

Annual
Comprehensive
Financial Report
for the Year Ending
December 31, 2023



County of Berks,
Pennsylvania

**County of Berks,
Pennsylvania
Annual
Comprehensive
Financial Report
for the Year Ending
December 31, 2023**

Commissioners:

Christian Y. Leinbach, Chair

Michael S. Rivera, Vice Chair

Dante Santoni, Jr.

Prepared by the

Office of the Controller

Table of Contents:	Page(s)
Introductory Information:	
Letter of Transmittal	1 – 6
County of Berks - List of Elected Officials	7
County of Berks Organizational Chart	8
Financial Information:	
Independent Auditor’s Report	9 – 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
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Notes to Financial Statements:

Note 1 – Summary of Significant Accounting Policies	N 1
Note 2 – Cash and Investments	N 15
Note 3 – Restricted Assets	N 29
Note 4 – Real Estate Taxes and Tax Abatements	N 30
Note 5 – Interfund Balances and Activity	N 31
Note 6 – Capital Assets	N 33
Note 7 – Retirement Plans	N 39
Note 8 – Leases and Subscription-based Information Technology Arrangements	N 53
Note 9 – Risk Management	N 58
Note 10 – Long-Term Debt	N 62
Note 11 – Fund Balance Policy	N 73
Note 12 – Commitments and Contingencies	N 75
Note 13 – Contractual Agreement Revenue	N 76
Note 14 – Post Employment Benefit Plans other than Pensions	N 77
Note 15 – Subsequent Events	N 87

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

Required Supplemental Information:

<u>General Fund</u> Schedule of Revenues, Expenditures and Changes in Fund Balances - General Fund – Budget and Actual	RSI 1 – 3
<u>Children and Youth Services</u> Schedule of Revenues, Expenditures and Changes in Fund Balances - Children and Youth Services Special Revenue Fund – Budget and Actual	RSI 4
<u>Health Choices</u> Schedule of Revenues, Expenditures and Changes in Fund Balances – Health Choices Special Revenue Fund – Budget and Actual	RSI 5
<u>COVID Impact Grants Special Revenue Fund</u> Schedule of Revenues, Expenditures and Changes in Fund Balances - Community Development Special Revenue Fund – Budget and Actual	RSI 6
Note to Required Supplemental Information	RSI 7
Schedule of Changes in the County’s Net Pension Asset (Liability) and Related Ratios – Berks County Employees’ Retirement Fund	RSI 8
Schedule of County Contributions Berks County Employees’ Retirement Fund	RSI 9
<u>Reading Area Community College</u> Schedule of the College’s Proportionate Share of the Net Pension Liability And Related Ratios – PSERS Pension Plan	RSI 10 – 11
<u>Reading Area Community College</u> Schedule of College Contributions – SERS Pension Plan	RSI 12 – 13
<u>Reading Area Community College</u> Schedule of College’s Proportionate Share of the Net OPEB Liability and Related Ratios – PSERS OPEB Plan	RSI 14
<u>Reading Area Community College</u> Schedule of College Contributions – PSERS OPEB Plan	RSI 15
<u>Reading Area Community College</u> Schedule of Changes in Total OPEB Liability and Related Ratios - College OPEB Plan	RSI 16

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

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

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

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

Other Supplemental Information (continued)

Community Development

Schedule of Revenues, Expenses and Changes in Fund Balances
 Community Development Special Revenue Fund – Budget and Actual OSI 16

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 17

Berks Heim Enterprise Fund

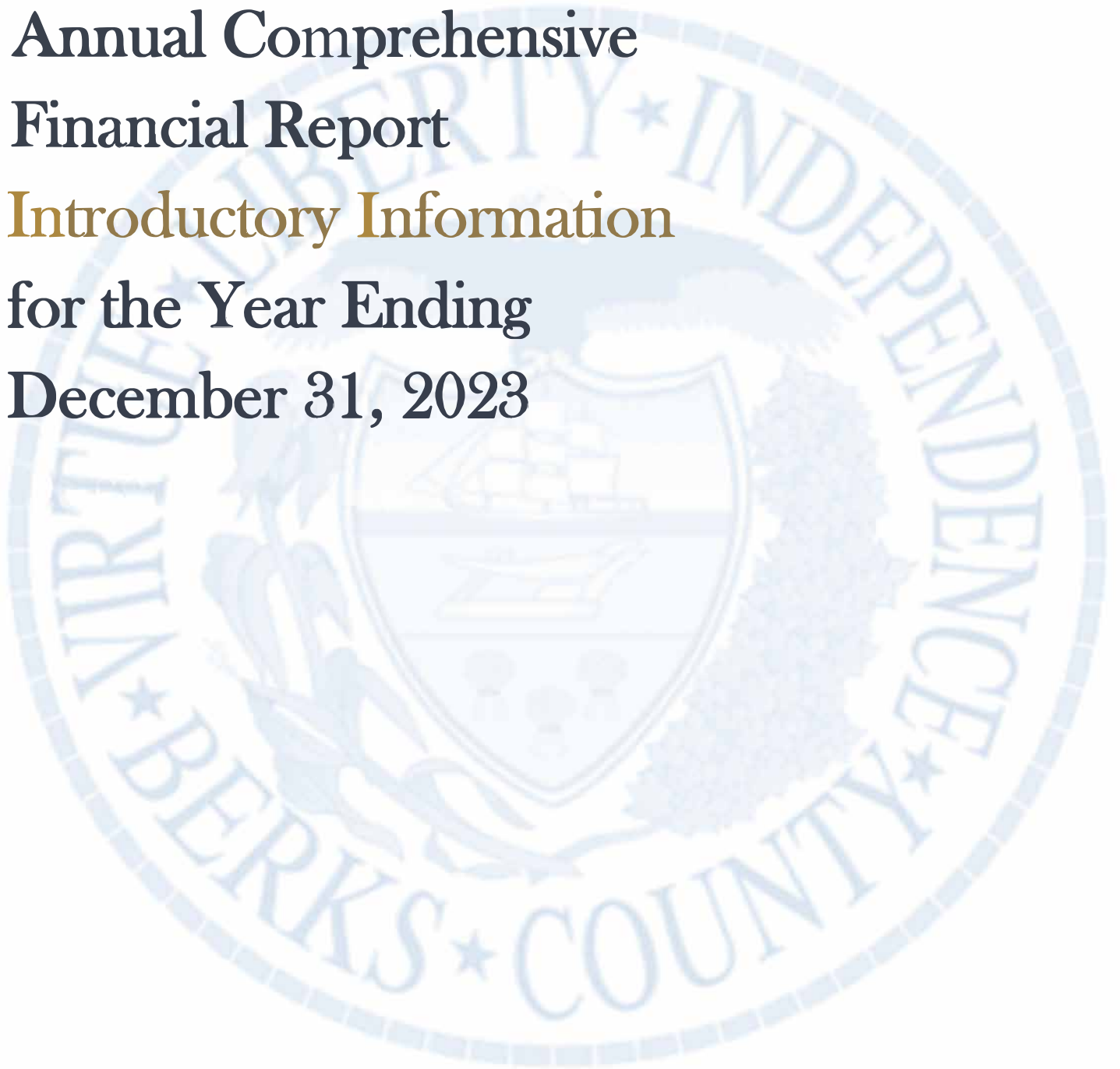
Schedule of Revenues, Expenses and Changes in Fund Net Position –
 Berks Heim Enterprise Fund – Budget and Actual OSI 18

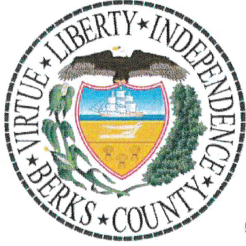
Statistical Information:

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

Table of Contents (continued):	Page(s)
Statistical Information (continued):	
Direct and Overlapping Governmental Activities Debt – December 31, 2023	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, 2023





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

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

Phone: 610.478.6136

Fax: 610.478.6293

E-mail: Commissioners@berkspa.gov

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

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

September 11, 2024

To: The Citizens of the County of Berks

This Annual Comprehensive Financial Report of the County of Berks for the year ended December 31, 2023, is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This Annual Comprehensive Financial Report was prepared by the Office of the Controller on behalf of the Board of Commissioners. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County Management. We believe the data, as presented, is accurate in all material respect; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form, and contents of this Annual Comprehensive Financial Report and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of Zelenkofske Axelrod, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2023, 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, 2023. The auditor's report is located at the beginning of the financial section of this report.

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

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

Letter of Transmittal

2023 Annual Comprehensive Financial Report

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

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

Profile of the County and Government

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

Originally established in 1752, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. Berks County is 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, 14 elected Judges of Court and Judicial Officers, and several appointed department heads. A full organization chart follows this Letter of Transmittal.

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

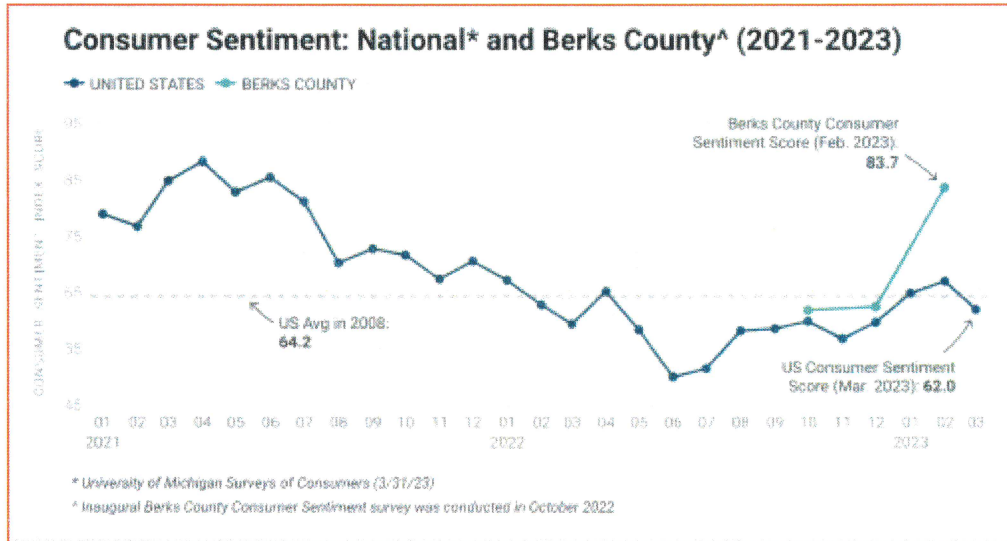
Financial Reporting Entity

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

Letter of Transmittal
2023 Annual Comprehensive Financial Report

Economic Condition & Outlook

Berks County residents expressed a notable uptick in their economic outlook in the first few months of 2023 compared to December 2022. Driving the increase was residents' sense of inflation slowing down and the labor market picking up the pace.



Over the course of 2023 the unemployment rate in the Berks County was around 3.7% which was similar to the state as well as national unemployment level. The manufacturing remains the largest employer followed by healthcare and government sector.

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 \$527,663,827, an increase of 10.48% from the prior year. Please refer to Note 2 in the Notes to Financial Statements for a detailed analysis of cash and investment information and to Note 7 in the Notes to the Financial Statements for disclosure on the County's Employees' Pension Plan.

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

Letter of Transmittal
2023 Annual Comprehensive Financial Report

Several major capital projects were/are under construction during the year 2022/2024. The most notable of which are the Ag Center renovation project, as well as ongoing Department of Emergency Services GPS project. The expected final cost for the former is \$7.5 million, and the GPS project expected final cost is to be approximately \$2.3 million. The management anticipates both projects to be completed by December 31, 2024.

Ongoing major initiatives of the County are restorations and maintenances of the County owned bridges. The bridge projects have varying dates of completion. The ongoing projects include the Ebling Memorial Bridge with December 2024 anticipated date of completion and the final cost of approximately &4.8 million. The Peach Street Bridge is still in a construction phase with projected completion time by December 31, 2024, and the approximate cost of \$0.4 million.

The Courthouse and Services Center Fire Protection System project is estimated to be completed by the end of year 2024, with projected final cost of approximately \$0.4 million. The NRG automation Upgrade project is projected to be finalized by December 2024, totaling \$0.7 million.

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

**Letter of Transmittal
2023 Annual Comprehensive Financial Report**

Acknowledgements

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

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

Respectfully submitted,



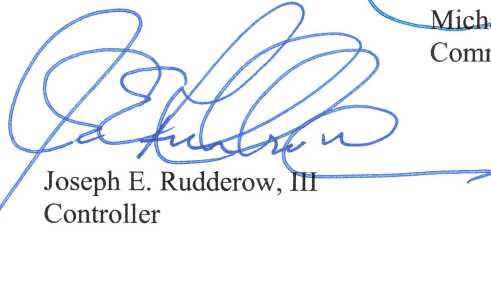
Christian Y. Leinbach
Commissioner, Chair



Dante Santoni, Jr.
Commissioner

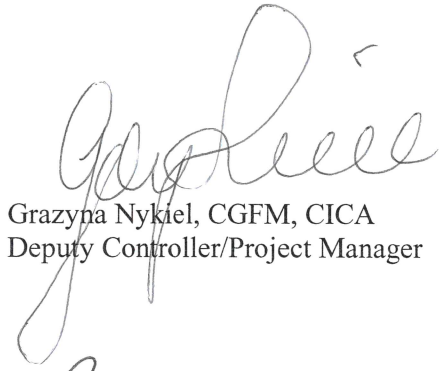


Michael S. Rivera
Commissioner, Vice Chair

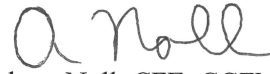


Joseph E. Rudderow, III
Controller

Letter of Transmittal
2023 Annual Comprehensive Financial Report



Grazyna Nykiel, CGFM, CICA
Deputy Controller/Project Manager



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



Patrick Sleppy
Senior Governmental Accountant



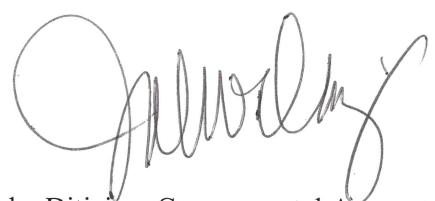
Scott S. Poch, CPA
Senior Governmental Accountant



Mitchel D. Salvatore
Senior Governmental Accountant



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



John Ditizio – Governmental Accountant

**County of Berks
List of Elected Officials**

Commissioners

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

Controller
Joseph E. Rudderow, III

Clerk of Courts
Beth A. Jones

Treasurer
Mitchell R. Darcourt

District Attorney
John T. Adams, Esq.

Register of Wills
Suzanne Myers

Coroner
John A. Fielding III

Prothonotary
Jonathan L. Del Collo

Sheriff
Eric J. Weaknecht

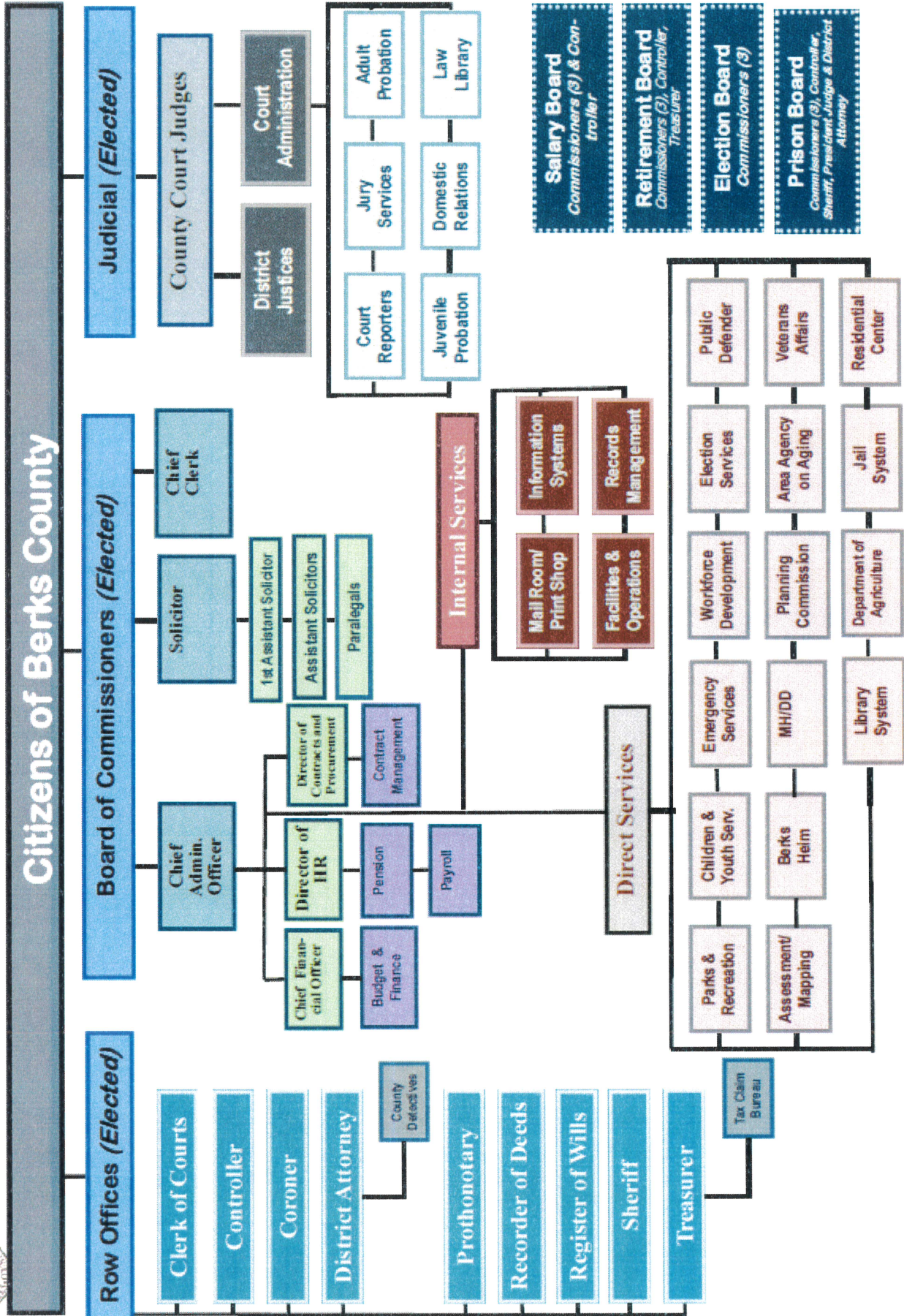
Recorder of Deeds
Fred Sheeler

Judges of Court

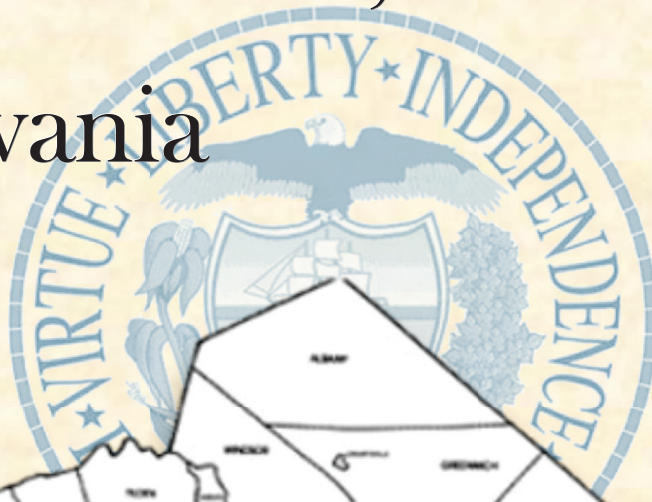
Honorable M. Theresa Johnson, President Judge
Honorable Scott E. Lash, Judge
Honorable Thomas G. Parisi, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable James M. Lillis, Judge
Honorable Eleni Dimitriou Geishauser, Judge
Honorable Partick T. Barrett, Judge
Honorable J. Benjamin Nevius, Judge
Honorable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



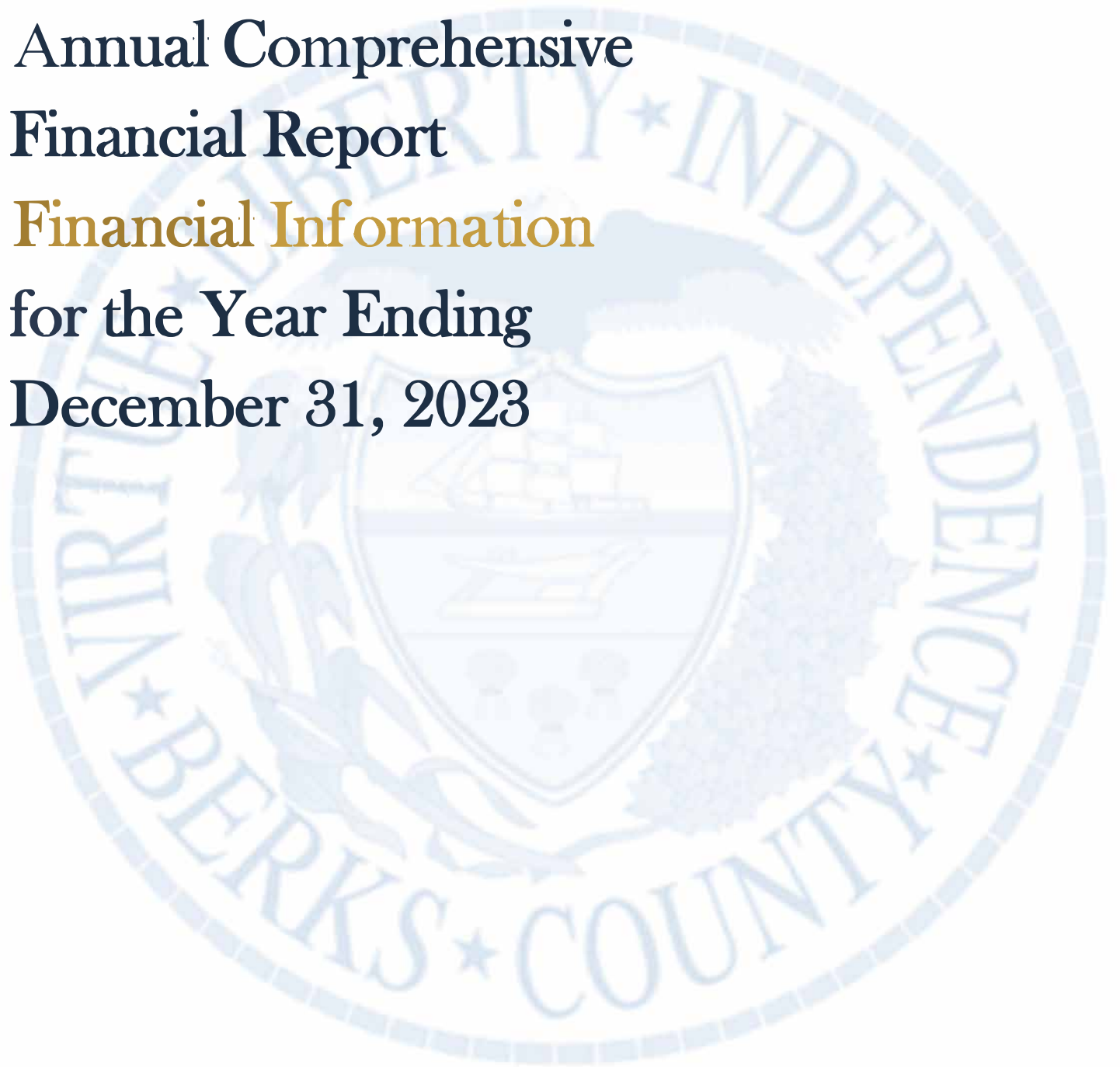
County of Berks Organizational Chart

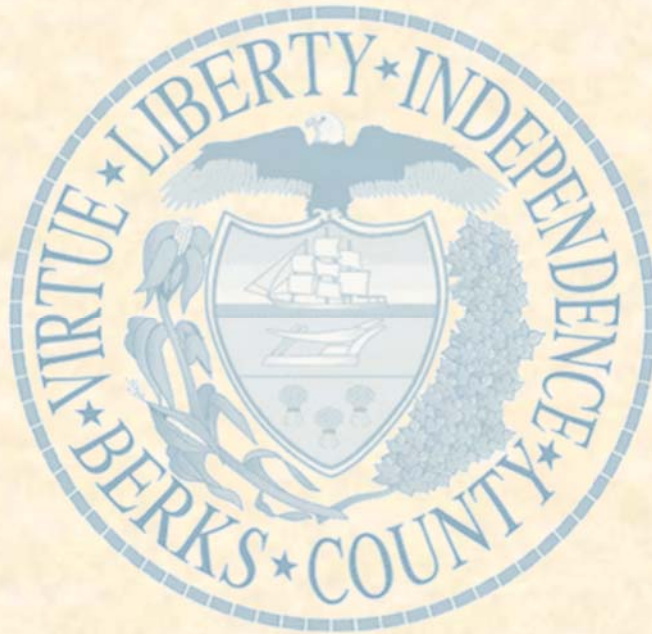


County of Berks, Pennsylvania



**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Financial Information
for the Year Ending
December 31, 2023**





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, 2023.



Zelenkofske Axlerod LLC

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Berks
Reading, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the COUNTY OF BERKS' basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BERKS, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



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County of Berks
Reading, Pennsylvania

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Adoption of New Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2023 the County adopted the required provisions of GASB Statement No. 93 "*Replacement of Interbank Offered Rates*", GASB Statement No. 94 "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement 96 "*Subscription-Based Information Technology Arrangements*", and the required provisions of GASB Statement 99 "*Omnibus 2022*." Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability and related ratios, schedule of County pension contributions, schedule of pension investment returns, budgetary comparison schedules on pages 12 through 24 and pages RSI1 through RSI9 be presented to supplement the basic financial statements.



Zelenkofske Axelrod LLC

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County of Berks
Reading, Pennsylvania

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

Supplementary Information

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

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

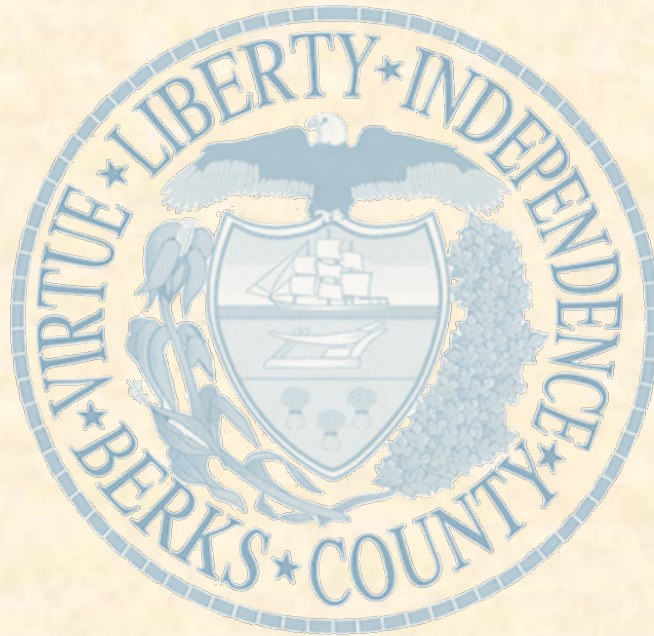
Other Information Included in the Annual Comprehensive Financial Report

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

Zelenkofske Axelrod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
September 11, 2024



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, 2023
(amounts rounded to nearest thousand)

The County of Berks' (the County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2023. 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, 2023. Dollar amounts throughout the MD&A are rounded to the nearest thousands of dollars unless otherwise indicated. The below analysis is not based on the re-stated balance amounts.

FINANCIAL HIGHLIGHTS

- The County's net position, restated for 2022, increased in 2023 by \$29,111 to \$475,943. Unrestricted net position at year-end decreased by \$52,434 to \$76,968.
- Total outstanding bonds and other debt at December 31, 2023 was \$99,720, a decrease of \$31,461 from the prior year, resulting from principal payments made during 2023. 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 2023.
- During 2023, the County's General Fund balance increased by \$6,390 to \$210,253. The unassigned portion of that fund balance was \$135,937.

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, 2023
(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 Residential Center closed as of January 2023.

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

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

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

Since the focus of governmental funds is narrower than the government-wide financial statements, it is helpful to compare the information presented in each type of financial statement. The comparison between governmental activities and governmental funds is facilitated 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, four of which are considered to be major governmental funds. Information for the General Fund, Children and Youth Services, Health Choices, 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 pages Other Supplemental Information ("OSI") 1-6 of this report.

County of Berks
Management's Discussion and Analysis
December 31, 2023
(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") 1-7, while the non-major funds are provided on pages OSI 7-16.

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 17-18 of this report. As of January 2023, the Berks County Residential Center closed its doors through dissolution and some of the Center's assets were transferred to the General Fund.

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 87 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 9 of this report.

Other Supplementary Information includes the nonmajor funds combining balance sheet and combining statement of revenues, expenditures and changes in fund balances, budgetary comparison schedules for the nonmajor special revenue funds, and budgetary comparison schedules for the enterprise funds. Other supplementary information can be found on pages OSI 1 to 18 of this report.

County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)

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 \$475,943 at December 31, 2023. 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	
	2023	2022*	2023	2022	2023	2022*
Noncapital assets	\$ 386,157	\$ 404,658	\$ 25,039	\$ 21,818	\$ 411,196	\$ 426,476
Capital assets	310,851	302,336	26,562	35,190	337,413	337,526
Total assets	697,008	706,994	51,601	57,008	748,609	764,002
Deferred outflows	40,083	95,824	3,471	18,545	43,554	114,369
Total assets and deferred outflows	737,091	802,818	55,072	75,553	792,163	878,371
Current liabilities	123,361	156,216	6,445	5,472	129,806	161,688
Noncurrent liabilities	168,670	204,264	16,072	26,867	184,742	231,131
Total liabilities	292,031	360,480	22,517	32,339	314,548	392,819
Deferred inflows	1,672	30,775	-	7,945	1,672	38,720
Total liabilities and deferred inflows	293,703	391,255	22,517	40,284	316,220	431,539
Net position:						
Net investment in capital assets	220,238	182,580	13,085	18,161	233,323	200,741
Restricted	165,652	116,689	-	-	165,652	116,689
Unrestricted	57,498	112,294	19,470	17,108	76,968	129,402
Total net position	\$ 443,388	\$ 411,563	\$ 32,555	\$ 35,269	\$ 475,943	\$ 446,832

*This table does not include restated balances for 2022.

During 2023, net position increased \$29,111, or 6.5%, to \$475,943. Of this total, \$233,323 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$165,652 is restricted for various purposes by external entities. The unrestricted net position of \$76,968 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 \$15,280, or 3.6%, to \$411,196.

