

County of Delaware, Pennsylvania

Annual Comprehensive Financial Report
Year Ended December 31, 2020

Prepared by the Office of the Controller
Joanne Phillips, Esq., Controller



County of Delaware, Pennsylvania

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Introductory Section



CONTROLLER OF DELAWARE COUNTY
GOVERNMENT CENTER BUILDING
201 W. FRONT STREET
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Jeffrey J. Powers, C.P.A.
FIRST DEPUTY CONTROLLER

Rick Megaro, C.P.P.
DEPUTY CONTROLLER

June 28, 2021

To the Citizens of the
County of Delaware, Pennsylvania:

I am pleased to present the Annual Comprehensive Financial Report of the County of Delaware, Pennsylvania (the County) for the year ended December 31, 2020. This Annual Comprehensive Financial Report was prepared by the Controller's Office in conjunction with the independent certified public accounting firm of Baker Tilly US, LLP, whose opinion accompanies the basic financial statements contained in the Financial Section of this report.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its funds; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial affairs have been included.

The Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditors' Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter and should be read in conjunction with it.

Our County, the oldest settled area of Pennsylvania, is a Home Rule Charter county that is governed by a council of five members who are elected to staggered four-year terms. In 2020, three new members of Council began their terms on County Council.

County Council is responsible for all legislative and administrative functions of County government. Although County Council has overall responsibility for all actions of County departments, the Executive Director, who is appointed by County Council, is directly responsible for the operations of certain departments as outlined in the Home Rule Charter and County Administrative Code. The primary administrative level staff assistance is provided to County Council by the Executive Director and the County Clerk. Legal guidance and representation of the County is provided by the County Solicitor.

The powers and duties of County Council are many. The Home Rule Charter provides County Council with the authority to pass ordinances, resolutions, emergency orders, and proclamations and the responsibility to provide budgets and personnel to meet the needs of the people of Delaware County. County Council is responsible for adopting a budget each year. The budget includes setting taxes and fees sufficient to raise funds needed for budgeted expenditures. To raise funds for major capital projects, County Council also authorizes the sale of bonds and notes. In addition, many of the County's administered social services programs are funded by federal and state grants.

This report includes all funds of the County. County Council decides the best means of providing services contemplated by the Home Rule Charter. The County provides a variety of services to the citizens of the County, including social service programs, economic development, administration of justice, funding for the operation and maintenance of the County's correctional institution, operation of a County long-term care nursing home, the administration of elections, recreational opportunities, and general governmental services.

In addition to general County activities, County Council has fiscal accountability for the Delaware County Solid Waste Authority, the Economic Development Oversight Board, the Delaware County Redevelopment Authority and the Delaware County Chester Waterfront Industrial Development Authority. Consequently, these component units are included in the County's financial report. County Council also has responsibility to appoint members to boards of a number of authorities and advisory boards, but the County's accountability for these entities does not extend beyond the appointments and these authorities are not included in the report.

Further, in response to the Right to Know law in the Commonwealth of Pennsylvania, the County maintains an Open Records Office. This office, with the assistance of the County's departments, is responsible for ensuring the County's compliance with the law and facilitating access to government documents. In 2020, the County's Open Records Office responded to 497 requests and eight appeals.

Controller's Office and Internal Controls

The Controller is the elected financial officer of the County and as such is independent of the executive and legislative branches of County government. The current Controller is a licensed attorney in the Commonwealth of Pennsylvania and worked cooperatively with the independent auditors when they performed this annual audit. In addition, the County Controller's Office is required to serve in the capacity of internal auditor for the County. During the year, the Controller's Office staff, together with the services of independent certified public accountants, worked to maintain the integrity of the County system of internal accounting controls and conducted internal control reviews on departments and offices.

Management of the County is responsible for establishing and maintaining an internal control structure. The objective of an internal control structure, consisting of the control environment, control procedures and accounting system, is to reasonably safeguard the County's assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies. Management believes that the County's internal control structure adequately meets these objectives to provide reasonable assurance that the financial statements are free from material misstatements.

The County utilizes a comprehensive integrated financial management and human resource system that allows management to access financial information and to maintain efficient business practices. This system enables the County to maintain a flow of information consistent with the needs of good government management.

County Council and the Controller will continue to utilize available technology and planning to deliver high quality government services consistent with prudent management of taxpayer monies. The County will continue to strive to act within the highest standards of internal controls over government business practices, while balancing the costs of such controls against the benefits to be derived from taking such measures.

Budgetary Controls

The County maintains budgetary controls to comply with legal provisions embodied in the annual budget adopted by County Council pursuant to the Home Rule Charter and Administrative Code. The County adopts an annual operating budget, which is a legal document controlling expenditures, at the fund level, for the General Fund and the Liquid Fuels Special Revenue Fund. As indicated in the Financial Section of this report, the County complied with such budgetary controls for the year ended December 31, 2020.

Financial Planning

The Budget Management Department performs its functions pursuant to the Administrative Code. It manages the annual operating budget and is responsible for the five-year Capital Improvement Plan. As result of the COVID-19 pandemic, the state and federal governments responded to the crisis with financial support, including federal funding of approximately \$98 million through the Coronavirus Aid, Relief and Economic Security (CARES) Act. The County utilized the CARES funds and other aid to support County businesses, schools, and residents, as well as to provide essential government services, including expenses related to the 2020 elections, eligible wages, overtime and hazard pay incurred by the County owing to the pandemic. The County expects to be awarded approximately \$110 million under the American Rescue Plan Act of 2021.

The County also monitors market conditions on a regular basis, particularly with respect to its outstanding debt. When conditions are favorable, and it is beneficial to the County, the County will consider undertaking certain financing actions to achieve economic gains, mainly through securing lower interest rates.

As more fully discussed in the MD&A, the economic outlook for the County remains strong. With its strong wealth and income profile and large tax base, together with careful planning and prudent spending of economic stimulus funds, Delaware County will persevere in the face of undetermined regional and national conditions.

Other Information

Independent Audit

An audit of the County's basic financial statements has been conducted by the independent certified public accounting firm of Baker Tilly US, LLP to meet the requirements of Section 909 of the Home Rule Charter and the Federal Single Audit Act. Their report on the basic financial statements and additional information is included in the Financial Section of this report. Their report related to the Single Audit Act and related Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is presented in a separate report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its report for the fiscal year ended December 31, 2019. This was the 26th consecutive year that the County has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The County continues to maintain its AA and Aa1 Bond rating, due in part to earning this prestigious award.

Other Accomplishments and Initiatives

Establishing a Health Department and COVID-19

County Council began 2020 by taking the first steps to formally establish the Delaware County Health Department. Council adopted a resolution to take such action, recognizing that Delaware County was the most populated County in the Commonwealth without such a resource to protect the health of its residents. The process requires approximately two years to fulfill all state and federal requirements, and the department is expected to be operational at the end of 2021. Shortly after acting, the onset of the COVID-19 pandemic revealed the critical need for a County Health Department. Following a state-wide declaration of emergency, the County also put in place an emergency order to facilitate the delivery of services and operations of the County. The County utilized all its existing resources, including a robust community of volunteers, to address health and safety for our residents and also successfully collaborated with neighboring Chester County's Health Department to help protect the community and combat the pandemic.

County-Wide Property Reassessment

A Court Ordered county-wide property reassessment was initiated by County Council in 2017 to reassess all 202,399 residential and commercial properties in the County. The project was completed in 2020 with new base year valuations that became effective in 2021. Property owners received initial valuations in 2020, and the County facilitated informal assessment hearings, many by phone during the pandemic, to test and correct values. The County's contractor Tyler Technology provided the final tax rolls to the County, and the County Chief Assessor accepted the new tax rolls in June of 2020. Required notices of the reassessed values then were provided to all property owners. The County Board of Assessment and 18 Auxiliary Appeals Boards created by Council heard all timely filed appeals and certified the tax rolls with the new base year valuations in accordance with state law. The reassessment, as anticipated, increased taxes for some property owners and lowered taxes for others. While there are many appeals of the base year values pending in the Court of Common Pleas for Delaware County, the goal was to more fairly and equitably distribute the tax burden for school, municipal and county real estate taxes.

Emergency Services/911 Center

Delaware County responded to over one million 911 calls for service in 2020. The Department of Emergency Services is continuing to grow and enhance their capabilities to serve by investing in training, technology, and regional partnerships. All 911 telecommunicators are now certified to provide emergency medical pre-arrival instructions. The County also began an ambitious overhaul of the radio system with work underway to modernize the system to better serve all the County. Each municipality is receiving portable radios for their first responders to overcome current radio interference issues. The County has also recently added Villanova and Penn State Universities to the emergency communications network, improving safety throughout the County. In addition, Emergency Services played a critical role in supporting first responders throughout the County in addressing the impact of the COVID-19 pandemic.

2020 Elections

Almost every County department supported the effort to conduct the 2020 elections in a smooth, accessible, and safe way. Facilitating voting during the COVID-19 pandemic required significant planning and investment in protective measures. The County put into service new voting machines and implemented a mail-in voting process as required by state law; these changes required new processes, equipment and County facilities, including a new facility located in the City of Chester. For the November election, the County secured grant funding for the purchase and installation of 42 drop boxes and monitoring equipment placed throughout the County to supplement mail-in and in-person voting. The November election processed a record number of approximately 328,000 ballots, representing an 80 percent voter turnout for the election.

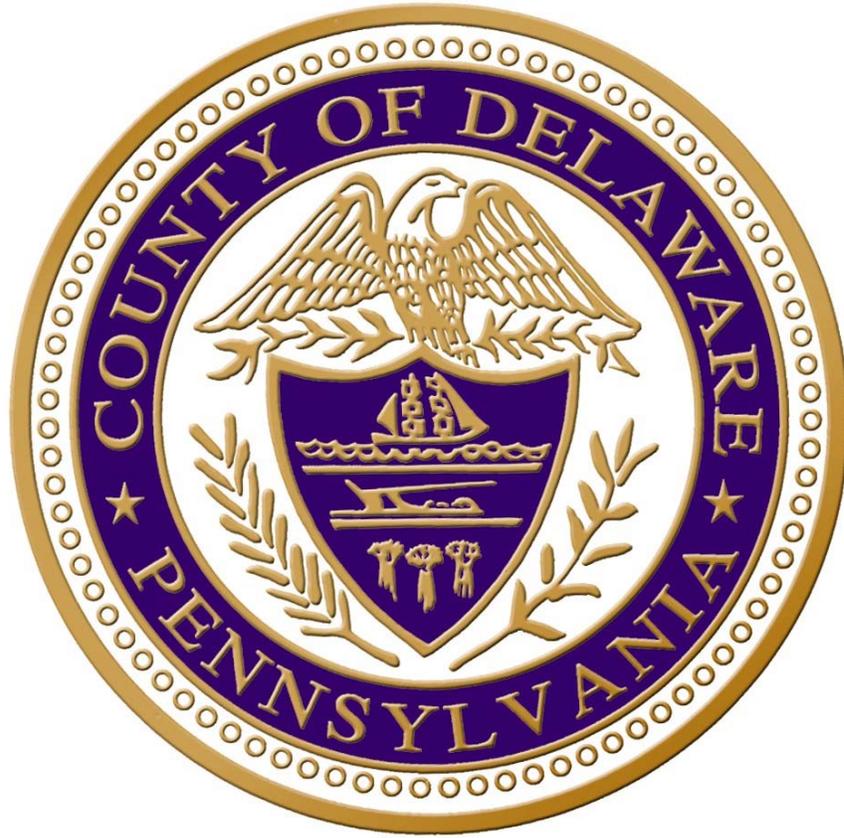
Acknowledgments

I would like to acknowledge the work of the staff of the Controller's Office and the cooperation of the various Department officials throughout the County in the preparation of this report. I am proud of the work done by my staff to support the County's financial infrastructure and to make government more transparent and compliant. The challenges of 2020 tested the many dedicated County workers who provided essential services to our residents in a safe, responsible and professional manner.

The County Controller acknowledges the hardships endured and the losses suffered by the people in our County this past year. I also remain aware of the limited resources of the County and its residents and the need to use those resources wisely. I will continue to be an independent voice on behalf of our taxpayers. My office will continue to diligently monitor the use of funds and the financial performance of the County, and implement necessary measures to ensure that the high standards of service and affordability are maintained.



Joanne Phillips, Esq.
Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Delaware
Pennsylvania**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

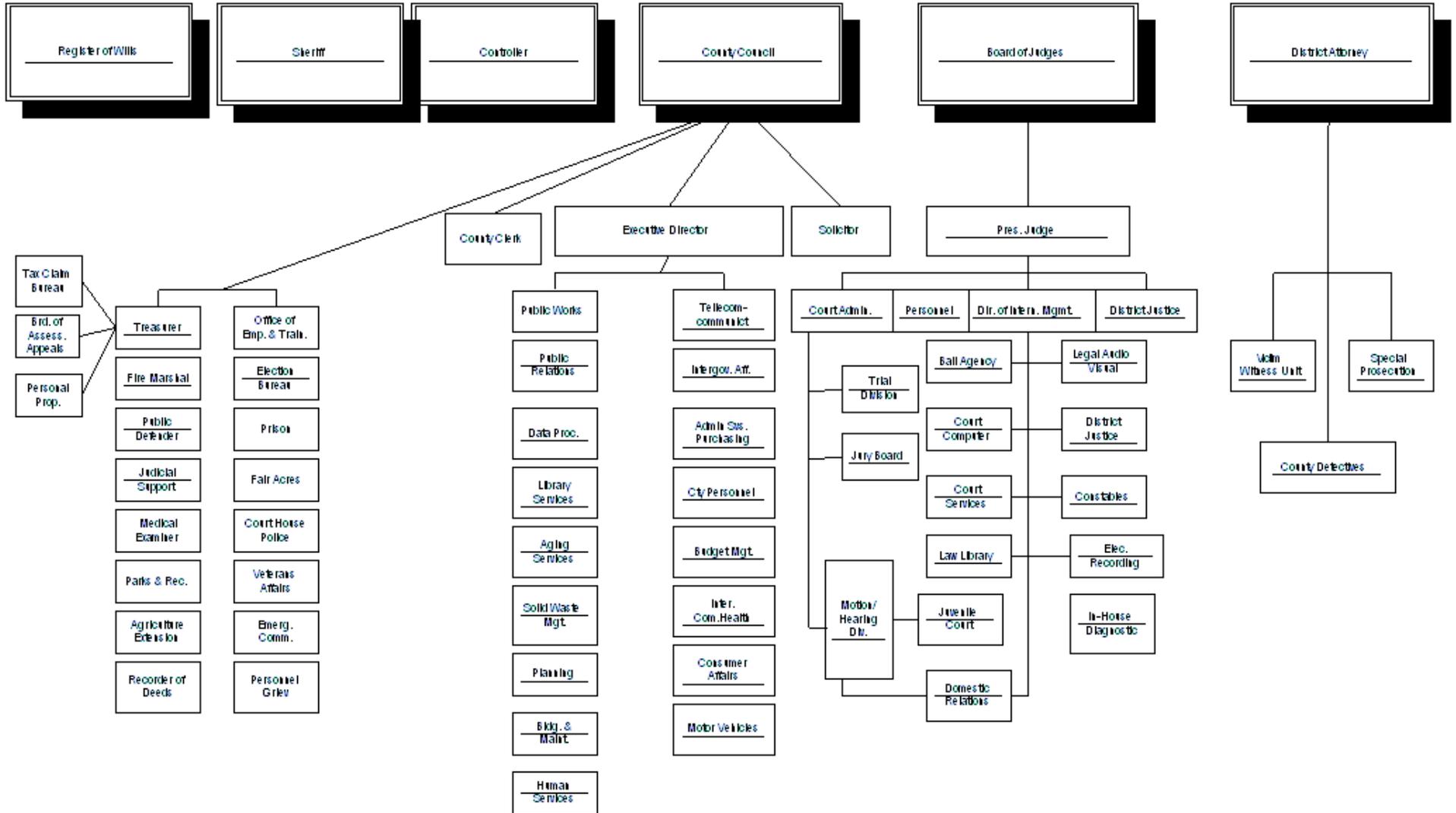
December 31, 2019

Christopher P. Morill

Executive Director/CEO

Organizational Chart

ELECTORATE DELAWARE COUNTY



County of Delaware, Pennsylvania

Principal County Officials

December 31, 2020

Council

Brian P. Zidek - Chair

Dr. Monica Taylor - Vice Chair

Kevin M. Madden - Member

Elaine Paul Schaefer - Member

Christine A. Reuther - Member

Controller

Joanne Phillips, Esq.

District Attorney

Jack Stollsteimer

Register of Wills

Rachel Ezzell Berry, Esq.

Sheriff

Jerry L. Sanders, Jr.

Executive Director

Howard Lazarus

Solicitor

William F. Martin, Esq.

Interim Budget Director

James Hackett

Treasurer

Charlene M. Mangano

County of Delaware, Pennsylvania

Principal County Officials

December 31, 2020

Judicial Support

Mary Walk, Esq.

Recorder of Deeds

Robert A. Auclair, Esq.

County Clerk

Anne M. Coogan

Medical Examiner

Fredric N. Hellman, M.D.

Court of Common Pleas Board of Judges

Kevin F. Kelly, President Judge

George A. Pagano

Kathrynann W. Durham

Barry C. Dozor

James P. Bradley

Mary Alice Brennan

Linda A. Cartisano

Spiros E. Angelos

G. Michael Green

John P. Capuzzi, Sr.

Richard M. Cappelli

William C. Mackrides

Anthony D. Scanlon

Margaret J. Amoroso

Dominic F. Pileggi

John J. Whelan

Nusrat J. Love

Richard H. Lowe

Stephanie H. Klein

Kelly D. Eckel

Andrea E. Puppio

Senior Judges

Ann A. Osborne

Gregory M. Mallon

Financial Section

Independent Auditors' Report

To the County Council of the
County of Delaware, Pennsylvania

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, comprised of the Delaware County Solid Waste Authority, the Economic Development Oversight Board, the Delaware County Chester Waterfront Industrial Development Authority, and the Redevelopment Authority of the County of Delaware, which represent 100 percent of the assets, net position and revenues of the discretely presented component units of the County. 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 the Delaware County Solid Waste Authority, the Economic Development Oversight Board, the Redevelopment Authority of the County of Delaware, and the Delaware County Chester Waterfront Industrial Development Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) on pages 16 through 27, Schedule of Changes in Net Other Post-Employment Benefit Liability and Related Ratios, Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios, Schedule of Employer Contributions, and Schedule of Investment Returns on pages 84 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, based on our audit, and the procedures performed as described above, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Baker Tilly US, LLP

Philadelphia, Pennsylvania
June 28, 2021

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

This Management's Discussion and Analysis (MD&A) is intended to provide a narrative overview and analysis of the financial activities of the County of Delaware for the year ended December 31, 2020, compared to 2019. The County's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. Additional information is provided in the Transmittal Letter preceding this Management Discussion and Analysis, which can be found on pages 5-8 of this report. This discussion focuses on the County's primary government. Component units, unless otherwise noted, are not included in this discussion.

Financial Highlights

During 2020, the County's governmental activities total net position as shown in the government-wide statements increased by \$2 million. This increase in net position is primarily attributable to the \$98.8 million in Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds obtained directly from the U.S. Treasury in April 2020 in response to the COVID-19 pandemic. The County also had an additional \$6 million in revenue from other COVID-19 Relief funding during 2020. The County spent approximately \$78 million in COVID-19 Relief grants and the remaining \$26.8 million balance is considered unearned revenue at year end. This increase in funds was offset by a \$3 million decrease in gaming revenue and a \$5 million decrease in charges for services, fine and forfeits, as well as additional expenditures incurred by the County in addressing the impacts COVID-19 has had on the region.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, judicial, corrections, health and welfare, highways, bridges and streets. The business-type activity of the County is a geriatric center.

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Solid Waste Authority, legally separate Economic Development Oversight Board, legally separate Redevelopment Authority and legally separate Chester Waterfront Industrial Development Authority, for which the County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

In September 2020, County Council authorized the formation of the Delaware County Interactive Gaming Revenue Authority (DCIGRA), an entity legally separate from the County, which is governed by a five member board appointed by County Council. The new component unit will receive a share of interactive gaming revenues for the purposes of financing economic development, municipal police and emergency service projects approved by County Council.

Because this new authority did not receive any share of interactive gaming revenue until 2021, financial information for the DCIGRA is not reported in the government-wide financial statements for the year ending December 31, 2020.

The government-wide financial statements can be found on pages 28-29 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with fiscal-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Capital Projects fund, the Health and Human Service funds, and the COVID-19 Relief Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation captioned "Other Governmental Funds." Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-34 of this report.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Proprietary Funds. The County maintains two proprietary funds. Proprietary funds, or enterprise funds, are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its Geriatric Center. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its health, workers' compensation and casualty/liability insurance. Since these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary Component Unit/ Fiduciary Funds. The County maintains three fiduciary funds which consists of a fiduciary component unit pension trust fund (the Pension Trust Fund), the Deshong Trust Fund, and the Delinquent Tax Fund. The Pension Trust Fund is maintained to account for assets held by the County in a trustee capacity for individuals currently or previously employed by the County. The Deshong Trust Fund is maintained to account for the assets held by the County in a trustee capacity obtained through the distribution of the Deshong estate. The Delinquent Tax Fund is maintained to account for the assets held by the County in a trustee capacity for other taxing authorities. Fiduciary activities are excluded from the government-wide statements because those resources are not available to finance the County's programs.

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 40-83 of this report.

Required Supplementary Information. Certain required supplementary information concerning the County's progress in funding its obligations to provide OPEB benefits to its employees and retirees and their dependents and changes in the County's pension liability, employer contributions and investment return can be found on pages 84-87 of this report.

Other Information. The combining statements and schedules referred to earlier in connection with government fund types, proprietary fund types and component units are presented immediately following the notes to the financial statements. Combining and individual fund and component unit statements and schedules can be found on pages 88-115 of this report.

General Fund Budgetary Highlights

The General Fund final expenditure budget for fiscal year 2020 was approximately \$254 million. This was an increase of approximately \$7 million from the prior year final budget. There were no council amendments to the 2020 General Fund budget. Taking into account total expenditures and operating transfers, the County experienced an overall favorable budgetary variance of approximately \$58 million, primarily because of the impact COVID-19 had on the operations of the County.

The General Fund budget complied with the financial policies approved by the County Council.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Government-Wide Financial Analysis

The County's net position includes its net investment in capital assets (e.g., land, buildings and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The County's investment in its capital assets is reported, net of related debt, was \$(15,593,281).

County's Condensed Statement of Net Position (In Millions)

	Governmental Activities		Business-Type Activity		Total		% Change
	2020	2019	2020	2019	2020	2019	
Current assets	\$ 380	\$ 295	\$ 11	\$ 18	\$ 391	\$ 313	25 %
Other noncurrent assets	180	178	4	-	184	178	3
Capital assets, net	179	176	10	10	189	186	2
Total assets	739	649	25	28	764	677	13
Deferred outflows	93	100	7	30	100	130	(23)
Other liabilities	220	180	5	5	225	185	22
Long-term liabilities outstanding	797	743	18	41	815	784	4
Total liabilities	1,017	923	23	46	1040	969	7
Deferred inflows	99	112	9	9	108	121	(11)
Net position:							
Net investment in capital assets	(15)	(29)	(4)	(12)	(19)	(41)	(54)
Restricted	6	5	-	-	6	5	20
Unrestricted	(275)	(262)	4	15	(271)	(247)	10
Total net position	\$ (284)	\$ (286)	\$ -	\$ 3	\$ (284)	\$ (283)	0 %

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

County's Condensed Statement of Activities (In Millions)

	Governmental Activities		Business-Type Activity		Total		% Change
	2020	2019	2020	2019	2020	2019	
Program revenues:							
Charges for services	\$ 24	\$ 33	\$ 60	\$ 67	\$ 84	\$ 100	(16) %
Operating grants and contributions	440	363	5	-	445	363	23
Capital grants and contributions	7	4	-	-	7	4	75
General revenues:							
Property taxes	171	173	-	-	171	173	(1)
Gaming revenue	5	7	-	-	5	7	(29)
Other	2	2	1	1	3	3	0
Investment earnings	1	3	-	-	1	3	(67)
Total revenues	650	585	66	68	716	653	10
Program expenses:							
General government	212	167	-	-	212	167	27
Judicial	46	47	-	-	46	47	(2)
Corrections	76	73	-	-	76	73	4
Health and Human Services	303	305	-	-	303	305	(1)
Highways, streets and bridges	3	5	-	-	3	5	(40)
Interest on long-term debt	3	5	-	-	3	5	(40)
Geriatric Center	-	-	75	77	75	77	(3)
Total expenses	643	602	75	77	718	679	6
Net revenue (expense) before transfers	7	(17)	(9)	(9)	(2)	(26)	(92)
Transfers	(6)	(5)	6	5	-	-	-
Change in net position	1	(22)	(3)	(4)	(2)	(26)	(92)
Net position, beginning	(286)	(264)	3	7	(283)	(257)	10
Net position, ending	\$ (285)	\$ (286)	\$ -	\$ 3	\$ (285)	\$ (283)	1 %

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Governmental Activities. Governmental activities increased the County's net position by approximately \$1.5 million. Key elements of this increase are a result of the following:

- The County received approximately \$98.8 million in COVID-19 Relief funding from the federal Coronavirus Aid, Relief and Economic Stimulus Act (CARES) directly from the U.S. Treasury in April 2020 plus an additional \$6 million in other COVID-19 Relief funding. As of December 31, 2020, the County had spent approximately \$78 million of the COVID-19 Relief funding received, leaving an unspent balance of \$26.8 million. Funding spent included payment of County salaries to employees whose roles were significantly changed because of COVID-19; therefore their salaries, typically paid through the General Fund were eligible for classification for payment by the COVID-19 Relief funding.
- The County's pension plan obligation changed from a net pension liability of \$34.3 million to a net pension asset of \$7.2 million as a result of the plan's investment income being higher as a result of favorable market conditions and the pension's investment policy.
- The increases in revenues from the COVID-19 Relief funding and the gain recognized as result of the change in the net pension liability to an asset were offset by:
 - A decrease in charges for services of approximately \$8.2 million and gaming revenue of approximately \$2.6 million
 - An increase in costs the County incurred to address the health and the economic impacts that COVID-19 had on the County of Delaware of approximately \$57.9 million.

Business-Type Activity. Business-type activities decreased the County's net position by approximately \$2.7 million. The key element of this decrease was a result of the following:

- The Geriatric Center's charges for services decreased by \$6.7 million as a result of decreased census related to the COVID-19 pandemic. This decrease was partially offset by approximately \$4.9 million in COVID-19 Relief funding.

Financial Analysis of the Major Funds

General Fund

Revenues of the General Fund totaled \$227,908,486 for the year ended December 31, 2020. The following represents a summary of General Fund revenue, by source, along with changes from 2019:

	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Increase (Decrease) From 2019</u>	<u>Percentage Increase (Decrease)</u>
Real estate taxes	\$ 172,550,169	\$ 171,788,448	\$ 761,721	- %
Gaming revenue	4,884,995	7,458,270	(2,573,275)	(35)
Licenses and permits	37,119	38,635	(1,516)	(4)
Investment earnings	542,747	1,765,532	(1,222,785)	(69)
General grants	24,172,954	23,140,708	1,032,246	4
Charges for services, fines and forfeits	17,387,027	22,666,058	(5,279,031)	(23)
Other	8,333,476	11,857,333	(3,523,857)	(30)
Total	<u>\$ 227,908,487</u>	<u>\$ 238,714,984</u>	<u>\$ (10,806,497)</u>	<u>(5) %</u>

Gaming revenue, charges for services, and other governmental revenues decreased primarily due to state mandated shut downs in March as a result of the COVID-19 pandemic.

The decrease in investment earnings is primarily due to low interest rates in the market.

