

# County of Delaware, Pennsylvania

Annual Comprehensive Financial Report  
Year Ended December 31, 2022

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



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# County of Delaware, Pennsylvania

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# **Introductory Section**

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

**Joanne Phillips, Esq.**  
**CONTROLLER**

**PHONE 610-891-4441**  
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**SOLICITOR**

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

**Rick Megaro, C.P.P.**  
**DEPUTY CONTROLLER**

June 29, 2023

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, 2022. 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, one new member began his term on County Council and an incumbent Council member was re-elected to a second 4-year term. In 2022, there were no changes to the members of County Council.

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

The powers and duties of County Council are many. The Home Rule Charter provides County Council with the authority to pass ordinances, resolutions, emergency orders, and proclamations and the responsibility to provide budgets and personnel to meet the needs of the people of Delaware County. County Council is responsible for adopting a budget each year. The budget includes setting taxes and fees sufficient to raise funds needed for budgeted expenditures. To raise funds for major capital projects, County Council may also authorize 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, health services, economic development, administration of justice, operation 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, 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 2022, the County's Open Records Office responded to 535 requests and 10 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 and implement necessary systems 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, 2022.

## **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 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, childcare facilities, and residents, as well as to provide essential government services, including expenses related to elections, eligible wages, overtime and hazard pay incurred by the County due to the pandemic. The County also was awarded approximately \$110 million under the American Rescue Plan Act ("ARPA") of 2021, with approximately \$55 million received in 2021 and \$55 million 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", which ratings have been maintained. As more fully discussed in the MD&A, with its strong wealth and income profile and large stable tax base, Delaware County is poised 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, 2021. This was the 28th 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. The onset of the COVID-19 pandemic in 2020 revealed the critical need for a County Health Department. The process for accreditation requires approximately two years to fulfill all state and federal requirements. In March 2022, the County Health Department was approved by the Commonwealth of Pennsylvania. In 2022, the County Health Department began providing comprehensive and required services to County residents, and became eligible for state and federal grants to fulfill its mission.

### ***Emergency Rental Assistance Program***

In 2021, the Delaware County Rental Assistance Program ("Delco ERA") was launched as part of ARPA to assist low-income County residents and landlords to pay rent to keep residents in their rental homes and to pay for utilities. Within six months the County had allocated 100% of its initial funding of \$37.2 million for the program and was awarded an additional \$15.2 million in reallocated funds. In April 2022, the County received the prestigious Governor's Award for Local Government Excellence in recognition of the County's successful administration and efficiency of the program. In November 2022, the U.S. Treasury allotted an additional \$4 million. By the end of 2022, the County had processed 12,889 grants for rent and utility assistance and helped 2,656 households avoid court-ordered evictions.

### ***Transition of County Jail to Government Control***

In April 2022, the County completed the transition of control of the County jail from a private management firm that had operated the jail for over 20 years to full County control of the facility. The transition was the result of a multi-year process of restructuring jail oversight, study of services, and planning. Although recognizing the transformation as a long-term process, the County, through collaboration between management, the courts and various County departments, has placed an emphasis on improving facility conditions, making capital improvements, stabilizing systems, reducing recidivism through implementation of new programs, and hiring and training correction professionals who embrace the facility's core values.

### ***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 that is guided by a Sustainability Commission, which provides recommendations to Council regarding the preservation and protection of the natural and cultural environment of the County. The Office is charged with overseeing related departments and programs to make Delaware County's operations more sustainable and resilient to the effects of climate change. The Office oversees issues related to development of the Capital Improvement Plan, fleet management, preservation of open space, greening of public works projects, public transit, energy use, waste management, climate resiliency, and environmental equity and inclusion. In 2022, the Office published a Sustainability and Climate Action Plan for the County with the completion of a Greenhouse Gas ("GHG") inventory and reduction plan. The Office has also formed a Green Team at the County's Government Center and Courthouse and is launching a zero-waste pilot program at the campus.

## Acknowledgments

My office remains focused on protecting our limited resources and the need to use those resources wisely. My office will continue to work for the improvement of internal controls, 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 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 am very grateful for the work of the dedicated staff of the Controller's Office and for 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 colleagues who are committed to the success of the County and to maintain the integrity of the County's financial infrastructure. Our work supports and helps our fellow employees and residents each day. The people in the Controller's Office and many other dedicated County workers have learned to deal with new challenges and new programs, all while delivering quality services to the residents of our County in a safe, responsive, and professional manner. I remain optimistic that we are moving beyond the 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**

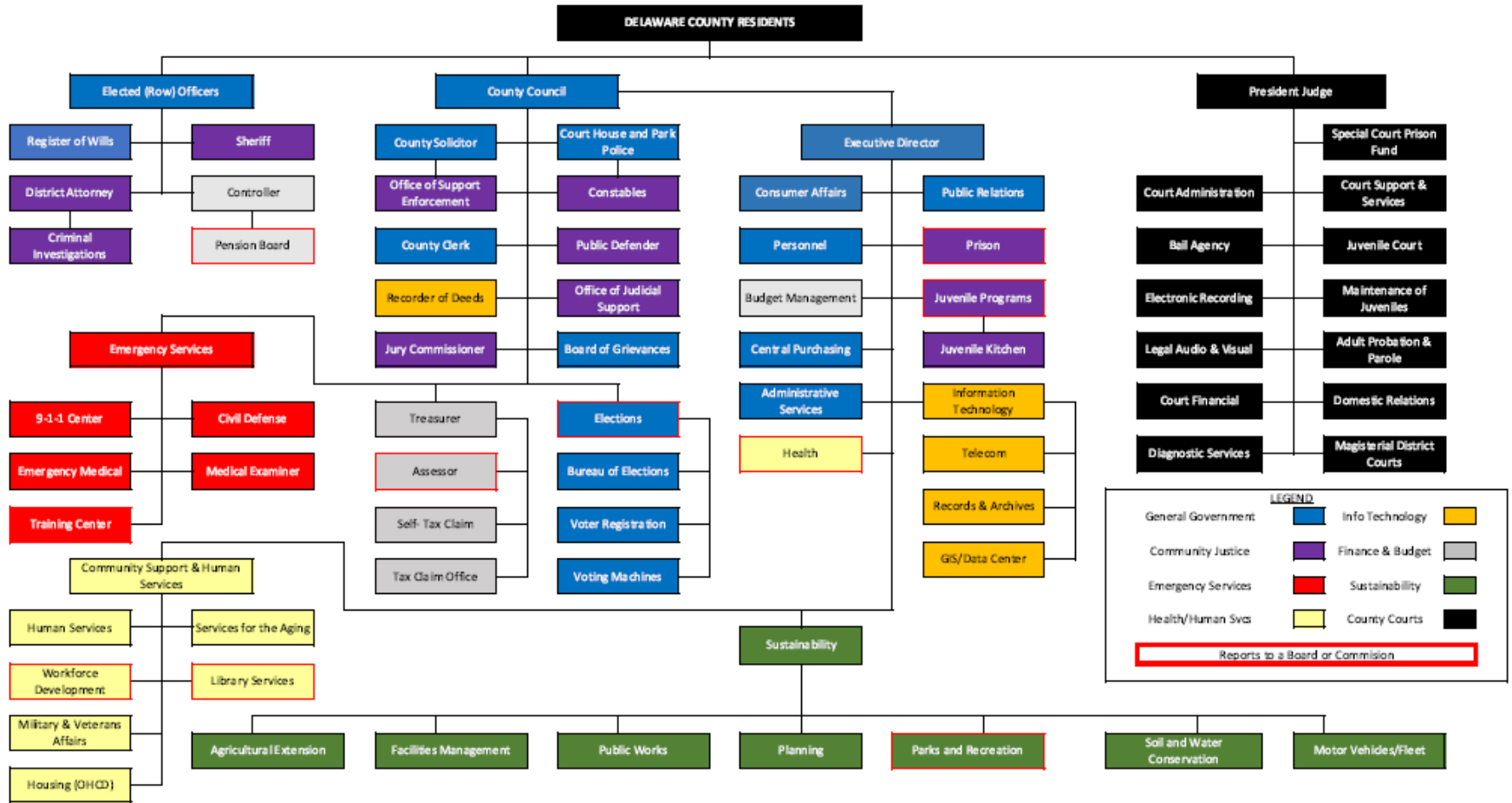
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

DELAWARE COUNTY ORGANIZATION CHART



**LEGEND**

General Government	Info Technology
Community Justice	Finance & Budget
Emergency Services	Sustainability
Health/Human Svs	County Courts

Reports to a Board or Commission



# County of Delaware, Pennsylvania

## Principal County Officials

December 31, 2022

### Council

Dr. Monica Taylor - Chair

Elaine Paul Schaefer - Vice Chair

Kevin M. Madden - Member

Christine A. Reuther - Member

Richard R. Womack, Jr. - 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, 2022

### Judicial Support

Mary Walk, Esq.

### Recorder of Deeds

Robert A. Auclair, Esq.

### County Clerk

Anne M. Coogan

## Court of Common Pleas Board of Judges

Linda A. Cartisano, President Judge

Kevin F. Kelly

George A. Pagano

Kathrynann W. Durham

Barry C. Dozor

Mary Alice Brennan

Spiros E. Angelos

G. Michael Green

John P. Capuzzi, Sr.

Richard M. Cappelli

William C. Mackrides

Anthony D. Scanlon

Margaret J. Amoroso

Dominic F. Pileggi

John J. Whelan

Nusrat J. Love

Richard L. Lowe

Stephanie H. Klein

Kelly D. Eckel

Deborah Krull

Atinuke B. Moss

### Senior Judges

James P. Bradley

Ann A. Osborne

Gregory M. Mallon

# **Financial Section**

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## 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 activity, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison for the General Fund of the County of Delaware, Pennsylvania (the County), as of and for the year ended December 31, 2022, 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 activity, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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, the Delaware County Chester Waterfront Industrial Development Authority, or the Delaware County Interactive Gaming Revenue Authority, (collectively, 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 opinion, insofar as it relates to the amounts included for the discretely presented component units is 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.

### Other Matter

As discussed in Note 1 to the financial statements, the County adopted GASB Statement No. 87, *Leases*, retroactively by restating financial statements, for all prior periods presented. This resulted in changes to leases receivable, net capital assets, current lease liability, noncurrent lease liability, deferred inflows of resources, and corresponding footnotes. Our opinions are not modified with respect to this matter.

## **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, as 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 29, 2023

## County of Delaware, Pennsylvania

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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, 2022, compared to 2021. 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 2022, the County's governmental activities total net position as shown in the government-wide statements increased by \$97.2 million. This increase in net position is primarily attributable to \$43.2 million in revenues related to opioid settlement funds. Additionally due to the changes in market conditions, the County's net pension asset increased by \$14.7 million and the net other post-employment benefit liability decreased by \$43 million.

#### 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 human services, highways, bridges and streets. The business-type activity of the County is a geriatric center.

## County of Delaware, Pennsylvania

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### 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, legally separate Chester Waterfront Industrial Development Authority and legally separate Interactive Gaming Revenue 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.

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 14 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 Services Fund, and the COVID-19 Relief Fund, all of which are considered to be major funds. Data from the other ten 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

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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 two fiduciary funds which consists of a fiduciary component unit pension trust fund (the Pension 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 Custodial Funds are 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, Recorder of Deeds, Office of Judicial Support, Sheriff's sale proceeds payable to creditors, and inmate accounts held on behalf of the prison.

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.** In addition to the Management's Discussion and Analysis, 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 2022 was approximately \$290 million. This was an increase of approximately \$34 million from the prior year final budget. Taking into account total expenditures and operating transfers, the County experienced an overall favorable budgetary variance of approximately \$14 million, primarily because other program and grant expenditures were lower than the budgeted by \$35.1 million which was offset by other revenues were lower than budgeted by approximately \$24.2 million.

By law, the County's Budget Management Department may authorize budget line-item transfers within or among the budgets of County departments and offices after January 31. All interdepartmental budget transfers are subject to approval of County Council. The Budget Management Department may recommend County Council approve increased budget appropriations for necessary purposes, but increases may not exceed additional revenues.

## County of Delaware, Pennsylvania

### Management's Discussion and Analysis (Unaudited)

County Council may amend the annual budget after its final adoption through approval of an ordinance. There were no council ordinances amending the 2022 General Fund budget. However, County Council did approve certain interdepartmental adjustments.

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

### 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 \$5,569,923.

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

	Governmental Activities		Business-Type Activity		Total		% Change
	2022	2021	2022	2021	2022	2021	
Current assets	\$ 419	\$ 392	\$ 10	\$ 11	\$ 429	\$ 403	6 %
Other noncurrent assets	350	214	16	9	366	223	64
Capital assets, net	254	200	21	16	275	216	27
Total assets	1,023	806	47	36	1,070	842	27
Deferred outflows	84	94	7	5	91	99	(8)
Other liabilities	420	287	10	7	430	294	46
Long-term liabilities outstanding	584	714	20	20	604	734	(18)
Total liabilities	1,004	1,001	30	27	1,034	1,028	1
Deferred inflows	281	170	15	10	296	180	65
Net position:							
Net investment in capital assets	9	(9)	(3)	(4)	6	(13)	(146)
Restricted	81	17	7	4	88	21	319
Unrestricted	(268)	(279)	5	4	(263)	(275)	(4)
Total net position	\$ (178)	\$ (271)	\$ 9	\$ 4	\$ (169)	\$ (267)	(37) %

# 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
	2022	2021	2022	2021	2022	2021	
Program revenues:							
Charges for services	\$ 23	\$ 26	\$ 57	\$ 55	\$ 80	\$ 81	(1) %
Operating grants and contributions	536	479	1	1	537	480	12
Capital grants and contributions	8	1	-	-	8	1	>100
General revenues:							
Property taxes	173	173	-	-	173	173	-
Gaming revenue	6	6	-	-	6	6	-
Other	2	2	3	2	5	4	25
Investment earnings	4	-	-	-	4	-	>100
<b>Total revenues</b>	<b>752</b>	<b>687</b>	<b>61</b>	<b>58</b>	<b>813</b>	<b>745</b>	<b>9</b>
Program expenses:							
General government	135	159	-	-	135	159	(15)
Judicial	40	44	-	-	40	44	(9)
Corrections	73	77	-	-	73	77	(5)
Health and Human Services	390	377	-	-	390	377	3
Highways, streets and bridges	9	2	-	-	9	2	>100
Interest on long-term debt	6	4	-	-	6	4	50
Geriatric Center	-	-	63	65	63	65	(3)
<b>Total expenses</b>	<b>653</b>	<b>663</b>	<b>63</b>	<b>65</b>	<b>716</b>	<b>728</b>	<b>(2)</b>
Net revenue (expense) before transfers	99	24	(2)	(7)	97	17	>100
Transfers	(7)	(11)	7	11	-	-	-
Change in net position	92	13	5	4	97	17	>100
Net position, beginning	(270)	(284)	4	-	(266)	(284)	(6)
Net position, ending	\$ (178)	\$ (271)	\$ 9	\$ 4	\$ (169)	\$ (267)	(36) %

## County of Delaware, Pennsylvania

Management's Discussion and Analysis  
(Unaudited)

**Governmental Activities.** Governmental activities increased the County's net position by approximately \$91.8 million. Key elements of this increase are a result of the following:

- The Commonwealth of Pennsylvania, Office of Attorney General participated in the negotiation of two settlements in July 2022 related to the opioid crisis involving distributors Amerisource Bergen, Cardinal Health and McKesson, and Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc and Janssen Pharmaceutical, Inc. (the Opioid Settlement Funds). To allocate those funds among the Commonwealth and its subdivisions, the Office of Attorney General established the Pennsylvania Opioid Misuse and Addiction Abatement Trust to collect the settlement funds and allocate the funding to Pennsylvania counties. The Opioid Settlement Funds must be expended solely for purposes specified on the Pennsylvania Opioid Misuse and Addiction Abatement Trust's List of Opioid Remediation Uses. The County is due to receive \$63 million over 18 years.
- The County's net pension asset increased by \$14.7 million as a result of the plan's investment income being higher due to favorable market conditions and the pension's investment policy.
- The County's other post-employment benefit liability decreased by \$43 million as a result of the plan's investment income being higher due to favorable market conditions and the other post-employment benefit liability investment policy.

**Business-Type Activity.** Business-type activities increased the County's net position by approximately \$5.4 million. The key element of this decrease was a result of the following:

- The Geriatric Center's charges for services increased by \$2.1 million as a result of increased Medicaid reimbursement and additional intergovernmental transfer from the Commonwealth of Pennsylvania.
- The Geriatric Center's proportionate share of the net pension asset increased by \$3.2 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 \$6.9 million in 2022, a decrease of \$3.7 million.

### Financial Analysis of the Major Funds

#### General Fund

Revenues of the General Fund totaled \$227,331,855 for the year ended December 31, 2022. The following represents a summary of General Fund revenue, by source, along with changes from 2021:

	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u> <u>From 2021</u>	<u>Percentage</u> <u>Increase</u> <u>(Decrease)</u>
Real estate taxes	\$ 174,530,462	\$ 172,663,328	\$ 1,867,134	1.1 %
Gaming revenue	5,842,691	6,279,250	(436,559)	(7.0)
Licenses and permits	192,248	56,020	136,228	>100
General grants	14,584,479	17,348,078	(2,763,599)	(15.9)
Charges for services, fines and forfeits	23,104,504	22,215,614	888,890	4.0
Investment earnings	3,264,121	130,431	3,133,690	>100
Other	5,813,350	4,710,895	1,102,455	23.4
Total	<u>\$ 227,331,855</u>	<u>\$ 223,403,616</u>	<u>\$ 3,928,239</u>	<u>1.8 %</u>

Real estate taxes increased by \$1.9 million as a result of an increase in the number of taxable assessments in the County during the year.

## County of Delaware, Pennsylvania

### Management's Discussion and Analysis (Unaudited)

Investment earnings increased by \$3.1 million as a result of interest earned on state and local fiscal recovery award funds.

The decrease in general grants of \$2.8 million is a result of a decrease in activity in domestic relations during the year.

Charges for services increased approximately \$889 thousand primarily due to increased activity in the Office of the Register of Wills during the year.

General Fund expenditures totaled \$233,677,708, which represents an increase of \$35,138,473 or 17.7% from 2021. The following represents a summary of General Fund expenditures for the year ended December 31, 2022, by source, along with changes from 2021:

	<b>2022 Amount</b>	<b>2021 Amount</b>	<b>Increase (Decrease) From 2021</b>	<b>Percentage Increase (Decrease)</b>
General government	\$ 38,370,976	\$ 26,934,296	\$ 11,436,680	42.5 %
Judicial	40,015,789	38,755,640	1,260,149	3.3
Corrections	73,282,194	63,942,726	9,339,468	14.6
Transportation	9,802,264	9,439,005	363,259	3.8
Other	46,130,475	35,383,563	10,746,912	30.4
Debt service:				
Principal	21,031,287	19,055,209	1,976,078	10.4
Interest	5,044,723	5,028,796	15,927	0.3
<b>Total</b>	<b>\$ 233,677,708</b>	<b>\$ 198,539,235</b>	<b>\$ 35,138,473</b>	<b>17.7 %</b>

General government, judicial, corrections and other expenditures increased for the General Fund in 2022 as a result of the ending of state-mandated shutdowns. Operations were reduced in 2021 as a result of the state-mandated shut downs, and conditions normalized in 2022. Additionally, large portions of salary expenses related to these departments were applied against the COVID-19 Relief Fund as part of the County's use of Coronavirus Relief Funds during 2020 and 2021 in response to the COVID-19 pandemic. These costs returned to the General Fund expenditures in 2022.

## 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:

	<u>Original</u>	<u>Final</u>	<u>Increase (Decrease)</u>
Revenues:			
Real estate taxes	\$ 172,830,000	\$ 172,830,000	\$ -
Gaming revenue	7,993,371	7,993,371	-
Licenses and permits	40,000	40,000	-
General grants	23,975,076	23,975,076	-
Charges for services, fines and forfeits	22,420,395	22,420,395	-
Investment earnings	740,981	740,981	-
Other	23,530,570	23,530,570	-
Total revenues	<u>\$ 251,530,393</u>	<u>\$ 251,530,393</u>	<u>\$ -</u>
Expenditures:			
General government	\$ 47,354,655	\$ 44,220,223	\$ (3,134,432)
Judicial	51,047,169	46,435,869	(4,611,300)
Corrections	75,535,399	76,631,512	1,096,113
Transportation	9,820,000	9,820,000	-
Other	71,624,381	83,329,423	11,705,042
Debt service:			
Principal	24,384,000	24,384,000	-
Interest	5,112,905	5,112,905	-
Total expenditures	<u>\$ 284,878,509</u>	<u>\$ 289,933,932</u>	<u>\$ 5,055,423</u>

### Expenditures

Other - The budget for other expenditures was increased to fund required subsidies to the Health Department.

### Capital Project 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, 2022, the County expended \$36,689,787 for such projects, which represents a decrease of \$4,105,211 from 2021. The Capital Projects Fund's fund balance at December 31, 2022, totaled \$23,938,617, of which \$5,475,000 is for an investment pledged by the Delaware County Solid Waste Authority as a Department of Environment Protection Agency bonding requirement. This was an increase of approximately \$3.9 million, which was primarily the result of the issuance of the 2022 bond proceeds of \$40 million offset by the increased in spending of the prior bond proceeds on capital outlay.

### Health and Human Services 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 grants, are restricted by law or other formal action to expenditures for specific purposes. The County match of \$7,950,313 in 2022 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 ten special revenue funds, which contain activity related to Office of Workforce Development and other grants; Opioid Settlement Funds to be used to address opioid misuse and addiction abatement 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 (COSA); monitoring and administering development and rehabilitation grants; operations of the County of Delaware Health Department; administration of the hotel tax collected; and to accounting for Marcellus Shale Impact Fees. Revenues and expenditures totaled \$70,387,639 and \$72,425,377, respectively, for 2022. These amounts represent an increase in revenue of 45.3% and an increase in expenditures of 36.7% from 2021 amounts. The following programs had an excess of revenues over expenditures in 2022: Opioid Settlement - \$6,451,646, Library - \$76,463, and Liquid Fuels - \$384,222. The following programs had a deficiency of revenues over expenditures in 2022: CDBG/Rehab program - \$(227,552).

### Pension Trust Fund

The net position reserved for employees' pension benefits was \$558,011,617. 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 by 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, 2022, amounts to \$275,061,421 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and intangible right-to-use leased assets.

