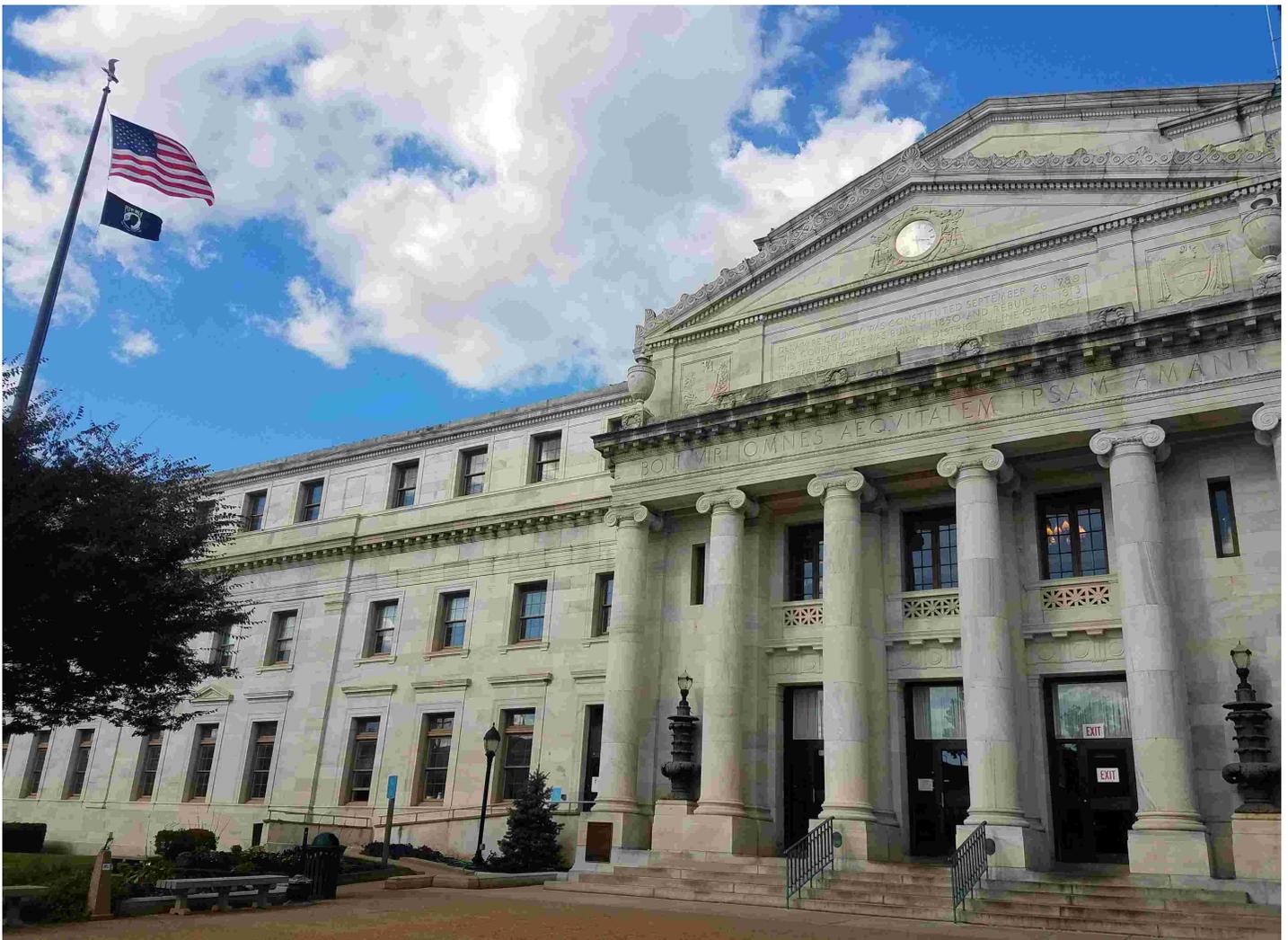


County of Delaware, Pennsylvania

Annual Comprehensive Financial Report
Year Ended December 31, 2021

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



THIS PAGE INTENTIONALLY LEFT BLANK

County of Delaware, Pennsylvania

Table of Contents
December 31, 2021

	<u>Page</u>
Introductory Section	
Transmittal Letter	5
GFOA Certificate of Achievement	11
Organizational Chart	12
Principal County Officials	13
Financial Section	
Independent Auditors' Report	15
Management's Discussion and Analysis	18
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet - Governmental Funds	34
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	36
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	37
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Comparison - General Fund	38
Statement of Net Position - Proprietary Funds	39
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	40
Statement of Cash Flows - Proprietary Funds	41
Statement of Fiduciary Net Position - Fiduciary Funds	42
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	43
Notes to Financial Statements	44

County of Delaware, Pennsylvania

Table of Contents
December 31, 2021

	<u>Page</u>
Required Supplementary Information	
Schedule of Changes in Net Other Post-Employment Benefit Liability and Related Ratios	90
Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios	91
Schedule of Employer Contributions	92
Schedule of Investment Returns	93
Combining Statements and Schedules	
Governmental Fund Types:	
General Fund:	
Description of Fund	94
Schedule of Expenditures Compared to Budget	95
Health and Human Service Funds:	
Description of Sub-Funds	98
Combining Balance Sheet Schedule	99
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance	101
Nonmajor Governmental Funds:	
Description of Sub-Funds	103
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	106
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Liquid Fuels Fund	108
Capital Projects Funds:	
Description of Sub-Funds	109
Combining Balance Sheet Schedule	110
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	111

County of Delaware, Pennsylvania

Table of Contents
December 31, 2021

	<u>Page</u>
Proprietary Fund Types:	
Internal Service Funds:	
Description of Sub-Funds	112
Combining Statement of Net Position	113
Combining Statement of Revenues, Expenses and Changes in Net Position	114
Combining Statement of Cash Flows	115
Component Units:	
Description of Component Units	116
Combining Statement of Net Position	117
Combining Statement of Activities	118
Capital Assets:	
Schedule of Changes in Capital Assets by Function	119

County of Delaware, Pennsylvania

Table of Contents
December 31, 2021

Statistical Section	<u>Table</u>	<u>Page</u>
Financial Trends		
Net Position by Component, Government-Wide	1	121
Changes in Net Position, Government-Wide	2	122
Fund Balances, Governmental Funds	3	124
Changes in Fund Balances, Governmental Funds	4	125
Revenue Capacity		
Assessed Value and Estimated Actual Value of Taxable Property	5	126
Direct and Overlapping Real Estate Tax Rates	6	127
Principal Property Taxpayers	7	128
Property Tax Levies and Collections	8	129
Debt Capacity		
Ratio of Outstanding Debt by Type	9	130
Direct and Overlapping Governmental Activities Debt	10	131
Computation of Legal Debt Margin	11	133
Demographic and Economic Information		
Demographic and Economic Statistics	12	134
Principal Employers	13	135
Operating Information		
Full-Time Equivalent County Government Employees by Function/Program	14	136
Operating Indicators by Function/Program	15	137
Capital Asset Statistics by Function/Program	16	138

THIS PAGE INTENTIONALLY LEFT BLANK

Introductory Section



CONTROLLER OF DELAWARE COUNTY
GOVERNMENT CENTER BUILDING
201 W. FRONT STREET
MEDIA, PENNSYLVANIA 19063

Joanne Phillips, Esq.
CONTROLLER

PHONE 610-891-4441
FAX NUMBER 610-566-3256

Winifred M. Branton, Esq.
SOLICITOR

Jeffrey J. Powers, C.P.A.
FIRST DEPUTY CONTROLLER

Rick Megaro, C.P.P.
DEPUTY CONTROLLER

June 27, 2022

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, 2021. 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 2021, there were no changes to County Council with all five members serving their terms throughout the year.

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 criminal justice and 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, and the Delaware County Interactive Gaming Revenue 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 2021, the County's Open Records Office responded to 555 requests and 19 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, 2021.

Financial Planning

The Budget Management Department reports to the Executive Director and performs its functions pursuant to the Administrative Code. It manages the annual operating budget and is responsible for the five-year Capital Improvement Plan ("CIP"). Work on the CIP is coordinated with the assistance of the Delaware County Sustainability office and a CIP Steering Committee. The County's Executive Director is responsible for presenting the proposed budget to County Council for adoption.

As a 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 of 2020. The County utilized the CARES funds and other aid to support County businesses, schools, child care facilities, 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 through 2021. The County also was awarded approximately \$110 million under the American Rescue Plan Act ("ARPA") of 2021, with approximately \$54 million received in 2021 and \$55 million received in 2022.

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.

The economic outlook for the County remains strong. In October 2021, S&P Global Ratings upgraded the County's rating to "AA+", and Moody's Investors Service assigned a rating of "Aa1". As more fully discussed in the MD&A, with its strong wealth and income profile and large stable tax base, Delaware County is prepared to meet the challenges of post-pandemic 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, 2020. This was the 27th 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 high bond ratings, due in part to earning the prestigious GFOA award, which requires the County to present an accurate assessment of the County's financial position.

Other Accomplishments and Initiatives

Continued Work to Establish a Health Department and COVID-19

In 2020, County Council began taking the first steps to formally establish the Delaware County Health Department. Delaware County was the most populated County in the Commonwealth without such a resource to protect the health of its residents. Shortly after Council's action, the onset of the COVID-19 pandemic revealed the critical need for a County Health Department. The process requires approximately two years to fulfill all state and federal requirements, and the work continued throughout last year. By the end of 2021, the County had almost completed the work to establish the department, and the County, under oversight by a County Health Board, completed its final phases of planning, hired staff, and established facilities to house the Department, which ultimately was approved by the Commonwealth in April 2022.

Emergency Rental Assistance Program

In April 2021, the Delaware County Rental Assistance Program ("Delco ERA") was launched as part of ARPA to assist low income County residents to pay rent to stay in their rental homes and to pay for utilities. Within six months the County had fully allocated its initial funding of \$37.2 million for the program, assisting 6,712 renters. The program helped pagem and the efficient administration of the program, the County became eligible for an additional \$30.3 million for a second phase of funding in 2022.

Delaware County Sustainability and Climate Action Plan

In 2021, County Council created the Office of Sustainability led by a newly created position of Chief Sustainability Officer. The Office is guided by a Sustainability Commission that reviews and provides recommendations to County Council regarding the preservation and protection of the natural and cultural environment of the County. The Office is charged with collaborating with and/or overseeing other related departments and programs to make Delaware County's operations more sustainable and resilient to the effects of climate change. Program goals of the Office span issues related to development of the Capital Improvement Plan, fleet management and installation of charging stations, preservation of open space, greening of public works projects, public transit, energy use, waste management, climate resiliency, and environmental equity and inclusion. In 2021, the Office took significant steps to develop a Sustainability and Climate Action Plan for the County with a goal of adoption in 2022.

Acquisition of Land for Largest County Park

Following the passage of an ordinance authorizing the County to acquire a 213-acre parcel by eminent domain, the County filed necessary papers to acquire new park land located in Marple Township. The property represents one of the last large tracts of land located in a densely populated area of Delaware County; commercial and residential development of the property had been rejected by local municipal government in recent years and opposed by residents for several decades. Preservation of the land is expected to provide environmental benefits of clean air and clean water through the protection of an undisturbed old growth forest, as well as provide stormwater management savings and mitigation of downstream flooding affecting other communities in the eastern portion of the County. The new park is expected to benefit all County residents, especially the 53,000 residents living with a two-mile radius of the property.

Acknowledgments

My office remains focused on protecting our limited resources and the need to use those resources wisely. My office will continue to diligently monitor the use of funds and perform our duties on behalf of the residents to present a fair and transparent account of the financial position of the County. I have confidence that we will can implement necessary measures to ensure that the high standards of service and affordability are maintained. I will continue to be an independent voice on behalf of our taxpayers.

Finally, I would like to acknowledge the work of the staff of the Controller's Office and the cooperation of the various Department officials and employees throughout the County in the preparation of this report. I am proud of the work done by my staff who support the County's financial infrastructure and help our fellow employees and residents each day. The people in my office and many other dedicated County workers learned to deal with new issues, new ways to work, and new programs, all while delivering quality services to the residents of our County in a safe, responsible and professional manner. I am optimistic that we have come out of the past two years of the pandemic with more knowledge and insight into what needs to be done to make County government more efficient, transparent and accountable.

A handwritten signature in cursive script that reads "Joanne Phillips".

Joanne Phillips, Esq.
Controller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Delaware
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

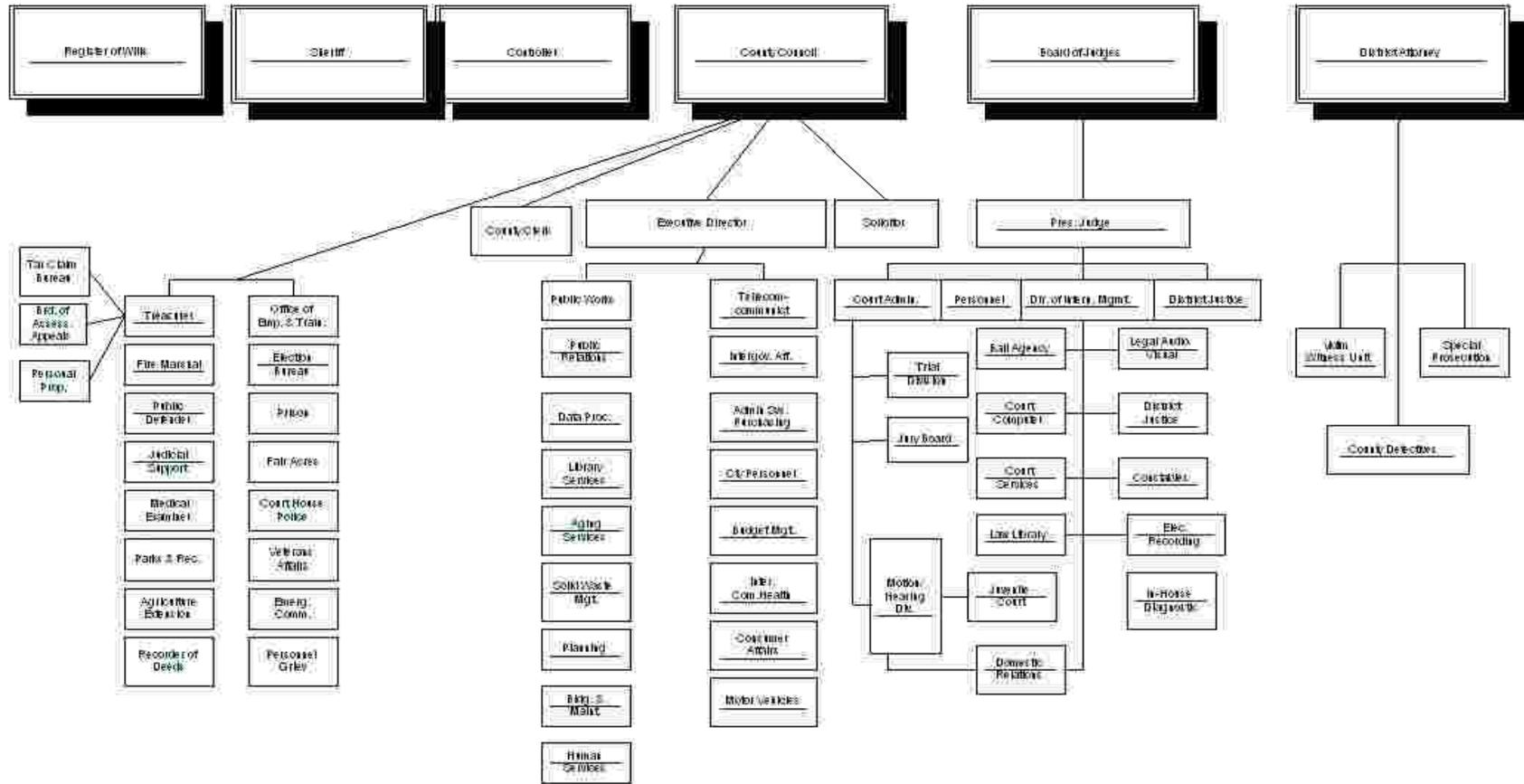
December 31, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Chart

ELECTORATE DELAWARE COUNTY



County of Delaware, Pennsylvania

Principal County Officials

December 31, 2021

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.

Budget Director

James Hayes

Treasurer

James Hackett

County of Delaware, Pennsylvania

Principal County Officials

December 31, 2021

Judicial Support

Mary Walk, Esq.

Recorder of Deeds

Robert A. Auclair, Esq.

County Clerk

Anne M. Coogan

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. Rashid

Richard L. Lowe

Stephanie H. Klein

Kelly D. Eckel

Andrea E. Puppio

Ann A. Osborne

Financial Section

Independent Auditors' Report

To the County Council of
County of Delaware, Pennsylvania

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Delaware, Pennsylvania (the County), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report 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 activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Delaware County Solid Waste Authority, the Economic Development Oversight Board, the Redevelopment Authority of the County of Delaware or the Delaware County Chester Waterfront Industrial Development Authority, the discretely presented component units, which represent 100% of the assets, net position and revenues of the discretely presented component units of the County. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, 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, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

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 statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Baker Tilly US, LLP

Philadelphia, Pennsylvania
June 27, 2022

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

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, 2021, compared to 2020. 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 MD&A, which can be found on pages 5-9 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 2021, the County's governmental activities total net position as shown in the government-wide statements increased by \$14.2 million. This increase in net position is primarily attributable to \$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 spent approximately \$43.7 million in COVID-19 Relief grants in 2021. This increase in funds was offset by a \$5.7 million increase in the transfer to the Geriatric Center as well as increases in other operating costs.

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, deferred outflows of resources, liabilities and deferred inflows of resources, 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. In 2021, the County received approximately \$656,000 of gaming receipts for its share of interactive gaming.

The government-wide financial statements can be found on pages 32-33 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 34-38 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 39-41 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 Custodial Funds. 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 42-43 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 44-89 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 90-93 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 95-119 of this report.

General Fund Budgetary Highlights

The General Fund final expenditure budget for fiscal year 2021 was approximately \$287 million. This was an increase of approximately \$33 million from the prior year final budget. There were no council amendments to the 2021 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 \$(13,852,863).

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

	Governmental Activities		Business-Type Activity		Total		% Change
	2021	2020	2021	2020	2021	2020	
Current assets	\$ 392	\$ 380	\$ 11	\$ 11	\$ 403	\$ 391	3 %
Other noncurrent assets	214	180	9	4	223	184	21
Capital assets, net	200	179	16	10	216	189	14
Total assets	806	739	36	25	842	764	10
Deferred outflows	94	93	5	7	99	100	(1)
Other liabilities	287	220	7	5	294	225	31
Long-term liabilities outstanding	714	797	20	18	734	815	(10)
Total liabilities	1,001	1,017	27	23	1,028	1040	(1)
Deferred inflows	170	99	10	9	180	108	67
Net position:							
Net investment in capital assets	(9)	(16)	(4)	(4)	(13)	(20)	(35)
Restricted	5	6	4	-	21	6	250
Unrestricted	(279)	(274)	4	4	(275)	(270)	2
Total net position	\$ (271)	\$ (284)	\$ 4	\$ -	\$ (267)	\$ (284)	(6) %

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
	2021	2020	2021	2020	2021	2020	
Program revenues:							
Charges for services	\$ 26	\$ 24	\$ 55	\$ 60	\$ 81	\$ 84	(4) %
Operating grants and contributions	479	440	1	5	480	445	8
Capital grants and contributions	1	7	-	-	1	7	(86)
General revenues:							
Property taxes	173	171	-	-	173	171	1
Gaming revenue	6	5	-	-	6	5	20
Other	2	2	2	1	4	3	33
Investment earnings	-	1	-	-	-	1	(100)
Total revenues	687	650	58	66	745	716	4
Program expenses:							
General government	159	212	-	-	159	212	(25)
Judicial	44	46	-	-	44	46	(4)
Corrections	77	76	-	-	77	76	1
Health and Human Services	377	303	-	-	377	303	24
Highways, streets and bridges	2	3	-	-	2	3	(33)
Interest on long-term debt	4	3	-	-	4	3	33
Geriatric Center	-	-	65	75	65	75	(13)
Total expenses	663	643	65	75	728	718	1
Net revenue (expense) before transfers	24	7	(7)	(9)	17	(2)	(950)
Transfers	(11)	(6)	11	6	-	-	-
Change in net position	13	1	4	(3)	17	(2)	(950)
Net position, beginning	(284)	(285)	-	3	(284)	(282)	1
Net position, ending	<u>\$ (271)</u>	<u>\$ (284)</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ (267)</u>	<u>\$ (284)</u>	<u>(6) %</u>

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Governmental Activities. Governmental activities increased the County's net position by approximately \$14.2 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. Additionally, the County was awarded \$110,083,961 in COVID-19 Relief funding from the American Rescue Plan Act (ARPA). The County received 50% of funds in May 2021. The County earned approximately \$43.7 million of the COVID-19 Relief funding received, which was primarily related to CARES and ARPA but also included various miscellaneous COVID-19 Relief Grants. The unspent balance of \$55.1 million is expected to be earned through 2026. 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 net pension asset increased by \$26.5 million as a result of the plan's investment income being higher due to favorable market conditions and the pension's investment policy.
- The increases in revenues from the COVID-19 Relief funding and the gain recognized as a result of the increase in the net pension asset were offset by an increase in the subsidy to the Geriatric Center of \$5.6 million.

