

**County of Delaware,  
Pennsylvania**

Comprehensive Annual Financial Report  
Year Ended December 31, 2015

Prepared by Edward E. O'Lone, CPA  
Controller



Candor. Insight. Results.

# County of Delaware, Pennsylvania

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# **Introductory Section**

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# CONTROLLER OF DELAWARE COUNTY

GOVERNMENT CENTER BUILDING

201 WEST FRONT STREET

MEDIA, PENNSYLVANIA 19063

**EDWARD E. O'LONE, C.P.A.**  
CONTROLLER

**THOMAS J. BURKE**  
CHIEF DEPUTY CONTROLLER

**RICK MEGARO, C.P.P.**  
DEPUTY CONTROLLER

610-891-4441  
Fax: 610-566-3256

**ROBERT E. O'CONNOR**  
SOLICITOR

June 29, 2016

To the Citizens of the County of Delaware, Pennsylvania:

It is my honor and pleasure to present the Comprehensive Annual Financial Report of the County of Delaware, Pennsylvania (the "County") for the year ended December 31, 2015. This Comprehensive Annual Financial Report ("CAFR") was prepared by the Controller's Department in conjunction with the independent certified public accounting firm of Baker Tilly Virchow Krause, 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.

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, a County Council appointee, 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 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 and proclamations and to provide budgets and personnel to meet the needs of the people of Delaware County. County Council is responsible for adopting a budget each year. The budget includes setting taxes and fees sufficient to raise funds needed for budgeted expenditures. To raise funds for major capital projects, County Council also authorizes the sale of bonds. Many of the County's administered social programs are funded by federal and state grants.



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

In addition to general County activities, County Council has fiscal accountability for the Delaware County Solid Waste Authority, the Economic Development Oversight Board, the Delaware County Redevelopment Authority and the Delaware County Chester Waterfront Industrial Development Authority. Consequently, these component units are included in the reporting entity. 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.

### **Controller's Department 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 Certified Public Accountant in the Commonwealth of Pennsylvania and works cooperatively with the independent auditors when they perform their annual audit. In addition, the County Controller's Office serves in the capacity of internal auditor for the County. During the year, the Controller's Office staff ensures the integrity of the County system of internal accounting controls and conducts financial and compliance audits as well as internal control reviews on various 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.

The County utilizes a comprehensive integrated financial management and human resource system to enhance access to real time management information and to better implement efficient business practices. This system enables the County to maintain the appropriate flow of information, giving staff the necessary financial tools consistent with the needs of good government management.

Further, in response to the Right to Know law in the Commonwealth of Pennsylvania, the County created an Open Records Office. This office is responsible for ensuring the County's compliance with the law and facilitating each citizen's right to access government documents. In 2015, the County's Open Records Office responded to 496 requests, all within the timeframe required by the law. In comparison, there were 427 requests in 2014.

County Council and the Controller will continue to utilize the latest technology and efficient planning in an effort to deliver the highest quality of government services consistent with the taxpayers' ability to pay and within the highest standards of internal controls over business practices.

## **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 has complied with such budgetary controls for the year ended December 31, 2015.

## **Financial Planning**

In addition to the five-year Capital Improvement Plan prepared with the annual budget, the Budget Department also prepares multi-year operating budget projections for County Council's review based on historical data and anticipated changes that will impact the operating budget.

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 undertake certain financing actions in order to achieve economic gains, mainly through securing lower interest rates.

## **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 Virchow Krause, 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 comprehensive annual financial report for the year ended December 31, 2014. This was the 21st consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County continues to maintain its AA and Aa1 Bond rating in no small measure due to earning this prestigious award.

## **Other Accomplishments and Initiatives**

The new statewide 9-1-1 legislation, which constituted a full rewrite of the 9-1-1 Public Safety Emergency Telephone Act, was signed into law in 2015. County Council, in collaboration with its local state representatives, took an active role in the development of this legislation to ensure that Delaware County receives its fair share of 9-1-1 subscriber-based fees collected and that the County retains local control of its 9-1-1 operations center. The new legislation will result in additional revenue, thereby enabling the County's 9-1-1 center to maintain its second-to-none service delivery to the residents of the County and the commitment by County Council to keep pace with the ongoing technological advances in this ever-changing field.

The Commonwealth of PA's fiscal year 2015/16 budget impasse, which lasted from July 2015 to March 2016, necessitated the implementation of a special plan by the County to prioritize payments to certain service providers due to the lack of State funding. County Council, in consultation with management staff, made the decision to use County dollars to continue payments for certain essential services such as adoption subsidy payments, payments to those providers who rely solely on County revenue and continued funding for County Human Services staff. The County was able to successfully manage its cash flow during the State budget crisis, which ensured the continuity of service delivery for the County's most vulnerable residents.

In April 2015 the County signed a multi-party agreement with the City of Philadelphia, Tinicum Township and Interboro School District that resolves tax litigation and approves land acquisition to support Philadelphia International Airport's multi-billion dollar Capacity Enhancement Program (CEP). The CEP is a comprehensive program to modernize the airport over the next 12-15 years. It is an investment in airfield, terminal and cargo projects and will improve operational efficiencies, enhance customer experiences and increase the region's global connectivity at one of the nation's busiest airports. The CEP will be funded through airport revenue bonds, passenger facility charges, federal Airport Improvement Program grants and other airport revenues. The CEP is expected to provide thousands of construction jobs and will result in an airport better equipped to facilitate travel and commerce that is more modern and efficient for years to come.

Delaware County adopted the County Open Space, Recreation, and Greenway Plan on April 2015. The plan serves as a guide and resource for county-wide, multi-municipal, and municipal planning efforts for open space and recreation. The main goals of the plan are: conserve open space and natural features; enhance their environmental and recreational uses; and connect communities, cultural/historic resources, and natural features. Efforts were substantially underway for the County to acquire approximately 37 acres of land located in Darby Borough and Upper Darby Township. This land is in the densely populated, eastern end of the County and was originally proposed for development. As a new park, this will be the largest County park in eastern Delaware County.

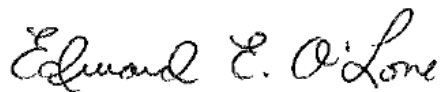
The Delaware County Heroin Task Force continued its efforts to address the tragic impact caused by prescription drug abuse and heroin use. Delaware County was the first county in Pennsylvania to implement a countywide nasal Naloxone program for law enforcement. Through the efforts of the task force, every police car in the county carries two doses of the life-saving drug Naloxone, which is commonly known as Narcan. The police are often the first on the scene and have saved 135 lives by administering Narcan which reverses the effect of an overdose. In addition to saving lives, the County has recognized the need for enhanced efforts to engage individuals in treatment. The County secured a grant to provide for Certified Peer Specialists who provide outreach to people who have survived an overdose with the goal of their entering substance abuse treatment. Through the efforts of the Heroin Task Force: Narcan is saving lives, educational programs have been presented to 20,600 children through the Narcotics Overdose Prevention Education (NOPE) program; 40 secure drug boxes have been installed in police departments throughout the county; 7,500 pounds of drugs have been collected and disposed of; and thousands of people are in treatment programs.

The World Meeting of Families and the visit of Pope Francis to Philadelphia in September 2015 were international events. Transportation centers in Delaware County were major hubs for the thousands of visitors who made the trip into the City to see the Pope. Delaware County worked through its Department of Emergency Services to coordinate with municipal leaders, emergency responders, law enforcement, SEPTA officials and others to prepare for the influx of people for the World Meeting of Families and the Papal visit. The County Safety Planning Committee developed a highly successful, county-wide plan to address transportation, crowd control and logistics.

### **Acknowledgments**

I would like to acknowledge the cooperation that I received from the entire staff of the Controller's Department and the various Department officials throughout the County in the preparation of this report. I would also like to thank the Chairman and Members of County Council as well as our Executive Director for their interest and support in planning and conducting the financial operations of the County in a responsible, professional, and progressive manner.

The County Controller remains cognizant of the limited resources of the County and its citizens. We will continue to monitor the financial performance of the County to ensure that the high-standards of service and affordability are maintained.

A handwritten signature in cursive script that reads "Edward E. O'Lone".

Edward E. O'Lone, CPA  
Controller





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Delaware  
Pennsylvania**

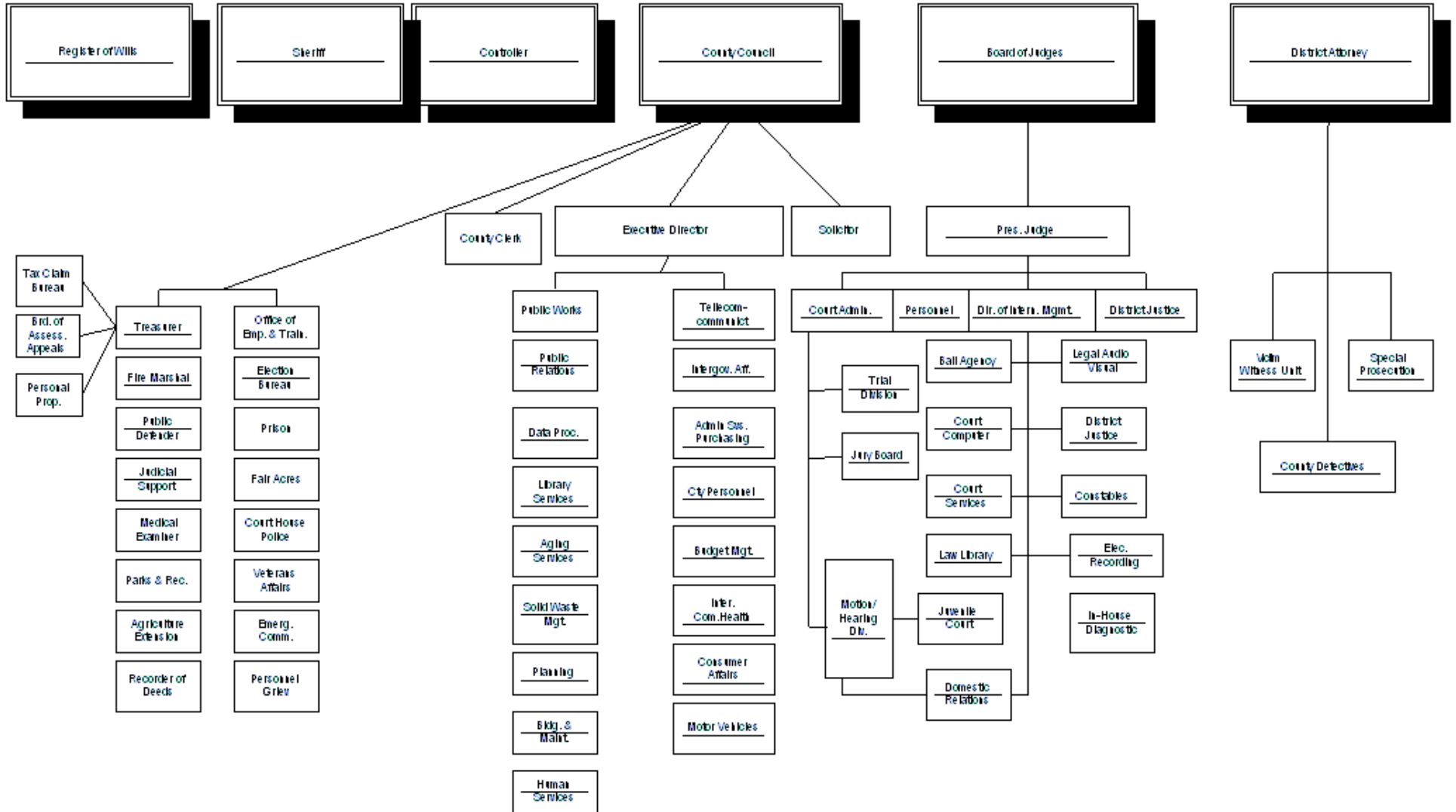
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

# Organizational Chart

## ELECTORATE DELAWARE COUNTY



# County of Delaware, Pennsylvania

## Principal County Officials December 31, 2015

### **Council**

Mario J. Civera, Jr. - Chairman  
Colleen P. Morrone - Vice Chairman  
John P. McBlain - Member  
David J. White - Member  
Michael Culp, Member

### **Controller**

Edward E. O'Lone, CPA

### **District Attorney**

John J. Whelan, Esq.

### **Register of Wills**

Jennifer Holsten Maddaloni, Esq.

### **Sheriff**

Mary McFall Hopper, Esq.

### **Executive Director**

Marianne Grace

### **Solicitor**

Michael L. Maddren, Esq.

### **Budget Director**

James P. Hayes, CPA

### **Treasurer**

John A. Dowd

### **Judicial Support**

Angela L. Martinez, Esq.



# **County of Delaware, Pennsylvania**

## **Principal County Officials December 31, 2015**

### **Recorder of Deeds**

Thomas J. Judge, Sr.

### **County Clerk**

Anne M. Coogan

### **Medical Examiner**

Fredric N. Hellman, M.D.

## **Court of Common Pleas Board of Judges**

Chad F. Kenney, President Judge

James F. Proud

George A. Pagano

Kevin F. Kelly

Kathrynann W. Durham

Barry C. Dozor

James P. Bradley

James F. Nilon, Jr.

Mary Alice Brennan

Gregory M. Mallon

Linda A. Cartisano

Spiros E. Angelos

G. Michael Green

Nathaniel C. Nichols

Christine Fizzano Cannon

John P. Capuzzi, Sr.

Richard M. Cappelli

William C. Mackrides

Anthony D. Scanlon

### **Senior Judges**

Ann A. Osborne

Michael F. X. Coll

Frank T. Hazel

Charles B. Burr, II

Joseph P. Cronin, Jr.

# **Financial Section**

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## Independent Auditors' Report

County Council  
County of Delaware, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Delaware, Pennsylvania (the "County"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units, comprised of the Delaware County Solid Waste Authority, which reflect total assets and deferred outflows of \$66,408,232 as of December 31, 2015, and total revenues of \$35,236,335 for the year then ended, the financial statements of the Economic Development Oversight Board, which reflect total assets of \$1,227,386 as of December 31, 2015, and total revenues of \$675,779 for the year then ended, the financial statements of the Delaware County Chester Waterfront Industrial Development Authority, which reflect total assets of \$24,402,767 as of December 31, 2015, and total revenues of \$3 for the year then ended, and the financial statements of the Redevelopment Authority of the County of Delaware, which reflect total assets of \$5,716,403 as of December 31, 2015, and total revenues of \$11,472,134 for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Delaware County Solid Waste Authority, Economic Development Oversight Board, Redevelopment Authority of the County of Delaware, and the Delaware County Chester Waterfront Industrial Development Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Delaware, Pennsylvania, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As disclosed in Notes 1 and 13 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, for the year ended December 31, 2015 to conform with accounting principles generally accepted in the United States of America. The County recognized its net pension asset, restated its beginning net position for this adoption, expanded its note disclosures and included required supplementary information with respect to employees' pension benefits. Our opinion was not modified with respect to this matter.

### **Other Matters**

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") on pages 18 through 31, the Schedule of Funding Progress for the Retirement Health Plan (OPEB) and OPEB Plan Schedule of Employer Cost, the Schedule of Changes in the County's Net Pension Liability and Related Ratios, the Schedule of Employer Contributions, and the Schedule of Investment Returns on pages 89 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Information

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

The combining and individual nonmajor fund financial statements and schedules on pages 93 through 121 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

*Baker Tilly Viechow Krause, LLP*

Philadelphia, Pennsylvania  
June 29, 2016

## County of Delaware, Pennsylvania

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

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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, 2015 compared to 2014. The County's financial performance is discussed and analyzed within the context of the financial statements and the disclosures that follow. Additional information is provided in the Transmittal Letter preceding this Management Discussion and Analysis which can be found on pages 5-9 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 2015, the County's total net position as shown in the government wide statements increased by \$34 million. This increase in net position is primarily attributable to the adoption of GASB 68 as well as the prudent management of expenses.

#### 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.

## County of Delaware, Pennsylvania

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

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

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

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

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

The government-wide financial statements can be found on pages 32-34 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 finance-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.

## County of Delaware, Pennsylvania

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

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 ten 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, and the health and human service funds, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation captioned "Other Governmental Funds". Individual fund data for each of these non-major 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 35-39 of this report.

**Proprietary funds.** The County maintains two proprietary funds. 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 40-42 of this report.



## County of Delaware, Pennsylvania

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

**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 45-88 of this report.

**Required supplementary information.** Certain required supplementary information concerning the County's progress in funding its obligations to provide OPEB benefits to its employees and retirees and their dependents and changes in the County's pension liability, employer contributions and investment return can be found on pages 89-92 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 93-121 of this report.

### **General Fund Budgetary Highlights**

The General Fund final expenditure budget for fiscal year 2015 was approximately \$233 million. This was an increase of approximately \$4 million or 1.7% from the prior year final budget. There were no council amendments to the 2015 General Fund budget. The County expended approximately \$14 million less than budgeted as a result of controlling expenditures.

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, at \$(55,019,573).

# County of Delaware, Pennsylvania

Management's Discussion and Analysis  
(Unaudited)

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

	Governmental Activities		Business-Type Activity		Total		% Change
	2015	2014	2015	2014	2015	2014	
Current and other assets	\$ 419	\$ 361	\$ 29	\$ 27	\$ 448	\$ 388	14.43 %
Capital assets	168	170	11	11	179	181	(1.10)
Total assets	587	531	40	38	627	569	10.19
Deferred inflows	11	-	5	-	16	-	100.00
Other liabilities	143	131	6	8	149	139	7.19
Long-term liabilities outstanding	438	406	28	30	466	436	6.88
Total liabilities	581	537	34	38	615	575	6.96
Net position:							
Net investment in capital assets	(55)	(60)	(20)	(21)	(75)	(81)	(7.41)
Restricted	7	7	-	-	7	7	0.00
Unrestricted	65	47	31	21	96	68	41.48
Total net position	\$ 17	\$ (6)	\$ 11	\$ -	\$ 28	\$ (6)	(566.67) %

# 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
	2015	2014	2015	2014	2015	2014	
Program revenues:							
Charges for services	\$ 26	\$ 26	\$ 79	\$ 76	\$ 105	\$ 102	2.94 %
Operating grants and contributions	325	315	-	-	325	315	3.17
General revenues:							
Property taxes	171	173	-	-	171	173	(1.16)
Gaming revenue	9	9	-	-	9	9	0.00
Investment earnings	2	2	-	-	2	2	0.00
<b>Total revenues</b>	<b>533</b>	<b>525</b>	<b>79</b>	<b>76</b>	<b>612</b>	<b>601</b>	<b>1.83</b>
Program expenses:							
General government	140	141	-	-	140	141	(0.71)
Judicial	48	51	-	-	48	51	(5.88)
Corrections	69	67	-	-	69	67	2.99
Health and human services	265	251	-	-	265	251	5.58
Highways, streets and bridges	2	2	-	-	2	2	0.00
Interest on long-term debt	7	8	-	-	7	8	(12.50)
Geriatric center	-	-	78	78	78	78	0.00
<b>Total expenses</b>	<b>531</b>	<b>520</b>	<b>78</b>	<b>78</b>	<b>609</b>	<b>598</b>	<b>1.84</b>
Net revenue (expense) before transfers	2	5	1	(2)	3	3	0.00
Transfers	-	(2)	-	2	-	-	0.00
Change in net position	2	3	1	-	3	3	0.00
Net position, beginning	(6)	(9)	-	-	(6)	(9)	(33.33)
Effect of adoption of GASB 68	21	-	10	-	31	-	100.00
<b>Net position, ending</b>	<b>\$ 17</b>	<b>\$ (6)</b>	<b>\$ 11</b>	<b>\$ -</b>	<b>\$ 28</b>	<b>\$ (6)</b>	<b>(566.67) %</b>

## County of Delaware, Pennsylvania

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

**Governmental activities.** Governmental activities increased the County's net position by approximately \$23 million. Key elements of this increase are a result of the following:

- General revenues decreased by approximately \$2 million primarily due to a decrease in deferred property taxes receivable in 2015.
- Operating grants and contributions increased by approximately \$10 million primarily resulting from increases in additional health and human service grants.
- General government expenses decreased by approximately \$1 million through maintaining staff vacancies, including vacancies from the County's 2014 retirement incentive program, no subsidy requirement for the geriatric center in 2015 and other cost containment measures.
- Judicial costs decreased mainly as a result of lower juvenile placement and detention costs experienced in 2015. Other Judicial departments with decreased costs include District Justice, Court Administrator and Electronic Recording.
- Corrections expenditures increased by approximately \$2 million primarily as a result of increased contractual costs related to the County Prison. Other departments that experienced cost increases over the prior year include the office of the District Attorney and the Criminal Investigation Division.
- Health and Human Service grant expenditures increased primarily as a result increased grant funding received in 2015.
- Adoption of GASB 68 resulted in an increase in the opening net position of approximately \$21 million related to the recording of the opening net pension asset.

**Business-type activity.** The business-type activity achieved a positive operating result in 2015 and therefore no transfer from the General Fund was required. In 2014 the net transfer was \$2 million. Key elements of changes in the business-type activity are as follows:

- The County's geriatric center costs increased by roughly \$360,000 or less than 0.5%. An increase of \$1.5 million in medical and physical therapy due to contracting out therapy services during the year was offset by decreases in administrative costs of approximately \$1 million, and a decrease in nursing costs of roughly \$600,000.
- The geriatric center's revenue increased by approximately \$2.8 million, mostly due to an increase in Medicare routine revenue of approximately \$1.4 million and an increase in therapy revenue of roughly \$1.0 million. This also was primarily due to contracting out therapy services. A decrease in Medicaid routine revenue of over \$2.0 million due to industry-wide declining Medicaid census, was offset by an increase supplemental payments received from the PA Department of Public Welfare.

