

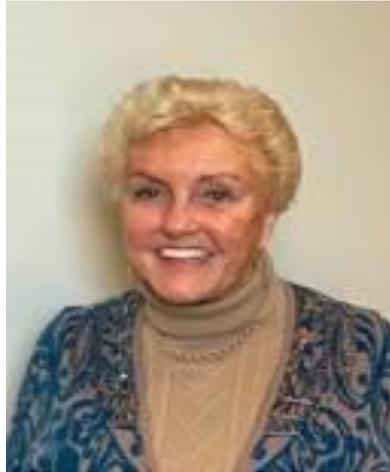
County of Berks
Friendly Understandable Financial Statement (FUFS)
For the Year Ended December 31, 2020



Prepared by the Office of the Controller- Scott S. Poch, CPA Editor

Sandy Graffius, Controller

2020 Friendly Understandable Financial Statement (FUPS)



Message to my Berks County Constituents

Finally – life is starting to return to a new normal. We are tired of masks – social distancing – no singing at church – and showing our “proof of vaccination” cards. However – we are now free to shop, pump gas, go to public meetings and interact with our friends and family again. Enough about COVID.

Our department has gone through some changes in the past two years. As you can see by the picture of our new Chief Deputy – we now have a female in that role. Our top management team has been reorganized by promotions within our department. New ideas and new blood keep our staff vital. We’re moving ahead with new computer programs and projects.

We’ve instituted a debit card program for our Election workers. We used to spend more than \$25 to cut each poll worker’s check for that day’s work. If the person didn’t show up and their check had to be voided there was a \$35.00 bank charge to reverse the transaction through the system. Now, for the minimum charge of .55 cents, we can hand a card to workers with their day’s pay. This will save the county thousands of dollars in costs to pay more than 1100 folks that staff our polling places.

Our Pensioners will note our fund is sound thanks to the Pension board oversight. That board consists of the three Commissioners, Treasurer and Controller of the County.

Thanks to Scott Poch in our office who writes, coordinates the printing and distribution of the FUPS. We appreciate his efforts each year.

Sincerely,

Sandy Graffius



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Commissioner Christian Y. Leinbach



Commissioner Kevin S. Barnhardt



Commissioner Michael S. Rivera

BERKS COUNTY SERVICES

General Government- Administration

Includes services provided by the Commissioners, Controller, Treasurer, Recorder of Deeds, Budget, Election Services, Information Systems, Human Resources, Maintenance and others.

General Government- Judicial

Includes the Courts, and services provided by the District Attorney, Public Defender, Clerk of Courts, Prothonotary, Sheriff, District Justices, Coroner, Register of Wills and others.

Berks Heim (610) 376-4841 www.co.berks.pa.us/dept/BerksHeim

Provides quality, individualized, long term residential healthcare for the elderly of the County with emphasis on the social, emotional and physical well-being of residents.

Children and Youth (610) 478-6700 www.co.berks.pa.us/dept/CYS

Provides services to protect children and assure their physical and emotional well-being, as provided by law, and to preserve, strengthen and empower their families.

Area Agency on Aging (610) 478-6500 www.co.berks.pa.us/dept/Aging

Provides comprehensive and coordinated services to meet the needs of county residents age 60 and older, or those eligible physically disabled age 18 to 59.

Library System (610) 378-5260 www.berkslibraries.org

Consists of 23 libraries spread throughout the county. Berks County government provides approximately 43% of the funding and the Commonwealth provides roughly 24%. The remaining 33% of funding is raised through local support and fundraising.

Council on Chemical Abuse (610) 376-8669 www.cocaberks.org

Supports drug and alcohol prevention and intervention for all Berks County residents, and treatment services for persons of low and moderate income.

Employment and Training (610) 988-1300 www.careerlinkberks.com

Provides work force resources for job seekers and employers through Berks Career Link.

Parks & Recreation (610) 372-8939 www.co.berks.pa.us/dept/Parks

Provides recreational opportunities and educational programs for its 9 county-owned parks.