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

General Fund expenditures totaled \$195,907,397, which represents a decrease of \$27,240,484 or 12 percent from 2019. The following represents a summary of General Fund expenditures for the year ended December 31, 2020, by source, along with changes from 2019:

	2020 Amount	2019 Amount	Increase (Decrease) From 2019	Percentage Increase (Decrease)
General government	\$ 22,210,516	\$ 25,210,816	\$ (3,000,300)	(12) %
Judicial	41,100,074	47,047,803	(5,947,729)	(13)
Corrections	62,539,002	70,581,008	(8,042,006)	(11)
Transportation	8,703,873	8,530,686	173,187	2
Other	38,668,819	47,298,076	(8,629,257)	(18)
Debt service:				
Principal	17,456,293	17,401,244	55,049	-
Interest	5,228,821	7,078,248	(1,849,427)	(26)
Total	\$ 195,907,398	\$ 223,147,881	\$ (27,240,483)	(12) %

General government, judicial, and corrections expenditures decreased for the General Fund in 2020 as a result of many employees under these departments being reallocated and substantially dedicated to the County's efforts to address the impacts of COVID-19 in the region. In addition, the County furloughed certain employees during shutdowns or reduced operations resulting from the COVID-19 pandemic. Local court operations were suspended for a portion of 2020 as a result of COVID-19, which resulted in additional decreases in the judicial operation expenses. Additionally, corrections expenditures decreased approximately \$4.1 million primarily as a result of credits due to the County pursuant to the contract for operations and a reduction in legal services costs related to the County Prison.

Other expenses decreased primarily due to decreases in employee benefit expenses of approximately \$8.2 million. The decrease in employee benefit expense is primarily the result of a decrease in the employee headcount following employee retirements and because fewer employees were visiting doctors and hospitals because of health and safety concerns due to COVID-19.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

The following shows the original and final revenue and expenditure budgets for the General Fund (which as noted above required no council amendments):

	<u>Original</u>	<u>Final</u>	<u>Increase (Decrease)</u>
Revenues:			
Real estate taxes	\$ 171,793,000	\$ 171,793,000	\$ -
Gaming revenue	7,500,000	7,500,000	-
Licenses and permits	40,000	40,000	-
General grants	26,393,000	26,393,000	-
Charges for services, fines and forfeits	22,712,000	22,712,000	-
Investment earnings	1,900,000	1,900,000	-
Other	11,070,000	11,070,000	-
Total revenues	<u>241,408,000</u>	<u>241,408,000</u>	<u>-</u>
Expenditures:			
General government	29,460,000	29,593,000	133,000
Judicial	57,567,000	57,441,000	(126,000)
Corrections	76,738,000	76,863,000	125,000
Transportation	9,120,000	9,120,000	-
Other	71,465,000	58,136,000	(13,329,000)
Debt service:			
Principal	22,742,000	17,457,000	(5,285,000)
Interest	6,584,000	5,239,000	(1,345,000)
Total expenditures	<u>\$ 273,676,000</u>	<u>\$ 253,849,000</u>	<u>\$ (19,827,000)</u>

Expenditures

Other - The budget for other expenditures was increased to fund required subsidies for Fair Acres Geriatric Center and 911 operations.

Debt Service - The budget for Debt Service was decreased to reflect the allocation of debt service expenditures to Fair Acres Geriatric Center.

Capital Projects Funds

The County's Capital Project Funds account for financial resources expended to acquire or construct property and equipment. For the year ended December 31, 2020, the County expended \$14,065,838 for such projects, which represents a decrease of \$650,255 from 2019. Capital Projects Fund's fund balance at December 31, 2020, totaled \$60,044,420, of which \$5,475,000 is for an investment pledged by the Delaware County Solid Waste Authority as a Department of Environment Protection Agency bonding requirement. This was an increase of approximately \$30.7 million, which was primarily the result of the issuance of a \$40.0 million general obligation note in May 2020.

Health and Human Service Funds

The Health and Human Service Funds' revenues are derived from specific sources and are designated for specific uses. Such funds, primarily Commonwealth of Pennsylvania and federal and state grants, are restricted by law or other formal action to expenditures for specific purposes. The County match of \$7,500,000 in 2020 to the Health and Human Service Funds is reflected as operating transfers from the General Fund to cover the deficiency of revenues over expenditures.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Other Governmental Funds

The Other Governmental Funds revenues are derived from specific sources and are designated for specific uses. Such funds, primarily Commonwealth of Pennsylvania and federal grants, are restricted by law or other formal action to expenditure for specific purposes.

The County maintains eight special revenue funds, which contain activity related to Office of Workforce Development and other grants, planning around hazardous materials within in the County, operations of the 911 Program, providing Library Services, maintenance of County bridges and roads received through Pennsylvania Liquid Fuels funds, operations of the County of Delaware Services for the Aging, monitoring and administering development and rehabilitation grants, and to accounting for Marcellus Shale Impact Fees. Revenues and expenditures totaled \$48,152,644 and \$51,997,778, respectively, for 2020. These amounts represent a decrease in revenue of 4 percent and a decrease in expenditures of 8 percent from 2019 amounts. The following programs had an excess of revenues over expenditures in 2020 as follows: 911 program - \$4,595,583, COSA - \$121,000, and other - \$(565,000) which is the County subsidy. The following programs had excess (deficiency) revenues over expenditures in 2020 as follows: Library - \$714,195, Liquid Fuels - \$(65,118) and CDBG/Rehab program - \$(342,628).

Pension Trust Fund

The net position reserved for employee's pension benefits was \$610,770,432. The funding status of the employees' pension trust fund remains sound.

Fund Balances

Management feels that the restrictions, commitments and assignments of its fund balances does not significantly affect the resources available for future use of the County for ongoing operations.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$189,447,285 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements.

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Land	\$ 6,176,214	\$ -	\$ 6,176,214
Construction in progress	6,431,318	-	6,431,318
Land improvements	8,303,616	-	8,303,616
Buildings and improvements	105,409,317	8,356,354	113,765,671
Equipment	33,803,657	2,013,526	35,817,183
Infrastructure	18,953,283	-	18,953,283
Total	<u>\$ 179,077,405</u>	<u>\$ 10,369,880</u>	<u>\$ 189,447,285</u>

Additional information on the County's capital assets can be found in Note 12 on page 62 of this report.

Long-Term Debt

As of December 31, 2020, the County's actual general obligation debt of \$297,462,000 is well below the legal limit of \$1,793,447,179 by \$1,495,985,175. Additional information on the County's long-term debt can be found at Note 16 on page 66 of this report.

The County's bonds continue to have a favorable rating from Moody's Investors Services, Inc. of "Aa1" and Standard and Poor's Rating Group of "AA."

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

COVID-19 Relief Funding

In 2020, the County received approximately \$98.8 million in COVID-19 Relief funding from the federal Coronavirus Aid, Relief and Economic Stimulus Act (CARES) directly from the U.S. Treasury in April 2020 plus an additional \$6 million in other COVID-19 Relief funding. The County spent approximately \$78 million in COVID-19 Relief grants and the remaining \$26.8 million balance is considered unearned revenue at year end. The County will expend this unearned revenue in 2021 pursuant to the CARES act. The following are major expenditures incurred by the County using Coronavirus Relief funds in 2020:

- In March 2020, the County entered into an agreement with the Chester County Department of Health to provide services to Delaware County relating to the COVID-19 pandemic. The County paid \$1,874,607 to Chester County per the agreement to cover 30% of all unreimbursed costs incurred by Chester County in responding to the pandemic for both counties.
- The County entered into an agreement with the Delaware County Intermediate Unit to provide \$20,000,000 in assistance to schools throughout the County. Funding was used for sanitization of facilities, purchase of personal protective equipment, distance learning support and mental health services.
- A total of \$13,195,702 was transferred to the EDOB (\$9,903,302), the RDA (\$3,267,500) and Delaware County Chamber of Commerce (\$24,900) to distribute grants to businesses and non-profits struggling due to business interruptions stemming from the COVID-19 pandemic. A separate allocation of \$2,451,100 was specifically issued to support childcare facilities.
- A total of \$22,141,402 was assigned to payroll expenses including benefits for elections, public health and to cover the salaries of other employees whose services were substantially dedicated to mitigating or responding to the pandemic and other allowable payroll expenditures. Some of these costs included overtime pay and hazard pay.
- \$3.9 million was spent on various public health expenses including personal protective equipment, Medical Examiner's Office, safety and sanitation and consulting fees.
- \$312,000 was disbursed to Pennsylvania state constables to facilitate the secure reopening of Magisterial District Courts.
- Local tourism bureau Visit Delco, PA was provided \$304,531 to promote the safe support of businesses during the 2020 holiday season.

Economic Outlook

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. As a result, the Governor of the Commonwealth of Pennsylvania declared an emergency requiring the closure of businesses, schools, and other institutions, resulting in job losses. The County responded quickly with its own Emergency Declaration to enable it to more effectively address the health and economic impacts of the pandemic. The County began with the creation of the Delco Strong Small Business Support Grant Program.

Facilitated by the Delaware County Economic Development Oversight Board (EDOB), four rounds of funding utilizing \$3 million from the Delaware County Redevelopment Authority (RDA), \$250,000 from the Delaware Valley Regional Economic Development Fund and \$16,026,123 from the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act were distributed to over 1,500 small businesses and non-profits from April 2020 through February 2021. The Pennsylvania Department of Community and Economic Development (DCED) recognized Delaware County's successful local grant program and efforts with the 2021 Governor's Award for Local Government Excellence. Further, the Geographic Information Systems Pros Award was presented to the County for their innovative Delco Strong dashboard, an application which used geocoding to track grantees and produce statistical and demographic data.

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

Despite the challenges posed by the pandemic, Delaware County demonstrated stability and growth in 2020. The County's unemployment rate as of December 2020 was 6.7 percent and remained below the statewide rate of 7.1 percent. The number of employees in the County totaled 269,667 as of December 2020, and the number of businesses grew to 14,164 from 14,094 the previous year.

Moody's Investors Service stated in its 2020 Issuer Comment report, "Delaware County's credit position is excellent," and remarked, "The key credit factors include a robust financial position, a manageable debt burden and a low pension liability."

Notable construction and redevelopment projects in the County in 2020 included the following:

- The estimated \$6 million expansion of Chemistry Rx, a regional compound pharmaceutical company, started in Folcroft Borough for the development of a Federally Certified 503B manufacturing center, which was assisted through a Delaware County Industrial Development Authority (IDA) conduit bond issue.
- Dunwoody Village, a not-for-profit corporation operating a continuing care retirement community in the Township of Newtown, began an estimated \$30 million construction and redevelopment project of 62,000 square feet including food services, dining facilities, auditorium relocation, 32 apartments, HVAC and common space areas. The refinance of existing debt was assisted by the IDA as conduit for bond issue.
- Installation of a new natural gas line to the Kimberly Clark Plant will result in a \$150 million
- conversion of the coal fired plant to gas, assisted by the RDA with a \$6 million state capital grant, to ensure the future of the largest manufacturing facility in the City of Chester.
- Main Line Health continued their renovation of the "Birthplace at Riddle Hospital" in Middletown Township in 2020, with an investment over \$3 million, which was assisted by the Delaware County RDA through administration of a \$1.5 million state capital grant.
- Brandywine Museum and Conservancy of Art initiated renovations and upgrades to their museum building with a total estimated project cost of over \$4 million with administration of a \$2 million state capital grant by the RDA.
- The redevelopment of the former Franklin Mint, an 82 acre site in Middletown, will include retail, office and housing, and a connection to the SEPTA regional rail line. The estimated project cost of \$500 million is being assisted by the IDA with administration of a \$5 million state capital grant.
- Adjacent to the Franklin Mint project, the Pond's Edge 32-acre mixed use development continues with construction of a new state police barracks, retail, and housing. The total estimated project cost is \$30 million and is assisted by the IDA with administration of a \$5 million state capital grant.

The Delaware County Commerce Center has contracted with the Pennsylvania Department of Community and Economic Development (DCED) to act as the agent for the statewide "Engage!" program whereby staff meet individually with businesses located in the County to assess their needs and determine if government programs are available to assist these companies in growing their businesses. In the 2020 fiscal year, over 100 interviews were completed.

Recent events may affect the County's future economic outlook:

- In 2019, the Board of Delaware County Regional Water Quality Control Authority (DELCORA) entered into an agreement with Aqua Pennsylvania to sell DELCORA and privatize its operations. Further, the parties agreed to create a trust to distribute assets from the sale. In June 2020, Delaware County Council enacted an ordinance that would dissolve the authority and have the County assume the assets and liabilities of DELCORA. Council also filed a civil complaint in Delaware County Common Pleas Court to block the formation of the trust and void the agreement. DELCORA and Aqua, in turn, filed proceedings to block the County's actions. Decisions in these matters have been appealed by both parties. The litigation of these matters is still pending, so County's exposure to liability, if any, cannot be determined at this time. Consequently, no provision has been made in these financial statements for this uncertainty.
- The County continues to monitor the immediate and long-term impacts of the COVID-19 pandemic on public health and potential reductions in tax revenue.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, County of Delaware, 201 West Front Street, Media, Pennsylvania 19063.

Complete financial statements for the individual component units can be obtained from their respective administrative offices as follows:

- Delaware County Solid Waste Authority
Rose Tree Park Hunt Club
1521 North Providence Road
Media, Pennsylvania 19063
- Economic Development Oversight Board
100 West 6th Street, Suite 100
Media, Pennsylvania 19063
- Delaware County Chester Waterfront Industrial Development Authority
100 West 6th Street, Suite 100
Media, Pennsylvania 19063
- Redevelopment Authority of the County of Delaware
100 West 6th Street, Suite 100
Media, Pennsylvania 19063

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Basic Financial Statements

County of Delaware, Pennsylvania

Statement of Net Position

December 31, 2020

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activity		
Assets				
Cash and cash equivalents	\$ 158,074,020	\$ 10,515,016	\$ 168,589,036	\$ 12,735,823
Receivables (net of allowance for uncollectibles):				
Taxes	8,999,944	-	8,999,944	-
Accounts	2,241,580	14,052,076	16,293,656	3,660,727
Grants	58,305,601	-	58,305,601	-
Notes	24,677,323	-	24,677,323	-
Other	5,705,362	-	5,705,362	1,249,685
Due from fiduciary component unit	1,074,391	-	1,074,391	-
Due from component units	7,500,000	-	7,500,000	-
Internal balances	14,309,747	(14,309,747)	-	-
Inventories	-	-	-	101,488
Other assets	5,065,193	3,217	5,068,410	217,322
Investments	-	-	-	10,500
Restricted cash and cash equivalents	93,745,506	1,273,560	95,019,066	3,496,973
Investment in joint venture	173,333,058	-	173,333,058	-
Capital assets (net of accumulated depreciation):				
Land	6,176,214	-	6,176,214	8,873,485
Construction in progress	6,431,318	-	6,431,318	974,042
Land improvements	8,303,616	-	8,303,616	1,489,861
Buildings and improvements	105,409,317	8,356,354	113,765,671	18,597,832
Equipment	33,803,657	2,013,526	35,817,183	15,543,550
Infrastructure	18,953,283	-	18,953,283	-
Net pension asset	7,205,784	3,712,070	10,917,854	720,854
Total assets	739,314,914	25,616,072	764,930,986	67,672,142
Deferred Outflows of Resources				
Deferred outflows of resources, other post-employment benefit liability	79,515,927	-	79,515,927	-
Deferred outflows of resources, pension	13,179,550	6,789,465	19,969,015	81,374
Total deferred outflows of resources	92,695,477	6,789,465	99,484,942	81,374
Total assets and deferred outflows of resources	\$ 832,010,391	\$ 32,405,537	\$ 864,415,928	\$ 67,753,516
Liabilities				
Accounts payable and other current liabilities	\$ 72,908,231	\$ 4,921,379	\$ 77,829,610	\$ 4,832,593
Accrued interest payable	222,042	-	222,042	-
Other liabilities	38,727,461	-	38,727,461	1,882,129
Unearned revenue	108,332,538	-	108,332,538	75,000
Due to primary government	-	-	-	7,500,000
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	18,091,899	5,531,101	23,623,000	551,000
Claims payable	2,211,835	-	2,211,835	-
Due in more than one year:				
Bonds and notes payable	262,017,234	12,845,198	274,862,432	6,287,000
Claims payable	2,559,516	-	2,559,516	-
Net other post-employment benefit liability	512,163,395	-	512,163,395	-
Accrued closure costs	-	-	-	19,117,481
Total liabilities	1,017,234,151	23,297,678	1,040,531,829	40,245,203
Deferred Inflows of Resources				
Deferred inflows of resources, other post-employment benefit liability	80,873,362	-	80,873,362	-
Deferred inflows of resources, pension	18,302,928	9,428,781	27,731,709	755,658
Total deferred inflows of resources	99,176,290	9,428,781	108,605,071	755,658
Net Position				
Net investment in capital assets	(15,593,281)	(4,294,349)	(19,887,630)	38,640,770
Restricted for:				
Highways and streets	278,659	-	278,659	-
Library	1,221,388	-	1,221,388	-
Community development	2,193,749	-	2,193,749	-
Title IV D program	2,046,288	-	2,046,288	-
Capital projects	681,211	-	681,211	-
Economic development	-	-	-	16,205
Solid waste	-	-	-	1,250,000
Unrestricted	(275,228,064)	3,973,427	(271,254,637)	(13,154,320)
Total net position	(284,400,050)	(320,922)	(284,720,972)	26,752,655
Total liabilities, deferred inflows of resources and net position	\$ 832,010,391	\$ 32,405,537	\$ 864,415,928	\$ 67,753,516

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Activities

Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	
Functions/Programs							
Primary Government							
Governmental activities:							
General government	\$ 211,961,918	\$ 15,159,816	\$ 129,277,507	\$ 4,997,223	\$ (62,527,372)	\$ -	\$ (62,527,372)
Judicial	45,967,384	4,311,801	16,727,363	-	(24,928,220)	-	(24,928,220)
Corrections	75,706,851	4,894,211	690,431	-	(70,122,209)	-	(70,122,209)
Health and human services	303,168,168	-	292,873,390	-	(10,294,778)	-	(10,294,778)
Highways, streets and bridges	3,231,557	-	640,125	1,791,294	(800,138)	-	(800,138)
Interest on long-term debt	3,440,864	-	-	-	(3,440,864)	-	(3,440,864)
Total governmental activities	643,476,742	24,365,828	440,208,816	6,788,517	(172,113,581)	-	(172,113,581)
Business type activity:							
Geriatric Center	74,762,089	60,083,878	4,967,731	-	-	(9,710,480)	(9,710,480)
Total primary government	\$ 718,238,831	\$ 84,449,706	\$ 445,176,547	\$ 6,788,517	(172,113,581)	(9,710,480)	(181,824,061)
Component Units							
Solid Waste Authority	\$ 43,762,482	\$ 42,218,304	\$ 103,207	\$ -	-	-	\$ (1,440,971)
Economic Development	12,404,114	4,184	11,573,870	-	-	-	(826,060)
Waterfront Industrial Development Authority	978,833	-	-	-	-	-	(978,833)
Redevelopment Authority	5,991,797	-	3,743,414	-	-	-	(2,248,383)
Total component units	\$ 63,137,226	\$ 42,222,488	\$ 15,420,491	\$ -	-	-	(5,494,247)
General Revenues							
Property taxes					171,436,259	-	171,436,259
Gaming revenue					4,884,995	-	4,884,995
Grants and charges not restricted to specific programs					1,563,777	-	1,563,777
Other revenues (expenses)					-	1,236,686	1,236,686
Unrestricted investment earnings					1,355,326	15,348	1,370,674
Transfers					(5,642,633)	5,708,000	65,367
Total general revenues and transfers					173,597,724	6,960,034	180,557,758
Change in net position					1,484,143	(2,750,446)	(1,266,303)
Net Position, Beginning					(285,884,193)	2,429,524	(283,454,669)
Cumulative effect of prior period accounting error					-	-	-
Net Position, Ending					<u>\$ (284,400,050)</u>	<u>\$ (320,922)</u>	<u>\$ (284,720,972)</u>
							<u>\$ 26,752,655</u>

See notes to financial statements

County of Delaware, Pennsylvania

Balance Sheet
 Governmental Funds
 December 31, 2020

	General	Capital Projects	Health and Human Service	Other Governmental Funds	COVID-19 Relief Fund	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 42,542,332	\$ 836,986	\$ 13,482,196	\$ 31,198,660	\$ 65,665,450	\$ 153,725,624
Receivables:						
Taxes	9,491,883	-	-	-	-	9,491,883
Accounts	2,241,580	-	-	-	-	2,241,580
Grants	5,152,594	-	42,512,573	7,266,456	3,373,978	58,305,601
Notes	-	-	-	24,677,323	-	24,677,323
Other	235,804	-	-	-	-	235,804
Due from fiduciary component unit	1,074,391	-	-	-	-	1,074,391
Due from component units	2,025,000	5,475,000	-	-	-	7,500,000
Due from other funds	72,326,595	13	30,732,579	11,004,402	-	114,063,589
Restricted cash and cash equivalents	2,336,493	67,172,501	17,631,959	6,604,553	-	93,745,506
Other assets	974,556	-	666,102	19,905	174,635	1,835,198
Total assets	\$ 138,401,228	\$ 73,484,500	\$ 105,025,409	\$ 80,771,299	\$ 69,214,063	\$ 466,896,499
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Vouchers and accounts payable	\$ 9,406,220	\$ 2,199,909	\$ 53,569,641	\$ 2,580,195	\$ 5,152,266	\$ 72,908,231
Payroll payable	12,006,848	-	-	-	-	12,006,848
Payable from restricted assets	138,487	-	-	-	-	138,487
Due to other funds	11,379,369	10,409,030	8,191,170	33,294,312	36,110,712	99,384,593
Unearned revenues	2,835,013	831,141	38,120,320	38,594,979	27,951,085	108,332,538
Other liabilities	15,826,591	-	5,144,278	2,608,017	-	23,578,886
Total liabilities	51,592,528	13,440,080	105,025,409	77,077,503	69,214,063	316,349,583
Deferred inflows of resources:						
Unavailable revenues, taxes	6,366,049	-	-	-	-	6,366,049
Fund balances:						
Nonspendable:						
Prepaid items	974,556	-	-	-	-	974,556
Restricted for:						
Highways and streets	-	-	-	278,659	-	278,659
Library	-	-	-	1,221,388	-	1,221,388
Community development	-	-	-	2,193,749	-	2,193,749
Title IV D program	2,046,288	-	-	-	-	2,046,288
Capital projects	-	60,038,226	-	-	-	60,038,226
Assigned to:						
Capital projects	-	6,194	-	-	-	6,194
Information technology	5,000,000	-	-	-	-	5,000,000
Employee benefit costs	10,000,000	-	-	-	-	10,000,000
Unassigned	62,421,807	-	-	-	-	62,421,807
Total fund balances	80,442,651	60,044,420	-	3,693,796	-	144,180,867
Total liabilities, deferred inflows of resources and fund balances	\$ 138,401,228	\$ 73,484,500	\$ 105,025,409	\$ 80,771,299	\$ 69,214,063	\$ 466,896,499

See notes to financial statements

County of Delaware, Pennsylvania

Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position December 31, 2020

Amounts reported for governmental activities in the statement of net position
(page 28) are different because:

Total fund balance - total governmental funds (page 30)	\$ 144,180,867
Capital assets, including investment in joint venture, used in governmental activities are not financial resources and, therefore, are not reported in the funds	352,410,463
Property taxes receivable will be collected in the future but are not available to pay for the current period's expenditures and, therefore, are not recognized as revenue on the governmental fund financial statements	6,366,049
Establishment of an allowance for doubtful accounts, net of additional penalty and interest receivable on the statement of net position	(491,939)
Long-term notes receivable will be collected in the future but are not available to pay for the current period's expenditures and, therefore, are not recognized as revenue on the governmental fund financial statements	5,469,558
Accrued interest payable included on the statement of net position	(222,042)
Long-term assets and liabilities, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(280,109,133)
Net other post-employment benefit liability	(512,163,395)
Net pension asset	7,205,784
Pension and other post-employment benefit liability related deferred outflow of resources and deferred inflow of resources are not due and payable in the current year and, therefore, are not reported in the funds:	
Deferred outflows related to the other post-employment benefit liability	79,515,927
Deferred outflows related to the net pension liability	13,179,550
Deferred inflows related to the other post-employment benefit liability	(80,873,362)
Deferred inflows related to the net pension liability	(18,302,928)
Accrued compensatory time included in other liabilities on the statement of net position	<u>(565,449)</u>
Net position of governmental activities (page 28)	<u><u>\$ (284,400,050)</u></u>

County of Delaware, Pennsylvania

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

	General	Capital Projects	Health and Human Service	Other Governmental Funds	COVID-19 Relief Fund	Total Governmental Funds
Revenues						
Real estate taxes	\$ 172,550,169	\$ -	\$ -	\$ -	\$ -	\$ 172,550,169
Gaming revenue	4,884,995	-	-	-	-	4,884,995
Licenses and permits	37,119	-	-	-	-	37,119
General grants	24,172,954	4,825,022	-	48,152,644	77,977,425	155,128,045
Charges for services, fines and forfeits	17,387,027	-	-	-	-	17,387,027
Investment earnings	542,747	161,625	-	-	-	704,372
Health and human service grants	-	-	292,873,390	-	-	292,873,390
Other	8,333,476	-	-	-	-	8,333,476
Total revenues	227,908,487	4,986,647	292,873,390	48,152,644	77,977,425	651,898,593
Expenditures						
Current:						
General government	22,210,516	-	-	-	4,238,844	26,449,360
Judicial	41,100,074	-	-	-	4,837,310	45,937,384
Corrections	62,539,002	-	-	-	10,972,317	73,511,319
Transportation	8,703,873	-	-	-	-	8,703,873
Health and human services	-	-	300,373,390	-	-	300,373,390
Highways, streets and bridges	-	-	-	2,990,253	-	2,990,253
Other	38,668,819	-	-	49,007,525	57,928,954	145,605,298
Debt service:						
Principal	17,456,293	-	-	-	-	17,456,293
Interest	5,228,821	-	-	-	-	5,228,821
Debt issuance costs	-	202,703	-	-	-	202,703
Capital outlay	-	14,065,838	-	-	-	14,065,838
Total expenditures	195,907,398	14,268,541	300,373,390	51,997,778	77,977,425	640,524,532
Excess (deficiency) of revenues over (under) expenditures	32,001,089	(9,281,894)	(7,500,000)	(3,845,134)	-	11,374,061
Other Financing Sources (Uses)						
Issuance of debt	-	40,000,000	-	-	-	40,000,000
Transfers in	630,367	-	14,836,500	4,716,583	-	20,183,450
Transfers out	(17,924,583)	-	(7,336,500)	(565,000)	-	(25,826,083)
Total other financing sources (uses)	(17,294,216)	40,000,000	7,500,000	4,151,583	-	34,357,367
Net change in fund balances	14,706,873	30,718,106	-	306,449	-	45,731,428
Fund Balance, Beginning	65,735,778	29,326,314	-	3,387,347	-	98,449,439
Fund Balance, Ending	\$ 80,442,651	\$ 60,044,420	\$ -	\$ 3,693,796	\$ -	\$ 144,180,867

See notes to financial statements

County of Delaware, Pennsylvania

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

Amounts reported for governmental activities in the statement of activities
(page 29) are different because:

Net change in fund balances - total governmental funds (page 32)		\$ 45,731,428
Governmental funds report capital outlays 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. This is the amount by which depreciation exceeded capital outlays in the current period		
Purchase of capital assets	\$ 14,001,196	
Depreciation expense	<u>(10,989,113)</u>	3,012,083
Governmental funds report the County's capital contribution to SEPTA as expenditures. However, in the statement of activities the cost is capitalized as an investment in a joint venture and recognizes the amortization of the investment over the estimated life		
Net investment in joint venture		(5,376,809)
Revenues related to real estate taxes in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		(860,340)
Collections on long-term receivable due from the City of Chester is reported as revenue in the funds, while the collection reduces long-term receivables in the statement of net position		(181,165)
Pension expense in the statement of activities that do not consume current financial resources are not reported as expenses in the funds and changes in related deferred amounts		(2,810,635)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Reconciling items related to long-term debt activity for the year ended December 31, 2020, are as follows:		
Issuance of long-term debt	(40,000,000)	
Scheduled principal payments on long-term debt made in 2020	17,456,293	
Allocation of debt to business type activity for capital assets	1,384,197	
Accretion of bond and note premiums	<u>983,357</u>	(20,176,153)
Accrued interest expense on long-term debt is reported in the statement of activities but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as expenditures in governmental funds. The net change in interest payable is recorded in the statement of activities.		804,600
Other post-employment benefit expense in the statement of activities that do not consume current financial resources are not reported as expenses in the funds		(18,430,455)
An allowance for doubtful collections of real estate taxes receivable is reported on the statement of net position, net of additional penalty and interest on delinquent taxes		(253,570)
Compensatory time is reported in the statement of net position within other liabilities but does not require the use of current financial resources. Therefore, compensatory time is not reported as expenditures in governmental funds. The net change in compensatory time liability is recorded in the statement of activities.		<u>25,159</u>
Change in net position of governmental activities (page 29)		<u>\$ 1,484,143</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual Comparison - General Fund