## County of Delaware, Pennsylvania

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

#### Financial Analysis of the Major Funds

##### General Fund

Revenues of the general fund totaled \$238,372,443 for the year ended December 31, 2015. The following represents a summary of general fund revenue, by source, along with changes from 2014:

	<b>2015 Amount</b>	<b>2014 Amount</b>	<b>Increase (Decrease) from 2014</b>	<b>Percentage Increase (Decrease)</b>
Real estate taxes	\$ 171,997,482	\$ 171,551,067	\$ 446,415	0.26 %
Gaming revenue	8,589,487	8,604,779	(15,292)	(0.18)
Licenses and permits	37,084	17,415	19,669	112.94
Investment earnings	489,912	989,914	(500,002)	(50.51)
General grants	25,153,713	24,333,691	820,022	3.37
Charges for services, fines, and forfeits	22,787,617	21,915,998	871,619	3.98
Other	9,317,148	9,932,293	(615,145)	(6.19)
Total	<u>\$ 238,372,443</u>	<u>\$ 237,345,157</u>	<u>\$ 1,027,286</u>	<u>0.43 %</u>

Real estate tax revenue increased in 2015 from 2014, as a result of a moderate increase in the overall assessment amount in 2015 and increased tax collections from prior years.

Investment earnings decreased due to the reduction in the interest rate offered through an RFP banking agreement process completed in 2015.

General grants rose from the prior year primarily as a result of an increase in expenditures which are reimbursable by the state.

The increase in charges for services, fines, and forfeits is due to increased departmental revenues related to real estate sales and transfers, wills and estates, court-related fines and fees and fees collected by the Sheriff's Office.

## County of Delaware, Pennsylvania

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

General fund expenditures totaled \$218,595,303 which represents an increase of \$2,001,607 or 0.93% from 2014. The following represents a summary of general fund expenditures for the year ended December 31, 2015, by source, along with changes from 2014:

	<u>2015 Amount</u>	<u>2014 Amount</u>	<u>Increase (Decrease) from 2013</u>	<u>Percentage Increase (Decrease)</u>
General government	\$ 22,617,249	\$ 23,146,549	\$ (529,300)	(2.29) %
Judicial	48,139,889	50,873,015	(2,733,126)	(5.37)
Corrections	66,797,819	64,184,935	2,612,884	4.07
Transportation	7,336,000	6,921,000	415,000	6.00
Other	51,388,777	47,150,666	4,238,111	8.99
Debt service:				
Principal	15,066,379	16,861,294	(1,794,915)	(10.65)
Interest	<u>7,249,190</u>	<u>7,446,237</u>	<u>(197,047)</u>	<u>(2.65)</u>
Total	<u>\$ 218,595,303</u>	<u>\$ 216,583,696</u>	<u>\$ 2,001,607</u>	<u>0.93 %</u>

General government expenditures decreased primarily as a result of reduced costs related to the departments of Tax Claim, Constables, Public Works and Parks & Recreation.

Judicial costs decreased mainly as a result of lower juvenile placement and detention costs experienced in 2015. Other Judicial departments with decreased costs include District Justice, Court Administrator and Electronic Recording.

Corrections expenditures increased primarily as a result of increased contractual costs related to the County Prison. Other departments that experienced cost increases over the prior year include the office of the District Attorney and the Criminal Investigation Division.

Transportation costs rose as a result of an increase in the statutory funding requirement for 2015.

Other expenses increased primarily due to an increase in healthcare costs of approximately \$4 million and an increase in insurance of approximately \$2 million, partially offset by a decrease in other programs and grants of approximately \$2 million.

The overall decrease in the debt service expenditure amount is primarily due to decreased principal costs in 2015.

## County of Delaware, Pennsylvania

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

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

	<u>Original</u>	<u>Final</u>	<u>Increase (Decrease)</u>
Revenues:			
Real estate taxes	\$ 167,919,000	\$ 167,919,000	\$ -
Gaming revenue	8,700,000	8,700,000	-
Licenses and permits	37,000	37,000	-
General grants	29,190,000	29,190,000	-
Charges for services, fines and forfeits	23,679,000	23,679,000	-
Investment earnings	800,000	800,000	-
Other	7,951,000	7,951,000	-
Total revenues	<u>238,276,000</u>	<u>238,276,000</u>	<u>-</u>
Expenditures:			
General government	25,396,000	25,572,291	176,291
Judicial	57,478,000	57,478,000	-
Corrections	67,808,000	67,943,994	135,994
Transportation	7,336,000	7,336,000	-
Other	52,354,000	52,041,715	(312,285)
Debt service:			
Principal	17,518,000	17,518,000	-
Interest	9,818,000	9,818,000	-
Total expenditures	<u>\$ 237,708,000</u>	<u>\$ 237,708,000</u>	<u>\$ -</u>

### Expenditures

General Government - The general government budget was increased primarily as a result of costs related to a special election held in 2015, which impacted the departments of Voter Registration, Bureau of Elections and Voting Machines. Other increases were due to unanticipated costs for the departments of Administrative Services, Library Services and Information Technology.

Corrections - The corrections budget was increased primarily as a result of lower than anticipated revenue for the County Prison, which required additional County funding.

Other - The budget for "other" expenditures was reduced to reflect the transfer of funds to the General Government and Corrections budgets as noted above.

## **County of Delaware, Pennsylvania**

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

#### **Capital Projects Funds**

The County's Capital Project Funds account for financial resources expended to acquire or construct property and equipment. For the year ended December 31, 2015, the County expended \$8,547,739 for such projects, which represents a decrease of \$2,253,771 from 2014. The decrease in spending for 2015 is primarily due to lower costs for building renovations as compared to the prior year. Capital Projects Fund balances at December 31, 2015 totaled \$33,669,996, of which \$5,475,000 is nonspendable for an investment pledged by the Delaware County Solid Waste Authority as a Department of Environment Protection Agency bonding requirement.

#### **Health and Human Service Funds**

The Health and Human Service Funds' revenues are derived from specific sources and are designated for specific uses. Such funds, primarily Commonwealth of Pennsylvania and federal grants, are restricted by law or other formal action to expenditures for specific purposes. The Health and Human Service Funds' had a combined deficiency of revenues over expenditures of \$6,423,000 in 2015 and 2014. Such deficiencies represented County match in both years and were reflected as operating transfers from the General Fund accordingly.

#### **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 seven special revenue funds, which contain activity related to Social Services, Employment and Training, the County's 911 Program, Library Services, Bridge Construction and Repair, Community Development Block Grant Funding and Marcellus Shale Impact Fees. Revenues and expenditures totaled \$48,424,169 and \$51,227,867 respectively, for 2015. These amounts represent an increase in revenue of 7.11% and a decrease in expenditures of 0.47% from 2014 amounts. The 911 program had a deficiency of revenues over expenditures of \$3,519,336 which is the County subsidy. The following programs had excess (deficiency) revenues over expenditures in 2015 as follows: CDBG/Rehab program - \$1,088,767, Library - \$(424,308), Liquid Fuels - \$(726,573), and Marcellus Shale - \$23,782.

#### **Pension Trust Fund**

The net position - reserved for employee's pension benefits was \$448,899,130. The funding status of the employees' pension trust fund remains sound.

#### **Fund Balances**

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



## County of Delaware, Pennsylvania

Management's Discussion and Analysis  
(Unaudited)

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$178,125,550 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements.

	<b>Governmental Activities</b>	<b>Business-Type Activity</b>	<b>Total</b>
Land	\$ 5,658,759	\$ -	\$ 5,658,759
Land improvements	6,224,154	-	6,224,154
Buildings and improvements	118,770,488	8,715,556	127,486,044
Equipment	25,163,550	1,881,247	27,044,797
Infrastructure	11,711,796	-	11,711,796
Total	<u>\$ 167,528,747</u>	<u>\$ 10,596,803</u>	<u>\$ 178,125,550</u>

Additional information on the County's capital assets can be found in Note 11 on page 65 of this report.

### Long-Term Debt

As of December 31, 2015, the County's actual general obligation debt of \$327,081,000 is well below the legal limit of \$1,561,076,510 by \$1,233,995,511. Additional information on the County's long-term debt can be found at Note 15 on pages 74-77 of this report.

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

## **County of Delaware, Pennsylvania**

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Management's Discussion and Analysis  
(Unaudited)

### **Economic Outlook**

In calendar year 2015, economic development in all areas of Delaware County continued unabated.

The waterfront continues to be at the center of the growing energy industry. Monroe Energy, Eddystone Rail, Braskem, Sunoco Logistics and the Mariner East pipeline are all positioning our small county as a leader in the U.S. Shale oil and gas industries. On March 10 of this year, Sunoco Logistics announced that Mariner East 1, the first pipeline in the larger Mariner East system, is now transporting both ethane and propane to the Marcus Hook Industrial Complex.

The first ship, the JS Ineo Intrepid, shipped out down the Delaware River with her first load of ethane bound for Norway. This is a major first step in getting Pennsylvania's abundant natural gas liquids to markets.

Mariner East represents a \$3 billion investment in Pennsylvania. There are more than 500 contractors at Marcus Hook right now and the annual operation will result in 440 permanent jobs.

The recent forecast by the U.S. Energy Information Administration reports that this year, 2016, natural gas is expected to supplant coal as the No. 1 source of electricity in the U.S.

Growth in the northern end the County has proceeded with additional development at the Ellis Preserve. In Newtown Square, the Ellis Preserve is a remarkable reuse of the Ellis College for Girls that operated on this site from 1922 to 1977. Most people know that SAP located its North and South American headquarters on this property. Then BPG Properties, now called Equus Capital Partners, purchased 218 acres and is taking this historic campus and creating an integrated community – or “town center” – of offices, retail business, housing and community use.

Instead of razing the historic buildings, Equus is restoring and adapting the stately stone buildings. So far, 20 new companies plan to locate to Ellis Preserve, creating 3,000 new jobs! Instead of being a corporate campus, the Ellis Preserve will be a community. The Town Center will include a café, athletic center, running trails and more. In addition to SAP and Sunoco, some of the businesses locating to Ellis Preserve are PetPlan, My Alarm Center, Chesterbrook Academy, Graham Investment Partners, Whole Foods and a Hilton Garden Inn.

In Middletown, they are tearing down the Granite Run Mall and creating a modern, walkable community that includes restaurants, shops and apartments. Demolition is expected to be complete by June 1. Construction of the new retail space is set to begin by July 1. The developers said they hope to have 40 retail spaces and 10 restaurants. They anticipate creating 588 fulltime jobs and 228 part-time jobs of all types.

In Upper Darby, SEPTA is developing a parking garage and office space at the east end of the terminal. Four new anchor stores near the 69th Street Terminal are reporting job growth and solid sales. The Tower Theater still brings in first-class entertainment like Greg Allman, Santana and Brian Wilson. The Studio Movie Grill opened last summer and is drawing crowds with its comfy leather seats and dining options. Nolen Properties is converting the former St. Alice School into senior apartments. A Fresh Grocer is opening in the former Pathmark store. Advanced Auto Parts is opening next to the Goodwill store. And both WAWA and CVS have plans for new stores in Upper Darby.

## **County of Delaware, Pennsylvania**

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

WAWA just announced that they are hiring over 5,000 workers in the next three months as they expand into other states.

One of the county's health partners, Crozer-Keystone just adapted an old Pathmark building into Crozer-Keystone at Broomall where they will offer a wide variety of outpatient services.

Boeing, our third largest employer in the county, will mark its 100th anniversary of producing aircraft this summer.

In Chester Township, Sun Center Studios continues to draw film crews to the region. Last year, Sylvester Stallone was in town to film his hit movie, "Creed." This year local producer M. Night Shyamalan is back, working on a new thriller called "Split" starring James McAvoy. "Split" is due for release in January 2017.

Delaware County has experienced greater growth in private sector employment than any other suburban Philadelphia County since February 2010. The Philadelphia MSA has grown by 9%. Delaware County has grown by 12% to 192,993 private sector jobs. All indicators are that this growth rate will remain steady.

### **Requests for Information**

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

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

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

# **Basic Financial Statements**

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**County of Delaware, Pennsylvania**

 Statement of Net Position  
 December 31, 2015

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activity		
<b>Assets</b>				
Cash and cash equivalents	\$ 57,277,700	\$ 3,414,340	\$ 60,692,040	\$ 13,972,228
Receivables (net of allowance for uncollectibles):				
Taxes	8,607,524	-	8,607,524	-
Accounts	4,711,015	28,993,668	33,704,683	5,055,239
Grants	65,598,327	-	65,598,327	-
Notes	5,639,008	-	5,639,008	166,164
Other	6,429,259	-	6,429,259	952,204
Due from component units	7,475,000	-	7,475,000	-
Internal balances	8,957,490	(8,957,490)	-	-
Inventories	-	-	-	124,557
Other assets	7,314,692	720	7,315,412	1,311,039
Investments	-	-	-	6,067,181
Restricted cash and cash equivalents	54,014,691	809,386	54,824,077	5,323,067
Investment in joint venture	183,996,883	-	183,996,883	-
Capital assets (net of accumulated depreciation):				
Land	5,658,759	-	5,658,759	8,873,485
Land improvements	6,224,154	-	6,224,154	3,189,892
Construction in progress	-	-	-	1,725,030
Buildings and improvements	118,770,488	8,715,556	127,486,044	50,592,525
Equipment	25,163,550	1,881,247	27,044,797	-
Infrastructure	11,711,796	-	11,711,796	-
Net pension asset	10,047,565	5,176,018	15,223,583	-
<b>Total assets</b>	<b>587,597,901</b>	<b>40,033,445</b>	<b>627,631,346</b>	<b>97,352,611</b>
<b>Deferred Outflows of Resources - Pension</b>	<b>10,328,497</b>	<b>5,320,741</b>	<b>15,649,238</b>	<b>402,177</b>
<b>Total assets and deferred outflows</b>	<b>\$ 597,926,398</b>	<b>\$ 45,354,186</b>	<b>\$ 643,280,584</b>	<b>\$ 97,754,788</b>
<b>Liabilities</b>				
Accounts payable and other current liabilities	\$ 47,565,755	\$ 3,435,760	\$ 51,001,515	\$ 5,354,131
Accrued interest payable	1,632,040	-	1,632,040	-
Other liabilities	28,060,674	-	28,060,674	-
Due to primary government	-	-	-	7,475,000
Unearned revenue	41,096,332	-	41,096,332	75,000
Long-term liabilities:				
Due within one year:				
Bonds and notes payable	17,822,716	2,486,284	20,309,000	971,000
Claims payable	6,682,184	-	6,682,184	-
Early retirement incentives	135,148	-	135,148	-
Due in more than one year:				
Bonds and notes payable	283,202,195	28,267,155	311,469,350	9,477,000
Claims payable	725,007	-	725,007	-
Early retirement incentives	312,191	-	312,191	-
Other post-employment obligation	154,045,000	-	154,045,000	-
Net pension liability	-	-	-	188,606
Accrued closure costs	-	-	-	14,672,431
<b>Total liabilities</b>	<b>581,279,242</b>	<b>34,189,199</b>	<b>615,468,441</b>	<b>38,213,168</b>
<b>Deferred Inflows of Resources - Pension</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,989</b>
<b>Net Position</b>				
Net investment in capital assets	(65,173,815)	(20,156,636)	(85,330,451)	52,908,734
Nonspendable	1,173,055	-	1,173,055	11,781
Restricted for:				
Highways and streets	703,883	-	703,883	-
Infrastructure	62,140	-	62,140	-
Library	185,364	-	185,364	-
Community development	5,050,406	-	5,050,406	-
Title IV D program	449,953	-	449,953	-
Capital projects	19,062	-	19,062	-
Economic development	-	-	-	424,949
Solid waste	-	-	-	5,000,000
Unrestricted	74,177,108	31,321,623	105,498,731	1,125,167
<b>Total net position</b>	<b>16,647,156</b>	<b>11,164,987</b>	<b>27,812,143</b>	<b>59,470,631</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 597,926,398</b>	<b>\$ 45,354,186</b>	<b>\$ 643,280,584</b>	<b>\$ 97,754,788</b>

See notes to financial statements

**County of Delaware, Pennsylvania**

Statement of Activities

Year Ended December 31, 2015

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 139,824,286	\$ 9,451,202	\$ 49,887,534	\$ -
Judicial	48,114,691	5,284,756	21,959,319	-
Corrections	69,303,184	10,872,399	1,084,559	-
Health and human services	264,760,015	-	251,513,274	-
Highways, streets and bridges	1,741,793	-	1,102,050	398,116
Interest on long-term debt	7,669,091	-	-	-
Total governmental activities	531,413,060	25,608,357	325,546,736	398,116
Business-type activity,				
Geriatric Center	78,291,391	78,596,865	-	-
Total primary government	\$ 609,704,451	\$ 104,205,222	\$ 325,546,736	\$ 398,116
<b>Component Units</b>				
Solid Waste Authority	\$ 38,959,085	\$ 35,086,590	\$ 149,745	\$ -
Economic Development	683,611	60,433	555,457	-
Waterfront Industrial Development Authority	978,834	-	-	-
Redevelopment Authority	11,178,255	-	11,467,856	-
Total component units	\$ 51,799,785	\$ 35,147,023	\$ 12,173,058	\$ -

**General Revenues**

Property taxes  
 Gaming revenue  
 Grants and charges not restricted to specific programs  
 Other revenues (expenses)  
 Unrestricted investment earnings

Total general revenues and transfers

Change in net position

**Net Position, Beginning**

Effect of adoption of GASB 68

**Net Position, Ending**

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activity</b>	<b>Total</b>	<b>Component Units</b>
\$ (80,485,550)	\$ -	\$ (80,485,550)	
(20,870,616)	-	(20,870,616)	
(57,346,226)	-	(57,346,226)	
(13,246,741)	-	(13,246,741)	
(241,627)	-	(241,627)	
(7,669,091)	-	(7,669,091)	
(179,859,851)	-	(179,859,851)	
-	305,474	305,474	
(179,859,851)	305,474	(179,554,377)	
			\$ (3,722,750)
			(67,721)
			(978,834)
			289,601
			(4,479,704)
170,843,978	-	170,843,978	-
8,589,487	-	8,589,487	-
971,942	-	971,942	-
-	-	-	(82,450)
1,876,866	287,643	2,164,509	5,815
182,282,273	287,643	182,569,916	(76,635)
2,422,422	593,117	3,015,539	(4,556,339)
(6,297,131)	-	(6,297,131)	63,851,508
20,521,865	10,571,870	31,093,735	175,462
<u>\$ 16,647,156</u>	<u>\$ 11,164,987</u>	<u>\$ 27,812,143</u>	<u>\$ 59,470,631</u>

**County of Delaware, Pennsylvania**

Balance Sheet  
 Governmental Funds  
 December 31, 2015

	General	Capital Projects	Health & Human Service	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 39,651,603	\$ 364,656	\$ 10,810,356	\$ 2,699,228	\$ 53,525,843
Receivables:					
Taxes	9,453,016	-	-	-	9,453,016
Accounts	4,711,015	-	-	-	4,711,015
Grants	7,841,679	-	46,076,289	11,680,359	65,598,327
Notes	-	-	-	5,639,008	5,639,008
Other	128,410	-	-	-	128,410
Due from component units	2,000,000	5,475,000	-	-	7,475,000
Due from other funds	42,658,073	-	6,836,900	3,989,925	53,484,898
Other restricted assets	2,336,493	39,678,667	6,775,330	5,224,201	54,014,691
Other assets	1,173,055	-	3,849,019	30,519	5,052,593
<b>Total assets</b>	<b>\$ 109,953,344</b>	<b>\$ 45,518,323</b>	<b>\$ 74,347,894</b>	<b>\$ 29,263,240</b>	<b>\$ 259,082,801</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities:</b>					
Vouchers and accounts payable	\$ 11,274,612	\$ 458,737	\$ 32,432,394	\$ 3,400,012	\$ 47,565,755
Payroll payable	8,679,139	-	-	-	8,679,139
Payable from restricted assets	138,487	-	-	-	138,487
Due to other funds	17,261,574	11,389,590	12,740,931	4,528,548	45,920,643
Unearned revenues	1,845,287	-	24,894,227	14,356,818	41,096,332
Other liabilities	13,986,637	-	4,280,342	976,069	19,243,048
<b>Total liabilities</b>	<b>53,185,736</b>	<b>11,848,327</b>	<b>74,347,894</b>	<b>23,261,447</b>	<b>162,643,404</b>
Deferred Inflows of Resources, Unavailable revenues - taxes	7,571,982	-	-	-	7,571,982
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid items	1,173,055	-	-	-	1,173,055
Long term receivable	-	5,475,000	-	-	5,475,000
<b>Restricted for:</b>					
Highways and streets	-	-	-	703,883	703,883
Infrastructure	-	-	-	62,140	62,140
Library	-	-	-	185,364	185,364
Community development	-	-	-	5,050,406	5,050,406
Title IV D program	449,953	-	-	-	449,953
Capital projects	-	27,834,986	-	-	27,834,986
<b>Assigned to:</b>					
Capital projects	-	360,010	-	-	360,010
Debt service costs	15,000,000	-	-	-	15,000,000
Employee healthcare costs	15,000,000	-	-	-	15,000,000
Unassigned	17,572,618	-	-	-	17,572,618
<b>Total fund balances</b>	<b>49,195,626</b>	<b>33,669,996</b>	<b>-</b>	<b>6,001,793</b>	<b>88,867,415</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 109,953,344</b>	<b>\$ 45,518,323</b>	<b>\$ 74,347,894</b>	<b>\$ 29,263,240</b>	<b>\$ 259,082,801</b>



## County of Delaware, Pennsylvania

### Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position December 31, 2015