Entertainment Venues



Miller Center



Santander Performing Arts Center



Santander Arena



Genesis Theatre



Reading Community Players

Our Music



Reading Symphony Orchestra



Reading Symphony Youth Orchestra



Reading Pops Orchestra



Reading Choral Society



Reading A Capella Voices

Cinema Centers



Fox Berkshire



AMC Fairgrounds 10



Reading Movies 11 and IMAX



Albert and Eunice Boscov Theater



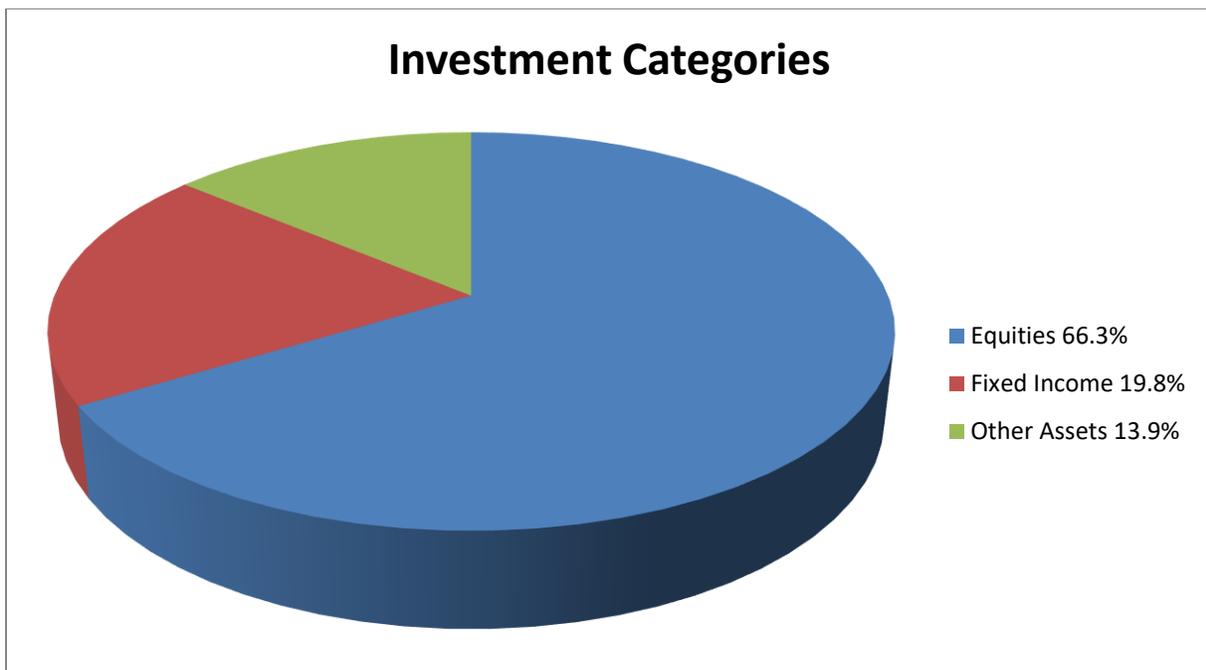
Kutztown Strand

Facts: Berks County Employee Pension Plan

Our Berks County Employee's Pension Plan came into existence during World War II in 1942. At the end of 2020, we had 1,340 retirees.

We have received questions on how our Pension Fund is doing. This year we are including information from our financial firm SEI Institutional Investor out of Oaks Pennsylvania.

The opening balance at January 1, 2020 was \$484,198,237 and the closing balance at December 31, 2020 was \$525,391,259. Our pension plan is fully funded. Shown below is a breakdown of our investment categories with the percentages.



Deputy Controller Spotlight

Grazyna joined the Controller's office in 2010 and was promoted to the Deputy Controller position in March of 2021. She is an active member of professional organizations such as PICPA, GFOA-PA and AGA. Grazyna holds a bachelor's degree in accounting from Albright College as well as Certified Government Financial Manager (CGFM) and Internal Control Auditor (CICA) certifications.

Grazyna likes to spend time close to nature whenever possible. She enjoys jogging, roller blading and kayaking.