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

Current liabilities decreased by \$31,882, or 19.7%, to \$129,806.

Noncurrent liabilities decreased by \$46,389, or 20.1%, to \$184,742. 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, 2023
(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, 2023. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2023	2022*	2023	2022	2023	2022*
Program revenues:						
Charges for services	\$ 42,321	\$ 56,137	\$ 62,889	\$ 55,114	\$ 105,210	\$ 111,251
Operating grants/contrib.	306,497	322,699	426	1,622	\$ 306,923	324,321
Capital grants/contrib.	3,099	2,781	-	-	3,099	2,781
General revenues:						
Property taxes	152,372	151,045	-	-	152,372	151,045
Hotel room tax	3,101	3,116	-	-	3,101	3,116
Payment in lieu of taxes	269	250	-	-	269	250
Investment earnings	15,370	(1,127)	11	15	15,381	(1,112)
Miscellaneous - other	15,007	9,366	-	-	15,007	9,366
(Loss) Gain on disposal of capital assets	103	(211)	-	-	103	(211)
Rental of space	333	304	-	-	333	304
Total revenues	<u>538,472</u>	<u>544,360</u>	<u>63,326</u>	<u>56,751</u>	<u>601,798</u>	<u>601,111</u>
Expenses:						
General government	118,476	104,901	-	-	118,476	104,901
Judicial	48,319	44,187	-	-	48,319	44,187
Public safety	57,127	59,565	-	-	57,127	59,565
Human services	253,726	258,160	-	-	253,726	258,160
Culture and recreation	9,781	8,712	-	-	9,781	8,712
Comm & econ developmen	16,957	32,638	-	-	16,957	32,638
Public works	1,751	1,793	-	-	1,751	1,793
Community support	2,463	3,303	-	-	2,463	3,303
Debt service	1,261	2,610	-	-	1,261	2,610
Solid waste	256	269	-	-	256	269
Residential Center	-	-	3,433	7,539	3,433	7,539
Berks Heim	-	-	58,882	48,102	58,882	48,102
Total expenses	<u>510,117</u>	<u>516,138</u>	<u>62,315</u>	<u>55,641</u>	<u>572,432</u>	<u>571,779</u>
Change before other items	28,355	28,222	1,011	1,110	29,366	29,332
Other items:						
Transfers/cap contrib	-	1,033	-	(1,033)	-	-
BCRC closing transfer	3,725	-	(3,725)	-	-	-
Total other items	<u>3,725</u>	<u>1,033</u>	<u>(3,725)</u>	<u>(1,033)</u>	<u>-</u>	<u>-</u>
Change in net position	32,080	29,255	(2,714)	77	29,366	29,332
Net position - beginning	411,563	382,212	35,269	35,134	446,832	417,346
Prior Period Adjustments	(255)	96	-	58	(255)	154
Net position - ending	<u>\$ 443,388</u>	<u>\$ 411,563</u>	<u>\$ 32,555</u>	<u>\$ 35,269</u>	<u>\$ 475,943</u>	<u>\$ 446,832</u>

*This table does not included restated balances for 2022.

**County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)**

The County's overall net position increased by \$29,111, which includes an increase due to governmental activities of \$31,825 and a decrease in business-type activities of \$2,714.

Governmental activities:

Revenues decreased by \$5,888. Charges for services decreased by \$13,816. Additionally, operating grant revenue decreased by \$16,202.

Expenses decreased by \$6,021, expenses for Community & Economic Development decreased by \$15,681. Expenses for human services decreased by \$4,434.

Other notable items include General Government which increased by \$13,575, Public Safety which decreased by \$2,438, and Judicial which increased by \$4,132.

While reviewing the changes noted above, please keep in mind the discussion in Note 1 to the financial statements of the measurement focus, basis of accounting and financial statement presentation. See the reconciliations on pages FS 6 and 8 which further 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 \$7,775; an increase to Berks Heim revenue of \$15,239 and a decrease of \$7,464 to the Berks County Residential Center.

Expenses increased by \$6,674; an increase to Berks Heim in the amount of \$10,780 and a decrease of \$4,106 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, 2023
(amounts rounded to nearest thousand)

At December 31, 2023, the County's governmental funds reported total fund balances of \$238,696, an increase of \$11,696 in comparison with December 31, 2022. Unassigned fund balance of \$138,452, or 58.00%, is fund balance available for future appropriation. Restricted fund balance of \$27,883, or 11.68%, is fund balance restricted by external entities. Committed fund balance of \$59,514, or 24.93%, is the amount committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$12,847, or 5.38%, 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, 2023, total fund balance of the General Fund was \$210,253, while unassigned fund balance was \$135,937. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 52.7% of total fund expenditures excluding other financing uses, while total fund balance represents 81.5% of the same amount.

General Fund revenues without other financing sources totaled \$247,859, which represents an 8.09% increase, or \$18,550, from the 2022 year. This is primarily due to an increase in investment earnings.

Expenditures without other financing uses totaled \$258,018, which represents a 13.73% increase, or \$31,159, from the 2022 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 \$33,565 of revenues and incurred \$39,579 of expenditures. The General Fund contributed \$6,276 during 2023 as part of the required County contribution. Expenditures increased by \$1,663 compared to 2022. Overall revenue increased by \$574 during 2023.

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 2023 were \$171,770, which represents an \$8,793, or 4.87% decrease, from the year 2022. Expenses in 2023 totaled \$171,755.

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 2023 were \$36,011, which represents a \$1,674, or 4.88% increase, compared to year 2022. In 2023 transfers out totaled \$33,496.

County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)

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.

For the first time the County's budget includes the recognition of American Rescue Plan (ARP) revenues and expenditures of \$29.7M and \$29.7M, respectively. In addition, the budget includes \$3.2M for continued implementation of the Imagine Berks Strategic Plan, which was adopted in 2022. This will encourage commercial, industrial, and residential property development in locations deemed to be most attractive for job creation and enhancement of tax revenue per acre.

2023 General Fund Revenue increased by \$32.3M which is primarily attributable to the application of 2022 ARP lost revenue to County general government operating costs of \$29.6M, tax revenue arising from an increase in taxable assessed value of \$1.7M, as well as an IGT net asset transfer from Berks Heim in the amount of \$5.6M. Offset by decreases in: indirect cost reimbursement due to lower facility depreciation and debt service interest allocation of (\$2.3M), Row Officer and Adult Probation fees attributed to court activity and public safety, indicative of a decline in arrests and criminal and civil filings, totaling (\$1.5M), and lower federal and state reimbursements for juvenile services due to lower placements totaling (\$0.8M).

2023 General Fund Expenditures increased by \$38.6M which is primarily attributable to: capital spending in the amount of \$4.6M, IGT contribution to PA DHS of \$5.6M to enhance Medicaid funding for Berks Heim, community support and infrastructure investments of \$27.3M to continue the recovery from COVID, and a net increase in personnel costs of \$3.7M.

County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)

Capital Assets

The County's investment in capital assets at December 31, 2023, net of accumulated depreciation, was \$337,413. 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 \$0.3 million as part of the County's farmland preservation program.
- Net infrastructure decreased by approximately \$0.8 million. The net decrease is primarily because of the completion of work and subsequent release from construction in progress of County owned bridges of \$0.3 million, less overall infrastructure depreciation of approximately \$1.1 million.
- Net buildings and improvements increased by approximately \$2.5 million. The net increase is primarily because of assets in the amount of \$7.4 million being transferred from the closing of the Berks County Residential Center (a business-type activity), current year improvements put into service of approximately \$1.1 million, less depreciation of approximately \$6.0 million.
- Furniture, fixtures, equipment, and vehicles decreased by approximately \$2.8 million. The primary reasons for the overall decrease are capital asset purchases of \$3.5 million less depreciation of approximately \$6.3 million.
- Software in progress increased by approximately \$0.7 million due to adoption of GASB 96 and Information Systems department Case Management Software and Oracle software projects totaling approximately \$1.0 million
- Construction in progress increased by approximately \$2.9 million. Significant reasons for the increase are:
 - Costs incurred on the renovations to the Agricultural Center of \$1.8 million
 - Costs incurred on Facilities Services projects of \$0.7 million
 - Costs incurred on 2 bridges not yet completed of approximately \$0.4 million.

Business-type activities:

- Net capital assets decreased by approximately \$8.6 million. The primary reasons for the overall decrease are because of assets in the amount of \$7.4 million being transferred to general fund from the closing of the Berks County Residential Center, capital asset purchases of \$0.8 million less current year depreciation totaling \$2.0 million, \$0.4 million and \$1.6 million charged to Berks County Residential Center and Berks Heim, respectively.

**County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)**

Capital Assets (net of depreciation and amortization)

	Governmental activities		Business-type activities		Totals	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 16,229	\$ 15,725	-	-	\$ 16,229	\$ 15,725
Agricultural easements	84,712	84,432	-	-	84,712	84,432
Infrastructure	33,081	33,874	-	-	33,081	33,874
Buildings and improvements	78,012	75,519	25,163	33,750	103,175	109,269
Furniture, fixtures, equipment and vehicles	44,206	47,017	1,240	1,067	45,446	48,084
Right-To-Use Lease Real Estate	26,403	27,133	-	-	26,403	27,133
Right-To-Use Lease Equipment	52	85	-	-	52	85
Right-To-Use SBITA	9,519	6,683	-	-	9,519	6,683
Historical treasures	2,290	2,290	-	-	2,290	2,290
Software in progress	9,116	8,449	-	-	9,116	8,449
Construction in progress	7,231	4,335	159	373	7,390	4,708
Totals	\$ 310,851	\$ 305,542	\$ 26,562	\$ 35,190	\$ 337,413	\$ 340,732

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

Long-term debt:

As of December 31, 2023, the County had outstanding debt of \$99,720 or 5.4 percent of the maximum \$1,859,745 as permitted by law. The outstanding debt represents 0.5 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$31,461, or 24.0 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	
	2023	2022	2023	2022	2023	2022
Bonds and notes:						
Current portion	\$ 12,405	\$ 12,079	\$ 2,333	\$ 951	\$ 14,738	\$ 13,030
Noncurrent portion	73,689	101,432	11,293	16,719	84,982	118,151
Total	\$ 86,094	\$ 113,511	\$ 13,626	\$ 17,670	\$ 99,720	\$ 131,181

Bond rating

On February 1, 2024, Moody's Investors Services re-affirmed the rating on the County's general obligation bonds of **Aaa** (Stable Outlook).

**County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions

The state and local economic data shows that Berks County recorded an increase in economic output as well as employment and wages. In 2023 the growth of average weekly wages in Berks County surpassed the growth of national rate of inflation. Overall, the number of employed people in Berks County rose with the unemployment rate of 3% by the end of 2023. The compressed labor market along with continued consumer spending has kept Berks County very strong in 2023. The industry sector that has grown most in 2023 includes transportation, warehousing, and utilities.

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. Successive rounds of substantial fiscal support have boosted economic activity in 2021 and 2022 and continued to do so through 2023.

The opioid overdose epidemic is considered the worst public health crisis nationwide, as well as in Pennsylvania, including the Berks County. In 2021, Berks County's overdose deaths exceed the national average, but in 2023 the number of total overdoses went slightly down. 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. In 2023 manufacturing sector continued 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.

County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)

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 1,240.8 additional acres during 2023, bringing total acreage under preservation to 78,544 acres on 822 farms.

Market impact on investment income

In 2023, market value of all investments increased significantly. The U.S. stock market had a massive rally with an increase of 24.5%, while the aggregate U.S. bond market was up 4%. At the end of 2023 10-year U.S. Treasuries were at 3.87 % while long-term government bonds oscillated around 4%.

The County's Retirement Fund, with December 31, 2023 net position valued at \$527,664, experienced net investment gain of \$50,042 during 2023. 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 2023 were \$772K, which is an increase from \$478 in 2022. 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 2023. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for 2024 will be \$4,728. The 2024 actuarially determined contribution is 3.87 percent of estimated 2024 compensation of \$122,264.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2023, 46.0 percent of total government-wide revenues came from these sources. By comparison, property taxes provided only 23.0 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, always has a direct effect on the programs and services in which the County participates.

Next Year's Budget

For 2024, the County adopted a balanced budget at \$606,993 in revenues, with \$46,192 of fund balance reserves to pay for one-time capital expenditures. Consequently, for the first time in six years, the County's leadership recommended a tax millage rate increase from 7.657 to 8.345 mills, an increase of 8.99 percent to balance the budget. This increase enables the County to maintain the strong financial position that has been noted by the rating agency as a pillar of our Aaa-stable outlook bond rating. The 2024 budget continues to focus on several fiscal initiatives including, but not limited to:

- maintain long term financial stability
- limited headcount growth
- no issuance of new debt
- continued commitment to farmland preservation, education, economic development, library and park systems.

**County of Berks
Management's Discussion and Analysis
December 31, 2023
(amounts rounded to nearest thousand)**

The 2024 budget includes over \$47M 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.

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.

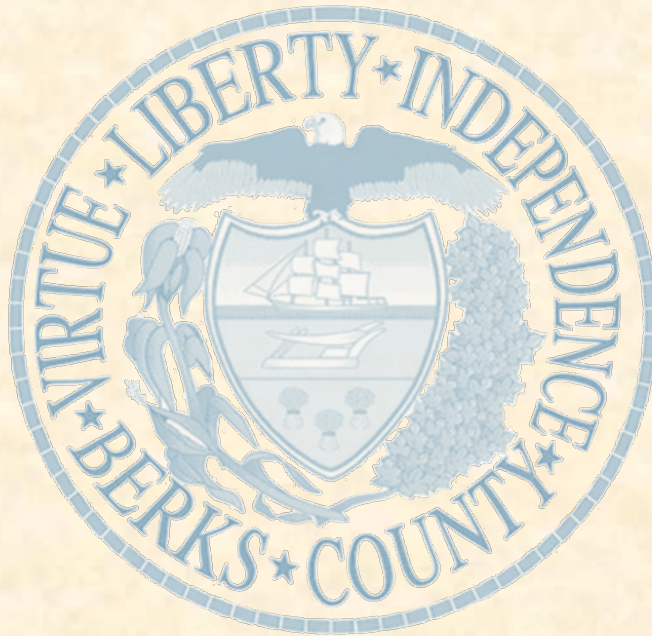
As the agencies develop their 2024 and forward budgets, the County is likely to receive less federal and state funding for mandated services in Children and Youth, Juvenile Probation and Aging services. This anticipated reduction in federal and state funding, combined with escalating wage, healthcare, pension and fuel costs, continues to put tremendous pressure on our budget.

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

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

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



FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental	Business-type	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 161,880,054	\$ 172,008	\$ 162,052,062	\$ 20,053,885
Cash and cash equivalents, restricted	41,427,693	91,847	41,519,540	11,923,344
Investments	51,337,095	-	51,337,095	-
Investments, restricted	835,151	-	835,151	-
Taxes receivable, net	7,633,508	-	7,633,508	-
Accounts receivable, net	10,518,947	5,078,598	15,597,545	9,299,957
Notes receivable	854,950	-	854,950	-
Lease receivable	131,920	-	131,920	219,163
Opioid settlement receivable	13,186,253	-	13,186,253	-
Due from other governments	45,685,922	-	45,685,922	78,848
Due from other funds	-	19,429,558	19,429,558	-
Inventories	403,576	198,437	602,013	17,216
Prepaid expenses	3,581,075	50,502	3,631,577	598,024
Total current assets	<u>337,476,144</u>	<u>25,020,950</u>	<u>362,497,094</u>	<u>42,190,437</u>
Noncurrent assets:				
Investments	42,545,742	-	42,545,742	24,350,417
Loans receivable	4,079,459	-	4,079,459	-
Lease receivable	1,574,410	-	1,574,410	13,317,407
Beneficial interests in perpetual trusts held by others	-	-	-	9,942,914
Other receivables	-	-	-	153,370
Restricted assets:				
Employee pay advance	25,972	18,255	44,227	-
Interest receivable	454,950	-	454,950	-
Cash	-	-	-	799,349
Collections - works of art	-	-	-	909,433
Deposits on business acquisitions	-	-	-	100,000
Capital assets not being depreciated	116,847,269	158,828	117,006,097	13,186,208
Capital assets, net of accumulated depreciation and amortization	194,003,632	26,403,514	220,407,146	67,226,954
Total noncurrent assets	<u>359,531,434</u>	<u>26,580,597</u>	<u>386,112,031</u>	<u>129,986,052</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	6,310,747	149,174	6,459,921	-
Pension	33,772,822	3,321,439	37,094,261	843,259
Other postemployment benefits	-	-	-	457,375
Total deferred outflows of resources	<u>40,083,569</u>	<u>3,470,613</u>	<u>43,554,182</u>	<u>1,300,634</u>
 Total assets and deferred outflows of resources	 <u>\$ 737,091,147</u>	 <u>\$ 55,072,160</u>	 <u>\$ 792,163,307</u>	 <u>\$ 173,477,123</u>

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 36,318,163	\$ 1,391,609	\$ 37,709,772	\$ 1,968,095
Accrued liabilities	9,315,208	1,678,607	10,993,815	1,423,610
Due to other governments	687,738	-	687,738	-
Unearned revenue	18,994,633	-	18,994,633	9,039,728
Advance revenue	92,267	-	92,267	-
Due to third parties	4,769,629	-	4,769,629	-
Due to other funds	19,429,558	-	19,429,558	-
Accrued interest payable	329,163	43,821	372,984	-
Compensated absences	1,517,940	410,628	1,928,568	534,099
Long-term liabilities	-	-	-	1,469,515
Deposits	-	-	-	81,693
Accrued claims health insurance	17,096,702	479,407	17,576,109	-
Accrued workers compensation liability	210,676	107,916	318,592	-
Notes payable, agricultural easement	42,018	-	42,018	-
Lease obligation	-	-	-	11,728
Lease payable	1,050,979	-	1,050,979	-
SBITA payable	1,100,751	-	1,100,751	-
Bonds, loans and notes payable	12,405,093	2,332,834	14,737,927	123,977
Total current liabilities	<u>123,360,518</u>	<u>6,444,822</u>	<u>129,805,340</u>	<u>14,652,445</u>
Noncurrent liabilities:				
Compensated absences	7,158,210	648,721	7,806,931	335,156
Accrued workers compensation liability	845,946	584,121	1,430,067	445,485
Other postemployment benefit liability	-	-	-	1,306,499
Lease payable	16,683,051	-	16,683,051	9,268
SBITA payable	5,407,160	-	5,407,160	-
Net pension liability	36,215,544	3,546,144	39,761,688	4,426,897
Subscription liability	-	-	-	552,240
Notes payable, agricultural easement	42,520	-	-	-
Bonds, loans and notes payable	73,689,401	11,293,195	84,982,596	21,568,363
Payable from restricted assets	28,628,485	-	28,628,485	-
Total noncurrent liabilities	<u>168,670,317</u>	<u>16,072,181</u>	<u>184,742,498</u>	<u>28,643,908</u>
Total liabilities	<u>292,030,835</u>	<u>22,517,003</u>	<u>314,547,838</u>	<u>43,296,353</u>
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	5,086,474
Pension	-	-	-	350,009
Leases	1,672,867	-	1,672,867	12,292,990
Other postemployment benefits expense	-	-	-	555,129
Total deferred inflows of resources	<u>1,672,867</u>	<u>-</u>	<u>1,672,867</u>	<u>18,284,602</u>
Net position:				
Net investment in capital assets	220,237,338	13,085,486	233,322,824	62,749,736
Restricted for:				
Gift fund	22,531	-	22,531	-
Farmland preservation	2,283,393	-	2,283,393	-
Hazmat response	3,249,940	-	3,249,940	-
Act 198 - Courts	213,977	-	213,977	-
Workers' compensation	111,541	-	111,541	-
Special revenue funds	88,522,810	-	88,522,810	-
Opioid settlement	13,186,253	-	13,186,253	-
2024 Capital Projects	22,186,454	-	22,186,454	-
COVID Community Support Funds	34,679,662	-	34,679,662	-
Services Center Parking Garage	364,115	-	364,115	-
Act 13 Marcellus Shale	831,043	-	831,043	-
Debt service	-	-	-	519,691
Foundation for Reading Area Community College	-	-	-	22,899,998
Unrestricted net position	57,498,388	19,469,671	76,968,059	25,726,743
Total net position	<u>443,387,445</u>	<u>32,555,157</u>	<u>475,942,602</u>	<u>111,896,168</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 737,091,147</u>	<u>\$ 55,072,160</u>	<u>\$ 792,163,307</u>	<u>\$ 173,477,123</u>

See accompanying notes to the financial statements.

	Expenses	Indirect Expense Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 136,789,986	\$ (18,314,010)	\$ 8,209,290	\$ 34,965,886	\$ -
Judicial	40,745,606	7,573,396	8,498,636	2,489,999	36,988
Public safety	52,643,050	4,484,014	14,097,203	6,867,727	-
Human services	250,756,895	2,968,850	709,182	250,014,197	515,069
Culture and recreation	9,350,020	431,364	48,886	1,785,293	512,510
Community and economic development	16,551,200	406,038	619,189	10,332,355	-
Public works	1,653,500	97,274	2,079,201	-	2,034,748
Community support	2,453,258	9,806	3,780,736	-	-
Debt service administrative expenses	1,257,099	4,181	-	-	-
Solid waste	246,618	8,902	4,278,694	41,635	-
Total governmental activities	<u>512,447,232</u>	<u>(2,330,185)</u>	<u>42,321,017</u>	<u>306,497,092</u>	<u>3,099,315</u>
Business-type activities					
Berks County Residential Center	2,748,139	684,646	897,054	-	-
Berks Heim	<u>57,236,254</u>	<u>1,645,539</u>	<u>61,991,562</u>	<u>426,305</u>	<u>-</u>
Total business-type activities	<u>59,984,393</u>	<u>2,330,185</u>	<u>62,888,616</u>	<u>426,305</u>	<u>-</u>
Total primary government	<u>\$ 572,431,625</u>	<u>\$ -</u>	<u>\$ 105,209,633</u>	<u>\$ 306,923,397</u>	<u>\$ 3,099,315</u>
Component units:					
Total component units	<u>\$ 49,545,051</u>	<u>\$ -</u>	<u>\$ 9,848,052</u>	<u>\$ 17,151,968</u>	<u>\$ -</u>

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ (75,300,800)	\$ -	\$ (75,300,800)	
Judicial	(37,293,379)	-	(37,293,379)	
Public safety	(36,162,134)	-	(36,162,134)	
Human services	(2,487,297)	-	(2,487,297)	
Culture and recreation	(7,434,695)	-	(7,434,695)	
Community and economic development	(6,005,694)	-	(6,005,694)	
Public works	2,363,175	-	2,363,175	
Community support	1,317,672	-	1,317,672	
Debt service administrative expenses	(1,261,280)	-	(1,261,280)	
Solid waste	4,064,809	-	4,064,809	
Total governmental activities	<u>(158,199,623)</u>	<u>-</u>	<u>(158,199,623)</u>	
Business-type activities				
Berks County Residential Center	-	(2,535,731)	(2,535,731)	
Berks Heim	-	3,536,074	3,536,074	
Total business-type activities	<u>-</u>	<u>1,000,343</u>	<u>1,000,343</u>	
Total primary government	<u>(158,199,623)</u>	<u>1,000,343</u>	<u>(157,199,280)</u>	
Component units:				<u>\$ (22,545,031)</u>
Total component units				
General Revenues				
Taxes:				
Property taxes, levied for general purposes	152,372,336	-	152,372,336	-
Hotel tax	3,100,726	-	3,100,726	-
Payments in lieu of taxes	269,096	-	269,096	-
Payments from County of Berks	-	-	-	4,050,000
Payments from other governments	-	-	-	15,696,646
Investment earnings	15,369,618	10,921	15,380,539	1,422,289
Miscellaneous/other	15,007,039	-	15,007,039	3,303,810
Gain on disposal of capital assets	103,298	-	103,298	-
Rental of space	332,623	-	332,623	-
BCRC closing transfers	3,724,741	(3,724,741)	-	-
Total general revenue and transfers	<u>190,279,477</u>	<u>(3,713,820)</u>	<u>186,565,657</u>	<u>24,472,745</u>
Change in net position	32,079,854	(2,713,477)	29,366,377	1,927,714
Net position, beginning, as restated	411,307,591	35,268,634	446,576,225	109,968,454
Net position, ending	<u>\$ 443,387,445</u>	<u>\$ 32,555,157</u>	<u>\$ 475,942,602</u>	<u>\$ 111,896,168</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	COVID Impact	Nonmajor	Total Governmental
Assets						
Cash and cash equivalents	\$ 122,921,005	\$ 1,300	\$ 32,741,415	\$ 2,515,495	\$ 3,700,839	\$ 161,880,054
Cash and cash equivalents, restricted	5,093,848	-	14,201,651	-	22,132,194	41,427,693
Investments	51,337,095	-	-	-	-	51,337,095
Investments, restricted	-	-	835,151	-	-	835,151
Taxes receivable	7,633,508	-	-	-	-	7,633,508
Accounts receivable	7,257,555	1,387	-	-	3,285,973	10,544,915
Lease receivable	1,706,330	-	-	-	-	1,706,330
Opioid settlement receivable	-	-	-	-	13,186,253	13,186,253
Accrued interest receivable	457,837	-	63	-	-	457,900
Due from other governments	3,767,188	22,729,928	13,793,831	-	5,392,793	45,683,740
Due from other funds	79,803,326	6,931,708	82,523	-	15,380,966	102,198,523
Inventories	403,576	-	-	-	-	403,576
Prepaid expenses	9,953,529	-	-	-	2,449,369	12,402,898
Loans receivable	4,934,409	-	-	-	-	4,934,409
Investments, non-current	42,545,742	-	-	-	-	42,545,742
Total assets	\$ 337,814,948	\$ 29,664,323	\$ 61,654,634	\$ 2,515,495	\$ 65,528,387	\$ 497,177,787
Liabilities						
Accounts payable	\$ 5,766,440	\$ 2,642,679	\$ 22,707,981	\$ -	\$ 4,754,880	\$ 35,871,980
Accrued liabilities	7,549,667	572,915	28,802	-	1,005,627	9,157,011
Due to other funds	96,772,975	15,645,437	-	-	9,209,668	121,628,080
Due to other governments	687,738	-	-	-	-	687,738
Unearned revenue	3,121,595	10,462,432	181,331	-	6,889,544	20,654,902
Due to third parties	4,532,797	9,225	-	-	227,608	4,769,630
Accrued claims health insurance	2,349,017	250,269	14,133,976	-	363,440	17,096,702
Payable from restricted assets	-	-	24,602,544	-	4,026,097	28,628,641
Total liabilities	120,780,229	29,582,957	61,654,634	-	26,476,864	238,494,684
Deferred inflows of resources						
Unavailable property taxes	5,035,468	-	-	-	-	5,035,468
Opioid settlement	-	-	-	-	13,186,253	13,186,253
Leases	1,672,867	-	-	-	-	1,672,867
Other unavailable	72,962	4,050	-	-	15,099	92,111
Total deferred inflows of resources	6,781,297	4,050	-	-	13,201,352	19,986,699
Fund balances						
Nonspendable:	10,385,517	1,241	-	-	2,449,369	12,836,127
Restricted	4,406,501	76,075	-	-	23,400,802	27,883,378
Committed	59,513,624	-	-	-	-	59,513,624
Assigned	10,785	-	-	-	-	10,785
Unassigned	135,936,995	-	-	2,515,495	-	138,452,490
Total fund balances	210,253,422	77,316	-	2,515,495	25,850,171	238,696,404
Total liabilities, deferred inflows of resources and fund balances	\$ 337,814,948	\$ 29,664,323	\$ 61,654,634	\$ 2,515,495	\$ 65,528,387	\$ 497,177,787

See accompanying notes to the financial statements.

Total fund balances for governmental funds	\$	238,696,404
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and improvements, net	\$	16,228,606
Agland easements		84,712,125
Infrastructure, net		33,081,304
Building and improvements, net		78,012,976
Furniture, fixtures, equipment and vehicles, net		43,967,739
Historical treasures		2,290,344
Software		237,777
Software in progress		9,115,569
Construction in progress		7,230,942
		<u>274,877,382</u>
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		35,973,519
Difference in prepaid expense in accordance with GASB 87 lease disclosure		(8,809,930)
Difference in accounts payable accrual due to GASB 96 implementation		(444,000)
These pension items are not financial resources and therefore not reported in the funds.		
Net pension liability		(36,215,544)
Deferred outflows (inflows) of resources		33,772,822
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	3,048,315	
Delinquent property taxes	1,987,153	
Deferred inflow - Opioid Settlement	13,186,253	
District Justices departmental charges and reimbursements	1,660,269	
		<u>19,881,990</u>
Other liabilities not paid until future periods that are a current period expense.		
Payroll and payroll taxes		(173,038)
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, 2023 are:		
Accrued interest on bonds and notes	(329,163)	
Compensated absences	(8,676,150)	
Accrued claims liabilities	(1,056,621)	
Leases and subscriptions payable	(24,241,941)	
Bonds and notes payable and refunding loss	(79,868,285)	
		<u>(114,172,160)</u>
Total net position of governmental activities	\$	<u>443,387,445</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	General Fund	Children and Youth Services	Health Choices	COVID Impact	Nonmajor	Total Governmental
Revenues						
Taxes:						
Property	\$ 152,445,733	\$ -	\$ -	\$ -	\$ -	\$ 152,445,733
Hotel	-	-	-	-	3,100,726	3,100,726
Court costs, fines and forfeitures	2,205,072	-	-	-	-	2,205,072
Intergovernmental revenue	13,142,032	33,080,371	170,624,416	33,495,962	60,004,065	310,346,846
Departmental charges and reimbursements	54,107,381	482,621	-	-	16,545,618	71,135,620
Payments in lieu of taxes	269,096	-	-	-	-	269,096
Rentals	-	-	-	-	57,203	57,203
Sales of property, supplies and equipment	88,706	-	-	-	-	88,706
Investment earnings	10,206,173	678	1,145,468	2,515,495	1,542,599	15,410,413
Miscellaneous	15,394,355	996	-	-	426,569	15,821,920
Total revenues	<u>247,858,548</u>	<u>33,564,666</u>	<u>171,769,884</u>	<u>36,011,457</u>	<u>81,676,780</u>	<u>570,881,335</u>
Expenditures						
Current:						
General government, administrative	65,398,109	-	-	-	3,367,171	68,765,280
General government, judicial	61,170,222	-	-	-	217,576	61,387,798
Public safety	71,968,222	-	-	-	12,212,672	84,180,894
Human services	-	39,578,796	171,754,583	-	53,172,687	264,506,066
Culture and recreation	9,721,562	-	-	-	-	9,721,562
Community and economic development	4,098,071	-	-	-	10,194,943	14,293,014
Public works	14,242	-	-	-	1,487,147	1,501,389
Community support	23,701,213	-	-	-	-	23,701,213
Intergovernmental expenditures - Solid waste	291,485	-	-	-	-	291,485
Principal	17,645,328	-	-	-	10,352,254	27,997,582
Interest and fiscal charges	2,976,412	-	-	-	1,069,848	4,046,260
Debt service costs	1,004,646	-	-	-	852,309	1,856,955
Administrative expenditures	28,831	-	-	-	-	28,831
Total expenditures	<u>258,018,343</u>	<u>39,578,796</u>	<u>171,754,583</u>	<u>-</u>	<u>92,926,607</u>	<u>562,278,329</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,159,795)</u>	<u>(6,014,130)</u>	<u>15,301</u>	<u>36,011,457</u>	<u>(11,249,827)</u>	<u>8,603,006</u>
Other financing sources (uses)						
Transfers in	37,280,627	6,275,941	-	-	16,397,631	59,954,199
Transfers out	(23,933,644)	(260,909)	(15,301)	(33,495,962)	(2,120,385)	(59,826,201)
Lease proceeds	330,014	-	-	-	-	330,014
SBITA proceeds	4,271,573	-	-	-	-	4,271,573
BCRC closing transfer out	(1,380,905)	-	-	-	-	(1,380,905)
Total other financing sources (uses)	<u>16,567,665</u>	<u>6,015,032</u>	<u>(15,301)</u>	<u>(33,495,962)</u>	<u>14,277,246</u>	<u>3,348,680</u>
Net changes in fund balances	6,407,870	902	-	2,515,495	3,027,419	11,951,686
Fund balances, beginning, as restated	203,845,552	76,414	-	-	22,822,752	226,744,718
Fund balances, ending	<u>\$ 210,253,422</u>	<u>\$ 77,316</u>	<u>\$ -</u>	<u>\$ 2,515,495</u>	<u>\$ 25,850,171</u>	<u>\$ 238,696,404</u>

See accompanying notes to the financial statements.