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

Total fund balance - total governmental funds (page 35)	\$ 88,867,415
Capital assets, including investment in joint venture, used in governmental activities are not financial resources and, therefore, are not reported in the funds	351,525,630
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	7,571,982
Long-term notes receivable will be collected in the future but are not available to pay for the current periods's expenditures and therefore are not recognized as revenue on the governmental fund financial statements	6,300,849
Establishment of an allowance for doubtful accounts, net of additional penalty and interest receivable on the statement of net position	(845,492)
Pension assets and liabilities are not available or due in the current period and therefore are not reported in the funds	
Net pension asset	10,047,565
Deferred outflows related to the net pension asset	10,328,497
Accrued interest payable included on the statement of net position	(1,632,040)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds	
Bonds and notes payable	(301,024,911)
Early retirement incentives	(447,339)
Other post-employment obligation	<u>(154,045,000)</u>
Net position of governmental activities (page 32)	<u>\$ 16,647,156</u>

**County of Delaware, Pennsylvania**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 Year Ended December 31, 2015

	General	Capital Projects	Health & Human Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Real estate taxes	\$ 171,997,482	\$ -	\$ -	\$ -	\$ 171,997,482
Gaming revenue	8,589,487	-	-	-	8,589,487
Licenses and permits	37,084	-	-	-	37,084
General grants	25,153,713	398,116	-	48,424,169	73,975,998
Charges for services, fines and forfeits	22,787,617	-	-	-	22,787,617
Investment earnings	489,912	107,587	-	-	597,499
Health and human service grants	-	-	246,849,168	-	246,849,168
Other	9,317,148	-	-	-	9,317,148
<b>Total revenues</b>	<b>238,372,443</b>	<b>505,703</b>	<b>246,849,168</b>	<b>48,424,169</b>	<b>534,151,483</b>
<b>Expenditures</b>					
Current:					
General government	22,617,249	-	-	-	22,617,249
Judicial	48,139,889	-	-	-	48,139,889
Corrections	66,797,819	-	-	-	66,797,819
Transportation	7,336,000	-	-	-	7,336,000
Health and human services	-	-	253,272,168	-	253,272,168
Highways, streets and bridges	-	-	-	1,550,238	1,550,238
Other	51,388,777	-	-	49,677,629	101,066,406
Debt service:					
Principal	15,066,379	-	-	-	15,066,379
Interest	7,249,190	534,553	-	-	7,783,743
Debt issuance costs	-	126,881	-	-	126,881
Capital outlay	-	8,547,739	-	-	8,547,739
<b>Total expenditures</b>	<b>218,595,303</b>	<b>9,209,173</b>	<b>253,272,168</b>	<b>51,227,867</b>	<b>532,304,511</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>19,777,140</b>	<b>(8,703,470)</b>	<b>(6,423,000)</b>	<b>(2,803,698)</b>	<b>1,846,972</b>
<b>Other Financing Sources (Uses)</b>					
Issuance of note payable	-	25,000,000	-	-	25,000,000
Transfers in	875,000	3,200,000	12,846,000	3,640,366	20,561,366
Transfers out	(13,263,366)	-	(6,423,000)	(875,000)	(20,561,366)
<b>Total other financing sources (uses)</b>	<b>(12,388,366)</b>	<b>28,200,000</b>	<b>6,423,000</b>	<b>2,765,366</b>	<b>25,000,000</b>
<b>Net Change in Fund Balances</b>	<b>7,388,774</b>	<b>19,496,530</b>	<b>-</b>	<b>(38,332)</b>	<b>26,846,972</b>
<b>Fund Balance, Beginning</b>	<b>41,806,852</b>	<b>14,173,466</b>	<b>-</b>	<b>6,040,125</b>	<b>62,020,443</b>
<b>Fund Balance, Ending</b>	<b>\$ 49,195,626</b>	<b>\$ 33,669,996</b>	<b>\$ -</b>	<b>\$ 6,001,793</b>	<b>\$ 88,867,415</b>

## 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, 2015

Amounts reported for governmental activities in the statement of activities  
(pages 33-34) are different because:

Net change in fund balances - total governmental funds (page 37)		\$ 26,846,972
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	\$ 7,466,893	
Depreciation expense	<u>(9,647,701)</u>	(2,180,808)
Governmental funds report the County's budget 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 (See Note 25)		
Investment in joint venture	8,095,000	
Amortization expense	<u>(6,344,720)</u>	1,750,280
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		(1,250,921)
Collections on long-term receivable due from the City of Chester is reported as revenue in the funds, while the collection reduces long-term receivables in the statement of net position		(146,216)
Pension expense in the statement of activities that do not consume current financial resources are not reported as expenses in the funds and changes in related deferred amounts		(145,803)
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 transactions, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Reconciling items related to long-term debt activity for the year ended December 31, 2015 are as follows:		
Issuance of note payable	(25,000,000)	
Scheduled principal payments on long-term debt made in 2015	15,066,379	
Allocation of debt to business type activity for capital assets	1,414,009	
Accretion of bond and note premiums	<u>1,110,600</u>	(7,409,012)
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.		114,652
OPEB expense in the statement of activities that do not consume current financial resources are not reported as expenses in the funds		(15,377,000)
Payments related to early retirement expense is reported as expenditures in the funds, while the payment reduces long-term liabilities in the statement of net position		122,861
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		<u>97,417</u>
Change in net position of governmental activities (pages 33-34)		<u>\$ 2,422,422</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, 2015

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues</b>				
Real estate taxes	\$ 167,919,000	\$ 167,919,000	\$ 171,997,482	\$ 4,078,482
Gaming revenue	8,700,000	8,700,000	8,589,487	(110,513)
Licenses and permits	37,000	37,000	37,084	84
General grants	29,190,000	29,190,000	25,153,713	(4,036,287)
Charges for services, fines and forfeits	23,679,000	23,679,000	22,787,617	(891,383)
Investment earnings	800,000	800,000	489,912	(310,088)
Other	7,951,000	7,951,000	9,317,148	1,366,148
Total revenues	<u>238,276,000</u>	<u>238,276,000</u>	<u>238,372,443</u>	<u>96,443</u>
<b>Expenditures</b>				
Current:				
General government	25,396,000	25,572,291	22,617,249	2,955,042
Judicial	57,478,000	57,478,000	48,139,889	9,338,111
Corrections	67,808,000	67,943,994	66,797,819	1,146,175
Transportation	7,336,000	7,336,000	7,336,000	-
Other	52,354,000	52,041,715	51,388,777	652,938
Debt service:				
Principal	17,518,000	17,518,000	15,066,379	2,451,621
Interest	9,818,000	9,818,000	7,249,190	2,568,810
Total debt service	<u>27,336,000</u>	<u>27,336,000</u>	<u>22,315,569</u>	<u>5,020,431</u>
Total expenditures	<u>237,708,000</u>	<u>237,708,000</u>	<u>218,595,303</u>	<u>19,112,697</u>
<b>Excess of Revenues Over Expenditures</b>	<u>568,000</u>	<u>568,000</u>	<u>19,777,140</u>	<u>19,209,140</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	6,788,000	6,788,000	875,000	(5,913,000)
Transfers out	(12,540,000)	(12,540,000)	(13,263,366)	(723,366)
Total other financing uses, net	<u>(5,752,000)</u>	<u>(5,752,000)</u>	<u>(12,388,366)</u>	<u>(6,636,366)</u>
<b>Net Change in Fund Balance</b>	<u>(5,184,000)</u>	<u>(5,184,000)</u>	<u>7,388,774</u>	<u>12,572,774</u>
<b>Fund Balance, Beginning</b>	<u>32,669,000</u>	<u>32,669,000</u>	<u>41,806,852</u>	<u>9,137,852</u>
<b>Fund Balance, Ending</b>	<u>\$ 27,485,000</u>	<u>\$ 27,485,000</u>	<u>\$ 49,195,626</u>	<u>\$ 21,710,626</u>

See notes to financial statements

**County of Delaware, Pennsylvania**

Statement of Net Position

Proprietary Funds

December 31, 2015

	<b>Business-Type Activity Geriatric Care</b>	<b>Governmental Activities- Internal Service Fund</b>
<b>Assets and Deferred Outflows</b>		
Current assets:		
Cash and cash equivalents	\$ 3,414,340	\$ 3,751,857
Accounts receivable, net	28,993,668	-
Due from other funds	-	6,434,676
Other restricted assets	809,386	-
Prepaid expense and other assets	720	2,262,099
Total current assets	<u>33,218,114</u>	<u>12,448,632</u>
Noncurrent assets:		
Capital assets:		
Buildings and improvements	52,616,307	-
Equipment	38,084,066	-
Total capital assets	90,700,373	-
Less accumulated depreciation	<u>(80,103,570)</u>	<u>-</u>
Total capital assets	10,596,803	-
Net pension asset	5,176,018	-
Total noncurrent assets	<u>15,772,821</u>	<u>-</u>
<b>Deferred Outflows of Resources - Pension</b>	<u>5,320,741</u>	<u>-</u>
Total assets and deferred outflow	<u>\$ 54,311,676</u>	<u>\$ 12,448,632</u>
<b>Liabilities</b>		
Current liabilities:		
Vouchers and accounts payable	\$ 3,435,760	\$ -
Due to other funds	8,957,490	5,041,441
Claims payable	-	6,682,184
General obligation bonds and notes - current	2,486,284	-
Total current liabilities	<u>14,879,534</u>	<u>11,723,625</u>
Noncurrent liabilities:		
General obligation bonds and notes payable	28,267,155	-
Claims payable	-	725,007
Total noncurrent liabilities	<u>28,267,155</u>	<u>725,007</u>
Total liabilities	<u>43,146,689</u>	<u>12,448,632</u>
<b>Net Position</b>		
Net investment in capital assets	(20,156,636)	-
Unrestricted	<u>31,321,623</u>	<u>-</u>
Total net position	<u>11,164,987</u>	<u>-</u>
Total liabilities and net position	<u>\$ 54,311,676</u>	<u>\$ 12,448,632</u>

**County of Delaware, Pennsylvania**

## Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

Year Ended December 31, 2015

	<b>Business-Type Activity Geriatric Care</b>	<b>Governmental Activities- Internal Service Fund</b>
<b>Operating Revenues</b>		
Charges for services	\$ 78,596,865	\$ 53,801,866
<b>Operating Expenses</b>		
Administration	12,141,662	106,263
Operation, maintenance, and housekeeping	10,817,702	-
Nursing	21,602,750	-
Dietary	7,462,121	-
Medical and physical therapy	6,118,688	-
Employee benefits	16,422,723	-
Insurance claims	-	53,695,969
Depreciation	2,013,877	-
Total operating expenses	76,579,523	53,802,232
<b>Operating Income (Loss)</b>	2,017,342	(366)
<b>Nonoperating Revenues (Expenses)</b>		
Investment earnings	256	366
Miscellaneous (expenses) revenues	287,387	-
Interest expense	(1,711,868)	-
Total nonoperating (expenses) revenues	(1,424,225)	366
<b>Change in Net Position</b>	593,117	-
<b>Net Position, Beginning</b>	-	-
Effect of adoption of GASB 68	10,571,870	-
<b>Net Position, Ending</b>	\$ 11,164,987	\$ -

See notes to financial statements

**County of Delaware, Pennsylvania**

## Statement of Cash Flows

## Proprietary Funds

Year Ended December 31, 2015

	<b>Business-Type Activity Geriatric Care</b>	<b>Governmental Activities- Internal Service Fund</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers and users	\$ 69,370,110	\$ 51,977,692
Payments to suppliers	(24,627,654)	(52,201,398)
Payments to employees for services	(40,799,490)	-
	<u>3,942,966</u>	<u>(223,706)</u>
Net cash provided by (used in) operating activities		
	<u>3,942,966</u>	<u>(223,706)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Principal paid on capital debt	(2,451,621)	-
Proceeds of debt for purchase of capital assets	1,414,009	-
Interest paid on capital debt	(1,711,868)	-
Acquisitions of capital assets	(1,414,009)	-
	<u>(4,163,489)</u>	<u>-</u>
Net cash used in capital and related financing activities		
	<u>(4,163,489)</u>	<u>-</u>
<b>Cash Flows Provided By Investing Activities</b>		
Interest received	256	366
	<u>256</u>	<u>366</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(220,267)	(223,340)
<b>Cash and Cash Equivalents, Beginning</b>	3,634,607	3,975,197
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 3,414,340</u>	<u>\$ 3,751,857</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>		
Operating income (loss)	\$ 2,017,342	\$ (366)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	2,013,877	-
Increase in accounts receivable	(12,737,667)	-
Decrease (increase) in prepaid expense and other assets	9,684	(348,665)
Decrease in net pension asset	75,111	-
Increase (decrease) in due to other funds	15,179,087	(1,824,174)
Increase in vouchers and accounts payable	(538,918)	-
Decrease in unearned revenue	(2,075,550)	-
Decrease in claims payable	-	1,949,499
	<u>1,925,624</u>	<u>(223,340)</u>
Total adjustments		
	<u>1,925,624</u>	<u>(223,340)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ 3,942,966</u>	<u>\$ (223,706)</u>

## County of Delaware, Pennsylvania

### Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2015

	<b>Pension Trust Fund</b>	<b>Deshong Private-Purpose Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 12,907,025	\$ 75,722
Interest receivable	862,230	-
Investments, at fair value:		
U.S. government securities	50,865,508	-
Corporate bonds	35,421,234	-
Common and preferred stocks and stock funds	316,403,382	-
Guaranteed investment contracts	28,429,868	-
Other fixed income securities	4,499,489	-
Total investments	<u>435,619,481</u>	<u>-</u>
Total assets	449,388,736	75,722
<b>Liabilities</b>		
Accounts payable and other liabilities	<u>489,606</u>	<u>279</u>
<b>Net Position</b>		
Net position restricted for pensions and other	<u>\$ 448,899,130</u>	<u>\$ 75,443</u>

See notes to financial statements



## County of Delaware, Pennsylvania

### Statement of Changes in Fiduciary Net Position

#### Fiduciary Funds

Year Ended December 31, 2015

	<b>Pension Trust Fund</b>	<b>Deshong Private-Purpose Trust Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Additions</b>		
Contributions:		
Plan members	\$ 10,301,611	\$ -
County	3,987,098	-
	<u>                    </u>	<u>                    </u>
Total contributions	14,288,709	-
	<u>                    </u>	<u>                    </u>
Investment earnings:		
Interest and dividends	10,234,811	5
Net depreciation in fair value of investments	(13,701,352)	-
Less investment expense	(1,332,662)	-
	<u>                    </u>	<u>                    </u>
Net investment (loss) gain	(4,799,203)	5
	<u>                    </u>	<u>                    </u>
Total additions	9,489,506	5
	<u>                    </u>	<u>                    </u>
<b>Deductions</b>		
Death benefits	1,202,286	-
Refunds of contributions	2,482,435	-
Administrative expenses	48,803	24,306
Retirement allowance	20,233,177	-
	<u>                    </u>	<u>                    </u>
Total deductions	23,966,701	24,306
	<u>                    </u>	<u>                    </u>
<b>Net Decrease in Net Position</b>	(14,477,195)	(24,301)
<b>Net Position, Restricted for Pensions and Other, Beginning</b>	463,376,325	99,744
	<u>                    </u>	<u>                    </u>
<b>Net Position, Restricted for Pensions and Other, Ending</b>	<u>\$ 448,899,130</u>	<u>\$ 75,443</u>

See notes to financial statements

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

## 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 as applied to governmental entities. The following notes to the financial statements are an integral part of the County's financial statements.

### Financial Reporting Entity

The County was established under the laws of the Commonwealth of Pennsylvania in 1789 and operates under a Home Rule Charter form of government. As required by accounting principles generally accepted in the United States of America, 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 discretely presented component units. Component units are legally separate organizations with which the County has a significant operational or financial relationship.

### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements except for interfund services provided and used which are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

## Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

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

The County reports two proprietary funds:

The Enterprise 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 Enterprise Fund is such that the determination of net income on a periodic basis is an important consideration and, as such, all operating expenses, including depreciation, are recorded.

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

# County of Delaware, Pennsylvania

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## Notes to Financial Statements

December 31, 2015

The County's Fiduciary Fund accounts for the Pension Trust Fund and the Deshong Trust Fund.

The Pension Trust Fund is maintained to account for assets held by the County in a trustee capacity for individuals currently or previously employed by the County. The County's Pension Trust Fund reports using the economic resources measurement focus.

Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

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

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

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

### **Budgetary Accounting Control**

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

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

### **Cash Equivalents**

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

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

## Investments

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

## Receivables and Payables

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is calculated based on collection history and was \$845,492 at December 31, 2015.

## 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, 2015, appropriate interfund receivables or payables have been established.

## Restricted Assets

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

## Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

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.

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

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

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

## 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 February 15, following the year earned. Sick leave is earned by employees on a monthly basis and may be accumulated up to a maximum of 180 days. 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.

## Unearned Revenue

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

Grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at December 31, 2015, are recorded as unearned revenue on the governmental fund financial statements.

## Deferred Outflows/Inflows of Resources

In addition to assets, the County will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports the unamortized balance of differences in expected and actual experience related to the net pension asset and the contributions made subsequent to the measurement date as deferred outflow of resources.

In addition to liabilities, the County will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes which are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the County reports a component unit's unamortized balance of differences in expected and actual experience related to the net pension liability as deferred inflows of resources.

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

## Long-Term Obligations

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

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

## Fund Balances

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

The County reports the following classifications for governmental fund balances:

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

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

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

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

## County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

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

Unassigned Fund Balance - Unassigned fund balance is the residual classification for the General Fund. This classification represents General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

### **Net Position**

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

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

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

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

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

### **Use of Estimates**

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



## Accounting Standards Update

The County adopted Government Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. GASB No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The County implemented the accounting and reporting requirements of GASB 68 as of January 1, 2015. The effect of this adoption increased the Authority’s net position at January 1, 2015 by \$31,093,735 for the recording of the County’s net pension asset, and expanded note disclosures and required supplementary information.

## 2. Reporting Entity

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

### Discretely Presented Component Units

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

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

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

## County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

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

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

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

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

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, 2015</b>					
	<b>Solid Waste Authority</b>	<b>Economic Development Oversight Board</b>	<b>Waterfront Industrial Development Authority</b>	<b>Redevelop- ment Authority</b>	<b>Totals</b>
<b>Assets:</b>					
Current assets	\$ 15,923,424	\$ 1,227,386	\$ 61,483	\$ 4,692,204	\$ 21,904,497
Long-term assets	11,067,181	-	-	-	11,067,181
Capital assets, net	<u>39,015,450</u>	<u>-</u>	<u>24,341,284</u>	<u>1,024,199</u>	<u>64,380,933</u>
Total assets	66,006,055	1,227,386	24,402,767	5,716,403	97,352,611
Deferred outflows of resources	<u>402,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>402,177</u>
Total	<u>\$ 66,408,232</u>	<u>\$ 1,227,386</u>	<u>\$ 24,402,767</u>	<u>\$ 5,716,403</u>	<u>\$ 97,754,788</u>
<b>Liabilities:</b>					
Current liabilities	\$ 6,119,746	\$ 99,523	\$ -	\$ 180,862	\$ 6,400,131
Long-term liabilities	24,338,037	-	-	-	24,338,037
Due to primary government	<u>7,475,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,475,000</u>
Total liabilities	37,932,783	99,523	-	180,862	38,213,168
Deferred inflows of resources	<u>70,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,989</u>
<b>Net position:</b>					
Net investment in capital assets	28,567,450	-	24,341,284	-	52,908,734
Nonspendable	-	11,781	-	-	11,781
Restricted	5,000,000	424,949	-	-	5,424,949
Unrestricted	<u>(5,162,990)</u>	<u>691,133</u>	<u>61,483</u>	<u>5,535,541</u>	<u>1,125,167</u>
Total net position	<u>28,404,460</u>	<u>1,127,863</u>	<u>24,402,767</u>	<u>5,535,541</u>	<u>59,470,631</u>
Total	<u>\$ 66,408,232</u>	<u>\$ 1,227,386</u>	<u>\$ 24,402,767</u>	<u>\$ 5,716,403</u>	<u>\$ 97,754,788</u>

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

### Condensed Statement of Activities For the Year Ended December 31, 2015

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelop- ment Authority	Totals
Program revenues:					
Charges for services	\$ 35,086,590	\$ 60,433	\$ -	\$ -	\$ 35,147,023
Operating grants and contributions	149,745	555,457	-	11,467,856	12,173,058
Total	35,236,335	615,890	-	11,467,856	47,320,081
Expenses:					
Operating expenses	34,779,088	683,611	-	11,178,255	46,640,954
Depreciation and depletion	4,179,997	-	978,834	-	5,158,831
Total	38,959,085	683,611	978,834	11,178,255	51,799,785
Net expense	(3,722,750)	(67,721)	(978,834)	289,601	(4,479,704)
General revenues	(140,805)	59,889	3	4,278	(76,635)
Change in net position	(3,863,555)	(7,832)	(978,831)	293,879	(4,556,339)
Net position, beginning	32,092,553	1,135,695	25,381,598	5,241,662	63,851,508
Effect of adoption of GASB 68	175,462	-	-	-	175,462
Net position, ending	<u>\$ 28,404,460</u>	<u>\$ 1,127,863</u>	<u>\$ 24,402,767</u>	<u>\$ 5,535,541</u>	<u>\$ 59,470,631</u>

### Related Organizations

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

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

**3. Component Units - Summary of Significant Accounting Policies**

**Solid Waste Authority**

**Basis of Accounting**

The management 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.