Business-Type Activity. Business-type activities increased the County's net position by approximately \$4.0 million. The key element of this decrease was a result of the following:

- The Geriatric Center's charges for services decreased by \$5.2 million as a result of decreased census related to the COVID-19 pandemic. This decrease was partially offset by approximately \$1.1 million in COVID-19 Relief funding.
- The Geriatric Center's proportionate share of the net pension asset increased of \$5.2 million as a result of the plan's investment income being higher due to favorable market conditions and the pension's investment policy, which resulted in an offset to the Geriatric Center's operating costs.
- The Geriatric Center's transfer from primary government was \$10.6 million in 2021, an increase of \$4.8 million.

Financial Analysis of the Major Funds

General Fund

Revenues of the General Fund totaled \$223,403,616 for the year ended December 31, 2021. The following represents a summary of General Fund revenue, by source, along with changes from 2020:

	<u>2021 Amount</u>	<u>2020 Amount</u>	<u>Increase (Decrease) From 2020</u>	<u>Percentage Increase (Decrease)</u>
Real estate taxes	\$ 172,663,328	\$ 172,550,169	\$ 113,159	0.1 %
Gaming revenue	6,279,250	4,884,995	1,394,255	28.5
Licenses and permits	56,020	37,119	18,901	50.9
Investment earnings	130,431	542,747	(412,316)	(76.0)
General grants	17,348,078	24,172,954	(6,824,876)	(28.2)
Charges for services, fines and forfeits	22,215,614	17,387,027	4,828,587	27.8
Other	4,710,895	8,333,476	(3,622,581)	(43.5)
Total	<u>\$ 223,403,616</u>	<u>\$ 227,908,487</u>	<u>\$ (4,504,871)</u>	<u>(2.0) %</u>

Gaming revenue increased by \$1.4 million as a result of the County's share of interactive gaming receipts.

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

General grants and other revenue decreased primarily due to decreased COVID-19 Relief spending in 2021 as state-mandated shutdowns were lifted and exceptional need for Federal Funding was less necessary.

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

Charges for services increased approximately \$4.8 million primarily due to increased activity in the recorder of deeds office as a result of an increase in homes sold.

General Fund expenditures totaled \$198,539,235, which represents an increase of \$2,631,837 or 1.3% from 2020. The following represents a summary of General Fund expenditures for the year ended December 31, 2021, by source, along with changes from 2020:

	2021 Amount	2020 Amount	Increase (Decrease) From 2020	Percentage Increase (Decrease)
General government	\$ 26,934,296	\$ 22,210,516	\$ 4,723,780	21.3 %
Judicial	38,755,640	41,100,074	(2,344,434)	(5.7)
Corrections	63,942,726	62,539,002	1,403,724	2.2
Transportation	9,439,005	8,703,873	735,132	8.4
Other	35,383,563	38,668,819	(3,285,256)	(8.5)
Debt service:				
Principal	19,055,209	17,456,293	1,598,916	9.2
Interest	5,028,796	5,228,821	(200,025)	(3.8)
Total	\$ 198,539,235	\$ 195,907,398	\$ 2,631,837	1.3 %

General government, corrections and transportation expenditures increased for the General Fund in 2021 as a result of the ending of state-mandated shutdowns. Operations were reduced in 2020 as a result of the state-mandated shut downs and conditions normalized in 2021. Judicial expenses decreased from the prior year as courts were still operating in a virtual capacity for much of the year, which reduced payroll type expenses.

Other expenses decreased primarily due to decreases in employee benefit expenses of approximately \$3.2 million. The decrease in employee benefit expense is primarily the result of a decrease in the employee headcount following employee retirements. Additionally, 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	4,735,592	4,735,592	-
Licenses and permits	45,653	45,653	-
General grants	23,909,051	23,909,051	-
Charges for services, fines and forfeits	18,010,447	18,010,447	-
Investment earnings	707,262	707,262	-
Other	9,815,000	9,815,000	-
	<u>229,016,005</u>	<u>229,016,005</u>	<u>-</u>
Total revenues			
Expenditures:			
General government	31,475,419	35,878,247	4,402,828
Judicial	49,565,447	50,193,332	627,885
Corrections	73,102,209	72,831,221	(270,988)
Transportation	9,393,600	9,439,000	45,400
Other	80,311,374	63,078,031	(17,233,343)
Debt service:			
Principal	22,874,535	18,306,535	(4,568,000)
Interest	6,622,370	5,777,370	(845,000)
	<u>\$ 273,344,954</u>	<u>\$ 255,503,736</u>	<u>\$ (17,841,218)</u>
Total expenditures			

Expenditures

Other - The budget for other expenditures was decreased 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, 2021, the County expended \$40,794,998 for such projects, which represents an increase of \$26,729,160 from 2020. Capital Projects Fund's fund balance at December 31, 2021, totaled \$20,009,339, 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 a decrease of approximately \$40.0 million, which was primarily the result of spending the \$40.0 million proceeds from the bond issued in 2020 on capital projects during 2021.

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 2021 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 \$48,450,914 and \$52,972,223, respectively, for 2021. These amounts represent an increase in revenue of 0.62% and an increase in expenditures of 1.87% from 2020 amounts. The following programs had an excess of revenues over expenditures in 2021 as follows: Liquid Fuels - \$130,109 and OWD/Other - \$570,000. The following programs had excess (deficiency) revenues over expenditures in 2021: 911 program - \$4,382,386, Library - \$618,859, COSA - \$121,000 and CDBG/Rehab program - \$99,173.

Pension Trust Fund

The net position reserved for employee's pension benefits was \$677,312,756. 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, 2021, amounts to \$215,289,264 (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	\$ 27,176,214	\$ -	\$ 27,176,214
Construction in progress	6,945,737	-	6,945,737
Land improvements	7,596,433	-	7,596,433
Buildings and improvements	103,661,873	14,148,558	117,810,431
Equipment	35,502,481	1,543,845	37,046,326
Infrastructure	18,714,123	-	18,714,123
Total	<u>\$ 199,596,861</u>	<u>\$ 15,692,403</u>	<u>\$ 215,289,264</u>

Additional information on the County's capital assets can be found in Note 12 on page 66 of this report.

Long-Term Debt

As of December 31, 2021, the County's actual general obligation debt of \$274,676,000 is well below the legal limit of \$1,898,274,324 by \$1,623,598,324. Additional information on the County's long-term debt can be found at Note 16 on page 70 of this report.

The County's bonds continue to have a favorable rating from Moody's Investors Services, Inc. of "Aa1" and S&P Global Ratings of "AA+."

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

Coronavirus Aid, Relief and Economic Security Act

The Coronavirus Aid, Relief and Economic Security (CARES) Act provided the County \$98.8 million in grant funding spanning March 2020 through December 2021. The County opened 2021 with \$26.8 million in unearned revenue plus accrued interest available for operations to mitigate and protect against the COVID-19 threat.

Managing public facilities required manpower and materials to protect against the risk of infectious viral spread. As the County reopened full-time, 76.6% or \$20.9 million of remaining funds were spent on payroll, overtime and benefits expenditures needed to maintain safe public health conditions. 23.4% or \$6.38 million was spent on equipment and materials expenditures.

\$1.3 million paid for public health expense category items such as consulting fees, personal protective equipment, safety and sanitation. Expenses to host a safe election reported \$528,693 or 2% of this expenditure category.

Continuing local economic stimulus efforts from 2020, the County spent \$3.2 million in 2021 as part of its Delco Strong: Rapid Response campaign. Rapid Response was a fourth round of funding managed by the Delaware County Economic Development Oversight Board, which provided up to \$40,000 in grant funding to eligible small businesses in the full-service restaurant, tavern and catering industries. Furthermore, businesses with annual revenue under \$2.5 million qualified for a flat subsidy of \$5,000 to offset overhead. Also, part of the Delco Strong campaigns was a partnership with Child Care Professional Network to compensate families experiencing unexpected childcare costs. The County is reporting a total of \$3,850 in aid to participating families in 2021.

Departmentally, the following offices consumed a total of 42.7% of 2021 CARES funding: Criminal Investigation Division 11%, Sheriff's Office 8.6%, Courthouse & Park Police 6.9%, Juvenile Detention 5.8%, Medical Examiner 4.8%, Bureau of Elections 3.1% and Intercommunity Health 2.5%. The remaining 41 departments participated at a level of less than 2%.

As the pandemic bell curve reached its tail, the intergovernmental cooperation agreement with Chester County Health Department ended. The County spent \$17,845 to close this agreement in August 2021. The County funded \$0 in distance learning in 2021 after spending \$20 million on distance learning in 2020. Constable services also returned to normal volume and reported a 2021 total of \$86,279 in CARES funds spent, down from \$312,000 disbursed in 2020.

Since inception, the expense distribution of the CARES fund is comprised of 38.5% on substantially dedicated personnel, 3.3% for overtime, 0.9% for hazard pay and 57.3% in other expenditures to total \$99.1 million.

American Rescue Plan Act

The Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan, delivered \$350 billion to state, local and Tribal governments across the country to support their response to and recovery from the COVID-19 public health emergency. In 2021, the County was awarded \$110,083,961 in total American Rescue Plan (ARP) relief funds. The first tranche of funds was received in May 2021 in the amount of \$55,041,980. Public sessions were held to present, source and discuss the programming of these recovery funds into four major relief categories: (1) Public Health, (2) Negative Economic Impacts, (3) Premium Pay and (4) Water, Sewer and Broadband Infrastructure.

As of December 31, 2021, the County allocated \$14,857,707 of the first tranche of funding received, and the total progressive expenditures associated with these allocations was \$1,450,661.

Following is further detail for the ARP funding allocated and expended and encumbered in 2021:

- Of the \$6,120,800 allocated for startup costs for the new Delaware County Health Department, \$500,629 was expended and encumbered.
- \$60,000 was set aside for digital literacy, and \$18,164 was expended and encumbered.

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

- \$8,636 was expended and encumbered of the \$100,000 earmarked for Back to Work/Camp.
- The full amount assigned for \$449,075 in costs associated with the Holiday Village was expended in 2021.
- \$474,157 was spent on premium pay for the Pennsylvania Association of School Nurses and Practitioners (PASNAP), which was the full amount allocated.
- Amounts were allocated for the following projects, but no funds were expended or encumbered in 2021: \$496,300 for eRecords in the Recorder of Deeds Office; \$250,000 for Sign-on Small Business, \$1,907,375 towards preservation of open space; and \$5 million for the Child Care Professional Network.

In summary, 54% of the current applied allocation can be categorized as Public Health, 42.8% as Negative Economic Impact and 3.2% in Premium Pay. The County is active in public outreach and updates and intends to apply the following to its overall fund program design: an additional \$30.4 million to fund the new Delaware County Health Dept and its COVID-19 response efforts; \$23 million to replenish its General Fund through the revenue loss clause; another \$3.1 million in negative economic impact projects; \$1 million into an anti-gun violence program; and \$600,000 towards the library system. These continuing allocations shape the overall fund investment to comprise 36.4% in public health initiatives, 21% in General Fund replenishment, 8.5% to mitigate negative economic impacts, 0.4% in premium pay and 1.8% in administrative management.

Fund allocations and earmarks total more than \$74 million, or 68%, leaving \$35 million or 32% unallocated.

The County received its second tranche of ARP funds totaling \$55,041,980 in June 2022.

Additional COVID-19 Relief Funds

In response to the coronavirus pandemic, the U.S. Congress established two emergency rental assistance programs, one under Section 501 of the 2021 Consolidated Appropriations Act (ERA1) and the second under Section 3201 of the American Rescue Plan Act of 2021 (ERA2). The County has received funds under ERA1 and ERA2 both directly from the U.S. Treasury and also indirectly through the Pennsylvania Department of Human Services under Pennsylvania Act 1 of 2021. As of the end of 2021, the County had been allocated \$37,937,898 under ERA1 and \$31,765,727 under ERA2 (including reallocations from other recipients).

The two programs allow assistance to fund rent, utilities and home energy costs, and other housing-related expenses. Eligible households must have household income at or below 80% of area median income (AMI), and priority is to be given to those with less than 50% of AMI and/or a household member unemployed for at least 90 days. ERA1 funds must be spent by September 30, 2022 (with a potential 90-day extension), and ERA2 funds by September 30, 2025.

In 2021, the County, with help from a variety of community partners and working with a contracted service provider, implemented and quickly scaled up its Emergency Rental Program using these funds. Selected program statistics for 2021 are shown below.

Applications Received	14,734
Assistance Provided	\$42,783,506
Rent and Rent Arrears	\$37,011,821
Utility and Utility Arrears	\$5,771,685
Households Assisted	6,712
Under 50% of AMI	5,884
Subject to Eviction	797
Average Grant Amount	\$6,374

Additional information on the assistance offered by the Emergency Rental Program can be found at <https://delco-era.com/>.

County of Delaware, Pennsylvania

Management's Discussion and Analysis
(Unaudited)

The County has submitted \$7,023,845 of claims to the Federal Emergency Management Agency (FEMA) for the year ended December 31, 2021 for COVID-19 related expenditures. FEMA approved \$1.6 million of expenditures in May 2022, and remaining approvals are expected later this year.

Economic Outlook

Throughout 2021, the County continued to neutralize economic impacts caused by the pandemic and to encourage and support economic development in the County.

Over the course of May 2020 through February 2021, Delaware County Council provided local support to small businesses through the Delco Strong Small Business Support Grant Program. There were also two rounds of funding to support County nonprofits. These programs were administered by the Delaware County Commerce Center. In total, over \$19 million in grant funding was supplied to more than 1,700 small businesses and nonprofits in Delaware County to help sustain their entities through the pandemic.

The last round of funding, "Delco Strong: Rapid Response", was specific to the industries directly impacted by the Pennsylvania mitigation order issued in December of 2020. This round opened in December 2020 and closed in February 2021. Over 279 small businesses in the restaurant, tavern, gym and instructional activity sectors received \$3,043,500 to support operations.

Pennsylvania created the statewide COVID-19 Hospitality Industry Recovery Program (CHIRP) through Act 1 of 2021, which spanned March 2021 through June 2021. The program targeted small business entities in the accommodation and food service industries. Delaware County Council appointed the Delaware County Economic Development Oversight Board (EDOB) to be the local CHIRP administrator, which funded 211 businesses with \$6.4 million in support funding.

In 2021, the EDOB selected Econsult Solutions of Philadelphia through a competitive proposal process to prepare a strategic plan, including the evaluation of the Delaware County Commerce Center organization and to determine targets for economic development, post-pandemic. The main focuses of the strategic plan are supporting the small business economy and transitioning grey space within the County. Following the plan to accomplish these tasks, the Delaware County Commerce Center will hire additional staff to provide support and programs to both endeavors while increasing collaboration with the economic and community contributors within Delaware County.

Utilizing information from the strategic plan that revealed retail loss in the County, the EDOB partnered with County Department of Parks and Recreation and the Delaware County Chamber of Commerce to add an outdoor market to the County's popular annual holiday Festival of Lights held at the County's Rose Tree Park. Capital improvements were made in Rose Tree Park to accommodate the additional activity, and assistance was provided to the Parks and Recreation Department to improve and upgrade the lighting. Six holiday market nights provided 72 local retail and 20 food truck vendor opportunities, and the park experienced a dramatic uptick in the number of visitors to the festival over prior years of roughly 300%.

Despite the continued challenges posed by the pandemic, Delaware County demonstrated strength and growth in 2021. The County's unemployment rate as of December 2021 was 4.3% and remained below the statewide rate of 5.5%. The number of employees in the County totaled 279,074 as of December 2021, and the number of businesses grew to 14,195 from 14,164 the previous year.

In October 2021, S&P Global Ratings upgraded the County's ratings on its general obligation notes from "AA" to "AA+", citing the County's sound financial management, budgetary performance and liquidity and strong local economy in close proximity to a wide-ranging metropolitan area. Moody's Investors Service assigned a rating of "Aa1" and stated in its October 2021 Credit Opinion, "The County's financial position is strong and reserves have steadily grown in recent years, although are offset slightly by a growing receivable on the balance sheet from other funds. While the County's debt burden is slightly elevated, the overall leverage profile is in line with the rating category as pension obligations are lower than similarly rated counties in the commonwealth."

County of Delaware, Pennsylvania

Management's Discussion and Analysis (Unaudited)

Notable projects initiated and ongoing in the County in 2021 included the following:

- 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, which was assisted by the Delaware County Redevelopment Authority (RDA) with a \$6 million state capital grant. This improvement will help ensure the future of the largest manufacturing facility in the City of Chester and result in a significant reduction in carbon emissions.
- Main Line Health continued their renovation of the "Birthplace at Riddle Hospital" in Middletown Township, investing over \$3 million in total project costs, and was assisted by the RDA through administration of a \$1.5 million state capital grant.
- Brandywine Museum and Conservancy of Art initiated renovations and upgrades to its 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 approximate 82-acre campus in Middletown, continued with construction to include retail, office and housing. The estimated total project cost of \$500 million is being assisted by the Delaware County Industrial Development Authority (IDA) with administration of a \$5 million state capital grant.
- Adjacent to the Franklin Mint redevelopment, 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.
- Delaware County Community College began expansion of its campus in Upper Darby Township by redeveloping a building formerly used by Monsignor Bonner & Archbishop Prendergast Catholic High Schools to expand educational opportunities in the eastern portion of the County, which will also increase enrollment and educational offerings. This project is supported by an award of \$4.25 million in state grants.
- Children's Hospital of Philadelphia expects to occupy a new building at the site of a former Sears Roebuck store in Millbourne Borough in 2022. The building will accommodate support services for their pediatric hospital and outpatient centers.
- Monroe Energy, LLC is making investments in their Trainer Borough facility with electrical upgrades and a new cooling tower to reduce energy consumption and water usage.
- The former FMC site in Marcus Hook Borough, which has sat vacant for decades, will see the demolition of more than 700,000 SF of space and be redeveloped into a light industrial warehouse facility.