Fun Fact: Grazyna was born in Poland and is the first female Deputy Controller since the inception of the County of Berks Government.



Grazyna Nykiel
Deputy Controller
Certified Government Financial Manager



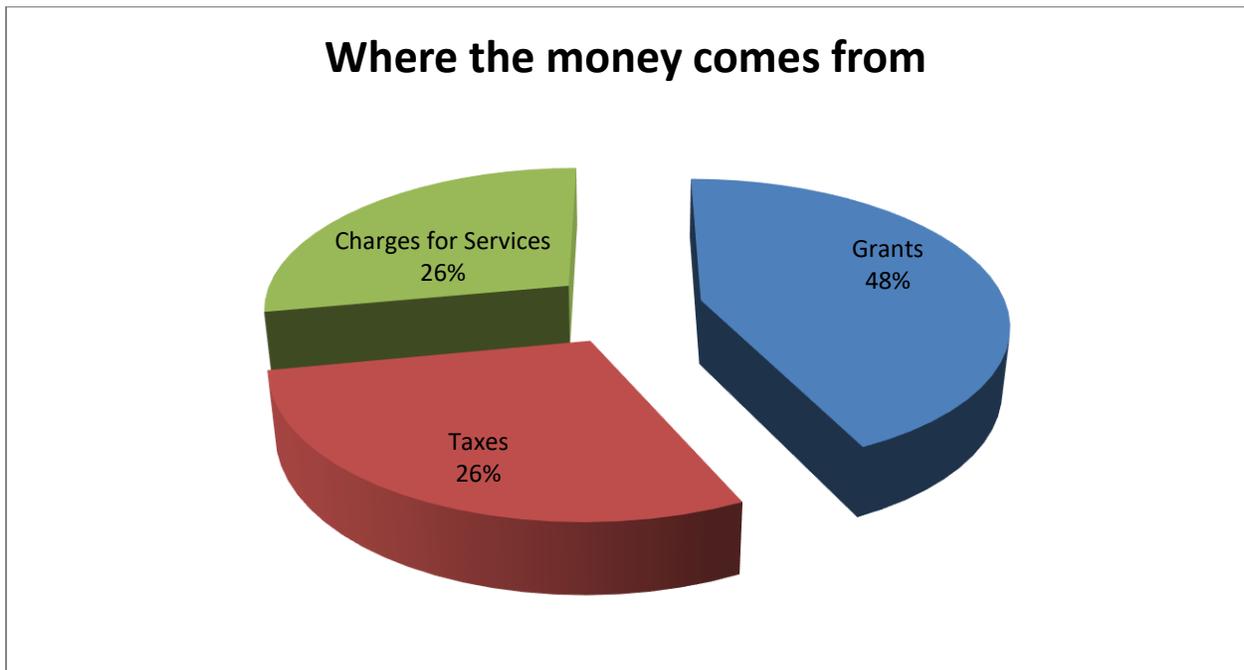
Jonnelle Keller
Pension Coordinator

Pension Coordinator Spotlight

Jonnelle Keller has been with the County since 2018. She originally worked for VF Corporation / VF Outlet in Payroll and Marketing. Her pride and joy are her two daughters, two granddaughters, a grandson on the way and a son-in-law who is serving in the US Army. In her free time, she enjoys scrapbooking, watching the Flyers and playing Mexican Train Dominoes during monthly game nights with family and friends. Jonnelle has enjoyed getting to know the retirees whom she has met as well as helping all the employees through the final steps of retirement.