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

Net change in fund balances - total governmental funds \$ 11,951,686

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	14,415,940	
Depreciation expense	<u>(14,656,366)</u>	(240,426)

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	25,944,066	
Transfer of bonds BCRC close	(2,314,589)	
Bond premium/discounts/refunding losses	2,904,561	
Net adjustment due to GASB 87/96	<u>2,743,833</u>	29,277,871

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:

139,452

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	(73,397)	
Opioid Settlement	<u>(786,498)</u>	(859,895)

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	(466,291)	
Net pension obligation	<u>(7,722,542)</u>	(8,188,833)

Change in net position of governmental activities \$ 32,079,855

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ -	\$ 172,008	\$ 172,008
Cash and cash equivalents, restricted	-	91,847	91,847
Accounts receivable, net	-	5,078,598	5,078,598
Due from other funds	-	19,429,558	19,429,558
Inventories	-	198,437	198,437
Prepaid expenses	-	50,502	50,502
Total current assets	<u>-</u>	<u>25,020,950</u>	<u>25,020,950</u>
Noncurrent assets:			
Employee pay advance	-	18,255	18,255
Capital assets	-	26,562,342	26,562,342
Total noncurrent assets	<u>-</u>	<u>26,580,597</u>	<u>26,580,597</u>
Deferred outflows of resources:			
Pension	-	3,321,439	3,321,439
Unamortized bond refunding gain/loss	-	149,174	149,174
Total deferred outflows of resources	<u>-</u>	<u>3,470,613</u>	<u>3,470,613</u>
Total assets and deferred outflows of resources	<u>-</u>	<u>55,072,160</u>	<u>55,072,160</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	1,391,609	1,391,609
Accrued liabilities	-	1,678,607	1,678,607
Accrued interest payable	-	43,821	43,821
Compensated absences	-	410,628	410,628
Accrued claims health insurance	-	479,407	479,407
Accrued claims liability	-	107,916	107,916
Bonds payable, net	-	2,332,834	2,332,834
Total current liabilities	<u>-</u>	<u>6,444,822</u>	<u>6,444,822</u>
Noncurrent liabilities:			
Compensated absences	-	648,721	648,721
Accrued claims liability	-	584,121	584,121
Pension Liability	-	3,546,144	3,546,144
Bonds payable, net	-	11,293,195	11,293,195
Total noncurrent liabilities	<u>-</u>	<u>16,072,181</u>	<u>16,072,181</u>
Total liabilities	<u>-</u>	<u>22,517,003</u>	<u>22,517,003</u>
Net Position			
Net investment in capital assets	-	13,085,486	13,085,486
Unrestricted net position	-	19,469,671	19,469,671
Total Net Postion	<u>\$ -</u>	<u>\$ 32,555,157</u>	<u>\$ 32,555,157</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, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Berks County Residential Center	Berks Heim	Totals
Operating revenues			
Charges for services	\$ 894,490	\$ 32,599,413	\$ 33,493,903
Other operating revenues	2,565	29,392,149	29,394,714
Total operating revenues	<u>897,055</u>	<u>61,991,562</u>	<u>62,888,617</u>
Operating expenses			
Program services	2,918,663	37,405,217	40,323,880
Administrative expenses	-	4,526,074	4,526,074
Depreciation	386,123	1,633,967	2,020,090
Total operating expenses	<u>3,304,786</u>	<u>43,565,258</u>	<u>46,870,044</u>
Operating income (loss)	<u>(2,407,731)</u>	<u>18,426,304</u>	<u>16,018,573</u>
Nonoperating revenues (expenses)			
Grants	-	426,305	426,305
Investment earnings	-	10,921	10,921
Interest expense	-	(378,535)	(378,535)
Gain/Loss on Disposal	(3,724,741)	-	(3,724,741)
Contribution to General Fund	-	(14,938,000)	(14,938,000)
Total nonoperating revenues (expenses)	<u>(3,724,741)</u>	<u>(14,879,309)</u>	<u>(18,604,050)</u>
Income (loss) before transfers	<u>(6,132,472)</u>	<u>3,546,995</u>	<u>(2,585,477)</u>
Transfers in	-	-	-
Transfers out	(128,000)	-	(128,000)
Change in net position	<u>(6,260,472)</u>	<u>3,546,995</u>	<u>(2,713,477)</u>
Total net position, beginning	6,260,472	29,008,162	35,268,634
Total net position, ending	<u>\$ -</u>	<u>\$ 32,555,157</u>	<u>\$ 32,555,157</u>

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Cash flows from operating activities			
Receipts from customers	\$ 1,443,459	\$ 61,400,359	\$ 62,843,818
Payments to suppliers	(1,083,280)	(14,192,603)	(15,275,883)
Payments to employees	<u>(2,298,390)</u>	<u>(26,278,590)</u>	<u>(28,576,980)</u>
Net cash provided by (used in) operating activities	<u>(1,938,211)</u>	<u>20,929,166</u>	<u>18,990,955</u>
Cash flows from noncapital financing activities			
Principal paid on bonds	-	-	-
Receipts from other governments	(32,110)	426,305	394,195
Interest paid	-	-	-
Contribution from (to) General Fund	-	(14,938,000)	(14,938,000)
Transfers from (to) other funds	1,492,619	-	1,492,619
Amounts due from (to) other funds	<u>484,273</u>	<u>(4,344,549)</u>	<u>(3,860,276)</u>
Net cash provided by (used in) noncapital financing activities	<u>1,944,782</u>	<u>(18,856,244)</u>	<u>(16,911,462)</u>
Cash flows from capital and related financing activities			
Principal paid on bonds	-	(887,099)	(887,099)
Interest paid	(7,571)	(382,731)	(390,302)
Construction in progress	-	-	-
Purchase of capital assets	<u>-</u>	<u>(816,804)</u>	<u>(816,804)</u>
Net cash provided by (used in) capital and related financing activities	<u>(7,571)</u>	<u>(2,086,634)</u>	<u>(2,094,205)</u>
Cash flows from investing activities			
Investment earnings received	<u>-</u>	<u>10,921</u>	<u>10,921</u>
Net cash provided by investing activities	<u>-</u>	<u>10,921</u>	<u>10,921</u>
Net decrease in cash and cash equivalents	(1,000)	(2,791)	(3,791)
Cash and cash equivalents, beginning	1,000	266,646	267,646
Cash and cash equivalents, ending	<u>\$ -</u>	<u>\$ 263,855</u>	<u>\$ 263,855</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income/loss	(2,535,731)	18,426,306	\$ 15,890,575
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	386,123	1,633,967	2,020,090
Amortization of bond premium	(29,390)	(188,889)	(218,279)
Amortization of refunding loss	36,123	(281,913)	(245,790)
Changes in assets and liabilities:			
Accounts receivable, net	546,405	(164,366)	382,039
Employee pay advance	-	2,815	2,815
Inventories	-	2,961	2,961
Prepaid expenses	-	8,013	8,013
Pension asset, net	(280,901)	(3,260,791)	(3,541,692)
Pension deferred outflow	250,762	2,910,931	3,161,693
Accounts payable and accrued liabilities	(243,452)	403,705	160,253
Unearned grant revenue	-	(426,837)	(426,837)
Compensated absences	(162,164)	139,544	(22,620)
Accrued claims health insurance	(45,147)	129,001	83,854
Accrued claims liability	-	(20,699)	(20,699)
Pension deferred inflow	<u>139,161</u>	<u>1,615,418</u>	<u>1,754,579</u>
Net cash provided by (used in) operating activities	<u>\$ (1,938,211)</u>	<u>\$ 20,929,166</u>	<u>\$ 18,990,955</u>

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Berks County Employees' Retirement	Custodial
Assets		
Cash and cash equivalents	\$ 202,364	\$ 14,460,405
Receivables:		
Contributions receivable / Due from other funds	564,907	-
Investment income receivable	390,500	-
Total receivables	<u>955,407</u>	<u>-</u>
Investments, at fair value (see Note 2):		
Fixed income securities	104,535,157	-
Domestic equities	354,339,244	-
Real estate / Alternative	68,031,152	-
Certificates of deposit	190	4,370,685
Total investments	<u>526,905,743</u>	<u>4,370,685</u>
Total assets	<u>528,063,514</u>	<u>18,831,090</u>
Liabilities		
Accounts payable	399,687	-
Due to third parties	-	1,519,504
Fees due to Commonwealth of Pennsylvania	-	16,520
Real estate taxes due to City of Reading	-	312,413
Due to other governments	-	434,165
Other	-	6,044,203
Total liabilities	<u>399,687</u>	<u>8,326,805</u>
Net position		
Net position restricted for pension	527,663,827	-
Net position restricted for individuals, organizations and other governments	-	10,504,285
Total Net Position	<u>\$ 527,663,827</u>	<u>\$ 10,504,285</u>

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Berks County Employees' Retirement	Custodial
Additions		
Fee collections for government entities	\$ -	\$ 65,433,053
Escheated funds received for Commonwealth of Pennsylvania	-	242,565
Real estate tax collections for City of Reading, Pennsylvania	-	23,359,424
Receipts from Others	-	21,904,040
Subtotal	<u>-</u>	<u>110,939,082</u>
Contributions:		
Member	8,628,323	-
County	771,559	-
Total contributions	<u>9,399,882</u>	<u>-</u>
Investment income:		
Net gain/loss in fair value of investments	61,168,136	-
Interest and dividends	12,059,353	569,422
Less investment expenses	(1,022,857)	-
Net investment income	<u>72,204,632</u>	<u>569,422</u>
Total additions	<u>81,604,514</u>	<u>111,508,504</u>
Deductions		
Benefit payments, including refunds of member contributions	31,482,822	-
Administrative/other expense	79,221	-
Payments of fees collected to Commonwealth of Pennsylvania	-	22,055,439
Payments of fees collected to other government entities	-	43,306,475
Payments of escheated funds to Commonwealth of Pennsylvania	-	242,565
Payments of real estate tax collected to City of Reading	-	23,359,424
Payments to others	-	22,087,448
Total deductions	<u>31,562,043</u>	<u>111,051,351</u>
Change in net position	50,042,471	457,153
Net position restricted, beginning, as restated	477,621,356	10,047,132
Net position restricted, ending	<u>\$ 527,663,827</u>	<u>\$ 10,504,285</u>

See accompanying notes to the financial statements.

Statement of Net Position (Deficit)
Component Units
December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,565,720	\$ 17,488,165	\$ 20,053,885
Cash and cash equivalents, restricted	47,844	11,875,500	11,923,344
Accounts receivable, net	251,069	9,048,888	9,299,957
Due from other governments	78,848	-	78,848
Lease Receivable	219,163	-	219,163
Inventories	-	17,216	17,216
Prepaid expenses	-	598,024	598,024
Total current assets	<u>3,162,644</u>	<u>39,027,793</u>	<u>42,190,437</u>
Noncurrent assets:			
Investments	-	24,350,417	24,350,417
Beneficial interests in perpetual trusts held by others	-	9,942,914	9,942,914
Other receivables	-	153,370	153,370
Collections - works of art	-	909,433	909,433
Deposits on business acquisitions	100,000	-	100,000
Restricted assets - cash	799,349	-	799,349
Capital assets:			
Land and improvements	7,020,147	1,081,556	8,101,703
Air easement rights	103,002	-	103,002
Infrastructure, net	15,195,768	-	15,195,768
Buildings and improvements, net	9,024,034	36,580,865	45,604,899
Furniture, fixtures, equipment and vehicles, net	458,074	2,095,169	2,553,243
Leasehold improvements, net	183,223	-	183,223
Right-to-use lease assets	8,056	1,298,017	1,306,073
Lease receivable	13,317,407	-	13,317,407
Construction in progress	1,905,384	5,459,867	7,365,251
Total noncurrent assets	<u>48,114,444</u>	<u>81,871,608</u>	<u>129,986,052</u>
Deferred outflows of resources:			
Pension	-	843,259	843,259
Other postemployment benefits	-	457,375	457,375
Total deferred outflows of resources	<u>-</u>	<u>1,300,634</u>	<u>1,300,634</u>
Total assets and deferred outflows of resources	<u>51,277,088</u>	<u>122,200,035</u>	<u>173,477,123</u>
Liabilities			
Accounts payable	132,735	1,835,360	1,968,095
Accrued liabilities	16,967	1,406,643	1,423,610
Unearned revenue	40,957	8,998,771	9,039,728
Compensated absences	-	534,099	534,099
Long-term Liabilities	-	1,469,515	1,469,515
Deposits	81,693	-	81,693
Interest payable	-	11,728	11,728
Bonds, loans and notes payable	123,977	-	123,977
Total current liabilities	<u>396,329</u>	<u>14,256,116</u>	<u>14,652,445</u>
Noncurrent liabilities:			
Compensated absences	-	335,156	335,156
Medical insurance liability	-	445,485	445,485
Other postemployment benefit liability	-	1,306,499	1,306,499
Lease Payable	4,469	4,799	9,268
Net pension liability	-	4,426,897	4,426,897
Subscription liability	-	552,240	552,240
Bonds, loans and notes payable	2,967,936	18,600,427	21,568,363
Total noncurrent liabilities	<u>2,972,405</u>	<u>25,671,503</u>	<u>28,643,908</u>
Total liabilities	<u>3,368,734</u>	<u>39,927,619</u>	<u>43,296,353</u>
Deferred inflows of resources			
Deferred rent revenue	5,086,474	-	5,086,474
Deferred inflows of resources for lease revenue	12,292,990	-	12,292,990
Deferred pension expense	-	350,009	350,009
Deferred other postemployment benefits expense	-	555,129	555,129
Total deferred inflows of resources	<u>17,379,464</u>	<u>905,138</u>	<u>18,284,602</u>
Net position:			
Net investment in capital assets	25,635,890	37,113,846	62,749,736
Restricted for:			
Debt service	519,691	-	519,691
Foundation for Reading Area Community College	-	22,899,998	22,899,998
Unrestricted net position	<u>4,373,309</u>	<u>21,353,434</u>	<u>25,726,743</u>
Total net position	<u>\$ 30,528,890</u>	<u>\$ 81,367,278</u>	<u>\$ 111,896,168</u>

* Presented as of June 30, 2023

** Presented as of September 30, 2023

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
 Component Units
 Year ended December 31, 2023

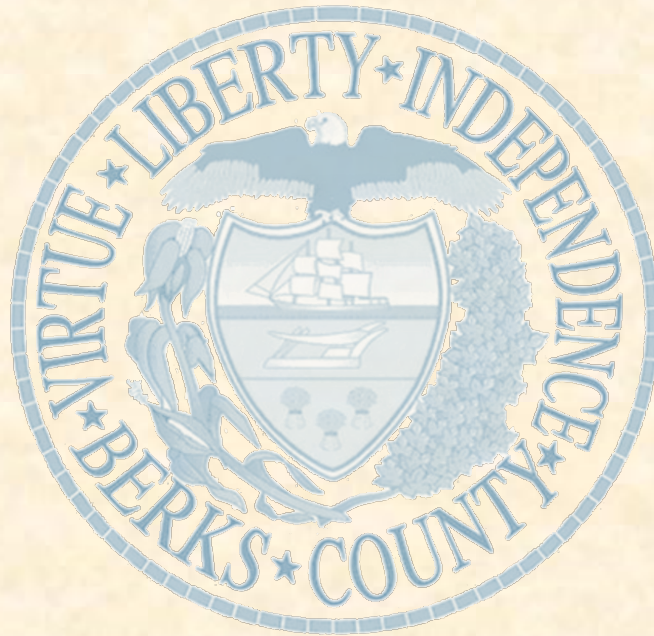
County of Berks
 2023 Annual Comprehensive Financial Report

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 2,828,874	\$ 7,019,178	\$ 9,848,052
Operating grants and contributions	256,934	16,895,034	17,151,968
Investment earnings	-	644,531	644,531
Other revenues	-	3,103,383	3,103,383
Total operating revenues	<u>3,085,808</u>	<u>27,662,126</u>	<u>30,747,934</u>
Total operating expenses	<u>4,493,099</u>	<u>44,560,781</u>	<u>49,053,880</u>
Operating income (loss)	<u>(1,407,291)</u>	<u>(16,898,655)</u>	<u>(18,305,946)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	14,751,439	14,751,439
Investment income - deposits	35,027	300,672	335,699
Investment income - leases	442,059	-	442,059
Interest expense	(87,451)	(279,220)	(366,671)
Bond issuance costs	-	(124,500)	(124,500)
Total nonoperating revenues (expenses)	<u>389,635</u>	<u>17,898,391</u>	<u>18,288,026</u>
Other revenues (expense):			
Payments from County of Berks	-	800,000	800,000
Payments from other governments	-	945,207	945,207
Long-term gifts and grants	-	200,427	200,427
Total other revenues (expense)	<u>-</u>	<u>1,945,634</u>	<u>1,945,634</u>
Change in net position (deficit)	<u>(1,017,656)</u>	<u>2,945,370</u>	<u>1,927,714</u>
Net position, beginning, as restated	<u>31,546,546</u>	<u>78,421,908</u>	<u>109,968,454</u>
Total net position, ending	<u>\$30,528,890</u>	<u>\$ 81,367,278</u>	<u>\$ 111,896,168</u>

* Presented for the year ended June 30, 2023

** Presented for the year ended September 30, 2023

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 five directors who are appointed by the County of Berks. The five board members consist of the three Berks County Commissioners, the Chief Operations Officer of Berks County, and the Director of Community and Economic Development of Berks County. The County has also agreed to guarantee the revenue notes of the Authority. The Reading Regional Airport Authority operates on a fiscal year ending September 30.
- Reading Area Community College is a publicly supported comprehensive community college, serving primarily Berks County. The fifteen 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 comprise of the following:

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

1. Government-wide financial statements

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

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

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

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

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

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

2. Fund financial statements

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

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

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

- **Governmental funds**

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

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

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

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

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

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

- **Proprietary funds**

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

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

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, *“Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”*. The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2023:

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.

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. As of January 2023, the BCRC center was permanently closed and the Federal Government terminated its contract with the County of Berks.

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

3. Other fund types - fiduciary

- Retirement Trust
The Berks County Employees’ Retirement Trust Fund is included as a fiduciary component unit and accounts for the revenue (i.e., member contributions, County appropriations, and net investment income) and the expenditures (i.e., allowance contributions refunded, retirement allowances, and death benefits paid) of the County’s defined benefit retirement plan.
- Custodial
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 2023 property tax levy outstanding at December 31, 2023. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2023. The allowance for district justices’ fines and court costs is equal to 40 percent of the outstanding accounts receivable at December 31, 2023. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2023. 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, 2023.

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 are reported at acquisition value rather than fair value.

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

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

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

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

K. Deferred outflows/inflows of resources

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

Q. Self-insurance

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

R. Estimates

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

S. Long-term obligations

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

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

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

T. 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	\$ 203,863,320
Prior period adjustments	<u>(17,768)</u>
Fund balance, beginning, as restated	<u>\$ 203,845,552</u>

Children and Youth Services

Fund balance, beginning, as previously reported	\$ 78,044
Prior period adjustments	<u>(1,630)</u>
Fund balance, beginning, as restated	<u>\$ 76,414</u>

Prior period adjustments were recorded in the General Fund and Children and Youth Services (CYS) in order to correct errors in CYC, Courts, Treasurer, Prison and Sheriff departments.

Non-Major Governmental Funds

Fund balance, beginning, as previously reported	\$ 23,058,928
Prior period adjustments	<u>(236,176)</u>
Fund balance, beginning, as restated	<u>\$ 22,822,752</u>

Prior period adjustments were recorded in the Special Revenue Fund for Special Legislation, 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	\$ 411,563,166
Prior period adjustments	<u>(255,575)</u>
Net position, beginning, as restated	<u>\$ 411,307,591</u>

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

The County’s beginning restricted net position in the fiduciary funds has been restated to properly reflect the effect of a prior period adjustment as follows:

Custodial

Net position, beginning, as previously reported	\$ 8,210,643
Prior period adjustments	<u>1,836,489</u>
Net position, beginning, as restated	<u>\$ 10,047,132</u>

Prior period adjustments were recorded in the custodial fund in order to correct discrepancies.

W. Leases

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

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

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

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

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

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

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

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

X. Subscription-Based Information Technology Arrangements

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

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

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

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

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

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

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

Y. Pending and Adopted Accounting Pronouncements

In 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 has implemented this Statement, which is reflected in the 2023 reporting.

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 has implemented this Statement, which is reflected in the 2023 reporting.

In May 2022, the GASB issued Statement No. 99, "*Omnibus 2022.*" The requirements of this Statement related to leases, PPPs, and SBITAs are effective for financial statements for periods beginning after June 15, 2022. The requirements related to financial guarantees and the other requirements related to derivative instruments are effective for periods beginning after June 15, 2023.

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

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.

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

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

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, 2023 consist of the following:

Cash and cash equivalents	\$ 218,218,340
Petty cash	16,031
Investments	625,994,416
	<u>\$ 844,228,787</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 162,052,062
Current assets, cash and cash equivalents, restricted	41,519,540
Current assets, investments	51,337,095
Current assets, investments, restricted	835,151
Noncurrent assets, investments	42,545,742

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	202,364
Investments	526,905,743

Custodial fund:

Cash and cash equivalents	14,460,405
Investments	4,370,685
	<u>\$ 844,228,787</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, 2023, the carrying amounts of the County's bank deposits were \$218,218,340 and the bank balances were \$223,043,109. For all bank accounts under the County of Berks EIN, amounts up to \$250,000 per financial institution are covered by Federal Depository Insurance and the remaining amounts are collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County invests in PLGIT, an external investment pool, in the amount of \$67,020,510, 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, 2023, 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 \$19,184,391, 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, 2023, the County had the following investments and maturities:

Investment Type	Investment Maturities (in Years)				
	<u>Fair Value</u>	<u><1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>>10</u>
Governmental Fund					
General Fund					
U.S. Govt agency securities	\$ 93,882,837	\$ 51,337,095	\$ 42,545,742	\$ -	\$ -
Health Choices Fund					
Negot. Certif. of deposit	<u>835,151</u>	<u>835,151</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Funds	<u>94,717,988</u>	<u>52,172,246</u>	<u>42,545,742</u>	<u>-</u>	<u>-</u>
Fiduciary Funds					
County Employee's Retirement:					
Negot. Certif. of deposit	190	190	-	-	-
Collective Trusts					
Special Situations Collective Fund	24,999,999	24,999,999	-	-	-
Global Private Assets VI	2,205,107	2,205,107	-	-	-
Core Property	38,350,114	38,350,114	-	-	-
Energy Debt	2,475,931	2,475,931	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Fund	44,851,769	44,851,769	-	-	-
S&P 500 IDX-A	178,945,257	178,945,257	-	-	-
Emerging Markets Equity Fund	16,127,436	16,127,436	-	-	-
World Equity Ex-US Fund	114,414,782	114,414,782	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income Fund	42,463,222	42,463,222	-	-	-
High Yield Bond Fund	10,478,896	10,478,896	-	-	-
Limited Duration Bond	40,839,045	40,839,045	-	-	-
Emerging Markets Debt Fund	10,753,995	10,753,995	-	-	-
Custodial Funds:					
Negot. Certif. of deposit	<u>4,370,685</u>	<u>4,370,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fiduciary Funds	<u>531,276,428</u>	<u>531,276,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 625,994,416</u>	<u>\$ 583,448,674</u>	<u>\$ 42,545,742</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in certificates of deposit at December 31, 2023 were \$5,206,026. Of this total, \$4,370,685 was covered by Federal Depository Insurance, and \$835,151 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, 2023:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 93,882,837	AAA
Negotiable certificates of deposit	5,206,026	Unrated
Mutual funds - Core fixed income	42,463,222	AA-
Mutual funds - High Yield Bonds	10,478,896	B+
Mutual funds - Emerging Mkts Debt	10,753,995	BBB-
Mutual funds - SIIT Limited Duration	40,839,044	AA-
	<u>\$ 203,624,020</u>	

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

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

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	41%
International equity	24%
Fixed Income	20%
Real Estate/Alternative	15%
Cash	0%
	<hr/>
Total	100%

At December 31, 2023, 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, 2023, \$625,994,416 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, 2023.

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, 2023:

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	\$ 5,206,026	\$ -	\$ -	\$ 5,206,026
U.S. Government Agency securities	93,882,837	-	-	93,882,837
Fixed income mutual funds				
Core Fixed Income Fund	42,463,222	-	-	42,463,222
High Yield Bond Fund	10,478,896	-	-	10,478,896
Limited Duration Bond	40,839,045	-	-	40,839,045
Emerging Markets Debt Fund	10,753,995	-	-	10,753,995
Total fixed income mutual funds	104,535,158	-	-	104,535,158
Equity mutual funds				
Extended Market Index Fund	44,851,769	-	-	44,851,769
S&P 500 IDX-A	178,945,257	-	-	178,945,257
Emerging Markets Equity Fund	16,127,436	-	-	16,127,436
World Equity Ex-US	114,414,782	-	-	114,414,782
Total equity mutual funds	354,339,244	-	-	354,339,244
Total investments by fair value level	<u>\$ 557,963,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,963,265</u>
Measured at Net Asset Value (NAV)				
Collective Trust Funds				68,031,151
Total Investment measured at fair value				<u>\$ 625,994,416</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					
Special Situations Collective Fund	(a)	\$ 24,999,999	-		
Global Private Assets VI	(b)	2,205,107	15,533,533		
Core Property	(c)	38,350,114	-	Immediate	None
Energy Debt	(d)	<u>2,475,931</u>	<u>-</u>	Immediate	None
Total Collective Trust Funds		<u>\$ 68,031,151</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 quarterly at the current NAV per share based on the fair value of the underlying investments. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.
- (b) The Energy Debt Collective Investment Trust Fund is a “master feeder” complex, by which the Trust invests substantially all of its assets in the SEI Energy Debt Fund, LP (EDF). This structure provides a means for eligible investors to participate in investments in below investment grade bonds and loans (and other debt and equity instruments) of U.S. and international energy companies. The EDF seeks to achieve high total returns. No requested redemptions from EDF as it is in wind down. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.
- (c) The Special Situations Collective Investment Trust Fund is a “master feeder” complex, by which the Trust invests substantially all of its assets in the SEI Special Situations Fund, LP (SSF). This structure provides a means for eligible investors to invest primarily in “fund of fund” hedge funds, while also opportunistically investing directly in any other securities and financial instruments. The SSF seeks to achieve high returns balanced against an appropriate level of volatility and directional market exposure over a full market cycle. Investments in this Fund can be redeemed semiannually at the current NAV per share based on the fair value of the underlying investments once the 2 year lock up has been met (9/30/2025). The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.

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

B. Component units

1. Reading Regional Airport Authority

The Authority 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 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 Authority’s cash and cash equivalents consist of the following at September 30, 2023:

Petty cash	\$	250
Unrestricted cash		2,565,470
Restricted Cash:		
Airport improvement project funds		519,691
Sewage treatment plant reserve funds		279,658
Insurance proceeds		-
Escrow deposits		47,844
	\$	<u>3,412,913</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, 2023, \$3,172,376 of the Authority’s bank balance of \$3,422,376 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, 2023 consist of the following:

Cash on hand	\$	3,500
Cash		9,559,557
Investments		28,921,025
	\$	<u>38,484,082</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, 2023, the carrying amount of the College’s deposits was \$10,804,557 and the bank balance was \$10,894,147. Of the bank balance, \$1,495,000 was covered by federal depository insurance and \$9,399,147 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, 2023, the cash and cash equivalents for the College Foundation was \$1,880,986. 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 Loan Banks (FHLB), and Federal National Mortgage Associations (FNMA) excluding “stripped mortgage securities” purchased at proceeds exceeding their principal amounts.
- Deposits in savings accounts or time deposits in certificates of deposit insured by the Federal Deposit Insurance Company or other like insurance and for any amounts above the insured maximum, provided that approved collateral is provided by law, therefore shall be pledged by the depository.
- Repurchase agreements that are fully collateralized by obligation of the USA. Monthly statements of deposit collateral shall be obtained from the authorized depository.

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

The 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 \$28,921,026 is valued using bid prices for comparable securities (Level 2 input), with exception of other investments which are money market accounts reported at net asset value.