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 Delaware County Solid Waste Authority (SWA), a county component unit, has obtained certain permits for the expansion of its Rolling Hills landfill expansion. Expansion work at the landfill and on-going renovations to its Delaware County transfer stations is expected to be financed through one or more public financings, which may require County guarantees to be sought.
- 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

Basic Financial Statements

County of Delaware, Pennsylvania

 Statement of Net Position
 December 31, 2021

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activity		
Assets				
Cash and cash equivalents	\$ 207,445,466	\$ 7,466,857	\$ 214,912,323	\$ 12,952,842
Receivables (net of allowance for uncollectibles):				
Taxes	6,999,876	-	6,999,876	-
Accounts	1,667,390	13,332,816	15,000,206	3,884,891
Grants	70,293,831	-	70,293,831	-
Notes	25,323,129	-	25,323,129	-
Other	6,118,196	-	6,118,196	646,388
Due from fiduciary component unit	19,838	-	19,838	-
Due from component units	7,475,000	-	7,475,000	-
Internal balances	12,182,047	(12,182,047)	-	-
Inventories	-	-	-	148,408
Other assets	5,350,396	3,516	5,353,912	408,803
Investments	-	-	-	10,500
Restricted cash and cash equivalents	67,135,675	1,619,745	68,755,420	1,614,895
Investment in joint venture	168,345,776	-	168,345,776	-
Capital assets (net of accumulated depreciation):				
Land	27,176,214	-	27,176,214	8,873,485
Construction in progress	6,945,737	-	6,945,737	3,135,213
Land improvements	7,596,433	-	7,596,433	1,420,056
Buildings and improvements	103,661,873	14,148,558	117,810,431	17,618,999
Equipment	35,502,481	1,543,845	37,046,326	12,046,040
Infrastructure	18,714,123	-	18,714,123	-
Net pension asset	28,580,980	8,911,651	37,472,631	222,219
Total assets	806,514,461	34,844,941	841,359,402	62,982,739
Deferred Outflows of Resources				
Deferred outflows of resources, other post-employment benefit liability	77,748,471	-	77,748,471	-
Deferred outflows of resources, pension	16,145,155	5,037,642	21,182,797	571,088
Total deferred outflows of resources	93,893,626	5,037,642	98,931,268	571,088
Total assets and deferred outflows of resources	\$ 900,408,087	\$ 39,882,583	\$ 940,290,670	\$ 63,553,827
Liabilities				
Accounts payable and other current liabilities	\$ 87,063,140	\$ 4,122,726	\$ 91,185,866	\$ 4,461,242
Accrued interest payable	86,785	-	86,785	-
Other liabilities	27,254,039	-	27,254,039	-
Unearned revenue	171,740,528	1,500,000	173,240,528	156,327
Due to primary government	-	-	-	7,475,000
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	19,752,142	4,745,858	24,498,000	578,000
Claims payable	2,688,946	-	2,688,946	-
Due in more than one year:				
Bonds and notes payable	234,522,158	15,655,842	250,178,000	5,697,000
Claims payable	2,208,183	-	2,208,183	-
Net other post-employment benefit liability	455,254,173	-	455,254,173	-
Accrued closure costs	-	-	-	16,273,182
Total liabilities	1,000,570,094	26,024,426	1,026,594,520	34,640,751
Deferred Inflows of Resources				
Deferred inflows of resources, other post-employment benefit liability	137,503,726	-	137,503,726	-
Deferred inflows of resources, pension	32,494,094	10,138,867	42,632,961	635,188
Total deferred inflows of resources	169,997,820	10,138,867	180,136,687	635,188
Net Position				
Net investment in capital assets	(9,143,566)	(4,709,297)	(13,852,863)	36,818,793
Restricted for:				
Pension	12,212,041	3,810,426	16,022,467	-
Highways and streets	408,768	-	408,768	-
Library	602,529	-	602,529	-
Community development	2,094,576	-	2,094,576	-
Title IV D program	2,055,110	-	2,055,110	-
Capital projects	1,481	-	1,481	-
Economic development	-	-	-	18,576
Solid waste	-	-	-	1,472,219
Unrestricted	(278,390,766)	4,618,161	(273,772,605)	(10,031,700)
Total net position	(270,159,827)	3,719,290	(266,440,537)	28,277,888
Total liabilities, deferred inflows of resources and net position	\$ 900,408,087	\$ 39,882,583	\$ 940,290,670	\$ 63,553,827

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Activities
Year Ended December 31, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	Total	
Functions/Programs							
Primary Government							
Governmental activities:							
General government	\$ 159,352,063	\$ 13,669,243	\$ 92,444,400	\$ 866,033	\$ (52,372,387)	\$ (52,372,387)	
Judicial	43,592,950	5,886,557	14,058,943	-	(23,647,450)	(23,647,450)	
Corrections	77,111,398	6,047,622	770,645	-	(70,293,131)	(70,293,131)	
Health and human services	377,138,855	-	371,254,752	-	(5,884,103)	(5,884,103)	
Highways, streets and bridges	1,616,332	-	932,937	482,215	(201,180)	(201,180)	
Interest on long-term debt	4,156,023	-	-	-	(4,156,023)	(4,156,023)	
Total governmental activities	662,967,621	25,603,422	479,461,677	1,348,248	(156,554,274)	(156,554,274)	
Business-type activity:							
Geriatric Center	64,479,811	54,899,455	1,063,759	-	(8,516,597)	(8,516,597)	
Total primary government	\$ 727,447,432	\$ 80,502,877	\$ 480,525,436	\$ 1,348,248	(156,554,274)	(165,070,871)	
Component Units							
Solid Waste Authority	\$ 39,722,246	\$ 41,935,741	\$ 99,791	\$ -			\$ 2,313,286
Economic Development	10,499,671	2,000	10,694,965	-			197,294
Waterfront Industrial Development Authority	978,833	-	-	-			(978,833)
Redevelopment Authority	93,976	-	6,000	-			(87,976)
Total component units	\$ 51,294,726	\$ 41,937,741	\$ 10,800,756	\$ -			1,443,771
General Revenues							
Property taxes				173,059,084	-	173,059,084	-
Gaming revenue				6,279,250	-	6,279,250	-
Grants and charges not restricted to specific programs				1,560,808	-	1,560,808	-
Other revenues (expenses)				-	2,002,267	2,002,267	(3,505)
Unrestricted investment earnings				446,756	3,141	449,897	84,967
Transfers				(10,551,401)	10,551,401	-	-
Total general revenues and transfers				170,794,497	12,556,809	183,351,306	81,462
Change in net position				14,240,223	4,040,212	18,280,435	1,525,233
Net Position, Beginning				(284,400,050)	(320,922)	(284,720,972)	26,752,655
Net Position, Ending				\$ (270,159,827)	\$ 3,719,290	\$ (266,440,537)	\$ 28,277,888

See notes to financial statements

County of Delaware, Pennsylvania

Balance Sheet
 Governmental Funds
 December 31, 2021

	General	Capital Projects	Health and Human Service	Other Governmental Funds	COVID-19 Relief Fund	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 90,650,235	\$ -	\$ 13,099,589	\$ 20,958,576	\$ 78,447,791	\$ 203,156,191
Receivables:						
Taxes	7,511,855	-	-	-	-	7,511,855
Accounts	1,667,389	-	-	-	-	1,667,389
Grants	2,753,098	-	50,455,680	6,997,173	10,087,880	70,293,831
Notes	-	-	-	25,323,129	-	25,323,129
Due from component units	2,000,000	5,475,000	-	-	-	7,475,000
Due from fiduciary component unit	19,838	-	-	-	-	19,838
Due from other funds	62,435,184	6,672	56,142,477	11,923,730	-	130,508,063
Restricted cash and cash equivalents	2,336,493	26,701,994	30,672,845	7,424,343	-	67,135,675
Other assets	1,360,274	-	100,728	41,315	25	1,502,342
Total assets	\$ 170,734,366	\$ 32,183,666	\$ 150,471,319	\$ 72,668,266	\$ 88,535,696	\$ 514,593,313
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Vouchers and accounts payable	\$ 16,680,778	\$ 1,753,446	\$ 64,010,366	\$ 3,330,080	\$ 1,288,470	\$ 87,063,140
Payroll payable	11,073,718	-	-	-	-	11,073,718
Payable from restricted assets	138,487	-	-	-	-	138,487
Due to other funds	39,090,077	10,420,881	12,658,831	20,818,975	32,097,052	115,085,816
Unearned revenues	3,219,923	-	70,033,541	43,336,890	55,150,174	171,740,528
Other liabilities	9,590,293	-	3,768,581	2,076,448	-	15,435,322
Total liabilities	79,793,276	12,174,327	150,471,319	69,562,393	88,535,696	400,537,011
Deferred inflows of resources:						
Unavailable revenues, taxes	6,781,845	-	-	-	-	6,781,845
Fund balances:						
Nonspendable:						
Prepaid items	1,360,274	-	-	-	-	1,360,274
Restricted for:						
Highways and streets	-	-	-	408,768	-	408,768
Library	-	-	-	602,529	-	602,529
Community development	-	-	-	2,094,576	-	2,094,576
Title IV D program	2,055,110	-	-	-	-	2,055,110
Capital projects	-	20,003,137	-	-	-	20,003,137
Assigned to:						
Capital projects	-	6,202	-	-	-	6,202
Appropriated for 2022 spending	6,900,000	-	-	-	-	6,900,000
Contingency for prison operations	3,000,000	-	-	-	-	3,000,000
Employee benefit costs	1,500,000	-	-	-	-	1,500,000
Unassigned	69,343,861	-	-	-	-	69,343,861
Total fund balances	84,159,245	20,009,339	-	3,105,873	-	107,274,457
Total liabilities, deferred inflows of resources and fund balances	\$ 170,734,366	\$ 32,183,666	\$ 150,471,319	\$ 72,668,266	\$ 88,535,696	\$ 514,593,313

See notes to financial statements

County of Delaware, Pennsylvania

Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position December 31, 2021

Amounts reported for governmental activities in the statement of net position
(page 32) are different because:

Total fund balance - total governmental funds (page 34)	\$ 107,274,457
Capital assets, including investment in joint venture, used in governmental activities are not financial resources and, therefore, are not reported in the funds	367,942,637
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	6,781,845
Establishment of an allowance for doubtful accounts, net of additional penalty and interest receivable on the statement of net position	(511,979)
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	6,118,196
Accrued interest payable included on the statement of net position	(86,785)
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	(254,274,300)
Net other post-employment benefit liability	(455,254,173)
Net pension asset	28,560,981
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	77,748,471
Deferred outflows related to the net pension liability	16,145,155
Deferred inflows related to the other post-employment benefit liability	(137,503,726)
Deferred inflows related to the net pension liability	(32,494,094)
Accrued compensatory time included in other liabilities on the statement of net position	<u>(606,512)</u>
Net position of governmental activities (page 32)	<u><u>\$ (270,159,827)</u></u>

County of Delaware, Pennsylvania
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended December 31, 2021

	General	Capital Projects	Health and Human Service	Other Governmental Funds	COVID-19 Relief Fund	Total Governmental Funds
Revenues						
Real estate taxes	\$ 172,663,328	\$ -	\$ -	\$ -	\$ -	\$ 172,663,328
Gaming revenue	6,279,250	-	-	-	-	6,279,250
Licenses and permits	56,020	-	-	-	-	56,020
General grants	17,348,078	688,204	-	48,450,914	43,682,653	110,169,849
Charges for services, fines and forfeits	22,215,614	-	-	-	-	22,215,614
Investment earnings	130,431	71,713	-	-	-	202,144
Health and human service grants	-	-	371,254,752	-	-	371,254,752
Other	4,710,895	-	-	-	-	4,710,895
Total revenues	223,403,616	759,917	371,254,752	48,450,914	43,682,653	687,551,852
Expenditures						
Current:						
General government	26,934,296	-	-	-	7,388,207	34,322,503
Judicial	38,755,640	-	-	-	1,452,693	40,208,333
Corrections	63,942,726	-	-	-	11,087,580	75,030,306
Transportation	9,439,005	-	-	-	-	9,439,005
Health and human services	-	-	378,754,752	-	-	378,754,752
Highways, streets and bridges	-	-	-	1,375,028	-	1,375,028
Other	35,383,563	-	-	51,597,195	23,754,173	110,734,931
Debt service:						
Principal	19,055,209	-	-	-	-	19,055,209
Interest	5,028,796	-	-	-	-	5,028,796
Capital outlay	-	40,794,998	-	-	-	40,794,998
Total expenditures	198,539,235	40,794,998	378,754,752	52,972,223	43,682,653	714,743,861
Excess (deficiency) of revenues over (under) expenditures	24,864,381	(40,035,081)	(7,500,000)	(4,521,309)	-	(27,192,009)
Other Financing Sources (Uses)						
Issuance of debt	837,000	-	-	-	-	837,000
Transfers in	570,000	-	15,000,000	4,528,386	-	20,098,386
Transfers out	(22,554,787)	-	(7,500,000)	(595,000)	-	(30,649,787)
Total other financing sources (uses)	(21,147,787)	-	7,500,000	3,933,386	-	(9,714,401)
Net change in fund balances	3,716,594	(40,035,081)	-	(587,923)	-	(36,906,410)
Fund Balance, Beginning	80,442,651	60,044,420	-	3,693,796	-	144,180,867
Fund Balance, Ending	\$ 84,159,245	\$ 20,009,339	\$ -	\$ 3,105,873	\$ -	\$ 107,274,457

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, 2021

Amounts reported for governmental activities in the statement of activities
(page 33) are different because:

Net change in fund balances - total governmental funds (page 36)		\$ (36,906,410)
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	\$ 31,887,624	
Depreciation expense	<u>(11,368,168)</u>	20,519,456
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		(4,987,282)
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		415,796
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		(188,362)
Issuance of long-term receivable the City of Chester and Eddystone Borough is reported as expense in the funds, while recognized as long-term receivables in the statement of net position		837,000
The net pension asset is considered long-term in nature and is not reported as an asset at the fund level. This asset is, however, reported within the statement of net position, and changes in the asset are reflected within the County's statement of activities. This represents the change in the net pension asset and the associated deferred outflows of resources and deferred inflows of resources.		10,129,636
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, 2021, are as follows:		
Issuance of long-term debt	(837,000)	
Scheduled principal payments on long-term debt made in 2021	19,055,209	
Allocation of debt to business type activity for capital assets	6,879,108	
Accretion of bond and note premiums	<u>737,516</u>	25,834,833
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.		135,257
The other post-employment benefit liability is considered long-term in nature and is not reported as a liability at the fund level. This liability is, however, reported within the statement of net position, and changes in the liability are reflected within the County's statement of activities. This represents the change in the net other post-employment benefit liability and the associated deferred outflows of resources and deferred inflows of resources.		(1,488,598)
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		(20,040)
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>(41,063)</u>
Change in net position of governmental activities (page 33)		<u>\$ 14,240,223</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, 2021

	General Fund			Variance With
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Real estate taxes	\$ 171,793,000	\$ 171,793,000	\$ 172,663,328	\$ 870,328
Gaming revenue	4,735,592	4,735,592	6,279,250	1,543,658
Licenses and permits	45,653	45,653	56,020	10,367
General grants	23,909,051	23,909,051	17,348,078	(6,560,973)
Charges for services, fines and forfeits	18,010,447	18,010,447	22,215,614	4,205,167
Investment earnings	707,262	707,262	130,431	(576,831)
Other	9,815,000	9,815,000	4,710,895	(5,104,105)
Total revenues	229,016,005	229,016,005	223,403,616	(5,612,389)
Expenditures				
Current:				
General government	31,475,419	35,878,247	26,934,296	8,943,951
Judicial	49,565,447	50,193,332	38,755,640	11,437,692
Corrections	73,102,209	72,831,221	63,942,726	8,888,495
Transportation	9,393,600	9,439,000	9,439,005	(5)
Other	80,311,374	63,078,031	35,383,563	27,694,468
Debt service:				
Principal	22,874,535	18,306,535	19,055,209	(748,674)
Interest	6,622,370	5,777,370	5,028,796	748,574
Total debt service	29,496,905	24,083,905	24,084,005	(100)
Total expenditures	273,344,954	255,503,736	198,539,235	56,964,501
Excess (deficiencies) of revenues over (under) expenditures	(44,328,949)	(26,487,731)	24,864,381	51,352,112
Other Financing Sources (Uses)				
Issuance of debt	-	-	837,000	837,000
Transfers in	10,063,167	5,495,377	570,000	(4,925,377)
Transfers out	(13,500,240)	(18,134,452)	(22,554,787)	(4,420,335)
Total other financing uses, net	(3,437,073)	(12,639,075)	(21,147,787)	(8,508,712)
Net change in fund balance	(47,766,022)	(39,126,806)	3,716,594	42,843,400
Fund Balance, Beginning	80,442,651	80,442,651	80,442,651	-
Fund Balance, Ending	\$ 32,676,629	\$ 41,315,845	\$ 84,159,245	\$ 42,843,400

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Net Position

Proprietary Funds

December 31, 2021

	Business-Type Activity	Governmental Activities - Internal Service Fund
	Geriatric Care	
Assets and Deferred Outflows		
Current assets:		
Cash and cash equivalents	\$ 7,466,857	\$ 4,289,275
Accounts receivable, net	13,332,816	-
Due from other funds	-	534,659
Restricted cash and cash equivalents	1,619,745	-
Prepaid expense and other assets	3,516	3,848,054
Total current assets	<u>22,422,934</u>	<u>8,671,988</u>
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Buildings and improvements	14,148,558	-
Equipment	1,543,845	-
Net pension asset	8,911,651	-
Total noncurrent assets	<u>24,604,054</u>	<u>-</u>
Deferred Outflows of Resources, Pension	<u>5,037,642</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 52,064,630</u>	<u>\$ 8,671,988</u>
Liabilities		
Current liabilities:		
Vouchers and accounts payable	\$ 4,122,726	\$ -
Unearned revenue	1,500,000	-
Due to General Fund	12,182,047	3,774,859
Claims payable	-	2,688,946
General obligation bonds and notes payable, current	4,745,858	-
Total current liabilities	<u>22,550,631</u>	<u>6,463,805</u>
Noncurrent liabilities:		
General obligation bonds and notes payable	15,655,842	-
Claims payable	-	2,208,183
Total noncurrent liabilities	<u>15,655,842</u>	<u>2,208,183</u>
Total liabilities	<u>38,206,473</u>	<u>8,671,988</u>
Deferred Inflows of Resources, Pension	<u>10,138,867</u>	<u>-</u>
Net Position		
Net investment in capital assets	(4,709,297)	-
Restricted	3,810,426	-
Unrestricted	4,618,161	-
Total net position	<u>3,719,290</u>	<u>-</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 52,064,630</u>	<u>\$ 8,671,988</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, 2021

	Business-Type Activity	Governmental Activities - Internal
	Geriatric Care	Service Fund
Operating Revenues		
Charges for services	\$ 54,899,455	\$ 56,009,815
COVID-19 relief funding	1,063,759	-
Total operating revenues	<u>55,963,214</u>	<u>56,009,815</u>
Operating Expenses		
Administration	11,324,271	3,148,496
Operation, maintenance and housekeeping	10,651,205	-
Nursing	17,763,092	-
Dietary	5,876,262	-
Medical and physical therapy	4,502,466	-
Employee benefits	12,246,737	-
Insurance claims	-	52,862,811
Depreciation	1,556,585	-
Total operating expenses	<u>63,920,618</u>	<u>56,011,307</u>
Operating loss	<u>(7,957,404)</u>	<u>(1,492)</u>
Nonoperating Revenues (Expenses)		
Investment earnings	3,141	1,492
Rental income	1,600,719	-
Miscellaneous revenues	401,548	-
Interest expense	(559,193)	-
Total nonoperating revenues, net	<u>1,446,215</u>	<u>1,492</u>
Transfers In	<u>10,551,401</u>	<u>-</u>
Change in net position	4,040,212	-
Net Position, Beginning	<u>(320,922)</u>	<u>-</u>
Net Position, Ending	<u>\$ 3,719,290</u>	<u>\$ -</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2021