	<b>Governmental Activities</b>	<b>Business-Type Activity</b>	<b>Total</b>
Land	\$ 30,023,714	\$ -	\$ 30,023,714
Construction in progress	14,728,817	-	14,728,817
Land improvements	7,279,081	-	7,279,081
Buildings and improvements	115,862,994	19,644,023	135,507,017
Equipment	37,374,605	1,090,740	38,465,345
Infrastructure	18,476,295	-	18,476,295
Right-to-use leased asset	30,581,152	-	30,581,152
Total	<u>\$ 254,326,658</u>	<u>\$ 20,734,763</u>	<u>\$ 275,061,421</u>

Additional information on the County's capital assets can be found in Note 13 on page 67 of this report.

### Long-Term Debt

As of December 31, 2022, the County's actual general obligation debt of \$290,178,000 is well below the legal limit of \$2,052,931,482 by \$1,762,753,482. Additional information on the County's long-term debt can be found in Note 17 on page 71 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

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Management's Discussion and Analysis  
(Unaudited)

### American Rescue Plan Act

The Coronavirus State and Local Fiscal Recovery Funds, a part of the American Rescue Plan (ARP), delivered \$350 billion in relief to state, local and Tribal governments across the country to mitigate public health and economic impacts caused by the pandemic. In 2021, the County was awarded \$110,083,961 in total ARP funds. The County received its first tranche of ARP funds totaling \$55,041,980 in May 2021 and its second tranche of ARP funds totaling \$55,041,981 in June 2022. The County held public sessions 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, 2022, the County allocated \$55,609,545 of the total ARP award. Progressive expenditures through December 31, 2022, equaled \$20,319,817.

In the category of Public Health, County Council approved an allocation of \$27,237,127 and expenditures of \$12,233,990 through December 31, 2022. Following were some of the major public health initiatives:

- The County expanded the Health Department using an ARP allocation of \$19,878,598 with \$8,811,789 in expenditures.
- \$2,500,000 was allocated for the continued COVID-19 response, and \$773,348 was expended.
- Of \$1,750,000 set aside in support of the County's firehouses, \$1,514,974 was expended.
- \$1 million was earmarked and \$553,688 was expended for the gun violence prevention program.

In the category of Negative Economic Impacts, a total of \$16,685,128 was allocated and \$8,020,004 was expended through December 31, 2022:

- The largest project to mitigate negative economic impacts was providing childcare to eligible working caregivers, where all \$5 million allocated was expended.
- \$2,500,000 was assigned to restore and reopen a historic theater in Lansdowne Borough; no funds were expended or encumbered in 2022.
- None of the \$1,907,375 allocated to preserve open space was expended.
- \$2,463,882 was allotted and \$409,889 expended and encumbered towards redevelopment of two County parks, Little Flower and Upland.

The sole Water, Sewer and Broadband Infrastructure project approved in 2022 was a hydrology study of Upland Park, which received an allocation of \$32,500. No ARP funds were expended in 2022.

\$767,000 was allocated to cover ARP's administrative costs:

- County Council apportioned \$500,000 for general administrative costs, and \$15,823 was expended.
- \$199,000 was allocated for cloud computing software to facilitate community engagement.
- County Council approved \$68,000 for grant writing assistance; \$50,000 was expended.

Of the \$10,887,790 allocated in 2022 under ARP's revenue loss clause, \$2.8 million was applied to a building project at the County's geriatric center. The remaining \$8,040,000 was rolled over to comprise part of the fiscal year 2023 budget.

In summary, the 2022 allocation of ARP funds were comprised of the following classifications: 49% Public Health, 30% Negative Economic Impacts, 19.6% Revenue Loss and 1.4% Water, Sewer and Broadband Infrastructure and costs to administer the ARP program.



## County of Delaware, Pennsylvania

Management's Discussion and Analysis  
(Unaudited)

### 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. Funds may also be reallocated by both the U.S. Treasury and the Pennsylvania Department of Human Services from other recipients. As of the end of 2022, the County had been allocated or reallocated \$50,622,103 under ERA1 and \$31,765,727 under ERA2.

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. Initially allocated ERA1 funds were required to be obligated by September 30, 2022, and reallocated ERA1 funds by December 28, 2022, and ERA2 funds are required to be obligated by September 30, 2025.

Selected program statistics for 2022 are shown below.

Applications Received:	10,469 (9,375 unique households)
Assistance Provided:	\$30,981,027
Rent and Rent Arrears:	\$26,884,284
Utility and Utility Arrears:	\$4,096,743
Households Assisted:	5,044
Under 50% of AMI:	4,428
Household Subject to Eviction	1,523
Average Grant Amount:	\$6,142

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

### Economic Outlook

Throughout 2022, the County continued to neutralize economic impacts caused by the pandemic and to encourage and support economic development in the County.

Delaware County demonstrated strength and growth in 2022. According to the U.S. Bureau of Labor Statistics, the County's unemployment rate as of December 2022 was 3.5%, which was below the statewide rate of 4.3%. The number of employed persons in the County totaled 290,539 as of December 2022, and the number of established companies grew to 14,413 from 14,195 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

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### Management's Discussion and Analysis (Unaudited)

In 2021, the Economic Development Oversight Board (EDOB) selected Econsult Solutions of Philadelphia through a competitively bid process to assist with strategic planning for the County's Commerce Center and evaluate their post-pandemic economic development program. That process continued into 2022, with a focus on finance, real estate and small business development. As a result of the strategic plan, the County of Delaware (RDA) began to implement blight and remediation programming throughout Delaware County.

At the request of the County's Office of Housing and Community Development, the RDA is participating in a pilot program using Act 135 in Delaware County on parcels where there is not a guaranteed return on investment. The Commerce Center partnered with Upper Chichester Township and the City of Chester Community Improvement Project with a goal of developing countywide guidelines and internal policies. This program will only be used on vacant properties. It is a single property tool that must meet state law requirements to be considered, and the property must be redeveloped and marketed. Delaware County is using this program to create new workforce/affordable housing, infusing federal HOME funds where applicable on the property redevelopment. This legislation is also authorized for use on commercial properties. This program cannot transition a property from one use to another. A house must be redeveloped as a house, it cannot be converted to park ground under Act 135. The RDA anticipates guidelines and in-depth discussion on use of Act 135 in the second quarter of 2023.

The RDA requested \$1.5 million in funds from the U.S. Environmental Protection Agency for Brownfield Assessment, Planning, and Remediation. The first request for \$500,000 would allow the RDA to grant funding for Environmental Site Assessment Phase I and Phase II studies on potentially contaminated property. The second request for \$1,000,000 in revolving loan funds would support remediation of contaminated properties throughout Delaware County. The grant application will focus on the twenty-eight (28) Justice40 census tracts in Delaware County, but funding can be used countywide. The RDA is partnering with the County's Planning Department to use a portion of funding for planning activities. A successful application would result in available funds by the third quarter of 2023.

After the strategic plan revealed retail loss in the County, the EDOB partnered with the County's 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. 2022 marked the second annual Delco Holiday Village to complement the County's Festival of Lights. Holiday market nights provided local retail and food truck vendor opportunities, and the park experienced a dramatic uptick in the number of visitors to the festival over prior years.

In 2022, Delaware County Council appointed the RDA the Delaware County Land Bank. This program will prioritize strategic development utilizing vacant and abandoned property, allows for the transition of property from one use to another and permits multiple acquisitions for redevelopment purposes. County Council's appointment provides the RDA/Land Bank with priority bidding at real estate tax sales, a streamlined process for lien discharge and the ability to expedite quiet title proceedings. A group of volunteers is currently working with a Pennsylvania blight expert to develop Land Bank guidelines for RDA's consideration. The RDA anticipates having the Land Bank active in the second quarter of 2023.

Notable projects initiated and ongoing in the County in 2022 included the following:

- Main Line Health/Riddle Memorial Hospital embarked on a \$18 million expansion of critical services in their intensive care and emergency departments in Middletown Township, which was assisted by the IDA through oversight of a \$6 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.

## County of Delaware, Pennsylvania

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### Management's Discussion and Analysis (Unaudited)

- The redevelopment of the former Franklin Mint, an approximate 82-acre campus in Middletown Township, continued with construction to include retail, office and housing. The estimated total project cost of \$500 million is assisted by the IDA's facilitation 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 strip 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.
- Children's Hospital of Philadelphia opened a new supply and logistics center at the site of a former Sears Roebuck store in Millbourne Borough in October 2022. The 24/7 facility will accommodate 250 employees.
- Monroe Energy, LLC has invested in their Trainer Borough facility with electrical upgrades and a new cooling tower to reduce energy consumption and water usage.
- 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 enrolment and educational offerings. This project is supported by an award of \$8.5 million in state grants overseen by the IDA.

A number of public school districts are taking advantage of state programs to help redevelop aging schools in the County:

- William Penn School District kicked off their master facilities improvement project, which is supported by a \$7 million state capital grant administered by the RDA.
- Plans by Interboro School District to invest in their high school will be supported by a \$4 million state capital grant, facilitated by the IDA.
- Phase I of redevelopment of various facilities owned by Upper Darby School District began with support by a \$3 million state capital grant administered by the RDA.

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

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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  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Delaware County Chester Waterfront Industrial Development Authority  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Redevelopment Authority of the County of Delaware  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Delaware County Interactive Gaming Authority  
201 West Front Street  
Media, Pennsylvania 19063

# **Basic Financial Statements**

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**County of Delaware, Pennsylvania**

 Statement of Net Position  
 December 31, 2022

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activity		
<b>Assets</b>				
Cash and cash equivalents	\$ 235,970,364	\$ 9,805,308	\$ 245,775,672	\$ 11,240,775
Receivables (net of allowance for uncollectibles):				
Taxes	5,572,645	-	5,572,645	-
Accounts	1,705,422	15,069,099	16,774,521	4,824,109
Grants	113,225,688	-	113,225,688	-
Leases	7,680,885	-	7,680,885	-
Notes	29,062,528	-	29,062,528	-
Other	5,807,330	-	5,807,330	782,672
Due from fiduciary component unit	23,259	-	23,259	-
Internal balances	14,448,012	(14,448,012)	-	-
Inventories	-	-	-	139,093
Other assets	5,838,448	2,879	5,841,327	241,041
Investments	-	-	-	10,500
Due from component units	7,475,000	-	7,475,000	-
Restricted cash and cash equivalents	123,074,714	1,146,811	124,221,525	228,441
Investment in joint venture	162,330,982	-	162,330,982	-
Net pension asset	56,802,550	14,901,177	71,703,727	-
Capital assets (net of accumulated depreciation):				
Land	30,023,714	-	30,023,714	8,873,485
Construction in progress	14,728,817	-	14,728,817	-
Land improvements	7,279,081	-	7,279,081	1,350,599
Buildings and improvements	115,862,994	19,644,023	135,507,017	16,640,166
Equipment	37,374,605	1,090,740	38,465,345	21,524,362
Infrastructure	18,476,295	-	18,476,295	-
Right-to-use leased assets	30,581,152	-	30,581,152	-
<b>Total assets</b>	<b>1,023,344,485</b>	<b>47,212,025</b>	<b>1,070,556,510</b>	<b>65,855,243</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows of resources, other post-employment benefit liability	58,733,904	-	58,733,904	-
Deferred outflows of resources, pension	25,421,134	6,668,800	32,089,934	1,373,908
<b>Total deferred outflows of resources</b>	<b>84,155,038</b>	<b>6,668,800</b>	<b>90,823,838</b>	<b>1,373,908</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,107,499,523</b>	<b>\$ 53,880,825</b>	<b>\$ 1,161,380,348</b>	<b>\$ 67,229,151</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	\$ 124,374,247	\$ 4,401,890	\$ 128,776,137	\$ 3,925,630
Accrued interest payable	95,918	-	95,918	-
Other liabilities	17,212,925	-	17,212,925	-
Unearned revenue	248,022,513	1,884,258	249,906,771	1,147,652
Due to primary government	-	-	-	7,475,000
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	21,530,029	3,414,971	24,945,000	593,000
Claims payable	3,782,360	-	3,782,360	-
Lease liability	5,171,505	-	5,171,505	-
Due in more than one year:				
Bonds and notes payable	244,706,355	20,526,645	265,233,000	5,104,000
Claims payable	1,851,191	-	1,851,191	-
Net other post-employment benefit liability	312,071,311	-	312,071,311	-
Lease liability	25,409,647	-	25,409,647	-
Net pension liability	-	-	-	1,481,980
Accrued closure costs	-	-	-	16,687,450
<b>Total liabilities</b>	<b>1,004,228,001</b>	<b>30,227,764</b>	<b>1,034,455,765</b>	<b>36,414,712</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows of resources, leases receivable	7,680,885	-	7,680,885	-
Deferred inflows of resources, other post-employment benefit liability	218,706,604	-	218,706,604	-
Deferred inflows of resources, pension	55,290,658	14,504,556	69,795,214	21,894
<b>Total deferred inflows of resources</b>	<b>281,678,147</b>	<b>14,504,556</b>	<b>296,182,703</b>	<b>21,894</b>
<b>Net Position</b>				
Net investment in capital assets	8,776,776	(3,206,853)	5,569,923	42,691,612
Restricted for:				
Pension	26,933,026	7,065,421	33,998,447	-
Highways and streets	792,990	-	792,990	-
Opioid remediation settlement	49,701,435	-	49,701,435	-
Library	678,992	-	678,992	-
Community development	1,817,024	-	1,817,024	-
Title IV D program	1,319,703	-	1,319,703	-
Economic development	-	-	-	19,940
Unrestricted	(268,426,571)	5,289,937	(263,136,634)	(11,919,007)
<b>Total net position</b>	<b>(178,406,625)</b>	<b>9,148,505</b>	<b>(169,258,120)</b>	<b>30,792,545</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 1,107,499,523</b>	<b>\$ 53,880,825</b>	<b>\$ 1,161,380,348</b>	<b>\$ 67,229,151</b>

See notes to financial statements

County of Delaware, Pennsylvania

Statement of Activities  
Year Ended December 31, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activity	
<b>Primary Government</b>							
Governmental activities:							
General government	\$ 135,172,413	\$ 8,511,514	\$ 130,588,720	\$ 603,487	\$ 4,531,308	\$ -	\$ 4,531,308
Judicial	40,015,789	6,445,076	11,214,576	-	(22,356,137)	-	(22,356,137)
Corrections	73,336,802	7,970,688	903,439	-	(64,462,675)	-	(64,462,675)
Health and human services	390,187,790	-	392,414,275	-	2,226,485	-	2,226,485
Highways, streets and bridges	8,661,779	-	879,200	7,811,026	28,447	-	28,447
Interest on long-term debt	5,791,372	-	-	-	(5,791,372)	-	(5,791,372)
Total governmental activities	653,165,945	22,927,278	536,000,210	8,414,513	(85,823,944)	-	(85,823,944)
Business-type activity:							
Geriatric Center	62,405,540	57,022,719	1,402,082	-	-	(3,980,739)	(3,980,739)
Total primary government	\$ 715,571,485	\$ 79,949,997	\$ 537,402,292	\$ 8,414,513	(85,823,944)	(3,980,739)	(89,804,683)
<b>Component Units</b>							
Solid Waste Authority	\$ 44,488,726	\$ 47,554,025	\$ -	\$ -	-	-	\$ 3,065,299
Economic Development	1,388,623	11,755	1,714,917	-	-	-	338,049
Waterfront Industrial Development Authority	978,833	-	-	-	-	-	(978,833)
Redevelopment Authority	3,253,242	-	3,264,391	-	-	-	11,149
Interactive Gaming Revenue Authority	384,460	-	382,662	-	-	-	(1,798)
Total component units	\$ 50,493,884	\$ 47,565,780	\$ 5,361,970	\$ -	-	-	2,433,866
<b>General Revenues</b>							
Property taxes	-	-	-	-	172,643,393	-	172,643,393
Gaming revenue	-	-	-	-	5,842,691	-	5,842,691
Grants and charges not restricted to specific programs	-	-	-	-	2,040,578	-	2,040,578
Other revenues (expenses)	-	-	-	-	-	2,535,417	(185,911)
Unrestricted investment earnings	-	-	-	-	3,909,587	15,434	3,925,021
Transfers	-	-	-	-	(6,859,103)	6,859,103	-
Total general revenues and transfers	-	-	-	-	177,577,146	9,409,954	186,987,100
Change in net position	-	-	-	-	91,753,202	5,429,215	97,182,417
<b>Net Position, Beginning</b>	-	-	-	-	(270,159,827)	3,719,290	(266,440,537)
Cumulative effect of prior period restatement	-	-	-	-	-	-	210,826
<b>Net Position, Ending</b>	-	-	-	-	\$ (178,406,625)	\$ 9,148,505	\$ (169,258,120)

See notes to financial statements

**County of Delaware, Pennsylvania**

Balance Sheet  
 Governmental Funds  
 December 31, 2022

	General	Capital Projects	Health and Human Services	Other Governmental Funds	COVID-19 Relief Fund	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 81,048,288	\$ -	\$ 26,909,846	\$ 26,453,682	\$ 97,246,924	\$ 231,658,740
Receivables:						
Taxes	5,801,272	-	-	-	-	5,801,272
Accounts	1,705,422	-	-	-	-	1,705,422
Grants	3,354,074	-	49,241,120	12,168,822	5,211,883	69,975,899
Leases	3,659,288	4,021,597	-	-	-	7,680,885
Notes	-	-	-	29,062,528	-	29,062,528
Due from component units	2,000,000	5,475,000	-	-	-	7,475,000
Due from fiduciary component unit	23,259	-	-	-	-	23,259
Due from other funds	59,358,646	13	38,123,873	21,749,991	-	119,232,523
Restricted cash and cash equivalents	2,336,493	34,919,655	76,963,881	8,854,685	-	123,074,714
Other assets	1,391,917	-	155,454	161,178	-	1,708,549
<b>Total assets</b>	<b>\$ 160,678,659</b>	<b>\$ 44,416,265</b>	<b>\$ 191,394,174</b>	<b>\$ 98,450,886</b>	<b>\$ 102,458,807</b>	<b>\$ 597,398,791</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>						
<b>Liabilities:</b>						
Vouchers and accounts payable	\$ 25,569,238	\$ 5,748,115	\$ 87,282,731	\$ 4,302,333	\$ 1,471,830	\$ 124,374,247
Payroll payable	3,253,156	-	-	-	-	3,253,156
Payable from restricted assets	138,487	-	-	-	-	138,487
Due to other funds	52,063,610	10,645,839	7,211,736	20,832,521	11,222,833	101,976,539
Unearned revenues	2,613,072	62,097	95,747,773	59,835,427	89,764,144	248,022,513
Other liabilities	8,269,321	-	1,151,934	3,739,953	-	13,161,208
<b>Total liabilities</b>	<b>91,906,884</b>	<b>16,456,051</b>	<b>191,394,174</b>	<b>88,710,234</b>	<b>102,458,807</b>	<b>490,926,150</b>
<b>Deferred inflows of resources:</b>						
Unavailable revenues, taxes	4,611,424	-	-	-	-	4,611,424
Deferred inflows related to leases	3,659,288	4,021,597	-	-	-	7,680,885
<b>Total deferred inflow of resources</b>	<b>8,270,712</b>	<b>4,021,597</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,292,309</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Prepaid items	1,391,917	-	-	-	-	1,391,917
<b>Restricted for:</b>						
Highways and streets	-	-	-	792,990	-	792,990
Opioid remediation settlement	-	-	-	6,451,646	-	6,451,646
Library	-	-	-	678,992	-	678,992
Community development	-	-	-	1,817,024	-	1,817,024
Title IV D program	1,319,703	-	-	-	-	1,319,703
Capital projects	-	23,938,617	-	-	-	23,938,617
<b>Assigned to:</b>						
Appropriated for 2023 spending	13,595,889	-	-	-	-	13,595,889
Contingency fund for constituent programs	1,621,124	-	-	-	-	1,621,124
Unassigned	42,572,430	-	-	-	-	42,572,430
<b>Total fund balances</b>	<b>60,501,063</b>	<b>23,938,617</b>	<b>-</b>	<b>9,740,652</b>	<b>-</b>	<b>94,180,332</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 160,678,659</b>	<b>\$ 44,416,265</b>	<b>\$ 191,394,174</b>	<b>\$ 98,450,886</b>	<b>\$ 102,458,807</b>	<b>\$ 597,398,791</b>

See notes to financial statements



## County of Delaware, Pennsylvania

### Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position December 31, 2022

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

Total fund balance - total governmental funds (page 34)	\$ 94,180,332
Capital assets, including investment in joint venture, used in governmental activities are not financial resources and, therefore, are not reported in the funds	386,076,488
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	4,611,424
Establishment of an allowance for doubtful accounts, net of additional penalty and interest receivable on the statement of net position	(228,627)
Long-term notes receivable will be collected in the future but are not available to pay for the current period's expenditures and, therefore, are not recognized as revenue on the governmental fund financial statements	5,807,330
Accrued interest payable included on the statement of net position	(95,918)
Long-term assets and liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Net pension asset	56,802,550
Opioid remediation settlement receivable	43,249,789
Right-to-use leased assets	30,581,152
Bonds and notes payable	(266,236,384)
Net other post-employment benefit liability	(312,071,311)
Lease liabilities	(30,581,152)
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	58,733,904
Deferred outflows related to the net pension liability	25,421,134
Deferred inflows related to the other post-employment benefit liability	(218,706,604)
Deferred inflows related to the net pension liability	(55,290,658)
Accrued compensatory time included in other liabilities on the statement of net position	(660,074)
Net position of governmental activities (page 32)	<u>\$ (178,406,625)</u>

