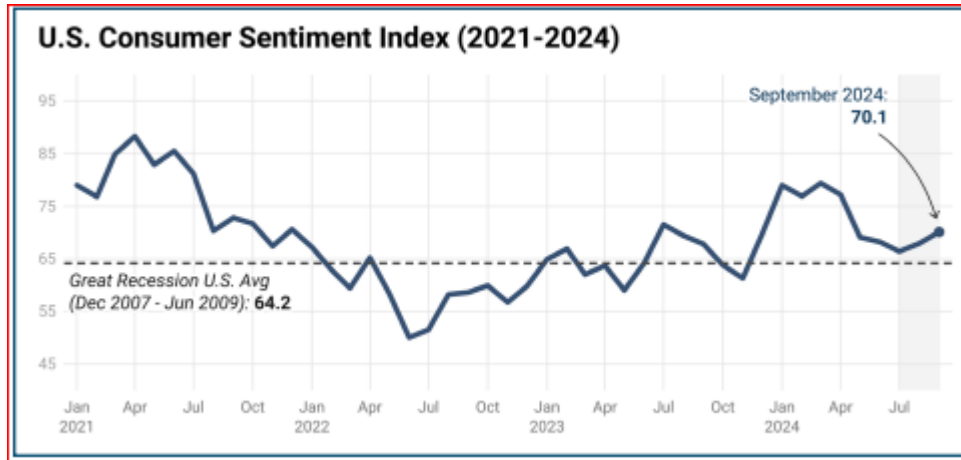
This Annual Comprehensive Financial Report includes all funds (agencies) of the County, and through those funds, provides a full range of services including the court system, prison, nursing home, education and cultural programs, public safety, economic development, human services programs for children,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

Letter of Transmittal

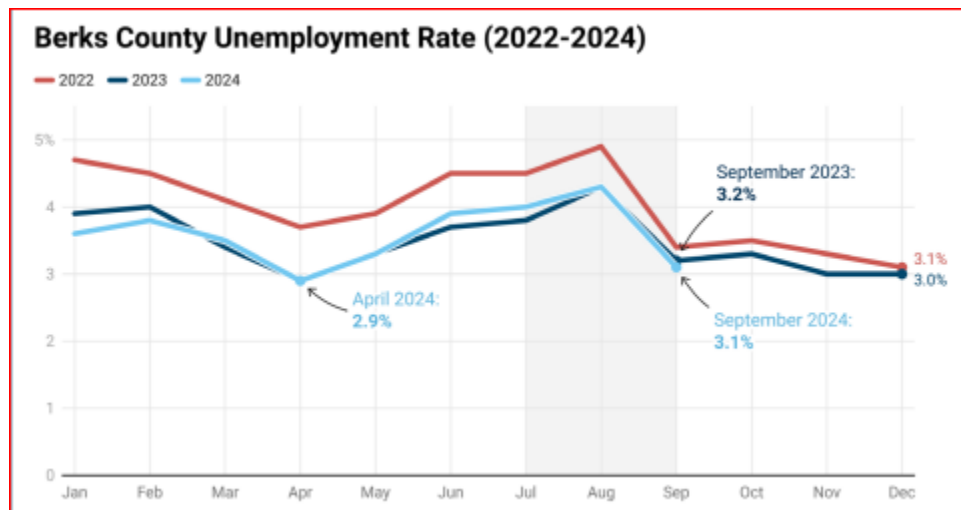
2024 Annual Comprehensive Financial Report

Economic Condition & Outlook

Continued product and business demand, paired with low unemployment rates, has played a significant role in boosting Berks County residents' confidence in the economy during 2024.



Over the course of 2024 the unemployment rate in Berks County was between 3.1% and 3.3% by the end of December 2024, which was lower compared to the state as well as national unemployment levels. Manufacturing remains the largest employer followed by healthcare and government sectors.



The County maintains many investments to facilitate operations, capital expansion and retirement plans. The investment policy is to minimize credit and market risks, while maintaining a competitive yield on the portfolios. Accordingly, deposits are insured by federal depository insurance, invested in governmental obligations, or collateralized in accordance with the Commonwealth of Pennsylvania Act 72.

Letter of Transmittal

2024 Annual Comprehensive Financial Report

The County maintains a defined benefit retirement plan with mandatory membership for all full-time County employees, through a 5% required contribution. Net plan position as of December 31, 2024, was valued at \$572 million, an increase of 8% from the prior year. Please refer to Note 2 in the Notes to Financial Statements for a detailed analysis of cash and investment information and to Note 7 in the Notes to the Financial Statements for disclosure on the County's Employees' Pension Plan.

In 2024, for the first time in many years, the County implemented a tax increase of 8.99% to balance the budget as succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of Children and Youth Services, Berks Heim, and the Criminal Justice System, notably the Jail. The County has now completed yet another year of self-insurance in healthcare coverage, while maintaining other third-party coverage to control the rising, overall cost of insurance protection. Analysis of the ten-year history points to a substantial out-of-pocket savings through self-insurance. Workers' Compensation Insurance has been similarly self-insured, in this case since 2002. Please refer to Note 9 in the Notes to Financial Statements for detailed Risk Management information.

Several major capital projects were/are under construction during the year 2024/2025. The most notable of which are the Ag Center renovation project, as well as the ongoing Department of Emergency Services GPS project. The expected final cost for the former is estimated to be approximately \$8 million, and the GPS project's expected final cost is to be approximately \$2.3 million. The GPS project is currently on hold and management anticipates the Ag Center renovation project to be completed by December 31, 2025. Another major renovation taking place is the Steam Plant Decentralization, which is now in the design phase and is anticipated to be completed by December 31, 2026, with a projected final cost of nearly \$5.5 million.

Also, ongoing major initiatives are restorations and maintenance of the County owned bridges. The bridge projects have varying dates of completion. The continuing renovation projects include the Weidner's Mill Bridge with December 2027 as the anticipated date of completion at a final cost of approximately \$0.4 million. The Moselem Springs Bridge is in the design phase with a projected completion date of December 2027 at an approximate cost of \$0.4 million. Similarly, the Berks Road Bridge project is in the design phase with an anticipated date of completion of December 2025 totaling approximately \$0.9 million.

The County Security project is in the construction phase with an anticipated date of completion of December 2025 and a projected final cost of \$2.2 million.

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

Letter of Transmittal
2024 Annual Comprehensive Financial Report

Acknowledgements

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

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

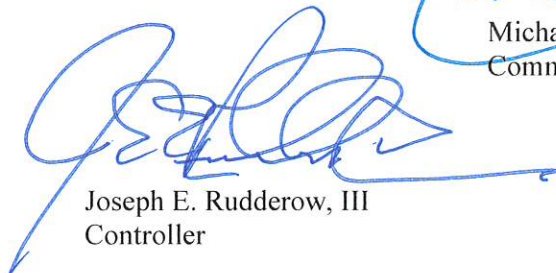
Respectfully submitted,




Dante Santoni, Jr
Commissioner



Christian Y. Leinbach
Commissioner, Chair



Joseph E. Rudderow, III
Controller

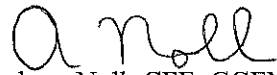


Michael S. Rivera
Commissioner, Vice Chair

Letter of Transmittal
2024 Annual Comprehensive Financial Report



Grazyna Nykiel, CGFM, CICA
Deputy Controller/Project Manager



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



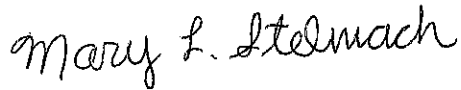
Patrick Sleppy
Senior Governmental Accountant



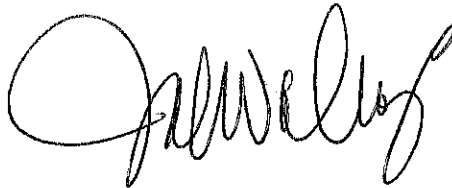
Scott S. Poch, CPA
Senior Governmental Accountant



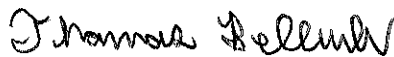
Mitchel D. Salvatore
Senior Governmental Accountant



Mary L. Stelmach, CPA
Senior Governmental Accountant-Team Lead



John Ditizio, CFE – Governmental Accountant



Thomas Belluch - Accounting Assistant

County of Berks List of Elected Officials

Commissioners

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

Controller

Joseph E. Rudderow, III

Clerk of Courts

Beth A. Jones

Treasurer

Mitchell R. Darcourt

District Attorney

John T. Adams, Esq.

Register of Wills

Suzanne Myers

Coroner

John A. Fielding III

Prothonotary

Jonathan L. Del Collo

Sheriff (Acting)

Mandy P. Miller

Recorder of Deeds

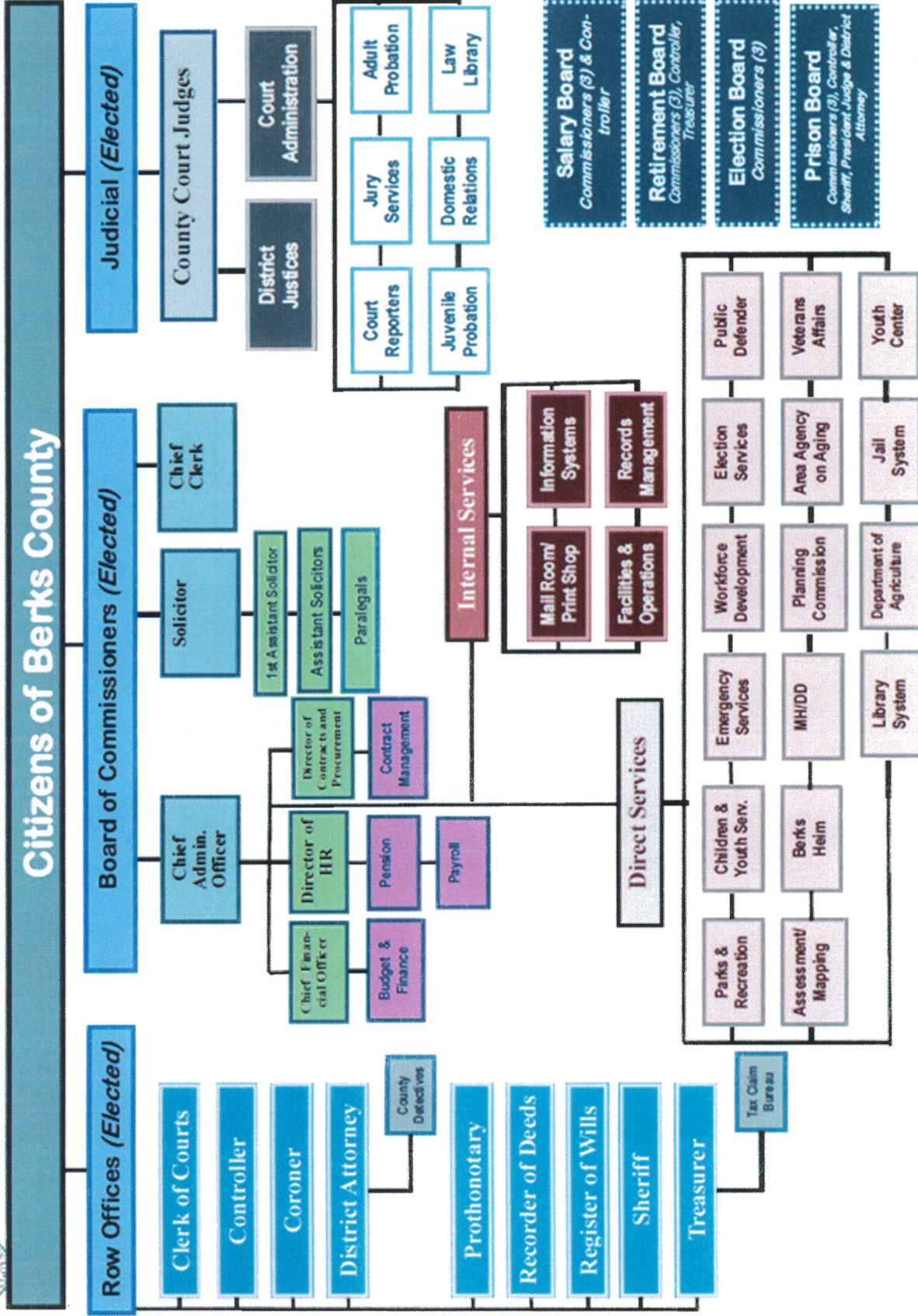
Fred Sheeler

Judges of Court

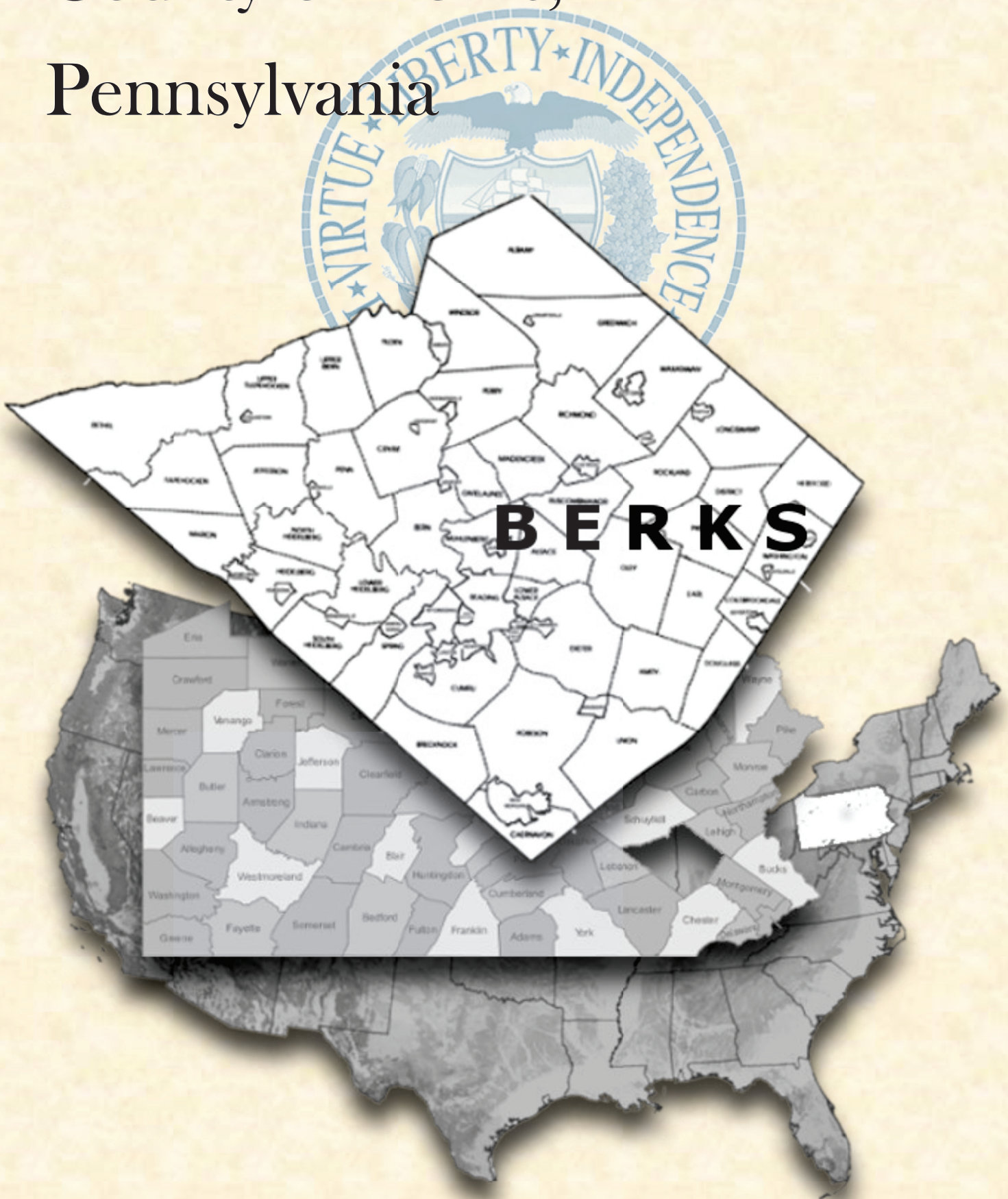
Honorable M. Theresa Johnson, President Judge
Honorable Scott E. Lash, Judge
Honorable Thomas G. Parisi, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable James M. Lillis, Judge
Honorable Eleni Dimitriou Geishauser, Judge
Honorable Patrick T. Barrett, Judge
Honorable J. Benjamin Nevius, Judge
Honorable Tina M. Boyd, Judge
Honorable James E. Gavin, Judge
Honorable Jill M. Scheidt, Judge
Honorable Justin D. Bodor, Judge
Honorable James M. Bucci, Senior Judge
Honorable Mary Ann Ullman, Senior Judge



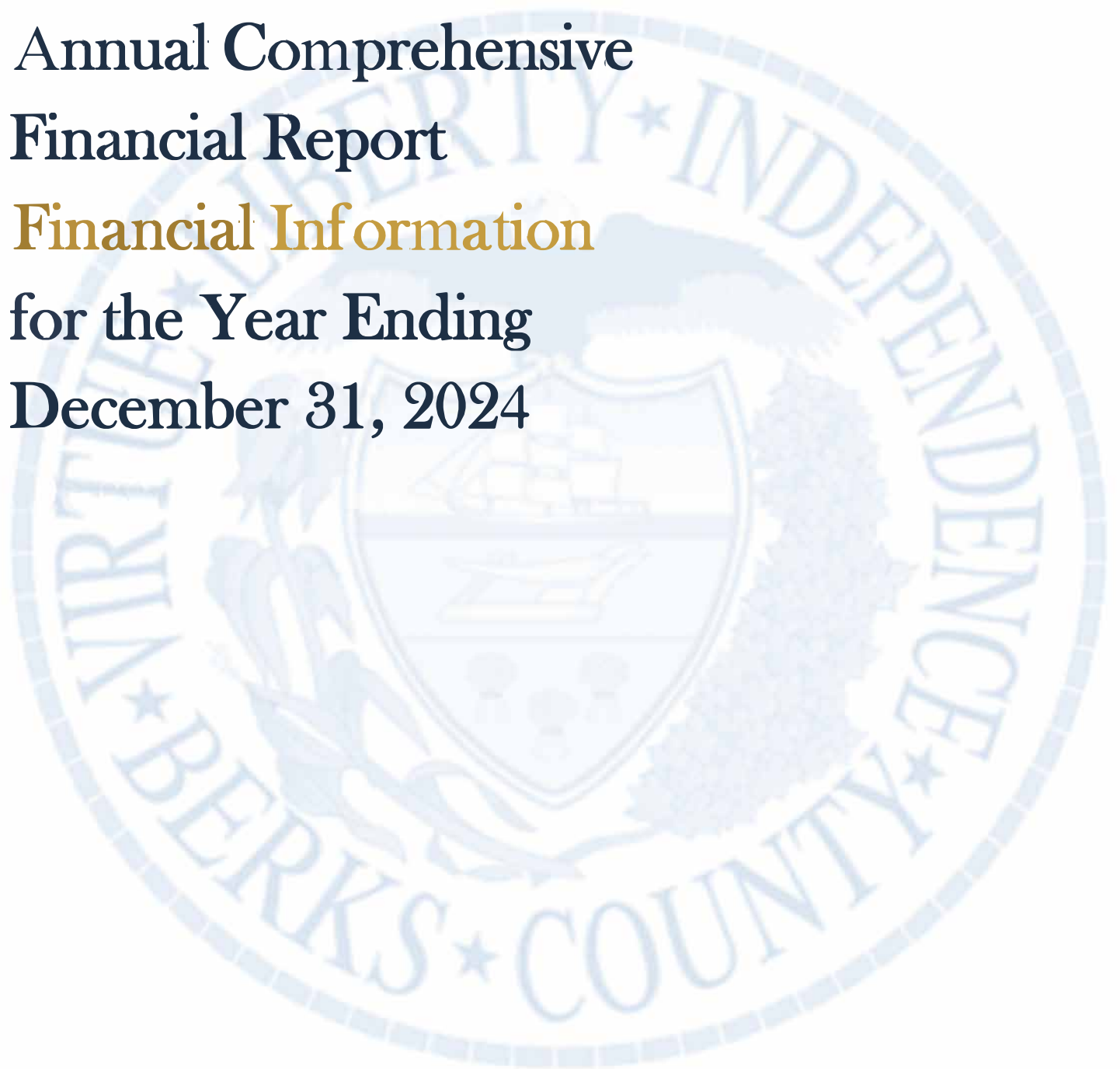
County of Berks Organizational Chart



County of Berks, Pennsylvania



**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Financial Information
for the Year Ending
December 31, 2024**





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, 2024.



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Berks
Reading, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the COUNTY OF BERKS' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the COUNTY OF BERKS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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



Zelenkofske Axelrod LLC

CERTIFIED PUBLIC ACCOUNTANTS

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County Commissioners
County of Berks
Reading, Pennsylvania

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Adoption of New Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2024 the County adopted the required provisions of GASB Statement No. 99, "*Omnibus 2022*", the provisions of GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*" and GASB Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability and related ratios, schedule of County pension contributions, schedule of pension investment returns, budgetary comparison schedules on pages 12 through 25 and pages RSI1 through RSI9 be presented to supplement the basic financial statements.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

County Commissioners
County of Berks
Reading, Pennsylvania

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

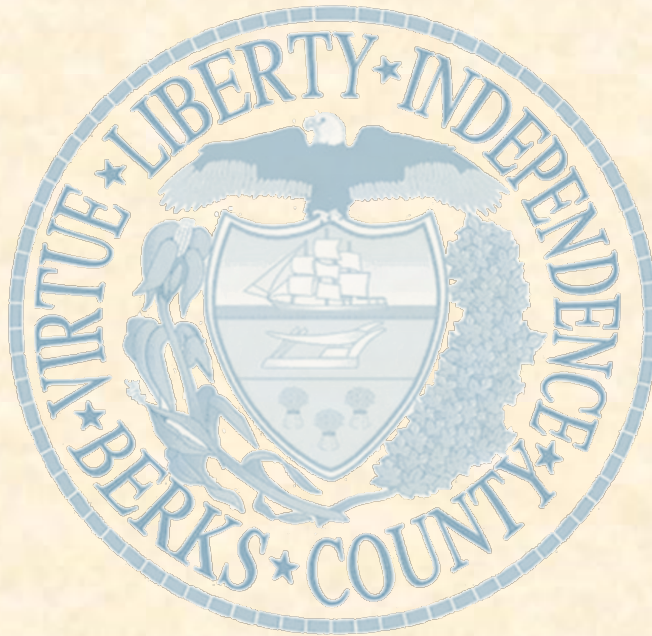
Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that in uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
June 27, 2025



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.

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The County of Berks' (the County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2024. 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, 2024. 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 2023, increased in 2024 by \$2,512 to \$478,455. Unrestricted net position at year-end decreased by \$11,475 to \$65,493.
- Total outstanding bonds and other debt at December 31, 2024 was \$84,983, a decrease of \$14,737 from the prior year, resulting from principal payments made during 2024. The County's bond rating from Moody's is **Aaa**, the highest bond rating a public entity can attain.
- Property tax rates increased by 0.688 mills to 8.345 mills in 2024.
- The County's General Fund balance, restated for 2023, decreased in 2024 by \$12,276 to \$198,333. The unassigned portion of that fund balance was \$137,677.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements, (pages FS 1-4 of this report), provide a broad overview of the County's overall financial status, as well as the financial status of the County's component units, in a manner similar to a private-sector business, using the accrual basis of accounting. Please refer to Note 1, section B, for further information regarding accrual basis of accounting.

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

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

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

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

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

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

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

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

The County maintains fifteen individual governmental funds, four of which are considered major governmental funds. Information for the General Fund, Children and Youth Services, Health Choices, and Drug and Alcohol is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances. Data for non-major governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these non-major governmental funds is provided as other supplemental information in the form of combining statements found on pages Other Supplemental Information ("OSI") 1-6 of this report.

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The County adopts an annual budget for all governmental funds. Budgetary comparisons are provided for the County's major funds on pages Required Supplemental Information ("RSI") 1-7, while the non-major funds are provided on pages OSI 7-17.

Proprietary funds report business-type programs and activities that charge fees designed to recover the cost of providing services. Proprietary funds provide the same type of information as the government-wide financial statements; however, more detailed information is provided, and the cash flow statement is included. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, using the full accrual basis of accounting. Enterprise funds in the County include Berks Heim. The County adopts an annual budget for the proprietary funds, as required by the state. Budgetary comparisons for the County's proprietary funds are presented as other supplemental information (OSI). The proprietary fund financial statements are found on pages FS 9-11 and OSI 18 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 12-13 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 90 of this report.

Required Supplemental Information includes budgetary comparison schedules for the General Fund and for major special revenue funds, notes to required supplemental information, schedules related to the County's net pension liability and County pension contributions, as well as various schedules from component unit required supplemental information sections. Required supplemental information can be found on pages RSI 1 to 16 of this report.

Other Supplemental Information includes the nonmajor funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, budgetary comparison schedules for the nonmajor special revenue funds, notes to other supplemental information, and budgetary comparison schedules for the enterprise funds. Other supplemental information can be found on pages OSI 1 to 19 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 \$478,455 at December 31, 2024. 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	
	2024	2023	2024	2023	2024	2023
Noncapital assets	\$ 347,969	\$ 386,157	\$ 22,375	\$ 25,039	\$ 370,344	\$ 411,196
Capital assets	309,992	310,851	25,327	26,562	335,319	337,413
Total assets	657,961	697,008	47,702	51,601	705,663	748,609
Deferred outflows	20,160	40,083	297	3,471	20,457	43,554
Total assets and deferred outflows	678,121	737,091	47,999	55,072	726,120	792,163
Current liabilities	75,812	123,361	5,825	6,445	81,637	129,806
Noncurrent liabilities	151,546	168,670	11,496	16,072	163,042	184,742
Total liabilities	227,358	292,031	17,321	22,517	244,679	314,548
Deferred inflows	2,986	1,672	-	-	2,986	1,672
Total liabilities and deferred inflows	230,344	293,703	17,321	22,517	247,665	316,220
Net position:						
Net investment in						
capital assets	231,778	220,238	14,314	13,085	246,092	233,323
Restricted	166,870	165,652	-	-	166,870	165,652
Unrestricted	49,129	57,498	16,364	19,470	65,493	76,968
Total net position	\$ 447,777	\$ 443,388	\$ 30,678	\$ 32,555	\$ 478,455	\$ 475,943

During 2024, net position increased \$2,512, or 0.5%, to \$478,455. Of this total, \$246,092 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$166,870 is restricted for various purposes by external entities. The unrestricted net position of \$65,493 represents funds available to support operations or provide for the repayment of long-term debt. See Note 1, Section T: Restatement of financial statements, for more information on changes to beginning net position.

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

Current and other assets decreased by \$40,852, or 9.9%, to \$370,344, largely due to a significant decrease in cash balances, which vary due to timing, and a decrease in the amount due from other funds, which was caused by netting interfund activity in 2024. The decreases are partially offset by an increase in investment balances at year-end 2024 and an increase in the opioid settlement receivable, as the County recognized the second wave of payments relating to pharmaceutical companies.

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

Current liabilities decreased by \$48,168, or 37.1%, to \$81,637. Most current liability categories decreased at year-end 2024. The most impactful decreases were in accounts payable (due to the timing of payments versus billings), accrued claims health insurance (due to Health Choices self-insured payments exceeding incurred claims in 2024), unearned grant revenue (due to the County spending more grant funds than it received during 2024) and the amount due to other funds (due to netting interfund activity in 2024).

Noncurrent liabilities decreased by \$21,700, or 11.7%, to \$163,042. This change is due primarily to the reasons described in the long-term debt section, as well as a reduction in the net pension liability, which varies from year to year based on actuarial assumptions.

Net investment in capital assets increased by \$12,769, or 5.5%, to \$246,092 due to the reduction of related outstanding debt at year end.

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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, 2024. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 54,931	\$ 42,321	\$ 61,280	\$ 62,889	\$ 116,211	\$ 105,210
Operating grants/contrib.	248,657	306,497	5	426	\$ 248,662	306,923
Capital grants/contrib.	2,569	3,099	-	-	2,569	3,099
General revenues:						
Property taxes	166,432	152,372	-	-	166,432	152,372
Hotel room tax	3,336	3,101	-	-	3,336	3,101
Payments in lieu of taxes	293	269	-	-	293	269
Investment earnings	13,926	15,370	11	11	13,937	15,381
Miscellaneous - other	17,067	15,007	-	-	17,067	15,007
Gain on disposal of capital assets	143	103	-	-	143	103
Rental of space	326	333	-	-	326	333
Total revenues	<u>507,680</u>	<u>538,472</u>	<u>61,296</u>	<u>63,326</u>	<u>568,976</u>	<u>601,798</u>
Expenses:						
General government	81,070	118,476	-	-	81,070	118,476
Judicial	61,129	48,319	-	-	61,129	48,319
Public safety	93,446	57,127	-	-	93,446	57,127
Human services	234,787	253,726	-	-	234,787	253,726
Culture and recreation	10,101	9,781	-	-	10,101	9,781
Comm & econ development	17,212	16,957	-	-	17,212	16,957
Public works	1,927	1,751	-	-	1,927	1,751
Community support	1,380	2,463	-	-	1,380	2,463
Debt service	2,049	1,261	-	-	2,049	1,261
Solid waste	254	256	-	-	254	256
Residential Center	-	-	-	3,433	-	3,433
Berks Heim	-	-	63,173	58,882	63,173	58,882
Total expenses	<u>503,355</u>	<u>510,117</u>	<u>63,173</u>	<u>62,315</u>	<u>566,528</u>	<u>572,432</u>
Change before other items	4,325	28,355	(1,877)	1,011	2,448	29,366
Other items:						
Transfers/cap contrib	-	-	-	-	-	-
BCRC closing transfer	-	3,725	-	(3,725)	-	-
Total other items	<u>-</u>	<u>3,725</u>	<u>-</u>	<u>(3,725)</u>	<u>-</u>	<u>-</u>
Change in net position	4,325	32,080	(1,877)	(2,714)	2,448	29,366
Net position - beginning as previously presented	443,388	411,563	32,555	35,269	475,943	446,832
Error correction	64	(255)	-	-	64	(255)
Net position - beginning, as restated	<u>443,452</u>	<u>411,308</u>	<u>32,555</u>	<u>35,269</u>	<u>476,007</u>	<u>446,577</u>
Net position - ending	<u>\$ 447,777</u>	<u>\$ 443,388</u>	<u>\$ 30,678</u>	<u>\$ 32,555</u>	<u>\$ 478,455</u>	<u>\$ 475,943</u>

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The County's overall net position increased by \$2,512, which includes an increase due to governmental activities of \$4,389 and a decrease in business-type activities of \$1,877. Reasons for these changes are further described below.

Governmental activities:

Revenues decreased by \$30,792, primarily due to a decrease of \$57,840 in operating grant revenue (less revenue was recognized within the general government, human services, and community and economic development functions). This was offset by increases in charges for services of \$12,610 (due to higher collections for human services) and property tax revenue of \$14,060 (due to a tax rate increase in 2024).

Expenses decreased by \$6,762, primarily due to decreases in general government expenses of \$37,406 (see ARPA explanation later in this paragraph) and human service expenses of \$18,937 (the volume of Health Choices' claims fluctuates from year to year). This was offset by increases in judicial expenses of \$12,810 and public safety expenses of \$36,319. In prior years, the County had received American Rescue Plan Act (ARPA) funding to help offset costs incurred as a result of the COVID pandemic. That funding was transferred to many County functions to offset payroll expenses, particularly within the prison. In 2024, ARPA funds were no longer available to offset payroll expenses, which led to expenses appearing higher in 2024 compared to 2023. This is also why general government expenses appear lower in 2024 compared to 2023, since ARPA funds were grouped with general government and transferred out of general government to offset expenses in other County functions.

While reviewing the changes noted above, please keep in mind the discussion in Note 1 to the financial statements of the measurement focus, basis of accounting and financial statement presentation. See the reconciliations on pages FS 6 and 8 which further explain the differences between changes in the County's fund balance under the modified accrual basis and changes in net position under the accrual basis of accounting.

Business-type activities:

Charges for services decreased by \$1,609, due to a decrease to Berks Heim of \$712 (resulting from a \$4,271 decrease in intergovernmental transfer revenue, partially offset by a \$1,939 increase in medical assistance revenue and a \$1,760 increase in private pay revenue; these revenue variances are the result of rate increases / decreases) and a decrease of \$897 to the Berks County Residential Center, which closed in 2023.

Expenses increased by \$858, due to an increase to Berks Heim of \$4,291 (primarily due to increases in intergovernmental transfer payments and wages and benefits) and a decrease of \$3,433 related to the Berks County Residential Center, which closed in 2023.

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

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government-wide statements.

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

At December 31, 2024, the County's governmental funds reported total fund balances of \$229,989, a decrease of \$8,708 in comparison with December 31, 2023. Unassigned fund balance of \$137,677, or 59.86%, is fund balance available for future appropriation. Restricted fund balance of \$33,176, or 14.43%, is fund balance restricted by external entities. Committed fund balance of \$47,560, or 20.68%, is the amount committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$11,576, or 5.03%, represents non-spendable and assigned items such as inventory and amounts assigned for specific purposes.

General Fund:

The General Fund accounts for all financial resources for the County except for those accounted for in other funds. At December 31, 2024, total fund balance for the General Fund was \$198,333, while unassigned fund balance was \$137,677. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 50.28% of total fund expenditures excluding other financing uses, while total fund balance represents 72.43% of the same amount.

General Fund revenues without other financing sources totaled \$271,949, which represents a 9.72% increase, or \$24,091, from the year 2023. This is primarily due to an increase in property tax revenues stemming from a tax rate increase in 2024.

Expenditures without other financing uses totaled \$273,834, which represents a 6.13% increase, or \$15,815, from the year 2023. In particular, public safety expenditures increased by \$9,489 as a result of the ARPA funds being used to offset prior year expenditures (as explained earlier in the Governmental Activities section). Community support expenditures increased by \$8,668 primarily due to increased funding provided to programs around the County to offset the negative impacts of the COVID pandemic. These increases are offset by a decrease in debt service principal payments of \$6,917, which is expected, as the County made scheduled principal payments and did not incur additional debt in 2024.

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 \$34,351 of revenues and incurred \$42,392 of expenditures. The General Fund contributed \$8,216 during 2024 as part of the required County contribution. Overall revenue increased by \$786, or 2.34%, and expenditures increased by \$2,813, or 7.11%, during 2024. Children and Youth Services operates on the state fiscal year for grant funding purposes. For fiscal years 2023-2024 and 2024-2025, the approved state budgets for Children and Youth increased, meaning the County was planning for general expenditures to increase year over year to continue performing daily operations. Since expenditures in general (such as wages, benefits, and placement costs) were expected to increase year over year, grant revenue received was also expected to increase, albeit at a slower rate because the state does not reimburse the County for 100% of the eligible expenditures incurred.

