

Annual
Comprehensive
Financial Report
for the Year Ending
December 31, 2022



County of Berks,
Pennsylvania

**County of Berks,
Pennsylvania
Annual
Comprehensive
Financial Report
for the Year Ending
December 31, 2022**

Commissioners:

Christian Y. Leinbach, Chair

Kevin S. Barnhardt, Vice Chair

Michael S. Rivera

Prepared by the

Office of the Controller

Table of Contents:	Page(s)
Introductory Information:	
Letter of Transmittal	1 – 5
County of Berks - List of Elected Officials	6
County of Berks Organizational Chart	7
Financial Information:	
Independent Auditor’s Report	8 – 11
Management’s Discussion and Analysis	12 – 24
Financial Statements:	
Statement of Net Position	FS 1 – 2
Statement of Activities	FS 3 – 4
Balance Sheet – Governmental Funds	FS 5
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	FS 6
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	FS 7
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	FS 8
Statement of Net Position – Proprietary Funds – Enterprise Funds	FS 9
Statement of Revenues, Expenses and Changes in Fund Net Position Proprietary Funds – Enterprise Funds	FS 10
Statement of Cash Flows – Proprietary Funds – Enterprise Funds	FS 11
Statement of Fiduciary Net Position – Fiduciary Funds	FS 12
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	FS 13
Statement of Net Position – Component Units	FS 14

Table of Contents (continued):	Page(s)
Statement of Activities/Revenues, Expenses and Changes in Net Position – Component Units	FS 15
Notes to Financial Statements:	
Note 1 – Summary of Significant Accounting Policies	N 1
Note 2 – Cash and Investments	N 13
Note 3 – Restricted Assets	N 26
Note 4 – Real Estate Taxes and Tax Abatements	N 27
Note 5 – Interfund Balances and Activity	N 28
Note 6 – Capital Assets	N 30
Note 7 – Retirement Plans	N 36
Note 8 – Future Lease Rentals Receivable and Related Debt	N 48
Note 9 – Risk Management	N 51
Note 10 – Long-Term Debt	N 55
Note 11 – Fund Balance Policy	N 63
Note 12 – Obligations under Capital Leases	N 65
Note 13 – Commitments and Contingencies	N 66
Note 14 – Contractual Agreement Revenue	N 70
Note 15 – Post Employment Benefit Plans other than Pensions	N 71
Note 16 – Subsequent Events	N 80

Table of Contents (continued):

Required Supplemental Information:

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
General Fund – Budget and Actual RSI 1 – 3

Children and Youth Services

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Children and Youth Services Special Revenue Fund – Budget and Actual RSI 4

Health Choices

Schedule of Revenues, Expenditures and Changes in Fund Balances –
Health Choices Special Revenue Fund – Budget and Actual RSI 5

Note to Required Supplemental Information RSI 6

Community Development Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Community Development Special Revenue Fund – Budget and Actual RSI 7

COVID Impact Grants Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Capital Projects Special Revenue Fund – Budget and Actual RSI 8

Schedule of Changes in the County’s Net Pension Asset (Liability) and
Related Ratios – Berks County Employees’ Retirement Fund RSI 9

Schedule of County Contributions RSI 10
Berks County Employees’ Retirement Fund

Other Supplemental Information:

Nonmajor Governmental Funds:

Combining Balance Sheet – Nonmajor Governmental Funds OSI 1 – 3

Combining Statement of Revenues, Expenditures and Changes in
Fund Balances – Nonmajor Governmental Funds OSI 4 – 6

Liquid Fuels

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Liquid Fuels Special Revenue Fund – Budget and Actual OSI 7

Domestic Relations

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Domestic Relations Special Revenue Fund – Budget and Actual OSI 8

Table of Contents (continued): **Page(s)**

Other Supplemental Information (continued):

Employment and Training

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Employment and Training Special Revenue Fund – Budget and Actual OSI 9

Office of Aging

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Office of Aging Special Revenue Fund – Budget and Actual OSI 10

Special Legislation

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Special Legislation Special Revenue Fund – Budget and Actual OSI 11

Mental Health/ Developmental Disabilities

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Mental Health/ Developmental Disabilities Special Revenue Fund – Budget and
Actual OSI 12

Human Services

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Human Services Special Revenue Fund – Budget and Actual OSI 13

Drug and Alcohol

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Drug and Alcohol Special Revenue Fund – Budget and Actual OSI 14

Department of Emergency Services Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Department of Emergency Services Special Revenue Fund – Budget and Actual OSI 15

Berks County Residential Center Enterprise Fund

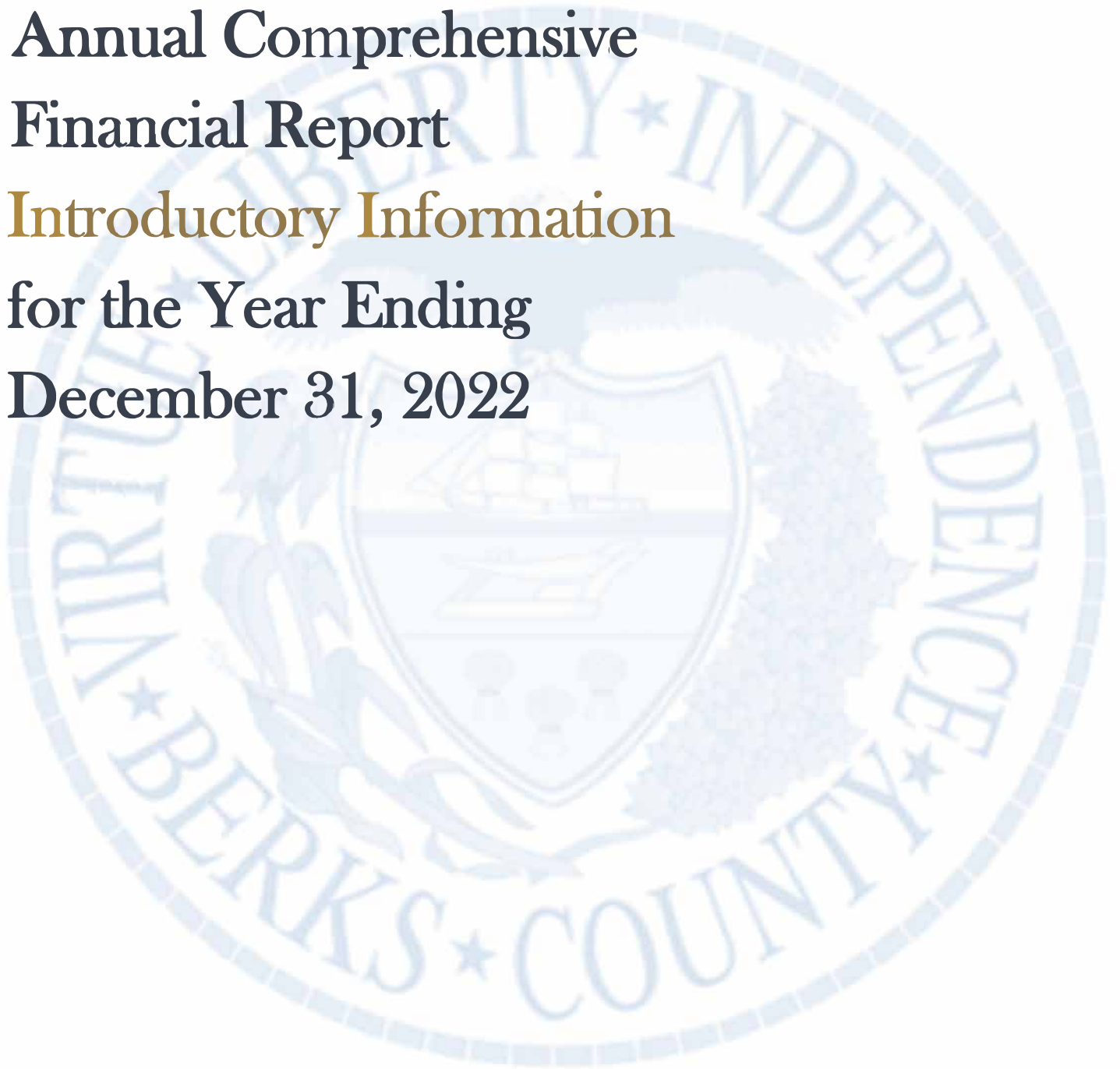
Schedule of Revenues, Expenses and Changes in Fund Net Position -
Berks County Residential Center Enterprise Fund – Budget and Actual OSI 16

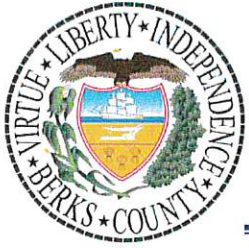
Berks Heim Enterprise Fund

Schedule of Revenues, Expenses and Changes in Fund Net Position -
Berks Heim Enterprise Fund – Budget and Actual OSI 17

Table of Contents (continued):	Page(s)
Statistical Information:	
Statistical Section – Categories	SI 1
Net Position by Component – Last Ten Years	SI 2
Changes in Net Position – Last Ten Years	SI 3 - 4
Fund Balances of Governmental Funds – Last Ten Years	SI 5
Changes in Fund Balances of Governmental Funds – Last Ten Years	SI 6
Total Revenue by Source, Governmental Funds – Last Ten Years	SI 7
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	SI 8
Property Tax Rates per \$1,000 of Assessed Value – Direct and Overlapping Governments – Last Ten Years	SI 9
Principal Taxpayers – Current and Nine Years Ago	SI 10
Property Tax Levies and Collections – Last Ten Years	SI 11
Direct and Overlapping Property Tax Rates – Last Ten Years	SI 12 – 13
Ratio of Outstanding Debt by Type – Last Ten Years	SI 14
Ratios of General Bonded Debt Outstanding – Last Ten Years	SI 15
Direct and Overlapping Governmental Activities Debt – December 31, 2022	SI 16 – 17
Legal Debt Margin Information – Last Ten Years	SI 18
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures – Last Ten Years	SI 19
Demographic and Economic Statistics – Last Ten Years	SI 20
Principal Employers – Current Year and Nine Years Ago	SI 21
Full-Time Equivalent Employees by Function/Program – Last Ten Years	SI 22
Operating Indicators by Function/Program – Last Ten Years	SI 23 - 24
Capital Assets Statistics by Function/Program – Last Ten Years	SI 25

**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Introductory Information
for the Year Ending
December 31, 2022**





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

Services Center, 13th Floor
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Phone: 610.478.6136

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Christian Y. Leinbach, Chair
Michael S. Rivera, Vice Chair
Lucine E. Sihelnik, Commissioner

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

September 19, 2023

To: The Citizens of the County of Berks

This Annual Comprehensive Financial Report of the County of Berks for the year ended December 31, 2022 is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This Annual Comprehensive Financial Report was prepared by the Office of the Controller on behalf of the Board of Commissioners. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form, and contents of this Annual Comprehensive Financial Report and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of RKL LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2022 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, 2022. The auditor's report is located at the beginning of the financial section of this report.

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

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

Letter of Transmittal

2022 Annual Comprehensive Financial Report

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

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

Profile of the County and Government

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

Originally settled over 250 years ago, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. Berks County is the most populated county in the state of Pennsylvania. Based on the United States Census Bureau the County's estimated population as of July 1, 2023 is 434,072 in 73 boroughs, townships and the City of Reading, and has been exhibiting an upward trend for the last decade.

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

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

Financial Reporting Entity

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

Letter of Transmittal
2022 Annual Comprehensive Financial Report

Economic Condition & Outlook

Berks County's economic conditions were aligned with what was occurring at the national and state levels. At the end of 2022 unemployment rate was just a little bit over 4.00% which was on par with the state unemployment level. The manufacturing remains the largest employer followed by healthcare and government sector. Rising inflation and the looming recession will have a great impact on the trajectory for growth in the coming years.

The County maintains many investments to facilitate operations, capital expansion and retirement plans. The investment policy is to minimize credit and market risks, while maintaining a competitive yield on the portfolios. Accordingly, deposits are insured by federal depository insurance, invested in governmental obligations, or collateralized in accordance with the Commonwealth of Pennsylvania Act 72. The County maintains a defined benefit retirement plan with mandatory membership for all full-time County employees, through a 5% required contribution. Net plan position was valued at \$477,621,356, a decrease of 18% 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.

Yet again, in 2023 County was able to implement a no tax increase budget, but succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of the Children and Youth Services, Berks Heim, and the Criminal Justice System, notably the Jail. The County is now completing its 17th 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 2022/2023. The most notable of which are the County Security Project, as well as ongoing Department of Emergency Services GPS project. The expected final cost for the former is \$2.2 million, and the GPS project expected final cost is to be approximately \$2.3 million. The management anticipates this project to be completed by December 31, 2023.

Ongoing major initiatives of the County are restorations and maintenances of other County owned bridges. Total aggregate construction in progress on other bridges is approximately \$3.5 million at December 31, 2022. The bridge projects have varying dates of completion. The ongoing projects include the Althouse Mill Bridge, the Ebling Memorial Bridge, and Peach Street Bridge.

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

**Letter of Transmittal
2022 Annual Comprehensive Financial Report**

Acknowledgements

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

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

Respectfully submitted,



Kevin S. Barnhardt
Commissioner



Christian Y. Leinbach
Commissioner Chair

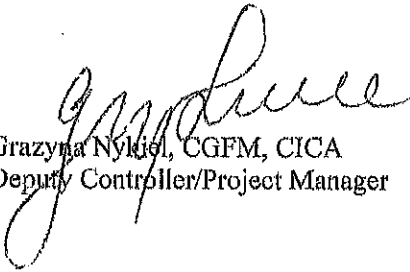


Michael S. Rivera
Commissioner




Sandra M. Graffius
Controller


**Letter of Transmittal
2022 Annual Comprehensive Financial Report**




Grazyna Nykiel, CGFM, CICA
Deputy Controller/Project Manager



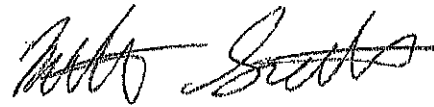
Andrew Noll, CFE, CGFM
Manager of Financial Reporting
and Accounting



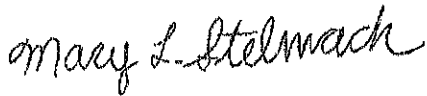
Patrick Sleppy
Senior Governmental Accountant




Scott S. Poch, CPA, CGMA
Senior Governmental Accountant



Mitchel D. Salvatore
Senior Governmental Accountant



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



Oliver Arthur, CPA
Senior Governmental Accountant



John Ditizio - Accounting Associate

**Letter of Transmittal
2022 Annual Comprehensive Financial Report**

**County of Berks
List of Elected Officials
September 19, 2023**

Commissioners

Christian Y. Leinbach, Chair
Michael S. Rivera, Vice Chair
Lucine E. Sihelnik, Commissioner

Controller
Sandra M. Graffius

Clerk of Courts
James P. Troutman

Acting Treasurer
Socrates Georgeadis, Esq

District Attorney
John T. Adams, Esq.

Acting Register of Wills
Suzanne Myers

Coroner
John Fielding

Prothonotary
Jonathan DelCollo

Sheriff
Eric J. Weaknecht

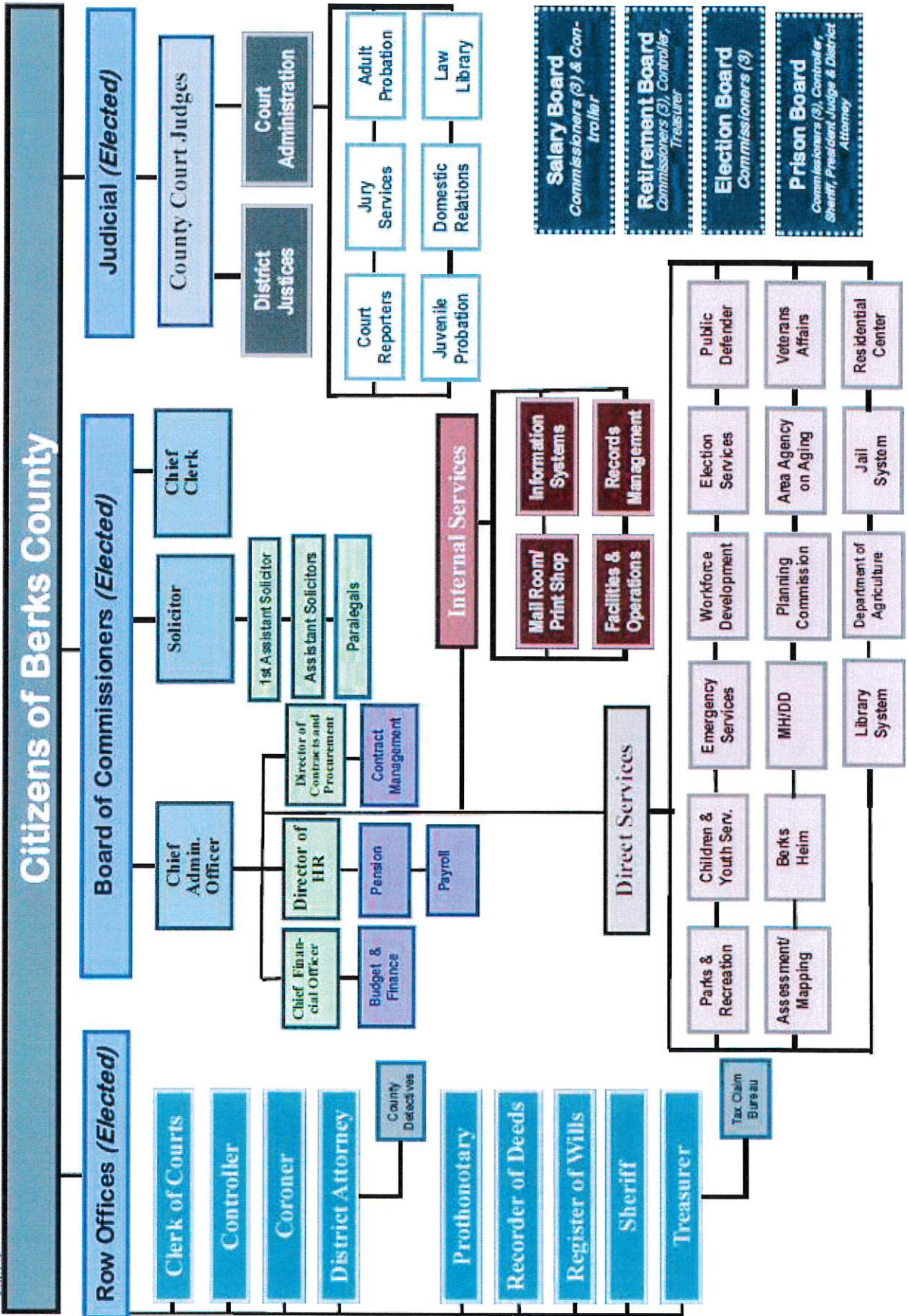
Recorder of Deeds
Mary Kozak

Judges of Court

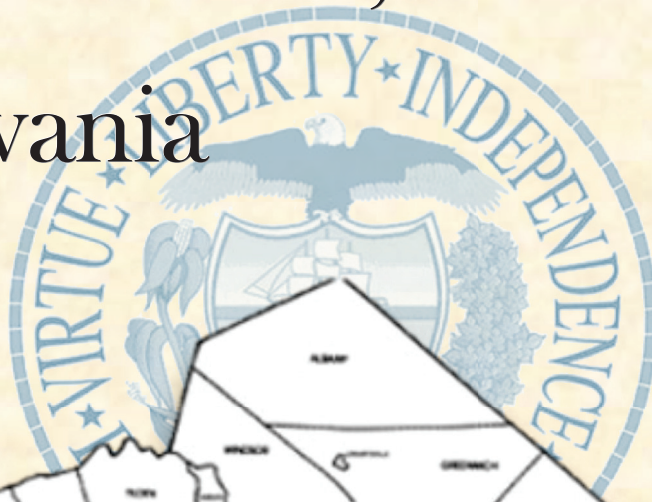
Honorable M. Theresa Johnson, President Judge
Honorable Scott E. Lash, Judge
Honorable Thomas G. Parisi, Judge
Honorable Tina M. Boyd, Judge
Honorable James E. Gavin, Judge
Honorable Jill Gehman Koestel, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable James M. Lillis, Judge
Honorable Eleni Dimitriou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



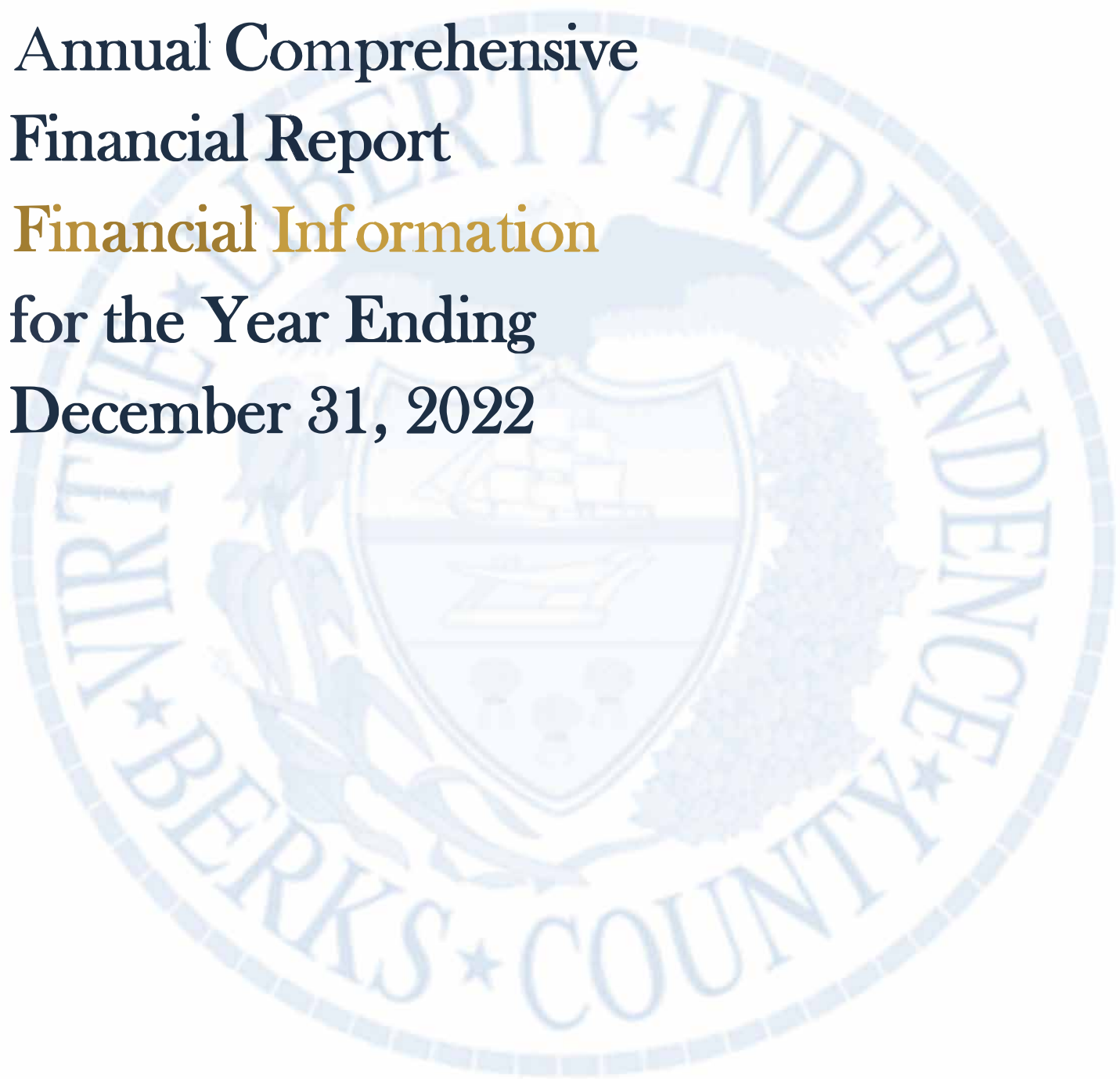
County of Berks Organizational Chart



County of Berks, Pennsylvania



**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Financial Information
for the Year Ending
December 31, 2022**





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, 2022.

Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Berks (the County), Reading, Pennsylvania, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Berks' basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Reading Regional Airport Authority and the Reading Area Community College as of September 30, 2022 and June 30, 2022, respectively, which represent 100% of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Information

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

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

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

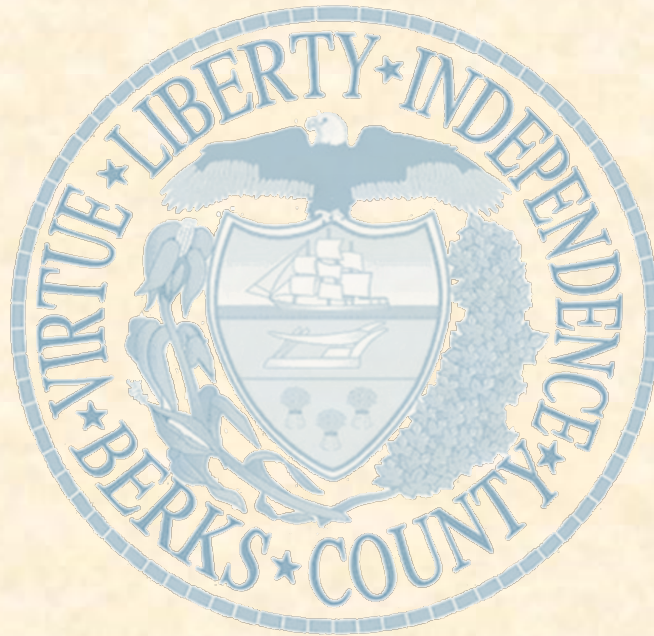
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 19, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

September 19, 2023
Wyomissing, Pennsylvania



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

The County of Berks' (County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2022. 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, 2022. 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 2021, increased in 2022 by \$29,486 to \$446,832. Unrestricted net position at year-end decreased by \$13,622 to \$129,402.
- Total outstanding bonds and other debt at December 31, 2022 was \$131,314, a decrease of \$16,076 from the prior year, resulting from principal payments made during 2022. The County's bond rating from Moody's is **Aaa**, the highest bond rating a public entity can attain with a stable outlook.
- Property tax rates remained unchanged at 7.657 mills in 2022.
- During 2022, the County's General Fund balance increased by \$28,376 to \$203,863. The unassigned portion of that fund balance was \$163,657.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements, (pages FS 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.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

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, and the Residential Center. These activities charge a fee to those residents and customers to help cover the cost of services or submit costs for reimbursement through cost reimbursement plans.

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

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

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

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

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

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

The County adopts an annual budget for all governmental funds. Budgetary comparisons are provided for the County's major funds on pages Required Supplemental Information ("RSI") pages 1-10, while the non-major funds are provided on pages OSI pages 1-6.

Proprietary funds report business-type programs and activities that charge fees designed to recover the cost of providing services. Proprietary funds provide the same type of information as the government-wide financial statements; however, more detailed information is provided, and the cash flow statement is included. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, using the full accrual basis of accounting. Enterprise Funds in the County are used to account for the Berks County Residential Center and Berks Heim. The County adopts an annual budget for the proprietary funds, as required by the state. Budgetary comparisons of the County's proprietary funds are presented as OSI. The proprietary fund financial statements are found on pages FS 9-11 and OSI 16-17 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 81 of this report.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and for major special revenue funds, notes on the budgetary basis of accounting, as well as schedules related to the County's net pension liability and County pension contributions. Required supplementary information can be found on pages RSI 1 to 10 of this report.

Other Supplementary Information includes the nonmajor funds balance sheet, budgetary comparison schedules for the nonmajor special revenue funds, the enterprise funds, and the change in net position of the agency fund. Other supplementary information can be found on pages OSI 1 to 17 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

The County of Berks' net position, which is the amount that assets and deferred outflows of resources exceed liabilities and deferred inflows of resources was \$446,832 at December 31, 2022. 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	
	2022	2021	2022	2021	2022	2021
Noncapital assets	\$ 404,658	\$ 400,232	\$ 21,818	\$ 34,404	\$ 426,476	\$ 434,636
Capital assets	302,336	283,473	35,190	36,762	337,526	320,235
Total assets	706,994	683,705	57,008	71,166	764,002	754,871
Deferred outflows	95,824	20,740	18,545	4,351	114,369	25,091
Total assets and deferred outflows	802,818	704,445	75,553	75,517	878,371	779,962
Current liabilities	156,216	136,045	5,472	9,970	161,688	146,015
Noncurrent liabilities	204,264	141,666	26,867	19,551	231,131	161,217
Total liabilities	360,480	277,711	32,339	29,521	392,819	307,232
Deferred inflows	30,775	44,522	7,945	10,861	38,720	55,383
Total liabilities and deferred inflows	391,255	322,233	40,284	40,382	431,539	362,615
Net position:						
Net investment in capital assets	182,580	180,572	18,161	15,678	200,741	196,250
Restricted	116,689	78,071	-	-	116,689	78,071
Unrestricted	112,294	123,568	17,108	19,456	129,402	143,024
Total net position	\$ 411,563	\$ 382,211	\$ 35,269	\$ 35,134	\$ 446,832	\$ 417,346

During 2022, net position increased \$29,486, or 7.1%, to \$446,832. Of this total, \$200,741 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$116,689 is restricted for various purposes by external entities. The unrestricted net position of \$129,402 represents funds available to support operations or provide for the repayment of long-term debt. Reasons for this change include:

Current and other assets decreased by \$8,160, or 1.9%, to \$426,476. Reasons for this decrease include:

- Decrease in net pension asset of \$129,269 due to 2022 end of year reclassification to a net pension liability of \$63,170.

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

Current liabilities increased by \$15,673, or 10.7%, to \$161,688.