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

Year Ended December 31, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Health and Human Service</u>	<u>Other Governmental Funds</u>	<u>COVID-19 Relief Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>						
Real estate taxes	\$ 174,530,462	\$ -	\$ -	\$ -	\$ -	\$ 174,530,462
Gaming revenue	5,842,691	-	-	-	-	5,842,691
Licenses and permits	192,248	-	-	-	-	192,248
General grants	14,584,479	128,589	-	70,387,639	19,343,312	104,444,019
Charges for services, fines and forfeits	23,104,504	-	-	-	-	23,104,504
Investment earnings	3,264,121	402,849	-	-	-	3,666,970
Health and human service grants	-	-	392,414,275	-	-	392,414,275
Other	5,813,350	290,765	-	-	-	6,104,115
	<u>227,331,855</u>	<u>822,203</u>	<u>392,414,275</u>	<u>70,387,639</u>	<u>19,343,312</u>	<u>710,299,284</u>
Total revenues						
<b>Expenditures</b>						
Current:						
General government	38,370,976	-	-	-	8,358,766	46,729,742
Judicial	40,015,789	-	-	-	-	40,015,789
Corrections	73,282,194	-	-	-	-	73,282,194
Transportation	9,802,264	-	-	-	-	9,802,264
Health and human services	-	-	399,914,274	-	-	399,914,274
Highways, streets and bridges	-	-	-	8,423,951	-	8,423,951
Other	46,130,475	-	-	64,001,426	4,855,367	114,987,268
Debt service:						
Principal	21,031,287	-	-	-	-	21,031,287
Interest	5,044,723	-	-	-	-	5,044,723
Debt issuance costs	-	203,138	-	-	-	203,138
Capital outlay	-	36,689,787	-	-	409,889	37,099,676
	<u>233,677,708</u>	<u>36,892,925</u>	<u>399,914,274</u>	<u>72,425,377</u>	<u>13,624,022</u>	<u>756,534,306</u>
Total expenditures						
Excess (deficiency) of revenues over (under) expenditures	<u>(6,345,853)</u>	<u>(36,070,722)</u>	<u>(7,499,999)</u>	<u>(2,037,738)</u>	<u>5,719,290</u>	<u>(46,235,022)</u>
<b>Other Financing Sources (Uses)</b>						
Issuance of debt	-	40,000,000	-	-	-	40,000,000
Transfers in	3,226,833	-	15,450,312	9,258,517	-	27,935,662
Transfers out	<u>(20,539,162)</u>	<u>-</u>	<u>(7,950,313)</u>	<u>(586,000)</u>	<u>(5,719,290)</u>	<u>(34,794,765)</u>
Total other financing sources (uses)	<u>(17,312,329)</u>	<u>40,000,000</u>	<u>7,499,999</u>	<u>8,672,517</u>	<u>(5,719,290)</u>	<u>33,140,897</u>
Net change in fund balances	<u>(23,658,182)</u>	<u>3,929,278</u>	<u>-</u>	<u>6,634,779</u>	<u>-</u>	<u>(13,094,125)</u>
<b>Fund Balance, Beginning</b>	<u>84,159,245</u>	<u>20,009,339</u>	<u>-</u>	<u>3,105,873</u>	<u>-</u>	<u>107,274,457</u>
<b>Fund Balance, Ending</b>	<u>\$ 60,501,063</u>	<u>\$ 23,938,617</u>	<u>\$ -</u>	<u>\$ 9,740,652</u>	<u>\$ -</u>	<u>\$ 94,180,332</u>

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, 2022

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)		\$ (13,094,125)
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	\$ 36,227,747	
Depreciation expense	(11,254,394)	
Amortization of right-to-use leased assets	<u>(5,113,162)</u>	19,860,191
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		(6,014,794)
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		(2,170,421)
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		283,352
Collections on long-term receivables due from the City of Chester and Eddystone Borough are reported as revenue in the funds, while the collection reduces long-term receivables in the statement of net position		(310,866)
Revenues related to opioid settlement funds in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		43,249,789
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.		14,720,984
The lease financings of the intangible right-to-use underlying assets provides current financial resources, to governmental funds while the repayment of the principal of the lease liability consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Reconciling items related to lease liability activity for the year ended are as follows:		
Financing of intangible right-to-use leased assets	(824,708)	
Scheduled principal payments on lease liability made current year	<u>5,113,162</u>	4,288,454
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. Reconciling items related to long-term debt activity for the year ended are as follows:		
Issuance of long-term debt	(40,000,000)	
Scheduled principal payments on long-term debt made current year	21,145,288	
Allocation of debt to business type activity for capital assets	<u>6,892,628</u>	(11,962,084)
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.		(9,133)
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.		42,965,417
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>(53,562)</u>
Change in net position of governmental activities (page 33)		<u>\$ 91,753,202</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, 2022

	General Fund			Variance With
	Original	Final	Actual Amounts	Final Budget - Positive (Negative)
<b>Revenues</b>				
Real estate taxes	\$ 172,830,000	\$ 172,830,000	\$ 174,530,462	\$ 1,700,462
Gaming revenue	7,993,371	7,993,371	5,842,691	(2,150,680)
Licenses and permits	40,000	40,000	192,248	152,248
General grants	23,975,076	23,975,076	14,584,479	(9,390,597)
Charges for services, fines and forfeits	22,420,395	22,420,395	23,104,504	684,109
Investment earnings	740,981	740,981	3,264,121	2,523,140
Other	23,530,570	23,530,570	5,813,350	(17,717,220)
Total revenues	<u>251,530,393</u>	<u>251,530,393</u>	<u>227,331,855</u>	<u>(24,198,538)</u>
<b>Expenditures</b>				
Current:				
General government	47,354,655	44,220,222	38,370,976	5,849,246
Judicial	51,047,169	46,435,870	40,015,789	6,420,081
Corrections	75,535,399	76,631,512	73,282,194	3,349,318
Transportation	9,820,000	9,820,000	9,802,264	17,736
Other	71,624,381	83,329,423	46,130,475	37,198,948
Debt service:				
Principal	24,384,000	24,384,000	21,031,287	3,352,713
Interest	5,112,905	5,112,905	5,044,723	68,182
Total debt service	<u>29,496,905</u>	<u>29,496,905</u>	<u>26,076,010</u>	<u>3,420,895</u>
Total expenditures	<u>284,878,509</u>	<u>289,933,932</u>	<u>233,677,708</u>	<u>56,256,224</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(33,348,116)</u>	<u>(38,403,539)</u>	<u>(6,345,853)</u>	<u>32,057,686</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	900,000	900,000	3,226,833	2,326,833
Transfers out	(5,916,882)	(5,916,882)	(20,539,162)	(14,622,280)
Total other financing uses, net	<u>(5,016,882)</u>	<u>(5,016,882)</u>	<u>(17,312,329)</u>	<u>(12,295,447)</u>
Net change in fund balance	(38,364,998)	(43,420,421)	(23,658,182)	19,762,239
<b>Fund Balance, Beginning</b>	<u>84,159,245</u>	<u>84,159,245</u>	<u>84,159,245</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 45,794,247</u>	<u>\$ 40,738,824</u>	<u>\$ 60,501,063</u>	<u>\$ 19,762,239</u>

See notes to financial statements

# County of Delaware, Pennsylvania

Statement of Net Position

Proprietary Funds

December 31, 2022

	<b>Business-Type Activity</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Geriatric Care</b>	
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 9,805,308	\$ 4,311,624
Accounts receivable, net	15,069,099	-
Due from other funds	-	1,524,072
Restricted cash and cash equivalents	1,146,811	-
Prepaid expense and other assets	2,879	4,129,899
Total current assets	<u>26,024,097</u>	<u>9,965,595</u>
Noncurrent assets:		
Net pension asset	14,901,177	
Capital assets (net of accumulated depreciation):	-	-
Buildings and improvements	19,644,023	-
Equipment	1,090,740	-
Total noncurrent assets	<u>35,635,940</u>	<u>-</u>
<b>Deferred Outflows of Resources, Pension</b>	<u>6,668,800</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 68,328,837</u></u>	<u><u>\$ 9,965,595</u></u>
<b>Liabilities</b>		
Current liabilities:		
Vouchers and accounts payable	\$ 4,401,890	\$ -
Unearned revenue	1,884,258	-
Due to General Fund	14,448,012	4,332,044
Claims payable	-	3,782,360
General obligation bonds and notes payable, current	3,414,971	-
Total current liabilities	<u>24,149,131</u>	<u>8,114,404</u>
Noncurrent liabilities:		
General obligation bonds and notes payable	20,526,645	-
Claims payable	-	1,851,191
Total noncurrent liabilities	<u>20,526,645</u>	<u>1,851,191</u>
Total liabilities	<u>44,675,776</u>	<u>9,965,595</u>
<b>Deferred Inflows of Resources, Pension</b>	<u>14,504,556</u>	<u>-</u>
<b>Net Position</b>		
Net investment in capital assets	(3,206,853)	-
Restricted - expendable - pension	7,065,421	-
Unrestricted	5,289,937	-
Total net position	<u>9,148,505</u>	<u>-</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 68,328,837</u></u>	<u><u>\$ 9,965,595</u></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, 2022

	<b>Business-Type Activity</b>	<b>Governmental Activities -</b>
	<b>Geriatric Care</b>	<b>Internal Service Fund</b>
<b>Operating Revenues</b>		
Charges for services	\$ 57,022,719	\$ 53,298,011
COVID-19 relief funding	1,402,082	-
Total operating revenues	<u>58,424,801</u>	<u>53,298,011</u>
<b>Operating Expenses</b>		
Administration	9,980,500	3,809,218
Operation, maintenance and housekeeping	10,373,975	-
Nursing	19,596,993	-
Dietary	6,266,175	-
Medical and physical therapy	4,029,878	-
Employee benefits	9,513,294	-
Insurance claims	-	49,494,253
Depreciation	1,850,268	-
Total operating expenses	<u>61,611,083</u>	<u>53,303,471</u>
Operating loss	<u>(3,186,282)</u>	<u>(5,460)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment earnings	15,434	5,460
Gain on sale of bed licenses	2,000,000	-
Miscellaneous revenues	535,417	-
Interest expense	(794,457)	-
Total nonoperating revenues, net	<u>1,756,394</u>	<u>5,460</u>
<b>Transfers In</b>	<u>6,859,103</u>	<u>-</u>
Change in net position	5,429,215	-
<b>Net Position, Beginning</b>	<u>3,719,290</u>	<u>-</u>
<b>Net Position, Ending</b>	<u>\$ 9,148,505</u>	<u>\$ -</u>

See notes to financial statements

## County of Delaware, Pennsylvania

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	<b>Business-Type Activity</b>	<b>Governmental Activities - Internal Service Fund</b>
	<b>Geriatric Care</b>	
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 59,608,193	\$ 52,865,783
Payments to suppliers	(17,745,447)	(52,848,894)
Payments to employees for services	(35,264,639)	-
Resident trust account receipts	7,752,702	-
Resident trust account disbursements	(7,880,623)	-
	<u>6,470,186</u>	<u>16,889</u>
<b>Net cash provided by operating activities</b>		
<b>Cash Flows From Capital and Related Financing Activities</b>		
Acquisitions of capital assets	(6,892,628)	-
Issuance of debt for purchase of capital assets	6,892,628	-
Principal paid on capital debt	(3,352,712)	-
Interest paid on capital debt	(794,457)	-
	<u>(4,147,169)</u>	<u>-</u>
<b>Net cash used in capital and related financing activities</b>		
<b>Cash Flows Provided by Investing Activities</b>		
Interest received	15,434	5,460
	<u>15,434</u>	<u>5,460</u>
<b>Net increase in cash and cash equivalents</b>		
	2,338,451	22,349
<b>Cash and Cash Equivalents, Beginning</b>		
	<u>7,466,857</u>	<u>4,289,275</u>
<b>Cash and Cash Equivalents, Ending</b>		
	<u>\$ 9,805,308</u>	<u>\$ 4,311,624</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>		
Operating loss	\$ (3,186,282)	\$ (5,460)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,850,268	-
Nonoperating receipts from patients	2,535,417	-
Transfer in from General Fund	6,859,103	-
Decrease in accounts receivable	(1,736,283)	-
Increase in restricted cash and cash equivalents	472,934	-
Increase in prepaid expense and other assets	637	(281,845)
Increase in net pension liability and deferred outflows / inflows	(3,254,995)	-
Increase in due to other funds	2,265,965	(432,228)
Decrease in vouchers and accounts payable	279,164	-
Increase in unearned revenue	384,258	-
Increase in claims payable	-	736,422
	<u>9,656,468</u>	<u>22,349</u>
<b>Total adjustments</b>		
	<u>9,656,468</u>	<u>22,349</u>
<b>Net cash provided by operating activities</b>	<u>\$ 6,470,186</u>	<u>\$ 16,889</u>

See notes to financial statements

## County of Delaware, Pennsylvania

### Statement of Fiduciary Net Position

#### Fiduciary Funds

December 31, 2022

	<b>Pension Trust Fund</b>	<b>Custodial Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 9,566,021	\$ 29,706,079
Interest receivable	500,489	-
Investments:		
Common stock	172,412,385	-
Equity mutual funds	204,555,050	-
Bond mutual funds	30,500,205	-
Corporate bonds	32,371,607	-
U.S. government securities	52,192,477	-
Municipal bonds	12,699,934	-
Asset-backed securities	4,715,967	-
Mortgage-backed securities	1,343,910	-
Annuity contracts	3,521,927	-
Guaranteed investment contracts	29,563,914	-
Private equity fund	4,454,071	-
Total investments	548,331,447	-
Total assets	558,397,957	29,706,079
<b>Liabilities</b>		
Accounts payable and other liabilities	363,081	29,706,079
Due to other funds	23,259	-
Total liabilities	386,340	29,706,079
<b>Net Position</b>		
Net position restricted for pension and other custodial funds	\$ 558,011,617	\$ -

See notes to financial statements



## County of Delaware, Pennsylvania

### Statement of Changes in Fiduciary Net Position

#### Fiduciary Funds

Year Ended December 31, 2022

	<b>Pension Trust Fund</b>	<b>Custodial Funds</b>
<b>Additions</b>		
Contributions:		
Plan members	\$ 13,176,789	\$ -
Employer	5,607,640	-
Total contributions	<u>18,784,429</u>	<u>-</u>
Fee collections for government entities	-	106,752,397
Collections of delinquent taxes for other governments	-	35,263,594
Receipts from others	-	24,704,260
Total collections	<u>-</u>	<u>166,720,251</u>
Investment earnings:		
Interest and dividends	12,349,939	-
Net depreciation in fair value of investments	(104,543,178)	-
Less investment expense	(1,727,747)	-
Net investment income	<u>(93,920,986)</u>	<u>-</u>
Total additions, net	<u>(75,136,557)</u>	<u>166,720,251</u>
<b>Deductions</b>		
Death benefits	2,402,168	-
Refunds of contributions	3,799,479	-
Retirement allowance	37,962,933	-
Remittances to government entities	-	106,274,836
Remittances of delinquent taxes to other governments	-	35,263,594
Remittances to others	-	25,181,821
Total deductions	<u>44,164,580</u>	<u>166,720,251</u>
Net decrease in net position	(119,301,137)	-
<b>Net Position, Restricted for Pensions and Other, Beginning</b>	<u>677,312,754</u>	<u>-</u>
<b>Net Position, Restricted for Pensions and Other, Ending</b>	<u>\$ 558,011,617</u>	<u>\$ -</u>

See notes to financial statements

# County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

## 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 Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. 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.

### 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.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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 Services Fund accounts for operations and administration of various County health and human services 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.

Other Governmental Funds account for financial resources 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 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.

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

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 Custodial Funds are custodial in nature and 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, Recorder of Deeds, Office of Judicial Support, Sheriff's sale proceeds payable to creditors, and inmate accounts held on behalf of the prison. 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. Additional details can be found in the other supplemental information section under custodial funds.

# County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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.

## **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 \$228,627 at December 31, 2022.

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

## Leases

The County is a lessor because it leases its capital assets to other entities. As a lessor, the County reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The County uses its estimated incremental borrowing rate as the discount rate for its lessor arrangements. The County continues to report and depreciate the capital assets being leased as capital assets of the primary government. The County monitors changes in circumstances that would require remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur.

The County is a lessee because it leases capital assets from other entities. As a lessee the County reports a lease liability and an intangible right-to-use capital asset (known as the right-to-use leased asset) on the government-wide financial statements. The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments that the County is reasonably certain to exercise. The County monitors changes in circumstances that would require remeasurement of a lease and will remeasure the lease asset and liability if certain changes occur. The County uses its estimated incremental borrowing rate as the discount rate as of the time the lease was placed in service. In the governmental fund financial statements, the County recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment.

## 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, 2022, 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 (including right-to-use leased 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:

	<b><u>Estimated Useful Lives</u></b>
Infrastructure	100 years
Land improvements	20 years
Buildings and improvements	45 years
Equipment	5 - 20 years
Right-to-use leased assets	3 - 20 years

Right-to-use leased assets are amortized over the lease term.

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2022

## 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 lessor arrangements, 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.

## 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.

# County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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 pension, highways and streets, opioid remediation settlement, library, community development, the Title IV D program and economic development.

**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, appropriation for 2023 spending, and contingency fund for constituent programs.

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.

# County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

## 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	\$ 254,326,658	\$ 20,734,763	\$ 275,061,421
Less right-to-use leased assets	(30,581,152)	-	(30,581,152)
Less general obligation debt	(266,236,384)	(23,941,616)	(290,178,000)
Add back:			
Unspent capital-related bond proceeds	34,919,655	-	34,919,655
Non-capital long-term debt	32,804,050	-	32,804,050
Capital accounts payable and retainages payable	(16,456,051)	-	(16,456,051)
Net investment in capital assets	<u>\$ 8,776,776</u>	<u>\$ (3,206,853)</u>	<u>\$ 5,569,923</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

The County adopted GASB Statement No. 87, *Leases*, for the year ended December 31, 2022. This standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the County's leasing activities. This standard was retroactively applied to the opening balance presented, which resulted in the recognition of a right-to-use, leased assets and lease liability of \$34,869,606 and a lease receivable and deferred inflow of resources at the implementation date of January 1, 2022 of \$8,367,448.

The County adopted GASB 91, *Conduit Debt Obligations*, effective January 1, 2022. The primary objectives of GASB No. 91 are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 clarifies that a conduit debt obligation is not a liability of the issuer. The adoption of this standard did not materially impact the County's statement of net position.



## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

The County also adopted certain provisions of GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, for the year ended December 31, 2022. The primary objective of this statement as related to Internal Revenue Code (IRC) Section 457 plans is to enhance the relevance, consistency and comparability of the accounting and financial reporting for IRC Section 457 deferred compensation plans that meet the definition of a pension plan and the benefits provided through those plans. The adoption of the IRC Section 457 plan requirements did not have a significant impact on the County's 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.

#### 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), the Delaware County Chester Waterfront Industrial Development Authority (IDA), and the Delaware County Interactive Gaming Revenue Authority (DCIGRA) 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.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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.

The Delaware County Interactive Gaming Revenue Authority is governed by a board appointed by County Council. Its purpose is to receive a portion of the local share assessment equal to 1% of Harrah's Philadelphia's daily gross interactive gaming revenue to be used for certain grants within the County. DCIGRA was incorporated by the County for the purpose of receiving local share funds pursuant to 4 Pa C.S.A. Section 13B53 and utilizing the funds to provide grants to be used for economic development, municipal police and emergency services, and other purposes in the public interest. The Delaware County Interactive Gaming Revenue Authority was not material to the County and was excluded from being discretely presented in prior periods, as such the opening balance was classified as prior period restatement to the County.

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  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Delaware County Chester Waterfront  
Industrial Development Authority  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Redevelopment Authority of the County of Delaware  
2 West Baltimore Pike, Suite 200  
Media, Pennsylvania 19063
- Delaware County Interactive Gaming Authority  
201 West Front Street  
Media, Pennsylvania 19063

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

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

<b>Condensed Statement of Net Position</b>						
<b>December 31, 2022</b>						
	<b>Solid Waste Authority</b>	<b>Economic Development Oversight Board</b>	<b>Waterfront Industrial Development Authority</b>	<b>Redevelopment Authority</b>	<b>Interactive Gaming Revenue Authority</b>	<b>Totals</b>
<b>Assets:</b>						
Current assets	\$ 13,301,973	\$ 2,260,035	\$ -	\$ 1,459,743	\$ 209,063	\$ 17,227,690
Long-term assets	235,817	-	-	-	-	238,941
Capital assets, net	29,874,961	-	17,489,452	1,024,199	-	48,388,612
<b>Total assets</b>	<b>43,412,751</b>	<b>2,260,035</b>	<b>17,489,452</b>	<b>2,483,942</b>	<b>209,063</b>	<b>65,855,243</b>
Deferred outflows of resources	1,373,908	-	-	-	-	1,373,908
<b>Total</b>	<b>\$ 44,786,659</b>	<b>\$ 2,260,035</b>	<b>\$ 17,489,452</b>	<b>\$ 2,483,942</b>	<b>\$ 209,063</b>	<b>\$ 67,229,151</b>
<b>Liabilities:</b>						
Current liabilities	\$ 4,254,251	\$ 519,071	\$ -	\$ 892,960	\$ -	\$ 5,666,282
Due to primary government	7,475,000	-	-	-	-	23,273,430
Long-term liabilities	23,273,430	-	-	-	-	7,475,000
<b>Total liabilities</b>	<b>35,002,681</b>	<b>519,071</b>	<b>-</b>	<b>892,960</b>	<b>209,063</b>	<b>36,414,712</b>
Deferred inflows of resources	21,894	-	-	-	-	21,894
<b>Net position:</b>						
Net investment in capital assets	24,177,961	-	17,489,452	1,024,199	-	42,691,612
Restricted	-	19,940	-	-	-	19,940
Unrestricted	(14,415,877)	1,721,024	-	566,783	209,063	(11,919,007)
<b>Total net position</b>	<b>9,762,084</b>	<b>1,740,964</b>	<b>17,489,452</b>	<b>1,590,982</b>	<b>209,063</b>	<b>30,792,545</b>
<b>Total</b>	<b>\$ 44,786,659</b>	<b>\$ 2,260,35</b>	<b>\$ 17,489,452</b>	<b>\$ 2,483,942</b>	<b>\$ 209,063</b>	<b>\$ 67,229,151</b>

# County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

	Condensed Statement of Activities					Totals
	For the Year Ended December 31, 2022					
	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Interactive Gaming Revenue Authority	
Program revenues:						
Charges for services	\$ 47,554,025	\$ 11,755	\$ -	\$ -	\$ -	\$ 47,565,780
Operating grants and contributions	-	1,714,917	-	3,264,391	382,662	5,361,970
Total	47,554,025	1,726,672	-	3,264,391	382,662	52,927,750
Expenses:						
Operating expenses	44,488,726	1,388,623	978,833	3,253,242	384,460	50,493,884
Net revenue (expense)	3,065,299	338,049	(978,833)	11,149	(1,798)	2,433,866
General revenues (expense), net	(135,795)	2,139	-	3,586	35	(130,035)
Change in net position	2,929,504	340,188	(978,833)	14,735	(1,763)	2,303,831
Net position, beginning	6,832,580	1,400,776	18,468,285	1,576,247	-	28,277,888
Cumulative effect of prior period restatement	-	-	-	-	210,826	210,826
Net position, ending	\$ 9,762,084	\$ 1,740,964	\$ 17,489,452	\$ 1,590,982	\$ 209,063	\$ 30,792,545

## 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 minimally 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.