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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 2024 were \$147,027, which represents a \$24,743, or 14.40%, decrease from 2023. Expenses in 2024 totaled \$147,016, which represents a \$24,738, or 14.40%, decrease from 2023. The volume of Health Choices' claims fluctuates from year to year, which accounts for the changes in revenue and expense.

Drug and Alcohol Special Revenue Fund:

The Drug and Alcohol Special Revenue Fund is a major governmental fund. This fund accounts for financial resources related to the provision of services required as a result of the Opioid settlement signed in 2022. Revenues in 2024 were \$12,672, which represents a \$4,951, or 64.11%, increase compared to 2023. Expenses in 2024 totaled \$9,170, which represents a \$19, or 0.21%, increase compared to 2023. While expenses remained relatively unchanged, revenues increased as a result of additional opioid settlement funds received in 2024 that were recognized as revenue in full.

BUDGETARY HIGHLIGHTS

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

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

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

Significant General Fund Budget Variance Experiences in the 2024 Reported Period

Original Budget versus Final Budget Results:

The most significant favorable variance experienced in 2024 when comparing the original budget to the final budget is \$21,470 for the department of Community and Economic Development. Specifically, the account string is used to budget the use of our County's COVID Community Support Funds. This variance was the result of reducing the budget for funds that would not be spent in 2024 and were provided for use in the 2025 budget. The county experienced slower than anticipated project progression and the related draw down of funds compared to the amount budgeted for 2024. Our 2025 budget assumes these funds will be spent by the end of the 2025 calendar year.

The most significant unfavorable variance experienced in 2024 when comparing the original budget to the final budget is \$6,591 for the Facilities Department capital project expense relating to the Ag-Storage

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Building. These funds were added to the 2024 calendar year budget from 2023, as these funds were left over from the project costs budgeted in 2023 for work that had not been completed as timely as anticipated. This capital project continued into 2024, and this variance reflects the movement of funds to support the continuation into the next consecutive year.

Final Budget versus Actual Budget Results:

The most significant favorable variance experienced in 2024 when comparing the final budget to the actual budget results is \$3,370 for the department Community Support. Specifically, the account string is used to budget the county's general fund contingency budget. This variance is the result of underspending contingency funds during the County's reported year. The internal process for contingency funds includes transferring the funds to the department and related expense account for which the funds are utilized. This method allows for assigning the related expense to the department who incurred or benefited from the expense.

The most significant unfavorable variance experienced in 2024 when comparing the final budget to the actual budget results is \$1,450 for the department Transfers to Cover Deficits. This unplanned expenditure relates to the County's Children and Youth Services Department. For fiscal year FY23/24 the reported expenditures under Act 148 state funding exceeded the allocation. The State process for reimbursing Counties who exceed their Act 148 allocation does not guarantee reimbursement and therefore the related expenditures must be recognized as county funded until the determination for payment is made. This prior period expenditure could be reimbursed to the county in a future period.

CAPITAL ASSETS

The County's investment in capital assets at December 31, 2024, net of accumulated depreciation and amortization, was \$335,319. 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 \$0.8 million as part of the County's farmland preservation program.
- Net infrastructure increased by approximately \$4.0 million. The net increase is primarily because of the completion of work and subsequent release from construction in progress of County owned bridges of \$5.1 million, less overall infrastructure depreciation of approximately \$1.1 million.
- Net buildings and improvements decreased by approximately \$2.6 million. The net decrease is primarily because of current year improvements put into service of approximately \$3.7 million, less depreciation of approximately \$6.3 million.
- Furniture, fixtures, equipment, and vehicles increased by approximately \$3.8 million. The primary reason for the overall increase is a software-in-progress reclass of \$12.5 million less depreciation of approximately \$8.7 million.
- Software in progress decreased by approximately \$8.4 million due to Case Management software and Oracle software projects being placed in service totaling approximately \$8.4 million.
- Construction in progress increased by approximately \$4.4 million. Significant reasons for the increase are:
 - Costs incurred on the renovations to the Agricultural Center of \$5.5 million
 - Net transfers of Facilities projects to depreciable assets of approximately \$1.1 million.

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Business-type activities:

- Net capital assets decreased by approximately \$1.2 million. The primary reasons for the overall decrease are capital asset purchases of \$0.6 million less current year depreciation totaling \$1.8 million.

Capital Assets (net of depreciation and amortization)

	Governmental activities		Business-type activities		Totals	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 16,045	\$ 16,229	-	-	\$ 16,045	\$ 16,229
Agricultural easements	85,505	84,712	-	-	85,505	84,712
Infrastructure	37,045	33,081	-	-	37,045	33,081
Buildings and improvements	75,412	78,012	23,890	25,163	99,302	103,175
Furniture, fixtures, equipment and vehicles	48,023	44,206	1,437	1,240	49,460	45,446
Right-To-Use Lease Real Estate	25,654	26,403	-	-	25,654	26,403
Right-To-Use Lease Equipment	19	52	-	-	19	52
Right-To-Use SBITA	7,726	9,519	-	-	7,726	9,519
Historical treasures	2,290	2,290	-	-	2,290	2,290
Software in progress	683	9,116	-	-	683	9,116
Construction in progress	11,590	7,231	-	159	11,590	7,390
Totals	<u>\$ 309,992</u>	<u>\$ 310,851</u>	<u>\$ 25,327</u>	<u>\$ 26,562</u>	<u>\$ 335,319</u>	<u>\$ 337,413</u>

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

LONG-TERM DEBT

As of December 31, 2024, the County had outstanding debt of \$84,983, or 4.6 percent, of the maximum \$1,857,239 as permitted by law. The outstanding debt represents 0.4 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$14,737, or 14.8 percent, from the prior year due to continued principal payments.

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

Summary of outstanding debt

	Governmental activities		Business-type activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds and notes:						
Current portion	\$ 10,317	\$ 12,405	\$ 2,406	\$ 2,333	\$ 12,723	\$ 14,738
Noncurrent portion	63,373	73,689	8,887	11,293	72,260	84,982
Total	<u>\$ 73,690</u>	<u>\$ 86,094</u>	<u>\$ 11,293</u>	<u>\$ 13,626</u>	<u>\$ 84,983</u>	<u>\$ 99,720</u>

Bond rating:

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

County of Berks
Management's Discussion and Analysis
December 31, 2024
(amounts rounded to nearest thousand)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions:

In 2024, Berks County, Pennsylvania, experienced a dynamic economic landscape characterized by labor market shifts, housing market trends, infrastructure investments, and fiscal challenges. Here's an overview of the key economic factors and conditions:

Labor Market and Employment:

- **Unemployment Trends:** The county's unemployment rate remained low, reaching a record low of 3.1% in September 2024, nearly a full percentage point below the national average. However, by December 2024, the rate increased to 3.3%.
- **Employment Levels:** Despite a tight labor market, employment levels showed fluctuations. For instance, in December 2024, employment stood at 203,080, a decrease from previous months.
- **Wage Dynamics:** While businesses reported steady demand, wages in Berks County did not keep up with inflation. The average hourly wage increased by only 0.2% over the year, while national inflation rose by 2.9%, reducing workers' spending power.

Housing:

- **Market Home Prices:** The median sale price of homes in Berks County was \$265,000 in February 2025, marking a 6.0% increase from the previous year.
- **Market Activity:** In November 2024, the median sale price rose to \$327,000, reflecting a 5.7% year-over-year increase. However, the number of homes sold decreased by 18.9% compared to the previous month.
- **Market Conditions:** Homes in Berks County sold at 100.8% of the list price, indicating a competitive market, though the number of homes sold declined by 13.5% year-over-year.

The Berks County economy is broad-based, containing many sectors including, but not limited to, manufacturing, wholesale and retail trade, services, and agriculture. In 2024 the manufacturing sector continued to generate the highest payroll throughout the County. There are several agencies throughout Berks County that are responsible for economic development. The Berks County Industrial Development Authority and the Greater Berks Development Fund provide site development and redevelopment assistance and financing. The Berks County Workforce Investment Board provides planning and funding for workforce education. The Berks Economic Partnership coordinates economic development marketing and outreach business development throughout the County. The Greater Reading Chamber of Commerce and Industry advocates for local businesses and provides training assistance. Berks County was considered to have the lowest unemployment rate out of 67 counties in PA.

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More than 40% of the County's 864 square miles are dedicated to farming. The County's growing farmland preservation program is designed to preserve the best lands for agricultural production and maintain the viability of the County's agricultural businesses. The County purchased agricultural preservation easements for over 854 additional acres during 2024, bringing total acreage under preservation to 79,398 acres on 832 farms.

Market impact on investment income:

In 2024, market dynamics significantly impacted investment income and the value of all investments increased significantly. The U.S. stock market had a massive rally with an increase of over 20%, while the aggregate U.S. bond market yielded 4.8% - 5.8%. At the end of 2024, the 10-year U.S. Treasuries reached approximately a 4.99% increase.

The County's Retirement Fund, with December 31, 2024 net position valued at \$572,245, experienced net investment gain of \$44,581, during 2024. Throughout 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, County contributions in 2024 were \$4,728, which is an increase from \$772 in 2023. 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 2024. The County has received the latest report from the actuary indicating that its annual certified actuarially determined contribution for 2025 will be \$7,070. The 2025 actuarially determined contribution is 5.9 percent of estimated 2025 compensation of \$136,471.

Government funding:

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

Next Year's Budget:

For 2025, the County adopted a balanced budget of \$607.0 million in revenues for all funds, and projected expenses of \$651.8 million for all funds, which will create a deficit of \$44.8 million. Consequently, the County's leadership recommended a tax millage rate increase from 8.345 to 9.013 mills, an increase of 8.00 percent, to balance the budget. This increase enables the County to maintain the strong financial position that has been noted by the rating agency as a pillar of our Aaa bond rating. The 2025 budget continues to focus on several fiscal initiatives including, but not limited to:

- maintain long-term financial stability
- limited headcount growth
- continued commitment to farmland preservation, education, economic development, library and park systems.

County of Berks
Management's Discussion and Analysis
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(amounts rounded to nearest thousand)

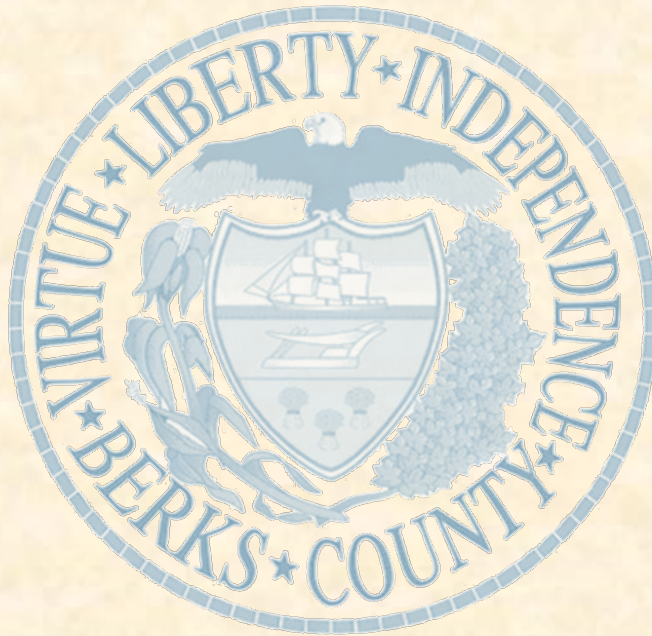
The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increases in tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services. While recommendations were made to establish a local public health department or a coordinating coalition, officials have expressed reluctance to allocate funds for these initiatives due to budget constraints. Inflation and structural challenges, such as limited growth in the tax base, contribute to the county's financial difficulties. The closure of the Berks County Residential Center, which previously generated revenue, has further impacted the budget.

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 ongoing 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
Email: controller@berkspa.gov



FINANCIAL STATEMENTS

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

	Primary Government			Component
	Governmental	Business-type	Total	Units
Assets:				
Current assets:				
Cash and cash equivalents	\$ 121,330,031	\$ 187,086	\$ 121,517,117	\$ 19,083,678
Cash and cash equivalents, restricted	48,865,899	97,240	48,963,139	5,604,918
Deposits with trustee under debt agreement	-	-	-	2,431,823
Investments	26,410,786	-	26,410,786	-
Taxes receivable, net	8,369,232	-	8,369,232	-
Accounts receivable, net	10,569,651	5,058,720	15,628,371	15,317,850
Notes receivable	890,533	-	890,533	-
Lease receivable	119,081	-	119,081	190,560
Opioid settlement receivable	1,911,100	-	1,911,100	-
Due from other governments	41,039,189	-	41,039,189	18,430
Due to/from other funds	(16,718,773)	16,718,773	-	-
Inventories	401,735	181,346	583,081	17,216
Prepaid expenses	1,874,604	114,862	1,989,466	366,233
Total current assets	<u>245,063,068</u>	<u>22,358,027</u>	<u>267,421,095</u>	<u>43,030,708</u>
Noncurrent assets:				
Investments	76,379,702	-	76,379,702	24,702,121
Loans receivable	5,000,000	-	5,000,000	-
Lease receivable	2,959,250	-	2,959,250	13,126,847
Opioid settlement receivable	17,956,458	-	17,956,458	-
Beneficial interests in perpetual trusts held by others	-	-	-	10,955,026
Other receivables	-	-	-	826,603
Restricted assets:				
Employee pay advance	23,198	17,350	40,548	-
Interest receivable	587,207	-	587,207	-
Cash	-	-	-	859,381
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	113,401,099	-	113,401,099	23,371,086
Capital assets, net of accumulated depreciation and amortization	<u>196,591,248</u>	<u>25,326,778</u>	<u>221,918,026</u>	<u>68,408,942</u>
Total noncurrent assets	<u>412,898,162</u>	<u>25,344,128</u>	<u>438,242,290</u>	<u>143,159,439</u>
Total assets	<u>657,961,230</u>	<u>47,702,155</u>	<u>705,663,385</u>	<u>186,190,147</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	5,085,859	280,406	5,366,265	-
Pension	15,074,217	16,508	15,090,725	806,130
Other postemployment benefits	-	-	-	372,415
Excess consideration provided for business acquisitions	-	-	-	11,292,931
Total deferred outflows of resources	<u>20,160,076</u>	<u>296,914</u>	<u>20,456,990</u>	<u>12,471,476</u>
Total assets and deferred outflows of resources	<u>\$ 678,121,306</u>	<u>\$ 47,999,069</u>	<u>\$ 726,120,375</u>	<u>\$ 198,661,623</u>

	Primary Government			
	Governmental	Business-type	Total	Component Units
Liabilities:				
Current liabilities:				
Accounts payable	\$ 29,120,761	\$ 1,349,711	\$ 30,470,472	\$ 3,327,118
Accrued liabilities	7,154,285	1,042,477	8,196,762	1,222,536
Due to other governments	639,976	-	639,976	-
Unearned grant revenue	11,998,656	-	11,998,656	3,583,850
Unearned revenue	122,252	-	122,252	5,625,574
Due to third parties	4,643,341	-	4,643,341	-
Accrued interest payable	276,187	31,713	307,900	395,609
Compensated absences	1,510,401	387,910	1,898,311	690,611
Deposits	-	-	-	94,232
Accrued claims health insurance	7,610,208	477,744	8,087,952	-
Accrued workers compensation liability	221,524	128,596	350,120	-
Notes payable, agricultural easement	116,816	-	116,816	-
Lease payable	926,135	-	926,135	-
SBITA payable	1,155,472	-	1,155,472	-
Bonds, loans and notes payable	10,316,509	2,406,418	12,722,927	2,189,437
Total current liabilities	75,812,523	5,824,569	81,637,092	17,128,967
Noncurrent liabilities:				
Compensated absences	6,651,019	682,956	7,333,975	247,712
Accrued workers compensation liability	765,633	575,714	1,341,347	722,485
Other postemployment benefit liability	-	-	-	1,268,253
Lease payable	16,646,728	-	16,646,728	89,274
SBITA payable	4,251,688	-	4,251,688	332,866
Net pension liability	23,794,751	1,350,800	25,145,551	4,264,982
Notes payable, agricultural easement	83,776	-	83,776	-
Bonds, loans and notes payable	63,372,892	8,886,777	72,259,669	33,595,451
Payable from restricted assets	35,979,575	-	35,979,575	-
Total noncurrent liabilities	151,546,062	11,496,247	163,042,309	40,521,023
Total liabilities	227,358,585	17,320,816	244,679,401	57,649,990
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	4,637,904
Pension	-	-	-	303,369
Leases	2,986,189	-	2,986,189	11,888,573
Other postemployment benefits expense	-	-	-	532,356
Total deferred inflows of resources	2,986,189	-	2,986,189	17,362,202
Net position:				
Net investment in capital assets	231,777,284	14,313,989	246,091,273	73,084,754
Restricted for:				
Gift fund	23,682	-	23,682	-
Farmland preservation	3,416,299	-	3,416,299	-
Hazmat response	2,649,652	-	2,649,652	-
Act 198 - Courts	172,536	-	172,536	-
Workers' compensation	118,090	-	118,090	-
Special revenue funds	91,249,967	-	91,249,967	-
Opioid settlement	24,299,980	-	24,299,980	-
2025 Capital Projects	18,096,401	-	18,096,401	-
COVID Community Support Funds	25,639,794	-	25,639,794	-
Services Center Parking Garage	407,277	-	407,277	-
Act 13 Marcellus Shale	796,704	-	796,704	-
Airport improvement projects	-	-	-	521,683
Sewage treatment plant capital improvements	-	-	-	337,698
Foundation for Reading Area Community College	-	-	-	26,318,883
Unrestricted net position	49,128,866	16,364,264	65,493,130	23,386,413
Total net position	447,776,532	30,678,253	478,454,785	123,649,431
Total liabilities, deferred inflows of resources, and net position	\$ 678,121,306	\$ 47,999,069	\$ 726,120,375	\$ 198,661,623

See accompanying notes to the financial statements.

			Program Revenues		
		Indirect	Charges	Operating	Capital
	Expenses	Expense	for	Grants and	Grants and
		Allocation	Services	Contributions	Contributions
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 100,759,320	\$ (19,689,132)	\$ 8,475,086	\$ 2,388,939	\$ -
Judicial	52,773,571	8,354,949	8,973,291	1,932,496	20,000
Public safety	88,486,569	4,959,434	15,547,895	9,386,224	-
Human services	231,075,997	3,712,582	14,887,890	229,021,531	562,638
Culture and recreation	9,518,778	581,770	82,370	1,748,477	313,569
Community and economic development	16,755,330	456,773	707,395	4,118,391	-
Public works	1,832,418	94,225	2,075,020	-	1,673,163
Community support	1,367,518	12,189	11,150	-	-
Debt service administrative expenses	2,046,582	2,725	1,726	-	-
Solid waste	245,989	8,168	4,169,263	61,043	-
Total governmental activities	504,862,072	(1,506,317)	54,931,086	248,657,101	2,569,370
Business-type activities:					
Berks Heim	61,666,773	1,506,317	61,279,993	4,882	-
Total business-type activities	61,666,773	1,506,317	61,279,993	4,882	-
Total primary government	566,528,845	-	116,211,079	248,661,983	2,569,370
Component units:					
Total component units	\$ 54,366,619	\$ -	\$ 13,872,743	\$ 18,524,743	\$ 7,153,510

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ (70,206,163)	\$ -	\$ (70,206,163)	
Judicial	(50,202,733)	-	(50,202,733)	
Public safety	(68,511,884)	-	(68,511,884)	
Human services	9,683,480	-	9,683,480	
Culture and recreation	(7,956,132)	-	(7,956,132)	
Community and economic development	(12,386,317)	-	(12,386,317)	
Public works	1,821,540	-	1,821,540	
Community support	(1,368,557)	-	(1,368,557)	
Debt service administrative expenses	(2,047,581)	-	(2,047,581)	
Solid waste	3,976,149	-	3,976,149	
Total governmental activities	<u>(197,198,198)</u>	<u>-</u>	<u>(197,198,198)</u>	
Business-type activities				
Berks Heim	-	(1,888,215)	(1,888,215)	
Total business-type activities	<u>-</u>	<u>(1,888,215)</u>	<u>(1,888,215)</u>	
Total primary government	<u>(197,198,198)</u>	<u>(1,888,215)</u>	<u>(199,086,413)</u>	
Component units:				
Total component units				<u>\$ (14,815,623)</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes	166,432,129	-	166,432,129	-
Hotel tax	3,336,367	-	3,336,367	-
Payments in lieu of taxes	292,512	-	292,512	-
Payments from County of Berks	-	-	-	6,149,996
Payments from other governments	-	-	-	9,691,599
Investment earnings	13,926,471	11,311	13,937,782	3,518,462
Miscellaneous/other	17,066,586	-	17,066,586	7,208,829
Gain on disposal of capital assets	142,889	-	142,889	-
Rental of space	325,935	-	325,935	-
Total general revenue and transfers	<u>201,522,889</u>	<u>11,311</u>	<u>201,534,200</u>	<u>26,568,886</u>
Change in net position	4,324,691	(1,876,904)	2,447,787	11,753,263
Net position, beginning, as previously presented	443,387,445	32,555,157	475,942,602	111,896,168
Error correction	64,396	-	64,396	-
Net position, beginning, as restated	<u>443,451,841</u>	<u>32,555,157</u>	<u>476,006,998</u>	<u>111,896,168</u>
Net position, ending	<u>\$ 447,776,532</u>	<u>\$ 30,678,253</u>	<u>\$ 478,454,785</u>	<u>\$ 123,649,431</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Drug and Alcohol	Nonmajor	Total Governmental
Assets						
Cash and cash equivalents	\$ 100,434,576	\$ 1,300	\$ 18,707,785	\$ -	\$ 2,186,370	\$ 121,330,031
Cash and cash equivalents, restricted	4,743,396	-	20,458,550	-	23,663,953	48,865,899
Investments	26,410,786	-	-	-	-	26,410,786
Taxes receivable	8,369,232	-	-	-	-	8,369,232
Accounts receivable	7,837,390	1,241	-	-	2,754,220	10,592,851
Lease receivable	3,078,331	-	-	-	-	3,078,331
Opioid settlement receivable	-	-	-	19,867,558	-	19,867,558
Accrued interest receivable	590,094	-	63	-	-	590,157
Due from other governments	3,341,328	19,728,775	12,591,793	1,022,221	4,352,891	41,037,008
Due from other funds	95,846,090	1,118,914	2,450,760	4,433,819	22,282,697	126,132,280
Inventories	401,735	-	-	-	-	401,735
Prepaid expenses	8,924,048	-	-	-	2,216,378	11,140,426
Loans receivable	5,890,533	-	-	-	-	5,890,533
Investments, non-current	76,379,702	-	-	-	-	76,379,702
Total assets	<u>\$ 342,247,241</u>	<u>\$ 20,850,230</u>	<u>\$ 54,208,951</u>	<u>\$ 25,323,598</u>	<u>\$ 57,456,509</u>	<u>\$ 500,086,529</u>
Liabilities						
Accounts payable	\$ 5,325,990	\$ 3,019,434	\$ 15,627,593	\$ 1,022,221	\$ 4,125,523	\$ 29,120,761
Accrued liabilities	5,979,938	316,001	16,551	-	677,656	6,990,146
Due to other funds	113,584,498	16,754,137	2,402,147	-	10,110,271	142,851,053
Due to other governments	639,976	-	-	-	-	639,976
Unearned revenue	3,079,571	506,635	143,217	-	9,955,012	13,684,435
Due to third parties	4,437,245	9,225	-	-	196,872	4,643,342
Accrued claims health insurance	2,160,633	216,153	4,865,084	-	368,338	7,610,208
Payable from restricted assets	-	-	31,154,359	1,397	4,823,974	35,979,730
Total liabilities	<u>135,207,851</u>	<u>20,821,585</u>	<u>54,208,951</u>	<u>1,023,618</u>	<u>30,257,646</u>	<u>241,519,651</u>
Deferred inflows of resources						
Unavailable property taxes	5,627,748	-	-	-	-	5,627,748
Opioid settlement	-	-	-	19,867,558	-	19,867,558
Leases	2,986,189	-	-	-	-	2,986,189
Other unavailable	92,865	3,722	-	-	-	96,587
Total deferred inflows of resources	<u>8,706,802</u>	<u>3,722</u>	<u>-</u>	<u>19,867,558</u>	<u>-</u>	<u>28,578,082</u>
Fund balances						
Nonspendable	9,347,740	1,241	-	-	2,216,378	11,565,359
Restricted	3,736,982	23,682	-	4,432,422	24,982,485	33,175,571
Committed	47,559,771	-	-	-	-	47,559,771
Assigned	10,897	-	-	-	-	10,897
Unassigned	137,677,198	-	-	-	-	137,677,198
Total fund balances	<u>198,332,588</u>	<u>24,923</u>	<u>-</u>	<u>4,432,422</u>	<u>27,198,863</u>	<u>229,988,796</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 342,247,241</u>	<u>\$ 20,850,230</u>	<u>\$ 54,208,951</u>	<u>\$ 25,323,598</u>	<u>\$ 57,456,509</u>	<u>\$ 500,086,529</u>

See accompanying notes to the financial statements.

Total fund balances for governmental funds	\$	229,988,796
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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	\$	16,045,007	
Agland easements		85,505,138	
Infrastructure, net		37,044,549	
Building and improvements, net		75,412,122	
Furniture, fixtures, equipment and vehicles, net		41,807,514	
Historical treasures		2,290,344	
Software		6,215,904	
Software in progress		682,623	
Construction in progress		<u>11,590,133</u>	
			276,593,334

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

Right to use assets, net		33,399,014	
Difference in prepaid expense in accordance with GASB 87 lease disclosure		(9,266,591)	

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

Net pension liability		(23,794,751)	
Deferred outflows (inflows) of resources		15,074,217	

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

Property taxes		3,566,368	
Delinquent property taxes		2,061,381	
Deferred inflow - Opioid Settlement		19,867,558	
District Justices departmental charges and reimbursements		<u>1,660,269</u>	
			27,155,576

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

Payroll and payroll taxes			(164,140)
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Long-term liabilities related to the County's governmental activities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Both current and long-term liabilities are reported in the statement of net 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, 2024 are:

Accrued interest on bonds and notes		(276,187)	
Compensated absences		(8,161,421)	
Accrued workers compensation liability		(987,156)	
Lease and SBITA payable		(22,980,024)	
Bonds and notes payable and refunding loss		<u>(68,804,135)</u>	
			<u>(101,208,923)</u>

Total net position of governmental activities	\$	<u>447,776,532</u>
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See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	General Fund	Children and Youth Services	Health Choices	COVID Impact	Drug and Alcohol	Nonmajor	Total Governmental
Revenues							
Taxes:							
Property	\$ 165,839,849	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,839,849
Hotel	-	-	-	-	-	3,336,367	3,336,367
Court costs, fines and forfeitures	2,472,121	-	-	-	-	-	2,472,121
Intergovernmental revenue	15,380,781	33,904,780	145,951,862	-	12,672,390	47,824,278	255,734,091
Departmental charges and reimbursements	58,671,948	443,990	-	-	-	21,057,805	80,173,743
Payments in lieu of taxes	292,512	-	-	-	-	-	292,512
Rentals	110,128	-	-	-	-	41,158	151,286
Sales of property, supplies and equipment	100,165	-	-	-	-	-	100,165
Investment earnings	11,634,765	702	1,075,068	-	-	1,215,936	13,926,471
Miscellaneous	17,446,804	1,249	-	-	-	368,834	17,816,887
Total revenues	<u>271,949,073</u>	<u>34,350,721</u>	<u>147,026,930</u>	<u>-</u>	<u>12,672,390</u>	<u>73,844,378</u>	<u>539,843,492</u>
Expenditures							
Current:							
General government, administrative	69,435,674	-	-	-	-	3,513,407	72,949,081
General government, judicial	63,017,418	-	-	-	-	224,895	63,242,313
Public safety	81,456,818	-	-	-	-	12,746,309	94,203,127
Human services	-	42,392,036	147,016,324	-	9,170,392	48,481,161	247,059,913
Culture and recreation	9,444,927	-	-	-	-	-	9,444,927
Community and economic development	4,517,544	-	-	-	-	4,055,801	8,573,345
Public works	13,330	-	-	-	-	4,778,332	4,791,662
Community support	32,369,406	-	-	-	-	-	32,369,406
Intergovernmental expenditures - Solid waste	291,003	-	-	-	-	-	291,003
Debt service:							
Principal	10,728,390	-	-	-	-	2,762,968	13,491,358
Interest and fiscal charges	2,552,474	-	-	-	-	717,570	3,270,044
Administrative expenditures	6,595	-	-	-	-	-	6,595
Total expenditures	<u>273,833,579</u>	<u>42,392,036</u>	<u>147,016,324</u>	<u>-</u>	<u>9,170,392</u>	<u>77,280,443</u>	<u>549,692,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,884,506)</u>	<u>(8,041,315)</u>	<u>10,606</u>	<u>-</u>	<u>3,501,998</u>	<u>(3,436,065)</u>	<u>(9,849,282)</u>
Other financing sources (uses)							
Transfers in	5,681,272	8,216,334	-	-	930,424	6,845,058	21,673,088
Transfers out	(17,152,859)	(173,868)	(10,606)	-	-	(4,335,755)	(21,673,088)
Lease proceeds	1,079,460	-	-	-	-	-	1,079,460
Total other financing sources (uses)	<u>(10,392,127)</u>	<u>8,042,466</u>	<u>(10,606)</u>	<u>-</u>	<u>930,424</u>	<u>2,509,303</u>	<u>1,079,460</u>
Net changes in fund balances	(12,276,633)	1,151	-	-	4,432,422	(926,762)	(8,769,822)
Fund balances, beginning, as previously presented	210,253,422	77,316	-	2,515,495	-	25,850,171	238,696,404
Change from major fund to nonmajor fund	-	-	-	(2,515,495)	-	2,515,495	-
Error correction	355,799	(53,544)	-	-	-	(240,041)	62,214
Fund balances, beginning, as restated	<u>210,609,221</u>	<u>23,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,125,625</u>	<u>238,758,618</u>
Fund balances, ending	<u>\$ 198,332,588</u>	<u>\$ 24,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,432,422</u>	<u>\$ 27,198,863</u>	<u>\$ 229,988,796</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, 2024

County of Berks
2024 Annual Comprehensive Financial Report

Net change in fund balances - total governmental funds \$ (8,769,822)

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

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

Expenditures for capital assets / agricultural easements	\$ 18,215,273	
Depreciation expense	<u>(16,431,643)</u>	1,783,630

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

Debt principal repayments	11,293,374	
Bond premium/discounts/refunding losses	(113,170)	
Net adjustment due to GASB 87/96	<u>(1,321,897)</u>	9,858,307

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:

52,976

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	592,280	
Opioid Settlement	6,681,304	
Gain/Loss on sale of equipment	<u>(174,424)</u>	7,099,160

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	578,252	
Net pension obligation	<u>(6,277,812)</u>	
		<u>(5,699,560)</u>

Change in net position of governmental activities \$ 4,324,691

See accompanying notes to the financial statements.

Statement of Net Position
Proprietary Fund - Enterprise Fund
December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Berks Heim
Assets:	
Current assets:	
Cash and cash equivalents	\$ 187,086
Cash and cash equivalents, restricted	97,240
Accounts receivable, net	5,058,720
Due from other funds	16,718,773
Inventories	181,346
Prepaid expenses	114,862
Total current assets	<u>22,358,027</u>
Noncurrent assets:	
Employee pay advance	17,350
Capital assets	25,326,778
Total noncurrent assets	<u>25,344,128</u>
Total assets	<u>47,702,155</u>
Deferred outflows of resources:	
Pension	16,508
Unamortized bond refunding loss	280,406
Total deferred outflows of resources	<u>296,914</u>
Total assets and deferred outflows of resources	<u>47,999,069</u>
Liabilities:	
Current liabilities:	
Accounts payable	1,349,711
Accrued liabilities	1,042,477
Accrued interest payable	31,713
Compensated absences	387,910
Accrued claims health insurance	477,744
Accrued claims liability	128,596
Bonds payable, net	2,406,418
Total current liabilities	<u>5,824,569</u>
Noncurrent liabilities:	
Compensated absences	682,956
Accrued claims liability	575,714
Pension liability	1,350,800
Bonds payable, net	8,886,777
Total noncurrent liabilities	<u>11,496,247</u>
Total liabilities	<u>17,320,816</u>
Net Position	
Net investment in capital assets	14,313,989
Unrestricted net position	16,364,264
Total net position	<u>\$ 30,678,253</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund - Enterprise Fund
Year Ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Berks Heim
Operating revenues	
Charges for services	\$ 35,796,737
Other operating revenues	25,483,256
Total operating revenues	<u>61,279,993</u>
Operating expenses	
Program services	39,171,987
Administrative expenses	4,857,227
Depreciation	1,740,825
Total operating expenses	<u>45,770,039</u>
Operating income	<u>15,509,954</u>
Nonoperating revenues (expenses)	
Grants	4,882
Investment earnings	11,311
Interest expense	(338,462)
Contribution to General Fund	(17,064,589)
Total nonoperating revenues (expenses)	<u>(17,386,858)</u>
Change in net position	(1,876,904)
Total net position, beginning	32,555,157
Total net position, ending	<u><u>\$ 30,678,253</u></u>

See accompanying notes to the financial statements.