Noncurrent liabilities increased by \$69,914, or 43.4%, to \$231,131. This change is due primarily to the reasons described in the long-term debt section.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

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, 2022. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 56,137	\$ 43,426	\$ 55,114	\$ 54,291	\$ 111,251	\$ 97,717
Operating grants/contrib.	322,699	306,500	1,622	939	\$ 324,321	307,439
Capital grants/contrib.	2,781	2,277	-	-	2,781	2,277
General revenues:						
Property taxes	151,045	148,417	-	-	151,045	148,417
Hotel room tax	3,116	2,646	-	-	3,116	2,646
Payment in lieu of taxes	250	245	-	-	250	245
Investment earnings	(1,127)	(473)	15	1	(1,112)	(472)
Change - rate swaps	-	-	-	-	-	-
Miscellaneous - other	9,366	9,261	-	-	9,366	9,261
(Loss) Gain on disposal of capital assets	(211)	(286)	-	-	(211)	(286)
Rental of space	304	333	-	-	304	333
Total revenues	<u>544,360</u>	<u>512,346</u>	<u>56,751</u>	<u>55,231</u>	<u>601,111</u>	<u>567,577</u>
Expenses:						
General government	104,901	58,806	-	-	104,901	58,806
Judicial	44,187	53,371	-	-	44,187	53,371
Public safety	59,565	64,550	-	-	59,565	64,550
Human services	258,160	235,603	-	-	258,160	235,603
Culture and recreation	8,712	8,145	-	-	8,712	8,145
Comm & econ developmen	32,638	47,332	-	-	32,638	47,332
Public works	1,793	1,780	-	-	1,793	1,780
Community support	3,303	3,324	-	-	3,303	3,324
Debt service	2,610	1,583	-	-	2,610	1,583
Solid waste	269	270	-	-	269	270
Residential Center	-	-	7,539	6,428	7,539	6,428
Berks Heim	-	-	48,102	44,212	48,102	44,212
Total expenses	<u>516,138</u>	<u>474,764</u>	<u>55,641</u>	<u>50,640</u>	<u>571,779</u>	<u>525,404</u>
Change before other items	28,222	37,582	1,110	4,591	29,332	42,173
Other items:						
Transfers/cap contrib	1,033	1,089	(1,033)	(1,089)	-	-
Change in net position	29,255	38,671	77	3,502	29,332	42,173
Net position - beginning	382,212	343,541	35,134	31,632	417,346	375,173
Prior Period Adjustments	96	-	58	-	154	-
Net position - ending	<u>\$ 411,563</u>	<u>\$ 382,212</u>	<u>\$ 35,269</u>	<u>\$ 35,134</u>	<u>\$ 446,832</u>	<u>\$ 417,346</u>

**County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)**

The County's overall net position increased by \$29,486, which includes an increase due to governmental activities of \$29,352 and an increase in business-type activities of \$134.

Governmental activities:

Revenues increased by \$32,014. Charges for services increased \$12,711. Additionally, operating grant revenue increased by \$16,199.

Expenses increased by \$41,374, expenses for Community & Economic Development decreased by \$14,694. Expenses for human services increased by \$22,557.

Other notable items increased by \$46,095 for General Government, decreased by \$4,985 for Public Safety, and decreased by \$9,184 by Judicial.

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

Business-type activities:

Charges for services increased by \$823; a decrease to Berks Heim revenue of \$82 and an increase of \$905 to the Berks County Residential Center.

Expenses increased by \$5,001; Berks Heim in the amount of \$3,890 and \$1,111 related to the Berks County Residential Center.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

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

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

At December 31, 2022, the County's governmental funds reported total fund balances of \$227,000, an increase of \$30,092 in comparison with December 31, 2021. Unassigned fund balance of \$163,657, or 72.1%, is fund balance available for future appropriation. Restricted fund balance of \$24,572, or 10.82%, is fund balance restricted by external entities. Committed fund balance 22,073, or 9.72%, is the amount committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$16,698, or 7.36%, 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 of the County except for those accounted for in other funds. At December 31, 2022, total fund balance of the General Fund was \$203,863, while unrestricted fund balance was \$163,657. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 72.1% of total fund expenditures excluding other financing uses, while total fund balance represents 89.9% of the same amount.

General Fund revenues without other financing sources totaled \$229,309, which represents a 0.28% decrease, or \$644, from the 2021 year. This is primarily due to a decrease in departmental charges and reimbursements.

Expenditures without other financing uses totaled \$226,859, which represents a 1.94% increase, or \$4,322, from the 2021 year.

Children and Youth Services Special Revenue Fund:

The Children and Youth Services Special Revenue Fund is a major governmental fund that provides services to children and youth. This fund received \$32,991 of revenues and incurred \$37,916 of expenditures. The General Fund contributed \$5,240 during 2022 as part of the required County contribution. Expenditures increased by \$158 compared to 2021. Overall revenue increased by \$197 during 2022.

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 2022 were \$180,563, which represents a \$19,544, or 12.14% increase, from the year 2021. Expenses in 2022 totaled \$180,548.

Community Development Special Revenue Fund:

The Community Development Special Revenue Fund is a major governmental fund. This fund accounts for financial resources related to the provision of services to developing the community. Revenues in 2022 were \$22,520, which represents a \$15,984, or 41.51% decrease, from the year 2021. Expenditures in 2022 totaled \$22,520.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

COVID Impact Special Revenue Fund:

The COVID Impact 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 COVID-19. Revenues in 2022 were \$34,337, which represents a \$11,664, or 51.44% increase, compared to year 2021. Expenses in 2022 totaled \$50, transfers out totaled \$34,287.

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.

During 2022, the General Fund revenue budget, excluding transfers and bond proceeds, increased by \$1,521 during the year from the original approved budget of \$233,778 to the final budget of \$235,299. Actual revenues received of \$229,309 were \$5,990 less than the final budget. The overall decrease of final revenue to final budget can be traced to decreased court costs and fines, as well as a decrease in investment earnings.

The General Fund expenditure budget, excluding transfers, increased by \$27,083 during 2022 from the original budget of \$230,964 to the final budget of \$258,047. Actual expenditures of \$226,859 were \$31,188 lower than the final budget. The overall less than budget condition for expenditures can be traced primarily as five different Facilities projects being deferred totaling approximately \$3.1 million, Information Systems projects and expenditures being deferred totaling approximately \$0.5 million, Public Safety projects and expenditures being deferred totaling \$0.8 million, Parks projects and expenditures being deferred totaling approximately \$0.4 million and budgeted contingency expenditures were not used. In addition, overall general government expenses were lower than expected because of continued cost cutting measures in the County.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

Capital Assets

The County's investment in capital assets at December 31, 2022, net of accumulated depreciation, was \$337,526. 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 \$0.7 million as part of the County's farmland preservation program.
- Net infrastructure increased by approximately \$0.6 million. The net increase is primarily because of the completion of work and subsequent release from construction in progress of County owned bridges of \$1.6 million, less overall infrastructure depreciation of approximately \$1 million.
- Net buildings and improvements decreased by approximately \$5.7 million. The net decrease is primarily because of current year improvements put into service of approximately \$0.3 million, less depreciation of approximately \$6.0 million.
- Furniture, fixtures, equipment, and vehicles decreased by approximately \$2.9 million. The primary reasons for the overall decrease are capital asset purchases and transfers from construction in progress of \$1.9 million and \$2.4 million respectively, less depreciation of approximately \$7.2 million.
- Right to use leased buildings and equipment increased by approximately \$27.2 million due to lessee adoption of GASB 87.
- Software in progress increased by approximately \$0.5 million primarily because of Information Systems department Case Management software project totaling approximately \$0.5 million.
- Construction in progress decreased by approximately \$1.4 million. Significant reasons for the decrease are:
 - Net transfers of Department of Emergency Services projects to furniture and fixtures to depreciable assets of \$(2.4) million.
 - Net transfer of completed bridges to infrastructure of \$1.6 million, comprised of beginning cost of \$0.5 million, current year charges of \$1.1 million, less transfers to infrastructure of \$(1.6) million
 - Costs incurred on various Facilities Services projects of \$0.8 million
 - Costs incurred on 5 other bridges not yet completed of approximately \$0.2 million.
 - Costs incurred on various Parks projects of approximately \$0.4 million.

Business-type activities:

- Net capital assets decreased by approximately \$1.6 million. The primary reasons for the overall decrease are capital asset purchases of \$0.3 million less current year depreciation totaling \$1.9 million, \$0.4 million and \$1.5 million charged to Berks County Residential Center and Berks Heim, respectively.

**County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)**

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Totals	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 15,725	\$ 15,885	\$ -	\$ -	\$ 15,725	\$ 15,885
Agricultural easements	84,432	83,767	-	-	84,432	83,767
Infrastructure	33,874	33,279	-	-	33,874	33,279
Buildings and improvements	75,519	81,231	33,750	35,392	109,269	116,623
Furniture, fixtures, equipment and vehicles	48,431	51,293	1,067	1,101	49,498	52,394
Right To Use Leased Buildings	23,977	-	-	-	23,977	-
Right To Use Leased Equipment	3,241	-	-	-	3,241	-
Historical treasures	2,290	2,290	-	-	2,290	2,290
Software in progress	10,512	9,979	-	-	10,512	9,979
Construction in progress	4,335	5,749	373	269	4,708	6,018
Totals	<u>\$ 302,336</u>	<u>\$ 283,473</u>	<u>\$ 35,190</u>	<u>\$ 36,762</u>	<u>\$ 337,526</u>	<u>\$ 320,235</u>

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

Long-term debt:

As of December 31, 2022, the County had outstanding debt of \$131,206 or 7.3 percent of the maximum \$1,804,368 as permitted by law. The outstanding debt represents 0.7 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$16,118, or 10.9 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	
	2022	2021	2022	2021	2022	2021
Bonds and notes:						
Current portion	\$ 12,079	\$ 10,674	\$ 951	\$ 3,868	\$ 13,030	\$ 14,542
Noncurrent portion	<u>101,457</u>	<u>114,897</u>	<u>16,719</u>	<u>17,885</u>	<u>118,176</u>	<u>132,782</u>
Total	<u>\$ 113,536</u>	<u>\$ 125,571</u>	<u>\$ 17,670</u>	<u>\$ 21,753</u>	<u>\$ 131,206</u>	<u>\$ 147,324</u>

Bond rating

On February 1, 2023, Moody's Investors Services re-affirmed the rating on the County's general obligation bonds of **Aaa** (Stable Outlook).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions

The state and local economic data shows a mixed image of Berks County's economy. For the most part, it aligned with what is occurring on the national and state levels. Despite of a strong GDP growth in 2022 as well as beginning of 2023, many economists are expecting economic recession by the end of 2023. Overall, the number of employed people in Berks County rose and the unemployment rate contracted to the lowest it has been in over 20 years. The compressed labor market along with continued consumer spending, has kept Berks County rather strong in 2022.

The strength in economic output was, in part, a result of the enormous legislative response to both the pandemic and to the human hardship it caused. This includes the influx of grant money related to American Rescue Plan Act. Successive rounds of substantial fiscal support have boosted economic activity in 2021 and 2022 and are projected to continue to do so through 2023.

The alarming effects of the opioid epidemic have been felt nationwide and Berks County has not been immune to the impact of it. In 2021, Berks County's overdose deaths exceed the national average. Challenged with these growing problems, many states and local governments decided to pursue litigation against certain opioid pharmaceutical distributors. As a result of the settlement, the County of Berks was awarded approximately \$15,624 million dollars to be received over the next 18 years. The funds are part of a larger \$26 billion national settlement with drug companies for their roles in fueling the opioid epidemic. Pennsylvania will receive just over \$1 billion, and all 67 counties in PA signed on to receive funds over 18 years. Funds are allocated to each county based on the severity of the crisis. Berks County received its first installment in September and December of 2022 in the amount of \$ 1,570,055. In March 2022, the Berks County Board of Commissioners authorized the Council on Chemical Abuse (COCA) to manage and distribute the funds. COCA established an Opioid Settlement Plan, which outlines strategies on how to utilize the funds. Funds will be used to address detrimental effects of the opioid and overdose crisis in Berks County and help protect local communities from such negative effects in the future by maintaining and enhancing established programs and activities, such as treatment and recovery services, education and training, and opioid abatement research. All funds must be used in accordance with the National Opioid Settlement.

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

More than 40% of the County's 864 square miles are dedicated to farming. The County's growing farmland preservation program is designed to preserve the best lands for agricultural production and maintain viability of the County's agricultural businesses. The County purchased agricultural preservation easements for over 1,155 additional acres during 2022, bringing total acreage under preservation to 77,303 acres on 805 farms.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

Market impact on investment income

In 2022 market value of all investments declined significantly. The U.S. stock market fell a little more than 18%, while the aggregate U.S. bond market was down 13%. Ten-year Treasuries were down more than 15%, while long-term government bonds crashed more than 30%. This situation impacted County's investments on all levels.

The County's Retirement Fund, with December 31, 2022, net position valued at \$477,621, experienced net investment loss of \$84,608 during 2022. During the year, the Retirement Fund had a diversified asset allocation program as discussed in Note 2. Due to the prefunding of the pension plan in 2012 with cash and pension bonds totaling \$60,000, the County has minimized future required contributions to the plan. Based on investment experience and the prefunding of the plan, the contributions in 2022 were \$49, which is a decrease from \$4,329 in 2021. 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 2022. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for 2023 will be \$772K. The 2023 actuarially determined contribution is 0.67 percent of estimated 2023 compensation of \$116,011.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2022, 45.0 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 27.0 percent of government-wide revenues. Uncertainty about the direction and timing of federal and state budgets, especially their impact on the County's human services programs, will have a direct effect on the programs and services in which the County participates.

Next Year's Budget

For 2023, the County adopted a balanced budget at \$646,657 in revenues, with \$21,196 of fund balance reserves to pay for one-time capital expenditures. It was decided that it would be more prudent to absorb this deficit with these reserves to balance the budget, rather than increase property taxes. The budget assumes federal and state funding will satisfy the demand for our core human services levels throughout 2023. The 2023 budget continues to focus on several fiscal initiatives including, but not limited to:

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

Despite rising costs and the need to provide more competitive wages, the 2023 budget was passed unanimously by the Berks County Commissioners without increasing property taxes. The 2023 budget includes over \$20M deficit, which will be covered with reserve funds. There will be no reduction in services provided by the County as a result of the deficit.

County of Berks
Management's Discussion and Analysis
December 31, 2022
(amounts rounded to nearest thousand)

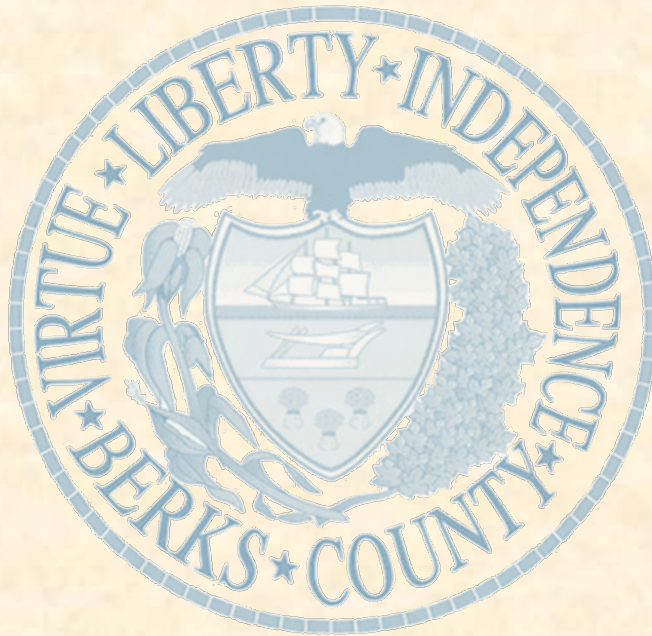
As the agencies develop their 2023 and forward budgets, the County is likely to receive less federal and state funding for mandated services in Children and Youth, Juvenile Probation and Aging services. This anticipated reduction in federal and state funding, combined with escalating wage, healthcare, pension and fuel costs, continues to put tremendous pressure on our budget. The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increases in tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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



FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental	Business-type	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 162,548,072	\$ 170,797	\$ 162,718,869	\$ 12,292,894
Cash and cash equivalents, restricted	74,039,664	96,849	74,136,513	514,682
Investments	13,278,465	-	13,278,465	30,093,839
Investments, restricted	1,084,131	-	1,084,131	-
Taxes receivable, net	7,423,422	-	7,423,422	-
Accounts receivable, net	10,243,377	4,914,235	15,157,612	7,377,868
Notes receivable	819,465	-	819,465	-
Lease receivable	129,160	-	129,160	218,316
Opioid settlement receivable	13,972,751	-	13,972,751	-
Due from other governments	36,868,595	709,676	37,578,271	247,463
Due from other funds	-	15,569,280	15,569,280	-
Inventories	170,962	277,976	448,938	17,216
Prepaid expenses	3,618,458	58,515	3,676,973	676,410
Restricted deposits	-	-	-	37,419
Total current assets	<u>324,196,522</u>	<u>21,797,328</u>	<u>345,993,850</u>	<u>51,476,107</u>
Noncurrent assets:				
Investments	\$ 76,087,872	\$ -	\$ 76,087,872	\$ -
Loans receivable	2,117,349	-	2,117,349	-
Lease receivable	1,706,330	-	1,706,330	-
Beneficial interests in perpetual trusts held by others	-	-	-	9,571,313
Other receivables	-	-	-	320,590
Restricted assets:				
Employee pay advance	29,654	21,070	50,724	-
Interest receivable	520,050	-	520,050	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	115,109,541	373,185	115,482,726	11,684,888
Capital assets, net of accumulated depreciation	<u>187,226,376</u>	<u>34,817,286</u>	<u>222,043,662</u>	<u>80,432,027</u>
Total noncurrent assets	<u>382,797,172</u>	<u>35,211,541</u>	<u>418,008,713</u>	<u>102,918,251</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	\$ 7,243,979	\$ 640,914	\$ 7,884,893	\$ -
Pension	88,579,846	17,904,086	106,483,932	1,020,984
Other postemployment benefits	-	-	-	578,744
Total deferred outflows of resources	<u>95,823,825</u>	<u>18,545,000</u>	<u>114,368,825</u>	<u>1,599,728</u>
Total assets and deferred outflows of resources	<u>802,817,519</u>	<u>75,553,869</u>	<u>878,371,388</u>	<u>155,994,086</u>

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 37,869,360	\$ 1,363,332	\$ 39,232,692	\$ 1,394,328
Accrued liabilities	9,472,364	1,603,438	11,075,802	1,294,773
Due to other governments	549,951	-	549,951	-
Unearned revenue	54,589,424	453,632	55,043,056	5,412,690
Advance revenue	70,923	-	70,923	-
Due to third parties	5,247,521	-	5,247,521	-
Due to other funds	15,569,294	-	15,569,294	-
Accrued interest payable	468,615	55,589	524,204	-
Compensated absences	1,479,618	496,538	1,976,156	467,801
Deposits	-	-	-	71,268
Accrued claims health insurance	17,439,455	436,788	17,876,243	-
Accrued claims liability	193,636	112,036	305,672	-
Notes payable, agricultural easement	108,518	-	108,518	-
Lease obligation	-	-	-	95,923
Lease payable	1,078,503	-	1,078,503	-
Bonds, loans and notes payable	12,078,653	951,348	13,030,001	1,103,321
Total current liabilities	156,215,835	5,472,701	161,688,536	9,840,104
Noncurrent liabilities:				
Compensated absences	6,840,362	691,077	7,531,439	325,883
Accrued claims liability	762,457	636,105	1,398,562	394,972
Other postemployment benefit liability	-	-	-	1,613,064
Lease payable	17,517,621	-	17,517,621	112,279
Net pension liability	54,349,695	8,820,396	63,170,091	4,017,279
Bonds, loans and notes payable	101,456,572	16,719,151	118,175,723	10,034,936
Payable from restricted assets	23,337,107	-	23,337,107	-
Total noncurrent liabilities	204,263,814	26,866,729	231,130,543	16,498,413
Total liabilities	360,479,649	32,339,430	392,819,079	26,338,517
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	5,535,044
Pension	28,950,331	7,945,805	36,896,136	961,051
Leases	1,824,373	-	1,824,373	12,894,587
Other postemployment benefits expense	-	-	-	331,795
Total deferred inflows of resources	30,774,704	7,945,805	38,720,509	19,722,477
Net position:				
Net investment in capital assets	182,579,908	18,160,887	200,740,795	61,454,236
Restricted for:				
Gift fund	21,723	-	21,723	-
Farmland preservation	1,867,405	-	1,867,405	-
Hazmat response	2,823,446	-	2,823,446	-
Act 198 - Courts	250,635	-	250,635	-
Workers' compensation	117,253	-	117,253	-
Special revenue funds	76,418,407	-	76,418,407	-
Opioid settlement	13,972,751	-	13,972,751	-
2023 Capital Projects	17,353,597	-	17,353,597	-
2023 Budgeted Loss	4,414,684	-	4,414,684	-
Services Center Parking Garage	304,781	-	304,781	-
Act 13 Marcellus Shale	1,012,152	-	1,012,152	-
Debt service	-	-	-	514,682
Foundation for Reading Area Communit	-	-	-	22,211,163
Unrestricted net position	110,426,424	17,107,747	127,534,171	25,753,011
Total net position	\$ 411,563,166	\$ 35,268,634	\$ 446,831,800	\$ 109,933,092

See accompanying notes to the financial statements.

	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 121,948,149	\$ (17,046,768)	\$ 9,066,380	\$ 35,041,114	\$ -
Judicial	37,330,535	6,856,440	8,006,633	1,805,748	18,460
Public safety	55,467,451	4,097,694	15,001,874	6,139,514	-
Human services	255,360,403	2,799,714	16,324,938	255,679,471	479,054
Culture and recreation	8,332,287	380,061	39,223	1,632,538	422,251
Community and economic development	32,268,615	369,383	744,223	22,348,197	-
Public works	1,690,423	102,328	2,068,680	-	1,861,664
Community support	3,256,042	47,321	4,500	-	-
Debt service administrative expenses	2,603,576	5,841	-	-	-
Solid waste	256,107	12,646	4,880,200	52,351	-
Total governmental activities	<u>518,513,588</u>	<u>(2,375,340)</u>	<u>56,136,651</u>	<u>322,698,933</u>	<u>2,781,429</u>
Business-type activities					
Berks County Residential Center	6,784,223	754,167	8,360,990	-	-
Berks Heim	<u>46,481,055</u>	<u>1,621,173</u>	<u>46,752,795</u>	<u>1,622,373</u>	<u>-</u>
Total business-type activities	<u>53,265,278</u>	<u>2,375,340</u>	<u>55,113,785</u>	<u>1,622,373</u>	<u>-</u>
Total primary government	<u>\$ 571,778,866</u>	<u>\$ -</u>	<u>\$ 111,250,436</u>	<u>\$ 324,321,306</u>	<u>\$ 2,781,429</u>
Component units:					
Total component units	<u>\$ 54,118,591</u>	<u>\$ -</u>	<u>\$ 10,440,495</u>	<u>\$ 15,653,601</u>	<u>\$ -</u>

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

	Governmental Activities	Business-type Activities	Total	Component Units
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ (60,793,887)	\$ -	\$ (60,793,887)	
Judicial	(34,356,134)	-	(34,356,134)	
Public safety	(38,423,757)	-	(38,423,757)	
Human services	14,323,346	-	14,323,346	
Culture and recreation	(6,618,336)	-	(6,618,336)	
Community and economic development	(9,545,578)	-	(9,545,578)	
Public works	2,137,593	-	2,137,593	
Community support	(3,298,863)	-	(3,298,863)	
Debt service administrative expenses	(2,609,417)	-	(2,609,417)	
Solid waste	4,663,798	-	4,663,798	
Total governmental activities	<u>(134,521,235)</u>	<u>-</u>	<u>(134,521,235)</u>	
Business-type activities				
Berks County Residential Center	-	822,600	822,600	
Berks Heim	-	272,940	272,940	
Total business-type activities	<u>-</u>	<u>1,095,540</u>	<u>1,095,540</u>	
Total primary government	<u>(134,521,235)</u>	<u>1,095,540</u>	<u>(133,425,695)</u>	
Component units:				<u>\$ 78,653,994</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes	151,044,990	-	151,044,990	-
Hotel tax	3,115,871	-	3,115,871	-
Payments in lieu of taxes	250,698	-	250,698	-
Payments from County of Berks	-	-	-	3,460,864
Payments from other governments	-	-	-	23,575,915
Investment earnings (loss)	(1,127,057)	14,628	(1,112,429)	(2,409,482)
Insurance Income	-	-	-	-
Miscellaneous/other	9,366,250	-	9,366,250	3,256,067
Loss on disposal of capital assets	(211,310)	-	(211,310)	4,587
Rental of space	303,905	-	303,905	-
Transfers	1,033,000	(1,033,000)	-	-
Total general revenue and transfers	<u>163,776,347</u>	<u>(1,018,372)</u>	<u>162,757,975</u>	<u>27,887,951</u>
Change in net position	29,255,112	77,168	29,332,280	106,541,945
Net position, beginning, as restated	382,308,054	35,191,466	417,499,520	111,002,537
Net position, ending	<u>\$ 411,563,166</u>	<u>\$ 35,268,634</u>	<u>\$ 446,831,800</u>	<u>\$ 217,544,482</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Community Development	COVID Impact	Nonmajor	Total Governmental
Assets							
Cash and cash equivalents	\$ 125,337,254	\$ 1,300	\$ 32,634,106	\$ -	\$ 962,452	\$ 3,612,960	\$ 162,548,072
Cash and cash equivalents, restricted	6,574,945	-	11,093,155	7,757,691	29,746,007	18,867,866	74,039,664
Investments	13,278,465	-	-	-	-	-	13,278,465
Investments, restricted	-	-	1,084,131	-	-	-	1,084,131
Taxes receivable	7,423,422	-	-	-	-	-	7,423,422
Accounts receivable	7,120,246	2,872	-	106,984	-	3,042,927	10,273,029
Opioid settlement receivable	-	-	-	-	-	13,972,751	13,972,751
Accrued interest receivable	523,000	-	-	-	-	-	523,000
Due from other governments	2,323,610	14,494,408	15,704,964	-	-	4,345,613	36,868,595
Due from other funds	65,417,745	15,839,029	67,507	34,028	-	17,340,309	98,698,618
Inventories	170,962	-	-	-	-	-	170,962
Prepaid expenses	9,726,894	-	-	-	-	2,790,461	12,517,355
Loans receivable	2,936,814	-	-	-	-	-	2,936,814
Investments, non-current	76,087,872	-	-	-	-	-	76,087,872
Total assets	\$ 316,921,229	\$ 30,337,609	\$ 60,583,863	\$ 7,898,703	\$ 30,708,459	\$ 63,972,887	\$ 510,422,750
Liabilities							
Accounts payable	\$ 4,854,152	\$ 1,945,959	\$ 25,605,940	\$ 122,450	\$ -	\$ 5,340,859	\$ 37,869,360
Accrued liabilities	5,820,307	584,603	25,801	-	-	879,686	7,310,397
Due to other funds	84,489,586	17,122,287	1,793	2,367,465	50,356	10,236,424	114,267,911
Due to other governments	549,951	-	-	-	-	-	549,951
Unearned revenue	3,083,344	10,386,194	98,561	5,408,788	30,658,103	6,614,704	56,249,694
Due to third parties	5,238,296	9,225	-	-	-	-	5,247,521
Accrued claims health insurance	1,844,119	211,297	15,106,197	-	-	277,843	17,439,456
Payable from restricted assets	-	-	19,745,571	-	-	3,591,692	23,337,263
Total liabilities	105,879,755	30,259,565	60,583,863	7,898,703	30,708,459	26,941,208	262,271,553
Deferred inflows of resources							
Unavailable property taxes	5,108,865	-	-	-	-	-	5,108,865
Opioid settlement	-	-	-	-	-	13,972,751	13,972,751
Other unavailable	2,069,289	-	-	-	-	-	2,069,289
Total deferred inflows of resources	7,178,154	-	-	-	-	13,972,751	21,150,905
Fund balances							
Nonspendable:	9,924,369	2,871	-	-	-	2,765,471	12,692,711
Restricted	4,203,486	75,173	-	-	-	20,293,457	24,572,116
Committed	23,940,467	-	-	-	-	-	23,940,467
Assigned	4,005,427	-	-	-	-	-	4,005,427
Unassigned	161,789,571	-	-	-	-	-	161,789,571
Total fund balances	203,863,320	78,044	-	-	-	23,058,928	227,000,292
Total liabilities, deferred inflows of resources and fund balances	\$ 316,921,229	\$ 30,337,609	\$ 60,583,863	\$ 7,898,703	\$ 30,708,459	\$ 63,972,887	\$ 510,422,750

See accompanying notes to the financial statements.

Total fund balances for governmental funds \$ 227,000,292

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

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

Land and improvements, net	\$	15,724,865	
Agland easements		84,431,855	
Infrastructure, net		33,873,836	
Building and improvements, net		75,519,229	
Furniture, fixtures, equipment and vehicles, net		46,594,460	
Historical treasures		2,290,344	
Software		1,836,428	
Software in progress		10,511,957	
Construction in progress		<u>4,334,834</u>	
			275,117,808

Lease 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			27,218,109
Lease receivable			1,835,490
Difference in prepaid expense in accordance with GASB 87 lease disclosure			(8,901,846)

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

Net pension liability			(54,349,695)
Deferred outflow of resources			88,579,846
Deferred inflow of resources			(28,950,331)

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

Deferred inflow of resources			(1,824,373)
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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		3,080,843	
Delinquent property taxes		2,028,022	
District Justices departmental charges and reimbursements		<u>1,660,269</u>	
			6,769,134

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

Opioid Settlement Receivable			13,972,751
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Other liabilities not paid until future periods that are a current period expense.