On October 5, 2022, DCSWA obtained a surety bond amounting to \$25,871,605 to cover post closure costs. In 2022, the premium paid for the surety bond was \$258,716.

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 authority.

Accrued closure and post closure costs, as reflected on the statement of net position, totaled \$16,687,450 as of December 31, 2022. Accrued closure and post-closure costs are estimated using the DEP's cost requirement to close the landfill as a percentage of landfill capacity used to date. Post-closure costs ended for the year amounted to \$799,299. The estimated closure and post closure costs total \$25,871,604, comprised of \$6,739,146 of closure costs and \$19,132,458 of post closure costs. At December 31, 2022, there remains \$9,184,154 in closure and post closure costs to be recognized in excess of the Act 101 requirements previously mentioned.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

### Inventory

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

### Capital Assets

Capital assets are recorded at actual cost or estimated historical cost. Donated assets are valued at their estimated fair value on the date donated.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which range from 2 to 37 years.

The DCSWA capitalizes assets in excess of \$2,000 and an estimated useful life in excess of one year.

### Environmental Liability - Department of Environmental Protection

In 2013, the DCSWA entered into a consent agreement with the Department of Environmental Protection (DEP) whereby the DCSWA agreed to update the leachate treatment facility to accommodate the treatment of the leachate. As a part of their settlement with the DEP regarding the treatment of leachate, the DCSWA established a reserve totaling \$500,000 as ordered by the DEP to be used to pay for future environmental projects in the neighborhood. Interest earned on the account has been included in the total reserve balance. In 2022, the DCSWA did not pay any costs for local environmental projects. The total liability at December 31, 2022 was \$225,317, which was included in accrued expenses on the statement of net position.

### Covanta Delaware Valley, LP, Revenues and Expenses

As of May 1, 2022, DCSWA and Covanta Delaware Valley LP (Covanta) entered into an amended and restated service agreement for a three year term, with two one-year term options. Under the revised agreement, DCSWA has the right to deliver up to 375,000 tons of waste per year. Unlike previous years, DCSWA has no obligation to deliver any minimum amounts of waste. DCSWA is obligated to receive for disposal one ton of ash for each ton of waste they have processed by Covanta on an annual basis. The ash disposal commitment is subject to a 12-month renewal term. 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 2022, the DCSWA paid to Covanta \$17,437,793, which included insurance costs, for its County waste deliveries. Covanta paid to the DCSWA \$8,554,165 in ash disposal charges.

### Folcroft Landfill Annex

DCSWA is a party to a Landfill Settlement Group, with 14 other parties. In 2006, DCSWA entered into an Administrative Settlement Agreement and Order on Consent (Settlement Agreement) between the United States Environmental Protection Agency (USEPA) and Folcroft Landfill Steering Committee to properly close and remediate a former landfill that accepted a variety of waste to EPA standards. To date, the Settlement group has investigated different options regarding the remediation of the site. While the final cost share is unknown at this time, DCSWA anticipates final costs for remediation to be presented and paid in the 2024-2025 fiscal year.

## Waterfront Industrial Development Authority

### Capital Assets

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

### Lease and Development Agreement

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

## 4. Deposits and Investments

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

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

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

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

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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.

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, 2022, cash and cash equivalents consists of cash on hand of \$13,047, deposits with financial institutions of \$399,690,229 and cash equivalents of \$9,566,021 held in uninsured investment funds. At December 31, 2022, the carrying amount of deposits with financial institutions and the bank balance was \$399,690,229 and \$423,833,126, respectively. The differences were caused primarily by items in transit.



# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2022

## 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 formal 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, 2022, \$1,250,000 of the County's bank balance was insured by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$422,583,126 is fully collateralized by securities pledged and held by the financial institution in accordance with Act 72, as indicated above. At December 31, 2022, 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	\$ 422,583,126
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Custodial credit risk is the risk that in the event of a failure of the counterparty (trustee) to a transaction, the County will not be able to recover the value of its investment. The Board does not have a formal policy for custodial credit risk. As of December 31, 2022, the County's total cash equivalents and investments held with investment fund institutions, excluding its investment in joint venture of \$162,330,982, 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, 2022, the international equity fund represented approximately 14.7% of the total portfolio.

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

The following is the carrying value of deposits and investments at December 31, 2022:

	<u>S&amp;P Rating <sup>(1)</sup></u>	<u>Duration (Range) <sup>(1)</sup></u>	<u>Carrying Value</u>
Cash and cash equivalents	N/A	N/A	<u>\$ 409,269,297</u>
Investments:			
Common and preferred stocks and stock funds	N/A	N/A	172,412,385
Equity mutual funds	N/A	N/A	204,555,050
Bond mutual funds	N/A	N/A	30,500,205
Corporate bonds	A+	0.52-4.90	2,618,462
	A	0.58-5.91	5,125,269
	A-	1.00-6.44	6,333,058
	AA+	1.41-4.93	742,237
	AA	2.89-4.82	1,439,029
	AA-	1.35-2.11	647,675
	AAA	3.10-3.79	-
	BBB	0.95-6.84	5,036,986
	BBB-	1.34-7.07	3,691,755
	BBB+	0.79-5.88	6,174,875
	BB+	4.88	-
	N/A	4.11-5.23	562,261
U.S. government securities	AA+	0.75-1.79	4,686,371
	N/A	7.00	47,506,106
Municipal bonds	A+	1.79-5.16	1,199,929
	A	2.06	125,620
	A-	5.31	614,080
	AA	1.37-6.27	2,867,545
	AA+	1.94-5.62	610,349
	AA-	1.28-5.33	5,303,657
	AAA	3.48-5.55	365,527
	BBB+	6.00	215,750
	N/A	1.25-5.73	1,397,477
Asset-backed securities	AAA	0.51-7.15	1,857,119
	AA+	5.22	77,653
	A-	2.13-6.50	166,233
	N/A	0.58-6.80	2,614,962
Mortgage-backed securities	AAA	2.85-4.11	603,825
	N/A	3.49-4.05	740,085
Annuity contracts	AA-	N/A	3,521,927
Guaranteed investment contracts	A+	28.00	29,563,914
Private equity fund	N/A	N/A	<u>4,454,071</u>
Total investments in pension trust fund			<u>548,331,447</u>
Total			<u>\$ 957,600,744</u>

(1) N/A - not applicable

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

## 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, 2022:

	<b>Cash and Cash Equivalents</b>	<b>Restricted Cash and Cash Equivalents</b>	<b>Investments</b>	<b>Total</b>
Governmental activities	\$ 235,970,364	\$ 123,074,714	\$ -	\$ 359,045,078
Business-type activity	9,805,308	1,146,811	-	10,952,119
Pension Trust Fund	9,566,021	-	548,331,447	557,897,468
Custodial Funds	29,706,079	-	-	29,706,079
<b>Total cash and cash equivalent and investments</b>	<b>\$ 285,047,772</b>	<b>\$ 124,221,525</b>	<b>\$ 548,331,447</b>	<b>\$ 957,600,744</b>

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, 2022:

	<b>Carrying Value</b>	<b>Quoted Prices in Active Markets (Level 1)</b>	<b>Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Cash and cash equivalents	\$ 409,269,297	\$ 409,269,297	\$ -	\$ -	\$ 409,269,297
Common stock	172,412,385	172,412,385	-	-	172,412,385
Equity mutual funds	204,555,050	204,555,050	-	-	204,555,050
Bond mutual funds	30,500,205	30,500,205	-	-	30,500,205
Fixed income securities:					
Corporate bonds	32,371,607	32,371,607	-	-	32,371,607
U.S. government securities	52,192,477	52,192,477	-	-	52,192,477
Municipal bonds	12,699,934	-	12,699,934	-	12,699,934
Asset-backed securities	4,715,967	4,715,967	-	-	4,715,967
Mortgage-backed securities	1,343,910	1,343,910	-	-	1,343,910
Annuity contracts	3,521,927	-	-	3,521,927	3,521,927
Guaranteed investment contracts	29,563,914	-	-	29,563,914	29,563,914
<b>Total cash, cash equivalents, and investments at fair value</b>		<b>\$ 907,360,898</b>	<b>\$ 12,699,934</b>	<b>\$ 33,085,841</b>	
Investments valued at net asset value:					
Private equity fund	4,454,071				4,454,071
<b>Total cash, cash equivalents and investments</b>	<b>\$ 957,600,744</b>				<b>\$ 957,600,744</b>

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.

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).

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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, 2022, 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, 2022, 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, 2022, is \$1,432,500.

### 6. Component Units, Deposits, Investments and Fair Value

#### Solid Waste Authority

On December 31, 2022, the DCSWA held \$7,947,995 in cash and cash equivalents without restriction.

On December 31, 2022, restricted cash consists of \$225,317 in cash balance held in settlement with the Department of Environmental Protection.

At December 31, 2022, the carrying amount of the DCSWA's deposits was \$8,173,312, and the bank balance was \$9,446,596. Of the bank balance, \$475,317 was covered by federal depository insurance, and \$8,971,279 was collateralized by pooled securities in accordance with the Act 72. The deposits collateralized in accordance with Act 72 were exposed to custodial credit risk because they were uninsured, and the collateral held by the depository's agent was not in the DCSWA's name.

On December 31, 2022, 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.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

### **Economic Development Oversight Board**

On December 31, 2022, the total carrying amount of EDOB's cash and cash equivalents were \$1,746,712, and the corresponding bank balances were \$1,746,945.

The EDOB's policy is to place deposits only in FDIC insured institutions. Deposits in excess of the FDIC limit are collateralized pursuant to Act 72, 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, 2022, the RDA held \$1,447,059 in cash and cash equivalents without restriction.

On December 31, 2022, restricted cash consists of \$3,124 for escrow deposits.

On December 31, 2022, the total carrying amount of RDA's cash and cash equivalents were \$1,450,183, and the corresponding bank balances were \$1,450,252.

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.

### **Interactive Gaming Revenue Authority**

The DCIGRA's deposits are held in a bank account which is covered by federal depository insurance up to \$250,000. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. DCIGRA does not have a policy for custodial credit risk on deposits. At December 31, 2022, the carrying amount of DCIGRA's deposits was equal to the bank balance of \$99,009 and was fully covered by federal depository insurance.

## **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 \$228,627 as of December 31, 2022, 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, 2022, the millage rate was 2.999 mills on each dollar of assessed valuation, or \$2.999 on each one thousand dollars of assessed valuation.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

### 8. Accounts and Grants Receivable, Net

Business-type activity net accounts receivable of \$15,069,099 consists of amounts due from the Commonwealth of Pennsylvania, Department of Human Service Medical Assistance of \$4,370,794; Private Pay Patients of \$10,418,327; Medicare Part A and B of \$1,473,308 and other patient-related receivables of \$181,771. The accounts receivable allowance for uncollectibles is calculated based on historical data and currently known facts and was \$1,375,101 at December 31, 2022.

Governmental activities net accounts receivable of \$1,705,422 consists of amounts due from the Commonwealth of Pennsylvania and Harrah's Chester for gaming revenue of \$942,810; Chester soccer stadium reimbursement of \$204,886, salary reimbursement for emergency services provided to Montgomery County; ACT 164 Rideshare fees for \$246,458 and various miscellaneous receivables of \$311,268.

Governmental activities net grants receivable of \$113,225,688 consists of the receivables due from the Commonwealth of Pennsylvania to the General Fund of \$3,354,074, due to Health and Human Services of \$49,241,120, and Other Governmental Funds of \$12,168,822, due to COVID-19 Relief Fund from the federal government for receipt of obligated FEMA costs of \$5,211,883, and the opioid remediation settlement of \$43,249,789 (Note 33).

### 9. Other Receivables

Other receivables of \$5,807,330 in the governmental activities consist of amounts due from the City of Chester of \$5,084,330 (Note 30), \$646,000 note receivable from the City of Chester and \$77,000 due from the City of Eddystone related to the General Obligation Notes, 2021 Series (Note 17).

### 10. Lessor - Leases Receivable

The County has 11 building and cell tower lease agreements in effect as of December 31, 2022. The deferred inflow of resources associated with these leases have been recognized as a receivable in both the fund financial statements and government-wide statement of net position based on the present value of future rental payments expected to be received during the lease term.

Lease terms may include options to extend or terminate certain leases. The value of the lease is reflected in the valuation if it is reasonably certain an option to extend or terminate is exercised.

The County has certain leases that are for periods of 12 months or less. Leases with an initial term of 12 months or less are not recorded on the government-wide statement of net position since the County has elected the practical expedient to exclude these leases from lease receivable and deferred inflow of resources. Short-term lease revenues are recognized on a straight-line basis over the lease term as program revenues.

Lease Receivables Description	Weighted Average Lease Term (Years)	Interest Rates	Receivable Balance
Buildings	14.22	2.29 %	\$ 6,246,635
Cell phone towers	11.48	2.29	<u>1,434,250</u>
			<u>\$ 7,680,885</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

The present value of future payments receivable are as follows:

	<u>Principal Receivable</u>	<u>Interest Receivable</u>	<u>Total Principal and Interest Receivable</u>
Years:			
2023	\$ 1,230,151	\$ 181,959	\$ 1,412,110
2024	952,097	155,626	1,107,723
2025	749,195	132,355	881,550
2026	606,888	115,076	721,964
2027	627,826	99,382	727,208
2028 - 2032	2,638,954	264,466	2,903,420
2033 - 2037	633,235	64,619	697,854
2038 - 2040	242,539	11,698	254,237
Total	<u>\$ 7,680,885</u>	<u>\$ 1,025,181</u>	<u>\$ 8,706,066</u>

The County recognized \$736,810 in rental revenue included in other revenue on the statement of revenues, expenditures, and changes in fund balance.

### 11. 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, 2022, are represented by receivables in the amount of \$3,615,987, 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, 2022, totaled \$1,208,122, net of an allowance for doubtful accounts of \$109,525.

The Interactive Gaming Revenue Authority has a grant receivable balance of \$110,054 at December 31, 2022 which it believes will be fully collectible and, therefore, did not record an allowance for uncollectible receivables.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

### 12. 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, 2022, 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	8,854,685
Workers' Compensation Escrow Funds are to be utilized for payment of major workers' compensation claims	2,074,800
Capital Project Funds held for debt service payments and to be utilized for various capital improvement projects as defined in the corresponding note agreements	34,919,655
Health and Human Service Funds to be utilized for Health Choices reinvestment plans	65,398,045
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.	11,565,836
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>1,146,811</u>
Total primary government	<u>124,221,525</u>
Component units:	
Delaware County Solid Waste Authority deposited funds with an escrow agent	225,317
Delaware County Redevelopment Authority deposited funds with an escrow agent	<u>3,124</u>
Total component unit	<u>228,441</u>
Total	<u>\$ 124,449,966</u>



## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

### 13. Capital Assets

The County adopted GASB Statement No. 87, *Leases*, for the year ended December 31, 2022. This standard was retroactively applied to the opening balance presented, which resulted in the recognition of a right-to-use, leased asset. A summary of changes in capital assets follows:

	January 1, 2022 (as restated)	Additions	Reclassifications/ Disposals	December 31, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 27,176,214	\$ 2,847,500	\$ -	\$ 30,023,714
Construction in progress	6,945,737	7,783,080	-	14,728,817
Total capital assets not being depreciated	<u>34,121,951</u>	<u>10,630,580</u>	<u>-</u>	<u>44,752,531</u>
Capital assets being depreciated:				
Land improvements	23,269,148	363,775	-	23,632,923
Buildings and improvements	240,876,871	16,933,744	-	257,810,615
Equipment	136,734,431	7,474,940	(7,200)	144,202,171
Infrastructure	24,336,925	-	-	24,336,925
Right-to-use leased assets	34,869,606	824,708	-	35,694,314
Total capital assets being depreciated	<u>460,086,981</u>	<u>25,597,167</u>	<u>(7,200)</u>	<u>485,676,948</u>
Less accumulated depreciation for:				
Land improvements	15,672,715	681,127	-	16,353,842
Buildings and improvements	137,214,998	4,732,623	-	141,947,621
Equipment	101,231,950	5,602,816	(7,200)	106,827,566
Infrastructure	5,622,802	237,828	-	5,860,630
Right-to-use leased assets	-	5,113,162	-	5,113,162
Total accumulated depreciation	<u>259,742,465</u>	<u>16,367,556</u>	<u>(7,200)</u>	<u>276,102,821</u>
Total capital assets being depreciated, net	<u>200,344,516</u>	<u>9,229,611</u>	<u>-</u>	<u>209,574,127</u>
Governmental activities, capital assets, net	<u>\$ 234,466,467</u>	<u>\$ 19,860,191</u>	<u>\$ -</u>	<u>\$ 254,326,658</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

	January 1, 2022	Additions	Reclassifications/ Disposals	December 31, 2022
Business-type activity:				
Geriatric Center:				
Capital assets being depreciated:				
Buildings and improvements	\$ 62,618,191	\$ 6,513,639	\$ -	\$ 69,131,830
Equipment	43,012,610	378,989	-	43,391,599
Total capital assets being depreciated	105,630,801	6,892,628	-	112,523,429
Less accumulated depreciation for:				
Buildings and improvements	48,469,633	1,018,174	-	49,487,807
Equipment	41,468,765	832,094	-	42,300,859
Total accumulated depreciation	89,938,398	1,850,268	-	91,788,666
Total capital assets being depreciated, net	15,692,403	5,042,360	-	20,734,763
Business-type activity, capital assets, net	<u>\$ 15,692,403</u>	<u>\$ 5,042,360</u>	<u>\$ -</u>	<u>\$ 20,734,763</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 7,744,484
Judicial	5,113,162
Corrections	2,319,660
Public ways and facilities, including depreciation of general infrastructure assets	55,317
Health and human service	29,074
Recreation	868,031
Other	237,828
Total	<u>\$ 16,367,556</u>

The following is a summary of capital assets by source:

December 31, 1983 and prior	\$ 63,888,593
General obligation bonds	365,413,671
General fund	4,603,028
State grants	19,434,725
Restricted 911 special revenue	41,395,147
Right-to-use, leased asset (intangible asset)	35,694,315
Total	<u>\$ 530,429,479</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

### 14. Component Units, Capital Assets

The capital asset activity for the DCSWA for the year ended December 31, 2022, was as follows:

	January 1, 2022	Additions	Reclassifications/ Disposals	December 31, 2022
Capital assets not being depreciated:				
Land	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
Construction in progress	3,135,213	-	(3,135,213)	-
Total capital assets being depreciated	10,135,213	-	(3,135,213)	7,000,000
Capital assets being depreciated or depleted:				
Landfill	51,135,989	-	-	51,135,989
Machinery and equipment	9,716,541	1,375,029	(1,595,439)	9,496,131
Buildings and structures	16,478,918	-	-	16,478,918
Pad construction	75,275,804	12,261,810	-	87,537,614
Total capital assets being depreciated	152,607,252	13,636,839	(1,595,439)	164,648,652
Less accumulated depreciation and depletion for:				
Landfill	49,715,933	69,457	-	49,785,390
Machinery and equipment	6,002,623	631,944	(1,563,204)	5,071,363
Buildings and structures	13,903,470	358,689	-	14,262,159
Pad construction	69,519,130	3,135,649	-	72,654,779
Total accumulated depreciation and depletion	139,141,156	4,195,739	(1,563,204)	141,773,691
Total capital assets being depreciated or depleted, net	13,466,096	9,441,100	(32,235)	22,874,961
Capital assets, net	\$ 23,601,309	\$ 9,441,100	\$ (3,167,448)	\$ 29,874,961

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

The capital asset activity for the IDA for the year ended December 31, 2022, was as follows:

	January 1, 2022	Additions	Reclassifications/ Disposals	December 31, 2022
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	11,746,001	978,833	-	12,724,834
Total capital assets being depreciated, net	17,618,999	(978,833)	-	16,640,666
Capital assets, net	\$ 18,468,285	\$ (978,833)	\$ -	\$ 17,489,452

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.

### 15. 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 2022, the County's operating budget contribution was \$9,802,264, and capital additions were \$993,743. 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 \$7,008,537. Included on the statement of net position is an investment in a joint venture totaling \$162,330,982 at December 31, 2022.

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

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

## 16. Long-Term Liabilities

### Primary Government

The following is a summary of changes in noncurrent liabilities of the County excluding other post-employment benefit (Note 24) for the year ended December 31, 2022:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Liability for general obligation debt	\$ 254,274,300	\$ 40,000,000	\$ (28,037,916)	\$ 266,236,384	\$ 21,530,029
Liability for claims payable	4,897,129	49,494,253	(48,757,831)	5,633,551	3,782,360
Lease liability	34,869,606	824,708	(5,113,162)	30,581,152	5,171,505
Governmental activity:					
Long-term liabilities	<u>\$ 294,041,035</u>	<u>\$ 90,318,961</u>	<u>\$ (81,908,909)</u>	<u>\$ 302,451,087</u>	<u>\$ 30,483,894</u>
Business-type activity:					
Liability for general obligation debt	<u>\$ 20,401,700</u>	<u>\$ 6,892,628</u>	<u>\$ (3,352,712)</u>	<u>\$ 23,941,616</u>	<u>\$ 3,414,971</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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Liability for revenue notes payable	\$ 6,275,000	\$ -	\$ (578,000)	\$ 5,697,000	\$ 593,000
Net pension liability	-	1,481,980	-	1,481,980	-
Liability for accrued closure costs	16,273,182	414,268	-	16,687,450	-
Long-term liabilities	<u>\$ 22,548,182</u>	<u>\$ 1,896,248</u>	<u>\$ (578,000)</u>	<u>\$ 23,273,430</u>	<u>\$ 593,000</u>

## 17. General Obligation Debt

The following are summaries of changes in general obligation debt, by type, for the year ended December 31, 2022:

	Governmental Activities	Business-Type Activity	Total
Outstanding at beginning of the year	\$ 254,274,300	\$ 20,401,700	\$ 274,676,000
Issuance of debt	40,000,000	-	40,000,000
Allocation of debt for capital assets	(6,892,628)	6,892,628	-
Reduction of borough notes	(114,000)	-	(114,000)
Retirements and repayments	(21,031,288)	(3,352,712)	(24,384,000)
Outstanding at end of year	<u>\$ 266,236,384</u>	<u>\$ 23,941,616</u>	<u>\$ 290,178,000</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

The following summarizes general obligation debt, by type, outstanding at December 31, 2022:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Serial bonds and notes	\$ 266,236,384	\$ 23,941,616	\$ 290,178,000

A summary of general obligation debt outstanding at December 31, 2022, is as follows:

<u>Year of Issue/Final Maturity</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Outstanding at December 31, 2022</u>	<u>Current Portion</u>
2007/2027	\$ 26,720,000	Refinance the 2004 Note and to refinance a portion of the 2002 Note	\$ 5,680,000	\$ 1,104,000
2010/2028	45,180,000	Refund the 2008 General Obligation Note and for various other capital projects at the County	31,082,000	4,897,000
2012/2032	20,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	19,990,000	1,858,000
2013/2033	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	23,174,000	1,450,000
2014/2025	45,166,000	Partially refund the 1997 and 2002 notes payable to level debt service payments	44,662,000	14,533,000
2015/2035	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	24,993,000	1,000
2018/2038	40,000,000	Fund construction and renovations of County buildings, equipment, SEPTA and open space projects	39,996,000	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	19,880,000	984,000
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	39,998,000	1,000
2021/2029	837,000	Municipal loans for the City of Chester and the Borough of Eddystone	723,000	115,000
2022/2040	40,000,000	Fund construction and renovations of County buildings, parking garages, prison, acquisition of equipment and vehicles, and improvement to Fair Acres Geriatric Center	40,000,000	1,000
		Total	<u>\$ 290,178,000</u>	<u>\$ 24,945,000</u>

## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2022

The outstanding balance at December 31, 2022, related to governmental activities of \$266,236,384 includes \$12,201,050 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, 2022, is presented below:

	<b>Principal Maturity</b>	<b>Interest Maturity <sup>(1)</sup></b>	<b>Total Principal and Interest Maturities</b>
Years:			
2023	\$ 24,945,000	\$ 5,428,212	\$ 30,373,212
2024	25,403,000	5,122,428	30,525,428
2025	25,876,000	4,646,891	30,522,891
2026	21,030,000	4,186,345	25,216,345
2027	21,342,000	3,772,692	25,114,692
2028 - 2032	83,897,000	13,550,340	97,447,340
2033 - 2037	59,474,000	6,034,475	65,508,475
2038 - 2042	28,211,000	954,128	29,165,128
Total	<u>\$ 290,178,000</u>	<u>\$ 43,695,511</u>	<u>\$ 333,873,511</u>

<sup>(1)</sup> Includes interest at year-end rates for fixed rate notes. Interest on the fixed rate notes is \$5,848,313 for the year ended December 31, 2022.