	Business-Type Activity Geriatric Care	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 60,184,740	\$ 56,442,975
Payments to suppliers	(24,916,787)	(56,503,588)
Payments to employees for services	(33,091,828)	-
Resident trust account receipts	8,353,922	-
Resident trust account disbursements	(8,168,446)	-
	<u>2,361,601</u>	<u>(60,613)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisitions of capital assets	(6,879,108)	-
Issuance of debt for purchase of capital assets	6,879,108	-
Principal paid on capital debt	(4,567,791)	-
Interest paid on capital debt	(845,110)	-
	<u>(5,412,901)</u>	<u>-</u>
Cash Flows Provided by Investing Activities		
Interest received	3,141	1,492
	<u>(3,048,159)</u>	<u>(59,121)</u>
Cash and Cash Equivalents, Beginning	<u>10,515,016</u>	<u>4,348,396</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,466,857</u>	<u>\$ 4,289,275</u>
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities		
Operating loss	\$ (7,957,404)	\$ (1,492)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	1,556,585	-
Nonoperating receipts from customers	2,002,267	-
Transfer in from General Fund	10,551,401	-
Decrease in accounts receivable	719,260	-
Increase in prepaid expense and other assets	(299)	(618,059)
Increase in net pension liability and deferred outflows	(2,737,672)	-
Decrease in due to other funds	(2,127,700)	433,160
Decrease in vouchers and accounts payable	(1,144,837)	-
Increase in unearned revenue	1,500,000	-
Increase in claims payable	-	125,778
	<u>10,319,005</u>	<u>(59,121)</u>
	<u>\$ 2,361,601</u>	<u>\$ (60,613)</u>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2021

	Pension Trust Fund	Deshong Private- Purpose Trust Fund	Custodial Funds
Assets			
Cash and cash equivalents	\$ 7,945,544	\$ -	\$ 22,670,228
Due from other funds	-	-	-
Interest receivable	651,247	-	-
Investments:			
Common stock	215,615,579	-	-
Equity mutual funds	256,922,659	-	-
Bond mutual funds	37,026,406	-	-
Corporate bonds	62,739,803	-	-
U.S. government securities	45,008,816	-	-
Municipal bonds	14,607,319	-	-
Asset-backed securities	553,595	-	-
Annuity contracts	4,478,915	-	-
Guaranteed investment contracts	29,055,924	-	-
Private equity fund	3,124,269	-	-
Total investments	669,133,285	-	-
Total assets	677,730,076	-	22,670,228
Liabilities			
Accounts payable and other liabilities	397,484	-	22,670,228
Due to other funds	19,838	-	-
Total liabilities	417,322	-	22,670,228
Net Position			
Net position restricted for pension and other custodial funds	\$ 677,312,754	\$ -	\$ -

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended December 31, 2021

	Pension Trust Fund	Deshong Private- Purpose Trust Fund	Custodial Funds
Additions			
Contributions:			
Plan members	\$ 10,970,568	\$ -	\$ -
Employer	6,112,362	-	-
Total contributions	<u>17,082,930</u>	<u>-</u>	<u>-</u>
Fee collections for government entities	-	-	110,336,176
Collections of delinquent taxes for other governments	-	-	36,523,723
Receipts from others	-	-	25,091,014
Total collections	<u>-</u>	<u>-</u>	<u>171,950,913</u>
Investment earnings:			
Interest and dividends	11,278,379	-	-
Net appreciation in fair value of investments	82,802,885	-	-
Less investment expense	<u>(2,082,641)</u>	<u>-</u>	<u>-</u>
Net investment income	<u>91,998,623</u>	<u>-</u>	<u>-</u>
Total additions, net	<u>109,081,553</u>	<u>-</u>	<u>171,950,913</u>
Deductions			
Death benefits	2,076,391	-	-
Refunds of contributions	3,484,115	-	-
Administrative expenses	-	15,150	-
Retirement allowance	36,978,726	-	-
Remittances to government entities	-	-	113,403,794
Remittances of delinquent taxes to other governments	-	-	36,523,723
Remittances to others	<u>-</u>	<u>-</u>	<u>22,023,396</u>
Total deductions	<u>42,539,232</u>	<u>15,150</u>	<u>171,950,913</u>
Net increase (decrease) in net position	66,542,321	(15,150)	-
Net Position, Restricted for Pensions and Other, Beginning	<u>610,770,433</u>	<u>15,150</u>	<u>-</u>
Net Position, Restricted for Pensions and Other, Ending	<u>\$ 677,312,754</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to financial statements

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

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, 2021

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 revenues 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, 2021

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

The Pension Trust Fund (a fiduciary component unit) 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 Custodial Fund is maintained to account for delinquent and transfer taxes collected by the County for other governments and then remitted to those other taxing authorities and refundable deposits held by the Sheriff's Office, Office of Judicial Support and Sheriff's sale proceeds payable to creditors.

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, 2021

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 are independent of the calculation of the net change in the fair value of pension plan investments. Realized gains and losses on investments that have 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 \$511,979 at December 31, 2021.

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, 2021, 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, 2021

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 nonbargaining 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 Revenues

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 asset 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 asset.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

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
December 31, 2021

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 balances include 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.

Net investment in capital assets is calculated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Capital assets, net	\$ 199,596,861	\$ 15,692,403	\$ 215,289,264
Proceeds of capital-related borrowing held in restricted cash, net of accounts payable and accrued expenses	14,527,986	-	14,527,986
Less outstanding principal of capital-related borrowings	<u>(223,268,413)</u>	<u>(20,401,700)</u>	<u>(243,670,113)</u>
Net investment in capital assets	<u>\$ (9,143,566)</u>	<u>\$ (4,709,297)</u>	<u>\$ (13,852,863)</u>

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 GAAP 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Standards

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, *Accounting for Interest Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The adoption of Statement No. 89 did not have a material impact on the County's financial statements.

In October 2021, the GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The County early adopted Statement No. 98 for its 2021 financial statements.

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 and (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.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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 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 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.

The Redevelopment Authority of the County of Delaware 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 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, 2021

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

	Condensed Statement of Net Position				
	December 31, 2021				
	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Totals
Assets:					
Current assets	\$ 15,115,738	\$ 2,255,958	\$ -	\$ 688,470	\$ 18,060,166
Long-term assets	1,828,780	-	-	-	1,828,780
Capital assets, net	23,601,309	-	18,468,285	1,024,199	43,093,793
Total assets	40,545,827	2,255,958	18,468,285	1,712,669	62,982,739
Deferred outflows of resources	571,088	-	-	-	571,088
Total	\$ 41,116,915	\$ 2,255,958	\$ 18,468,285	\$ 1,712,669	\$ 63,553,827
Liabilities:					
Current liabilities	\$ 4,203,965	\$ 855,182	\$ -	\$ 136,422	\$ 5,195,569
Due to primary government	7,475,000	-	-	-	7,475,000
Long-term liabilities	21,970,182	-	-	-	21,970,182
Total liabilities	33,649,147	855,182	-	136,422	34,640,751
Deferred inflows of resources	635,188	-	-	-	635,188
Net position:					
Net investment in capital assets	17,326,309	-	18,468,285	1,024,199	36,818,793
Restricted	1,472,219	18,576	-	-	1,490,795
Unrestricted	(11,965,948)	1,382,200	-	552,048	(10,031,700)
Total net position	6,832,580	1,400,776	18,468,285	1,576,247	28,277,888
Total	\$ 41,116,915	\$ 2,255,958	\$ 18,468,285	\$ 1,712,669	\$ 63,553,827

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

Condensed Statement of Activities					
For the Year Ended December 31, 2021					
	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Totals
Program revenues:					
Charges for services	\$ 41,935,741	\$ 2,000	\$ -	\$ -	\$ 41,937,741
Operating grants and contributions	99,791	10,694,965	-	6,000	10,800,756
Total	<u>42,035,532</u>	<u>10,696,965</u>	<u>-</u>	<u>6,000</u>	<u>52,738,497</u>
Expenses:					
Operating expenses	39,722,246	10,499,671	978,833	93,976	51,294,726
Total	<u>39,722,246</u>	<u>10,499,671</u>	<u>978,833</u>	<u>93,976</u>	<u>51,294,726</u>
Net expense	2,313,286	197,294	(978,833)	(87,976)	1,443,771
General revenues, net	80,287	335	-	840	81,462
Change in net position	2,393,573	197,629	(978,833)	(87,136)	1,525,233
Net position, beginning	4,439,007	1,203,147	19,447,118	1,663,383	26,752,655
Net position, ending	<u>\$ 6,832,580</u>	<u>\$ 1,400,776</u>	<u>\$ 18,468,285</u>	<u>\$ 1,576,247</u>	<u>\$ 28,277,888</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 5.4%, plus administrative fees of 10% and a contingency charge of \$956,623 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, 2021.

Accrued closure and post closure costs, as reflected on the statement of net position, totaled \$16,273,182 and \$2,768,953 was charged against income in 2021. The estimated closure and post closure costs total \$25,871,605, comprised of \$6,739,146 of closure costs and \$19,132,459 of post closure costs. At December 31, 2021, there remains \$9,598,423 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, 2021

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 2 to 37 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 represent monies owed to contractors upon project termination.

Covanta Delaware Valley, LP, Revenues and Expenses

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 2021, the DCSWA paid to Covanta \$17,522,617, which included insurance costs, for its County waste deliveries. Covanta paid to the DCSWA \$8,535,295 in residue charges.

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.

Not more than 5% 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% of those outstanding. Not more than 25% 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.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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% 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% 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 or 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, 2021, cash and cash equivalents consists of cash on hand of \$14,047, deposits with financial institutions of \$306,323,924 and cash equivalents of \$7,945,544 held in uninsured investment funds. At December 31, 2021, the carrying amount of deposits with financial institutions and the bank balance was \$306,323,924 and \$308,679,519, respectively. The differences were caused primarily by items in transit.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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, 2021, \$1,250,000 of the County's bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$307,429,519 is fully collateralized by securities pledged and held by the financial institution in accordance with Act 72, as indicated above. At December 31, 2021, 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	\$ 307,429,519
--	----------------

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, 2021, the County's total cash equivalents and investments held with investment fund institutions, excluding its investment in joint venture of \$168,345,776, 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% of the portfolio be invested in developed international markets. On December 31, 2021, the international equity fund represented approximately 15.0% of the total portfolio.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

The following is the carrying value of deposits and investments at December 31, 2021:

	<u>S&P Rating ⁽¹⁾</u>	<u>Duration (Range) ⁽¹⁾</u>	<u>Carrying Value</u>
Cash and cash equivalents	N/A	N/A	<u>\$ 314,283,515</u>
Investments:			
Common and preferred stocks and stock funds	N/A	N/A	215,615,579
Equity mutual funds	N/A	N/A	256,922,659
Bond mutual funds	N/A	8.1	37,026,406
Corporate bonds	A+	0.48-2.64	10,263,590
	A	0.49-4.01	13,187,161
	A-	0.27-5.03	13,002,775
	AA+	1.9-3.51	906,775
	AA	0.84-1.24	2,413,135
	AA-	0.49-6.39	4,325,135
	AAA	3.1-3.79	285,513
	BBB	0.5-1.81	5,579,786
	BBB-	0.5-1.96	4,840,589
	BBB+	0.25-2.71	7,197,262
	BB+	4.88	264,965
	N/A	0.5	473,117
U.S. government securities	AA+	3.54	6,200,790
	N/A	0.01-7.45	38,808,026
Municipal bonds	A+	1.25-4.3	2,869,811
	A	1.68	136,754
	AA	1.32-5.79	3,095,911
	AA-	1.58-3.87	5,486,837
	AA+	0.06-6.29	751,068
	AAA	0.11-1.3	1,171,442
	BBB+	3.46	342,230
	N/A	0.77	753,266
Asset-backed securities	AAA	0.15-0.35	274,784
	N/A	0.15	278,811
Annuity contracts	AA-	N/A	4,478,915
Guaranteed investment contracts	A+	29.00	29,055,924
Private equity fund	N/A	N/A	<u>3,124,269</u>
Total investments in pension trust fund			<u>669,133,285</u>
Total			<u>\$ 983,416,800</u>

(1) N/A - not applicable

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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, 2021:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 207,445,466	\$ 67,135,675	\$ -	\$ 274,581,141
Business-type activity	7,466,857	1,619,745	-	9,086,602
Pension Trust Fund	7,945,544	-	669,133,285	677,078,829
Custodial Funds	22,670,228	-	-	22,670,228
Total cash and cash equivalent and investments	<u>\$ 245,528,095</u>	<u>\$ 68,755,420</u>	<u>\$ 669,133,285</u>	<u>\$ 983,416,800</u>

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, 2021:

	Carrying Value	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	\$ 314,283,515	\$ 314,283,515	\$ -	\$ -	\$ 314,283,515
Common stock	215,615,579	215,615,579	-	-	215,615,579
Equity mutual funds	256,922,659	256,922,659	-	-	256,922,659
Bond mutual funds	37,026,406	37,026,406	-	-	37,026,406
Fixed income securities:					
Corporate bonds	62,739,803	62,739,803	-	-	62,739,803
U.S. government securities	45,008,816	45,008,816	-	-	45,008,816
Municipal bonds	14,607,319	14,607,319	-	-	14,607,319
Asset backed securities	553,595	553,595	-	-	553,595
Annuity contract	4,478,915	-	-	4,478,915	4,478,915
Guaranteed investment contracts	29,055,924	-	-	29,055,924	29,055,924
Total cash, cash equivalents, and investments at fair value		<u>\$ 946,757,692</u>	<u>\$ -</u>	<u>\$ 33,534,839</u>	
Investments valued at net asset value:					
Private equity fund	3,124,269				3,124,269
Total cash, cash equivalents and investments	<u>\$ 983,416,800</u>				<u>\$ 983,416,800</u>

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 County'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, 2021

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, 2021, 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, 2021, 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, 2021, is \$3,534,406.

6. Component Units, Deposits, Investments and Fair Value

Solid Waste Authority

On December 31, 2021, the DCSWA held \$10,539,363 in unrestricted cash and cash equivalents.

On December 31, 2021, restricted cash consists of \$1,250,000 in surety bonds and \$346,061 in cash balance held in settlement with the Department of Environmental Protection. Per terms of the surety bond, the collateral deposit is protected from custodial credit risk. Total restricted cash at December 31, 2021 was \$1,596,061.

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

Notes to Financial Statements

December 31, 2021

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.

On December 31, 2021, 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, 2021, the total carrying amount of EDOB's cash and cash equivalents were \$1,754,849, and the corresponding bank balances were \$1,755,651.

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.

Redevelopment Authority

On December 31, 2021, the total carrying amount of RDA's cash and cash equivalents were \$658,630, and the corresponding bank balances were \$659,130.

On December 31, 2021, restricted cash consists of \$18,834 for escrow deposits.

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, 2021

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% discount February 1 through April 1; face amount April 2 through June 1; and 10% 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 \$511,979 as of December 31, 2021, 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, 2021, the millage rate was 2.999 mills on each dollar of assessed valuation, or \$2.999 on each one thousand dollars of assessed valuation.

8. Other Receivables

Other receivables of \$6,118,196 in the governmental activities consist of amounts due from the City of Chester of \$5,281,196 (Note 27), \$750,000 note receivable from the City of Chester and \$87,000 due from the City of Eddystone related to the General Obligation Notes, 2021 Series (Note 16).

9. Accounts and Grants Receivable, Net

Business-type activity net accounts receivable of \$13,332,816 consists of amounts due from the Commonwealth of Pennsylvania, Department of Human Service Medical Assistance of \$4,769,762; Private Pay Patients of \$8,797,090; Medicare Part A and B of \$1,038,558 and other patient-related receivables of \$425,509. The accounts receivable allowance for uncollectibles is calculated based on historical data and currently known facts and was \$1,698,103 at December 31, 2021.

Governmental activities net accounts receivable of \$1,667,390 consists of amounts due from the Commonwealth of Pennsylvania and Harrah's Chester for gaming revenue of \$1,083,438; ACT 164 Rideshare fees for \$175,083 and various miscellaneous receivables of \$408,869.

Governmental activities net grants receivable of \$70,293,831 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, 2021, are represented by receivables in the amount of \$2,723,378, net of an allowance for doubtful accounts of \$153,833. 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, 2021, totaled \$1,161,513, net of an allowance for doubtful accounts of \$109,525.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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, 2021, 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	7,424,343
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	1,393
Capital Project Funds to be utilized for various capital improvement projects as defined in the corresponding note agreements	26,700,513
Capital Project Funds to be utilized for Help America Vote Act Program	88
Health and Human Service Funds to be utilized for Health Choices reinvestment plans	22,088,582
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.	8,584,263
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>1,619,745</u>
Total primary government	<u>68,755,420</u>

Component units:

Delaware County Solid Waste Authority deposited funds with an escrow agent as collateral deposit for surety bond	1,596,061
Delaware County Redevelopment Authority deposited funds with an escrow agent	<u>18,834</u>
Total component unit	<u>1,614,895</u>
Total	<u>\$ 70,370,315</u>

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

12. Capital Assets

A summary of changes in capital assets follows:

	January 1, 2021	Additions	Reclassifications/ Disposals	December 31, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,176,214	\$ 21,000,000	\$ -	\$ 27,176,214
Construction in progress	6,431,318	514,419	-	6,945,737
Total capital assets not being depreciated	12,607,532	21,514,419	-	34,121,951
Capital assets being depreciated:				
Land improvements	23,269,148	-	-	23,269,148
Buildings and improvements	237,815,854	3,061,017	-	240,876,871
Equipment	129,667,330	7,312,188	(245,087)	136,734,431
Infrastructure	24,336,925	-	-	24,336,925
Total capital assets being depreciated	415,089,257	10,373,205	(245,087)	425,217,375
Less accumulated depreciation for:				
Land improvements	14,965,532	707,183	-	15,672,715
Buildings and improvements	132,406,537	4,808,461	-	137,214,998
Equipment	95,863,673	5,613,364	(245,087)	101,231,950
Infrastructure	5,383,642	239,160	-	5,622,802
Total accumulated depreciation	248,619,384	11,368,168	(245,087)	259,742,465
Total capital assets being depreciated, net	166,469,873	(994,963)	-	165,474,910
Governmental activities, capital assets, net	\$ 179,077,405	\$ 20,519,456	\$ -	\$ 199,596,861

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

	January 1, 2021	Additions	Reclassifications/ Disposals	December 31, 2021
Business-type activity:				
Geriatric Center:				
Capital assets being depreciated:				
Buildings and improvements	\$ 56,104,917	\$ 6,513,274	\$ -	\$ 62,618,191
Equipment	42,646,776	365,834	-	43,012,610
Total capital assets being depreciated	98,751,693	6,879,108	-	105,630,801
Less accumulated depreciation for:				
Buildings and improvements	47,748,563	721,070	-	48,469,633
Equipment	40,633,250	835,515	-	41,468,765
Total accumulated depreciation	88,381,813	1,556,585	-	89,938,398
Total capital assets being depreciated, net	10,369,880	5,322,523	-	15,692,403
Business-type activity, capital assets, net	\$ 10,369,880	\$ 5,322,523	\$ -	\$ 15,692,403

Depreciation expense was charged to governmental activities as follows:

General government	\$ 7,797,204
Corrections	2,196,355
Public ways and facilities, including depreciation of general infrastructure assets	239,160
Health and human service	46,476
Recreation	1,028,910
Other	60,003
Total	\$ 11,368,168

The following is a summary of capital assets by source:

December 31, 1983 and prior	\$ 63,888,593
General obligation bonds	333,125,790
General Fund	11,312,926
State grants	19,357,248
Restricted 911 special revenue	31,654,769
Total	\$ 459,339,326

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

13. Component Units, Capital Assets

The capital asset activity for the DCSWA for the year ended December 31, 2021, was as follows:

	January 1, 2021	Additions	Reclassifications/ Disposals	December 31, 2021
Capital assets not being depreciated:				
Land	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
Construction in progress	974,042	2,161,171	-	3,135,213
Total capital assets being depreciated	7,974,042	2,161,171	-	10,135,213
Capital assets being depreciated or depleted:				
Landfill	51,135,989	-	-	51,135,989
Machinery and equipment	10,940,992	1,286,030	(2,510,481)	9,716,541
Buildings and structures	16,357,479	121,438	-	16,478,918
Pad construction	75,275,804	-	-	75,275,804
Total capital assets being depreciated	153,710,264	1,407,468	(2,510,481)	152,607,252
Less accumulated depreciation and depletion for:				
Landfill	49,646,128	69,805	-	49,715,933
Machinery and equipment	7,836,809	550,311	(2,384,497)	6,002,623
Buildings and structures	13,483,163	420,307	-	13,903,470
Pad construction	65,710,753	3,808,376	-	69,519,130
Total accumulated depreciation and depletion	136,676,853	4,848,799	(2,384,497)	139,141,156
Total capital assets being depreciated or depleted, net	17,033,411	(3,441,331)	(125,984)	20,446,096
Capital assets, net	\$ 25,007,453	\$ (1,280,160)	\$ (125,984)	\$ 23,601,309

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

The capital asset activity for the IDA for the year ended December 31, 2021, was as follows:

	<u>January 1, 2021</u>	<u>Additions</u>	<u>Reclassifications/ Disposals</u>	<u>December 31, 2021</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	10,767,168	978,833	-	11,746,001
Total capital assets being depreciated, net	18,597,832	978,833	-	17,618,999
Capital assets, net	<u>\$ 19,447,118</u>	<u>\$ (978,833)</u>	<u>\$ -</u>	<u>\$ 18,468,285</u>

The RDA owns numerous parcels of real estate, including several homes. These parcels were acquired at either no cost or minimal cost and there has been no dollar value assigned to the real estate for financial statement purposes with the exception of land purchased at a total cost of \$1,024,199 during 2009 and 2010 with funding provided by the County.