SOURCES OF REVENUES (where the money comes from)

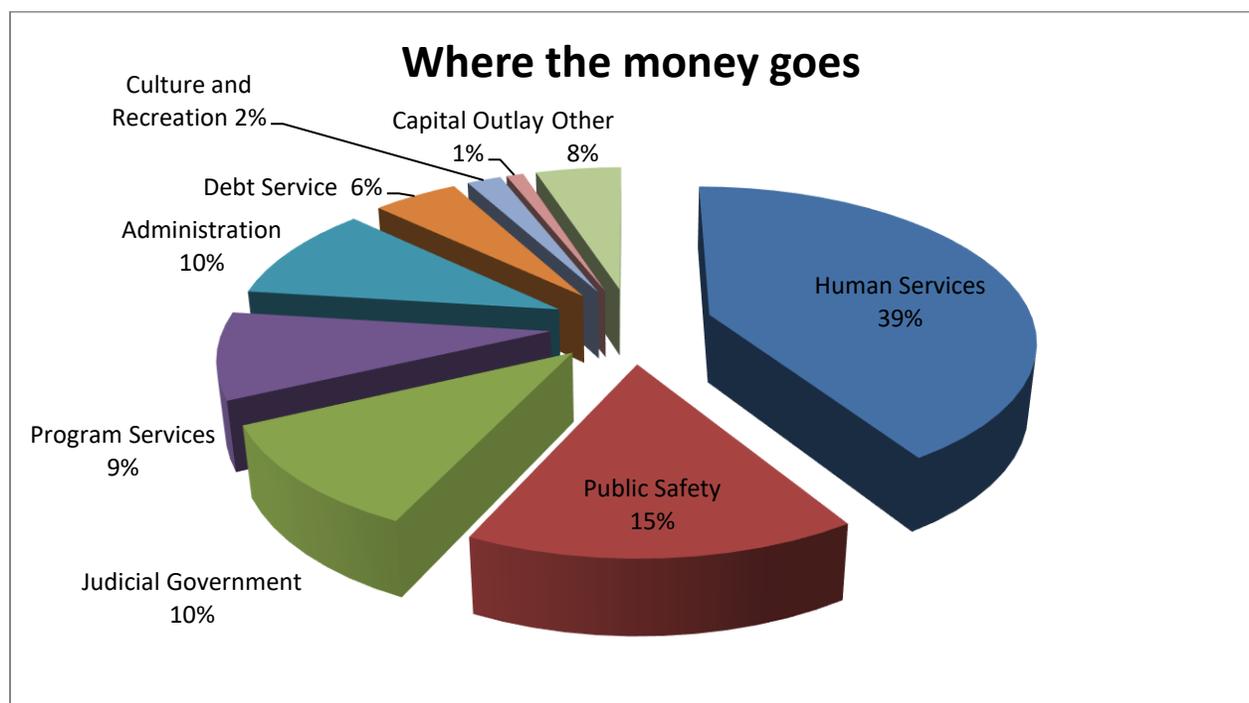
Revenues totaled \$578.4 million for 2020, while total expenses were \$570.5 million. Revenues were up \$56.2 million over the prior year, primarily due to increased grant revenue for several departments from CARES ACT money received. The state and federal government gets billed by the Departments and pays back the County for paying these bills up front. Expenses were up by \$62.7 million as a result of the increased operating grant revenue. The County’s money comes from federal and state program grants (the largest segment at 48% of revenues), property and hotel taxes (at 26% of the total) and charges for services performed by operating departments of the County (the remaining 26%). With such a large dependence on federal and state grants to fund social programs, it leaves the County very susceptible to budget cuts at the federal and state levels. When this happens, it would then be up to the Commissioners to decide whether to provide for these programs out of future saved funds, increase taxes to pay for the programs, downsize the programs or eliminate selected ones entirely.



COUNTY EXPENSES (where the money goes)

As with most counties in Pennsylvania, the Human Services function is by far the single largest area of expense for Berks County (39% of total expenses). Expenditures in the area include Children and Youth Services, Health Choices, Mental Health/ Developmental Disabilities, Area Agency on Aging, Domestic Relations, Employment & Training, and Drug and Alcohol Prevention. Many of these expenditures are dictated by mandates (demands) coming down from federal and state governments beyond the County's control. The problem is, when the federal and state budgets are cut the county must come up with the money to fund these mandates. Judicial, Courts and Public Safety functions account for another 25% of total expenditures.