Payroll and payroll taxes			(163,446)
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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, 2021 are:

Accrued interest on bonds and notes		(468,615)	
Compensated absences		(8,319,979)	
Accrued claims liabilities		(956,093)	
Leases payable		(18,596,123)	
Bonds and notes payable		<u>(106,399,763)</u>	
			<u>(134,740,573)</u>

Total net position of governmental activities \$ 411,563,166

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Community Development	COVID Impact	Nonmajor	Total Governmental
Revenues							
Taxes:							
Property	\$ 151,015,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,015,732
Hotel	-	-	-	-	-	3,115,871	3,115,871
Court costs, fines and forfeitures	1,903,506	-	-	-	-	-	1,903,506
Intergovernmental revenue	10,173,609	32,267,401	180,197,319	21,826,963	34,336,920	47,996,311	326,798,523
Departmental charges and reimbursements	58,086,939	721,944	-	637,472	-	15,617,348	75,063,703
Payments in lieu of taxes	250,698	-	-	-	-	-	250,698
Rentals	278,167	-	-	-	-	55,417	333,584
Sales of property, supplies and equipment	40,889	-	-	-	-	-	40,889
Investment earnings (loss)	(2,024,370)	247	365,923	55,801	-	434,546	(1,167,853)
Miscellaneous	9,584,044	1,130	-	-	-	292,349	9,877,523
Total revenues	229,309,214	32,990,722	180,563,242	22,520,236	34,336,920	67,511,842	567,232,176
Expenditures							
Current:							
General government, administrative	50,490,919	-	-	-	50,356	3,170,690	53,711,965
General government, judicial	59,819,572	-	-	-	-	248,698	60,068,270
Public safety	68,796,659	-	-	-	-	14,439,201	83,235,860
Human services	-	37,915,897	180,547,569	-	-	50,341,772	268,805,238
Culture and recreation	7,843,441	-	-	-	-	-	7,843,441
Community and economic development	4,043,271	-	-	22,520,236	-	-	26,563,507
Public works	21,609	-	-	-	-	2,080,436	2,102,045
Community support	23,879,870	-	-	-	-	-	23,879,870
Intergovernmental expenditures - Solid waste	300,720	-	-	-	-	-	300,720
Debt service:							
Principal	8,794,834	-	-	-	-	-	8,794,834
Interest and fiscal charges	2,858,135	-	-	-	-	-	2,858,135
Administrative expenditures	9,711	-	-	-	-	-	9,711
Total expenditures	226,858,741	37,915,897	180,547,569	22,520,236	50,356	70,280,797	538,173,596
Excess (deficiency) of revenues over (under) expenditures	2,450,473	(4,925,175)	15,673	-	34,286,564	(2,768,955)	29,058,580
Other financing sources (uses)							
Transfers in	39,046,746	5,239,922	-	-	-	6,729,078	51,015,746
Transfers out	(13,121,351)	(307,523)	(15,673)	-	(34,286,564)	(2,251,635)	(49,982,746)
Total other financing sources (uses)	25,925,395	4,932,399	(15,673)	-	(34,286,564)	4,477,443	1,033,000
Net changes in fund balances	28,375,868	7,224	-	-	-	1,708,488	30,091,580
Fund balances, beginning, as restated	175,487,452	70,820	-	-	-	21,350,440	196,908,712
Fund balances, ending	\$ 203,863,320	\$ 78,044	\$ -	\$ -	\$ -	\$ 23,058,928	\$ 227,000,292

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, 2022

County of Berks
2022 Annual Comprehensive Financial Report

Net change in fund balances - total governmental funds \$ 30,091,578

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

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

Expenditures for capital assets / agricultural easements	\$ 6,214,173	
Depreciation expense	<u>(14,569,451)</u>	(8,355,278)

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	10,588,093	
Bond premium/discounts/refunding losses	<u>457,329</u>	11,045,422

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: 52,648

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	29,258	
Opioid Settlement	13,972,751	
Net adjustment due to GASB 87 implementation	<u>(265,793)</u>	13,736,216

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	35,585	
Net pension obligation	<u>(17,351,059)</u>	(17,315,474)

Change in net position of governmental activities \$ 29,255,112

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,000	\$ 169,797	\$ 170,797
Cash and cash equivalents, restricted	-	96,849	96,849
Accounts receivable, net	-	4,914,235	4,914,235
Due from other governments	709,676	-	709,676
Due from other funds	484,272	15,085,008	15,569,280
Inventories	76,578	201,398	277,976
Prepaid expenses	-	58,515	58,515
Total current assets	<u>1,271,526</u>	<u>20,525,802</u>	<u>21,797,328</u>
Noncurrent assets:			
Employee pay advance	-	21,070	21,070
Capital assets	7,810,966	27,379,505	35,190,471
Total noncurrent assets	<u>7,810,966</u>	<u>27,400,575</u>	<u>35,211,541</u>
Deferred outflows of resources:			
Pension	3,314,039	14,590,047	17,904,086
Unamortized bond refunding gain/loss	234,223	406,691	640,914
Total deferred outflows of resources	<u>3,548,262</u>	<u>14,996,738</u>	<u>18,545,000</u>
Total assets and deferred outflows of resources	<u>12,630,754</u>	<u>62,923,115</u>	<u>75,553,869</u>
Liabilities:			
Current liabilities:			
Accounts payable	26,569	1,336,763	1,363,332
Accrued liabilities	268,375	1,335,063	1,603,438
Unearned grant revenue	32,110	421,522	453,632
Accrued interest payable	7,572	48,017	55,589
Compensated absences	21,853	474,685	496,538
Accrued claims health insurance	86,383	350,405	436,788
Accrued claims liability	1,480	110,556	112,036
Bonds payable, net	128,002	823,346	951,348
Total current liabilities	<u>572,344</u>	<u>4,900,357</u>	<u>5,472,701</u>
Noncurrent liabilities:			
Compensated absences	245,956	445,121	691,077
Accrued claims liability	33,925	602,180	636,105
Pension Liability	2,013,462	6,806,934	8,820,396
Bonds payable, net	2,301,049	14,418,102	16,719,151
Total noncurrent liabilities	<u>4,594,392</u>	<u>22,272,337</u>	<u>26,866,729</u>
Total liabilities	<u>5,166,736</u>	<u>27,172,694</u>	<u>32,339,430</u>
Deferred inflows of resources:			
Pension	1,203,546	6,742,259	7,945,805
Total deferred inflows of resources	<u>1,203,546</u>	<u>6,742,259</u>	<u>7,945,805</u>
Net Position			
Net investment in capital assets	5,616,139	12,544,748	18,160,887
Unrestricted net position	644,333	16,463,414	17,107,747
Total Net Postion	<u>\$ 6,260,472</u>	<u>\$ 29,008,162</u>	<u>\$ 35,268,634</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds - Enterprise Funds
 Year Ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Berks County Residential Center	Berks Heim	Totals
Operating revenues			
Charges for services	\$ 8,266,518	\$ 27,853,867	\$ 36,120,385
Other operating revenues	94,471	18,898,928	18,993,399
Total operating revenues	<u>8,360,989</u>	<u>46,752,795</u>	<u>55,113,784</u>
Operating expenses			
Program services exclusion	7,067,810	32,591,071	39,658,881
Subtotal			
Administrative expenses	-	4,103,081	4,103,081
Depreciation	388,385	1,520,550	1,908,935
Total operating expenses	<u>7,456,195</u>	<u>38,214,702</u>	<u>45,670,897</u>
Operating income	<u>904,794</u>	<u>8,538,093</u>	<u>9,442,887</u>
Nonoperating revenues (expenses)			
Grants	-	1,622,373	1,622,373
Investment earnings	-	14,628	14,628
Interest expense	(82,194)	(521,276)	(603,470)
Contribution to General Fund	-	(9,366,250)	(9,366,250)
Total nonoperating revenues (expenses)	<u>(82,194)</u>	<u>(8,250,525)</u>	<u>(8,332,719)</u>
Income before transfers	822,600	287,568	1,110,168
Transfers in	-	-	-
Transfers out	(1,033,000)	-	(1,033,000)
Change in net position	<u>(210,400)</u>	<u>287,568</u>	<u>77,168</u>
Total net position, beginning, as restated	6,470,872	28,720,594	35,191,466
Total net position, ending	<u>\$ 6,260,472</u>	<u>\$ 29,008,162</u>	<u>\$ 35,268,634</u>

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Cash flows from operating activities			
Receipts from customers	\$ 8,387,569	\$ 46,387,603	\$ 54,775,172
Payments to suppliers	(1,500,255)	(11,296,790)	(12,797,045)
Payments to employees	<u>(4,877,481)</u>	<u>(23,094,943)</u>	<u>(27,972,424)</u>
Net cash provided by operating activities	<u>2,009,833</u>	<u>11,995,870</u>	<u>14,005,703</u>
Cash flows from noncapital financing activities			
Principal paid on bonds	(33,123)	(189,796)	(222,919)
Receipts from other governments	(888,192)	2,058,523	1,170,331
Interest paid	(16,062)	(92,040)	(108,102)
Contribution from General Fund	-	(9,366,250)	(9,366,250)
Transfers from (to) other funds	(1,033,002)	-	(1,033,002)
Amounts due from (to) other funds	<u>527,031</u>	<u>(589,700)</u>	<u>(62,669)</u>
Net cash used by noncapital financing activities	<u>(1,443,348)</u>	<u>(8,179,263)</u>	<u>(9,622,611)</u>
Cash flows from capital and related financing activities			
Principal paid on bonds	(487,998)	(3,286,158)	(3,774,156)
Interest paid	(69,219)	(448,828)	(518,047)
Construction in progress	(3,670)	(100,296)	(103,966)
Purchase of capital assets	<u>(5,598)</u>	<u>(14,707)</u>	<u>(20,305)</u>
Net cash used by capital and related financing activities	<u>(566,485)</u>	<u>(3,849,989)</u>	<u>(4,416,474)</u>
Cash flows from investing activities			
Investment earnings received	-	14,628	14,628
Net cash provided by investing activities	<u>-</u>	<u>14,628</u>	<u>14,628</u>
Net decrease in cash and cash equivalents	-	(18,754)	(18,754)
Cash and cash equivalents, beginning	1,000	285,400	286,400
Cash and cash equivalents, ending	<u>\$ 1,000</u>	<u>\$ 266,646</u>	<u>\$ 267,646</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	904,794	8,538,093	\$ 9,442,887
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	388,386	1,520,549	1,908,935
Amortization of bond premium	(28,680)	(185,426)	(214,106)
Amortization of refunding loss	36,123	49,016	85,139
Changes in assets and liabilities:			
Accounts receivable, net	26,579	983,320	1,009,899
Employee pay advance	-	2,388	2,388
Inventories	(14,736)	(13,940)	(28,676)
Prepaid expenses	-	(18,414)	(18,414)
Pension asset, net	4,033,182	16,352,487	20,385,669
Pension deferred outflow	(2,813,668)	(11,407,981)	(14,221,649)
Accounts payable and accrued liabilities	(44,773)	153,132	108,359
Unearned grant revenue	-	(1,348,512)	(1,348,512)
Compensated absences	78,098	(233,129)	(155,031)
Accrued claims health insurance	29,095	113,075	142,170
Accrued claims liability	(7,762)	(170,136)	(177,898)
Pension deferred inflow	<u>(576,805)</u>	<u>(2,338,653)</u>	<u>(2,915,458)</u>
Net cash provided by operating activities	<u>\$ 2,009,833</u>	<u>\$ 11,995,870</u>	<u>\$ 14,005,703</u>

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Berks County Employees' Retirement	Custodial	Agency
Assets			
Cash and cash equivalents	\$ 170,763	\$ 10,675,545	\$ 1,733,310
Receivables:			
Contributions receivable \Due from other funds	540,280	-	-
Investment income receivable	312,885	-	-
Total receivables	<u>853,165</u>	<u>-</u>	<u>-</u>
Investments, at fair value (see Note 2):			
Fixed income securities	94,133,567	-	-
Domestic equities	334,654,326	-	-
Real estate/Alternative	48,230,214	-	-
Certificates of deposit	626	4,317,772	-
Total investments	<u>477,018,733</u>	<u>4,317,772</u>	<u>-</u>
Total assets	<u>478,042,661</u>	<u>14,993,317</u>	<u>1,733,310</u>
Liabilities			
Accounts payable	421,305	-	-
Due to third parties	-	1,733,310	1,733,310
Fees due to Commonwealth of Pennsylvania	-	16,520	-
Real estate taxes due to City of Reading	-	287,690	-
Due to other governments	-	273,383	-
Other	-	4,471,771	-
Total liabilities	<u>421,305</u>	<u>6,782,674</u>	<u>\$ 1,733,310</u>
Net position			
Net position restricted for pension	477,621,356	-	
Net position restricted for individuals, organizations and other governments	-	8,210,643	
Total Net Position	<u>\$ 477,621,356</u>	<u>\$ 8,210,643</u>	

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Berks County Employees' Retirement	Custodial
Additions		
Fee collections for government entities	\$ -	\$ 81,697,520
Escheated funds received for Commonwealth of Pennsylvania	-	66,949
Real estate tax collections for City of Reading, Pennsylvania	-	23,700,267
Receipts from Others	-	16,368,140
Subtotal	<u>-</u>	<u>121,832,876</u>
Contributions:		
Member	8,106,646	-
County	48,474	-
Total contributions	<u>8,155,120</u>	<u>-</u>
Investment income:		
Net gain/loss in fair value of investments	(92,687,097)	-
Interest and dividends	9,643,178	102,237
Less investment expenses	(1,563,980)	-
Net investment income	<u>(84,607,899)</u>	<u>102,237</u>
Other	251	-
Total additions	<u>(76,452,528)</u>	<u>121,935,113</u>
Deductions		
Benefit payments, including refunds of member contributions	30,831,093	-
Administrative/other expense	72,332	-
Payments of fees collected to Commonwealth of Pennsylvania	-	29,321,470
Payments of fees collected to other government entities	-	52,329,450
Payments of escheated funds to Commonwealth of Pennsylvania	-	66,949
Payments of real estate tax collected to City of Reading	-	23,700,267
Payments to others	-	16,930,739
Total deductions	<u>30,903,425</u>	<u>122,348,875</u>
Change in net position	(107,355,953)	(413,762)
Net position restricted, beginning	584,977,309	8,624,405
Net position restricted, ending	<u>\$ 477,621,356</u>	<u>\$ 8,210,643</u>

See accompanying notes to the financial statements.

Statement of Net Position (Deficit)
Component Units
December 31, 2022

County of Berks
2022 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,598,048	\$ 9,694,846	\$ 12,292,894
Cash and cash equivalents, restricted	514,682	-	514,682
Investments	-	30,093,839	30,093,839
Accounts receivable, net	210,026	7,167,842	7,377,868
Due from other governments	247,463	-	247,463
Lease Receivable	218,316	-	218,316
Inventories	-	17,216	17,216
Prepaid expenses	73,202	603,208	676,410
Deposits	37,419	-	37,419
Total current assets	<u>3,899,156</u>	<u>47,576,951</u>	<u>51,476,107</u>
Noncurrent assets:			
Investments	-	-	-
Beneficial interests in perpetual trusts held by others	-	9,571,313	9,571,313
Other receivables	-	320,590	320,590
Collections - works of art	-	909,433	909,433
Capital assets:			
Land and improvements	7,358,383	1,081,556	8,439,939
Air easement rights	103,002	-	103,002
Infrastructure, net	14,717,999	-	14,717,999
Buildings and improvements, net	9,523,192	36,723,179	46,246,371
Furniture, fixtures, equipment and vehicles, net	524,860	2,397,484	2,922,344
Leasehold improvements, net	274,836	-	274,836
Right-to-use lease assets	11,923	244,501	256,424
Lease receivable	13,536,570	-	13,536,570
Construction in progress	3,764,030	1,855,400	5,619,430
Total noncurrent assets	<u>49,814,795</u>	<u>53,103,456</u>	<u>102,918,251</u>
Deferred outflows of resources:			
Pension	-	1,020,984	1,020,984
Other postemployment benefits	-	578,744	578,744
Total deferred outflows of resources	<u>-</u>	<u>1,599,728</u>	<u>1,599,728</u>
Total assets and deferred outflows of resources	<u>53,713,951</u>	<u>102,280,135</u>	<u>155,994,086</u>
Liabilities			
Accounts payable	279,983	1,114,345	1,394,328
Accrued liabilities	16,630	1,278,143	1,294,773
Unearned revenue	34,661	5,378,029	5,412,690
Compensated absences	-	467,801	467,801
Deposits	71,268	-	71,268
Lease obligation	-	95,923	95,923
Bonds, loans and notes payable	118,850	984,471	1,103,321
Total current liabilities	<u>521,392</u>	<u>9,318,712</u>	<u>9,840,104</u>
Noncurrent liabilities:			
Compensated absences	-	325,883	325,883
Medical insurance liability	-	394,972	394,972
Other postemployment benefit liability	-	1,613,064	1,613,064
Lease Payable	8,446	103,833	112,279
Net pension liability	-	4,017,279	4,017,279
Bonds, loans and notes payable	3,207,936	6,827,000	10,034,936
Total noncurrent liabilities	<u>3,216,382</u>	<u>13,282,031</u>	<u>16,498,413</u>
Total liabilities	<u>3,737,774</u>	<u>22,600,743</u>	<u>26,338,517</u>
Deferred inflows of resources			
Deferred rent revenue	5,535,044	-	5,535,044
Deferred inflows of resources for lease revenue	12,894,587	-	12,894,587
Deferred pension expense	-	961,051	961,051
Deferred other postemployment benefits expense	-	331,795	331,795
Total deferred inflows of resources	<u>18,429,631</u>	<u>1,292,846</u>	<u>19,722,477</u>
Net position:			
Net investment in capital assets	27,163,343	34,290,893	61,454,236
Restricted for:			
Debt service	514,682	-	514,682
Foundation for Reading Area Community College	-	22,211,163	22,211,163
Unrestricted net position	<u>3,868,521</u>	<u>21,884,490</u>	<u>25,753,011</u>
Total net position	<u>\$ 31,546,546</u>	<u>\$ 78,386,546</u>	<u>\$ 109,933,092</u>

* Presented as of June 30, 2022

** Presented as of September 30, 2022

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
Component Units
Year ended December 31, 2022

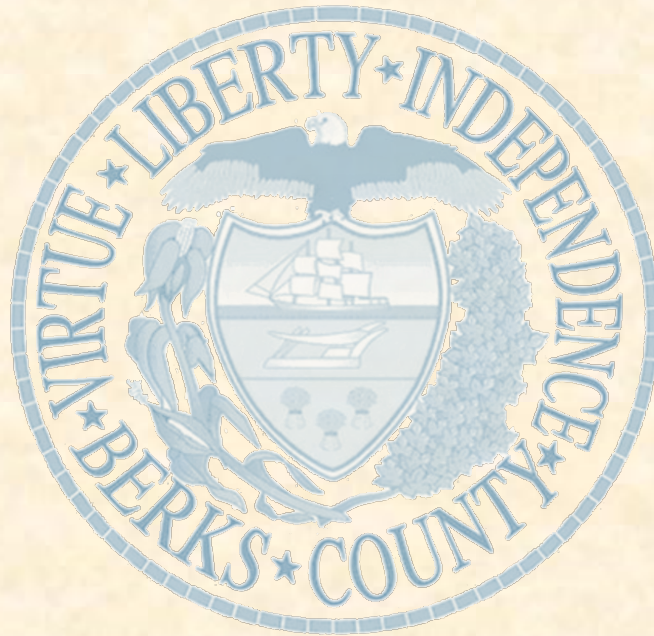
County of Berks
2022 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 2,634,950	\$7,805,545	\$ 10,440,495
Charges for services (from County of Berks)	-	-	-
Operating grants and contributions	1,667,509	13,986,092	15,653,601
Investment earnings	-	(2,326,666)	(2,326,666)
Other revenues	-	<u>2,767,910</u>	<u>2,767,910</u>
Total operating revenues	<u>4,302,459</u>	<u>22,232,881</u>	<u>26,535,340</u>
Total operating expenses	<u>4,386,368</u>	<u>49,419,327</u>	<u>53,805,695</u>
Operating income (loss)	<u>(83,909)</u>	<u>(27,186,446)</u>	<u>(27,270,355)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	22,558,897	22,558,897
Contributions to County of Berks	-	-	-
Investment income - deposits	2,839	(526,655)	(523,816)
Investment income - leases	441,000	-	441,000
Tapping fee income	-	-	-
Insurance income	-	-	-
Debt issuance costs	-	-	-
Interest expense	(92,243)	(220,653)	(312,896)
Insurance reimburseable expense	(932,901)	-	(932,901)
Gain on disposal of capital assets	4,587	-	4,587
Miscellaneous loss	-	-	-
Total nonoperating revenues (expenses)	<u>(576,718)</u>	<u>25,061,589</u>	<u>24,484,871</u>
Other revenues (expense):			
Payments from County of Berks	-	210,864	210,864
Payments from other governments	-	1,017,018	1,017,018
Long-term gifts and grants	-	<u>488,157</u>	<u>488,157</u>
Other expense	-	-	-
Insurance proceeds	-	-	-
Total other revenues (expense)	<u>-</u>	<u>1,716,039</u>	<u>1,716,039</u>
Change in net position (deficit)	(660,627)	(408,818)	(1,069,445)
Net position, beginning	<u>32,207,173</u>	<u>78,795,364</u>	<u>111,002,537</u>
Total net position, ending	<u>\$31,546,546</u>	<u>\$ 78,386,546</u>	<u>\$ 109,933,092</u>

* Presented for the year ended June 30, 2022

** Presented for the year ended September 30, 2022

See accompanying notes to the financial statements.



NOTES TO FINANCIAL STATEMENTS

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The financial reporting entity

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

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

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

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

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

Reading Regional Airport Authority
2385 Bernville Road
Reading, PA 19605

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

Related organizations

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

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

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

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

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

1. Government-wide financial statements

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

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

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

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

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

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

2. Fund financial statements

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

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

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

- **Governmental funds**

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

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

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

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

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

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

- **Proprietary funds**

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

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

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”*. The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2022:

1. Governmental fund types

- **General**
The General Fund accounts for all financial resources except those accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund, including operation of general County government, the judicial system, public safety, culture and recreation, and some community and economic development and human services.
- **Children and Youth Services**
The Children and Youth Services Fund accounts for financial resources related to the provision of services to children and youth. Revenues of this fund are derived from federal and state grants. Expenditures are restricted to provision of the program.
- **Health Choices**
The Health Choices Fund accounts for financial resources related to the provision of a behavioral health managed care program for medical assistance recipients. Revenues of this fund are derived from state grants. Expenditures are restricted to provision of the program.
- **Covid Impact**
The Covid Impact Fund accounts for financial resources related to the provision of services required as resulting from Covid-19. Revenues of this fund are derived from federal grants. Expenditures are restricted to provision of the program.
- **Community Development**
The Community Development Fund accounts for financial resources related to the provision of services to developing the community. Revenues of this fund are derived from federal grants. Expenditures are restricted to provision of the program.

2. Proprietary fund types

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

continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

3. Other fund types

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

D. Investments

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

E. Cash and cash equivalents

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

F. Receivables

All property taxes receivable, accounts receivable, interest and liens receivable are shown net of an allowance for uncollectible amounts. The allowance for property taxes is equal to .09 percent of the 2022 property tax levy outstanding at December 31, 2022. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2022. The allowance for district justices' fines and court costs is equal to 40 percent of the outstanding accounts receivable at December 31, 2022. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2022. 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, 2022.

G. Interfund transactions

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

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

H. Inventories and prepaid items

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

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

I. Restricted assets

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

J. Capital assets

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

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

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

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

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

K. Deferred outflows/inflows of resources

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

L. Fund balance

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

M. Net Position

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

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

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

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

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

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

O. Compensated absences

The County follows the provisions of GASB Statement No. 16, “*Accounting for Compensated Absences.*” Calculation of the liability amount is determined by the appropriate vacation and sick

payments which would be available to employees if they would leave or retire from the County. The County accrues accumulated unpaid vacation and sick leave when earned by the employee in the government-wide financial statements. All accumulated vacation and vested sick leave pay is recorded as an expense and a liability in the proprietary fund types at the time the liability is accrued. Governmental fund types record accumulated vacation and vested sick leave pay as an expenditure in the current year to the extent it is paid during the year.

P. Pension

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

Q. Self-insurance

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

R. Estimates

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

S. Long-term obligations

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources,

while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

T. Intergovernmental revenues

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

U. Allowable Expenses under Grants

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

V. Restatement of Financial Statements

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

General Fund

Fund balance, beginning, as previously reported	\$ 175,468,483
Prior period adjustments	18,969
Fund balance, beginning, as restated	<u>\$ 175,487,452</u>

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

Non-Major Governmental Funds

Fund balance, beginning, as previously reported	\$ 21,344,822
Prior period adjustments	1,714,106
Fund balance, beginning, as restated	<u>\$ 23,058,928</u>

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

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

Governmental Activities

Net position, beginning, as previously reported	\$ 382,211,399
Prior period adjustments	96,655
Net position, beginning, as restated	<u>\$ 382,308,054</u>

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

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 13 Commitments and Contingencies for future minimum lease payments schedule.

X. Pending and Adopted Accounting Pronouncements

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

In May 2019, the GASB issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2021. The County implemented this Statement, which is reflected in the 2022 reporting.

In January 2020, the GASB issued Statement No. 92, "*Omnibus 2020.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County implemented this Statement, which is reflected in the 2022 reporting.

In March 2020, the GASB issued Statement No. 93, "*Replacement of Interbank Offered Rates.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County implemented this Statement, which is reflected in the 2022 reporting.

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

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

In June 2020, the GASB issued Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*" The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County implemented this Statement, which is reflected in the 2022 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 is currently evaluating the effect of implementation of this Statement.

NOTE 2: CASH AND INVESTMENTS

A. Primary government

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

All investments will be actively traded in a secondary market to ensure liquidity. The County investment policy follows Section 1706 of the County Code of the Commonwealth of Pennsylvania.

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

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

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

The carrying amounts of the cash and investments at December 31, 2022 consist of the following:

Cash and cash equivalents	\$ 247,684,728
Petty cash	16,961
Investments	571,786,973
	<u>\$ 819,488,662</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 162,718,869
Current assets, cash and cash equivalents, restricted	74,136,513
Current assets, investments	13,278,465
Current assets, investments, restricted	1,084,131
Noncurrent assets, investments	76,087,872

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	170,763
Investments	477,018,733

Custodial fund:

Cash and cash equivalents	10,675,544
Investments	4,317,772
	<u>\$ 819,488,662</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, 2022, the carrying amounts of the County's bank deposits were \$247,684,728 and the bank balances were \$252,227,555, of which \$500,000 was covered by Federal Depository Insurance, \$174,361,467 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits, \$53,984,092 was invested in an external investment pool, described in more detail below, \$18,580,100 was invested in money market funds and the remaining balance of \$4,801,896 was invested in U.S. Gov't Debt Securities.

The County invests in PLGIT, an external investment pool, to ensure safety and maximize efficiency, liquidity, and yield for County funds. PLGIT issues separately audited financial statements which are available to the public. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2022, 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 \$18,580,100, which have been classified as cash and cash equivalents in the statement of net position. These money market funds are unrated and have an average maturity of less than one year.

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

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

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

As of December 31, 2022, the County had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	<1	1 - 5	6 - 10	>10
Governmental Fund					
General Fund					
Negot. Certif. of deposit	\$ 191,091	\$ -	\$ 191,091	\$ -	\$ -
U.S. Govt agency securities	89,175,246	8,725,568	80,449,678	-	-
Commercial Paper	-	-	-	-	-
Health Choices Fund					
Negot. Certif. of deposit	1,084,131	1,084,131	-	-	-
Total Governmental Funds	\$ 90,450,468	\$ 9,809,699	\$ 80,640,769	\$ -	\$ -
Fiduciary Funds					
County Employee's Retirement:					
Collective Trusts					
Core Trust Property	\$ 42,189,891	\$ 42,189,891	\$ -	\$ -	\$ -
Energy Debt	6,040,323	6,040,323	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Funds	44,090,753	44,090,753	-	-	-
S&P 500 500IDX-A	167,348,605	167,348,605	-	-	-
Emerging Markets	14,400,579	14,400,579	-	-	-
World Ex-US	108,814,390	108,814,390	-	-	-
U.S. Equity Factor Allocation	-	-	-	-	-
Dynamic Asset Allocation	-	-	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income	75,248,858	75,248,858	-	-	-
High Yield Bonds	9,300,439	9,300,439	-	-	-
Emerging Markets Dept	9,584,270	9,584,270	-	-	-
Agency Funds:					
Negot. Certif. of deposit	4,317,772	4,317,772	-	-	-
Total Fiduciary Funds	481,335,879	481,335,879	-	-	-
Total Investments	\$ 571,786,347	\$ 491,145,578	\$ 80,640,769	\$ -	\$ -

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, 2022 were \$5,592,994. Of this total, \$4,757,863 was covered by Federal Depository Insurance, and \$835,131 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County had the following level of exposure to credit risk as of December 31, 2022:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 89,175,246	AAA
Negotiable certificates of deposit	\$ 5,592,914	Unrated
Mutual funds - Core fixed income	\$ 75,248,858	AA-
Mutual funds - High Yield Bonds	\$ 9,300,439	B+
Mutual funds - Emerging Mkts Debt	\$ 9,584,270	BBB-

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

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

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

At December 31, 2022, 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, 2022, \$571,786,973 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, 2022.