The fair value of investments for the College is presented below as of June 30, 2023:

Investment	Interest Rates	Total	< 1 year	> 1 year
Certificates of Deposit	2.50% - 4.40%	\$ 1,245,000	\$ 1,245,000	\$ -
FNMA	0.375% - 1.625%	1,439,804	-	1,439,804
FHLMC	0.125% - 0.375%	612,045	376,129	235,916
Tenn Valley Authority	0.75%	194,685	-	194,685
US Treasury Bills	N/A	11,817,330	11,817,330	-
US Treasury Note	.375% - 4.1275%	12,714,677	3,583,679	9,130,998
Other Investments		897,485	897,485	-
Total Investments		\$ 28,921,026	\$ 17,919,623	\$ 11,001,403

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, 2023, 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, 2023 are summarized as follows:

<u>Investment</u>	<u>2023</u>
Equities	\$ 6,734,941
Equity mutual funds	192,477
Exchange traded funds	2,444,079
Real estate investment trust	189,788
Fixed income	3,097,283
Cash and equivalents	<u>690,446</u>
 Total Investments	 <u>\$ 13,349,014</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2023:

<u>Category</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$ 19,470	\$ 242,762	\$ -	\$ 262,232
Market gains	29,503	423,687	-	453,190
Fees	<u>(4,615)</u>	<u>(66,276)</u>	<u>-</u>	<u>(70,891)</u>
 Total Investments	 <u>\$ 44,358</u>	 <u>\$ 600,173</u>	 <u>\$ -</u>	 <u>\$ 644,531</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, 2023 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, 2023:

Category	Level 1	Level 2	Level 3	Total
Equities	\$ 6,734,941	\$ -	\$ -	\$ 6,734,941
Equity mutual funds	192,477	-	-	192,477
Exchange traded funds	2,444,079	-	-	2,444,079
Real estate investment trust	189,788	-	-	189,788
Fixed income	3,097,283	-	-	3,097,283
	12,658,568	-	-	12,658,568
Beneficial interest in perpetual trusts	-	-	9,942,914	9,942,914
Total assets at fair value	\$ 12,658,568	\$ -	\$ 9,942,914	\$ 22,601,482

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, 2023:

Balance, beginning of year	\$ 9,696,313
Contributions/purchases	(125,000)
Realized and unrealized gains (losses)	<u>371,601</u>
 Balance, end of year	 <u>\$ 9,942,914</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 trust terminated in January 2023 and the total distribution received by the Foundation during the year ended June 30, 2023 was \$216,687.

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 \$42,462 for the year ended June 30, 2023. The value of the trusts recorded is \$9,942,914 at June 30, 2023.

NOTE 3: RESTRICTED ASSETS

Cash and investments whose use is limited to a specific purpose have been classified as “restricted” in the Statement of Net Position/Balance Sheet. Restricted assets at December 31, 2023 are composed of the following:

Governmental Funds

	Cash and Cash Equivalents	Investments
General Funds		
Environmental Litigation	\$ 72,761	\$ -
Hazmat Response Fund	2,549,551	-
MCT Trust	329,061	-
Worker's Compensation Trust	111,541	-
Elections Integrity	2,030,695	-
Veterans Administration	239	-
Health Choices special revenue		
Appendix V-Jumbo Auto Renew CD	-	835,151
Reinvestment	5,475,119	-
Risk and Contingency	8,726,532	-
Liquid Fuels		
Liquid Fuels-ACT 13	6,471,199	-
Liquid Fuels-ACT 89	2,164,724	-
Liquid Fuels-Local Use Fund	12,151,869	-
Special Legislation Fund		
Adult Probation Supervision Fund	575,221	-
Coroner Record Improvement Fund	196,621	-
Courts Automation Fund	145,277	-
Hotel Tax Fund	187,765	-
Prothonotary Automation Fund	20,706	-
Register of Wills Record Improvement Fund	218,812	-
Total governmental funds	<u>\$ 41,427,693</u>	<u>\$ 835,151</u>
Business Type Activities		
Berks Heim		
Worker's Compensation Trust	<u>\$ 91,847</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 2023 adopted rate of taxation was 7.657 mills.

County property tax revenues were reduced by approximately \$1,343,700 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 \$1,220,200 for the year ended December 31, 2023.

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

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, 2023.

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, 2023 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General Fund	\$ 79,803,326	\$ 96,772,975
Children and Youth Services	6,931,708	15,645,437
Health Choices	82,523	-
Nonmajor	<u>15,380,965</u>	<u>9,209,668</u>
	<u>102,198,522</u>	<u>121,628,080</u>
Proprietary funds:		
Berks Heim	<u>19,429,558</u>	-
	<u>19,429,558</u>	-
Total	<u>\$ 121,628,080</u>	<u>\$ 121,628,080</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 2023 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 37,280,627	\$ 23,933,644
Children and Youth Services	6,275,941	260,909
Health Choices	-	15,301
COVID Impact	-	33,495,962
Nonmajor	<u>16,397,631</u>	<u>2,120,384</u>
	<u>\$ 59,954,199</u>	<u>\$ 59,826,200</u>

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

- Transfers of \$14,968,283 were made from the General Fund to several funds during 2023 to cover deficits in several special revenue funds.
- Transfers of \$19,292,078 were made from the COVID Impacts Grants Fund to the General Fund for Prison and Sheriff department grant eligible payroll expense reimbursements.
- Transfers of \$1,628,178 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$1,429,348 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.
- Transfer of \$128,000 was made from Berks County Residential Center to General Fund

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2023 was as follows:

• **Governmental activities:**

	Beginning Balance *	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,540,550	\$ -	\$ (42,262)	\$ -	\$ 13,498,288
Historical Treasures	2,290,344	-	-	-	2,290,344
Agricultural Easements	84,431,856	280,270	-	-	84,712,126
Software In Progress	8,448,546	980,350	(313,327)	-	9,115,569
Construction In Progress	4,334,834	4,068,284	(1,185,295)	13,119	7,230,942
Total capital assets, not being depreciated	113,046,130	5,328,904	(1,540,884)	13,119	116,847,269
Capital assets, being depreciated and amortized:					
Land and Improvements	4,322,505	784,845	-	-	5,107,350
Bldgs and Improvements	218,764,141	1,101,586	(352,511)	11,774,556	231,287,772
Furniture, Fixtures, Equip & Vehicles	94,020,637	3,558,296	(1,534,358)	236,456	96,281,031
Infrastructure	41,908,054	261,093	-	-	42,169,147
Right-To-Use Lease Real Estate	28,863,610	1,074,014	(393,673)	-	29,543,951
Right-To-Use Lease Equipment	117,439	-	-	-	117,439
Right-To-Use SBITA	6,683,496	4,271,573	-	-	10,955,069
Total capital assets, being depreciated and amortized	394,679,882	11,051,407	(2,280,542)	12,011,012	415,461,759
Total capital assets, historical cost	507,726,012	16,380,311	(3,821,426)	12,024,131	532,309,028
Less accumulated depreciation and amortization for:					
Land and Improvements	2,138,189	238,842	-	-	2,377,031
Bldgs and Improvements	143,244,915	6,011,686	(352,512)	4,370,708	153,274,797
Furniture, Fixtures, Equip & Vehicles	47,003,564	6,275,266	(1,431,892)	228,579	52,075,517
Infrastructure	8,034,217	1,053,626	-	-	9,087,843
Right-To-Use Lease Real Estate	1,730,203	1,604,171	(193,350)	-	3,141,024
Right-To-Use Lease Equipment	32,736	32,736	-	-	65,472
Right-To-Use SBITA	-	1,436,443	-	-	1,436,443
Total accumulated depreciation and amortization	202,183,824	16,652,770	(1,977,754)	4,599,287	221,458,127
Net capital assets, being depreciated and amortized	192,496,058	(5,601,363)	(302,788)	7,411,725	194,003,632
Total capital assets, net of accumulated depreciation and amortization	\$ 305,542,188	\$ (272,459)	\$ (1,843,672)	\$ 7,424,844	\$ 310,850,901

* Beginning balances have been adjusted for the implementation of GASB 96.

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	\$ 373,185	\$ 233,603	\$ (434,841)	\$ (13,119)	\$ 158,828
Capital assets, being depreciated:					
Buildings and improvements	55,621,457	483,129	-	(11,774,556)	44,330,030
Furniture, fixtures, equipment and vehicles	6,189,368	534,914	(53,129)	(236,456)	6,434,697
Total capital assets, being depreciated	61,810,825	1,018,043	(53,129)	(12,011,012)	50,764,727
Total capital assets, historical cost	62,184,010	1,251,646	(487,970)	(12,024,131)	50,923,555
Less accumulated depreciation for:					
Buildings and improvements	21,871,190	1,666,461	-	(4,370,708)	19,166,943
Furniture, fixtures, equipment and vehicles	5,122,349	353,629	(53,129)	(228,579)	5,194,270
Total accumulated depreciation	26,993,539	2,020,090	(53,129)	(4,599,287)	24,361,213
Net capital assets, being depreciated	34,817,286	(1,002,047)	-	(7,411,725)	26,403,514
Total capital assets, net of accumulated depreciation	\$ 35,190,471	\$ (768,444)	\$ (434,841)	\$ (7,424,844)	\$ 26,562,342

2. Depreciation and amortization expense

Depreciation and amortization expense was charged to functions/programs of the primary government during 2023 as follows:

- **Governmental activities:**

Judicial	\$	358,943
Public safety		4,741,042
Public works		1,226,214
General government		9,660,016
Human services		43,951
Community and economic development		60,578
Culture and recreation		562,026
Total	\$	16,652,770

- **Business-type activities:**

Berks County Residential Center	\$	386,123
Berks Heim		1,633,967
Total	\$	2,020,090

3. Capital projects commitments

The County Security project is in the construction phase with expenditures to date totaling \$26,415. Management anticipates this project to be completed by December 31, 2024 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, 2024 with a projected final cost of approximately \$2.3 million.

The Ag Center Renovation project is in the design phase with expenditures to date totaling \$1,801,273. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$7.5 million.

The Ebling Memorial Bridge project is in the construction phase with expenditures to date totaling \$1,033,784. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$4.8 million.

The Peach Street Bridge project is in the construction phase with expenditures to date totaling \$85,937. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$0.4 million.

The Courthouse and Services Center Fire Protection System project is in the construction phase with expenditures to date totaling \$278,488. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$0.4 million.

The NRG Automation Upgrade project is in the construction phase with expenditures to date totaling \$747,552. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$0.7 million.

The Lighting Control System project is in the design phase with expenditures to date totaling \$23,135. Management anticipates this project to be completed by December 31, 2024 with a projected final cost of approximately \$1.8 million.

The Parks Department is undertaking several ongoing projects at various locations throughout the County with expenditures to date totaling \$834,811.

B. Component units

1. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2023 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2023 was \$2,564,915.

	Balance October 1, 2022	Additions	Deletions (Reclass)	Balance September 30, 2023
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	3,764,030	184,378	(2,043,024)	1,905,384
Total not being depreciated	8,503,431	184,378	(2,043,024)	6,644,785
Capital assets being depreciated:				
Terminal building	9,151,532	-	-	9,151,532
Other buildings and related improvements	16,441,449	-	-	16,441,449
Sanitary sewer system	5,327,892	-	-	5,327,892
Land improvements	11,619,132	-	-	11,619,132
Runway improvements	37,316,464	-	2,043,024	39,359,488
Machinery and equipment	4,186,641	-	-	4,186,641
Total being depreciated	84,043,110	-	2,043,024	86,086,134
Less accumulated depreciation:				
Terminal building	4,448,610	185,715	-	4,634,325
Other buildings and related improvements	11,346,343	405,056	-	11,751,399
Sanitary sewer system	2,043,658	178,044	-	2,221,702
Land improvements	8,897,148	338,236	-	9,235,384
Runway improvements	25,882,699	1,387,211	-	27,269,910
Machinery and equipment	3,661,781	66,786	-	3,728,567
Total accumulated depreciation	56,280,239	2,561,048	-	58,841,287
Total capital assets being depreciated, net	27,762,871	(2,561,048)	2,043,024	27,244,847
Right-to-use lease assets being amortized:				
Equipment	19,335	-	-	19,335
Less accumulated amortization for:				
Equipment	7,412	3,867	-	11,279
Total right-to-use lease assets being amortized, net	11,923	(3,867)	-	8,056
Total Capital Assets, Net	\$ 36,278,225	\$ (2,380,537)	\$ -	\$ 33,897,688

B. Component units (continued)

1. Reading Regional Airport Authority (Continued)

Construction in progress/commitments

Construction projects in progress at September 30, 2023 consist of the following:

Rehab West/North Apron	\$	-
Rehab Terminal Apron		1,739,486
Airfield Guidance Signs		78,883
Rehab Lighting		55,457
No Foam Testing Equipment		24,858
Wastewater Treatment Plant Replacement Pump		<u>6,700</u>
	\$	<u>1,905,384</u>

At September 30, 2023, 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, 2023:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Rehab Terminal Apron	\$ 229,488	\$ -	\$ -	\$ 229,488
ARFF Safety Equipment	14,212	-	1,579	15,791
Airfield Guidance Signs	<u>114,333</u>	<u>6,351</u>	<u>6,351</u>	<u>127,035</u>
Total Grants	<u>\$ 358,033</u>	<u>\$ 6,351</u>	<u>\$ 7,930</u>	<u>\$ 372,314</u>

2. Reading Area Community College

Capital asset activity for the year ended June 30, 2023 is as follows:

Depreciation expense for the College for the year ended June 30, 2023 was \$3,352,431.

	Balance July 1, 2022 (restated)	Additions	Deletions (Reclass)	Balance June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	1,855,400	5,384,669	(1,780,202)	5,459,867
Total capital assets, not being depreciated	<u>2,936,956</u>	<u>5,384,669</u>	<u>(1,780,202)</u>	<u>6,541,423</u>
Capital assets, being depreciated:				
Buildings and improvements	75,141,774	90,388	1,773,602	77,005,764
Equipment, furnishings and library books	11,558,904	408,174	(132,697)	11,834,381
Total capital assets, being depreciated	<u>86,700,678</u>	<u>498,562</u>	<u>1,640,905</u>	<u>88,840,145</u>
Total capital assets, historical cost	<u>89,637,634</u>	<u>5,883,231</u>	<u>(139,297)</u>	<u>95,381,568</u>
Less accumulated depreciation for:				
Buildings and improvements	38,418,595	2,006,304	-	40,424,899
Equipment, furnishings and library books	9,161,420	710,489	(132,697)	9,739,212
Total accumulated depreciation	<u>47,580,015</u>	<u>2,716,793</u>	<u>(132,697)</u>	<u>50,164,111</u>
Total capital assets being depreciated, net	<u>39,120,663</u>	<u>(2,218,231)</u>	<u>1,773,602</u>	<u>38,676,034</u>
Right-to-use assets:				
Leased equipment and furnishings	426,285	-	(19,377)	406,908
Subscriptions	2,191,222	-	-	2,191,222
Total right-to-use assets	<u>2,617,507</u>	<u>-</u>	<u>(19,377)</u>	<u>2,598,130</u>
Less accumulated amortization for:				
Leased equipment and furnishings	181,784	102,320	(19,377)	264,727
Subscriptions	502,068	533,318	-	1,035,386
Total accumulated amortization	<u>683,852</u>	<u>635,638</u>	<u>(19,377)</u>	<u>1,300,113</u>
Right-to-use assets, net	<u>1,933,655</u>	<u>(635,638)</u>	<u>-</u>	<u>1,298,017</u>
Total capital assets, net of accumulated depreciation	<u>\$ 43,991,274</u>	<u>\$ 2,530,800</u>	<u>\$ (6,600)</u>	<u>\$ 46,515,474</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, 2023, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,527
Inactive plan members entitled to but not yet receiving benefits	376
Active plan members	1,795
Total members	<u>3,698</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 2023 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 0.67 percent of annual payroll.

2. Net Pension Asset (Liability)

The County's net pension asset (liability) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset (liability) was determined by an actuarial valuation for the 2023 measurement period at January 1 and rolled-forward to December 31.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation for the 2023 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the valuation for the 2023 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 2023 measurement period (see pension plan's investment policy) are summarized in the following table:

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

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

Changes in Net Pension Asset (Liability)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (Liability) (b)-(a)
Balance at December 31, 2022	\$ 540,791,447	\$ 477,621,356	\$ (63,170,091)
Changes for the year:			
Service cost	8,820,227	-	(8,820,227)
Interest cost	40,705,919	-	(40,705,919)
Difference between expected and actual experience	8,590,744	-	(8,590,744)
Changes of Assumptions	-	-	-
Contributions - County	-	771,559	771,559
Contributions - member	-	8,628,323	8,628,323
Net investment income	-	72,204,632	72,204,632
Benefit payments, including refunds of member contributions	(31,482,822)	(31,482,822)	-
Administrative expense	-	(79,221)	(79,221)
Net changes	<u>26,634,068</u>	<u>50,042,471</u>	<u>23,408,403</u>
Balance at December 31, 2023	<u>\$ 567,425,515</u>	<u>\$ 527,663,827</u>	<u>\$ (39,761,688)</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%)	\$ (105,846,826)
Current Discount Rate (7.5%)	\$ (39,761,688)
1% increase (8.5%)	\$ 7,506,145

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

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

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 9,000,942	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>28,093,319</u>	<u>-</u>
Total	<u>\$ 37,094,261</u>	<u>\$ -</u>

For the 2023 year, the County recognized pension expense of \$9,856,691. Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2024	\$ (9,882,542)
2025	(13,256,435)
2026	(20,440,575)
2027	6,485,291
2028	-
Thereafter	-
Total:	<u><u>\$ (37,094,261)</u></u>

4. Payable to the Pension Plan

For the 2023 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

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 \$516 at September 30, 2023. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2023 was \$42,140.

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, 2023 was \$9,803.

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

Most members of SERS, and all state employees hired after June 30, 2001 and prior to January 1, 2011 (except state police officers and certain members of the judiciary and legislators), are Class AA members. Each class of benefits is based on a multiple of the base accrual rate of 2 percent, which is called the multiplier. The multiplier for Class AA is 1.25 percent, which translate into an annual benefit of 2.5 percent of the member's highest three-year average salary times years of service and became effective for members July 1, 2001. The general annual benefit for Class A members is 2 percent of the member's highest three-year average salary times years of service.

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who 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.

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

may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally equal to 1 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, 2023 ranged between 26.05 percent and 38.82 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$52,762 for the year ended June 30, 2023.

PSERS Member Contributions:

The contribution policy is set by state statute and requires contributions by active members, employers, and the Commonwealth of Pennsylvania. The contribution rates based on qualified member compensation for virtually all members are presented in the tables below:

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

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

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2023 was 34.31 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 \$429,801 for the year ended June 30, 2023.

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 Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The College reported a net pension liability of \$4,426,897 for the year ended June 30, 2023, consisting of \$514,897 related to SERS and \$3,912,000 related to PSERS.

At June 30, 2023, the College reported a liability of \$514,897 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, 2022. 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, 2022 the College's proportion was 0.0023 percent, which is an increase of 0.0004 percent from its proportion measured as of December 31, 2021.

At June 30, 2023, 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	\$ 3,912,000
Commonwealth's proportional share of the net pension liability	<u>3,912,000</u>
Total proportionate share of the net pension liability	<u>\$ 7,824,000</u>

The PSERS net pension liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2023, the College's proportion was 0.0088 percent, which was a decrease of 0.0003 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the College recognized total pension expense from the two plans of \$458,864. At June 30, 2023, 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
Net difference between projected and actual investment earnings	\$ 69,939	\$ 66,000
Change of assumptions	151,725	-
Difference between expected and actual experience	9,482	35,429
Changes in proportions	178,800	239,159
Difference between employer contributions and proportionate share of total contributions	3,512	9,421
Contributions subsequent to the measurement date	429,801	-
	<u>\$ 843,259</u>	<u>\$ 350,009</u>

The \$429,801 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, 2024.

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:

2024	\$ (27,013)
2025	56,804
2026	(109,998)
2027	142,234
2028	1,422
	<u>\$ 63,449</u>

SERS Actuarial Assumptions

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

on the experience study and has remained in effect since then. The following actuarial assumptions applied to all periods included in the measurement:

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

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward the System’s total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation date – June 30, 2021
- 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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	5.75%
Real estate	7.0%	5.12%
U.S. equity	31.0%	4.35%
International developed markets equity	14.0%	4.25%
Emerging markets equity	5.0%	4.65%
Fixed income	22.0%	(0.50%)
Inflation protection (TIPS)	3.0%	(1.00%)
Cash	2.0%	(1.05%)
	100.0%	

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, 2022 is as follows:

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, 2022 is as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Infrastructure/MLP's	9.0%	5.4%
Real estate	11.0%	4.6%
Absolute return	6.0%	3.5%
Cash	3.0%	0.5%
Leverage	(-11.0%)	0.5%
	<u>100.0%</u>	

Discount Rate: SERS and PSERS

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

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

The following presents the net pension liability, calculated using the SERS discount rate of 6.875 percent and PSERS discount rate of 7.000 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (5.875 percent for SERS and 6.000 percent for PSERS) or one-percentage point higher (7.875 percent for SERS and 8.000 percent for PSERS) than the current rate as:

	1% Decrease <u>5.875%</u>	Discount Rate <u>6.875%</u>	1% Increase <u>7.875%</u>
College's proportionate share of the SERS net pension liability	\$ 607,059	\$ 514,897	\$ 360,849
	1% Decrease <u>6.00%</u>	Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
College's proportionate share of the PSERS net pension liability	\$5,060,000	\$ 3,912,000	\$2,944,000

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.

Payables to the Pension Plan

At June 30, 2023, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB of \$152,226. The amount represents the College's contractually obligated contributions for wages earned in April 2023 through June 2023.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5 percent if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2023 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, 2023 was \$2,438,808, which consisted of \$1,261,114 from the College and \$1,177,694 from employees.

403(b) Tax Shelter Plan

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

NOTE 8: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

A. Primary government

Leases

At December 31, 2023, the County included \$26,454,894 for the net ROU lease assets in capital assets, net of accumulated depreciation and amortization on its statement of net position. At December 31, 2023, the County included \$1,050,979 and \$16,683,051 for the current and noncurrent portions of the lease liabilities, respectively, on its statement of net position. At December 31, 2023, the lease activity was as follows:

<u>Lease Payments</u>					
Short-Term Lease Payments		\$	24,379		
<u>Lease Assets</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	
Lease Assets being Amortized					
Lease - Equipment	\$ 117,439	\$ -	\$ -	\$ 117,439	
Lease - Real Estate	28,863,610	1,074,014	(393,673)	29,543,951	
Total Lease Assets Being Amortized	<u>28,981,049</u>	<u>1,074,014</u>	<u>(393,673)</u>	<u>29,661,390</u>	
Less: Accumulated Amortization					
Lease - Equipment	(32,736)	(32,736)	-	(65,472)	
Lease - Real Estate	(1,730,203)	(1,604,171)	193,350	(3,141,024)	
Total Accumulated Amortization	<u>(1,762,939)</u>	<u>(1,636,907)</u>	<u>193,350</u>	<u>(3,206,496)</u>	
Total, Net of Accumulated Amortization	<u>\$ 27,218,110</u>	<u>\$ (562,893)</u>	<u>\$ (200,323)</u>	<u>\$ 26,454,894</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 in Note 1.

Lessee Arrangements

The County leases office space for certain County and District Justice Offices, land for communication towers and vehicles from external parties for various terms under long-term non-cancelable lease agreements. The leases generally expire at various dates through 2051 and provide for renewal options ranging from month-to-month to fourteen years per renewal option. In accordance with GASB Statement No. 87, the County records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate implicit in the lease, if available, or are otherwise discounted using the County's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. The County had no variable lease expense during the year ended December 31, 2023. 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
2024	\$ 1,050,979	\$ 368,564	\$ 1,419,543
2025	827,926	347,970	1,175,896
2026	716,609	331,662	1,048,271
2027	736,618	317,150	1,053,768
2028	594,521	303,306	897,827
2029 - 2033	1,102,330	1,430,529	2,532,859
2034 - 2038	1,214,323	1,303,650	2,517,973
2039 - 2043	923,962	1,178,526	2,102,488
2044 - 2048	785,499	1,091,126	1,876,625
2049 - 2053	1,301,377	986,493	2,287,870
2054 - 2058	2,114,333	783,303	2,897,636
2059 - 2063	2,289,837	541,954	2,831,791
2064 - 2068	2,463,817	286,184	2,750,001
2069 - 2073	1,611,899	38,101	1,650,000
Total	<u>\$17,734,030</u>	<u>\$9,308,518</u>	<u>\$ 27,042,548</u>

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, 2023. During the year ended December 31, 2023, the County recognized lease revenues and interest revenues related to lessor agreements totaling \$151,506 and \$38,509, respectively. The County also recognized short-term lease revenues of \$49,215 during the year ended December 31, 2023.

Subscription-Based Information Technology Arrangements

The County adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ended December 31, 2023. The statement establishes new requirements for calculating and reporting the County’s subscription-based information technology arrangement (SBITA) activities. At January 1, 2023, there was \$6,683,496 in right-to-use assets and \$3,206,270 in SBITA liabilities. At July 1, 2023, the County added \$4,271,573 of right-to-use assets and SBITA liabilities.

The County has SBITAs that are used primarily for various software and related licenses which meet the capitalization criteria specified by Generally Accepted Accounting Principles. Therefore, the County has recorded the SBITAs at the present value of the future minimum payments as of the inception date using its own estimated incremental borrowing rate (see Note 1). The SBITAs generally include original terms of three to ten years. Certain SBITAs include renewal options which extend the terms of the underlying agreements for one to three years per renewal option. Additionally, certain SBITAs include an unspecified number of autorenewal options for the County to extend the term for a period of one year each.

Subscription Assets	Beginning Balance	Additions	Deductions	Ending Balance
Assets being amortized				
Right-To-Use SBITA	\$6,683,496	\$ 4,271,573	\$ -	\$10,955,069
Total assets being amortized	<u>6,683,496</u>	<u>4,271,573</u>	<u>-</u>	<u>10,955,069</u>
Less: Accumulated amortization				
Right-To-Use SBITA	-	(1,436,443)	-	(1,436,443)
Total accumulated amortization	<u>-</u>	<u>(1,436,443)</u>	<u>-</u>	<u>(1,436,443)</u>
Net of accumulated amortization	<u>\$6,683,496</u>	<u>\$ 2,835,130</u>	<u>\$ -</u>	<u>\$ 9,518,626</u>

During 2023, the County recognized amortization expense and interest expense of \$1,436,443 and \$194,701, respectively, related to SBITA agreements. During 2023, the County did not recognize any short-term expense related to SBITA agreements. The cost and accumulated amortization of the assets under the County’s SBITAs included in capital assets totaled \$10,955,069 and \$1,436,443, respectively, as of December 31, 2023. The County’s SBITA obligation included in current liabilities and noncurrent liabilities totaled \$1,100,751 and \$5,407,160, respectively, as of December 31, 2023.

	Principal	Interest	Total
2024	\$1,100,751	\$ 242,191	\$ 1,342,942
2025	1,155,471	195,488	1,350,959
2026	1,215,211	146,385	1,361,596
2027	1,276,062	94,823	1,370,885
2028	1,339,706	40,697	1,380,403
2029 - 2033	<u>420,710</u>	<u>1,421</u>	<u>422,131</u>
Total	<u>\$6,507,911</u>	<u>\$ 721,005</u>	<u>\$ 7,228,916</u>

B. Component units

1. Reading Regional Airport Authority

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

GASB No. 87 Leases – Included

GASB No. 87 Leases – Excluded – Regulated

GASB No. 87 Leases – Included

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

The Authority leases land, commercial buildings, and terminal office space to various third parties. These leases are payable monthly and accrue interest at 3.25 percent. The rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through January 2072. The Authority has recorded a lease receivable from these agreements as of September 30, 2023 and 2022 of \$13,536,570 and \$13,754,886, respectively, as well as a related deferred inflow of resources of \$12,292,990 and \$12,894,587 respectively.

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

	2023	2022
Lease income	\$ 601,597	\$ 554,755
Interest income	442,059	441,000
Total	\$ 1,043,656	\$ 995,755

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 percent 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:

	Principal	Interest	Total Payments
2024	\$ 219,163	\$ 434,790	\$ 653,953
2025	190,560	428,309	618,869
2026	210,255	421,878	632,133
2027	243,331	414,513	657,844
2028	274,467	405,993	680,460
2029 - 2033	1,808,015	1,870,375	3,678,390
2034 - 2038	2,692,390	1,504,760	4,197,150
2039 - 2043	3,808,131	982,791	4,790,922
2044 - 2048	1,889,894	454,444	2,344,338
2049 - 2053	571,838	311,160	882,998
2054 - 2508	436,746	222,707	659,453
2059 - 2063	389,331	161,920	551,251
2064 - 2068	457,927	93,324	551,251
2069 - 2072	344,522	18,236	362,758
	\$ 13,536,570	\$ 7,725,200	\$ 21,261,770

GASB No. 87 Leases – Excluded - Regulated

The Authority leases certain assets to various third parties, including hangars, grounds, and land, that are regulated leases under the FFA Rates and Charges Policy and Grant Assurance 22. Leased hangars, grounds, and land are considered exclusive use. These leases are payable monthly and the rent in these agreements escalates by an inflationary factor each year. The outstanding leases have varying maturity dates through May 2057. For the years ended September 30, 2023 and 2022, the Authority received \$696,571 and \$658,107, respectively, 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:

2024	\$ 690,314
2025	704,002
2026	723,993
2027	744,584
2028	702,939
2029 - 2033	3,715,102
2034 - 2038	4,263,778
2039 - 2043	3,933,044
2044 - 2048	2,035,523
2049 - 2053	1,224,337
2054 - 2057	902,756
	\$ 19,640,372

NOTE 9: RISK MANAGEMENT

A. Primary government

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

1. Self-insured workers' compensation

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

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements. Based on history of claims paid and the County's Aaa Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is \$212,019 for 2023.

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, 2023, are summarized as follows:

Governmental Activities	\$ 1,056,622
Business-type Activities	<u>692,037</u>
Total	<u>\$ 1,748,659</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2021, 2022 and 2023.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2021	\$ 2,184,312	\$ 468,787	\$ 598,128	\$ 2,054,971
2022	\$ 2,054,971	\$ 491,345	\$ 842,082	\$ 1,704,234
2023	\$ 1,704,234	\$ 549,418	\$ 504,993	\$ 1,748,659

2. Self-insured healthcare

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

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

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2023, the County has incurred and processed healthcare claims of \$31.6 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2023, are summarized as follows:

Governmental Activities	\$ 2,974,823
Business-type Activities	479,407
Total	<u>\$ 3,454,230</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2021, 2022 and 2023.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
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
2023	\$ 2,778,883	\$ 32,260,445	\$ 31,585,098	\$ 3,454,230

3. Health Choices self-insured healthcare

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

The County has contracted with a behavioral health managed care organization, Community Care Behavioral Health Organization (Community Care), which is responsible for most of the day to day functions including care management, establishment of the provider network, and claims payments to providers. Community Care accrues an estimate of its healthcare cost liability at the end of each accounting period. All monthly incurred claims’ estimates are

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

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

The actuary issued a Statement of Actuarial Opinion on April 24, 2024 certifying the total December 31, 2023 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, 2023, is \$14,121,879, 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, 2021, 2022 and 2023.