Year Ended December 31, 2020

	General Fund			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Real estate taxes	\$ 171,793,000	\$ 171,793,000	\$ 172,550,169	\$ 757,169
Gaming revenue	7,500,000	7,500,000	4,884,995	(2,615,005)
Licenses and permits	40,000	40,000	37,119	(2,881)
General grants	26,393,000	26,393,000	24,172,954	(2,220,046)
Charges for services, fines and forfeits	22,712,000	22,712,000	17,387,027	(5,324,973)
Investment earnings	1,900,000	1,900,000	542,747	(1,357,253)
Other	11,070,000	11,070,000	8,333,476	(2,736,524)
Total revenues	<u>241,408,000</u>	<u>241,408,000</u>	<u>227,908,487</u>	<u>(13,499,513)</u>
Expenditures				
Current:				
General government	29,460,000	29,593,000	22,210,516	7,382,484
Judicial	57,567,000	57,441,000	41,100,074	16,340,926
Corrections	76,738,000	76,863,000	62,539,002	14,323,998
Transportation	9,120,000	9,120,000	8,703,873	416,127
Other	71,465,000	58,136,000	38,668,819	19,467,181
Debt service:				
Principal	22,742,000	17,457,000	17,456,293	707
Interest	6,584,000	5,239,000	5,228,821	10,179
Total debt service	<u>29,326,000</u>	<u>22,696,000</u>	<u>22,685,114</u>	<u>10,886</u>
Total expenditures	<u>273,676,000</u>	<u>253,849,000</u>	<u>195,907,398</u>	<u>57,941,602</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(32,268,000)</u>	<u>(12,441,000)</u>	<u>32,001,089</u>	<u>44,442,089</u>
Other Financing Sources (Uses)				
Transfers in	9,623,000	4,338,000	630,367	(3,707,633)
Transfers out	<u>(13,329,000)</u>	<u>(18,805,977)</u>	<u>(17,924,583)</u>	<u>881,394</u>
Total other financing uses, net	<u>(3,706,000)</u>	<u>(14,467,977)</u>	<u>(17,294,216)</u>	<u>(2,826,239)</u>
Net change in fund balance	(35,974,000)	(26,908,977)	14,706,873	41,615,850
Fund Balance, Beginning	<u>80,442,651</u>	<u>80,442,651</u>	<u>65,735,778</u>	<u>(14,706,873)</u>
Fund Balance, Ending	<u>\$ 44,468,651</u>	<u>\$ 53,533,674</u>	<u>\$ 80,442,651</u>	<u>\$ 26,908,977</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Net Position

Proprietary Funds

December 31, 2020

	Business-Type Activity	Governmental Activities - Internal
	Geriatric Care	Service Fund
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents	\$ 10,515,016	\$ 4,348,396
Accounts receivable, net	14,052,076	-
Due from other funds	-	1,101,650
Restricted cash and cash equivalents	1,273,560	-
Prepaid expense and other assets	3,217	3,229,995
	<u>25,843,869</u>	<u>8,680,041</u>
Total current assets		
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Buildings and improvements	8,356,354	-
Equipment	2,013,526	-
Net pension asset	3,712,070	-
	<u>14,081,950</u>	<u>-</u>
Total noncurrent assets		
	<u>6,789,465</u>	<u>-</u>
Deferred Outflows of Resources, Pension		
Total assets and deferred outflows of resources		
	<u>\$ 46,715,284</u>	<u>\$ 8,680,041</u>
Liabilities		
Current liabilities:		
Vouchers and accounts payable	\$ 4,921,379	\$ -
Due to other funds	14,309,747	3,908,690
Claims payable	-	2,211,835
General obligation bonds and notes payable, current	5,531,101	-
	<u>24,762,227</u>	<u>6,120,525</u>
Total current liabilities		
Noncurrent liabilities:		
General obligation bonds and notes payable	12,845,198	-
Claims payable	-	2,559,516
	<u>12,845,198</u>	<u>2,559,516</u>
Total noncurrent liabilities		
Total liabilities		
	<u>37,607,425</u>	<u>8,680,041</u>
Deferred Inflows of Resources, Pension		
	<u>9,428,781</u>	<u>-</u>
Net Position		
Net investment in capital assets	(4,294,349)	-
Unrestricted	3,973,427	-
	<u>(320,922)</u>	<u>-</u>
Total net position		
Total liabilities, deferred inflows of resources and net position		
	<u>\$ 46,715,284</u>	<u>\$ 8,680,041</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2020

	<u>Business-Type Activity</u>	<u>Governmental Activities - Internal Service Fund</u>
	<u>Geriatric Care</u>	
Operating Revenues		
Charges for services	\$ 60,083,878	\$ 54,230,159
COVID-19 Provider Relief funding	4,967,731	-
	<u>65,051,609</u>	<u>54,230,159</u>
Total operating revenues		
Operating Expenses		
Administration	12,511,261	1,324,361
Operation, maintenance and housekeeping	11,242,214	-
Nursing	21,360,467	-
Dietary	6,736,524	-
Medical and physical therapy	5,292,831	-
Employee benefits	15,181,756	-
Insurance claims	-	52,911,659
Depreciation	1,473,397	-
	<u>73,798,450</u>	<u>54,236,020</u>
Total operating expenses		
Operating loss	<u>(8,746,841)</u>	<u>(5,861)</u>
Nonoperating Revenues (Expenses)		
Investment earnings	15,348	5,861
Miscellaneous revenues	1,236,686	-
Interest expense	(963,639)	-
	<u>288,395</u>	<u>5,861</u>
Total nonoperating revenues, net		
Transfers In	<u>5,708,000</u>	<u>-</u>
Change in net position	(2,750,446)	-
Net Position, Beginning	<u>2,429,524</u>	<u>-</u>
Net Position, Ending	<u>\$ (320,922)</u>	<u>\$ -</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2020

	<u>Business-Type Activity</u>	<u>Governmental Activities - Internal Service Fund</u>
	<u>Geriatric Care</u>	
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 67,432,200	\$ 54,265,343
Payments to suppliers	(20,359,246)	(54,351,728)
Payments to employees for services	(38,626,305)	-
Resident trust account receipts	10,402,907	-
Resident trust account disbursements	(10,094,901)	-
	<u>8,754,655</u>	<u>(86,385)</u>
Net cash provided by (used in) operating activities		
Cash Flows From Capital and Related Financing Activities		
Acquisitions of capital assets	(1,386,949)	-
Issuance of debt for purchase of capital assets	1,386,949	-
Principal paid on capital debt	(5,288,464)	-
Interest paid on capital debt	(1,344,862)	-
	<u>(6,633,326)</u>	<u>-</u>
Net cash used in capital and related financing activities		
Cash Flows Provided by Investing Activities		
Interest received	15,348	5,861
	<u>15,348</u>	<u>5,861</u>
Net increase (decrease) in cash and cash equivalents		
	<u>2,136,677</u>	<u>(80,524)</u>
Cash and Cash Equivalents, Beginning		
	<u>8,378,339</u>	<u>4,428,920</u>
Cash and Cash Equivalents, Ending		
	<u>\$ 10,515,016</u>	<u>\$ 4,348,396</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating loss	\$ (8,746,841)	\$ (5,861)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	1,473,397	-
Nonoperating receipts from customers	1,236,686	-
Transfer in from General Fund	5,708,000	-
Decrease in accounts receivable	1,143,902	-
(Increase) decrease in prepaid expense and other assets	(377)	178,937
Increase in net pension liability and deferred outflows	1,447,905	-
Decrease in due to other funds	7,256,317	35,184
Decrease in vouchers and accounts payable	(764,334)	-
Decrease in claims payable	-	(294,645)
	<u>17,501,496</u>	<u>(80,524)</u>
Total adjustments	<u>17,501,496</u>	<u>(80,524)</u>
Net cash provided by (used in) operating activities	<u>\$ 8,754,655</u>	<u>\$ (86,385)</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2020

	Pension Trust Fund	Deshong Private- Purpose Trust Fund	Delinquent Tax Collections Fund
Assets			
Cash and cash equivalents	\$ 9,395,517	\$ 17,452	\$ -
Due from other funds	-	-	2,437,791
Interest receivable	211,891	-	-
Investments:			
Common stock	259,758,626	-	-
Equity mutual funds	178,785,372	-	-
Bond mutual funds	15,854,654	-	-
Corporate bonds	58,083,114	-	-
U.S. government securities	50,064,868	-	-
Municipal bonds	5,678,062	-	-
Asset-backed securities	502,401	-	-
Annuity contracts	4,196,498	-	-
Guaranteed investment contracts	28,484,846	-	-
Private equity fund	1,240,589	-	-
Total investments	602,649,030	-	-
Total assets	612,256,438	17,452	2,437,791
Liabilities			
Accounts payable and other liabilities	411,614	2,302	2,437,791
Due from other funds	1,074,391	-	-
Total liabilities	1,486,005	2,302	2,437,791
Net Position			
Net position restricted for pensions and other	\$ 610,770,433	\$ 15,150	\$ -

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2020

	Pension Trust Fund	Deshong Private- Purpose Trust Fund	Delinquent Tax Collections Fund
Additions			
Contributions:			
Plan members	\$ 11,566,554	\$ -	\$ -
Employer	5,231,379	-	-
Total contributions	16,797,933	-	-
Collections of delinquent taxes for other governments	-	-	35,379,667
Investment earnings:			
Interest and dividends	12,655,697	7	-
Net appreciation in fair value of investments	55,596,400	-	-
Less investment expense	(1,969,244)	-	-
Net investment income	66,282,853	7	-
Total additions, net	83,080,786	7	35,379,667
Deductions			
Death benefits	1,624,267	-	-
Refunds of contributions	1,759,653	-	-
Administrative expenses	-	13,122	-
Retirement allowance	31,714,872	-	-
Remittances of delinquent taxes to other governments	-	-	35,379,667
Total deductions	35,098,792	13,122	35,379,667
Net increase (decrease) in net position	47,981,994	(13,115)	-
Net Position, Restricted for Pensions and Other, Beginning	562,788,439	28,265	-
Net Position, Restricted for Pensions and Other, Ending	<u>\$ 610,770,433</u>	<u>\$ 15,150</u>	<u>\$ -</u>

See notes to financial statements

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

1. Summary of Significant Accounting Policies

The accounting methods and procedures adopted by the County of Delaware, Pennsylvania (the County), conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The following notes to the financial statements are an integral part of the County's financial statements.

Financial Reporting Entity

The County was established under the laws of the Commonwealth of Pennsylvania in 1789 and operates under a Home Rule Charter form of government. As required by GAAP, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units, discussed in Note 2, are included in the County's reporting entity as a fiduciary component unit and as discretely presented component units. Component units are legally separate organizations with which the County has a significant operational or financial relationship.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements except for interfund services provided and used, which are not eliminated in the process of consolidation. *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 certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. The expenses reported for functional activities include allocated indirect expenses. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund is used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities other than those financed by other funds.

The Health and Human Service Fund accounts for operations and administration of various County health and human service programs. Financing is provided by state and federal grants with an appropriation from the County General Fund.

COVID-19 Relief Fund accounts for financial resources received and used for the purpose to provide economic relief to individuals and businesses impacted by the COVID-19 Public Health Emergency.

The County reports two proprietary funds:

The Business-Type Activity Fund is maintained to account for the operations of the County's Geriatric Center, which is intended to be self-supporting. The nature of the County's Business-Type Activity Fund is such that the determination of net income on a periodic basis is an important consideration and, as such, all operating expenses, including depreciation, are recorded.

The Internal Service Fund is maintained to account for the operations of the County's Health, Casualty/Liability and Workers' Compensation Self-Insurance Programs.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

The County's Fiduciary Funds account for the Pension Trust Fund, the Deshong Trust Fund and the Delinquent Tax Collections Fund.

The Pension Trust Fund is maintained to account for assets held by the County in a trustee capacity for individuals currently or previously employed by the County. The County's Pension Trust Fund reports using the economic resources measurement focus. Pension Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The Deshong Trust Fund is maintained to account for the assets held by the County in a trustee capacity obtained through the distribution of the Deshong estate. The Deshong Trust Fund is a private purpose trust fund since the principal can be expended.

The Delinquent Tax Collections Fund is maintained to account for delinquent taxes collected by the County for other governments and then remitted to those other taxing authorities.

Amounts reported as program revenues include charges to customers or applicants for goods, services or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to patients for services. Operating expenses for the enterprise fund include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Accounting Control

In accordance with the County's Home Rule Charter and Administrative Code, the County prepares and adopts a budget at least ten days prior to December 31 for the subsequent calendar year. Expenditures cannot legally exceed budgeted appropriations at the fund level. Additionally, management may not revise the total budget amounts by fund level without the approval of County Council. Budgetary transfers and/or additional appropriations from additional revenues received or from unexpended funds appropriated, but not spent in prior years, must be approved by County Council. All appropriations lapse at the end of the year.

Budgets are prepared on a modified accrual basis and are adopted for the General Fund and the Liquid Fuels Nonmajor Special Revenue Fund.

Cash Equivalents

For purposes of the statement of cash flows, the County considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash restricted for closure costs are not considered cash equivalents.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Investments

Investments of the Pension Trust Fund are stated at fair value for both reporting and actuarial purposes. Investment purchases are recorded as of the trade date. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are generally reported at cost, which is not expected to be materially different from fair value. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of pension plan investments. Realized gains and losses on investments that had been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior period(s) and the current period.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is calculated based on collection history and was \$491,939 at December 31, 2020.

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 as of December 31, 2020, appropriate interfund receivables or payables have been established.

Restricted Assets

Restricted assets represent resources deposited in financial institutions for liquidation of specific obligations.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

General infrastructure assets acquired prior to December 31, 2001, consist of bridges and are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital outlay greater than \$5,000 are capitalized and depreciated when placed in service. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Infrastructure	100 years
Land improvements	20 years
Buildings and improvements	45 years
Equipment	5 - 20 years

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2020

Compensated Absences

County employees are granted vacation and sick leave in varying amounts based on their length of employment. Vacation leave is earned by employees on a monthly basis each year. All vacation leave earned must be used by April 15 following the year earned for non-bargaining employees and for bargaining employees, as per their respective collective bargaining agreements. Sick leave is earned by employees on a monthly basis and may be accumulated up to a maximum of 180 days or as per the respective collective bargaining agreements. In the event of termination, an employee is compensated for all earned and unused vacation leave. Employees are not compensated for earned and unused sick leave.

Compensatory Time

County employees have the opportunity to accrue compensatory time in lieu of overtime based upon their employment contract. Upon separation of employment from the County, the employee is paid out the balance of compensatory time at the hourly rate of pay as of the date of separation.

Unearned Revenue

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue on the governmental fund financial statements.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net assets that is applicable to a future reporting period. Deferred outflows of resources have a positive effect on net position, similar to assets; however, the actual outflow of resources (net decrease in assets or net increase in liabilities) was incurred in a prior period, and the outflow of resources is applicable to a later period.

In the government-wide financial statements, the County reports the unamortized balance of differences in expected and actual experience and changes of assumptions related to the net other post-employment benefit liability and the net pension liability and the pension contributions made subsequent to the measurement date as deferred outflow of resources.

A deferred inflow of resources is an acquisition of net assets that is applicable to a future reporting period. Deferred inflows of resources have a negative effect on net position, similar to liabilities; however, the actual inflow of resources (net increase in assets or net decrease in liabilities) was incurred in a prior period, and the inflow of resources is applicable to a later period.

Under the modified accrual basis of accounting, governmental funds report unavailable revenues from property taxes, which are deferred and recognized as an inflow of resources in the period that the amounts become available that qualifies for reporting in this category. In the government-wide financial statements, the County reports the differences between expected and actual experience and changes of assumptions related to the net other post-employment benefit liability and net pension liability.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the governmental activities statement of net position. Where applicable, bond and note premiums and discounts are deferred and amortized over the life of the bonds and notes using the effective interest method.

In the fund financial statements, governmental fund types recognize bond and note premiums and discounts, as well as bond and note issuance costs as expense, 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.

Fund Balances

Governmental fund balance classifications are hierarchical and are based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. The County's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of restricted, committed, assigned or unassigned.

The County reports the following classifications for governmental fund balances:

Nonspendable Fund Balance - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form, such as inventory or prepaid expenses or (b) legally or contractually required to be maintained intact, such as a trust that must be retained in perpetuity. Specifically included in this category are prepaid expenses.

Restricted Fund Balance - Restricted fund balances are restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Specifically included in this category are amounts restricted for highways and streets, library, community development, the Title IV D program and capital projects.

Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by County Council by passing a resolution. Committed amounts cannot be used for any other purpose unless County Council removes those constraints by taking the same action. There are no fund balances meeting this category definition.

Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by County Council or official to which County Council has delegated the authority to assign fund balances. County Council has delegated this authority to the Executive Director of the County as approved by the County fund balance policy. Specifically included in this category are amounts assigned for capital projects, information technology and employee benefit costs.

County of Delaware, Pennsylvania

Notes to Financial Statements

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Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for specific purpose. Specific amounts that are not restricted or committed in a special revenue or capital projects fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the County itself.

Unassigned Fund Balance - Unassigned fund balance includes the remaining amount available for appropriation within the General Fund which has not been classified with in the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if the nonspendable amount exceeds amounts restricted, committed or assigned for those specific purposes.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Net Position

In the government-wide financial statements, net position is classified in the following categories.

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributable to the acquisition, construction or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations or other governments, enabling legislation.

Unrestricted Net Position - This amount is all net position amounts that do not meet the definition of net investment in capital assets or restricted net position.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

The County adopted GASB Statement No. 84, *Fiduciary Activities*. The objective of GASB Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported by establishing criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of net changes in fiduciary net position. Adoption of GASB Statement No. 84 resulted in the reclassification of the Delinquent Tax Collections Fund to the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for the year ended December 31, 2020. Additionally, the adoption of GASB Statement No. 84 resulted in the reclassification of the Pension Trust Fund as a fiduciary component unit. The Pension Trust Fund continues to be presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position for the year ended December 31, 2020.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

2. Reporting Entity

This report includes all of the funds of the County. The reporting entity for the County consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government or its component units, is entitled to or has the ability to otherwise access, are significant to the primary government.

Fiduciary Component Unit

The Pension Trust Fund is established for the Delaware County Employees' Pension Plan (the Pension Plan). The Pension Plan functions for the benefit of these employees and is governed by the Retirement Board. The Retirement Board consists of three county council members, the Controller and the County Treasurer. The County and the Pension Plan's participants are obligated to fund all Pension Plan costs based upon actuarial valuations. A primary government is considered to have a financial burden if it is legally obligated or has otherwise assumed the obligation to make contributions to the pension plan. Per the Commonwealth of Pennsylvania's Act 96 of 1971, contribution requirements of the Pension Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. The Pension Trust Fund is reported as a fiduciary component unit and the data for the pension is included in the government's fiduciary fund financial statements as the Pension Trust Fund. No separate annual financial report is issued for the Pension Plan.

Discretely Presented Component Units

The County has determined that the Delaware County Solid Waste Authority (DCSWA), the Economic Development Oversight Board (EDOB), the Redevelopment Authority of the County of Delaware (RDA) and the Delaware County Chester Waterfront Industrial Development Authority (IDA) are separate legal entities for which the County has a significant operational or financial relationship and should be included in the County's financial statements as aggregate discretely presented component units.

The Delaware County Solid Waste Authority, an entity legally separate from the County, is governed by a board appointed by County Council and County Council has the ability to impose its will on the DCSWA. Additionally, the DCSWA is financially dependent on the County. Its purpose is to provide waste disposal almost entirely for citizens of the County.

The Economic Development Oversight Board, an entity legally separate from the County, is governed by a board appointed by County Council. County Council has the ability to impose its will and is financially responsible for the EDOB. Its purpose is to encourage economic development in Delaware County by facilitating the retention of existing business, the formation of new business and the vitality of all business within the County of Delaware.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

The Redevelopment Authority of the County of Delaware, an entity legally separate from the County, is governed by a board appointed by County Council. County Council has the ability to impose its will on the RDA. The RDA was created by the County for the delivery of services to County residents, pursuant to the Urban Redevelopment Law, Act of 1945. The RDA acts as the vehicle for condemnation and development within the County.

The Delaware County Chester Waterfront Industrial Development Authority, an entity legally separate from the County, is governed by a board whose voting majority is appointed by County Council. County Council has the ability to impose its will and is financially responsible for the IDA. The IDA is an industrial development authority incorporated in the Commonwealth of Pennsylvania on July 3, 2008. IDA was formed pursuant to the Economic Development Financing Law (73 P.S. Section 371) for the purpose of acquiring, constructing, financing, improving and maintaining industrial and commercial development projects and public facilities in certain geographic regions within the City of Chester.

Complete financial statements for the individual component units can be obtained from their respective administrative offices as follows:

- Delaware County Solid Waste Authority
Rose Tree Park Hunt Club
1521 North Providence Road
Media, Pennsylvania 19063
- Economic Development Oversight Board
100 West 6th Street, Suite 100
Media, Pennsylvania 19063
- Delaware County Chester Waterfront
Industrial Development Authority
100 West 6th Street, Suite 100
Media, Pennsylvania 19063
- Redevelopment Authority of the County of Delaware
100 West 6th Street, Suite 100
Media, Pennsylvania 19063

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2020

The following presents the condensed financial statements for each of the discretely presented component units.

	Condensed Statement of Net Position				
	December 31, 2020				
	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Totals
Assets:					
Current assets	\$ 19,309,795	\$ 1,314,007	\$ -	\$ 848,716	\$ 21,472,518
Long-term assets	720,854	-	-	-	720,854
Capital assets, net	25,007,453	-	19,447,118	1,024,199	45,478,770
Total assets	45,038,102	1,314,007	19,447,118	1,872,915	67,672,142
Deferred outflows of resources	81,374	-	-	-	81,374
Total	\$ 45,119,476	\$ 1,314,007	\$ 19,447,118	\$ 1,872,915	\$ 67,753,516
Liabilities:					
Current liabilities	\$ 7,045,330	\$ 110,860	\$ -	\$ 184,532	\$ 7,340,722
Due to primary government	7,475,000	-	-	25,000	7,500,000
Long-term liabilities	25,404,481	-	-	-	25,404,481
Total liabilities	39,924,811	110,860	-	209,532	40,245,203
Deferred inflows of resources	755,658	-	-	-	755,658
Net position:					
Net investment in capital assets	18,169,453	-	19,447,118	1,024,199	38,640,770
Restricted	1,250,000	16,205	-	-	1,266,205
Unrestricted	(14,980,446)	1,186,942	-	639,184	(13,154,320)
Total net position	4,439,007	1,203,147	19,447,118	1,663,383	26,752,655
Total	\$ 45,119,476	\$ 1,314,007	\$ 19,447,118	\$ 1,872,915	\$ 67,753,516

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Condensed Statement of Activities For the Year Ended December 31, 2020

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Totals
Program revenues:					
Charges for services	\$ 42,218,304	\$ 4,184	\$ -	\$ -	\$ 42,222,488
Operating grants and contributions	103,207	11,573,870	-	3,743,414	15,420,491
Total	42,321,511	11,578,054	-	3,743,414	57,642,979
Expenses:					
Operating expenses	43,762,482	12,404,114	978,833	5,991,797	63,137,226
Total	43,762,482	12,404,114	978,833	5,991,797	63,137,226
Net expense	(1,440,971)	(826,060)	(978,833)	(2,248,383)	(5,494,247)
General revenues (expense)	(4,224)	75,944	299	5,890	77,909
Transfers	-	995,454	(65,367)	(995,454)	(65,367)
Change in net position	(1,445,195)	245,338	(1,043,901)	(3,237,947)	(5,481,705)
Net position, beginning	5,780,574	957,809	20,491,019	4,901,330	32,130,732
Cumulative effect of prior period accounting error	103,628	-	-	-	103,628
Net position, ending	<u>\$ 4,439,007</u>	<u>\$ 1,203,147</u>	<u>\$ 19,447,118</u>	<u>\$ 1,663,383</u>	<u>\$ 26,752,655</u>

Related Organizations

The following organizations are considered to be related organizations of the County because of their relationship and mutual interest. Although the County appoints a voting majority of the organizations' governing boards in most instances, the County has determined that these organizations are not component units. These related organizations are as follows:

- Delaware County Housing Authority
- Delaware County Housing Development Corporation
- Delaware County Regional Water Quality Control Authority
- Delaware County Industrial Development Authority
- Community Transit of Delaware County, Inc.
- Community Action Agency of Delaware County
- Delaware County Authority
- Delaware Valley Regional Finance Authority (DVRFA)

3. Component Units, Summary of Significant Accounting Policies

Solid Waste Authority

Basis of Accounting

The measurement focus is on the flow of economic resources and the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when incurred. Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Landfill Site/Depletion

The estimated value of the landfill at acquisition and additional purchases for expanding capacity is being depleted over the projected life of the landfill. Depletion is charged annually against income in a manner consistent with the physical usage of the site based upon the site's estimated capacity. The estimated remaining landfill life is approximately ten years.

Closure and Post Closure Costs

Municipal landfill owners and operators are required to incur costs to provide for protection of the environment both during the period of the landfill operation and during the post closure period. These costs are estimated annually and current cost is adjusted for changes in landfill capacity, operating conditions and increases or decreases in estimated costs. Closure and post closure costs include equipment installed and facilities constructed near or after the date of acceptance of solid waste, cost of the final capping and the cost of monitoring and maintaining the area during the post closure period. The DCSWA has established an account to accumulate the anticipated cost of closure and post closure based on usage of the landfill. An amount is charged annually to operations to recognize the current cost and resultant liability based on landfill capacity used to date. The estimate of closure and post closure costs were determined taking into account capping, revegetation, maintenance, leachate treatment, water quality monitoring and gas control. In determining the closure and post closure costs, an inflation rate was utilized at the rate of 4.967 percent, plus administrative fees of 10 percent and a contingency charge of \$1,369,361 that would anticipate covering unexpected changes in technology, inflation or applicable laws and regulations.

Pursuant to the Municipal Waste Planning, Recycling, and Waste Reduction Act of the Commonwealth of Pennsylvania, Act No. 101 of July 28, 1988, P.L. 556, DCSWA is required to pay to a trust, on a quarterly basis, \$0.25 per ton of weighed waste to be used for remedial measures and emergency actions necessary to prevent or abate adverse effects on the environment subsequent to landfill closure. Any funds remaining in the trust subsequent to the final closure are divided between the host county and host municipality.

On October 5, 2020, the DCSWA obtained a new surety bond amounting to \$22,360,208 to cover post closure costs. The surety bond requires that the DCSWA maintain \$2,500,000 in cash collateral. To satisfy the cash collateral requirements, the DCSWA has obtained a letter of credit in the amount of \$2,500,000. As a part of the letter of credit agreement the DCSWA is required to maintain \$1,250,000 as cash collateral, which is reflected as restricted cash on the statement of net position as of December 31, 2020.

Accrued closure and post closure costs, as reflected on the statement of net position, totaled \$19,117,481 and \$701,013 was charged against income in 2020. The estimated closure and post closure costs total \$22,360,208, comprised of \$4,869,201 of closure costs and \$17,491,007 of post closure costs. At December 31, 2020, there remains \$5,391,367 in closure and post closure costs to be recognized in excess of the Act 101 requirements previously mentioned.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Inventory

The DCSWA maintains an inventory of purchased goods used in construction and capping activities, which are stated at cost.

Restricted Net Position

Restricted net position of the DCSWA represent funds set aside for use during the post-closure phase of the landfill's life.

Capital Assets

Capital assets are recorded at historical cost. A full capital asset inventory was conducted in a prior period. Estimates were used as original cost for those items where actual cost records were unavailable. Assets not previously accounted for at that time were shown at their net transferable value with accumulated depreciation charged accordingly. For those assets considered by management to be obsolete, a change in accounting estimate was made to reflect proper depreciation amounts.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which range from two to thirty-seven years. Assets exclusively related to the landfill are depreciated over the lesser of their estimated useful life or the anticipated life of the landfill.

The DCSWA capitalizes assets in excess of \$2,000.

Other Liabilities

Other liabilities represents monies owed to contractors upon project termination.