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, 2022:

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	\$ 5,592,994	\$ -	\$ -	\$ 5,592,994
U.S. Government Agency notes	89,175,246	-	-	89,175,246
Fixed income mutual funds				
Core Fixed Income	75,248,858	-	-	75,248,858
High Yield Bond	9,300,439	-	-	9,300,439
Emerging Markets Debt	9,584,270	-	-	9,584,270
Total fixed income mutual funds	94,133,567	-	-	94,133,567
Equity mutual funds				
Extended Market Index Fund	44,090,753	-	-	44,090,753
S&P 500 500IDX-A	167,348,605	-	-	167,348,605
Emerging Markets	14,400,579	-	-	14,400,579
World Ex-US	108,814,390	-	-	108,814,390
U.S. Equity Factor Allocation	-	-	-	-
Total equity mutual funds	334,654,326	-	-	334,654,326
Total investments by fair value level	<u>\$ 523,556,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>523,556,133</u>
Measured at Net Asset Value (NAV)				
Collective Trust Funds				<u>48,230,214</u>
Total investment measured at fair value				<u>\$ 571,786,347</u>

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

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

	<u>Fair</u> <u>Value</u>	<u>Unfunded</u> <u>Commitment</u>	<u>Redemption</u> <u>Frequency</u>	<u>Redemption</u> <u>Notice Period</u>
Collective Trust Funds				
Core Property	(a) \$ 42,189,891	\$ -	Immediate	None
Energy Debt	(b) <u>6,040,323</u>	<u>-</u>	Immediate	None
Total Collective Trust Funds	<u>\$ 48,230,214</u>	<u>\$ -</u>		

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

B. Component units

1. Reading Regional Airport Authority

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

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

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

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

The Authority's cash and cash equivalents consist of the following at September 30, 2022:

Petty cash	\$	250
Unrestricted cash		2,343,475
Restricted Cash:		
Airport improvement project funds		514,682
Sewage treatment plant reserve funds		254,323
Insurance proceeds		-
Escrow deposits		37,419
	<u>\$</u>	<u>3,150,149</u>

Custodial credit risk – deposit: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. At September 30, 2022, \$2,900,569 of the Authority's bank balance of \$3,150,569 was exposed to custodial credit risk, but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

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

2. Reading Area Community College

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

Cash and cash equivalents at June 30, 2022 consist of the following:

Cash on hand	\$	3,600
Cash		8,529,598
Investments		17,010,400
	<u>\$</u>	<u>25,543,598</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, 2022, the carrying amount of the College's deposits was \$11,517,599 and the bank balance was \$11,779,268. Of the bank balance, \$3,238,000 was covered by federal depository insurance and \$8,541,268 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the College's name. At June 30, 2022, the cash and cash equivalents for the College Foundation was \$1,161,648. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly.

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

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

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

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

The College’s entire investment fair value of \$17,010,400 is valued using bid prices for comparable securities (Level 2 input).

The fair value of investments for the College is presented below as of June 30, 2022:

Investment	Interest Rates	Total	< 1 year	> 1 year
Certificates of Deposit	0.100% - 2.500%	\$ 2,988,000	\$ 2,739,000	\$ 249,000
FHLB	2.50%	297,795	-	297,795
FNMA	0.375% - 2.875%	2,221,831	349,794	1,872,037
FHLMC	0.125% - 0.375%	606,961	-	606,961
Tenn Valley Authority	0.75%	197,355	-	197,355
US Treasury Note	1.250% - 2.875%	10,649,262	1,648,857	9,000,405
Other Investments		49,196	49,196	-
Total Investments		<u>\$ 17,010,400</u>	<u>\$ 4,786,847</u>	<u>\$ 12,223,553</u>

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

Credit risk and concentration of credit risk: The College does have an investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2022, the College’s investments in FHLB, FNMA, and FHLMC were rated as Aaa by Standard & Poor’s. The College places no limit on the amount the College may invest in any one issuer. The College’s investments

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

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

The Foundation's investments as of June 30, 2022 are summarized as follows:

<u>Investment</u>	<u>2022</u>
Equities	\$ 6,441,503
Equity mutual funds	-
Exchange traded funds	2,731,284
Real estate investment trust	146,990
Other mutual funds	-
Fixed income	3,012,693
Cash and equivalents	<u>750,969</u>
 Total Investments	 <u>\$ 13,083,439</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

<u>Category</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$ 7,740	\$ 197,757	\$ -	\$ 205,497
Market gains	(68,647)	(1,862,113)	-	(1,930,760)
Fees	<u>(2,748)</u>	<u>(74,534)</u>	-	<u>(77,282)</u>
 Total Investments	 <u>\$ (63,655)</u>	 <u>\$ (1,738,890)</u>	 <u>\$ -</u>	 <u>\$ (1,802,545)</u>

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

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

Level 2: Inputs to the valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2021 and 2022.

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

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

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

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

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2022:

Category	Level 1	Level 2	Level 3	Total
Equities	\$ 6,441,503	\$ -	\$ -	\$ 6,441,503
Exchange traded funds	2,731,284	-	-	2,731,284
Real estate investment trust	146,990	-	-	146,990
Fixed income	3,012,693	-	-	3,012,693
	<u>12,332,470</u>	<u>-</u>	<u>-</u>	<u>12,332,470</u>
Beneficial interest in perpetual trusts	-	-	9,571,313	9,571,313
Beneficial interest in CRAT	-	-	125,000	125,000
	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Total assets at fair value	<u>\$ 12,332,470</u>	<u>\$ -</u>	<u>\$ 9,696,313</u>	<u>\$ 22,028,783</u>

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, 2022:

Balance, beginning of year	\$10,220,434
Contributions/purchases	-
Realized and unrealized gains (losses)	<u>(524,121)</u>
Balance, end of year	<u>\$ 9,696,313</u>

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

The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded on the statements of revenues, expenses, and changes in net position, and amounted to \$347,038 for the year ended June 30, 2022. The value of the trusts recorded is \$9,571,313 at June 30, 2022.

NOTE 3: RESTRICTED ASSETS

Cash and investment whose use is limited to a specific purpose have been classified as “restricted” in the Statement of Net Assets/Balance Sheet. Restricted assets at December 31, 2022 are composed of the following:

Governmental Funds

	Cash and Cash equivalents	Investments
General Funds		
Environmental Litigation	\$ 70,567	\$ -
Hazmat Response Fund	2,278,999	-
MCT Trust	875,281	-
Inmate Pay	1,836,489	-
Worker's Compensation Trust	117,618	-
Health Choices special revenue		
Appendix V-Jumbo Auto Renew CD	-	835,131
Reinvestment	2,603,449	-
Risk and Contingency	8,489,707	249,000
Liquid Fuels		
Liquid Fuels-ACT 13	5,402,238	-
Liquid Fuels-ACT 89	2,003,087	-
Liquid Fuels-Local Use Fund	9,785,485	-
Special Legislation Fund		
Adult Probation Supervision Fund	903,383	-
Coroner Record Improvement Fund	208,395	-
Courts Automation Fund	153,401	-
Hotel Tax Fund	236,176	-
Prothonotary Automation Fund	4,707	-
Register of Wills Record Improvement Fund	170,994	-
Departmental Grant Fund		
Elections Integrity	1,376,005	-
Veterans Administration	19,985	-
COVID Grant Fund		
Emergency Rental Assistance Plan 2	7,757,691	-
American Rescue Plan	29,746,007	-
Total governmental funds	<u>\$ 74,039,664</u>	<u>\$ 1,084,131</u>
Business Type Activites		
Berks Heim		
Worker's Compensation Trust	<u>\$ 96,849</u>	<u>\$ -</u>

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March, payable under the following terms: 2% discount, March through April 30; face amount, May through June 30, and 10% penalty between July 1 and January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Berks County Tax Claim Bureau for collection. The County bills these taxes that are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The 2022 adopted rate of taxation was 7.657 mills.

County property tax revenues were reduced by approximately \$1,124,700 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

Local Economic Revitalization Tax Assistance (LERTA) Program

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

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

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

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

- City of Reading
- Borough of Wyomissing
- Bethel Township

- Borough of Birdsboro
- Bern Township

The County has forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$1,001,200 for the year ended December 31, 2022.

Keystone Opportunity Zone Program (KOZ) Program

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

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

The County has forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$123,500 for the year ended December 31, 2022.

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, 2022 are as follows:

	Due from other funds	Due to other funds
Governmental funds:		
General Fund	\$ 65,417,745	\$ 84,489,586
Children and Youth Services	\$ 15,839,029	\$ 17,122,287
Health Choices	\$ 67,507	\$ 1,793
Community Development	\$ 34,028	\$ 2,367,465
COVID Impact	\$ -	\$ 50,356
Nonmajor	\$ 17,340,309	\$ 10,236,424
	<u>98,698,618</u>	<u>114,267,911</u>
Proprietary funds:		
Berks County Residential Center	484,272	-
Berks Heim	15,085,008	-
	<u>15,569,280</u>	<u>-</u>
Custodial Fund:		
District Attorney	13	-
	<u>13</u>	<u>-</u>
Total	<u>114,267,911</u>	<u>114,267,911</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 2022 are as follows:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 39,046,746	\$ 13,121,351
Children and Youth Services	5,239,922	307,523
Health Choices	-	15,673
Community Development	-	-
COVID Impact	-	34,286,564
Nonmajor	6,729,078	2,251,635
	<u>51,015,746</u>	<u>49,982,746</u>
Proprietary funds:		
Berks County Residential Center	-	1,033,000
Berks Heim	-	-
	<u>-</u>	<u>1,033,000</u>
Total	<u>51,015,746</u>	<u>51,015,746</u>

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

- Transfers of \$10,575,513 were made from the General Fund to several funds during 2022 to cover deficits in several special revenue funds.

- Transfers of \$22,862,650 were made from the COVID Impacts Grants Fund to the General Fund for Prison and Sheriff department grant eligible payroll expense reimbursements.
- Transfers of \$1,895,832 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$1,393,487 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.
- Transfers of \$1,033,000 were made from Berks County Residential Center to the General Fund for rental of space.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2022 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	\$ 42,262	\$ -	\$ -	\$ 13,540,550
Historical Treasures	2,290,344	-	-	-	2,290,344
Agricultural Easements	83,767,156	664,700	-	-	84,431,856
Software In Progress	9,979,502	532,455	-	-	10,511,957
Construction In Progress	5,749,038	2,878,243	(4,292,447)	-	4,334,834
Total capital assets, not being depreciated	115,284,328	4,117,660	(4,292,447)	-	115,109,541
Capital assets, being depreciated:					
Land and Improvements	4,471,648	-	(149,143)	-	4,322,505
Bldgs and Improvements	219,824,817	497,532	(1,558,208)	-	218,764,141
Furniture, Fixtures, Equip & Vehicles	95,917,373	4,473,815	(2,129,109)	-	98,262,079
Infrastructure	40,265,851	1,642,203	-	-	41,908,054
Right To Use, Leased Buildings	-	25,558,902	-	-	25,558,902
Right To Use, Leased Equipment	-	3,422,147	-	-	3,422,147
Total capital assets, being depreciated	360,479,689	35,594,599	(3,836,460)	-	392,237,828
Total capital assets, historical cost	475,764,017	39,712,259	(8,128,907)	-	507,347,369
Less accumulated depreciation for:					
Land and Improvements	2,085,231	202,101	(149,143)	-	2,138,189
Bldgs and Improvements	138,594,098	6,084,563	(1,433,746)	-	143,244,915
Furniture, Fixtures, Equip & Vehicles	44,624,489	7,246,589	(2,039,886)	-	49,831,192
Infrastructure	6,987,119	1,047,098	-	-	8,034,217
Right To Use, Leased Buildings	-	1,581,871	-	-	1,581,871
Right To Use, Leased Equipment	-	181,068	-	-	181,068
Total accumulated depreciation	192,290,937	16,343,290	(3,622,775)	-	205,011,452
Net capital assets, being depreciated	168,188,752	19,293,571	(213,685)	-	187,226,376
Total capital assets, net of accumulated depreciation	\$ 283,473,080	\$23,368,969	\$ (4,506,132)	\$ -	\$ 302,335,917

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	\$ 269,219	\$ 103,966	\$ -	\$ -	\$ 373,185
Capital assets, being depreciated:					
Buildings and improvements	55,619,922	1,535	-		55,621,457
Furniture, fixtures, equipment and vehicles	5,957,524	231,844	-	-	6,189,368
Total capital assets, being depreciated	61,577,446	233,379	-	-	61,810,825
Total capital assets, historical cost	61,846,665	337,345	-	-	62,184,010
Less accumulated depreciation for:					
Buildings and improvements	20,228,168	1,643,022	-	-	21,871,190
Furniture, fixtures, equipment and vehicles	4,856,436	265,913	-	-	5,122,349
Total accumulated depreciation	25,084,604	1,908,935	-	-	26,993,539
Net capital assets, being depreciated	36,492,842	(1,675,556)	-	-	34,817,286
Total capital assets, net of accumulated depreciation	\$ 36,762,061	\$ (1,571,590)	\$ -	\$ -	\$ 35,190,471

2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2022 as follows:

- **Governmental activities:**

Judicial	\$	280,625
Public safety		4,632,556
Public works		1,216,270
General government		9,624,912
Human services		58,710
Community and economic development		54,744
Culture and recreation		475,473
Total	\$	16,343,290

- **Business-type activities:**

Berks County Residential Center	\$	388,385
Berks Heim		1,520,550
Total	\$	1,908,935

3. Capital projects commitments

The County Security project is in the construction phase with expenditures to date totaling \$19,946. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$2.2 million.

The Department of Emergency Services GPS project is in the construction phase with expenditures to date totaling \$1,616,582. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$2.3 million.

The Althouse Mill Bridge project is in the design phase with expenditures to date totaling \$37,197. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$.1 million.

The Ebling Memorial Bridge project is in the design phase with expenditures to date totaling \$621,377. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$2.5 million.

The Peach Street Bridge project is in the design phase with expenditures to date totaling \$73,407. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$.4 million.

The Courthouse and Services Center Fire Protection System project is in the construction phase with expenditures to date totaling \$29,471. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$.4 million.

The NRG Automation Upgrade project is in the construction phase with expenditures to date totaling \$484,928. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$.7 million.

The Parking Lot Improvements project is in the construction phase with expenditures to date totaling \$15,250. Management anticipates this project to be completed by December 31, 2023 with a projected final cost of approximately \$.2 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling \$843,622.

B. Component units

1. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2022 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2022 was \$2,648,499.

	Balance October 1, 2021 <u>(Restated)</u>	<u>Additions</u>	Deletions (Reclass)	Balance September 30, 2022 <u></u>
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	<u>2,348,269</u>	<u>1,637,424</u>	<u>(221,663)</u>	<u>3,764,030</u>
Total not being depreciated	7,087,670	1,637,424	(221,663)	8,503,431
Capital assets being depreciated:				
Terminal building	9,151,532	-	-	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Sanitary sewer system	5,106,229	-	221,663	5,327,892
Land improvements	11,619,132	-	-	11,619,132
Runway improvements	37,316,464	-	-	37,316,464
Machinery and equipment	<u>4,171,889</u>	<u>24,093</u>	<u>(9,341)</u>	<u>4,186,641</u>
Total being depreciated	83,806,695	24,093	212,322	84,043,110
Less accumulated depreciation:				
Terminal building	4,262,895	185,715	-	4,448,610
Other buildings and related improvements	10,872,907	473,436	-	11,346,343
Sanitary sewer system	1,876,697	166,961	-	2,043,658
Land improvements	8,558,912	338,236	-	8,897,148
Runway improvements	24,521,779	1,360,920	-	25,882,699
Machinery and equipment	<u>3,550,045</u>	<u>119,364</u>	<u>(7,628)</u>	<u>3,661,781</u>
Total accumulated depreciation	<u>53,643,235</u>	<u>2,644,632</u>	<u>(7,628)</u>	<u>56,280,239</u>
Total capital assets being depreciated, net	30,163,460	(2,620,539)	219,950	27,762,871
Right-to-use lease assets being amortized:				
Equipment	19,335	-	-	19,335
Less accumulated amortization for:				
Equipment	3,545	3,867	-	7,412
Total right-to-use lease assets being amortized, net	<u>15,790</u>	<u>(3,867)</u>	<u>-</u>	<u>11,923</u>
Total Capital Assets, Net	<u>\$ 37,266,920</u>	<u>\$ (986,982)</u>	<u>\$ (1,713)</u>	<u>\$ 36,278,225</u>

B. Component units (continued)

1. Reading Regional Airport Authority (Continued)

Construction in progress/commitments

Construction projects in progress at September 30, 2022 consist of the following:

Rehab West/North Apron	\$ 2,043,023
Rehab Terminal Apron	1,717,831
Sewer Treatment Plant SBR Tank	-
Airfield Guidance Signs	<u>3,176</u>
	<u>\$ 3,764,030</u>

At September 30, 2022, the Authority has no construction contracts relating to these projects, with remaining commitments.

Related to the construction in progress and operations, the Authority has been awarded grants to fund approved outstanding capital improvement projects. The following are the amounts remaining on the grants and the local match commitment at September 30, 2022:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Rehab Terminal Apron	\$ 251,142	\$ -	\$ -	\$ 251,142
ARFF Safety Equipment	36,584	-	-	36,584
Airfield Guidance Signs	<u>180,535</u>	<u>10,188</u>	<u>10,030</u>	<u>200,753</u>
Total Grants	<u>\$ 468,261</u>	<u>\$ 10,188</u>	<u>\$ 10,030</u>	<u>\$ 488,479</u>

2. Reading Area Community College

Capital asset activity for the year ended June 30, 2022 is as follows:

Depreciation expense for the College for the year ended June 30, 2022 was \$2,853,153.

	Balance July 1, 2021	Additions	Deletions (Reclass)	Balance June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	454,809	2,923,514	(1,522,923)	1,855,400
Total capital assets, not being depreciated	<u>1,536,365</u>	<u>2,923,514</u>	<u>(1,522,923)</u>	<u>2,936,956</u>
Capital assets, being depreciated:				
Buildings and improvements	73,554,497	1,687,743	(100,466)	75,141,774
Equipment, furnishings and library books	12,923,695	143,359	(1,508,150)	11,558,904
Total capital assets, being depreciated	<u>86,478,192</u>	<u>1,831,102</u>	<u>(1,608,616)</u>	<u>86,700,678</u>
Total capital assets, historical cost	<u>88,014,557</u>	<u>4,754,616</u>	<u>(3,131,539)</u>	<u>89,637,634</u>
Less accumulated depreciation for:				
Buildings and improvements	36,487,587	2,031,474	(100,466)	38,418,595
Equipment, furnishings and library books	9,941,421	728,149	(1,508,150)	9,161,420
Total accumulated depreciation	<u>46,429,008</u>	<u>2,759,623</u>	<u>(1,608,616)</u>	<u>47,580,015</u>
Total capital assets being depreciated, net	<u>40,049,184</u>	<u>(928,521)</u>	<u>-</u>	<u>39,120,663</u>
Right-to-use lease assets:				
Equipment and furnishings	378,803	47,482	-	426,285
Less accumulated amortization for:				
Equipment and furnishings	88,254	93,530	-	181,784
Right-to-use assets, net	<u>290,549</u>	<u>(46,048)</u>	<u>-</u>	<u>244,501</u>
Total capital assets, net of accumulated depreciation	<u>\$ 41,876,098</u>	<u>\$ 1,948,945</u>	<u>\$ (1,522,923)</u>	<u>\$ 42,302,120</u>

NOTE 7: RETIREMENT PLANS

A. Primary government

1. General information about the Plan

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

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

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

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,476
Inactive plan members entitled to but not yet receiving benefits	359
Active plan members	<u>1,794</u>
Total members	<u><u>3,629</u></u>

Contributions. An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amount to finance an unfunded accrued liability. For the 2022 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 0.04 percent of annual payroll.

2. Net Pension Asset (Liability)

The County's net pension asset (liability) was measured as of December 31, 2022, and the total pension asset used to calculate the net pension asset (liability) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension asset in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2022 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 2022 measurement period (see pension plan's investment policy) are summarized in the following table:

Domestic equity	5.4-6.4%
International equity	5.5-6.5%
Fixed income	1.3-3.3%
Real estate	4.5-5.5%
Cash	0.0-1.0%

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur). See pages RSI 9 and 10 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, 2021	\$ 518,878,742	\$ 584,977,309	\$ 66,098,567
Changes for the year:			
Service cost	10,525,761	-	(10,525,761)
Interest cost	38,824,582	-	(38,824,582)
Difference between expected and actual experience	3,393,455	-	(3,393,455)
Changes of Assumptions	-	-	-
Contributions - County	-	48,474	48,474
Contributions - member	-	8,106,646	8,106,646
Net investment income	-	(84,607,648)	(84,607,648)
Benefit payments, including refunds of member contributions	(30,831,093)	(30,831,093)	-
Administrative expense	-	(72,332)	(72,332)
Net changes	<u>21,912,705</u>	<u>(107,355,953)</u>	<u>(129,268,658)</u>
Balance at December 31, 2022	<u>\$ 540,791,447</u>	<u>\$ 477,621,356</u>	<u>\$ (63,170,091)</u>

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

Discount rate	Net Pension Asset (Liability)
1% decrease (6.5%)	\$ (122,284,935)
Current Discount Rate (7.5%)	\$ (63,170,091)
1% increase (8.5%)	\$ (13,476,270)

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

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

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Pension Liability		Plan Fiduciary Net Position		Assumptions	Total
	(Outflow)	Inflow	(Outflow)	Inflow	(Outflow)	
Deferred Inflow/(Outflow) of Resources as of January 1, 2022	\$ (3,563,232)	\$ 324,789	\$ (11,531,280)	\$ 55,058,720	\$ (1,207,753)	\$ 39,081,244
Differences Between Expected and Actual Expenses for 2022	(3,393,455)	-	(127,643,567)	-	-	(131,037,022)
Portion Recongnized in 2022 Pension Expens	<u>(2,697,407)</u>	<u>324,789</u>	<u>(37,059,993)</u>	<u>18,162,584</u>	<u>(1,097,955)</u>	<u>(22,367,982)</u>
Deferred (Inflow)/Outflow of Resources as of December 31,2022 :(1)+(2)-(3)	(4,259,280)	-	(102,114,854)	36,896,136	(109,798)	\$ (69,587,796)
Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2022:						\$ (108,669,040)

**Determined as follows:*

Projected Earnings on Plan Investments for 2022	\$ 43,035,668
Actual Earnings on Plan Investments for 2022	<u>(84,607,899)</u>
Difference Between Expected and Actual Exp.	<u>\$ (127,643,567)</u>

For the 2022 year, the County recognized pension expense of \$20,648,092. Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2023	\$ (9,415,955)
2024	(15,413,305)
2025	(18,787,198)
2026	(25,971,338)
2027	-
Thereafter	-
Total:	<u>\$ (69,587,796)</u>

4. Payable to the Pension Plan

For the year ended December 31, 2022, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

B. Component units

1. Reading Regional Airport Authority

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

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible for participation in the Plan after they have been employed by the Authority for 13 weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; this contribution amount was \$506 at September 30, 2022. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2022 was \$46,374.

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, 2022 was \$7,841.

2. Reading Area Community College

Retirement Plans

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

Employee Defined Benefit Pension Plans

Summary of Significant Accounting Policies

Pension Plans

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

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

General Information about the Pension Plan

Plan descriptions

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

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

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

Benefits provided

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

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

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

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

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

Contributions

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

SERS Member Contributions:

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

SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2022 ranged between 25.90 percent and 37.46 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$43,895 for the year ended June 30, 2022.

PSERS Member Contributions:

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

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

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

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

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2022 was 33.99 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the College were \$428,195 for the year ended June 30, 2022.

PSERS State Contributions:

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

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

The College reported a net pension liability of \$4,017,279 for the year ended June 30, 2022, consisting of \$281,279 related to SERS and \$3,736,000 related to PSERS.

At June 30, 2022, the College reported a liability of \$281,279 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, 2021. 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, 2021 the College's proportion was 0.0019%, which is an increase of 0.0006% from its proportion measured as of December 31, 2020.

At June 30, 2022, the College reported a liability for its proportionate share of the PSERS net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 3,736,000
Commonwealth's proportional share of the net pension liability	\$ 3,736,000
Total proportionate share of the net pension liability	<u>\$ 7,472,000</u>

The PSERS net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the College's proportion was 0.0091 percent, which was an increase of 0.0001 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the College recognized total pension expense from the two plans of \$271,775. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual investment earnings	\$ -	\$ 675,383
Change of assumptions	209,950.00	-
Difference between expected and actual experience	4,857.00	50,619.00
Changes in proportions	373,337.00	227,855.00
Difference between employer contributions and proportionate share of total contributions	4,645.00	7,194.00
Contributions subsequent to the measurement date	<u>428,195.00</u>	<u>-</u>
	<u>1,020,984.00</u>	<u>961,051.00</u>

The \$428,195 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, 2023.

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:

2023	\$	15,224
2024		(125,585)
2025		(42,574)
2026		(213,330)
2027		<u>(1,997)</u>
	\$	<u>(368,262)</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, 2021 actuarial valuation, with the exception of the discount rate and inflation assumptions, was adopted by the State Employees' Retirement Board based upon actual experience of SERS during the years 2015 through 2019. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 7.125 percent to 7.00 percent effective as of the December 31, 2020 actuarial valuation. In addition, the SERS board approved a reduction in the inflation rate from 2.60 percent to 2.50 percent effective as of the December 21, 2020 actuarial valuation based on the experience study and has remained in effect since then. The following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method: Entry Age
- Investment return: 7.00 percent, includes inflation at 2.50 percent.
- Salary increases: Effective average of 4.60 percent, with a range of 3.30 percent and 6.95 percent including inflation at 2.50 percent.
- Mortality rates were based on the PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2021 was determined by rolling forward the System's total pension liability as of the June 30, 2020 actuarial valuation to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method: Entry Age Normal - level percent of pay
- Investment return: 7.00 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 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 long-term expected rate of return on both pension plans' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The SERS board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2021 is as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	12.0%	6.00%
Private credit	4.0%	4.25%
Real estate	7.0%	3.75%
U.S. equity	31.0%	4.60%
International developed markets equity	14.0%	4.50%
Emerging markets equity	5.0%	4.90%
Fixed income	22.0%	(0.25%)
Inflation protection (TIPS)	3.0%	(0.30%)
Cash	2.0%	(1.00%)
	100.0%	

The PSERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The PSERS board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLP's	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Financing (LIBOR)	-13.00%	0.1%
	<u>100.0%</u>	

Discount Rate: SERS and PSERS

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

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

The following presents the net pension liability, calculated using the SERS 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 (6.00 percent) or one-percentage point higher (8.00 percent) than the current rate as:

	<u>1% Decrease 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
College's proportionate share of the SERS net pension liability	\$ 355,256	\$ 28,179	\$ 15,293
College's proportionate share of the PSERS net pension liability	4,904,000	3,736,000	2,751,000

Pension Plan Fiduciary Net Position

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

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

On June 21, 2017, Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation establishes a new hybrid defined benefit/defined contribution (DF) retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan design options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. A stand-alone defined benefit plan is no longer available to new members after June 30, 2019. Contributions to the defined contribution pension plan from the College were \$1,890 for the year ended June 30, 2022.

Payable to the Pension Plan

At June 30, 2021, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB liabilities of \$148,103. This amount represents the College's contractually obligated contributions for wages earned in April 2022 through June 2022.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5% if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2022 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, 2022 was \$2,404,068, which consisted of \$1,220,619 from the College and \$1,183,449 from employees.

403(b) Tax Shelter Plan

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

NOTE 8: FUTURE LEASE RENTALS RECEIVABLE AND RELATED DEBT

A. Component units

1. Reading Regional Airport Authority

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

GASH 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%. 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, 2022 and 2021 of \$13,754,886 and \$13,561,146, respectively, as well as a related deferred inflow of resources of \$12,894,587 and \$13,109,539 respectively.

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

Updated on 8/23/23

	2022	2021
Lease income	\$ 554,755	\$ 524,941
Interest income	441,000	440,463
Total	\$ 995,755	\$ 965,404

The receivable on these leases was discounted to the net present value determined as of October 1, 2020. The discount rate is based on the Authority’s estimated incremental borrowing rate, which was 3.25% at October 1, 2020.

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

	<u>Principal</u>	<u>Interest</u>	<u>Interest</u>
2023	\$ 218,316	\$ 442,059	\$ 660,375
2024	219,163	434,790	653,953
2025	190,560	428,310	618,870
2026	210,255	421,877	632,132
2027	243,331	414,514	657,845
2028 - 2032	1,667,964	1,926,697	3,594,661
2033 - 2037	2,508,479	1,589,400	4,097,879
2038 - 2042	3,557,287	1,102,551	4,659,838
2043 - 2047	2,605,984	526,398	3,132,382
2048 - 2052	579,744	329,812	909,556
2053 - 2507	491,455	237,688	729,143
2058 - 2062	376,897	174,354	551,251
2063 - 2067	443,303	107,948	551,251
2068 - 2072	442,148	30,861	473,009
	<u>\$ 13,754,886</u>	<u>\$ 8,167,259</u>	<u>\$ 21,922,145</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 July 2056. For the years ended September 30, 2022 and 2021, the Authority received \$905,778 in payments from leases under regulated lease agreements.

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

2023	\$ 904,247
2024	887,393
2025	887,393
2026	887,393
2027	887,393
2028 - 2032	4,084,377
2033 - 2037	4,065,820
2038 - 2042	3,691,228
2043 - 2047	1,854,954
2048 - 2052	903,447
2053 - 2057	760,030
	<u>\$ 19,813,675</u>

NOTE 9: RISK MANAGEMENT

A. Primary government

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

1. Self-insured workers' compensation

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

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements. Based on history of claims paid and the County's Aa1 Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is \$199,742.00 for 2022.