	January 1	Incurred		December 31
Year	Liability	Claims	Payments	Liability
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
2023	\$ 15,097,361	\$ 110,238,450	\$ 111,213,932	\$ 14,121,879

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 2022/2023 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$110,000 individually for the year ended June 30, 2023 and 2022. Stop gap insurance is in place for claims in excess of the threshold. Included in the financial statement is a liability for \$445,485 and \$394,972 for outstanding estimated claims at June 30, 2023 and 2022, respectively. 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, 2023:

Balance at July 1	\$ 394,972
Claims incurred	4,038,451
Claims paid	<u>(3,987,938)</u>
Balance at June 30	<u>\$ 445,485</u>

2. Reading Regional Airport Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverage for the year ended September 30, 2023. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds and notes

Governmental activities

During 2023, the County refunded by defeasance, 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. M&T purchased the State and Local Government Series Securities which consummated the defeasance. This was funded from County reserves, lowering 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
2029	<u>3,029,250</u>
Total	<u>\$ 16,801,125</u>

At December 31, 2023, general obligation bonds and notes consisted of the following:

	Balance outstanding January 1, 2023	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2023	Due within one year
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	\$ 6,165,600	\$ 660,600	\$ 784,300	\$ 6,041,900	\$ 2,957,400
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 A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	49,799,979	-	21,929,719	27,870,260	5,173,700
2019 General Obligation Bonds Series A, \$8,555,000, varying interest rates ranging from 1.05% to 4.00% through 2029, to currently refund the 2014 General Obligation Bonds.	8,485,000	-	5,000	8,480,000	5,000
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	21,962,848	626,592	1,285,649	21,303,791	1,311,534

2021 General Obligation Note Series A, \$11,375,000 interest rate .9% through 2029, to advance refund the 2010 Series B General Obligation Bonds, and to advance refund the 2016 General Obligation Bonds.	8,061,000	-	1,661,000	6,400,000	1,674,000
2021 Federally Taxable General Obligation Note Series B, \$16,774,000 (governmental activities \$9,393,440; business-type activities \$7,380,560), interest rate 1.25% through 2028, to currently refund a portion of the 2015 General Obligation Bonds.	<u>9,051,280</u>	<u>969,780</u>	<u>169,880</u>	<u>9,851,180</u>	<u>171,740</u>
	\$ 103,525,707	\$ 2,256,972	\$ 25,835,548	\$ 79,947,131	\$ 11,293,374
Unamortized premium 2015	1,606,086	57,619	1,068,313	595,392	297,696
Unamortized premium 2019	7,355,776	-	2,680,912	4,674,864	667,838
Unamortized premium 2019A	<u>1,023,292</u>	<u>-</u>	<u>146,185</u>	<u>877,107</u>	<u>146,185</u>
Total	\$ <u>113,510,861</u>	\$ <u>2,314,591</u>	\$ <u>29,730,958</u>	\$ <u>86,094,494</u>	\$ <u>12,405,093</u>
Less: Current Maturities				<u>(12,405,093)</u>	
				<u>\$ 73,689,401</u>	

The following table discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2024	\$ 11,293,374	\$ 2,633,305	\$ 13,926,679
2025	9,204,790	2,209,494	11,414,284
2026	9,110,585	1,865,256	10,975,841
2027	9,196,868	1,720,211	10,917,079
2028	11,019,435	1,482,075	12,501,510
2029-2033	23,262,414	2,532,567	25,794,981
2034-2037	<u>6,859,665</u>	<u>511,179</u>	<u>7,370,844</u>
	\$ 79,947,131	\$ 12,954,087	\$ 92,901,218
Unamortized premium	<u>6,147,363</u>		
Bonds and notes payable at December 31, 2023	<u>\$ 86,094,494</u>		

Business-type activities

	Balance outstanding January 1, 2023	Additions/ Transfers	Reductions/ Transfers	Balance outstanding December 31, 2023	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.	\$ 4,844,400	\$ -	\$ 1,141,300	\$ 3,703,100	\$ 1,812,600
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.	205,021	-	90,283	114,738	21,300
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	4,217,153	-	830,945	3,386,208	208,466

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.

	<u>7,111,720</u>	<u>-</u>	<u>1,073,900</u>	<u>6,037,820</u>	<u>105,260</u>
	\$ 16,378,294	\$ -	\$ 3,136,428	\$ 13,241,866	\$ 2,147,626
Unamortized premium 2015	1,261,924	-	897,007	364,917	182,459
Unamortized premium 2019	<u>30,283</u>	<u>-</u>	<u>11,037</u>	<u>19,246</u>	<u>2,749</u>
Total	<u>\$ 17,670,501</u>	<u>\$ -</u>	<u>\$ 4,044,472</u>	<u>\$ 13,626,029</u>	<u>\$ 2,332,834</u>
Less: Current Maturities				<u>(2,332,834)</u>	
				<u>\$ 11,293,195</u>	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2024	\$ 2,147,626	\$ 350,569	\$ 2,498,195
2025	2,221,210	253,706	2,474,916
2026	2,683,412	153,045	2,836,457
2027	2,708,132	117,607	2,825,739
2028	1,136,565	81,224	1,217,789
2029-2033	1,254,586	255,644	1,510,230
2034-2037	<u>1,090,335</u>	<u>81,251</u>	<u>1,171,586</u>
	\$ 13,241,866	\$ 1,293,046	\$ 14,534,912
Unamortized premium	<u>384,163</u>		
Bonds and notes payable at December 31, 2023	<u>\$ 13,626,029</u>		

3. 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, 2023, \$101,795,000 of bonds outstanding is considered defeased.

During 2023, the County defeased a portion of its 2019 General Obligation Bonds by entering into an escrow agreement 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, 2023, \$13,685,000 of bonds outstanding is considered defeased.

4. Federal arbitrage regulations

The County is subject to federal arbitrage regulations on its non-taxable general obligation bonds and notes. There was no outstanding liability for federal arbitrage due and payable in the governmental funds or the accrual-based government wide financial statements at December 31, 2023.

5. Covenants

The County's outstanding debt from direct borrowings and direct placements are secured under indentures by an assignment and pledge to the trustee. Under the indentures, if the County defaults in the payment of principal or interest, or if the County fails to comply with any provision of the Bonds or of the Ordinance, the registered owners of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the registered owners. Such trustee may, and upon written request of the registered owners of 25% in aggregate principal amount of the Bonds and being furnished with satisfactory indemnity, must take one or more of the following actions, which will preclude similar action by the individual registered owners: (i) bring suit to enforce all rights of the registered owners; (ii) bring suit on the Bonds; (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes); and (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, 2023, the County was in compliance with these financial and operational covenants.

6. Other changes in long term liabilities

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

	Balance January 1, 2023	Additions & Transfers	Reductions & Transfers	Balance December 31, 2023	Due within one year
Governmental activities:					
Lease payable	\$ 18,596,124	\$ 330,014	\$ 1,192,108	\$ 17,734,030	\$ 1,050,979
SBITA payable	3,206,270	4,271,573	969,932	6,507,911	1,100,751
Net pension liability	54,349,695	-	18,134,151	36,215,544	-
Bonds, loans and notes payable, net	113,510,861	2,314,591	29,730,958	86,094,494	12,405,093
Payable from restricted assets	23,337,107	5,423,771	132,393	28,628,485	-
Agricultural easement installment purchases	132,880	60,176	108,518	84,538	42,018
Workers compensation accrued liabilities	956,093	380,409	279,880	1,056,622	210,676
Compensated absences payable	8,319,979	418,005	61,834	8,676,150	1,517,940
Total governmental activities	<u>\$ 222,409,009</u>	<u>\$ 13,198,539</u>	<u>\$ 50,609,774</u>	<u>\$ 184,997,774</u>	<u>\$ 16,327,457</u>
Business-type activities:					
Net pension liability	\$ 8,820,396	\$ -	\$ 5,274,252	\$ 3,546,144	\$ -
Bonds, loans and notes payable	17,670,499	-	4,044,470	13,626,029	2,332,834
Workers compensation accrued liabilities	748,141	169,009	225,113	692,037	107,916
Compensated absences payable	1,187,615	117,691	245,957	1,059,349	410,628
Total business-type activities	<u>\$ 28,426,651</u>	<u>\$ 286,700</u>	<u>\$ 9,789,792</u>	<u>\$ 18,923,559</u>	<u>\$ 2,851,378</u>

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

Component units

Revenue bonds payable and notes payable

- **Reading Area Community College**

Notes payable on June 30, 2023 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, 2023, was as follows:

	Balance outstanding July 1, 2022	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2023	Current Portion
College Revenue Note, Series A of 2016, original issue \$3,355,738, interest rate 2.30%, final maturity April 2036.	\$ 1,404,500	\$ -	\$ 94,500	\$ 1,310,000	\$ 96,500
College Revenue Note, Series B of 2017, original issue \$8,066,000, interest rate 2.50%, final maturity April 2029.	6,360,000	-	843,000	5,517,000	865,000
College Revenue Note, Series A of 2023, original issue \$3,000,000, interest rate 4.21%, final maturity April 2043.	-	3,000,000	-	3,000,000	-
College Revenue Note, Series B of 2023, original issue \$4,000,000, interest rate 3.71%, final maturity June 2028.	-	4,000,000	-	4,000,000	-
College Revenue Note, Series C of 2023, original issue \$3,000,000, interest rate 3.80%, final maturity June 2026.	-	3,000,000	-	3,000,000	-
College Revenue Note, Series D of 2023, original issue \$2,000,000, interest rate 4.87%, final maturity June 2026.	-	2,000,000	-	2,000,000	-
	<u>\$ 7,764,500</u>	<u>\$ 12,000,000</u>	<u>\$ 937,500</u>	<u>\$ 18,827,000</u>	<u>\$ 961,500</u>
Less: Current maturities				(961,500)	
				<u>\$ 17,865,500</u>	

Principal and interest requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2024	\$ 961,500	\$ 575,839	\$ 1,537,339
2025	985,000	630,311	1,615,311
2026	6,073,000	641,117	6,714,117
2027	1,113,000	377,898	1,490,898
2028	5,165,500	382,575	5,548,075
2029-2033	2,190,500	683,200	2,873,700
2034-2038	1,243,500	378,531	1,622,031
2039-2043	1,095,000	142,088	1,237,088
	<u>\$ 18,827,000</u>	<u>\$ 3,811,559</u>	<u>\$ 22,638,559</u>

Leases

The College has entered into lease agreements for various technology equipment including copiers, printers, and computers. The leases have various termination dates through 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>
2024	\$ 99,034	\$ 3,226	\$ 102,260
2025	<u>4,799</u>	<u>41</u>	<u>4,840</u>
Total	<u>\$ 103,833</u>	<u>\$ 3,267</u>	<u>\$ 107,100</u>

Subscriptions

The College has entered into various agreements for subscription-based information technology arrangements. The arrangements mature at various times through November 2026. Interest rates are 4.50% and are paid annually based on the lease agreement.

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 174,204	\$ 20,466	\$ 194,670
2025	463,935	25,370	489,305
2026	<u>88,305</u>	<u>4,057</u>	<u>92,362</u>
	<u>\$ 726,444</u>	<u>\$ 49,893</u>	<u>\$ 776,337</u>

- **Reading Regional Airport Authority**

September 30,
2023

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.

\$517,936

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

\$3,087,936

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 Reading Regional Airport Authority issued the Series 2023 bonds in November 2023 totaling \$15,985,000 to finance the Authority's acquisition of two fixed based operators (FBOs) located at the Airport. The bonds mature April 1, 2044 with interest payable semi-annually April 1 and October 1 at rates ranging from 4.0 percent to 5.25 percent. The bonds are guaranteed by the County of Berks. In the event that Reading Regional Airport Authority is unable to make a payment, the County of Berks will be required to make that payment. The County has not been called upon to make any payments related to this debt. See Note 15 for additional information.

The following schedule summarizes long-term debt activity for the year ended September 30, 2023:

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Amount Due Within One Year
Direct borrowings:					
Revenue Note, Series A of 2008	\$ 752,936	\$ -	\$ 235,000	\$ 517,936	\$120,000
Revenue Note, Series B of 2008	2,570,000	-	-	2,570,000	-
Total direct borrowings	3,322,936	-	235,000	3,087,936	120,000
Lease payable	12,296	-	3,850	8,446	3,977
	<u>\$ 3,335,232</u>	<u>\$ -</u>	<u>\$ 238,850</u>	<u>\$ 3,096,382</u>	<u>\$123,977</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:

Revenue Notes, Series A and B of 2008			
Year Ending September 30	Principal	Interest	Total Debt Service
2024	\$ 120,000	\$ 74,709	\$ 194,709
2025	250,000	76,659	326,659
2026	257,936	70,220	328,156
2027	275,000	63,401	338,401
2028	290,000	55,981	345,981
2029-2033	1,700,000	154,363	1,854,363
2034	195,000	2,584	197,584
	<u>\$ 3,087,936</u>	<u>\$ 497,917</u>	<u>\$ 3,585,853</u>

Leases

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

Future lease maturities as of September 30 are as follows:

	Principal	Interest	Total Payments
2024	\$ 3,977	\$ 204	\$ 4,181
2025	4,108	73	4,181
2026	361	-	361
	<u>\$ 8,446</u>	<u>\$ 277</u>	<u>\$ 8,723</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, 2024. There was no balance on the line of credit at September 30, 2023.

- **Reading Area Community College**

At June 30, 2023, 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, 2023.

B. Loans Payable and long-term liabilities

- **Reading Area Community College**

	Balance outstanding June 30, 2023
The College entered into loan agreements with the Pennsylvania State Public School Building Authority (PSPSBA):	
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.	\$ -
In October 2022, the College entered into an agreement to borrow up to \$878,659 to finance bathroom renovations and plumbing upgrades through the Pennsylvania State Public School Building Authority (PSPSBA). The agreement requires semiannual payments of \$92,773, including interest at 2.00% per annum. Final payment is due in October 2027. The College has pledged its full faith and credit for the repayment of the loan.	793,733
In July 2022, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of \$43,208 including 4.59% interest through maturity in July 2024. The purchase is secured by the underlying assets.	41,313
In May 2023, the College entered into a finance purchase for technology equipment. The agreement required annual payments of principal and interest of \$76,932 including 9.37% interest through maturity in May 2025. The purchase is secured by the underlying assets.	<u>134,658</u>
Total long term debt	<u>\$ 969,704</u>

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

	Principal	Interest	Total Debt Service
2024	\$ 234,777	\$ 27,702	\$ 262,479
2025	285,581	20,106	305,687
2026	177,422	8,125	185,547
2027	180,988	4,559	185,547
2028	90,936	921	91,857
	<u>\$ 969,704</u>	<u>\$ 61,413</u>	<u>\$ 1,031,117</u>

Accrued compensated absences for the year ending June 30, 2023 was \$869,255, with \$534,099 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, 2023 consist of the following:

	General Fund	Children and Youth Services	Health Choices	COVID Impact	Nonmajor	Total Governmental
Nonspendable:						
Employee pay advance	\$ 28,413	\$ 1,241	\$ -	\$ -	\$ -	\$ 29,654
Inventories and prepaid expenses	10,357,104	-	-	-	2,449,369	12,806,473
Total Nonspendable	10,385,517	1,241	-	-	2,449,369	12,836,127
Restricted:						
Gift fund	-	22,531	-	-	-	22,531
Hazmat Response	3,249,940	-	-	-	-	3,249,940
Act 198 - Courts	213,977	-	-	-	-	213,977
Workers' compensation	111,541	-	-	-	-	111,541
Special revenue funds	-	53,544	-	-	23,400,802	23,454,346
Act 13 Marcellus Shale	831,043	-	-	-	-	831,043
Total Restricted	4,406,501	76,075	-	-	23,400,802	27,883,378
Committed:						
Farmland preservation	2,283,393	-	-	-	-	2,283,393
Services Center Parking Garage	364,115	-	-	-	-	364,115
COVID Community Support Funds	34,679,662	-	-	-	-	34,679,662
2024 Capital Projects	22,186,454	-	-	-	-	22,186,454
Total Committed	59,513,624	-	-	-	-	59,513,624
Assigned:						
Divorce Hearing Officers	10,785	-	-	-	-	10,785
Total Assigned	10,785	-	-	-	-	10,785
Unassigned						
	135,936,995	-	-	2,515,495	-	138,452,490
Total Governmental Fund Balance	\$ 210,253,422	\$ 77,316	\$ -	\$ 2,515,495	\$ 25,850,171	\$ 238,696,404

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 to be used to fund any necessary repairs to the Services Center Parking Garage.
- COVID Community Support Funds – this commitment represents amounts in the general fund to be used to support local communities due to the impact of the COVID pandemic.

- 2024 Capital Projects – this commitment represents amounts to be used for 2024 capital projects.
- Divorce Hearing Officers – this assignment represents amounts to be used for the Divorce Hearing Officers.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 63.1% of the County’s employees are covered by collective bargaining agreements as of December 31, 2023. The AFSCME union contract expires December 31, 2026. The Teamster union contract expired December 31, 2023 and negotiations are in progress. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2024. The Deputy Sheriff’s Association union contract expires December 31, 2025. Both the PSSU and Detective contracts expire on December 31, 2026.

B. Component units

1. Reading Regional Airport Authority

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. 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 with a few litigation matters, which are in the early stages. The results, in the opinion of management, are not likely to affect the Authority’s financial condition, results of operations, or cash flows.

2. Reading Area Community College

Construction Commitments

The College has various commitments for ongoing projects. The outstanding commitments will be satisfied through future grants and cash on hand.

Federal and State Revenues

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

NOTE 13: CONTRACTUAL AGREEMENT REVENUE

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. All unearned revenue from the renovations has been recognized as of June 30, 2023.

Total revenues from these agreements, including the amortization of the bookstore renovations, was \$225,961 for the year ended June 30, 2023 and is included in other revenues on the statement of revenues, expenses and changes in net position.

NOTE 14: 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, 2023 are as follows:

<u>Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSERS OPEB Plan	\$ 162,000	\$ 45,395	\$ 59,000
College OPEB Plan	1,144,499	411,980	496,129
	<u>\$ 1,306,499</u>	<u>\$ 457,375</u>	<u>\$ 555,129</u>

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

PSERS (the system) provides Premium Assistance which, is a governmental, cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS’ Health Options Program. As of June 30, 2022, 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

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

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

Pension Plan Description

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

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The College's contractually required contribution rate for the fiscal year ended June 30, 2023, was 0.75% 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 \$9,395 for the year ended June 30, 2023.

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, 2023, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net OPEB liability, the related Commonwealth support, and the total portion of the net OPEB liability that was associated with the College are as follows at June 30, 2023:

College's proportional share of the net OPEB liability	\$ 162,000
Commonwealth's proportional share of the net OPEB liability	<u>162,000</u>
Total proportionate share of the net OPEB liability	<u>\$ 324,000</u>

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022. The College's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2023, the College's proportion was 0.0088 percent, which was a decrease of 0.0003 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the College recognized OPEB expense of \$3,078. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the year ended June 30, 2023:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,000	\$ 1,000
Changes of assumptions	18,000	38,000
Changes in proportion	17,000	20,000
Contributions made subsequent to the measurement date	<u>9,395</u>	<u>-</u>
	<u>\$ 45,395</u>	<u>\$ 59,000</u>

The \$9,395 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, 2024. 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:

2024	\$ (6,000)
2025	(3,000)
2026	(1,000)
2027	(7,000)
2028	<u>(6,000)</u>
	<u>\$ (23,000)</u>

Actuarial Assumptions

The total OPEB liability as of June 30, 2022, was determined by rolling forward the System's total OPEB liability as of June 30, 2021 to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial valuation date – June 30, 2021
- Actuarial cost method – Entry Age Normal – level percent of pay
- Discount rate – 4.09 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 and 50 percent PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50 percent
 - Eligible retirees will elect to participate Post-age 65 at 70 percent

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

For the June 30, 2021 measurement date, the discount rate was increased from 2.18 percent to 4.09 percent.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2020 determined the employer contribution rate for fiscal year 2022.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63 percent utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

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

Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Non-US developed fixed	<u>100.0%</u>	0.5%
	<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, 2022.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.09 percent. Under the plan’s funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan’s fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a “pay-as-you-go” plan. A discount rate of 4.09 percent which represents the S&P 20-year Municipal Bond Rate at June 30, 2022, 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, 2022, 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, 2022, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 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, 2022 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	\$ 162,000	\$ 162,000	\$ 162,000

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 4.09 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 (3.09 percent) or 1-percentage point higher (5.09 percent) than the current rate:

	<u>1% Decrease</u> 3.09%	<u>Current</u> Rate 4.09%	<u>1% Increase</u> 5.09%
College's proportionate share of the net OPEB liability	\$ 183,000	\$ 162,000	\$ 144,000

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, 2023, the College had an accrued balance due to PSERS including contributions related to pension and OPEB of \$152,226. This amount represents the College’s contractually obligated contributions for wages earned in April 2023 through June 2023.

College OPEB Plan

General Information About the College OPEB Plan

Plan description

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

Benefits Provided

Benefit A – Life Insurance

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

Benefit B – Medical, Prescription Drug, Vision and Dental

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

Benefit C – Early Retirement Lump Sum Payment

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

Benefit D – COBRA Reimbursement

Retirees have the option of purchasing their own health insurance policy or participating in the benefits provided by the College. Eligible retirees will be reimbursed up to 100% (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><u>329</u></u>

OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of July 1, 2022, was determined by rolling forward the College's total OPEB liability as of July 1, 2021 to July 1, 2022, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial valuation date – June 30, 2021
- Actuarial cost method – Entry Age Normal as a level percentage of pay
- Inflation rate – 3 percent
- Salary increases –2.50 percent
- Discount rate – 3.54 percent, based on the Bond Buyers 20-Bond Index
- Mortality rates were based on the Pri.H-2012 Total Dataset Mortality Table projected using Scale MP-2021
- Healthcare cost trend rates – 7.00 percent for 2023, 6.50 percent for 2024, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2032, 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, 2022	\$ 1,397,064
Changes for the year:	
Service cost	38,210
Interest	30,177
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(281,210)
Benefit payments	<u>(39,742)</u>
Net changes	<u>(252,565)</u>
Balance at June 30, 2023	<u><u>\$ 1,144,499</u></u>

Changes of assumptions or other inputs reflect the following changes:

- The increase in the discount rate from 2.16 percent in 2022 to 3.54 percent in 2023
- A change in the Mortality Improvement Projection Scale to MP-2021

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

The following presents the total OPEB liability of the College, as well as what the College’s total OPEB liability would be if it were calculated using a discount rate that is one-percentage point lower (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	<u>1% Decrease</u> 2.54%	<u>Current</u> <u>Rate</u> 3.54%	<u>1% Increase</u> 4.54%
OPEB Plan - Total OPEB Liability	\$ 1,363,599	\$ 1,144,499	\$ 973,853

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</u> <u>Healthcare</u> <u>Cost Trend</u> <u>Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Liability	\$ 1,133,661	\$ 1,144,499	\$ 1,156,910

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

For the year ended June 30, 2023, the College recognized OPEB expense of \$72,494. For the year ended June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Changes of assumptions or other inputs	\$ 383,941	\$ 262,503
Net difference between projected and actual experience	-	233,626
Benefit payments made subsequent to the measurement date	28,039	-
	<u>\$ 411,980</u>	<u>\$ 496,129</u>

The \$28,039 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. 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:

2024	\$ 4,107
2025	4,107
2026	86
2027	(2,316)
2028	(41,512)
Thereafter	<u>(76,660)</u>
Total	<u>\$ (112,188)</u>

NOTE 15: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through September 11, 2024. This date is the date that the financial statements were available to be issued.

On March 28th, 2024, the Board of Commissioner's approved a resolution, authorizing senior County leadership to establish a Youth Shelter Care Center that will be operated by the County of Berks. The purpose of the Center is to provide the appropriate setting for the youth in need. The Center is expected to start its operations in June of 2024.

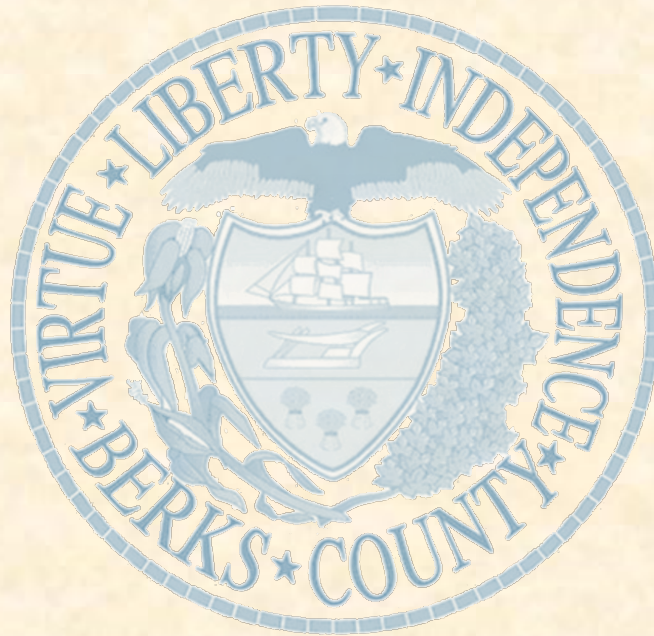
B. Component Unit

Reading Regional Airport Authority

The Authority has evaluated subsequent events through March 19, 2024. This date is the date that the Authority's financial statements were available to be issued. The following events subsequent to September 30, 2024 were noted as a result of this evaluation:

During the year ended September 30, 2023, the Authority entered into an agreement to purchase the assets and property of the two fixed based operators (FBOs) who were also leasing land and hangars at the airport. The transaction was effective in January 2024. The two acquired FBO's will be combined into one that will be operated by the Authority. The acquired assets include the related leasehold interests among other items. The total purchase price for the two FBO asset purchase agreements is \$13,500,000. Prior to year-end, the Authority paid a non-refundable deposit of \$50,000 to each FBO, which are included in the statements of net position as deposits on business acquisitions. To finance the remainder of the FBO purchases, the Authority issued \$15,985,000 of guaranteed airport revenue bonds in November 2023. In addition, the leases with each of the FBOs will be terminated at the acquisition settlement date. The total of future noncancelable fixed minimum payments under regulated lease agreements disclosed in Note 4 related to the transaction is \$9,734,543.

The guaranteed airport revenue bonds, series of 2023 were issued in November 2023 to finance the Authority's acquisition of two FBOs located at the Airport, provide funds for various capital projects of the Authority, and pay the costs of issuing the bonds. The bonds mature April 1, 2044 with interest payable semi-annually April 1 and October 1 at rates ranging from 4.0 percent to 5.25 percent. The bonds are guaranteed by the County of Berks.