**Landfill Site/Depletion**

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

**Closure and Post Closure Costs**

Municipal landfill owners and operators are required to incur costs to provide for protection of the environment both during the period of the landfill operation and during the post closure period. These costs are estimated annually and current cost is adjusted for changes in landfill capacity, operating conditions and increases or decreases in estimated costs. Closure and post closure costs include equipment installed and facilities constructed near or after the date of acceptance of solid waste, cost of the final capping, and the cost of monitoring and maintaining the area during the post closure period. The DCSWA has established an account to accumulate the anticipated cost of closure and post closure based on usage of the landfill. An amount is charged annually to operations to recognize the current cost and resultant liability based on landfill capacity used to date. The estimate of closure and post closure costs were determined taking into account capping, revegetation, maintenance, leachate treatment, water quality monitoring, and gas control. In determining the closure and post closure costs, an inflation rate was utilized at the rate of 4.967%, plus administrative fees of 10% and \$1,228,816 contingency charge that would anticipate covering unexpected changes in technology, inflation, or applicable laws and regulations.

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

## **County of Delaware, Pennsylvania**

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Notes to Financial Statements

December 31, 2015

The DEP raised the bonding requirement to the amount of \$20,714,788 which was met and is being maintained. In 2014 the DEP released restricted assets and the letter of credit in exchange for DCSWA obtaining a surety bond amounting to \$20,390,083 for post closure costs. Terms of the surety bond require DCSWA to deposit \$5,000,000 in cash collateral to be held in an interest bearing account by the Surety Company. This amount is reflected as restricted cash on the statement of net position.

Accrued closure and post closure costs, as reflected on the statement of net position, totaled \$14,672,431 and \$401,520 was charged against income in 2015. The estimated closure and post closure costs total \$20,714,788, comprised of \$4,869,201 of closure costs and \$15,845,587 of post closure costs. At December 31, 2015, there remains \$6,042,357 in closure and post closure costs to be recognized in excess of the Act 101 requirements previously mentioned.

### **Inventory**

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

### **Restricted Net Position**

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

### **Capital Assets**

Capital assets are recorded at historical cost. For those assets considered by management to be obsolete, a change in accounting estimate was made to reflect proper depreciation amounts. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets, which range from two to thirty-seven years. No depreciation is taken beyond the anticipated life of the landfill. The DCSWA capitalizes assets in excess of \$2,000.

### **Convanta Delaware Valley, LP - Revenue and Expense**

The DCSWA has assumed from the County, the right, title, and interest in a service agreement with Covanta Delaware Valley, LP ("Covanta"). The County, through DCSWA, is obligated to deliver County waste to the Covanta facility for each billing year of twelve consecutive months guaranteed tonnage of 303,375 tons. Covanta is required, in turn, to pay the DCSWA, landfill host community fees for process residue resulting from the processing of the 303,375 tons of County waste at its facility. Further, Covanta pays to the DCSWA disposal fees for non-County waste. During 2015, DCSWA paid to Covanta \$12,011,779, which included insurance costs, for its County waste deliveries. Covanta paid to the Authority \$6,471,181 in residue charges.

### **Concentrations**

The DCSWA derived 18% of its operating revenue from Covanta.

## Waterfront Industrial Development Authority

### Property

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 and are invested in accordance with the appointed Employee's Retirement Board's (the "Board") investment policy. The policy authorizes the County to invest in cash equivalents which consist of treasury bills, money market funds, commercial paper, certificates of deposit, common trust funds, mutual funds, and fixed income securities which consist of U.S. government and agency securities, collateralized mortgage obligations, mortgage-backed pass-throughs, nontaxable corporate bonds, asset-backed securities, and GNMA pass-through securities.

In defining the objectives of the Retirement 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 Retirement 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 Retirement 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, 2015

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 or 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.



# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

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.

Deposits are comprised of demand deposit accounts with financial institutions. At December 31, 2015, cash on hand was \$8,957. At December 31, 2015, the carrying amount of deposits and the bank balance was \$128,489,907 and \$138,955,095, respectively. The differences were caused primarily by items in transit.

### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. Commonwealth of Pennsylvania Act 72 of 1971 ("Act 72"), as amended, allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments. At December 31, 2015, \$750,000 of the County's bank balance was insured by the Federal Deposit Insurance Corporation ("FDIC"). The remaining balance of \$138,205,095 is fully collateralized by securities pledged and held by the financial institution in accordance with Act 72, as indicated above. At December 31, 2015 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	\$ 138,205,095
--------------------------------------------------------------------------------------------	----------------

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, 2015, the County's total investments, excluding its investment in joint venture, of \$435,619,481 were exposed to custodial credit risk, since the investments were uninsured securities held by its custodian, but not in the County's name.

### Interest Rate Risk

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

### Foreign Currency Risk

Foreign currency risk is the risk that changes in the foreign exchange rates will adversely affect the fair value of an investment. The Board's policy allows 20 percent of the portfolio be invested in developed international markets. On December 31, 2015, the international equity fund represented approximately 17.6% of the total portfolio.

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

The following is the carrying value (fair value) of deposits and investments at December 31, 2015:

	S&P Rating (1)(2)	Duration (Range) (1)	Fair Value
Cash and cash equivalents	N/A	N/A	\$ 128,498,864
Investments:			
Stocks	N/A	N/A	316,403,383
Guaranteed investment contracts	N/A	N/A	25,266,101
Annuity	N/A	N/A	3,163,767
U.S. government and agencies	AAA	0-4.44	44,374,153
	AA+	12.0-18.15	3,154,404
	N/A	1.36-6.49	3,336,951
Mortgage-backed pass-throughs	AA+	0.73-3.57	140,837
Corporate bonds	A-	0.26-8.26	4,939,134
	AA-	0.30-5.94	2,241,865
	A	0.87-7.29	6,170,209
	BBB+	0.15-6.99	9,793,182
	A+	1.71-15.86	892,219
	BBB	0.40-5.78	4,963,605
	AAA	2.60-8.34	684,685
	AA	1.60-16.18	1,649,034
	AA+	0.85-8.32	2,096,739
	BBB-	0.32-6.54	1,990,562
Asset-backed securities	A-	2.54	59,896
	A+	3.13	70,085
	AAA	2.62	120,372
	BBB	3.13-5.06	214,484
	BBB+	3.10	259,938
	NR	NR	101,823
	N/A	2.67-3.2	527,477
Municipal bonds	A+	2.10-3.01	231,191
	AA	0.80-4.50	754,333
	AA-	0.30-5.40	694,567
	AA+	0.50-16.71	192,752
	AAA	1.50-1.60	652,668
	NR	0.50-1.50	206,114
	N/A	2.90	272,951
			<u>435,619,481</u>
Total investments			<u>\$ 564,118,345</u>
Total			

(1) N/A - not applicable

(2) N/R - not rated

## **County of Delaware, Pennsylvania**

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Notes to Financial Statements

December 31, 2015

### **5. Component Units - Deposits and Investments**

#### **Solid Waste Authority**

On December 31, 2015, the DCSWA held \$9,368,297 in unrestricted cash and cash equivalents.

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

DCSWA holds a surety bond. The bond requires a cash collateral deposit of \$5,000,000 which is included in restricted cash as of December 31, 2015. Per terms of the surety bond, the collateral deposit is protected from custodial credit risk.

#### **Economic Development Oversight Board**

On December 31, 2015, the total carrying amount of EDOB's checking and savings deposits was \$568,778 and the corresponding bank balance was \$581,070.

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

#### **Chester Waterfront Industrial Development Authority**

On December 31, 2015, the IDA held \$61,483 in cash and cash equivalents and a corresponding bank balance of \$61,483.

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

#### **Redevelopment Authority**

On December 31, 2015, the total carrying amount of RDA's checking, savings and escrow deposits was \$4,296,737 and the corresponding bank balance was \$4,297,237.

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

# County of Delaware, Pennsylvania

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Notes to Financial Statements  
December 31, 2015

## 6. 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 and 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 \$845,492 as of December 31, 2015 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, 2015, the millage rate was 5.604.

## 7. Other Receivables

Other receivables of \$6,429,259 in the governmental activities consist of amounts due from the City of Chester of \$6,300,849 (Note 26) and various other receivables of \$128,410.

## 8. Accounts and Grants Receivable, Net

Accounts receivable, net of \$28,993,668 in the business-type activity consists of amounts due from the Commonwealth of Pennsylvania Department of Public Welfare Medical Assistance of \$21,096,013; Private Pay Patients of \$6,667,991; Medicare Part A and B of \$2,366,217 and other patient-related receivables of \$1,316,301. The accounts receivable allowance for uncollectibles is calculated based on historical data and currently known facts and was \$2,452,854 at December 31, 2015.

Accounts receivable, net of \$4,711,015 in the governmental activities consists of amounts due from the Commonwealth of Pennsylvania and Harrah's Chester for gaming revenue of \$1,767,468 and various miscellaneous receivables of \$2,943,547.

Grants receivable, net of \$65,598,327 in the governmental activities consists of amounts due from Federal agencies and the Commonwealth of Pennsylvania.

## 9. 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, 2015 are represented by receivables in the amount of \$3,605,730, net of an allowance for doubtful accounts of \$69,843. 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, 2015 totaled \$1,449,509. No allowance has been established for the landfill hauler fees since all were anticipated to have been collected.

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

### 10. 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, 2015, restricted cash and cash equivalents are held for the following:

#### Primary government:

District Attorney Escrow Funds representing monies confiscated from arrested individuals, who 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	5,224,201
Workers’ Compensation Escrow Funds are to be utilized for payment of major workers’ compensation claims	2,074,800
Emergency Communications Escrow Funds to be utilized for payment of maintenance agreements related to 911 global positioning system equipment in the capital project fund	1,384
Capital Project Funds to be utilized for various capital improvement projects as defined in the corresponding note agreements	39,659,605
Capital Project Funds to be utilized for Help America Vote Act Program	17,678
Health and Human Service Funds to be utilized for Health Choices reinvestment plans	6,775,330
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; they are classified as other restricted assets on the proprietary funds statement of net position	<u>809,386</u>
Total	<u>\$ 54,824,077</u>

#### Component units:

Delaware County Solid Waste Authority deposited funds with an escrow agent to be used for the payment of closure and post closure care costs	\$ 5,000,000
Delaware County Economic Development Oversight Board maintains restricted cash related to Community Development Block Grant revolving loan fund requirements	<u>323,067</u>
Total	<u>\$ 5,323,067</u>

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

### 11. Capital Assets

A summary of changes in capital assets follows:

	January 1, 2015	Additions	Reclassifi- cations/ Disposals	December 31, 2015
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,658,759	\$ -	\$ -	\$ 5,658,759
Construction in progress	8,799,084	-	(8,799,084)	-
Total capital assets not being depreciated	<u>14,457,843</u>	<u>-</u>	<u>(8,799,084)</u>	<u>5,658,759</u>
Capital assets being depreciated:				
Land improvements	15,071,224	2,012,400	-	17,083,624
Buildings and improvements	228,757,339	988,238	1,623,760	231,369,337
Equipment	96,055,427	3,990,696	87,377	100,133,500
Infrastructure	8,796,863	475,559	6,772,817	16,045,239
Total capital assets being depreciated	<u>348,680,853</u>	<u>7,466,893</u>	<u>8,483,954</u>	<u>364,631,700</u>
Less accumulated depreciation for:				
Land improvements	10,154,943	704,527	-	10,859,470
Buildings and improvements	107,552,326	5,046,523	-	112,598,849
Equipment	71,579,984	3,705,096	(315,130)	74,969,950
Infrastructure	4,141,888	191,555	-	4,333,443
Total accumulated depreciation	<u>193,429,141</u>	<u>9,647,701</u>	<u>(315,130)</u>	<u>202,761,712</u>
Total capital assets being depreciated, net	<u>155,251,712</u>	<u>(2,180,808)</u>	<u>8,799,084</u>	<u>161,869,988</u>
Governmental activities, capital assets, net	<u>\$ 169,709,555</u>	<u>\$ (2,180,808)</u>	<u>\$ -</u>	<u>\$ 167,528,747</u>

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

	January 1, 2015	Additions	Reclassifi- cations/ Disposals	December 31, 2015
Business-type activity, Geriatric Center:				
Capital assets being depreciated:				
Buildings and improvements	\$ 51,622,094	\$ 1,075,742	\$ -	\$ 52,697,836
Equipment	37,675,397	348,784	(19,751)	38,004,430
Total capital assets being depreciated	89,297,491	1,424,526	(19,751)	90,702,266
Less accumulated depreciation for:				
Buildings and improvements	42,904,466	1,077,814	-	43,982,280
Equipment	35,196,354	946,580	(19,751)	36,123,183
Total accumulated depreciation	78,100,820	2,024,394	(19,751)	80,105,463
Total capital assets being depreciated, net	11,196,671	(599,868)	-	10,596,803
Business-type activity, capital assets, net	\$ 11,196,671	\$ (599,868)	\$ -	\$ 10,596,803

Depreciation expense was charged to governmental activities as follows:

General government	\$ 6,514,155
Corrections	2,424,627
Public ways and facilities, including depreciation of general infrastructure assets	191,555
Health and human service	238,663
Recreation	274,312
Other	4,389
Total	\$ 9,647,701

The following is a summary of capital assets by source:

December 31, 1983 and prior	\$ 69,440,986
General obligation bonds	270,160,900
General fund	6,640,761
State grants	17,855,652
Restricted 911 special revenue	6,192,180
Total	\$ 370,290,479

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

### 12. Component Units - Capital Assets

The capital asset activity for the DCSWA for the year ended December 31, 2015 was as follows:

	January 1, 2015	Additions	Reclassifi- cations/ Disposals	December 31, 2015
Capital assets not being depreciated,				
Land	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000
Construction in progress	1,639,255	85,775	-	1,725,030
Total capital assets not being depreciated	8,639,255	85,775	-	8,725,030
Capital assets being depreciated or depleted:				
Landfill	51,135,989	-	-	51,135,989
Machinery and equipment	10,298,600	576,577	-	10,875,177
Buildings and structures	13,440,028	86,463	-	13,526,491
Pad construction	71,155,310	1,188,827	-	72,344,137
Total capital assets being depreciated	146,029,927	1,851,867	-	147,881,794
Less accumulated depreciation and depletion for:				
Landfill	47,586,659	359,438	-	47,946,097
Machinery and equipment	9,539,352	189,946	-	9,729,298
Buildings and structures	10,313,128	577,364	-	10,890,492
Pad construction	46,041,151	2,984,337	-	49,025,488
Total accumulated depreciation and depletion	113,480,290	4,111,085	-	117,591,375
Total capital assets being depreciated or depleted, net	32,549,637	(2,259,218)	-	30,290,419
Capital assets, net	\$ 41,188,892	\$ (2,173,443)	\$ -	\$ 39,015,449



## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

The capital asset activity for the IDA for the year ended December 31, 2015 was as follows:

	January 1, 2015	Additions	Reclassifi- cations/ Disposals	December 31, 2015
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	4,894,168	978,834	-	5,873,002
Total capital assets being depreciated, net	24,470,832	(978,834)	-	23,491,998
Capital assets, net	<u>\$ 25,320,118</u>	<u>\$ (978,834)</u>	<u>\$ -</u>	<u>\$ 24,341,284</u>

### 13. Employees' Retirement Plan

#### Plan Description and Administration

The Delaware County Employees' Pension Plan (the "Plan") is a single-employer defined benefit pension plan that covers all employees of the County. The 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 plan is governed by the Delaware County Employees' Retirement System Trust, Amended and Restated Effective January 1, 2011 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 December 31, 2014, the measurement date, members of the plan was as follows:

Inactive plan members currently receiving benefits	1,449
Inactive plan members entitled to benefits but not yet receiving them	208
Current employees	<u>3,215</u>
Total membership	<u>4,872</u>
Number of participating employers	<u>1</u>

# County of Delaware, Pennsylvania

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Notes to Financial Statements

December 31, 2015

## Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the number's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of the highest average salary at time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest. On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index. Benefits are determined by the 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 a portion of their salaries (7.0% of earnings in 2014) to the Plan and employees can elect to contribute up to 17% of their salaries. Per Act 96 of 1971, contribution requirements of the 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 Plan are financed through investment earnings.

The 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 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 2015, the annual contribution by the County was \$3,987,098 based on the January 1, 2015 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses) compounded annually, (b) projected salary increases of 3.5% per year, and (c) cost-of-living adjustments provided at the discretion of the Delaware County Employees' Retirement Board. Both (a) and (b) included an inflation component of 3.0%. The greater of the market value of assets as of the valuation date and the actuarial value of assets as of the prior valuation date plus contributions and other deposits except investment income minus benefit payments and administrative expenses or other payments plus credited interest at 1% less than the plans' assumed rate to the valuation date. The actuarial value of assets will be limited to a maximum of 120% and a minimum of 80% of the market value of assets as of the valuation date.

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

## Deposits and Investments

The 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 2014 measurement period.

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40-50 %	5.4-6.4 %
International equity	15-25	5.5-6.5
Fixed income	25-35	1.3-3.3
Real estate	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 2014 measurement period are summarized in the above table.

## Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of Pension Fund investment expense, was 6.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## Net Pension Asset

The components of the net pension asset of the Plan as of December 31, 2014 were as follows:

Total pension liability	\$ 448,152,742
Plan fiduciary net position	<u>463,376,325</u>
Plan net pension asset	<u>\$ (15,223,583)</u>
Plan fiduciary net position as a percentage of total pension asset	<u>103.40%</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

### Changes in the Net Pension Asset

The changes in the County's net pension asset during the year ended December 31, 2014 are as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balances at January 1, 2014	\$ 432,629,544	\$ 447,902,076	\$ (15,272,532)
Changes for the year:			
Service cost	4,767,962	-	4,767,962
Interest cost	31,874,452	-	31,874,452
Difference between expected and actual experience	4,147,176		4,147,176
Contributions – employer	-	4,159,063	(4,159,063)
Contributions – plan member	-	10,929,265	(10,929,265)
Net investment income	-	25,701,117	(25,701,117)
Benefit payments, including refunds	(25,266,392)	(25,266,392)	-
Administrative expense	-	(48,804)	48,804
Net changes	15,523,198	15,474,249	48,949
Balances at December 31, 2014	<u>\$ 448,152,742</u>	<u>\$ 463,376,325</u>	<u>\$ (15,223,583)</u>

The schedule of changes in the employer's net pension 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 Plan.

### Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2014 using the following actuarial methods and assumptions:

Actuarial valuation date	December 31, 2014
Actuarial cost method	Entry-age normal
Actuarial assumptions:	
Projected salary increases	3.5%
Inflation	3.0%
Interest rate	7.5%
Cost-of-living adjustments	0.0%
Asset valuation method	Fair-Market Value

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement. The actuarial assumptions used in the valuation for the 2014 measurement period were based on past experience under the plan and reasonable future expectations which represent the actuary's best estimate of anticipated experience under the plan.

# County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2015

## Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.5%. 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 (asset) liability of the Plan calculated using the discount rate of 7.5% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.5%)</u>
Net pension liability (asset)	\$ 19,447,836	\$ (15,223,583)	\$ (44,135,357)

## Pension Expense and Deferred Outflows of Resources

For the year ended December 31, 2015, the County recognized pension expense of \$4,159,063. At December 31, 2015, the County reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Difference between expected and actual experience	\$ 4,147,176
Net difference between projected and actual earnings on plan investments	7,514,964
Contributions subsequent to the measurement date	<u>3,987,098</u>
Total	<u>\$ 15,649,238</u>

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

Year ended December 31:	
2016	\$ 6,043,048
2017	2,055,950
2018	2,055,950
2019	2,055,950
2020	2,055,949
Thereafter	1,382,391

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

## 14. Long-Term Liabilities

### Primary Government

The following is a summary of changes in noncurrent liabilities of the County for the year ended December 31, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities:					
Liability for general obligation debt	\$ 293,615,899	\$ 23,585,991	\$ (16,176,979)	\$ 301,024,911	\$ 17,822,716
Liability for claims payable	5,373,332	53,802,230	(51,768,371)	7,407,191	6,682,184
Liability for early retirement incentive	1,021,924	-	(574,858)	447,339	135,148
Liability for OPEB obligation	138,668,000	27,172,000	(11,795,000)	154,045,000	-
Governmental activity, Long-term liabilities	<u>\$ 438,679,155</u>	<u>\$ 104,560,221</u>	<u>\$ (80,315,208)</u>	<u>\$ 462,924,441</u>	<u>\$ 24,640,048</u>
Business-type activity, Liability for general obligation debt	<u>\$ 31,791,051</u>	<u>\$ 1,414,009</u>	<u>\$ (2,451,621)</u>	<u>\$ 30,753,439</u>	<u>\$ 2,486,284</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, Health and Human Services, 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, 2015:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Liability for note payable	\$ 1,600,000	\$ -	\$ 500,000	\$ 1,100,000	\$ 500,000
Liability for revenue notes payable	9,805,000	-	457,000	9,348,000	471,000
Liability for accrued closure costs	14,270,911	401,520	-	14,672,431	-
Long-term liabilities	<u>\$ 25,675,911</u>	<u>\$ 401,520</u>	<u>\$ 957,000</u>	<u>\$ 25,120,431</u>	<u>\$ 971,000</u>

## County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

### 15. General Obligation Debt

The following are summaries of changes in general obligation debt, by type, for the year ended December 31, 2015:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Outstanding at the beginning of the year	\$ 293,615,899	\$ 31,791,051	\$ 325,406,950
Issuance of debt	25,000,000	-	25,000,000
Accretion of bond premiums	(1,110,600)	-	(1,110,600)
Allocation of debt for capital assets	(1,414,009)	1,414,009	-
Retirements and repayments	<u>(15,066,379)</u>	<u>(2,451,621)</u>	<u>(17,518,000)</u>
Outstanding at end of year	<u>\$ 301,024,911</u>	<u>\$ 30,753,439</u>	<u>\$ 331,778,350</u>

Total balance includes the premiums of \$4,697,350. Actual debt outstanding was \$327,081,000 at December 31, 2015.