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, 2022, are summarized as follows:

Governmental Activities	\$ 955,839
Business-type Activities	<u>748,018</u>
Total	<u>\$ 1,703,857</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2020, 2021 and 2022.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2020	\$ 2,483,913	\$ 467,340	\$ 766,941	\$ 2,184,312
2021	\$ 2,184,312	\$ 468,787	\$ 598,505	\$ 2,054,594
2022	\$ 2,054,594	\$ 491,345	\$ 842,082	\$ 1,703,857

3. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2022, the County has incurred and processed healthcare claims of \$35.8 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2022, are summarized as follows:

Governmental Activities	\$ 2,342,094
Business-type Activities	<u>436,789</u>
Total	<u>\$ 2,778,883</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2020, 2021 and 2022.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2020	\$ 1,658,696	\$ 30,652,495	\$ 30,540,087	\$ 1,771,104
2021	\$ 1,771,104	\$ 33,506,673	\$ 33,480,949	\$ 1,796,828
2022	\$ 1,796,828	\$ 36,787,235	\$ 35,805,180	\$ 2,778,883

3. Health Choices self-insured healthcare

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

The County has contracted with a behavioral health managed care organization, Community Care Behavioral Health Organization (Community Care), which is responsible for most of the day to day functions including care management, establishment of the provider network, and claims payments to providers. Community Care accrues an estimate of its healthcare cost

liability at the end of each accounting period. All monthly incurred claims' estimates are calculated by Community Care's actuary. The actuary uses a multitude of items in the calculation of incurred claims. Such items include authorizations, paid claims, historical trends, completion factors, provider issues, etc. Incurred claims are accrued on a monthly basis in Community Care's general ledger. Community Care and the actuary continuously monitor prior month's incurred amounts and regularly make contract year to date adjustments to Community Care's incurred balances.

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

The actuary issued a Statement of Actuarial Opinion certifying the total June 30, 2022 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, 2022, is \$15,097,361, 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, 2020, 2021 and 2022.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2020	\$ 8,456,176	\$ 101,455,020	\$ 100,233,996	\$ 9,677,200
2021	\$ 9,677,200	\$ 109,545,079	\$ 108,511,358	\$ 10,710,921
2022	\$ 10,710,921	\$ 122,384,590	\$ 117,998,150	\$ 15,097,361

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 2021/2022 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$85,000 individually for the year ended June 30, 2022. Stop gap insurance is in place for claims in excess of the threshold. Included in the financial statement is a liability for \$394,972 for outstanding estimated claims at June 30, 2022. This liability is entirely funded.

Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the period ending June 30, 2022:

Balance at July 1	\$	400,000
Claims incurred		3,553,819
Claims paid		<u>(3,558,847)</u>
Balance at June 30	\$	<u>394,972</u>

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds and notes

Governmental activities

At December 31, 2022, general obligation bonds and notes consisted of the following:

	Balance outstanding January 1, 2022	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2022	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.	10,620,400	-	-	4,454,800	6,165,600	708,400
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 B General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	52,986,859	-	-	3,186,880	49,799,979	8,300,827
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.	8,490,000	-	-	5,000	8,485,000	5,000
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	23,191,860	-	-	1,229,012	21,962,848	1,249,986
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	9,708,000	-	-	1,647,000	8,061,000	1,661,000
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,	<u>9,202,480</u>	<u>-</u>	<u>-</u>	<u>151,200</u>	<u>9,051,280</u>	<u>153,440</u>
	\$ 114,199,599	\$ -	\$ -	\$ 10,673,892	\$ 103,525,707	\$ 12,078,653
Unamortized premium 2015	1,873,769	-	-	267,683	1,606,086	
Unamortized premium 2019	8,275,248	-	-	919,472	7,355,776	
Unamortized premium 2019A	<u>1,169,477</u>	<u>-</u>	<u>-</u>	<u>146,185</u>	<u>1,023,292</u>	
Total	<u>\$ 125,518,093</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,007,232</u>	\$ 113,510,861	
Less: Current Maturities					<u>(12,078,653)</u>	
					<u>\$ 101,432,208</u>	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2023	\$ 12,078,653	\$ 3,748,918	\$ 15,827,571
2024	10,954,175	3,258,820	14,212,995
2025	11,342,204	2,850,219	14,192,423
2026	11,389,098	2,397,361	13,786,459
2027	11,655,664	2,122,754	13,778,418
2028-2032	37,880,329	4,143,781	42,024,110
2033-2037	<u>8,225,584</u>	<u>731,309</u>	<u>8,956,893</u>
	\$ 103,525,707	\$ 19,253,162	\$ 122,778,869
Unamortized premium	<u>9,985,154</u>		
Bonds and notes payable at December 31, 2022	<u>\$ 113,510,861</u>		

	Balance outstanding January 1, 2022	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2022	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.	8,344,600	-	-	3,500,200	4,844,400	556,600
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	218,141	-	-	13,120	205,021	34,173
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	4,453,140	-	-	235,987	4,217,153	240,014
2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028, to currently refund a portion of the 2015 General Obligation Bonds.	7,230,520	-	-	118,800	7,111,720	120,560
	\$ 20,246,401	\$ -	\$ -	\$ 3,868,107	\$ 16,378,294	\$ 951,347
Unamortized premium 2015	1,472,245	-	-	210,321	1,261,924	
Unamortized premium 2019	34,069	-	-	3,786	30,283	
Total	\$ 21,752,715	\$ -	\$ -	\$ 4,082,214	\$ 17,670,501	
Less: Current Maturities					(951,347)	
					\$ 16,719,154	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2023	\$ 951,347	\$ 444,710	\$ 1,396,057
2024	2,486,825	409,304	2,896,129
2025	2,583,796	297,232	2,881,028
2026	3,119,902	180,190	3,300,092
2027	3,149,336	138,565	3,287,901
2028-2032	2,507,672	351,176	2,858,848
2033-2037	1,579,416	140,421	1,719,837
	\$ 16,378,294	\$ 1,961,598	\$ 18,339,892
Unamortized premium	1,292,207		
Bonds and notes payable at December 31, 2022	\$ 17,670,501		

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, 2022, \$91,035,000 of bonds outstanding is considered defeased.

During 2021, the County defeased a portion of its 2015 General Obligation Bonds by placing proceeds from its Series B of 2021 Federally Taxable General Obligation Notes into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2021, \$14,985,000 of bonds outstanding is considered defeased.

During 2021, the County defeased the entirety of its Series B of 2010 General Obligation Bonds, and 2016 General Obligation Bonds by placing proceeds from its Series A of 2021 Notes into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2022, \$8,075,000 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, 2022.

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

The outstanding bonds are subject to covenants, including a requirement to annually budget amounts required to pay debt service and pledges its full faith, credit and taxing power. In addition, the County has certain continuing disclosure requirements. At December 31, 2022, 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, 2022	Additions	Reductions	Balance December 31, 2022	Due within one year
Governmental activities:					
Agricultural easement installment purchases	\$ 119,993	\$ 79,563	\$ 66,676	\$ 132,880	\$ 108,518
Workers compensation accrued liabilities	1,128,679	313,026	485,866	955,839	193,636
Compensated absences payable	8,167,199	249,638	96,858	8,319,979	1,479,618
Total governmental activities	<u>\$ 9,415,871</u>	<u>\$ 642,227</u>	<u>\$ 649,400</u>	<u>\$ 9,408,698</u>	<u>\$ 1,781,772</u>
Business-type activities:					
Workers compensation accrued liabilities	\$ 925,915	\$ 178,319	\$ 356,216	\$ 748,018	\$ 151,504
Compensated absences payable	854,957	79,556	243,435	691,078	496,537
Total business-type activities	<u>\$ 1,780,872</u>	<u>\$ 257,875</u>	<u>\$ 599,651</u>	<u>\$ 1,439,096</u>	<u>\$ 648,041</u>

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

Component units

Revenue bonds payable and notes payable

- **Reading Area Community College**

Notes payable on June 30, 2022 consist of several outstanding tax-exempt revenue bonds and notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority (SPSBA). The College has pledged its full faith and credit for the repayment notes issued. The notes were issued to provide funds to undertake various capital projects at the College or to advance refund certain previously issued bonds. Activity for the various note series for the year ended June 30, 2022, was as follows:

	Balance outstanding July 1, 2021	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2022	Current Portion
College Revenue Note, Series A of 2016, original issue \$3,355,738, interest rate 2.30%, final maturity April 2036.	1,497,000	-	92,500	\$ 1,404,500	94,500
College Revenue Note, Series B of 2017, original issue \$8,066,000, interest rate 2.50%, final maturity April 2029.	7,184,000	-	824,000	\$ 6,360,000	843,000
	<u>\$ 8,681,000</u>	<u>\$ -</u>	<u>\$ 916,500</u>	<u>\$ 7,764,500</u>	<u>\$ 937,500</u>
Less: Current maturities				(937,500)	
				<u>\$ 6,827,000</u>	

Principal and interest requirements to maturity are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2023	937,500	\$ 191,304	\$ 1,128,804
2024	961,500	168,055	1,129,555
2025	985,000	144,211	1,129,211
2026	1,008,000	119,784	1,127,784
2027	1,023,000	105,934	1,128,934
2028-2032	2,394,500	239,825	2,634,325
2033-2036	455,000	52,313	507,313
	<u>\$ 7,764,500</u>	<u>\$ 1,021,426</u>	<u>\$ 8,785,926</u>

Reading Regional Airport Authority

September 30,
2022

Revenue Note, Series A of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series A of 2008 (AMT) in the amount of \$3,705,000. The proceeds were used to currently refund the 2004A Bonds. The note will mature on April 1, 2026. The note bears interest at a fixed rate of 4.45% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with the same financial institution, which lowered the interest rate to 2.80% through October 1, 2021. 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.

\$752,936

Revenue Note, Series B of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series B of 2008 (Non-AMT) in the amount of \$3,850,000. The proceeds were used to currently refund the 2004B Bonds. The note will mature on October 1, 2033. The note bears interest at a fixed rate of 4.43% through October 1, 2014. The Authority refinanced the note on October 1, 2014, with a different financial institution, which lowered the interest rate to .2.80% through October 1, 2021. 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

\$3,322,936

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

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

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Amount Due Within One Year
Direct borrowings:					
Revenue Note, Series A of 2008	\$ 972,936	\$ -	\$ 220,000	\$ 752,936	\$ 115,000
Revenue Note, Series B of 2008	2,570,000	-	-	2,570,000	-
Total direct borrowings	3,542,936	-	220,000	3,322,936	115,000
Lease payable	16,023	-	3,727	12,296	3,850
	<u>\$ 3,558,959</u>	<u>\$ -</u>	<u>\$ 223,727</u>	<u>\$ 3,335,232</u>	<u>\$ 118,850</u>

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

<u>Revenue Notes, Series A and B of 2008</u>				
Year Ending September 30	Principal	Interest	Total Debt Service	
2023	\$ 115,000	\$ 77,705	\$ 192,705	
2024	240,000	82,842	322,842	
2025	250,000	76,659	326,659	
2026	257,936	70,220	328,156	
2027	275,000	63,401	338,401	
2028-2032	1,615,000	197,690	1,812,690	
2033-2034	570,000	15,238	585,238	
	<u>\$ 3,322,936</u>	<u>\$ 583,755</u>	<u>\$ 3,906,691</u>	

A. Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street Journal prime rate. Interest only payments are due monthly with principal due on May 1, 2022. There was no balance on the line of credit at September 30, 2021.

- **Reading Area Community College**

At June 30, 2022, the College has an unsecured bank line of credit with maximum borrowings of \$5,000,000. The maximum borrowings will be reduced to \$2,500,000 from July 1 to December 31 of each year during the term of the loan. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2023. There is no outstanding balance on this line of credit at June 30, 2022.

B. Loans Payable and long-term liabilities

- **Reading Area Community College**

	Balance outstanding June 30, 2022
The College entered into loan agreements with the Pennsylvania State Public School Building Authority (SPSBA):	
 On January 1, 2018, the College entered into an agreement to borrow up to \$500,000 to finance the Card Access System Project to the buildings of the College. The agreement requires semiannual payments of \$52,795, including interest at 2.25% per annum. Final payment is due in December 2022. The College has pledged its full faith and credit for the repayment of the loan.	46,971
 In September 2019, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of \$77,389 including 5.70% interest through maturity in September 2021. The purchase is secured by the underlying assets.	<u>-</u>
	\$ 46,971
Portion payable within one year and classified as current	<u>(46,971)</u>
Total long term debt	<u>\$ -</u>

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

	Principal	Interest
2023	46,971	592
	<u>\$ 46,971</u>	<u>\$ 592</u>

Accrued compensated absences for the year ending June 30, 2022 was \$793,684, with \$467,801 due within one year.

NOTE 11: FUND BALANCE POLICY

A. Primary government

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

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

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

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

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

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

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

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

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

Fund balances of the County's governmental funds at December 31, 2022 consist of the following:

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Nonspendable:					
Employee pay advance	\$ 34,086	\$ 2,871	\$ -	\$ -	\$ 36,957
Inventories and prepaid expenses	9,890,283	-	-	2,765,471	12,655,754
Total Nonspendable	9,924,369	2,871	-	2,765,471	12,692,711
Restricted:					
Gift fund	-	21,130	-	-	21,130
Hazmat Response	2,823,446	-	-	-	2,823,446
Act 198 - Courts	250,635	-	-	-	250,635
Workers' compensation	117,253	-	-	-	117,253
Special revenue funds	-	54,043	-	20,293,457	20,347,500
Act 13 Marcellus Shale	1,012,152	-	-	-	1,012,152
Total Restricted	4,203,486	75,173	-	20,293,457	24,572,116
Committed:					
Farmland preservation	1,867,405	-	-	-	1,867,405
Services Center Parking Garage	304,781	-	-	-	304,781
2023 Budgeted Loss	4,414,684	-	-	-	4,414,684
2023 Capital Projects	17,353,597	-	-	-	17,353,597
Total Committed	23,940,467	-	-	-	23,940,467
Assigned:					
Divorce Masters	5,427	-	-	-	5,427
Health care self insurance	4,000,000	-	-	-	4,000,000
Total Assigned	4,005,427	-	-	-	4,005,427
Unassigned	161,789,571	-	-	-	161,789,571
Total Governmental Fund Balance	\$ 203,863,320	\$ 78,044	\$ -	\$ 23,058,928	\$ 227,000,292

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

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

- 2023 Capital Projects – this commitment represents amounts to be used for 2022 capital projects.
- Divorce Masters – this assignment represents a commitment to this program.
- Health care self-insurance – this assignment represents the estimated obligation in excess of stop loss insurance for the health care self-insurance program due within the 2022 year.

NOTE 12: OBLIGATIONS UNDER CAPITAL LEASES

A. Component units

1. Reading Area Community College

The College has entered into lease agreements for various technology equipment including copiers, printers, and computers. The leases have various termination dates through February 2025. These leases include either monthly or annual payments of principal and interest at rates ranging from 2.95 percent to 5.00 percent.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 95,923	\$ 6,337	\$ 102,260
2024	99,034	3,226	102,260
2025	<u>4,799</u>	<u>41</u>	<u>4,840</u>
	<u>\$ 199,756</u>	<u>\$ 9,604</u>	<u>\$ 209,360</u>

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 63.7% of the County’s employees are covered by collective bargaining agreements as of December 31, 2022. The AFSCME union contract expires December 31, 2026. The Teamster union contract expired December 31, 2023 and negotiations are in progress. The Fraternal Order of Police contract expires December 31, 2022. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2024. The Deputy Sheriff’s Association union contract expired December 31, 2025. Both the PSSU and Detective contracts expire on December 31, 2026.

Leases

At December 31, 2022, the County included \$27,218,109 for the net ROU lease assets in capital assets, net of accumulated depreciation on its statement of net position. At December 31, 2022, the County included \$1,078,503 and \$17,517,621 for the current and noncurrent portions of the lease liabilities, respectively, on its statement of net position.

<u>Lease Payments</u>				
Short-Term Lease Payments	\$	70,407		
<u>Leased Assets</u>	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
	<u>Balance</u>			<u>Balance</u>
Leased Assets being Amortized				
Leased - Equipment Expense	\$ -	\$ 117,439	\$ -	\$ 117,439
Leased - Real Estate Expense	-	28,935,664	-	28,935,664
Total Leased Assets Being Amortized	<u>-</u>	<u>29,053,103</u>	<u>-</u>	<u>29,053,103</u>
Less: Accumulated Amortization				
Leased - Equipment Expense	-	(32,736)	-	(32,736)
Leased - Real Estate Expense	-	(1,802,258)	-	(1,802,258)
Total Accumulated Amortization	<u>-</u>	<u>(1,834,994)</u>	<u>-</u>	<u>(1,834,994)</u>
Total, Net of Accumulated Amortization	<u>\$ -</u>	<u>\$27,218,109</u>	<u>\$ -</u>	<u>\$27,218,109</u>

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 above.

At December 31, 2022, the County included \$129,160 and \$1,706,330 for the current and noncurrent portions of the lease receivables, respectively, on its statement of net position.

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, 2022. 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
2023	\$ 1,078,503	\$ 379,810	\$ 1,458,313
2024	984,124	360,178	1,344,302
2025	785,767	341,882	1,127,649
2026	671,171	327,406	998,577
2027	687,717	314,865	1,002,583
2028 - 2032	1,488,676	1,451,828	2,940,504
2033 - 2037	1,207,760	1,324,298	2,532,057
2038 - 2042	1,002,943	1,194,333	2,197,276
2043 - 2047	753,931	1,104,581	1,858,512
2048 - 2052	1,061,549	1,013,239	2,074,788
2053 - 2057	2,064,844	828,663	2,893,507
2058 - 2062	2,271,951	591,501	2,863,452
2063 - 2067	2,410,902	339,098	2,750,000
2068 - 2072	2,126,288	73,713	2,200,001
Total	\$ 18,596,124	\$ 9,645,396	\$ 28,241,520

Lessor Arrangements

The County leases office space, communication tower space and land to external parties. The leases generally expire at various dates through 2027 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, 2022. During the year ended December 31, 2022, the County recognized lease revenues and interest revenues related to lessor agreements totaling \$151,506 and \$40,797, respectively. The County also recognized short-term lease revenues of \$57,075 during the year ended December 31, 2022.

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended December 31, 2022 have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

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

B. Component units

1. Reading Regional Airport Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage for the year ended September 30, 2022. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

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

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

2. Reading Area Community College

Federal and State revenues

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

Leases

The College has entered into lease agreements for various technology equipment including copiers, printers, and computers. The leases have various termination dates through February 2025. These leases include either monthly or annual payments of principal and interest at rates ranging from 2.95% to 5.00%.

Future Lease maturities as of June 30 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 95,923	\$ 6,337	\$ 102,260
2024	99,034	3,226	102,260
2025	4,799	41	4,840
	<u>\$ 199,756</u>	<u>\$ 9,604</u>	<u>\$ 209,360</u>

NOTE 14: CONTRACTUAL AGREEMENT REVENUE

Component unit

Reading Area Community College

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

In addition, the contract stated that Barnes & Noble will renovate and move the bookstore facility for a cost up to \$165,000. The actual total cost of renovations at June 30, 2018 was \$107,604. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Barnes & Noble the book value of the renovations put in service by Barnes & Noble depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Barnes & Noble over the life of the contract. Unearned revenue from the renovations is \$8,967 as of June 30, 2022.

Total revenues from these agreements, including the amortization of the bookstore renovations, was \$255,509 for the year ended June 30, 2022 and is included in other revenues on the statement of revenues, expenses and changes in net position.

NOTE 15: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component units

Reading Area Community College

Health Insurance Premium Assistance Program

Employee Defined Benefit Other Postemployment Benefit Plans

The College has other postemployment benefits (OPEB) under two different plans: (1) a cost sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (College OPEB Plan). The College’s aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2022 are as follows:

Plan	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
PSERS OPEB Plan	\$ 216,000	\$ 57,078	\$ 23,000
College OPEB Plan	1,397,064	521,666	308,795
	\$ 1,613,064	\$ 578,744	\$ 331,795

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental, cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

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

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the Health Option Program or employer-sponsored health insurance program.

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021, there were no assumed future benefit increases to participating eligible retirees.

Contributions

The College's contractually required contribution rate for the fiscal year ended June 30, 2022, was 0.80% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the College were \$10,078 for the year ended June 30, 2022.

PSERS State Contributions:

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

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

At June 30, 2022, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 216,000
Commonwealth's proportional share of the net pension liability	<u>216,000</u>
Total proportionate share of the net pension liability	<u>\$ 432,000</u>

The net OPEB obligation was measured as of June 30, 2021, and the total OPEB obligation used to calculate the net OPEB obligation was determined by rolling forward the System's total OPEB obligation as of June 30, 2019 to June 30, 2020. The College's proportion of the net OPEB obligation was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the College's proportion was 0.0091 percent, which was an increase of 0.0001 percent from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the College recognized OPEB expense of \$13,400. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,000	\$ -
Changes in assumptions	23,000	3,000
Changes in proportion	22,000	20,000
Contributions made subsequent to the measurement date	<u>10,078</u>	<u>-</u>
	<u>\$ 57,078</u>	<u>\$ 23,000</u>

The \$10,078 reported as deferred outflows of resources related to OPEB resulting from College contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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:

2023	\$ 3,000
2024	3,000
2025	6,000
2026	7,000
2027	2,000
Thereafter	3,000
	<u>\$ 24,000</u>

Actuarial Assumptions

The total OPEB obligation as of June 30, 2021, was determined by rolling forward the System's total OPEB obligation as of June 30, 2020 to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level percent of pay
- Discount rate – 2.18 percent – S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 4.5 percent, comprised of inflation of 2.50 percent and 2.00 percent for real wage growth and for merit of seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50 percent PubT-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 following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019, determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
US core fixed income	17.5%	0.7%
Non-US developed fixed	<u>2.7%</u>	-0.3%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB obligation was 2.18 percent. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The

Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 2.18% which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, 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, 2021, 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, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 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, 2021 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	\$ 216,000	\$ 216,000	\$ 216,000

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

The following presents the net OPEB liability, calculated using the discount rate of 2.18 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.18%) or 1-percentage point higher (3.18%) than the current rate:

	<u>1% Decrease 1.18%</u>	<u>Current Rate 2.18%</u>	<u>1% Increase 3.18%</u>
College's proportionate share of the net OPEB liability	\$ 248,000	\$ 216,000	\$ 190,000

OPEB Plan Fiduciary Net Position

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

Payables Related to the Plan

At June 30, 2022, the College had an accrued balance due to PSERS including contributions related to pension and OPEB liabilities of \$148,103. This amount represents the College's contractually obligated contributions for wages earned in April 2022 through June 2022.

College OPEB Plan

General Information About the College OPEB Plan

Plan description

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

Benefits Provided

Benefit A – Life Insurance

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

Benefit B – Medical, Prescription Drug, Vision and Dental

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

Benefit C – Early Retirement Lump Sum Payment

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

Benefit D – COBRA Reimbursement

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

Eligibility

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

Retirement Level 1

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

Retirement Level 2

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

Retirement Level 3

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

Employees Covered by Benefit Terms

At July 1, 2021, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

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

OPEB Liability

Actuarial Assumptions and Other Inputs

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

- Actuarial cost method – Entry Age Normal as a level percentage of pay
- Inflation rate – 3 percent
- Salary increases – 2.50 percent
- Discount rate – 2.16 percent, based on the Bond Buyers 20-Bond Index
- Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scaled MP-2020

- Healthcare cost trend rates – 7.00 percent for 2022, decreasing between .25 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2031, and later
- Participation rates of: benefits C only 90.00 percent; benefit D only 2.5 percent; benefits B and C 2.50 percent; and benefits B and D 5.00 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, 2021	<u>\$ 1,398,017</u>
Changes for the year:	
Service cost	53,140
Interest	30,896
Differences between expected and actual experience	(245,901)
Changes of assumptions or other inputs	195,018
Benefit payments	<u>(34,106)</u>
Net changes	<u>(953)</u>
	<u><u>\$ 1,397,064</u></u>
Balance at June 30, 2022	

Changes of assumptions or other inputs reflect the following changes:

- The decrease in the discount rate from 2.21 percent in 2021 to 2.16 percent in 2022
- A change in the Mortality Improvement Projection Scale to MP-2020

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

The following presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (1.16%) or 1-percentage point higher (3.16%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	1.16%	2.16%	3.16%
OPEB Plan - Total OPEB Liability	\$ 1,663,507	\$ 1,397,064	\$ 1,189,393

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

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Liability	\$ 1,384,090	\$ 1,397,064	\$ 1,411,921

For the year ended June 30, 2022, the College recognized OPEB expense of \$123,294. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 481,924	\$ 21,926
Net difference between projected and actual experience	-	286,869
Benefit payments made subsequent to the measurement date	<u>39,742</u>	<u>-</u>
	<u>\$ 521,666</u>	<u>\$ 308,795</u>

The \$39,742 reported as deferred outflows of resources related to OPEB liabilities resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB obligation in the year ended June 30, 2023. 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:

2023	\$ 39,258
2024	\$ 39,258
2025	\$ 39,258
2026	\$ 35,237
2027	\$ 32,835
Thereafter	<u>(12,717)</u>
Total	<u>\$ 173,129</u>

NOTE 16: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through September 15, 2023. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2022 were noted as a result of this evaluation.

Escrow Agreement

On May 25th, 2023, the County adopted a resolution authorizing the refunding, by defeasance, of a portion of its General Obligation Bonds, Series of 2019 (the “2019 Bonds”), for 2019 bond maturities beginning November 15, 2025, through November 15, 2029. The County entered into an escrow agreement with Manufacturers and Trader Trust Company (M&T), as the paying agent, and deposited \$15,549,599 with M&T in July. M&T purchased the State and Local Government Series Securities on July 6th consummating the defeasance. This was funded from County reserves, lowered the outstanding par value and debt service (P&I) through 2029 by \$13,685,000 and \$16,801,125, respectively, with a cash flow savings of \$1,251,526. The reduction in 2019 Bond debt service, by year, is as follows:

2023	\$ 342,125
2024	684,250
2025	3,184,250
2026	3,274,250
2027	3,323,500
2028	2,963,500
2028	<u>3,029,250</u>
Total	<u>\$ 16,801,125</u>

BCRC Closure

Berks County officials announced that BCRC (Berks County Residential Center), will be closing its doors as of Jan. 31, 2023. As of January 2023, the Federal government terminated its contract with the County of Berks.

B. Component Unit

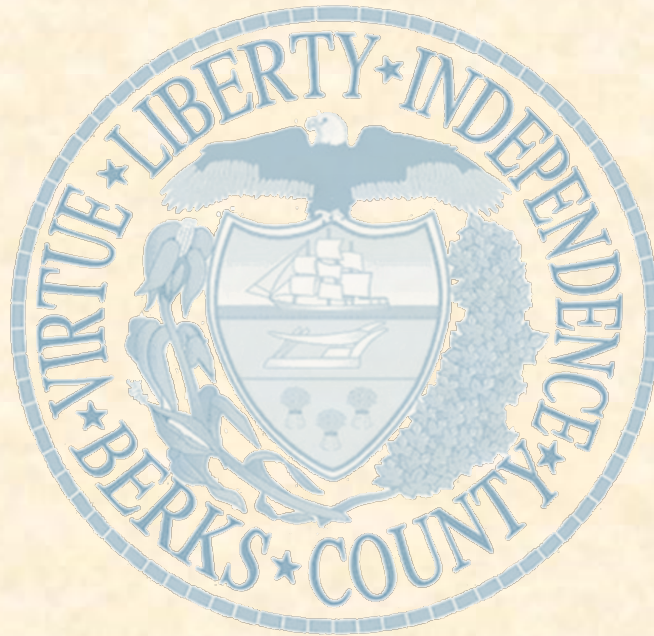
Reading Regional Airport Authority

The Authority has evaluated subsequent events through May 02, 2023. This date is the date that the Authority's financial statements were available to be issued. The following event subsequent to September 30, 2022 were noted as a result of this evaluation:

The governing body of the Authority is a board consisting of seven directors. All directors are appointed by the County of Berks. Subsequent to September 30, 2022, the board was decreased from seven directors to five. The five board members now 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.

Reading Area Community College

Subsequent to year end, in October 2022, the College issued General Obligation Note, Series of 2022 in the principal amount of \$878,659. Interest payments are due semi-annually at a fixed rate of 2.00%. Semi-annual principal payments are due on April 15, 2023, through maturity in 2027. Proceeds were used for bathroom and plumbing renovations in several buildings across campus.