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, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 151,292,964	\$ 151,292,964	\$ 152,445,733	\$ 1,152,769
Court costs, fines and forfeitures	1,959,395	2,125,879	2,205,072	79,193
Investment earnings	3,100,382	3,139,227	10,206,173	7,066,946
Intergovernmental revenue	11,936,318	14,372,896	13,142,032	(1,230,864)
Departmental charges and reimbursements	55,013,946	55,859,084	54,107,381	(1,751,703)
Payments in lieu of taxes	252,116	252,116	269,096	16,980
Rentals	337,182	337,182	-	(337,182)
Sale of property, supplies and equipment	2,000	2,000	88,706	86,706
Miscellaneous	15,077,618	15,077,618	15,394,355	316,737
Total revenues	<u>238,971,921</u>	<u>242,458,966</u>	<u>247,858,548</u>	<u>5,399,582</u>
Expenditures				
General government, administrative:				
Commissioners	2,489,964	2,805,779	2,975,653	(169,874)
Solicitors	2,546,915	2,615,385	2,180,539	434,846
Facilities	25,752,179	31,180,366	22,476,417	8,703,949
Courthouse Security	1,300,195	1,529,216	1,474,438	54,778
Election Services	4,099,432	5,054,988	5,253,656	(198,668)
Real Estate Assessment	3,632,437	4,510,259	3,632,677	877,582
Treasurer	950,734	993,742	1,042,768	(49,026)
Tax Collectors	383,470	383,470	393,003	(9,533)
Tax Claim Bureau	1,065,451	1,083,465	972,049	111,416
Controller	2,310,351	2,421,578	2,506,507	(84,929)
Recorder of Deeds	1,170,430	1,198,487	1,119,678	78,809
Mailroom/Printing	507,971	520,465	528,614	(8,149)
Information Systems	9,389,924	8,374,376	7,798,842	575,534
Purchasing	1,054,311	1,086,482	1,005,350	81,132
Archives	618,347	628,693	652,392	(23,699)
Budget	1,249,844	1,295,713	1,302,485	(6,772)
Human Resources	7,124,987	7,221,627	7,470,535	(248,908)
Insurance	2,237,357	2,237,357	1,826,585	410,772
Telecommunications	78,866	27,869	22,248	5,621
Veterans Affairs	683,348	787,792	763,673	24,119
Total general government, administrative	<u>68,646,513</u>	<u>75,957,109</u>	<u>65,398,109</u>	<u>10,559,000</u>
General government, judicial:				
Register of Wills	1,214,813	1,250,409	1,168,641	81,768
Sheriff	11,210,676	11,670,638	11,247,365	423,273
Coroner	2,026,415	2,281,169	2,277,393	3,776
Prothonotary	2,016,646	2,130,661	1,964,032	166,629
Clerk of Courts	2,926,422	2,982,787	3,047,050	(64,263)
Public Defender	4,281,905	4,338,379	4,373,601	(35,222)
District Attorney	13,276,437	14,318,059	14,750,711	(432,652)
Law Library	650,092	656,153	654,886	1,267
Court Administration	10,435,430	10,760,594	10,848,063	(87,469)
District Justices	8,036,401	8,600,854	8,255,287	345,567
Court Reporters	2,566,589	2,593,793	2,583,193	10,600
Total general government, judicial	<u>\$ 58,641,826</u>	<u>\$ 61,583,496</u>	<u>\$ 61,170,222</u>	<u>\$ 413,274</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	\$ 10,861,933	\$ 11,317,808	\$ 10,896,735	\$ 421,073
Juvenile Probation	12,818,632	12,958,517	11,823,432	1,135,085
Prison	46,460,824	49,839,580	46,327,761	3,511,819
Community Corrections	300,586	642,456	574,657	67,799
Emergency Services Non Communications	2,329,905	2,691,429	2,345,637	345,792
Total public safety	<u>72,771,880</u>	<u>77,449,790</u>	<u>71,968,222</u>	<u>5,481,568</u>
Culture and Recreation:				
Berks County Public Libraries	4,474,725	4,778,514	4,728,670	49,844
Parks	5,160,194	6,189,322	4,992,892	1,196,430
Total culture and recreation	<u>9,634,919</u>	<u>10,967,836</u>	<u>9,721,562</u>	<u>1,246,274</u>
Community and Economic Development:				
Planning	2,101,920	2,210,985	2,263,170	(52,185)
Agricultural Extension Service	630,500	630,500	631,320	(820)
Agland Preservation	1,829,747	1,856,999	1,203,581	653,418
Total community and economic development	<u>4,562,167</u>	<u>4,698,484</u>	<u>4,098,071</u>	<u>600,413</u>
Public Works:				
Recycling	<u>15,024</u>	<u>15,024</u>	<u>14,242</u>	<u>782</u>
Community Support:				
Contributions:				
Community Bail Program	682,895	685,993	685,970	23
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	29,005,389	4,109,101	3,927,968	181,133
Berks Heim	14,937,275	14,937,275	14,937,275	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	<u>48,775,559</u>	<u>23,882,369</u>	<u>23,701,213</u>	<u>181,156</u>
Contingency:				
Contingency general	<u>3,800,000</u>	<u>318,930</u>	<u>-</u>	<u>318,930</u>
Debt Service:				
Principal	8,109,814	15,483,292	17,645,328	(2,162,036)
Interest and fiscal charges	2,578,211	2,578,211	2,976,412	(398,201)
Debt service costs	-	1,004,646	1,004,646	-
Administrative expenses	8,051	28,831	28,831	-
Total debt service	<u>10,696,076</u>	<u>19,094,980</u>	<u>21,655,217</u>	<u>(2,560,237)</u>
Intergovernmental:				
Solid Waste	<u>301,305</u>	<u>301,305</u>	<u>291,485</u>	<u>9,820</u>
Total expenditures for general fund	<u>277,845,269</u>	<u>274,269,323</u>	<u>258,018,343</u>	<u>18,105,467</u>
Excess (deficiency) of revenue over (under) expenditures	<u>\$ (38,873,348)</u>	<u>\$ (31,810,357)</u>	<u>\$ (10,159,795)</u>	<u>\$ 23,505,049</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Transfers in	\$ 32,482,378	\$ 37,492,909	\$ 37,280,627	\$ (212,282)
Transfers out	(15,688,240)	(24,886,770)	(23,933,644)	953,126
Lease proceeds	-	-	330,014	330,014
SBITA proceeds	-	-	4,271,573	4,271,573
BCRC closing transfer out	-	(1,380,905)	(1,380,905)	-
Total other financing sources (uses)	<u>16,794,138</u>	<u>11,225,234</u>	<u>16,567,665</u>	<u>5,342,431</u>
Net change in fund balances	(22,079,210)	(20,585,123)	6,407,870	31,722,580
Fund balances, beginning, as restated	<u>203,845,552</u>	<u>203,845,552</u>	<u>203,845,552</u>	<u>-</u>
Fund balances, ending	<u>\$ 181,766,342</u>	<u>\$ 183,260,429</u>	<u>\$ 210,253,422</u>	<u>\$ 31,722,580</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 35,816,341	\$ 36,037,036	\$ 33,080,371	\$ (2,956,665)
Departmental charges and reimbursements	807,906	807,906	482,621	(325,285)
Investment earnings	-	-	678	678
Miscellaneous	1,600	1,600	996	(604)
Total revenues	<u>36,625,847</u>	<u>36,846,542</u>	<u>33,564,666</u>	<u>(3,281,876)</u>
Expenditures				
Current:				
Human services	<u>42,536,303</u>	<u>42,818,366</u>	<u>39,578,796</u>	<u>3,239,570</u>
Total expenditures	<u>42,536,303</u>	<u>42,818,366</u>	<u>39,578,796</u>	<u>3,239,570</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(5,910,456)</u>	<u>(5,971,824)</u>	<u>(6,014,130)</u>	<u>(42,306)</u>
Other financing sources (uses):				
Transfers in	6,142,640	6,204,008	6,275,941	71,933
Transfers out	<u>(232,184)</u>	<u>(232,184)</u>	<u>(260,909)</u>	<u>(28,725)</u>
Total other financing sources (uses)	<u>5,910,456</u>	<u>5,971,824</u>	<u>6,015,032</u>	<u>43,208</u>
Net change in fund balances	-	-	902	902
Fund balances, beginning, as restated	<u>76,414</u>	<u>76,414</u>	<u>76,414</u>	<u>-</u>
Fund balances, ending	<u>\$ 76,414</u>	<u>\$ 76,414</u>	<u>\$ 77,316</u>	<u>\$ 902</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 159,459,951	\$ 176,186,257	\$ 170,624,416	\$ (5,561,841)
Investment earnings	63,001	1,027,885	1,145,468	117,583
Total revenues	<u>159,522,952</u>	<u>177,214,142</u>	<u>171,769,884</u>	<u>(5,444,258)</u>
Expenditures				
Current:				
Human services	159,511,432	177,199,738	171,754,583	5,445,155
Total expenditures	<u>159,511,432</u>	<u>177,199,738</u>	<u>171,754,583</u>	<u>5,445,155</u>
Excess (deficiency) of revenue over (under) expenditures	<u>11,520</u>	<u>14,404</u>	<u>15,301</u>	<u>897</u>
Other financing uses:				
Transfers out	(11,520)	(14,404)	(15,301)	(897)
Total other financing sources (uses)	<u>(11,520)</u>	<u>(14,404)</u>	<u>(15,301)</u>	<u>(897)</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
 COVID Impact Grants Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 29,719,792	\$ 33,495,963	\$ 33,495,962	\$ (1)
Investment earnings	-	-	2,515,495	2,515,495
Miscellaneous	-	-	-	-
Total revenues	<u>29,719,792</u>	<u>33,495,963</u>	<u>36,011,457</u>	<u>2,515,494</u>
Expenditures				
Current:				
General government, administrative	76,939	-	-	-
Total expenditures	<u>76,939</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	<u>29,642,853</u>	<u>33,495,963</u>	<u>36,011,457</u>	<u>2,515,494</u>
Other financing sources (uses):				
Transfers out	<u>(29,642,853)</u>	<u>(33,495,963)</u>	<u>(33,495,962)</u>	<u>1</u>
Total other financing sources (uses)	<u>(29,642,853)</u>	<u>(33,495,963)</u>	<u>(33,495,962)</u>	<u>1</u>
Net change in fund balances (deficits)	-	-	2,515,495	2,515,495
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,515,495</u>	<u>\$ 2,515,495</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 Changes in the County's Net Pension Asset (Liability) and Related Ratios
 Berks County Employees' Retirement Fund
 Last 10 Fiscal Years

County of Berks
 2023 Annual Comprehensive Financial Report

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 8,820,227	\$ 10,525,761	\$ 10,022,547	\$ 10,088,504	\$ 9,947,632	\$ 9,849,878	\$ 11,027,621	\$ 10,623,914	\$ 10,332,061	\$ 10,035,976
Interest	40,705,919	38,824,582	37,214,627	35,784,446	34,184,164	32,446,090	30,192,609	29,071,529	27,673,435	25,973,019
Differences between expected and actual experience	8,590,744	3,393,455	262,938	1,496,290	3,992,429	2,596,591	(5,056,232)	(501,667)	3,789,345	(3,642,225)
Changes of Assumptions (1)	-	-	-	-	-	5,599,573	-	-	-	-
Benefit payments, including refunds of employee contributions	(31,482,822)	(30,831,093)	(28,545,773)	(25,510,784)	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,776)	(18,690,853)	(16,016,484)
Net change in total pension liability	26,634,068	21,912,705	18,954,339	21,858,456	24,732,946	27,453,389	15,745,450	19,811,000	23,103,988	16,350,286
Total pension liability, beginning	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	350,868,888
Total pension liability, ending	\$ 567,425,515	\$ 540,791,447	\$ 518,878,742	\$ 499,924,403	\$ 478,065,947	\$ 453,333,001	\$ 425,879,612	\$ 410,134,162	\$ 390,323,162	\$ 367,219,174
Plan fiduciary net position										
Contributions-employer	\$ 771,559	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518
Contributions-member	8,628,323	8,106,646	7,450,219	7,338,292	7,347,118	7,119,321	6,900,703	6,500,174	6,256,829	6,074,679
Net investment income	72,204,632	(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	(37,721)	(37,832)	(35,174)	(34,853)	(30,718)	-	-	-	5,708	27,002
Benefit payments, including refunds of member contributions	(31,482,822)	(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	(41,500)	(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	50,042,471	(107,355,953)	59,586,050	41,193,022	54,852,375	(35,582,515)	47,378,348	18,426,701	(13,890,207)	13,299,203
Plan fiduciary net position, beginning	\$ 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	399,714,332
Plan fiduciary net position, ending	\$ 527,663,827	\$ 477,621,356	\$ 584,977,309	\$ 525,391,259	\$ 484,198,237	\$ 429,345,862	\$ 464,928,377	\$ 417,550,029	\$ 399,123,328	\$ 413,013,535
County of Berks' net pension (liability) asset	\$ (39,761,688)	\$ (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	92.99%	88.32%	112.74%	105.09%	101.28%	94.71%	109.17%	101.81%	102.25%	112.47%
Employee payroll	\$ 116,011,387	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314
County of Berks' net pension (liability) asset as a percentage of covered-employee payroll	-34.27%	-57.94%	59.84%	22.70%	5.6%	-22.0%	37.3%	7.1%	8.7%	46.4%

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

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

County of Berks
2023 Annual Comprehensive Financial Report

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 771,559	\$ 48,474	\$ 4,329,291	\$ 5,188,611	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518
Pension prefunding	-	-	-	-	-	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	<u>771,559</u>	<u>48,474</u>	<u>4,329,291</u>	<u>5,188,611</u>	<u>4,411,739</u>	<u>3,648,063</u>	<u>2,601,477</u>	<u>2,088,776</u>	<u>1,408,537</u>	<u>233,518</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employee payroll	\$ 116,011,387	\$ 109,027,818	\$ 110,465,715	\$ 112,177,834	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314
Contributions as a percentage of covered-employee payroll	0.67%	0.04%	3.92%	4.63%	4.05%	3.35%	2.48%	2.01%	1.39%	0.24%
Annual money-weighted rate of return, net of investment expense	15.43%	-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	Market Value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increase	3.5%, average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuity Mortality Table for males and females with no projected improvement

Other information:

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

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

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

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

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

NOTES TO SCHEDULE

Changes of Benefit Terms

None.

Changes of Assumptions

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

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

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

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

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

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

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

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

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

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
College's proportion of the collective net pension liability	0.0088%	0.0091%	0.0090%	0.0096%	0.0081%	0.0089%	0.0093%	0.0101%	0.0102%	0.0098%
College's proportionate share of the collective net pension liability	\$ 3,912,000	\$ 3,736,000	\$ 4,432,000	\$ 4,491,000	\$ 3,888,000	\$ 4,396,000	\$ 4,609,000	\$ 4,375,000	\$ 4,037,000	\$ 4,011,000
Commonwealth's proportionate share of the collective net pension liability	3,912,000	3,736,000	4,432,000	4,491,000	3,888,000	4,396,000	4,609,000	4,375,000	4,037,000	4,011,000
Total proportional share of the collective net pension liability	<u>\$ 7,824,000</u>	<u>\$ 7,472,000</u>	<u>\$ 8,864,000</u>	<u>\$ 8,982,000</u>	<u>\$ 7,776,000</u>	<u>\$ 8,792,000</u>	<u>\$ 9,218,000</u>	<u>\$ 8,750,000</u>	<u>\$ 8,074,000</u>	<u>\$ 8,022,000</u>
College's covered payroll	<u>\$ 1,294,814</u>	<u>\$ 1,291,806</u>	<u>\$ 1,254,994</u>	<u>\$ 1,325,999</u>	<u>\$ 1,090,131</u>	<u>\$ 1,184,173</u>	<u>\$ 1,202,332</u>	<u>\$ 1,303,494</u>	<u>\$ 1,302,862</u>	<u>\$ 1,263,646</u>
College's proportionate share of the net pension liability as a percentage of its covered payroll	302.13%	289.21%	353.15%	338.69%	356.65%	371.23%	383.34%	335.64%	309.86%	317.41%
Plan fiduciary net position as a percentage of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%	54.50%

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

NOTES TO SCHEDULE

Changes in benefit terms

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

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

- The Discount Rate decreased from 7.25% to 7.00%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 350% to 3.25%.
- Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.
- For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

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

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

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 52,762	\$ 43,895	\$ 44,678	\$ 21,231	\$ 19,543	\$ 18,751	\$ 17,075	\$ 15,211	\$ 16,890	\$ 12,037
Contributions in relation to the contractually required contribution	52,762	43,895	44,678	21,231	19,543	18,751	17,075	15,211	16,890	12,037
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 153,654	\$ 136,852	\$ 151,630	\$ 60,013	\$ 56,435	\$ 54,444	\$ 57,055	\$ 62,156	\$ 88,307	
Contributions as a percentage of covered payroll	34.34%	32.07%	29.47%	35.38%	34.63%	34.44%	29.93%	24.47%	19.13%	

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 429,801	\$ 428,195	\$ 425,022	\$ 417,567	\$ 407,862	\$ 379,744	\$ 347,998	\$ 304,638	\$ 272,325	\$ 208,269
Contributions in relation to the contractually required contribution	<u>429,801</u>	<u>428,195</u>	<u>425,022</u>	<u>417,567</u>	<u>407,862</u>	<u>379,744</u>	<u>347,998</u>	<u>304,638</u>	<u>272,325</u>	<u>208,269</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,293,034	\$ 1,294,814	\$ 1,291,806	\$ 1,254,994	\$ 1,325,999	\$ 1,090,131	\$ 1,184,173	\$ 1,202,332	\$ 1,303,494	\$ 1,302,862
Contributions as a percentage of covered payroll	33.24%	33.07%	32.90%	33.27%	30.76%	34.83%	29.39%	25.34%	20.89%	15.99%

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

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

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

NOTES TO SCHEDULE

Changes in benefit terms

None.

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

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

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

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

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

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

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 9,395	\$ 10,078	\$ 10,400	\$ 10,514	\$ 10,384	\$ 9,930	\$ 9,892	\$ 10,236	\$ 11,956	\$ 12,106
Contributions in relation to the contractually required contribution	9,395	10,078	10,400	10,514	10,384	9,930	9,892	10,236	11,956	12,106
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 1,293,034	\$ 1,294,814	\$ 1,291,806	\$ 1,254,994	\$ 1,325,999	\$ 1,090,131	\$ 1,184,173	\$ 1,202,332	\$ 1,303,494	\$ 1,302,862
Contributions as a percentage of covered payroll	0.73%	0.78%	0.81%	0.84%	0.78%	0.91%	0.84%	0.85%	0.92%	0.93%

READING AREA COMMUNITY COLLEGE

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

LAST TEN FISCAL YEARS

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

NOTES TO SCHEDULE

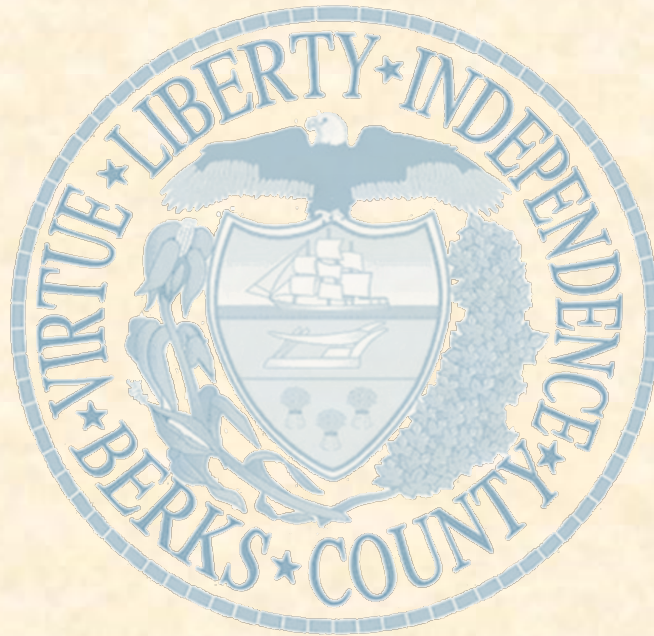
Changes of Benefit Terms
None.

Changes of Assumptions
Significant changes in assumptions for the July 1, 2021 measurement date are as follows:
· Mortality improvement scale was updated to MP-2021

The discount rate used for fiscal year end:

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

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



OTHER SUPPLEMENTAL INFORMATION

Other Supplemental Information provides combining financial statements for non-major governmental funds, plus budgetary comparisons for these non-major funds, 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	\$ 2,673,905	\$ 250	\$ 5,043	\$ 7,569
Cash and cash equivalents, restricted	20,787,792	-	-	-
Accounts receivable	-	5,265	53,432	12,101
Opioid settlement receivable	-	-	-	-
Due from other governments	-	2,179,380	646,041	14,162
Due from other funds	69,410	-	1,877,621	7,407,424
Prepaid expenses	-	-	3,433	-
Total assets	<u>\$ 23,531,107</u>	<u>\$ 2,184,895</u>	<u>\$ 2,585,570</u>	<u>\$ 7,441,256</u>
Liabilities				
Accounts payable	\$ 495,032	\$ 5,475	\$ 449,830	\$ 56,645
Accrued liabilities	-	312,252	26,753	205,999
Due to other funds	955,431	1,729,775	120,504	-
Unearned revenue	-	-	-	3,937,828
Due to third parties	-	-	-	-
Accrued claims health insurance	2,217	137,393	13,543	73,559
Payable from restricted assets	-	-	-	2,710,773
Total liabilities	<u>1,452,680</u>	<u>2,184,895</u>	<u>610,630</u>	<u>6,984,804</u>
Deferred inflows of resources				
Opioid settlement	-	-	-	-
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	3,433	-
Restricted	22,078,427	-	1,971,507	456,452
Total fund balances	<u>22,078,427</u>	<u>-</u>	<u>1,974,940</u>	<u>456,452</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 23,531,107</u>	<u>\$ 2,184,895</u>	<u>\$ 2,585,570</u>	<u>\$ 7,441,256</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Drug and Alcohol
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	1,344,402	-	-	-
Accounts receivable	13,371	-	-	913,337
Opioid settlement receivable	-	-	-	13,186,253
Due from other governments	969,308	649,159	18,419	804,338
Due from other funds	694,564	5,244,916	86,713	319
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 3,021,645</u>	<u>\$ 5,894,075</u>	<u>\$ 105,132</u>	<u>\$ 14,904,247</u>
Liabilities				
Accounts payable	\$ 25,294	\$ 1,908,682	\$ 45,628	\$ 1,591,035
Accrued liabilities	-	21,802	1,685	-
Due to other funds	1,440,617	-	-	-
Unearned revenue	-	2,765,923	44,888	120
Due to third parties	227,608	-	-	-
Accrued claims health insurance	-	9,184	706	-
Payable from restricted assets	-	1,188,484	-	126,839
Total liabilities	<u>1,693,519</u>	<u>5,894,075</u>	<u>92,907</u>	<u>1,717,994</u>
Deferred inflows of resources				
Opioid settlement	-	-	-	13,186,253
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	-	-
Restricted	1,328,126	-	12,225	-
Total fund balances	<u>1,328,126</u>	<u>-</u>	<u>12,225</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,021,645</u>	<u>\$ 5,894,075</u>	<u>\$ 105,132</u>	<u>\$ 14,904,247</u>

	Special Revenue		
	Department of Emergency Services	Community Development	Total
Assets			
Cash and cash equivalents	\$ 1,014,072	\$ -	\$ 3,700,839
Cash and cash equivalents, restricted	-	-	22,132,194
Accounts receivable	2,186,776	101,692	3,285,974
Opioid settlement receivable	-	-	13,186,253
Due from other governments	111,985	-	5,392,792
Due from other funds	-	-	15,380,967
Prepaid expenses	2,445,935	-	2,449,368
Total assets	<u>\$ 5,758,768</u>	<u>\$ 101,692</u>	<u>\$ 65,528,387</u>
Liabilities			
Accounts payable	\$ 141,290	\$ 35,970	\$ 4,754,883
Accrued liabilities	437,137	-	1,005,626
Due to other funds	4,897,620	65,722	9,209,669
Unearned revenue	140,785	-	6,889,544
Due to third parties	-	-	227,608
Accrued claims health insurance	126,837	-	363,439
Payable from restricted assets	-	-	4,026,096
Total liabilities	<u>5,743,669</u>	<u>101,692</u>	<u>26,476,865</u>
Deferred inflows of resources			
Opioid settlement	-	-	13,186,253
Other unavailable	15,099	-	15,099
Total deferred inflows of resources	<u>15,099</u>	<u>-</u>	<u>13,201,352</u>
Fund balances			
Nonspendable	2,445,935	-	2,449,368
Restricted	<u>(2,445,935)</u>	<u>-</u>	<u>23,400,802</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>25,850,170</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,758,768</u>	<u>\$ 101,692</u>	<u>\$ 65,528,387</u>

	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 2,034,748	\$ 5,028,404	\$ 5,919,133	\$ 9,224,524
Hotel tax	-	-	-	-
Departmental charges and reimbursements	2,076,268	79,157	-	146,084
Investment earnings	679,926	-	53,857	188,738
Rental	11,100	-	-	-
Miscellaneous	89,389	805	326,372	10,003
Total revenues	<u>4,891,431</u>	<u>5,108,366</u>	<u>6,299,362</u>	<u>9,569,349</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	7,545,594	6,240,200	9,465,234
Community and economic development	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt service costs	-	-	-	-
Public works	1,487,147	-	-	-
Total expenditures	<u>1,487,147</u>	<u>7,545,594</u>	<u>6,240,200</u>	<u>9,465,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,404,284</u>	<u>(2,437,228)</u>	<u>59,162</u>	<u>104,115</u>
Other financing sources (uses)				
Transfers in	15,360	2,493,321	13,664	-
Transfers out	(2,931)	(56,093)	(17,130)	(87,332)
Total other financing sources (uses)	<u>12,429</u>	<u>2,437,228</u>	<u>(3,466)</u>	<u>(87,332)</u>
Net changes in fund balances	3,416,713	-	55,696	16,783
Fund balances, beginning	18,661,714	-	1,919,244	439,669
Fund balances, ending	<u>\$ 22,078,427</u>	<u>\$ -</u>	<u>\$ 1,974,940</u>	<u>\$ 456,452</u>

	Special Revenue			
	Special Legislation	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol
Revenues				
Intergovernmental revenue	\$ 570,613	\$ 18,788,302	\$ 896,117	\$ 7,721,721
Hotel tax	3,100,726	-	-	-
Departmental charges and reimbursements	1,015,072	-	-	-
Investment earnings	64,744	233,002	10,679	199
Rental	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,751,155</u>	<u>19,021,304</u>	<u>906,796</u>	<u>7,721,920</u>
Expenditures				
Current:				
General government, administrative	3,367,171	-	-	-
General government, judicial	217,576	-	-	-
Public safety	-	-	-	-
Human services	-	19,864,472	905,919	9,151,268
Community and economic development	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt service costs	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>3,584,747</u>	<u>19,864,472</u>	<u>905,919</u>	<u>9,151,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,166,408</u>	<u>(843,168)</u>	<u>877</u>	<u>(1,429,348)</u>
Other financing sources (uses)				
Transfers in	-	854,101	-	1,429,348
Transfers out	<u>(1,628,178)</u>	<u>(10,933)</u>	<u>(881)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,628,178)</u>	<u>843,168</u>	<u>(881)</u>	<u>1,429,348</u>
Net changes in fund balances	(461,770)	-	(4)	-
Fund balances, beginning, as restated	<u>1,789,896</u>	<u>-</u>	<u>12,229</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,328,126</u>	<u>\$ -</u>	<u>\$ 12,225</u>	<u>\$ -</u>

	Department of Emergency Services	Special Revenue Community Development	Total
Revenues			
Intergovernmental revenue	\$ 205,057	\$ 9,615,447	\$ 60,004,065
Hotel tax	-	-	3,100,726
Departmental charges and reimbursements	12,729,654	499,387	16,545,618
Investment earnings	74,855	236,599	1,542,599
Rental	46,103	-	57,203
Miscellaneous	-	-	426,569
Total revenues	<u>13,055,669</u>	<u>10,351,433</u>	<u>81,676,780</u>
Expenditures			
Current:			
General government, administrative	-	-	3,367,171
General government, judicial	-	-	217,576
Public Safety	12,212,672	-	12,212,672
Human services	-	-	53,172,687
Community and economic development	-	10,194,943	10,194,943
Principal	10,352,254	-	10,352,254
Interest and fiscal charges	1,069,848	-	1,069,848
Debt service costs	852,309	-	852,309
Public works	-	-	1,487,147
Total expenditures	<u>24,487,083</u>	<u>10,194,943</u>	<u>92,926,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,431,414)</u>	<u>156,490</u>	<u>(11,249,827)</u>
Other financing sources (uses)			
Transfers in	11,591,837	-	16,397,631
Transfers out	<u>(160,422)</u>	<u>(156,485)</u>	<u>(2,120,385)</u>
Total other financing sources (uses)	<u>11,431,415</u>	<u>(156,485)</u>	<u>14,277,246</u>
Net changes in fund balances	1	-	3,027,419
Fund balances, beginning	-	-	<u>22,822,752</u>
Fund balances, ending	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 25,850,171</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 1,867,561	\$ 1,867,561	\$ 2,034,748	\$ 167,187
Departmental charges and reimbursements	2,068,680	2,068,680	2,076,268	7,588
Investment earnings	93,627	93,627	679,926	586,299
Rental	11,100	11,100	11,100	-
Miscellaneous	-	134,155	89,389	(44,766)
Total revenues	<u>4,040,968</u>	<u>4,175,123</u>	<u>4,891,431</u>	<u>716,308</u>
Expenditures				
Current:				
Public works	<u>5,218,946</u>	<u>6,296,114</u>	<u>1,487,147</u>	<u>4,808,967</u>
Total expenditures	<u>5,218,946</u>	<u>6,296,114</u>	<u>1,487,147</u>	<u>4,808,967</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,177,978)</u>	<u>(2,120,991)</u>	<u>3,404,284</u>	<u>5,525,275</u>
Other financing sources (uses):				
Transfers in	17,679	17,679	15,360	(2,319)
Transfers out	<u>(3,720)</u>	<u>(3,720)</u>	<u>(2,931)</u>	<u>789</u>
Total other financing sources (uses)	<u>13,959</u>	<u>13,959</u>	<u>12,429</u>	<u>(1,530)</u>
Net change in fund balances (deficits)	<u>(1,164,019)</u>	<u>(2,107,032)</u>	<u>3,416,713</u>	<u>5,523,745</u>
Fund balances, beginning	<u>18,661,714</u>	<u>18,661,714</u>	<u>18,661,714</u>	<u>-</u>
Fund balances, ending	<u>\$ 17,497,695</u>	<u>\$ 16,554,682</u>	<u>\$ 22,078,427</u>	<u>\$ 5,523,745</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,107,286	\$ 5,107,946	\$ 5,028,404	\$ (79,542)
Departmental charges and reimbursements	119,917	119,917	79,157	(40,760)
Miscellaneous	-	-	805	805
Total revenues	<u>5,227,203</u>	<u>5,227,863</u>	<u>5,108,366</u>	<u>(119,497)</u>
Expenditures				
Current:				
Human services	<u>7,449,733</u>	<u>7,426,585</u>	<u>7,545,594</u>	<u>(119,009)</u>
Total expenditures	<u>7,449,733</u>	<u>7,426,585</u>	<u>7,545,594</u>	<u>(119,009)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,222,530)</u>	<u>(2,198,722)</u>	<u>(2,437,228)</u>	<u>(238,506)</u>
Other financing sources (uses):				
Transfers in	2,318,626	2,318,966	2,493,321	174,355
Transfers out	<u>(96,096)</u>	<u>(120,244)</u>	<u>(56,093)</u>	<u>64,151</u>
Total other financing sources (uses)	<u>2,222,530</u>	<u>2,198,722</u>	<u>2,437,228</u>	<u>238,506</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
Employment and Training Special Revenue Fund - Budget and Actual
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 5,484,661	\$ 8,333,733	\$ 5,919,133	\$ (2,414,600)
Investment earnings	-	-	53,857	53,857
Miscellaneous	354,955	370,237	326,372	(43,865)
Total revenues	<u>5,839,616</u>	<u>8,703,970</u>	<u>6,299,362</u>	<u>(2,404,608)</u>
Expenditures				
Current:				
Human services	5,825,420	8,712,747	6,240,200	2,472,547
Total expenditures	<u>5,825,420</u>	<u>8,712,747</u>	<u>6,240,200</u>	<u>2,472,547</u>
Excess (deficiency) of revenue over (under) expenditures	<u>14,196</u>	<u>(8,777)</u>	<u>59,162</u>	<u>67,939</u>
Other financing sources (uses):				
Transfers in	-	3,742	13,664	9,922
Transfers out	<u>(14,196)</u>	<u>(17,744)</u>	<u>(17,130)</u>	<u>614</u>
Total other financing sources (uses)	<u>(14,196)</u>	<u>(14,002)</u>	<u>(3,466)</u>	<u>10,536</u>
Net change in fund balances (deficits)	-	(22,779)	55,696	78,475
Fund balances, beginning	<u>1,919,244</u>	<u>1,919,244</u>	<u>1,919,244</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,919,244</u>	<u>\$ 1,896,465</u>	<u>\$ 1,974,940</u>	<u>\$ 78,475</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 9,647,010	\$ 11,988,689	\$ 9,224,524	\$ (2,764,165)
Departmental charges and reimbursements	159,550	159,550	146,084	(13,466)
Investment earnings	6,450	6,450	188,738	182,288
Miscellaneous	1,200	1,200	10,003	8,803
Total revenues	<u>9,814,210</u>	<u>12,155,889</u>	<u>9,569,349</u>	<u>(2,586,540)</u>
Expenditures				
Current:				
Human services	<u>9,364,952</u>	<u>11,674,915</u>	<u>9,465,234</u>	<u>2,209,681</u>
Total expenditures	<u>9,364,952</u>	<u>11,674,915</u>	<u>9,465,234</u>	<u>2,209,681</u>
Excess (deficiency) of revenue over (under) expenditures	<u>449,258</u>	<u>480,974</u>	<u>104,115</u>	<u>(376,859)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(65,740)</u>	<u>(97,456)</u>	<u>(87,332)</u>	<u>10,124</u>
Total other financing sources (uses)	<u>(65,740)</u>	<u>(97,456)</u>	<u>(87,332)</u>	<u>10,124</u>
Net change in fund balances (deficits)	383,518	383,518	16,783	(366,735)
Fund balances, beginning	439,669	439,669	439,669	-
Fund balances, ending	<u>\$ 823,187</u>	<u>\$ 823,187</u>	<u>\$ 456,452</u>	<u>\$ (366,735)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Special Legislation Special Revenue Fund - Budget and Actual
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 821,538	\$ 821,538	\$ 570,613	\$ (250,925)
Hotel tax	2,736,395	2,736,395	3,100,726	364,331
Departmental charges and reimbursements	982,659	982,659	1,015,072	32,413
Investment earnings	7,210	7,210	64,744	57,534
Total revenues	<u>4,547,802</u>	<u>4,547,802</u>	<u>4,751,155</u>	<u>203,353</u>
Expenditures				
Current:				
General government, administrative	2,825,520	2,935,517	3,367,171	(431,654)
General government, judicial	26,055	51,055	217,576	(166,521)
Total expenditures	<u>2,851,575</u>	<u>2,986,572</u>	<u>3,584,747</u>	<u>(598,175)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,696,227</u>	<u>1,561,230</u>	<u>1,166,408</u>	<u>(394,822)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(1,934,679)</u>	<u>(1,934,679)</u>	<u>(1,628,178)</u>	<u>306,501</u>
Total other financing sources (uses)	<u>(1,934,679)</u>	<u>(1,934,679)</u>	<u>(1,628,178)</u>	<u>306,501</u>
Net change in fund balances (deficits)	<u>(238,452)</u>	<u>(373,449)</u>	<u>(461,770)</u>	<u>(88,321)</u>
Fund balances, beginning, as restated	<u>1,789,896</u>	<u>1,789,896</u>	<u>1,789,896</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,551,444</u>	<u>\$ 1,416,447</u>	<u>\$ 1,328,126</u>	<u>\$ (88,321)</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 18,650,796	\$ 21,250,812	\$ 18,788,302	\$ (2,462,510)
Investment earnings	4,500	4,500	233,002	228,502
Total revenues	<u>18,655,296</u>	<u>21,255,312</u>	<u>19,021,304</u>	<u>(2,234,008)</u>
Expenditures				
Current:				
Human services	19,556,020	22,240,052	19,864,472	2,375,580
Total expenditures	<u>19,556,020</u>	<u>22,240,052</u>	<u>19,864,472</u>	<u>2,375,580</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(900,724)</u>	<u>(984,740)</u>	<u>(843,168)</u>	<u>141,572</u>
Other financing sources (uses):				
Transfers in	909,670	995,853	854,101	(141,752)
Transfers out	(8,946)	(11,113)	(10,933)	180
Total other financing sources (uses)	<u>900,724</u>	<u>984,740</u>	<u>843,168</u>	<u>(141,572)</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, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 828,225	\$ 966,847	\$ 896,117	\$ (70,730)
Investment earnings	700	700	10,679	9,979
Total revenues	<u>828,925</u>	<u>967,547</u>	<u>906,796</u>	<u>(60,751)</u>
Expenditures				
Current:				
Human services	828,893	967,343	905,919	61,424
Total expenditures	<u>828,893</u>	<u>967,343</u>	<u>905,919</u>	<u>61,424</u>
Excess (deficiency) of revenue over (under) expenditures	<u>32</u>	<u>204</u>	<u>877</u>	<u>673</u>
Other financing sources (uses):				
Transfers out	(690)	(862)	(881)	(19)
Total other financing sources (uses)	<u>(690)</u>	<u>(862)</u>	<u>(881)</u>	<u>(19)</u>
Net change in fund balances (deficits)	(658)	(658)	(4)	654
Fund balances, beginning	12,229	12,229	12,229	-
Fund balances, ending	<u>\$ 11,571</u>	<u>\$ 11,571</u>	<u>\$ 12,225</u>	<u>\$ 654</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2023