Covanta Delaware Valley, LP, Revenue and Expense

As of May 15, 2017, the Authority signed an amended and restated service agreement with Covanta Delaware Valley, LP (Covanta). The County, through the DCSWA, is obligated to deliver County waste to the Covanta facility, and Covanta is required, in turn, to pay to the DCSWA landfill host community fees for process residue. Further, Covanta pays to the DCSWA disposal fees for noncounty waste. Unless otherwise agreed in writing, the DCSWA shall not deliver greater than 370,000 tons of acceptable waste, 37,000 tons in each billing period or 2,500 tons each day. Covanta has no obligation to accept any excess waste of the maximums noted. If Covanta accepts excess waste, then existing additional fees shall apply. For cash management purposes, the two parties have agreed that the party owing the net balance shall pay to the order of the other party the statement balance within 30 days. During 2020, the DCSWA paid to Covanta \$16,585,673, which included insurance costs, for its County waste deliveries. Covanta paid to the DCSWA \$7,994,216 in residue charges.

Concentrations

The DCSWA derived 19 percent and 17 percent of its operating revenue from Berks County and Covanta.

Cumulative Effect of Prior Period Accounting Error

The Authority noted that a parcel of land that was purchased and paid for in 2014 was mistakenly expensed in the year purchased. The amount was not deemed material but due to the nature of the purchase the prior period beginning net assets were restated to correct the misclassification and record the capital asset. The financial statements and disclosures have been modified to reflect the correction of the accounting error.

Waterfront Industrial Development Authority

Capital Assets

Capital assets shown on these financial statements have been primarily financed by grants from both the County and the RDA. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation.

Lease and Development Agreement

The IDA entered into a lease and development with F.C. Pennsylvania Stadium LLC, as tenant of the stadium property to acquire, construct, furnish and equip a new stadium with related improvements and amenities. Further, the tenant will occupy the stadium premises during the terms of the lease as the tenant's exclusive forum and location for playing and exhibition. The IDA retains legal ownership of and legal title to the stadium premises. However, during the term of the agreement, the tenant has legal and beneficial ownership of and legal title to leasehold interest in and to the stadium facility.

4. Deposits and Investments

The County's investments are included primarily in the Pension Trust Fund (the Fund) and are invested in accordance with Delaware County Retirement Board's (the Board) investment policy. The policy authorizes the County to invest in a diversified portfolio including domestic and international equities, fixed income securities, and cash and cash equivalents. The policy prohibits investments in letter stock or other unregistered securities, commodities or commodity contracts, short sales, margin transactions, private placements (with the exception of Rule 144A securities), derivatives, options or futures.

In defining the objectives of the Pension Trust Fund, the Board has carefully reviewed its current and projected financial obligations as well as the risk and return relationships included in various asset allocation strategies. Based on these considerations, the Fund objectives are:

1. To invest assets of the Pension Trust Fund in a manner consistent with the fiduciary standards of Act 96, namely: (a) all transactions undertaken must be for the sole interest of Fund participants and their beneficiaries and to provide maximum benefits and defray reasonable expenses in a prudent manner, and (b) assets are to be diversified in order to minimize the impact of large losses in individual investments.
2. To provide for the funding and anticipated withdrawals on a continuing basis.
3. To conserve and enhance the capital value of the Pension Trust Fund in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile.
4. To minimize principal fluctuations over the investment cycle (three to five years).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy of the Board.

Equity funds invested in common stock, preferred stocks and publicly traded real estate investment trusts shall be restricted to the high quality, readily marketable securities of corporations that are actively traded on a major exchange.

County of Delaware, Pennsylvania

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Not more than 5 percent of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed 2 percent of those outstanding. Not more than 25 percent of stock valued at market may be held in any one industry category. Other than these constraints, there are no qualitative guidelines suggested as to issues, industry or individual security diversification.

In order to maintain an effective money management structure that is style neutral, the large capitalization growth equity portion of the investment portfolio shall not exceed the large capitalization value equity portion of the portfolio by more than a two-to-one ratio. Conversely, value shall not exceed growth by the same ratio. This same relationship should be followed for the portfolio's small capitalization equity money managers as well.

With regards to fixed income investments, all investments shall be high quality, marketable securities with a preponderance of the investments in (1) U.S. Treasury, federal agencies, and U.S. government-guaranteed obligations, and (2) investment grade municipal or corporate issues including convertibles.

Credit Risk

Concentration of credit risk is the risk of loss attributed to magnitude of the County's investment in a single issuer. Fixed income securities of any one issuer shall not exceed 5 percent of the total bond portfolio at time of purchase. This does not apply to issues of the U.S. Treasury or other federal agencies.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized rating organization. The overall rating of the fixed income assets shall be at least "A," according to either Moody's or Standard & Poor's rating system. In cases where the yield spread adequately compensates for additional risk, Baa or BBB ratings can be purchased up to a maximum of 15 percent of total market value of fixed income securities. If the credit quality of any one issue should drop below Baa or BBB, the investment manager should notify the Board and the investment consultant immediately, detailing their plan of action regarding the security.

Active bond management is encouraged and may require transactions that will temporarily lower the return or change the maturity of the portfolio in anticipation of market changes. Holdings of individual securities should be liquid so as not to incur unnecessary transaction costs.

The following securities and transactions are not authorized and shall not be purchased: letter stock and other unregistered securities, commodities of commodity contracts, short sales, margin transactions, private placements (with exception of Rule 144A securities), derivatives, options of futures for the purpose of portfolio leveraging are also prohibited, issues of or by instrumentalities deemed to be in violation of the Prohibited Transactions Standards of Act 96. Neither real estate equity nor natural resource properties such as oil, gas or timber may be held except by purchase of publicly traded securities, except for existing real estate holdings. The purchase of collectibles is also prohibited.

All securities shall be held by a custodian appointed by the Board for safekeeping. The custodian shall produce statements at least quarterly listing the name and value of all assets held and the dates and nature of all transactions. Assets of the Fund held as liquidity of investment reserves shall, at all times, be invested in interest-bearing accounts.

At December 31, 2020, cash and cash equivalents consists of cash on hand of \$14,047, deposits with financial institutions of \$263,611,507 and cash equivalents of \$9,395,517 held in uninsured investment funds. At December 31, 2020, the carrying amount of deposits with financial institutions and the bank balance was \$263,611,507 and \$274,740,529 respectively. The differences were caused primarily by items in transit.

County of Delaware, Pennsylvania

Notes to Financial Statements

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Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. Commonwealth of Pennsylvania Act 72 of 1971 (Act 72), as amended, allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At December 31, 2020, \$1,132,774 of the County's bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$273,607,755 is fully collateralized by securities pledged and held by the financial institution in accordance with Act 72, as indicated above. At December 31, 2020, the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the County's name	\$ 273,607,755
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Custodial credit risk is the risk that in the event of a failure of the counterparty (trustee) to a transaction, the County will not be able to recover the value of its investment. The Board does not have a formal policy for custodial credit risk. As of December 31, 2020, the County's total cash equivalents and investments held with investment fund institutions, excluding its investment in joint venture of \$173,333,058, were exposed to custodial credit risk, since the investments were uninsured securities held by its custodian, but not in the County's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board's investment guidelines have no formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. The Board has adopted a long-term investment horizon such that the chances and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the foreign exchange rates will adversely affect the fair value of an investment. The Board's policy allows 20 percent of the portfolio be invested in developed international markets. On December 31, 2020, the international equity fund represented approximately 16.2 percent of the total portfolio.

County of Delaware, Pennsylvania

Notes to Financial Statements

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The following is the carrying value of deposits and investments at December 31, 2020:

	S&P Rating ⁽¹⁾	Duration (Range) ⁽¹⁾	Carrying Value
Cash and cash equivalents	N/A	N/A	<u>\$ 273,021,071</u>
Investments:			
Common and preferred stocks and stock funds	N/A	N/A	259,758,626
Equity mutual funds	N/A	N/A	178,785,372
Bond mutual funds	N/A	8.1	15,854,654
Corporate bonds	A+	0.48-2.64	8,754,490
	A	0.49-4.01	9,950,261
	A-	0.27-5.03	13,663,067
	AA+	1.9-3.51	1,697,439
	AA	0.84-1.24	615,031
	AA-	0.49-6.39	5,498,160
	AAA	3.1-3.79	1,076,373
	BBB	0.5-1.81	4,593,091
	BBB-	0.5-1.96	3,614,772
	BBB+	0.25-2.71	8,391,406
	N/A	0.5	229,024
U.S. government securities	AA+	3.54	299,568
	N/A	0.01-7.45	49,765,300
Municipal bonds	A+	1.25-4.3	808,065
	A	1.68	142,492
	AA	1.32-5.79	2,844,675
	AA-	1.58-3.87	617,553
	AA+	0.06-6.29	758,028
	AAA	0.11-1.3	149,025
	BBB+	3.46	292,943
	N/A	0.77	65,281
Asset-backed securities	AAA	0.15-0.35	434,480
	N/A	0.15	67,921
Annuity contracts	AA-	N/A	4,196,498
Guaranteed investment contracts	A+	29.00	28,484,846
Private equity fund	N/A	N/A	<u>1,240,589</u>
			<u>602,649,030</u>
Total			<u>\$ 875,670,101</u>

(1) N/A - not applicable

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

5. Fair Value Measurements

The County's cash and cash equivalents and investments measured at fair value include the following assets from each major fund classification at December 31, 2020:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 158,074,020	\$ 93,745,506	\$ -	\$ 251,819,526
Business-type activity	10,515,016	1,273,560	-	11,788,576
Pension Trust Fund	9,395,517	-	602,649,030	612,044,547
Deshong Private-Purpose Trust Fund	17,452	-	-	17,452
Total cash and cash equivalent and investments	\$ 178,002,005	\$ 95,019,066	\$ 602,649,030	\$ 875,670,101

The County measures its cash and cash equivalents and investments on a recurring basis in accordance with the fair value hierarchy. The investments were measured with the following inputs at December 31, 2020:

	Carrying Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 273,021,071	\$ 273,021,071	\$ -	\$ -	\$ 273,021,071
Common stock	259,758,626	259,758,626	-	-	259,758,626
Equity mutual funds	178,785,372	178,785,372	-	-	178,785,372
Bond mutual funds	15,854,654	15,854,654	-	-	15,854,654
Fixed income securities:					
Corporate bonds	58,083,114	58,083,114	-	-	58,083,114
U.S. government securities	50,064,868	50,064,868	-	-	50,064,868
Municipal bonds	5,678,062	5,678,062	-	-	5,678,062
Asset backed securities	502,401	502,401	-	-	502,401
Annuity contract	4,196,498	-	-	4,196,498	4,196,498
Guaranteed investment contracts	28,484,846	-	-	28,484,846	28,484,846
Total cash and investments at fair value		\$ 841,748,167	\$ -	\$ 32,681,344	
Investments valued at net asset value:					
Private equity fund	1,240,589				1,240,589
Total cash and investments	\$ 875,670,101				\$ 875,670,101

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the reporting entity's own belief about the assumptions market participants would use in pricing the asset or liability based upon the best information available in the circumstances. Additionally, the inputs are prioritized based on a three-level hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 - valuations are based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 - valuations are based on quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Level 3 - valuations are based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following is a description of the valuation methodologies used for assets measured at fair value:

Cash and cash equivalents: The carrying amounts approximate fair value because of the short maturity of this financial instrument.

Common stock: Valued at fair value based upon quoted market prices.

Mutual funds: Valued at fair value based upon quoted market prices

Fixed income: Valued at fair value based upon quoted market prices, if available, or estimated using quoted market prices for similar securities.

Annuity contracts: Valued at contract value, which approximates fair value, based on the Prudential Insurance Company of America's (Prudential) ability to pay the guaranteed amounts in accordance with the terms of the contract. As of December 31, 2020, Prudential's credit ratings were as follows: A+ by A.M. Best Company, AA- by Fitch Ratings, A1 by Moody's Investors Service, and AA- by Standard & Poor's. Management believes the credit ratings of Prudential as of the measurement date uphold the firm's ability to meet obligations set forth in the contracts.

Guaranteed investment contracts: Valued at contract value, which approximates fair value, based on Nationwide Life Insurance Company's (Nationwide) ability to pay the guaranteed interest rate in accordance with the terms of the contract. As of December 31, 2020, Nationwide's credit ratings were as follows: A+ by A.M. Best Company, A1 by Moody's Investors Service, and A+ by Standard & Poor's. Management believes the credit ratings of Nationwide as of the measurement date uphold the firm's ability to meet obligations set forth in the contracts.

Private equity investment: The County's investment in a private equity investment is reported at net asset value (NAV) of the County's proportionate share of the total private equity investment fund. The estimated NAV per share is determined based on the fair value of the underlying assets held by the private equity investment fund. The County will receive distributions of its initial capital contribution and accumulated earnings on a periodic basis. The County cannot redeem or exit the private equity investment until the termination date of the fund. The termination date of the fund is the earlier of June 28, 2031, or the date on which all the fund's assets have been distributed. The unfunded portion of the County's funding commitment as of December 31, 2020, is \$3,840,000.

6. Component Units, Deposits, Investments and Fair Value

Solid Waste Authority

On December 31, 2020, the DCSWA held \$11,140,539 in unrestricted cash and cash equivalents.

Total restricted cash at December 31, 2020, related to the cash collateral of the surety bond was \$1,250,000. Per terms of the surety bond, the collateral deposit is protected from custodial credit risk.

Custodial credit risk is the risk that in the event of a bank failure, the DCSWA's deposits may not be returned to it. The DCSWA's policy is to place deposits only in FDIC insured institutions. Deposits in excess of the FDIC limit are collateralized pursuant to Commonwealth of Pennsylvania Public Law 72 of 1971, which allows depositories to satisfy collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance.

County of Delaware, Pennsylvania

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December 31, 2020

Financial instruments that potentially subject the DCSWA to concentrations of credit risk consist principally of cash and accounts receivables. The DCSWA maintains cash in bank accounts which, at times, may exceed the FDIC insurance coverage of \$250,000. The DCSWA primarily maintains deposits either with financial institutions which, pursuant to Act No. 72 of Pennsylvania, pool assets required to be pledged to secure public deposits, the total value of the pool to equal not less than the sum of all the pledges required for each separate deposit, or in the amounts insured by the FDIC. Deposits for all funds are either fully insured or collateralized pursuant with the Commonwealth of Pennsylvania statutes. For investment securities, custodial risk is the risk that, in the event of the failure of the counterparty, the DCSWA will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

At December 31, 2020, the DCSWA's investments consist solely of certificates of deposit totaling \$10,500, which were all deemed to be Level 1 investments. The certificates of deposits were values based on the stated value of the certificates plus accrued interest, which was calculated based on stated interest rates and dates of maturity.

The DCSWA's investments in certificates of deposit were not exposed to credit risk since they are all held by the custodian and are registered in the name of DCSWA.

Economic Development Oversight Board

On December 31, 2020, the total carrying amount of EDOB's cash and cash equivalents were \$793,386, and the corresponding bank balances were \$802,414.

Custodial credit risk is the risk that in the event of a bank failure, the EDOB's deposits may not be returned to it. The EDOB's policy is to place deposits only in FDIC insured institutions. Deposits in excess of the FDIC limit are collateralized pursuant to Commonwealth of Pennsylvania Public Law 72 of 1971, which allows depositories to satisfy collateralization requirements by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. In the normal course of business, EDOB may have deposits that exceed insured balances.

Chester Waterfront Industrial Development Authority

On December 31, 2020, the IDA held \$0 in cash and cash equivalents and a corresponding bank balance of \$0.

Custodial credit risk is the risk that in the event of a bank failure, the IDA's deposits may not be returned to it. The IDA does not have a written policy for custodial credit risk. The bank balances are covered by federal depository insurance.

Redevelopment Authority

On December 31, 2020, the total carrying amount of RDA's cash and cash equivalents were \$820,731, and the corresponding bank balances were \$820,731.

Custodial credit risk is the risk that in the event of a bank failure, the RDA's deposits may not be returned to it. The RDA does not have a policy for custodial credit risk. In the normal course of business, the RDA may have deposits that exceed insured balances.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

7. Property Taxes

Real Estate Property Taxes

Real estate property taxes attach as an enforceable lien on property on January 1. Taxes are levied on February 1, payable on the following terms: 2 percent discount February 1 through April 1; face amount April 2 through June 1; and 10 percent penalty after June 2. The County bills and collects its own property taxes. Revenues are recognized in the period in which they become susceptible to accrual, which is when they become both measurable and available. Real estate taxes receivable are recorded net of an allowance for uncollectibles totaling \$491,939 as of December 31, 2020, on the statement of net position.

The County is permitted by law to levy taxes of an unlimited rate of mills on every dollar of assessed value of real property for general governmental services. At December 31, 2020, the millage rate was 5.461 mills on each dollar of assessed valuation, or \$5.461 on each one thousand dollars of assessed valuation.

8. Other Receivables

Other receivables of \$5,705,362 in the governmental activities consist of amounts due from the City of Chester of \$5,469,558 (Note 27) and various other receivables of \$235,804.

9. Accounts and Grants Receivable, Net

Business-type activity net accounts receivable of \$14,052,076 consists of amounts due from the Commonwealth of Pennsylvania Department of Human Service Medical Assistance of \$6,224,351; Private Pay Patients of \$7,481,884; Medicare Part A and B of \$1,271,009 and other patient-related receivables of \$355,849. The accounts receivable allowance for uncollectibles is calculated based on historical data and currently known facts and was \$1,281,017 at December 31, 2020.

Governmental activities net accounts receivable of \$2,241,580 consists of amounts due from the Commonwealth of Pennsylvania and Harrah's Chester for gaming revenue of \$774,616 and various miscellaneous receivables of \$1,466,964.

Governmental activities net grants receivable of \$58,305,601 consists of amounts due from Federal agencies and the Commonwealth of Pennsylvania.

10. Component Units, Accounts Receivable, Net

The DCSWA manages the County owned transfer stations and is responsible for the receipt and transfer of solid waste materials as provided by commercial or private haulers. Beginning in January 1995, it was determined by agreement between the DCSWA and the County that the fees and permits collected from commercial or private haulers would remain with the DCSWA and represent income. Fees that were due relative to the receipt of solid waste at December 31, 2020, are represented by receivables in the amount of \$2,449,773, net of an allowance for doubtful accounts of \$122,814. Commercial and private haulers that deposit waste at the landfill are charged hauling fees that are reflected in the DCSWA's income. Receivables representing hauler fees at December 31, 2020, totaled \$1,210,954, net of an allowance for doubtful accounts of \$109,525.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

11. Restricted Assets

Assets whose use is limited to a specific purpose have been classified as "restricted" cash and cash equivalents in the statement of net position. As of December 31, 2020, restricted cash and cash equivalents are held for the following:

Primary government:

District Attorney asset forfeiture funds represent monies confiscated from arrested individuals, which ultimately will be distributed based upon court order. (The aggregate amount has been classified as other restricted assets on the General Fund balance sheet)	\$ 261,693
Marcellus Shale Funds are restricted pursuant to PA Act 13, for replacement or repair of locally owned, at-risk, deteriorated bridges and the planning, acquisition, development, rehabilitation and repair of greenways, recreational trails, open space, natural areas, community conservation and beautification projects, community and heritage parks and water resources management	6,604,553
Workers' Compensation Escrow Funds are to be utilized for payment of major workers' compensation claims	2,074,800
Emergency Communications Escrow Funds to be utilized for payment of maintenance agreements related to 911 global positioning system equipment in the capital project fund	1,392
Capital Project Funds to be utilized for various capital improvement projects as defined in the corresponding note agreements	66,491,290
Capital Project Funds to be utilized for Help America Vote Act Program	679,819
Health and Human Service Funds to be utilized for Health Choices reinvestment plans	9,946,205
Health and Human Service Funds to be utilized for Health Choices risk and contingency payments associated with in-plan services or to be utilized for future reinvestments.	7,685,754
Residents' Accounts are to be utilized by the residents; Residents Special Aid and Entertainment Escrow Funds are to be utilized for entertainment of the Geriatric Center's residents and are distributed by a resident's council; both are classified as other restricted assets on the proprietary funds statement of net position	<u>1,273,560</u>

Total primary government	<u>95,019,066</u>
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Component units:

Delaware County Solid Waste Authority deposited funds with an escrow agent as collateral deposit for surety bond	3,478,140
Delaware County Redevelopment Authority deposited funds with an escrow agent	<u>18,833</u>

Total component unit	<u>3,496,973</u>
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Total	<u><u>\$ 98,516,039</u></u>
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County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

12. Capital Assets

A summary of changes in capital assets follows:

	January 1, 2020	Additions	Reclassifications/ Disposals	December 31, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,176,214	\$ -	\$ -	\$ 6,176,214
Construction in progress	5,087,745	1,343,573	-	6,431,318
Total capital assets not being depreciated	11,263,959	1,343,573	-	12,607,532
Capital assets being depreciated:				
Land improvements	22,575,700	693,448	-	23,269,148
Buildings and improvements	237,248,250	567,604	-	237,815,854
Equipment	118,391,537	11,396,571	(120,778)	129,667,330
Infrastructure	24,336,925	-	-	24,336,925
Total capital assets being depreciated	402,552,412	12,657,623	(120,778)	415,089,257
Less accumulated depreciation for:				
Land improvements	14,230,115	735,417	-	14,965,532
Buildings and improvements	127,634,400	4,772,137	-	132,406,537
Equipment	90,744,196	5,240,255	(120,778)	95,863,673
Infrastructure	5,142,338	241,304	-	5,383,642
Total accumulated depreciation	237,751,049	10,989,113	(120,778)	248,619,384
Total capital assets being depreciated, net	164,801,363	1,668,510	-	166,469,873
Governmental activities, capital assets, net	\$ 176,065,322	\$ 3,012,083	\$ -	\$ 179,077,405

County of Delaware, Pennsylvania

Notes to Financial Statements
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	January 1, 2020	Additions	Reclassifications/ Disposals	December 31, 2020
Business-type activity, Geriatric Center: Capital assets being depreciated:				
Buildings and improvements	\$ 55,280,684	\$ 824,233	\$ -	\$ 56,104,917
Equipment	42,086,813	559,963	-	42,646,776
Total capital assets being depreciated	97,367,497	1,384,196	-	98,751,693
Less accumulated depreciation for:				
Buildings and improvements	47,148,504	600,059	-	47,748,563
Equipment	39,759,912	873,338	-	40,633,250
Total accumulated depreciation	86,908,416	1,473,397	-	88,381,813
Total capital assets being depreciated, net	10,459,081	(89,201)	-	10,369,880
Business-type activity, capital assets, net	<u>\$ 10,459,081</u>	<u>\$ (89,201)</u>	<u>\$ -</u>	<u>\$ 10,369,880</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 7,440,974
Corrections	2,195,532
Public ways and facilities, including depreciation of general infrastructure assets	241,304
Health and human service	73,960
Recreation	980,530
Other	56,813
Total	<u>\$ 10,989,113</u>

The following is a summary of capital assets by source:

December 31, 1983 and prior	\$ 63,888,593
General obligation bonds	296,873,436
General Fund	17,694,620
State grants	19,244,005
Restricted 911 special revenue	29,996,135
Total	<u>\$ 427,696,789</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

13. Component Units, Capital Assets

The capital asset activity for the DCSWA for the year ended December 31, 2020, was as follows:

	January 1, 2020	Additions	Reclassifications/ Disposals	December 31, 20120
Capital assets not being depreciated:				
Land	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
Construction in progress	-	974,042	-	974,042
Total capital assets being depreciated	7,000,000	974,042	-	7,974,042
Capital assets being depreciated or depleted:				
Landfill	51,135,989	-	-	51,135,989
Machinery and equipment	10,819,968	594,591	(473,567)	10,940,992
Buildings and structures	15,261,965	1,095,514	-	16,357,479
Pad construction	75,027,666	248,138	-	75,275,804
Total capital assets being depreciated	152,245,588	1,938,243	(473,567)	153,710,264
Less accumulated depreciation and depletion for:				
Landfill	49,353,851	292,277	-	49,646,128
Machinery and equipment	7,659,164	651,212	(473,567)	7,836,809
Buildings and structures	12,982,070	501,093	-	13,483,163
Pad construction	62,230,614	3,480,139	-	65,710,753
Total accumulated depreciation and depletion	132,225,699	4,924,721	(473,567)	136,676,853
Total capital assets being depreciated or depleted, net	20,019,889	(2,986,478)	-	17,033,411
Capital assets, net	\$ 27,019,889	\$ (2,012,436)	\$ -	\$ 25,007,453

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

The capital asset activity for the IDA for the year ended December 31, 2020, was as follows:

	<u>January 1, 2020</u>	<u>Additions</u>	<u>Reclassifications/ Disposals</u>	<u>December 31, 2020</u>
Capital assets not being depreciated:				
Land	\$ 849,286	\$ -	\$ -	\$ 849,286
Capital assets being depreciated:				
Property	29,365,000	-	-	29,365,000
Less accumulated depreciation for:				
Property	9,788,335	978,833	-	10,767,168
Total capital assets being depreciated, net	19,576,665	(978,833)	-	18,597,832
Capital assets, net	<u>\$ 20,425,951</u>	<u>\$ (978,833)</u>	<u>\$ -</u>	<u>\$ 19,447,118</u>

14. Investment in Joint Venture

Southeastern Pennsylvania Transportation Authority (SEPTA) runs a multi-modal system of vehicles and route services in Delaware County along with other areas such as Chester, Montgomery, Philadelphia and selected areas in New Jersey and Delaware. SEPTA has five participants - Delaware, Chester, Bucks, Montgomery and Philadelphia Counties, each of which appoints two members to the Governing Board. Four members are appointed by the Pennsylvania State House and Senate. The fifteenth member is appointed by the Governor's office. Delaware County has an ongoing financial responsibility as it is obligated for the Transportation Bonds of SEPTA, and the continued existence of SEPTA depends on continued funding by the County and the other four participants.

Under state law, the County is required to subsidize SEPTA's operating and capital budget annually. During 2020, the County's operating budget contribution was \$8,703,873, and capital additions were \$1,534,470. As the investment in the joint venture is primarily related to capital purchases with estimable useful lives, typically of 15 to 30 years, the County determined the investment in the joint venture to have an estimated life of 30 years. Current year amortization of the investment was \$6,911,279. Included on the statement of net position is an investment in a joint venture totaling \$173,333,058 at December 31, 2020.

Complete financial statements for SEPTA can be obtained from the administrative offices of SEPTA or at septa.org/strategic-plan/reports.html.

15. Long-Term Liabilities

Primary Government

The following is a summary of changes in noncurrent liabilities of the County excluding other post-employment benefit (Note 22) and pension (Note 23) liabilities for the year ended December 31, 2020:

County of Delaware, Pennsylvania

Notes to Financial Statements

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	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Liability for general obligation debt	\$ 259,932,980	\$ 40,000,000	\$ (19,823,847)	\$ 280,109,133	\$ 18,091,899
Liability for claims payable	5,065,996	52,911,659	(53,206,304)	4,771,351	2,559,516
Governmental activity:					
Long-term liabilities	<u>\$ 264,998,976</u>	<u>\$ 92,911,659</u>	<u>\$ (73,030,151)</u>	<u>\$ 284,880,484</u>	<u>\$ 20,372,610</u>
Business-type activity:					
Liability for general obligation debt	<u>\$ 22,659,033</u>	<u>\$ 1,384,197</u>	<u>\$ (5,666,930)</u>	<u>\$ 18,376,300</u>	<u>\$ 5,531,101</u>

The long-term liabilities are generally liquidated by the fund to which they relate. The significant funds to which they relate are the General Fund, Health and Human Services Funds and Geriatric Care Fund.

Component Unit

The following is a summary of changes in noncurrent liabilities of the DCSWA for the year ended December 31, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Liability for revenue notes payable	\$ 7,372,000	\$ -	\$ (534,000)	\$ 6,838,000	\$ 551,000
Liability for accrued closure costs	18,662,430	455,051	-	19,117,481	-
Long-term liabilities	<u>\$ 26,034,430</u>	<u>\$ 455,051</u>	<u>\$ (534,000)</u>	<u>\$ 25,955,481</u>	<u>\$ 551,000</u>

16. General Obligation Debt

The following are summaries of changes in general obligation debt, by type, for the year ended December 31, 2020:

	Governmental Activities	Business-Type Activity	Total
Outstanding at beginning of the year	\$ 259,932,980	\$ 22,659,033	\$ 282,592,013
Issuance of debt	40,000,000	-	40,000,000
Allocation of debt for capital assets	(1,384,196)	1,384,196	-
Accretion of bond premiums	(983,358)	(381,223)	(1,364,581)
Retirements and repayments	<u>(17,456,293)</u>	<u>(5,285,707)</u>	<u>(22,742,000)</u>
Outstanding at end of year	<u>\$ 280,109,133</u>	<u>\$ 18,376,299</u>	<u>\$ 298,485,432</u>

Total balance includes the premiums of \$1,023,432. Actual debt outstanding was \$297,462,000 at December 31, 2020.