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, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 148,652,902	\$ 148,652,902	\$ 151,015,732	\$ 2,362,830
Court costs, fines and forfeitures	1,964,530	1,964,530	1,903,506	(61,024)
Investment earnings (loss)	1,891,290	1,891,290	(2,024,370)	(3,915,660)
Intergovernmental revenue	11,980,324	13,343,383	10,173,609	(3,169,774)
Departmental charges and reimbursements	59,249,405	59,407,111	58,086,939	(1,320,172)
Payments in lieu of taxes	240,954	240,954	250,698	9,744
Rentals	297,220	297,220	278,167	(19,053)
Sale of property, supplies and equipment	-	-	40,889	40,889
Miscellaneous	9,501,481	9,501,481	9,584,044	82,563
Total revenues	<u>233,778,106</u>	<u>235,298,871</u>	<u>229,309,214</u>	<u>(5,989,657)</u>
Expenditures				
General government, administrative:				
Commissioners	2,507,066	2,589,719	2,545,011	44,708
Solicitors	2,326,332	2,344,324	2,036,128	308,196
Facilities	13,457,517	14,827,675	12,493,978	2,333,697
Courthouse Security	1,180,870	1,210,974	1,068,341	142,633
Election Services	3,325,306	5,167,704	4,985,382	182,322
Real Estate Assessment	3,785,656	4,470,392	3,651,667	818,725
Treasurer	1,043,246	1,089,921	1,115,889	(25,968)
Tax Collectors	530,511	530,511	516,336	14,175
Tax Claim Bureau	989,825	1,071,242	1,050,941	20,301
Controller	2,263,372	2,348,888	2,296,210	52,678
Recorder of Deeds	1,250,364	1,272,546	1,122,673	149,873
Mailroom/Printing	554,007	568,709	523,019	45,690
Information Systems	9,961,305	9,088,946	7,237,199	1,851,747
Purchasing	1,029,517	951,398	952,324	(926)
Archives	298,717	307,710	306,985	725
Budget	1,051,756	1,085,164	955,710	129,454
Human Resources	4,798,082	4,917,760	5,181,769	(264,009)
Insurance	2,287,008	2,287,008	1,519,231	767,777
Telecommunications	228,478	228,944	213,837	15,107
Veterans Affairs	657,765	684,415	718,291	(33,876)
Total general government, administrative	<u>53,526,700</u>	<u>57,043,950</u>	<u>50,490,921</u>	<u>6,553,029</u>
General government, judicial:				
Register of Wills	1,185,557	1,211,856	1,264,938	(53,082)
Sheriff	11,069,113	11,524,975	11,120,654	404,321
Coroner	1,775,684	1,926,486	2,054,694	(128,208)
Prothonotary	2,166,593	2,242,997	2,050,759	192,238
Clerk of Courts	2,979,635	3,023,300	3,020,555	2,745
Public Defender	4,002,851	4,056,691	4,186,847	(130,156)
District Attorney	12,806,213	13,199,639	13,308,345	(108,706)
Law Library	785,951	796,477	767,472	29,005
Court Administration	10,953,818	11,183,396	11,197,368	(13,972)
District Justices	8,382,434	8,537,294	8,285,571	251,723
Court Reporters	2,668,006	2,691,836	2,562,369	129,467
Total general government, judicial	<u>58,775,855</u>	<u>60,394,947</u>	<u>59,819,572</u>	<u>575,375</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	\$ 10,331,226	\$ 10,567,145	\$ 10,388,125	\$ 179,020
Juvenile Probation	14,950,263	15,043,503	10,666,593	4,376,910
Prison	46,722,757	48,836,860	45,570,549	3,266,311
Community Corrections	177,548	287,120	265,030	22,090
Emergency Services Non Communications	2,081,511	2,348,792	1,906,362	442,430
Total public safety	<u>74,263,305</u>	<u>77,083,420</u>	<u>68,796,659</u>	<u>8,286,761</u>
Culture and Recreation:				
Berks County Public Libraries	4,199,111	4,332,844	4,300,234	32,610
Parks	4,035,332	4,766,673	3,543,207	1,223,466
Total culture and recreation	<u>8,234,443</u>	<u>9,099,517</u>	<u>7,843,441</u>	<u>1,256,076</u>
Community and Economic Development:				
Planning	2,103,429	2,183,580	2,096,596	86,984
Agricultural Extension Service	654,286	654,286	706,804	(52,518)
Agland Preservation	1,551,942	2,566,946	1,239,871	1,327,075
Total community and economic development	<u>4,309,657</u>	<u>5,404,812</u>	<u>4,043,271</u>	<u>1,361,541</u>
Public Works:				
Recycling	<u>21,739</u>	<u>21,739</u>	<u>21,609</u>	<u>130</u>
Community Support:				
Contributions:				
Community Bail Program	767,585	769,505	769,468	37
Berks Economic Partnership	500,000	500,000	500,000	-
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	1,348,063	21,125,750	9,094,304	12,031,446
Berks Heim	9,366,098	9,366,098	9,366,098	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	<u>16,131,746</u>	<u>35,911,353</u>	<u>23,879,870</u>	<u>12,031,483</u>
Contingency:				
Contingency general	<u>3,800,000</u>	<u>1,173,290</u>	<u>-</u>	<u>1,173,290</u>
Debt Service:				
Principal, interest and fiscal charges	11,652,970	11,652,970	11,652,968	2
Administrative expenses	5,841	9,711	9,711	-
Total debt service	<u>11,658,811</u>	<u>11,662,681</u>	<u>11,662,679</u>	<u>2</u>
Intergovernmental:				
Solid Waste	<u>300,720</u>	<u>300,720</u>	<u>300,720</u>	<u>-</u>
Total expenditures for general fund	<u>231,022,976</u>	<u>258,096,429</u>	<u>226,858,742</u>	<u>31,237,687</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,755,130</u>	<u>(22,797,558)</u>	<u>2,450,472</u>	<u>25,248,029</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2021 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Transfers in	\$ 3,821,809	\$ 39,147,004	\$ 39,046,746	\$ (100,258)
Transfers out	<u>(14,927,447)</u>	<u>(16,931,545)</u>	<u>(13,121,351)</u>	<u>3,810,194</u>
Total other financing sources (uses)	<u>(11,105,638)</u>	<u>22,215,459</u>	<u>25,925,395</u>	<u>3,709,936</u>
Net change in fund balances	(8,291,508)	(532,324)	28,375,868	28,908,191
Fund balances, beginning, as restated	<u>175,487,452</u>	<u>175,487,452</u>	<u>175,487,452</u>	<u>-</u>
Fund balances, ending	<u>\$ 167,195,944</u>	<u>\$ 174,955,128</u>	<u>\$ 203,863,320</u>	<u>\$ 28,908,191</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 38,933,554	\$ 39,414,762	\$ 32,267,401	\$ (7,147,361)
Departmental charges and reimbursements	786,680	786,680	721,944	(64,736)
Investment earnings	-	-	247	247
Miscellaneous	1,600	1,600	1,130	(470)
Total revenues	<u>39,721,834</u>	<u>40,203,042</u>	<u>32,990,722</u>	<u>(7,212,320)</u>
Expenditures				
Current:				
Human services	<u>45,986,803</u>	<u>46,468,011</u>	<u>37,915,897</u>	<u>8,552,114</u>
Total expenditures	<u>45,986,803</u>	<u>46,468,011</u>	<u>37,915,897</u>	<u>8,552,114</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(6,264,969)</u>	<u>(6,264,969)</u>	<u>(4,925,175)</u>	<u>1,339,794</u>
Other financing sources (uses):				
Transfers in	6,592,528	6,592,528	5,239,922	(1,352,606)
Transfers out	<u>(327,559)</u>	<u>(327,559)</u>	<u>(307,523)</u>	<u>20,036</u>
Total other financing sources (uses)	<u>6,264,969</u>	<u>6,264,969</u>	<u>4,932,399</u>	<u>(1,332,570)</u>
Net change in fund balances	-	-	7,224	7,224
Fund balances, beginning, as restated	<u>70,820</u>	<u>70,820</u>	<u>70,820</u>	<u>-</u>
Fund balances, ending	<u>\$ 70,820</u>	<u>\$ 70,820</u>	<u>\$ 78,044</u>	<u>\$ 7,224</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 159,459,951	\$ 182,739,038	\$ 180,197,319	\$ (2,541,719)
Investment earnings	62,000	365,841	365,923	82
Total revenues	<u>159,521,951</u>	<u>183,104,879</u>	<u>180,563,242</u>	<u>(2,541,637)</u>
Expenditures				
Current:				
Human services	159,505,789	183,088,717	180,547,569	2,541,148
Total expenditures	<u>159,505,789</u>	<u>183,088,717</u>	<u>180,547,569</u>	<u>2,541,148</u>
Excess (deficiency) of revenue over (under) expenditures	<u>16,162</u>	<u>16,162</u>	<u>15,673</u>	<u>(489)</u>
Other financing uses:				
Transfers out	(16,162)	(16,162)	(15,673)	489
Total other financing sources (uses)	<u>(16,162)</u>	<u>(16,162)</u>	<u>(15,673)</u>	<u>489</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Budgets and budgetary accounting

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

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

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

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

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 6,465,212	\$ 25,350,667	\$ 21,826,963	\$ (3,523,704)
Departmental charges and reimbursements	826,000	826,000	637,472	(188,528)
Investment earnings	-	15,405	55,801	40,396
Miscellaneous	-	-	-	-
Total revenues	<u>7,291,212</u>	<u>26,192,072</u>	<u>22,520,236</u>	<u>(3,671,836)</u>
Expenditures				
Current:				
Community and economic development	<u>7,291,212</u>	<u>26,192,072</u>	<u>22,520,236</u>	<u>3,671,836</u>
Total expenditures	<u>7,291,212</u>	<u>26,192,072</u>	<u>22,520,236</u>	<u>3,671,836</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 COVID Impact Grants Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 329,476	\$ 34,355,354	\$ 34,336,920	\$ (18,434)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>329,476</u>	<u>34,355,354</u>	<u>34,336,920</u>	<u>(18,434)</u>
Expenditures				
Current:				
General government, administrative	<u>329,476</u>	<u>68,788</u>	<u>50,356</u>	<u>18,432</u>
Total expenditures	<u>329,476</u>	<u>68,788</u>	<u>50,356</u>	<u>18,432</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>34,286,566</u>	<u>34,286,564</u>	<u>(2)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(34,286,566)</u>	<u>(34,286,564)</u>	<u>2</u>
Total other financing sources (uses)	<u>-</u>	<u>(34,286,566)</u>	<u>(34,286,564)</u>	<u>2</u>
Net change in fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

County of Berks
 2022 Annual Comprehensive Financial Report

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	\$ 10,525,761	\$ 10,022,547	\$ 10,088,504	\$ 9,947,632	\$ 9,849,878	\$ 11,027,621	\$ 10,623,914	\$ 10,332,061	\$ 10,035,976
Interest	38,824,582	37,214,627	35,784,446	34,184,164	32,446,090	30,192,609	29,071,529	27,673,435	25,973,019
Differences between expected and actual experience	3,393,455	262,938	1,496,290	3,992,429	2,596,591	(5,056,232)	(501,667)	3,789,345	(3,642,225)
Changes of Assumptions (1)	-	-	-	-	5,599,573				
Benefit payments, including refunds of employee contributions	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)	(18,690,853)	(16,016,484)
Net change in total pension liability	21,912,705	18,954,339	21,858,456	24,732,946	27,453,389	15,745,450	19,811,000	23,103,988	16,350,286
Total pension liability, beginning	518,878,742	499,924,403	478,065,947	453,333,001	425,879,612	410,134,162	390,323,162	367,219,174	350,868,888
Total pension liability, ending	\$ 540,791,447	\$ 518,878,742	\$ 499,924,403	\$ 478,065,947	\$ 453,333,001	\$ 425,879,612	\$ 410,134,162	\$ 390,323,162	\$ 367,219,174
Plan fiduciary net position									
Contributions-employer	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518
Contributions-member	8,106,646	7,450,219	7,338,292	7,347,118	7,119,321	6,900,703	6,500,174	6,256,829	6,074,679
Net investment income	(84,607,648)	76,421,987	54,228,756	66,553,930	(23,240,032)	58,362,251	29,291,596	(2,797,938)	23,044,386
Other additions/deductions	(37,832)	(35,174)	(34,853)	(30,718)	-	-	-	5,708	27,002
Benefit payments, including refunds of member contributions	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,777)	(18,690,853)	(16,016,484)
Administrative expense	(34,500)	(34,500)	(17,000)	(38,415)	(71,124)	(67,535)	(71,068)	(72,490)	(63,898)
Net change in plan fiduciary net position	(107,355,953)	59,586,050	41,193,022	54,852,375	(35,582,515)	47,378,348	18,426,701	(13,890,207)	13,299,203
Plan fiduciary net position, beginning	\$ 584,977,309	\$ 525,391,259	\$ 484,198,237	429,345,862	464,928,377	417,550,029	399,123,328	413,013,535	399,714,332
Plan fiduciary net position, ending	\$ 477,621,356	\$ 584,977,309	\$ 525,391,259	\$ 484,198,237	\$ 429,345,862	\$ 464,928,377	\$ 417,550,029	\$ 399,123,328	\$ 413,013,535
County of Berks' net pension (liability) asset	\$ (63,170,091)	\$ 66,098,567	\$ 25,466,856	\$ 6,132,290	\$ (23,987,139)	\$ 39,048,765	\$ 7,415,867	\$ 8,800,166	\$ 45,794,361
Plan fiduciary net position as a percentage of total pension (liability) asset	88.32%	112.74%	105.09%	101.28%	94.71%	109.17%	101.81%	102.25%	112.47%
Covered-employee payroll	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314
County of Berks' net pension (liability) asset as a percentage of covered-employee payroll	-57.94%	59.84%	22.70%	5.6%	-22.0%	37.3%	7.1%	8.7%	46.4%

Note to Schedule:

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

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

County of Berks
 2022 Annual Comprehensive Financial Report

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518	\$ 2,665,246
Pension prefunding				-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	<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>	<u>233,518</u>	<u>2,665,246</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314	\$ 99,233,198
Contributions as a percentage of covered-employee payroll	0.04%	3.92%	4.63%	4.05%	3.35%	2.48%	2.01%	1.39%	0.24%	2.69%
Annual money-weighted rate of return, net of investment expense	-14.71%	14.73%	11.31%	15.68%	-4.75%	13.80%	7.89%	-0.51%	5.75%	

Notes to Schedule:

Valuation date: January 1 of each year

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

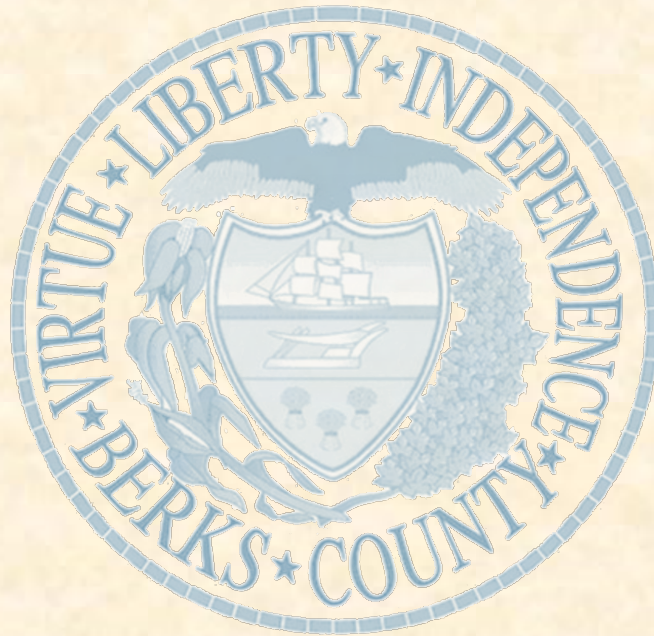
Methods and assumptions used to determine contribution rates:

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

Other information:

In 2012, the County prefunded the pension plan with cash and pension bonds.

Annual money-weighted rate of return, net of investment expense not computed before GASB 68 implementation in 2014.



OTHER SUPPLEMENTAL INFORMATION

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

Special Revenue

	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Assets				
Cash and cash equivalents	\$ 2,418,355	\$ 250	\$ 3,119	\$ 5,204
Cash and cash equivalents, restricted	17,190,810	-	-	-
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	5,239	39,490	11,437
Accrued interest receivable	-	-	-	-
Due from other governments	-	2,169,936	828,814	107,349
Due from other funds	90,088	-	1,683,224	5,256,266
Prepaid expenses	-	-	23,448	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 19,699,253</u>	<u>\$ 2,175,425</u>	<u>\$ 2,578,095</u>	<u>\$ 5,380,256</u>
Liabilities				
Accounts payable	\$ 59,794	\$ 2,581	\$ 513,013	\$ 437,921
Accrued liabilities	1,950	425,546	42,833	201,585
Unearned revenue	-	-	-	2,133,784
Due to other funds	975,795	1,747,298	103,005	143,592
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	2,023,705
Total liabilities	<u>1,037,539</u>	<u>2,175,425</u>	<u>658,851</u>	<u>4,940,587</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	19,933	-
Current Year Income				
Current Year Expense				
Subtotal				
Restricted	18,661,714	-	1,899,311	439,669
Current year income				
Current year expense				
Subtotal				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>18,661,714</u>	<u>-</u>	<u>1,919,244</u>	<u>439,669</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,699,253</u>	<u>\$ 2,175,425</u>	<u>\$ 2,578,095</u>	<u>\$ 5,380,256</u>

33,627.00

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Drug and Alcohol
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	1,677,056	-	-	-
Investments	-	-	-	-
Taxes receivable	16,545	-	-	-
Accounts receivable	-	-	-	14,784,675
Accrued interest receivable	-	-	-	-
Due from other governments	398,695	583,516	79,803	65,515
Due from other funds	762,173	7,590,517	57,443	120
Prepaid expenses	-	-	-	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 2,854,469</u>	<u>\$ 8,174,033</u>	<u>\$ 137,246</u>	<u>\$ 14,850,310</u>
Liabilities				
Accounts payable	\$ 815,958	\$ 2,330,044	\$ 95,588	\$ 877,439
Accrued liabilities	-	26,889	2,047	-
Unearned revenue	-	4,246,116	27,382	120
Due to other funds	12,439	2,997	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	1,567,987	-	-
Total liabilities	<u>828,397</u>	<u>8,174,033</u>	<u>125,017</u>	<u>877,559</u>
Deferred inflows of resources				
Other unavailable	-	-	-	13,972,751
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,972,751</u>
Fund balances				
Nonspendable	61,924	-	-	-
Restricted	1,964,148	-	12,229	13,972,751
Current income				
Current expense				
Subtotal				
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,026,072</u>	<u>-</u>	<u>12,229</u>	<u>13,972,751</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,854,469</u>	<u>\$ 8,174,033</u>	<u>\$ 137,246</u>	<u>\$ 28,823,061</u>

	Department of Emergency Services	Total
Assets		
Cash and cash equivalents	\$ 1,186,032	\$ 3,612,960
Cash and cash equivalents, restricted	-	18,867,866
Investments	-	-
Taxes receivable	-	16,545
Accounts receivable	2,158,292	16,999,133
Accrued interest receivable	-	-
Due from other governments	111,985	4,345,613
Due from other funds	1,900,478	17,340,309
Prepaid expenses	2,767,013	2,790,461
Loans receivable	-	-
Investments, non-current	-	-
Total assets	<u>\$ 8,123,800</u>	<u>\$ 63,972,887</u>
Liabilities		
Accounts payable	\$ 208,520	\$ 5,340,859
Accrued liabilities	456,680	1,157,529
Unearned revenue	207,302	6,614,704
Due to other funds	7,251,298	10,236,424
Due to third parties	-	-
Payable from restricted assets	-	3,591,692
Total liabilities	<u>8,123,800</u>	<u>26,941,208</u>
Deferred inflows of resources		
Other unavailable	-	13,972,751
Total deferred inflows of resources	<u>-</u>	<u>13,972,751</u>
Fund balances		
Nonspendable	2,683,614	2,765,471
Restricted	(2,683,614)	20,293,457
Current year income	-	-
Current year expense	-	-
Subtotal	-	-
Assigned	-	-
Unassigned	-	-
Total fund balances	<u>-</u>	<u>23,058,928</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,123,800</u>	<u>\$ 63,972,887</u>

Special Revenue

	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 1,861,664	\$ 5,003,610	\$ 5,592,806	\$ 9,470,843
Hotel tax	-	-	-	-
Departmental charges and reimbursements	2,068,680	98,428	-	181,640
Investment earnings	213,440	1,135	20,154	54,478
Rental	11,100	-	-	-
Miscellaneous	-	110	282,127	10,112
Total revenues	<u>4,154,884</u>	<u>5,103,283</u>	<u>5,895,087</u>	<u>9,717,073</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	7,611,301	5,843,334	9,606,195
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	2,080,436	-	-	-
Total expenditures	<u>2,080,436</u>	<u>7,611,301</u>	<u>5,843,334</u>	<u>9,606,195</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,074,448</u>	<u>(2,508,018)</u>	<u>51,753</u>	<u>110,878</u>
Other financing sources (uses)				
Transfers in	22,732	2,572,290	-	-
Transfers out	<u>(5,789)</u>	<u>(64,273)</u>	<u>(18,128)</u>	<u>(91,057)</u>
Total other financing sources (uses)	<u>16,943</u>	<u>2,508,017</u>	<u>(18,128)</u>	<u>(91,057)</u>
Net changes in fund balances	2,091,391	-	33,625	19,821
Fund balances, beginning	16,570,323	-	1,885,618	419,848
Fund balances, ending	<u>\$ 18,661,714</u>	<u>-</u>	<u>\$ 1,919,244</u>	<u>\$ 439,669</u>

	Special Revenue			
	Special Legislation	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol
Revenues				
Intergovernmental revenue	\$ 711,124	\$ 17,274,839	\$ 967,249	\$ 6,733,378
Hotel tax	3,115,871	-	-	-
Departmental charges and reimbursements	1,025,077	-	-	-
Investment earnings	26,798	82,098	2,669	-
Rental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,878,870</u>	<u>17,356,937</u>	<u>969,918</u>	<u>6,733,378</u>
Expenditures				
Current:				
General government, administrative	3,170,690	-	-	-
General government, judicial	248,698	-	-	-
Public safety	-	-	-	-
Human services	-	18,185,093	968,985	8,126,865
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>3,419,388</u>	<u>18,185,093</u>	<u>968,985</u>	<u>8,126,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,459,482</u>	<u>(828,156)</u>	<u>933</u>	<u>(1,393,487)</u>
Other financing sources (uses)				
Transfers in	-	840,091	-	1,393,487
Transfers out	(1,895,832)	(11,935)	(933)	-
Total other financing sources (uses)	<u>(1,895,832)</u>	<u>828,156</u>	<u>(933)</u>	<u>1,393,487</u>
Net changes in fund balances	(436,350)	-	-	-
Fund balances, beginning	2,462,422	-	12,229	-
Fund balances, ending	<u>\$ 2,026,072</u>	<u>\$ -</u>	<u>\$ 12,229</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
Nonmajor Governmental Funds
Year ended December 31, 2022

County of Berks
2022 Annual Comprehensive Financial Report

	Special Revenue	
	Department of Emergency Services	Total
Revenues		
Intergovernmental revenue	\$ 380,798	\$ 47,996,311
Hotel tax	-	3,115,871
Departmental charges and reimbursements	12,243,522	15,617,348
Investment earnings	33,774	434,546
Rental	44,317	55,417
Miscellaneous	-	292,349
Total revenues	<u>12,702,411</u>	<u>67,511,842</u>
Expenditures		
Current:		
General government, administrative	-	3,170,690
General government, judicial	-	248,698
Public Safety	14,439,201	14,439,201
Human services	-	50,341,772
Capital outlay	-	-
Community and economic development	-	-
Public works	-	2,080,436
Total expenditures	<u>14,439,201</u>	<u>70,280,797</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,736,790)</u>	<u>(2,768,955)</u>
Other financing sources (uses)		
Transfers in	1,900,478	6,729,078
Transfers out	<u>(163,688)</u>	<u>(2,251,635)</u>
Total other financing sources (uses)	<u>1,736,790</u>	<u>4,477,443</u>
Net changes in fund balances	-	1,708,488
Fund balances, beginning	-	21,350,440
Fund balances, ending	<u>\$ -</u>	<u>\$ 23,058,928</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 1,572,167	\$ 1,572,167	\$ 1,861,664	\$ 289,497
Departmental charges and reimbursements	2,063,570	2,063,570	2,068,680	5,110
Investment earnings	49,258	49,258	213,440	164,182
Rental	11,100	11,100	11,100	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,696,095</u>	<u>3,696,095</u>	<u>4,154,884</u>	<u>458,789</u>
Expenditures				
Current:				
Public works	<u>3,249,537</u>	<u>3,849,363</u>	<u>2,080,436</u>	<u>1,768,927</u>
Total expenditures	<u>3,249,537</u>	<u>3,849,363</u>	<u>2,080,436</u>	<u>1,768,927</u>
Excess (deficiency) of revenue over (under) expenditures	<u>446,558</u>	<u>(153,268)</u>	<u>2,074,448</u>	<u>2,227,716</u>
Other financing sources (uses):				
Transfers in	24,029	24,029	22,732	(1,297)
Transfers out	<u>(5,293)</u>	<u>(5,293)</u>	<u>(5,789)</u>	<u>(496)</u>
Total other financing sources (uses)	<u>18,736</u>	<u>18,736</u>	<u>16,943</u>	<u>(1,793)</u>
Net change in fund balances (deficits)	465,294	(134,532)	2,091,391	2,225,923
Fund balances, beginning, as restated	<u>16,570,323</u>	<u>16,570,323</u>	<u>16,570,323</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,035,617</u>	<u>\$ 16,435,791</u>	<u>\$ 18,661,714</u>	<u>\$ 2,225,923</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,236,981	\$ 5,243,435	\$ 5,003,610	\$ (239,825)
Departmental charges and reimbursements	167,500	167,500	98,428	(69,072)
Investment earnings	-	-	1,135	1,135
Rental	-	-	-	-
Miscellaneous	-	-	110	110
Total revenues	<u>5,404,481</u>	<u>5,410,935</u>	<u>5,103,283</u>	<u>(307,652)</u>
Expenditures				
Current:				
Human services	<u>7,558,329</u>	<u>7,564,783</u>	<u>7,611,301</u>	<u>(46,518)</u>
Total expenditures	<u>7,558,329</u>	<u>7,564,783</u>	<u>7,611,301</u>	<u>(46,518)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,153,848)</u>	<u>(2,153,848)</u>	<u>(2,508,018)</u>	<u>(354,170)</u>
Other financing sources (uses):				
Transfers in	2,287,734	2,287,734	2,572,290	284,556
Transfers out	<u>(133,886)</u>	<u>(133,886)</u>	<u>(64,273)</u>	<u>69,613</u>
Total other financing sources (uses)	<u>2,153,848</u>	<u>2,153,848</u>	<u>2,508,017</u>	<u>354,169</u>
Net change in fund balances	-	-	(1)	(1)
Fund balances, beginning, as restated	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Employment and Training Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 6,056,369	\$ 7,515,919	\$ 5,592,806	\$ (1,923,113)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	-	-	20,154	20,154
Miscellaneous	330,846	335,527	282,127	(53,400)
Total revenues	<u>6,387,215</u>	<u>7,851,446</u>	<u>5,895,087</u>	<u>(1,956,359)</u>
Expenditures				
Current:				
Human services	6,368,590	7,842,593	5,843,334	1,999,259
Total expenditures	<u>6,368,590</u>	<u>7,842,593</u>	<u>5,843,334</u>	<u>1,999,259</u>
Excess of revenue over expenditures	<u>18,625</u>	<u>8,853</u>	<u>51,753</u>	<u>42,900</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(18,625)</u>	<u>(18,625)</u>	<u>(18,128)</u>	<u>497</u>
Total other financing sources (uses)	<u>(18,625)</u>	<u>(18,625)</u>	<u>(18,128)</u>	<u>497</u>
Net change in fund balances (deficits)	-	(9,772)	33,625	43,397
Fund balances, beginning	1,885,618	1,885,618	1,885,618	-
Fund balances, ending	<u>\$ 1,885,618</u>	<u>\$ 1,875,846</u>	<u>\$ 1,919,244</u>	<u>\$ 43,397</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2022

County of Berks
2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 9,005,961	\$ 11,439,520	\$ 9,470,843	\$ (1,968,677)
Departmental charges and reimbursements	165,000	182,030	181,640	(390)
Investment earnings	300	610	54,478	53,868
Miscellaneous	1,000	1,000	10,112	9,112
Total revenues	<u>9,172,261</u>	<u>11,623,160</u>	<u>9,717,073</u>	<u>(1,906,087)</u>
Expenditures				
Current:				
Human services	<u>9,081,851</u>	<u>11,530,754</u>	<u>9,606,195</u>	<u>1,924,559</u>
Total expenditures	<u>9,081,851</u>	<u>11,530,754</u>	<u>9,606,195</u>	<u>1,924,559</u>
Excess (deficiency) of revenue over (under) expenditures	<u>90,410</u>	<u>92,406</u>	<u>110,878</u>	<u>18,472</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(90,410)</u>	<u>(92,406)</u>	<u>(91,057)</u>	<u>1,349</u>
Total other financing sources (uses)	<u>(90,410)</u>	<u>(92,406)</u>	<u>(91,057)</u>	<u>1,349</u>
Net change in fund balances (deficits)	-	-	19,821	19,821
Fund balances, beginning	<u>419,848</u>	<u>419,848</u>	<u>419,848</u>	-
Fund balances, ending	<u>\$ 419,848</u>	<u>\$ 419,848</u>	<u>\$ 439,669</u>	<u>\$ 19,821</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Special Legislation Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 821,538	\$ 821,538	\$ 711,124	\$ (110,414)
Hotel tax	2,060,000	2,060,000	3,115,871	1,055,871
Departmental charges and reimbursements	1,160,324	1,160,324	1,025,077	(135,247)
Investment earnings	4,310	4,310	26,798	22,488
Miscellaneous	-	-	-	-
Total revenues	<u>4,046,172</u>	<u>4,046,172</u>	<u>4,878,870</u>	<u>832,698</u>
Expenditures				
Current:				
General government, administrative	2,195,232	2,204,405	3,170,690	(966,285)
General government, judicial	48,542	90,119	248,698	(158,579)
Total expenditures	<u>2,243,774</u>	<u>2,294,524</u>	<u>3,419,388</u>	<u>(1,124,864)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,802,398</u>	<u>1,751,648</u>	<u>1,459,482</u>	<u>(292,166)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(1,846,273)</u>	<u>(1,873,973)</u>	<u>(1,895,832)</u>	<u>(21,859)</u>
Total other financing sources (uses)	<u>(1,846,273)</u>	<u>(1,873,973)</u>	<u>(1,895,832)</u>	<u>(21,859)</u>
Net change in fund balances (deficits)	(43,875)	(122,325)	(436,350)	(314,025)
Fund balances, beginning, as restated	<u>2,462,422</u>	<u>2,462,422</u>	<u>2,462,422</u>	-
Fund balances, ending	<u>\$ 2,418,547</u>	<u>\$ 2,340,097</u>	<u>\$ 2,026,072</u>	<u>\$ (314,025)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2022