The Board of Commissioners has actual "control" over no more than 25% of the discretionary County expense budget. It is with this in mind that elected officials must constantly monitor local activities as well as those in Harrisburg and Washington. Decisions made outside of Berks County affect us greatly. That's why the County's elected officials are in regular contact with state lawmakers and government associations to stay informed about pending legislation and present local views of importance to federal and state decision makers.



FINANCIAL OVERVIEW

Berks County is fortunate to be on a sound financial footing as we report the results of operations for the calendar year 2020. Property tax rates remain unchanged at 7.657 mills. The County's overall net position (total assets plus deferred outflows of resources less total liabilities less deferred inflows of resources) for 2020 increased by \$41.8 million to \$374.6 million. It is necessary to remember that included in net position are capital assets (buildings and bridges) and restricted funds (funds set aside for special projects) that are not available for spending on daily operations.

Assets	<u>2020 (As filed)</u>	<u>2019 (restated)</u>	<u>2018 (restated)</u>
Cash and Investments	\$ 134,020,600	\$ 121,623,154	\$ 154,002,339
Other current assets	<u>77,988,284</u>	<u>75,474,468</u>	<u>49,782,223</u>
Total current assets	212,011,884	197,097,622	203,784,562
Noncurrent assets	<u>432,599,729</u>	<u>412,551,234</u>	<u>378,117,355</u>
Total assets	644,611,613	609,648,856	581,901,917
Deferred outflows of resources	<u>39,179,655</u>	<u>53,315,095</u>	<u>65,941,781</u>
Liabilities:			
Current liabilities	91,044,855	85,035,618	80,701,877
Noncurrent liabilities	<u>175,147,360</u>	<u>202,894,970</u>	<u>242,740,363</u>
Total liabilities	266,192,215	287,930,588	323,442,240
Deferred inflows of resources	<u>42,958,159</u>	<u>42,222,082</u>	<u>22,724,041</u>
Net position	<u><u>\$ 374,640,894</u></u>	<u><u>\$ 332,811,281</u></u>	<u><u>\$ 301,677,417</u></u>

COUNTY OFFICIALS AT YOUR FINGERTIPS:

<u>OFFICE</u>	<u>OFFICIAL</u>	<u>PHONE</u>
Commissioner, Chair	Christian Y. Leinbach	(610) 478-6136
Commissioner	Kevin S. Barnhardt	(610) 478-6136
Commissioner	Michael S. Rivera	(610) 478-6136
Controller	Sandra M. Graffius	(610) 478-6150
Clerk of Courts	James P. Troutman	(610) 478-6550
Acting Coroner	Jon M. Hollenbach	(610) 478-3280
District Attorney	John T. Adams	(610) 478-6000
Prothonotary	Jonathan K. DelCollo	(610) 478-6970
Recorder of Deeds	Mary A. Kozak	(610) 478-3380
Register of Wills	Lawrence J. Medaglia Jr.	(610) 478-6600
Sheriff	Eric J. Weaknecht	(610) 478-6240
Treasurer	A. Dennis Adams	(610) 478-6640

OTHER DEPARTMENTS:

Agriculture Department	(610) 378-1844
CareerLink	(610) 988-1300
Election Services	(610) 478-6490
Emergency Services	(610) 374-4800
Library System	(610) 378-5260
Parks & Recreation	(610) 372-8939
Purchasing	(610) 478-6168
Veterans Affairs	(610) 378-5601
Solid Waste Authority	(610) 478-6362

PENNSYLVANIA STATE HOTLINES:

Child Abuse	(800) 932-0313
Crisis & Suicide (Berks)	(610) 236-0530
Elder Abuse	(800) 490-8505
Welfare Fraud	(800) 932-0582

Fraud, Waste, and Misuse Hotline



NOTICE TO ALL COUNTY EMPLOYEES and the GENERAL PUBLIC

- Report Suspected Fraud and Theft
 - Information Is Confidential
 - Remain Anonymous

(610) 478-6066

(Secured and Monitored by The County of Berks Human Resources Department)

For additional information, please contact:



Sandy Graffius, Controller
County of Berks

610-478-6150 Ext. 6155

sgraffius@countyofberks.com