Statement of Cash Flows
Proprietary Fund - Enterprise Fund
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

**Berks
Heim**

Cash flows from operating activities

Receipts from customers	\$ 61,305,189
Payments to suppliers	(12,382,491)
Payments to employees	(31,561,158)
Net cash provided by (used in) operating activities	<u>17,361,540</u>

Cash flows from noncapital financing activities

Receipts from other governments	4,882
Contribution from (to) General Fund	(17,064,589)
Amounts due from (to) other funds	<u>2,710,785</u>
Net cash provided by (used in) noncapital financing activities	<u>(14,348,922)</u>

Cash flows from capital and related financing activities

Principal paid on bonds	(2,147,627)
Interest paid	(350,570)
Purchase of capital assets	<u>(505,261)</u>
Net cash provided by (used in) capital and related financing activities	<u>(3,003,458)</u>

Cash flows from investing activities

Investment earnings received	<u>11,311</u>
Net cash provided by investing activities	<u>11,311</u>
Net increase in cash and cash equivalents	20,471
Cash and cash equivalents, beginning (including \$91,847 reported in restricted accounts)	<u>263,855</u>
Cash and cash equivalents, ending (including \$97,240 reported in restricted accounts)	<u><u>\$ 284,326</u></u>

**Reconciliation of operating income to net cash
provided by (used in) operating activities:**

Operating income (loss)	\$ 15,509,954
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	1,740,825
Amortization of bond premium	(185,208)
Amortization of refunding loss	(131,232)
Changes in assets and liabilities:	
Accounts receivable, net	19,881
Employee pay advance	905
Inventories	17,090
Prepaid expenses	(64,361)
Pension asset / liability, net	(2,195,344)
Pension deferred outflow	3,036,753
Accounts payable and accrued liabilities	(683,344)
Unearned grant revenue	5,315
Compensated absences	11,517
Accrued claims health insurance	(1,662)
Accrued claims liability	12,273
Pension deferred inflow	<u>268,178</u>

Net cash provided by (used in) operating activities \$ 17,361,540

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Berks County Employees' Retirement Fund	Custodial Funds
Assets		
Cash and cash equivalents	\$ 275,742	\$ 17,985,620
Receivables:		
Contributions receivable / Due from other funds	350,540	-
Investment income receivable	487,808	-
Total receivables	838,348	-
Investments, at fair value (see Note 2):		
Fixed income securities	128,822,546	-
Domestic equities	368,623,010	-
Real estate / Alternative	73,741,993	-
Certificates of deposit	337,515	4,537,426
Total investments	571,525,064	4,537,426
Total assets	572,639,154	22,523,046
Liabilities		
Accounts payable	393,846	-
Due to third parties	-	1,439,294
Fees due to Commonwealth of Pennsylvania	-	16,520
Real estate taxes due to City of Reading	-	440,149
Due to other governments	-	504,387
Other	-	8,466,580
Total liabilities	393,846	10,866,930
Net position		
Net position restricted for pensions	572,245,308	-
Net position restricted for individuals, organizations and other governments	-	11,656,116
Total net position	\$ 572,245,308	\$ 11,656,116

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Berks County Employees' Retirement Fund	Custodial Funds
Additions		
Fee collections for government entities	\$ -	\$ 72,238,985
Escheated funds received for Commonwealth of Pennsylvania	-	226,598
Real estate tax collections for City of Reading, Pennsylvania	-	24,395,806
Receipts from others	-	43,511,645
Subtotal	-	140,373,034
 Contributions:		
Member	8,984,408	-
County	4,727,765	-
Total contributions	13,712,173	-
 Investment income:		
Net increase in fair value of investments	51,506,159	-
Interest and dividends	14,475,980	621,964
Total investment income	65,982,139	621,964
Less investment expense	(1,597,390)	-
Net investment income	64,384,749	621,964
Total additions	78,096,922	140,994,998
 Deductions		
Benefit payments, including refunds of member contributions	33,436,110	-
Administrative/other expense	79,331	-
Payments of fees collected to Commonwealth of Pennsylvania	-	24,798,804
Payments of fees collected to other government entities	-	47,344,996
Payments of escheated funds to Commonwealth of Pennsylvania	-	226,598
Payments of real estate tax collected to City of Reading	-	24,395,806
Payments to others	-	43,626,452
Total deductions	33,515,441	140,392,656
Change in net position	44,581,481	602,342
Net position restricted, beginning, as previously presented	527,663,827	10,504,285
Error correction	-	549,489
Net position restricted, beginning, as restated	527,663,827	11,053,774
Net position restricted, ending	\$ 572,245,308	\$ 11,656,116

See accompanying notes to the financial statements.

Statement of Net Position (Deficit)
Component Units
December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,868,543	\$ 16,215,135	\$ 19,083,678
Cash and cash equivalents, restricted	56,076	5,548,842	5,604,918
Deposits with trustee under debt agreement	2,431,823	-	2,431,823
Accounts receivable, net	355,291	14,962,559	15,317,850
Due from other governments	18,430	-	18,430
Lease receivable	190,560	-	190,560
Inventories	-	17,216	17,216
Prepaid expenses	28,740	337,493	366,233
Total current assets	<u>5,949,463</u>	<u>37,081,245</u>	<u>43,030,708</u>
Noncurrent assets:			
Investments	-	24,702,121	24,702,121
Beneficial interests in perpetual trusts held by others	-	10,955,026	10,955,026
Other receivables	-	826,603	826,603
Collections - works of art	-	909,433	909,433
Restricted assets - cash	859,381	-	859,381
Capital assets:			
Land and improvements, net	6,681,911	1,081,556	7,763,467
Air easement rights	103,002	-	103,002
Infrastructure, net	13,665,528	-	13,665,528
Buildings and improvements, net	8,570,225	38,166,710	46,736,935
Furniture, fixtures, equipment and vehicles, net	2,377,313	2,114,469	4,491,782
Leasehold improvements, net	91,610	-	91,610
Right-to-use lease assets, net	4,189	1,373,386	1,377,575
Construction in progress	2,850,417	14,699,712	17,550,129
Lease receivable	13,126,847	-	13,126,847
Total noncurrent assets	<u>48,330,423</u>	<u>94,829,016</u>	<u>143,159,439</u>
Total assets	<u>54,279,886</u>	<u>131,910,261</u>	<u>186,190,147</u>
Deferred outflows of resources:			
Pension	-	806,130	806,130
Other postemployment benefits	-	372,415	372,415
Excess consideration provided for business acquisitions	11,292,931	-	11,292,931
Total deferred outflows of resources	<u>11,292,931</u>	<u>1,178,545</u>	<u>12,471,476</u>
Total assets and deferred outflows of resources	<u>65,572,817</u>	<u>133,088,806</u>	<u>198,661,623</u>
Liabilities			
Current liabilities:			
Accounts payable	423,183	2,903,935	3,327,118
Accrued liabilities	6,777	1,215,759	1,222,536
Accrued interest payable	378,663	16,946	395,609
Unearned revenue	-	9,209,424	9,209,424
Compensated absences	-	690,611	690,611
Deposits	94,232	-	94,232
Current portion of long-term debt	619,108	1,570,329	2,189,437
Total current liabilities	<u>1,521,963</u>	<u>15,607,004</u>	<u>17,128,967</u>
Noncurrent liabilities:			
Compensated absences	-	247,712	247,712
Medical insurance liability	-	722,485	722,485
Net other postemployment benefit liabilities	-	1,268,253	1,268,253
Lease payable	361	88,913	89,274
Net pension liability	-	4,264,982	4,264,982
Subscription liability	-	332,866	332,866
Bonds, loans and notes payable	18,265,623	15,329,828	33,595,451
Total noncurrent liabilities	<u>18,265,984</u>	<u>22,255,039</u>	<u>40,521,023</u>
Total liabilities	<u>19,787,947</u>	<u>37,862,043</u>	<u>57,649,990</u>
Deferred inflows of resources:			
Deferred rent revenue	4,637,904	-	4,637,904
Deferred inflows of resources for lease revenue	11,888,573	-	11,888,573
Deferred pension expense	-	303,369	303,369
Deferred other postemployment benefits expense	-	532,356	532,356
Total deferred inflows of resources	<u>16,526,477</u>	<u>835,725</u>	<u>17,362,202</u>
Net position:			
Net investment in capital assets	29,131,450	43,953,304	73,084,754
Restricted for:			
Airport improvement projects	521,683	-	521,683
Sewage treatment plant capital improvements	337,698	-	337,698
Foundation for Reading Area Community College	-	26,318,883	26,318,883
Unrestricted net position (deficit)	<u>(732,438)</u>	<u>24,118,851</u>	<u>23,386,413</u>
Total net position	<u>\$ 29,258,393</u>	<u>\$ 94,391,038</u>	<u>\$ 123,649,431</u>

* Presented as of June 30, 2024

** Presented as of September 30, 2024

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficit)
Component Units
Year ended December 31, 2024

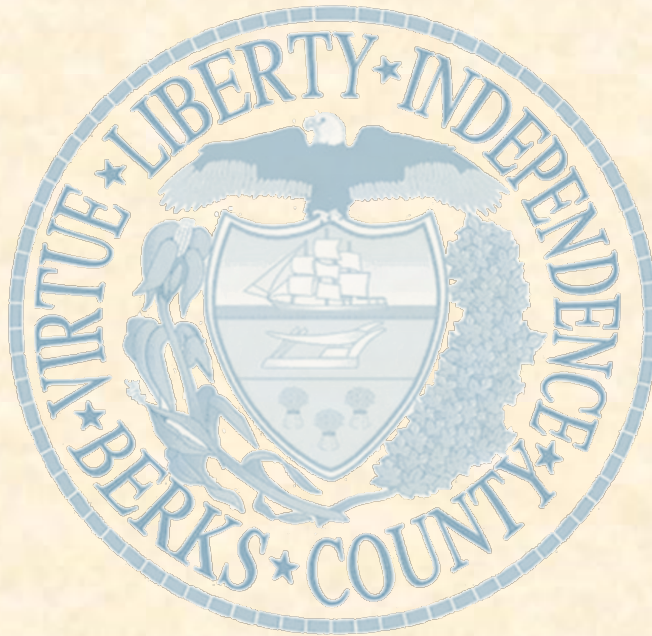
County of Berks
2024 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 6,608,117	\$ 7,264,626	\$ 13,872,743
Operating grants and contributions	-	18,524,743	18,524,743
Investment earnings	-	1,388,499	1,388,499
Other revenues	-	6,104,206	6,104,206
Total operating revenues	<u>6,608,117</u>	<u>33,282,074</u>	<u>39,890,191</u>
Total operating expenses	<u>8,392,640</u>	<u>44,450,087</u>	<u>52,842,727</u>
Operating income (loss)	<u>(1,784,523)</u>	<u>(11,168,013)</u>	<u>(12,952,536)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	9,691,599	9,691,599
Investment income	-	1,128,337	1,128,337
Unrealized gain (loss) on investments	-	387,147	387,147
Interest income, deposits	180,076	-	180,076
Interest income, leases	434,403	-	434,403
Interest expense	(767,986)	(713,527)	(1,481,513)
Loss on disposal of assets	-	(42,379)	(42,379)
Total nonoperating revenues (expenses)	<u>(153,507)</u>	<u>13,701,177</u>	<u>13,547,670</u>
Other revenues (expenses):			
Payments from County of Berks	-	2,899,996	2,899,996
Federal grants, captial	667,533	-	667,533
State grants, captial	-	5,000,000	5,000,000
State appropriations, captial	-	1,485,977	1,485,977
Long-term gifts and grants	-	1,104,623	1,104,623
Total other revenues (expenses)	<u>667,533</u>	<u>10,490,596</u>	<u>11,158,129</u>
Change in net position (deficit)	<u>(1,270,497)</u>	<u>13,023,760</u>	<u>11,753,263</u>
Net position, beginning	<u>30,528,890</u>	<u>81,367,278</u>	<u>111,896,168</u>
Net position, ending	<u>\$ 29,258,393</u>	<u>\$ 94,391,038</u>	<u>\$ 123,649,431</u>

* Presented for the year ended June 30, 2024

** Presented for the year ended September 30, 2024

See accompanying notes to the financial statements.



NOTES TO FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The financial reporting entity

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

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

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

- The Reading Regional Airport Authority (the "Authority") is a public authority created under the Municipality Authorities Act of 1935 and 1945 of Pennsylvania. The Authority is responsible for operations of the Reading Regional Airport. The governing body of the Authority is a Board consisting of five directors. All directors are appointed by the County. The five board members consist of the three Berks County Commissioners, the Chief Operations Officer of Berks County, and the Director of Community and Economic Development of Berks County. The member terms are five years, or until expiration of the current term as a county commissioner, or until termination of the position as an employee of Berks County. The County has also agreed to guarantee the revenue notes of the Authority. The Reading Regional Airport Authority operates on a fiscal year ending September 30.
- The Reading Area Community College (the "College"), serving primarily Berks County, is a publicly supported comprehensive community college. The College is a creation of the state and is one of 15 community colleges in the Commonwealth of Pennsylvania operating in accordance with the provisions of the Community College Act of 1963. A 15-member board of trustees governs the College's operations. The Berks County board of commissioners, the local sponsor of the College, appoints trustees to a six-year term. The County also supports the College's capital expansion initiatives. Sponsor appropriations from the County are received

annually by the College for operating expenses. From time to time the College will also receive a capital appropriation from the County to be used for an approved project. For the year ended June 30, 2024, the County appropriation for operating expenses was \$3,250,000. During the year ended June 30, 2024, the College also received a capital appropriation of \$2,899,996. The Reading Area Community College operates on a fiscal year ending June 30.

The College's discretely presented component unit is the Foundation for Reading Area Community College (the "Foundation"). The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code. The Foundation was created to raise, invest and manage private funds for the benefit of the College. The Foundation supports the College's mission to build communities of learning to encourage educational growth by providing scholarship funding for all students who demonstrated financial need and for emerging initiatives that serve to further enhance the College's programs and facilities. The Foundation's support comes primarily from individual donors' contributions and various campaign drives. The College provides accounting and administrative services to the Foundation. Contributed services for salaries and benefits of \$436,115 was recognized for the year ended June 30, 2024. During the year ended June 30, 2024, the Foundation provided support for scholarships, capital improvement projects, and students in the total amount to the College of \$2,846,439. The Foundation operates on a fiscal year ending June 30.

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

Reading Regional Airport Authority
2385 Bernville Road
Reading, PA 19605

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

Related organizations

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

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

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

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

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

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

1. Government-wide financial statements

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

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *“Accounting and Financial Reporting for Nonexchange Transactions.”*

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

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

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

2. Fund financial statements

The underlying accounting system of the County is organized and operated based on separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets,

deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

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

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

- **Governmental funds**

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

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

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

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

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

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. However, debt service

expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

- **Proprietary funds**

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

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

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”*. The non-major funds are combined in a column in the fund financial statements. The following are the County's major funds for 2024:

1. Governmental fund types

- **General Fund**

The General Fund accounts for all financial resources except those accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, the judicial system, public safety, culture and recreation, and some community and economic development and human services.

- **Children and Youth Services**

The Children and Youth Services Fund accounts for financial resources related to the provision of services to children and youth. Revenues of this fund are derived from federal and state grants. Expenditures are restricted to provision of the program.

- **Health Choices**
The Health Choices Fund accounts for financial resources related to the provision of a behavioral health managed care program for medical assistance recipients. Revenues of this fund are derived from state grants. Expenditures are restricted to provision of the program.
- **Drug and Alcohol**
The purpose of the Drug and Alcohol Fund is to prevent, treat, and reduce the harms associated with substance use and addiction. Its key functions typically include prevention and education as well as treatment services such as counseling, rehabilitation, detoxification, medication-assisted treatment, and recovery support services. Expenditures are restricted to provision of the program.

2. Proprietary fund types

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

3. Other fund types - fiduciary

- **Retirement Trust Fund**
The Berks County Employees' Retirement Trust Fund is included as a fiduciary component unit and accounts for the revenue (i.e., member contributions, County appropriations, and net investment income) and the expenditures (i.e., allowance contributions refunded, retirement allowances, and death benefits paid) of the County's defined benefit retirement plan.
- **Custodial Funds**
Custodial funds consist of restricted assets of the various row offices and other fiduciary accounts of the County. Row office funds for bail posted, sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal actions, by Berks Heim for residents and by the prison for inmates, are mainly escrow funds.

D. Cash and cash equivalents

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

E. Investments

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

F. Receivables

All property taxes receivable, accounts receivable, interest and liens receivable are shown net of an allowance for uncollectible amounts. The allowance for property taxes is equal to 0.09 percent of the 2024 property tax levy outstanding at December 31, 2024. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2024. The allowance for district justices' fines and court costs is equal to 65 percent of the outstanding accounts

receivable at December 31, 2024. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2024. 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, 2024.

G. Interfund transaction

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

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

H. Inventories and prepaid items

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

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

I. Restricted assets

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

J. Capital assets

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

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

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

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

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

K. Deferred outflows/inflows of resources

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

L. Fund balance

In the fund financial statements, the County has established and will maintain reservations of fund balance in accordance with GASB Statement No. 54 (“GASB 54”), “*Fund Balance Reporting and Governmental Fund Type Definitions*.” GASB 54 establishes criteria to report fund balance as non-spendable, restricted, committed, assigned or unassigned based on the required restraints on the resource. This policy applies to the County’s General Fund and all governmental funds. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes, add new governmental programs, expand existing programs or enhance the financial position of the County in accordance with policies established by the Board of Commissioners. Please refer to Note 11 for more information on fund balance.

M. Net position

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

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

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

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

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

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

O. Compensated absences

For the year ended December 31, 2024, the County implemented the provisions of GASB Statement No. 101, "*Compensated Absences*", which requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. The County recognizes a liability for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The County accrues accumulated unpaid vacation and sick leave when earned by the employee in the government-wide financial statements. All accumulated vacation and vested sick leave pay is recorded as an expense and a liability in the proprietary fund types at the time the liability is accrued. Governmental fund types record accumulated vacation and vested sick leave pay as an expenditure in the current year to the extent it is paid during the year.

P. Pension

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

Q. Self-insurance

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

R. Estimates

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

S. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when incurred. Bonds payable are reported net

of the applicable bond premium or discount. Derivatives, or swaps, may be entered into at the discretion of the County, to take advantage of favorable prevailing interest rates with respect to its general obligation bonds. In cases where it is more advantageous to terminate an existing swap, termination fees are expensed in the period that the termination is executed and reported as a Special Item.

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

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

T. Restatement of financial statements

	12/31/2023 As previously reported	Change to or within the financial reporting entity	Error correction	12/31/2023 As restated
Government-wide				
Governmental activities	\$ 443,387,445	\$ -	\$ 64,396	\$ 443,451,841
Business-type activities	32,555,157	-	-	32,555,157
Total government-wide	<u>\$ 475,942,602</u>	<u>\$ -</u>	<u>\$ 64,396</u>	<u>\$ 476,006,998</u>
Governmental funds				
Major funds:				
General Fund	\$ 210,253,422	\$ -	\$ 355,799	\$ 210,609,221
Children and Youth Services	77,316	-	(53,544)	23,772
Health Choices	-	-	-	-
COVID Impact	2,515,495	(2,515,495)	-	-
Drug and Alcohol	-	-	-	-
Nonmajor funds	25,850,171	2,515,495	(240,041)	28,125,625
Total governmental funds	<u>\$ 238,696,404</u>	<u>\$ -</u>	<u>\$ 62,214</u>	<u>\$ 238,758,618</u>
Fiduciary funds				
Berks County Employees' Retirement Fund	\$ 527,663,827	\$ -	\$ -	\$ 527,663,827
Custodial Funds	10,504,285	-	549,489	11,053,774
Total fiduciary funds	<u>\$ 538,168,112</u>	<u>\$ -</u>	<u>\$ 549,489</u>	<u>\$ 538,717,601</u>

Change to or within the financial reporting entity

For the year ended 12/31/2023, COVID Impact was classified as a major fund. COVID Impact no longer meets the quantitative thresholds to be reported as a major fund for the year ended 12/31/2024 and is classified as a nonmajor fund.

Error correction:

Governmental activities

It was discovered during 2024 that various adjustments were needed to correct net position for County governmental activities. Adjustments for the Berks County Residential Center, a public safety grant, and the COVID vaccine clinic are explained below under the General Fund subheading. Additionally, a small adjustment was needed in the government-wide financial statements only due to a correction of an accrual reversal posted in the prior period. Had this error been recorded properly in the prior period, human services expense would have been lower on the Statement of Activities. These errors collectively understated net position for governmental activities.

General Fund

It was discovered during 2024 that various adjustments were needed to correct fund balances for several County funds. Children and Youth Services and Employment and Training are explained below, and the combined impact of those adjustments is offset in the General Fund. Additionally, adjustments were needed to clear balance sheet balances for the Berks County Residential Center, which closed during 2023. These adjustments increased General Fund fund balance. A public safety grant fund received a small amount of funds that were not listed as receivable in 2023. Had this error been recorded properly in the prior period, public safety expense for the grant would have been higher on the Statement of Revenues, Expenditures and Changes in Fund Balances, leading to lower expense for the General Fund to cover. Prepaid expenses for the COVID vaccine clinic were written off during 2024 because no more funds will be received. Had this error been recorded properly in the prior period, public safety expense in the General Fund would have been higher on the Statement of Revenues, Expenditures and Changes in Fund Balances. These errors collectively understated fund balance for the General Fund.

Children and Youth Services

It was discovered during 2024 that Children and Youth Services' program income was carrying an incorrect fund balance total due to missing adjustments with other grant funding that needed to be resolved. Had this error been recorded properly in prior periods, human services expenses for Children and Youth would have been higher on the Statement of Revenues, Expenditures and Changes in Fund Balances. This error overstated fund balance for the Children and Youth Services' fund.

Nonmajor funds

It was discovered during 2024 that several Employment and Training funds were carrying incorrect fund balance totals, partially due to prior period interest allocations that needed to be resolved. Had this error been recorded properly in prior periods, investment earnings for Employment and Training would have been lower on the Statement of Revenues, Expenditures and Changes in Fund Balances. This error overstated fund balance for the nonmajor funds.

Custodial Funds

It was discovered during 2024 that an existing custodial bank account was not recorded in the general ledger. The adjustment to 12/31/2023 net position amounts to the beginning balance in the account at 01/01/2024. Had this error been recorded properly in prior periods, receipts from others (addition), interest and dividends (addition), and payments to others (deduction) would have been reported on the Statement of Changes in Fiduciary Net Position. This error understated net position for the Custodial Funds.

U. Intergovernmental revenues

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

V. Allowable expenses under grants

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. County management believes disallowances, if any, will be immaterial.

W. Leases

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

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

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

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

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

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

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

As a lessee, the County uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The County has determined that the County's Series B of 2021 Federally Taxable General Obligation Note issuance provided an appropriate base rate for the purpose of establishing its incremental borrowing rate used to measure leases at transition and leases commencing during the current report year. Certain required adjustments were then made to the Series B of 2021 Federally Taxable General Obligation Note rate to arrive at an estimated incremental borrowing rate. See Note 6 Capital Assets for information on right-to-use assets and associated accumulated amortization. See Note 8 Leases and Subscription-Based Information Technology Arrangements for future minimum lease payments schedule.

X. Subscription-Based Information Technology Arrangements

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

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

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

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

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

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

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

Y. Pending and adopted accounting pronouncements

In April 2022, the GASB issued Statement No. 99, "*Omnibus 2022.*" The requirements of this Statement related to leases, PPPs, and SBITAs are effective for financial statements for periods beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments are effective for periods beginning after June 15, 2023. The County has implemented this Statement, which is reflected in the 2024 reporting.

In June 2022, the GASB issued Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No.62.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2023. The County has implemented this Statement, which is reflected in the 2024 reporting.

In June 2022, the GASB issued Statement No. 101, "*Compensated Absences.*" The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2023. The County has implemented this Statement, which is reflected in the 2024 reporting.

In December 2023, the GASB issued Statement No. 102, "*Certain Risk Disclosures.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2024. The County is currently evaluating the effect of implementation of this Statement.

In April 2024, the GASB issued Statement No. 103, "*Financial Reporting Model Improvements.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

In September 2024, the GASB issued Statement No. 104, "*Disclosure of Certain Capital Assets.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

NOTE 2: CASH AND INVESTMENTS

A. Primary government

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

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

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

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

The carrying amounts of the cash and investments at December 31, 2024 consist of the following:

Cash and cash equivalents	\$ 188,726,343
Petty cash	15,275
Investments	678,852,978
	<u>\$ 867,594,596</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 121,517,117
Current assets, cash and cash equivalents, restricted	48,963,139
Current assets, investments	26,410,786
Noncurrent assets, investments	76,379,702

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	275,742
Investments	571,525,064

Custodial fund:

Cash and cash equivalents	17,985,620
Investments	4,537,426
	<u>\$ 867,594,596</u>

Cash and cash equivalents

The County's available cash and cash equivalents are invested in demand deposit accounts, repurchase agreements, certificates of deposit, money market funds, mutual funds, and securities backed by the full faith and credit of the United States government.

The County has custodial credit risk on cash deposits. This is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has a deposit policy for custodial risk that requires depository institutions to pledge securities as collateral for deposits that exceed depository insurance.

At December 31, 2024, the carrying amounts of the County's bank deposits were \$188,726,343 and the bank balances were \$192,958,492. For all bank accounts under the County of Berks EIN, amounts up to \$250,000 per financial institution are covered by Federal Depository Insurance and the remaining amounts are collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County invests in PLGIT, an external investment pool, in the amount of \$71,712,460, to ensure safety and maximize efficiency, liquidity, and yield for County funds. The County is limited to two withdrawals per month from PLGIT. PLGIT issues separately audited financial statements which are available to the public. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2024, 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 \$30,416,952, which have been classified as cash and cash equivalents in the statement of net position. These money market funds are unrated and have an average maturity of less than one year.

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

As of December 31, 2024, 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					
U.S. Govt agency securities	\$ 102,790,488	\$ 26,410,786	\$ 76,379,702	\$ -	\$ -
Total Governmental Funds	102,790,488	26,410,786	76,379,702	-	-
Fiduciary Funds					
County Employee's Retirement:					
Negot. Certif. of deposit	337,515	337,515	-	-	-
Collective Trusts					
Special Situations Collective Fund	29,373,910	29,373,910	-	-	-
Global Private Assets VI	6,393,031	6,393,031	-	-	-
Core Property	36,251,249	36,251,249	-	-	-
Energy Debt	1,723,803	1,723,803	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Fund	23,601,034	23,601,034	-	-	-
S&P 500 IDX-A	88,789,351	88,789,351	-	-	-
Emerging Markets Equity Fund	17,373,359	17,373,359	-	-	-
US Equity Factor Allocation Fund	112,386,610	112,386,610	-	-	-
World Equity Ex-US Fund	126,472,656	126,472,656	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income Fund	46,240,411	46,240,411	-	-	-
High Yield Bond Fund	17,870,628	17,870,628	-	-	-
Limited Duration Bond	47,325,152	47,325,152	-	-	-
Emerging Markets Debt Fund	17,386,355	17,386,355	-	-	-
Custodial Funds:					
Negot. Certif. of deposit	4,537,426	4,537,426	-	-	-
Total Fiduciary Funds	576,062,490	576,062,490	-	-	-
Total Investments	\$ 678,852,978	\$ 602,473,276	\$ 76,379,702	\$ -	\$ -

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, 2024 was \$4,874,941 which was covered by Federal Depository Insurance.

The County had the following level of exposure to credit risk as of December 31, 2024:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 102,790,488	AAA
Negotiable certificates of deposit	4,874,941	Unrated
Mutual funds - Core fixed income	46,240,411	AA
Mutual funds - High Yield Bonds	17,870,628	B+
Mutual funds - Emerging Mkts Debt	17,386,355	BBB-
Mutual funds - SIIT Limited Duration	47,325,152	AA-
	<u>\$ 236,487,975</u>	

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	38%
International equity	25%
Fixed Income	22%
Real Estate/Alternative	15%
Cash	0%
	<hr/>
Total	100%

At December 31, 2024, 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, 2024, \$678,852,978 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, 2024.

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, 2024:

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	\$ 4,874,941	\$ -	\$ -	\$ 4,874,941
U.S. Government Agency securities	102,790,488	-	-	102,790,488
Fixed income mutual funds				
Core Fixed Income Fund	46,240,411	-	-	46,240,411
High Yield Bond Fund	17,870,628	-	-	17,870,628
Limited Duration Bond	47,325,152	-	-	47,325,152
Emerging Markets Debt Fund	17,386,355	-	-	17,386,355
Total fixed income mutual funds	128,822,546	-	-	128,822,546
Equity mutual funds				
Extended Market Index Fund	23,601,034	-	-	23,601,034
S&P 500 IDX-A	88,789,351	-	-	88,789,351
US Equity Factor Allocation Fund	112,386,610	-	-	112,386,610
Emerging Markets Equity Fund	17,373,359	-	-	17,373,359
World Equity Ex-US	126,472,656	-	-	126,472,656
Total equity mutual funds	368,623,010	-	-	368,623,010
Total investments by fair value level	\$ 605,110,985	\$ -	\$ -	\$ 605,110,985
Measured at Net Asset Value (NAV)				
Collective Trust Funds				73,741,993
Total Investment measured at fair value				\$ 678,852,978

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

Collective investment funds are valued at net asset value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the funds less their liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner. The following table summarizes investments for which fair value is measured using the NAV per share practical expedient:

		<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					
Special Situations Collective Fund	(a)	\$ 29,373,910	\$ -		
Global Private Assets VI	(b)	6,393,031	11,712,245		
Core Property	(c)	36,251,249	-	Immediate	None
Energy Debt	(d)	1,723,803	-	Immediate	None
Total Collective Trust Funds		<u>\$ 73,741,993</u>	<u>\$11,712,245</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 percent of total value aggregate across the entire portfolio. The CPF seeks both current income and long-term capital appreciation through management of the portfolio. Investments in this Fund can be redeemed quarterly at the current NAV per share based on the fair value of the underlying investments. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.
- (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. No requested redemptions from EDF as it is in wind down. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.
- (c) The Special Situations Collective Investment Trust Fund is a “master feeder” complex, by which the Trust invests substantially all of its assets in the SEI Special Situations Fund, LP (SSF). This structure provides a means for eligible investors to invest primarily in “fund of fund” hedge funds, while also opportunistically investing directly in any other securities and financial instruments. The SSF seeks to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. Investments in this Fund can be redeemed semiannually at the current NAV per share based on the fair value of the underlying investments once the 2 year lock up has been met (9/30/2025). The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.

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

B. Component units

1. Reading Regional Airport Authority

The Authority’s cash consists of the following at September 30, 2024:

Petty cash	\$	250
Unrestricted deposits		2,868,293
Restricted current deposits:		
Debt service account		2,431,823
Escrow deposits		56,076
Restricted noncurrent deposits:		
Airport improvement project funds		521,683
Sewage treatment plant reserve funds		337,698
	\$	<u>6,215,823</u>

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of September 30, 2024, the carrying amount of the Authority’s deposits was \$6,215,573, and the bank balance was \$6,277,044.

For the year ended September 30, 2024, \$250,000 of the Authority’s bank balance was covered by federal depository insurance (FDIC) and the remaining balance of \$5,777,044 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

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

- Direct obligations of the United States of America (USA), i.e., US Treasury Obligations.
- Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the USA.

- Obligations of government sponsored agencies which are not backed by the full faith and credit of the USA including Federal Home Loan Mortgage Corporation (FHLMC), Farm Credit System (FCS), Federal Home Loan Banks (FHLB), and Federal National Mortgage Associations (FNMA) excluding “stripped mortgage securities” purchased at proceeds exceeding their principal amounts.
- Deposits in savings accounts or time deposits in certificates of deposit insured by the Federal Deposit Insurance Company or other like insurance and for any amounts above the insured maximum, provided that approved collateral is provided by law, therefore shall be pledged by the depository.
- Repurchase agreements that are fully collateralized by obligation of the USA. Monthly statements of deposit collateral shall be obtained from the authorized depository.

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

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

The breakdown of total cash and investments (excluding amounts held for the Foundation) is as follows for the year ended June 30, 2024:

Cash-on-hand	\$	3,500
Deposits		8,432,476
Investments		21,374,756
Total	\$	<u>29,810,732</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, 2024, the carrying amount of the College’s deposits was \$8,432,476 and the bank balance was \$8,583,655. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$8,333,655 was exposed to custodial credit risk because it was uninsured and the collateral held by the depository’s agent was not in the College’s name. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly. Included in the deposits and bank balances above are certificates of deposit totaling \$0 for the year ended June, 30, 2024. These certificates of deposit are fully covered by federal depository insurance and included in investments for financial reporting purposes.

Investments: The fair value of investments for the College is presented below for the year ended June 30, 2024:

Investment	Interest Rates	Total	< 1 year	1 - 5 years
FNMA	0.500%	\$ 131,915	\$ -	\$ 131,915
FHLMC	0.375%	132,317	-	132,317
U.S. Treasury bills	N/A	1,919,524	1,919,524	-
U.S. Treasury note	0.250% - 4.250%	12,617,394	2,400,464	10,216,930
Other investments		6,573,606	6,573,606	-
Total investments		<u>\$ 21,374,756</u>	<u>\$ 10,893,594</u>	<u>\$ 10,481,162</u>

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

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

Interest rate risk: The College does have a formal investment policy that limits maturities in certain investments as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy limits investments to no more than a maximum maturity of 5 years with a focus on ensuring cash flow demands are met beyond one year.

Credit risk and concentration of credit risk: The College does have an investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2024, the College's investments in FNMA and FHLMC were rated as Aaa by Standard & Poor's. The College places no limit on the amount the College may invest in any one issuer. The College's investments are not subject to concentration of credit risk since all securities are guaranteed by the U.S. government.

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

Investments and Fair Value Measurements - Foundation for Reading Area Community College:
The Foundation's investments as of June 30, 2024 are summarized as follows:

Equities	\$ 7,479,425
Equity mutual funds	473,779
Exchange traded funds	2,371,806
Real estate investment trust	143,439
Fixed income	3,277,108
Cash and equivalents	<u>475,402</u>
 Total Investments	 <u>\$ 14,220,959</u>

The following schedule summarizes the Foundation's allocation of interest and investment return between net asset classifications in the statements of revenues, expenses, and changes in net position for the year ended June 30, 2024:

Category	Without Donor Restrictions	With Donor Restrictions	Total
Interest	\$ 50,845	\$ 254,717	\$ 305,562
Market gains	74,586	1,082,475	1,157,061
Fees	<u>(4,778)</u>	<u>(69,346)</u>	<u>(74,124)</u>
 Total Investments	 <u>\$ 120,653</u>	 <u>\$ 1,267,846</u>	 <u>\$ 1,388,499</u>

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the fair value measurement statement are described below:

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

Level 2: Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Investments: Charles Schwab holds the investments of the Foundation. The investments consist of money market funds, fixed income, real estate investment funds, exchange traded funds, equity mutual funds, and equity securities. The investment company has rated their holdings in accordance with the fair value hierarchy as noted above with Level 1 consisting of money market funds, fixed income, real estate investment funds, exchange traded funds, equity mutual funds, and equity securities..