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 2021, the County's operating budget contribution was \$9,439,005, and capital additions were \$1,923,997. 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 \$168,345,776 at December 31, 2021.

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

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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 claims payable (Note 24) for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Liability for general obligation debt	\$ 280,109,133	\$ 837,000	\$ (26,671,833)	\$ 254,274,300	\$ 19,752,142
Liability for claims payable	4,771,351	52,862,811	(52,737,033)	4,897,129	2,688,946
Governmental activity:					
Long-term liabilities	<u>\$ 284,880,484</u>	<u>\$ 53,699,811</u>	<u>\$ (79,408,866)</u>	<u>\$ 259,171,429</u>	<u>\$ 22,441,088</u>
Business-type activity:					
Liability for general obligation debt	<u>\$ 18,376,300</u>	<u>\$ 6,879,108</u>	<u>\$ (4,853,708)</u>	<u>\$ 20,401,700</u>	<u>\$ 4,745,858</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 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, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Liability for revenue notes payable	\$ 6,838,000	\$ -	\$ (563,000)	\$ 6,275,000	\$ 578,000
Liability for accrued closure costs	19,117,481	-	(2,844,299)	16,273,182	-
Long-term liabilities	<u>\$ 25,955,481</u>	<u>\$ -</u>	<u>\$ (3,407,299)</u>	<u>\$ 22,548,182</u>	<u>\$ 578,000</u>

16. General Obligation Debt

The following are summaries of changes in general obligation debt, by type, for the year ended December 31, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Outstanding at beginning of the year	\$ 280,109,133	\$ 18,376,300	\$ 298,485,433
Issuance of debt	837,000	-	837,000
Allocation of debt for capital assets	(6,879,108)	6,879,108	-
Accretion of bond premiums	(737,516)	(285,917)	(1,023,433)
Retirements and repayments	(19,055,209)	(4,567,791)	(23,623,000)
Outstanding at end of year	<u>\$ 254,274,300</u>	<u>\$ 20,401,700</u>	<u>\$ 274,676,000</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

The following summarizes general obligation debt, by type, outstanding at December 31, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Serial bonds and notes	\$ 254,274,300	\$ 20,401,700	\$ 274,676,000

A summary of general obligation debt outstanding at December 31, 2021, is as follows:

<u>Year of Issue/Final Maturity</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Outstanding at December 31, 2021</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	\$ 6,752,000	\$ 6,752,000
2002/2022	61,524,000	Refinance the 1999 notes used to fund SEPTA projects and various other County projects	4,700,000	4,700,000
2007/2027	26,720,000	Refinance the 2004 Note and to refinance a portion of the 2002 Note	11,895,000	6,215,000
2010/2028	45,180,000	Refund the 2008 General Obligation Note and for various other capital projects at the County	35,872,000	4,790,000
2012/2032	20,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	19,991,000	1,000
2013/2033	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	23,644,000	470,000
2014/2025	45,166,000	Partially refund the 1997 and 2002 notes payable to level debt service payments	45,152,000	490,000
2015/2035	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	24,994,000	1,000
2018/2038	40,000,000	Fund construction and renovations of County buildings, equipment, SEPTA and open space projects	39,997,000	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	20,843,000	963,000
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	39,999,000	1,000
2021/2029	837,000	Municipal loans for the City of Chester and the Borough of Eddystone	837,000	114,000
		Total	<u>\$ 274,676,000</u>	<u>\$ 24,498,000</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

Total bond premiums were fully amortized as of December 31, 2021. Actual debt outstanding was \$273,839,000 at December 31, 2021.

The outstanding balance at December 31, 2021, related to governmental activities of \$254,274,300 includes \$9,325,887 of debt used to fund the capital assets of SEPTA.

Interest rates on the above obligations are fixed. Fixed interest rates range 1.031% to 3.20%. Variable interest rates are limited to a maximum potential variable rate of 15.00%.

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 180 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, 2021, is presented below:

	<u>Principal Maturity</u>	<u>Interest Maturity ⁽¹⁾</u>	<u>Total Principal and Interest Maturities</u>
Years:			
2022	\$ 24,498,000	\$ 5,113,478	\$ 29,488,905
2023	24,944,000	4,664,564	29,486,218
2024	25,402,000	4,206,070	29,485,961
2025	25,875,000	3,730,556	29,482,698
2026	19,054,000	3,307,739	22,238,155
2027-2031	78,370,000	11,579,105	89,691,743
2032-2036	53,947,000	4,997,085	58,944,085
2037-2041	22,586,000	666,041	23,252,041
Total	<u>\$ 274,676,000</u>	<u>\$ 38,264,637</u>	<u>\$ 312,069,806</u>

⁽¹⁾ Includes interest at year-end rates for fixed rate notes. Interest on the fixed rate notes is \$5,738,649 for the year ended December 31, 2021.

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 \$274,646,000 is outstanding at December 31, 2021.

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. 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.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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, 2021, 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	\$ 6,752,000	\$ 733,850	\$ (43,384)
2002	4,700,000	510,826	(31,012)
2007	11,895,000	1,292,824	(70,037)
2010	35,872,000	3,898,796	(444,483)
2012	19,991,000	2,172,748	(111,172)
2013	23,644,000	2,569,779	(97,451)
2014	45,152,000	4,907,405	(953,034)
2015	24,994,000	2,716,506	(781,584)
2018	39,997,000	4,347,127	(5,285,783)
2019	20,843,000	2,265,349	(432,610)
2020	39,999,000	4,347,343	2,762,608

17. Component Unit, Notes Payable

Revenue Notes Payable

On March 25, 2009, the DCSWA authorized the issuance of Guaranteed Revenue Notes, 2009 Series (the 2009 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% for Series A, 3.23% for Series B and 3.39% 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% as per the Notice of Fixed Rate Conversion.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

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. There are no arrangements for recovery of payments.

DCSWA has an unused line of credit in the amount of \$2,000,000.

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:		
2022	\$ 578,000	\$ 153,677
2023	593,000	138,400
2024	608,000	122,705
2025	625,000	103,908
2026	641,000	86,791
2027-2031	2,981,000	191,135
2032	<u>249,000</u>	<u>3,094</u>
Total	<u>\$ 6,275,000</u>	<u>\$ 799,710</u>

For the year ended December 31, 2021, interest expense amounted to \$168,521.

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 \$27,254,039 consists of \$11,680,230 of accrued payroll expenses, \$6,062,651 of accrued expense payable to vendors, \$8,460,599 of internal governmental transfer balance payable on behalf of Fair Acres and \$1,050,559 of funds to be refunded or escheated.

19. Interfund Receivables and Payables

Interfund receivable and payable balances as of December 31, 2021, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 62,455,022	\$ 39,090,077
Capital Projects Fund	6,672	10,420,881
Health and Human Service Fund	56,142,477	12,658,831
Other Governmental Funds	11,923,730	20,818,975
COVID-19 Relief Fund	-	32,097,052
Fiduciary Component Unit, Pension Trust Fund	-	19,838
Proprietary Fund	-	12,182,047
Internal Service Funds	<u>534,659</u>	<u>3,774,859</u>
Total	<u>\$ 131,062,560</u>	<u>\$ 131,062,560</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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, 2020, activity for 2021, and amounts due at December 31, 2021:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balance, December 31, 2020	\$ 2,025,000	\$ 5,475,000	\$ 7,500,000
Additions	26,591	-	26,591
Repayments	<u>(51,591)</u>	<u>-</u>	<u>(51,591)</u>
Balance, December 31, 2021	<u>\$ 2,000,000</u>	<u>\$ 5,475,000</u>	<u>\$ 7,475,000</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, 2021, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 570,000	\$ 22,554,787
Health and Human Service Fund	15,000,000	7,500,000
Other Governmental Funds	4,528,386	595,000
Proprietary Fund	<u>10,551,401</u>	<u>-</u>
Total	<u>\$ 30,649,787</u>	<u>\$ 30,649,787</u>

Transfers from the General Fund to the Health and Human Service Fund and the other governmental funds are unrestricted revenues 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.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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 60 or who have 20 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 27 years of age. Dependent children may be included up through age 26. 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, 2021, the OPEB Plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefits	1,709
Active members	<u>2,391</u>
Total membership	<u><u>4,100</u></u>

Funding Policy

Members do not contribute to the OPEB Plan for medical coverage; the County pays 100% 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.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

Net OPEB Liability of the County

The County net OPEB liability was measured as of December 31, 2021, 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	\$ 455,254,173
OPEB Plan fiduciary net position	<u>-</u>
Net other post-employment benefit liability	<u>\$ 455,254,173</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, 2021, 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% per annum

Discount Rate - 2.25% as of December 31, 2021

Inflation rate - 2.50% per annum

Healthcare cost trend rates - The current health care trend rate starts at 7.50% decreasing to an ultimate rate 4.50%.

Per capita health claim cost - the expected annual per capita claim costs range from \$7,300 to \$4,180 dependent on ages ranging from 50-75+ and dependent on gender of claimant.

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

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

Mortality rates - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 and SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25%. 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.

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at January 1, 2021	\$ 512,163,395
Service cost	21,490,798
Interest	11,154,286
Differences between expected and actual experience	(91,704,964)
Changes of assumptions or other inputs	17,247,110
Benefit payments	(15,096,452)
Balance at December 31, 2021	<u>\$ 455,254,173</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 (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
2021 Net OPEB liability	\$ 548,954,883	\$ 455,254,173	\$ 383,153,951

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 (6.5% Decreasing to 3.5%)	Healthcare Cost Trend Rates (7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
2021 Net OPEB liability	\$ 381,095,406	\$ 455,254,173	\$ 551,735,317

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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

For the year ended December 31, 2021, the County recognized OPEB expense of \$1,488,598.

Gains and losses related to the difference between assumptions and actual experience are amortized over a period of 5.0 years. At December 31, 2021, 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	\$ 77,748,471	\$ (25,936,335)
Differences between expected and actual experience	-	(111,567,391)
	<u>\$ 77,748,471</u>	<u>\$ (137,503,726)</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:

2022	\$ (16,060,034)
2023	(16,060,034)
2024	(16,492,075)
2025	(17,617,465)
2026	<u>6,474,353</u>
Total	<u>\$ (59,755,255)</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.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

At January 1, 2020, the measurement date, members of the Pension Plan was as follows:

Inactive plan members currently receiving benefits	1,822
Inactive plan members entitled to benefits but not yet receiving them	209
Current employees	<u>2,574</u>
Total membership	<u>4,605</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% of the highest average salary at time of retirement. Death benefits for a member who dies with ten 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% of their salaries to the Pension Plan and employees may elect to contribute up to 17% 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 2020, the annual contribution by the County was \$6,112,362 based on the January 1, 2020 actuarial valuation using the entry age normal cost method. The actuarial assumptions included, (a) projected salary increases of 3.5% per year and (b) 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 2.5%. 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% 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% and a minimum of 80% of the market value of assets as of the valuation date.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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 2020 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 2020 measurement period are summarized in the above table.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Fund investment expense, was 15.10%. 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, 2021, were as follows:

Total pension liability	\$ 573,297,802
Pension Plan fiduciary net position	<u>610,770,433</u>
Pension Plan net pension asset	<u>\$ (37,472,631)</u>
Pension Plan fiduciary net position as a percentage of total pension liability	<u>106.54%</u>

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

Changes in the Net Pension Liability (Asset)

The changes in the County's net pension liability (asset) during the year ended December 31, 2021, 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, 2021	\$ 551,870,584	\$ 562,788,438	\$ (10,917,854)
Changes for the year:			
Service cost	11,844,349	-	11,844,349
Interest cost	38,672,973	-	38,672,973
Difference between expected and actual experience	6,008,688	-	6,008,688
Contributions, employer	-	5,231,379	(5,231,379)
Contributions, plan member	-	11,566,554	(11,566,554)
Net investment income	-	66,282,854	(66,282,854)
Benefit payments, including refunds	(35,098,792)	(35,098,792)	-
Net changes	21,427,218	47,981,995	(26,554,777)
Balances at December 31, 2021	\$ 573,297,802	\$ 610,770,443	\$ (37,472,631)

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, 2020, using the following actuarial methods and assumptions:

Actuarial valuation date	January 1, 2020 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 Nonannuitant 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, 2021

Discount Rate

The discount rate used to measure the total pension liability for the Pension Plan was 7.0%. 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 asset 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% 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%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Net pension liability (asset)	\$ 8,383,267	\$ (37,472,631)	\$ (96,618,320)

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2021, the County recognized pension income of \$12,867,306, which was allocated \$10,129,636 and \$2,737,670 to governmental activities and business-type activities, respectively. At December 31, 2021, 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	\$ 6,888,633	\$ -
Net difference between projected and actual earning	-	(39,446,257)
Changes in assumptions	8,181,802	(3,186,704)
Contributions made subsequent to measurement date	6,112,362	-
Total	<u>\$ 21,182,797</u>	<u>\$ (42,632,961)</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:	
2022	\$ (7,258,333)
2023	413,282
2024	(16,317,640)
2025	<u>(4,399,835)</u>
Total	<u>\$ (27,562,527)</u>

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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>Workers' Compensation</u>	<u>Casualty/ Liability (Excluding Vehicles)</u>	<u>Health Benefits</u>	<u>Vehicles</u>
1988 to 1992	\$ 300,000	\$ -	\$ 75,000	\$ 100,000
1993 to 1999	300,000	100,000	75,000	100,000
2000 to 2001	250,000	100,000	75,000	100,000
2002 to 2006	325,000	250,000	90,000	100,000
2007 to 2013	500,000	250,000	200,000	100,000
2014 to 2020	650,000	250,000	210,000*	100,000
2021	650,000	150,000	210,000	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 \$56,011,307, which includes insurance claims of \$52,862,811 and administrative costs of \$3,148,496. 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 \$113,081 for the fiscal year.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

An analysis of the claims activity is presented as follows:

	2021			
	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	\$ 2,559,516	\$ 45,581,917	\$ 45,933,250	\$ 2,208,183
Self-Insured Workers' Compensation Fund	1,262,334	1,704,577	1,053,077	1,913,834
Self-Insured Casualty/Liability Fund	949,501	5,576,317	5,750,706	775,112
Total	<u>\$ 4,771,351</u>	<u>\$ 52,862,811</u>	<u>\$ 52,737,033</u>	<u>\$ 4,897,129</u>

	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>

25. Other Revenues

Other revenues of \$4,710,895 in the governmental funds consist of funds received related to gaming proceeds for economic development of \$759,938; rental income of \$996,080; funds received from the state equalization board of \$1,043,200; revenues related to Act 164 Rideshare fees of \$667,893; payments from Chester City of \$1,072,449, and various other revenues of \$171,335.

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 \$171,740,528 consists of the General Fund of \$3,219,923 representing grants and other fees, Health and Human Service of \$70,033,541, Other Governmental Funds of \$43,336,890, and Coronavirus Relief Funds of \$55,150,174, representing grants received which were not earned at December 31, 2021.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

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) refunded by the 2019 Bonds (Note 16). The stadium was completed in 2010.

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 2021 amount due to the County of \$349,083 was paid by the City in May 2021. The present value of this asset amounting to approximately \$5,281,196 has been recorded in other receivables on the government-wide statement of net position at December 31, 2021 (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, 2021, under the various leases are as follows:

Years ending December 31:	
2022	\$ 5,517,686
2023	5,145,826
2024	5,019,737
2025	4,110,704
2026	2,572,921
2027-2031	<u>6,859,373</u>
Total	<u>\$ 29,226,247</u>

Total rental expense for these leases during 2021 was \$5,494,037.

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, 2021.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

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 U.S. Census Bureau.

In April 2020, the County received \$98,892,981 from the Coronavirus Relief Fund. In the years ending December 31, 2021 and 2020, the County incurred \$27,276,212 and \$71,795,800 of expenditures for allowable costs, respectively.

The federal government passed the American Rescue Plan 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 American Rescue Plan Act, including meeting pandemic response needs, rebuilding the County's economy and replacing lost County revenue. The County received \$55,041,980 of the funds in May 2021, with the remaining received in June 2022. The County incurred \$1,002,948 of expenditures for allowable costs. \$54,055,398 was considered unearned revenue as of December 31, 2021. The funds are to cover costs obligated by December 31, 2024, and performed by December 31, 2026.

In June 2021, Governor Wolf signed Act 24, which allocates \$282 million of federal funding from the American Rescue Plan for payments to nursing facilities, personal care homes and assisted living residences. Fair Acres Geriatric Center received \$2,563,759 in June 2021 and incurred \$1,063,759 of expenditures for allowable costs. \$1,500,000 was considered unearned revenue as of December 31, 2021.

The U.S. Congress established two emergency rental assistance programs in response to the coronavirus pandemic to fund rent, utilities and home energy costs, and other housing-related expenses. The County received funds under Section 501 of the 2021 Consolidated Appropriations Act (ERA1) and under Section 3201 of the American Rescue Plan Act of 2021 (ERA2). As of the end of 2021, the County had been allocated \$37,937,898 under ERA1 and \$31,765,727 under ERA2 (including reallocations from other recipients). ERA1 funds must be spent by September 30, 2022, (with a potential 90-day extension) and ERA2 funds by September 30, 2025.

The County worked with a variety of community partners and a contracted service provider to establish the Emergency Rental Program using these funds. In 2021, a total of \$42,783,506 in funds were spent to assist 6,712 households with rent and utilities.

In 2021, the County submitted \$7,023,845 of claims to the Federal Emergency Management Agency (FEMA) for COVID-19 related expenditures. FEMA approved \$1.6 million of expenditures in May 2022, and the County expects FEMA will approve remaining expenditures later in the year.

County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2021

30. Subsequent Events

In March 2022, the County issued \$40,000,000 and \$35,000,000 in general obligation notes through Delaware Valley Regional Finance Authority. The net proceeds of \$75,000,000 will be used to fund certain capital projects including: construction of and renovations to buildings, parking garages and other facilities; acquisition of equipment, information technology and vehicles; construction of and renovations to prison and juvenile detention facilities; construction of and improvements to facilities of the Fair Acres Geriatric Center; funding of projects of the Southeastern Pennsylvania Transportation Authority; improvements to County parks; preservation of open space; Countywide reassessment of real estate values; 911 Center capital projects, including the 911 radio system; and debt issuance costs.

Acting upon the recommendation of the Delaware County Jail Oversight Board, whose recommendation followed a year's long transition analysis, Delaware County Council approved on October 6, 2021, the termination of the contract for private management of the George W. Hill Correctional Facility and directed sending a 180-day notice of termination to the contractor as provided in the contract. Several services and staffing for operation of the facility were transitioned to County control in March 2022, with final completion of the transition in April 2022.