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 \$290,178,000 is outstanding at December 31, 2022.

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.

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.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

As of December 31, 2022, 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
2007	\$ 5,680,000	\$ 162,853	\$ 278,923
2010	31,082,000	891,162	1,586,085
2012	19,990,000	573,140	1,612,550
2013	23,174,000	664,429	2,282,546
2014	44,662,000	1,280,519	1,164,920
2015	24,993,000	716,583	1,243,964
2018	39,996,000	1,146,736	1,868,760
2019	19,880,000	569,986	2,124,880
2020	39,998,000	1,146,796	8,743,746
2021	723,000	20,729	52,636
2022	40,000,000	1,146,854	4,777,206

### 18. Lease Liability

The County is obligated as a lessee under 28 lease arrangements with remaining commitments of approximately 3 to 17 years as of December 31, 2022. As a lease, the County reports a lease liability and an intangible right-to-use asset on its government-wide statement of net position based on the present value of future rental payments expected. In governmental fund financial statements, the County recognizes proceeds from extended term financing and a capital outlay at the initiation of the lease, and an outflow of resources as lease payments are made during the lease term.

Lease terms may include options to extend or terminate certain leases. The value of the lease is reflected in the valuation if it is reasonably certain an option to extend or terminate is exercised.

The County has certain leases that are for periods of 12 months or less. Leases with an initial term of 12 months or less are not recorded on the government-wide statement of net position since the County has elected the practical expedient to exclude these leases from right-to-use leased assets and lease liabilities.

The County's governmental activity lease activity for the year ended December 31, 2022 is as follows:

Lease Type	Weighted Average Lease Term (Years)	Interest Rates	Lease Liability Balance
Buildings	9.8	2.29 %	\$ 27,195,749
Cell phone towers	12.2	2.29	1,811,043
Equipment, copiers	3.8	2.29	1,574,360
Total lease			30,581,152
Lease liability, due within one year			5,171,505
Lease liability, due in more than one year			\$ 25,409,647



## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

Lease commitment requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Commitment</u>
Years:			
2023	\$ 5,171,505	\$ 643,058	\$ 5,814,563
2024	4,907,414	530,561	5,437,975
2025	4,228,884	421,730	4,650,614
2026	2,848,719	341,859	3,190,578
2027	2,613,580	280,271	2,893,851
2028 - 2032	8,138,262	685,587	8,823,849
2033 - 2037	2,661,000	86,871	2,747,871
2038	11,788	113	11,901
	<u>30,581,152</u>	<u>2,990,050</u>	<u>33,571,202</u>
Total	\$ 30,581,152	\$ 2,990,050	\$ 33,571,202

### 19. 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, 1.28% for Series B and 3.39% for Series C as per the Notice of Fixed Rate Conversion. The Notes are collateralized by the security interest in the revenue of DCSWA.

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. The Notes are collateralized by the security interest in the revenue of DCSWA.

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. Since inception, DCSWA has met each of its debt service payment requirements on the 2009 and 2012 Notes.

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

## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2022

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:		
2023	\$ 593,000	\$ 138,400
2024	608,000	122,705
2025	625,000	103,908
2026	641,000	86,791
2027	658,000	70,218
2028 - 2032	<u>2,572,000</u>	<u>124,011</u>
Total	<u>\$ 5,697,000</u>	<u>\$ 646,033</u>

For the year ended December 31, 2022, interest expense amounted to \$153,677.

## 20. 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 \$17,212,925 consists of \$16,324,835 of accrued payroll expenses, \$362,155 of accrued expense payable to vendors, and \$525,935 of funds to be refunded or escheated.

## 21. Interfund Receivables and Payables

Interfund receivable and payable balances as of December 31, 2022, are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 59,358,646	\$ 52,063,610
General Fund, due from fiduciary component unit	23,259	-
Capital Projects Fund	13	10,645,839
Health and Human Service Fund	38,123,873	7,211,736
Other Governmental Funds	21,749,991	20,832,521
COVID-19 Relief Fund	-	11,222,833
Fiduciary Component Unit, Pension Trust Fund	-	23,259
Proprietary Fund	-	14,448,012
Internal Service Funds	<u>1,524,072</u>	<u>4,332,044</u>
Total	<u>\$ 120,779,854</u>	<u>\$ 120,779,854</u>

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.

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

### 22. Amounts Due To/From Component Units

The following is a summary of amounts due to/from component unit (the DCSWA) at December 31, 2021, activity for 2022, and amounts due at December 31, 2022:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balance, December 31, 2021	\$ 2,000,000	\$ 5,475,000	\$ 7,475,000
Additions	35,629	-	35,629
Repayments	(35,629)	-	(35,629)
Balance, December 31, 2022	<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.

### 23. Interfund Transfers

Interfund transfers for the year ended December 31, 2022, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,226,833	\$ 20,539,162
Health and Human Service Fund	15,450,312	7,950,313
Other Governmental Funds	9,258,517	586,000
Covid-19 Relief Fund	-	5,719,290
Proprietary Fund	6,859,103	-
Total	<u>\$ 34,794,765</u>	<u>\$ 34,794,765</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. Transfers from the Covid-19 Relief fund are American Rescue Plan Act funds used to subsidize the expenditures related to the Health Department.

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

## 24. 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, 2022, 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.

The OPEB Plan is not administered through a trust or equivalent arrangement, therefore there are no assets accumulated in funding of the OPEB plan.

### Net OPEB Liability of the County

The County net OPEB liability was measured as of December 31, 2022, 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	\$ 312,071,311
OPEB Plan fiduciary net position	<u>-</u>
Net other post-employment benefit liability	<u><u>\$ 312,071,311</u></u>

OPEB Plan fiduciary net position as a percentage of the total OPEB liability	0.00%
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## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

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, 2022, 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:

*Discount rate* - 4.31% as of December 31, 2022

*Salary increase rate* - 3.50% per annum

*Inflation rate* - 2.50% per annum

*Healthcare cost trend rates* - The current health care trend rate starts at 7.00% decreasing to an ultimate rate 4.50%.

*Per capita health claim cost* - the expected annual per capita claim costs range from \$2,970 to \$11,600 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

### Discount Rate

The discount rate used to measure the total OPEB liability was 4.31%. 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

	<b>Total OPEB Liability</b>
Balance at January 1, 2022	\$ 455,254,173
Service cost	13,099,335
Interest	10,407,585
Differences between expected and actual experience	(29,495,852)
Changes of assumptions or other inputs	(125,540,787)
Benefit payments	(11,653,143)
Balance at December 31, 2022	<u>\$ 312,071,311</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

### 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:

	<u>1% Decrease (3.31%)</u>	<u>Current Discount Rate (4.31%)</u>	<u>1% Increase (5.31%)</u>
2022 Net OPEB liability	\$ 365,128,575	\$ 312,071,311	\$ 270,038,138

### 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:

	<u>1% Decrease (6.0% Decreasing to 3.5%)</u>	<u>Healthcare Cost Trend Rates (7.0% Decreasing to 4.5%)</u>	<u>1% Increase (8.0% Decreasing to 5.5%)</u>
2022 Net OPEB liability	\$ 266,033,746	\$ 312,071,311	\$ 370,318,835

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

For the year ended December 31, 2022, the County recognized OPEB benefit of \$42,965,417.

Gains and losses related to the difference between assumptions and actual experience are amortized over a period of 5.0 years. At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes in assumptions	\$ 58,733,904	\$ (113,411,848)
Differences between expected and actual experience	-	(105,294,756)
	<u>\$ 58,733,904</u>	<u>\$ (218,706,604)</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:	
2023	\$ (54,819,194)
2024	(55,251,235)
2025	(56,376,624)
2026	<u>6,474,353</u>
Total	<u>\$ (159,972,700)</u>

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

## 25. Net Pension Asset

### 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.

At January 1, 2021, the measurement date, members of the Pension Plan was as follows:

Inactive plan members currently receiving benefits	1,932
Inactive plan members entitled to benefits but not yet receiving them	231
Current employees	<u>2,395</u>
Total membership	<u><u>4,558</u></u>
Number of participating employers	<u><u>1</u></u>

### Benefits Provided

The Pension Plan provides retirement, disability and death benefits. Retirement benefits for Pension Plan members are calculated as a percentage of the member's highest three-year average salary times the number of 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.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

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 2021, the annual contribution by the County was \$5,607,637 based on the January 1, 2021 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.

### 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 2021 measurement period.

<b>Asset Class</b>	<b>Target</b>	<b>Long-Term Expected Real Rate of Return</b>
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 2021 measurement period are summarized in the above table.

### Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on Pension Plan investments, net of Pension Fund investment expense, was 15.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

### Net Pension Asset

The components of net pension asset of the Pension Plan as of December 31, 2022, were as follows:

Total pension liability	\$ 605,609,028
Pension Plan fiduciary net position	<u>677,312,754</u>
Pension Plan net pension asset	<u>\$ (71,703,726)</u>
Pension Plan fiduciary net position as a percentage of total pension liability	<u>111.84%</u>

### Changes in the Net Pension Liability (Asset)

The changes in the County's net pension liability (asset) during the year ended December 31, 2022, are as follows:

	<u>Increases (Decreases)</u>		
	<u>Total Pension Liability (a)</u>	<u>Pension Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a) - (b)</u>
Balances at January 1, 2022	\$ 573,297,802	\$ 610,770,433	\$ (37,472,631)
Changes for the year:			
Service cost	12,110,110	-	12,110,110
Interest cost	41,034,286	-	41,034,286
Difference between expected and actual experience	21,706,062	-	21,706,062
Contributions, employer	-	6,112,362	(6,112,362)
Contributions, plan member	-	10,970,569	(10,970,569)
Net investment income	-	91,998,623	(91,998,623)
Benefit payments, including refunds	<u>(42,539,232)</u>	<u>(42,539,232)</u>	<u>-</u>
Net changes	<u>32,311,226</u>	<u>66,542,322</u>	<u>(34,231,096)</u>
Balances at December 31, 2022	<u>\$ 605,609,028</u>	<u>\$ 677,312,755</u>	<u>\$ (71,703,727)</u>

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, 2022, using the following actuarial methods and assumptions:

Actuarial valuation date	January 1, 2021 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

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

Mortality rates were based on the 2013 RP Annuitant and Aon-Annuitant Mortality Table for males and females with no projected improvement.

The actuarial assumptions used in the valuation for the 2021 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

No ad hoc postemployment benefit changes were included in future liability.

### 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)	\$ (11,785,736)	\$ (71,703,727)	\$ (122,267,946)

### Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2022, the County recognized pension benefit of \$17,975,978, which was allocated \$14,720,983 and \$3,254,995 to governmental activities and business-type activities, respectively. At December 31, 2022, 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	\$ 22,019,493	\$ -
Net difference between projected and actual earning	-	(68,629,532)
Changes in assumptions	4,462,801	(1,165,682)
Contributions made subsequent to measurement date	5,607,640	-
Total	<u>\$ 32,089,934</u>	<u>\$ (69,795,214)</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2022

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:	
2023	\$ (4,992,526)
2024	(21,723,446)
2025	(9,805,644)
2026	(6,791,304)
Total	<u>\$ (43,312,920)</u>

### 26. Retirement Plans

The County maintains tax deferred plans qualified under Section 457(b) of the IRC (the 457(b) plans). The 457(b) plans cover all full time employees who are eligible for enrollment after completing 90 days of service, at which time the employees become 100% vested. The County does not make any contributions to the plan. Employees who elect to participate may elect to contribute up to 100% of their pretax annual compensation, as defined in the 457(b) plans documents, up to the maximum contribution limits in the IRC.

### 27. 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 to May 2022	650,000	150,000	210,000	100,000
June 2022	650,000	250,000	210,000	250,000

\* 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 \$53,303,471, which includes insurance claims of \$49,494,253 and administrative costs of \$3,809,218. 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 \$262,833 for the fiscal year.

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

An analysis of the claims activity is presented as follows:

	<b>2022</b>			
	<b>Balance at Beginning of Year</b>	<b>Current Year Claims and Changes in Estimate</b>	<b>Actual Claim Payments</b>	<b>Balance at End of Year</b>
Self-Insured Health Insurance Fund	\$ 2,208,183	\$ 41,443,584	\$ 40,835,686	\$ 2,816,081
Self-Insured Workers' Compensation Fund	1,913,834	883,921	946,564	1,851,191
Self-Insured Casualty/Liability Fund	775,112	7,166,748	6,975,581	966,279
Total	<u>\$ 4,897,129</u>	<u>\$ 49,494,253</u>	<u>\$ 48,757,831</u>	<u>\$ 5,633,551</u>
	<b>2021</b>			
	<b>Balance at Beginning of Year</b>	<b>Current Year Claims and Changes in Estimate</b>	<b>Actual Claim Payments</b>	<b>Balance at End of Year</b>
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>

### 28. Other Revenues

Other revenues of \$6,104,115 in the governmental funds consist of funds received related to gaming proceeds for economic development of \$845,959; rental income of \$736,810; funds received from the state equalization board of \$1,022,144; revenues related to Act 164 Rideshare fees of \$1,112,380; payments from Chester City of \$801,953, and various other revenues of \$1,584,869.

### 29. 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 \$248,022,513 consists of the General Fund of \$2,613,072 representing grants and other fees, Capital Projects of \$62,097, Health and Human Service of \$95,747,773, Other Governmental Funds of \$59,835,427, and Coronavirus Relief Funds of \$89,764,144, representing grants received which were not earned at December 31, 2022.

Business-type activity unearned revenue \$1,884,258 consists of unspent revenues from the allocation of federal funding from the American Rescue Plan Act for payments to nursing facilities, personal care homes and assisted living residences. Fair Acres Geriatric Center has \$700,000 of unspent revenues related to ACT 24 funds received in June 2021 and \$1,184,258 related to ACT 54 received in September 2022.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

### 30. 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 \$196,865 was paid by the City in May 2022. The present value of this asset amounting to approximately \$5,084,330 has been recorded in other receivables on the government-wide statement of net position at December 31, 2022 (Note 9).

### 31. 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, 2022.

### 32. 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.

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 first tranche of funds was received in May 2021 in the amount of \$55,041,980 and the second tranche was received in June 2022 in the amount of \$55,041,981. The County incurred \$19,343,312 of expenditures for allowable costs. \$89,764,144 was considered unearned revenue as of December 31, 2022. 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 \$800,000 and \$1,063,759 of expenditures for allowable costs as of December 31, 2022 and 2021, respectively. \$700,000 was considered unearned revenue as of December 31, 2022.

## County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2022

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 County distributed approximately \$33.1 million and \$48.6 million as of December 31, 2022 and 2021, respectively, in assistance to eligible residents in the County.

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 2022, the County submitted \$7,023,845 of claims to the Federal Emergency Management Agency (FEMA) for COVID-19 related expenditures. FEMA approved \$4.9 million of expenditures in 2022, and the County expects FEMA will approve remaining expenditures 2023.

### 33. Opioid Settlement

The Commonwealth of Pennsylvania, Office of Attorney General participated in the negotiation of two settlements in July 2022 related to the opioid crisis involving distributors, AmerisourceBergen, Cardinal Health and McKesson, and Johnson & Johnson, Janssen Pharmaceuticals, Inc., Ortho-McNeil-Janssen Pharmaceuticals, Inc and Janssen Pharmaceutica, Inc. (the Opioid Settlement Funds). To allocate those funds among the Commonwealth and its subdivisions, the Office of Attorney General, established the Pennsylvania Opioid Misuse and Addiction Abatement Trust to collect the settlement funds and allocate the funding to Pennsylvania counties. The Opioid Settlement Funds must be expended solely for purposes specified on the Pennsylvania Opioid Misuse and Addiction Abatement Trust's List of Opioid Remediation Uses.

The County received its first settlement payment 2022 and will continue to receive its settlement allocation over 16 years (2023-2038). The County collected \$6,451,646 during 2022 or within 60 days after December 31, 2022. The remaining \$50,123,233 unpaid balance is reported at its net present value of \$43,249,789 in Nonmajor Governmental Funds as unavailable revenues. The County expects to fully spend the settlement funds within eighteen months of receipt in compliance with the terms of the settlement. In November and December of 2022, five additional defendants have entered into National Opioid Settlements (2022 National Settlements): Teva, Allergan, CVS, Walgreens and Walmart.

On April 6, 2023, the County joined a nationwide opioid settlement, related to defendants Teva, Allergan, CVS, Walmart and Walgreens. The settlement remains pending, subject to joinder by the minimum number of states, as specified in the settlement agreement. If finalized, the County can expect to receive approximately \$37 million over a period of six to 13 years (the terms for payments vary by defendant). If the maximum number of counties and municipalities join in the Commonwealth of Pennsylvania, the County's receipts could increase to as much as an estimated \$53 million.

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2022

The Commonwealth of Pennsylvania is currently in the process of determining allocations for these settlements, so the payment schedule and amounts for these are not able to be disclosed at this time.

Years ending December 31:	
2023	\$ 3,054,694
2024	3,764,381
2025	3,881,510
2026	2,360,732
2027	3,155,640
2028 - 2032	17,147,188
2033 - 2037	13,965,907
2038	<u>2,793,181</u>
Total payments receivable	50,123,233
Present value discount	<u>(6,873,444)</u>
Opioid settlement receivable	<u>\$ 43,249,789</u>

### 34. New Accounting Pronouncements

The GASB has approved the following statements:

- 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. 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 years 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**

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**County of Delaware, Pennsylvania**

Required Supplementary Information

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

Years Ending December 31

(Unaudited)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>Total OPEB Liability</b>						
Service cost	\$ 18,068,533	\$ 18,690,090	\$ 15,870,584	\$ 17,521,129	\$ 21,490,798	\$ 13,099,335
Interest cost	14,518,005	17,101,669	18,969,509	12,438,024	11,154,286	10,407,585
Changes of assumptions or other inputs	29,018,463	(52,656,643)	28,501,362	52,772,639	17,247,110	(125,540,787)
Differences between expected and actual	-	-	(61,125,471)	-	(91,704,964)	(29,495,852)
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>	<u>(11,653,143)</u>
Net change in total OPEB liability	74,803,970	(30,701,901)	(11,256,958)	68,752,286	(56,909,222)	(143,182,862)
<b>Total OPEB Liability, Beginning</b>	<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>	<u>455,254,173</u>
<b>Total OPEB Liability, Ending</b>	<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>	<u>\$ 312,071,311</u>
<b>Covered-Employee Payroll (Estimated)</b>	\$ 167,229,090	\$ 173,082,000	\$ 138,782,000	\$ 138,782,000	\$ 123,198,991	\$ 127,510,956
<b>County's Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	290.24%	262.69%	319.50%	369.04%	369.53%	244.74%

**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.

In 2022, the actuarial valuation was updated for a change in assumed discount rate related to net OPEB liability and deferred inflows of approximately \$125.5 million.

## County of Delaware, Pennsylvania

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

	2014	2015	2016	2017	2018	2019	2020	2021
<b>Total Pension Liability</b>								
Service cost	\$ 4,767,962	\$ 4,584,055	\$ 15,542,585	\$ 15,286,753	\$ 11,079,249	\$ 11,407,742	\$ 11,844,349	\$ 12,110,110
Interest	31,874,452	33,074,553	33,824,984	35,056,767	35,620,617	37,094,044	38,672,973	41,034,286
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	21,706,062
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)	(42,539,232)
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	32,311,226
<b>Total Pension Liability, Beginning</b>	<u>432,629,544</u>	<u>448,152,742</u>	<u>470,838,369</u>	<u>477,926,499</u>	<u>495,252,845</u>	<u>529,594,445</u>	<u>551,870,584</u>	<u>573,297,802</u>
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 448,152,742</u>	<u>\$ 470,838,369</u>	<u>\$ 477,926,499</u>	<u>\$ 495,252,845</u>	<u>\$ 529,594,445</u>	<u>\$ 551,870,584</u>	<u>\$ 573,297,802</u>	<u>\$ 605,609,028</u>
<b>Plan Fiduciary Net Position</b>								
Employer contributions	\$ 4,159,063	\$ 3,987,098	\$ 5,160,038	\$ 4,762,155	\$ 1,527,490	\$ 3,997,875	\$ 5,231,379	\$ 6,112,362
Employee contributions	10,929,265	10,301,611	10,747,880	10,584,568	10,798,327	11,251,629	11,566,554	10,970,568
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	91,998,623
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)	(42,539,232)
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	66,542,321
<b>Plan Fiduciary Net Position, Beginning</b>	<u>447,902,076</u>	<u>463,376,325</u>	<u>448,899,130</u>	<u>472,059,676</u>	<u>531,331,994</u>	<u>477,659,679</u>	<u>562,788,438</u>	<u>610,770,433</u>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 463,376,325</u>	<u>\$ 448,899,130</u>	<u>\$ 472,059,676</u>	<u>\$ 531,331,994</u>	<u>\$ 477,659,679</u>	<u>\$ 562,788,438</u>	<u>\$ 610,770,433</u>	<u>\$ 677,312,754</u>
Plan net pension (asset) liability, ending (a) - (b)	<u>\$ (15,223,583)</u>	<u>\$ 21,939,239</u>	<u>\$ 5,866,823</u>	<u>\$ (36,079,149)</u>	<u>\$ 51,934,766</u>	<u>\$ (10,917,854)</u>	<u>\$ (37,472,631)</u>	<u>\$ (71,703,726)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability</b>	103.40%	95.34%	98.77%	107.28%	90.19%	101.98%	106.54%	111.84%
<b>Covered Payroll</b>	\$ 134,056,126	\$ 130,961,008	\$ 135,127,843	\$ 132,195,406	\$ 131,211,477	\$ 131,220,398	\$ 135,464,334	\$ 138,229,701
<b>County's Net Pension (Asset) Liability as a Percentage of Covered Payroll</b>	-11.36%	16.75%	4.34%	-27.29%	39.58%	-8.32%	-27.66%	-51.87%

### 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.

In 2021, the actuarial valuation reflects a difference between expected investment earnings of \$41.8 million and actual investment earnings of \$92.0 million. Portions of the difference between expected and actual experience for investment earnings are recognized in the current period and the remainder amortized as deferred inflows.