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

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

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2024:

Category	Level 1	Level 2	Level 3	Total
Equities	\$ 7,479,425	\$ -	\$ -	\$ 7,479,425
Equity mutual funds	473,779	-	-	473,779
Exchange traded funds	2,371,806	-	-	2,371,806
Real estate investment trust	143,439	-	-	143,439
Fixed income	3,277,108	-	-	3,277,108
	13,745,557	-	-	13,745,557
Beneficial interest in perpetual trusts	-	-	10,955,026	10,955,026
Total assets at fair value	\$ 13,745,557	\$ -	\$ 10,955,026	\$ 24,700,583

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, 2024:

Balance, beginning of year	\$ 9,942,914
Contributions/purchases	-
Realized and unrealized gains (losses)	<u>1,012,112</u>
Balance, end of year	<u>\$10,955,026</u>

Beneficial Interests in Perpetual Trusts Held by Others - Foundation for Reading Area Community College: The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded as trust income in net assets with donor restrictions and amounted to \$754,035 for the year ended June 30, 2024. The value of the trusts recorded is \$10,955,026 at June 30, 2024.

NOTE 3: RESTRICTED ASSETS

Cash and investments whose use is limited to a specific purpose have been classified as “restricted” in the Statement of Net Position/Balance Sheet. Restricted assets at December 31, 2024 are composed of the following:

Governmental Funds

	Cash and Cash Equivalents	Investments
General Funds		
Environmental Litigation	\$ 75,082	\$ -
Hazmat Response Fund	2,609,102	-
MCT Trust	367,466	-
Worker's Compensation Trust	118,090	-
Elections Integrity	1,573,657	-
Health Choices Special Revenue		
Appendix V-PLGIT	855,743	-
Reinvestment	4,953,142	-
Risk and Contingency	14,649,664	-
Liquid Fuels		
Liquid Fuels-ACT 13	5,831,044	-
Liquid Fuels-ACT 89	2,495,023	-
Liquid Fuels-Local Use Fund	13,158,198	-
Special Legislation Fund		
Adult Probation Supervision Fund	1,350,496	-
Coroner Record Improvement Fund	191,322	-
Courts Automation Fund	85,034	-
Hotel Tax Fund	249,941	-
Prothonotary Automation Fund	21,037	-
Register of Wills Record Improvement Fund	281,858	-
Total Governmental Funds	<u>\$ 48,865,899</u>	<u>\$ -</u>
Business Type Activities		
Berks Heim		
Worker's Compensation Trust	<u>\$ 97,240</u>	<u>\$ -</u>

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March 1, payable under the following terms: 2 percent discount, March 1 through April 30; face amount, May 1 through June 30, and 10 percent penalty between July 1 and January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Berks County Tax Claim Bureau for collection. The County bills these taxes that are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The 2024 adopted rate of taxation was 8.345 mills.

County property tax revenues were reduced by approximately \$1,162,289 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

Local Economic Revitalization Tax Assistance (LERTA) Program

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

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

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

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

- City of Reading
- Bern Township
- Bethel Township

- Borough of Birdsboro
- Borough of West Reading
- Borough of Wyomissing
- Exeter Township
- Marion Township
- Muhlenberg Township
- Township of Cumru
- Upper Bern Township

The County has forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$1,162,289 for the year ended December 31, 2024.

Keystone Opportunity Zone Program (KOZ) Program

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

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

For the year ended December 31, 2024, all existing KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania had expired effective December 31, 2023. Therefore, the County did not forego any real estate tax revenue for 2024.

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, 2024 are as follows:

	Due from other funds	Due to other funds
Governmental funds:		
General Fund	\$ 95,846,090	\$ 113,584,498
Children and Youth Services	1,118,914	16,754,137
Health Choices	2,450,760	2,402,147
Drug and Alcohol	4,433,819	-
Nonmajor	22,282,697	10,110,271
	<u>126,132,280</u>	<u>142,851,053</u>
Proprietary fund:		
Berks Heim	16,718,773	-
	<u>16,718,773</u>	<u>-</u>
Total	<u>\$ 142,851,053</u>	<u>\$ 142,851,053</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 2024 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 5,681,272	\$ 17,152,859
Children and Youth Services	8,216,334	173,868
Health Choices	-	10,606
Drug and Alcohol	930,424	-
Nonmajor	6,845,058	4,335,755
	<u>\$ 21,673,088</u>	<u>\$ 21,673,088</u>

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

- Transfers of \$6,845,058 were made from the General Fund to several funds during 2024 to cover deficits in several special revenue funds.
- Transfers of \$8,216,334 were made from the General Fund to Children and Youth Services to cover the County's portion of CYS expenses and the change in invoice estimates.
- Transfers of \$1,050,004 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$930,424 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2024 was as follows:

- **Governmental activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,498,288	\$ -	\$ (165,427)	\$ -	\$ 13,332,861
Historical Treasures	2,290,344	-	-	-	2,290,344
Agricultural Easements	84,712,126	793,012	-	-	85,505,138
Software In Progress	9,115,569	-	(8,432,946)	-	682,623
Construction In Progress	7,230,942	13,435,922	(9,076,731)	-	11,590,133
Total capital assets, not being depreciated	<u>116,847,269</u>	<u>14,228,934</u>	<u>(17,675,104)</u>	<u>-</u>	<u>113,401,099</u>
Capital assets, being depreciated and amortized:					
Land and Improvements	5,107,350	232,282	-	-	5,339,632
Bldgs and Improvements	231,287,772	3,717,844	(258,459)	-	234,747,157
Furniture, Fixtures, Equip & Vehicles	96,281,031	12,516,068	(1,426,720)	-	107,370,379
Infrastructure	42,169,147	5,145,874	-	-	47,315,021
Right-To-Use Lease Real Estate	29,543,951	1,079,460	(761,843)	-	29,861,568
Right-To-Use Lease Equipment	117,439	-	-	-	117,439
Right-To-Use SBITA	10,955,069	-	-	-	10,955,069
Total capital assets, being depreciated and amortized	<u>415,461,759</u>	<u>22,691,528</u>	<u>(2,447,022)</u>	<u>-</u>	<u>435,706,265</u>
Total capital assets, historical cost	<u>532,309,028</u>	<u>36,920,462</u>	<u>(20,122,126)</u>	<u>-</u>	<u>549,107,364</u>
Less accumulated depreciation and amortization for:					
Land and Improvements	2,377,031	250,456	-	-	2,627,487
Bldgs and Improvements	153,274,797	6,302,209	(241,970)	-	159,335,036
Furniture, Fixtures, Equip & Vehicles	52,075,517	8,696,348	(1,424,904)	-	59,346,961
Infrastructure	9,087,843	1,182,628	-	-	10,270,471
Right-To-Use Lease Real Estate	3,141,024	1,694,740	(627,761)	-	4,208,003
Right-To-Use Lease Equipment	65,472	32,736	-	-	98,208
Right-To-Use SBITA	1,436,443	1,792,408	-	-	3,228,851
Total accumulated depreciation and amortization	<u>221,458,127</u>	<u>19,951,525</u>	<u>(2,294,635)</u>	<u>-</u>	<u>239,115,017</u>
Net capital assets, being depreciated and amortized	<u>194,003,632</u>	<u>2,740,003</u>	<u>(152,387)</u>	<u>-</u>	<u>196,591,248</u>
Total capital assets, net of accumulated depreciation and amortization	<u>\$ 310,850,901</u>	<u>\$ 16,968,937</u>	<u>\$ (17,827,491)</u>	<u>\$ -</u>	<u>\$ 309,992,347</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	\$ 158,828	\$ 172,868	\$ (331,696)	\$ -	\$ -
Capital assets, being depreciated:					
Buildings and improvements	44,330,030	13,075	(7,181)	-	44,335,924
Furniture, fixtures, equipment and vehicles	6,434,697	651,014	(210,683)	-	6,875,028
Total capital assets, being depreciated	50,764,727	664,089	(217,864)	-	51,210,952
Total capital assets, historical cost	50,923,555	836,957	(549,560)	-	51,210,952
Less accumulated depreciation for:					
Buildings and improvements	19,166,943	1,285,820	(7,181)	-	20,445,582
Furniture, fixtures, equipment and vehicles	5,194,270	455,005	(210,683)	-	5,438,592
Total accumulated depreciation	24,361,213	1,740,825	(217,864)	-	25,884,174
Net capital assets, being depreciated	26,403,514	(1,076,736)	-	-	25,326,778
Total capital assets, net of accumulated depreciation	\$ 26,562,342	\$ (903,868)	\$ (331,696)	\$ -	\$ 25,326,778

2. Depreciation and amortization expense

Depreciation and amortization expense was charged to functions/programs of the primary government during 2024 as follows:

- **Governmental activities:**

Judicial	\$ 505,327
Public safety	4,525,768
Public works	1,355,217
General government	12,783,120
Human services	63,234
Community and economic development	59,180
Culture and recreation	659,679
Total	<u>\$ 19,951,525</u>

- **Business-type activities:**

Berks Heim	\$ 1,740,825
Total	<u>\$ 1,740,825</u>

3. Capital projects commitments

The County Security project is in the construction phase with expenditures to date totaling \$453,156. Management anticipates this project to be completed by December 31, 2025 with a projected final cost of approximately \$2.2 million.

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

The Steam Plant Decentralization project is in the design phase with expenditures to date totaling \$188,817. Management anticipates this project to be completed by December 31, 2026 with a projected final cost of approximately \$5.5 million.

The Ag Center Renovation project is in the construction phase with expenditures to date totaling \$7,291,963. Management anticipates this project to be completed by December 31, 2025 with a projected final cost of approximately \$8.1 million.

The Ag Center Renovation project phase 2 is in the design phase with expenditures to date totaling \$63,185. Management anticipates this project to be completed by May 31, 2026 with a projected final cost of approximately \$4.9 million.

The Weidner's Mill Bridge project is in the design phase with expenditures to date totaling \$489. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately \$0.4 million.

The Moselem Springs Bridge project is in the design phase with expenditures to date totaling \$851. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately \$0.4 million.

The Deysher's Bridge project is in the design phase with expenditures to date totaling \$489. Management anticipates this project to be completed by December 31, 2027 with a projected final cost of approximately \$0.4 million.

The Berks Road Bridge project is in the design phase with expenditures to date totaling \$30,200. Management anticipates this project to be completed by December 31, 2025 with a projected final cost of approximately \$0.9 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling \$798,895.

B. Component units

1. Reading Regional Airport Authority

Capital asset balances and activity for the year ended September 30, 2024 were as follows:

	Balance October 1, 2023	Additions	Deletions (Reclass)	Balance September 30, 2024
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	1,905,384	945,033	-	2,850,417
Total not being depreciated	6,644,785	945,033	-	7,589,818
Capital assets being depreciated:				
Terminal building	9,151,532	-	-	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Sanitary sewer system	5,327,892	-	-	5,327,892
Land improvements	11,619,132	-	-	11,619,132
Runway improvements	39,359,488	-	-	39,359,488
Machinery and equipment	4,186,641	2,190,712	-	6,377,353
Total being depreciated	86,086,134	2,190,712	-	88,276,846
Less accumulated depreciation:				
Terminal building	4,634,325	185,715	-	4,820,040
Other buildings and related improvements	11,751,399	359,707	-	12,111,106
Sanitary sewer system	2,221,702	244,065	-	2,465,767
Land improvements	9,235,384	338,236	-	9,573,620
Runway improvements	27,269,910	1,286,175	-	28,556,085
Machinery and equipment	3,728,567	271,473	-	4,000,040
Total accumulated depreciation	58,841,287	2,685,371	-	61,526,658
Total capital assets being depreciated, net	27,244,847	(494,659)	-	26,750,188
Right-to-use lease assets being amortized:				
Equipment	19,335	-	-	19,335
Less accumulated amortization for:				
Equipment	11,279	3,867	-	15,146
Total right-to-use lease assets being amortized, net	8,056	(3,867)	-	4,189
Total Capital Assets, Net	\$ 33,897,688	\$ 446,507	\$ -	\$ 34,344,195

Construction in progress/commitments

Construction projects in progress at September 30, 2024 consist of the following:

Terminal apron	\$ 1,762,636
Airfield guidance signs	621,776
FBO renovation	274,490
Rehab lighting	92,956
Rehab terminal parking, Phase 1	38,172
Wasterwater treatment plant replacement pump	33,654
No foam testing equipment	24,858
Rehab north taxiway, Phase 1	1,875
	<hr/>
Total	<u>\$ 2,850,417</u>

At September 30, 2024, the Authority had \$2,922,832 in open contracts relating to the above projects, with \$858,491 of outstanding commitments remaining. Financial resources for these projects will come from FAA and BOA grants and existing Authority funds.

Related to the construction in progress and operations, the Authority has been awarded grants to fund approved outstanding capital improvement projects. The following are the amounts remaining on the grants and the local match commitment at September 30, 2024:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Rehab lighting TWS B East	\$ 1,162,395	\$ -	\$ -	\$ 1,162,395
Acquire/install airfield lighting	546,697	-	-	546,697
Construct deicing materials storage building	483,604	-	-	483,604
Terminal parking lot	395,173	-	-	395,173
Rehab terminal apron	168,389	-	-	168,389
Airfield guidance signs	102,382	5,687	5,687	113,756
Rehab north taxiway, Phase 1	40,723	-	-	40,723
ARFF safety equipment	11,726	-	1,303	13,029
	<hr/>	<hr/>	<hr/>	<hr/>
Total Grants	<u>\$ 2,911,089</u>	<u>\$ 5,687</u>	<u>\$ 6,990</u>	<u>\$ 2,923,766</u>

2. Reading Area Community College

Capital assets balances and activity for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Deletions/ Transfers	Balance June 30, 2024
Capital assets not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	5,459,867	13,956,530	(4,716,685)	14,699,712
Total capital assets not being depreciated	6,541,423	13,956,530	(4,716,685)	15,781,268
Capital assets being depreciated:				
Buildings and improvements	77,005,764	3,871,723	-	80,877,487
Equipment and furnishings	11,511,440	815,650	(226,246)	12,100,844
Library books	322,941	-	-	322,941
Total capital assets being depreciated	88,840,145	4,687,373	(226,246)	93,301,272
Less accumulated depreciation for:				
Buildings and improvements	40,424,899	2,285,878	-	42,710,777
Equipment and furnishings	9,416,271	753,971	(183,867)	9,986,375
Library books	322,941	-	-	322,941
Total accumulated depreciation	50,164,111	3,039,849	(183,867)	53,020,093
Total capital assets being depreciated, net	38,676,034	1,647,524	(42,379)	40,281,179
Right-to-use assets:				
Leased equipment and furnishings	406,908	268,656	-	675,564
Subscriptions	2,191,222	510,956	(199,597)	2,502,581
Total right-to-use assets	2,598,130	779,612	(199,597)	3,178,145
Less accumulated amortization for:				
Leased equipment and furnishings	264,727	149,601	-	414,328
Subscriptions	1,035,386	555,736	(200,691)	1,390,431
Total accumulated amortization	1,300,113	705,337	(200,691)	1,804,759
Right-to-use assets, net	1,298,017	74,275	1,094	1,373,386
Capital assets, net	\$ 46,515,474	\$ 15,678,329	\$ (4,757,970)	\$ 57,435,833

NOTE 7: RETIREMENT PLANS

A. Primary government

1. General information about the Plan

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

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

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

Employees covered by benefit terms. At December 31, 2024, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,540
Inactive plan members entitled to but not yet receiving benefits	396
Active plan members	1,877
Total members	<u>3,813</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 an additional amount to finance an unfunded accrued liability. For the 2024 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 3.87 percent of annual payroll.

2. Net Pension Asset (Liability)

The County's net pension asset (liability) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation for the 2024 measurement period at January 1 and rolled-forward to December 31.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation for the 2024 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2024 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 2024 measurement period (see pension plan's investment policy) are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur). See pages RSI 8 and 9 for further information.

Changes in Net Pension Asset (Liability)

	Increase(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)
	(a)	(b)	(b)-(a)
Balance at December 31, 2023	\$ 567,425,515	\$ 527,663,827	\$ (39,761,688)
Changes for the year:			
Service cost	9,706,944	-	(9,706,944)
Interest cost	42,865,894	-	(42,865,894)
Difference between expected and actual experience	10,828,616	-	(10,828,616)
Changes of Assumptions	-	-	-
Contributions - County	-	4,727,765	4,727,765
Contributions - member	-	8,984,408	8,984,408
Net investment income	-	64,384,749	64,384,749
Benefit payments, including refunds of member contributions	(33,436,110)	(33,436,110)	-
Administrative expense	-	(79,331)	(79,331)
Net changes	29,965,344	44,581,481	14,616,137
Balance at December 31, 2024	\$ 597,390,859	\$ 572,245,308	\$ (25,145,551)

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

Discount rate	Net Pension Asset (Liability)
1% decrease (6.5%)	\$ (88,918,650)
Current Discount Rate (7.5%)	\$ (25,145,551)
1% increase (8.5%)	\$ 28,692,456

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available on pages FS 12 and FS 13 of this financial statement.

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

At December 31, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 14,311,594	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	779,131	-
Total	<u>\$ 15,090,725</u>	<u>\$ -</u>

For the 2024 measurement period, the County recognized pension expense of \$12,115,164. Amounts reported as deferred (outflows) inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2025	\$ (10,666,886)
2026	(17,851,026)
2027	9,074,840
2028	4,352,347
2029	-
Thereafter	-
Total:	<u>\$ (15,090,725)</u>

4. Payable to the Pension Plan

For the 2024 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2024.

B. Component units

1. Reading Regional Airport Authority

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

Employees are eligible for participation in the Plan after they have been employed by the Authority for 13 weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; this contribution amount was \$516 at September 30, 2024. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2024 was \$44,629.

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, 2024 was \$10,104.

2. Reading Area Community College

Employee Defined Benefit Pension Plans

General Information about the Pension Plans

Plan Descriptions

SERS is a governmental cost-sharing multi-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund. SERS issues a publicly available financial report that can be obtained at www.sers.pa.gov.

PSERS (the system) is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania under Title 24 Part IV of the Pennsylvania General Assembly. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.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 multiplied by the final average salary multiplied by the annual accrual rate. According to the State Employees' Retirement Code (retirement code), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Prior to Act 2010-120, employees who retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a full retirement benefit. Members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50, with at least three years of service. Act 2010-120 preserved all benefits in place for members but mandated a number of benefit reductions for new members effective January 1, 2011, through December 31, 2018. The Act created a class of service in which members earn a benefit that accrues at 2 percent of the member's final average salary instead of 2.5 percent each year and vests in 10 years instead of five. The full retirement age is 65 for most employees who entered SERS membership after January 1, 2011, and age 55 for members of the General Assembly and certain employees classified in hazardous duty positions. Act 2017-5 changed the benefit structure for most new employees effective January 1, 2019, which created two hybrid plan options. The two hybrid plan options contain a Defined Benefit Plan component with a full retirement age of 67 that accrues at 1.25 percent or 1 percent of the member's final average salary.

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

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

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

Benefits are generally between 1 percent to 2.5 percent, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

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

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

Contributions

Pursuant to 5507 of the SERC (71 PA. C.S. §5507) the Commonwealth and other employers whose employees are SERS members are required to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity

reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. In the Commonwealth's 2017-2018 fiscal year, the Commonwealth paid the full actuarially required rate after being collared in the previous years due to Act 2010-120.

SERS Member Contributions:

The general membership contribution rate for all Class A and Class AA members is 5 percent and 6.25 percent of salary, respectively. The general membership contribution rate under Act 2010-120 for A-3 and A-4 members is 6.25 percent and 9.30 percent of salary, respectively. The contribution rate for Class D-4 members is 7.5 percent. All employee contributions are recorded in individually identified accounts that are credited with interest, calculated at 4.00 percent per annum, as mandated by statute.

SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2024 ranged between 27.60 percent and 41.09 percent of gross pay depending on the class of employee. Contributions to the pension plan from the College were \$55,738 for the year ended June 30, 2024.

PSERS Member Contributions:

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

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

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

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

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2024, was 33.09 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the College were \$421,036 for the year ended June 30, 2024. The college also contributed \$3,435 to the defined contribution pension plan for the year ended June 30, 2024.

PSERS State Contributions:

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

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

The College reported a net pension liability of \$4,264,982 for the year ended June 30, 2024, consisting of \$527,982 related to SERS and \$3,737,000 related to PSERS.

At June 30, 2024, the College reported a liability of \$527,982 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, 2023. 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, 2023, the College's proportion was 0.0025 percent, which is an increase of 0.0002 percent from its proportion measured as of December 31, 2022.

At June 30, 2024, the College reported a liability for its proportionate share of the PSERS net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows at June 30, 2024:

College's proportional share of the net pension liability	\$ 3,737,000
Commonwealth's proportional share of the net pension liability	<u>3,737,000</u>
Total proportionate share of the net pension liability	<u>\$ 7,474,000</u>

The PSERS net pension liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the College's proportion was 0.0084 percent, which was a decrease of 0.0004 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the College recognized total pension expense from the two plans of \$305,348. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summary of deferred outflows	SERS	PSERS	Total
Net difference between projected and actual investment earnings	\$ 41,481	\$105,000	\$146,481
Change in assumptions	22,754	56,000	78,754
Differences between expected and actual experience	14,909	1,000	15,909
Changes in proportions	128,870	12,000	140,870
Differences between employer contributions and proportionate share of total contributions	3,080	-	3,080
Contributions subsequent to measurement date	-	421,036	421,036
	<u>\$211,094</u>	<u>\$595,036</u>	<u>\$806,130</u>
Summary of deferred inflows	SERS	PSERS	Total
Net difference between projected and actual investment earnings	\$ -	\$ -	\$ -
Differences between expected and actual experience	1,073	51,000	52,073
Changes in proportions	43,463	202,000	245,463
Differences between employer contributions and proportionate share of total contributions	5,833	-	5,833
	<u>\$ 50,369</u>	<u>\$253,000</u>	<u>\$303,369</u>

The \$421,036 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, 2025.

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

	SERS	PSERS	Total
2025	\$ 70,488	\$ (30,000)	\$ 40,488
2026	31,652	(152,000)	(120,348)
2027	54,320	68,000	122,320
2028	3,165	35,000	38,165
2029	1,100	-	1,100
	<u>\$ 160,725</u>	<u>\$ (79,000)</u>	<u>\$ 81,725</u>

SERS Actuarial Assumptions

The actuarial valuation uses assumptions regarding future rates of investment return and rates of retirement, withdrawal, death, and disability among SERS members and their beneficiaries. The current set of assumptions used in the December 31, 2022 actuarial valuation, with the exception of the discount rate and inflation assumptions, was adopted by the State Employees' Retirement Board based upon actual experience of SERS during the years 2015 through 2019. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 7.125 percent to 7.00 percent effective as of the December 31, 2020 actuarial valuation. The Board reduced the annual investment return assumption from 7.000 percent to 6.875 percent during its 2022 review for the December 31, 2022 valuations. In addition, the SERS board approved a reduction in the inflation rate from 2.60 percent to 2.50 percent effective as of the December 31, 2020 actuarial valuation based on the experience study and has remained in effect since then. The following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method: Entry Age
- Investment return: 6.875 percent, includes inflation at 2.50 percent.
- Salary increases: Effective average of 4.55 percent, with a range of 3.30 percent and 6.95 percent including inflation at 2.50 percent.
- Mortality rates were based on the PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement

PSERS Actuarial Assumptions

The total pension liability at June 30, 2023 was determined by rolling forward the System's total pension liability at June 30, 2022 to June 30, 2023, using the following actuarial assumptions applied to all periods included in the measurement:

- Valuation date – June 30, 2022
- Actuarial cost method: Entry Age Normal – level percent of pay
- Investment return: 7.00 percent, includes inflation at 2.50 percent.
- Salary growth: Effective average of 4.50 percent, comprised of inflation of 2.50 percent and 2.00 percent for real wage growth and merit or seniority increases
- Mortality rates were based on a blend of 50 percent PubT-2010 and 50 percent PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year period ended June 30, 2020.

Long-Term Rate of Return

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

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the SERS board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

The SERS board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2023 is as follows

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	6.00%
Real estate	7.0%	4.80%
U.S. equity	31.0%	4.85%
International developed markets equity	14.0%	4.75%
Emerging markets equity	5.0%	4.95%
Fixed income	22.0%	1.75%
Inflation protection (TIPS)	3.0%	1.50%
Cash	2.0%	0.25%
	100.0%	

The PSERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension

The PSERS board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023 is:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLP's	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-10.50%	1.2%
	100.0%	

Discount Rate - SERS and PSERS

The discount rate used to measure the total pension liability was 6.875 percent for SERS and 7.00 percent for PSERS. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the SERS discount rate of 6.875 percent and PSERS discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.875 percent for SERS and 6.00 percent for PSERS) or one-percentage point higher (7.875 percent for SERS and 8.00 percent for PSERS) than the current rate as:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>5.875%</u>	<u>6.875%</u>	<u>7.875%</u>
College's proportionate share of the SERS net pension liability	\$ 634,513	\$ 527,982	\$ 355,979

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
College's proportionate share of the PSERS net pension liability	\$4,844,000	\$ 3,737,000	\$2,803,000

Pension Plan Fiduciary Net Position

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

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

Payables to the Pension Plan

At June 30, 2024, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$137,213. This amount represents the College's contractually obligated contributions for wages earned in April 2024 through June 2024.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5 percent if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2024 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, 2024 were \$2,588,937, which consisted of \$1,327,252 from the College and \$1,261,685 from employees.

403(b) Tax Shelter Plan

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

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**A. Primary government****Leases**

At December 31, 2024, the County included \$25,672,796 for the net right-to-use lease assets in capital assets, net of accumulated depreciation and amortization on its statement of net position. During 2024, the County recognized amortization expense and interest expense of \$1,727,476 and \$394,552, respectively, related to lease agreements. At December 31, 2024, the County included \$926,135 and \$16,646,728 for the current and noncurrent portions of the lease liabilities, respectively, on its statement of net position. At December 31, 2024, the lease activity was as follows:

Lease Payments					
Short-Term Lease Payments		\$	25,379		
Lease Assets	Beginning Balance		Additions	Deductions	Ending Balance
Lease Assets being Amortized					
Lease - Equipment	\$ 117,439	\$	-	\$ -	\$ 117,439
Lease - Real Estate	29,543,951		1,079,460	(761,843)	29,861,568
Total Lease Assets Being Amortized	29,661,390		1,079,460	(761,843)	29,979,007
Less: Accumulated Amortization					
Lease - Equipment	(65,472)		(32,736)	-	(98,208)
Lease - Real Estate	(3,141,024)		(1,694,740)	627,761	(4,208,003)
Total Accumulated Amortization	(3,206,496)		(1,727,476)	627,761	(4,306,211)
Total, Net of Accumulated Amortization	\$ 26,454,894	\$	(648,016)	\$ (134,082)	\$25,672,796

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

Lessee Arrangements

The County leases office space for certain County and District Justice Offices, land for communication towers and vehicles from external parties for various terms under long-term non-cancelable lease agreements. The leases generally expire at various dates through 2051 and provide for renewal options ranging from month-to-month to fourteen years per renewal option. In accordance with GASB Statement No. 87, the County records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate implicit in the lease, if available, or are otherwise discounted using the County's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The County had no variable lease expense during the year ended December 31, 2024. Certain of the County's leases are subject to residual value guarantees that were not included in the lease liability because they are not reasonably certain of being required. See Note 6 Capital Assets for information on right-to-use assets and associated accumulated amortization.

Maturity Analysis	Principal	Interest	Total
2025	\$ 926,135	\$ 385,408	\$ 1,311,543
2026	797,172	365,032	1,162,204
2027	774,830	348,148	1,122,978
2028	688,716	331,480	1,020,196
2029	278,196	320,391	598,587
2030 - 2034	1,492,574	1,479,743	2,972,317
2035 - 2039	1,360,219	1,288,813	2,649,032
2040 - 2044	837,045	1,159,047	1,996,092
2045 - 2049	806,132	1,073,616	1,879,748
2050 - 2054	1,534,708	953,753	2,488,461
2055 - 2059	2,164,909	736,857	2,901,766
2060 - 2064	2,308,115	492,015	2,800,130
2065 - 2069	2,517,891	232,109	2,750,000
2070 - 2074	1,086,221	13,779	1,100,000
Total	<u>\$ 17,572,863</u>	<u>\$ 9,180,191</u>	<u>\$ 26,753,054</u>

Lessor Arrangements

The County leases office space, communication tower space and land to external parties. The leases generally expire at various dates through 2033 and provide for renewal options of five years per renewal option. The County records lease receivables and deferred inflows of resources based on the present value of expected receipts over the lease term of the respective leases. The expected receipts are discounted using the County's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The County had no variable lease revenues during the year ended December 31, 2024. During the year ended December 31, 2024, the County recognized lease revenues and interest revenues related to lessor agreements totaling \$174,649 and \$103,150, respectively. The County also recognized short-term lease revenues of \$49,241 during the year ended December 31, 2024.

Subscription-Based Information Technology Arrangements

The County has SBITAs that are used primarily for various software and related licenses which meet the capitalization criteria specified by Generally Accepted Accounting Principles. Therefore, the County has recorded the SBITAs at the present value of the future minimum payments as of the inception date using its own estimated incremental borrowing rate (see Note 1). The SBITAs generally include original terms of three to ten years. Certain SBITAs include renewal options which extend the terms of the underlying agreements for one to three years per renewal option. Additionally, certain SBITAs include an unspecified number of autorenewal options for the County to extend the term for a period of one year each. At December 31, 2024, the County included \$7,726,218 for the net right-to-use assets in capital assets, net of accumulated depreciation and amortization on its statement of net position. At December 31, 2024, the SBITA activity was as follows:

Subscription Assets	Beginning Balance	Additions	Deductions	Ending Balance
Assets being amortized				
Right-To-Use SBITA	\$10,955,069	\$ -	\$ -	\$10,955,069
Total assets being amortized	10,955,069	-	-	10,955,069
Less: Accumulated amortization				
Right-To-Use SBITA	(1,436,443)	(1,792,408)	-	(3,228,851)
Total accumulated amortization	(1,436,443)	(1,792,408)	-	(3,228,851)
Net of accumulated amortization	\$ 9,518,626	\$ (1,792,408)	\$ -	\$ 7,726,218

During 2024, the County recognized amortization expense and interest expense of \$1,792,408 and \$242,192, respectively, related to SBITA agreements. During 2024, the County did not recognize any short-term expense related to SBITA agreements. The cost and accumulated amortization of the assets under the County's SBITAs included in capital assets totaled \$10,955,069 and \$3,228,851, respectively, as of December 31, 2024. The County's SBITA obligation included in current liabilities and noncurrent liabilities totaled \$1,155,472 and \$4,251,688, respectively, as of December 31, 2024.

	Principal	Interest	Total
2025	\$1,155,472	\$ 195,487	\$ 1,350,959
2026	1,215,211	146,385	1,361,596
2027	1,276,062	94,823	1,370,885
2028	1,339,705	40,697	1,380,402
2029	420,710	1,421	422,131
Total	\$5,407,160	\$ 478,813	\$ 5,885,973

B. Component units

1. Reading Regional Airport Authority

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

GASB No. 87 Leases – Included

GASB No. 87 Leases – Excluded – Regulated

GASB No. 87 Leases – Included

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

The Authority leases land, commercial buildings, and terminal office space to various third parties. These leases are payable monthly and accrue interest at 3.25 percent. The rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through January 2072. The Authority has recorded a lease receivable from these agreements as of September 30, 2024 of \$13,317,407 as well as a related deferred inflow of resources of \$11,888,573.

Lease-related revenue is as follows for the years ended September 30, 2024:

Lease income	\$ 404,417
Interest income	434,403
Total	<u>\$ 838,820</u>

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

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

	Principal	Interest	Total Payments
2025	\$ 190,560	\$ 428,309	\$ 618,869
2026	210,255	421,878	632,133
2027	243,331	414,513	657,844
2028	274,467	405,993	680,460
2029	300,730	396,683	697,413
2030 - 2034	1,979,479	1,808,720	3,788,199
2035 - 2039	2,868,810	1,414,639	4,283,449
2040 - 2044	3,918,635	855,739	4,774,374
2045 - 2049	1,236,523	406,022	1,642,545
2050 - 2054	597,628	292,221	889,849
2055 - 2059	378,105	209,567	587,672
2060 - 2064	402,174	149,077	551,251
2065 - 2069	473,033	78,218	551,251
2070 - 2074	243,677	8,831	252,508
Total	<u>\$13,317,407</u>	<u>\$7,290,410</u>	<u>\$ 20,607,817</u>

GASB No. 87 Leases – Excluded - Regulated

The Authority leases certain assets to various third parties, including hangars, grounds, and land, that are regulated leases under the FFA Rates and Charges Policy and Grant Assurance 22. Leased hangars, grounds, and land are considered exclusive use. These leases are payable monthly and the rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through May 2059. For the years ended September 30, 2024, the Authority received \$690,314 in payments from leases under regulated lease agreements, including those leases that are renewed month-to-month.

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

2025	\$ 463,378
2026	375,270
2027	386,528
2028	335,269
2029	324,376
2030 - 2034	1,778,184
2035 - 2039	2,023,575
2040 - 2044	2,223,269
2045 - 2049	1,355,824
2050 - 2054	1,051,692
2055 - 2059	235,267
Total	<u>\$ 10,552,632</u>

NOTE 9: RISK MANAGEMENT

A. Primary government

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

1. Self-insured workers' compensation

Since 2002, the County is exposed to risk of loss related to self-insurance activities for workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence for presumptive loss to any employee classified under class code(s) for which applicable state presumption laws have deemed compensability to apply for \$750,000. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$600,000 for all other employees.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements. Based on history of claims paid and the County's Aaa Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is \$183,860 for 2024.

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, 2024, are summarized as follows:

Governmental Activities	\$ 987,157
Business-type Activities	<u>704,310</u>
Total	<u>\$ 1,691,467</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2022, 2023 and 2024.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2022	\$ 2,054,971	\$ 491,345	\$ 842,082	\$ 1,704,234
2023	\$ 1,704,234	\$ 549,418	\$ 504,993	\$ 1,748,659
2024	\$ 1,748,659	\$ 657,506	\$ 714,698	\$ 1,691,467

2. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2024, the County has incurred and processed healthcare claims of \$38.2 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2024, are summarized as follows:

Governmental Activities	\$ 2,756,016
Business-type Activities	477,744
Total	<u>\$ 3,233,760</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2022, 2023 and 2024.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2022	\$ 1,796,828	\$ 36,787,235	\$ 35,805,180	\$ 2,778,883
2023	\$ 2,778,883	\$ 32,260,445	\$ 31,585,098	\$ 3,454,230
2024	\$ 3,454,230	\$ 37,981,985	\$ 38,202,455	\$ 3,233,760

3. Health Choices self-insured healthcare

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

The County has contracted with a behavioral health managed care organization, Community Care Behavioral Health Organization (Community Care), which is responsible for most of the day to day functions including care management, establishment of the provider network, and claims payments to providers. Community Care accrues an estimate of its healthcare cost liability at the end of each accounting period. All monthly incurred claims' estimates are calculated by Community Care's actuary. The actuary uses a multitude of items in the calculation of incurred claims. Such items include authorizations, paid claims, historical

trends, completion factors, provider issues, etc. Incurred claims are accrued on a monthly basis in Community Care's general ledger. Community Care and the actuary continuously monitor prior month's incurred amounts and regularly make contract year to date adjustments to Community Care's incurred balances.