On April 2, 2022, the Delaware County Health Department was approved by the Pennsylvania Department of Health to exercise its powers and duties to improve the lives and health outcomes for County residents. This marks the first health department to be established in the state of Pennsylvania in the past 33 years and marked the completion of almost two years of work by the County to create its own Health Department.

In response to a series of permanent and temporary service closures and suspensions by Prospect Crozer beginning in January, Delaware County Council passed an emergency ordinance on April 20, 2022, requiring hospitals and long-term care facilities to provide 180-days' notice to the County and develop closing plans for hospitals or long-term care facilities. On May 18, 2022, Delaware County filed a petition for a preliminary injunction against Prospect Crozer's proposed closings in the Delaware County Court of Common Pleas. Prospect Crozer has agreed to voluntarily maintain its behavioral health services operating through at least August 31, 2022. The hearing on the County's petition for a preliminary injunction will be continued to August 22, 2022.

County of Delaware, Pennsylvania

Notes to Financial Statements
December 31, 2021

31. New Accounting Pronouncements

The GASB has approved the following statements:

- Statement No. 87, *Leases*, effective for the County's year ending December 31, 2022.
- Statement No. 91, *Conduit Debt Obligations*, effective for the year ending December 31, 2022.
- 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.
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an Amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32*, effective for the County's year ending December 31, 2023.
- Statement No. 99, *Omnibus 2022*, portions of this standard that were effective upon issuance of the statement were not material to the County's financial reporting. Portions of this statement are effective for the County's year ending December 31, 2023 and 2024.
- Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62, effective for the County's year ending December 31, 2024.
- Statement No. 101, *Compensated Absences*, effective for the County's year ending December 31, 2024.

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
 For the Years Ending December 31
 (Unaudited)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability					
Service cost	\$ 18,068,533	\$ 18,690,090	\$ 15,870,584	\$ 17,521,129	\$ 21,490,798
Interest cost	14,518,005	17,101,669	18,969,509	12,438,024	11,154,286
Changes of assumptions or other inputs	29,018,463	(52,656,643)	28,501,362	52,772,639	17,247,110
Differences between expected and actual	-	-	(61,125,471)	-	(91,704,964)
Benefit payments	<u>13,198,969</u>	<u>(13,837,017)</u>	<u>(13,472,942)</u>	<u>(13,979,506)</u>	<u>(15,096,452)</u>
Net change in total OPEB liability	74,803,970	(30,701,901)	(11,256,958)	68,752,286	(56,909,222)
Total OPEB Liability, Beginning	<u>410,565,998</u>	<u>485,369,968</u>	<u>454,668,067</u>	<u>443,411,109</u>	<u>512,163,395</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>	<u>\$ 455,254,173</u>
Covered-Employee Payroll (Estimated)	\$ 167,229,090	\$ 173,082,000	\$ 138,782,000	\$ 138,782,000	\$ 123,198,991
County's Net Pension Liability as a Percentage of Covered-Employee Payroll	290.24%	262.69%	319.50%	369.04%	369.53%

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

In 2021, 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 \$58.4 million

County of Delaware, Pennsylvania

Required Supplementary Information

 Schedule of Changes in the County's Net Pension Liability (Asset) and Related Ratios
 For the Years Ending December 31
 (Unaudited)

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service cost	\$ 4,767,962	\$ 4,584,055	\$ 15,542,585	\$ 15,286,753	\$ 11,079,249	\$ 11,407,742	\$ 11,844,349
Interest	31,874,452	33,074,553	33,824,984	35,056,767	35,620,617	37,094,044	38,672,973
Difference between expected and actual experience	4,147,176	8,944,917	(363,424)	(8,234,316)	(2,408,168)	3,547,553	6,008,688
Changes in assumptions	-	-	(17,616,575)	-	19,338,805	-	-
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)	(35,098,792)
Net change in total pension liability	15,523,198	22,685,627	7,088,130	17,326,346	34,341,600	22,276,139	21,427,218
Total Pension Liability, Beginning	432,629,544	448,152,742	470,838,369	477,926,499	495,252,845	529,594,445	551,870,584
Total Pension Liability, Ending (a)	\$ 448,152,742	\$ 470,838,369	\$ 477,926,499	\$ 495,252,845	\$ 529,594,445	\$ 551,870,584	\$ 573,297,802
Plan Fiduciary Net Position							
Employer contributions	\$ 4,159,063	\$ 3,987,098	\$ 5,160,038	\$ 4,762,155	\$ 1,527,490	\$ 3,997,875	\$ 5,231,379
Employee contributions	10,929,265	10,301,611	10,747,880	10,584,568	10,798,327	11,251,629	11,566,554
Net investment income (loss)	25,701,117	(4,799,203)	31,600,871	68,708,453	(36,709,229)	99,652,455	66,282,854
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)	(35,098,792)
Administration	(48,804)	(48,803)	(48,803)	-	-	-	-
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	47,981,995
Plan Fiduciary Net Position, Beginning	447,902,076	463,376,325	448,899,130	472,059,676	531,331,994	477,659,679	562,788,438
Plan Fiduciary Net Position, Ending (b)	\$ 463,376,325	\$ 448,899,130	\$ 472,059,676	\$ 531,331,994	\$ 477,659,679	\$ 562,788,438	\$ 610,770,433
Plan net pension (asset) liability, ending (a) - (b)	\$ (15,223,583)	\$ 21,939,239	\$ 5,866,823	\$ (36,079,149)	\$ 51,934,766	\$ (10,917,854)	\$ (37,472,631)
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%	106.54%
Covered Payroll	\$ 134,056,126	\$ 130,961,008	\$ 135,127,843	\$ 132,195,406	\$ 131,211,477	\$ 131,220,398	\$ 135,464,334
County's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(11.36)%	16.75%	4.34%	-27.29%	39.58%	-8.32%	-27.66%

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 No. 67.

County of Delaware, Pennsylvania

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contribution	\$ 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	\$ 6,112,362
Contributions in Relation to the Actuarially Determined Contribution	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	6,112,362
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 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	\$ 138,229,701
Contributions as a Percentage of Covered Payroll	5.64%	5.43%	3.10%	3.04%	3.82%	3.60%	1.16%	3.05%	3.86%	4.42%

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	7.0%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years of service
Mortality	2013 RP Annuitant and Nonannuitant Mortality Tables for males and females with no projected improvement

County of Delaware, Pennsylvania

Required Supplementary Information
Schedule of Investment Returns
For the Years Ending December 31
(Unaudited)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.50%	(0.65)%	7.90%	15.27%	(6.88)%	21.40%	15.10%

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
Year Ended December 31, 2021**

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, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Positive (Negative)</u>
Current			
General Government:			
Administrative Services	\$ 392,855	\$ 374,909	\$ 17,946
Board of Personnel Grievance	16,000	-	16,000
Budget Management	596,842	277,171	319,671
Bureau of Elections	3,819,268	3,325,539	493,729
Central Purchasing	317,882	257,606	60,276
Constables	1,376,712	669,379	707,333
Consumer Affairs	217,498	207,702	9,796
Controller	1,422,816	1,247,587	175,229
County Clerk	145,735	143,268	2,467
County Council	489,916	434,335	55,581
County Motor Vehicle Management	268,711	128,722	139,989
Court House and Park Police	1,525,736	76,104	1,449,632
Executive Director	1,376,463	909,326	467,137
Facilities Management	3,169,007	2,993,881	175,126
Information Technology	4,928,216	3,690,934	1,237,282
Intercommunity Health	674,634	490,331	184,303
Library Services	1,241,711	1,112,082	129,629
Parks and Recreation	1,558,832	1,547,680	11,152
Personnel	952,384	658,391	293,993
Planning	1,169,741	1,132,505	37,236
Public Relations	251,255	235,362	15,893
Public Works	254,620	159,450	95,170
Recorder of Deeds	589,892	507,043	82,849
Records and Archives	256,472	167,140	89,332
Risk Management	53,560	2,341	51,219
Self-Tax Collection	208,380	82,829	125,551
Solicitor	2,394,210	2,257,464	136,746
Tax Assessment	1,216,495	568,206	648,289
Tax Claim Office	1,114,812	821,790	293,022
Telecommunications	2,238,845	1,243,149	995,696
Treasurer	518,103	217,379	300,724
Veterans' Affairs	311,685	249,846	61,839
Voter Registration	414,752	414,752	-
Voting Machines	394,207	330,093	64,114
	<u>35,878,247</u>	<u>26,934,296</u>	<u>8,943,951</u>
Total General Government			

(Continued)

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

General Fund

Year Ended December 31, 2021

	Final Budget	Actual	Variances Positive (Negative)
Judicial:			
Adult Probation and Parole	\$ 5,584,756	\$ 5,584,730	\$ 26
Bail Agency	1,224,472	1,067,734	156,738
Court Administrator	1,977,285	1,276,582	700,703
Court Support and Services	233,118	5,713,029	(5,479,911)
Diagnostic Services	5,991,147	662,781	5,328,366
District Justice	826,452	7,260,226	(6,433,774)
Domestic Relations	7,965,825	4,568,636	3,397,189
Electronic Record System	5,629,808	765,195	4,864,613
Financial Services	787,219	216,908	570,311
Juvenile Court	10,481,248	8,672,362	1,808,886
Juvenile Detention	2,784,380	227,829	2,556,551
Juvenile Detention Kitchen	480,482	13,686	466,796
Legal Audio Visual	216,150	193,793	22,357
Maintenance of Juveniles	6,010,990	2,532,149	3,478,841
	<u>50,193,332</u>	<u>38,755,640</u>	<u>11,437,692</u>
Total Judicial			
Corrections:			
Community Corrections	1,025,556	408,663	616,893
County Clerk Services	9,176	9,176	-
Criminal Investigations Dept.	4,514,045	1,273,573	3,240,472
District Attorney	6,090,555	5,486,044	604,511
Judicial Support	2,196,304	1,915,950	280,354
Medical Examiner	1,054,425	568,020	486,405
Office of Support Enforcement	712,770	538,242	174,528
Prison	48,000,000	47,934,322	65,678
Public Defender	4,177,566	3,689,460	488,106
Register of Wills	656,108	591,320	64,788
Sheriff	4,270,533	1,408,511	2,862,022
Special Counsel, Indigent Prisoners	124,183	119,445	4,738
	<u>72,831,221</u>	<u>63,942,726</u>	<u>8,888,495</u>
Total Corrections			
Transportation:			
Southeastern Pennsylvania Transportation Authority Subsidy	9,439,000	9,439,005	(5)

(Continued)

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

General Fund

Year Ended December 31, 2021

	Final Budget	Actual	Variances Positive (Negative)
Other:			
Agricultural Extension Service	\$ 162,000	\$ 137,086	\$ 24,914
Civil Defense	775,024	280,668	494,356
Employee Benefits	51,161,227	24,110,340	27,050,887
Insurance	5,922,500	4,800,015	1,122,485
Other County Expenditures	978,500	116,026	862,474
Other Programs and Grants	3,543,748	5,420,606	(1,876,858)
Soil Conservation	311,740	295,849	15,891
Training Center	223,292	222,973	319
	<u>63,078,031</u>	<u>35,383,563</u>	<u>27,694,468</u>
Total other			
Debt service:			
Principal	18,306,535	19,055,209	(748,674)
	<u>5,777,370</u>	<u>5,028,796</u>	<u>748,574</u>
Interest			
	<u>\$ 255,503,736</u>	<u>\$ 198,539,235</u>	<u>\$ 56,964,501</u>
Total expenditures			

THIS PAGE INTENTIONALLY LEFT BLANK

County of Delaware, Pennsylvania

Health and Human Service Funds Description of Sub-Funds Year Ended December 31, 2021

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, PennsylvaniaCombining Balance Sheet Schedule
Health and Human Service Sub-Funds
December 31, 2021

	Special Grants	Health Choices	Mental Health	Intellectual and Developmental Disabilities
Assets				
Cash and cash equivalents	\$ 6,898	\$ 13,092,691	\$ -	\$ -
Restricted cash	-	30,672,845	-	-
Grants receivable	3,592,461	24,416,798	1,290,453	2,190,586
Due from other funds	15,171,923	-	15,804,425	1,479,084
Other assets	20,200	-	9,184	16,065
Total assets	<u>\$ 18,791,482</u>	<u>\$ 68,182,334</u>	<u>\$ 17,104,062</u>	<u>\$ 3,685,735</u>
Liabilities and Fund Balance				
Liabilities				
Vouchers and accounts payable	\$ 2,358,213	\$ 45,443,982	\$ 10,205,587	\$ 1,834,689
Due to other funds	-	43,564	-	-
Unearned revenues	15,954,769	22,694,788	6,898,475	1,397,234
Other liabilities	478,500	-	-	453,812
Total liabilities	18,791,482	68,182,334	17,104,062	3,685,735
Fund Balance	-	-	-	-
Total liabilities and fund balance	<u>\$ 18,791,482</u>	<u>\$ 68,182,334</u>	<u>\$ 17,104,062</u>	<u>\$ 3,685,735</u>

(Continued)

Substance Abuse	Child Welfare	Day Care	Total
\$ -	\$ -	\$ -	\$ 13,099,589
-	-	-	30,672,845
-	18,663,088	302,294	50,455,680
1,304,980	-	22,382,065	56,142,477
<u>2,142</u>	<u>45,996</u>	<u>7,141</u>	<u>100,728</u>
<u>\$ 1,307,122</u>	<u>\$ 18,709,084</u>	<u>\$ 22,691,500</u>	<u>\$ 150,471,319</u>
\$ 773,672	\$ 3,258,892	\$ 135,331	\$ 64,010,366
-	12,615,267	-	12,658,831
532,106	-	22,556,169	70,033,541
<u>1,344</u>	<u>2,834,925</u>	<u>-</u>	<u>3,768,581</u>
1,307,122	18,709,084	22,691,500	150,471,319
-	-	-	-
<u>\$ 1,307,122</u>	<u>\$ 18,709,084</u>	<u>\$ 22,691,500</u>	<u>\$ 150,471,319</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, 2021

	Special Grants	Health Choices	Mental Health	Intellectual and Developmental Disabilities
Revenues				
Health and human service grants	\$ 62,173,909	\$ 160,071,975	\$ 33,102,894	\$ 14,223,247
Expenditures				
Current:				
Health and human services	<u>62,759,799</u>	<u>160,071,975</u>	<u>33,919,083</u>	<u>14,223,247</u>
Deficiency of revenues over expenditures	<u>(585,890)</u>	<u>-</u>	<u>(816,189)</u>	<u>-</u>
Other Financing Sources (Uses)				
Transfers in	8,085,890	-	816,189	-
Transfers out	<u>(7,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources, net	<u>585,890</u>	<u>-</u>	<u>816,189</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>

(Continued)

Substance Abuse	Child Welfare	Day Care	Total
\$ 4,831,576	\$ 33,062,617	\$ 63,788,534	\$ 371,254,752
<u>4,947,972</u>	<u>39,044,142</u>	<u>63,788,534</u>	<u>378,754,752</u>
<u>(116,396)</u>	<u>(5,981,525)</u>	<u>-</u>	<u>(7,500,000)</u>
116,396	5,981,525	-	15,000,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,500,000)</u>
<u>116,396</u>	<u>5,981,525</u>	<u>-</u>	<u>7,500,000</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THIS PAGE INTENTIONALLY LEFT BLANK

County of Delaware, Pennsylvania

Nonmajor Governmental Funds Special Revenue Funds Description of Sub-Funds Year Ended December 31, 2021

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, 2021

	<u>OWD/Other</u>	<u>Hazmat</u>	<u>911</u>	<u>Library</u>
Assets				
Cash and cash equivalents	\$ 3,314,046	\$ 720,847	\$ 9,987,579	\$ 3,588,190
Restricted cash	-	-	-	-
Grants receivable	2,790,155	-	3,318,161	-
Due from other funds	9,082,123	-	-	-
Notes receivable	-	-	-	-
Other assets	11,723	-	-	-
Total assets	<u>\$ 15,198,047</u>	<u>\$ 720,847</u>	<u>\$ 13,305,740</u>	<u>\$ 3,588,190</u>
Liabilities and Fund Balance				
Liabilities				
Vouchers and accounts payable	\$ 280,207	\$ 5,472	\$ -	\$ 3,101
Due to other funds	2,146,025	3,362	13,155,814	2,982,560
Unearned revenues	12,624,675	712,013	-	-
Other liabilities	147,140	-	149,926	-
Total liabilities	<u>15,198,047</u>	<u>720,847</u>	<u>13,305,740</u>	<u>2,985,661</u>
Fund Balance				
Restricted for:				
Highways and streets	-	-	-	-
Library	-	-	-	602,529
Community development	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,529</u>
Total liabilities and fund balance	<u>\$ 15,198,047</u>	<u>\$ 720,847</u>	<u>\$ 13,305,740</u>	<u>\$ 3,588,190</u>

(Continued)

Liquid Fuels	COSA	CDBG/ Rehab	Marcellus Shale	Total
\$ 806,719	\$ 250	\$ 2,540,945	\$ -	\$ 20,958,576
-	-	-	7,424,343	7,424,343
-	888,857	-	-	6,997,173
88,498	2,753,109	-	-	11,923,730
-	-	25,323,129	-	25,323,129
-	29,592	-	-	41,315
<u>\$ 895,217</u>	<u>\$ 3,671,808</u>	<u>\$ 27,864,074</u>	<u>\$ 7,424,343</u>	<u>\$ 72,668,266</u>
\$ 486,449	\$ 1,892,426	\$ 652,425	\$ 10,000	\$ 3,330,080
-	-	2,315,561	215,653	20,818,975
-	-	22,801,512	7,198,690	43,336,890
-	1,779,382	-	-	2,076,448
<u>486,449</u>	<u>3,671,808</u>	<u>25,769,498</u>	<u>7,424,343</u>	<u>69,562,393</u>
408,768	-	-	-	408,768
-	-	-	-	602,529
-	-	2,094,576	-	2,094,576
<u>408,768</u>	<u>-</u>	<u>2,094,576</u>	<u>-</u>	<u>3,105,873</u>
<u>\$ 895,217</u>	<u>\$ 3,671,808</u>	<u>\$ 27,864,074</u>	<u>\$ 7,424,343</u>	<u>\$ 72,668,266</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, 2021

	<u>OWD/Other</u>	<u>Hazmat</u>	<u>911</u>	<u>Library</u>
Revenues				
General grants	\$ 15,006,240	\$ 36,207	\$ 13,237,829	\$ 1,946,289
Expenditures				
Current:				
Highways, streets and bridges	605,047	-	-	-
Other	13,831,193	36,207	17,620,215	2,565,148
Total expenditures	14,436,240	36,207	17,620,215	2,565,148
Excess (deficiency) of revenues over expenditures	570,000	-	(4,382,386)	(618,859)
Other Financing Sources (Uses)				
Transfers in	25,000	-	4,382,386	-
Transfers out	(595,000)	-	-	-
Total other financing sources (uses)	(570,000)	-	4,382,386	-
Net change in fund balance	-	-	-	(618,859)
Fund Balance, Beginning	-	-	-	1,221,388
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ 602,529

(Continued)

Liquid Fuels	COSA	CDBG/ Rehab	Marcellus Shale	Total
\$ 858,114	\$ 12,576,763	\$ 4,732,496	\$ 56,976	\$ 48,450,914
728,005	-	-	41,976	1,375,028
-	12,697,763	4,831,669	15,000	51,597,195
728,005	12,697,763	4,831,669	56,976	52,972,223
130,109	(121,000)	(99,173)	-	(4,521,309)
-	121,000	-	-	4,528,386
-	-	-	-	(595,000)
-	121,000	-	-	3,933,386
130,109	-	(99,173)	-	(587,923)
278,659	-	2,193,749	-	3,693,796
\$ 408,768	\$ -	\$ 2,094,576	\$ -	\$ 3,105,873