The outstanding balance at December 31, 2015 related to governmental activities of \$301,024,911 includes \$7,292,218 of debt used to fund the capital assets of SEPTA. The following summarizes general obligation debt, by type, outstanding at December 31, 2015:

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Serial bonds and notes	\$ 296,327,561	\$ 30,753,439	\$ 327,081,000

# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

A summary of general obligation debt outstanding at December 31, 2015 is as follows:

Year of Issue/ Final Maturity	Amount of Original Issue	Purpose	Outstanding at December 31, 2015	Current Portion
1997/2022	\$ 50,000,000	Fund SEPTA projects, building and park improvements, construction of a prison, and various other County projects	\$ 23,059,000	\$ 2,498,000
2002/2022	61,524,000	Refinance the 1999 notes used to fund SEPTA projects and various other County projects	12,220,000	-
2005/2021	69,425,000	Refinance the 1995 bonds used to refund the 1990 and 1992 bonds and advance refund the Delaware County Authority's 1976 Revenue Bonds; refinance the 2001 note used to fund SEPTA projects and various other County projects; refinance the 2002A note used to fund SEPTA projects and various other County projects	55,780,000	4,615,000
2005/2019	10,000,000	Fund voting machine project and various other County projects	1,795,000	466,000
2007/2027	26,720,000	Refinance the 2004 Note and to refinance a portion of the 2002 Note	16,725,000	2,340,000
2007/2016	15,584,000	Refund the 1997 bond to reduce total debt service	2,199,000	2,199,000
2008/2017	9,537,000	Refund the 2002 bond and refinance a portion of the 2002 Note and portions of the 2007 Notes	2,249,000	1,106,000
2009/2039	28,595,000	Provide funds in the form of a grant to the Delaware County Chester Waterfront Industrial Development Authority, which will be used to acquire, construct, and equip a new soccer stadium in the City of Chester, Delaware County	25,110,000	645,000
2009/2019	54,750,000	Refund the 1999 General Obligation Note to reduce total debt service	27,625,000	6,430,000
2010/2028	45,180,000	Refund the 2008 General Obligation Note and for various other capital projects at the County	45,160,000	5,000
2012/2032	20,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	19,997,000	1,000
2013/2033	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	24,998,000	1,000
2014/2025	45,166,000	Partially refund the 1997 and 2002 notes payable to level debt service payments	45,164,000	2,000
2015/2035	25,000,000	Fund SEPTA projects, construction and renovations of County buildings and various other County projects	25,000,000	1,000
Total			<u>\$ 327,081,000</u>	<u>\$ 20,309,000</u>



## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2015

Interest rates on the above obligations range from 1.66% to a maximum potential variable rate of 15%.

There are a number of limitations and restrictions contained in the various bond indentures.

Amounts due by 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, 2015 is presented below:

	<u>Principal Maturity</u>	<u>Interest Maturity <sup>(1)</sup></u>	<u>Total Principal and Interest Maturities</u>
Years:			
2016	\$ 20,309,000	\$ 9,510,564	\$ 29,819,564
2017	20,910,000	8,783,800	29,693,800
2018	21,513,000	8,148,785	29,661,785
2019	22,124,000	7,538,613	29,662,613
2020	22,634,000	7,070,339	29,704,339
2021-2025	124,706,000	35,476,733	160,182,733
2026-2030	56,826,000	13,363,462	70,189,462
2031-2035	31,779,000	4,247,771	36,026,771
2036-2039	6,280,000	824,613	7,104,613
Total	<u>\$ 327,081,000</u>	<u>\$ 94,964,680</u>	<u>\$ 422,045,680</u>

<sup>(1)</sup> Includes interest at year-end rates for variable rate notes. Interest on the variable rate notes is paid and adjusted monthly based on certain factors. Actual interest expense on all long-term debt totaled \$7,658,573 for the year ended December 31, 2015.

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 \$218,566,000 is outstanding at December 31, 2015.

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

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

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

As of December 31, 2015, the market value of interest rate swap agreements related to outstanding general obligation notes outstanding are as follows:

General Obligation Note Year of Issue	Balance Outstanding	Market Value of Related Allocable Interest Rate Swap	Market Value of Related Fixed Rate Loan Swap
1997	\$ 23,059,000	\$ 4,210,344	\$ -
2002	12,220,000	2,231,251	(180,286)
2005	1,795,000	327,749	(45,412)
2007	18,924,000	3,455,335	(539,307)
2008	2,249,000	410,645	(23,618)
2010	45,160,000	8,245,768	(1,401,561)
2012	19,997,000	3,651,254	(478,572)
2013	24,998,000	4,564,387	(401,143)
2014	45,164,000	8,246,497	(371,598)
2015	25,000,000	4,564,752	(59,229)

## 16. Component Unit - Notes Payable

### Note Payable

The DCSWA acquired the right and title to Shenkel Road from Earl Township (the "Township") in 1998 for \$7,000,000. For the consideration of the option to acquire Shenkel Road, the Authority had previously paid \$100,000 to the Township. The remaining \$6,900,000 was to be paid to the Township over twenty years upon notification of the permit expansion approval. The note payable bears no interest and is to be repaid as follows:

Years ending December 31:	
2016	\$ 500,000
2017	600,000
	\$ 1,100,000
Total	\$ 1,100,000

### Revenue Notes Payable

On March 25, 2009, the DCSWA authorized the issuance of Guaranteed Revenue Notes, 2009 Series (the "Notes") totaling \$7,200,000. The 2009 Notes will be 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 will be issued over a two year period.

## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2015

On March 25, 2009, the Delaware Valley Regional Finance Authority issued on behalf of the DCSWA, Guaranteed Revenue Notes, 2009 A Series (the "2009 A Notes") in the amount of \$2,400,000.

On March 25, 2010, the Delaware Valley Regional Finance Authority issued on behalf of the Authority, Guaranteed Revenue Notes, 2010 B Series (the "2010 B Notes") in the amount of \$2,400,000.

On March 25, 2010, the Delaware Valley Regional Finance Authority issued on behalf of the DCSWA, Guaranteed Revenue Notes, 2010 C Series (the "2010 C Notes") in the amount of \$2,400,000.

Principal is payable annually on March 25 beginning March 25, 2010. Interest is payable monthly at a rate of 3.38% for Series A, 3.23% for Series B and 3.39% for Series C as per the Notice of Fixed Rate Conversion.

On March 26, 2012, the DCSWA authorized the issuance of Guaranteed Revenue Notes, 2012 Series (the "2012 Notes") totaling \$4,000,000. The 2012 Notes will be 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.

On March 26, 2012, the Delaware Valley Regional Finance Authority issued on behalf of the DCSWA, Guaranteed Revenue Notes, 2012 A Series (the "2012 A Notes") in the amount of \$4,000,000. 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 County has guaranteed the 2009 and 2012 loan agreements listed above between the DCSWA (component unit) and DVRFA in accordance with the laws of Commonwealth of Pennsylvania. In the event that the DCSWA is unable to make payment, the County will be required to make payment. The guarantees are for the term and amount of the debt disclosed below. There are no arrangements for recovery of payments.

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

	<u>Principal</u>	<u>Interest</u>
Years ending:		
2016	\$ 471,000	\$ 274,223
2017	486,000	259,681
2018	501,000	244,674
2019	518,000	235,744
2020	534,000	213,154
2021-2032	<u>6,838,000</u>	<u>1,360,999</u>
Total	<u>\$ 9,348,000</u>	<u>\$ 2,588,475</u>

For the year ended December 31, 2015, interest expense amounted to \$286,225.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2015

### 17. Interfund Receivables and Payables

Interfund receivable and payable balances as of December 31, 2015 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 42,658,073	\$ 17,261,574
Capital Projects Fund	-	11,389,590
Health and Human Service Fund	6,836,900	12,740,931
Other Governmental Funds	3,989,925	4,528,548
Enterprise Fund	-	8,957,490
Internal Service Funds	6,434,676	5,041,441
Total	<u>\$ 59,919,574</u>	<u>\$ 59,919,574</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.

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

The following is a summary of amounts due to/from component unit (the DCSWA) at December 31, 2014, activity for 2015, and amounts due at December 31, 2015:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Balance, December 31, 2014	\$ 2,000,000	\$ 5,475,000	\$ 7,475,000
Additions	-	-	-
Repayments	-	-	-
Balance, December 31, 2015	<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 DCSWA did not repay any amounts during 2015 on these advances. 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.

## County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2015

### 19. Interfund Transfers

Interfund transfers for the year ended December 31, 2015 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 875,000	\$ 13,263,366
Capital Projects	3,200,000	-
Health and Human Service Fund	12,846,000	6,423,000
Other Governmental Funds	3,640,366	875,000
	<u>\$ 20,561,366</u>	<u>\$ 20,561,366</u>

Transfers from the general fund to the health and human service fund and the other governmental funds are unrestricted revenue collected in the general fund used for the County's match for various grant agreements. Transfers from the general fund to the enterprise fund are unrestricted revenues collected in the general fund used to subsidize operating shortfalls in the proprietary fund.

### 20. Other Revenues

Other revenues of approximately \$9,317,000 in the governmental funds consist of funds received related to gaming proceeds for economic development of approximately \$1,454,000; interest revenue from the City of Chester of approximately \$442,000; rental income of approximately \$644,000; funds received from the state equalization board of approximately \$611,000; reimbursement grant from the PA Emergency Management Agency of \$485,000 related to storm damage sustained in June 2015; payments in lieu of taxes of approximately \$145,000 and various other revenues of \$5,536,000.

### 21. 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 \$41,096,332 consists of the General Fund of \$1,845,287 representing grants and other fees, Health and Human Service of \$24,894,227 and Other Governmental Funds of \$14,356,818 representing grants received which were not earned at December 31, 2015.

# County of Delaware, Pennsylvania

Notes to Financial Statements

December 31, 2015

## 22. Commitments and Contingencies

### Commitments

The County leases office space under a number of operating leases with expiration dates through 2030.

Future minimum lease payments for each of the five years subsequent to December 31, 2015 under the various leases are as follows:

Years ending December 31:	
2016	\$ 3,203,715
2017	2,997,942
2018	2,379,532
2019	2,110,902
2020	1,746,258
2021-2025	526,746
2026-2030	<u>231,346</u>
Total	<u>\$ 13,196,441</u>

Total rental expense for these leases during 2015 was \$3,735,406.

### 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, 2015.

The DCSWA is involved in various litigation. It is the opinion of DCSWA management that the outcome of these matters will not have a material adverse effect on the financial position of the DCSWA.

# County of Delaware, Pennsylvania

Notes to Financial Statements  
December 31, 2015

## 23. Other Post-Employment Benefits

### Plan Description

The County's Retirement Health Plan is single-employer plan administered by the County. The Plan provides postretirement medical, dental, and life insurance benefits to eligible retirees. The County pays premiums for medical, dental, and life insurance on behalf of eligible retirees. The Plan is unfunded and no financial report is prepared. The Plan is authorized and under the control, maintenance and operation of County Council.

### Funding Policy

Plan members do not contribute to the plan; 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 Plan including changing the obligations of the plan members and the County to contribute to the Plan.

### Annual OPEB Cost and Net OPEB Obligation

The County's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is equal to the normal cost and the amortization of the Unfunded Actuarial Accrued Liability plus interest. The following show the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 26,578,000
Interest on net OPEB obligation	5,547,000
Adjustment to annual required contribution	<u>(4,953,000)</u>
Annual OPEB cost (expense)	27,172,000
Contributions made	<u>11,795,000</u>
Increase in net OPEB obligation	15,377,000
Net OPEB obligation at January 1, 2015	<u>138,668,000</u>
Net OPEB obligation at December 31, 2015	<u>\$ 154,045,000</u>

## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2015

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for December 31, 2015 were as follows:

	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Years ended December 31:			
2015	\$ 27,172,000	43%	\$ 154,045,000
2014	31,576,000	37%	138,668,000
2013	19,581,000	34%	118,841,000

### Funded Status and Funding Progress

The funded status of the plan as of January 1, 2015, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability ("AAL")	\$ 311,775,000
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability ("UAAL")	<u>\$ 311,775,000</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	<u>\$ 141,398,000</u>
UAAL as percentage of covered payroll	220.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarial amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

### Actuarial Methods and Assumptions

The calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of cost sharing between the employer and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



# County of Delaware, Pennsylvania

## Notes to Financial Statements

December 31, 2015

In the January 1, 2013, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is the expected long term investment return of the County's investments and deposits used to pay plan benefits, an annual health care costs trend rate of 8.0%, 7.0% for post 65 and Medicare eligible retirees, initially, reduced by decrements to an ultimate rate of 4.5%, an inflation rate of 3.5% and a projected salary increase of 3.5%. The UAAL is being amortized using the level percentage of projected payroll on an open basis. The amortization of UAAL is done over a period of 30 years.

### 24. Self-Insurance Program

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

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

	<u>1988 to 1992</u>	<u>1993 to 1999</u>	<u>2000 to 2001</u>
Workers' compensation	\$ 300,000	\$ 300,000	\$ 250,000
Casualty/liability (excluding vehicles)	-	100,000	100,000
Health benefits	75,000	75,000	75,000
Vehicles	100,000	100,000	100,000
	<u>2002 to 2006</u>	<u>2007 to 2013</u>	<u>2014 to 2015</u>
Workers' compensation	\$ 325,000	\$ 500,000	\$ 650,000
Casualty/liability (excluding vehicles)	250,000	250,000	250,000
Health benefits	90,000	200,000	210,000*
Vehicles	100,000	100,000	100,000

\*includes a \$365,000 corridor deductible

The County's reinsurance policy has provided sufficient coverage to the County such that no settlements within the past three years have exceeded the reinsurance coverage. The cost of providing this coverage is charged directly to the County fund which benefits from the coverage. Such charges are reflected as operating revenues into the self-insurance funds. Costs of the self-insurance program charged to the current year expenses were \$53,802,230, which includes insurance claims of \$53,695,967 and administrative costs of \$106,262. 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.

## County of Delaware, Pennsylvania

### Notes to Financial Statements

December 31, 2015

An analysis of the claims activity is presented as follows:

	2015			
	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Actual Claim Payments	Balance at End of Year
Self-Insured Health Insurance Fund	\$ 4,617,147	\$ 44,351,121	\$ 42,370,444	\$ 6,597,824
Self-Insured Workers' Compensation Fund	291,122	2,496,915	2,474,645	313,392
Self-Insured Casualty/Liability Fund	465,063	6,954,194	6,923,282	495,975
Total	<u>\$ 5,373,332</u>	<u>\$ 53,802,230</u>	<u>\$ 51,768,371</u>	<u>\$ 7,407,191</u>

	2014			
	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Actual Claim Payments	Balance at End of Year
Self-Insured Health Insurance Fund	\$ 5,893,559	\$ 39,643,038	\$ 40,919,450	\$ 4,617,147
Self-Insured Workers' Compensation Fund	1,401,031	1,779,615	2,889,524	291,122
Self-Insured Casualty/Liability Fund	919,561	5,021,116	5,475,614	465,063
Total	<u>\$ 8,214,151</u>	<u>\$ 46,443,769</u>	<u>\$ 49,284,588</u>	<u>\$ 5,373,332</u>

## 25. 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 2015, the County's budget contribution was \$8,095,000. As the investment in the joint venture is primarily related to capital purchases with estimable useful lives, typically of 15 to 30 years, the County determined the investment in the joint venture to have an estimated life of 30 years. Current year amortization of the investment was \$6,344,720. Included on the statement of net position is an investment in a joint venture totaling \$183,996,883 at December 31, 2015.

## **County of Delaware, Pennsylvania**

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Notes to Financial Statements

December 31, 2015

Complete financial statements for SEPTA can be obtained from the administrative offices of SEPTA.

### **26. Grant to the Delaware County Chester Waterfront Industrial Development Authority**

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

On February 15, 2009, the County and the City of Chester (the "City") executed a contribution agreement whereby the City unconditionally agreed to pay the County \$13,445,635 through May 31, 2039 in semi-annual payments to fund a portion of the capital grant to the IDA. During 2015, the City made scheduled payments to the County for approximately \$441,224. The present value of this asset amounting to approximately \$6,300,849 has been recorded in other receivables on the government-wide statement of net position at December 31, 2015 (Note 7).

### **27. Early Retirement Incentive**

During 2014, the County offered an Early Retirement Incentive Plan (the "2014 Plan") which allowed employees and eligible spouses and dependents to retain their existing health care coverage for a period of 5 years through June 30, 2019. The employees were required to retire between February 20, 2014 and June 30, 2014. The 2014 Plan was a one-time voluntary incentive retirement program for full-time employees who were at least 60 with 3 full-time years of service or were at least 55 with at least 20 full-time years of service with the County as of their retirement date. The 2014 Plan included a life-time waiver of the contribution for spousal and dependent coverage. In addition, eligible employees can receive Medicare Part B premium reimbursement through June 30, 2019. The amount payable pursuant to this program was \$447,339 at December 31, 2015, which is included in both current and noncurrent liabilities in the statement of net position. The amounts payable are calculated at the discounted present value of future benefit payments.

### **28. Subsequent Events**

On January 14, 2016 the County issued 2016 general obligation bonds ("Series 2016") for \$49,420,000 to refund the 2005 bonds. The Series 2016 bonds mature in 2021 and have varying interest rates between 2.39% and 6.27%.

## 29. New Accounting Pronouncements

In February of 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of the statement is to address accounting and financial reporting issues related to fair value measurements and to provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The County is required to adopt Statement No. 72 for its calendar 2016 financial statements.

In June of 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This standard completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The County is required to adopt Statement No. 73 for its calendar 2016 financial statements.

In June of 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The County is required to adopt Statement No. 74 for its calendar 2017 financial statements.

In June of 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide: Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

## County of Delaware, Pennsylvania

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### Notes to Financial Statements

December 31, 2015

Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. The County is required to adopt Statement No. 75 for its calendar 2018 financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The primary objective of this statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles ("GAAP"). This statement reduces the GAAP hierarchy to two categories of authoritative literature and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The County is required to adopt Statement No. 76 for its 2016 financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The County is required to adopt Statement No. 77 for its 2017 financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. Statement No. 79, permits qualifying external investment pools to measure pool investments, which function similarly to private sector money market funds, at amortized cost. The statement also establishes additional disclosure requirements, which includes information about any limitations or restrictions on participant withdrawals, for both the pool and its participants. The County is required to adopt Statement No. 79 for its 2017 financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*, an amendment of GASB Statement No. 14. Statement No. 80 amends the blending requirements related to not-for-profit corporations for which the primary government is the sole corporate member. The County is required to adopt Statement No. 80 for its 2017 financial statements.

County management is in the process of evaluating, but has not yet determined how the adoption of the above GASB guidance will impact the County's financial statements.

## **Required Supplementary Information**

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## County of Delaware, Pennsylvania

Required Supplementary Information

Schedule of Funding Progress for the Retirement Health Plan (OPEB) and

OPEB Plan Schedule of Employer Cost

Year Ended December 31, 2015

(Unaudited)

### Schedule of Funding Progress for the Retirement Health Plan (OPEB) (In Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
January 1, 2015	\$ -	\$ 311,775	\$ 311,775	- %	\$ 141,398	220.5 %
January 1, 2014	-	312,524	312,524	-	148,593	210.3
January 1, 2013	-	292,385	292,385	-	148,593	196.8
January 1, 2012	-	291,875	291,875	-	134,154	217.6
January 1, 2011	-	275,677	275,677	-	131,212	210.1
January 1, 2010	-	308,751	308,751	-	127,960	241.3

### OPEB Plan Schedule of Employer Cost (In Thousands)

Year Ended	Annual OPEB Cost ("AOC")	Percentage of ARC Contributed	Net OPEB Obligation
2015	\$ 27,172	43%	\$ 154,045
2014	31,576	37%	138,668
2013	29,851	34%	118,841
2012	27,843	42%	99,286
2011	26,418	41%	83,021
2010	30,903	22%	67,524

## County of Delaware, Pennsylvania

Required Supplementary Information

Schedule of Changes in the County's Net Pension Liability and Related Ratios

December 31, 2015

(Unaudited)

	<u>2014</u>
<b>Total Pension Liability</b>	
Service cost	\$ 4,767,962
Interest	31,874,452
Difference between expected and actual experience	4,147,176
Benefit payments, including refunds of member contributions	<u>(25,266,392)</u>
Net change in total pension liability	15,523,198
<b>Total pension liability - beginning</b>	<u>432,629,544</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 448,152,742</u></u>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 4,159,063
Employee contributions	10,929,265
Net investment gain	25,701,117
Benefit payments, including refunds of member contributions	(25,266,392)
Administration	<u>(48,804)</u>
Net change in plan fiduciary net position	15,474,249
<b>Plan Fiduciary Net Position, Beginning</b>	<u>447,902,076</u>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u><u>\$ 463,376,325</u></u>
Plan net pension asset - ending (a) - (b)	<u><u>\$ (15,223,583)</u></u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Asset</b>	103.40%
<b>Covered-Employee Payroll</b>	\$ 134,056,126
<b>County's Net Pension Asset as a Percentage of Covered-Employee Payroll</b>	(11.36)%

**Notes to Schedule:**

The County implemented GASB Statement No. 67 in fiscal year 2014.

Information prior to fiscal year 2014 is not available.