County of Berks
2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 18,090,467	\$ 21,876,774	\$ 17,274,839	\$ (4,601,935)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	4,450	4,450	82,098	77,648
Miscellaneous	-	-	-	-
Total revenues	<u>18,094,917</u>	<u>21,881,224</u>	<u>17,356,937</u>	<u>(4,524,287)</u>
Expenditures				
Current:				
Human services	<u>19,002,035</u>	<u>22,872,404</u>	<u>18,185,093</u>	<u>4,687,311</u>
Total expenditures	<u>19,002,035</u>	<u>22,872,404</u>	<u>18,185,093</u>	<u>4,687,311</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(907,118)</u>	<u>(991,180)</u>	<u>(828,156)</u>	<u>163,024</u>
Other financing sources (uses):				
Transfers in	918,859	1,003,333	840,091	(163,242)
Transfers out	<u>(11,741)</u>	<u>(12,153)</u>	<u>(11,935)</u>	<u>218</u>
Total other financing sources (uses)	<u>907,118</u>	<u>991,180</u>	<u>828,156</u>	<u>(163,024)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Human Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 818,225	\$ 988,091	\$ 967,249	\$ (20,842)
Investment earnings	275	275	2,669	2,394
Miscellaneous	-	-	-	-
Total revenues	<u>818,500</u>	<u>988,366</u>	<u>969,918</u>	<u>(18,448)</u>
Expenditures				
Current:				
Human services	<u>817,614</u>	<u>987,449</u>	<u>968,985</u>	<u>18,464</u>
Total expenditures	<u>817,614</u>	<u>987,449</u>	<u>968,985</u>	<u>18,464</u>
Excess (deficiency) of revenue over (under) expenditures	<u>886</u>	<u>917</u>	<u>933</u>	<u>16</u>
Other financing sources (uses):				
Transfers out	<u>(886)</u>	<u>(917)</u>	<u>(933)</u>	<u>(16)</u>
Total other financing sources (uses)	<u>(886)</u>	<u>(917)</u>	<u>(933)</u>	<u>(16)</u>
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning	<u>12,229</u>	<u>12,229</u>	<u>12,229</u>	<u>-</u>
Fund balances, ending	<u>\$ 12,229</u>	<u>\$ 12,229</u>	<u>\$ 12,229</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2022

County of Berks
2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 5,056,728	\$ 8,041,654	\$ 6,733,378	\$ (1,308,276)
Total revenue	<u>5,056,728</u>	<u>8,041,654</u>	<u>6,733,378</u>	<u>(1,308,276)</u>
Expenditures				
Current:				
Human services	6,486,540	9,471,466	8,126,865	1,344,601
Total expenditures	<u>6,486,540</u>	<u>9,471,466</u>	<u>8,126,865</u>	<u>1,344,601</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,429,812)</u>	<u>(1,429,812)</u>	<u>(1,393,487)</u>	<u>36,325</u>
Other financing sources:				
Transfers in	1,429,812	1,429,812	1,393,487	36,325
Total other financing sources (uses)	<u>1,429,812</u>	<u>1,429,812</u>	<u>1,393,487</u>	<u>36,325</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Department of Emergency Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 28,700	\$ 827,498	\$ 380,798	\$ (446,700)
Departmental charges and reimbursements	11,769,815	12,250,210	12,243,522	(6,688)
Investment earnings	3,240	33,774	33,774	-
Rental	44,518	44,518	44,317	(201)
Miscellaneous	-	-	-	-
Total revenues	<u>11,846,273</u>	<u>13,156,000</u>	<u>12,702,411</u>	<u>(453,589)</u>
Expenditures				
Current:				
Public safety	<u>15,182,784</u>	<u>17,434,069</u>	<u>14,439,201</u>	<u>2,994,868</u>
Total expenditures	<u>15,182,784</u>	<u>17,434,069</u>	<u>14,439,201</u>	<u>2,994,868</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,336,511)</u>	<u>(4,278,069)</u>	<u>(1,736,790)</u>	<u>2,541,279</u>
Other financing uses:				
Transfers in	3,533,062	4,441,757	1,900,478	(2,541,279)
Transfers out	<u>(196,551)</u>	<u>(163,688)</u>	<u>(163,688)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,336,511</u>	<u>4,278,069</u>	<u>1,736,790</u>	<u>(2,541,279)</u>
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenses and Changes in Net Position
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

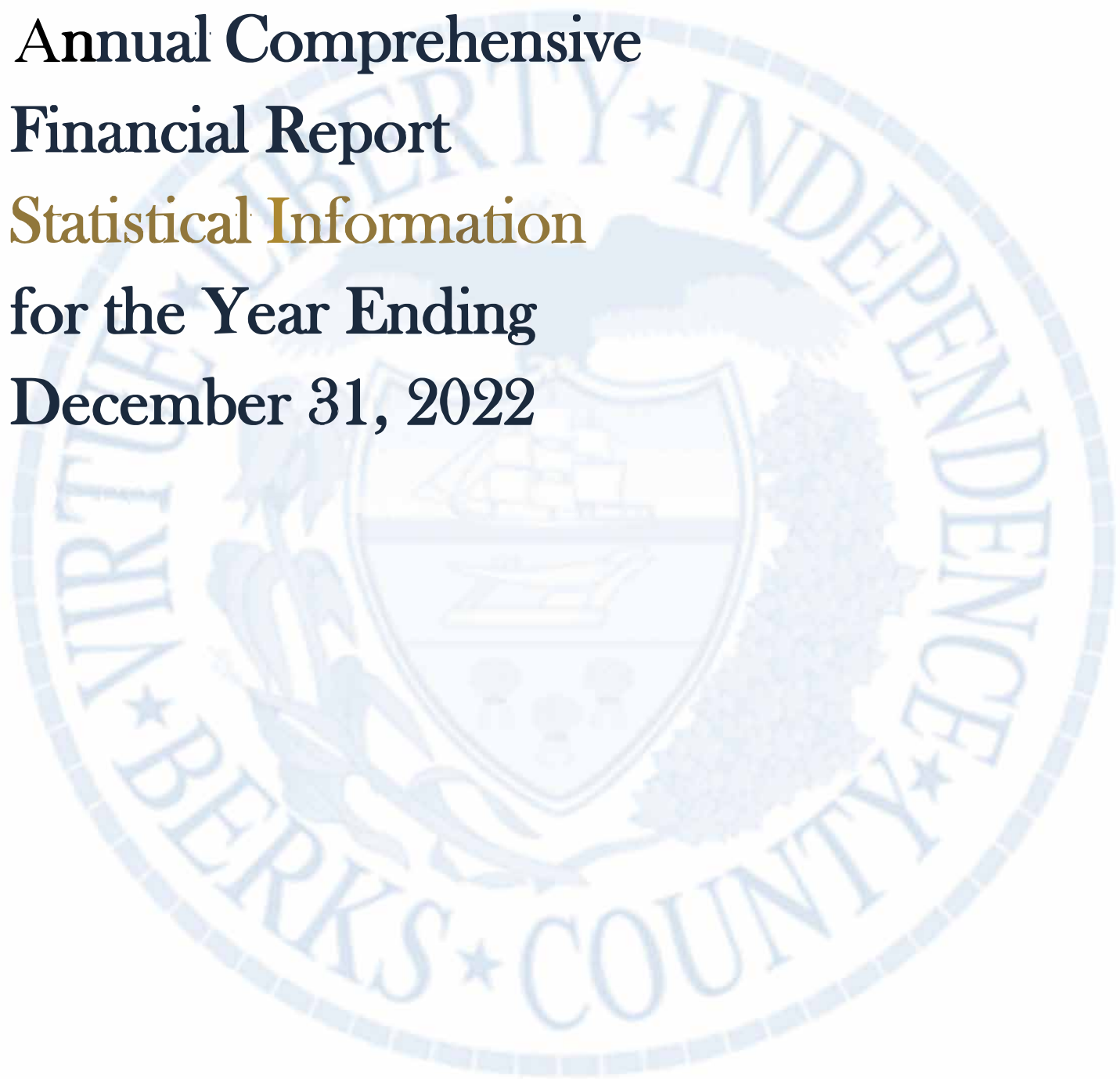
	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 8,245,144	\$ 8,272,414	\$ 8,266,518	\$ (5,896)
Other operating revenues	527,226	1,961,926	94,471	(1,867,455)
Total operating revenues	<u>8,772,370</u>	<u>10,234,340</u>	<u>8,360,989</u>	<u>(1,873,351)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	7,393,001	7,410,371	7,067,810	342,561
Depreciation	-	-	388,385	(388,385)
Total operating expenses	<u>7,393,001</u>	<u>7,410,371</u>	<u>7,456,195</u>	<u>(45,824)</u>
Operating income (loss)	<u>1,379,369</u>	<u>2,823,969</u>	<u>904,794</u>	<u>(1,919,175)</u>
Nonoperating revenues (expenses)				
Investment earnings	-	-	-	-
Change in fair value of interest rate swaps	-	-	-	-
Interest expense	(85,283)	(85,283)	(82,194)	3,089
Total nonoperating revenues (expenses)	<u>(85,283)</u>	<u>(85,283)</u>	<u>(82,194)</u>	<u>3,089</u>
Income before transfers	1,294,086	2,738,686	822,600	(1,916,086)
Transfers in	-	-	-	-
Transfers out	(1,033,000)	(1,033,000)	(1,033,000)	-
Change in net position	261,086	1,705,686	(210,400)	(1,916,086)
Total net position, beginning, as restated	6,470,872	6,470,872	6,470,872	-
Total net position, ending	<u>\$ 6,731,958</u>	<u>\$ 8,176,558</u>	<u>\$ 6,260,472</u>	<u>\$ (1,916,086)</u>

Schedule of Revenues, Expenditures and Changes in Net Position
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2022

County of Berks
 2022 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 33,606,681	\$ 33,606,681	\$ 27,853,867	\$ (5,752,814)
Other operating revenues	18,064,997	18,064,997	18,898,928	833,931
Total operating revenues	<u>51,671,678</u>	<u>51,671,678</u>	<u>46,752,795</u>	<u>(4,918,883)</u>
Operating expenses				
Financial administration	3,023,428	3,048,159	2,831,240	216,919
Administrative expenses	2,175,198	2,186,990	4,581,565	(2,394,575)
Special services	124,245	124,245	123,690	555
Dietary	3,599,458	3,664,851	3,246,525	418,326
Laundry	771,645	773,481	409,154	364,327
Environmental services	2,043,848	2,068,541	1,942,162	126,379
Plant operations	1,317,924	1,440,430	1,713,279	(272,849)
add back to actuals only				
Nursing	19,165,179	20,673,495	16,345,164	4,328,331
exclusion				
subtotal				
Physician services	75,959	75,959	52,778	23,181
Pharmacy services	650,328	501,594	257,379	244,215
Medical services	298,888	298,888	271,676	27,212
Therapeutic activity	553,755	558,768	507,410	51,358
Social service	321,287	321,287	301,649	19,638
Physical therapy service	2,005,782	1,999,222	1,153,746	845,476
Staff development	389,922	406,450	416,674	(10,224)
Materials management	180,595	180,595	176,445	4,150
Personnel	151,955	151,955	160,676	(8,721)
Security	294,283	296,035	265,252	30,783
Volunteers	86,553	89,014	85,147	3,867
Nursing administration	1,609,714	1,679,687	1,548,614	131,073
Admissions	257,995	264,190	303,927	(39,737)
Depreciation	-	-	1,520,550	(1,520,550)
Total operating expenses	<u>39,097,941</u>	<u>40,803,836</u>	<u>38,214,702</u>	<u>2,589,134</u>
Operating income (loss)	<u>12,573,737</u>	<u>10,867,842</u>	<u>8,538,093</u>	<u>(2,329,749)</u>
Nonoperating revenues (expenses)				
Grants	16,191	1,638,573	1,622,373	(16,200)
Investment earnings	684	684	14,628	13,944
Change in fair value of interest rate swaps	-	-	-	-
Interest Expense	(540,868)	(540,868)	(521,276)	19,592
Contribution to General Fund	(9,366,250)	(9,366,250)	(9,366,250)	-
Total nonoperating revenues (expenses)	<u>(9,890,243)</u>	<u>(8,267,861)</u>	<u>(8,250,525)</u>	<u>17,336</u>
Income before transfers	2,683,494	2,599,981	287,568	(2,312,413)
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	<u>2,683,494</u>	<u>2,599,981</u>	<u>287,568</u>	<u>(2,312,413)</u>
Total net position, beginning, as restated	<u>28,720,594</u>	<u>28,720,594</u>	<u>28,720,594</u>	<u>-</u>
Total net position, ending	<u>\$ 31,404,088</u>	<u>\$ 31,320,575</u>	<u>\$ 29,008,162</u>	<u>\$ (2,312,413)</u>

**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Statistical Information
for the Year Ending
December 31, 2022**



County of Berks
Statistical Section - Categories
Year Ended December 31, 2022

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Miscellaneous Statistics

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities										
Net Investment in Capital Assets	\$ 182,579,908	\$ 180,572,215	\$ 174,067,177	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168	\$ 23,918,071	\$ 9,829,007
Restricted	116,689,429	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944
Unrestricted	<u>112,293,829</u>	<u>123,567,732</u>	<u>99,085,554</u>	<u>97,549,776</u>	<u>86,028,855</u>	<u>117,240,734</u>	<u>129,854,361</u>	<u>156,023,750</u>	<u>159,475,948</u>	<u>(1) 160,689,349</u>
Total governmental activities net position	<u>\$ 411,563,166</u>	<u>\$ 382,211,400</u>	<u>\$ 343,010,016</u>	<u>\$ 306,167,548</u>	<u>\$ 284,747,074</u>	<u>\$ 271,624,147</u>	<u>\$ 252,194,353</u>	<u>\$ 239,714,776</u>	<u>\$ 207,720,117</u>	<u>\$ 182,204,300</u>
Business-type activities										
Net Investment in Capital Assets	\$ 18,160,887	\$ 15,678,107	\$ 15,084,385	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836	\$ 25,658,496	\$ 25,034,275
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>17,107,747</u>	<u>19,456,065</u>	<u>16,546,493</u>	<u>12,859,882</u>	<u>4,815,598</u>	<u>3,236,555</u>	<u>441,397</u>	<u>(1,095,778)</u>	<u>(10,451,880)</u>	<u>(2) (12,457,169)</u>
Total business-type activities net position	<u>\$ 35,268,634</u>	<u>\$ 35,134,172</u>	<u>\$ 31,630,878</u>	<u>\$ 26,643,733</u>	<u>\$ 16,930,343</u>	<u>\$ 16,214,338</u>	<u>\$ 14,165,042</u>	<u>\$ 12,092,058</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>
Primary government										
Net Investment in Capital Assets	\$ 200,740,795	\$ 196,250,322	\$ 189,151,562	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004	\$ 49,576,567	\$ 34,863,282
Restricted	116,689,429	78,071,453	69,857,285	70,650,136	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944
Unrestricted	<u>129,401,576</u>	<u>143,023,797</u>	<u>115,632,047</u>	<u>110,409,658</u>	<u>90,844,453</u>	<u>120,477,289</u>	<u>130,295,758</u>	<u>154,927,972</u>	<u>149,024,068</u>	<u>148,232,180</u>
Total primary government net position	<u>\$ 446,831,800</u>	<u>\$ 417,345,572</u>	<u>\$ 374,640,894</u>	<u>\$ 332,811,281</u>	<u>\$ 301,677,417</u>	<u>\$ 287,838,485</u>	<u>\$ 266,359,395</u>	<u>\$ 251,806,834</u>	<u>\$ 222,926,733</u>	<u>\$ 194,781,406</u>

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

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Governmental activities:										
General government	\$ 104,901,381	\$ 58,805,539	\$ 86,633,329	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197	\$ 15,721,339	\$ 18,758,919
Judicial	44,186,975	53,371,300	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970	48,391,839	47,033,776
Public safety	59,565,145	64,550,278	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123	58,902,986	58,557,094
Human services	258,160,117	235,602,652	220,735,108	201,850,983	203,987,908	204,645,396	195,370,229	173,389,044	167,089,187	169,216,796
Culture and recreation	8,712,348	8,145,378	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963	7,392,985	7,541,491
Community and economic development	32,637,998	47,331,860	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588	5,790,903	4,674,567
Public works	1,792,751	1,780,482	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561	1,518,619	1,143,574
Community support	3,303,363	3,323,528	2,117,029	2,124,745	2,770,282	626,679	601,605	564,489	1,825,423	5,706,515
Debt service administrative expenses	2,609,417	1,582,678	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762	10,642,781	11,239,235	16,320,620
Solid waste	268,753	269,950	264,912	314,950	191,695	359,419	1,176,581	1,241,206	1,247,078	1,245,347
Total governmental activities expenses	\$ 516,138,248	\$ 474,763,645	\$ 445,917,996	\$ 406,771,725	\$ 409,731,571	\$ 386,631,184	\$ 381,126,056	\$ 337,158,922	\$ 319,119,594	\$ 330,198,699
Business-type activities										
Department of Emergency Services	-	-	-	-	-	-	-	12,445,334	12,793,480	8,652,660
Berks County Residential Center	7,538,390	6,427,559	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440	5,667,274	6,088,570
Berks Heim	48,102,228	44,212,317	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775	37,753,556	38,407,433
Total business-type activities expenses	55,640,618	50,639,876	54,988,401	58,956,628	58,926,691	56,239,120	54,738,651	58,777,549	56,214,310	53,148,663
Total primary government expenses	\$ 571,778,866	\$ 525,403,521	\$ 500,906,397	\$ 465,728,353	\$ 468,658,262	\$ 442,870,304	\$ 435,864,707	\$ 395,936,471	\$ 375,333,904	\$ 383,347,362
Program Revenues										
Governmental activities:										
Charges for services :										
General government	9,066,380	9,903,440	8,157,798	8,480,343	8,944,575	9,090,716	8,170,571	7,974,794	7,892,340	8,370,615
Judicial	8,006,633	8,401,830	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805	12,229,763	11,650,097
Public safety	15,001,874	15,907,187	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812	7,219,251	7,081,372
Human services	16,324,938	1,139,778	1,231,915	1,124,165	1,274,856	1,505,680	1,529,874	1,720,468	1,842,966	1,561,502
Culture and recreation	39,223	24,285	36,503	120,948	216,108	201,503	575,744	135,187	112,481	75,756
Community and economic development	744,223	1,040,660	785,328	659,079	(4,916,987)	861,287	2,035,597	940,375	672,165	749,067
Public works	2,068,680	2,140,000	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583	22,902	-
Solid waste	4,880,200	4,793,065	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991	3,574,193	2,820,596
Other activities	4,500	75,365	140,920	227,835	1,471,216	1,521,986	1,543,670	1,514,558	1,503,982	2,405,976
Operating grants and contributions	322,698,933	307,439,223	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256	177,271,350	174,282,405
Capital grants and contributions	2,781,429	2,277,232	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307	42,348	3,038,095
Total governmental activities program revenues	\$ 381,617,013	\$ 353,142,065	\$ 326,065,562	\$ 264,411,155	\$ 261,369,670	\$ 254,327,503	\$ 257,410,443	\$ 220,248,136	\$ 212,383,741	\$ 212,035,481
Business-type activities										
Charges for services :										
Department of Emergency Services	-	-	-	-	-	-	-	10,787,498	8,753,289	8,059,740
Berks County Residential Center	8,360,990	7,456,553	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784	7,664,164	6,985,278
Berks Heim	46,752,795	46,835,012	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562	41,017,725	40,974,069
Operating grants and contributions	1,622,373	-	-	-	-	-	-	21,236	93,120	51,522
Capital grants and contributions	-	-	-	-	7,463	8,384	8,587	-	-	-
Total business-type activities program revenues	56,736,158	54,291,565	56,420,710	62,493,896	60,860,053	59,304,928	56,741,398	61,557,080	57,528,298	56,070,609
Total primary government program revenues	\$ 438,353,171	\$ 407,433,630	\$ 382,486,272	\$ 326,905,051	\$ 322,229,723	\$ 313,632,431	\$ 314,151,841	\$ 281,805,216	\$ 269,912,039	\$ 268,106,090
Net (expense)/revenue										
Governmental activities	(134,521,235)	(121,621,580)	(119,852,434)	(142,360,570)	(148,361,901)	(132,303,681)	(123,715,613)	(116,910,786)	(106,735,853)	(118,163,218)
Business-type activities	1,095,540	3,651,689	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531	1,313,988	2,921,946
Total primary government net expense	\$ (133,425,695)	\$ (117,969,891)	\$ (118,420,125)	\$ (138,823,302)	\$ (146,428,539)	\$ (129,237,873)	\$ (121,712,866)	\$ (114,131,255)	\$ (105,421,865)	\$ (115,241,272)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 151,044,990	\$ 148,417,095	\$ 146,302,765	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892	\$ 136,033,476	\$ 134,808,089
Hotel room	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957
Payments in lieu of taxes	250,698	244,669	243,773	236,984	221,485	219,602	237,561	242,774	266,532	220,931
Investment earnings	(1,127,057)	(472,832)	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503	639,352	550,091
Changes in fair value of investment rate swaps	-	-	-	845,879	(2,273,517)	581,988	(1,109,819)	490,084	601,668	-
Rentals	303,905	333,438	384,559	405,200	440,093	489,566	464,950	389,756	328,094	356,407
Miscellaneous	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	(211,310)	(286,385)	(2,015,390)	-	(281,413)	(690,319)	86,776	20,720	(245,199)	68,874
Conversion to special revenue fund	-	-	-	-	-	-	-	6,089,996	-	-
Transfer of assets to related entity	-	-	-	-	-	-	-	-	(5,746,011)	-
Transfers	1,033,000	1,088,977	1,088,977	1,088,977	1,088,979	1,083,238	(146,980)	1,088,977	(436,774)	(10,196,997)
Total governmental activities	<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>	<u>\$ 133,497,082</u>	<u>\$ 127,652,351</u>
Business-type activities										
Investment earnings	14,628	1,316	5,245	6,013	4,448	14,667	1,986	8,088	7,349	5,962
Changes in fair value of investment rate swaps	-	-	-	-	(132,828)	52,475	(78,729)	626,541	830,097	-
Rental of space	-	-	-	-	-	-	-	48,230	43,998	27,643
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	(2,696)	818
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	(6,089,996)	-	-
Transfers	(1,033,000)	(1,088,977)	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)	436,774	10,196,997
Total business-type activities	<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>	<u>1,315,522</u>	<u>10,231,420</u>
Total primary government general revenue	<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>	<u>\$ 134,812,604</u>	<u>\$ 137,883,771</u>
Changes in Net Position										
Governmental activities	29,255,112	38,670,761	36,842,468	20,854,385	8,017,878	16,529,881	21,539,450	30,923,760	26,761,229	9,489,133
Business-type activities	77,168	3,503,294	4,987,145	2,454,304	716,005	2,049,712	2,072,984	(3,716,583)	2,629,510	13,153,366
Total primary government net revenue	<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>	<u>\$ 29,390,739</u>	<u>\$ 22,642,499</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u> (Restated)	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund										
Nonspendable	\$ 9,924,369	\$ 8,820,887	\$ 1,338,410	\$ 1,338,410	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554	\$ 1,364,327	\$ 398,435
Restricted	4,203,486	3,263,764	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389	4,125,006	4,201,282	4,869,238
Committed	22,073,062	9,406,471	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174	-	-	-
Assigned	4,005,427	4,015,377	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537	10,551,289	11,323,251	16,953,963
Unassigned	163,656,976	149,961,871	133,260,135	105,605,582	113,305,213	115,222,806	118,930,211	135,023,020	134,990,876	110,406,873
Total General Fund	<u>\$ 203,863,320</u>	<u>\$ 175,468,370</u>	<u>\$ 156,502,521</u>	<u>\$ 157,538,555</u>	<u>\$ 154,027,820</u>	<u>\$ 144,047,190</u>	<u>\$ 134,841,154</u>	<u>\$ 151,283,869</u>	<u>\$ 151,879,736</u>	<u>\$ 132,628,509</u>
All other governmental funds										
Nonspendable	2,768,342	2,769,792	2,771,457	2,771,457	2,771,457	2,712,241	2,836,878	3,116,156	32,408	12,455
Restricted	20,368,630	18,646,703	16,536,147	17,380,172	16,816,476	14,259,149	13,852,760	10,523,506	15,054,053	49,188,337
Assigned	-	-	-	-	-	-	-	66,759	-	-
Unassigned	-	-	-	-	-	-	-	(2,466,812)	-	-
Total all other governmental funds	<u>\$ 23,136,972</u>	<u>\$ 21,416,495</u>	<u>\$ 19,307,604</u>	<u>\$ 20,151,629</u>	<u>\$ 19,587,933</u>	<u>\$ 16,971,390</u>	<u>\$ 16,689,638</u>	<u>\$ 11,239,609</u>	<u>\$ 15,086,461</u>	<u>\$ 49,200,792</u>
Total governmental funds	<u>\$ 227,000,292</u>	<u>\$ 196,884,865</u>	<u>\$ 175,810,125</u>	<u>\$ 177,690,184</u>	<u>\$ 173,615,753</u>	<u>\$ 161,018,580</u>	<u>\$ 151,530,792</u>	<u>\$ 162,523,478</u>	<u>\$ 166,966,197</u>	<u>\$ 181,829,301</u>

Note:

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Taxes:										
Property	\$ 151,015,732	\$ 148,417,095	\$ 146,058,470	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071	\$ 136,328,388	\$ 135,388,540
Hotel	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957
Court costs, fines and forfeitures	1,903,506	1,935,483	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999	3,524,023	3,724,858
Intergovernmental revenue	325,448,468	308,633,147	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383	178,186,729	177,199,936
Department charges and reimbursements	75,063,700	76,359,366	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535	58,480,623	56,555,546
Payments in lieu of taxes	250,698	244,669	243,773	236,984	221,485	219,602	237,561	89,730	102,196	51,827
Rentals	333,584	333,437	384,559	405,201	440,093	489,566	464,950	389,756	328,094	356,407
Sales of property, supplies and equipment	40,889	-	-	4,168	12,040	(770)	86,776	20,720	18,250	68,874
Investment earnings	(1,167,853)	(472,832)	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503	639,352	550,092
Other revenue	11,227,578	11,241,913	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961	2,572,505	4,014,222
Total revenues	\$ 567,232,173	\$ 549,337,923	\$ 521,971,377	\$ 459,782,705	\$ 457,982,631	\$ 434,852,318	\$ 431,454,454	\$ 390,351,502	\$ 382,236,104	\$ 379,755,259
Expenditures										
Current:										
General government, administrative	\$ 53,711,504	\$ 53,201,921	\$ 84,970,233	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641	\$ 41,134,083	\$ 39,852,191
General government, judicial	60,068,270	58,433,307	55,515,168	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171	50,335,681	49,460,353
Public safety	83,236,321	82,045,736	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768	61,456,822	58,692,210
Human services	268,805,239	245,270,784	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554	167,515,886	169,602,996
Culture and recreation	7,843,441	7,763,693	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869	6,435,971	7,885,299
Community and economic development	26,563,507	42,498,172	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468	6,820,729	6,526,379
Public works	2,102,045	1,482,380	4,720,420	4,207,148	6,276,293	2,729,499	11,693,954	8,681,128	5,699,803	2,721,058
Community support	23,879,870	23,254,480	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268	5,980,470	5,061,857
Intergovernmental expenditures- Solid waste	300,720	300,720	300,900	250,720	220,870	295,029	928,453	993,342	998,452	997,007
Debt service:										
Principal	8,794,834	11,090,545	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645	7,620,828	8,145,069	8,043,447
Interest	2,858,134	4,530,587	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219	16,911,272	17,155,619	19,429,357
Debt issuance costs	-	-	-	900,000	-	-	119,123	178,668	118,742	141,629
Administrative expenditures	9,711	88,392	16,948	19,091	31,096	22,528	141,015	80,461	109,147	12,302
Capital outlay	-	-	-	453,954	591,891	936,616	2,143,152	4,671,727	26,310,999	24,595,446
Total expenditures	\$ 538,173,596	\$ 529,960,717	\$ 524,940,413	\$ 457,363,337	\$ 451,579,486	\$ 429,347,681	\$ 428,526,206	\$ 388,195,165	\$ 398,217,473	\$ 393,021,531
Excess (deficiency) of revenues over (under) expenditures	\$ 29,058,577	\$ 19,377,206	\$ (2,969,036)	\$ 2,419,368	\$ 6,403,145	\$ 5,504,637	\$ 2,928,248	\$ 2,156,337	\$ (15,981,369)	\$ (13,266,272)
Other financing sources (uses)										
Transfers in	\$ 51,015,747	\$ 33,184,029	\$ 30,882,130	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987	\$ 12,607,913	\$ 14,488,107
Transfers out	(49,982,746)	(32,095,052)	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)	(11,870,836)	(15,816,894)
Bond premium	-	-	-	-	-	-	209,950	3,613,694	82,210	2,860,762
Issuance of long term notes	-	28,149,000	-	-	-	-	-	-	-	17,785,000
Payments to refunded bond escrow agent	-	(28,071,066)	-	-	-	-	(24,943,412)	(27,211,227)	(9,963,468)	-
Issuance of refunding bonds	-	-	-	-	-	-	9,790,000	23,776,200	10,000,000	-
Conversion to special revenue fund	-	-	-	-	-	-	-	554,492	-	-
Total other financing sources (uses)	\$ 1,033,001	\$ 1,166,911	\$ 1,088,977	\$ 1,088,976	\$ 1,088,979	\$ 1,083,238	\$ (13,869,487)	\$ (5,148,286)	\$ 855,819	\$ 19,316,975
Net change in fund balances	\$ 30,091,578	\$ 20,544,117	\$ (1,880,059)	\$ 3,508,344	\$ 7,492,124	\$ 6,587,875	\$ (10,941,239)	\$ (2,991,949)	\$ (15,125,550)	\$ 6,050,703
Debt Service										
Percentage of noncapital expenditures	6.3%	1.6%	4.6%	3.4%	2.8%	2.2%	5.9%	4.9%	10.0%	8.1%