The outstanding balance at December 31, 2020, related to governmental activities of \$280,109,133 includes \$9,749,849 of debt used to fund the capital assets of SEPTA.

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The following summarizes general obligation debt, by type, outstanding at December 31, 2020:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Serial bonds and notes	\$ 280,109,133	\$ 18,376,300	\$ 298,485,433

A summary of general obligation debt outstanding at December 31, 2020, is as follows:

<u>Year of Issue/ Final Maturity</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Outstanding at December 31, 2020</u>	<u>Current Portion</u>
1997/2022	\$ 50,000,000	Fund SEPTA projects, building and park improvements, construction of a prison and various other County projects	\$ 6,962,000	\$ 210,000
2002/2022	61,524,000	Refinance the 1999 notes used to fund SEPTA projects and various other County projects	9,135,000	4,435,000
2007/2027	26,720,000	Refinance the 2004 Note and to refinance a portion of the 2002 Note	14,230,000	2,335,000
2010/2028	45,180,000	Refund the 2008 General Obligation Note and for various other capital projects at the County	40,556,000	4,684,000
2012/2032	20,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	19,992,000	1,000
2013/2033	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	24,109,000	465,000
2014/2025	45,166,000	Partially refund the 1997 and 2002 notes payable to level debt service payments	45,154,000	2,000
2015/2035	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	24,995,000	1,000
2016/2021	49,420,000	Refund the 2005 bond to reduce total debt service	10,545,000	10,545,000
2018/2038	40,000,000	Fund construction and renovations of County buildings, equipment, SEPTA and open space projects	39,998,000	1,000
2019/2039	22,710,000	Refund the 2009 bond that provided funds in the form of a grant to the Delaware County Chester Waterfront Industrial Development Authority, which were used to acquire, construct and equip a soccer stadium	21,786,000	943,000
2020/2040	40,000,000	Fund construction and renovations of County buildings, parking garages, prison and juvenile detention facilities, acquisition of equipment and vehicles, and improvement to Fair Acres Geriatric Center	40,000,000	1,000
		Total	<u>\$ 297,462,000</u>	<u>\$ 23,623,000</u>

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Interest rates on the above obligations are fixed and variable. Fixed interest rates range 1.39 percent to 5.00 percent. Variable interest rates are limited to a maximum potential variable rate of 15.00 percent.

In May 2020, the County issued a \$40,000,000 general obligation note through Delaware Valley Regional Finance Authority (DVRFA) with an interest rate of 1.03 percent. The net proceeds of \$40,000,000 (after payment of \$202,730 in origination costs) were issued to fund construction and renovations to buildings and parking garages, prison and juvenile detention facilities, Fair Acres Geriatric Center, SEPTA, County parks, preservation of open space, and acquisition of equipment and vehicles.

There are a number of limitations and restrictions contained in the various general obligation debt agreements. In the event of any default, the debt holder may declare all repayments to be immediately due and payable; however, upon such declaration the County shall have a period of one hundred eighty days after the date of such declaration to make all repayments and pursue any and all remedies with the debt holder.

Amounts due from governmental funds are expected to be repaid from the General Fund. A summary of principal and interest maturities on general obligation serial bonds and notes outstanding at December 31, 2020, is presented below:

	<u>Principal Maturity</u>	<u>Interest Maturity ⁽¹⁾</u>	<u>Total Principal and Interest Maturities</u>
Years:			
2021	\$ 23,623,000	\$ 5,873,905	\$ 29,496,905
2022	24,384,000	5,104,905	29,488,905
2023	24,829,000	4,657,218	29,486,218
2024	25,286,000	4,199,961	29,485,961
2025	25,757,000	3,725,698	29,482,698
2026-2030	83,251,000	13,915,540	97,166,540
2031-2035	60,244,000	6,594,617	66,838,617
2036-2040	30,088,000	1,218,287	31,306,287
Total	<u>\$ 297,462,000</u>	<u>\$ 45,290,131</u>	<u>\$ 342,752,131</u>

⁽¹⁾ Includes interest at year-end rates for variable rate notes. Interest on the variable rate notes is \$5,769,083 for the year ended December 31, 2020.

DVRFA was formed for the purpose of establishing a pooled loan program for the benefit of local governmental units in the Delaware Valley region. The County has entered into general obligation notes with DVRFA of which \$286,917,000 is outstanding at December 31, 2020.

DVRFA has entered into interest rate swap agreements with third party financial institution counterparties related to the bonds DVRFA issued, the proceeds of which fund the pooled loan program. If the swap agreements were terminated, DVRFA would receive or be obligated to pay the market value of the swap agreements at the termination date. If DVRFA were obligated to make a payment and sufficient funds were not available, each borrower would be assessed its allocable share of the termination payment. Borrowers are not entitled to any payments DVRFA would receive from a counterparty as a result of a termination. A related interest rate swap agreement may be terminated under the following circumstances: 1) DVRFA and the counterparty mutually consent to the termination, 2) the borrower defaults on its loan, or 3) DVRFA or the counterparty default or their financial conditions deteriorate to make a default imminent. DVRFA would seek to replace the terminated underlying swap agreement with a new agreement with similar terms and conditions upon termination.

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DVRFA enters into interest rate swap agreements to provide fixed interest rates to borrowers. The agreement would normally only be terminated if the borrower requested it, including prepayment of the outstanding note, or if the borrower defaulted on its loan. The borrower would be responsible for any termination payment. The borrower is not entitled to receive any payments DVRFA would receive from the counterparty as a result of a termination.

As of December 31, 2020, the market value of interest rate swap agreements related to outstanding general obligation notes outstanding are as follows:

General Obligation Note Year of Issue	Balance Outstanding	Market Value of Related Allocable Interest Rate Swap	Market Value of Related Fixed Rate Loan Swap
1997	\$ 6,962,000	\$ 1,143,809	\$ (111,382)
2002	9,135,000	1,500,818	(116,320)
2007	14,230,000	2,337,891	(298,601)
2010	40,556,000	6,663,072	(1,495,057)
2012	19,992,000	3,284,548	(855,925)
2013	24,109,000	3,960,943	(1,091,760)
2014	45,154,000	7,418,492	(2,133,722)
2015	24,995,000	4,106,507	(1,814,189)
2018	39,998,000	6,571,397	(8,106,825)
2019	21,786,000	3,579,290	(1,495,066)
2020	40,000,000	6,571,726	1,052,868

17. Component Unit, Notes Payable

Revenue Notes Payable

On March 25, 2009, the DCSWA authorized the issuance of Guaranteed Revenue Notes, 2009 Series (the Notes) totaling \$7,200,000. The 2009 Notes were used for certain capital projects consisting of a) the construction of leachate collection and treatment facilities, b) the acquisition of vehicles and equipment, c) the construction of and improvements to the Rolling Hills Landfill, d) the rehabilitation of wells, and e) the payment of the costs of issuance of the 2009 Notes. The 2009 Notes were issued over a two year period.

On March 25, 2009, the DVRFA issued on behalf of the DCSWA, Guaranteed Revenue Notes, 2009 A Series (the 2009 A Notes) in the amount of \$2,400,000, 2009 B Series (the 2009 B Notes) in the amount of \$2,400,000, and 2009 C Series (the 2009 C Notes) in the amount of \$2,400,000. Principal is payable annually on March 25 and interest is payable monthly at a rate of 3.38 percent for Series A, 3.23 percent for Series B and 3.39 percent for Series C as per the Notice of Fixed Rate Conversion.

On March 26, 2012, the DCSWA authorized the issuance of Guaranteed Revenue Notes, 2012 Series (the 2012 Notes) totaling \$4,000,000. The 2012 Notes were used for certain capital projects consisting of a) the construction of leachate collection and treatment facilities, b) the acquisition of vehicles and equipment, c) the construction of and improvements to the Rollings Hills Landfill, d) the rehabilitation of wells, and e) the payment of the costs of issuance of the Notes. Principal is payable annually on June 25 beginning June 25, 2013. Interest is payable monthly at a rate of 2.485 percent as per the Notice of Fixed Rate Conversion.

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The County has guaranteed the 2009 and 2012 loan agreements listed above between the DCSWA (component unit) and DVRFA in accordance with the laws of Commonwealth of Pennsylvania. In the event that the DCSWA is unable to make payment, the County will be required to make payment. The guarantees are for the term and amount of the debt disclosed below. There are no arrangements for recovery of payments.

The aggregate annual principal and interest payments for each of the following years ending December 31 are as follows:

	<u>Principal</u>	<u>Interest</u>
Years ending:		
2021	\$ 551,000	\$ 196,632
2022	568,000	179,586
2023	585,000	161,991
2024	603,000	143,864
2025	623,000	125,152
2026-2033	<u>3,908,000</u>	<u>347,187</u>
Total	<u>\$ 6,838,000</u>	<u>\$ 1,154,412</u>

For the year ended December 31, 2020, interest expense amounted to \$190,309.

18. Other Liabilities

Other liabilities represent accrued expense and other obligations with third parties payable expected to be settled and paid within one year. On the statement of net position, governmental activities other liabilities of \$38,727,461 consists of \$12,572,297 of accrued payroll expenses, \$8,266,216 of accrued expense payable to vendors, \$8,371,713 of internal governmental transfer balance payable on behalf of Fair Acres, \$4,499,335 of refundable deposits held by the Sherriff's Office, Office of Judicial Support, and Recorder of Deeds, \$2,437,791 of delinquent taxes held payable to other governments, \$1,479,197 of funds to be refunded or escheated, and \$1,100,912 of Sheriff's sale proceeds payable to creditors.

19. Interfund Receivables and Payables

Interfund receivable and payable balances as of December 31, 2020, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 73,400,986	\$ 11,379,369
Capital Projects Fund	13	10,409,030
COVID-19 Relief Fund	-	36,110,712
Fiduciary Fund, Delinquent Tax Collections Fund	2,437,791	-
Fiduciary Component Unit, Pension Trust Fund	-	1,074,391
Health and Human Service Fund	30,732,579	8,191,170
Other Governmental Funds	11,004,402	33,294,312
Proprietary Fund	-	14,309,747
Internal Service Funds	<u>1,101,650</u>	<u>3,908,690</u>
Total	<u>\$ 118,677,421</u>	<u>\$ 118,677,421</u>

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These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) transactions are recorded in the accounting system and payments between the funds are made.

20. Amounts Due To/From Component Units

The following is a summary of amounts due to/from component unit (the DCSWA) at December 31, 2019, activity for 2020, and amounts due at December 31, 2020:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balance, December 31, 2019	\$ 2,021,253	\$ 5,475,000	\$ 7,496,253
Additions	9,129	-	9,129
Repayments	<u>(5,382)</u>	<u>-</u>	<u>(5,382)</u>
Balance, December 31, 2020	<u>\$ 2,025,000</u>	<u>\$ 5,475,000</u>	<u>\$ 7,500,000</u>

The County has made advances to the DCSWA from time to time for operations and/or capital purchases and improvements. The amount due from the DCSWA to the County's Capital Project fund of \$5,475,000 reflects a pledged investment, which is not expected to be liquidated within the current operating cycle.

21. Interfund Transfers

Interfund transfers for the year ended December 31, 2020, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 630,367	\$ 17,924,583
Health and Human Service Fund	14,836,500	7,336,500
Proprietary Fund	5,708,000	-
Other Governmental Funds	4,716,583	565,000
Component unit	<u>-</u>	<u>65,367</u>
Total	<u>\$ 25,891,450</u>	<u>\$ 25,891,450</u>

Transfers from the General Fund to the Health and Human Service Fund and the other governmental funds are unrestricted revenue collected in the General Fund used for the County's match for various grant agreements. Transfers from the General Fund to the Proprietary Fund are unrestricted revenues collected in the General Fund used to subsidize operating shortfalls in the proprietary fund. Transfers from the Health and Human Services Funds represent the transfer of funds from the human services administrative fund, which handles centralized costs that are allocated, to the other health and human services funds. Transfers from the Component unit to the General Fund are of unrestricted cash balances from the residual funds held in trust for the General Obligation Bonds, Series of 2009 that had been refunded in 2019.

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22. Other Post-Employment Benefits

Plan Description

The Delaware County Health Plan (the OPEB Plan) is single-employer plan administered by the County. The OPEB Plan is a welfare plan designed to provide hospital, medical-surgical, major medical and prescription benefits to eligible employees and their dependents.

The County pays premiums for medical insurance on behalf of eligible retirees and their dependents. Eligible retirees are defined as individuals who retire with a normal or early pension and who have attained the age of sixty or who have twenty years of service. An eligible employee may also be an individual who has been employed by the County for five years of service and before reaching superannuation retirement age, is disabled while in service and is unable to continue as a County employee. A dependent is defined as a lawful spouse and unmarried children under twenty-seven years of age. Dependent children may be included up through age twenty-six. Executive retirees are offered subsidized dental insurance and fully contributory vision insurance. All other employees are required to pay the full premiums for dental insurance and do not receive vision benefits. Retirees are eligible for life insurance dependent on their employment classification at retirement.

The OPEB Plan is unfunded and no financial report is prepared. The County expressly reserves the right, in its sole discretion, at any time and from time to time to amend or terminate the existence, amount or nature of a benefit; alter or postpone the conditions for or method of payment of a benefit; amend or rescind a provision of the OPEB Plan; merge the OPEB Plan with another plan; and terminate the OPEB Plan in its entirety. The OPEB Plan is authorized and under the control, maintenance and operation of the County.

Plan Membership

At December 31, 2020, the OPEB Plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefits	1,733
Active members	<u>2,741</u>
Total membership	<u><u>4,474</u></u>

Funding Policy

Members do not contribute to the OPEB Plan for medical coverage; the County pays 100 percent of the cost of coverage for retired covered employees. The required contribution is based on pay-as-you-go financing requirements. County Council has the authority to amend the OPEB Plan including changing the obligations of the plan members and the County to contribute to the OPEB Plan.

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Net OPEB Liability of the County

The County net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Total other post-employment benefit liability	\$ 512,163,395
OPEB Plan fiduciary net position	<u>-</u>
Net other post-employment benefit liability	<u>\$ 512,163,395</u>

OPEB Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
--	-------

The calculations are based on the types of benefits provided under the terms of the OPEB Plan at the time of the valuation. The projection of benefits for financial reporting purposes does not incorporate the potential effects of legal or contractual funding limitations on the provisions of benefits or the pattern of cost sharing between the employer and plan members in the future.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of December 31, 2020, utilizing the entry age actuarial cost method. The following actuarial assumptions, applied to all periods included in the measurement, were used in determination of the total OPEB liability:

Salary increase rate - 3.50 percent per annum

Healthcare cost trend rates - the following healthcare cost trend assumptions were applied in 2019 and will reduce by 0.5 percent each year until the ultimate trend rate indicated is reached:

<u>Expense Type</u>	<u>2020 Rate</u>	<u>Ultimate Rate</u>
Pre-Medicare medical and Rx Benefits	6.5 %	4.5 %
Medicare benefits	5.5	4.5
Dental	5.0	5.0
Stop loss fees	6.5	4.5
Administrative fees	4.5	4.5

Per capita health claim cost - the expected annual per capita claim costs were \$13,600 for age 60 and \$4,200 for age 70

Medicare eligibility - All current and future retirees are assumed to be eligible for Medicare at age 65

Plan participation percentage - 100 percent of all employees and their dependents will participate in the Plan

Mortality rates - Pub-2010 mortality table with generational scale MP-2019

Discount Rate

The discount rate used to measure the total OPEB liability was 2.12 percent. The discount rate is used to reflect the time value of money. Discount rates are used in determining the present value as of the valuation date of future cash flows currently expected to be required to satisfy the post-retirement benefit obligation. As the County's plan is unfunded, the discount rate is determined using the long-term expected rate of return on tax-exempt, high-quality municipal bond.

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Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at January 1, 2020	\$ 443,411,109
Service cost	17,521,129
Interest	12,438,024
Differences between expected and actual experience	-
Changes of assumptions or other inputs	52,772,639
Benefit payments	<u>(13,979,506)</u>
Balance at December 31, 2020	<u>\$ 512,163,395</u>

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

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage-point higher than the current discount rate:

	1% Decrease 1.12%	Current Discount Rate 2.12%	1% Increase 3.12%
2020 Net OPEB liability	\$ 595,811,000	\$ 512,163,000	\$ 423,063,000

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

The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (4.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (5.5% Decreasing to 4.5%)	1% Increase (6.5% Decreasing to 5.5%)
2020 Net OPEB liability	\$ 414,852,000	\$ 512,163,000	\$ 599,231,000

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

For the year ended December 31, 2020, the County recognized OPEB expense of \$32,409,961.

Gains and losses related to the difference between assumptions and actual experience are amortized over a period of 6.8 years starting on January 1, 2019. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 79,515,927	\$ (48,256,951)
Differences between expected and actual experience	-	(32,616,410)
	<u>\$ 79,515,927</u>	<u>\$ (80,873,361)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31:	
2021	\$ 2,450,808
2022	2,450,808
2023	2,450,808
2024	2,018,767
2025	(1,117,322)
Thereafter	<u>(9,611,303)</u>
Total	<u>\$ (1,357,434)</u>

23. Employees' Retirement Plan

Plan Description and Administration

The Delaware County Employees' Pension Plan (the Pension Plan) is a single-employer defined benefit pension plan that covers all full-time employees of the County. The Pension Plan is included in the accompanying financial statements of the County as a pension trust fund and does not issue a separate plan financial statement.

The Pension Plan is governed by the Delaware County Employees' Retirement System Trust, Amended and Restated Effective January 1, 2016 plan document. The retirement trust is administered in good-faith compliance with the applicable provisions of the Internal Revenue Code and consistent with Commonwealth of Pennsylvania's Act 96 of 1971, as amended, commonly referred to as the County Pension Law. The plan is managed by the Delaware County Retirement Board, which consists of five members - three elected County Council members, the County Controller and the County Treasurer.

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At January 1, 2019, the measurement date, members of the Pension Plan was as follows:

Inactive plan members currently receiving benefits	1,635
Inactive plan members entitled to benefits but not yet receiving them	197
Current employees	<u>2,735</u>
Total membership	<u>4,567</u>
Number of participating employers	<u>1</u>

Benefits Provided

The Pension Plan provides retirement, disability and death benefits. Retirement benefits for Pension Plan members are calculated as a percent of the member's highest three-year average salary times the number's years of service depending on class basis. Pension 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 five years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25 percent of the highest average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than five 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. Benefits are determined by the Pension Plan document, which is in accordance with the Commonwealth of Pennsylvania's Act 96 of 1971, as amended, commonly referred to as the County Pension Law.

Funding Policy and Contributions

Employees are required to contribute 7 percent of their salaries to the Pension Plan and employees may elect to contribute up to 17 percent of their salaries. Per the County Pension Law, contribution requirements of the Pension Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account. Administrative costs of the Pension Plan are financed through investment earnings.

The Pension Plan's funding policy provides for periodic employer contributions at actuarially determined rates. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by Pension Plan members during the year, with an additional amount to finance any unfunded accrued liability. Level percentages of payroll employer contribution rates are determined using the entry age normal actuarial cost funding method.

For 2019, the annual contribution by the County was \$3,997,875 based on the January 1, 2019 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.0 percent investment rate of return (net of administrative expenses) compounded annually, (b) projected salary increases of 3.5 percent per year, and (c) cost-of-living adjustments, if any, provided at the discretion of the Delaware County Employees' Retirement Board. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of assets is calculated using the greater of the market value of assets as of the valuation date or the actuarial value of assets as of the prior valuation date, plus contributions and other deposits (except investment income) minus benefit payments, administrative expenses, or other payments, plus credited interest at 1 percent less than the Pension Plan's assumed rate to the valuation date. The actuarial value of assets will be limited to a maximum of 120 percent and a minimum of 80 percent of the market value of assets as of the valuation date.

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Deposits and Investments

The Pension Plan allows funds to be invested pursuing a strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2019 measurement period.

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40-50 %	5.4-6.4 %
International equity	15-25	5.5-6.5
Fixed income	25-35	1.3-3.3
Real estate/Alternative	0-10	4.5-5.5
Cash and cash equivalents	0-10	0.0-1.0

The long-term expected rate of return on Pension Plan investments was determined using a building-block method, 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 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 2019 measurement period are summarized in the above table.

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on Pension Plan investments, net of Pension Fund investment expense, was 21.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Asset

The components of net pension asset of the Pension Plan as of December 31, 2020, were as follows:

Total pension liability	\$ 551,870,584
Pension Plan fiduciary net position	<u>562,788,438</u>
Pension Plan net pension asset	<u>\$ (10,917,854)</u>
Pension Plan fiduciary net position as a percentage of total pension liability	<u>101.98%</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Changes in the Net Pension Liability (Asset)

The changes in the County's net pension liability (asset) during the year ended December 31, 2020, are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Pension Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at January 1, 2020	\$ 529,594,445	\$ 477,659,679	\$ 51,934,766
Changes for the year:			
Service cost	11,407,742	-	11,407,742
Interest cost	37,094,044	-	37,094,044
Difference between expected and actual experience	3,547,553	-	3,547,553
Contributions, employer	-	3,997,875	(3,997,875)
Contributions, plan member	-	11,251,629	(11,251,629)
Net investment income	-	99,652,455	(99,652,455)
Benefit payments, including refunds	(29,773,200)	(29,773,200)	-
Net changes	22,276,139	85,128,759	(62,852,620)
Balances at December 31, 2020	\$ 551,870,584	\$ 562,788,438	\$ (10,917,854)

The schedule of changes in the employer's net pension liability (asset) and related ratios, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information related to the funded status of the Pension Plan.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2019, using the following actuarial methods and assumptions:

Actuarial valuation date	January 1, 2019 rolled- forward to December 31
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	3.5%
Inflation	3.0%
Interest rate	7.0%
Cost-of-living adjustments	0.0%
Asset valuation method	Fair Market Value

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement. The actuarial assumptions used in the valuation for the 2019 measurement period were based on past experience under the plan and reasonable future expectations, which represent the actuary's best estimate of anticipated experience under the Pension Plan.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

Discount Rate

The discount rate used to measure the total pension liability for the Pension Plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to actuarially determined contribution rates. Based on those assumptions, the Pension Fund'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.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Pension Plan calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.0%)</u>
Net pension liability (asset)	\$ 21,333,943	\$ (10,917,854)	\$ (80,191,440)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2020, the County recognized pension expense of \$35,098,792. At December 31, 2020, the County reported deferred outflows and inflows of resources related to the pension from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 2,836,834	\$ -
Net difference between projected and actual earning	-	(22,490,946)
Changes in assumptions	11,900,802	(5,240,763)
Contributions made subsequent to measurement date	5,231,379	-
Total	<u>\$ 19,969,015</u>	<u>\$ (27,731,709)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

Years ended December 31:	
2021	\$ (2,663,007)
2022	(2,981,124)
2023	4,690,491
2024	<u>(12,040,433)</u>
Total	<u>\$ (12,994,073)</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

24. Self-Insurance Program

Effective January 1, 1987, the County elected to self-insure potential obligations applicable to workers' compensation, casualty/liability and health insurance. By doing so, the County is exposed to certain risks of losses associated with these types of transactions. These programs are contractually administered by private agencies. Three separate internal service funds were established to account for all transactions associated with self-insurance.

The County purchased reinsurance coverage to limit its liability per incident to a maximum of:

	<u>1988 to 1992</u>	<u>1993 to 1999</u>	<u>2000 to 2001</u>
Workers' compensation	\$ 300,000	\$ 300,000	\$ 250,000
Casualty/liability (excluding vehicles)	-	100,000	100,000
Health benefits	75,000	75,000	75,000
Vehicles	100,000	100,000	100,000
	<u>2002 to 2006</u>	<u>2007 to 2013</u>	<u>2014 to 2020</u>
Workers' compensation	\$ 325,000	\$ 500,000	\$ 650,000
Casualty/liability (excluding vehicles)	250,000	250,000	250,000
Health benefits	90,000	200,000	210,000*
Vehicles	100,000	100,000	100,000

* includes a \$365,000 corridor deductible

The County's reinsurance policy has provided sufficient coverage to the County such that no settlements within the past three years have exceeded the reinsurance coverage. The cost of providing this coverage is charged directly to the County fund, which benefits from the coverage. Such charges are reflected as operating revenues into the self-insurance funds. Costs of the self-insurance program charged to the current year expenses were \$54,236,020, which includes insurance claims of \$52,911,659 and administrative costs of \$1,324,361. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Additional administrative costs of the self-insurance funds are paid by the General Fund and totaled \$63,897 for the fiscal year.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

An analysis of the claims activity is presented as follows:

2020				
	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Actual Claim Payments	Balance at End of Year
Self-Insured Health Insurance Fund	\$ 2,912,730	\$ 45,593,130	\$ 45,946,344	\$ 2,559,516
Self-Insured Workers' Compensation Fund	1,487,804	676,893	902,363	1,262,334
Self-Insured Casualty/Liability Fund	665,462	6,641,636	6,357,597	949,501
Total	<u>\$ 5,065,996</u>	<u>\$ 52,911,659</u>	<u>\$ 53,206,304</u>	<u>\$ 4,771,351</u>
2019				
	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Actual Claim Payments	Balance at End of Year
Self-Insured Health Insurance Fund	\$ 2,914,665	\$ 43,919,622	\$ 43,921,557	\$ 2,912,730
Self-Insured Workers' Compensation Fund	2,031,826	684,325	1,228,347	1,487,804
Self-Insured Casualty/Liability Fund	506,555	6,901,148	6,742,241	665,462
Total	<u>\$ 5,453,046</u>	<u>\$ 51,505,095</u>	<u>\$ 51,892,145</u>	<u>\$ 5,065,996</u>

25. Other Revenues

Other revenues of \$8,333,475 in the governmental funds consist of funds received related to gaming proceeds for economic development of \$792,004; rental income of \$749,991; funds received from the state equalization board of \$671,535; fringe benefits recovered of \$4,588,944; revenues related to Act 164 Rideshare fees of \$778,142; payments from Chester City of \$572,324, and various other revenues of \$180,535.

26. Unearned Revenues

Unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. On the statement of net position, governmental activities unearned revenue of \$108,332,538 consists of the General Fund of \$2,835,013 representing grants and other fees, Capital Projects of \$831,141, Health and Human Service of \$38,120,320, Other Governmental Funds of \$38,594,979, and Coronavirus Relief Funds of \$27,951,085, representing grants received which were not earned at December 31, 2020.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

27. Grant to the Delaware County Chester Waterfront Industrial Development Authority

The IDA was formed for the purpose of acquiring, constructing, financing, improving and maintaining industrial and commercial development projects within the City of Chester and is a discretely presented component unit of the County (Note 2). On February 15, 2009, the County and the IDA executed a grant agreement, which states that the County will grant funds in an amount up to \$30,000,000 for eligible costs as defined for the construction of a stadium project. The County financed the grant through the issuance of its General Obligation Bonds, Series of 2009 (2009 Bonds) (Note 16). Upon issuance of the 2009 Bonds, the proceeds were placed in a Trust. As eligible costs are expended by the IDA, funds are released from the Trust on a reimbursement basis.

On February 15, 2009, the County and the City of Chester (the City) executed a contribution agreement whereby the City unconditionally agreed to pay the County \$13,445,635 through May 31, 2039, in semi-annual payments to fund a portion of the capital grant to the IDA. The 2020 amount due to the County of \$440,757 was paid by the City in February 2021. The present value of this asset amounting to approximately \$5,469,558 has been recorded in other receivables on the government-wide statement of net position at December 31, 2020 (Note 8).

28. Commitments and Contingencies

Commitments

The County leases office space under a number of operating leases with expiration dates through 2031.

Future minimum lease payments for each of the five years subsequent to December 31, 2020, under the various leases are as follows:

Years ending December 31:	
2021	\$ 3,461,668
2022	3,350,294
2023	3,215,353
2024	3,048,980
2025	2,533,615
2026-2030	<u>5,511,061</u>
Total	<u>\$ 21,120,971</u>

Total rental expense for these leases during 2020 was \$5,122,359.