**County of Delaware**

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Actuarially Determined Contribution</b>	\$ 924,026	\$ 1,798,896	\$ 1,922,699	\$ 83,054	\$ 7,487,851	\$ 6,756,099	\$ 5,944,506	\$ 7,142,276	\$ 7,146,641	\$ 4,159,063
<b>Contributions in Relation to the Actuarially Determined Contribution</b>	924,026	1,798,896	1,922,699	85,455	7,487,851	6,756,099	5,944,506	7,142,276	7,146,641	4,159,063
<b>Contribution Deficiency (Excess)</b>	\$ -	\$ -	\$ -	\$ (2,401)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Covered-Employee Payroll</b>	\$ -	\$ -	\$ -	\$ 118,649,000	\$ 120,383,000	\$ 132,733,000	\$ 128,948,000	\$ 126,634,000	\$ 131,612,000	\$ 134,056,000
<b>Contributions as a Percentage of Covered-Employee Payroll</b>				0.07%	6.22%	5.09%	4.61%	5.64%	5.43%	3.10%

**Notes to Schedule:**

Covered-employee payroll information not available 2007 and prior.

Valuation date: January 1, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level dollar
Remaining amortization period	30 years
Asset valuation method	Fair market value
Inflation	3%
Salary increases	3.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years of service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

## County of Delaware

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Required Supplementary Information  
Schedule of Investment Returns  
December 31, 2015  
(Unaudited)

**2014**

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**Annual Money-Weighted Rate of Return,  
Net of Investment Expense**

6.5%

### **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**  
**For the Year Ended December 31, 2015**

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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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variances Positive (Negative)</u>
<b>Current</b>			
General government:			
Administrative Services	\$ 118,000	\$ 93,006	\$ 24,994
Board of Personnel Grievance	16,000	-	16,000
Budget Management	214,000	205,308	8,692
Bureau of Elections	798,919	689,132	109,787
Central Purchasing	282,000	280,372	1,628
Community Health	352,000	311,723	40,277
Constables	1,441,000	1,271,378	169,622
Consumer Affairs	289,000	244,276	44,724
Controller	827,000	722,942	104,058
County Buildings Maintenance	3,258,000	3,119,108	138,892
County Clerk	382,000	375,190	6,810
County Council	452,000	377,126	74,874
County Motor Vehicle Management	202,000	201,526	474
Court House Police	1,192,000	1,049,129	142,871
Data Processing	2,631,600	2,405,176	226,424
Executive Director	1,014,000	892,759	121,241
Library Services	1,087,000	1,086,326	674
Parks and Recreation	1,735,000	1,572,092	162,908
Personnel	587,000	391,280	195,720
Planning	832,000	680,341	151,659
Public Works	207,000	92,787	114,213
Public Relations	283,000	215,155	67,845
Recorder of Deeds	746,000	469,549	276,451
Records and Archives	254,000	221,037	32,963
Risk Management	27,000	5,147	21,853
Self -Tax Collection	239,000	199,376	39,624
Solicitor	1,331,000	1,292,634	38,366
Tax Assessment	1,027,000	905,269	121,731
Tax Claim Office	1,078,000	946,450	131,550
Telecommunications	813,000	743,798	69,202
Treasurer	515,000	492,649	22,351
Veterans' Affairs	336,000	296,256	39,744
Voter Registration	426,500	381,985	44,515
Voting Machines	579,272	386,967	192,305
	<u>25,572,291</u>	<u>22,617,249</u>	<u>2,955,042</u>
Total general government			

(continued)

## County of Delaware, Pennsylvania

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

General Fund

Year Ended December 31, 2015

	<b>Final Budget</b>	<b>Actual</b>	<b>Variances Positive (Negative)</b>
Judicial:			
Adult Probation and Parole	\$ 4,612,000	\$ 4,528,349	\$ 83,651
Bail Agency	937,000	861,096	75,904
Court Administrator	2,085,000	1,723,783	361,217
Court Support and Services	6,222,000	5,524,623	697,377
Diagnostic Services	590,000	544,164	45,836
District Justice	7,754,000	6,589,016	1,164,984
Domestic Relations	6,554,000	5,827,440	726,560
Electronic Record System	903,000	799,092	103,908
Financial Services	269,000	219,758	49,242
Juvenile Court	10,789,000	9,885,498	903,502
Juvenile Detention	4,366,000	3,713,548	652,452
Juvenile Detention Kitchen	611,000	516,398	94,602
Legal Audio Visual	237,000	179,096	57,904
Maintenance of Juveniles	11,549,000	7,228,028	4,320,972
Total judicial	<u>57,478,000</u>	<u>48,139,889</u>	<u>9,338,111</u>
Corrections:			
Community Corrections	967,000	860,650	106,350
County Clerk Services	791,000	715,574	75,426
Criminal Investigations Dept.	3,465,000	3,423,300	41,700
District Attorney	5,528,000	5,393,970	134,030
Judicial Support	1,428,000	1,219,193	208,807
Medical Examiner	792,256	757,248	35,008
Office of Support Enforcement	501,000	458,988	42,012
Prison	45,916,738	45,915,779	959
Public Defender	3,792,000	3,740,537	51,463
Register of Wills	606,000	516,320	89,680
Sheriff	4,032,000	3,692,282	339,718
Special Court	125,000	103,978	21,022
Total corrections	<u>67,943,994</u>	<u>66,797,819</u>	<u>1,146,175</u>
Transportation:			
Southeastern Pennsylvania Transportation Authority Subsidy	<u>7,336,000</u>	<u>7,336,000</u>	<u>-</u>

(continued)

## County of Delaware, Pennsylvania

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

General Fund

Year Ended December 31, 2015

	<b>Final Budget</b>	<b>Actual</b>	<b>Variances Positive (Negative)</b>
Other:			
Agricultural Extension Service	\$ 138,000	\$ 137,762	\$ 238
Civil Defense	623,000	474,361	148,639
Employee Benefits	38,267,262	37,910,517	356,745
Insurance	6,691,000	6,673,778	17,222
Other County Expenditures	1,320,265	1,318,893	1,372
Other Programs and Grants	4,528,188	4,506,424	21,764
Soil Conservation	228,000	223,630	4,370
Training Center	246,000	143,412	102,588
Total other	<u>52,041,715</u>	<u>51,388,777</u>	<u>652,938</u>
Debt service:			
Principal	<u>17,518,000</u>	<u>15,066,379</u>	<u>2,451,621</u>
Interest	<u>9,818,000</u>	<u>7,249,190</u>	<u>2,568,810</u>
Total expenditures	<u>\$ 237,708,000</u>	<u>\$ 218,595,303</u>	<u>\$ 19,112,697</u>

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**County of Delaware, Pennsylvania**  
**Health and Human Service Funds**  
**Description of Sub-Funds**  
**For the Year Ended December 31, 2015**

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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.

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

**Day Care and Child Care Funds:** 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.

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# County of Delaware, Pennsylvania

Combining Balance Sheet Schedule  
Health and Human Service Sub-funds  
December 31, 2015

	<u>Special Grants</u>	<u>Mental Health</u>	<u>Mental Retardation</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 10,810,356	\$ -	\$ -
Restricted cash	6,775,330	-	-
Grants receivable	5,221,609	15,133,972	5,274,016
Due from other funds	1,528,354	589,337	1,530,218
Other assets	3,849,019	-	-
	<u>3,849,019</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 28,184,668</u>	<u>\$ 15,723,309</u>	<u>\$ 6,804,234</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Vouchers and accounts payable	\$ 5,405,131	\$ 15,094,467	\$ 4,098,886
Due to other funds	1,483,295	-	-
Unearned revenues	21,294,496	575,831	2,444,839
Other liabilities	1,746	53,011	260,509
	<u>1,746</u>	<u>53,011</u>	<u>260,509</u>
Total liabilities	<u>28,184,668</u>	<u>15,723,309</u>	<u>6,804,234</u>
<b>Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 28,184,668</u>	<u>\$ 15,723,309</u>	<u>\$ 6,804,234</u>

<b>Drug Abuse</b>	<b>Child Care</b>	<b>Day Care</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ 10,810,356
-	-	-	6,775,330
1,345,120	19,027,786	73,786	46,076,289
2,772	-	3,186,219	6,836,900
-	-	-	3,849,019
<u>\$ 1,347,892</u>	<u>\$ 19,027,786</u>	<u>\$ 3,260,005</u>	<u>\$ 74,347,894</u>

\$ 1,260,485	\$ 6,556,686	\$ 16,739	\$ 32,432,394
-	11,257,636	-	12,740,931
-	487,094	91,967	24,894,227
87,407	726,370	3,151,299	4,280,342
<u>1,347,892</u>	<u>19,027,786</u>	<u>3,260,005</u>	<u>74,347,894</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,347,892</u>	<u>\$ 19,027,786</u>	<u>\$ 3,260,005</u>	<u>\$ 74,347,894</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, 2015

	<u>Special Grants</u>	<u>Mental Health</u>	<u>Mental Retardation</u>
<b>Revenues</b>			
Health and human service grants	\$ 120,881,816	\$ 34,154,675	\$ 13,404,696
<b>Expenditures</b>			
Current, Health and human services	<u>121,420,256</u>	<u>34,950,089</u>	<u>13,404,696</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(538,440)</u>	<u>(795,414)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	6,961,440	795,414	-
Transfers out	<u>(6,423,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources, net	<u>538,440</u>	<u>795,414</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

<b>Drug Abuse</b>	<b>Child Care</b>	<b>Day Care</b>	<b>Total</b>
\$ 4,080,978	\$ 34,953,348	\$ 39,373,655	\$ 246,849,168
<u>4,148,090</u>	<u>39,975,382</u>	<u>39,373,655</u>	<u>253,272,168</u>
<u>(67,112)</u>	<u>(5,022,034)</u>	<u>-</u>	<u>(6,423,000)</u>
67,112	5,022,034	-	12,846,000
-	-	-	(6,423,000)
<u>67,112</u>	<u>5,022,034</u>	<u>-</u>	<u>6,423,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 Funds Year Ended December 31, 2015

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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.

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

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

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

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

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

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

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# County of Delaware, Pennsylvania

## Combining Balance Sheet

### Nonmajor Governmental Funds - Special Revenue Funds

December 31, 2015

	<u>OWD/Other</u>	<u>911</u>	<u>Library</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,292,832	\$ 294,784	\$ 304,260
Grants receivable	2,482,426	3,146,591	-
Due from other funds	2,855,215	-	-
Notes receivable	-	-	-
Restricted assets	-	-	-
Other assets	7,076	-	23,443
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 6,637,549</u>	<u>\$ 3,441,375</u>	<u>\$ 327,703</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Vouchers and accounts payable	\$ 831,437	\$ 269,867	\$ 105,230
Due to other funds	382,690	3,171,508	37,109
Unearned revenues	5,259,951	-	-
Other liabilities	163,471	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>6,637,549</u>	<u>3,441,375</u>	<u>142,339</u>
<b>Fund Balances</b>			
Restricted for:			
Highways and streets	-	-	-
Infrastructure	-	-	-
Library	-	-	185,364
Community development	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balance	<u>-</u>	<u>-</u>	<u>185,364</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total	<u>\$ 6,637,549</u>	<u>\$ 3,441,375</u>	<u>\$ 327,703</u>



<b>Liquid Fuels</b>	<b>COSA</b>	<b>CDBG/ Rehab</b>	<b>Marcellus Shale</b>	<b>Total</b>
\$ 743,668	\$ 250	\$ 63,434	\$ -	\$ 2,699,228
94,722	5,956,620	-	-	11,680,359
569,968	427,743	136,999	-	3,989,925
-	-	5,639,008	-	5,639,008
-	-	-	5,224,201	5,224,201
-	-	-	-	30,519
<b>\$ 1,408,358</b>	<b>\$ 6,384,613</b>	<b>\$ 5,839,441</b>	<b>\$ 5,224,201</b>	<b>\$ 29,263,240</b>
\$ 704,475	\$ 1,013,446	\$ 455,443	\$ 20,114	\$ 3,400,012
-	193,120	142,027	602,094	4,528,548
-	4,557,014	-	4,539,853	14,356,818
-	621,033	191,565	-	976,069
<b>704,475</b>	<b>6,384,613</b>	<b>789,035</b>	<b>5,162,061</b>	<b>23,261,447</b>
703,883	-	-	-	703,883
-	-	-	62,140	62,140
-	-	-	-	185,364
-	-	5,050,406	-	5,050,406
<b>703,883</b>	<b>-</b>	<b>5,050,406</b>	<b>62,140</b>	<b>6,001,793</b>
<b>\$ 1,408,358</b>	<b>\$ 6,384,613</b>	<b>\$ 5,839,441</b>	<b>\$ 5,224,201</b>	<b>\$ 29,263,240</b>

**County of Delaware, Pennsylvania**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds - Special Revenue Funds

Year Ended December 31, 2015

	<u>OWD/Other</u>	<u>911</u>	<u>Library</u>
<b>Revenues</b>			
General grants	<u>\$ 12,367,878</u>	<u>\$ 11,881,287</u>	<u>\$ 1,891,677</u>
<b>Expenditures</b>			
Current:			
Highways, streets and bridges	-	-	-
Other	<u>11,792,878</u>	<u>15,400,653</u>	<u>2,315,985</u>
Total expenditures	<u>11,792,878</u>	<u>15,400,653</u>	<u>2,315,985</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>575,000</u>	<u>(3,519,366)</u>	<u>(424,308)</u>
<b>Other Financing Sources</b>			
Transfers in	-	3,519,366	-
Transfers out	<u>(575,000)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	(424,308)
<b>Fund Balance, Beginning</b>	<u>-</u>	<u>-</u>	<u>609,672</u>
<b>Fund Balance, Ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 185,364</u></u>

<b>Liquid Fuels</b>	<b>COSA</b>	<b>CDBG/ Rehab</b>	<b>Marcellus Shale</b>	<b>Total</b>
<u>\$ 823,665</u>	<u>\$ 14,817,937</u>	<u>\$ 6,276,916</u>	<u>\$ 364,809</u>	<u>\$ 48,424,169</u>
1,550,238	-	-	-	1,550,238
<u>-</u>	<u>14,938,937</u>	<u>5,188,149</u>	<u>41,027</u>	<u>49,677,629</u>
<u>1,550,238</u>	<u>14,938,937</u>	<u>5,188,149</u>	<u>41,027</u>	<u>51,227,867</u>
<u>(726,573)</u>	<u>(121,000)</u>	<u>1,088,767</u>	<u>323,782</u>	<u>(2,803,698)</u>
-	121,000	-	-	3,640,366
<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>(875,000)</u>
<u>(726,573)</u>	<u>-</u>	<u>1,088,767</u>	<u>23,782</u>	<u>(38,332)</u>
<u>1,430,456</u>	<u>-</u>	<u>3,961,639</u>	<u>38,358</u>	<u>6,040,125</u>
<u>\$ 703,883</u>	<u>\$ -</u>	<u>\$ 5,050,406</u>	<u>\$ 62,140</u>	<u>\$ 6,001,793</u>

**County of Delaware, Pennsylvania**

Schedule of Revenues, Expenditures, and Changes in Fund Balances -  
Budget and Actual - Liquid Fuels Fund  
Year Ended December 31, 2015

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues,</b>				
General grants	\$ 1,255,530	\$ 1,255,530	\$ 823,665	\$ (431,865)
<b>Expenditures,</b>				
Current,				
Liquid Fuels	<u>1,593,709</u>	<u>1,904,790</u>	<u>1,550,238</u>	<u>354,552</u>
<b>(Deficiency) Excess of Revenues Over Expenditures</b>	(338,179)	(649,260)	(726,573)	(77,313)
<b>Fund Balance, Beginning</b>	<u>1,430,456</u>	<u>1,430,456</u>	<u>1,430,456</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 1,092,277</u>	<u>\$ 781,196</u>	<u>\$ 703,883</u>	<u>\$ (77,313)</u>

## County of Delaware, Pennsylvania

### Capital Projects Funds Description of Sub-Funds Year Ended December 31, 2015

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

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**County of Delaware, Pennsylvania**

Combining Balance Sheet Schedule

Capital Projects Sub-funds

December 31, 2015

	<b>Food Services Facility Fund</b>	<b>General Capital Projects Fund</b>	<b>Total</b>
<b>Assets</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 364,656	\$ -	\$ 364,656
Restricted cash and cash equivalents	-	39,678,667	39,678,667
Due from Solid Waste Authority	-	5,475,000	5,475,000
Total assets	<u>\$ 364,656</u>	<u>\$ 45,153,667</u>	<u>\$ 45,518,323</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Vouchers and accounts payable	\$ 4,646	\$ 454,091	\$ 458,737
Due to other funds	-	11,389,590	11,389,590
Total liabilities	<u>4,646</u>	<u>11,843,681</u>	<u>11,848,327</u>
<b>Fund Balances</b>			
Nonspendable, Long term receivable	-	5,475,000	5,475,000
Restricted for, Capital projects	-	27,834,986	27,834,986
Assigned to, Capital projects	<u>360,010</u>	<u>-</u>	<u>360,010</u>
Total fund balances	<u>360,010</u>	<u>33,309,986</u>	<u>33,669,996</u>
Total liabilities and fund balance	<u>\$ 364,656</u>	<u>\$ 45,153,667</u>	<u>\$ 45,518,323</u>

## County of Delaware, Pennsylvania

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

Capital Projects Sub-funds

Year Ended December 31, 2015

	<b>Food Services Facility Fund</b>	<b>General Capital Projects Fund</b>	<b>Total</b>
<b>Revenues</b>			
Investment earnings	\$ 2,108	\$ 105,479	\$ 107,587
General grants	-	398,116	398,116
Total revenues	<u>2,108</u>	<u>503,595</u>	<u>505,703</u>
<b>Expenditures</b>			
Capital outlay	66,122	8,481,617	8,547,739
Debt service, interest	-	534,553	534,553
Debt issuance costs	-	126,881	126,881
Total expenditures	<u>66,122</u>	<u>9,143,051</u>	<u>9,209,173</u>
<b>Deficiency of Revenues Over Expenditures</b>	<u>(64,014)</u>	<u>(8,639,456)</u>	<u>(8,703,470)</u>
<b>Other Financing Sources</b>			
Issuance of refunding note	-	25,000,000	25,000,000
Transfers in	-	3,200,000	3,200,000
Total other financing sources	<u>-</u>	<u>28,200,000</u>	<u>28,200,000</u>
<b>Net Change in Fund Balance</b>	<u>(64,014)</u>	<u>19,560,544</u>	<u>19,496,530</u>
<b>Fund Balance, Beginning</b>	<u>424,024</u>	<u>13,749,442</u>	<u>14,173,466</u>
<b>Fund Balance, Ending</b>	<u>\$ 360,010</u>	<u>\$ 33,309,986</u>	<u>\$ 33,669,996</u>



## County of Delaware, Pennsylvania

### Internal Service Funds Description of Funds Year Ended December 31, 2015

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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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# **Combining Statements and Schedules**

## **Component Units**

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**County of Delaware, Pennsylvania**

Combining Statement of Net Position

Internal Service Funds

December 31, 2015

	<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>Current Assets</b>				
Cash and cash equivalents	\$ 247,508	\$ 995,735	\$ 2,508,614	\$ 3,751,857
Prepaid expenses	-	-	2,262,099	2,262,099
Due from other funds	6,434,676	-	-	6,434,676
Total current assets	<u>\$ 6,682,184</u>	<u>\$ 995,735</u>	<u>\$ 4,770,713</u>	<u>\$ 12,448,632</u>
<b>Current Liabilities and Net Position</b>				
<b>Current Liabilities</b>				
Claims payable	\$ 6,682,184	\$ 313,392	\$ 411,615	\$ 7,407,191
Due to governmental funds	-	682,343	4,359,098	5,041,441
Total current liabilities	6,682,184	995,735	4,770,713	12,448,632
<b>Net Position</b>	-	-	-	-
Total liabilities and net position	<u>\$ 6,682,184</u>	<u>\$ 995,735</u>	<u>\$ 4,770,713</u>	<u>\$ 12,448,632</u>

**County of Delaware, Pennsylvania**

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

Year Ended December 31, 2015

	<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	\$ 44,351,121	\$ 2,496,812	\$ 6,953,933	\$ 53,801,866
<b>Operating Expenses</b>				
Insurance claims	44,351,121	2,390,652	6,954,196	53,695,969
Administration	-	106,263	-	106,263
Total operating expenses	44,351,121	2,496,915	6,954,196	53,802,232
<b>Operating Loss</b>	-	(103)	(263)	(366)
<b>Nonoperating Revenue</b>				
Investment earnings	-	103	263	366
<b>Change in Net Position</b>	-	-	-	-
<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, 2015

	<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>Cash Flows from Operating Activities</b>				
Receipts from customers and users	\$ 42,146,738	\$ 2,466,533	\$ 7,364,421	\$ 51,977,692
Payments to suppliers	<u>(42,370,444)</u>	<u>(2,466,533)</u>	<u>(7,364,421)</u>	<u>(52,201,398)</u>
Net cash used in operating activities	<u>(223,706)</u>	<u>-</u>	<u>-</u>	<u>(223,706)</u>
<b>Cash Flows Provided by Investing Activities</b>				
Interest received	<u>-</u>	<u>103</u>	<u>263</u>	<u>366</u>
Net (decrease) increase in cash and cash equivalents	<u>(223,706)</u>	<u>103</u>	<u>263</u>	<u>(223,340)</u>
<b>Cash and Cash Equivalents, Beginning</b>	<u>471,214</u>	<u>995,632</u>	<u>2,508,351</u>	<u>3,975,197</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 247,508</u>	<u>\$ 995,735</u>	<u>\$ 2,508,614</u>	<u>\$ 3,751,857</u>
<b>Reconciliation of Operating Loss to Net Cash Used In Operating Activities</b>				
Operating loss	\$ -	\$ (103)	\$ (263)	\$ (366)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Increase (decrease) in due to other funds	(2,204,383)	(30,279)	410,488	(1,824,174)
Increase in prepaid expenses	-	-	(348,665)	(348,665)
Increase (decrease) in claims payable	<u>1,980,677</u>	<u>30,382</u>	<u>(61,560)</u>	<u>1,949,499</u>
Total adjustments	<u>(223,706)</u>	<u>103</u>	<u>263</u>	<u>(223,340)</u>
<b>Net Cash Used In Operating Activities</b>	<u>\$ (223,706)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (223,706)</u>

## County of Delaware, Pennsylvania

### Component Units Description of Component Units Year Ended December 31, 2015

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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.