The County used the 2021 Actuarial Valuation to determine the net pension liability as of December 31, 2022, as allowed under GASB No. 67.

**County of Delaware, Pennsylvania**

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

	<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>	<u>2022</u>
<b>Actuarially Determined Contribution</b>	\$ 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	\$ 5,607,640
<b>Contributions in Relation to the Actuarially Determined Contribution</b>	<u>7,146,641</u>	<u>4,159,063</u>	<u>3,987,098</u>	<u>5,160,038</u>	<u>4,762,155</u>	<u>1,527,490</u>	<u>3,997,875</u>	<u>5,231,379</u>	<u>6,112,362</u>	<u>5,607,640</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Covered Payroll</b>	\$ 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	\$ 131,449,528
<b>Contributions as a Percentage of Covered Payroll</b>	5.43%	3.10%	3.04%	3.82%	3.60%	1.16%	3.05%	3.86%	4.42%	4.27%

**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  
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>	<u>2021</u>
<b>Annual Money-Weighted Rate of Return, Net of Investment Expense</b>	6.50%	(0.65)%	7.90%	15.27%	(6.88)%	21.40%	15.10%	15.70%

**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**

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**County of Delaware, Pennsylvania**

**General Fund  
Description of Fund  
Year Ended December 31, 2022**

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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, 2022

	Final Budget	Actual	Variances Positive (Negative)
<b>Current</b>			
General Government:			
Administrative Services	\$ 553,652	\$ 220,317	\$ 333,335
Budget Management	561,836	402,474	159,362
Bureau of Elections	4,109,886	3,663,497	446,389
Central Purchasing	454,257	414,535	39,722
Constables	1,385,532	1,115,887	269,645
Consumer Affairs	261,473	221,991	39,482
Controller	2,012,687	1,606,259	406,428
County Clerk	149,268	153,937	(4,669)
County Council	647,023	541,146	105,877
County Motor Vehicle Management	331,973	92,357	239,616
Court House and Park Police	2,859,220	2,483,910	375,310
Executive Director	1,018,061	860,516	157,545
Facilities Management	3,904,361	3,885,834	18,527
Information Technology	5,905,647	4,963,446	942,201
Library Services	1,231,060	1,081,252	149,808
Parks and Recreation	1,992,812	1,695,789	297,023
Personnel	1,125,883	1,079,958	45,925
Planning	1,332,605	1,080,484	252,121
Public Relations	272,459	249,295	23,164
Public Works	414,771	430,355	(15,584)
Recorder of Deeds	613,108	588,459	24,649
Records and Archives	241,069	140,883	100,186
Self-Tax Collection	237,400	194,479	42,921
Solicitor	3,269,104	3,190,264	78,840
Sustainability	660,308	503,068	157,240
Tax Assessment	1,353,130	1,047,653	305,477
Tax Claim Office	1,144,918	901,942	242,976
Telecommunications	3,978,426	3,983,160	(4,734)
Treasurer	689,077	606,515	82,562
Veterans' Affairs	305,308	258,412	46,896
Voter Registration	739,763	371,099	368,664
Voting Machines	464,145	341,803	122,342
<b>Total general government</b>	<b>44,220,222</b>	<b>38,370,976</b>	<b>5,849,246</b>

(Continued)

## County of Delaware, Pennsylvania

### Schedule of Expenditures Compared to Budget (GAAP Basis)

General Fund

Year Ended December 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Positive (Negative)</u>
Judicial:			
Adult Probation and Parole	\$ 6,324,824	\$ 5,995,546	\$ 329,278
Bail Agency	1,365,534	1,004,781	360,753
Court Administrator	1,903,857	1,500,225	403,632
Court Support and Services	6,482,681	6,356,107	126,574
Diagnostic Services	824,915	744,445	80,470
District Justice	8,287,321	7,824,615	462,706
Domestic Relations	4,771,264	4,459,870	311,394
Electronic Record System	890,261	853,775	36,486
Financial Services	238,459	257,354	(18,895)
Juvenile Court	9,967,341	8,310,585	1,656,756
Juvenile Detention	1,574,125	396,198	1,177,927
Juvenile Detention Kitchen	332,368	-	332,368
Legal Audio Visual	212,873	229,273	(16,400)
Maintenance of Juveniles	3,260,047	2,083,015	1,177,032
	<u>46,435,870</u>	<u>40,015,789</u>	<u>6,420,081</u>
Total Judicial			
Corrections:			
Community Corrections	490,175	489,937	238
District Attorney	11,066,699	10,963,902	102,797
Judicial Support	2,428,568	1,972,310	456,258
Medical Examiner	2,011,116	1,731,561	279,555
Office of Support Enforcement	711,537	569,562	141,975
Prison	49,000,000	47,083,488	1,916,512
Public Defender	4,472,357	4,288,105	184,252
Register of Wills	907,000	717,081	189,919
Sheriff	5,444,060	5,342,052	102,008
Special Counsel, Indigent Prisoners	100,000	124,196	(24,196)
	<u>76,631,512</u>	<u>73,282,194</u>	<u>3,349,318</u>
Total Corrections			
Transportation:			
Southeastern Pennsylvania Transportation Authority Subsidy	<u>9,820,000</u>	<u>9,802,264</u>	<u>17,736</u>

(Continued)



## County of Delaware, Pennsylvania

### Schedule of Expenditures Compared to Budget (GAAP Basis)

General Fund

Year Ended December 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Positive (Negative)</u>
Other:			
Agricultural Extension Service	\$ 175,500	\$ 175,500	\$ -
Civil Defense	1,079,331	986,807	92,524
Employee Benefits	35,287,534	34,762,264	525,270
Insurance	7,549,985	6,058,318	1,491,667
Other County Expenditures	1,079,400	(2,247,912)	3,327,312
Other Programs and Grants	37,661,975	5,946,233	31,715,742
Soil Conservation	325,145	310,873	14,272
Training Center	170,553	138,392	32,161
	<u>83,329,423</u>	<u>46,130,475</u>	<u>37,198,948</u>
Total other			
Debt service:			
Principal	<u>24,384,000</u>	<u>21,031,287</u>	<u>3,352,713</u>
Interest	<u>5,112,905</u>	<u>5,044,723</u>	<u>68,182</u>
Total expenditures	<u>\$ 289,933,932</u>	<u>\$ 233,677,708</u>	<u>\$ 56,256,224</u>

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# County of Delaware, Pennsylvania

## Health and Human Service Funds Description of Sub-Funds Year Ended December 31, 2022

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

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

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

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

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

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

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

**County of Delaware, Pennsylvania**Combining Balance Sheet Schedule  
Health and Human Service Sub-Funds  
December 31, 2022

	<u>Special Grants</u>	<u>Health Choices</u>	<u>Mental Health</u>	<u>Intellectual and Developmental Disabilities</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 5,898	\$ 26,903,948	\$ -	\$ -
Restricted cash	-	76,963,881	-	-
Grants receivable	6,880,200	19,328,162	2,974,354	2,806,035
Due from other funds	4,784,053	48,172	21,214,724	1,048,441
Other assets	<u>20,125</u>	<u>-</u>	<u>9,184</u>	<u>16,065</u>
Total assets	<u>\$ 11,690,276</u>	<u>\$ 123,244,163</u>	<u>\$ 24,198,262</u>	<u>\$ 3,870,541</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Vouchers and accounts payable	\$ 4,097,774	\$ 56,110,238	\$ 13,668,011	\$ 3,416,383
Due to other funds	-	-	-	-
Unearned revenues	7,550,564	67,133,925	10,530,251	-
Other liabilities	<u>41,938</u>	<u>-</u>	<u>-</u>	<u>454,158</u>
Total liabilities	11,690,276	123,244,163	24,198,262	3,870,541
<b>Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 11,690,276</u>	<u>\$ 123,244,163</u>	<u>\$ 24,198,262</u>	<u>\$ 3,870,541</u>

(Continued)

<u>Substance Abuse</u>	<u>Child Welfare</u>	<u>Day Care</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 26,909,846
-	-	-	76,963,881
8,600	17,084,279	159,490	49,241,120
754,205	-	10,274,278	38,123,873
<u>2,142</u>	<u>100,797</u>	<u>7,141</u>	<u>155,454</u>
<u>\$ 764,947</u>	<u>\$ 17,185,076</u>	<u>\$ 10,440,909</u>	<u>\$ 191,394,174</u>
\$ 607,336	\$ 9,370,127	\$ 12,862	\$ 87,282,731
-	7,211,736	-	7,211,736
104,986	-	10,428,047	95,747,773
<u>52,625</u>	<u>603,213</u>	<u>-</u>	<u>1,151,934</u>
764,947	17,185,076	10,440,909	191,394,174
-	-	-	-
<u>\$ 764,947</u>	<u>\$ 17,185,076</u>	<u>\$ 10,440,909</u>	<u>\$ 191,394,174</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, 2022

	<u>Special Grants</u>	<u>Health Choices</u>	<u>Mental Health</u>	<u>Intellectual and Developmental Disabilities</u>
<b>Revenues</b>				
Health and human service grants	\$ 47,523,011	\$ 176,234,252	\$ 35,750,782	\$ 13,602,466
<b>Expenditures</b>				
Current:				
Health and human services	<u>48,054,568</u>	<u>176,234,252</u>	<u>36,637,782</u>	<u>13,602,466</u>
Deficiency of revenues over expenditures	<u>(531,557)</u>	<u>-</u>	<u>(887,000)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	8,481,870	-	887,000	-
Transfers out	<u>(7,950,313)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources, net	<u>531,557</u>	<u>-</u>	<u>887,000</u>	<u>-</u>
Net change in fund balance	-	-	-	-
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

<u>Substance Abuse</u>	<u>Child Welfare</u>	<u>Day Care</u>	<u>Total</u>
\$ 4,872,991	\$ 35,916,329	\$ 78,514,444	\$ 392,414,275
<u>5,033,349</u>	<u>41,837,413</u>	<u>78,514,444</u>	<u>399,914,274</u>
<u>(160,358)</u>	<u>(5,921,084)</u>	<u>-</u>	<u>(7,499,999)</u>
160,358	5,921,084	-	15,450,312
<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,950,313)</u>
<u>160,358</u>	<u>5,921,084</u>	<u>-</u>	<u>7,499,999</u>
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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# County of Delaware, Pennsylvania

## Nonmajor Governmental Funds Special Revenue Funds Description of Sub-Funds Year Ended December 31, 2022

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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.

**Opioid Settlement Funds:** To account for the opioid legal settlement payments passed through to the County from the Pennsylvania Opioid Misuse and Addiction Abatement Trust. The Opioid Settlement Funds must be expended solely for purposes specified on the Pennsylvania Opioid Misuse and Addiction Abatement Trust's List of Opioid Remediation Uses.

**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. Funding 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.

**Health Department:** To account for the operations and administration of the County's health department. Funding is primarily provided by state and federal grants.

**Hotel Tax:** To account for taxes collected on room charges on hotels in the County. Proceeds of the hotel tax are to be used for tourism development in the County.

**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.

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**County of Delaware, Pennsylvania**

Combining Balance Sheet  
 Nonmajor Governmental Funds - Special Revenue Funds  
 December 31, 2022

	<u>OWD/Other</u>	<u>Opioid Settlement</u>	<u>911</u>	<u>Library</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 9,530,497	\$ -	\$ 9,846,666	\$ 4,154,628
Restricted cash	-	-	-	-
Grants receivable	6,644,157	-	3,213,370	-
Due from other funds	2,734,712	6,451,646	-	-
Notes receivable	-	-	-	-
Other assets	121,663	-	-	10,000
<b>Total assets</b>	<b><u>\$ 19,031,029</u></b>	<b><u>\$ 6,451,646</u></b>	<b><u>\$ 13,060,036</u></b>	<b><u>\$ 4,164,628</u></b>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities</b>				
Vouchers and accounts payable	\$ 1,042,662	\$ -	\$ -	\$ 6,528
Due to other funds	2,975,595	-	12,860,160	3,479,108
Unearned revenues	14,879,713	-	-	-
Other liabilities	133,059	-	199,876	-
<b>Total liabilities</b>	<b><u>19,031,029</u></b>	<b><u>-</u></b>	<b><u>13,060,036</u></b>	<b><u>3,485,636</u></b>
<b>Fund Balance</b>				
Restricted for:				
Highways and streets	-	-	-	-
Opioid misuse and addiction abatement	-	6,451,646	-	-
Library	-	-	-	678,992
Community development	-	-	-	-
<b>Total fund balance</b>	<b><u>-</u></b>	<b><u>6,451,646</u></b>	<b><u>-</u></b>	<b><u>678,992</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 19,031,029</u></b>	<b><u>\$ 6,451,646</u></b>	<b><u>\$ 13,060,036</u></b>	<b><u>\$ 4,164,628</u></b>

(Continued)

<u>Liquid Fuels</u>	<u>COSA</u>	<u>CDBG/ Rehab</u>	<u>Health Department</u>	<u>Hotel Tax</u>	<u>Marcellus Shale</u>	<u>Total</u>
\$ 915,533	\$ 250	\$ 2,006,108	\$ -	\$ -	\$ -	\$ 26,453,682
-	-	-	-	-	8,854,685	8,854,685
-	972,249	-	1,339,046	-	-	12,168,822
97,372	3,939,245	-	59,843	8,467,173	-	21,749,991
-	-	29,062,528	-	-	-	29,062,528
-	29,515	-	-	-	-	161,178
<u>\$ 1,012,905</u>	<u>\$ 4,941,259</u>	<u>\$ 31,068,636</u>	<u>\$ 1,398,889</u>	<u>\$ 8,467,173</u>	<u>\$ 8,854,685</u>	<u>\$ 98,450,886</u>
\$ 219,915	\$ 1,534,241	\$ 1,399,331	\$ 59,843	\$ -	\$ 39,813	\$ 4,302,333
-	-	1,302,730	-	-	214,928	20,832,521
-	-	26,549,551	1,339,046	8,467,173	8,599,944	59,835,427
-	3,407,018	-	-	-	-	3,739,953
<u>219,915</u>	<u>4,941,259</u>	<u>29,251,612</u>	<u>1,398,889</u>	<u>8,467,173</u>	<u>8,854,685</u>	<u>88,710,234</u>
792,990	-	-	-	-	-	792,990
-	-	-	-	-	-	6,451,646
-	-	-	-	-	-	678,992
-	-	1,817,024	-	-	-	1,817,024
<u>792,990</u>	<u>-</u>	<u>1,817,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,740,652</u>
<u>\$ 1,012,905</u>	<u>\$ 4,941,259</u>	<u>\$ 31,068,636</u>	<u>\$ 1,398,889</u>	<u>\$ 8,467,173</u>	<u>\$ 8,854,685</u>	<u>\$ 98,450,886</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, 2022

	<u>OWD/Other</u>	<u>Opioid Settlement</u>	<u>911</u>	<u>Library</u>
<b>Revenues</b>				
General grants	\$ 24,790,729	\$ 6,451,646	\$ 12,856,458	\$ 2,632,786
<b>Expenditures</b>				
Current:				
Highways, streets and bridges	7,758,783	-	-	-
Other	17,031,946	-	16,828,373	2,556,323
Total expenditures	24,790,729	-	16,828,373	2,556,323
Excess (deficiency) of revenues over expenditures	-	6,451,646	(3,971,915)	76,463
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	3,971,915	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	3,971,915	-
Net change in fund balance	-	6,451,646	-	76,463
<b>Fund Balance, Beginning</b>	-	-	-	602,529
<b>Fund Balance, Ending</b>	<u>\$ -</u>	<u>\$ 6,451,646</u>	<u>\$ -</u>	<u>\$ 678,992</u>

(Continued)

<u>Liquid Fuels</u>	<u>COSA</u>	<u>CDBG/ Rehab</u>	<u>Health Department</u>	<u>Hotel Tax</u>	<u>Marcellus Shale</u>	<u>Total</u>
\$ 879,201	\$ 12,440,727	\$ 6,144,148	\$ 2,223,683	\$ 1,798,072	\$ 170,189	\$ 70,387,639
494,979	-	-	-	-	170,189	8,423,951
-	12,561,727	6,421,700	7,389,285	1,212,072	-	64,001,426
494,979	12,561,727	6,421,700	7,389,285	1,212,072	170,189	72,425,377
384,222	(121,000)	(277,552)	(5,165,602)	586,000	-	(2,037,738)
-	121,000	-	5,165,602	-	-	9,258,517
-	-	-	-	(586,000)	-	(586,000)
-	121,000	-	5,165,602	(586,000)	-	8,672,517
384,222	-	(277,552)	-	-	-	6,634,779
408,768	-	2,094,576	-	-	-	3,105,873
<u>\$ 792,990</u>	<u>\$ -</u>	<u>\$ 1,817,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,740,652</u>

**County of Delaware, Pennsylvania**

## Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Liquid Fuels Fund

Year Ended December 31, 2022

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
General grants	\$ 875,000	\$ 875,000	\$ 879,201	\$ 4,201
<b>Expenditures</b>				
Current:				
Liquid Fuels	<u>862,258</u>	<u>862,258</u>	<u>494,979</u>	<u>367,279</u>
Excess (deficiency) of revenues over expenditures	12,742	12,742	384,222	371,480
<b>Fund Balance, Beginning</b>	<u>609,433</u>	<u>187,282</u>	<u>408,768</u>	<u>221,486</u>
<b>Fund Balance, Ending</b>	<u>\$ 622,175</u>	<u>\$ 200,024</u>	<u>\$ 792,990</u>	<u>\$ 592,966</u>

## County of Delaware, Pennsylvania

### Capital Projects Funds Description of Sub-Funds Year Ended December 31, 2022

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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.

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# County of Delaware, Pennsylvania

Combining Balance Sheet Schedule

Capital Projects Sub-Funds

December 31, 2022

	<b>Food Services Facility Fund</b>	<b>General Capital Projects Fund</b>	<b>Total</b>
<b>Assets</b>			
Restricted cash	\$ 1,329	\$ 34,918,326	\$ 34,919,655
Lease receivable	-	4,021,597	4,021,597
Due from other funds	13	-	13
Due from Solid Waste Authority	-	5,475,000	5,475,000
	<u>1,342</u>	<u>44,414,923</u>	<u>44,416,265</u>
Total assets	<u>\$ 1,342</u>	<u>\$ 44,414,923</u>	<u>\$ 44,416,265</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Vouchers and accounts payable	\$ 1,342	\$ 5,746,773	\$ 5,748,115
Unearned revenues	-	62,097	62,097
Due to other funds	-	10,645,839	10,645,839
	<u>1,342</u>	<u>16,454,709</u>	<u>16,456,051</u>
Total liabilities	<u>1,342</u>	<u>16,454,709</u>	<u>16,456,051</u>
Deferred inflows related to leases	-	4,021,597	4,021,597
<b>Fund Balances</b>			
Restricted for:			
Capital projects	-	23,938,617	23,938,617
	<u>-</u>	<u>23,938,617</u>	<u>23,938,617</u>
Total fund balances	<u>-</u>	<u>23,938,617</u>	<u>23,938,617</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,342</u>	<u>\$ 44,414,923</u>	<u>\$ 44,416,265</u>



## County of Delaware, Pennsylvania

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

Capital Projects Sub-Funds

Year Ended December 31, 2022

	<b>Food Services Facility Fund</b>	<b>General Capital Projects Fund</b>	<b>Total</b>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 402,849	\$ 402,849
General grants	-	128,589	128,589
Other	-	290,765	290,765
Total revenues	-	822,203	822,203
<b>Expenditures</b>			
Capital outlay	6,202	36,683,585	36,689,787
Debt issuance costs	-	203,138	203,138
Total expenditures	6,202	36,886,723	36,892,925
Deficiency of revenues over expenditures	(6,202)	(36,064,520)	(36,070,722)
<b>Other Financing Sources</b>			
Issuance of bond	-	40,000,000	40,000,000
Net change in fund balance	(6,202)	3,935,480	3,929,278
<b>Fund Balance, Beginning</b>	6,202	20,003,137	20,009,339
<b>Fund Balance, Ending</b>	\$ -	\$ 23,938,617	\$ 23,938,617

**Combining Statements and Schedules**  
**Internal Service Funds**

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# County of Delaware, Pennsylvania

## Internal Service Funds Description of Sub-Funds Year Ended December 31, 2022

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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.