Contingencies

The use of grant monies received is subject to compliance audits by the disbursing governmental agency. The County believes it is in compliance with all significant grant requirements.

The County is involved in various litigation matters arising in the normal course of business which are still pending. The ultimate outcome of these cases or the County's exposure to liability, if any, cannot be determined at this time. Consequently, no provision has been made in these financial statements for this uncertainty. It is the opinion of management that the amount of potential claims not covered by insurance resulting from claims against the County would not materially affect the financial position of the County at December 31, 2020.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2020

29. COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2 and resulting disease, COVID-19, spread to the United States, including to areas impacting the County. In response to the virus, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law in March 2020, and created the Coronavirus Relief Fund which provided \$150 billion in general assistance for domestic governments. Payments to states were subject to reduction based on payments to eligible local governments. Amounts paid to states and eligible local governments were based on 2019 population data from the US Census Bureau.

In April 2020, the County received \$98,892,981 from the Coronavirus Relief Fund. The County incurred \$72,024,379 of expenditures for allowable costs. \$26,788,552 was considered unearned revenue as of December 31, 2020.

Fair Acres Geriatric Care received \$4,967,731 of COVID-19 Relief funding from the Department of Health and Human Services.

30. Subsequent Event

The federal government passed the American Rescue Plan Act (the Act) on March 11, 2021, to respond to the COVID-19 public health emergency and its negative economic impacts. Amounts were appropriated for fiscal year 2021 to units of local government to mitigate the fiscal effects stemming from the public health emergency. The County's award is \$110,083,961, which will be used as permitted by the Act including meeting pandemic response needs, rebuilding the County's economy and replacing lost County revenue. The County received 50 percent of the funds in May 2021, with the remaining expected a year later. The funds are to cover costs obligated by December 31, 2024, and performed by December 31, 2026.

31. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has approved the following statements:

- Statement No. 87, *Leases*, effective for the County's year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the County's year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rate*, effective for the County's year ending December 31, 2021.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the County's year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the County's year ending December 31, 2023.

County management is in the process of analyzing these pending changes in accounting principles and the impact they will have on the financial reporting process.

Required Supplementary Information

County of Delaware, Pennsylvania

Required Supplementary Information

Schedule of Changes in Net Other Post-Employment Benefit Liability and Related Ratios

December 31, 2020

(Unaudited)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 18,068,533	\$ 18,690,090	\$ 15,870,584	\$ 17,521,129
Interest cost	14,518,005	17,101,669	18,969,509	12,438,024
Changes of assumptions or other inputs	29,018,463	(52,656,643)	(32,624,110)	52,772,639
Benefit payments	<u>13,198,969</u>	<u>(13,837,017)</u>	<u>(13,472,941)</u>	<u>(13,979,506)</u>
Net change in total OPEB liability	74,803,970	(30,701,901)	(11,256,958)	68,752,286
Total OPEB Liability, Beginning	<u>410,565,998</u>	<u>485,369,968</u>	<u>454,668,067</u>	<u>443,411,109</u>
Total OPEB Liability, Ending	<u>\$ 485,369,968</u>	<u>\$ 454,668,067</u>	<u>\$ 443,411,109</u>	<u>\$ 512,163,395</u>
Covered-Employee Payroll (Estimated)	\$ 167,229,090	\$ 173,082,000	\$ 138,782,000	\$ 138,782,000
County's Net Pension Liability as a Percentage of Covered-Employee Payroll	290.24%	262.69%	319.50%	369.04%

Notes to Schedule:

The County implemented GASB Statements No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

The County does not accumulate assets in a trust to pay related benefits under the other post-employment benefit plan.

In 2018, the actuarial valuation was updated for a change in assumed discount rate related to net OPEB liability and deferred inflows of approximately \$52.7 million

In 2019, the actuarial valuation discount rate decreased, the mortality tables were updated to more recent studies, and actual Medicare claims experience were lower than expected which resulted in a change in the assumptions related to the net OPEB liability and deferred outflows of approximately \$32.6 million

County of Delaware, Pennsylvania

Required Supplementary Information
 Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios
 December 31, 2020
 (Unaudited)

	2014	2015	2016	2017	2018	2019
Total Pension Liability						
Service cost	\$ 4,767,962	\$ 4,584,055	\$ 15,542,585	\$ 15,286,753	\$ 11,079,249	\$ 11,407,742
Interest	31,874,452	33,074,553	33,824,984	35,056,767	35,620,617	37,094,044
Difference between expected and actual experience	4,147,176	8,944,917	(363,424)	(8,234,316)	(2,408,168)	3,547,553
Changes in assumptions	-	-	(17,616,575)	-	19,338,805	-
Benefit payments, including refunds of member contributions	<u>(25,266,392)</u>	<u>(23,917,898)</u>	<u>(24,299,440)</u>	<u>(24,782,858)</u>	<u>(29,288,903)</u>	<u>(29,773,200)</u>
Net change in total pension liability	15,523,198	22,685,627	7,088,130	17,326,346	34,341,600	22,276,139
Total Pension Liability, Beginning	<u>432,629,544</u>	<u>448,152,742</u>	<u>470,838,369</u>	<u>477,926,499</u>	<u>495,252,845</u>	<u>529,594,445</u>
Total Pension Liability, Ending (a)	<u>\$ 448,152,742</u>	<u>\$ 470,838,369</u>	<u>\$ 477,926,499</u>	<u>\$ 495,252,845</u>	<u>\$ 529,594,445</u>	<u>\$ 551,870,584</u>
Plan Fiduciary Net Position						
Employer contributions	\$ 4,159,063	\$ 3,987,098	\$ 5,160,038	\$ 4,762,155	\$ 1,527,490	\$ 3,997,875
Employee contributions	10,929,265	10,301,611	10,747,880	10,584,568	10,798,327	11,251,629
Net investment income (loss)	25,701,117	(4,799,203)	31,600,871	68,708,453	(36,709,229)	99,652,455
Benefit payments, including refunds of member contributions	(25,266,392)	(23,917,898)	(24,299,440)	(24,782,858)	(29,288,903)	(29,773,200)
Administration	<u>(48,804)</u>	<u>(48,803)</u>	<u>(48,803)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	15,474,249	(14,477,195)	23,160,546	59,272,318	(53,672,315)	85,128,759
Plan Fiduciary Net Position, Beginning	<u>447,902,076</u>	<u>463,376,325</u>	<u>448,899,130</u>	<u>472,059,676</u>	<u>531,331,994</u>	<u>477,659,679</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 463,376,325</u>	<u>\$ 448,899,130</u>	<u>\$ 472,059,676</u>	<u>\$ 531,331,994</u>	<u>\$ 477,659,679</u>	<u>\$ 562,788,438</u>
Plan net pension (asset) liability, ending (a) - (b)	<u>\$ (15,223,583)</u>	<u>\$ 21,939,239</u>	<u>\$ 5,866,823</u>	<u>\$ (36,079,149)</u>	<u>\$ 51,934,766</u>	<u>\$ (10,917,854)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	103.40%	95.34%	98.77%	107.28%	90.19%	101.98%
Covered Payroll	\$ 134,056,126	\$ 130,961,008	\$ 135,127,843	\$ 132,195,406	\$ 131,211,477	\$ 131,220,398
County's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(11.36)%	16.75%	4.34%	-27.29%	39.58%	-8.32%

Notes to Schedule:

The County implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

In 2016, the actuarial valuation was updated for the impact of member contributions and the member's reserve which resulted in a change in the assumptions related to the pension liability and deferred outflows of approximately \$17.6 million.

In 2018, the actuarial valuation discount rate decreased from 7.5% to 7.0% as a result of the long-term expected rate of return on pension plan investments which resulted in a change in the assumptions related to the pension liability and deferred outflows of approximately \$19.3 million.

The County used the 2019 Actuarial Valuation to determine the net pension liability as of December 31, 2020, as allowed under GASB 67.

County of Delaware

Required Supplementary Information
 Schedule of Employer Contributions
 Last Ten Fiscal Years
 (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Actuarially Determined Contribution	\$ 5,944,506	\$ 7,142,276	\$ 7,146,641	\$ 4,159,063	\$ 3,987,098	\$ 5,160,038	\$ 4,762,155	\$ 1,527,490	\$ 3,997,875	\$ 5,231,379
Contributions in Relation to the Actuarially Determined Contribution	<u>5,944,506</u>	<u>7,142,276</u>	<u>7,146,641</u>	<u>4,159,063</u>	<u>3,987,098</u>	<u>5,160,038</u>	<u>4,762,155</u>	<u>1,527,490</u>	<u>3,997,875</u>	<u>5,231,379</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 128,948,000	\$ 126,634,000	\$ 131,612,000	\$ 134,056,126	\$ 130,961,008	\$ 135,127,843	\$ 132,195,406	\$ 131,211,477	\$ 131,220,398	\$ 135,464,334
Contributions as a Percentage of Covered Payroll	4.61%	5.64%	5.43%	3.10%	3.04%	3.82%	3.60%	1.16%	3.05%	3.86%

Notes to Schedule:

Valuation date: January 1

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 by unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	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 of service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

County of Delaware

Required Supplementary Information
Schedule of Investment Returns
December 31, 2020
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.50%	(0.65)%	7.90%	15.27%	(6.88)%	21.40%

Notes to Schedule:

The County implemented GASB Statement No. 67 in fiscal year 2014. Information prior to fiscal year 2014 is not available.

Combining Statements and Schedules
Governmental Fund Types

County of Delaware, Pennsylvania
General Fund
Description of Fund
For the Year Ended December 31, 2020

The General Fund is the general operating fund of the County. It is maintained to account for all financial resources except those required to be accounted for in another fund. The general tax revenues of the County as well as other resources received and not designated for a specific purpose are accounted for in the General Fund.

County of Delaware, Pennsylvania**Schedule of Expenditures Compared to Budget (GAAP Basis)**

General Fund

Year Ended December 31, 2020

	Final Budget	Actual	Variances Positive (Negative)
Current			
General Government:			
Administrative Services	\$ 392,000	\$ 325,074	\$ 66,926
Board of Personnel Grievance	16,000	-	16,000
Budget Management	250,000	171,079	78,921
Bureau of Elections	993,000	789,171	203,829
Central Purchasing	334,000	244,494	89,506
Constables	1,442,000	628,462	813,538
Consumer Affairs	268,000	192,507	75,493
Controller	1,287,000	1,085,586	201,414
County Clerk	144,000	146,662	(2,662)
County Council	433,000	347,854	85,146
County Motor Vehicle Management	295,000	104,533	190,467
Court House & Park Police	1,691,000	142,946	1,548,054
Executive Director	1,237,000	856,707	380,293
Facilities Management	3,354,000	2,874,107	479,893
Information Technology	3,435,000	2,710,835	724,165
Intercommunity Health	422,000	149,030	272,970
Library Services	1,311,000	1,066,386	244,614
Parks and Recreation	1,816,000	1,360,893	455,107
Personnel	474,000	499,490	(25,490)
Planning	1,141,000	917,449	223,551
Public Works	190,000	127,658	62,342
Public Relations	279,000	196,249	82,751
Recorder of Deeds	650,000	555,121	94,879
Records and Archives	316,000	190,369	125,631
Risk Management	97,000	7,236	89,764
Self-Tax Collection	240,000	184,031	55,969
Solicitor	1,637,000	1,615,756	21,244
Tax Assessment	1,199,000	996,884	202,116
Tax Claim Office	1,178,000	996,462	181,538
Telecommunications	1,281,000	1,155,280	125,720
Treasurer	581,000	558,924	22,076
Veterans' Affairs	356,000	241,823	114,177
Voter Registration	471,000	421,870	49,130
Voting Machines	383,000	349,588	33,412
Total General Government	29,593,000	22,210,516	7,382,484

(Continued)

County of Delaware, Pennsylvania**Schedule of Expenditures Compared to Budget (GAAP Basis)**

General Fund

Year Ended December 31, 2020

	Final Budget	Actual	Variances Positive (Negative)
Judicial:			
Adult Probation and Parole	\$ 5,830,000	\$ 5,527,332	\$ 302,668
Bail Agency	1,204,000	1,098,323	105,677
Court Administrator	2,082,000	1,130,431	951,569
Court Support and Services	6,899,000	5,469,620	1,429,380
Diagnostic Services	832,000	632,031	199,969
District Justice	8,636,000	6,827,136	1,808,864
Domestic Relations	6,618,000	4,473,907	2,144,093
Electronic Record System	907,000	649,686	257,314
Financial Services	258,000	197,426	60,574
Juvenile Court	11,056,000	9,793,749	1,262,251
Juvenile Detention	4,629,000	1,179,591	3,449,409
Juvenile Detention Kitchen	611,000	203,376	407,624
Legal Audio Visual	249,000	198,671	50,329
Maintenance of Juveniles	7,630,000	3,718,795	3,911,205
Total Judicial	57,441,000	41,100,074	16,340,926
Corrections:			
Community Corrections	1,126,000	693,173	432,827
County Clerk Services	927,000	573,304	353,696
Criminal Investigations Dept.	4,490,000	1,245,463	3,244,537
District Attorney	6,363,000	5,688,936	674,064
Judicial Support	1,620,000	1,275,465	344,535
Medical Examiner	1,050,000	414,844	635,156
Office of Support Enforcement	591,000	518,019	72,981
Prison	50,826,000	46,680,492	4,145,508
Public Defender	4,614,000	3,776,157	837,843
Register of Wills	619,000	476,076	142,924
Sheriff	4,518,000	1,074,403	3,443,597
Special Counsel, Indigent Prisoners	119,000	122,670	(3,670)
Total Corrections	76,863,000	62,539,002	14,323,998
Transportation:			
Southeastern Pennsylvania Transportation Authority Subsidy	9,120,000	8,703,873	416,127

(Continued)

County of Delaware, Pennsylvania**Schedule of Expenditures Compared to Budget (GAAP Basis)**

General Fund

Year Ended December 31, 2020

	Final Budget	Actual	Variances Positive (Negative)
Other:			
Agricultural Extension Service	\$ 162,000	\$ 164,051	\$ (2,051)
Civil Defense	732,000	203,955	528,045
Employee Benefits	48,000,000	27,229,461	20,770,539
Insurance	5,750,000	5,484,023	265,977
Other County Expenditures	700,000	506,943	193,057
Other Programs and Grants	2,302,000	4,649,781	(2,347,781)
Soil Conservation	251,000	257,260	(6,260)
Training Center	239,000	173,345	65,655
	<u>58,136,000</u>	<u>38,668,819</u>	<u>19,467,181</u>
Total other			
Debt service:			
Principal	<u>17,457,000</u>	<u>17,456,293</u>	<u>707</u>
Interest	<u>5,239,000</u>	<u>5,228,821</u>	<u>10,179</u>
	<u>\$ 253,849,000</u>	<u>\$ 195,907,398</u>	<u>\$ 57,941,602</u>
Total expenditures			

County of Delaware, Pennsylvania
Health and Human Service Funds
Description of Sub-Funds
For the Year Ended December 31, 2020

Health and Human Service Funds are maintained to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

The following Health and Human Service Sub-Funds are utilized by the County:

Special Grants Fund: To account for the operations and administration of the County Special Grant Programs. Financing is provided by state and federal grants.

Health Choices: To account for the operations and administration of Health Choices program through managed care organizations, including medical care, mental health and/or drug and alcohol services, for medical assistance recipients. Financing is provided by state and federal grants.

Mental Health and Intellectual and Developmental Disabilities Funds (MH/IDD) and Substance Abuse Funds: To account for operations and administration of County MH/IDD and Drug and Alcohol Department. Financing is provided by state and federal grants with an appropriation from the County General Fund.

Child Welfare Fund: To account for the operations and administration of the County Children and Youth Services Department. Financing is provided by state and federal grants with an appropriation from the County General Fund.

Day Care Fund: To account for the administration of the local child care program for subsidized child care and the implementation of the Keystone STARS, quality rating and improvement initiative within a designated service region. Financing is provided by state and federal grants.

County of Delaware, Pennsylvania

Combining Balance Sheet Schedule
 Health and Human Service Sub-Funds
 December 31, 2020

	<u>Special Grants</u>	<u>Health Choices</u>	<u>Mental Health</u>	<u>Intellectual and Developmental Disabilities</u>
Assets				
Cash and cash equivalents	\$ 6,898	\$ 13,475,298	\$ -	\$ -
Restricted cash	-	17,631,959	-	-
Grants receivable	2,158,358	22,159,558	700	1,547,728
Due from other funds	6,690,325	-	15,053,978	2,169,000
Other assets	602,489	-	4,456	-
Total assets	<u>\$ 9,458,070</u>	<u>\$ 53,266,815</u>	<u>\$ 15,059,134</u>	<u>\$ 3,716,728</u>
Liabilities and Fund Balance				
Liabilities				
Vouchers and accounts payable	\$ 3,958,043	\$ 30,929,527	\$ 12,227,697	\$ 2,000,574
Due to other funds	-	20,451	-	-
Unearned revenues	5,266,480	22,316,837	2,815,623	1,261,996
Other liabilities	233,547	-	15,814	454,158
Total liabilities	9,458,070	53,266,815	15,059,134	3,716,728
Fund Balance				
Total liabilities and fund balance	<u>\$ 9,458,070</u>	<u>\$ 53,266,815</u>	<u>\$ 15,059,134</u>	<u>\$ 3,716,728</u>

(Continued)

<u>Substance Abuse</u>	<u>Child Welfare</u>	<u>Day Care</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 13,482,196
-	-	-	17,631,959
1,005,762	15,335,458	305,009	42,512,573
561,446	-	6,257,830	30,732,579
-	59,157	-	666,102
<u>\$ 1,567,208</u>	<u>\$ 15,394,615</u>	<u>\$ 6,562,839</u>	<u>\$ 105,025,409</u>
\$ 545,818	\$ 3,764,605	\$ 143,377	\$ 53,569,641
-	8,170,719	-	8,191,170
39,922	-	6,419,462	38,120,320
981,468	3,459,291	-	5,144,278
<u>1,567,208</u>	<u>15,394,615</u>	<u>6,562,839</u>	<u>105,025,409</u>
-	-	-	-
<u>\$ 1,567,208</u>	<u>\$ 15,394,615</u>	<u>\$ 6,562,839</u>	<u>\$ 105,025,409</u>

County of Delaware, Pennsylvania

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance

Health and Human Service Sub-Funds

Year Ended December 31, 2020

	<u>Special Grants</u>	<u>Health Choices</u>	<u>Mental Health</u>	<u>Intellectual and Developmental Disabilities</u>
Revenues				
Health and human service grants	\$ 15,910,963	\$ 136,761,447	\$ 33,948,568	\$ 13,597,209
Expenditures				
Current:				
Health and human services	<u>16,637,568</u>	<u>136,761,447</u>	<u>34,675,232</u>	<u>13,597,209</u>
Deficiency of revenues over expenditures	<u>(726,605)</u>	<u>-</u>	<u>(726,664)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	8,063,105	-	726,664	-
Transfers out	<u>(7,336,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources, net	<u>726,605</u>	<u>-</u>	<u>726,664</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(Continued)

<u>Substance Abuse</u>	<u>Child Welfare</u>	<u>Day Care</u>	<u>Total</u>
\$ 5,413,378	\$ 31,350,794	\$ 55,891,031	\$ 292,873,390
<u>5,525,347</u>	<u>37,285,556</u>	<u>55,891,031</u>	<u>300,373,390</u>
<u>(111,969)</u>	<u>(5,934,762)</u>	<u>-</u>	<u>(7,500,000)</u>
111,969	5,934,762	-	14,836,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,336,500)</u>
<u>111,969</u>	<u>5,934,762</u>	<u>-</u>	<u>7,500,000</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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County of Delaware, Pennsylvania

Nonmajor Governmental Funds Special Revenue Funds Description of Sub-Funds Year Ended December 31, 2020

Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specified purposes.

The following Special Revenue Funds are utilized by the County:

Office of Workforce Development (OWD) Fund and Other Grant Funds: To account for the operations and administration of the County's employment and training program and other miscellaneous federal and state grants.

Hazmat: To account for the planning around hazardous and extremely hazardous substances manufactured or stored in the County.

911 Fund: To account for the operations of the County's emergency communication department.

Library Fund: To account for the operations and administration of the County Library. Financing is provided by state and federal grants.

Liquid Fuels Fund: To account for the maintenance of County bridges and allocations to local municipalities for street and road maintenance. Financing is provided by the County's share of state gasoline taxes.

COSA Fund: To account for the operations and administration of the County Senior Citizens Department. Financing is provided by private contributions, state and federal grants and an appropriation from the County General Fund.

CDBG/Rehab Fund: To account for development and rehabilitation grants formerly administered by the Delaware County Redevelopment Authority (DCRA). Financing is provided principally from federal grants.

Marcellus Shale Fund: To account for Act 13 of 2012 impact fees from Marcellus Shale gas drilling activities. The monies are restricted to be spent on one of 13 categories named within the law.

County of Delaware, Pennsylvania

Combining Balance Sheet

Nonmajor Governmental Funds - Special Revenue Funds

December 31, 2020

	<u>OWD/Other</u>	<u>Hazmat</u>	<u>911</u>	<u>Library</u>
Assets				
Cash and cash equivalents	\$ 860,455	\$ 657,120	\$ 23,795,023	\$ 3,778,743
Restricted cash	-	-	-	-
Grants receivable	4,114,520	-	3,127,101	-
Due from other funds	7,722,136	-	-	-
Notes receivable	-	-	-	-
Other assets	7,182	-	-	-
Total assets	<u>\$ 12,704,293</u>	<u>\$ 657,120</u>	<u>\$ 26,922,124</u>	<u>\$ 3,778,743</u>
Liabilities and Fund Balance				
Liabilities				
Vouchers and accounts payable	\$ 509,550	\$ 17,518	\$ -	\$ 61,401
Due to other funds	2,618,385	7,362	26,800,561	2,495,954
Unearned revenues	9,467,460	632,240	-	-
Other liabilities	108,898	-	121,563	-
Total liabilities	<u>12,704,293</u>	<u>657,120</u>	<u>26,922,124</u>	<u>2,557,355</u>
Fund Balance				
Restricted for:				
Highways and streets	-	-	-	-
Library	-	-	-	1,221,388
Community development	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,221,388</u>
Total liabilities and fund balance	<u>\$ 12,704,293</u>	<u>\$ 657,120</u>	<u>\$ 26,922,124</u>	<u>\$ 3,778,743</u>

(Continued)

<u>Liquid Fuels</u>	<u>COSA</u>	<u>CDBG/ Rehab</u>	<u>Marcellus Shale</u>	<u>Total</u>
\$ 522,263	\$ 250	\$ 1,584,806	\$ -	\$ 31,198,660
-	-	-	6,604,553	6,604,553
-	24,835	-	-	7,266,456
24,654	3,103,927	153,685	-	11,004,402
-	-	24,677,323	-	24,677,323
-	12,723	-	-	19,905
<u>\$ 546,917</u>	<u>\$ 3,141,735</u>	<u>\$ 26,415,814</u>	<u>\$ 6,604,553</u>	<u>\$ 80,771,299</u>

\$ 268,258	\$ 960,936	\$ 733,862	\$ 28,670	\$ 2,580,195
-	-	1,156,474	215,576	33,294,312
-	-	22,134,972	6,360,307	38,594,979
-	2,180,799	196,757	-	2,608,017
<u>268,258</u>	<u>3,141,735</u>	<u>24,222,065</u>	<u>6,604,553</u>	<u>77,077,503</u>

278,659	-	-	-	278,659
-	-	-	-	1,221,388
-	-	2,193,749	-	2,193,749
<u>278,659</u>	<u>-</u>	<u>2,193,749</u>	<u>-</u>	<u>3,693,796</u>
<u>\$ 546,917</u>	<u>\$ 3,141,735</u>	<u>\$ 26,415,814</u>	<u>\$ 6,604,553</u>	<u>\$ 80,771,299</u>

County of Delaware, Pennsylvania

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds - Special Revenue Funds
Year Ended December 31, 2020

	<u>OWD/Other</u>	<u>Hazmat</u>	<u>911</u>	<u>Library</u>
Revenues				
General grants	\$ 12,857,706	\$ 53,379	\$ 13,765,180	\$ 3,155,839
Expenditures				
Current:				
Highways, streets and bridges	1,795,643	-	-	-
Other	10,497,063	53,379	18,360,763	2,441,644
Total expenditures	12,292,706	53,379	18,360,763	2,441,644
Excess (deficiency) of revenues over expenditures	565,000	-	(4,595,583)	714,195
Other Financing Sources (Uses)				
Transfers in	-	-	4,595,583	-
Transfers out	(565,000)	-	-	-
Total other financing sources (uses)	(565,000)	-	4,595,583	-
Net change in fund balance	-	-	-	714,195
Fund Balance, Beginning	-	-	-	507,193
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ 1,221,388

(Continued)

<u>Liquid Fuels</u>	<u>COSA</u>	<u>CDBG/ Rehab</u>	<u>Marcellus Shale</u>	<u>Total</u>
\$ 856,492	\$ 11,571,048	\$ 5,616,340	\$ 276,660	\$ 48,152,644
921,610	-	-	273,000	2,990,253
-	11,692,048	5,958,968	3,660	49,007,525
921,610	11,692,048	5,958,968	276,660	51,997,778
(65,118)	(121,000)	(342,628)	-	(3,845,134)
-	121,000	-	-	4,716,583
-	-	-	-	(565,000)
-	121,000	-	-	4,151,583
(65,118)	-	(342,628)	-	306,449
343,777	-	2,536,377	-	3,387,347
<u>\$ 278,659</u>	<u>\$ -</u>	<u>\$ 2,193,749</u>	<u>\$ -</u>	<u>\$ 3,693,796</u>

County of Delaware, Pennsylvania

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Liquid Fuels Fund

Year Ended December 31, 2020

	Budget		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
General grants	\$ 875,000	\$ 875,000	\$ 856,492	\$ (18,508)
Expenditures				
Current:				
Liquid Fuels	973,439	1,048,439	921,610	126,829
Excess (deficiency) of revenues over expenditures	(98,439)	(173,439)	(65,118)	108,321
Fund Balance, Beginning	531,311	343,777	343,777	-
Fund Balance, Ending	<u>\$ 432,872</u>	<u>\$ 170,338</u>	<u>\$ 278,659</u>	<u>\$ 108,321</u>

County of Delaware, Pennsylvania

Capital Projects Funds Description of Sub-Funds Year Ended December 31, 2020

Capital Projects Funds are maintained to account for the financial resources received and used to acquire assets of a relatively permanent nature. The following Capital Projects Sub-Funds are utilized by the County:

Food Services Facility Fund: The Food Services Facility Fund was established to account for the proceeds of a settlement awarded in a suit against the designers of the Food Service Facility. The County has assigned the proceeds for various capital projects.

General Capital Projects Fund: The General Capital Projects Fund was established to account for the proceeds and related investment income of the County's General Obligation Bond issues. Projects financed by these issues include expansion of the County Prison, renovations of the emergency communications center, and major Court House renovations.