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**County of Delaware, Pennsylvania**

Combining Statement of Net Position

Component Units

December 31, 2015

	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Total
<b>Assets</b>					
Cash and cash equivalents	\$ 9,368,297	\$ 245,711	\$ 61,483	\$ 4,296,737	\$ 13,972,228
Receivables (net of allowance for uncollectibles):					
Accounts	5,055,239	-	-	-	5,055,239
Notes	-	166,164	-	-	166,164
Other	113,341	471,704	-	367,159	952,204
Inventories	124,557	-	-	-	124,557
Other assets	1,261,991	20,740	-	28,308	1,311,039
Investments	6,067,181	-	-	-	6,067,181
Restricted cash and cash equivalents	5,000,000	323,067	-	-	5,323,067
Capital assets (net of accumulated depreciation):					
Land	7,000,000	-	849,286	1,024,199	8,873,485
Land improvements	3,189,892	-	-	-	3,189,892
Construction in progress	1,725,030	-	-	-	1,725,030
Buildings and improvements	27,100,527	-	23,491,998	-	50,592,525
Equipment	-	-	-	-	-
Total assets	66,006,055	1,227,386	24,402,767	5,716,403	97,352,611
<b>Deferred Outflows of Resources</b>					
	402,177	-	-	-	402,177
Total assets and deferred outflows	<u>\$ 66,408,232</u>	<u>\$ 1,227,386</u>	<u>\$ 24,402,767</u>	<u>\$ 5,716,403</u>	<u>\$ 97,754,788</u>
<b>Liabilities</b>					
Accounts payable and other current liabilities	\$ 5,148,746	\$ 24,523	\$ -	\$ 180,862	\$ 5,354,131
Due to primary government	7,475,000	-	-	-	7,475,000
Net pension liability	188,606	-	-	-	188,606
Unearned revenue	-	75,000	-	-	75,000
Long-term liabilities:					
Due within one year,					
Bonds and notes payable	971,000	-	-	-	971,000
Due in more than one year:					
Bonds and notes payable	9,477,000	-	-	-	9,477,000
Accrued closure costs	14,672,431	-	-	-	14,672,431
Total liabilities	37,932,783	99,523	-	180,862	38,213,168
<b>Deferred Inflows of Resources</b>					
	70,989	-	-	-	70,989
<b>Net Position</b>					
Net investment in capital assets	28,567,450	-	24,341,284	-	52,908,734
Nonspendable	-	11,781	-	-	11,781
Restricted for:					
Economic development	-	424,949	-	-	424,949
Solid waste	5,000,000	-	-	-	5,000,000
Unrestricted	(5,162,990)	691,133	61,483	5,535,541	1,125,167
Total net position	28,404,460	1,127,863	24,402,767	5,535,541	59,470,631
Total liabilities, deferred inflows, and net position	<u>\$ 66,408,232</u>	<u>\$ 1,227,386</u>	<u>\$ 24,402,767</u>	<u>\$ 5,716,403</u>	<u>\$ 97,754,788</u>

**County of Delaware, Pennsylvania**

Combining Statement of Activities

Component Units

Year Ended December 31, 2015

	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Solid Waste Authority	Economic Development Oversight Board	Waterfront Industrial Development Authority	Redevelopment Authority	Total
<b>Functions/Programs</b>								
Solid Waste Authority, Public works	\$ 38,959,085	\$ 35,086,590	\$ 149,745	\$ (3,722,750)	\$ -	\$ -	\$ -	\$ (3,722,750)
Economic Development Oversight Board, Public works	683,611	60,433	555,457	-	(67,721)	-	-	(67,721)
Waterfront Industrial Authority, Public works	978,834	-	-	-	-	(978,834)	-	(978,834)
Redevelopment Authority, Public works	11,178,255	-	11,467,856	-	-	-	289,601	289,601
Total component units	<u>\$ 51,799,785</u>	<u>\$ 35,147,023</u>	<u>\$ 12,173,058</u>	<u>(3,722,750)</u>	<u>(67,721)</u>	<u>(978,834)</u>	<u>289,601</u>	<u>(4,479,704)</u>
<b>General Revenues</b>								
Other				(140,805)	54,355	-	4,000	(82,450)
Unrestricted investment earnings				-	5,534	3	278	5,815
Change in net position				(3,863,555)	(7,832)	(978,831)	293,879	(4,556,339)
<b>Net Position, Beginning</b>				32,092,553	1,135,695	25,381,598	5,241,662	63,851,508
Effect of adoption of GASB 68				175,462	-	-	-	175,462
<b>Net Position, Ending</b>				<u>\$ 28,404,460</u>	<u>\$ 1,127,863</u>	<u>\$ 24,402,767</u>	<u>\$ 5,535,541</u>	<u>\$ 59,470,631</u>



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## **Capital Assets by Function**

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## County of Delaware, Pennsylvania

Schedule of Changes in Capital Assets by Function  
For the Year Ended December 31, 2015

	Changes in Capital Assets			December 31, 2015
	January 1, 2015	Additions	Disposals/ Reclassification	
General government and judicial	\$ 219,221,612	\$ 6,542,608	\$ (6,958,507)	\$ 218,805,713
Recreation	12,405,675	104,545	-	12,510,220
Corrections	109,367,396	37,149	(19,000)	109,385,545
Health and human services	11,735,285	61,021	(53,893)	11,742,413
Infrastructure	8,796,863	475,559	6,772,817	16,045,239
Other	1,611,865	246,011	(56,547)	1,801,329
<b>Total</b>	<b>\$ 363,138,696</b>	<b>\$ 7,466,893</b>	<b>\$ (315,130)</b>	<b>\$ 370,290,459</b>

	Ending Balance is Composed of			
	Land and	Buildings and		
	Improvements	Improvements	Equipment	Total
General government and judicial	\$ 10,926,804	\$ 128,877,032	\$ 79,001,877	\$ 218,805,713
Recreation	6,173,238	4,769,661	1,567,321	12,510,220
Corrections	5,425,643	96,818,312	7,141,590	109,385,545
Health and human services	216,698	904,332	10,621,383	11,742,413
Infrastructure	16,045,239	-	-	16,045,239
Other	-	-	1,801,329	1,801,329
<b>Total</b>	<b>\$ 38,787,622</b>	<b>\$ 231,369,337</b>	<b>\$ 100,133,500</b>	<b>\$ 370,290,459</b>

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# 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.

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**County of Delaware, Pennsylvania**

Net Position by Component, Government-wide

Table 1

Last Ten Fiscal Years

(Accrual Basis of Accounting)

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ (101,388,207)	\$ (102,249,460)	\$ (100,753,289)	\$ (96,331,704)	\$ (97,119,597)	\$ (86,608,478)	\$ (73,172,651)	\$ (67,891,655)	\$ (60,035,609)	\$ (65,173,815)
Nonspendable	-	-	-	-	-	-	-	1,381,507	1,144,114	1,173,055
Restricted:										
Highways and streets	1,878,478	2,123,560	2,077,672	1,873,935	2,117,979	2,045,289	1,856,882	1,777,099	1,430,456	703,883
Infrastructure	-	-	-	-	-	-	-	-	38,358	62,140
Library	1,920,913	2,311,124	2,551,221	2,269,284	3,002,528	2,181,260	1,859,136	682,598	609,672	185,364
Community development	3,314,414	3,800,278	3,909,636	3,665,564	3,406,100	3,587,712	2,847,493	3,797,657	3,961,639	5,050,406
Title IV D program	2,057,055	1,575,771	1,377,273	1,595,222	724,447	823,268	1,232,444	1,870,555	426,047	449,953
Capital projects	-	-	-	-	-	-	2,293,963	2,346,683	-	19,062
Unrestricted	133,308,339	127,552,069	126,877,989	87,488,307	73,417,283	65,787,670	59,685,325	47,129,403	46,128,192	74,177,108
Total governmental activities net position	<u>\$ 41,090,992</u>	<u>\$ 35,113,342</u>	<u>\$ 36,040,502</u>	<u>\$ 560,608</u>	<u>\$ (14,451,260)</u>	<u>\$ (12,183,279)</u>	<u>\$ (3,397,408)</u>	<u>\$ (8,906,153)</u>	<u>\$ (6,297,131)</u>	<u>\$ 16,647,156</u>
<b>Business-Type Activity</b>										
Net investment in capital assets	\$ (9,350,955)	\$ (12,212,924)	\$ (14,674,792)	\$ (16,954,126)	\$ (19,420,689)	\$ (20,980,693)	\$ (21,708,469)	\$ (21,213,250)	\$ (20,594,380)	\$ (20,156,636)
Unrestricted	20,140,927	19,369,675	20,325,287	17,807,213	19,420,689	20,980,693	21,708,469	21,213,250	20,594,380	31,321,623
Total business-type activity net position	<u>\$ 10,789,972</u>	<u>\$ 7,156,751</u>	<u>\$ 5,650,495</u>	<u>\$ 853,087</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,164,987</u>
<b>Primary Government</b>										
Net investment in capital assets	\$ (110,739,162)	\$ (114,462,384)	\$ (115,428,081)	\$ (113,285,830)	\$ (116,540,286)	\$ (107,589,171)	\$ (94,881,120)	\$ (89,104,905)	\$ (80,629,989)	\$ (85,330,451)
Nonspendable	-	-	-	-	-	-	-	1,381,507	1,144,114	1,173,055
Restricted	9,170,860	9,810,733	9,915,802	9,404,005	9,251,054	8,637,529	10,089,918	10,474,592	6,466,172	6,470,808
Unrestricted	153,449,266	146,921,744	147,203,276	105,295,520	92,837,972	86,768,363	81,393,794	68,342,653	66,722,572	105,498,731
Total primary government net position	<u>\$ 51,880,964</u>	<u>\$ 42,270,093</u>	<u>\$ 41,690,997</u>	<u>\$ 1,413,695</u>	<u>\$ (14,451,260)</u>	<u>\$ (12,183,279)</u>	<u>\$ (3,397,408)</u>	<u>\$ (8,906,153)</u>	<u>\$ (6,297,131)</u>	<u>\$ 27,812,143</u>

Source: Comprehensive Annual Financial Reports

Note: Fiscal years 2006 through 2014 have not been restated to conform with the implementation of GASB Statement 68 in fiscal year 2015. As a result of the implementation of GASB 68 in 2015, unrestricted net position increased as a result of recording of the net pension asset.

**County of Delaware, Pennsylvania**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 101,251,251	\$ 117,149,254	\$ 105,578,345	\$ 124,365,790	\$ 143,983,937	\$ 130,302,387	\$ 124,851,749	\$ 130,258,805	\$ 141,161,340	\$ 139,824,286
Judicial	47,812,915	50,453,563	50,988,095	52,473,162	52,360,413	45,844,482	48,381,276	48,371,935	47,072,546	48,114,691
Corrections	59,281,918	63,074,977	65,463,589	67,071,482	67,891,398	68,876,004	69,457,964	70,790,012	71,432,033	69,303,184
Health and human services	277,962,381	289,027,665	306,991,797	282,321,631	248,889,415	245,274,186	245,077,186	248,301,666	251,336,280	264,760,015
Highways, streets and bridges	3,716,405	5,721,522	5,904,881	7,968,517	1,924,872	2,333,302	13,130,022	2,807,351	2,187,625	1,741,793
Interest on long-term debt	13,448,024	13,914,920	10,449,791	9,638,681	9,198,303	8,637,786	8,794,312	8,457,413	8,123,155	7,669,091
Total governmental activities expenses	<u>503,472,894</u>	<u>539,341,901</u>	<u>545,376,498</u>	<u>543,839,263</u>	<u>524,248,338</u>	<u>501,268,147</u>	<u>509,692,509</u>	<u>508,987,182</u>	<u>521,312,979</u>	<u>531,413,060</u>
Business-type activities, Geriatric Center	<u>70,727,632</u>	<u>71,623,512</u>	<u>73,142,781</u>	<u>75,824,685</u>	<u>78,716,756</u>	<u>81,376,108</u>	<u>81,863,752</u>	<u>80,763,126</u>	<u>77,855,996</u>	<u>78,291,391</u>
Total primary government expenses	<u>574,200,526</u>	<u>610,965,413</u>	<u>618,519,279</u>	<u>619,663,948</u>	<u>602,965,094</u>	<u>582,644,255</u>	<u>591,556,261</u>	<u>589,750,308</u>	<u>599,168,975</u>	<u>609,704,451</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	10,144,210	10,343,702	9,097,908	9,446,492	9,004,999	10,273,501	11,581,252	10,410,962	8,916,675	9,451,202
Judicial	5,807,969	5,941,578	6,430,569	6,062,227	5,708,978	5,006,264	5,280,673	5,206,386	5,137,583	5,284,756
Corrections	7,503,489	6,454,886	7,885,594	7,978,858	8,870,808	8,501,485	8,878,377	12,500,228	11,696,677	10,872,399
Capital grants and contributions	-	-	-	-	-	2,514,224	9,863,638	1,462,919	81,308	398,116
Operating grants and contributions	332,347,761	353,621,998	356,488,933	356,221,618	324,337,383	315,358,881	315,233,611	302,984,285	315,864,486	325,546,736
Total governmental activities program revenues	<u>355,803,429</u>	<u>376,362,164</u>	<u>379,903,004</u>	<u>379,709,195</u>	<u>347,922,168</u>	<u>341,654,355</u>	<u>350,837,551</u>	<u>332,564,780</u>	<u>341,696,729</u>	<u>351,553,209</u>
Business-type activity, Geriatric Center - charges for services	<u>73,586,518</u>	<u>69,659,057</u>	<u>73,391,222</u>	<u>72,611,507</u>	<u>72,111,626</u>	<u>73,517,671</u>	<u>74,681,667</u>	<u>75,172,541</u>	<u>75,783,231</u>	<u>78,596,865</u>
Total primary government program revenues	<u>429,389,947</u>	<u>446,021,221</u>	<u>453,294,226</u>	<u>452,320,702</u>	<u>420,033,794</u>	<u>415,263,307</u>	<u>425,898,937</u>	<u>407,737,321</u>	<u>417,479,960</u>	<u>430,150,074</u>



**County of Delaware, Pennsylvania**

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (147,669,465)	\$ (162,979,737)	\$ (164,130,068)	\$ (164,130,068)	\$ (176,326,170)	\$ (159,613,792)	\$ (158,854,958)	\$ (176,422,402)	\$ (179,616,250)	\$ (179,859,851)
Business-type activity	(870,283)	(1,964,455)	248,441	(3,213,178)	(6,605,130)	(7,767,156)	(6,802,366)	(5,590,585)	(2,072,765)	305,474
Total primary government net expense	(148,539,748)	(164,944,192)	(163,881,627)	(167,343,246)	(182,931,300)	(167,380,948)	(165,657,324)	(182,012,987)	(181,689,015)	(179,554,377)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	134,185,884	132,282,144	144,579,397	143,583,153	154,340,906	155,615,119	160,312,545	164,661,208	172,842,088	170,843,978
Unrestricted investment earnings	9,005,095	8,174,110	4,093,624	3,271,147	2,348,032	2,924,184	2,615,151	2,830,737	2,356,693	1,876,866
Grants and charges not restricted to specific programs	7,952,332	7,966,473	7,874,320	317,723	334,292	359,641	407,693	352,508	494,046	971,942
Gaming revenue	-	8,579,360	9,853,313	9,478,151	9,795,345	10,472,563	10,224,170	9,334,840	8,604,779	8,589,487
Transfers	-	-	-	-	(5,504,273)	(7,489,734)	(5,918,730)	(4,482,703)	(2,072,334)	-
Total government activities	151,143,311	157,002,087	166,400,654	156,650,174	161,314,302	161,881,773	167,640,829	172,696,590	182,225,272	182,282,273
Business-type activity:										
Investment earnings	330,977	376,025	260,548	167,021	247,770	277,422	883,636	1,107,882	431	287,643
Interest on long- term debt	(1,144,245)	(2,044,791)	(2,015,245)	(1,751,251)	-	-	-	(7,669,091)	-	-
Transfers	-	-	-	-	5,504,273	7,489,734	5,918,730	4,482,703	2,072,334	-
Total business-type activity	(813,268)	(1,668,766)	(1,754,697)	(1,584,230)	5,752,043	7,767,156	6,802,366	(2,078,506)	2,072,765	287,643
Total primary government	150,330,043	155,333,321	164,645,957	155,065,944	167,066,345	169,648,929	174,443,195	170,618,084	184,298,037	182,569,916
<b>Special Item</b>										
Capital grant to component unit	-	-	-	(28,000,000)	-	-	-	-	-	-
<b>Change in Net Position</b>										
Governmental activities	3,473,846	(5,977,650)	927,160	(35,479,894)	(15,011,868)	2,267,981	8,785,871	(3,725,812)	2,609,022	2,422,422
Business-type activity	(1,683,551)	(3,633,221)	(1,506,256)	(1,584,230)	(853,087)	-	-	-	-	593,117
Total primary government	<u>\$ 1,790,295</u>	<u>\$ (9,610,871)</u>	<u>\$ (579,096)</u>	<u>\$ (37,064,124)</u>	<u>\$ (15,864,955)</u>	<u>\$ 2,267,981</u>	<u>\$ 8,785,871</u>	<u>\$ (3,725,812)</u>	<u>\$ 2,609,022</u>	<u>\$ 3,015,539</u>

Source: Comprehensive Annual Financial Reports

**County of Delaware, Pennsylvania**

Fund Balances, Governmental Funds

Table 3

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963,322	\$ 562,376	\$ 1,381,507	\$ 1,144,114	\$ 1,173,055
Restricted	-	-	-	-	-	823,268	1,232,444	1,870,555	426,047	449,953
Assigned										
County geriatric center	-	-	-	-	-	11,400,000	11,400,000	11,400,000	12,000,000	15,000,000
Employee healthcare costs	-	-	-	-	-	11,400,000	11,400,000	11,400,000	12,000,000	15,000,000
Unassigned	-	-	-	-	-	9,720,416	10,572,860	9,532,158	16,236,691	17,572,618
Reserved	2,057,055	1,575,771	1,377,273	1,595,222	724,447	-	-	-	-	-
Unreserved	7,338,676	1,576,014	5,136,773	6,296,597	7,433,686	-	-	-	-	-
<b>Total general fund</b>	<b>9,395,731</b>	<b>3,151,785</b>	<b>6,514,046</b>	<b>7,891,819</b>	<b>8,158,133</b>	<b>34,307,006</b>	<b>35,167,680</b>	<b>35,584,220</b>	<b>41,806,852</b>	<b>49,195,626</b>
<b>All Other Governmental Funds</b>										
Reserved	12,588,805	13,709,962	14,013,529	13,283,783	14,001,607	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects	32,760,700	17,696,763	42,045,936	32,652,762	28,964,903	-	-	-	-	-
Nonspendable	-	-	-	-	-	5,475,000	5,475,000	5,475,000	5,475,000	5,475,000
Restricted	-	-	-	-	-	7,814,261	8,857,474	25,692,946	14,314,567	33,836,779
Assigned	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	1,576,451	1,215,875	509,216	424,024	360,010
Unassigned										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	(7,935,282)	-	-	-	-
<b>Total all other governmental funds</b>	<b>45,349,505</b>	<b>31,406,725</b>	<b>56,059,465</b>	<b>45,936,545</b>	<b>42,966,510</b>	<b>6,930,430</b>	<b>15,548,349</b>	<b>31,677,162</b>	<b>20,213,591</b>	<b>39,671,789</b>
<b>Total all funds</b>	<b>\$ 54,745,236</b>	<b>\$ 34,558,510</b>	<b>\$ 62,573,511</b>	<b>\$ 53,828,364</b>	<b>\$ 51,124,643</b>	<b>\$ 41,237,436</b>	<b>\$ 50,716,029</b>	<b>\$ 67,261,382</b>	<b>\$ 62,020,443</b>	<b>\$ 88,867,415</b>

Source: Comprehensive Annual Financial Reports

Note: Fiscal years 2006 through 2010 have not been restated to conform with the implementation of GASB Statement 54 in fiscal year 2011. As a result balances for fiscal year 2010 and prior will be classified as nonspendable and restricted, classification that were superseded by the implementation of GASB 54. In addition the \$20,080,000 reclassification that was required with the implementation of GASB 54 between the general fund and capital projects fund is not reflected on the above table for fiscal years 2010 and prior.