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**County of Delaware, Pennsylvania**

Combining Statement of Net Position

Internal Service Funds

December 31, 2022

	<b>Self-Funded Health Insurance Fund</b>	<b>Self-Funded Workers' Compensation Fund</b>	<b>Self-Funded Casualty/ Liability Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 33,673	\$ 1,480,277	\$ 2,797,674	\$ 4,311,624
Prepaid expenses	1,629,250	-	2,500,649	4,129,899
Due from other funds	1,153,158	370,914	-	1,524,072
Total assets	<u>\$ 2,816,081</u>	<u>\$ 1,851,191</u>	<u>\$ 5,298,323</u>	<u>\$ 9,965,595</u>
<b>Liabilities and Net Position</b>				
<b>Liabilities</b>				
Current liabilities:				
Claims payable	\$ 2,816,081	\$ -	\$ 966,279	\$ 3,782,360
Due to other funds	-	-	4,332,044	4,332,044
Total current liabilities	<u>2,816,081</u>	<u>-</u>	<u>5,298,323</u>	<u>8,114,404</u>
Noncurrent liabilities:				
Claims payable	-	1,851,191	-	1,851,191
Total noncurrent liabilities	<u>-</u>	<u>1,851,191</u>	<u>-</u>	<u>1,851,191</u>
<b>Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 2,816,081</u>	<u>\$ 1,851,191</u>	<u>\$ 5,298,323</u>	<u>\$ 9,965,595</u>

## County of Delaware, Pennsylvania

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year Ended December 31, 2022

	<b>Self-Funded Health Insurance Fund</b>	<b>Self-Funded Workers' Compensation Fund</b>	<b>Self-Funded Casualty/ Liability Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for services	\$ 45,252,109	\$ 882,844	\$ 7,163,058	\$ 53,298,011
<b>Operating Expenses</b>				
Insurance claims	41,443,584	883,921	7,166,748	49,494,253
Administration	3,809,218	-	-	3,809,218
Total operating expenses	45,252,802	883,921	7,166,748	53,303,471
Operating loss	(693)	(1,077)	(3,690)	(5,460)
<b>Nonoperating Revenues</b>				
Investment earnings	693	1,077	3,690	5,460
Change in net position	-	-	-	-
<b>Net Position, Beginning</b>	-	-	-	-
<b>Net Position, Ending</b>	\$ -	\$ -	\$ -	\$ -

## County of Delaware, Pennsylvania

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2022

	Self-Funded Health Insurance Fund	Self-Funded Workers' Compensation Fund	Self-Funded Casualty/ Liability Fund	Total
<b>Cash Flows From Operating Activities</b>				
Receipts from customers and users	\$ 44,633,610	\$ 949,864	\$ 7,282,309	\$ 52,865,783
Payments to suppliers	(44,608,154)	(946,564)	(7,294,176)	(52,848,894)
Net cash (used in) provided by operating activities	25,456	3,300	(11,867)	16,889
<b>Cash Flows Provided by Investing Activities</b>				
Interest received	693	1,077	3,690	5,460
Net increase (decrease) in cash and cash equivalents	26,149	4,377	(8,177)	22,349
<b>Cash and Cash Equivalents, Beginning</b>	7,524	1,475,900	2,805,851	4,289,275
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 33,673</u>	<u>\$ 1,480,277</u>	<u>\$ 2,797,674</u>	<u>\$ 4,311,624</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>				
Operating loss	\$ (693)	\$ (1,077)	\$ (3,690)	\$ (5,460)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:				
(Increase) decrease in due to other funds	(618,499)	67,020	119,251	(432,228)
(Increase) decrease in prepaid expenses	36,750	-	(318,595)	(281,845)
Increase (decrease) in claims payable	607,898	(62,643)	191,167	736,422
Total adjustments	26,149	4,377	(8,177)	22,349
Net cash provided by (used in) operating activities	<u>\$ 25,456</u>	<u>\$ 3,300</u>	<u>\$ (11,867)</u>	<u>\$ 16,889</u>

**Combining Statements and Schedules  
Custodial Funds**

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# County of Delaware, Pennsylvania

## Custodial Funds Description of Sub-Funds Year Ended December 31, 2022

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Custodial funds are used to account for cash collected by the County Treasurer, Recorder of Deeds, Sheriff's Office, Office of Judicial Services, and Prisons and other County offices that are subsequently disbursed to the County, other governments, or individuals for whom it was collected. The following Custodial Sub-Funds are utilized by the County:

**Delinquent Taxes Held:** To account for the collection and disbursement of delinquent taxes collected by the County to the various schools, boroughs, townships, and the County.

**Recorder of Deeds:** To account for fee collections to be remitted for government entities.

**Tax Claim Bureau:** To account for fee collections to be remitted for government entities and for the proceeds of upset sale properties to government entities and others.

**Sheriff's Office:** To account for fee collections to be remitted for government entities and for the proceeds of Sheriff sale properties to government entities and others.

**Office of Judicial Services:** To account for fee collections to be remitted for government entities and escrow and landlord/tenant funds facilitated through County funds.

**Inmate Accounts:** To account for the collection and disbursement of inmate funds in association with the operation of the prison commissary.

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**County of Delaware, Pennsylvania**

Combining Statement of Net Position

Custodial Funds

December 31, 2022

	<u>Delinquent Taxes Held</u>	<u>Recorder of Deeds</u>	<u>Tax Claim Bureau</u>	<u>Sheriff's Office</u>	<u>Office of Judicial Services</u>	<u>Inmate Accounts</u>	<u>Total</u>
<b>Assets</b>							
Cash and cash equivalents	\$ 1,492,783	\$ 3,456,460	\$ 15,053,148	\$ 3,047,823	\$ 5,801,917	\$ 853,948	\$ 29,706,079
Total assets	<u>\$ 1,492,783</u>	<u>\$ 3,456,460</u>	<u>\$ 15,053,148</u>	<u>\$ 3,047,823</u>	<u>\$ 5,801,917</u>	<u>\$ 853,948</u>	<u>\$ 29,706,079</u>
<b>Liabilities and Net Position</b>							
<b>Liabilities</b>							
Accounts payable	\$ 1,492,783	\$ 3,456,460	\$ 15,053,148	\$ 3,047,823	\$ 5,801,917	\$ 853,948	\$ 29,706,079
Total liabilities	1,492,783	3,456,460	15,053,148	3,047,823	5,801,917	853,948	29,706,079
<b>Net Position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net position	<u>\$ 1,492,783</u>	<u>\$ 3,456,460</u>	<u>\$ 15,053,148</u>	<u>\$ 3,047,823</u>	<u>\$ 5,801,917</u>	<u>\$ 853,948</u>	<u>\$ 29,706,079</u>

**County of Delaware, Pennsylvania**

Combining Statement of Activities  
 Custodial Funds  
 December 31, 2022

	<b>Delinquent Taxes Held</b>	<b>Recorder of Deeds</b>	<b>Tax Claim Bureau</b>	<b>Sheriff's Office</b>	<b>Office of Judicial Services</b>	<b>Inmate Accounts</b>	<b>Total</b>
<b>Additions</b>							
Fee collections for government entities	\$ -	\$ 101,166,608	\$ 4,743,120	\$ 549,591	\$ 293,078	\$ -	\$ 106,752,397
Collections of delinquent taxes for other governments	35,263,594	-	-	-	-	-	35,263,594
Receipts from others	-	-	6,300,453	13,498,799	1,667,732	3,237,276	24,704,260
Total collections	<u>35,263,594</u>	<u>101,166,608</u>	<u>11,043,573</u>	<u>14,048,390</u>	<u>1,960,810</u>	<u>3,237,276</u>	<u>166,720,251</u>
<b>Deductions</b>							
Remittances to government entities	-	101,166,608	3,519,235	1,283,267	305,726	-	106,274,836
Remittances of delinquent taxes to other governments	35,263,594	-	-	-	-	-	35,263,594
Remittances to others	-	-	7,524,338	12,765,123	1,655,084	3,237,276	25,181,821
Total deductions	<u>35,263,594</u>	<u>101,166,608</u>	<u>11,043,573</u>	<u>14,048,390</u>	<u>1,960,810</u>	<u>3,237,276</u>	<u>166,720,251</u>
Net change in net position	-	-	-	-	-	-	-
<b>Net Position, Beginning</b>	-	-	-	-	-	-	-
<b>Net Position, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Combining Statements and Schedules**  
**Component Units**

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# County of Delaware, Pennsylvania

## Component Units Description of Component Units Year Ended December 31, 2022

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**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.

**Interactive Gaming Revenue Authority:** To utilize the Local Share funds pursuant to 4 Pa C.S.A. Section 13B53 to provide grants for economic development, municipal police and emergency services and other purposes in the public interest.

**County of Delaware, Pennsylvania**

 Combining Statement of Net Position  
 Component Units  
 December 31, 2022

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Interactive Gaming Revenue Authority	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 7,947,995	\$ 1,746,712	\$ -	\$ 1,447,059	\$ 99,009	\$ 11,240,775
Receivables (net of allowance for uncollectibles):						
Accounts	4,824,109	-	-	-	-	4,824,109
Other	183,803	488,815	-	-	110,054	782,672
Inventories	139,093	-	-	-	-	139,093
Other assets	206,973	24,508	-	9,560	-	241,041
Investments	10,500	-	-	-	-	10,500
Restricted cash and cash equivalents	225,317	-	-	3,124	-	228,441
Capital assets (net of accumulated depreciation):						
Land	7,000,000	-	849,286	1,024,199	-	8,873,485
Land improvements	1,350,599	-	-	-	-	1,350,599
Buildings and improvements	-	-	16,640,166	-	-	16,640,166
Equipment	21,524,362	-	-	-	-	21,524,362
Total assets	43,412,751	2,260,035	17,489,452	2,483,942	209,063	65,855,243
<b>Deferred Outflows of Resources</b>	1,373,908	-	-	-	-	1,373,908
Total assets and deferred outflows of resources	<u>\$ 44,786,659</u>	<u>\$ 2,260,035</u>	<u>\$ 17,489,452</u>	<u>\$ 2,483,942</u>	<u>\$ 209,063</u>	<u>\$ 67,229,151</u>
<b>Liabilities</b>						
Accounts payable and other current liabilities	\$ 3,661,251	\$ 91,938	\$ -	\$ 172,441	\$ -	\$ 3,925,630
Unearned revenue	-	427,133	-	720,519	-	1,147,652
Due to primary government	7,475,000	-	-	-	-	7,475,000
Long-term liabilities:						
Due within one year:						
Bonds and notes payable	593,000	-	-	-	-	593,000
Due in more than one year:						
Bonds and notes payable	5,104,000	-	-	-	-	5,104,000
Net pension liability	1,481,980	-	-	-	-	1,481,980
Accrued closure costs	16,687,450	-	-	-	-	16,687,450
Total liabilities	35,002,681	519,071	-	892,960	-	36,414,712
<b>Deferred Inflows of Resources</b>	21,894	-	-	-	-	21,894
Total liabilities and deferred inflows of resources	<u>35,024,575</u>	<u>519,071</u>	<u>-</u>	<u>892,960</u>	<u>-</u>	<u>36,436,606</u>
<b>Net Position</b>						
Net investment in capital assets	24,177,961	-	17,489,452	1,024,199	-	42,691,612
Restricted for:						
Economic development	-	19,940	-	-	-	19,940
Unrestricted	(14,415,877)	1,721,024	-	566,783	209,063	(11,919,007)
Total net position	<u>9,762,084</u>	<u>1,740,964</u>	<u>17,489,452</u>	<u>1,590,982</u>	<u>209,063</u>	<u>30,792,545</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 44,786,659</u>	<u>\$ 2,260,035</u>	<u>\$ 17,489,452</u>	<u>\$ 2,483,942</u>	<u>\$ 209,063</u>	<u>\$ 67,229,151</u>

**County of Delaware, Pennsylvania**

Combining Statement of Activities  
 Component Units  
 Year Ended December 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position					Total
	Expenses	Charges for Services	Operating Grants and Contributions	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Interactive Gaming Revenue Authority	
<b>Functions/Programs</b>									
Solid Waste Authority:									
Public works	\$ 44,488,726	\$ 47,554,025	\$ -	\$ 3,065,299	\$ -	\$ -	\$ -	\$ -	\$ 3,065,299
Economic Development Oversight Board:									
Public works	1,388,623	11,755	1,714,917	-	338,049	-	-	-	338,049
Waterfront Industrial Authority:									
Public works	978,833	-	-	-	-	(978,833)	-	-	(978,833)
Redevelopment Authority:									
Public works	3,253,242	-	3,264,391	-	-	-	11,149	-	11,149
Interactive Gaming Revenue Authority									
Public works	384,460	-	382,662	-	-	-	-	(1,798)	(1,798)
<b>Total component units</b>	<b>\$ 50,493,884</b>	<b>\$ 47,565,780</b>	<b>\$ 5,361,970</b>	<b>3,065,299</b>	<b>338,049</b>	<b>(978,833)</b>	<b>11,149</b>	<b>(1,798)</b>	<b>2,433,866</b>
<b>General Revenues</b>									
Other revenues (expenses)				(185,911)	-	-	-	-	(185,911)
Unrestricted investment earnings				50,116	2,139	-	3,586	35	55,876
Change in net position				2,929,504	340,188	(978,833)	14,735	(1,763)	2,303,831
<b>Net Position, Beginning</b>				6,832,580	1,400,776	18,468,285	1,576,247	-	28,277,888
Cumulative effect of prior period restatement				-	-	-	-	210,826	210,826
<b>Net Position, Ending</b>				<b>\$ 9,762,084</b>	<b>\$ 1,740,964</b>	<b>\$ 17,489,452</b>	<b>\$ 1,590,982</b>	<b>\$ 209,063</b>	<b>\$ 30,792,545</b>

## **Capital Assets by Function**

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**County of Delaware, Pennsylvania**

Schedule of Changes in Capital Assets by Function

Year Ended December 31, 2022

	<b>Changes in Capital Assets</b>			
	<b>January 1, 2022</b>	<b>Additions</b>	<b>Disposals/ Reclassification</b>	<b>December 31, 2022</b>
General government and judicial	\$ 289,700,283	\$ 44,745,951	\$ (7,200)	\$ 334,439,034
Recreation	18,918,186	352,665	-	19,270,851
Corrections	109,353,110	-	-	109,353,110
Health and human services	13,130,654	3,360,945	-	16,491,599
Infrastructure	26,258,781	7,617,478	-	33,876,259
Other	1,978,312	15,020,314	-	16,998,626
<b>Total</b>	<b>\$ 459,339,326</b>	<b>\$ 71,097,353</b>	<b>\$ (7,200)</b>	<b>\$ 530,429,479</b>

	<b>Ending Balance is Composed of</b>					
	<b>Land and Improvements and Infrastructure</b>	<b>Buildings and Improvements</b>	<b>Equipment</b>	<b>Construction in Progress</b>	<b>Right-to-Use Leased Asset</b>	<b>Total</b>
General government and judicial	\$ 40,877,377	\$ 155,318,310	\$ 118,364,647	\$ 2,488,168	\$ 17,390,532	\$ 334,439,034
Recreation	9,835,132	4,769,661	4,666,058	-	-	19,270,851
Corrections	5,425,643	96,818,312	7,109,155	-	-	109,353,110
Health and human services	216,698	904,332	12,083,999	3,102	3,283,468	16,491,599
Infrastructure	21,638,712	-	-	12,237,547	-	33,876,259
Other	-	-	1,978,312	-	15,020,314	16,998,626
<b>Total</b>	<b>\$ 77,993,562</b>	<b>\$ 257,810,615</b>	<b>\$ 144,202,171</b>	<b>\$ 14,728,817</b>	<b>\$ 35,694,314</b>	<b>\$ 530,429,479</b>



# **Statistical Section**

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# County of Delaware, Pennsylvania

## Statistical Section

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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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
Net investment in capital assets	\$ (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)	\$ 8,776,776
Nonspendable	1,381,507	1,144,114	1,173,055	-	-	-	-	-	-	-
Restricted:										
Pension	-	-	-	-	-	-	-	-	12,212,041	26,933,026
Highways and streets	1,777,099	1,430,456	703,883	816,798	917,434	769,628	343,777	278,659	408,768	792,990
Infrastructure	-	38,358	62,140	62,140	-	-	-	-	-	-
Opioid misuse and addiction abatement	-	-	-	-	-	-	-	-	-	49,701,435
Library	682,598	609,672	185,364	580,577	512,116	493,311	507,193	1,221,388	602,529	678,992
Community development	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	1,817,024
Title IV D program	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288	2,055,110	1,319,703
Capital projects	2,346,683	-	19,062	19,141	19,141	19,487	19,787	681,211	1,481	-
Unrestricted	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)	(268,426,571)
Total governmental activities net position	<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>	<u>\$ (178,406,625)</u>
<b>Business-Type Activity</b>										
Net investment in capital assets	\$ (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)	\$ (3,206,853)
Restricted - expendable - pension	-	-	-	-	-	-	-	-	3,810,426	7,065,421
Unrestricted	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	5,289,937
Total business-type activity net position	<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>	<u>\$ 9,148,505</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ (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)	\$ 5,569,923
Nonspendable	1,381,507	1,144,114	1,173,055	-	-	-	-	-	-	-
Restricted	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	88,308,591
Unrestricted	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)	(263,136,634)
Total primary government net position	<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>	<u>\$ (169,258,120)</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 135,172,413
Judicial	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	40,015,789
Corrections	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	73,336,802
Health and Human Services	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	390,187,790
Highways, streets and bridges	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	8,661,779
Interest on long-term debt	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	5,791,372
Total governmental activities expenses	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	653,165,945
Business-type activities:										
Geriatric Center	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	62,405,540
Total primary government expenses	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	715,571,485
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	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	8,511,514
Judicial	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	6,445,076
Corrections	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	7,970,688
Capital grants and contributions	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	8,414,513
Operating grants and contributions	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	536,000,210
Total governmental activities program revenues	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	567,342,001
Business-type activity:										
Operating grants and contributions	-	-	-	-	-	-	-	4,967,731	1,063,759	1,402,082
Geriatric Center, charges for services	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	57,022,719
Total primary government program revenues	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	625,766,802
<b>Net Expense</b>										
Governmental activities	(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)	(85,823,944)
Business-type activity	(5,590,585)	(2,072,765)	305,474	(6,038,912)	(9,205,837)	(5,168,411)	(10,459,014)	(9,710,480)	(8,516,597)	(3,980,739)
Total primary government net expense	(182,012,987)	(181,689,015)	(179,554,377)	(178,466,907)	(228,554,944)	(197,825,287)	(212,920,547)	(181,824,061)	(165,070,871)	(89,804,683)

**County of Delaware, Pennsylvania**

Changes in Net Position, Government-Wide

Table 2

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 172,643,393
Gaming revenue	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	5,842,691
Grants and charges not restricted to specific programs	352,508	494,046	971,942	959,266	1,826,875	2,011,525	2,124,575	1,563,777	1,560,808	2,040,578
Unrestricted investment earnings	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	3,909,587
Transfers	(4,482,703)	(2,072,334)	-	(3,724,501)	(5,351,903)	(2,903,233)	(4,767,707)	(5,642,633)	(10,551,401)	(6,859,103)
Total government activities	172,696,590	182,225,272	182,282,273	178,550,310	179,600,170	186,068,613	180,441,067	173,597,724	170,794,497	177,577,146
Business-type activity:										
Investment earnings	1,107,882	431	287,643	1,721,294	2,378	29,928	140,854	15,348	3,141	15,434
Other revenues	-	-	-	-	1,196,714	1,198,178	1,100,021	1,236,686	2,002,267	2,535,417
Transfers	4,482,703	2,072,334	-	3,724,501	5,351,903	2,903,233	4,767,707	5,708,000	10,551,401	6,859,103
Total business-type activity	5,590,585	2,072,765	287,643	5,445,795	6,550,995	4,131,339	6,008,582	6,960,034	12,556,809	9,409,954
Total primary government	178,287,175	184,298,037	182,569,916	183,996,105	186,151,165	190,199,952	186,449,649	180,557,758	183,351,306	186,987,100
<b>Change in Net Position</b>										
Governmental activities	(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	91,753,202
Business-type activity	-	-	593,117	(593,117)	(2,654,842)	(1,037,072)	(4,450,432)	(2,750,446)	4,040,212	5,429,215
Total primary government	\$ (3,725,812)	\$ 2,609,022	\$ 3,015,539	\$ 5,529,198	\$ (42,403,779)	\$ (7,625,335)	\$ (26,470,898)	\$ (1,266,303)	\$ 18,280,435	\$ 97,182,417

**County of Delaware, Pennsylvania**

Fund Balances, Governmental Funds

Table 3

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	<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>	<u>2022</u>
<b>General Fund</b>										
Nonspendable	\$ 1,381,507	\$ 1,144,114	\$ 1,173,055	\$ 994,359	\$ 791,315	\$ 1,167,321	\$ 2,536,155	\$ 974,556	\$ 1,360,274	\$ 1,391,917
Restricted	1,870,555	426,047	449,953	524,260	627,277	825,841	1,173,475	2,046,288	2,055,110	1,319,703
Assigned:										
Debt service costs	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	13,595,889
Contingency fund for constituent programs	-	-	-	-	-	-	-	-	-	1,621,124
Contingency for prison operations	-	-	-	-	-	-	-	-	3,000,000	-
Information technology	-	-	-	-	-	-	-	6,900,000	-	-
Employee benefit costs	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	9,532,158	16,236,691	17,572,618	20,429,800	23,874,094	33,962,946	32,026,148	62,421,807	69,343,861	42,572,430
<b>Total general fund</b>	<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>	<u>60,501,063</u>
<b>All Other Governmental Funds</b>										
Nonspendable	5,475,000	5,475,000	5,475,000	5,475,000	-	-	-	-	-	-
Restricted	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	33,679,269
Assigned to:										
Capital projects	509,216	424,024	360,010	293,103	225,214	120,704	59,794	6,194	6,202	-
<b>Total all other governmental funds</b>	<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>	<u>33,679,269</u>
<b>Total all funds</b>	<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>	<u>\$ 94,180,332</u>