County of Delaware, Pennsylvania

Combining Balance Sheet Schedule

Capital Projects Sub-Funds

December 31, 2020

	Food Services Facility Fund	General Capital Projects Fund	Total
Assets			
Cash and cash equivalents	\$ 6,651	\$ 830,335	\$ 836,986
Restricted cash	1,329	67,171,172	67,172,501
Due from other funds	13	-	13
Due from Solid Waste Authority	-	5,475,000	5,475,000
	<u>7,993</u>	<u>73,476,507</u>	<u>73,484,500</u>
Total assets	<u>\$ 7,993</u>	<u>\$ 73,476,507</u>	<u>\$ 73,484,500</u>
Liabilities and Fund Balances			
Liabilities			
Vouchers and accounts payable	\$ 1,799	\$ 2,198,110	\$ 2,199,909
Unearned revenues	-	831,141	831,141
Due to other funds	-	10,409,030	10,409,030
	<u>1,799</u>	<u>13,438,281</u>	<u>13,440,080</u>
Total liabilities	<u>1,799</u>	<u>13,438,281</u>	<u>13,440,080</u>
Fund Balances			
Restricted for:			
Capital projects	-	60,038,226	60,038,226
Assigned to:			
Capital projects	6,194	-	6,194
	<u>6,194</u>	<u>60,038,226</u>	<u>60,044,420</u>
Total fund balances	<u>6,194</u>	<u>60,038,226</u>	<u>60,044,420</u>
Total liabilities and fund balance	<u>\$ 7,993</u>	<u>\$ 73,476,507</u>	<u>\$ 73,484,500</u>

County of Delaware, Pennsylvania

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Sub-Funds

Year Ended December 31, 2020

	Food Services Facility Fund	General Capital Projects Fund	Total
Revenues			
Investment earnings	\$ 287	\$ 161,338	\$ 161,625
General grants	-	4,825,022	4,825,022
Total revenues	287	4,986,360	4,986,647
Expenditures			
Capital outlay	53,887	14,011,951	14,065,838
Debt issuance costs	-	202,703	202,703
Total expenditures	53,887	14,214,654	14,268,541
Deficiency of revenues over expenditures	(53,600)	(9,228,294)	(9,281,894)
Other Financing Sources			
Issuance of bond	-	40,000,000	40,000,000
Total other financing sources	-	40,000,000	40,000,000
Net change in fund balance	(53,600)	30,771,706	30,718,106
Fund Balance, Beginning	59,794	29,266,520	29,326,314
Fund Balance, Ending	\$ 6,194	\$ 60,038,226	\$ 60,044,420

Combining Statements and Schedules
Internal Service Funds

County of Delaware, Pennsylvania

Internal Service Funds Description of Sub-Funds Year Ended December 31, 2020

The County maintains three Internal Service Funds. Internal Service Funds are maintained to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, on a cost-reimbursement basis. A description of the Internal Service Funds used by the County is as follows:

Self-Funded Health Insurance Fund: To account for the operations of the County's health insurance program.

Self-Funded Workers' Compensation Fund: To account for the operations of the County's workers' compensation insurance program.

Self-Funded Casualty/Liability Fund: To account for the operations of the County's casualty/liability insurance program.

Financing for the County's three Internal Service Funds is provided principally by transfers from other funds.

County of Delaware, Pennsylvania

Combining Statement of Net Position

Internal Service Funds

December 31, 2020

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
Assets				
Cash and cash equivalents	\$ 47,865	\$ 1,474,935	\$ 2,825,596	\$ 4,348,396
Prepaid expenses	1,410,001	-	1,819,994	3,229,995
Due from other funds	1,101,650	-	-	1,101,650
Total assets	<u>\$ 2,559,516</u>	<u>\$ 1,474,935</u>	<u>\$ 4,645,590</u>	<u>\$ 8,680,041</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Claims payable	\$ -	\$ 1,262,334	\$ 949,501	\$ 2,211,835
Due to other funds	-	212,601	3,696,089	3,908,690
Total current liabilities	-	1,474,935	4,645,590	6,120,525
Noncurrent liabilities:				
Claims payable	2,559,516	-	-	2,559,516
Total noncurrent liabilities	2,559,516	-	-	2,559,516
Net Position	-	-	-	-
Total liabilities and net position	<u>\$ 2,559,516</u>	<u>\$ 1,474,935</u>	<u>\$ 4,645,590</u>	<u>\$ 8,680,041</u>

County of Delaware, Pennsylvania

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended December 31, 2020

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
Operating Revenues				
Charges for services	\$ 46,917,308	\$ 675,301	\$ 6,637,550	\$ 54,230,159
Operating Expenses				
Insurance claims	45,593,130	676,893	6,641,636	52,911,659
Administration	1,324,361	-	-	1,324,361
Total operating expenses	46,917,491	676,893	6,641,636	54,236,020
Operating loss	(183)	(1,592)	(4,086)	(5,861)
Nonoperating Revenues				
Investment earnings	183	1,592	4,086	5,861
Change in net position	-	-	-	-
Net Position, Beginning	-	-	-	-
Net Position, Ending	\$ -	\$ -	\$ -	\$ -

County of Delaware, Pennsylvania

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2020

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
Cash Flows From Operating Activities				
Receipts from customers and users	\$ 46,940,209	\$ 904,394	\$ 6,420,740	\$ 54,265,343
Payments to suppliers	(47,080,706)	(902,363)	(6,368,659)	(54,351,728)
Net cash (used in) provided by operating activities	(140,497)	2,031	52,081	(86,385)
Cash Flows Provided by Investing Activities				
Interest received	183	1,592	4,086	5,861
Net (decrease) increase in cash and cash equivalents	(140,314)	3,623	56,167	(80,524)
Cash and Cash Equivalents, Beginning	<u>188,179</u>	<u>1,471,312</u>	<u>2,769,429</u>	<u>4,428,920</u>
Cash and Cash Equivalents, Ending	<u>\$ 47,865</u>	<u>\$ 1,474,935</u>	<u>\$ 2,825,596</u>	<u>\$ 4,348,396</u>
Reconciliation of Operating Loss to Net Cash (Used in) Provided by Operating Activities				
Operating loss	\$ (183)	\$ (1,592)	\$ (4,086)	\$ (5,861)
Adjustments to reconcile operating loss to net cash used in operating activities:				
(Increase) decrease in due to other funds	22,901	229,093	(216,810)	35,184
(Increase) decrease in prepaid expenses	189,999	-	(11,062)	178,937
Increase (decrease) in claims payable	(353,214)	(225,470)	284,039	(294,645)
Total adjustments	(140,314)	3,623	56,167	(80,524)
Net cash (used in) provided by operating activities	<u>\$ (140,497)</u>	<u>\$ 2,031</u>	<u>\$ 52,081</u>	<u>\$ (86,385)</u>

Combining Statements and Schedules

Component Units

County of Delaware, Pennsylvania

Component Units Description of Component Units Year Ended December 31, 2020

Solid Waste Authority: To provide waste disposal almost entirely for citizens of Delaware County.

Economic Development Oversight Board: To encourage economic development in Delaware County by facilitating the retention of existing business, the formation of new business and the vitality of all business within the County of Delaware.

Waterfront Industrial Development Authority: To acquire, construct, finance, improve and maintain industrial and commercial development projects and public facilities in certain geographic regions within the City of Chester.

Redevelopment Authority: To deliver services to County residents, pursuant to the Urban Redevelopment Law Act of 1945. The Redevelopment Authority acts as the vehicle for condemnation and development within the County.

County of Delaware, Pennsylvania

Combining Statement of Net Position

Component Units

December 31, 2020

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Total
Assets					
Cash and cash equivalents	\$ 11,140,539	\$ 793,386	\$ -	\$ 801,898	\$ 12,735,823
Receivables (net of allowance for uncollectibles):					
Accounts	3,660,727	-	-	-	3,660,727
Other	751,646	498,039	-	-	1,249,685
Inventories	101,488	-	-	-	101,488
Other assets	166,755	22,582	-	27,985	217,322
Investments	10,500	-	-	-	10,500
Restricted cash and cash equivalents	3,478,140	-	-	18,833	3,496,973
Capital assets (net of accumulated depreciation):					
Land	7,000,000	-	849,286	1,024,199	8,873,485
Land improvements	1,489,861	-	-	-	1,489,861
Construction in progress	974,042	-	-	-	974,042
Buildings and improvements	-	-	18,597,832	-	18,597,832
Equipment	15,543,550	-	-	-	15,543,550
Net pension asset	720,854	-	-	-	720,854
Total assets	45,038,102	1,314,007	19,447,118	1,872,915	67,672,142
Deferred Outflows of Resources	81,374	-	-	-	81,374
Total assets and deferred outflows of resources	\$ 45,119,476	\$ 1,314,007	\$ 19,447,118	\$ 1,872,915	\$ 67,753,516
Liabilities					
Accounts payable and other current liabilities	\$ 4,612,201	\$ 35,860	\$ -	\$ 184,532	\$ 4,832,593
Other liabilities	1,882,129	-	-	-	1,882,129
Unearned revenue	-	75,000	-	-	75,000
Due to primary government	7,475,000	-	-	25,000	7,500,000
Long-term liabilities:					
Due within one year:					
Bonds and notes payable	551,000	-	-	-	551,000
Due in more than one year:					
Bonds and notes payable	6,287,000	-	-	-	6,287,000
Accrued closure costs	19,117,481	-	-	-	19,117,481
Total liabilities	39,924,811	110,860	-	209,532	40,245,203
Deferred Inflows of Resources	755,658	-	-	-	755,658
Total liabilities and deferred inflows of resources	40,680,469	110,860	-	209,532	41,000,861
Net Position					
Net investment in capital assets	18,169,453	-	19,447,118	1,024,199	38,640,770
Restricted for:					
Economic development	-	16,205	-	-	16,205
Solid waste	1,250,000	-	-	-	1,250,000
Unrestricted	(14,980,446)	1,186,942	-	639,184	(13,154,320)
Total net position	4,439,007	1,203,147	19,447,118	1,663,383	26,752,655
Total liabilities, deferred inflows of resources and net position	\$ 45,119,476	\$ 1,314,007	\$ 19,447,118	\$ 1,872,915	\$ 67,753,516

County of Delaware, Pennsylvania

Combining Statement of Activities

Component Units

Year Ended December 31, 2020

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	
Functions/Programs								
Solid Waste Authority:								
Public works	\$ 43,762,482	\$ 42,218,304	\$ 103,207	\$ (1,440,971)	\$ -	\$ -	\$ -	\$ (1,440,971)
Economic Development Oversight Board:								
Public works	12,404,114	4,184	11,573,870	-	(826,060)	-	-	(826,060)
Waterfront Industrial Authority:								
Public works	978,833	-	-	-	-	(978,833)	-	(978,833)
Redevelopment Authority:								
Public works	5,991,797	-	3,743,414	-	-	-	(2,248,383)	(2,248,383)
Total component units	<u>\$ 63,137,226</u>	<u>\$ 42,222,488</u>	<u>\$ 15,420,491</u>	<u>(1,440,971)</u>	<u>(826,060)</u>	<u>(978,833)</u>	<u>(2,248,383)</u>	<u>(5,494,247)</u>
General Revenues								
Other revenues (expenses)				(190,309)	73,912	-	-	(116,397)
Unrestricted investment earnings				186,085	2,032	299	5,890	194,306
Transfers				-	995,454	(65,367)	(995,454)	(65,367)
Change in net position				(1,445,195)	245,338	(1,043,901)	(3,237,947)	(5,481,705)
Net Position, Beginning				5,780,574	957,809	20,491,019	4,901,330	32,130,732
Cumulative effect of prior period accounting error				103,628	-	-	-	103,628
Net Position, Ending				<u>\$ 4,439,007</u>	<u>\$ 1,203,147</u>	<u>\$ 19,447,118</u>	<u>\$ 1,663,383</u>	<u>\$ 26,752,655</u>

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Capital Assets by Function

County of Delaware, Pennsylvania

Schedule of Changes in Capital Assets by Function
 Year Ended December 31, 2020

	Changes in Capital Assets			
	January 1, 2020	Additions	Disposals/ Reclassification	December 31, 2020
General government and judicial	\$ 249,428,222	\$ 10,313,881	\$ (120,778)	\$ 259,621,325
Recreation	16,188,123	2,181,820	-	18,369,943
Corrections	109,353,110	-	-	109,353,110
Health and human services	12,855,490	161,922	-	13,017,412
Infrastructure	24,013,114	1,343,573	-	25,356,687
Other	1,978,312	-	-	1,978,312
Total	\$ 413,816,371	\$ 14,001,196	\$ (120,778)	\$ 427,696,789

	Ending Balance is Composed of				
	Land and Improvements	Buildings and Improvements	Equipment	Construction in Progress	Total
General government and judicial	\$ 16,666,102	\$ 135,323,549	\$ 104,952,955	\$ 2,325,668	\$ 259,268,274
Recreation	9,835,132	4,769,661	3,730,527	-	18,335,320
Corrections	5,425,643	96,818,312	7,109,155	-	109,353,110
Health and human services	216,698	904,332	11,896,381	-	13,017,411
Infrastructure	21,638,712	-	-	4,105,650	25,744,362
Other	-	-	1,978,312	-	1,978,312
Total	\$ 53,782,287	\$ 237,815,854	\$ 129,667,330	\$ 6,431,318	\$ 427,696,789

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Statistical Section

County of Delaware, Pennsylvania

Statistical Section

The statistical section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information reflect about the County's overall financial health.

Contents

Financial Trends

Tables 1 through 4 contain trend information to help the reader understand how the County's financial performance and strength have changed over time.

Revenue Capacity

Tables 5 through 8 contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

Tables 9 through 11 present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

Tables 12 and 13 offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

Tables 14 through 16 contain service data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules was derived from the County's audited annual financial reports from relevant years.

County of Delaware, Pennsylvania

Net Position by Component, Government-Wide

Table 1

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities										
Net investment in capital assets	\$ (86,608,478)	\$ (73,172,651)	\$ (67,891,655)	\$ (60,035,609)	\$ (65,173,815)	\$ (40,524,551)	\$ (34,971,630)	\$ (39,794,669)	\$ (29,224,252)	\$ (15,593,281)
Nonspendable	-	-	1,381,507	1,144,114	1,173,055	-	-	-	-	-
Restricted:										
Highways and streets	2,045,289	1,856,882	1,777,099	1,430,456	703,883	816,798	917,434	769,628	343,777	278,659
Infrastructure	-	-	-	38,358	62,140	62,140	-	-	-	-
Library	2,181,260	1,859,136	682,598	609,672	185,364	580,577	512,116	493,311	507,193	1,221,388
Community development	3,587,712	2,847,493	3,797,657	3,961,639	5,050,406	5,250,054	2,765,380	4,680,925	2,536,377	2,193,749
Title IV D program	823,268	1,232,444	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288
Capital projects	-	2,293,963	2,346,683	-	19,062	19,141	19,141	19,487	19,787	681,211
Unrestricted	65,787,670	59,685,325	47,129,403	46,128,192	74,177,108	56,041,052	(227,145,182)	(230,858,250)	(261,240,550)	(275,228,064)
Total governmental activities net position	<u>\$ (12,183,279)</u>	<u>\$ (3,397,408)</u>	<u>\$ (8,906,153)</u>	<u>\$ (6,297,131)</u>	<u>\$ 16,647,156</u>	<u>\$ 22,769,471</u>	<u>\$ (257,275,464)</u>	<u>\$ (263,863,727)</u>	<u>\$ (285,884,193)</u>	<u>\$ (284,400,050)</u>
Business-Type Activity										
Net investment in capital assets	\$ (20,980,693)	\$ (21,708,469)	\$ (21,213,250)	\$ (20,594,380)	\$ (20,156,636)	\$ (19,214,171)	\$ (17,023,111)	\$ (2,437,929)	\$ (12,199,952)	\$ (4,294,349)
Unrestricted	20,980,693	21,708,469	21,213,250	20,594,380	31,321,623	29,786,041	24,940,139	9,317,885	14,629,476	3,973,427
Total business-type activity net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,164,987</u>	<u>\$ 10,571,870</u>	<u>\$ 7,917,028</u>	<u>\$ 6,879,956</u>	<u>\$ 2,429,524</u>	<u>\$ (320,922)</u>
Primary Government										
Net investment in capital assets	\$ (107,589,171)	\$ (94,881,120)	\$ (89,104,905)	\$ (80,629,989)	\$ (85,330,451)	\$ (59,738,722)	\$ (51,994,741)	\$ (42,232,598)	\$ (41,424,204)	\$ (19,887,630)
Nonspendable	-	-	1,381,507	1,144,114	1,173,055	-	-	-	-	-
Restricted	8,637,529	10,089,918	10,474,592	6,466,172	6,470,808	7,252,970	4,841,348	6,789,192	4,580,609	6,421,295
Unrestricted	86,768,363	81,393,794	68,342,653	66,722,572	105,498,731	85,827,093	(202,205,043)	(221,540,365)	(246,611,074)	(271,254,637)
Total primary government net position	<u>\$ (12,183,279)</u>	<u>\$ (3,397,408)</u>	<u>\$ (8,906,153)</u>	<u>\$ (6,297,131)</u>	<u>\$ 27,812,143</u>	<u>\$ 33,341,341</u>	<u>\$ (249,358,436)</u>	<u>\$ (256,983,771)</u>	<u>\$ (283,454,669)</u>	<u>\$ (284,720,972)</u>

Source: Comprehensive Annual Financial Reports

Note: Fiscal years 2011 through 2014 have not been restated to conform with the implementation of GASB Statement 68 in fiscal year 2015.

As a result of the implementation of GASB 68 in 2015, unrestricted net position increased as a result of recording of the net pension asset.

Note: Fiscal years 2011 through 2016 have not been restated to conform with the implementation of GASB Statement 75 in fiscal year 2017.

As a result of the implementation of GASB 75 in 2017, unrestricted net position decreased as a result of recording of the net other post-employment benefit liability.

County of Delaware, Pennsylvania

Changes in Net Position, Government-Wide
 Table 2
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental activities:										
General government	\$ 130,302,387	\$ 124,851,749	\$ 130,258,805	\$ 141,161,340	\$ 139,824,286	\$ 139,863,152	\$ 183,986,484	\$ 158,826,027	\$ 166,753,855	\$ 211,961,918
Judicial	45,844,482	48,381,276	48,371,935	47,072,546	48,114,691	47,579,146	46,892,637	46,108,527	47,047,803	45,967,384
Corrections	68,876,004	69,457,964	70,790,012	71,432,033	69,303,184	70,396,646	72,354,669	73,639,684	72,815,146	75,706,851
Health and Human Services	245,274,186	245,077,186	248,301,666	251,336,280	264,760,015	293,120,188	282,351,418	301,734,417	304,801,886	303,168,168
Highways, streets and bridges	2,333,302	13,130,022	2,807,351	2,187,625	1,741,793	5,109,270	5,002,634	2,767,966	4,932,774	3,231,557
Interest on long-term debt	8,637,786	8,794,312	8,457,413	8,123,155	7,669,091	4,715,546	5,039,793	4,631,463	5,453,536	3,440,864
Total governmental activities expenses	501,268,147	509,692,509	508,987,182	521,312,979	531,413,060	560,783,948	595,627,635	587,708,084	601,805,000	643,476,742
Business-type activities:										
Geriatric Center	81,376,108	81,863,752	80,763,126	77,855,996	78,291,391	80,155,082	79,364,283	72,633,211	77,168,139	74,762,089
Total primary government expenses	582,644,255	591,556,261	589,750,308	599,168,975	609,704,451	640,939,030	674,991,918	660,341,295	678,973,139	718,238,831
Program Revenues										
Governmental activities:										
Charges for services:										
General government	10,273,501	11,581,252	10,410,962	8,916,675	9,451,202	10,808,949	16,724,286	17,693,475	18,077,728	15,159,816
Judicial	5,006,264	5,280,673	5,206,386	5,137,583	5,284,756	5,099,131	6,697,710	6,454,685	7,106,864	4,311,801
Corrections	8,501,485	8,878,377	12,500,228	11,696,677	10,872,399	9,969,527	7,457,984	7,185,008	7,414,143	4,894,211
Capital grants and contributions	2,514,224	9,863,638	1,462,919	81,308	398,116	7,169,508	6,004,030	2,190,752	3,901,752	6,788,517
Operating grants and contributions	315,358,881	315,233,611	302,984,285	315,864,486	325,546,736	355,308,838	339,394,518	361,527,288	362,842,980	440,208,816
Total governmental activities program revenues	341,654,355	350,837,551	332,564,780	341,696,729	351,553,209	388,355,953	376,278,528	395,051,208	399,343,467	471,363,161
Business-type activity:										
Operating grants and contributions	-	-	-	-	-	-	-	-	-	4,967,731
Capital grants and contributions	91,281	379,719	-	-	-	-	-	-	-	-
Geriatric Center, charges for services	73,517,671	74,681,667	75,172,541	75,783,231	78,596,865	74,116,170	70,158,446	67,464,800	66,709,125	60,083,878
Total primary government program revenues	415,263,307	425,898,937	407,737,321	417,479,960	430,150,074	462,472,123	446,436,974	462,516,008	466,052,592	536,414,770

County of Delaware, Pennsylvania

Changes in Net Position, Government-wide

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net (Expense) Revenue										
Governmental activities	\$ (159,613,792)	\$ (158,854,958)	\$ (176,422,402)	\$ (179,616,250)	\$ (179,859,851)	\$ (172,427,995)	\$ (219,349,107)	\$ (192,656,876)	\$ (202,461,533)	\$ (172,113,581)
Business-type activity	(7,767,156)	(6,802,366)	(5,590,585)	(2,072,765)	305,474	(6,038,912)	(9,205,837)	(5,168,411)	(10,459,014)	(9,710,480)
Total primary government net expense	<u>(167,380,948)</u>	<u>(165,657,324)</u>	<u>(182,012,987)</u>	<u>(181,689,015)</u>	<u>(179,554,377)</u>	<u>(178,466,907)</u>	<u>(228,554,944)</u>	<u>(197,825,287)</u>	<u>(212,920,547)</u>	<u>(181,824,061)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	155,615,119	160,312,545	164,661,208	172,842,088	170,843,978	172,268,546	174,050,740	176,945,069	172,952,532	171,436,259
Unrestricted investment earnings	2,924,184	2,615,151	2,830,737	2,356,693	1,876,866	979,836	1,198,207	2,200,022	2,673,397	1,355,326
Grants and charges not restricted to specific programs	359,641	407,693	352,508	494,046	971,942	959,266	1,826,875	2,011,525	2,124,575	1,563,777
Gaming revenue	10,472,563	10,224,170	9,334,840	8,604,779	8,589,487	8,067,163	7,876,251	7,815,230	7,458,270	4,884,995
Transfers	(7,489,734)	(5,918,730)	(4,482,703)	(2,072,334)	-	(3,724,501)	(5,351,903)	(2,903,233)	(4,767,707)	(5,642,633)
Total government activities	<u>161,881,773</u>	<u>167,640,829</u>	<u>172,696,590</u>	<u>182,225,272</u>	<u>182,282,273</u>	<u>178,550,310</u>	<u>179,600,170</u>	<u>186,068,613</u>	<u>180,441,067</u>	<u>173,597,724</u>
Business-type activity:										
Investment earnings	277,422	-	1,107,882	431	287,643	1,721,294	2,378	29,928	140,854	15,348
Other revenues (expenses)	-	883,636	-	-	-	-	1,196,714	1,198,178	1,100,021	1,236,686
Transfers	7,489,734	5,918,730	4,482,703	2,072,334	-	3,724,501	5,351,903	2,903,233	4,767,707	5,708,000
Total business-type activity	<u>7,767,156</u>	<u>6,802,366</u>	<u>5,590,585</u>	<u>2,072,765</u>	<u>287,643</u>	<u>5,445,795</u>	<u>6,550,995</u>	<u>4,131,339</u>	<u>6,008,582</u>	<u>6,960,034</u>
Total primary government	<u>169,648,929</u>	<u>174,443,195</u>	<u>178,287,175</u>	<u>184,298,037</u>	<u>182,569,916</u>	<u>183,996,105</u>	<u>186,151,165</u>	<u>190,199,952</u>	<u>186,449,649</u>	<u>180,557,758</u>
Change in Net Position										
Governmental activities	2,267,981	8,785,871	(3,725,812)	2,609,022	2,422,422	6,122,315	(39,748,937)	(6,588,263)	(22,020,466)	1,484,143
Business-type activity	-	-	-	-	593,117	(593,117)	(2,654,842)	(1,037,072)	(4,450,432)	(2,750,446)
Total primary government	<u>\$ 2,267,981</u>	<u>\$ 8,785,871</u>	<u>\$ (3,725,812)</u>	<u>\$ 2,609,022</u>	<u>\$ 3,015,539</u>	<u>\$ 5,529,198</u>	<u>\$ (42,403,779)</u>	<u>\$ (7,625,335)</u>	<u>\$ (26,470,898)</u>	<u>\$ (1,266,303)</u>

Source: Comprehensive Annual Financial Reports

County of Delaware, Pennsylvania

Fund Balances, Governmental Funds

Table 3

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Nonspendable	\$ 963,322	\$ 562,376	\$ 1,381,507	\$ 1,144,114	\$ 1,173,055	\$ 994,359	\$ 791,315	\$ 1,167,321	\$ 2,536,155	\$ 974,556
Restricted	823,268	1,232,444	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288
Assigned:										
Debt service costs	11,400,000	11,400,000	11,400,000	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	-
Information technology	-	-	-	-	-	-	-	-	-	5,000,000
Employee healthcare costs	11,400,000	11,400,000	11,400,000	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	10,000,000
Unassigned	<u>9,720,416</u>	<u>10,572,860</u>	<u>9,532,158</u>	<u>16,236,691</u>	<u>17,572,618</u>	<u>20,429,800</u>	<u>23,874,094</u>	<u>33,962,946</u>	<u>32,026,148</u>	<u>62,421,807</u>
Total general fund	<u>34,307,006</u>	<u>35,167,680</u>	<u>35,584,220</u>	<u>41,806,852</u>	<u>49,195,626</u>	<u>51,948,419</u>	<u>55,292,686</u>	<u>65,956,108</u>	<u>65,735,778</u>	<u>80,442,651</u>
All Other Governmental Funds										
Nonspendable	5,475,000	5,475,000	5,475,000	5,475,000	5,475,000	5,475,000	-	-	-	-
Restricted	7,814,261	8,857,474	25,692,946	14,314,567	33,836,779	24,685,709	18,749,336	49,087,754	32,653,867	63,732,022
Assigned	-	-	-	-	-	-	-	-	-	-
Capital projects	1,576,451	1,215,875	509,216	424,024	360,010	293,103	225,214	120,704	59,794	6,194
Unassigned:										
Capital projects	<u>(7,935,282)</u>	<u>-</u>	<u>-</u>	<u>-</u>						
Total all other governmental funds	<u>6,930,430</u>	<u>15,548,349</u>	<u>31,677,162</u>	<u>20,213,591</u>	<u>39,671,789</u>	<u>30,453,812</u>	<u>18,974,550</u>	<u>49,208,458</u>	<u>32,713,661</u>	<u>63,738,216</u>
Total all funds	<u>\$ 41,237,436</u>	<u>\$ 50,716,029</u>	<u>\$ 67,261,382</u>	<u>\$ 62,020,443</u>	<u>\$ 88,867,415</u>	<u>\$ 82,402,231</u>	<u>\$ 74,267,236</u>	<u>\$ 115,164,566</u>	<u>\$ 98,449,439</u>	<u>\$ 144,180,867</u>