County of Delaware, Pennsylvania

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Liquid Fuels Fund

Year Ended December 31, 2021

	Budget		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
General grants	\$ 875,000	\$ 875,000	\$ 858,114	\$ (16,886)
Expenditures				
Current:				
Liquid Fuels	698,439	858,056	728,005	130,051
Excess (deficiency) of revenues over expenditures	176,561	16,944	130,109	113,165
Fund Balance, Beginning	432,872	170,338	278,659	108,321
Fund Balance, Ending	<u>\$ 609,433</u>	<u>\$ 187,282</u>	<u>\$ 408,768</u>	<u>\$ 221,486</u>

County of Delaware, Pennsylvania

Capital Projects Funds Description of Sub-Funds Year Ended December 31, 2021

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, 2021

	Food Services Facility Fund	General Capital Projects Fund	Total
Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Restricted cash	1,329	26,700,665	26,701,994
Due from other funds	6,672	-	6,672
Due from Solid Waste Authority	-	5,475,000	5,475,000
	<u>-</u>	<u>5,475,000</u>	<u>5,475,000</u>
Total assets	<u>\$ 8,001</u>	<u>\$ 32,175,665</u>	<u>\$ 32,183,666</u>
Liabilities and Fund Balances			
Liabilities			
Vouchers and accounts payable	\$ 1,799	\$ 1,751,647	\$ 1,753,446
Unearned revenues	-	-	-
Due to other funds	-	10,420,881	10,420,881
	<u>-</u>	<u>10,420,881</u>	<u>10,420,881</u>
Total liabilities	<u>1,799</u>	<u>12,172,528</u>	<u>12,174,327</u>
Fund Balances			
Restricted for:			
Capital projects	-	20,003,137	20,003,137
Assigned to:			
Capital projects	6,202	-	6,202
	<u>6,202</u>	<u>-</u>	<u>6,202</u>
Total fund balances	<u>6,202</u>	<u>20,003,137</u>	<u>20,009,339</u>
Total liabilities and fund balance	<u>\$ 8,001</u>	<u>\$ 32,175,665</u>	<u>\$ 32,183,666</u>

County of Delaware, Pennsylvania

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Sub-Funds

Year Ended December 31, 2021

	Food Services Facility Fund	General Capital Projects Fund	Total
Revenues			
Investment earnings	\$ 6,667	\$ 65,046	\$ 71,713
General grants	-	688,204	688,204
	<u>6,667</u>	<u>753,250</u>	<u>759,917</u>
Expenditures			
Capital outlay	6,659	40,788,339	40,794,998
Debt issuance costs	-	-	-
	<u>6,659</u>	<u>40,788,339</u>	<u>40,794,998</u>
Deficiency of revenues over expenditures	<u>8</u>	<u>(40,035,089)</u>	<u>(40,035,081)</u>
Net change in fund balance	8	(40,035,089)	(40,035,081)
Fund Balance, Beginning	<u>6,194</u>	<u>60,038,226</u>	<u>60,044,420</u>
Fund Balance, Ending	<u>\$ 6,202</u>	<u>\$ 20,003,137</u>	<u>\$ 20,009,339</u>

Combining Statements and Schedules
Internal Service Funds

County of Delaware, Pennsylvania

Internal Service Funds Description of Sub-Funds Year Ended December 31, 2021

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, 2021

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
Assets				
Cash and cash equivalents	\$ 7,524	\$ 1,475,900	\$ 2,805,851	\$ 4,289,275
Prepaid expenses	1,666,000	-	2,182,054	3,848,054
Due from other funds	534,659	-	-	534,659
Total assets	<u>\$ 2,208,183</u>	<u>\$ 1,475,900</u>	<u>\$ 4,987,905</u>	<u>\$ 8,671,988</u>
Liabilities and Net Position				
Liabilities				
Current liabilities:				
Claims payable	\$ -	\$ 1,913,834	\$ 775,112	\$ 2,688,946
Due to other funds	-	(437,934)	4,212,793	3,774,859
Total current liabilities	-	1,475,900	4,987,905	6,463,805
Noncurrent liabilities:				
Claims payable	2,208,183	-	-	2,208,183
Total noncurrent liabilities	2,208,183	-	-	2,208,183
Net Position	-	-	-	-
Total liabilities and net position	<u>\$ 2,208,183</u>	<u>\$ 1,475,900</u>	<u>\$ 4,987,905</u>	<u>\$ 8,671,988</u>

County of Delaware, Pennsylvania

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended December 31, 2021

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
Operating Revenues				
Charges for services	<u>\$ 48,730,279</u>	<u>\$ 1,704,206</u>	<u>\$ 5,575,330</u>	<u>\$ 56,009,815</u>
Operating Expenses				
Insurance claims	45,581,917	1,704,577	5,576,317	52,862,811
Administration	<u>3,148,496</u>	<u>-</u>	<u>-</u>	<u>3,148,496</u>
Total operating expenses	<u>48,730,413</u>	<u>1,704,577</u>	<u>5,576,317</u>	<u>56,011,307</u>
Operating loss	(134)	(371)	(987)	(1,492)
Nonoperating Revenues				
Investment earnings	<u>134</u>	<u>371</u>	<u>987</u>	<u>1,492</u>
Change in net position	-	-	-	-
Net Position, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

County of Delaware, Pennsylvania

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2021

	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	\$ 49,297,270	\$ 1,053,671	\$ 6,092,034	\$ 56,442,975
Payments to suppliers	<u>(49,337,745)</u>	<u>(1,053,077)</u>	<u>(6,112,766)</u>	<u>(56,503,588)</u>
Net cash (used in) provided by operating activities	(40,475)	594	(20,732)	(60,613)
Cash Flows Provided by Investing Activities				
Interest received	<u>134</u>	<u>371</u>	<u>987</u>	<u>1,492</u>
Net (decrease) increase in cash and cash equivalents	(40,341)	965	(19,745)	(59,121)
Cash and Cash Equivalents, Beginning	<u>47,865</u>	<u>1,474,935</u>	<u>2,825,596</u>	<u>4,348,396</u>
Cash and Cash Equivalents, Ending	<u>\$ 7,524</u>	<u>\$ 1,475,900</u>	<u>\$ 2,805,851</u>	<u>\$ 4,289,275</u>
Reconciliation of Operating Loss to Net Cash (Used in) Provided by Operating Activities				
Operating loss	\$ (134)	\$ (371)	\$ (987)	\$ (1,492)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
(Increase) decrease in due to other funds	566,991	(650,535)	516,704	433,160
(Increase) decrease in prepaid expenses	(255,999)	-	(362,060)	(618,059)
Increase (decrease) in claims payable	<u>(351,333)</u>	<u>651,500</u>	<u>(174,389)</u>	<u>125,778</u>
Total adjustments	<u>(40,341)</u>	<u>965</u>	<u>(19,745)</u>	<u>(59,121)</u>
Net cash (used in) provided by operating activities	<u>\$ (40,475)</u>	<u>\$ 594</u>	<u>\$ (20,732)</u>	<u>\$ (60,613)</u>

Combining Statements and Schedules

Component Units

County of Delaware, Pennsylvania

Component Units Description of Component Units Year Ended December 31, 2021

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, 2021

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Total
Assets					
Cash and cash equivalents	\$ 10,539,363	\$ 1,754,849	\$ -	\$ 658,630	\$ 12,952,842
Receivables (net of allowance for uncollectibles):					
Accounts	3,884,891	-	-	-	3,884,891
Other	158,045	477,337	-	11,006	646,388
Inventories	148,408	-	-	-	148,408
Other assets	385,031	23,772	-	-	408,803
Investments	10,500	-	-	-	10,500
Restricted cash and cash equivalents	1,596,061	-	-	18,834	1,614,895
Capital assets (net of accumulated depreciation):					
Land	7,000,000	-	849,286	1,024,199	8,873,485
Land improvements	1,420,056	-	-	-	1,420,056
Construction in progress	3,135,213	-	-	-	3,135,213
Buildings and improvements	-	-	17,618,999	-	17,618,999
Equipment	12,046,040	-	-	-	12,046,040
Net pension asset	222,219	-	-	-	222,219
Total assets	40,545,827	2,255,958	18,468,285	1,712,669	62,982,739
Deferred Outflows of Resources					
	571,088	-	-	-	571,088
Total assets and deferred outflows of resources	\$ 41,116,915	\$ 2,255,958	\$ 18,468,285	\$ 1,712,669	\$ 63,553,827
Liabilities					
Accounts payable and other current liabilities	\$ 3,625,965	\$ 698,855	\$ -	\$ 136,422	\$ 4,461,242
Unearned revenue	-	156,327	-	-	156,327
Due to primary government	7,475,000	-	-	-	7,475,000
Long-term liabilities:	-	-	-	-	-
Due within one year:					
Bonds and notes payable	578,000	-	-	-	578,000
Due in more than one year:					
Bonds and notes payable	5,697,000	-	-	-	5,697,000
Accrued closure costs	16,273,182	-	-	-	16,273,182
Total liabilities	33,649,147	855,182	-	136,422	34,640,751
Deferred Inflows of Resources					
	635,188	-	-	-	635,188
Total liabilities and deferred inflows of resources	34,284,335	855,182	-	136,422	35,275,939
Net Position					
Net investment in capital assets	17,326,309	-	18,468,285	1,024,199	36,818,793
Restricted for:					
Economic development	-	18,576	-	-	18,576
Solid waste	1,472,219	-	-	-	1,472,219
Unrestricted	(11,965,948)	1,382,200	-	552,048	(10,031,700)
Total net position	6,832,580	1,400,776	18,468,285	1,576,247	28,277,888
Total liabilities, deferred inflows of resources and net position	\$ 41,116,915	\$ 2,255,958	\$ 18,468,285	\$ 1,712,669	\$ 63,553,827

County of Delaware, Pennsylvania

Combining Statement of Activities

Component Units

Year Ended December 31, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Total
Functions/Programs								
Solid Waste Authority:								
Public works	\$ 39,722,246	\$ 41,935,741	\$ 99,791	\$ 2,313,286	\$ -	\$ -	\$ -	\$ 2,313,286
Economic Development Oversight Board:								
Public works	10,499,671	2,000	10,694,965	-	197,294	-	-	197,294
Waterfront Industrial Authority:								
Public works	978,833	-	-	-	-	(978,833)	-	(978,833)
Redevelopment Authority:								
Public works	93,976	-	6,000	-	-	-	(87,976)	(87,976)
Total component units	<u>\$ 51,294,726</u>	<u>\$ 41,937,741</u>	<u>\$ 10,800,756</u>	<u>2,313,286</u>	<u>197,294</u>	<u>(978,833)</u>	<u>(87,976)</u>	<u>1,443,771</u>
General Revenues								
Other revenues (expenses)				(3,505)	-	-	-	(3,505)
Unrestricted investment earnings				83,792	335	-	840	84,967
Change in net position				2,393,573	197,629	(978,833)	(87,136)	1,525,233
Net Position, Beginning				<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>
Net Position, Ending				<u>\$ 6,832,580</u>	<u>\$ 1,400,776</u>	<u>\$ 18,468,285</u>	<u>\$ 1,576,247</u>	<u>\$ 28,277,888</u>

Capital Assets by Function

County of Delaware, Pennsylvania

Schedule of Changes in Capital Assets by Function
Year Ended December 31, 2021

	Changes in Capital Assets			
	January 1, 2021	Additions	Disposals/ Reclassification	December 31, 2021
General government and judicial	\$ 259,621,325	\$ 30,324,045	\$ (245,087)	\$ 289,700,283
Recreation	18,369,943	548,243	-	18,918,186
Corrections	109,353,110	-	-	109,353,110
Health and human services	13,017,412	113,242	-	13,130,654
Infrastructure	25,356,687	902,094	-	26,258,781
Other	1,978,312	-	-	1,978,312
Total	<u>\$ 427,696,789</u>	<u>\$ 31,887,624</u>	<u>\$ (245,087)</u>	<u>\$ 459,339,326</u>

	Ending Balance is Composed of				
	Land and Improvements and Infrastructure	Buildings and Improvements	Equipment	Construction in Progress	Total
General government and judicial	\$ 37,666,102	\$ 138,384,566	\$ 111,323,947	\$ 2,325,668	\$ 289,700,283
Recreation	9,835,132	4,769,661	4,313,393	-	18,918,186
Corrections	5,425,643	96,818,312	7,109,155	-	109,353,110
Health and human services	216,698	904,332	12,009,624	-	13,130,654
Infrastructure	21,638,712	-	-	4,620,069	26,258,781
Other	-	-	1,978,312	-	1,978,312
Total	<u>\$ 74,782,287</u>	<u>\$ 240,876,871</u>	<u>\$ 136,734,431</u>	<u>\$ 6,945,737</u>	<u>\$ 459,339,326</u>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ (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)	\$ (9,143,566)
Nonspendable	-	1,381,507	1,144,114	1,173,055	-	-	-	-	-	-
Restricted:										
Pension	-	-	-	-	-	-	-	-	-	12,212,041
Highways and streets	1,856,882	1,777,099	1,430,456	703,883	816,798	917,434	769,628	343,777	278,659	408,768
Infrastructure	-	-	38,358	62,140	62,140	-	-	-	-	-
Library	1,859,136	682,598	609,672	185,364	580,577	512,116	493,311	507,193	1,221,388	602,529
Community development	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	2,094,576
Title IV D program	1,232,444	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288	2,055,110
Capital projects	2,293,963	2,346,683	-	19,062	19,141	19,141	19,487	19,787	681,211	1,481
Unrestricted	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)	(278,390,766)
Total governmental activities net position	<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>	<u>\$ (270,159,827)</u>
Business-Type Activity										
Net investment in capital assets	\$ (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)	\$ (4,709,297)
Pension	-	-	-	-	-	-	-	-	-	3,810,426
Unrestricted	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	4,618,161
Total business-type activity net position	<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>	<u>\$ 3,719,290</u>
Primary Government										
Net investment in capital assets	\$ (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)	\$ (13,852,863)
Nonspendable	-	1,381,507	1,144,114	1,173,055	-	-	-	-	-	-
Restricted	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	21,184,931
Unrestricted	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)	(273,772,605)
Total primary government net position	<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>	<u>\$ (266,440,537)</u>

Source: Annual Financial Reports

Note: Fiscal years 2012 through 2014 have not been restated to conform with the implementation of GASB Statement No. 68 in fiscal year 2015. As a result of the implementation of GASB No. 68 in 2015, unrestricted net position increased as a result of recording of the net pension asset.

Note: Fiscal years 2012 through 2016 have not been restated to conform with the implementation of GASB Statement No. 75 in fiscal year 2017. As a result of the implementation of GASB No. 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>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>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 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	\$ 159,352,063
Judicial	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	43,592,950
Corrections	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	77,111,398
Health and Human Services	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	377,138,855
Highways, streets and bridges	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	1,616,332
Interest on long-term debt	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	4,156,023
Total governmental activities expenses	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	662,967,621
Business-type activities:										
Geriatric Center	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	64,479,811
Total primary government expenses	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	727,447,432
Program Revenues										
Governmental activities:										
Charges for services:										
General government	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	13,669,243
Judicial	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	5,886,557
Corrections	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	6,047,622
Capital grants and contributions	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	1,348,248
Operating grants and contributions	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	479,461,677
Total governmental activities program revenues	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	506,413,347
Business-type activity:										
Operating grants and contributions	-	-	-	-	-	-	-	-	4,967,731	1,063,759
Capital grants and contributions	379,719	-	-	-	-	-	-	-	-	-
Geriatric Center, charges for services	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	54,899,455
Total primary government program revenues	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	562,376,561

County of Delaware, Pennsylvania

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

	<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>	<u>2021</u>
Net Expense										
Governmental activities	\$ (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)	\$ (156,554,274)
Business-type activity	<u>(6,802,366)</u>	<u>(5,590,585)</u>	<u>(2,072,765)</u>	<u>305,474</u>	<u>(6,038,912)</u>	<u>(9,205,837)</u>	<u>(5,168,411)</u>	<u>(10,459,014)</u>	<u>(9,710,480)</u>	<u>(8,516,597)</u>
Total primary government net expense	<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>	<u>(165,070,871)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	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	173,059,084
Unrestricted investment earnings	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	446,756
Grants and charges not restricted to specific programs	407,693	352,508	494,046	971,942	959,266	1,826,875	2,011,525	2,124,575	1,563,777	1,560,808
Gaming revenue	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	6,279,250
Transfers	<u>(5,918,730)</u>	<u>(4,482,703)</u>	<u>(2,072,334)</u>	<u>-</u>	<u>(3,724,501)</u>	<u>(5,351,903)</u>	<u>(2,903,233)</u>	<u>(4,767,707)</u>	<u>(5,642,633)</u>	<u>(10,551,401)</u>
Total government activities	<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>	<u>170,794,497</u>
Business-type activity:										
Investment earnings	-	1,107,882	431	287,643	1,721,294	2,378	29,928	140,854	15,348	3,141
Other revenues	883,636	-	-	-	-	1,196,714	1,198,178	1,100,021	1,236,686	2,002,267
Transfers	<u>5,918,730</u>	<u>4,482,703</u>	<u>2,072,334</u>	<u>-</u>	<u>3,724,501</u>	<u>5,351,903</u>	<u>2,903,233</u>	<u>4,767,707</u>	<u>5,708,000</u>	<u>10,551,401</u>
Total business-type activity	<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>	<u>12,556,809</u>
Total primary government	<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>	<u>183,351,306</u>
Change in Net Position										
Governmental activities	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	14,240,223
Business-type activity	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,117</u>	<u>(593,117)</u>	<u>(2,654,842)</u>	<u>(1,037,072)</u>	<u>(4,450,432)</u>	<u>(2,750,446)</u>	<u>4,040,212</u>
Total primary government	<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>	<u>\$ 18,280,435</u>

County of Delaware, Pennsylvania

Fund Balances, Governmental Funds

Table 3

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	<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>	<u>2021</u>
General Fund										
Nonspendable	\$ 562,376	\$ 1,381,507	\$ 1,144,114	\$ 1,173,055	\$ 994,359	\$ 791,315	\$ 1,167,321	\$ 2,536,155	\$ 974,556	\$ 1,360,274
Restricted	1,232,444	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288	2,055,110
Assigned:										
Debt service costs	11,400,000	11,400,000	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	-	-
Appropriated for next fiscal year spending	-	-	-	-	-	-	-	-	-	6,900,000
Contingency for prison operations	-	-	-	-	-	-	-	-	-	3,000,000
Information technology	-	-	-	-	-	-	-	-	6,900,000	-
Employee benefit costs	11,400,000	11,400,000	12,000,000	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	1,500,000	1,500,000
Unassigned	<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>	<u>69,343,861</u>
Total general fund	<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>73,842,651</u>	<u>84,159,245</u>
All Other Governmental Funds										
Nonspendable	5,475,000	5,475,000	5,475,000	5,475,000	5,475,000	-	-	-	-	-
Restricted	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	23,109,010
Assigned	-	-	-	-	-	-	-	-	-	-
Capital projects	1,215,875	509,216	424,024	360,010	293,103	225,214	120,704	59,794	6,194	6,202
Unassigned:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>23,115,212</u>
Total all funds	<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>\$ 137,580,867</u>	<u>\$ 107,274,457</u>