**County of Delaware, Pennsylvania**

Changes in Fund Balances, Governmental Funds

Table 4

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Revenues</b>										
Real estate taxes	\$ 174,530,462	\$ 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
Licenses and permits	192,248	56,020	37,119	38,635	26,083	47,373	53,704	37,084	17,415	62,948
General grants	104,444,019	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
Charges for services, fines and forfeitures	23,104,504	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
Investment earnings	3,666,970	202,144	704,372	2,520,716	1,924,856	915,759	690,376	597,499	1,262,735	1,088,573
Gaming revenue	5,842,691	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
Health and Human Service grants	392,414,275	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
Other	6,104,115	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
<b>Total revenues</b>	<u>710,299,284</u>	<u>687,551,852</u>	<u>651,898,593</u>	<u>583,484,555</u>	<u>584,278,163</u>	<u>562,528,523</u>	<u>568,457,206</u>	<u>534,151,483</u>	<u>527,823,756</u>	<u>510,093,081</u>
<b>Expenditures</b>										
Current:										
General government	46,729,742	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
Judicial	40,015,789	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
Corrections	73,282,194	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
Transportation	9,802,264	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
Health and Human Services	399,914,274	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
Highways, streets and bridges	8,423,951	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
Other	114,987,268	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
Debt service:										
Principal	21,031,287	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
Interest	5,044,723	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
Debt issuance costs	203,138	-	202,703	164,628	-	9,500	443,240	126,881	210,529	-
Capital outlay	37,099,676	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
<b>Total expenditures</b>	<u>756,534,306</u>	<u>714,743,861</u>	<u>640,524,532</u>	<u>595,716,975</u>	<u>580,477,600</u>	<u>565,311,615</u>	<u>571,660,789</u>	<u>532,304,511</u>	<u>569,718,418</u>	<u>514,065,025</u>
Excess of revenues over (under) expenditures	<u>(46,235,022)</u>	<u>(27,192,009)</u>	<u>11,374,061</u>	<u>(12,232,420)</u>	<u>3,800,563</u>	<u>(2,783,092)</u>	<u>(3,203,583)</u>	<u>1,846,972</u>	<u>(41,894,662)</u>	<u>(3,971,944)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers in	27,935,662	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
Transfers out	(34,794,765)	(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)
Redemption of refunded bond	-	-	-	(22,425,000)	-	-	(55,780,000)	-	-	-
Issuance of bonds and notes	40,000,000	837,000	40,000,000	22,710,000	40,000,000	-	49,420,000	25,000,000	38,726,057	25,000,000
Issuance of bond premium	-	-	-	-	-	-	6,822,900	-	-	-
<b>Total other financing sources (uses)</b>	<u>33,140,897</u>	<u>(9,714,401)</u>	<u>34,357,367</u>	<u>(4,482,707)</u>	<u>37,096,767</u>	<u>(5,351,903)</u>	<u>(3,261,601)</u>	<u>25,000,000</u>	<u>36,653,723</u>	<u>20,517,297</u>
<b>Net change in fund balances</b>	<u>(13,094,125)</u>	<u>(36,906,410)</u>	<u>45,731,428</u>	<u>(16,715,127)</u>	<u>40,897,330</u>	<u>(8,134,995)</u>	<u>(6,465,184)</u>	<u>26,846,972</u>	<u>(5,240,939)</u>	<u>16,545,353</u>
<b>Fund Balance, Beginning</b>	<u>107,274,457</u>	<u>144,180,867</u>	<u>98,449,439</u>	<u>115,164,566</u>	<u>74,267,236</u>	<u>82,402,231</u>	<u>88,867,415</u>	<u>62,020,443</u>	<u>67,261,382</u>	<u>50,716,029</u>
<b>Fund Balance, Ending</b>	<u>\$ 94,180,332</u>	<u>\$ 107,274,457</u>	<u>\$ 144,180,867</u>	<u>\$ 98,449,439</u>	<u>\$ 115,164,566</u>	<u>\$ 74,267,236</u>	<u>\$ 82,402,231</u>	<u>\$ 88,867,415</u>	<u>\$ 62,020,443</u>	<u>\$ 67,261,382</u>
Debt Service as a percentage of noncapital expenditure	<u>3.62%</u>	<u>3.53%</u>	<u>3.62%</u>	<u>4.23%</u>	<u>4.10%</u>	<u>4.22%</u>	<u>4.36%</u>	<u>4.35%</u>	<u>11.37%</u>	<u>4.90%</u>

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, 2022

(Unaudited)

Fiscal Year	Estimated Market Values				Less:	Total	Total
	Total Residential Property	Total Commercial Property	Total Industrial and Other Property	Total Real Property (000s)	Tax-Exempt Property (000s)	Taxable Assessed Value (000s)	Direct Tax Rate
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
2022	45,396,746	11,170,219	6,779,227	63,346,192	5,310,604	58,035,588	2.990

Source: County of Delaware, Pennsylvania Assessment Office

### Notes to Schedule:

In 2017, the County was ordered by the Delaware County Court of Common Pleas to conduct a countywide reassessment of all property in the County effective January 1 2021.



**County of Delaware, Pennsylvania**

**Direct and Overlapping Real Estate Tax Rates**

Table 6

Last Ten Years

As of December 31, 2022

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>County Direct Rate:</b>										
General	4.5100	4.6630	4.7150	4.6760	4.7010	4.7140	5.2010	5.2010	2.4890	2.4890
Debt	0.9420	0.9410	0.8890	0.9280	0.9030	0.8900	0.2600	0.2600	0.5100	0.5100
<b>Total direct rate</b>	<b>5.4520</b>	<b>5.6040</b>	<b>5.6040</b>	<b>5.6040</b>	<b>5.6040</b>	<b>5.6040</b>	<b>5.4610</b>	<b>5.4610</b>	<b>2.9990</b>	<b>2.9990</b>
<b>Borough and Township Rates:</b>										
Aldan Borough	7.4985	7.4985	7.4985	8.1300	8.1300	8.1300	8.1300	8.0000	5.2100	5.2100
Aston Township	4.0000	4.0000	4.0000	4.7000	4.7000	4.7000	5.7000	5.7000	3.2540	3.3360
Bethel Township	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	1.8650	0.9930	0.9930
Brookhaven Township	4.3500	4.3500	4.3500	4.3500	4.3500	4.3500	4.8500	4.8500	2.7200	2.7200
Chadds Ford Township	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.8820	0.5262	0.5922
Chester City	297.9200	297.9200	diff. Bases	diff. Bases	diff. Bases	diff. Bases	diff. Bases	diff. Bases	9.8058	9.8058
Chester Heights	0.0580	0.0580	0.0580	0.9800	0.9800	0.9800	0.8800	0.8500	0.3788	0.3788
Chester Township	9.0000	9.0000	9.0000	9.9000	9.9000	9.9000	11.0000	11.0000	5.7000	5.2000
Clifton Heights Borough	13.0010	13.0010	13.0010	14.5010	14.5010	14.5010	15.5010	15.5010	11.2340	11.2340
Collingdale Borough	12.2370	12.2370	12.2370	12.7370	12.7370	12.7370	13.7370	13.7370	9.3150	9.3150
Colwyn Borough	27.2000	27.2000	25.2000	25.2000	25.2000	52.2000	25.2000	25.2000	18.2000	18.2000
Concorn Township	0.9440	0.9440	0.9440	0.9440	0.9440	0.9440	0.9810	0.9810	0.5140	0.5140
Darby Borough	17.7409	17.7409	17.7410	18.4920	18.4920	18.4920	18.4920	20.4920	13.1400	14.1400
Darby Township	11.4100	11.4100	11.4100	11.4350	11.4350	11.4350	12.4350	14.1880	8.8956	9.2429
East Lansdowne Borough	11.3000	11.3000	11.3000	11.3000	11.3000	11.3000	13.3000	13.3000	7.3600	7.3600
Eddystone Borough	5.7500	5.7500	5.7500	7.0000	7.0000	7.0000	9.1500	11.1500	7.1100	7.1100
Edgmont Township	0.8283	0.8283	0.8283	0.8283	0.8283	0.8283	0.9111	1.0023	0.5661	0.5600
Folcroft Borough	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	7.6000	7.6000	5.0100	5.0100
Glenolden Borough	8.4000	8.4000	8.4000	8.9000	8.9000	8.9000	8.9000	9.4000	6.5000	7.0000
Haverford Township	7.3340	7.5400	7.5400	7.9930	7.9930	7.9930	8.3610	8.4870	4.2180	4.2180
Lansdowne Borough	11.9120	12.2096	12.2096	12.6390	12.6390	12.6390	13.0207	13.0207	7.6883	7.3039
Lower Chichester Township	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000	4.5000	4.5000
Marcus Hood Borough	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	12.3500	7.0900	7.8400
Marple Township	4.2900	4.4100	4.4100	4.4800	4.4800	4.4800	4.4800	4.4800	2.4500	2.4500
Media Borough	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	1.4100	1.8000
Middletown Township	1.6000	1.6000	1.6000	1.5000	1.5000	1.5000	2.0100	2.0100	1.0100	1.0100
Millbourne	24.0000	25.6160	25.6160	25.6420	25.6420	25.6420	24.2650	24.2650	41.7860	39.7020
Morton Borough	9.4110	9.6110	9.6110	11.3370	11.3370	11.3370	11.4670	11.7000	6.8230	7.0000
Nether Providence Township	4.7800	4.9200	4.9200	5.1600	5.1600	5.1600	5.5880	5.7310	3.1065	3.2058
Newtown Township	2.7940	2.8840	2.8840	2.9440	2.9440	2.9440	3.0460	3.1340	1.7754	1.7979
Norwood Borough	10.5500	10.5500	10.5500	11.3000	11.3000	11.3000	12.4000	13.4000	7.4700	7.4700
Parkside Borough	9.5000	9.5000	9.5000	10.0000	10.0000	10.0000	11.5000	11.5000	7.4000	7.9000
Prospect Park Borough	9.1200	9.5200	9.5200	9.6200	9.6200	9.6200	9.6200	9.6200	5.5000	5.5700
Radnor Township	3.7511	3.7511	3.7511	3.9228	3.9228	3.9228	4.1582	4.4082	2.2837	2.2837
Ridley Park Borough	8.1400	8.1400	8.1400	8.1400	8.1400	8.1400	9.0400	9.5400	4.9300	5.2500
Ridley Township	8.5160	8.5160	8.5160	9.2660	9.2660	9.2660	9.2660	9.7300	5.4630	5.4630
Rose Valley Borough	2.3000	2.4200	2.4200	2.2300	2.2300	2.2300	2.0400	2.0400	1.0000	1.1200
Rutledge	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	5.7100	6.7100	3.0700	3.0700
Sharon Hill Borough	7.5000	7.5000	7.5000	7.7500	7.7500	7.7500	7.9600	8.6900	5.4620	5.4620
Springfield Township	5.5860	5.5860	5.5860	5.5860	5.5860	5.5860	5.8100	6.1300	3.5250	3.6300
Swarthmore Borough	5.5890	5.5890	5.5890	5.6730	5.6730	5.6730	5.6730	5.6730	3.1150	3.4000
Tinicum Township	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	3.0000	3.0000
Trainer Borough	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	14.7500	9.1500	9.1500
Upland Borough	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	1.2643	1.2643
Upper Chichester Township	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	5.1000	3.0352	3.0352
Upper Darby Township	18.9300	19.9200	19.9200	20.3700	20.3700	20.3700	20.9500	21.3800	13.1400	13.1400
Upper Providence Township	3.8030	3.8730	3.8730	4.0000	4.0000	4.0000	4.1600	4.2350	2.2250	2.2570
Yeadon Borough	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	9.8900	5.8200	5.8000
<b>School District Rates:</b>										
Chester-Upland	51.3360	51.3360	24.6928	25.6555	26.2969	26.9543	26.8600	26.8600	26.8600	15.2200
Chichester	38.6840	39.0708	39.0708	39.4615	39.8561	39.8561	39.8561	39.8561	25.3400	26.1259
Granet Valley	29.2006	29.7440	30.6437	31.3495	31.7500	32.4876	33.4400	33.4400	18.6471	18.8953
Haverford	27.6784	28.6692	29.4719	30.2964	31.0538	31.7991	32.5305	32.5305	17.1811	17.6680
Interboro	32.9406	33.4347	33.9362	34.9203	36.0377	37.1008	37.1767	37.1767	24.5085	25.0844
Marple-Newtown	17.6839	17.6839	18.0690	18.0690	18.0552	18.4885	18.8356	18.8356	10.9670	11.2839
Penn Delco	25.2760	25.9070	26.4760	27.2438	28.0583	28.8971	29.6803	29.6803	17.5655	18.2329
Radnor	21.7122	21.7122	22.1247	22.9262	23.6199	24.1867	24.9181	24.9181	13.9224	14.0313
Ridley	39.1250	39.2500	39.2500	39.9000	39.9000	40.7300	41.3000	41.3000	23.6840	24.7490
Rose Tree-Media	22.9445	23.3677	23.8080	24.3773	25.0945	25.6888	26.2569	26.2569	14.1643	14.6440
Southeast Delco	37.2849	38.4034	39.4786	40.4656	41.5784	43.0752	44.3674	44.3674	30.0976	31.2716
Springfield	29.3000	29.9604	30.6960	31.4212	32.2067	32.9796	33.7229	33.7229	19.8495	20.4351
Upper Darby	33.8150	34.5930	35.2160	35.2160	36.2689	37.1395	37.8452	37.8452	24.6274	24.8737
Wallingford Swarthmore	39.6930	40.5265	41.9760	43.4032	44.6597	45.3025	46.7588	46.7588	27.9010	27.9010
William Penn	41.6000	42.2900	43.0900	43.7400	45.0100	46.0000	47.1000	47.1000	28.1800	28.9500

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, 2022

Current Year and Ten Years Ago

(Unaudited)

2022			2013		
Taxpayer	Assessed Value	Percentage of Total Assessed Value	Taxpayer	Assessed Value	Percentage of Total Assessed Value
Redwood-ERC Concord LLC	\$ 263,827,540	0.45 %	Chester Downs & Marina LLC	\$ 218,187,940	0.63 %
SAP America Inc	140,980,670	0.24	Redwood ERC Concord LLC	120,256,460	0.40
Sunoco Partners Marketing & Term LP	138,747,000	0.24	Radnor Center Associates	68,954,300	0.16
Philadelphia Propco LLC	134,961,580	0.23	SAP America Inc	57,509,000	0.15
3875 West Chester Pk LLC	133,673,440	0.23	Exelon Generation Company	52,500,000	0.15
MPT of Upland PMH LLC	114,636,010	0.20	KS Springfield	51,406,800	0.14
Randor Properties	108,303,618	0.19	White House Village	49,058,970	0.14
MPT of Upper Darby PMH LLC	107,634,120	0.19	Randor Properties	48,965,641	0.14
Radnor Center Associates	94,889,570	0.16	Granite Run LP	47,250,000	0.13
BT Granite Run LP	94,546,340	0.16	Boeing CO	42,873,500	0.12
	<u>\$ 1,332,199,888</u>	<u>2.30 %</u>		<u>\$ 756,962,611</u>	<u>2.16 %</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, 2022

(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
2013	\$ 166,414,943	\$ 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	170,742,489	97.6
2017	176,546,321	176,117,013	169,363,895	96.2	3,472,917	172,836,812	98.1
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
2022	175,441,068	173,150,461	168,683,754	97.4	949,997	169,633,751	98.0

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				
2022	\$ 266,236,384	\$ -	\$ 23,941,616	\$ 290,178,000	1.2 %	520	0.5 %
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

(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, 2022

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>County of Delaware</b>	\$ 266,236,384	1.00 %	\$ 266,236,384
(Municipality):			
Aston Township	23,093,000	1.00	23,093,000
Brookhaven Township	1,603,625	1.00	1,603,625
Chester City	16,187,535	1.00	16,187,535
Chester Township	15,550	1.00	15,550
Collingdale Borough	106,078	1.00	106,078
Colwyn Borough	159,000	1.00	159,000
Concord Township	6,697	1.00	6,697
Darby Borough	6,085,000	1.00	6,085,000
Eddystone Borough	1,953,000	1.00	1,953,000
Folcroft Borough	10,875,222	1.00	10,875,222
Glenolden Borough	152,094	1.00	152,094
Haverford Township	43,685,000	1.00	43,685,000
Lansdowne Borough	735,200	1.00	735,200
Marcus Hook Borough	1,676,083	1.00	1,676,083
Marple Township	26,420,000	1.00	26,420,000
Media Borough	5,127,987	1.00	5,127,987
Middletown Township	24,942,353	1.00	24,942,353
Millbourne	28,603	1.00	28,603
Nether Providence Township	2,065,849	1.00	2,065,849
Newtown Township	13,080,000	1.00	13,080,000
Norwood Borough	220,000	1.00	220,000
Parkside Borough	139,166	1.00	139,166
Prospect Park Borough	1,397,141	1.00	1,397,141
Radnor Township	67,192,090	1.00	67,192,090
Ridley Park Borough	687,073	1.00	687,073
Ridley Township	16,632,685	1.00	16,632,685
Rutledge Borough	158,902	1.00	158,902
Springfield Township	16,209,000	1.00	16,209,000
Swarthmore Borough	693,000	1.00	693,000
Tinicum Township	9,860,000	1.00	9,860,000
Trainer Borough	4,000,000	1.00	4,000,000
Upland Borough	936,640	1.00	936,640
U. Chichester Township	30,810,000	1.00	30,810,000
Upper Darby Township	21,905,000	1.00	21,905,000
Upper Providence Township	641,000	1.00	641,000
Yeadon Borough	2,036,088	1.00	2,036,088
			351,515,661

## County of Delaware, Pennsylvania

### Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2022

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
(School District):			
Chester-Upland	\$ 105,664,500	1.00 %	\$ 105,664,500
Chichester	71,777,781	1.00	71,777,781
Garnet Valley	86,416,000	1.00	86,416,000
Haverford	135,105,000	1.00	135,105,000
Interboro	56,780,000	1.00	56,780,000
Marple-Newtown	97,480,270	1.00	97,480,270
Penn Delco	84,650,000	1.00	84,650,000
Radnor	127,267,511	1.00	127,267,511
Ridley	100,123,625	1.00	100,123,625
Rose Tree-Media	58,785,000	1.00	58,785,000
Southeast Delco	67,532,834	1.00	67,532,834
Springfield	128,940,000	1.00	128,940,000
Upper Darby	81,314,760	1.00	81,314,760
Wallingford Swarthmore	52,037,389	1.00	52,037,389
William Penn	49,238,000	1.00	49,238,000
			<u>1,303,112,670</u>
Direct school district debt			<u>1,303,112,670</u>
Subtotal, overlapping debt		1.00	<u>1,654,628,331</u>
Total direct and overlapping debt		1.00	<u>\$ 1,920,864,715</u>

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, 2022

(Unaudited)

	<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>	<u>2022</u>
Borrowing Base Revenues (1)	\$ 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	\$ 684,310,494
Debt Limit Percentage	300%	300%	300%	300%	300%	300%	300%	300%	300%	300%
Debt Limit	\$ 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	\$ 2,052,931,482
General Obligation Debt	\$ 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	\$ 290,178,000
Legal Debt Margin	\$ 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	\$ 1,762,753,482

(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, 2022

(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>
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%
2022	573,883	44,289,599	43,518	39.0	92,464	3.5%

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, 2022

(Unaudited)

2022			2013		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Boeing Co.	4,260	1.96 %	Crozer-Keystone Health System	6,700	2.30 %
United Parcel Service Inc	4,500	2.07	Boeing Co. (Rotorcraft Div.)	4,700	1.66
Villanova	2,460	1.13	Boeing CO.(Army System Div.)	4,100	1.44
Delaware County	2,907	1.34	Villanova University	2,950	1.00
WAWA	2,540	1.17	Wawa Inc.	2,875	1.00
SAP	3,200	1.47	MainLine Health	2,000	0.70
Prospect CCMC LLC	5,400	2.48	SAP America	1,900	0.60
Federal Government	1,997	0.92	Delaware County Community College	1,500	0.53
Main Line Health	3,740	1.72	Elwyn Industries	1,500	0.53
Upper Darby School Dist.	1,561	0.72	Keystone Mercy Health System	1,400	0.49
AmeriHealth	2,200	1.01	Harrah's	1,000	0.35

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, 2022

(Unaudited)

	<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>	<u>2022</u>
<b>Function/Program</b>										
General government and administration	2,429	2,347	2,410	2,260	1,892	2,103	1,803	1,948	1,847	2,201
Judicial	687	656	674	657	616	634	582	613	514	511
Culture and recreation	17	17	17	17	18	17	18	16	16	21
Golf course	5	5	5	5	5	5	8	5	5	5
Fleet services	6	6	6	7	7	7	7	6	5	4
Total	<u>3,144</u>	<u>3,031</u>	<u>3,112</u>	<u>2,946</u>	<u>2,538</u>	<u>2,766</u>	<u>2,418</u>	<u>2,588</u>	<u>2,387</u>	<u>2,742</u>

Source: Personnel Department

**County of Delaware, Pennsylvania**

Operating Indicators by Function/Program

Table 15

Last Ten Fiscal Years

December 31, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function/Program</b>										
General Government and Judicial:										
Bridges maintained	43	43	43	43	43	43	43	43	43	43
Buildings maintained	8	8	8	8	8	14	11	12	12	22
Recreation:										
Rounds played	24,806	22,010	20,000	14,221	10,961	10,054	12,497	23,474	23,272	21,147
Garden plots	114	114	114	118	117	117	122	118	118	118
Summer Fest events	50	50	49	49	49	49	49	-	40	46
Summer Fest attendance	50,000	51,000	48,000	40,000	60,000	45,000	40,000	-	25,000	33,000
Health and Human Services:										
Cases	69,994	33,364	34,698	59,004	59,586	68,266	54,696	11,169	12,039	24,522
Adoptions	714	720	725	62	60	34	36	34	23	15
Children in Foster Care	891	885	710	590	548	542	518	479	402	262
Mental Health population	17,867	23,092	24,163	47,138	52,482	57,074	30,444	15,067	15,067	6,049
Judicial:										
Cases:										
Civil	1,862	11,837	11,399	11,522	10,869	8,821	8,570	5,869	13,230	12,640
Criminal	2,178	8,219	7,624	8,069	7,708	17,353	11,187	6,201	8,545	8,634
Solid Waste:										
Residential tonnage	213,195	211,852	211,349	209,153	211,971	220,196	219,540	242,621	232,563	165,172
Commercial tonnage	147,684	155,443	164,887	164,796	165,024	177,183	176,507	166,324	175,533	216,621

Source: County Records

**County of Delaware, Pennsylvania**

Capital Asset Statistics by Function/Program

Table 16

Last Ten Fiscal Years

December 31, 2022

(Unaudited)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function/Program</b>										
General Government and Judicial:										
Facilities	7	7	7	7	7	14	11	15	15	27
Vehicles	310	315	352	360	336	322	279	288	300	287
Fair Acres	-	-	-	-	-	-	-	-	-	22
Recreation:										
Parks	6	6	6	15	14	14	14	14	15	15
Golf courses	1	1	1	1	1	1	1	1	1	1
Vehicles	14	14	14	14	9	9	8	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	2
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	6
Juvenile Facility:										
Capacity	66	66	66	66	66	66	66	66	66	-
Vehicles	2	2	2	2	2	7	2	-	-	1
Human Services:										
Caseloads	69,002	33,364	34,698	59,004	56,586	68,842	55,250	26,775	28,295	30,925
Vehicles	46	46	43	42	43	44	42	40	37	38
Infrastructure:										
Bridges	43	43	43	43	43	43	43	43	43	43

Source: County Records

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