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

The actuary issued a Statement of Actuarial Opinion on April 28, 2025 certifying the total December 31, 2024 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, 2024, is \$4,854,192, 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, 2022, 2023 and 2024.

	January 1	Incurred		December 31
Year	Liability	Claims	Payments	Liability
2022	\$ 10,710,921	\$ 122,384,590	\$ 117,998,150	\$ 15,097,361
2023	\$ 15,097,361	\$ 110,238,450	\$ 111,213,932	\$ 14,121,879
2024	\$ 14,121,879	\$ 95,647,150	\$ 104,914,837	\$ 4,854,192

B. Component units

1. Reading Area Community College

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for health insurance, for which the College retains partial risk of loss. For insured programs there were no significant reductions in insurance coverages of the 2024 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$110,000 individually and for the year ended June 30, 2024. Stop gap insurance is in place for claims in excess of this threshold. Included in the financial statements is a liability for \$722,485 for outstanding estimated claims for the year ended June 30, 2024. This liability is entirely funded.

Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the year ending June 30, 2024:

Beginning of year medical insurance liability	\$ 445,485
Claims incurred	3,539,948
Claims paid	<u>(3,262,948)</u>
Balance at June 30	<u>\$ 722,485</u>

2. Reading Regional Airport Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage for the year ended September 30, 2024. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds and notes

Governmental activities

At December 31, 2024, general obligation bonds and notes consisted of the following:

	Balance outstanding January 1, 2024	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2024	Due within one year
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	\$ 6,041,900	\$ -	\$ 2,957,400	\$ 3,084,500	\$ 3,084,500
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	27,870,260	-	5,173,700	22,696,560	2,922,966
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.	8,480,000	-	5,000	8,475,000	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.	21,303,791	-	1,311,534	19,992,257	1,333,105
2021 General Obligation Note Series A, \$11,375,000 interest rate .9% through 2029, to advance refund the 2010 Series B General Obligation Bonds, and to advance refund the 2016 General Obligation Bonds.	6,400,000	-	1,674,000	4,726,000	1,685,000
2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028, to currently refund a portion of the 2015 General Obligation Bonds.	9,851,180	-	171,740	9,679,440	174,220
	\$ 79,947,131	\$ -	\$ 11,293,374	\$ 68,653,757	\$ 9,204,791
Unamortized premium 2015	595,392	-	297,696	297,696	297,696
Unamortized premium 2019	4,674,864	-	667,838	4,007,026	667,838
Unamortized premium 2019A	877,107	-	146,185	730,922	146,184
Total	\$ 86,094,494	\$ -	\$ 12,405,093	\$ 73,689,401	\$ 10,316,509
Less: Current Maturities				(10,316,509)	
				<u>\$ 63,372,892</u>	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2025	\$ 9,204,791	\$ 2,209,494	\$ 11,414,285
2026	9,110,585	1,865,256	10,975,841
2027	9,196,868	1,720,211	10,917,079
2028	11,019,435	1,482,075	12,501,510
2029	12,293,456	1,094,163	13,387,619
2030-2034	12,612,688	1,637,207	14,249,895
2035-2037	5,215,934	312,376	5,528,310
	<u>\$ 68,653,757</u>	<u>\$ 10,320,782</u>	<u>\$ 78,974,539</u>
Unamortized premium	5,035,644		
Bonds and notes payable at December 31, 2024	<u>\$ 73,689,401</u>		

Business-type activities

	Balance outstanding January 1, 2024	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2024	Due within one year
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	\$ 3,703,100	\$ -	\$ 1,812,600	\$ 1,890,500	\$ 1,890,500
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	114,738	-	21,300	93,438	12,034
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	3,386,208	-	208,466	3,177,742	211,895
2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028, to currently refund a portion of the 2015 General Obligation Bonds.	6,037,820	-	105,260	5,932,560	106,780
	<u>\$ 13,241,866</u>	<u>\$ -</u>	<u>\$ 2,147,626</u>	<u>\$ 11,094,240</u>	<u>\$ 2,221,209</u>
Unamortized premium 2015	364,917	-	182,459	182,458	182,459
Unamortized premium 2019	19,246	-	2,749	16,497	2,750
Total	<u>\$ 13,626,029</u>	<u>\$ -</u>	<u>\$ 2,332,834</u>	<u>\$ 11,293,195</u>	<u>\$ 2,406,418</u>
Less: Current Maturities				(2,406,418)	
				<u>\$ 8,886,777</u>	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2025	\$ 2,221,209	\$ 253,706	\$ 2,474,915
2026	2,683,415	153,045	2,836,460
2027	2,708,132	117,607	2,825,739
2028	1,136,565	81,224	1,217,789
2029	253,544	64,135	317,679
2030-2034	1,262,310	223,108	1,485,418
2035-2037	829,065	49,652	878,717
	<u>\$ 11,094,240</u>	<u>\$ 942,477</u>	<u>\$ 12,036,717</u>
Unamortized premium	198,955		
Bonds and notes payable at December 31, 2024	<u>\$ 11,293,195</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, 2024, \$106,385,000 of bonds outstanding is considered defeased.

3. Federal arbitrage regulations

The County is subject to federal arbitrage regulations on its non-taxable general obligation bonds and notes. There was no outstanding liability for federal arbitrage due and payable in the governmental funds or the accrual-based government wide financial statements at December 31, 2024.

4. Covenants

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

The outstanding bonds are subject to covenants, including a requirement to annually budget amounts required to pay debt service and pledges its full faith, credit and taxing power. In addition, the County has certain continuing disclosure requirements. At December 31, 2024, the County was in compliance with these financial and operational covenants.

5. Other changes in long term liabilities

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

	Balance January 1, 2024	Additions & Transfers	Reductions & Transfers	Balance December 31, 2024	Due within one year
Governmental activities:					
Lease payable	\$ 17,734,030	\$ 1,079,460	\$ 1,240,627	\$ 17,572,863	\$ 926,135
SBITA payable	6,507,911	-	1,100,751	5,407,160	1,155,472
Net pension liability	36,215,544	-	12,420,793	23,794,751	-
Bonds, loans and notes payable, net	86,094,494	-	12,405,093	73,689,401	10,316,509
Payable from restricted assets	28,628,485	27,277,619	19,926,529	35,979,575	-
Agricultural easement installment purchases	84,538	158,071	42,017	200,592	116,816
Workers compensation accrued liabilities	1,056,622	11,617	81,082	987,157	221,524
Compensated absences payable	8,676,150	121,961	636,691	8,161,420	1,510,401
Total governmental activities	<u>\$ 184,997,774</u>	<u>\$28,648,728</u>	<u>\$47,853,583</u>	<u>\$ 165,792,919</u>	<u>\$ 14,246,857</u>
Business-type activities:					
Net pension liability	\$ 3,546,144	\$ -	\$ 2,195,344	\$ 1,350,800	\$ -
Bonds, loans and notes payable	13,626,029	-	2,332,834	11,293,195	2,406,418
Workers compensation accrued liabilities	692,037	20,680	8,407	704,310	128,596
Compensated absences payable	1,059,349	34,235	22,718	1,070,866	387,910
Total business-type activities	<u>\$ 18,923,559</u>	<u>\$ 54,915</u>	<u>\$ 4,559,303</u>	<u>\$ 14,419,171</u>	<u>\$ 2,922,924</u>

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

B. Component units

Revenue bonds payable and notes payable

• Reading Area Community College

Notes payable from direct borrowings on June 30, 2024 consist of several outstanding tax-exempt revenue notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority. The College has pledged its full faith and credit for the repayment of the notes issued.

The notes were issued to provide funds to undertake various capital projects at the College or to advance refund certain previously issued bonds. Activity for the various note series for the year ended June 30, 2024, was as follows:

Description	Original Issue	Interest Rate	Balance outstanding July 1, 2023	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2024
College Revenue Note Series A of 2016, final maturity April 2036	\$ 3,355,738	2.30%	\$ 1,310,000	\$ -	\$ 96,500	\$ 1,213,500
College Revenue Note Series of 2017, final maturity April 2029	8,066,000	2.50%	5,517,000	-	865,000	4,652,000
College Revenue Note Series of 2023A, final maturity April 2043	3,000,000	4.21%	3,000,000	-	-	3,000,000
College Revenue Note Series of 2023B, final maturity June 2028	4,000,000	3.71%	4,000,000	-	2,000,000	2,000,000
College Revenue Note Series of 2023C, final maturity June 2026	3,000,000	3.80%	3,000,000	-	-	3,000,000
College Revenue Note Series of 2023D, final maturity June 2026	<u>2,000,000</u>	4.87%	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
	<u>\$ 23,421,738</u>		<u>\$ 18,827,000</u>	<u>\$ -</u>	<u>\$ 2,961,500</u>	<u>\$ 15,865,500</u>

Principal and interest requirements to maturity are as follows:

Maturity Date	Direct Borrowings			
	Revenue Note, Series A of 2016	Revenue Note, Series of 2017	Revenue Note, Series of 2023A	Revenue Note, Series of 2023B
2025	\$ 99,000	\$ 886,000	\$ -	\$ -
2026	101,000	907,000	65,000	-
2027	92,000	931,000	90,000	-
2028	85,500	950,000	130,000	2,000,000
2029	89,000	978,000	135,000	-
2030-2034	509,500	-	755,000	-
2035-2039	237,500	-	930,000	-
2040-2043	-	-	895,000	-
	<u>\$ 1,213,500</u>	<u>\$ 4,652,000</u>	<u>\$ 3,000,000</u>	<u>\$ 2,000,000</u>

Maturity Date	Direct Borrowings			
	Revenue Note, Series of 2023C	Revenue Note, Series of 2023D	Total Notes Payable	Interest
2025	\$ -	\$ -	\$ 985,000	\$ 549,928
2026	3,000,000	2,000,000	\$ 6,073,000	566,917
2027	-	-	\$ 1,113,000	303,698
2028	-	-	\$ 3,165,500	283,642
2029	-	-	\$ 1,202,000	188,739
2030-2034	-	-	\$ 1,264,500	606,290
2035-2039	-	-	\$ 1,167,500	325,169
2040-2043	-	-	\$ 895,000	95,988
	<u>\$ 3,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 15,865,500</u>	<u>\$ 2,920,371</u>

Leases

The College has entered into lease agreements for various technology equipment including copiers, printers, and computers. The leases have various termination dates through December 2026. These leases include either monthly or annual payments of principal and interest at rates ranging from 2.95 percent to 8.00 percent.

Future lease maturities as of June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 79,468	\$ 13,619	\$ 93,087
2026	<u>88,913</u>	<u>7,380</u>	<u>96,293</u>
Total	<u>\$ 168,381</u>	<u>\$ 20,999</u>	<u>\$ 189,380</u>

Subscriptions

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 261,593	\$ 26,994	\$ 288,587
2026	166,715	15,256	181,971
2027	80,841	7,624	88,465
2028	<u>85,310</u>	<u>3,919</u>	<u>89,229</u>
Total	<u>\$ 594,459</u>	<u>\$ 53,793</u>	<u>\$ 648,252</u>

Long-term liabilities and activity for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Direct borrowings	\$ 19,796,704	\$ -	\$ 3,237,608	\$ 16,559,096	\$ 1,229,268
Lease payable	103,833	163,582	99,034	168,381	79,468
Subscription liability	726,444	333,793	465,778	594,459	261,593
	<u>20,626,981</u>	<u>497,375</u>	<u>3,802,420</u>	<u>17,321,936</u>	<u>1,570,329</u>
Medical insurance liability	445,485	3,539,948	3,262,948	722,485	-
Compensated absences	869,255	1,142,458	1,073,390	938,323	690,611
Net pension liability	4,426,897	267,886	429,801	4,264,982	-
Net other postemployment benefit liabilities	1,306,499	-	38,246	1,268,253	-
	<u>1,306,499</u>	<u>-</u>	<u>38,246</u>	<u>1,268,253</u>	<u>-</u>
Total long-term liabilities	<u>\$ 27,675,117</u>	<u>\$ 5,447,667</u>	<u>\$ 8,606,805</u>	<u>\$ 24,515,979</u>	<u>\$ 2,260,940</u>

Total interest expense for the year ended June 30, 2024 was \$713,527.

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

- **Reading Regional Airport Authority**

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

	September 30, 2024
Revenue Note, Series A of 2008 (Direct Borrowing) - Series A of 2008 (AMT) in the amount of \$3,705,000. The proceeds were used to currently refund the 2004A Bonds. The note will mature on April 1, 2026. In June 2021, the Authority entered into a note modification agreement, with the bank, fixing the interest rate at 2.55% through note maturity. Principal and interest are payable semi-annually.	\$ 272,936
Revenue Note, Series B of 2008 (Direct Borrowing) Series B of 2008 (Non-AMT) in the amount of \$3,850,000. The proceeds were used to currently refund the 2004B Bonds. The note will mature on October 1, 2033. In June 2021, the Authority entered into a note modification agreement, with the bank, fixing the interest rate at 2.65% through October 1, 2030. Thereafter, the interest rate shall be adjusted from time to time to equal 1-Month London Interbank Offered Rate, plus 1.50%. However, the maximum interest rate on the Note shall never exceed 4.00% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,280,000, which satisfies principal payments through October 2025.	2,570,000
Revenue Bonds, Series of 2023 (Direct Borrowing) On November 1, 2023, the Authority authorized the issuance and sale of the Series of 2023 Bonds for \$15,985,000 under terms of the trust indenture the following revenue bonds were issued to the Authority with the County Commissioners agreeing to guarantee the bonds. The proceeds were used for the acquisition of two FBOs (see the Authority Note 11). The bonds will bear interest at a fixed rate of 5.00% through October 1, 2033. From October 1, 2033 through April 2044, the interest rate ranges from 4.25% to 5.25%	15,985,000
Total long-term debt	<u>\$ 18,827,936</u>

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

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

The Reading Regional Airport Authority issued the Series 2023 bonds in November 2023 totaling \$15,985,000 to finance the Authority's acquisition of two fixed based operators (FBOs) located at the Airport. The bonds mature April 1, 2044 with interest payable semi-annually April 1 and October 1 at rates ranging from 4.25 percent to 5.25 percent. The bonds are guaranteed by the County of Berks. In the event that Reading Regional Airport Authority is unable to make a payment, the County of Berks will be required to make that payment. The County has not been called upon to make any payments related to this debt.

The future annual payments required to amortize all outstanding long-term debt, all of which are considered direct borrowings, are as follows for the years ending September 30:

Years Ending September 30:	Revenue Note, Series A and B of 2008 Principal	Revenue Note, Series of 2023 Bonds Principal	Total Long-Term Debt	Total Interest*	Total Debt Service
2025	\$ 125,000	\$ 490,000	\$ 615,000	\$ 828,359	\$ 1,443,359
2026	147,936	515,000	662,936	796,420	1,459,356
2027	275,000	540,000	815,000	763,851	1,578,851
2028	290,000	565,000	855,000	729,306	1,584,306
2029	305,000	595,000	900,000	693,713	1,593,713
2030-2034	1,700,000	3,460,000	5,160,000	2,739,250	7,899,250
2035-2039	-	4,355,000	4,355,000	1,844,569	6,199,569
2040-2044	-	5,465,000	5,465,000	1,126,012	6,591,012
Total	<u>\$ 2,842,936</u>	<u>\$ 15,985,000</u>	<u>\$ 18,827,936</u>	<u>\$ 9,521,480</u>	<u>\$ 28,349,416</u>

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

Leases Payable

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

Future lease maturities as of September 30 are as follows:

	Principal	Interest	Total Payments
2025	\$ 4,108	\$ 73	\$ 4,181
2026	361	-	361
Total	<u>\$ 4,469</u>	<u>\$ 73</u>	<u>\$ 4,542</u>

Long-term liability balances and activity for the year ended September 30, 2024 are as follows:

	Beginning Balance	Additions	Payments/ Amortization	Ending Balance	Due Within One Year
Direct borrowings:					
Revenue Note, Series A of 2008	\$ 517,936	\$ -	\$ 245,000	\$ 272,936	\$ 125,000
Revenue Note, Series B of 2008	2,570,000	-	-	2,570,000	-
Revenue Note, Series of 2023	-	15,985,000	-	15,985,000	490,000
Total direct borrowings	3,087,936	15,985,000	245,000	18,827,936	615,000
Premium on Bonds	-	52,687	-	52,687	
Lease payable	8,446	-	3,977	4,469	4,108
Total	\$ 3,096,382	\$ 16,037,687	\$ 248,977	\$ 18,885,092	\$ 619,108

Total interest paid during the year ended September 30, 2024 was \$767, 986.

Events of Default

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

Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street Journal prime (8.00 percent at September 30, 2024). Interest only payments are due monthly with principal due on May 1, 2025. There was no balance on the line of credit at September 30, 2024.

- **Reading Area Community College**

At June 30, 2024, the College has an unsecured bank line of credit with availability of \$5,000,000. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2025. There is no outstanding balance on this line of credit at June 30, 2024.

Loans payable and long-term liabilities

- Reading Area Community College

	Balance outstanding June 30, 2024
<hr/>	
In October 2022, the College entered into an agreement to borrow up to \$878,659 to finance bathroom renovations and plumbing upgrades through the Pennsylvania State Public School Building Authority (PSPSBA). The agreement requires semiannual payments of \$92,773, including interest at 2.00% per annum. Final payment is due in October 2027. The College has pledged its full faith and credit for the repayment of the loan.	\$ 623,254
In July 2022, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of \$43,208 including 4.59% interest through maturity in July 2024. The purchase is secured by the underlying assets.	-
In May 2023, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of \$76,932 including 9.37% interest through maturity in May 2025. The purchase is secured by the underlying assets.	70,342
	<hr/>
Total loan and financed purchases payable	\$ 693,596
	<hr/>

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

	Direct Borrowings		Total Debt
	Principal	Interest	Service
2025	\$ 244,268	\$ 18,211	\$ 262,479
2026	177,422	8,125	185,547
2027	180,988	4,559	185,547
2028	90,918	921	91,839
	<hr/>	<hr/>	<hr/>
	\$ 693,596	\$ 31,816	\$ 725,412
	<hr/>	<hr/>	<hr/>

Event of Default

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

NOTE 11: FUND BALANCE POLICY

A. Primary government

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

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

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

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

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

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

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

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

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

Fund balances of the County's governmental funds at December 31, 2024 consist of the following:

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

	General Fund	Children and Youth Services	Health Choices	Drug and Alcohol	Nonmajor	Total Governmental
Nonspendable:						
Employee pay advance	\$ 21,957	\$ 1,241	\$ -	\$ -	\$ -	\$ 23,198
Inventories and prepaid expenses	9,325,783	-	-	-	2,216,378	11,542,161
Total Nonspendable	9,347,740	1,241	-	-	2,216,378	11,565,359
Restricted:						
Gift fund	-	23,682	-	-	-	23,682
Hazmat response	2,649,652	-	-	-	-	2,649,652
Act 198 - Courts	172,536	-	-	-	-	172,536
Workers' compensation	118,090	-	-	-	-	118,090
Special revenue funds	-	-	-	-	24,982,485	24,982,485
Opioid settlement	-	-	-	4,432,422	-	4,432,422
Act 13 Marcellus Shale	796,704	-	-	-	-	796,704
Total Restricted	3,736,982	23,682	-	4,432,422	24,982,485	33,175,571
Committed:						
Farmland preservation	3,416,299	-	-	-	-	3,416,299
Services Center Parking Garage	407,277	-	-	-	-	407,277
COVID Community Support Funds	25,639,794	-	-	-	-	25,639,794
2025 Capital Projects	18,096,401	-	-	-	-	18,096,401
Total Committed	47,559,771	-	-	-	-	47,559,771
Assigned:						
Divorce Hearing Officers	10,897	-	-	-	-	10,897
Total Assigned	10,897	-	-	-	-	10,897
Unassigned						
	137,677,198	-	-	-	-	137,677,198
Total Governmental Fund Balance	\$ 198,332,588	\$ 24,923	\$ -	\$ 4,432,422	\$ 27,198,863	\$ 229,988,796

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

- Farmland preservation – this commitment represents funds raised to purchase farmland as part of the agricultural preservation program in the General Fund.
- Services Center Parking Garage – this commitment represents amounts to be used to fund any necessary repairs to the Services Center Parking Garage.
- COVID Community Support Funds – this commitment represents amounts in the general fund to be used to support local communities due to the impact of the COVID pandemic.
- 2025 Capital Projects – this commitment represents amounts to be used for 2025 capital projects.
- Divorce Hearing Officers – this assignment represents amounts to be used for the Divorce Hearing Officers.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 61.4 percent of the County's employees are covered by collective bargaining agreements as of December 31, 2024. The AFSCME union contract expires December 31, 2026. The Teamsters union contract expired December 31, 2023 and negotiations are in progress. The United Food & Commercial Workers union contract expired on December 31, 2024 and negotiations are in progress. The Service Employees International Union contract expired on December 31, 2024 and the new contract expires January 31, 2029. The Deputy Sheriff's Association union contract expires December 31, 2025. Both the PSSU and Detective contracts expire on December 31, 2026.

B. Component units

1. Reading Regional Airport Authority

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

The Authority is involved with certain litigation matters, which are in the early stages. The results, in the opinion of management, are not likely to affect the Authority's financial condition, results of operations, or cash flows.

2. Reading Area Community College

Construction Commitments

At June 30, 2024, the College has entered into a number of contracts related to College renovation and capital projects. Commitments outstanding are as follows at June 30, 2024:

	<u>Contract Amount</u>	<u>Commitment Remaining</u>
Weitz Healthcare Pavilion Renovation Project	\$ 16,371,954	\$ 2,784,494
Welcome Home Project	<u>1,363,496</u>	<u>1,363,496</u>
	<u>\$ 17,735,450</u>	<u>\$ 4,147,990</u>

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

Federal and State Revenues

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

NOTE 13: CONTRACTUAL AGREEMENT REVENUE

A. Component unit

Reading Area Community College

The College entered into a five-year contract with Barnes & Noble College Booksellers, LLC, effective December 2017 to operate the College's bookstore. Terms of the contract require Barnes & Noble to pay the College 14 percent of sales up to \$2,500,000, 15.5 percent of sales from \$2,500,000 to \$3,000,000, and 17 percent of sales over \$3,000,000. The contract was amended effective December 1, 2023 through June 30, 2024, changing the terms of payments to the college to 0.0 percent on all Gross Sales of Course Materials, 5.0 percent on all Gross Sales of First Day and Digital products, and 5.0 percent on all Gross Sales of General Merchandise.

In addition, the contract stated that Barnes & Noble will renovate and move the bookstore facility for a cost up to \$165,000. The actual total cost of renovations at June 30, 2018 was \$107,604. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Barnes & Noble the book value of the renovations put in service by Barnes & Noble depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Barnes & Noble over the life of the contract. All unearned revenue from the renovations has been recognized as of June 30, 2024.

Total revenue from these agreements, including the amortization of the bookstore renovations, was \$131,603 for the year ended June 30, 2024 and is included in other revenues on the statements of revenues, expenses and changes in net position.

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

NOTE 14: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component unit

Reading Area Community College

Health Insurance Premium Assistance Program

Employee Defined Benefit Other Postemployment Benefit Plans

The College has other postemployment benefits (OPEB) under two different plans: (1) a cost-sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (College OPEB Plan). The College's aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2024 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	\$ 152,000	\$ 33,143	\$ 50,000
College OPEB Plan	1,116,253	339,272	482,356
Total	<u>\$ 1,268,253</u>	<u>\$ 372,415</u>	<u>\$ 532,356</u>

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

PSERS (the System) provides Premium Assistance which is a governmental, cost-sharing, multiple-employer, other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

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

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

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

Pension Plan Description

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

Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The College's contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.64 percent of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the College were \$8,143 for the year ended June 30, 2024.

PSERS State Contributions:

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

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

At June 30, 2024, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the College are as follows at June 30, 2024:

College's proportional share of the net OPEB liability	\$ 152,000
Commonwealth's proportional share of the net OPEB liability	<u>152,000</u>
Total proportionate share of the net OPEB liability	<u>\$ 304,000</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The College's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the College's proportion was 0.0084 percent, which was a decrease of 0.0004 percent from its proportion measured as of June 30, 2023

For the year ended June 30, 2024, the College recognized OPEB expense of \$1,395. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2024:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,000	\$ 1,000
Changes of assumptions	13,000	29,000
Changes in proportion	11,000	20,000
Contributions made subsequent to the measurement date	<u>8,143</u>	<u>-</u>
	<u>\$ 33,143</u>	<u>\$ 50,000</u>

The \$8,143 reported as deferred outflows of resources related to OPEB resulting from College contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. 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:

2025	\$ (5,000)
2026	(3,000)
2027	(8,000)
2028	(7,000)
2029	<u>(2,000)</u>
	<u>\$ (25,000)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2023, was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial valuation date – June 30, 2022
- Actuarial cost method – Entry Age Normal – level percent of pay.
- Investment return – 4.13 percent – S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50 percent, comprised of inflation of 2.50 percent and 2.00 percent for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50 percent PubT-2010 and 50 percent PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50 percent
 - Eligible retirees will elect to participate Post-age 65 at 70 percent

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63 percent utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

The PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100%	1.2%

Discount Rate

The discount rate used to measure the total OPEB liability was 4.13 percent. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13 percent which represents the S&P 20-year Municipal Bond Rate, at June 30, 2023, 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, 2023, 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, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 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, 2023 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	<u>\$ 152,000</u>	<u>\$ 152,000</u>	<u>\$ 152,000</u>

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (3.13 percent) or one-percentage point higher (5.13 percent) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
College's proportionate share of the net OPEB liability	<u>\$ 172,000</u>	<u>\$ 152,000</u>	<u>\$ 135,000</u>

OPEB Plan Fiduciary Net Position

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

Payables Related to the Plan

At June 30, 2024, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$137,213. This amount represents the College's contractually obligated contributions for wages earned in April 2024 through June 2024.

College OPEB Plan

General Information About the College OPEB Plan

Plan Description

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

Benefits Provided

Benefit A – Life Insurance

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

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

Eligible retirees may elect to remain in the College's self-insured plans based on the following options: B1 – Medical, Prescription Drug, and Vision; B2 – Dental; B3 – Medical, Prescription Drug, Vision, and Dental. The medical and prescription drug PPO plan is administered by Loomis. The vision plan is administered by Vision Benefits of

America. The dental plan is administered by United Concordia. Benefits provided for the retiree only and will be provided for life or until the retiree opts out. The retiree is responsible for paying 102 percent of the premium rate for this coverage.

Benefit C – Early Retirement Lump Sum Payment

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

Benefit D – COBRA Reimbursement

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

Eligibility

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

Retirement Level 1

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

Retirement Level 2

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

Retirement Level 3

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

Employees Covered by Benefit Terms

At July 1, 2023, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Active participants	197
Retired participants	132
	<hr/>
	329
	<hr/>

OPEB Liability

Actuarial Assumptions and Other Inputs

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

- Actuarial valuation date – June 30, 2023.
- Actuarial cost method – Entry Age Normal as a Level Percentage of Pay.
- Inflation rate – 3 percent.
- Salary increases – 2.50 percent.
- Discount rate – 4.13 percent - based on S&P Municipal Bond 20-Year High Grade Rate Index.
- Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021.
- Healthcare cost trend rates – 7.50 percent for 2025, decreasing 0.50 percent per year through 2028 and 0.25 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2032, and later.
- Participation rates of: benefit C only 90.0 percent; benefit D only 2.5 percent; benefits B and C 2.5 percent; and benefits B and D 5.0 percent.

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

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2023	\$ 1,144,499
Changes for the year:	
Service cost	29,669
Interest	40,515
Differences between expected and actual experience	21,155
Changes of assumptions or other inputs	(91,546)
Benefit payments	<u>(28,039)</u>
Net changes	<u>(28,246)</u>
Balance at June 30, 2024	<u>\$ 1,116,253</u>

Changes of assumptions or other inputs reflect the following changes:

- The increase in the discount rate from 3.54 percent in 2023 to 4.13 percent in 2024
- An update in the assumed medical 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 (3.13 percent) or one-percentage point higher (5.13 percent) than the current discount rate

	<u>1% Decrease (3.13%)</u>	<u>Current Discount Rate (4.13%)</u>	<u>1% Increase (5.13%)</u>
OPEB Plan - Total OPEB Liability	<u>\$ 1,282,111</u>	<u>\$ 1,116,253</u>	<u>\$ 982,517</u>

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	<u>\$ 1,105,765</u>	<u>\$ 1,116,253</u>	<u>\$ 1,132,254</u>

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

For the year ended June 30, 2024, the College recognized OPEB expense of \$65,492. The College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions or other inputs	\$ 285,958	\$ 301,973
Net difference between projected and actual experience	18,511	180,383
Benefit payments made subsequent to the measurement date	34,803	-
	<u>\$ 339,272</u>	<u>\$ 482,356</u>

The \$34,803 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. 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:

2025	\$ (4,692)
2026	(8,713)
2027	(11,115)
2028	(50,311)
2029	(50,306)
Thereafter	<u>(52,750)</u>
Total	<u>\$ (177,887)</u>

NOTE 15: GOVERNMENT ACQUISITION

A. Component unit

Reading Regional Airport Authority

On January 3, 2024, the Authority acquired certain Millennium Aviation and Reading Jet Center's assets in exchange for \$13,800,000 through a government acquisition arrangement. The Authority issued \$15,985,000 of Guaranteed Airport Revenue Bonds, Series of 2023 (Bonds), and the proceeds of the bonds were used to (1) fund the purchase and acquisition of Millennium Aviation and Reading Jet Center and (2) pay the costs of insuring and issuing the Bonds. The Authority will operate and maintain the fuel operations (i.e., service continuation) and account for its operations in its proprietary fund. The acquisition included all the assets of Millennium Aviation and Reading Jet Center, consisting of fuel farm fixed assets and equipment. The acquisition value of the fixed assets acquired was determined to be \$2,003,300. Included in the acquisition valuation are fuel sale operations and future lease income streams resulting from the terminated leases between the FBOs and the Authority. The Authority will have the ability to develop rental agreements with higher rates and higher yearly increases. Since the total consideration paid was greater than the acquisition value of the assets acquired, the conditions of the acquisition arrangement indicate the Authority should recognize deferred outflows for the difference of \$11,796,700.

NOTE 16: PRIMARY FUNDING SOURCES

A. Component unit

Reading Area Community College

General state legislation establishing community colleges provides for the reimbursement of certain college expenses from Commonwealth funds appropriated for this purpose. For the 2024 fiscal year, the community colleges in the Commonwealth of Pennsylvania were funded by a fixed appropriation. Each college's share of the appropriation is allocated based on its

prorated percentage of total community college eligible full-time equivalent enrollments in credit and noncredit courses generated throughout the Commonwealth's community college system. Capital expenditures, including debt services and net rental costs, are reimbursed to the extent appropriated. Any excesses or deficiencies between provisional payments and the final annual appropriation calculation in annual Commonwealth funding are reflected as a payable to or receivable from the Commonwealth. Total appropriations from the Commonwealth for the year ended June 30, 2024 were \$11,177,576.

NOTE 17: UNRESTRICTED NET POSITION/ASSETS

A. Component unit

Reading Area Community College

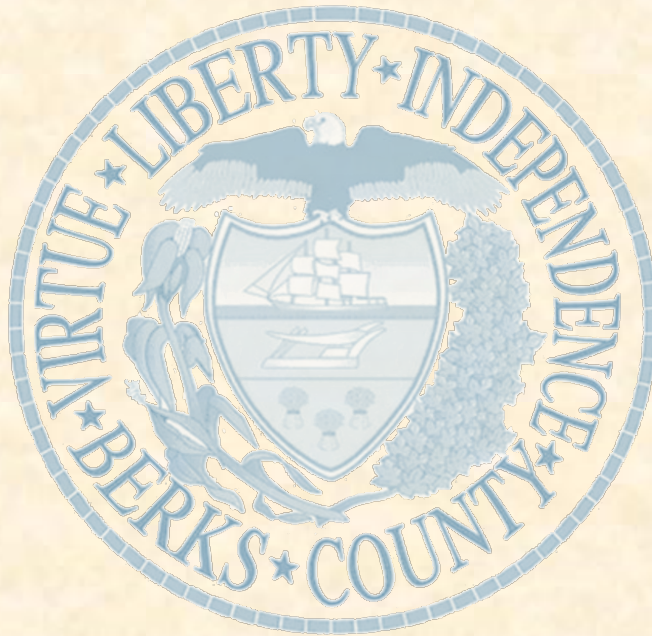
Unrestricted net position/assets are not subject to donor-imposed restrictions. The College's board of trustees and the Foundation's board of directors have differentiated unrestricted net position/assets as board-designated or undesignated assets for the following purposes at June 30, 2024:

	<u>Reading Area Community College</u>	<u>Foundation for Reading Area Community College</u>
Designated:		
Capital	\$ 1,203,832	\$ -
Technology	3,664,456	-
Campus enhancements	2,778,478	-
Challenge match	-	972,177
Books and equipment	-	115,021
Scholarships	-	300,710
Arts & culture	-	13,572
Student emergency assistance	-	90,280
Planned giving campaign	-	4,712
Presidential scholarships	-	260,000
Total designated	<u>7,646,766</u>	<u>1,756,472</u>
Undesignated	<u>13,841,668</u>	<u>873,945</u>
Total unrestricted net position/assets	<u>\$ 21,488,434</u>	<u>\$ 2,630,417</u>

NOTE 18: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 27, 2025. This is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2024 were noted as a result of this evaluation.