County of Delaware, Pennsylvania

Changes in Fund Balances, Governmental Funds

Table 4

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Real estate taxes	\$ 172,663,328	\$ 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
Licenses and permits	56,020	37,119	38,635	26,083	47,373	53,704	37,084	17,415	62,948	10,125
General grants	110,169,849	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
Charges for services, fines and forfeitures	22,215,614	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
Investment earnings	202,144	704,372	2,520,716	1,924,856	915,759	690,376	597,499	1,262,735	1,088,573	1,335,689
Gaming revenue	6,279,250	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
Health and Human Service grants	371,254,752	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
Other	4,710,895	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
Total revenues	687,551,852	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
Expenditures										
Current:										
General government	34,322,503	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
Judicial	40,208,333	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
Corrections	75,030,306	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
Transportation	9,439,005	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
Health and Human Services	378,754,752	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
Highways, streets and bridges	1,375,028	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
Other	110,734,931	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
Debt service:										
Principal	19,055,209	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
Interest	5,028,796	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
Debt issuance costs	-	202,703	164,628	-	9,500	443,240	126,881	210,529	-	-
Capital outlay	40,794,998	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
Total expenditures	714,743,861	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
Excess of revenues over (under) expenditures	(27,192,009)	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)
Other Financing Sources (Uses)										
Transfers in	20,098,386	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
Transfers out	(30,649,787)	(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)
Redemption of refunded bond	-	-	(22,425,000)	-	-	(55,780,000)	-	-	-	-
Issuance of bonds and notes	837,000	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)	(9,714,401)	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
Net change in fund balances	(36,906,410)	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
Fund Balance, Beginning	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
Fund Balance, Ending	\$ 107,274,457	\$ 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
Debt Service as a percentage of noncapital expenditure	3.57%	3.62%	4.23%	4.10%	4.21%	4.36%	4.35%	11.36%	4.90%	4.87%

Source: 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, 2021

(Unaudited)

Fiscal Year	Estimated Market Values				Less: Tax-Exempt Property (000s)	Total Taxable Assessed Value (000s)	Total Direct Tax Rate
	Total Residential Property	Total Commercial Property	Total Industrial and Other Property	Total Real Property (000s)			
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
2021	45,282,612	11,014,153	7,868,525	64,165,290	6,370,066	57,795,224	2.999

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, 2021

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rate:										
General	4.3930	4.5100	4.6630	4.7150	4.6760	4.7010	4.7140	5.2010	5.2010	2.4890
Debt	0.9110	0.9420	0.9410	0.8890	0.9280	0.9030	0.8900	0.2600	0.2600	0.5100
Total direct rate	5.3040	5.4520	5.6040	5.6040	5.6040	5.6040	5.6040	5.4610	5.4610	2.9990
Borough and Township Rates:										
Aldan Borough	6.4104	7.4985	7.4985	7.4985	8.1300	8.1300	8.1300	8.1300	8.0000	5.2100
Aston Township	4.0000	4.0000	4.0000	4.0000	4.7000	4.7000	4.7000	5.7000	5.7000	3.2540
Bethel Township	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	0.9930
Brookhaven Township	0.8820	4.3500	4.3500	4.3500	4.3500	4.3500	4.3500	4.8500	4.8500	2.7200
Chadds Ford Township	4.3500	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.5262
Chester City	297.9200	297.9200	297.9200	diff. Bases	9.8058					
Chester Heights	0.0580	0.0580	0.0580	0.0580	0.9800	0.9800	0.9800	0.8800	0.8500	0.3788
Chester Township	8.0000	9.0000	9.0000	9.0000	9.9000	9.9000	9.9000	11.0000	11.0000	5.7000
Clifton Heights Borough	12.2510	13.0010	13.0010	13.0010	14.5010	14.5010	14.5010	15.5010	15.5010	11.2340
Coalingdale Borough	11.2370	12.2370	12.2370	12.2370	12.7370	12.7370	12.7370	12.7370	13.7370	9.3150
Colwyn Borough	27.0000	27.2000	27.2000	25.2000	25.2000	25.2000	52.2000	25.2000	25.2000	18.2000
Concorn Township	0.9440	0.9440	0.9440	0.9440	0.9440	0.9440	0.9440	0.9810	0.9810	0.5140
Darby Borough	17.7410	17.7409	17.7409	17.7410	18.4920	18.4920	18.4920	18.4920	20.4920	13.1400
Darby Township	10.9100	11.4100	11.4100	11.4100	11.4350	11.4350	11.4350	12.4350	14.1880	8.8956
East Lansdowne Borough	11.3000	11.3000	11.3000	11.3000	11.3000	11.3000	11.3000	13.3000	13.3000	7.3600
Eddystone Borough	5.7500	5.7500	5.7500	5.7500	7.0000	7.0000	7.0000	9.1500	11.1500	7.1100
Edgmont Township	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.9111	1.0023	0.5661
Folcroft Borough	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	7.6000	7.6000	5.0100
Glenolden Borough	8.4000	8.4000	8.4000	8.4000	8.9000	8.9000	8.9000	8.9000	9.4000	6.5000
Haverford Township	6.9920	7.3340	7.5400	7.5400	7.9930	7.9930	7.9930	8.3610	8.4870	4.2180
Lansdowne Borough	11.6210	11.9120	12.2096	12.2096	12.6390	12.6390	12.6390	13.0207	13.0207	7.6883
Lower Chichester Township	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	4.5000
Marcus Hood Borough	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	7.0900
Marple Township	4.1840	4.2900	4.4100	4.4100	4.4800	4.4800	4.4800	4.4800	4.4800	2.4500
Media Borough	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	1.4100
Middletown Township	1.6000	1.6000	1.6000	1.6000	1.5000	1.5000	1.5000	1.5000	2.0100	1.0100
Millbourne	23.0000	24.0000	25.6160	25.6160	25.6420	25.6420	25.6420	24.2650	24.2650	41.7860
Morton Borough	8.1610	9.4110	9.6110	9.6110	11.3370	11.3370	11.3370	11.4670	11.7000	6.8230
Nether Providence Township	4.6800	4.7800	4.9200	4.9200	5.1600	5.1600	5.1600	5.5880	5.7310	3.1065
Newtown Township	2.7940	2.7940	2.8840	2.8840	2.9440	2.9440	2.9440	3.0460	3.1340	1.7754
Norwood Borough	10.8220	10.5500	10.5500	10.5500	11.3000	11.3000	11.3000	12.4000	13.4000	7.4700
Parkside Borough	9.5000	9.5000	9.5000	9.5000	10.0000	10.0000	10.0000	11.5000	11.5000	7.4000
Prospect Park Borough	8.3600	9.1200	9.5200	9.5200	9.6200	9.6200	9.6200	9.6200	9.6200	5.5000
Radnor Township	3.7511	3.7511	3.7511	3.7511	3.9228	3.9228	3.9228	4.1582	4.4082	2.2837
Ridley Park Borough	7.7900	8.1400	8.1400	8.1400	8.1400	8.1400	8.1400	9.0400	9.5400	4.9300
Ridley Township	8.0160	8.5160	8.5160	8.5160	9.2660	9.2660	9.2660	9.2660	9.7300	5.4630
Rose Valley Borough	2.3400	2.3000	2.4200	2.4200	2.2300	2.2300	2.2300	2.0400	2.0400	1.0000
Rutledge	5.2800	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	6.7100	3.0700
Sharon Hill Borough	7.5000	7.5000	7.5000	7.5000	7.7500	7.7500	7.7500	7.9600	8.6900	5.4620
Springfield Township	5.3200	5.5860	5.5860	5.5860	5.5860	5.5860	5.5860	5.8100	6.1300	3.5250
Swarthmore Borough	5.4520	5.5890	5.5890	5.5890	5.6730	5.6730	5.6730	5.6730	5.6730	3.1150
Tinicum Township	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	3.0000
Trainer Borough	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	9.1500
Upland Borough	5.4520	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	1.2643
Upper Chichester Township	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	3.0352
Upper Darby Township	17.9400	18.9300	19.9200	19.9200	20.3700	20.3700	20.3700	20.9500	21.3800	13.1400
Upper Providence Township	3.7340	3.8030	3.8730	3.8730	4.0000	4.0000	4.0000	4.1600	4.2350	2.2250
Yeadon Borough	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	5.8200
School District Rates:										
Chester-Upland	51.3360	51.3360	51.3360	24.6928	25.6555	26.2969	26.9543	26.8600	26.8600	26.8600
Chichester	38.3000	38.6840	39.0708	39.0708	39.4615	39.8561	39.8561	39.8561	39.8561	25.3404
Granet Valley	29.0550	29.2006	29.7440	30.6437	31.3495	31.7500	32.4876	33.4400	33.4400	18.6471
Haverford	26.7305	27.6784	28.6692	29.4719	30.2964	31.0538	31.7991	32.5305	32.5305	17.1811
Interboro	32.2000	32.9406	33.4347	33.9362	34.9203	36.0377	37.1008	37.1767	37.1767	24.5085
Marple-Newtown	17.2199	17.6839	17.6839	18.0690	18.0690	18.0552	18.4885	18.8356	18.8356	10.9670
Penn Delco	24.5490	25.2760	25.9070	26.4760	27.2438	28.0583	28.8971	29.6803	29.6803	17.5655
Radnor	21.8227	21.7122	21.7122	22.1247	22.9262	23.6199	24.1867	24.9181	24.9181	13.9224
Ridley	38.2500	39.1250	39.2500	39.2500	39.9000	39.9000	40.7300	41.3000	41.3000	23.6840
Rose Tree-Media	22.6143	22.9445	23.3677	23.8080	24.3773	25.0945	25.6888	26.2569	26.2569	14.1643
Southeast Delco	36.8246	37.2849	38.4034	39.4786	40.4656	41.5784	43.0752	44.3674	44.3674	30.0976
Springfield	28.7300	29.3000	29.9604	30.6960	31.4212	32.2067	32.9796	33.7229	33.7229	19.8495
Upper Darby	32.8500	33.8150	34.5930	35.2160	35.2160	36.2689	37.1395	37.8452	37.8452	24.6274
Wallingford Swarthmore	39.3340	39.6930	40.5265	41.9760	43.4032	44.6597	45.3025	46.7588	46.7588	46.7588
William Penn	40.0600	41.6000	42.2900	43.0900	43.7400	45.0100	46.0000	47.1000	47.1000	28.1800

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, 2021

Current Year and Ten Years Ago

(Unaudited)

2021			2012		
Taxpayer	Assessed Value	Percentage of Total Assessed Value	Taxpayer	Assessed Value	Percentage of Total Assessed Value
Redwood-ERC Concord LLC	\$ 263,827,540	0.46 %	Redwood-ERC Concord LLC	\$ 120,256,460	0.40 %
SAP America Inc	140,980,670	0.24	Radnor Center Associates	68,954,300	0.23
Sunoco Partners Marketing & Term LP	138,747,000	0.24	SAP America Inc	57,509,000	0.19
Philadelphia Propco LLC	134,961,580	0.23	Exelon Generation Company	52,500,000	0.17
3875 West Chester Pk LLC	133,673,440	0.23	KS Springfield	51,406,800	0.17
MPT of Upland PMH LLC	114,636,010	0.20	Campus Investors Office	50,466,000	0.17
Randor Properties	109,111,970	0.19	White House Village	49,058,970	0.16
MPT of Upper Darby PMH LLC	108,303,618	0.19	Randor Properties	49,965,641	0.16
Radnor Center Associates	94,889,570	0.16	Holding LP	47,250,000	0.16
BT Granite Run LP	94,546,340	0.16	Boeing CO	42,873,500	0.14
	<u>\$ 1,333,677,738</u>	<u>2.31 %</u>		<u>\$ 590,240,671</u>	<u>1.94 %</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, 2021

(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
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
2021	173,260,120	172,437,936	165,444,934	95.9	660,184	166,105,118	96.3

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			Total Primary Government			
	General Obligation Debt	Deep Discount Bonds Net of Unamortized Discount	Business-Type Activity				
2021	\$ 254,274,300	\$ -	\$ 20,401,700	\$ 274,676,000	1.2 %	520	0.4 %
2020	280,109,133	-	18,376,299	298,485,432	1.3	501	0.4
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

(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: Annual Financial Reports

County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2021

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Delaware	\$ 254,274,300	100%	\$ 254,274,300
(Municipality):			
Aston Twp	13,761,000	100%	13,761,000
Bethel Township	617,000	100%	617,000
Brookhaven Twp	1,706,776	100%	1,706,776
Chester City	17,629,178	100%	17,629,178
Chester Township	15,550	100%	15,550
Collingdale Borough	106,078	100%	106,078
Colwyn Borough	291,500	100%	291,500
Concord Township	10,647,207	100%	10,647,207
Darby Borough	6,411,916	100%	6,411,916
Eddystone Borough	1,870,000	100%	1,870,000
Folcroft Borough	4,688	100%	4,688
Glenolden Borough	1,074,322	100%	1,074,322
Haverford Township	45,809,239	100%	45,809,239
Lansdowne Borough	1,137,741	100%	1,137,741
Marcus Hook Borough	806,224	100%	806,224
Marple Township	19,654,000	100%	19,654,000
Media Borough	5,944,000	100%	5,944,000
Middletown Township	25,885,913	100%	25,885,913
Morton Borough	395,941	100%	395,941
Nether Providence Twp.	3,952,120	100%	3,952,120
Newtown Township	13,080,000	100%	13,080,000
Norwood Borough	527,608	100%	527,608
Parkside Borough	181,738	100%	181,738
Prospect Park Borough	1,328,247	100%	1,328,247
Radnor Township	59,000	100%	59,000
Ridley Park Borough	687,073	100%	687,073
Ridley Township	18,928,806	100%	18,928,806
Rutledge Borough	85,064	100%	85,064
Springfield Township	1,093,000	100%	1,093,000
Swarthmore Borough	801,000	100%	801,000
Tinicum Township	10,089,000	100%	10,089,000
Upland Borough	1,032,200	100%	1,032,200
U. Chichester Township	33,031,000	100%	33,031,000
Upper Darby Township	22,795,000	100%	22,795,000
Upper Providence Township	730,000	100%	730,000
Yeadon Borough	2,247,026	100%	2,247,026
Direct borough/township debt			264,416,155

County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2021

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
(School District):			
Chester-Upland	\$ 83,028,908	100%	\$ 83,028,908
Chichester	32,155,781	100%	32,155,781
Garnet Valley	94,346,000	100%	94,346,000
Haverford	134,785,000	100%	134,785,000
Interboro	50,030,000	100%	50,030,000
Marple-Newtown	90,470,000	100%	90,470,000
Penn Delco	89,240,000	100%	89,240,000
Radnor	109,506,877	100%	109,506,877
Ridley	82,966,288	100%	82,966,288
Rose Tree-Media	79,854,100	100%	79,854,100
Southeast Delco	67,532,834	100%	67,532,834
Springfield	133,360,000	100%	133,360,000
Upper Darby	48,209,163	100%	48,209,163
Wallingford Swarthmore	63,877,390	100%	63,877,390
William Penn	44,364,444	100%	44,364,444
			1,203,726,785
Direct school district debt			1,203,726,785
		100%	1,468,142,940
Subtotal, overlapping debt		100%	1,468,142,940
Total direct and overlapping debt		100%	\$ 1,722,417,240

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, 2021

(Unaudited)

	<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>	<u>2021</u>
Borrowing Base Revenues (1)	\$ 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	\$ 630,574,770
Debt Limit Percentage	300%	300%	300%	300%	300%	300%	300%	300%	300%	300%
Debt Limit	\$ 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	\$ 1,891,724,310
General Obligation Debt	\$ 332,519,000	\$ 338,836,000	\$ 319,599,000	\$ 327,081,000	\$ 301,517,000	\$ 288,022,116	\$ 305,389,361	\$ 282,592,013	\$ 298,485,432	\$ 274,676,000
Legal Debt Margin	\$ 1,186,354,117	\$ 1,174,599,098	\$ 1,216,654,887	\$ 1,233,995,511	\$ 1,315,497,814	\$ 1,355,026,674	\$ 1,383,755,659	\$ 1,422,094,507	\$ 1,494,961,743	\$ 1,617,048,310

(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, 2021

(Unaudited)

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income (Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2012	559,998	\$ 18,075,055	\$ 32,277	38.8	91,482	7.7%
2013	561,973	18,600,182	33,098	38.8	92,186	6.3%
2014	562,960	18,690,272	33,200	38.9	91,927	4.9%
2015	563,894	18,912,441	33,539	38.8	91,474	3.5%
2016	563,402	19,191,726	34,064	38.9	91,097	4.2%
2017	564,696	19,683,608	34,857	39.0	91,161	3.9%
2018	564,751	20,752,905	36,747	38.9	91,301	3.5%
2019	564,554	21,594,755	38,251	39.0	93,077	3.9%
2020	576,830	23,088,198	40,026	39.0	91,402	6.7%
2021	573,849	23,378,608	40,740	38.9	92,119	4.3%

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, 2021

(Unaudited)

2021			2012		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Prospect	5,400	15.67 %	Crozer-Keystone Health System	6,800	22.26 %
*United Parcel Service Inc	4,500	13.06	Boeing Co.	4,700	15.38
Boeing Co.	4,260	12.37	Boeing CO.(Army System Div.)	4,000	13.09
Main Line Health	3,740	10.86	Villanova University	2,800	9.17
Villanova University	2,460	7.14	Wawa Inc.	2,800	9.17
Delaware County	2,592	7.52	MainLine Health	2,000	6.55
*SAP	3,200	9.29	SAP America	1,750	5.73
WAWA	2,540	7.37	Delaware County Community College	1,500	4.91
*AmeriHealth	2,200	6.39	Elwyn Industries	1,550	5.07
*Federal Government	1,997	5.80	Keystone Mercy Health	1,550	5.07
Upper Darby School Dist.	1,561	4.53	Harrah's	1,100	3.60

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, 2021

(Unaudited)

	<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>	<u>2021</u>
Function/Program										
General government and administration	2,438	2,429	2,347	2,410	2,260	1,892	2,103	1,803	1,948	1,847
Judicial	692	687	656	674	657	616	634	582	613	514
Culture and recreation	17	17	17	17	17	18	17	18	16	16
Golf course	5	5	5	5	5	5	5	8	5	5
Fleet services	<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>	<u>5</u>
Total	<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>	<u><u>2,387</u></u>

Source: Personnel Department

County of Delaware, Pennsylvania

Operating Indicators by Function/Program

Table 15

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

	<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>	<u>2021</u>
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	14	11	12	12
Recreation:										
Rounds played	27,015	24,806	22,010	20,000	14,221	10,961	10,054	12,497	23,474	23,272
Garden plots	114	114	114	114	118	117	117	122	118	118
Summer Fest events	50	50	50	49	49	49	49	49	-	40
Summer Fest attendance	52,000	50,000	51,000	48,000	40,000	60,000	45,000	40,000	-	25,000
Health and Human Services:										
Cases	69,994	69,994	33,364	34,698	59,004	59,586	68,266	54,696	11,169	12,039
Adoptions	701	714	720	725	62	60	34	36	34	23
Children in Foster Care	844	891	885	710	590	548	542	518	479	402
Mental Health population	7,503	17,867	23,092	24,163	47,138	52,482	57,074	30,444	15,067	15,067
Judicial:										
Cases:										
Civil	1,639	1,862	11,837	11,399	11,522	10,869	8,821	8,570	5,869	13,230
Criminal	1,945	2,178	8,219	7,624	8,069	7,708	17,353	11,187	6,201	8,545
Solid Waste:										
Residential tonnage	217,700	213,195	211,852	211,349	209,153	211,971	220,196	219,540	242,621	232,563
Commercial tonnage	140,694	147,684	155,443	164,887	164,796	165,024	177,183	176,507	166,324	175,533

Source: County Records

County of Delaware, Pennsylvania

Capital Asset Statistics by Function/Program

Table 16

Last Ten Fiscal Years

December 31, 2021

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
General Government and Judicial:										
Facilities	7	7	7	7	7	7	14	11	15	15
Vehicles	277	310	315	352	360	336	322	279	288	300
Recreation:										
Parks	6	6	6	6	15	14	14	14	14	15
Golf courses	1	1	1	1	1	1	1	1	1	1
Vehicles	14	14	14	14	14	9	9	8	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	7	2	-	-
Human Services:										
Caseloads	68,919	69,002	33,364	34,698	59,004	56,586	68,842	55,250	26,775	28,295
Vehicles	46	46	46	43	42	43	44	42	40	37
Infrastructure:										
Bridges	43	43	43	43	43	43	43	43	43	43

Source: County Records

THIS PAGE INTENTIONALLY LEFT BLANK