County of Berks
2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 5,387,476	\$ 7,834,304	\$ 7,721,721	\$ (112,583)
Investment earnings	-	200	199	(1)
Total revenue	<u>5,387,476</u>	<u>7,834,504</u>	<u>7,721,920</u>	<u>(112,583)</u>
Expenditures				
Current:				
Human services	<u>6,816,824</u>	<u>9,263,852</u>	<u>9,151,268</u>	<u>112,584</u>
Total expenditures	<u>6,816,824</u>	<u>9,263,852</u>	<u>9,151,268</u>	<u>112,584</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,429,348)</u>	<u>(1,429,348)</u>	<u>(1,429,348)</u>	<u>1</u>
Other financing sources:				
Transfers in	<u>1,429,348</u>	<u>1,429,348</u>	<u>1,429,348</u>	<u>-</u>
Total other financing sources (uses)	<u>1,429,348</u>	<u>1,429,348</u>	<u>1,429,348</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Department of Emergency Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ -	\$ 544,564	\$ 205,057	\$ (339,507)
Departmental charges and reimbursements	12,644,672	12,666,401	12,729,653	63,252
Investment earnings	6,856	6,856	74,855	67,999
Rental	<u>45,532</u>	<u>45,532</u>	<u>46,103</u>	<u>571</u>
Total revenues	<u>12,697,060</u>	<u>13,263,353</u>	<u>13,055,668</u>	<u>(207,685)</u>
Expenditures				
Current:				
Public safety	<u>17,181,667</u>	<u>18,686,199</u>	<u>24,487,083</u>	<u>(5,800,884)</u>
Total expenditures	<u>17,181,667</u>	<u>18,686,199</u>	<u>24,487,083</u>	<u>(5,800,884)</u>
Deficiency of revenue under expenditures	<u>(4,484,607)</u>	<u>(5,422,846)</u>	<u>(11,431,415)</u>	<u>(6,008,569)</u>
Other financing uses:				
Transfers in	4,602,777	5,541,016	11,591,837	6,050,821
Transfers out	<u>(118,170)</u>	<u>(118,170)</u>	<u>(160,422)</u>	<u>(42,252)</u>
Total other financing sources (uses)	<u>4,484,607</u>	<u>5,422,846</u>	<u>11,431,415</u>	<u>6,008,569</u>
Net change in fund balances (deficits)	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 10,019,958	\$ 11,852,653	\$ 9,615,447	\$ (2,237,206)
Departmental charges and reimbursements	687,500	687,500	499,387	(188,113)
Investment earnings	-	156,485	236,599	80,114
Total revenues	<u>10,707,458</u>	<u>12,696,638</u>	<u>10,351,433</u>	<u>(2,345,205)</u>
Expenditures				
Current:				
Community and economic development	<u>10,707,458</u>	<u>12,540,153</u>	<u>10,194,948</u>	<u>2,345,205</u>
Total expenditures	<u>10,707,458</u>	<u>12,540,153</u>	<u>10,194,948</u>	<u>2,345,205</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>156,485</u>	<u>156,485</u>	<u>-</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>(156,485)</u>	<u>(156,485)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(156,485)</u>	<u>(156,485)</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, Expenses and Changes in Net Position
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

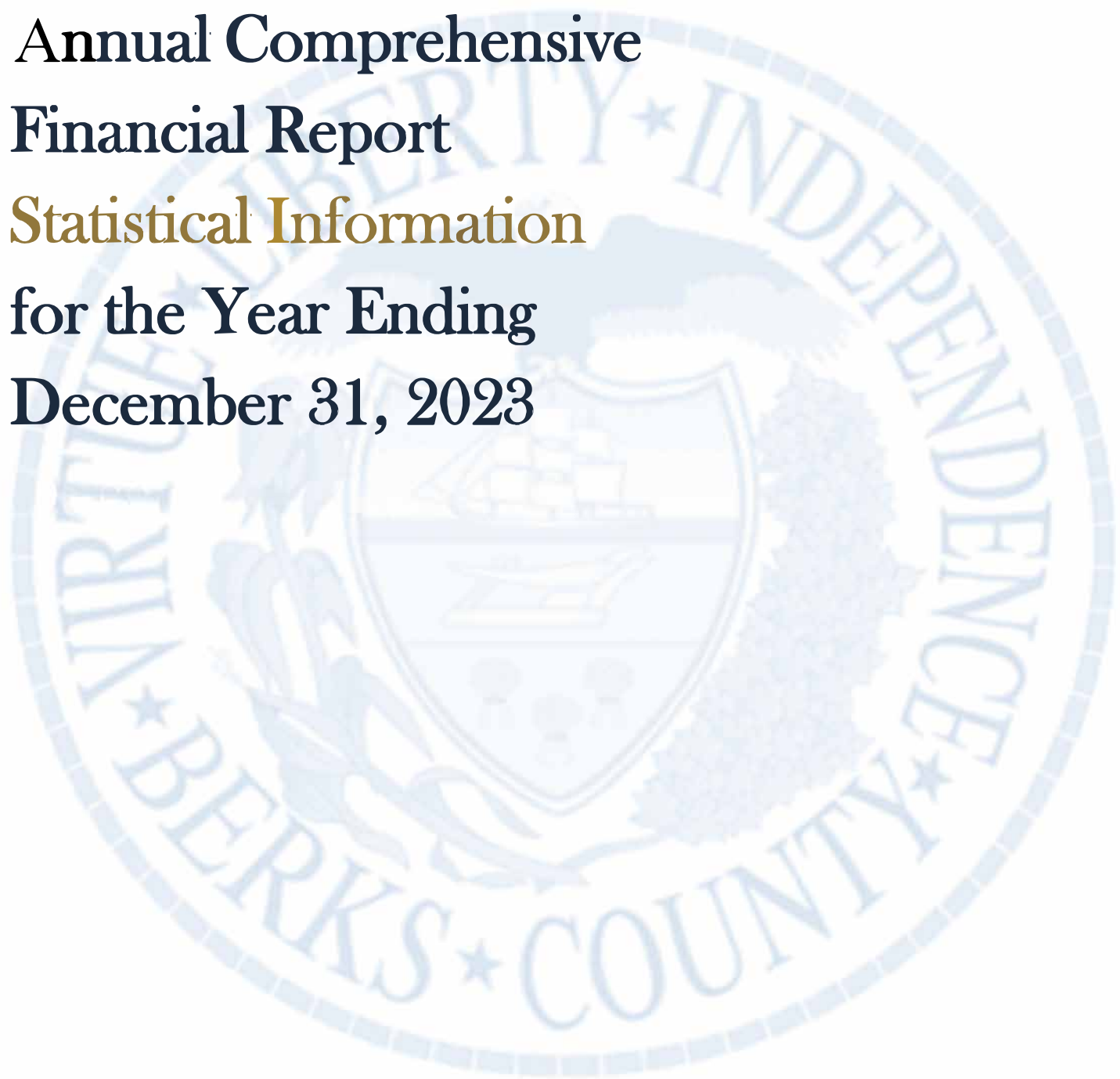
	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 7,301,448	\$ 7,301,448	\$ 894,490	\$ (6,406,958)
Other operating revenues	99,229	99,229	2,565	(96,664)
Total operating revenues	<u>7,400,677</u>	<u>7,400,677</u>	<u>897,055</u>	<u>(6,503,622)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	7,136,477	7,136,477	2,918,663	4,217,814
Depreciation	-	-	386,123	(386,123)
Total operating expenses	<u>7,136,477</u>	<u>7,136,477</u>	<u>3,304,786</u>	<u>3,831,691</u>
Operating income (loss)	<u>264,200</u>	<u>264,200</u>	<u>(2,407,731)</u>	<u>(2,671,931)</u>
Nonoperating revenues (expenses)				
Loss on disposal of equipment	-	-	(3,724,741)	
Interest expense	(5,050)	(5,050)	-	5,050
Total nonoperating revenues (expenses)	<u>(5,050)</u>	<u>(5,050)</u>	<u>(3,724,741)</u>	<u>5,050</u>
Income before transfers	259,150	259,150	(6,132,472)	(2,666,881)
Transfers in	-	1,380,905	-	(1,380,905)
Transfers out	(86,084)	(86,084)	(128,000)	(41,916)
Change in net position	173,066	1,553,971	(6,260,472)	(4,089,702)
Total net position, beginning	<u>6,260,472</u>	<u>6,260,472</u>	<u>6,260,472</u>	<u>-</u>
Total net position, ending	<u>\$ 6,433,538</u>	<u>\$ 7,814,443</u>	<u>\$ -</u>	<u>\$ (4,089,702)</u>

Schedule of Revenues, Expenditures and Changes in Net Position
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2023

County of Berks
 2023 Annual Comprehensive Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 37,206,567	\$ 37,206,567	\$ 32,599,413	\$ (4,607,154)
Other operating revenues	24,532,456	24,532,831	29,392,149	4,859,318
Total operating revenues	<u>61,739,023</u>	<u>61,739,398</u>	<u>61,991,562</u>	<u>252,164</u>
Operating expenses				
Financial administration	3,533,305	3,520,402	3,222,256	298,146
Administrative expenses	2,301,576	2,315,838	2,968,584	(652,746)
Special services	145,933	141,482	126,642	14,840
Dietary	4,010,399	3,948,320	3,273,948	674,372
Laundry	805,120	822,162	741,822	80,340
Environmental services	2,195,323	2,145,780	2,009,973	135,807
Plant operations	1,587,137	1,593,139	1,560,787	32,352
Nursing	22,365,798	23,213,807	21,933,610	1,280,197
Physician services	51,763	49,849	49,958	(109)
Pharmacy services	454,700	378,718	355,199	23,519
Medical services	352,174	339,175	329,915	9,260
Therapeutic activity	620,366	597,842	458,783	139,059
Social service	400,516	385,727	390,441	(4,714)
Physical therapy service	1,757,543	1,312,859	1,263,945	48,914
Staff development	428,206	412,613	413,379	(766)
Materials management	199,420	192,060	205,981	(13,921)
Personnel	179,575	173,084	187,554	(14,470)
Security	300,259	386,359	366,244	20,115
Volunteers	97,097	91,564	88,835	2,729
Nursing administration	1,816,667	1,696,751	1,717,968	(21,217)
Admissions	283,360	276,402	265,467	10,935
Depreciation	-	-	1,633,967	(1,633,967)
Total operating expenses	<u>43,886,237</u>	<u>43,993,933</u>	<u>43,565,258</u>	<u>428,675</u>
Operating income (loss)	<u>17,852,786</u>	<u>17,745,465</u>	<u>18,426,304</u>	<u>680,839</u>
Nonoperating revenues (expenses)				
Grants	1,022,107	1,022,107	426,305	(595,802)
Investment earnings	684	684	10,921	10,237
Interest Expense	(384,134)	(384,134)	(378,535)	5,599
Contribution to General Fund	(14,938,000)	(14,938,000)	(14,938,000)	-
Total nonoperating revenues (expenses)	<u>(14,299,343)</u>	<u>(14,299,343)</u>	<u>(14,879,309)</u>	<u>(579,966)</u>
Income before transfers	3,553,443	3,446,122	3,546,995	100,873
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Change in net position	<u>3,553,443</u>	<u>3,446,122</u>	<u>3,546,995</u>	<u>100,873</u>
Total net position, beginning	29,008,162	29,008,162	29,008,162	-
Total net position, ending	<u>\$ 32,561,605</u>	<u>\$ 32,454,284</u>	<u>\$ 32,555,157</u>	<u>\$ 100,873</u>

**County of Berks,
Pennsylvania
Annual Comprehensive
Financial Report
Statistical Information
for the Year Ending
December 31, 2023**



County of Berks
Statistical Section - Categories
Year Ended December 31, 2023

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>2023</u>	<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>
Governmental activities										
Net Investment in Capital Assets	\$ 220,237,338	\$ 182,579,908	\$ 180,572,215	\$ 174,067,177	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168	\$ 23,918,071
Restricted	165,651,719	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
Unrestricted	<u>57,498,388</u>	<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>
Total governmental activities net position	<u>\$ 443,387,445</u>	<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>
Business-type activities										
Net Investment in Capital Assets	\$ 13,085,486	\$ 18,160,887	\$ 15,678,107	\$ 15,084,385	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836	\$ 25,658,496
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	<u>19,469,671</u>	<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>
Total business-type activities net position	<u>\$ 32,555,157</u>	<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>
Primary government										
Net Investment in Capital Assets	\$ 233,322,824	\$ 200,740,795	\$ 196,250,322	\$ 189,151,562	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004	\$ 49,576,567
Restricted	165,651,719	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
Unrestricted	<u>76,968,059</u>	<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>
Total primary government net position	<u>\$ 475,942,602</u>	<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>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
General government	\$ 118,475,976	\$ 104,901,381	\$ 58,805,539	\$ 86,633,329	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197	\$ 15,721,339
Judicial	48,319,002	44,186,975	53,371,300	47,847,465	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970	48,391,839
Public safety	57,127,064	59,565,145	64,550,278	67,125,841	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123	58,902,986
Human services	253,725,745	258,160,117	235,602,652	220,735,108	201,850,983	203,987,908	204,645,396	195,370,229	173,389,044	167,089,187
Culture and recreation	9,781,384	8,712,348	8,145,378	7,836,681	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963	7,392,985
Community and economic development	16,957,238	32,637,998	47,331,860	7,702,249	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588	5,790,903
Public works	1,750,774	1,792,751	1,780,482	1,624,303	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561	1,518,619
Community support	2,463,064	3,303,363	3,323,528	2,117,029	2,124,745	2,770,282	626,679	601,605	564,489	1,825,423
Debt service administrative expenses	1,261,280	2,609,417	1,582,678	4,031,079	4,383,080	6,904,771	8,443,737	9,146,762	10,642,781	11,239,235
Solid waste	255,520	268,753	269,950	264,912	314,950	191,695	359,419	1,176,581	1,241,206	1,247,078
Total governmental activities expenses	\$ 510,117,047	\$ 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
Business-type activities										
Department of Emergency Services	-	-	-	-	-	-	-	-	12,445,334	12,793,480
Berks County Residential Center	3,432,785	7,538,390	6,427,559	7,036,871	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440	5,667,274
Berks Heim	58,881,793	48,102,228	44,212,317	47,951,530	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775	37,753,556
Total business-type activities expenses	62,314,578	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
Total primary government expenses	\$ 572,431,625	\$ 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
Program Revenues										
Governmental activities:										
Charges for services :										
General government	8,209,290	9,066,380	9,903,440	8,157,798	8,480,343	8,944,575	9,090,716	8,170,571	7,974,794	7,892,340
Judicial	8,498,636	8,006,633	8,401,830	7,776,595	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805	12,229,763
Public safety	14,097,203	15,001,874	15,907,187	15,851,499	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812	7,219,251
Human services	709,182	16,324,938	1,139,778	1,231,915	1,124,165	1,274,856	1,529,874	1,529,874	1,720,468	1,842,966
Culture and recreation	48,886	39,223	24,285	36,503	120,948	216,108	201,503	575,744	135,187	112,481
Community and economic development	619,189	744,223	1,040,660	785,328	659,079	(4,916,987)	861,287	2,035,597	940,375	672,165
Public works	2,079,201	2,068,680	2,140,000	2,044,440	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583	22,902
Community support	3,780,736	-	-	-	-	-	-	-	-	-
Solid waste	4,278,694	4,880,200	4,793,065	5,566,364	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991	3,574,193
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
Operating grants and contributions	306,497,092	322,698,933	307,439,223	279,667,695	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256	177,271,350
Capital grants and contributions	3,099,315	2,781,429	2,277,232	4,806,505	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307	42,348
Total governmental activities program revenues	\$ 351,917,424	\$ 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
Business-type activities										
Charges for services :										
Department of Emergency Services	-	-	-	-	-	-	-	-	10,787,498	8,753,289
Berks County Residential Center	897,054	8,360,990	7,456,553	8,056,510	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784	7,664,164
Berks Heim	61,991,562	46,752,795	46,835,012	48,364,200	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562	41,017,725
Operating grants and contributions	426,305	1,622,373	-	-	-	-	-	-	21,236	93,120
Capital grants and contributions	-	-	-	-	-	7,463	8,384	8,587	-	-
Total business-type activities program revenues	63,314,921	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
Total primary government program revenues	\$ 415,232,345	\$ 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
Net (expense)/revenue										
Governmental activities	(158,199,623)	(134,521,235)	(121,621,580)	(119,852,434)	(142,360,570)	(148,361,901)	(132,303,681)	(123,715,613)	(116,910,786)	(106,735,853)
Business-type activities	1,000,343	1,095,540	3,651,689	1,432,309	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531	1,313,988
Total primary government net expense	\$ (157,199,280)	\$ (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)

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 152,372,336	\$ 151,044,990	\$ 148,417,095	\$ 146,302,765	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892	\$ 136,033,476
Hotel room	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944
Payments in lieu of taxes	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561	242,774	266,532
Investment earnings	15,369,618	(1,127,057)	(472,832)	4,933,309	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503	639,352
Changes in fair value of investment rate swaps	-	-	-	-	845,879	(2,273,517)	581,988	(1,109,819)	490,084	601,668
Rental of Space	332,623	303,905	333,438	384,559	405,200	440,093	489,566	464,950	389,756	328,094
Miscellaneous	15,007,039	9,366,250	9,261,001	8,462,528	7,530,000	7,439,000	6,068,787	4,945,007	-	-
Gain (loss) on sale of capital assets	103,298	(211,310)	(286,385)	(2,015,390)	-	(281,413)	(690,319)	86,776	20,720	(245,199)
BCRC Closing Transfers	3,724,741	-	-	-	-	-	-	-	6,089,996	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	-	(5,746,011)
Transfer of assets to related entity	-	-	-	-	-	-	-	-	-	(436,774)
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)
Total governmental activities	\$ 190,279,477	\$ 163,776,347	\$ 161,231,608	\$ 161,333,469	\$ 163,214,955	\$ 156,379,779	\$ 148,833,562	\$ 145,255,063	\$ 147,834,546	\$ 133,497,082
Business-type activities										
Investment earnings	10,921	14,628	1,316	5,245	6,013	4,448	14,667	1,986	8,088	7,349
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
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	(2,696)
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Conversion to special revenue fund	-	-	-	-	-	-	-	-	(6,089,996)	-
BCRC Closing Transfers	(3,724,741)	-	-	-	-	-	-	-	-	-
Transfers	-	(1,033,000)	(1,088,977)	(1,088,977)	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)	436,774
Total business-type activities	(3,713,820)	(1,018,372)	(1,087,661)	(1,083,732)	(1,082,964)	(1,217,359)	(1,016,096)	70,237	(6,496,114)	1,315,522
Total primary government general revenue	\$ 186,565,657	\$ 162,757,975	\$ 160,143,947	\$ 160,249,737	\$ 162,131,991	\$ 155,162,420	\$ 147,817,466	\$ 145,325,300	\$ 141,338,432	\$ 134,812,604
Changes in Net Position										
Governmental activities	32,079,854	29,255,112	38,670,761	36,842,468	20,854,385	8,017,878	16,529,881	21,539,450	30,923,760	26,761,229
Business-type activities	(2,713,477)	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
Total primary government net revenue	\$ 29,366,377	\$ 29,332,280	\$ 42,174,055	\$ 41,829,613	\$ 23,308,689	\$ 8,733,883	\$ 18,579,593	\$ 23,612,434	\$ 27,207,177	\$ 29,390,739

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

	<u>2023</u>	<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>
General Fund										
Nonspendable	\$ 10,385,517	\$ 9,924,369	\$ 8,820,887	\$ 1,338,410	\$ 1,338,410	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554	\$ 1,364,327
Restricted	4,406,501	4,203,486	3,263,764	3,414,364	3,414,320	4,077,110	4,012,464	2,859,389	4,125,006	4,201,282
Committed	59,513,624	22,073,062	9,406,471	14,476,735	43,167,366	30,871,588	19,322,610	7,327,174	-	-
Assigned	10,785	4,005,427	4,015,377	4,012,877	4,012,877	4,012,877	4,083,786	4,082,537	10,551,289	11,323,251
Unassigned	135,936,995	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
Total General Fund	<u>\$ 210,253,422</u>	<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>
All other governmental funds										
Nonspendable	2,450,610	2,768,342	2,769,792	2,771,457	2,771,457	2,771,457	2,712,241	2,836,878	3,116,156	32,408
Restricted	23,476,877	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
Assigned	-	-	-	-	-	-	-	-	66,759	-
Unassigned	2,515,495	-	-	-	-	-	-	-	(2,466,812)	-
Total all other governmental funds	<u>\$ 28,442,982</u>	<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>
Total governmental funds	<u>\$ 238,696,404</u>	<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>

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Taxes:										
Property	\$ 152,445,733	\$ 151,015,732	\$ 148,417,095	\$ 146,058,470	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071	\$ 136,328,388
Hotel	3,100,726	3,115,871	2,645,645	1,932,948	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944
Court costs, fines and forfeitures	2,205,072	1,903,506	1,935,483	1,837,817	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999	3,524,023
Intergovernmental revenue	310,346,846	325,448,468	308,633,147	279,922,748	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383	178,186,729
Department charges and reimbursements	71,135,620	75,063,700	76,359,366	76,295,203	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535	58,480,623
Payments in lieu of taxes	269,096	250,698	244,669	243,773	236,984	221,485	219,602	237,561	89,730	102,196
Rentals	57,203	333,584	333,437	384,559	405,201	440,093	489,566	464,950	389,756	328,094
Sales of property, supplies and equipment	88,706	40,889	-	-	4,168	12,040	(770)	86,776	20,720	18,250
Investment earnings	15,410,413	(1,167,853)	(472,832)	4,933,307	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503	639,352
Other revenue	15,821,920	11,227,578	11,241,913	10,362,552	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961	2,572,505
Total revenues	\$ 570,881,335	\$ 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
Expenditures										
Current:										
General government, administrative	\$ 68,765,280	\$ 53,711,504	\$ 53,201,921	\$ 84,970,233	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641	\$ 41,134,083
General government, judicial	61,387,798	60,068,270	58,433,307	55,515,188	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171	50,335,681
Public safety	84,180,894	83,236,321	82,045,736	84,646,852	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768	61,456,822
Human services	264,506,066	268,805,239	245,270,784	230,481,238	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554	167,515,886
Culture and recreation	9,721,562	7,843,441	7,763,693	7,544,387	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869	6,435,971
Community and economic development	14,293,014	26,563,507	42,498,172	8,609,019	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468	6,820,729
Public works	1,501,389	2,102,045	1,482,380	4,720,420	4,207,148	6,276,293	2,729,499	11,693,959	8,681,128	5,699,803
Community support	23,701,213	23,879,870	23,254,480	14,763,123	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268	5,980,470
Intergovernmental expenditures- Solid waste	291,485	300,720	300,720	300,900	250,720	220,870	295,029	928,453	993,342	998,452
Debt service:										
Principal	27,997,582	8,794,834	11,090,545	17,474,779	8,663,370	8,318,135	7,725,669	7,527,645	7,620,828	8,145,069
Interest	4,046,260	2,858,134	4,530,587	15,897,346	14,779,894	15,605,850	16,629,718	16,475,219	16,911,272	17,155,619
Debt service costs	1,856,955	-	-	-	900,000	-	-	119,123	178,668	118,742
Administrative expenditures	28,831	9,711	88,392	16,948	19,091	31,096	22,528	141,015	80,461	109,147
Capital outlay	-	-	-	-	453,954	591,891	936,616	2,143,152	4,671,727	26,310,999
Total expenditures	\$ 562,278,329	\$ 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
Excess (deficiency) of revenues over (under) expenditures	\$ 8,603,006	\$ 29,058,577	\$ 19,377,206	\$ (2,969,036)	\$ 2,419,368	\$ 6,403,145	\$ 5,504,637	\$ 2,928,248	\$ 2,156,337	\$ (15,981,369)
Other financing sources (uses)										
Transfers in	\$ 59,954,199	\$ 51,015,747	\$ 33,184,029	\$ 30,882,130	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987	\$ 12,607,913
Transfers out	(59,826,201)	(49,982,746)	(32,095,052)	(29,793,153)	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)	(11,870,836)
Lease proceeds	330,014	-	-	-	-	-	-	-	-	-
SBITA proceeds	4,271,573	-	-	-	-	-	-	-	-	-
BCRC closing transfer out	(1,380,905)	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-	-	209,950	3,613,694	82,210
Issuance of long term notes	-	-	28,149,000	-	-	-	-	-	-	-
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)	\$ 3,348,680	\$ 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
Net change in fund balances	\$ 11,951,686	\$ 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)
Debt Service										
Percentage of noncapital expenditures	2.5%	6.3%	1.6%	4.6%	3.4%	2.8%	2.2%	5.9%	4.9%	10.0%

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
2023	\$ 155,546,459	\$ 2,205,072	\$ 310,346,846	\$ 71,135,620	\$ 269,096	\$ 57,203	\$ 88,706	\$ 15,410,413	\$ 15,821,920	\$ 570,881,335
2022	154,131,603	1,903,506	325,448,468	75,063,700	250,698	333,584	40,889	(1,167,853)	11,227,578	567,232,173
2021	151,062,740	1,935,483	308,633,147	76,359,366	244,669	333,437	-	(472,832)	11,241,913	549,337,923
2020	147,991,418	1,837,817	279,922,748	76,295,203	243,773	384,559	-	4,933,307	10,362,552	521,971,377
2019	147,768,079	2,686,290	222,680,006	70,649,378	236,984	405,201	4,168	5,647,381	9,705,218	459,782,705
2018	146,441,690	2,673,976	222,165,757	72,824,610	221,485	440,093	12,040	3,331,493	9,871,487	457,982,631
2017	140,327,121	2,825,583	210,267,612	70,478,089	219,602	489,566	(770)	1,616,192	8,629,323	434,852,318
2016	139,359,005	3,021,575	210,291,504	67,134,262	237,561	464,950	86,776	1,474,025	9,384,796	431,454,454
2015	138,761,915	3,350,999	185,900,383	55,614,535	89,730	389,756	20,720	1,134,503	5,088,961	390,351,502
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

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

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

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

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>
2023	7.657	4.32	30.99	42.97
2022	7.657	4.18	30.71	42.55
2021	7.657	4.13	30.05	41.83
2020	7.657	4.07	29.56	41.28
2019	7.657	3.95	29.30	40.91
2018	7.657	3.84	28.81	40.31
2017	7.372	3.80	28.46	39.63
2016	7.372	3.63	28.07	39.07
2015	7.372	3.35	27.57	38.29
2014	7.372	3.32	27.22	37.91

Notes:

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

Source:
County of Berks Assessment Office

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

Calendar Year ended December 31	Total Tax Levy (1)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections (4)	Total Tax Collections To Tax Levy
2023	\$ 152,367,151	\$ 149,115,836	97.87%	\$ 3,329,897	\$ 152,445,733	100.05%
2022	150,448,065	147,095,648	97.77%	3,920,084	151,015,732	100.38%
2021	149,272,826	143,788,997	96.33%	4,628,098	148,417,095	99.43%
2020	147,116,536	142,629,613	96.95%	3,428,857	146,058,470	99.28%
2019	145,747,949	141,210,114	96.89%	4,110,951	145,321,065	99.71%
2018	144,441,118	139,455,986	96.55%	4,249,856	143,705,842	99.49%
2017	138,386,112	133,476,216	96.45%	4,214,714	137,690,930	99.50%
2016	137,553,350	132,573,006	96.38%	4,351,873	136,924,879	99.54%
2015	137,276,293	132,039,450	96.19%	4,496,621	136,536,071	99.46%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%

Notes:

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

Source:

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

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

Function/Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County Direct Rates										
Total direct rate	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.66	\$7.37	\$7.37	\$7.37	\$7.37
Municipalities										
City:										
City of Reading	18.13	18.13	18.13	17.69	17.69	17.69	17.69	17.69	15.69	15.69
Boroughs:										
Bally	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.70
Bechtelsville	6.30	6.00	6.00	6.00	5.50	5.00	5.00	4.50	4.50	4.50
Bernville	5.69	5.44	5.44	5.44	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	6.86	6.66	6.66
Boyertown	8.64	8.19	7.49	7.34	6.69	6.34	6.14	5.64	5.14	5.14
Centerport	3.10	3.10	3.10	3.10	3.10	3.00	3.00	3.00	3.00	3.00
Fleetwood	6.95	6.70	6.70	6.45	6.45	6.25	6.25	6.00	6.00	5.50
Hamburg	8.50	8.50	8.25	8.25	8.00	8.00	8.00	8.00	8.00	7.50
Kenhorst	5.81	5.81	5.81	5.81	5.81	5.60	5.60	5.60	5.60	5.60
Kutztown	4.60	4.60	4.60	4.60	4.10	4.10	4.10	4.10	4.10	3.35
Laureldale	6.80	6.80	6.80	6.80	6.80	6.05	6.05	5.90	5.90	5.90
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	1.50	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	7.05	5.70	5.70	5.70	5.50	5.13	5.10	4.55	4.30	4.30
Mt. Penn	14.10	11.10	11.10	10.70	10.50	10.50	9.50	8.50	7.40	7.40
New Morgan	1.86	1.86	1.86	1.86	1.86	1.86	1.50	1.56	1.56	4.50
Robesonia	4.90	4.90	4.90	4.90	4.90	4.90	4.65	4.65	4.65	4.40
St. Lawrence	7.68	7.51	7.51	7.51	6.89	6.64	6.64	6.64	6.00	5.70
Shillington	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14	5.89	5.89
Shoemakersville	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	5.50	5.50
Sinking Spring	8.80	8.67	8.37	8.37	8.32	7.99	7.99	7.32	7.32	7.32
Topton	7.55	7.55	7.55	7.55	6.55	6.55	6.05	5.85	5.85	5.85
Wernersville	5.66	6.60	6.60	6.60	6.60	6.60	6.10	6.10	6.10	6.10
West Reading	12.10	11.10	10.85	9.85	9.60	8.85	8.10	7.60	7.10	7.10
Womelsdorf	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50
Wyomissing	4.50	4.50	4.50	4.25	3.90	3.90	3.90	3.90	3.90	3.90
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Amity	3.50	3.10	2.80	2.80	2.80	2.60	2.45	1.95	1.95	1.95
Bern	4.19	4.19	4.19	4.19	3.94	3.94	3.94	3.44	3.44	3.19
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	2.58	2.33	2.33	2.33	2.33	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	0.54	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	5.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50
Cumru	7.47	6.85	6.48	6.48	6.46	6.20	6.18	6.18	6.18	5.68
District	1.10	1.10	1.10	0.60	0.55	0.45	0.35	0.35	0.35	0.35
Douglass	4.90	4.90	4.80	4.30	4.30	4.30	3.30	3.30	2.30	2.30
Exeter	3.57	3.57	3.47	3.47	3.47	3.34	3.34	3.25	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	1.50	1.20	1.20	1.20	1.20	1.20	1.20	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	3.21	3.05	3.05	3.05	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Townships (continued)										
Lower Alsace	\$ 9.85	\$ 9.35	\$ 9.35	\$ 9.25	\$ 8.68	\$ 8.68	\$ 8.68	\$ 7.95	\$ 7.18	\$ 7.18
Lower Heidelberg	6.75	6.75	6.04	6.04	5.54	5.19	4.79	4.79	4.79	4.79
Maidencreek	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.50
Marion	2.75	2.00	2.00	2.00	1.80	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	2.36
Muhlenberg	5.30	5.30	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.80
North Heidelberg	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.40
Oley	4.48	4.19	4.19	4.19	4.19	4.10	3.20	2.80	2.80	2.80
Ontelaunee	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	3.80	3.80
Penn	1.50	1.50	1.50	1.50	1.50	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	1.50	0.87	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	2.50	2.25
Robeson	3.25	3.25	3.25	3.25	3.00	2.75	2.75	2.75	2.75	2.75
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ruscombmanor	0.11	0.10	0.10	0.09	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.60	4.60	4.15	4.15	4.10	4.10	4.10	3.35	3.35	3.05
Spring	4.45	4.45	4.45	4.45	3.95	4.01	4.01	3.25	3.25	3.25
Tilden	2.20	2.10	2.10	2.10	2.20	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	1.48	1.65	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Upper Tulpehocken	1.00	1.00	1.00	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	2.70
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	46.31	45.31	43.82	42.54	40.99	39.74	39.15	37.79	36.79	35.86
Boyertown	30.81	29.92	29.05	28.20	27.33	26.37	25.02	24.27	23.96	23.39
Brandywine Heights	35.98	35.45	34.42	34.08	33.74	33.24	32.78	32.30	32.30	32.30
Conrad Weiser	32.86	32.36	31.38	30.63	29.65	28.86	28.00	27.14	26.32	25.71
Daniel Boone	32.55	32.55	32.38	31.58	31.58	30.83	30.20	29.70	28.96	28.96
Exeter	34.71	34.71	34.20	33.61	33.11	32.62	32.62	32.22	31.25	31.25
Fleetwood	34.11	33.61	33.36	33.36	33.11	33.11	32.56	31.81	30.96	30.21
Governor Mifflin	30.10	29.60	29.10	28.60	28.60	28.10	27.60	27.10	26.60	26.00
Hamburg	26.96	26.96	26.96	26.96	26.96	26.96	26.96	26.71	26.46	26.21
Kutztown	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95	29.95
Muhlenberg	34.10	32.23	31.48	30.73	30.73	29.81	29.06	28.56	27.81	27.56
Oley Valley	30.34	29.54	29.04	28.54	27.94	27.34	26.93	26.33	25.84	25.39
Reading	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.93	17.41	17.41
Schuylkill Valley	27.82	27.82	27.82	27.82	27.82	27.07	27.07	27.07	26.79	26.79
Tulpehocken	25.80	25.90	26.00	26.75	26.85	27.10	27.60	27.70	27.70	27.70
Twin Valley	28.30	29.02	28.07	26.90	27.56	27.55	27.55	26.77	25.74	24.54
Upper Perkiomen	26.89	28.86	25.73	25.23	25.23	24.54	24.35	24.95	24.60	24.25
Wilson	29.49	28.66	27.66	26.26	26.26	25.67	25.29	24.95	24.60	24.25
Wyomissing	33.83	33.20	32.54	31.91	31.43	30.67	30.07	30.07	29.78	29.49

Note:

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

Source:

County of Berks Assessment Office

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

Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	
	General Obligation Bond Long Term	Leases	SBITA	General Obligation Bond Current	General Obligation Bond Long Term	Leases				General Obligation Bond Current
2023	\$ 73,689,401	\$ 17,734,030	\$ 6,507,911	\$ 12,405,093	\$ 11,293,195	\$ -	\$ 2,332,834	\$ 123,962,464	0.49%	\$ 287.98
2022	101,432,208	18,596,124	-	12,078,653	16,719,154	-	951,347	149,777,486	0.60%	348.85
2021	114,844,199	-	-	10,673,893	17,884,608	-	3,868,107	147,270,807	0.62%	343.41
2020	127,893,467	-	-	10,772,529	21,329,701	-	3,087,471	163,083,168	0.76%	386.64
2019	152,700,553	-	-	20,302,848	24,631,280	-	466,142	198,100,823	0.97%	473.90
2018	169,202,807	-	-	20,686,984	25,004,760	-	438,016	215,332,567	1.09%	512.51
2017	188,367,121	-	-	20,504,206	25,653,096	-	425,795	234,950,218	1.18%	562.28
2016	206,960,390	-	-	19,676,075	26,289,210	-	418,780	253,344,455	1.33%	611.80
2015	235,441,478	-	-	20,516,681	26,919,161	-	748,319	283,625,639	1.52%	685.14
2014	203,053,850	-	-	19,417,949	71,001,906	-	1,692,051	295,165,756	1.66%	713.49

Note:

Amounts netted for discounts and premiums.

Source:

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

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

Fiscal Year	Population	Estimated Actual Taxable Value	General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
2023	430,449	\$ 19,914,961,400	\$ 99,720,526	0.50%	\$ 231.67
2022	429,342	19,674,003,300	131,181,362	0.67%	305.54
2021	428,849	19,494,947,700	147,270,807	0.76%	343.41
2020	421,799	19,213,337,500	163,083,168	0.85%	386.64
2019	418,025	19,034,600,700	198,100,823	1.04%	473.90
2018	420,152	18,883,591,900	215,332,567	1.14%	512.51
2017	417,854	18,792,627,900	234,950,218	1.25%	562.28
2016	414,097	18,658,891,800	253,344,455	1.36%	611.80
2015	413,965	18,621,309,400	283,625,639	1.52%	685.14
2014	413,691	18,557,143,100	295,165,756	1.59%	713.49

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, 2023

Direct Debt of County and Related Entities	Net Debt Outstanding	Percentage Applicable	Estimated Share of Direct and Overlapping Debt
County of Berks	\$ 110,336,435	100%	\$ 110,336,435
Overlapping Debt			
School Districts:			
Antietam	\$ 18,145,000	100%	\$ 18,145,000
Boyertown Area	97,470,000	100%	97,470,000
Brandywine Heights	18,815,000	100%	18,815,000
Conrad Weiser	39,253,937	100%	39,253,937
Daniel Boone Area	63,175,000	100%	63,175,000
Exeter Township	41,420,000	100%	41,420,000
Fleetwood Area	13,315,000	100%	13,315,000
Governor Mifflin Area	97,655,913	100%	97,655,913
Hamburg Area	41,475,000	100%	41,475,000
Kutztown Area	26,210,000	100%	26,210,000
Muhlenberg Area	15,575,000	100%	15,575,000
Oley Valley	22,710,000	100%	22,710,000
Reading School District	396,994,519	100%	396,994,519
Schuylkill Valley	25,922,000	100%	25,922,000
Tulpehocken Area	8,080,783	100%	8,080,783
Twin Valley	41,415,000	100%	41,415,000
Wilson Area	86,109,669	100%	86,109,669
Wyomissing Area	40,390,000	100%	40,390,000
Total School Districts	\$ 1,094,131,821		\$ 1,094,131,821
Municipalities			
City of Reading	\$ 310,366,993	100%	\$ 310,366,993
Albany Township	92,162	100%	92,162
Alsace Township	1,700,000	100%	1,700,000
Amity Township	3,345,000	100%	3,345,000
Bethel Township	4,000,000	100%	4,000,000
Boyertown Borough	1,700,000	100%	1,700,000
Colebrookdale Township	228,237	100%	228,237
Cumru Township	14,975,000	100%	14,975,000
District Township	1,700,000	100%	1,700,000
Exeter Township	12,459,000	100%	12,459,000
Fleetwood Borough	982,005	100%	982,005
Hamburg Borough	4,716,709	100%	4,716,709
Kutztown Borough	13,931,000	100%	13,931,000
Lower Alsace Township	821,000	100%	821,000
Lower Heidelberg Township	9,665,000	100%	9,665,000

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2023

<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	\$ 134,570	100%	\$ 134,570
Muhlenberg Township	19,000,535	100%	19,000,535
Ontelaunee Township	12,574,000	100%	12,574,000
South Heidelberg Township	810,145	100%	810,145
Spring Township	15,195,000	100%	15,195,000
Tilden Township	1,917,888	100%	1,917,888
Upper Bern Township	1,923,081	100%	1,923,081
West Reading Borough	7,375,000	100%	7,375,000
 Total Municipalities	 <u>\$ 439,612,324</u>		 <u>\$ 439,612,324</u>
 Total overlapping debt			 <u>\$ 1,533,744,145</u>
 TOTAL DIRECT AND OVERLAPPING DEBT			 <u>\$ 1,644,080,580</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit at 300%	\$ 1,859,745,397	\$ 1,804,367,532	\$ 1,704,298,177	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399	\$ 1,307,926,447
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>86,094,494</u>	<u>113,510,861</u>	<u>125,518,092</u>	<u>138,665,996</u>	<u>173,003,401</u>	<u>189,889,791</u>	<u>208,871,327</u>	<u>226,636,465</u>	<u>255,958,159</u>	<u>222,677,099</u>
Legal Debt Margin	<u>\$ 1,773,650,903</u>	<u>\$ 1,690,856,671</u>	<u>\$ 1,578,780,085</u>	<u>\$ 1,480,837,914</u>	<u>\$ 1,362,257,284</u>	<u>\$ 1,311,281,557</u>	<u>\$ 1,224,669,055</u>	<u>\$ 1,152,164,390</u>	<u>\$ 1,068,996,240</u>	<u>\$ 1,085,249,348</u>
Total net debt applicable to the limit as a percentage of debt limit	4.63%	6.29%	7.36%	8.56%	11.27%	12.65%	14.57%	16.44%	19.32%	17.03%
Total Revenues Received	\$ 633,769,952	\$ 622,345,957	\$ 603,629,488	\$ 578,392,087	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255	\$ 439,409,335
Total net revenue	\$ 1,859,745,397	\$ 1,804,367,532	\$ 1,704,298,177	\$ 1,619,503,910	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855		
Borrowing base = Total net revenues, divided by three	\$ 619,915,132	\$ 601,455,844	\$ 568,099,392	\$ 539,834,637	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285		

Source:
County of Berks, Financial Statements

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

Fiscal Year	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
2023	\$ 29,854,537	\$ 4,046,260	\$ 33,900,797	\$ 562,278,329	6.03%
2022	8,794,834	2,858,134	11,652,968	538,173,596	2.17%
2021	11,090,545	4,530,587	15,621,132	529,960,717	2.95%
2020	17,474,779	15,897,346	33,372,125	524,940,413	6.36%
2019	8,663,370	14,779,894	23,443,264	457,363,337	5.13%
2018	8,318,135	15,605,850	23,923,985	451,579,486	5.30%
2017	7,725,669	16,629,718	24,355,387	429,347,681	5.67%
2016	7,527,645	16,475,219	24,002,864	428,526,206	5.60%
2015	7,620,828	16,911,272	24,532,100	388,195,165	6.32%
2014	8,145,069	17,155,619	25,300,688	398,217,473	6.35%

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

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

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	7,290	1	3.39%	6,851	2	3.25%
Amazon.com Services Inc	6,433	2	2.99%		(1)	
Tower Health/Reading Hospital	6,000	3	2.79%	6,878	1	3.27%
Penske Transportation Solutions	3,443	4	1.60%	1,535	10	0.73%
Carpenter Technology Corp.	2,325	5	1.08%	2,432	3	1.15%
Reading School District	2,111	6	0.98%	1,903	5	0.90%
County of Berks	2,103	7	0.98%	2,370	4	1.13%
Wal-Mart Stores	1,886	8	0.88%	1,818	7	0.86%
Redner's Markets Inc.	1,572	9	0.73%		(1)	
Boscov's Inc.	1,420	10	0.66%	1,740	8	0.83%
Penn State St. Joseph Medical Center		(1)	0.00%	1,566	9	0.74%
Pennsylvania Government		(1)	0.00%	1,886	6	0.90%
Total	34,583		16.08%	28,979		13.76%
 Total County Labor Force	 215,039			 210,590		

Note:

(1) - Employer not on both lists

Source:

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

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

Function/Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:										
General government	233	198	213	202	182	184	200	197	196	193
Judicial	484	442	425	442	446	455	451	458	462	465
Public safety	512	462	476	504	506	492	505	487	412	398
Human services	335	275	270	280	286	291	288	294	293	297
Culture and recreation	47	38	30	35	41	39	32	34	35	35
Community and economic development	17	16	16	15	15	15	22	19	19	17
Total governmental activities	<u>1,628</u>	<u>1,431</u>	<u>1,430</u>	<u>1,478</u>	<u>1,476</u>	<u>1,476</u>	<u>1,498</u>	<u>1,489</u>	<u>1,417</u>	<u>1,405</u>
Business-type activities										
Berks Heim	328	244	278	366	375	381	396	399	402	398
Emergency Services	-	-	-	-	-	-	-	-	79	78
Berks County Residential Center	-	58	56	59	61	62	67	64	68	57
Total business-type activities expenses	<u>328</u>	<u>302</u>	<u>334</u>	<u>425</u>	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>	<u>533</u>
Total primary government expenses	<u><u>1,956</u></u>	<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>

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	8,519	9,895	10,829	26,100 **	6,400	10,245	4,000	20,387 **	4,859	4,896
Total Ballots Cast	85,725	156,332	75,527	272,192	-	-	-	-	-	-
In-Person Ballots	66,305	127,503	59,041	189,805 **	-	-	-	-	-	-
Mail-In Ballots	19,420	28,829	16,486 ***	72,588 *	-	-	-	-	-	-
Absentee Ballots Processed	-	-	-	9,789	3,289	6,392	1,500	9,358	2,177	2,830
Change of Address/Party	35,807	34,813	24,461	18,810	30,267	26,371	18,000	62,101	25,057	20,178
Cancellations	7,393	16,984	12,139	9,319	2,709	17,053	3,000	43,348	7,092	8,641
* New mail-in process started in 2020										
** 2016 and 2020 were presidential election years										
*** Absentee and Mail-In Ballots combined as of 2021										
Real Estate										
Appeal summaries	964	561	669	788	596	573	713	950	1,485	1,657
Change Notices	2,914	3,286	2,458	1,807	3,150	3,577	2,616	3,190	2,964	4,299
Parcels Created	376	269	206	231	250	462	374	548	388	328
Acreage Changed	585	476	470	307	375	526	1,884	473	587	470
Judicial										
Coroner										
Total Cases	3,619	3,933	4,279	4,112	3,505	3,363	3,371	3,386	3,230	3,057
Cremations	2,480	2,576	2,737	2,636	2,197	2,043	2,028	2,004	1,865	1,699
District Attorney										
Criminal Case Prosecution										
Adult Cases	5,025	4,675	5,082	4,536	6,251	6,473	7,019	6,560	6,533	6,865
Juvenile Cases	501	421	1,625	2,257	3,024	3,024	736	804	890	2,074
Narcotics Enforcement Team	264	200	211	319	241	235	272	780	602	187
DUI Central Booking	654	626	562	449	836	802	735	658	602	665
Major Crimes	2,552	2,698	2,318	1,750	2,917	2,401	2,408	2,484	2,215	1,592
Fugitive/Warrants Unit	-	-	-	-	-	-	-	-	226	-
Register of Wills										
Estates Opened	2,157	2,384	1,784	1,793	1,871	1,872	2,023	1,886	1,865	1,670
Marriage Licenses Issued	2,365	2,123	2,187	1,984	2,294	2,380	2,462	2,396	2,403	2,349
Adoptions	152	205	226	233	249	243	82	227	190	214
Public Safety										
County Prison										
Inmates Committed	3,995	3,720	3,493	3,623	6,094	6,611	6,994	6,328	6,701	6,840
Average Daily Population	759	705	747	743	1,044	1,104	999	1,024	1,171	1,187
Inmate Counseling Sessions	704	1,104	673	685	1,243	1,317	1,607	1,690	1,588	1,547
Inmate Work Release Participants	-	-	-	36	159	146	117	92	83	110
Inmates Enrolled in Education	411	395	346	570	388	463	542	422	498	395
Public Works										
Recycling Center										
Tons Recycled Curbside	62,039	61,000	55,000	55,976	44,031	44,133	45,759	51,597	55,291	51,757
Tons Recycled Drop-off	372	475	400	496	719	7,529	1,492	1,625	1,585	1,660
Tons Recycled Commercial	172,481	184,836	145,000	145,902	149,554	184,759	169,106	161,972	158,866	142,918
Tons Recycled by County	581	925	800	116	1,116	1,273	1,209	1,472	1,510	1,659

Note

** Presidential election year, so more registrations processed.

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

Function/Program	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Human services										
CareerLink										
Companies Served	844	771	750	832	751	654	647	465	417	375
Adults Served	202	173	227	129	102	79	97	58	126	149
Youth Served	245	380	325	296	395	440	502	545	571	539
Dislocated Workers Served	48	51	113	79	97	135	324	265	304	434
JOBS Program (EARN)	236	151	152	211	327	359	327	340	442	342
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	65	76	92	117	108	117	132	127	123	139
Number of Farms Selected	18	18	14	19	16	30	24	24	21	23
Funds Raised	645	200	150,196	675	522	10,000	4,625	100	-	197
Community and economic development										
Planning										
Act 247 Subdivision Reviews	186	184	213	128	150	153	180	151	134	152
Act 247 Ordinance Reviews	51	42	39	34	47	70	72	42	44	31
Act 537 Sewage Reviews	-	-	1	-	2	2	4	10	-	3
Act 97 Solid Waste Reviews	1	1	-	-	2	2	4	5	1	2
911										
Total 911 Calls	176,524	166,751	173,300	164,949	173,197	176,619	183,498	194,460	211,700	210,461
Average Daily Call Volume	484	457	475	452	475	484	503	533	580	577
Average Answer in < 10 seconds	(1)	(1)	(1)	(1)	(1)	93%	99%	99%	99%	99%
Surcharge Funds Received	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,297,310	\$ 2,194,832
Surcharge Funds Disbursed	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	\$ 1,054,321	\$ 1,628,053
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	16,469	17,349	13,973	14,313	17,018	18,957	20,178	22,090	20,866	19,983
Medical Assistance/Medicare A	91,338	89,641	91,075	108,488	128,325	128,701	127,894	127,110	127,593	129,382
Bedhold Days	434	427	412	419	725	751	742	556	554	500
Berks County Residential Center/Youth Center										
Average Daily Population										
Berks County Residential Center	-	-	3	28	57	51	61	80	80	67

Note

- (1) As of 2019, no longer tracked.
- (2) As of August 2015, no longer tracking because of change in funding regulations.
- (3) Berks County Residential Center closed in 2023.

Source:

Individual County Departments

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities:										
General government										
Land and land improvements	\$ 2,192,943	\$ 2,072,841	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983
Buildings and building improvements	160,367,491	148,412,208	148,861,055	145,023,035	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289	112,252,678
Furniture, fixtures, and equipment	21,709,130	24,913,794	24,598,664	18,460,562	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364	9,878,697
Construction in progress	12,717,256	11,599,188	10,109,129	17,788,559	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230	26,820,832
Infrastructure	94,401	94,401	94,401	94,401	94,401	94,401	94,401	85,760	-	-
Agricultural easements	84,712,126	84,431,856	83,767,156	83,034,255	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441	76,669,703
Right-To-Use Lease Assets	29,661,390	28,981,049	-	-	-	-	-	-	-	-
Right-To-Use SBITA	10,955,069	-	-	-	-	-	-	-	-	-
	<u>322,409,806</u>	<u>300,505,337</u>	<u>269,652,388</u>	<u>266,622,795</u>	<u>257,239,921</u>	<u>248,122,799</u>	<u>245,560,649</u>	<u>240,001,403</u>	<u>303,483,307</u>	<u>227,843,893</u>
Judicial										
Buildings and building improvements	1,634,610	1,232,174	1,216,111	1,744,724	1,388,509	1,005,804	1,005,804	1,005,804	907,096	757,634
Furniture, fixtures, and equipment	2,790,654	2,433,188	2,727,631	2,416,000	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887	2,625,854
Construction in progress	-	-	-	-	203,871	223,792	-	-	-	-
	<u>4,425,264</u>	<u>3,665,362</u>	<u>3,943,742</u>	<u>4,160,724</u>	<u>3,952,225</u>	<u>3,852,835</u>	<u>3,308,181</u>	<u>3,558,665</u>	<u>3,169,983</u>	<u>3,383,488</u>
Public Safety										
Land and land improvements	-	-	-	-	-	-	-	-	-	-
Buildings and building improvements	51,475,452	51,629,902	51,580,695	50,469,502	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401	46,797,847
Furniture, fixtures, and equipment	69,531,743	68,933,438	66,408,061	66,522,427	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160	2,356,084
Construction in progress	1,674,723	1,671,614	4,096,280	3,469,970	1,996,743	2,285,848	763,784	102,128	-	-
Infrastructure	28,759	28,759	28,759	28,759	28,759	28,759	-	-	-	-
	<u>122,710,677</u>	<u>122,263,713</u>	<u>122,113,795</u>	<u>120,490,658</u>	<u>118,161,836</u>	<u>117,461,729</u>	<u>115,298,226</u>	<u>117,243,682</u>	<u>51,127,561</u>	<u>49,153,931</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516
Buildings and building improvements	7,538,066	7,538,066	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	163,208	141,791	148,217	88,063	208,286	208,286	225,836	225,836	225,836	176,726
Construction in progress	1,119,721	732,367	1,054,575	546,345	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210	4,619,721
Infrastructure	42,007,225	41,746,131	40,103,929	39,990,550	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072	6,051,426
	<u>50,869,736</u>	<u>50,199,871</u>	<u>49,400,100</u>	<u>48,718,337</u>	<u>46,795,764</u>	<u>43,220,858</u>	<u>38,167,045</u>	<u>36,235,110</u>	<u>25,505,497</u>	<u>18,941,252</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	137,750	137,750	137,750	137,750	113,931	-
Furniture, fixtures, and equipment	472,560	458,805	563,945	635,231	492,933	499,961	455,048	482,406	500,446	500,493
	<u>610,310</u>	<u>596,555</u>	<u>701,695</u>	<u>772,981</u>	<u>630,683</u>	<u>637,711</u>	<u>592,798</u>	<u>620,156</u>	<u>614,377</u>	<u>500,493</u>
Culture and recreation										
Land and land improvements	16,086,234	15,748,698	15,706,436	15,842,480	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400	13,550,628
Buildings and building improvements	8,290,704	7,970,344	8,133,643	8,196,682	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287	7,150,341
Furniture, fixtures, and equipment	1,834,228	1,345,780	1,427,118	1,398,895	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175	1,043,562
Construction in progress	834,811	843,622	468,559	286,216	228,908	171,532	113,187	39,143	-	-
Historical treasures	2,290,344	2,290,344	2,290,344	2,290,344	2,279,644	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	38,762	-	-	-	-
	<u>29,375,083</u>	<u>28,237,550</u>	<u>28,064,862</u>	<u>28,053,379</u>	<u>26,943,758</u>	<u>26,569,773</u>	<u>26,464,996</u>	<u>26,204,843</u>	<u>24,292,506</u>	<u>24,024,175</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	64,452	35,282	43,736	35,282	37,204	30,217	43,254	23,359	23,359	23,359
	<u>1,908,152</u>	<u>1,878,982</u>	<u>1,887,436</u>	<u>1,878,982</u>	<u>1,880,904</u>	<u>1,873,917</u>	<u>1,886,954</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>
Total governmental - cost	<u>\$ 532,309,028</u>	<u>\$ 507,347,370</u>	<u>\$ 475,764,018</u>	<u>\$ 470,697,856</u>	<u>\$ 455,605,091</u>	<u>\$ 441,739,622</u>	<u>\$ 431,278,849</u>	<u>\$ 425,730,918</u>	<u>\$ 410,060,290</u>	<u>\$ 325,714,291</u>
Business-type activities										
Department of Emergency Services (1)										
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,846
Furniture, fixtures, and equipment	-	-	-	-	-	-	-	-	-	67,581,031
Construction in progress	-	-	-	-	-	-	-	-	-	668,570
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,736,447</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
Furniture, fixtures, and equipment	-	236,456	223,327	223,327	223,327	223,327	337,121	368,724	346,699	285,023
Construction in progress	-	13,119	9,449	1,303,750	1,001,301	-	-	-	-	126,822
	<u>-</u>	<u>12,024,131</u>	<u>12,014,864</u>	<u>11,855,722</u>	<u>11,411,688</u>	<u>10,410,387</u>	<u>10,524,181</u>	<u>10,555,784</u>	<u>9,255,717</u>	<u>8,324,526</u>
Berks Heim										
Buildings and building improvements	44,330,030	43,846,901	43,837,834	40,013,170	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210	38,013,639
Furniture, fixtures, and equipment	6,434,697	5,952,912	5,734,197	5,019,783	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490	3,962,829
Construction in progress	158,828	360,066	259,770	1,297,768	1,266,633	35,398	29,945	17,642	14,367	278,646
	<u>50,923,555</u>	<u>50,159,879</u>	<u>49,831,801</u>	<u>46,330,721</u>	<u>44,466,208</u>	<u>42,857,205</u>	<u>42,806,689</u>	<u>42,650,700</u>	<u>42,596,067</u>	<u>42,255,114</u>
Total business-type activities	<u>\$ 50,923,555</u>	<u>\$ 62,184,010</u>	<u>\$ 61,846,665</u>	<u>\$ 58,186,443</u>	<u>\$ 55,877,896</u>	<u>\$ 53,267,592</u>	<u>\$ 53,330,870</u>	<u>\$ 53,206,484</u>	<u>\$ 51,851,784</u>	<u>\$ 119,316,087</u>
Total primary government	<u>\$ 583,232,583</u>	<u>\$ 569,531,380</u>	<u>\$ 537,610,683</u>	<u>\$ 528,884,299</u>	<u>\$ 511,482,987</u>	<u>\$ 495,007,214</u>	<u>\$ 484,609,719</u>	<u>\$ 478,937,402</u>	<u>\$ 461,912,074</u>	<u>\$ 445,030,378</u>

Note:
(1) Converted to special revenue fund in 2015
(2) Berks County Residential Center closed in 2023