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, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 165,666,535	\$ 165,666,535	\$ 165,839,849	\$ 173,314
Court costs, fines and forfeitures	2,176,710	2,176,710	2,472,121	295,411
Investment earnings	7,326,216	7,387,069	11,634,765	4,247,696
Intergovernmental revenue	12,643,118	16,569,211	15,380,781	(1,188,430)
Departmental charges and reimbursements	57,204,277	59,977,469	58,671,948	(1,305,521)
Payments in lieu of taxes	247,671	247,671	292,512	44,841
Rentals	352,411	352,411	110,128	(242,283)
Sale of property, supplies and equipment	2,000	2,000	100,165	98,165
Miscellaneous	17,229,300	17,240,124	17,446,804	206,680
Total revenues	<u>262,848,238</u>	<u>269,619,200</u>	<u>271,949,073</u>	<u>2,329,873</u>
Expenditures				
General government, administrative:				
Commissioners	2,805,022	2,838,152	2,767,038	71,114
Solicitors	2,908,261	2,927,535	2,340,967	586,568
Facilities	28,984,408	32,109,654	27,931,774	4,177,880
Courthouse Security	1,553,957	1,438,467	1,382,277	56,190
Election Services	5,163,014	5,390,782	5,402,579	(11,797)
Real Estate Assessment	3,762,352	4,417,553	3,237,069	1,180,484
Treasurer	1,067,507	1,110,767	1,094,056	16,711
Tax Collectors	468,464	469,031	466,185	2,846
Tax Claim Bureau	1,156,470	1,173,713	986,891	186,822
Controller	2,526,124	2,592,491	2,521,101	71,390
Recorder of Deeds	1,230,892	1,254,276	1,143,664	110,612
Mailroom/Printing	577,026	602,138	682,713	(80,575)
Information Systems	10,356,794	8,147,817	6,040,385	2,107,432
Purchasing	1,219,919	1,253,019	1,118,482	134,537
Archives	610,352	608,142	582,575	25,567
Budget	1,337,670	1,386,812	1,427,929	(41,117)
Human Resources	6,937,475	6,934,577	6,898,845	35,732
Insurance	2,588,080	2,588,080	2,548,883	39,197
Telecommunications	82,639	30,150	18,315	11,835
Veterans Affairs	832,341	857,140	843,946	13,194
Total general government, administrative	<u>76,168,767</u>	<u>78,130,296</u>	<u>69,435,674</u>	<u>8,694,622</u>
General government, judicial:				
Register of Wills	1,284,139	1,310,006	1,230,051	79,955
Sheriff	12,224,320	12,484,867	12,340,419	144,448
Coroner	2,168,247	2,345,213	2,143,444	201,769
Prothonotary	2,504,665	2,582,833	2,358,001	224,832
Clerk of Courts	3,062,907	3,123,149	3,029,889	93,260
Public Defender	4,790,657	4,850,995	4,290,748	560,247
District Attorney	14,264,660	14,621,167	14,690,062	(68,895)
Law Library	684,467	694,574	688,227	6,347
Court Administration	11,346,752	11,636,754	11,243,723	393,031
District Justices	8,570,286	8,779,370	8,203,771	575,599
Court Reporters	2,743,358	2,775,224	2,799,083	(23,859)
Total general government, judicial	<u>\$ 63,644,458</u>	<u>\$ 65,204,152</u>	<u>\$ 63,017,418</u>	<u>\$ 2,186,734</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (continued)
General Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	\$ 10,735,750	\$ 11,116,713	\$ 10,925,622	\$ 191,091
Juvenile Probation	12,577,856	16,499,224	15,741,249	757,975
Prison	52,076,255	52,494,911	50,448,751	2,046,160
Community Corrections	455,493	2,734,365	2,167,335	567,030
Emergency Services Non Communications	2,927,429	3,331,232	2,173,861	1,157,371
Total public safety	<u>78,772,783</u>	<u>86,176,445</u>	<u>81,456,818</u>	<u>4,719,627</u>
Culture and Recreation:				
Berks County Public Libraries	4,790,709	4,813,654	4,808,056	5,598
Parks	<u>6,486,390</u>	<u>6,561,257</u>	<u>4,636,871</u>	<u>1,924,386</u>
Total culture and recreation	<u>11,277,099</u>	<u>11,374,911</u>	<u>9,444,927</u>	<u>1,929,984</u>
Community and Economic Development:				
Planning	2,181,712	2,254,423	2,236,813	17,610
Agricultural Extension Service	657,030	657,031	666,530	(9,499)
Agland Preservation	<u>1,934,061</u>	<u>1,957,359</u>	<u>1,614,201</u>	<u>343,158</u>
Total community and economic development	<u>4,772,803</u>	<u>4,868,813</u>	<u>4,517,544</u>	<u>351,269</u>
Public Works:				
Recycling	<u>14,999</u>	<u>14,999</u>	<u>13,330</u>	<u>1,669</u>
Community Support:				
Contributions:				
Community Bail Program	759,119	764,873	758,257	6,616
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	33,462,808	10,816,921	10,396,940	419,981
Berks Heim	17,064,209	17,064,209	17,064,209	-
Reading Area Community College	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,250,000</u>	<u>-</u>
Total community support	<u>55,436,136</u>	<u>32,796,003</u>	<u>32,369,406</u>	<u>426,597</u>
Contingency:				
Contingency general	<u>5,254,222</u>	<u>3,370,122</u>	<u>-</u>	<u>3,370,122</u>
Debt Service:				
Principal	8,556,513	8,556,513	10,728,390	(2,171,877)
Interest and fiscal charges	1,916,326	1,916,326	2,552,474	(636,148)
Administrative expenses	<u>7,345</u>	<u>7,345</u>	<u>6,595</u>	<u>750</u>
Total debt service	<u>10,480,184</u>	<u>10,480,184</u>	<u>13,287,459</u>	<u>(2,807,275)</u>
Intergovernmental:				
Solid Waste	<u>290,900</u>	<u>291,004</u>	<u>291,003</u>	<u>1</u>
Total expenditures for general fund	<u>306,112,351</u>	<u>292,706,929</u>	<u>273,833,579</u>	<u>18,873,350</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (43,264,113)</u>	<u>\$ (23,087,729)</u>	<u>\$ (1,884,506)</u>	<u>\$ 21,203,223</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances (continued)
General Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Transfers in	\$ 6,463,282	\$ 6,631,674	\$ 5,681,272	\$ (950,402)
Transfers out	(16,887,656)	(17,373,731)	(17,152,859)	220,872
Lease proceeds	<u>-</u>	<u>-</u>	<u>1,079,460</u>	<u>1,079,460</u>
Total other financing sources (uses)	<u>(10,424,374)</u>	<u>(10,742,057)</u>	<u>(10,392,127)</u>	<u>349,930</u>
Net change in fund balances	(53,688,487)	(33,829,786)	(12,276,633)	21,553,153
Fund balances, beginning, as previously presented			210,253,422	
Error correction			355,799	
Fund balances, beginning, as restated			<u>210,609,221</u>	
Fund balances, ending			<u>\$ 198,332,588</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Children and Youth Services Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 35,906,586	\$ 37,861,825	\$ 33,904,780	\$ (3,957,045)
Departmental charges and reimbursements	503,540	503,540	443,990	(59,550)
Investment earnings	-	-	702	702
Miscellaneous	1,658	1,658	1,249	(409)
Total revenues	<u>36,411,784</u>	<u>38,367,023</u>	<u>34,350,721</u>	<u>(4,016,302)</u>
Expenditures				
Current:				
Human services	<u>42,276,038</u>	<u>44,941,447</u>	<u>42,392,036</u>	<u>2,549,411</u>
Total expenditures	<u>42,276,038</u>	<u>44,941,447</u>	<u>42,392,036</u>	<u>2,549,411</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(5,864,254)</u>	<u>(6,574,424)</u>	<u>(8,041,315)</u>	<u>(1,466,891)</u>
Other financing sources (uses):				
Transfers in	6,185,127	6,893,284	8,216,334	1,323,050
Transfers out	<u>(320,873)</u>	<u>(318,860)</u>	<u>(173,868)</u>	<u>144,992</u>
Total other financing sources (uses)	<u>5,864,254</u>	<u>6,574,424</u>	<u>8,042,466</u>	<u>1,468,042</u>
Net change in fund balances	-	-	1,151	1,151
Fund balances, beginning, as previously presented			77,316	
Error correction			(53,544)	
Fund balances, beginning, as restated			<u>23,772</u>	
Fund balances, ending			<u>\$ 24,923</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Health Choices Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 152,808,468	\$ 152,808,468	\$ 145,951,862	\$ (6,856,606)
Departmental charges and reimbursements	-	4,546	-	(4,546)
Investment earnings	500,000	500,000	1,075,068	575,068
Total revenues	<u>153,308,468</u>	<u>153,313,014</u>	<u>147,026,930</u>	<u>(6,286,084)</u>
Expenditures				
Current:				
Human services	153,291,594	153,296,140	147,016,324	6,279,816
Total expenditures	<u>153,291,594</u>	<u>153,296,140</u>	<u>147,016,324</u>	<u>6,279,816</u>
Excess (deficiency) of revenue over (under) expenditures	<u>16,874</u>	<u>16,874</u>	<u>10,606</u>	<u>(6,268)</u>
Other financing uses:				
Transfers out	(16,874)	(16,874)	(10,606)	6,268
Total other financing sources (uses)	<u>(16,874)</u>	<u>(16,874)</u>	<u>(10,606)</u>	<u>6,268</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,621,202	\$ 8,536,925	\$ 12,672,390	\$ 4,135,465
Total revenues	<u>5,621,202</u>	<u>8,536,925</u>	<u>12,672,390</u>	<u>4,135,465</u>
Expenditures				
Current:				
Human services	<u>7,051,626</u>	<u>9,967,349</u>	<u>9,170,392</u>	<u>796,957</u>
Total expenditures	<u>7,051,626</u>	<u>9,967,349</u>	<u>9,170,392</u>	<u>796,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,430,424)</u>	<u>(1,430,424)</u>	<u>3,501,998</u>	<u>4,932,422</u>
Other financing sources (uses)				
Transfers in	1,430,424	1,430,424	930,424	500,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,430,424</u>	<u>1,430,424</u>	<u>930,424</u>	<u>500,000</u>
Net changes in fund balances	-	-	4,432,422	(4,432,422)
Fund balances, beginning			-	
Fund balances, ending			<u>\$ 4,432,422</u>	

Note 1: Budgets and budgetary accounting

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

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

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

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

Note 2: Excess of expenditures over appropriations

On RSI 2, actual Debt Service expenditures exceed final budgeted amounts. This is due to the actual amounts containing principal and interest components for bonds, loans and notes payable, as well as GASB 87 leases and GASB 96 SBITA. Principal and interest expenditures were not budgeted for GASB 87 and GASB 96 principal and interest amounts.

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
2024 Annual Comprehensive Financial Report

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 9,706,944	\$ 8,820,227	\$ 10,525,761	\$ 10,022,547	\$ 10,088,504	\$ 9,947,632	\$ 9,849,878	\$ 11,027,621	\$ 10,623,914	\$ 10,332,061
Interest	42,865,894	40,705,919	38,824,582	37,214,627	35,784,446	34,184,164	32,446,090	30,192,609	29,071,529	27,673,435
Differences between expected and actual experience	10,828,616	8,590,744	3,393,455	262,938	1,496,290	3,992,429	2,596,591	(5,056,232)	(501,667)	3,789,345
Changes of Assumptions (1)	-	-	-	-	-	-	5,599,573	-	-	-
Benefit payments, including refunds of member contributions	(33,436,110)	(31,482,822)	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)	(18,690,853)
Net change in total pension liability	29,965,344	26,634,068	21,912,705	18,954,339	21,858,456	24,732,946	27,453,389	15,745,450	19,811,000	23,103,988
Total pension liability, beginning	<u>567,425,515</u>	<u>540,791,447</u>	<u>518,878,742</u>	<u>499,924,403</u>	<u>478,065,947</u>	<u>453,333,001</u>	<u>425,879,612</u>	<u>410,134,162</u>	<u>390,323,162</u>	<u>367,219,174</u>
Total pension liability, ending	<u>\$ 597,390,859</u>	<u>\$ 567,425,515</u>	<u>\$ 540,791,447</u>	<u>\$ 518,878,742</u>	<u>\$ 499,924,403</u>	<u>\$ 478,065,947</u>	<u>\$ 453,333,001</u>	<u>\$ 425,879,612</u>	<u>\$ 410,134,162</u>	<u>\$ 390,323,162</u>
Plan fiduciary net position										
Contributions-employer	\$ 4,727,765	\$ 771,559	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537
Contributions-member	8,984,408	8,628,323	8,106,646	7,450,219	7,338,292	7,347,118	7,119,321	6,900,703	6,500,174	6,256,829
Net investment income	64,384,749	72,204,632	(84,607,899)	76,421,987	54,228,756	66,553,930	(23,240,032)	58,362,251	29,291,596	(2,792,230)
Other additions/deductions	(37,781)	(37,721)	(37,581)	(35,174)	(34,853)	(30,718)	(32,785)	(29,500)	(29,494)	(29,447)
Benefit payments, including refunds of member contributions	(33,436,110)	(31,482,822)	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)	(18,690,853)
Administrative expense	(41,550)	(41,500)	(34,500)	(34,500)	(17,000)	(38,415)	(38,339)	(38,035)	(41,575)	(43,043)
Net change in plan fiduciary net position	44,581,481	50,042,471	(107,355,953)	59,586,050	41,193,022	54,852,375	(35,582,515)	47,378,348	18,426,701	(13,890,207)
Plan fiduciary net position, beginning	<u>527,663,827</u>	<u>477,621,356</u>	<u>584,977,309</u>	<u>525,391,259</u>	<u>484,198,237</u>	<u>429,345,862</u>	<u>464,928,377</u>	<u>417,550,029</u>	<u>399,123,328</u>	<u>413,013,535</u>
Plan fiduciary net position, ending	<u>\$ 572,245,308</u>	<u>\$ 527,663,827</u>	<u>\$ 477,621,356</u>	<u>\$ 584,977,309</u>	<u>\$ 525,391,259</u>	<u>\$ 484,198,237</u>	<u>\$ 429,345,862</u>	<u>\$ 464,928,377</u>	<u>\$ 417,550,029</u>	<u>\$ 399,123,328</u>
County of Berks' net pension (liability) asset	<u>\$ (25,145,551)</u>	<u>\$ (39,761,688)</u>	<u>\$ (63,170,091)</u>	<u>\$ 66,098,567</u>	<u>\$ 25,466,856</u>	<u>\$ 6,132,290</u>	<u>\$ (23,987,139)</u>	<u>\$ 39,048,765</u>	<u>\$ 7,415,867</u>	<u>\$ 8,800,166</u>
Plan fiduciary net position as a percentage of total pension (liability) asset	95.79%	92.99%	88.32%	112.74%	105.09%	101.28%	94.71%	109.17%	101.81%	102.26%
Covered payroll	\$ 122,263,718	\$ 116,011,387	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654
County of Berks' net pension (liability) asset as a percentage of covered payroll	-20.57%	-34.27%	-57.94%	59.84%	22.70%	5.60%	-22.00%	37.30%	7.10%	8.70%

(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.

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

County of Berks
2024 Annual Comprehensive Financial Report

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$ 4,727,765	\$ 771,559	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537
Pension prefunding	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	<u>4,727,765</u>	<u>771,559</u>	<u>48,474</u>	<u>4,329,291</u>	<u>5,188,611</u>	<u>4,411,739</u>	<u>3,648,063</u>	<u>2,601,477</u>	<u>2,088,776</u>	<u>1,408,537</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 122,263,718	\$ 116,011,387	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654
Contributions as a percentage of covered payroll	3.87%	0.67%	0.04%	3.92%	4.63%	4.05%	3.35%	2.48%	2.01%	1.39%
Annual money-weighted rate of return, net of investment expense	12.37%	15.43%	-14.71%	14.73%	11.31%	15.68%	-4.75%	13.80%	7.89%	-0.51%

Notes to Schedule:

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

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.

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective net pension liability	0.0025%	0.0023%	0.0019%	0.0025%	0.0011%	0.0011%	0.0011%	0.0011%	0.0010%	0.0017%
College's proportionate share of the collective net pension liability	\$ 527,982	\$ 514,897	\$ 281,279	\$ 457,872	\$ 203,835	\$ 229,754	\$ 190,475	\$ 208,064	\$ 186,577	\$ 245,386
College's covered payroll	\$ 169,921	\$ 147,363	\$ 139,656	\$ 181,901	\$ 65,722	\$ 64,499	\$ 63,254	\$ 62,010	\$ 60,606	\$ 110,307
College's proportionate share of the net pension liability as a percentage of its covered payroll	310.72%	349.41%	201.41%	251.71%	310.15%	356.21%	301.13%	335.53%	307.85%	222.46%
Plan fiduciary net position as a percentage of the total pension liability	65.30%	61.50%	76.00%	67.00%	63.10%	56.40%	63.00%	57.80%	58.90%	64.80%

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

NOTES TO SCHEDULE

Changes of Benefit Terms

None.

Changes of Assumptions

The following actuarial assumptions were changed for the 2022 measurement date:

The investment return 6.875%, including inflation at 2.50%, net of expenses

Salary increases - Average of 4.55% with a range of 3.30% to 6.95%, includes inflation at 2.50%

The following actuarial assumptions were changed for the 2021 measurement date:

The investment return 7.00%, including inflation at 2.50%, net of expenses

Salary increases - Average of 4.60% with a range of 3.30% to 6.95%, includes inflation at 2.50%

The following actuarial assumptions were changed for the 2020 measurement date:

The investment return 7.125%, including inflation at 2.50%, net of expenses

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

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
College's proportion of the collective net pension liability	0.0084%	0.0088%	0.0091%	0.0090%	0.0096%	0.0081%	0.0089%	0.0093%	0.0101%	0.0102%
College's proportionate share of the collective net pension liability	\$ 3,737,000	\$ 3,912,000	\$ 3,736,000	\$ 4,432,000	\$ 4,491,000	\$ 3,888,000	\$ 4,396,000	\$ 4,609,000	\$ 4,375,000	\$ 4,037,000
Commonwealth's proportionate share of the collective net pension liability	3,737,000	3,912,000	3,736,000	4,432,000	4,491,000	3,888,000	4,396,000	4,609,000	4,375,000	4,037,000
Total proportional share of the collective net pension liability	<u>\$ 7,474,000</u>	<u>\$ 7,824,000</u>	<u>\$ 7,472,000</u>	<u>\$ 8,864,000</u>	<u>\$ 8,982,000</u>	<u>\$ 7,776,000</u>	<u>\$ 8,792,000</u>	<u>\$ 9,218,000</u>	<u>\$ 8,750,000</u>	<u>\$ 8,074,000</u>
College's covered payroll	<u>\$ 1,293,034</u>	<u>\$ 1,294,814</u>	<u>\$ 1,291,806</u>	<u>\$ 1,254,994</u>	<u>\$ 1,325,999</u>	<u>\$ 1,090,131</u>	<u>\$ 1,184,173</u>	<u>\$ 1,202,332</u>	<u>\$ 1,303,494</u>	<u>\$ 1,302,862</u>
College's proportionate share of the net pension liability as a percentage of its covered payroll	289.01%	302.13%	289.21%	353.15%	338.69%	356.65%	371.23%	383.34%	335.64%	309.86%
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

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

NOTES TO SCHEDULE

Changes in benefit terms

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

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

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

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

- The Investment Rate of Return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.
- Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

READING AREA COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS - SERS PENSION PLAN

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 55,738	\$ 52,762	\$ 43,895	\$ 44,678	\$ 21,231	\$ 19,543	\$ 18,751	\$ 17,075	\$ 15,211	\$ 16,890
Contributions in relation to the contractually required contribution	55,738	52,762	43,895	44,678	21,231	19,543	18,751	17,075	15,211	16,890
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 161,690	\$ 153,654	\$ 136,852	\$ 151,630	\$ 60,013	\$ 56,435	\$ 54,444	\$ 57,055	\$ 62,156	\$ 88,307
Contributions as a percentage of covered payroll	34.47%	34.34%	32.07%	29.47%	35.38%	34.63%	34.44%	29.93%	24.47%	19.13%

READING AREA COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS - PSERS PENSION PLAN

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 421,036	\$ 429,801	\$ 428,195	\$ 425,022	\$ 417,567	\$ 407,862	\$ 379,744	\$ 347,998	\$ 304,638	\$ 272,325
Contributions in relation to the contractually required contribution	421,036	429,801	428,195	425,022	417,567	407,862	379,744	347,998	304,638	272,325
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,288,241	\$ 1,293,034	\$ 1,294,814	\$ 1,291,806	\$ 1,254,994	\$ 1,325,999	\$ 1,090,131	\$ 1,184,173	\$ 1,202,332	\$ 1,303,494
Contributions as a percentage of covered payroll	32.68%	33.24%	33.07%	32.90%	33.27%	30.76%	34.83%	29.39%	25.34%	20.89%

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

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

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

NOTES TO SCHEDULE

Changes in benefit terms

None.

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

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

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

- Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back 3 years for both males and females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

READING AREA COMMUNITY COLLEGE
SCHEDULE OF COLLEGE CONTRIBUTIONS - PSERS OPEB PLAN

LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 8,143	\$ 9,395	\$ 10,078	\$ 10,400	\$ 10,514	\$ 10,384	\$ 9,930	\$ 9,892	\$ 10,236	\$ 11,956
Contributions in relation to the contractually required contribution	8,143	9,395	10,078	10,400	10,514	10,384	9,930	9,892	10,236	11,956
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,288,241	\$ 1,293,034	\$ 1,294,814	\$ 1,291,806	\$ 1,254,994	\$ 1,325,999	\$ 1,090,131	\$ 1,184,173	\$ 1,202,332	\$ 1,303,494
Contributions as a percentage of covered payroll	0.63%	0.73%	0.78%	0.81%	0.84%	0.78%	0.91%	0.84%	0.85%	0.92%

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

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

NOTES TO SCHEDULE

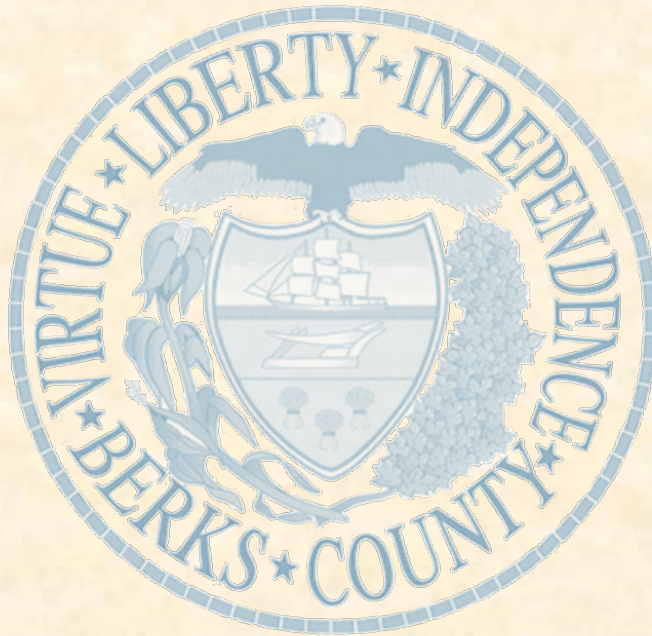
Changes of Benefit Terms
None.

Changes of Assumptions
Significant changes in assumptions for the July 1, 2023 measurement date are as follows:
· The assumed medical trend rates were updated.

The discount rate used for fiscal year end:

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

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



OTHER SUPPLEMENTAL INFORMATION

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

	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Assets				
Cash and cash equivalents	\$ 1,426,128	\$ 4,749	\$ 5,043	\$ 9,872
Cash and cash equivalents, restricted	21,484,265	-	-	-
Accounts receivable	-	5,202	57,944	11,118
Due from other governments	-	2,294,422	608,517	175,002
Due from other funds	81,022	-	1,681,660	8,637,137
Prepaid expenses	13,088	-	-	-
Total assets	<u>\$ 23,004,503</u>	<u>\$ 2,304,373</u>	<u>\$ 2,353,164</u>	<u>\$ 8,833,129</u>
Liabilities				
Accounts payable	\$ 156,792	\$ 3,113	\$ 425,143	\$ 504,597
Accrued liabilities	-	184,995	20,027	129,078
Due to other funds	1,010,353	1,992,274	107,993	2
Unearned revenue	-	-	-	3,340,492
Accrued claims health insurance	1,560	123,991	11,387	76,609
Payable from restricted assets	-	-	-	4,259,709
Total liabilities	<u>1,168,705</u>	<u>2,304,373</u>	<u>564,550</u>	<u>8,310,487</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	13,088	-	-	-
Restricted	<u>21,822,710</u>	<u>-</u>	<u>1,788,614</u>	<u>522,642</u>
Total fund balances	<u>21,835,798</u>	<u>-</u>	<u>1,788,614</u>	<u>522,642</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,004,503</u>	<u>\$ 2,304,373</u>	<u>\$ 2,353,164</u>	<u>\$ 8,833,129</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Department of Emergency Services
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 740,328
Cash and cash equivalents, restricted	2,179,688	-	-	-
Accounts receivable	18,190	154,741	-	2,392,948
Due from other governments	398,695	678,385	85,885	111,985
Due from other funds	1,752,672	7,744,212	144,257	2,095,487
Prepaid expenses	-	-	-	2,203,290
Total assets	<u>\$ 4,349,245</u>	<u>\$ 8,577,338</u>	<u>\$ 230,142</u>	<u>\$ 7,544,038</u>
Liabilities				
Accounts payable	\$ 1,063,246	\$ 1,599,965	\$ 131,056	\$ 175,024
Accrued liabilities	-	13,195	966	231,325
Due to other funds	49,547	93	-	6,884,287
Unearned revenue	-	6,391,272	85,246	138,002
Due to third parties	196,872	-	-	-
Accrued claims health insurance	-	8,548	645	115,400
Payable from restricted assets	-	564,265	-	-
Total liabilities	<u>1,309,665</u>	<u>8,577,338</u>	<u>217,913</u>	<u>7,544,038</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	2,203,290
Restricted	<u>3,039,580</u>	<u>-</u>	<u>12,229</u>	<u>(2,203,290)</u>
Total fund balances	<u>3,039,580</u>	<u>-</u>	<u>12,229</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,349,245</u>	<u>\$ 8,577,338</u>	<u>\$ 230,142</u>	<u>\$ 7,544,038</u>

	Special Revenue			
	Community Development	COVID Impact Grants	Youth Center	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 250	\$ 2,186,370
Cash and cash equivalents, restricted	-	-	-	23,663,953
Accounts receivable	112,809	-	1,268	2,754,220
Due from other governments	-	-	-	4,352,891
Due from other funds	-	-	146,250	22,282,697
Prepaid expenses	-	-	-	2,216,378
Total assets	<u>\$ 112,809</u>	<u>\$ -</u>	<u>\$ 147,768</u>	<u>\$ 57,456,509</u>
Liabilities				
Accounts payable	\$ 47,087	\$ -	\$ 19,500	\$ 4,125,523
Accrued liabilities	-	-	98,070	677,656
Due to other funds	65,722	-	-	10,110,271
Unearned revenue	-	-	-	9,955,012
Due to third parties	-	-	-	196,872
Accrued claims health insurance	-	-	30,198	368,338
Payable from restricted assets	-	-	-	4,823,974
Total liabilities	<u>112,809</u>	<u>-</u>	<u>147,768</u>	<u>30,257,646</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	2,216,378
Restricted	-	-	-	24,982,485
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,198,863</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 112,809</u>	<u>\$ -</u>	<u>\$ 147,768</u>	<u>\$ 57,456,509</u>

	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 1,673,163	\$ 5,541,375	\$ 6,181,663	\$ 10,174,716
Departmental charges and reimbursements	2,075,020	60,852	-	181,874
Investment earnings	764,158	-	53,369	-
Rental	11,100	-	-	-
Miscellaneous	-	7,837	359,429	300
Total revenues	<u>4,523,441</u>	<u>5,610,064</u>	<u>6,594,461</u>	<u>10,356,890</u>
Expenditures				
Current:				
Human services	-	8,002,495	6,516,185	10,216,030
Public works	4,778,332	-	-	-
Principal	-	-	26,108	-
Interest and fiscal charges	-	-	590	-
Total expenditures	<u>4,778,332</u>	<u>8,002,495</u>	<u>6,542,883</u>	<u>10,216,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(254,891)</u>	<u>(2,392,431)</u>	<u>51,578</u>	<u>140,860</u>
Other financing sources (uses)				
Transfers in	13,999	2,431,546	11,700	-
Transfers out	<u>(1,737)</u>	<u>(39,115)</u>	<u>(9,563)</u>	<u>(74,670)</u>
Total other financing sources (uses)	<u>12,262</u>	<u>2,392,431</u>	<u>2,137</u>	<u>(74,670)</u>
Net changes in fund balances	(242,629)	-	53,715	66,190
Fund balances, beginning, as previously presented	22,078,427	-	1,974,940	456,452
Change from major fund to nonmajor fund	-	-	-	-
Error correction	-	-	(240,041)	-
Fund balances, beginning, as restated	<u>22,078,427</u>	<u>-</u>	<u>1,734,899</u>	<u>456,452</u>
Fund balances, ending	<u>\$ 21,835,798</u>	<u>\$ -</u>	<u>\$ 1,788,614</u>	<u>\$ 522,642</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Department of Emergency Services
Revenues				
Intergovernmental revenue	\$ 307,127	\$ 18,783,722	\$ 931,133	\$ 238,259
Hotel tax	3,336,367	-	-	-
Departmental charges and reimbursements	1,877,241	-	-	13,369,060
Investment earnings	85,351	192,618	7,903	58,482
Rental	-	-	-	30,058
Total revenues	<u>5,606,086</u>	<u>18,976,340</u>	<u>939,036</u>	<u>13,695,859</u>
Expenditures				
Current:				
General government, administrative	3,513,407	-	-	-
General government, judicial	224,895	-	-	-
Public safety	-	-	-	12,746,311
Human services	-	19,846,129	938,403	-
Principal	-	-	-	2,736,860
Interest and fiscal charges	-	-	-	716,980
Total expenditures	<u>3,738,302</u>	<u>19,846,129</u>	<u>938,403</u>	<u>16,200,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,867,784</u>	<u>(869,789)</u>	<u>633</u>	<u>(2,504,292)</u>
Other financing sources (uses)				
Transfers in	893,675	877,799	-	2,615,788
Transfers out	<u>(1,050,005)</u>	<u>(8,010)</u>	<u>(629)</u>	<u>(111,497)</u>
Total other financing sources (uses)	<u>(156,330)</u>	<u>869,789</u>	<u>(629)</u>	<u>2,504,291</u>
Net changes in fund balances	1,711,454	-	4	(1)
Fund balances, beginning, as previously presented	1,328,126	-	12,225	1
Change from major fund to nonmajor fund	-	-	-	-
Error correction	-	-	-	-
Fund balances, beginning, as restated	<u>1,328,126</u>	<u>-</u>	<u>12,225</u>	<u>1</u>
Fund balances, ending	<u>\$ 3,039,580</u>	<u>\$ -</u>	<u>\$ 12,229</u>	<u>\$ -</u>