Source: Comprehensive Annual Financial Reports

County of Delaware, Pennsylvania

Changes in Fund Balances, Governmental Funds

Table 4

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Real estate taxes	\$ 172,550,169	\$ 171,788,448	\$ 177,034,412	\$ 175,190,152	\$ 171,942,346	\$ 171,997,482	\$ 171,551,067	\$ 164,860,852	\$ 159,605,920	\$ 155,756,779
Licenses and permits	37,119	38,635	26,083	47,373	53,704	37,084	17,415	62,948	10,125	36,960
General grants	155,128,045	73,329,183	72,436,715	77,816,886	80,665,550	73,975,998	69,626,188	69,446,178	81,030,796	79,758,176
Charges for services, fines and forfeitures	17,387,027	22,666,058	21,655,562	22,385,940	22,650,651	22,787,617	21,915,998	22,860,520	23,371,602	22,000,400
Investment earnings	704,372	2,520,716	1,924,856	915,759	690,376	597,499	1,262,735	1,088,573	1,335,689	1,551,162
Gaming revenue	4,884,995	7,458,270	7,815,230	7,876,251	8,067,163	8,589,487	8,604,779	9,334,840	10,224,170	10,472,563
Health and Human Service grants	292,873,390	293,825,912	291,877,113	268,202,995	274,187,086	246,849,168	244,913,281	234,003,423	238,445,980	239,323,976
Other	8,333,476	11,857,333	11,508,192	10,093,167	10,200,330	9,317,148	9,932,293	8,435,747	11,909,751	8,167,796
Total revenues	651,898,593	583,484,555	584,278,163	562,528,523	568,457,206	534,151,483	527,823,756	510,093,081	525,934,033	517,067,812
Expenditures										
Current:										
General government	26,449,360	25,210,816	24,591,607	24,554,072	24,788,550	22,617,249	23,146,549	22,575,866	22,144,960	20,655,471
Judicial	45,937,384	47,047,803	46,108,527	46,892,638	47,579,146	48,139,889	50,873,015	50,000,068	49,969,242	47,472,352
Corrections	73,511,319	70,581,008	71,367,594	70,043,433	67,953,351	66,797,819	64,184,935	63,059,037	63,706,711	64,933,176
Transportation	8,703,873	8,530,686	8,161,720	7,816,883	7,572,663	7,336,000	6,921,000	6,921,000	6,799,396	7,024,827
Health and Human Services	300,373,390	300,998,912	298,800,114	275,125,987	281,110,078	253,272,168	251,336,280	240,428,656	244,872,046	245,787,429
Highways, streets and bridges	2,990,253	4,689,012	2,530,329	4,924,406	4,770,055	1,550,238	1,555,907	1,187,336	1,385,854	1,248,678
Other	145,605,298	99,178,153	91,787,040	103,100,752	103,986,008	101,066,406	97,066,673	94,686,905	101,708,121	96,179,650
Debt service:										
Principal	17,456,293	17,401,244	16,987,090	16,386,211	16,314,207	15,066,379	55,376,822	16,179,257	16,023,160	12,384,941
Interest	5,228,821	7,198,620	6,389,651	6,932,403	7,937,644	7,783,743	8,245,198	8,566,563	8,900,486	8,651,294
Debt issuance costs	202,703	164,628	-	9,500	443,240	126,881	210,529	-	-	-
Capital outlay	14,065,838	14,716,093	13,753,928	9,525,330	9,205,847	8,547,739	10,801,510	10,460,337	15,026,734	15,302,712
Total expenditures	640,524,532	595,716,975	580,477,600	565,311,615	571,660,789	532,304,511	569,718,418	514,065,025	530,536,710	519,640,530
Excess of revenues over (under) expenditures	11,374,061	(12,232,420)	3,800,563	(2,783,092)	(3,203,583)	1,846,972	(41,894,662)	(3,971,944)	(4,602,677)	(2,572,718)
Other Financing Sources (Uses)										
Transfers in	20,183,450	19,912,726	20,792,769	19,003,760	18,959,677	20,561,366	21,174,980	16,143,991	13,538,768	15,327,150
Transfers out	(25,826,083)	(24,680,433)	(23,696,002)	(24,355,663)	(22,684,178)	(20,561,366)	(23,247,314)	(20,626,694)	(19,457,498)	(22,641,639)
Redemption of refunded bond	-	(22,425,000)	-	-	(55,780,000)	-	-	-	-	-
Issuance of bonds and notes	40,000,000	22,710,000	40,000,000	-	49,420,000	25,000,000	38,726,057	25,000,000	20,000,000	-
Issuance of bond premium	-	-	-	-	6,822,900	-	-	-	-	-
Total other financing sources (uses)	34,357,367	(4,482,707)	37,096,767	(5,351,903)	(3,261,601)	25,000,000	36,653,723	20,517,297	14,081,270	(7,314,489)
Net change in fund balances	45,731,428	(16,715,127)	40,897,330	(8,134,995)	(6,465,184)	26,846,972	(5,240,939)	16,545,353	9,478,593	(9,887,207)
Fund Balance, Beginning	98,449,439	115,164,566	74,267,236	82,402,231	88,867,415	62,020,443	67,261,382	50,716,029	41,237,436	51,124,643
Fund Balance, Ending	\$ 144,180,867	\$ 98,449,439	\$ 115,164,566	\$ 74,267,236	\$ 82,402,231	\$ 88,867,415	\$ 62,020,443	\$ 67,261,382	\$ 50,716,029	\$ 41,237,436
Debt Service as a percentage of noncapital expenditure	3.62%	4.23%	4.10%	4.21%	4.36%	4.35%	11.36%	4.90%	4.87%	4.16%

Source: Comprehensive Annual Financial Reports

County of Delaware, Pennsylvania

Assessed Value and Estimated Actual Value of Taxable Property

Table 5

Last Ten Years

As of December 31, 2020

(Unaudited)

Fiscal Year	Estimated Market Values				Less: Tax-Exempt Property (000's)	Total Taxable Assessed Value (000's)	Total Direct Tax Rate
	Total Residential Property	Total Commercial Property	Total Industrial and Other Property	Total Real Property (000's)			
2011	\$ 23,954,534	\$ 5,454,156	\$ 4,583,732	\$ 33,992,422	\$ 3,679,376	\$ 30,313,046	5.184
2012	24,040,640	5,437,941	4,602,797	34,081,378	3,694,210	30,387,168	5.304
2013	24,141,041	5,515,209	4,599,166	34,255,416	3,677,062	30,578,354	5.452
2014	24,256,948	5,674,512	4,632,054	34,563,514	3,731,292	30,832,222	5.604
2015	24,407,689	5,623,591	4,643,476	34,674,756	3,744,563	30,930,193	5.604
2016	24,521,950	5,976,054	4,417,107	34,915,111	3,580,982	31,334,129	5.604
2017	24,620,130	6,016,916	4,484,073	35,121,119	3,539,509	31,581,610	5.604
2018	24,643,945	6,017,770	4,483,474	35,145,189	3,585,818	31,559,371	5.604
2019	24,548,423	6,205,919	4,571,623	35,325,965	3,632,709	31,693,256	5.461
2020	24,548,527	6,242,566	4,570,000	35,361,093	3,632,182	31,728,911	5.461

Source: County of Delaware, Pennsylvania Assessment Office

County of Delaware, Pennsylvania

Direct and Overlapping Real Estate Tax Rates

Table 6

Last Ten Years

As of December 31, 2020

(Rate Per \$1,000 of Assessed Value)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Direct Rate:										
General	4.3180	4.3930	4.5100	4.6630	4.7150	4.6760	4.7010	4.7140	5.2010	5.2010
Debt	0.8660	0.9110	0.9420	0.9410	0.8890	0.9280	0.9030	0.8900	0.2600	0.2600
Total direct rate	5.1840	5.3040	5.4520	5.6040	5.6040	5.6040	5.6040	5.6040	5.4610	5.4610
Borough and Township Rates:										
Aldan Borough	6.1110	6.4104	7.4985	7.4985	7.4985	8.1300	8.1300	8.1300	8.1300	8.0000
Aston Township	4.0000	4.0000	4.0000	4.0000	4.0000	4.7000	4.7000	4.7000	5.7000	5.7000
Bethel Township	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650
Brookhaven Township	4.3500	0.8820	4.3500	4.3500	4.3500	4.3500	4.3500	4.3500	4.8500	4.8500
Chadds Ford Township	0.8820	4.3500	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820
Chester City	297.9200	297.9200	297.9200	297.9200	diff. Bases					
Chester Heights	0.0580	0.0580	0.0580	0.0580	0.0580	0.9800	0.9800	0.9800	0.8800	0.8500
Chester Township	8.8000	8.0000	9.0000	9.0000	9.0000	9.9000	9.9000	9.9000	11.0000	11.0000
Clifton Heights Borough	12.0010	12.2510	13.0010	13.0010	13.0010	14.5010	14.5010	14.5010	15.5010	15.5010
Collingdale Borough	11.2370	11.2370	12.2370	12.2370	12.2370	12.7370	12.7370	12.7370	12.7370	13.7370
Colwyn Borough	27.0000	27.0000	27.2000	27.2000	25.2000	25.2000	25.2000	52.2000	25.2000	25.2000
Concorn Township	0.9440	0.0944	0.9440	0.9440	0.9440	0.9440	0.9440	0.9440	0.9810	0.9810
Darby Borough	16.2410	17.7410	17.7409	17.7409	17.7410	18.4920	18.4920	18.4920	18.4920	20.4920
Darby Township	10.9100	10.9100	11.4100	11.4100	11.4100	11.4350	11.4350	11.4350	12.4350	14.1880
East Lansdowne Borough	11.0000	11.3000	11.3000	11.3000	11.3000	11.3000	11.3000	11.3000	13.3000	13.3000
Eddystone Borough	5.7500	5.7500	5.7500	5.7500	5.7500	7.0000	7.0000	7.0000	9.1500	11.1500
Edgmont Township	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.9111	1.0023
Folcroft Borough	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	7.6000	7.6000
Glenside Borough	8.4000	8.4000	8.4000	8.4000	8.4000	8.9000	8.9000	8.9000	8.9000	9.4000
Haverford Township	6.6890	6.9920	7.3340	7.5400	7.5400	7.9930	7.9930	7.9930	8.3610	8.4870
Lansdowne Borough	11.1210	11.6210	11.9120	12.2096	12.2096	12.6390	12.6390	12.6390	13.0207	13.0207
Lower Chichester Township	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000
Marcus Hood Borough	10.8500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500
Marple Township	4.1840	4.1840	4.2900	4.4100	4.4100	4.4800	4.4800	4.4800	4.4800	4.4800
Media Borough	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Middletown Township	1.6000	1.6000	1.6000	1.6000	1.6000	1.5000	1.5000	1.5000	1.5000	2.0100
Millbourne	23.0000	23.0000	24.0000	25.6160	25.6160	25.6420	25.6420	25.6420	24.2650	24.2650
Morton Borough	7.1600	8.1610	9.4110	9.6110	9.6110	11.3370	11.3370	11.3370	11.4670	11.7000
Nether Providence Township	4.3700	4.6800	4.7800	4.9200	4.9200	5.1600	5.1600	5.1600	5.5880	5.7310
Newtown Township	2.6640	2.7940	2.7940	2.8840	2.8840	2.9440	2.9440	2.9440	3.0460	3.1340
Norwood Borough	10.8220	10.8220	10.5500	10.5500	10.5500	11.3000	11.3000	11.3000	12.4000	13.4000
Parkside Borough	9.5000	9.5000	9.5000	9.5000	9.5000	10.0000	10.0000	10.0000	11.5000	11.5000
Prospect Park Borough	8.3200	8.3600	9.1200	9.5200	9.5200	9.6200	9.6200	9.6200	9.6200	9.6200
Radnor Township	3.7511	3.7511	3.7511	3.7511	3.7511	3.9228	3.9228	3.9228	4.1582	4.4082
Ridley Park Borough	7.7900	7.7900	8.1400	8.1400	8.1400	8.1400	8.1400	8.1400	9.0400	9.5400
Ridley Township	8.0170	8.0160	8.5160	8.5160	8.5160	9.2660	9.2660	9.2660	9.2660	9.7300
Rose Valley Borough	2.1100	2.3400	2.3000	2.4200	2.4200	2.2300	2.2300	2.2300	2.0400	2.0400
Rutledge	4.6800	5.2800	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	6.7100
Sharon Hill Borough	7.5000	7.5000	7.5000	7.5000	7.5000	7.7500	7.7500	7.7500	7.9600	8.6900
Springfield Township	5.1700	5.3200	5.5860	5.5860	5.5860	5.5860	5.5860	5.5860	5.8100	6.1300
Swarthmore Borough	5.3020	5.4520	5.5890	5.5890	5.5890	5.6730	5.6730	5.6730	5.6730	5.6730
Tinicum Township	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Trainer Borough	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500
Upland Borough	2.0000	5.4520	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Upper Chichester Township	5.3500	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000
Upper Darby Township	16.7900	17.9400	18.9300	19.9200	19.9200	20.3700	20.3700	20.3700	20.9500	21.3800
Upper Providence Township	3.6480	3.7340	3.8030	3.8730	3.8730	4.0000	4.0000	4.0000	4.1600	4.2350
Yeadon Borough	8.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900
School District Rates:										
Chester-Upland	51.3360	51.3360	51.3360	51.3360	24.6928	25.6555	26.2969	26.9543	26.8600	26.8600
Chichester	37.7350	38.3000	38.6840	39.0708	39.0708	39.4615	39.8561	39.8561	39.8561	39.8561
Granet Valley	28.0260	29.0550	29.2006	29.7440	30.6437	31.3495	31.7500	32.4876	33.4400	33.4400
Haverford	26.0209	26.7305	27.6784	28.6692	29.4719	30.2964	31.0538	31.7991	32.5305	32.5305
Interboro	32.2000	32.2000	32.9406	33.4347	33.9362	34.9203	36.0377	37.1008	37.1767	37.1767
Marple-Newtown	25.1839	17.2199	17.6839	17.6839	18.0690	18.0690	18.0552	18.4885	18.8356	18.8356
Penn Delco	23.8250	24.5490	25.2760	25.9070	26.4760	27.2438	28.0583	28.8971	29.6803	29.6803
Radnor	21.1439	21.8227	21.7122	21.7122	22.1247	22.9262	23.6199	24.1867	24.9181	24.9181
Ridley	37.0310	38.2500	39.1250	39.2500	39.2500	39.9000	39.9000	40.7300	41.3000	41.3000
Rose Tree-Media	22.2522	22.6143	22.9445	23.3677	23.8080	24.3773	25.0945	25.6888	26.2569	26.2569
Southeast Delco	36.4996	36.8246	37.2849	38.4034	39.4786	40.4656	41.5784	43.0752	44.3674	44.3674
Springfield	27.9750	28.7300	29.3000	29.9604	30.6960	31.4212	32.2067	32.9796	33.7229	33.7229
Upper Darby	31.7300	32.8500	33.8150	34.5930	35.2160	35.2160	36.2689	37.1395	37.8452	37.8452
Wallingford Swarthmore	38.1520	39.3340	39.6930	40.5265	41.9760	43.4032	44.6597	45.3025	46.7588	46.7588
William Penn	40.0600	40.0600	41.6000	42.2900	43.0900	43.7400	45.0100	46.0000	47.1000	47.1000

Source: County of Delaware Planning Department, County of Delaware Tax Claim Department and County of Delaware Budget Department

County of Delaware, Pennsylvania

Principal Property Taxpayers

Table 7

As of December 31, 2020

Current Year and Ten Years Ago

(Unaudited)

2020			2011		
Taxpayer	Assessed Value	Percentage of Total Assessed Value	Taxpayer	Assessed Value	Percentage of Total Assessed Value
Redwood-ERC Concord LLC	\$ 138,811,236	0.44 %	Concord Campus	\$ 112,350,000	0.33 %
Philadelphia Propco LLC	118,650,000	0.38	Radnor Center Associates	68,954,300	0.20
Sunoco Partners Marketing & Term LP	84,774,417	0.27	Holdings LP	61,300,000	0.18
Radnor Center Associates	68,954,300	0.22	SAP of America Inc	57,509,000	0.17
SAP of America Inc	57,509,000	0.18	Exelon Generation Company	52,500,000	0.15
Exelon Generation Co LLC	52,500,000	0.17	KS Springfield	51,406,800	0.15
Pr Springfield Delco LP	51,406,800	0.16	Campus Investors Office	50,466,000	0.15
White Horse Village	49,058,970	0.16	White Horse Village	49,058,970	0.14
Radnor Properties SDC LP	48,965,641	0.16	Boeing Co.	42,873,500	0.13
Boeing Co	42,873,500	0.14	CNL Retirement	42,000,000	0.12
	<u>\$ 713,503,864</u>	<u>2.28 %</u>		<u>\$ 588,418,570</u>	<u>1.72 %</u>

Source: County of Delaware, Pennsylvania Assessment Office

County of Delaware, Pennsylvania

Property Tax Levies and Collections

Table 8

Last Ten Years

As of December 31, 2020

(Unaudited)

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Adjusted Taxes Levied for the Fiscal Year	Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 160,699,548	\$ 157,648,907	\$ 153,602,147	97.4 %	\$ 3,174,243	\$ 156,776,390	99.4 %
2012	160,764,044	160,579,733	153,849,835	95.8	5,033,868	158,883,703	98.9
2013	166,424,943	166,258,998	159,849,174	96.1	2,171,374	162,020,548	97.5
2014	172,732,089	172,242,510	166,260,056	96.5	3,755,191	170,015,247	98.7
2015	172,931,485	172,708,552	166,201,838	96.2	3,735,934	169,937,772	98.4
2016	174,023,429	174,968,018	166,370,717	95.1	4,371,772	174,932,482	100.0
2017	176,546,321	176,117,013	169,363,895	96.2	3,472,917	174,628,472	99.2
2018	176,583,367	173,332,768	170,630,977	98.4	1,924,631	172,555,608	99.6
2019	173,099,258	173,099,258	166,495,563	96.2	1,388,933	167,884,496	97.0
2020	173,277,404	172,858,025	163,485,098	94.6	2,650,175	166,135,273	96.1

Source: County Assessment Office and County of Delaware, Pennsylvania, financial statements
County Tax Claim Bureau

County of Delaware Pennsylvania

Ratio of Outstanding Debt by Type

Table 9

Last Ten Years

(Unaudited)

Fiscal Year	General Bonded Debt Outstanding				Percentage of Personal Income (a)	Per Capita (a)	Percentage of Actual Total Value of Property (b)
	General Governmental Activities		Business-Type Activity	Total Primary Government			
	General Obligation Debt	Deep Discount Bonds Net of Unamortized Discount					
2020	\$ 280,109,133	\$ -	\$ 18,376,299	\$ 298,485,432	1.3 %	501	0.8 %
2019	259,932,980	-	22,659,033	282,592,013	1.5	541	0.9
2018	279,983,705	-	25,405,656	305,389,361	1.4	510	0.9
2017	260,610,450	-	27,411,666	288,022,116	1.4	498	0.9
2016	273,817,760	-	27,699,240	301,517,000	1.6	535	1.0
2015	296,327,561	-	30,753,439	327,081,000	1.7	580	1.1
2014	287,807,949	-	31,791,051	319,599,000	1.7	568	1.0
2013	305,740,681	-	33,095,319	338,836,000	1.9	603	1.0
2012	297,543,826	-	34,975,174	332,519,000	1.9	594	1.0
2011	291,337,128	2,420,465	36,072,872	329,830,465	1.8	589	1.0

(a) - See Table 12 for population data.

(b) - See Table 5 for property value data.

Note: General obligation debt reported above does not include unamortized premium balances

Source: Comprehensive Annual Financial Reports

County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2020

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Delaware	\$ 280,109,133	100%	\$ 280,109,133
(Municipality):			
Aston Twp	14,168,000	100%	14,168,000
Bethel Township	61,766	100%	61,766
Brookhaven Twp	2,015,369	100%	2,015,369
Chester City	24,543,527	100%	24,543,527
Chester Heights	-	100%	-
Clifton Heights Borough	-	100%	-
Collingdale Borough	149,758	100%	149,758
Colwyn Borough	318,000	100%	318,000
Concord Township	10,988,192	100%	10,988,192
Darby Borough	6,000,000	100%	6,000,000
Eddystone Borough	2,232,000	100%	2,232,000
Glenolden Borough	1,074,322	100%	1,074,322
Haverford Township	47,665,000	100%	47,665,000
Lansdowne Borough	1,592,606	100%	1,592,606
Marcus Hook Borough	963,821	100%	963,821
Marple Township	20,682,000	100%	20,682,000
Media Borough	6,617,000	100%	6,617,000
Middletown Township	27,172,621	100%	27,172,621
Morton Borough	395,941	100%	395,941
Nether Providence Twp.	5,026,433	100%	5,026,433
Newtown Township	13,117,000	100%	13,117,000
Norwood Borough	487,608	100%	487,608
Parkside Borough	222,663	100%	222,663
Prospect Park Borough	1,978,907	100%	1,978,907
Radnor Township	59,708,205	100%	59,708,205
Ridley Park Borough	558,727	100%	558,727
Ridley Township	17,098,540	100%	17,098,540
Rutledge Borough	119,969	100%	119,969
Springfield Township	1,602,000	100%	1,602,000
Swarthmore Borough	981,000	100%	981,000
Tinicum Township	10,506,000	100%	10,506,000
Upland Borough	1,125,792	100%	1,125,792
U. Chichester Township	2,712,930	100%	2,712,930
Upper Darby Township	14,535,000	100%	14,535,000
Upper Providence Township	817,000	100%	817,000
Yeadon Borough	4,437,451	100%	4,437,451
			301,675,148
Direct borough/township debt			301,675,148

County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2020

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
(School District):			
Chester-Upland	\$ 83,346,971	100%	\$ 83,346,971
Chichester	37,041,921	100%	37,041,921
Garnet Valley	92,149,000	100%	92,149,000
Haverford	130,640,000	100%	130,640,000
Interboro	52,710,000	100%	52,710,000
Marple-Newtown	95,830,000	100%	95,830,000
Penn Delco	92,255,000	100%	92,255,000
Radnor	84,555,898	100%	84,555,898
Ridley	78,232,084	100%	78,232,084
Rose Tree-Media	74,755,000	100%	74,755,000
Southeast Delco	72,154,722	100%	72,154,722
Springfield	122,580,000	100%	122,580,000
Upper Darby	25,386,641	100%	25,386,641
Wallingford Swarthmore	54,799,248	100%	54,799,248
William Penn	46,552,500	100%	46,552,500
			1,142,988,985
Direct school district debt			1,142,988,985
Subtotal, overlapping debt		100%	1,444,664,133
Total direct and overlapping debt		100%	\$ 1,724,773,266

Source: County of Delaware, Pennsylvania, financial statements, townships, boroughs, and school districts of Delaware County

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

The estimated percentage of debt applicable to the County of Delaware was provided by the individual government units.

County of Delaware, Pennsylvania

Computation of Legal Debt Margin

Table 11

Last Ten Fiscal Years

December 31, 2020

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Borrowing Base Revenues (1)	\$ 515,539,248	\$ 506,291,039	\$ 504,478,366	\$ 512,084,629	\$ 520,358,837	\$ 539,004,938	\$ 547,682,930	\$ 563,048,340	\$ 568,228,840	\$ 597,815,725
Debt Limit Percentage	300%	300%	300%	300%	300%	300%	300%	300%	300%	300%
Debt Limit	\$ 1,546,617,744	\$ 1,518,873,117	\$ 1,513,435,098	\$ 1,536,253,887	\$ 1,561,076,511	\$ 1,617,014,814	\$ 1,643,048,790	\$ 1,689,145,020	\$ 1,704,686,520	\$ 1,793,447,175
General Obligation Debt	\$ 329,830,465	\$ 332,519,000	\$ 338,836,000	\$ 319,599,000	\$ 327,081,000	\$ 301,517,000	\$ 288,022,116	\$ 301,024,000	\$ 280,204,000	\$ 297,462,000
Legal Debt Margin	\$ 1,216,787,279	\$ 1,186,354,117	\$ 1,174,599,098	\$ 1,216,654,887	\$ 1,233,995,511	\$ 1,315,497,814	\$ 1,355,026,674	\$ 1,388,121,020	\$ 1,424,482,520	\$ 1,495,985,175

(1) The Commonwealth of Pennsylvania has enacted the "Local Government Unit Debt Act" which limits debt to revenues. Briefly, revenues of the last three years are adjusted for various nonrecurring and excludable items. The average of the adjusted revenues for the respective years is then the borrowing base. Certain percentages are applied to the borrowing base to determine the debt limitations.

Source: County of Delaware, Pennsylvania, financial statements

County of Delaware, Pennsylvania

Demographic and Economic Statistics

Table 12

Last Ten Fiscal Years

December 31, 2020

(Unaudited)

Year	Estimated Population	Personal Income (Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	\$ 559,992	\$ 17,957,263	\$ 32,067	38.7	73,555	7.8%
2012	559,998	17,974,582	32,277	38.8	73,610	7.7%
2013	561,973	18,050,392	33,098	38.8	74,003	6.3%
2014	562,960	18,690,272	33,200	38.9	74,129	4.9%
2015	563,894	18,912,441	33,539	38.8	73,698	3.5%
2016	563,402	19,191,726	34,064	38.9	74,081	4.2%
2017	564,696	19,683,608	34,857	39.0	74,649	3.9%
2018	564,751	20,752,905	36,747	38.9	75,655	3.5%
2019	564,554	21,594,755	38,251	39.0	77,636	3.9%
2020	566,747	22,684,615	40,026	39.0	76,929	6.7%

Source: U.S. Census Bureau, Center for Workforce Information and Analysis,
Pennsylvania Department of Education

County of Delaware, Pennsylvania

Principal Employers

Table 13

Current Year and Ten Years Ago

December 31, 2020

(Unaudited)

2020			2011		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Prospect CCMC LLC	5,400	1.86 %	Crozer-Keystone Health System	6,825	1.73 %
United Parcel Service, Inc.	4,500	1.55	Boeing Co. (Rotorcraft Div.)	4,500	1.23
Boeing Co.	4,250	1.46	Boeing Co. (Army Systems Div.)	4,000	1.05
SAP of America Inc	3,200	1.10	Villanova University	2,750	0.60
Delaware County	2,670	0.92	Wawa Inc.	2,560	0.60
Wawa Inc.	2,540	0.87	Riddle Health System	1,850	0.44
Villanova University	2,400	0.83	Acme Markets Inc.	1,550	0.42
AmeriHealth Mercy Services LLC	2,200	0.76	SAP of America Inc	1,575	0.39
Federal Government	1,997	0.69	Keystone Mercy Health	1,700	0.39
Upper Darby School District	1,595	0.55	Elwyn Industries	1,550	0.39
Harrah's	1,500	0.52	Harrah's	1,100	0.32

Source: Pennsylvania Department of Labor, Delaware County Commerce Center

County of Delaware, Pennsylvania

Full-time Equivalent County Government Employees by Function/Program

Table 14

Last Ten Fiscal Years

December 31, 2020

(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function/Program										
General government and administration	2,402	2,438	2,429	2,347	2,410	2,260	1,892	2,103	1,803	1,948
Judicial	690	692	687	656	674	657	616	634	582	613
Culture and recreation	17	17	17	17	17	17	18	17	18	16
Golf course	5	5	5	5	5	5	5	5	8	5
Fleet services	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>6</u>
Total	<u><u>3,121</u></u>	<u><u>3,159</u></u>	<u><u>3,144</u></u>	<u><u>3,031</u></u>	<u><u>3,112</u></u>	<u><u>2,946</u></u>	<u><u>2,538</u></u>	<u><u>2,766</u></u>	<u><u>2,418</u></u>	<u><u>2,588</u></u>

Source: Personnel Department

County of Delaware, Pennsylvania

Operating Indicators by Function/Program

Table 15

Last Ten Fiscal Years

December 31, 2020

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General Government and Judicial:										
Bridges maintained	43	43	43	43	43	43	43	43	43	43
Buildings maintained	8	8	8	8	8	8	8	14	11	12
Recreation:										
Rounds played	25,561	27,015	24,806	22,010	20,000	14,221	10,961	10,054	12,497	23,474
Garden plots	114	114	114	114	114	118	117	117	122	118
Summer Fest events	49	50	50	50	49	49	49	49	49	-
Summer Fest attendance	53,000	52,000	50,000	51,000	48,000	40,000	60,000	45,000	40,000	-
Health and Human Services:										
Cases	69,037	69,994	69,994	33,364	34,698	59,004	59,586	68,266	54,696	11,169
Adoptions	719	701	714	720	725	62	60	34	36	34
Children in Foster Care	868	844	891	885	710	590	548	542	518	479
Mental Health population	8,900	7,503	17,867	23,092	24,163	47,138	52,482	57,074	30,444	15,067
Judicial:										
Cases:										
Civil	1,428	1,639	1,862	11,837	11,399	11,522	10,869	8,821	8,570	5,869
Criminal	1,314	1,945	2,178	8,219	7,624	8,069	7,708	17,353	11,187	6,201
Solid Waste:										
Residential Tonnage	230,358	217,700	213,195	211,852	211,349	209,153	211,971	220,196	219,540	242,621
Commercial Tonnage	136,125	140,694	147,684	155,443	164,887	164,796	165,024	177,183	176,507	166,324

Source: County Records

County of Delaware, Pennsylvania

Capital Asset Statistics by Function/Program

Table 16

Last Ten Fiscal Years

December 31, 2020

(Unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program										
General Government and Judicial:										
Facilities	7	7	7	7	7	7	7	14	11	15
Vehicles	252	277	310	315	352	360	336	322	279	288
Recreation:										
Parks	6	6	6	6	6	15	14	14	14	14
Golf Courses	1	1	1	1	1	1	1	1	1	1
Vehicles	14	14	14	14	14	14	9	9	8	8
Public Works:										
Vehicles	1	1	1	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
Corrections:										
Capacity	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883
Vehicles	1	1	1	1	-	-	-	1	1	1
Juvenile Facility:										
Capacity	66	66	66	66	66	66	66	66	66	66
Vehicles	2	2	2	2	2	2	2	7	2	-
Human Services:										
Caseloads	67,479	68,919	69,002	33,364	34,698	59,004	56,586	68,842	55,250	26,775
Vehicles	46	46	46	46	43	42	43	44	42	40
Infrastructure:										
Bridges	43	43	43	43	43	43	43	43	43	43

Source: County Records

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