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
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
2014	138,384,332	3,524,023	178,186,729	58,480,623	102,196	328,094	18,250	639,352	2,572,505	382,236,104
2013	137,233,497	3,724,858	177,199,936	56,555,546	51,827	356,407	68,874	550,092	4,014,222	379,755,259

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

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

Fiscal Year	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
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%
2014	14,383,351,500	3,381,283,700	792,507,900	18,557,143,100	2,773,724,300	24,321,288,460	76.30%	7.372%
2013	14,339,515,800	3,363,960,000	787,046,700	18,490,522,500	2,756,192,800	23,675,444,902	78.10%	7.372%

Notes:
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>
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
2014	7.372	3.32	27.22	37.91
2013	7.372	3.22	26.77	37.36

Notes:

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

Source:
County of Berks Assessment Office

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

Taxpayer	Business/ Product	2022			2013		
		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	\$ 75,449,100	1	0.38%			
East Penn Manufacturing Co.	Battery Manufacturing	64,778,700	2	0.33%	*		
Reading Hospital	Healthcare	63,979,700	3	0.32%	*		
Duke Realty LP	Warehousing	50,131,600	4	0.25%			
Morgantown Real Property LLC	Entertainment	41,319,300	5	0.21%			
Highlands at Wyomissing	Intermediate Care	40,790,000	6	0.21%	27,950,800	4	0.15%
DPML Midway LLC	Warehousing	38,549,300	7	0.20%			
GH Spring Ridge Associates Inc.	Shopping Mall	38,193,200	8	0.19%	40,130,200	2	0.22%
Parcel 9 Unit 7 Operating LLC	Healthcare	36,720,200	9	0.19%			
WRG Exeter LLC & CS Exeter LLC	Shopping Mall	36,139,100	10	0.18%			
Green Hills Realty Association, LP	Leasing	-			29,148,100	3	0.16%
Meridian Blvd Investors LP	Rental Property	-			18,294,500	9	0.10%
Ashley Furniture Industries	Furniture Manufacturing	-			21,960,000	6	0.12%
Phoebe Berks Village Inc.	Intermediate Care	-			19,319,000	8	0.10%
Heritage of Green Hills	Intermediate Care	-			20,000,000	7	0.11%
Bank of New York Mellon Tst Co	Leasing	-			16,907,500	10	0.09%
Morgantown Crossings LP	Shopping Mall	-			24,500,000	5	0.13%
Berkshire Mall LLC	Shopping Mall	-			59,000,000	1	0.32%
Total		\$ 486,050,200		2.47%	\$ 277,210,100		1.50%

Note

Total County of Berks assessed valuation for 2022 and 2013: \$ 19,713,535,600 \$ 18,490,522,500

* Data unavailable

Source

County of Berks Assessment Office

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

Calendar Year ended December 31	Total Tax Levy (1)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Tax Collections To Tax Levy
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%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%
2013	136,318,729	130,260,182	95.56%	5,128,358	135,388,540	99.09%

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 8

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
County Direct Rates										
Total direct rate	7.66	7.66	7.66	7.66	7.66	7.37	7.37	7.37	7.37	7.37
Municipalities										
City:										
City of Reading	18.13	18.13	17.69	17.69	17.69	17.69	17.69	15.69	15.69	15.69
Boroughs:										
Bally	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.70	4.50
Bechtelsville	6.00	6.00	6.00	5.50	5.00	5.00	4.50	4.50	4.50	4.50
Bernville	5.44	5.44	5.44	4.44	4.44	4.44	4.44	4.44	4.44	4.44
Birdsboro	6.86	6.86	6.86	6.86	6.86	6.86	6.86	6.66	6.66	6.16
Boyetown	8.19	7.49	7.34	6.69	6.34	6.14	5.64	5.14	5.14	5.14
Centerport	3.10	3.10	3.10	3.10	3.00	3.00	3.00	3.00	3.00	3.00
Fleetwood	6.70	6.70	6.45	6.45	6.25	6.25	6.00	6.00	5.50	5.50
Hamburg	8.50	8.25	8.25	8.00	8.00	8.00	8.00	8.00	7.50	6.50
Kenhorst	5.81	5.81	5.81	5.81	5.60	5.60	5.60	5.60	5.60	4.60
Kutztown	4.60	4.60	4.60	4.10	4.10	4.10	4.10	4.10	3.35	3.10
Laureldale	6.80	6.80	6.80	6.80	6.05	6.05	5.90	5.90	5.90	4.90
Leesport	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lyons	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85
Mohnton	5.70	5.70	5.70	5.50	5.13	5.10	4.55	4.30	4.30	3.80
Mt. Penn	11.10	11.10	10.70	10.50	10.50	9.50	8.50	7.40	7.40	7.40
New Morgan	1.86	1.86	1.86	1.86	1.86	1.50	1.56	1.56	4.50	4.50
Robesonia	4.90	4.90	4.90	4.90	4.90	4.65	4.65	4.65	4.40	4.40
St. Lawrence	7.51	7.51	7.51	6.89	6.64	6.64	6.64	6.00	5.70	5.70
Shillington	7.14	7.14	7.14	7.14	7.14	7.14	7.14	5.89	5.89	4.89
Shoemakersville	6.50	6.50	6.50	6.50	6.50	6.50	6.50	5.50	5.50	5.50
Sinking Spring	8.67	8.37	8.37	8.32	7.99	7.99	7.32	7.32	7.32	6.32
Topton	7.55	7.55	7.55	6.55	6.55	6.05	5.85	5.85	5.85	5.85
Wernersville	6.60	6.60	6.60	6.60	6.60	6.10	6.10	6.10	6.10	5.60
West Reading	11.10	10.85	9.85	9.60	8.85	8.10	7.60	7.10	7.10	7.10
Womelsdorf	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.00
Wyomissing	4.50	4.50	4.25	3.90	3.90	3.90	3.90	3.90	3.90	3.63
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Amity	3.10	2.80	2.80	2.80	2.60	2.45	1.95	1.95	1.95	1.80
Bern	4.19	4.19	4.19	3.94	3.94	3.94	3.44	3.44	3.19	3.12
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Brecknock	2.58	2.58	2.58	2.33	2.33	2.33	2.33	1.95	1.95	1.95
Caernarvon	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.48
Centre	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50
Cumru	6.85	6.48	6.48	6.46	6.20	6.18	6.18	6.18	5.68	5.28
District	1.10	1.10	0.60	0.55	0.45	0.35	0.35	0.35	0.35	0.35
Douglass	4.90	4.80	4.30	4.30	4.30	3.30	3.30	2.30	2.30	2.00
Exeter	3.57	3.47	3.47	3.47	3.34	3.34	3.25	2.87	2.87	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	1.20	1.20	1.20	1.20	1.20	1.20	0.96	0.96	0.96
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	3.21	3.21	3.21	3.05	3.05	3.05	2.80	2.80	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Townships (continued)										
Lower Alsace	9.35	9.35	9.25	8.68	8.68	8.68	7.95	7.18	7.18	6.68
Lower Heidelberg	6.75	6.04	6.04	5.54	5.19	4.79	4.79	4.79	4.79	4.80
Maidencreek	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.50	1.50
Marion	2.00	2.00	2.00	1.80	1.30	1.30	1.30	1.30	1.30	1.30
Maxatawny	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	2.36	3.36
Muhlenberg	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.40	0.40
Oley	4.19	4.19	4.19	4.19	4.10	3.20	2.80	2.80	2.80	2.80
Ontelaunee	4.05	4.05	4.05	4.05	4.05	4.05	4.05	3.80	3.80	3.80
Penn	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Perry	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Pike	1.50	1.50	1.50	1.50	1.50	1.50	0.87	0.87	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.25	2.00
Robeson	3.25	3.25	3.25	3.00	2.75	2.75	2.75	2.75	2.75	2.50
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ruscombmanor	0.10	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.60	4.15	4.15	4.10	4.10	4.10	3.35	3.35	3.05	2.55
Spring	4.45	4.45	4.45	3.95	4.01	4.01	3.25	3.25	3.25	3.25
Tilden	2.10	2.10	2.10	2.20	1.45	1.45	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	1.65	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	1.00	1.00	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Washington	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	4.32
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	45.31	43.82	42.54	40.99	39.74	39.15	37.79	36.79	35.86	34.56
Boyerstown	29.92	29.05	28.20	27.33	26.37	25.02	24.27	23.96	23.39	22.52
Brandywine Heights	35.45	34.42	34.08	33.74	33.24	32.78	32.30	32.30	32.30	32.30
Conrad Weiser	32.36	31.38	30.63	29.65	28.86	28.00	27.14	26.32	25.71	25.71
Daniel Boone	32.55	32.38	31.58	31.58	30.83	30.20	29.70	28.96	28.96	28.96
Exeter	34.71	34.20	33.61	33.11	32.62	32.62	32.22	31.25	31.25	30.80
Fleetwood	33.61	33.36	33.36	33.11	33.11	32.56	31.81	30.96	30.21	29.21
Governor Mifflin	29.60	29.10	28.60	28.60	28.10	27.60	27.10	26.60	26.00	25.30
Hamburg	26.96	26.96	26.96	26.96	26.96	26.96	26.71	26.46	26.21	25.96
Kutztown	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.25
Muhlenberg	32.23	31.48	30.73	30.73	29.81	29.06	28.56	27.81	27.56	26.81
Oley Valley	29.54	29.04	28.54	27.94	27.34	26.93	26.33	25.84	25.39	24.93
Reading	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.41	17.41	16.92
Schuylkill Valley	27.82	27.82	27.82	27.82	27.07	27.07	27.07	26.79	26.79	26.79
Tulpehocken	25.90	26.00	26.75	26.85	27.10	27.60	27.70	27.70	27.70	27.70
Twin Valley	29.02	28.07	26.90	27.56	27.55	27.55	26.77	25.74	24.54	23.88
Upper Perkiomen	28.86	25.73	25.23	25.23	24.54	24.35	24.95	24.60	24.25	24.00
Wilson	28.66	27.66	26.26	26.26	25.67	25.29	24.95	24.60	24.25	24.00
Wyomissing	33.20	32.54	31.91	31.43	30.67	30.07	30.07	29.78	29.49	29.05

Note:

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

Source:

County of Berks Assessment Office

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

Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current			
2022	\$ 101,432,208	\$ -	\$ 12,078,653	\$ 16,719,154	\$ -	\$ 951,347	\$ 131,181,362	0.67%	305.54
2021	114,844,199	-	10,673,893	17,884,608	-	3,868,107	147,270,807	0.76%	343.41
2020	127,893,467	-	10,772,529	21,329,701	-	3,087,471	163,083,168	0.85%	386.64
2019	152,700,553	-	20,302,848	24,631,280	-	466,142	198,100,823	1.04%	473.90
2018	169,202,807	-	20,686,984	25,004,760	-	438,016	215,332,567	1.14%	512.51
2017	188,367,121	-	20,504,206	25,653,096	-	425,795	234,950,218	1.25%	562.28
2016	206,960,390	-	19,676,075	26,289,210	-	418,780	253,344,455	1.36%	611.80
2015	235,441,478	-	20,516,681	26,919,161	-	748,319	283,625,639	1.52%	685.14
2014	203,053,850	-	19,417,949	71,001,906	-	1,692,051	295,165,756	1.59%	713.49
2013	262,360,301	-	20,007,023	27,108,396	-	922,977	310,398,697	1.68%	750.62

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
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
2014	413,691	18,557,143,100	295,165,756	1.59%	713.49
2013	413,521	18,490,522,500	310,398,697	1.68%	750.62

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, 2022

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 113,510,861	100%	\$ 113,510,861
Overlapping Debt			
School Districts:			
Antietam	\$ 19,260,000	100%	\$ 19,260,000
Boyertown Area	88,885,884	100%	88,885,884
Brandywine Heights	20,755,000	100%	20,755,000
Conrad Weiser	39,954,500	100%	39,954,500
Daniel Boone Area	66,410,000	100%	66,410,000
Exeter Township	53,525,000	100%	53,525,000
Fleetwood Area	16,675,000	100%	16,675,000
Governor Mifflin Area	96,960,000	100%	96,960,000
Hamburg Area	43,945,000	100%	43,945,000
Kutztown Area	27,810,000	100%	27,810,000
Muhlenberg Area	20,610,000	100%	20,610,000
Oley Valley	21,300,000	100%	21,300,000
Reading School District	477,688,081	100%	477,688,081
Schuylkill Valley	28,144,000	100%	28,144,000
Tulpehocken Area	10,550,259	100%	10,550,259
Twin Valley	53,403,713	100%	53,403,713
Wilson Area	92,540,000	100%	92,540,000
Wyomissing Area	40,695,000	100%	40,695,000
Total School Districts	\$ 1,219,111,436		\$ 1,219,111,436
Municipalities			
City of Reading	\$ 331,154,706	100%	\$ 331,154,706
Albany Township	143,878	100%	143,878
Alsace Township	1,400,000	100%	1,400,000
Amity Township	3,710,000	100%	3,710,000
Bally Borough	3,809,000	100%	3,809,000
Bethel Township	549,500	100%	549,500
Birdsboro Borough	637,000	100%	637,000
Boyertown Borough	3,349,020	100%	3,349,020
Caernarvon Township	812,000	100%	812,000
Colebrookdale Township	308,646	100%	308,646
Cumru Township	15,290,000	100%	15,290,000
District Township	465,402	100%	465,402
Douglass Township	116,386	100%	116,386
Exeter Township	12,847,859	100%	12,847,859
Fleetwood Borough	3,789,786	100%	3,789,786
Greenwich Township	169,460	100%	169,460
Hamburg Borough	1,964,623	100%	1,964,623
Kutztown Borough	15,046,727	100%	15,046,727
Lower Alsace Township	929,000	100%	929,000
Lower Heidelberg Township	9,420,533	100%	9,420,533

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2022

<u>Direct Debt of County and Related Entities (continued)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Maxatawny Township	239,635	100%	239,635
Muhlenberg Township	16,040,522	100%	16,040,522
Ontelaunee Township	13,324,000	100%	13,324,000
Penn Township	28,527	100%	28,527
Richmond Township	1,784,176	100%	1,784,176
Robesonia Borough	290,765	100%	290,765
Shillington Borough	1,513,000	100%	1,513,000
South Heidelberg Township	951,736	100%	951,736
Spring Township	15,195,000	100%	15,195,000
Tilden Township	3,974,892	100%	3,974,892
Topton Borough	1,745,425	100%	1,745,425
Tulpehocken Township	2,143,215	100%	2,143,215
Union Township	473,588	100%	473,588
Upper Bern Township	2,016,647	100%	2,016,647
Washington Township	95,000	100%	95,000
Wernersville Borough	888,000	100%	888,000
West Reading Borough	7,551,072	100%	7,551,072
 Total Municipalities	 <u>\$ 474,168,727</u>		 <u>\$ 474,168,727</u>
 Total overlapping debt			 <u>\$ 1,693,280,163</u>
 TOTAL DIRECT AND OVERLAPPING DEBT			 <u>\$ 1,806,791,024</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit at 300%	\$ 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	\$ 1,307,926,447	\$ 1,309,909,635
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<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>	<u>222,677,099</u>	<u>246,929,029</u>
Legal Debt Margin	<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>	<u>\$ 1,085,249,348</u>	<u>\$ 1,062,980,606</u>
Total net debt applicable to the limit as a percentage of debt limit	6.29%	7.36%	8.56%	11.27%	12.65%	14.57%	16.44%	19.32%	17.03%	18.85%
Total Revenues Received	\$ 622,345,957	\$ 603,629,488	\$ 578,392,087	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255	\$ 439,409,335	\$ 434,340,809
Total net revenue	\$ 1,804,367,532	\$ 1,704,298,177	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855			
Borrowing base = Total net revenues, divided by three	\$ 601,455,844	\$ 568,099,392	\$ 539,834,637	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285			

Source:
County of Berks, Financial Statements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of Debt Service to Total Governmental Expenditures</u>
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%
2014	8,145,069	17,155,619	25,300,688	398,217,473	6.35%
2013	8,043,447	19,429,357	27,472,804	393,021,531	6.99%

Source:
County of Berks, Financial Statements

**County of Berks
Demographic and Economics 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
2022	429,342	\$ 57,970	\$ 24,888,955,700	*	69,432	3.8%	\$ 269,659
2021	428,849	55,045	23,605,993,200	*	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
2014	413,691	43,091	17,826,358,900	28,503	71,358	4.8%	169,200
2013	412,078	41,099	16,935,993,700	28,648	71,866	7.2%	170,600

* 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

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,811	1	3.66%	6,780	2	3.23%
Tower Health	7,396	2	3.46%	6,920	1	3.30%
Amazon	3,500	3	1.64%		(1)	
Penske Transportation Solutions	2,483	4	1.16%	1,485	10	
Wal-Mart Stores	2,100	5	0.98%	1,718	8	0.82%
Carpenter Technology Corp.	2,012	6	0.94%	2,360	4	1.12%
County of Berks	2,005	7	0.94%	2,402	3	1.14%
Reading School District	2,000	8	0.94%	1,867	5	0.89%
Apis Services	1,620	9	0.76%		(1)	
Redner's Markets Inc.	1,534	10	0.72%		(1)	
Boscov's Inc.		(1)	0.00%	1,730	7	
Penn State St. Joseph Medical Center		(1)	0.00%	1,566	9	0.75%
Pennsylvania Government		(1)	0.00%	1,864	6	0.89%
Total	32,461		15.20%	28,692		13.66%
 Total County Labor Force	 213,500			 210,000	 (2)	

Note:

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

Source:

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

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

Function/Program	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:										
General government	198	213	202	182	184	200	197	196	193	205
Judicial	442	425	442	446	455	451	458	462	465	457
Public safety	462	476	504	506	492	505	487	412	398	397
Human services	275	270	280	286	291	288	294	293	297	302
Culture and recreation	38	30	35	41	39	32	34	35	35	35
Community and economic development	16	16	15	15	15	22	19	19	17	21
Total governmental activities	<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>	<u>1,405</u>	<u>1,417</u>
Business-type activities										
Berks Heim	244	278	366	375	381	396	399	402	398	399
Emergency Services	-	-	-	-	-	-	-	79	78	79
Berks County Residential Center Youth Center	58	56	59	61	62	67	64	68	57	55
Total business-type activities expenses	<u>302</u>	<u>334</u>	<u>425</u>	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>	<u>533</u>	<u>533</u>
Total primary government expenses	<u><u>1,733</u></u>	<u><u>1,764</u></u>	<u><u>1,903</u></u>	<u><u>1,912</u></u>	<u><u>1,919</u></u>	<u><u>1,961</u></u>	<u><u>1,952</u></u>	<u><u>1,966</u></u>	<u><u>1,938</u></u>	<u><u>1,950</u></u>

Note:

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

(1) Emergency Services merged with Public Safety in 2016

Source:

County of Berks, Personnel Statements

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Function/Program											
Governmental activities:											
General government											
Elections											
New Registrations	9,895	10,829	26,100 **	6,400	10,245	4,000	20,387 **	4,859	4,896	4,360	11,283
Total Ballots Cast	156,332	75,527	272,192	-	-	-	-	-	-	-	-
In-Person Ballots	127,503	59,041	189,805 *	-	-	-	-	-	-	-	-
Mail-In Ballots	28,829	16,486	72,598	-	-	-	-	-	-	-	-
Absentee Ballots Processed	- ***	- ***	9,789	3,289	6,392	1,500	9,358	2,177	2,830	1,962	7,396
Change of Address/Party	34,813	24,461	18,810	30,267	26,371	18,000	62,101	25,057	20,178	18,954	22,397
Cancellations	16,984	12,139	9,319	2,709	17,053	3,000	43,348	7,092	8,641	3,023	6,262
* New mail-in process started in 2020											
** 2012, 2016, and 2020 were presidential election years,											
*** Absentee and Mail-In Ballots combined as of 2021											
Real Estate											
Appeal summaries	561	669	788	596	573	713	950	1,485	1,657	1,075	1,517
Change Notices	3,286	2,458	1,807	3,150	3,577	2,616	3,190	2,964	4,299	3,205	3,840
Parcels Created	269	206	231	250	462	374	548	388	328	384	288
Acreage Changed	476	470	307	375	526	1,884	473	587	470	524	600
Judicial											
Coroner											
Total Cases	3,933	4,279	4,112	3,505	3,363	3,371	3,386	3,230	3,057	3,172	2,966
Cremations	2,576	2,737	2,636	2,197	2,043	2,028	2,004	1,865	1,699	1,696	1,518
District Attorney											
Criminal Case Prosecution											
Adult Cases	4,675	5,082	4,536	6,251	6,473	7,019	6,560	6,533	6,865	6,500	6,135
Juvenile Cases	421	1,625	2,257	3,024	3,024	736	804	890	2,074	2,371	2,454
Narcotics Enforcement Team	200	211	319	241	235	272	780	602	187	251	236
DUI Central Booking	626	562	449	836	802	735	658	602	665	620	587
Major Crimes	2,698	2,318	1,750	2,917	2,401	2,408	2,484	2,215	1,592	2,481	1,382
Fugitive/Warrants Unit	-	-	-	-	-	-	-	226	-	-	-
Register of Wills											
Estates Opened	2,384	1,784	1,793	1,871	1,872	2,023	1,886	1,865	1,670	1,764	1,778
Marriage Licenses Issued	2,123	2,187	1,984	2,294	2,380	2,462	2,396	2,403	2,349	2,268	2,410
Adoptions	205	226	233	249	243	82	227	190	214	207	215
Public Safety											
County Prison											
Inmates Committed	3,720	3,493	3,623	6,094	6,611	6,994	6,328	6,701	6,840	7,050	6,774
Average Daily Population	705	747	743	1,044	1,104	999	1,024	1,171	1,187	1,199	1,115
Inmate Counseling Sessions	1,104	673	685	1,243	1,317	1,607	1,690	1,568	1,547	2,582	1,630
Inmate Work Release Participants	-	-	36	159	146	117	92	83	110	114	108
Inmates Enrolled in Education	395	346	570	388	463	542	422	498	395	362	502
Public Works											
Recycling Center											
Tons Recycled Curbside	61,000	55,000	55,976	44,031	44,133	45,759	51,597	55,291	51,757	52,250	51,708
Tons Recycled Drop-off	475	400	496	719	7,529	1,492	1,625	1,585	1,660	1,662	1,547
Tons Recycled Commercial	184,836	145,000	145,902	149,554	184,759	169,106	161,972	158,866	142,918	124,200	120,669
Tons Recycled by County	925	800	116	1,116	1,273	1,209	1,472	1,510	1,659	1,600	1,881

Note

** Presidential election year, so more registrations processed.

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

Function/Program	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Human services											
CareerLink											
Companies Served	771	750	832	751	654	647	465	417	375	310	725
Adults Served	173	227	129	102	79	97	58	126	149	152	110
Youth Served	380	325	296	395	440	502	545	571	539	593	734
Dislocated Workers Served	51	113	79	97	135	324	265	304	434	451	472
JOBS Program (EARN)	151	152	211	327	359	327	340	442	342	356	609
Culture and recreation											
Ag Land Preservation											
Number of Farm Applicants	76	92	117	108	117	132	127	123	139	139	131
Number of Farms Selected	18	14	19	16	30	24	24	21	23	21	43
Funds Raised	200	150,196	675	522	10,000	4,625	100	-	197	-	2,349
Community and economic development											
Planning											
Act 247 Subdivision Reviews	184	213	128	150	153	180	151	134	152	142	143
Act 247 Ordinance Reviews	42	39	34	47	70	72	42	44	31	45	74
Act 537 Sewage Reviews	-	1	-	2	2	4	10	-	3	3	1
Act 97 Solid Waste Reviews	1	-	-	2	2	4	5	1	2	3	3
911											
Total 911 Calls	166,751	173,300	164,949	173,197	176,619	183,498	194,460	211,700	210,461	204,083	218,832
Average Daily Call Volume	457	475	452	475	484	503	533	580	577	560	600
Average Answer in < 10 seconds	(1)	(1)	(1)	(1)	93%	99%	99%	99%	99%	99%	99%
Surcharge Funds Received	(2)	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,297,310	\$ 2,194,832	\$ 2,286,686	\$ 2,346,944
Surcharge Funds Disbursed	(2)	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,054,321	\$ 1,628,053	\$ 1,776,841	\$ 1,923,136
Business-type activities											
Berks Heim											
In-house Days											
Private Pay	17,349	13,973	14,313	17,018	18,957	20,178	22,090	20,866	19,983	21,790	21,535
Medical Assistance/Medicare A	89,641	91,075	108,488	128,325	128,701	127,894	127,110	127,593	129,382	127,730	130,110
Bedhold Days	427	412	419	725	751	742	556	554	500	742	574
Berks County Residential Center/Youth Center											
Average Daily Population											
Berks County Residential Center	-	3	28	57	51	61	80	80	67	74	80

Note

(1) As of 2019, no longer tracked.

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

Source:

Individual County Departments

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
General government										
Land and land improvements	\$ 2,072,841	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 3,499,090
Buildings and building improvements	148,412,208	148,861,055	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289	112,252,678	111,790,776
Furniture, fixtures, and equipment	24,913,794	24,598,664	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364	9,878,697	9,444,535
Construction in progress	11,599,188	10,109,129	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230	26,820,832	46,783,680
Infrastructure	94,401	94,401	94,401	94,401	94,401	94,401	85,760	-	-	-
Agricultural easements	84,431,856	83,767,156	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441	76,669,703	75,085,203
	<u>271,524,288</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>	<u>227,843,893</u>	<u>246,603,284</u>
Judicial										
Buildings and building improvements	1,232,174	1,216,111	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804	907,096	757,634	1,128,901
Furniture, fixtures, and equipment	2,433,188	2,727,631	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887	2,625,854	2,577,830
Construction in progress	-	-	-	203,871	223,792	-	-	-	-	-
	<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>	<u>3,383,488</u>	<u>3,706,731</u>
Public Safety										
Buildings and building improvements	51,629,902	51,580,695	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401	46,797,847	46,872,609
Furniture, fixtures, and equipment	68,933,438	66,408,061	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160	2,356,084	2,104,994
Construction in progress	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	-	-	-	-
	<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>	<u>49,153,931</u>	<u>48,977,603</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	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	141,791	148,217	88,063	208,286	208,286	225,836	225,836	225,836	176,726	176,726
Construction in progress	732,367	1,054,575	546,345	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210	4,619,721	2,000,718
Infrastructure	41,746,131	40,103,929	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072	6,051,426	4,799,840
	<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>	<u>18,941,252</u>	<u>15,070,663</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	137,750	137,750	113,931	-	110,700
Furniture, fixtures, and equipment	458,805	563,945	635,231	492,933	499,961	455,048	482,406	500,446	500,493	569,902
	<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>	<u>500,493</u>	<u>680,602</u>
Culture and recreation										
Land and land improvements	15,748,698	15,706,436	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400	13,550,628	13,491,264
Buildings and building improvements	7,970,344	8,133,643	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287	7,150,341	7,087,808
Furniture, fixtures, and equipment	1,345,780	1,427,118	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175	1,043,562	972,820
Construction in progress	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	2,279,644	2,279,644	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	-	-	-	-	-
	<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>	<u>24,024,175</u>	<u>23,831,536</u>
Community and economic development										
Buildings and building improvements	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700
Furniture, fixtures, and equipment	35,282	43,736	35,282	37,204	30,217	43,254	23,359	23,359	23,359	23,359
	<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>	<u>1,867,059</u>	<u>1,867,059</u>
Total governmental - cost	\$ 478,366,321	\$ 475,764,018	\$ 470,697,856	\$ 455,605,091	\$ 441,739,622	\$ 431,278,849	\$ 425,730,918	\$ 410,060,290	\$ 325,714,291	\$ 340,737,478
Business-type activities										
Department of Emergency Services (1)										
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,846	\$ 486,845
Furniture, fixtures, and equipment	-	-	-	-	-	-	-	-	67,581,031	11,301,560
Construction in progress	-	-	-	-	-	-	-	-	668,570	8,103,310
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,736,447</u>	<u>19,891,715</u>
Berks County Residential Center (2)										
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	7,912,681	7,902,464
Furniture, fixtures, and equipment	236,456	223,327	223,327	223,327	223,327	337,121	368,724	346,699	285,023	239,133
Construction in progress	13,119	9,449	1,303,750	1,001,301	-	-	-	-	126,822	-
	<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>	<u>8,324,526</u>	<u>8,141,597</u>
Berks Heim										
Buildings and building improvements	43,846,901	43,837,834	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210	38,013,639	37,749,851
Furniture, fixtures, and equipment	5,952,912	5,734,197	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490	3,962,829	3,887,423
Construction in progress	360,066	259,770	1,297,768	1,266,633	35,398	29,945	17,642	14,367	278,646	-
	<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>	<u>42,255,114</u>	<u>41,637,274</u>
Total business-type activities	\$ 62,184,010	\$ 61,846,665	\$ 58,186,443	\$ 55,877,896	\$ 53,267,592	\$ 53,330,870	\$ 53,206,484	\$ 51,851,784	\$ 119,316,087	\$ 69,670,586
Total primary government	\$ 540,550,331	\$ 537,610,683	\$ 528,884,299	\$ 511,482,987	\$ 495,007,214	\$ 484,609,719	\$ 478,937,402	\$ 461,912,074	\$ 445,030,378	\$ 410,408,064

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

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

Source:
Comprehensive Annual Financial Reports