	Special Revenue			
	Community Development	COVID Impact Grants	Youth Center	Total
Revenues				
Intergovernmental revenue	\$ 3,522,141	\$ 470,979	\$ -	\$ 47,824,278
Hotel tax	-	-	-	3,336,367
Departmental charges and reimbursements	533,660	-	2,960,098	21,057,805
Investment earnings	-	54,055	-	1,215,936
Rental	-	-	-	41,158
Miscellaneous	-	-	1,268	368,834
Total revenues	<u>4,055,801</u>	<u>525,034</u>	<u>2,961,366</u>	<u>73,844,378</u>
Expenditures				
Current:				
General government, administrative	-	-	-	3,513,407
General government, judicial	-	-	-	224,895
Public safety	-	-	-	12,746,311
Human services	-	-	2,961,917	48,481,159
Community and economic development	4,055,801	-	-	4,055,801
Public works	-	-	-	4,778,332
Principal	-	-	-	2,762,968
Interest and fiscal charges	-	-	-	717,570
Total expenditures	<u>4,055,801</u>	<u>-</u>	<u>2,961,917</u>	<u>77,280,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>525,034</u>	<u>(551)</u>	<u>(3,436,065)</u>
Other financing sources (uses)				
Transfers in	-	-	551	6,845,058
Transfers out	-	(3,040,529)	-	(4,335,755)
Total other financing sources (uses)	<u>-</u>	<u>(3,040,529)</u>	<u>551</u>	<u>2,509,303</u>
Net changes in fund balances	-	(2,515,495)	-	(926,762)
Fund balances, beginning, as previously presented	-	-	-	25,850,171
Change from major fund to nonmajor fund	-	2,515,495	-	2,515,495
Error correction	-	-	-	(240,041)
Fund balances, beginning, as restated	-	2,515,495	-	28,125,625
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,198,863</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Liquid Fuels Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 2,030,536	\$ 2,030,536	\$ 1,673,163	\$ (357,373)
Departmental charges and reimbursements	2,076,265	2,076,265	2,075,020	(1,245)
Investment earnings	703,026	703,026	764,158	61,132
Rental	11,100	11,100	11,100	-
Total revenues	<u>4,820,927</u>	<u>4,820,927</u>	<u>4,523,441</u>	<u>(297,486)</u>
Expenditures				
Current:				
Public works	<u>2,375,432</u>	<u>6,018,844</u>	<u>4,778,332</u>	<u>1,240,512</u>
Total expenditures	<u>2,375,432</u>	<u>6,018,844</u>	<u>4,778,332</u>	<u>1,240,512</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,445,495</u>	<u>(1,197,917)</u>	<u>(254,891)</u>	<u>943,026</u>
Other financing sources (uses)				
Transfers in	12,733	12,733	13,999	1,266
Transfers out	<u>(5,250)</u>	<u>(5,250)</u>	<u>(1,737)</u>	<u>3,513</u>
Total other financing sources (uses)	<u>7,483</u>	<u>7,483</u>	<u>12,262</u>	<u>4,779</u>
Net changes in fund balances (deficits)	2,452,978	(1,190,434)	(242,629)	947,805
Fund balances, beginning			<u>22,078,427</u>	
Fund balances, ending			<u>\$ 21,835,798</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Domestic Relations Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,551,240	\$ 5,551,240	\$ 5,541,375	\$ (9,865)
Departmental charges and reimbursements	82,500	82,500	60,852	(21,648)
Miscellaneous	-	-	7,837	7,837
Total revenues	<u>5,633,740</u>	<u>5,633,740</u>	<u>5,610,064</u>	<u>(23,676)</u>
Expenditures				
Current:				
Human services	<u>8,061,950</u>	<u>8,061,950</u>	<u>8,002,495</u>	<u>59,455</u>
Total expenditures	<u>8,061,950</u>	<u>8,061,950</u>	<u>8,002,495</u>	<u>59,455</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,428,210)</u>	<u>(2,428,210)</u>	<u>(2,392,431)</u>	<u>35,779</u>
Other financing sources (uses)				
Transfers in	2,559,767	2,559,767	2,431,546	(128,221)
Transfers out	<u>(131,557)</u>	<u>(131,557)</u>	<u>(39,115)</u>	<u>92,442</u>
Total other financing sources (uses)	<u>2,428,210</u>	<u>2,428,210</u>	<u>2,392,431</u>	<u>(35,779)</u>
Net changes in fund balances	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Employment and Training Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 6,126,918	\$ 9,173,078	\$ 6,181,663	\$ (2,991,415)
Investment earnings	-	-	53,369	53,369
Miscellaneous	353,509	375,633	359,429	(16,204)
Total revenues	<u>6,480,427</u>	<u>9,548,711</u>	<u>6,594,461</u>	<u>(2,954,250)</u>
Expenditures				
Current:				
Human services	6,460,227	9,564,427	6,516,185	3,048,242
Principal	-	-	26,108	(26,108)
Interest and fiscal charges	-	-	590	(590)
Total expenditures	<u>6,460,227</u>	<u>9,564,427</u>	<u>6,542,883</u>	<u>3,021,544</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,200</u>	<u>(15,716)</u>	<u>51,578</u>	<u>67,294</u>
Other financing sources (uses)				
Transfers in	-	11,701	11,700	(1)
Transfers out	(20,200)	(20,200)	(9,563)	10,637
Total other financing sources (uses)	<u>(20,200)</u>	<u>(8,499)</u>	<u>2,137</u>	<u>10,636</u>
Net changes in fund balances (deficits)	-	(24,215)	53,715	77,930
Fund balances, beginning, as previously presented			1,974,940	
Error correction			(240,041)	
Fund balances, beginning, as restated			<u>1,734,899</u>	
Fund balances, ending			<u>\$ 1,788,614</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 9,682,449	\$ 12,414,173	\$ 10,174,716	\$ (2,239,457)
Departmental charges and reimbursements	157,300	157,300	181,874	24,574
Investment earnings	45,750	45,750	-	(45,750)
Miscellaneous	700	700	300	(400)
Total revenues	<u>9,886,199</u>	<u>12,617,923</u>	<u>10,356,890</u>	<u>(2,261,033)</u>
Expenditures				
Current:				
Human services	<u>9,373,706</u>	<u>12,105,430</u>	<u>10,216,030</u>	<u>1,889,400</u>
Total expenditures	<u>9,373,706</u>	<u>12,105,430</u>	<u>10,216,030</u>	<u>1,889,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>512,493</u>	<u>512,493</u>	<u>140,860</u>	<u>(371,633)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(115,084)</u>	<u>(115,084)</u>	<u>(74,670)</u>	<u>40,414</u>
Total other financing sources (uses)	<u>(115,084)</u>	<u>(115,084)</u>	<u>(74,670)</u>	<u>40,414</u>
Net changes in fund balances (deficits)	397,409	397,409	66,190	(331,219)
Fund balances, beginning			456,452	
Fund balances, ending			<u>\$ 522,642</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Special Legislation Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 711,124	\$ 711,124	\$ 307,127	\$ (403,997)
Hotel tax	3,000,000	3,000,000	3,336,367	336,367
Departmental charges and reimbursements	823,416	1,097,839	1,877,241	779,402
Investment earnings	40,720	40,720	85,351	44,631
Total revenues	<u>4,575,260</u>	<u>4,849,683</u>	<u>5,606,086</u>	<u>756,403</u>
Expenditures				
Current:				
General government, administrative	3,102,126	3,300,222	3,513,407	(213,185)
General government, judicial	58,000	63,160	224,895	(161,735)
Total expenditures	<u>3,160,126</u>	<u>3,363,382</u>	<u>3,738,302</u>	<u>(374,920)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,415,134</u>	<u>1,486,301</u>	<u>1,867,784</u>	<u>381,483</u>
Other financing sources (uses)				
Transfers in	-	893,676	893,675	(1)
Transfers out	(1,560,431)	(1,560,431)	(1,050,005)	510,426
Total other financing sources (uses)	<u>(1,560,431)</u>	<u>(666,755)</u>	<u>(156,330)</u>	<u>510,425</u>
Net changes in fund balances (deficits)	<u>(145,297)</u>	<u>819,546</u>	<u>1,711,454</u>	<u>891,908</u>
Fund balances, beginning			<u>1,328,126</u>	
Fund balances, ending			<u>\$ 3,039,580</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 19,022,237	\$ 22,429,962	\$ 18,783,722	\$ (3,646,240)
Investment earnings	9,000	9,000	192,618	183,618
Total revenues	<u>19,031,237</u>	<u>22,438,962</u>	<u>18,976,340</u>	<u>(3,462,622)</u>
Expenditures				
Current:				
Human services	<u>19,942,034</u>	<u>23,507,476</u>	<u>19,846,129</u>	<u>3,661,347</u>
Total expenditures	<u>19,942,034</u>	<u>23,507,476</u>	<u>19,846,129</u>	<u>3,661,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(910,797)</u>	<u>(1,068,514)</u>	<u>(869,789)</u>	<u>198,725</u>
Other financing sources (uses)				
Transfers in	923,567	1,075,508	877,799	(197,709)
Transfers out	<u>(12,770)</u>	<u>(6,994)</u>	<u>(8,010)</u>	<u>(1,016)</u>
Total other financing sources (uses)	<u>910,797</u>	<u>1,068,514</u>	<u>869,789</u>	<u>(198,725)</u>
Net changes in fund balances	-	-	-	-
Fund balances, beginning			<u>-</u>	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Human Services Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 900,225	\$ 977,449	\$ 931,133	\$ (46,316)
Investment earnings	2,150	2,150	7,903	5,753
Total revenues	<u>902,375</u>	<u>979,599</u>	<u>939,036</u>	<u>(40,563)</u>
Expenditures				
Current:				
Human services	904,529	982,199	938,403	43,796
Total expenditures	<u>904,529</u>	<u>982,199</u>	<u>938,403</u>	<u>43,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,154)</u>	<u>(2,600)</u>	<u>633</u>	<u>3,233</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(987)	(541)	(629)	(88)
Total other financing sources (uses)	<u>(987)</u>	<u>(541)</u>	<u>(629)</u>	<u>(88)</u>
Net changes in fund balances (deficits)	<u>(3,141)</u>	<u>(3,141)</u>	<u>4</u>	<u>3,145</u>
Fund balances, beginning			<u>12,225</u>	
Fund balances, ending			<u>\$ 12,229</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Department of Emergency Services Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 198,251	\$ 304,938	\$ 238,259	\$ (66,679)
Departmental charges and reimbursements	12,771,402	13,427,262	13,369,060	(58,202)
Investment earnings	60,000	60,000	58,482	(1,518)
Rental	47,685	47,685	30,058	(17,627)
Total revenues	<u>13,077,338</u>	<u>13,839,885</u>	<u>13,695,859</u>	<u>(144,026)</u>
Expenditures				
Current:				
Public safety	14,051,439	14,309,059	12,746,311	1,562,748
Principal	2,736,862	2,736,862	2,736,860	2
Interest and fiscal charges	716,987	716,987	716,980	7
Total expenditures	<u>17,505,288</u>	<u>17,762,908</u>	<u>16,200,151</u>	<u>1,562,757</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,427,950)</u>	<u>(3,923,023)</u>	<u>(2,504,292)</u>	<u>1,418,731</u>
Other financing sources (uses)				
Transfers in	4,623,699	4,034,520	2,615,788	(1,418,732)
Transfers out	(195,749)	(111,497)	(111,497)	-
Total other financing sources (uses)	<u>4,427,950</u>	<u>3,923,023</u>	<u>2,504,291</u>	<u>(1,418,732)</u>
Net changes in fund balances	-	-	(1)	(1)
Fund balances, beginning			1	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Community Development Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 3,482,958	\$ 3,993,748	\$ 3,522,141	\$ (471,607)
Departmental charges and reimbursements	451,983	533,661	533,660	(1)
Total revenues	<u>3,934,941</u>	<u>4,527,409</u>	<u>4,055,801</u>	<u>(471,608)</u>
Expenditures				
Current:				
Community and economic development	<u>3,934,941</u>	<u>4,527,409</u>	<u>4,055,801</u>	<u>471,608</u>
Total expenditures	<u>3,934,941</u>	<u>4,527,409</u>	<u>4,055,801</u>	<u>471,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning			<u>-</u>	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
COVID Impact Grants Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 417,811	\$ 470,979	\$ 470,979	\$ -
Investment earnings	2,513,357	2,569,551	54,055	(2,515,496)
Total revenues	<u>2,931,168</u>	<u>3,040,530</u>	<u>525,034</u>	<u>(2,515,496)</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,931,168</u>	<u>3,040,530</u>	<u>525,034</u>	<u>(2,515,496)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(2,931,168)	(3,040,530)	(3,040,529)	1
Total other financing sources (uses)	<u>(2,931,168)</u>	<u>(3,040,530)</u>	<u>(3,040,529)</u>	<u>1</u>
Net changes in fund balances (deficits)	-	-	(2,515,495)	(2,515,495)
Fund balances, beginning, as previously presented			-	
Change from major fund to nonmajor fund			2,515,495	
Fund balances, beginning, as restated			<u>2,515,495</u>	
Fund balances, ending			<u>\$ -</u>	

Schedule of Revenues, Expenditures and Changes in Fund Balances
Youth Center Special Revenue Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Departmental charges and reimbursements	\$ -	\$ 4,195,440	\$ 2,960,098	\$ (1,235,342)
Miscellaneous	-	-	1,268	1,268
Total revenues	-	4,195,440	2,961,366	(1,234,074)
Expenditures				
Current:				
Human services	-	4,195,440	2,961,917	1,233,523
Total expenditures	-	4,195,440	2,961,917	1,233,523
Excess (deficiency) of revenues over (under) expenditures	-	-	(551)	(551)
Other financing sources (uses)				
Transfers in	-	-	551	551
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	551	551
Net changes in fund balances	-	-	-	-
Fund balances, beginning			-	
Fund balances, ending			\$ -	

Schedule of Revenues, Expenses and Changes in Net Position
Berks Heim Enterprise Fund - Budget and Actual
Year ended December 31, 2024

County of Berks
2024 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 36,782,216	\$ 36,782,216	\$ 35,796,737	\$ (985,479)
Other operating revenues	32,846,588	32,851,988	25,483,256	(7,368,732)
Total operating revenues	<u>69,628,804</u>	<u>69,634,204</u>	<u>61,279,993</u>	<u>(8,354,211)</u>
Operating expenses				
Financial administration	3,171,531	3,137,846	3,053,599	84,247
Administrative expenses	2,122,535	2,122,535	3,279,843	(1,157,308)
Special services	193,621	193,621	123,730	69,891
Dietary	4,224,332	4,226,236	3,521,392	704,844
Laundry	907,615	907,615	807,952	99,663
Environmental services	2,330,389	2,337,189	2,036,430	300,759
Plant operations	1,869,866	1,909,274	1,687,454	221,820
Nursing	23,838,673	23,994,551	23,059,270	935,281
Physician services	59,037	59,037	50,441	8,596
Pharmacy services	454,700	454,700	440,423	14,277
Medical services	357,831	357,991	337,289	20,702
Therapeutic activity	662,791	662,791	488,024	174,767
Social service	447,651	447,651	423,998	23,653
Physical therapy service	1,453,924	1,463,641	1,444,915	18,726
Staff development	531,931	531,931	517,438	14,493
Materials management	212,550	212,550	209,193	3,357
Personnel	201,652	201,652	191,617	10,035
Security	393,808	393,825	311,141	82,684
Volunteers	101,224	101,224	91,698	9,526
Nursing administration	2,150,752	2,150,752	1,689,246	461,506
Admissions	298,847	301,147	264,121	37,026
Depreciation	-	-	1,740,825	(1,740,825)
Total operating expenses	<u>45,985,260</u>	<u>46,167,759</u>	<u>45,770,039</u>	<u>397,720</u>
Operating income (loss)	<u>23,643,544</u>	<u>23,466,445</u>	<u>15,509,954</u>	<u>(7,956,491)</u>
Nonoperating revenues (expenses)				
Grants	5,000	5,000	4,882	(118)
Investment earnings	7,200	7,200	11,311	4,111
Interest expense	(165,364)	(165,364)	(338,462)	(173,098)
Contribution to General Fund	(17,064,589)	(17,064,589)	(17,064,589)	-
Total nonoperating revenues (expenses)	<u>(17,217,753)</u>	<u>(17,217,753)</u>	<u>(17,386,858)</u>	<u>(169,105)</u>
Income (loss) before transfers	6,425,791	6,248,692	(1,876,904)	(8,125,596)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	<u>6,425,791</u>	<u>6,248,692</u>	<u>(1,876,904)</u>	<u>(8,125,596)</u>
Total net position, beginning			<u>32,555,157</u>	
Total net position, ending			<u>\$ 30,678,253</u>	

Note 1: Excess of expenditures over appropriations

On OSI 11, actual expenditures exceed final budgeted amounts. The budgeted amounts represent a best estimate. Actual expenditures may exceed budgeted amounts due to the presence of accounts with advisory control and not absolute control.

**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Statistical Information
for the Year Ending
December 31, 2024**



County of Berks
Statistical Section - Categories
Year Ended December 31, 2024

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Miscellaneous Statistics

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

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

	<u>2024</u>	<u>2023</u> (Restated)	<u>2022</u> (Restated)	<u>2021</u> (Restated)	<u>2020</u> (Restated)	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u> (Restated)	<u>2015</u> (Restated)
Governmental activities										
Net Investment in Capital Assets	\$ 231,777,284	\$ 220,237,338	\$ 182,579,908	\$ 180,572,215	\$ 174,067,177	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168
Restricted	166,870,382	165,651,719	118,556,834	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858
Unrestricted	49,128,866	57,562,784	110,170,849	123,664,386	99,616,177	97,549,776	86,028,855	117,240,734	129,854,361	156,023,750
Total governmental activities net position	<u>\$ 447,776,532</u>	<u>\$ 443,451,841</u>	<u>\$ 411,307,591</u>	<u>\$ 382,308,054</u>	<u>\$ 343,540,639</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>
Business-type activities										
Net Investment in Capital Assets	\$ 14,313,989	\$ 13,085,486	\$ 18,160,887	\$ 15,678,107	\$ 15,084,385	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	16,364,264	19,469,671	17,107,747	19,513,359	16,546,493	12,859,882	4,815,598	3,236,555	441,397	(1,095,778)
Total business-type activities net position	<u>\$ 30,678,253</u>	<u>\$ 32,555,157</u>	<u>\$ 35,268,634</u>	<u>\$ 35,191,466</u>	<u>\$ 31,630,878</u>	<u>\$ 26,643,733</u>	<u>\$ 16,930,343</u>	<u>\$ 16,214,338</u>	<u>\$ 14,165,042</u>	<u>\$ 12,092,058</u>
Primary government										
Net Investment in Capital Assets	\$ 246,091,273	\$ 233,322,824	\$ 200,740,795	\$ 196,250,322	\$ 189,151,562	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004
Restricted	166,870,382	165,651,719	118,556,834	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858
Unrestricted	65,493,130	77,032,455	127,278,596	143,177,745	116,162,670	110,409,658	90,844,453	120,477,289	130,295,758	154,927,972
Total primary government net position	<u>\$ 478,454,785</u>	<u>\$ 476,006,998</u>	<u>\$ 446,576,225</u>	<u>\$ 417,499,520</u>	<u>\$ 375,171,517</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>

Explanations for Restatements:

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

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

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

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

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

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

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

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

2015 governmental activities and business-type activities beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, Employment & Training, Berks County Residential Center, and Berks Heim.

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses										
Governmental activities:										
General government	\$ 81,070,188	\$ 118,475,976	\$ 104,901,381	\$ 58,805,539	\$ 86,633,329	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197
Judicial	61,128,520	48,319,002	44,186,975	53,371,300	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970
Public safety	93,446,003	57,127,064	59,565,145	64,550,278	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123
Human services	234,788,579	253,725,745	258,160,117	235,602,652	220,735,108	201,850,983	203,987,908	204,645,396	195,370,229	173,389,044
Culture and recreation	10,100,548	9,781,384	8,712,348	8,145,378	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963
Community and economic development	17,212,103	16,957,238	32,637,998	47,331,860	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588
Public works	1,926,643	1,750,774	1,792,751	1,780,482	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561
Community support	1,379,707	2,463,064	3,303,363	3,323,528	2,117,029	2,124,745	2,770,282	626,679	601,605	564,489
Debt service administrative expenses	2,049,307	1,261,280	2,609,417	1,582,678	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762	10,642,781
Solid waste	254,157	255,520	268,753	269,950	264,912	314,950	191,695	359,419	1,176,581	1,241,206
Total governmental activities expenses	<u>\$ 503,355,755</u>	<u>\$ 510,117,047</u>	<u>\$ 516,138,248</u>	<u>\$ 474,763,645</u>	<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>
Business-type activities										
Department of Emergency Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,445,334
Berks County Residential Center	-	3,432,785	7,538,390	6,427,559	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440
Berks Heim	63,173,090	58,881,793	48,102,228	44,212,317	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775
Total business-type activities expenses	<u>63,173,090</u>	<u>62,314,578</u>	<u>55,640,618</u>	<u>50,639,876</u>	<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>
Total primary government expenses	<u>\$ 566,528,845</u>	<u>\$ 572,431,625</u>	<u>\$ 571,778,866</u>	<u>\$ 525,403,521</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 8,475,086	\$ 8,209,290	\$ 9,066,380	\$ 9,903,440	\$ 8,157,798	\$ 8,480,343	\$ 8,944,575	\$ 9,090,716	\$ 8,170,571	\$ 7,974,794
Judicial	8,973,291	8,498,636	8,006,633	8,401,830	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805
Public safety	15,547,895	14,097,203	15,001,874	15,907,187	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812
Human services	14,887,890	709,182	16,324,938	1,139,778	1,231,915	1,124,165	1,274,856	1,505,680	1,529,874	1,720,468
Culture and recreation	82,370	48,886	39,223	24,285	36,503	120,948	216,108	201,503	575,744	135,187
Community and economic development	707,395	619,189	744,223	1,040,660	785,328	659,079	(4,916,987)	861,287	2,035,597	940,375
Public works	2,075,020	2,079,201	2,068,680	2,140,000	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583
Community support	11,150	3,780,736	-	-	-	-	-	-	-	-
Solid waste	4,169,263	4,278,694	4,880,200	4,793,065	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991
Other activities	1,726	-	4,500	75,365	140,920	227,835	1,471,216	1,521,986	1,543,670	1,514,558
Operating grants and contributions	248,657,101	306,497,092	322,698,933	307,439,223	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256
Capital grants and contributions	2,569,370	3,099,315	2,781,429	2,277,232	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307
Total governmental activities program revenues	<u>\$ 306,157,557</u>	<u>\$ 351,917,424</u>	<u>\$ 381,617,013</u>	<u>\$ 353,142,065</u>	<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>
Business-type activities										
Charges for services:										
Department of Emergency Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,787,498
Berks County Residential Center	-	897,054	8,360,990	7,456,553	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784
Berks Heim	61,279,993	61,991,562	46,752,795	46,835,012	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562
Operating grants and contributions	4,882	426,305	1,622,373	-	-	-	-	-	-	21,236
Capital grants and contributions	-	-	-	-	-	-	7,463	8,384	8,587	-
Total business-type activities program revenues	<u>61,284,875</u>	<u>63,314,921</u>	<u>56,736,158</u>	<u>54,291,565</u>	<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>
Total primary government program revenues	<u>\$ 367,442,432</u>	<u>\$ 415,232,345</u>	<u>\$ 438,353,171</u>	<u>\$ 407,433,630</u>	<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>
Net (expense)/revenue										
Governmental activities	\$ (197,198,198)	\$ (158,199,623)	\$ (134,521,235)	\$ (121,621,580)	\$ (119,852,434)	\$ (142,360,570)	\$ (148,361,901)	\$ (132,303,681)	\$ (123,715,613)	\$ (116,910,786)
Business-type activities	(1,888,215)	1,000,343	1,095,540	3,651,689	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531
Total primary government net expense	<u>\$ (199,086,413)</u>	<u>\$ (157,199,280)</u>	<u>\$ (133,425,695)</u>	<u>\$ (117,969,891)</u>	<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>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 166,432,129	\$ 152,372,336	\$ 151,044,990	\$ 148,417,095	\$ 146,302,765	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892
Hotel room	3,336,367	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844
Payments in lieu of taxes	292,512	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561	242,774
Investment earnings	13,926,471	15,369,618	(1,127,057)	(472,832)	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503
Changes in fair value of investment rate swaps	-	-	-	-	-	845,879	(2,273,517)	581,988	(1,109,819)	490,084
Rental of space	325,935	332,623	303,905	333,438	384,559	405,200	440,093	489,566	464,950	389,756
Miscellaneous	17,066,586	15,007,039	9,366,250	9,261,001	8,462,528	7,530,000	7,439,000	6,068,787	4,945,007	-
Gain (loss) on sale of capital assets	142,889	103,298	(211,310)	(286,385)	(2,015,390)	-	(281,413)	(690,319)	86,776	20,720
BCRC closing transfers	-	3,724,741	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	6,089,996
Transfer of assets to related entity	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	1,033,000	1,088,977	1,088,977	1,088,977	1,088,979	1,083,238	(146,980)	1,088,977
Total governmental activities	<u>\$ 201,522,889</u>	<u>\$ 190,279,477</u>	<u>\$ 163,776,347</u>	<u>\$ 161,231,608</u>	<u>\$ 161,333,469</u>	<u>\$ 163,214,955</u>	<u>\$ 156,379,779</u>	<u>\$ 148,833,562</u>	<u>\$ 145,255,063</u>	<u>\$ 147,834,546</u>
Business-type activities										
Investment earnings	\$ 11,311	\$ 10,921	\$ 14,628	\$ 1,316	\$ 5,245	\$ 6,013	\$ 4,448	\$ 14,667	\$ 1,986	\$ 8,088
Changes in fair value of investment rate swaps	-	-	-	-	-	-	(132,828)	52,475	(78,729)	626,541
Rental of space	-	-	-	-	-	-	-	-	-	48,230
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	(6,089,996)
BCRC closing transfers	-	(3,724,741)	-	-	-	-	-	-	-	-
Transfers	-	-	(1,033,000)	(1,088,977)	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)
Total business-type activities	<u>11,311</u>	<u>(3,713,820)</u>	<u>(1,018,372)</u>	<u>(1,087,661)</u>	<u>(1,083,732)</u>	<u>(1,082,964)</u>	<u>(1,217,359)</u>	<u>(1,016,096)</u>	<u>70,237</u>	<u>(6,496,114)</u>
Total primary government general revenue	<u>\$ 201,534,200</u>	<u>\$ 186,565,657</u>	<u>\$ 162,757,975</u>	<u>\$ 160,143,947</u>	<u>\$ 160,249,737</u>	<u>\$ 162,131,991</u>	<u>\$ 155,162,420</u>	<u>\$ 147,817,466</u>	<u>\$ 145,325,300</u>	<u>\$ 141,338,432</u>
Changes in Net Position										
Governmental activities	\$ 4,324,691	\$ 32,079,854	\$ 29,255,112	\$ 38,670,761	\$ 36,842,468	\$ 20,854,385	\$ 8,017,878	\$ 16,529,881	\$ 21,539,450	\$ 30,923,760
Business-type activities	<u>(1,876,904)</u>	<u>(2,713,477)</u>	<u>77,168</u>	<u>3,503,294</u>	<u>4,987,145</u>	<u>2,454,304</u>	<u>716,005</u>	<u>2,049,712</u>	<u>2,072,984</u>	<u>(3,716,583)</u>
Total primary government net revenue	<u>\$ 2,447,787</u>	<u>\$ 29,366,377</u>	<u>\$ 29,332,280</u>	<u>\$ 42,174,055</u>	<u>\$ 41,829,613</u>	<u>\$ 23,308,689</u>	<u>\$ 8,733,883</u>	<u>\$ 18,579,593</u>	<u>\$ 23,612,434</u>	<u>\$ 27,207,177</u>

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

	<u>2024</u>	<u>2023</u> (Restated)	<u>2022</u> (Restated)	<u>2021</u> (Restated)	<u>2020</u> (Restated)	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u> (Restated)	<u>2015</u> (Restated)
General Fund										
Nonspendable	\$ 9,347,740	\$ 10,385,517	\$ 9,924,369	\$ 8,820,887	\$ 1,338,410	\$ 1,338,410	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554
Restricted	3,736,982	4,406,501	4,203,486	3,263,764	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389	4,125,006
Committed	47,559,771	59,513,624	23,940,467	9,406,471	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174	-
Assigned	10,897	10,785	4,005,427	4,015,377	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537	10,551,289
Unassigned	137,677,198	136,292,794	161,771,803	149,980,953	133,792,425	105,605,582	113,305,213	115,222,806	118,930,211	135,023,020
Total General Fund	<u>\$ 198,332,588</u>	<u>\$ 210,609,221</u>	<u>\$ 203,845,552</u>	<u>\$ 175,487,452</u>	<u>\$ 157,034,811</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>
All other governmental funds										
Nonspendable	\$ 2,217,619	\$ 2,450,610	\$ 2,768,342	\$ 2,769,792	\$ 2,771,457	\$ 2,771,457	\$ 2,771,457	\$ 2,712,241	\$ 2,836,878	\$ 3,116,156
Restricted	29,438,589	23,183,292	20,130,824	18,651,468	16,534,482	17,380,172	16,816,474	14,259,149	13,852,760	10,523,506
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	66,759
Unassigned	-	2,515,495	-	-	-	-	-	-	-	(2,466,812)
Total all other governmental funds	<u>31,656,208</u>	<u>28,149,397</u>	<u>22,899,166</u>	<u>21,421,260</u>	<u>19,305,939</u>	<u>20,151,629</u>	<u>19,587,931</u>	<u>16,971,390</u>	<u>16,689,638</u>	<u>11,239,609</u>
Total governmental funds	<u>\$ 229,988,796</u>	<u>\$ 238,758,618</u>	<u>\$ 226,744,718</u>	<u>\$ 196,908,712</u>	<u>\$ 176,340,750</u>	<u>\$ 177,690,184</u>	<u>\$ 173,615,751</u>	<u>\$ 161,018,580</u>	<u>\$ 151,530,792</u>	<u>\$ 162,523,478</u>

Explanations for Restatements:

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

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

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

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

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

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

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

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

2015 governmental funds beginning balances were restated to correct errors and estimates in various departments, including Children & Youth, Juvenile Probation, and Employment & Training.

Note: Certain amounts presented in the prior period have been reclassified to conform to the current year's financial statements.

Source: Balance Sheet Governmental Funds, Annual Comprehensive Financial Report

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

Revenues	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Taxes:										
Property	\$ 165,839,849	\$ 152,445,733	\$ 151,015,732	\$ 148,417,095	\$ 146,058,470	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071
Hotel	3,336,367	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844
Court costs, fines and forfeitures	2,472,121	2,205,072	1,903,506	1,935,483	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999
Intergovernmental revenue	255,734,091	310,346,846	325,448,468	308,633,147	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383
Department charges and reimbursements	80,173,743	71,135,620	75,063,700	76,359,366	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535
Payments in lieu of taxes	292,512	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561	89,730
Rentals	151,286	57,203	333,584	333,437	384,559	405,201	440,093	489,566	464,950	389,756
Sales of property, supplies and equipment	100,165	88,706	40,889	-	-	4,168	12,040	(770)	86,776	20,720
Investment earnings	13,926,471	15,410,413	(1,167,853)	(472,832)	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503
Other revenue	17,816,887	15,821,920	11,227,578	11,241,913	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961
Total revenues	<u>\$ 539,843,492</u>	<u>\$ 570,881,335</u>	<u>\$ 567,232,173</u>	<u>\$ 549,337,923</u>	<u>\$ 521,971,377</u>	<u>\$ 459,782,705</u>	<u>\$ 457,982,631</u>	<u>\$ 434,852,318</u>	<u>\$ 431,454,454</u>	<u>\$ 390,351,502</u>
Expenditures										
Current:										
General government, administrative	\$ 72,949,081	\$ 68,765,280	\$ 53,711,504	\$ 53,201,921	\$ 84,970,233	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641
General government, judicial	63,242,313	61,387,798	60,068,270	58,433,307	55,515,168	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171
Public safety	94,203,127	84,180,894	83,236,321	82,045,736	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768
Human services	247,059,913	264,506,066	268,805,239	245,270,784	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554
Culture and recreation	9,444,927	9,721,562	7,843,441	7,763,693	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869
Community and economic development	8,573,345	14,293,014	26,563,507	42,498,172	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468
Public works	4,791,662	1,501,389	2,102,045	1,482,380	4,720,420	4,207,148	6,276,293	2,729,499	11,693,954	8,681,128
Community support	32,369,406	23,701,213	23,879,870	23,254,480	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268
Intergovernmental expenditures- Solid waste	291,003	291,485	300,720	300,720	300,900	250,720	220,870	295,029	928,453	993,342
Debt service:										
Principal	13,491,358	27,997,582	8,794,834	11,090,545	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645	7,620,828
Interest	3,270,044	4,046,260	2,858,134	4,530,587	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219	16,911,272
Debt issuance costs	-	1,856,955	-	-	-	900,000	-	-	119,123	178,668
Administrative expenditures	6,595	28,831	9,711	88,392	16,948	19,091	31,096	22,528	141,015	80,461
Capital outlay	-	-	-	-	-	453,954	591,891	936,616	2,143,152	4,671,727
Total expenditures	<u>\$ 549,692,774</u>	<u>\$ 562,278,329</u>	<u>\$ 538,173,596</u>	<u>\$ 529,960,717</u>	<u>\$ 524,940,413</u>	<u>\$ 457,363,337</u>	<u>\$ 451,579,486</u>	<u>\$ 429,347,681</u>	<u>\$ 428,526,206</u>	<u>\$ 388,195,165</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (9,849,282)	\$ 8,603,006	\$ 29,058,577	\$ 19,377,206	\$ (2,969,036)	\$ 2,419,368	\$ 6,403,145	\$ 5,504,637	\$ 2,928,248	\$ 2,156,337
Other financing sources (uses)										
Transfers in	\$ 21,673,088	\$ 59,954,199	\$ 51,015,747	\$ 33,184,029	\$ 30,882,130	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987
Transfers out	(21,673,088)	(59,826,201)	(49,982,746)	(32,095,052)	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)
Lease proceeds	1,079,460	330,014	-	-	-	-	-	-	-	-
SBITA proceeds	-	4,271,573	-	-	-	-	-	-	-	-
BCRC closing transfer out	-	(1,380,905)	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	-	209,950	3,613,694
Issuance of long term notes	-	-	-	28,149,000	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(28,071,066)	-	-	-	-	(24,943,412)	(27,211,227)
Issuance of refunding bonds	-	-	-	-	-	-	-	-	9,790,000	23,776,200
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	554,492
Total other financing sources (uses)	<u>1,079,460</u>	<u>3,348,680</u>	<u>1,033,001</u>	<u>1,166,911</u>	<u>1,088,977</u>	<u>1,088,976</u>	<u>1,088,979</u>	<u>1,083,238</u>	<u>(13,869,487)</u>	<u>(5,148,286)</u>
Net change in fund balances	<u>\$ (8,769,822)</u>	<u>\$ 11,951,686</u>	<u>\$ 30,091,578</u>	<u>\$ 20,544,117</u>	<u>\$ (1,880,059)</u>	<u>\$ 3,508,344</u>	<u>\$ 7,492,124</u>	<u>\$ 6,587,875</u>	<u>\$ (10,941,239)</u>	<u>\$ (2,991,949)</u>
Debt Service										
Percentage of noncapital expenditures	3.4%	2.5%	6.3%	1.6%	4.6%	3.4%	2.8%	2.2%	5.9%	4.9%

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

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

Fiscal Year	Taxes	Court Costs, Fines & Forfeitures	Inter - Governmental Revenues	Department Charges & Reimbursements	Payments in Lieu of Taxes	Rentals	Sale of property, supplies, and equipment	Investment Earnings	Other Revenues	Totals
2024	\$ 169,176,216	\$ 2,472,121	\$ 255,734,091	\$ 80,173,743	\$ 292,512	\$ 151,286	\$ 100,165	\$ 13,926,471	\$ 17,816,887	\$ 539,843,492
2023	155,546,459	2,205,072	310,346,846	71,135,620	269,096	57,203	88,706	15,410,413	15,821,920	570,881,335
2022	154,131,603	1,903,506	325,448,468	75,063,700	250,698	333,584	40,889	(1,167,853)	11,227,578	567,232,173
2021	151,062,740	1,935,483	308,633,147	76,359,366	244,669	333,437	-	(472,832)	11,241,913	549,337,923
2020	147,991,418	1,837,817	279,922,748	76,295,203	243,773	384,559	-	4,933,307	10,362,552	521,971,377
2019	147,768,079	2,686,290	222,680,006	70,649,378	236,984	405,201	4,168	5,647,381	9,705,218	459,782,705
2018	146,441,690	2,673,976	222,165,757	72,824,610	221,485	440,093	12,040	3,331,493	9,871,487	457,982,631
2017	140,327,121	2,825,583	210,267,612	70,478,089	219,602	489,566	(770)	1,616,192	8,629,323	434,852,318
2016	139,359,005	3,021,575	210,291,504	67,134,262	237,561	464,950	86,776	1,474,025	9,384,796	431,454,454
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

Source:

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

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

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Tax-Exempt Property	Market Value	Assessed Value as a Percentage of Market Value	Total Direct Tax Rate
2024	\$ 15,372,556,100	\$ 3,686,108,800	\$ 1,038,970,900	\$ 20,097,635,800	\$ 2,979,218,900	\$ 55,213,285,165	36.40%	8.345%
2023	15,322,123,000	3,601,169,400	991,669,000	19,914,961,400	2,991,879,700	50,037,591,457	39.80%	7.657%
2022	15,245,031,700	3,469,964,200	959,007,400	19,674,003,300	2,971,328,900	43,720,007,333	45.00%	7.657%
2021	14,748,202,100	3,810,743,000	936,002,600	19,494,947,700	2,932,016,200	37,490,284,000	52.00%	7.657%
2020	14,697,408,900	3,631,975,900	883,952,700	19,213,337,500	2,959,293,300	34,126,709,600	56.30%	7.657%
2019	14,631,813,800	3,526,903,700	875,883,200	19,034,600,700	2,976,705,700	30,602,251,900	62.20%	7.657%
2018	14,567,436,400	3,465,305,500	850,850,000	18,883,591,900	2,850,561,100	27,567,287,400	68.50%	7.657%
2017	14,509,132,100	3,459,131,800	824,364,000	18,792,627,900	2,838,979,500	25,992,569,703	72.30%	7.372%
2016	14,452,726,600	3,390,894,000	815,271,200	18,658,891,800	2,813,697,200	25,112,909,546	74.30%	7.372%
2015	14,426,375,000	3,388,924,200	806,010,200	18,621,309,400	2,792,647,500	24,631,361,595	75.60%	7.372%

Note:

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

Source:

County of Berks Assessment Office

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

<u>Tax Year</u>	<u>County of Berks</u>	<u>City, Borough, or Township</u>	<u>School District (1)</u>	<u>Total</u>
2024	8.345	4.61	31.88	44.83
2023	7.657	4.32	30.99	42.97
2022	7.657	4.18	30.71	42.55
2021	7.657	4.13	30.05	41.83
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

Note:

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

Source:

County of Berks Assessment Office

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

		2024			2015		
Taxpayer	Business/ Product	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
HLP LLC	Warehousing	\$ 75,052,700	1	0.37%			
Tower Health/Reading Hospital	Healthcare	63,979,700	2	0.32%			
Highlands at Wyomissing	Intermediate Care	57,102,900	3	0.28%	\$ 37,153,300	5	0.20%
Duke Realty LP	Warehousing	47,483,800	4	0.24%			
DPML Midway LLC	Warehousing	44,490,100	5	0.22%			
Hamburg Commerce Park	Warehousing	43,589,900	6	0.22%			
East Penn Manufacturing Co.	Battery Manufacturing	42,514,000	7	0.21%	39,527,000	4	0.21%
GH Spring Ridge Associates Inc.	Shopping Mall	40,058,000	8	0.20%	41,491,000	3	0.22%
DolgenCorp LLC	Warehousing	38,770,000	9	0.19%			
RELP Bethel LLC	Warehousing	36,400,000	10	0.18%			
Berkshire Mall LLC	Shopping Mall				63,049,400	1	0.34%
Green Hills Realty Association, LP	Leasing				42,348,100	2	0.23%
Phoebe Berks Village Inc.	Intermediate Care				28,976,400	6	0.16%
Morgantown Crossings LP	Shopping Mall				24,560,300	7	0.13%
Carpenter Technology	Manufacturing				22,529,500	8	0.12%
Ashley Furniture Industries	Furniture Manufacturing				21,960,000	9	0.12%
Meridian Blvd Investors LP	Rental Property				20,358,700	10	0.11%
Total		<u>\$ 489,441,100</u>		<u>2.44%</u>	<u>\$ 341,953,700</u>		<u>1.84%</u>

Note:

Total County of Berks assessed valuation for 2024 and 2015: \$ 20,097,635,800 \$ 18,621,309,400

Source:

County of Berks Assessment Office

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

Calendar Year ended December 31	Total Tax Levy (1)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections (4)	Total Tax Collections To Tax Levy
2024	\$ 167,316,176	\$ 162,684,815	97.23%	\$ 3,155,034	\$ 165,839,849	99.12%
2023	152,367,151	149,115,836	97.87%	3,329,897	152,445,733	100.05%
2022	150,448,065	147,095,648	97.77%	3,920,084	151,015,732	100.38%
2021	149,272,826	143,788,997	96.33%	4,628,098	148,417,095	99.43%
2020	147,116,536	142,629,613	96.95%	3,428,857	146,058,470	99.28%
2019	145,747,949	141,210,114	96.89%	4,110,951	145,321,065	99.71%
2018	144,441,118	139,455,986	96.55%	4,249,856	143,705,842	99.49%
2017	138,386,112	133,476,216	96.45%	4,214,714	137,690,930	99.50%
2016	137,553,350	132,573,006	96.38%	4,351,873	136,924,879	99.54%
2015	137,276,293	132,039,450	96.19%	4,496,621	136,536,071	99.46%

Notes:

- (1) Does not include interims, excludes exonerations. No offset for tax paid in the discount period.
- (2) Includes discounts, penalties, interest, interims, and adjustments
- (3) Includes penalties, interest and adjustments
- (4) Total Collections equal Revenue Taxes Property on FS 7

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County Direct Rates										
Total direct rate	8.35	7.66	7.66	7.66	7.66	7.66	7.66	7.37	7.37	7.37
Municipalities										
City:										
City of Reading	18.13	18.13	18.13	18.13	17.69	17.69	17.69	17.69	17.69	15.69
Boroughs:										
Bally	5.30	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Bechtelsville	6.30	6.30	6.00	6.00	6.00	5.50	5.00	5.00	4.50	4.50
Bernville	5.69	5.69	5.44	5.44	5.44	4.44	4.44	4.44	4.44	4.44
Birdsboro	7.11	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.66
Boyertown	9.04	8.64	8.19	7.49	7.34	6.69	6.34	6.14	5.64	5.14
Centerport	3.10	3.10	3.10	3.10	3.10	3.10	3.00	3.00	3.00	3.00
Fleetwood	7.45	6.95	6.70	6.70	6.45	6.45	6.25	6.25	6.00	6.00
Hamburg	9.00	8.50	8.50	8.25	8.25	8.00	8.00	8.00	8.00	8.00
Kenhorst	5.81	5.81	5.81	5.81	5.81	5.81	5.60	5.60	5.60	5.60
Kutztown	5.50	4.60	4.60	4.60	4.60	4.10	4.10	4.10	4.10	4.10
Laureldale	6.80	6.80	6.80	6.80	6.80	6.80	6.05	6.05	5.90	5.90
Leesport	8.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.50	1.50	1.50	1.50	1.50	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	7.05	7.05	5.70	5.70	5.70	5.50	5.13	5.10	4.55	4.30
Mt. Penn	14.85	14.10	11.10	11.10	10.70	10.50	10.50	9.50	8.50	7.40
New Morgan	1.86	1.86	1.86	1.86	1.86	1.86	1.86	1.50	1.56	1.56
Robesonia	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.65	4.65	4.65
St. Lawrence	8.18	7.68	7.51	7.51	7.51	6.89	6.64	6.64	6.64	6.00
Shillington	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	5.89
Shoemakersville	7.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	5.50
Sinking Spring	8.80	8.80	8.67	8.37	8.37	8.32	7.99	7.99	7.32	7.32
Topton	8.55	7.55	7.55	7.55	7.55	6.55	6.55	6.05	5.85	5.85
Wernersville	6.84	5.66	6.60	6.60	6.60	6.60	6.60	6.10	6.10	6.10
West Reading	13.10	12.10	11.10	10.85	9.85	9.60	8.85	8.10	7.60	7.10
Womelsdorf	6.97	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50
Wyomissing	5.40	4.50	4.50	4.50	4.25	3.90	3.90	3.90	3.90	3.90
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00
Amity	3.73	3.50	3.10	2.80	2.80	2.80	2.60	2.45	1.95	1.95
Bern	4.56	4.19	4.19	4.19	4.19	3.94	3.94	3.94	3.44	3.44
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brecknock	2.93	2.58	2.58	2.58	2.58	2.33	2.33	2.33	2.33	1.95
Caernarvon	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48
Centre	0.54	0.54	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	5.00	5.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50
Cumru	7.57	7.47	6.85	6.48	6.48	6.46	6.20	6.18	6.18	6.18
District	1.45	1.10	1.10	1.10	0.60	0.55	0.45	0.35	0.35	0.35
Douglass	4.90	4.90	4.90	4.80	4.30	4.30	4.30	3.30	3.30	2.30
Exeter	4.44	3.57	3.57	3.47	3.47	3.47	3.34	3.34	3.25	2.87
Greenwich	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hereford	1.50	1.50	1.50	1.20	1.20	1.20	1.20	1.20	1.20	0.96
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	2.95	3.21	3.21	3.21	3.21	3.05	3.05	3.05	2.80	2.80

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

Function/Program	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Townships (continued):										
Lower Alsace	10.35	9.85	9.35	9.35	9.25	8.68	8.68	8.68	7.95	7.18
Lower Heidelberg	6.75	6.75	6.75	6.04	6.04	5.54	5.19	4.79	4.79	4.79
Maidencreek	3.60	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Marion	2.75	2.75	2.00	2.00	2.00	1.80	1.30	1.30	1.30	1.30
Maxatawny	3.00	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36
Muhlenberg	5.70	5.30	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Oley	4.48	4.48	4.19	4.19	4.19	4.19	4.10	3.20	2.80	2.80
Ontelaunee	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	3.80
Penn	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Perry	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Pike	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50
Robeson	3.25	3.25	3.25	3.25	3.25	3.00	2.75	2.75	2.75	2.75
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ruscombmanor	1.20	0.11	0.10	0.10	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.60	4.60	4.60	4.15	4.15	4.10	4.10	4.10	3.35	3.35
Spring	4.95	4.45	4.45	4.45	4.45	3.95	4.01	4.01	3.25	3.25
Tilden	2.35	2.20	2.10	2.10	2.10	2.20	1.45	1.45	1.45	1.45
Tulpehocken	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Union	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Upper Bern	1.41	1.48	1.65	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	1.00	1.00	1.00	1.00	0.80	0.80	0.80	0.80	0.80	0.80
Washington	2.45	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	48.76	46.31	45.31	43.82	42.54	40.99	39.74	39.15	37.79	36.79
Boyertown	31.74	30.81	29.92	29.05	28.20	27.33	26.37	25.02	24.27	23.96
Brandywine Heights	36.25	35.98	35.45	34.42	34.08	33.74	33.24	32.78	32.30	32.30
Conrad Weiser	34.78	32.86	32.36	31.38	30.63	29.65	28.86	28.00	27.14	26.32
Daniel Boone	33.76	32.55	32.55	32.38	31.58	31.58	30.83	30.20	29.70	28.96
Exeter	35.38	34.71	34.71	34.20	33.61	33.11	32.62	32.62	32.22	31.25
Fleetwood	34.61	34.11	33.61	33.36	33.36	33.11	33.11	32.56	31.81	30.96
Governor Mifflin	31.55	30.10	29.60	29.10	28.60	28.60	28.10	27.60	27.10	26.60
Hamburg	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.71	26.46
Kutztown	31.00	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95
Muhlenberg	36.66	34.10	32.23	31.48	30.73	30.73	29.81	29.06	28.56	27.81
Oley Valley	31.13	30.34	29.54	29.04	28.54	27.94	27.34	26.93	26.33	25.84
Reading	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.41
Schuylkill Valley	27.82	27.82	27.82	27.82	27.82	27.82	27.07	27.07	27.07	26.79
Tulpehocken	25.75	25.80	25.90	26.00	26.75	26.85	27.10	27.60	27.70	27.70
Twin Valley	28.55	28.30	29.02	28.07	26.90	27.56	27.55	27.55	26.77	25.74
Upper Perkiomen	27.83	26.89	28.86	25.73	25.23	25.23	24.54	24.35	24.95	24.60
Wilson	30.64	29.49	28.66	27.66	26.26	26.26	25.67	25.29	24.95	24.60
Wyomissing	34.59	33.83	33.20	32.54	31.91	31.43	30.67	30.07	30.07	29.78

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	Leases	SBITA	General Obligation Bond Current	General Obligation Bond Long Term	Leases	SBITA	General Obligation Bond Current			
2024	\$ 63,372,892	\$ 17,572,863	\$ 5,407,160	\$ 10,316,509	\$ 8,886,777	\$ -	\$ -	\$ 2,406,418	\$ 107,962,619	0.54%	231.67
2023	73,689,401	17,734,030	6,507,911	12,405,093	11,293,195	-	-	2,332,834	123,962,464	0.49%	287.98
2022	101,432,208	18,596,124	-	12,078,653	16,719,154	-	-	951,347	149,777,486	0.60%	348.85
2021	114,844,199	-	-	10,673,893	17,884,608	-	-	3,868,107	147,270,807	0.62%	343.41
2020	127,893,467	-	-	10,772,529	21,329,701	-	-	3,087,471	163,083,168	0.76%	386.64
2019	152,700,553	-	-	20,302,848	24,631,280	-	-	466,142	198,100,823	0.97%	473.90
2018	169,202,807	-	-	20,686,984	25,004,760	-	-	438,016	215,332,567	1.09%	512.51
2017	188,367,121	-	-	20,504,206	25,653,096	-	-	425,795	234,950,218	1.18%	562.28
2016	206,960,390	-	-	19,676,075	26,289,210	-	-	418,780	253,344,455	1.33%	611.80
2015	235,441,478	-	-	20,516,681	26,919,161	-	-	748,319	283,625,639	1.52%	685.14

Note:

Amounts netted for discounts, premiums and deferred refundings losses.

Source:

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

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

Fiscal Year	Population	Estimated Actual Taxable Value	General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
2024	432,821	\$ 20,097,635,800	\$ 84,982,596	0.42%	\$ 196.35
2023	430,449	19,914,961,400	99,720,526	0.50%	231.67
2022	429,342	19,674,003,300	131,181,362	0.67%	305.54
2021	428,849	19,494,947,700	147,270,807	0.76%	343.41
2020	421,799	19,213,337,500	163,083,168	0.85%	386.64
2019	418,025	19,034,600,700	198,100,823	1.04%	473.90
2018	420,152	18,883,591,900	215,332,567	1.14%	512.51
2017	417,854	18,792,627,900	234,950,218	1.25%	562.28
2016	414,097	18,658,891,800	253,344,455	1.36%	611.80
2015	413,965	18,621,309,400	283,625,639	1.52%	685.14

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, 2024

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 96,669,424	100%	\$ 96,669,424
Overlapping Debt			
School Districts: ¹			
Antietam	\$ 24,355,000	100%	\$ 24,355,000
Boyertown Area	86,710,700	42%	36,418,494
Brandywine Heights	17,432,759	100%	17,432,759
Conrad Weiser	36,150,054	100%	36,150,054
Daniel Boone Area	60,175,817	100%	60,175,817
Exeter Township	65,330,000	100%	65,330,000
Fleetwood Area	16,252,443	100%	16,252,443
Governor Mifflin Area	93,668,829	100%	93,668,829
Hamburg Area	38,845,000	100%	38,845,000
Kutztown Area	24,595,000	100%	24,595,000
Muhlenberg Area	25,155,000	100%	25,155,000
Oley Valley	20,700,000	100%	20,700,000
Reading School District	372,584,913	100%	372,584,913
Schuylkill Valley	23,685,000	100%	23,685,000
Tulpehocken Area	64,725,000	100%	64,725,000
Twin Valley	44,244,662	54%	23,892,117
Upper Perkiomen	57,231,000	11%	6,295,410
Wilson Area	77,586,569	100%	77,586,569
Wyomissing Area	49,742,500	100%	49,742,500
Total School Districts	\$ 1,199,170,246		\$ 1,077,589,905
Municipalities			
City of Reading	\$ 289,757,872	100%	\$ 289,757,872
Albany Township	63,985	100%	63,985
Alsace Township	297,872	100%	297,872
Amity Township	8,032,428	100%	8,032,428
Boyertown Borough	3,153,020	100%	3,153,020
Cumru Township	14,645,000	100%	14,645,000
District Township	407,595	100%	407,595
Exeter Township	11,419,660	100%	11,419,660
Fleetwood Borough	774,635	100%	774,635
Hamburg Borough	4,413,504	100%	4,413,504
Kutztown Borough	12,768,000	100%	12,768,000
Lower Alsace Township	773,000	100%	773,000
Lower Heidelberg Township	8,985,000	100%	8,985,000

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2024

Direct Debt of County and Related Entities (continued)	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Maidencreek Township	\$ 4,845,000	100%	\$ 4,845,000
Maxatawny Township	96,964	100%	96,964
Muhlenberg Township	13,405,000	100%	13,405,000
Ontelaunee Township	11,472,672	100%	11,472,672
South Heidelberg Township	671,000	100%	671,000
Spring Township	19,470,000	100%	19,470,000
Tilden Township	3,347,608	100%	3,347,608
Topton Borough	989,467	100%	989,467
Upper Bern Township	1,923,081	100%	1,923,081
Washington Township	50,000	100%	50,000
Wernersville Borough	700,000	100%	700,000
West Reading Borough	<u>7,819,845</u>	100%	<u>7,819,845</u>
Total Municipalities	<u>\$ 420,282,207</u>		<u>\$ 420,282,207</u>
Total Overlapping Debt			<u>\$ 1,497,872,113</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,594,541,537</u>

Source:

Annual Reports from individual School Districts and Municipalities

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

¹ The school district debt is as of June 30, 2024.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit at 300%	\$ 1,857,239,393	\$ 1,859,745,397	\$ 1,804,367,532	\$ 1,704,298,177	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>73,689,401</u>	<u>86,094,494</u>	<u>113,510,861</u>	<u>125,518,092</u>	<u>138,665,996</u>	<u>173,003,401</u>	<u>189,889,791</u>	<u>208,871,327</u>	<u>226,636,465</u>	<u>255,958,159</u>
Legal Debt Margin	<u>\$ 1,783,549,992</u>	<u>\$ 1,773,650,903</u>	<u>\$ 1,690,856,671</u>	<u>\$ 1,578,780,085</u>	<u>\$ 1,480,837,914</u>	<u>\$ 1,362,257,284</u>	<u>\$ 1,311,281,557</u>	<u>\$ 1,224,669,055</u>	<u>\$ 1,152,164,390</u>	<u>\$ 1,068,996,240</u>
Total net debt applicable to the limit as a percentage of debt limit	3.97%	4.63%	6.29%	7.36%	8.56%	11.27%	12.65%	14.57%	16.44%	19.32%
Total Revenues Received	\$ 601,123,484	\$ 633,769,952	\$ 622,345,957	\$ 603,629,488	\$ 578,392,087	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255
Total net revenue	\$ 1,857,239,393	\$ 1,859,745,397	\$ 1,804,367,532	\$ 1,704,298,177	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399
Borrowing base = Total net revenues, divided by three	\$ 619,079,798	\$ 619,915,132	\$ 601,455,844	\$ 568,099,392	\$ 539,834,637	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285	\$ 441,651,466

Source:
County of Berks, Financial Statements

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

Fiscal Year	Principal *	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
2024	\$ 13,497,953	\$ 3,270,044	\$ 16,767,997	\$ 549,692,774	3.05%
2023	29,854,537	4,046,260	33,900,797	562,278,329	6.03%
2022	8,794,834	2,858,134	11,652,968	538,173,596	2.17%
2021	11,090,545	4,530,587	15,621,132	529,960,717	2.95%
2020	17,474,779	15,897,346	33,372,125	524,940,413	6.36%
2019	8,663,370	14,779,894	23,443,264	457,363,337	5.13%
2018	8,318,135	15,605,850	23,923,985	451,579,486	5.30%
2017	7,725,669	16,629,718	24,355,387	429,347,681	5.67%
2016	7,527,645	16,475,219	24,002,864	428,526,206	5.60%
2015	7,620,828	16,911,272	24,532,100	388,195,165	6.32%

* Principal includes administrative expenditures.

Source:
County of Berks, Financial Statements

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

Calendar Year	Population	Per Capita Income	Personal Income	Higher Education Enrollment	Public School Enrollment	Unemployment Rate	Median Sales Price of Residential Property
2024	432,821	\$ 61,575	\$ 26,650,953,036	*	68,568	3.3%	\$ 285,849
2023	430,449	58,311	25,099,911,600	25,879	68,699	3.0%	270,195
2022	429,342	57,970	24,888,955,700	23,129	69,432	3.1%	269,659
2021	428,849	55,045	23,605,993,200	23,919	69,768	3.8%	242,283
2020	421,799	50,657	21,367,072,000	27,037	70,322	7.8%	206,292
2019	418,025	48,741	20,374,956,500	26,982	69,505	4.3%	189,538
2018	420,152	46,960	19,730,337,900	26,437	70,247	4.2%	182,246
2017	417,854	47,629	19,901,968,200	26,590	69,871	4.2%	170,900
2016	414,097	46,142	19,107,263,800	27,081	70,329	4.4%	169,000
2015	413,965	45,103	18,671,063,400	27,985	71,160	4.8%	168,200

* Data not available.

Source:

Bureau of Economic Analysis

County of Berks Assessment Office

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

Pennsylvania Department of Education

Unemployment Rate not seasonally adjusted: https://ycharts.com/indicators/berks_county_pa_unemployment_rate

Census: <https://censusreporter.org/profiles/05000US42011-berks-county-pa/>

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,583	1	3.52%	7,145	1	3.39%
Tower Health/Reading Hospital	6,156	2	2.85%	6,673	2	3.17%
Amazon.com Services Inc	5,774	3	2.68%	(a)		
Carpenter Technology Corp.	2,328	4	1.08%	2,305	4	1.09%
County of Berks	2,158	5	1.00%	2,400	3	1.14%
Penske Transportation Solutions	2,145	6	0.99%	1,683	8	0.80%
Reading School District	2,123	7	0.98%	2,000	5	0.95%
Wal-Mart Stores	1,996	8	0.93%	(a)		
Redner's Markets Inc.	1,747	9	0.81%	1,361	10	0.65%
Giant Food Stores LLC	1,606	10	0.74%	(a)		
Penn State St. Joseph Medical Center	1,398		0.65%	1,623	9	0.77%
Boscov's Inc.	1,240		0.57%	1,750	6	0.83%
Pennsylvania Government	1,011		0.47%	1,720	7	0.82%
Total	37,265		17.28%	28,660		13.61%
Total County Labor Force	215,700			210,600		

Note:

(a) - Employer not on both lists

Source:

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

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

Function/Program	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:										
General government	231	233	198	213	202	182	184	200	197	196
Judicial	571	484	442	425	442	446	455	451	458	462
Public safety	443	512	462	476	504	506	492	505	487	412
Human services	377	335	275	270	280	286	291	288	294	293
Culture and recreation	47	47	38	30	35	41	39	32	34	35
Community and economic development	18	17	16	16	15	15	15	22	19	19
Total governmental activities	<u>1,687</u>	<u>1,628</u>	<u>1,431</u>	<u>1,430</u>	<u>1,478</u>	<u>1,476</u>	<u>1,476</u>	<u>1,498</u>	<u>1,489</u>	<u>1,417</u>
Business-type activities:										
Berks Heim	411	328	244	278	366	375	381	396	399	402
Emergency Services	-	-	-	-	-	-	-	-	-	79
Berks County Residential Center	-	39	58	56	59	61	62	67	64	68
Total business-type activities	<u>411</u>	<u>367</u>	<u>302</u>	<u>334</u>	<u>425</u>	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>
Total primary government	<u>2,098</u>	<u>1,995</u>	<u>1,733</u>	<u>1,764</u>	<u>1,903</u>	<u>1,912</u>	<u>1,919</u>	<u>1,961</u>	<u>1,952</u>	<u>1,966</u>

Note:

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

(1) Emergency Services merged with Public Safety in 2016

(2) Berks County Youth Center opened in 2024

(3) Berks County Residential Center closed in 2023

Source:

County of Berks, Personnel Statements

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	31,912 **	8,519	9,895	10,829	26,100 **	6,400	10,245	4,000	20,387 **	4,859
Total Ballots Cast	211,483	85,725	156,332	75,527	272,192	-	-	-	-	-
In-Person Ballots	161,707 **	66,305	127,503	59,041	189,805 **	-	-	-	-	-
Mail-In Ballots	49,776 ***	19,420	28,829	16,486 ***	72,598 *	-	-	-	-	-
Absentee Ballots Processed	-	-	-	-	9,789	3,289	6,392	1,500	9,358	2,177
Change of Address/Party	61,654	35,807	34,813	24,461	18,810	30,267	26,371	18,000	62,101	25,057
Cancellations	20,776	7,393	16,984	12,139	9,319	2,709	17,053	3,000	43,348	7,092
* New mail-in process started in 2020										
** 2016, 2020 and 2024 were presidential election years, so more registrations processed										
*** Absentee and Mail-In Ballots combined as of 2021										
Real Estate										
Appeal summaries	1,013	964	561	669	788	596	573	713	950	1,485
Change Notices	2,619	2,914	3,286	2,458	1,807	3,150	3,577	2,616	3,190	2,964
Parcels Created	408	376	269	206	231	250	462	374	548	388
Acreage Changed	450	585	476	470	307	375	526	1,884	473	587
Judicial										
Coroner										
Total Cases	3,627	3,619	3,933	4,279	4,112	3,505	3,363	3,371	3,386	3,230
Cremations	2,491	2,480	2,576	2,737	2,636	2,197	2,043	2,028	2,004	1,865
District Attorney										
Criminal Case Prosecution										
Adult Cases	4,554	5,025	4,675	5,082	4,536	6,251	6,473	7,019	6,560	6,533
Juvenile Cases	416	501	421	1,625	2,257	3,024	3,024	736	804	890
Narcotics Enforcement Team	146	264	200	211	319	241	235	272	780	602
DUI Central Booking	631	654	626	562	449	836	802	735	658	602
Major Crimes	2,556	2,552	2,698	2,318	1,750	2,917	2,401	2,408	2,484	2,215
Fugitive/Warrants Unit	-	-	-	-	-	-	-	-	-	226
Register of Wills										
Estates Opened	2,101	2,157	2,384	1,784	1,793	1,871	1,872	2,023	1,886	1,865
Marriage Licenses Issued	2,540	2,365	2,123	2,187	1,984	2,294	2,380	2,462	2,396	2,403
Adoptions	115	152	205	226	233	249	243	82	227	190
Public Safety										
County Prison										
Inmates Committed	3,778	3,995	3,720	3,493	3,623	6,094	6,611	6,994	6,328	6,701
Average Daily Population	749	759	705	747	743	1,044	1,104	999	1,024	1,171
Inmate Counseling Sessions	1,059	704	1,104	673	685	1,243	1,317	1,607	1,690	1,568
Inmate Work Release Participants	-	-	-	-	36	159	146	117	92	83
Inmates Enrolled in Education	410	411	395	346	570	388	463	542	422	498
Public Works										
Recycling Center										
Tons Recycled Curbside	62,100	62,039	61,000	55,000	55,976	44,031	44,133	45,759	51,597	55,291
Tons Recycled Drop-off	450	372	475	400	496	719	7,529	1,492	1,625	1,585
Tons Recycled Commercial	170,000	172,481	184,836	145,000	145,902	149,554	184,759	169,106	161,972	158,866
Tons Recycled by County	900	581	925	800	116	1,116	1,273	1,209	1,472	1,510

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

Function/Program	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Human services										
CareerLink										
Companies Served	829	844	771	750	832	751	654	647	465	417
Adults Served	200	202	173	227	129	102	79	97	58	126
Youth Served	351	245	380	325	296	395	440	502	545	571
Dislocated Workers Served	94	48	51	113	79	97	135	324	265	304
JOBS Program (EARN)	247	236	151	152	211	327	359	327	340	442
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	56	65	76	92	117	108	117	132	127	123
Number of Farms Selected	18	18	18	14	19	16	30	24	24	21
Funds Raised	24,349	645	200	150,196	675	522	10,000	4,625	100	-
Community and economic development										
Planning										
Act 247 Subdivision Reviews	171	186	184	213	128	150	153	180	151	134
Act 247 Ordinance Reviews	59	51	42	39	34	47	70	72	42	44
Act 537 Sewage Reviews	-	-	-	1	-	2	2	4	10	-
Act 97 Solid Waste Reviews	1	1	1	-	-	2	2	4	5	1
911										
Total 911 Calls	170,632	176,524	166,751	173,300	164,949	173,197	176,619	183,498	194,460	211,700
Average Daily Call Volume	467	484	457	475	452	475	484	503	533	580
Average Answer in < 10 seconds	(a)	(a)	(a)	(a)	(a)	(a)	93%	99%	99%	99%
Surcharge Funds Received	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	\$ 1,297,310
Surcharge Funds Disbursed	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	\$ 1,054,321
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	14,132	16,469	17,349	13,973	14,313	17,018	18,957	20,178	22,090	20,866
Medical Assistance/Medicare A	94,667	91,338	89,641	91,075	108,488	128,325	128,701	127,894	127,110	127,593
Bedhold Days	233	434	427	412	419	725	751	742	556	554
Berks County Residential Center										
Average Daily Population										
Berks County Residential Center	(c)	(c)	-	3	28	57	51	61	80	80

Note:

(a) As of 2019, no longer tracked.

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

(c) Berks County Residential Center closed in 2023.

Source:

Individual County Departments

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

Function/Program	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
General government										
Land and land improvements	\$ 2,219,949	\$ 2,192,943	\$ 2,072,841	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983
Buildings and building improvements	163,294,514	160,367,491	148,412,208	148,861,055	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289
Furniture, fixtures, and equipment	31,313,026	21,709,130	24,913,794	24,598,664	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364
Construction in progress	9,422,082	12,717,256	11,599,188	10,109,129	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230
Infrastructure	94,401	94,401	94,401	94,401	94,401	94,401	94,401	94,401	85,760	-
Agricultural easements	85,505,138	84,712,126	84,431,856	83,767,156	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441
Right-To-Use Lease Assets	29,979,007	29,661,390	28,981,049	-	-	-	-	-	-	-
Right-To-Use SBITA	10,955,069	10,955,069	-	-	-	-	-	-	-	-
	<u>332,783,186</u>	<u>322,409,806</u>	<u>300,505,337</u>	<u>269,652,388</u>	<u>266,622,795</u>	<u>257,239,921</u>	<u>248,122,799</u>	<u>245,560,649</u>	<u>240,001,403</u>	<u>303,483,307</u>
Judicial										
Buildings and building improvements	1,634,610	1,634,610	1,232,174	1,216,111	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804	907,096
Furniture, fixtures, and equipment	3,362,657	2,790,654	2,433,188	2,727,631	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887
Construction in progress	-	-	-	-	-	203,871	223,792	-	-	-
	<u>4,997,267</u>	<u>4,425,264</u>	<u>3,665,362</u>	<u>3,943,742</u>	<u>4,160,724</u>	<u>3,952,225</u>	<u>3,852,835</u>	<u>3,308,181</u>	<u>3,558,665</u>	<u>3,169,983</u>
Public Safety										
Land and land improvements	284,945	-	-	-	-	-	-	-	-	-
Buildings and building improvements	51,594,603	51,475,452	51,629,902	51,580,695	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401
Furniture, fixtures, and equipment	69,916,881	69,531,743	68,933,438	66,408,061	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160
Construction in progress	2,049,949	1,674,723	1,671,614	4,096,280	3,469,970	1,996,743	2,285,848	763,784	102,128	-
Infrastructure	28,759	28,759	28,759	28,759	28,759	28,759	28,759	28,759	-	-
	<u>123,875,137</u>	<u>122,710,677</u>	<u>122,263,713</u>	<u>122,113,795</u>	<u>120,490,658</u>	<u>118,161,836</u>	<u>117,461,729</u>	<u>115,298,226</u>	<u>117,243,682</u>	<u>51,127,561</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516
Buildings and building improvements	7,538,066	7,538,066	7,538,066	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	157,233	163,208	141,791	148,217	88,063	208,286	208,286	225,836	225,836	225,836
Construction in progress	1,830	1,119,721	732,367	1,054,575	546,345	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210
Infrastructure	47,153,099	42,007,225	41,746,131	40,103,929	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072
	<u>54,891,744</u>	<u>50,869,736</u>	<u>50,199,871</u>	<u>49,400,100</u>	<u>48,718,337</u>	<u>46,795,764</u>	<u>43,220,858</u>	<u>38,167,045</u>	<u>36,235,110</u>	<u>25,505,497</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750	113,931
Furniture, fixtures, and equipment	488,530	472,560	458,805	563,945	635,231	492,933	499,961	455,048	482,406	500,446
	<u>626,280</u>	<u>610,310</u>	<u>596,555</u>	<u>701,695</u>	<u>772,981</u>	<u>630,683</u>	<u>637,711</u>	<u>592,798</u>	<u>620,156</u>	<u>614,377</u>
Culture and recreation										
Land and land improvements	16,126,084	16,086,234	15,748,698	15,706,436	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400
Buildings and building improvements	8,719,214	8,290,704	7,970,344	8,133,643	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287
Furniture, fixtures, and equipment	2,089,162	1,834,228	1,345,780	1,427,118	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175
Construction in progress	798,895	834,811	843,622	468,559	286,216	228,908	171,532	113,187	39,143	-
Historical treasures	2,290,344	2,290,344	2,290,344	2,290,344	2,290,344	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644
Infrastructure	38,762	38,762	38,762	38,762	38,762	38,762	38,762	-	-	-
	<u>30,062,461</u>	<u>29,375,083</u>	<u>28,237,550</u>	<u>28,064,862</u>	<u>28,053,379</u>	<u>26,943,758</u>	<u>26,569,773</u>	<u>26,464,996</u>	<u>26,204,843</u>	<u>24,292,506</u>
Community and economic development										
Buildings and building improvements	1,828,400	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700
Furniture, fixtures, and equipment	42,889	64,452	35,282	43,736	35,282	37,204	30,217	43,254	23,359	23,359
	<u>1,871,289</u>	<u>1,908,152</u>	<u>1,878,982</u>	<u>1,887,436</u>	<u>1,878,982</u>	<u>1,880,904</u>	<u>1,873,917</u>	<u>1,886,954</u>	<u>1,867,059</u>	<u>1,867,059</u>
Total governmental - cost	<u>\$ 549,107,364</u>	<u>\$ 532,309,028</u>	<u>\$ 507,347,370</u>	<u>\$ 475,764,018</u>	<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>
Business-type activities:										
Berks County Residential Center										
Buildings and building improvements	\$ -	\$ -	\$ 11,774,556	\$ 11,782,088	\$ 10,328,645	\$ 10,187,060	\$ 10,187,060	\$ 10,187,060	\$ 10,187,060	\$ 8,909,018
Furniture, fixtures, and equipment	-	-	236,456	223,327	223,327	223,327	223,327	337,121	368,724	346,699
Construction in progress	-	-	13,119	9,449	1,303,750	1,001,301	-	-	-	-
	<u>-</u>	<u>-</u>	<u>12,024,131</u>	<u>12,014,864</u>	<u>11,855,722</u>	<u>11,411,688</u>	<u>10,410,387</u>	<u>10,524,181</u>	<u>10,555,784</u>	<u>9,255,717</u>
Berks Heim										
Buildings and building improvements	44,335,924	44,330,030	43,846,901	43,837,834	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210
Furniture, fixtures, and equipment	6,875,028	6,434,697	5,952,912	5,734,197	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490
Construction in progress	-	158,828	360,066	259,770	1,297,768	1,266,633	35,398	29,945	17,642	14,367
	<u>51,210,952</u>	<u>50,923,555</u>	<u>50,159,879</u>	<u>49,831,801</u>	<u>46,330,721</u>	<u>44,466,208</u>	<u>42,857,205</u>	<u>42,806,689</u>	<u>42,650,700</u>	<u>42,596,067</u>
Total business-type activities	<u>\$ 51,210,952</u>	<u>\$ 50,923,555</u>	<u>\$ 62,184,010</u>	<u>\$ 61,846,665</u>	<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>
Total primary government	<u>\$ 600,318,316</u>	<u>\$ 583,232,583</u>	<u>\$ 569,531,380</u>	<u>\$ 537,610,683</u>	<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>

Note:

(1) Berks County Residential Center closed in 2023

Source:

Annual Comprehensive Financial Reports