**County of Delaware, Pennsylvania**

Changes in Fund Balances, Governmental Funds  
 Table 4  
 Last Ten Fiscal Years  
 (Modified Accrual Basis of Accounting)  
 (Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Revenues</b>										
Real estate taxes	\$ 171,997,482	\$ 171,551,067	\$ 164,860,852	\$ 159,605,920	\$ 155,756,779	\$ 156,371,430	\$ 144,793,655	\$ 143,787,354	\$ 132,541,187	\$ 133,978,658
Licenses and inspections	37,084	17,415	62,948	10,125	36,960	23,828	18,423	27,196	43,256	4,076,013
General grants	73,975,998	69,626,188	69,446,178	81,030,796	79,758,176	81,046,110	76,987,688	73,719,633	78,797,375	81,856,865
Charges for services, fines, and forfeitures	22,787,617	21,915,998	22,860,520	23,371,602	22,000,400	24,016,541	24,809,672	24,635,138	24,079,183	16,698,254
Investment earnings	597,499	1,262,735	1,088,573	1,335,689	1,551,162	1,274,357	2,305,591	3,663,365	6,996,936	8,744,726
Gaming revenue	8,589,487	8,604,779	9,334,840	10,224,170	10,472,563	9,795,345	9,478,151	9,853,313	8,579,360	
Health & human service grants	246,849,168	244,913,281	234,003,423	238,445,980	239,323,976	235,212,559	262,517,380	285,002,174	269,698,074	256,268,083
Other	9,317,148	9,932,293	8,435,747	11,909,751	8,167,796	9,769,447	8,616,768	15,694,585	14,705,388	11,374,175
<b>Total revenues</b>	<b>534,151,483</b>	<b>527,823,756</b>	<b>510,093,081</b>	<b>525,934,033</b>	<b>517,067,812</b>	<b>517,509,617</b>	<b>529,527,328</b>	<b>556,382,758</b>	<b>535,440,759</b>	<b>512,996,774</b>
<b>Expenditures</b>										
Current:										
General government	22,617,249	23,146,549	22,575,866	22,144,960	20,655,471	22,571,879	22,317,237	34,021,728	33,928,746	32,789,094
Judicial	48,139,889	50,873,015	50,000,068	49,969,242	47,472,352	52,241,301	52,370,643	50,903,956	50,378,744	47,738,011
Corrections	66,797,819	64,184,935	63,059,037	63,706,711	64,933,176	63,874,323	63,984,713	62,387,050	60,066,905	54,769,628
Transportation	7,336,000	6,921,000	6,921,000	6,799,396	7,024,827	7,245,074	7,315,678	7,457,681	7,449,793	7,641,654
Health & Human Services	253,272,168	251,336,280	240,428,656	244,872,046	245,787,429	242,129,230	268,947,966	291,472,407	276,135,072	263,068,761
Highways, streets, and bridges	1,550,238	1,555,907	1,187,336	1,385,854	1,248,678	986,357	1,277,450	1,192,055	946,902	1,552,562
Other	101,066,406	97,066,673	94,686,905	101,708,121	96,179,650	101,227,482	93,685,918	84,604,164	85,438,329	85,709,155
Debt Service:										
Principal	15,066,379	55,376,822	16,179,257	16,023,160	12,384,941	11,141,297	9,736,996	10,332,490	17,877,853	13,479,490
Interest	7,783,743	8,245,198	8,566,563	8,900,486	8,651,294	9,156,658	10,218,403	10,865,222	13,986,601	13,507,598
Debt issuance costs	126,881	210,529	-	-	-	-	-	-	-	-
Capital outlay	8,547,739	10,801,510	10,460,337	15,026,734	15,302,712	19,320,464	9,858,830	5,171,004	9,592,540	13,812,622
<b>Total expenditures</b>	<b>532,304,511</b>	<b>569,718,418</b>	<b>514,065,025</b>	<b>530,536,710</b>	<b>519,640,530</b>	<b>529,894,065</b>	<b>539,713,834</b>	<b>558,407,757</b>	<b>555,801,485</b>	<b>534,068,575</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,846,972</b>	<b>(41,894,662)</b>	<b>(3,971,944)</b>	<b>(4,602,677)</b>	<b>(2,572,718)</b>	<b>(12,384,448)</b>	<b>(10,186,506)</b>	<b>(2,024,999)</b>	<b>(20,360,726)</b>	<b>(21,071,801)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	20,561,366	21,174,980	16,143,991	13,538,768	15,327,150	11,751,849	10,523,980	10,666,376	9,361,932	8,843,531
Transfers out	(20,561,366)	(23,247,314)	(20,626,694)	(19,457,498)	(22,641,639)	(17,256,122)	(10,523,980)	(10,666,376)	(9,361,932)	(8,843,531)
Redemption of refunded bond	-	-	-	-	-	(29,995,000)	(61,225,000)	(9,497,000)	(42,130,000)	-
Issuance of bonds and notes	25,000,000	38,726,057	25,000,000	20,000,000	-	15,185,000	28,595,000	30,000,000	-	-
Issuance of bond premium	-	-	-	-	-	-	104,420	-	-	-
Issuance of refunding bond	-	-	-	-	-	29,995,000	54,750,000	9,537,000	42,304,000	-
Issuance of refunding bond premium	-	-	-	-	-	-	7,216,939	-	-	-
<b>Total other financing sources (uses)</b>	<b>25,000,000</b>	<b>36,653,723</b>	<b>20,517,297</b>	<b>14,081,270</b>	<b>(7,314,489)</b>	<b>9,680,727</b>	<b>29,441,359</b>	<b>30,040,000</b>	<b>174,000</b>	<b>-</b>
<b>Special Item</b>										
Capital grant to component unit	-	-	-	-	-	-	(28,000,000)	-	-	-
<b>Net Change in Fund Balances</b>	<b>26,846,972</b>	<b>(5,240,939)</b>	<b>16,545,353</b>	<b>9,478,593</b>	<b>(9,887,207)</b>	<b>(2,703,721)</b>	<b>(8,745,147)</b>	<b>28,015,001</b>	<b>(20,186,726)</b>	<b>(21,071,801)</b>
<b>Fund Balance, Beginning</b>	<b>62,020,443</b>	<b>67,261,382</b>	<b>50,716,029</b>	<b>41,237,436</b>	<b>51,124,643</b>	<b>53,828,364</b>	<b>62,573,511</b>	<b>34,558,510</b>	<b>54,745,236</b>	<b>75,817,037</b>
<b>Fund Balance, Ending</b>	<b>\$ 88,867,415</b>	<b>\$ 62,020,443</b>	<b>\$ 67,261,382</b>	<b>\$ 50,716,029</b>	<b>\$ 41,237,436</b>	<b>\$ 51,124,643</b>	<b>\$ 53,828,364</b>	<b>\$ 62,573,511</b>	<b>\$ 34,558,510</b>	<b>\$ 54,745,236</b>
Debt Service as a percentage of non-capital expenditure	<u>4.35%</u>	<u>11.36%</u>	<u>4.90%</u>	<u>4.87%</u>	<u>4.16%</u>	<u>3.90%</u>	<u>3.71%</u>	<u>3.93%</u>	<u>6.03%</u>	<u>5.46%</u>

Source: Comprehensive Annual Financial Reports

## County of Delaware, Pennsylvania

Assessed Value and Estimated Actual Value of Taxable Property

Table 5

Last Ten Years

(Unaudited)

Fiscal Year	Estimated Market Values				Less: Tax-Exempt Property (000's)	Total Taxable Assessed Value (000's)	Total Direct Tax Rate
	Total Residential Property	Total Commercial Property	Total Industrial and Other Property	Total Real Property (000's)			
2006	Not available	Not available	Not available	32,975,131	3,592,315	29,382,816	4.450
2007	Not available	Not available	Not available	33,232,773	3,605,832	29,626,941	4.450
2008	Not available	Not available	Not available	33,796,102	3,600,063	30,196,039	4.825
2009	\$ 23,824,736	\$ 5,472,872	\$ 4,600,102	33,897,710	3,604,093	30,293,617	4.825
2010	23,860,373	5,535,242	4,538,767	33,934,382	3,617,684	30,316,698	5.184
2011	23,954,534	5,454,156	4,583,732	33,992,422	3,679,376	30,313,046	5.184
2012	24,040,640	5,437,941	4,602,797	34,081,378	3,694,210	30,387,168	5.304
2013	24,141,041	5,515,209	4,599,166	34,255,416	3,677,062	30,578,354	5.452
2014	24,256,948	5,674,512	4,632,054	34,563,514	3,731,292	30,832,222	5.604
2015	24,407,689	5,623,591	4,643,476	34,674,756	3,744,563	30,930,193	5.600

Source: County of Delaware, Pennsylvania Assessment Office

Note: Estimated market values by property type not available for years prior to 2009

**County of Delaware, Pennsylvania**

**Direct and Overlapping Real Estate Tax Rates**

Table 6

Last Ten Years

As of December 31, 2015

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>County Direct Rate:</b>										
General	3.4801	3.4801	3.8880	3.8880	4.4020	4.3180	4.3930	4.5100	4.6630	4.7150
Debt	0.9699	0.9699	0.9370	0.9370	0.7820	0.8660	0.9110	0.9420	0.9410	0.8890
Total direct rate	4.4500	4.4500	4.8250	4.8250	5.1840	5.1840	5.3040	5.4520	5.6040	5.6040
<b>Borough and Township Rates:</b>										
Aldan Borough	5.0470	5.0470	5.2620	5.4199	5.6600	6.1110	6.4104	7.4985	7.4985	7.4985
Aston Township	3.1100	3.1100	3.6500	3.6500	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Bethel Township	0.6500	0.6500	0.8500	0.0850	1.8700	1.8650	1.8650	1.8650	1.8650	1.8650
Brookhaven Township	3.5000	3.5000	3.9900	4.3500	4.3500	4.3500	0.8820	4.3500	4.3500	4.3500
Chadds Ford Township	0.7820	0.7820	0.0867	0.7720	0.0900	0.8820	4.3500	0.8820	0.8820	0.8820
Chester City	297.9200	297.9200	297.9200	297.9200	297.9200	297.9200	297.9200	297.9200	297.9200	diff. Bases
Chester Heights	0.2200	0.2200	0.2200	0.2200	8.8000	0.0580	0.0580	0.0580	0.0580	0.0580
Chester Township	6.3000	6.3000	7.5000	7.5000	7.2000	8.8000	8.0000	9.0000	9.0000	9.0000
Clifton Heights Borough	10.0010	10.0010	11.0010	11.5010	12.0100	12.0010	12.2510	13.0010	13.0010	13.0010
Coalingdale Borough	8.7960	8.7960	9.8960	9.8600	10.7400	11.2370	11.2370	12.2370	12.2370	12.2370
Colwyn Borough	15.1000	15.1000	16.6000	19.9100	20.0200	27.0000	27.0000	27.2000	27.2000	25.2000
Concorn Township	0.8900	0.8900	0.9250	0.9440	0.9400	0.9440	0.9440	0.9440	0.9440	0.9440
Darby Borough	12.0000	12.0000	13.6000	13.7410	13.7400	16.2410	17.7410	17.7409	17.7409	17.7410
Darby Township	6.4850	6.5000	8.6350	8.9100	8.9100	10.9100	10.9100	11.4100	11.4100	11.4100
East Lansdowne Borough	8.6300	8.6300	11.0000	11.0000	11.0000	11.0000	11.3000	11.3000	11.3000	11.3000
Eddystone Borough	5.7500	5.7500	5.7500	5.7500	5.7500	5.7500	5.7500	5.7500	5.7500	5.7500
Edgmont Township	0.5548	0.5548	0.6380	0.6699	0.7200	0.8283	0.8283	0.8283	0.8283	0.8283
Folcroft Borough	5.5000	5.5000	5.5000	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000	6.1000
Glenolden Borough	7.4800	7.4800	7.9200	7.9200	8.4000	8.4000	8.4000	8.4000	8.4000	8.4000
Haverford Township	5.4160	5.4160	6.0850	6.3590	6.3590	6.6890	6.9920	7.3340	7.5400	7.5400
Lansdowne Borough	9.6200	9.6200	10.1780	10.5850	10.8496	11.1210	11.6210	11.9120	12.2096	12.2096
Lower Chichester Township	4.5000	4.5000	6.0000	6.0000	7.2000	7.2000	7.2000	7.2000	7.2000	7.2000
Marcus Hood Borough	7.3500	7.3500	8.3500	9.3500	9.3500	10.8500	12.3500	12.3500	12.3500	12.3500
Marple Township	2.9500	3.4000	3.5800	4.1100	4.1100	4.1840	4.1840	4.2900	4.4100	4.4100
Media Borough	2.0000	2.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
Middletown Township	1.3600	1.3600	1.3600	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
Millbourne	21.0000	21.0000	21.0000	23.0000	23.0000	23.0000	23.0000	24.0000	25.6160	25.6160
Morton Borough	6.5130	6.5130	6.5130	6.6610	7.1610	7.1600	8.1610	9.4110	9.6110	9.6110
Nether Providence Township	3.4300	3.4300	3.7600	3.9000	4.0900	4.3700	4.6800	4.7800	4.9200	4.9200
Newtown Township	1.9998	1.9998	2.1175	2.3023	2.5037	2.6640	2.7940	2.7940	2.8840	2.8840
Norwood Borough	7.9610	7.9610	8.0340	10.8220	10.8220	10.8220	10.8220	10.5500	10.5500	10.5500
Parkside Borough	5.9700	5.9700	7.6600	8.3600	8.8600	9.5000	9.5000	9.5000	9.5000	9.5000
Prospect Park Borough	6.3100	6.3100	6.7700	7.2400	7.9200	8.3200	8.3600	9.1200	9.5200	9.5200
Radnor Township	3.0100	3.0100	3.0100	3.3411	3.6411	3.7511	3.7511	3.7511	3.7511	3.7511
Ridley Park Borough	6.1680	6.1680	7.1090	7.4500	7.4500	7.7900	7.7900	8.1400	8.1400	8.1400
Ridley Township	6.3700	6.3700	7.2660	8.0160	8.0160	8.0170	8.0160	8.5160	8.5160	8.5160
Rose Valley Borough	1.4120	1.4120	1.5530	1.7700	1.9400	2.1100	2.3400	2.3000	2.4200	2.4200
Rutledge	3.3100	3.3100	3.6200	4.1500	4.3200	4.6800	5.2800	5.7100	5.7100	5.7100
Sharon Hill Borough	5.9610	6.4120	6.4120	6.4120	7.2400	7.5000	7.5000	7.5000	7.5000	7.5000
Springfield Township	4.3600	4.3600	4.7400	4.9800	4.9800	5.1700	5.3200	5.5860	5.5860	5.5860
Swarthmore Borough	4.1770	4.1770	4.5950	4.8700	5.2020	5.3020	5.4520	5.5890	5.5890	5.5890
Tinicum Township	3.2000	3.2000	3.9000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000	4.4000
Trainer Borough	6.5000	6.5000	8.0000	10.0000	12.7500	14.7500	14.7500	14.7500	14.7500	14.7500
Upland Borough	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	5.4520	2.0000	2.0000	2.0000
Upper Chichester Township	5.7300	5.7300	6.3500	5.8500	5.8500	5.3500	5.1000	5.1000	5.1000	5.1000
Upper Darby Township	13.0400	13.0400	14.3400	14.9900	15.9400	16.7900	17.9400	18.9300	19.9200	19.9200
Upper Providence Township	3.0480	3.0480	3.1280	3.4634	3.5490	3.6480	3.7340	3.8030	3.8730	3.8730
Yeadon Borough	9.9900	9.9900	9.8900	8.8900	8.8900	8.8900	9.8900	9.8900	9.8900	9.8900
<b>School District Rates:</b>										
Chester-Upland	51.3360	51.3360	51.3360	51.3360	51.3360	51.3360	51.3360	51.3360	51.3360	24.6928
Chichester	30.0900	31.4700	33.2950	34.6017	36.2819	37.7350	38.3000	38.6840	39.0708	39.0708
Granet Valley	24.7760	25.6040	26.0790	27.0680	27.8330	28.0260	29.0550	29.2006	29.7440	30.6437
Haverford	19.9400	21.0140	22.1600	23.1020	24.4743	26.0209	26.7305	27.6784	28.6692	29.4719
Interboro	28.6300	29.3500	30.0800	30.8300	31.6000	32.2000	32.2000	32.9406	33.4347	33.9362
Marple-Newtown	14.1400	14.1400	14.5367	15.1327	16.3222	25.1839	17.2199	17.6839	17.6839	18.0690
Penn Delco	20.1450	21.0170	21.6810	22.4220	23.1830	23.8250	24.5490	25.2760	25.9070	26.4760
Radnor	17.3670	18.2359	19.5118	20.2731	20.8681	21.1439	21.8227	21.7122	21.7122	22.1247
Ridley	28.3630	30.0630	31.7760	33.2490	35.5580	37.0310	38.2500	39.1250	39.2500	39.2500
Rose Tree-Media	19.4695	20.1314	21.0977	21.6251	21.6251	22.2522	22.6143	22.9445	23.3677	23.8080
Southeast Delco	29.5840	30.0840	30.0840	31.7840	35.7840	36.4996	36.8246	37.2849	38.4034	39.4786
Springfield	22.4570	23.9130	25.2840	26.2910	27.2230	27.9750	28.7300	29.3000	29.9604	30.6960
Upper Darby	26.5500	27.7700	28.7400	29.7200	30.9000	31.7300	32.8500	33.8150	34.5930	35.2160
Wallingford Swarthmore	32.1300	33.6100	35.9760	36.5660	37.6260	38.1520	39.3340	39.6930	40.5265	41.9760
William Penn	34.0600	35.6300	36.8400	38.4500	40.0600	40.0600	40.0600	41.6000	42.2900	43.0900

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

Current Year and Ten Years Ago

2015			2006		
Taxpayer	Assessed Value	Percentage of Total Assessed Value	Taxpayer	Assessed Value	Percentage of Total Assessed Value
Redwood ERC Concord LLC	\$ 120,256,460	18%	SDG Macerich Prop. Ltd.	\$ 92,001,890	17%
Chester Downs & Marina LLC	118,650,000	18%	Radnor Center Associates	68,954,300	13%
Radnor Center Associates	68,954,300	10%	Radnor Properties LP	62,451,160	12%
SAP America Inc	57,509,000	9%	BPG Real Estate	61,000,000	11%
Exelon Generation Company	52,500,000	8%	Exelon Generation Company	52,500,000	10%
KS Springfield	51,406,800	8%	SAP America	42,793,600	8%
White Horse Village	49,058,970	8%	CNL Retirement	42,000,000	8%
Radnor Properties	48,965,641	8%	Radnor Properties	41,637,720	8%
Campus Investors	42,873,500	7%	White Horse Village	37,166,730	7%
Dunwoody Home	40,942,500	6%	Radnor Properties	35,000,000	6%
	<u>\$ 651,117,171</u>	<u>1.00</u>		<u>\$ 535,505,400</u>	<u>1.00</u>

Source: County of Delaware, Pennsylvania Assessment Office

## County of Delaware, Pennsylvania

### Property Tax Levies and Collections

#### Table 8

Last Ten Years

(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
2006	\$ 132,481,443	\$ 130,728,257	\$ 127,218,986	97.3%	\$ 2,825,477	\$ 130,044,463	99.5%
2007	132,759,942	131,839,023	127,269,898	96.5%	2,697,314	129,967,212	98.6%
2008	144,800,000	144,796,199	139,522,134	96.4%	1,937,327	141,459,461	97.7%
2009	145,696,574	145,303,995	139,193,850	95.8%	2,434,883	141,628,733	97.5%
2010	156,843,125	156,775,703	149,741,101	95.5%	3,490,784	153,231,885	97.7%
2011	160,699,548	157,648,907	153,602,147	97.4%	3,174,243	156,776,390	99.4%
2012	160,764,044	160,579,733	153,849,835	95.8%	4,941,592	158,791,427	98.9%
2013	166,414,943	166,258,998	159,849,174	96.1%	1,952,412	161,801,586	97.3%
2014	172,732,089	172,242,510	166,260,056	96.5%	1,861,459	168,121,515	97.6%
2015	172,931,485	172,708,552	166,201,838	96.2%	-	166,201,838	96.2%

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				
2015	\$ 296,327,561	\$ -	\$ 30,753,439	\$ 327,081,000	1.7 %	580	1.1 %
2014	287,807,949	-	31,791,051	319,599,000	1.7	568	1.0
2013	305,740,681	-	33,095,319	338,836,000	1.9	603	1.0
2012	297,543,826	-	34,975,174	332,519,000	1.9	594	1.0
2011	291,337,128	2,420,465	36,072,872	329,830,465	1.8	589	1.0
2010	303,750,990	4,694,951	34,636,010	343,081,951	1.9	614	1.0
2009	305,135,826	6,830,638	27,218,174	339,184,638	1.9	608	1.1
2008	290,912,162	8,834,923	27,276,838	327,023,923	1.7	583	1.1
2007	269,666,826	10,718,947	27,071,174	307,456,947	1.7	553	1.0
2006	288,137,297	12,489,753	26,137,704	326,764,754	1.9	588	1.1

(a) - See Table 12 for population data.

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

Source: Comprehensive Annual Financial Reports



## County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Delaware	\$ 327,081,000	100%	\$ 327,081,000
(Municipality):			
Aston Twp	4,389,503	100%	4,389,503
Bethel Township	591,331	100%	591,331
Brookhaven Twp	3,139,096	100%	3,139,096
Chester City	28,226,974	100%	28,226,974
Clifton Heights Borough	111,501	100%	111,501
Concord Township	1,759,417	100%	1,759,417
Darby Borough	12,863,000	100%	12,863,000
Darby Township	6,875,000	100%	6,875,000
Eddystone Borough	667,075	100%	667,075
Folcroft Borough	3,038,000	100%	3,038,000
Glenolden Borough	1,094,887	100%	1,094,887
Haverford Township	43,545,000	100%	43,545,000
Lansdowne Borough	2,827,000	100%	2,827,000
Lower Chichester Township	121,881	100%	121,881
Marcus Hook Borough	1,543,352	100%	1,543,352
Marple Township	12,787,512	100%	12,787,512
Media Borough	3,610,515	100%	3,610,515
Middletown Township	9,840,000	100%	9,840,000
Morton Borough	725,913	100%	725,913
Nether Providence Twp.	5,785,942	100%	5,785,942
Newtown Township	2,355,000	100%	2,355,000
Norwood Borough	1,175,377	100%	1,175,377
Parkside Borough	407,836	100%	407,836
Prospect Park Borough	30,254	100%	30,254
Radnor Township	56,705,000	100%	56,705,000
Ridley Park Borough	1,127,202	100%	1,127,202
Ridley Township	17,910,412	100%	17,910,412
Rutledge Borough	95,620	100%	95,620
Springfield Township	3,819,000	100%	3,819,000
Swarthmore Borough	2,063,000	100%	2,063,000
Thonbury Township	188,164	100%	188,164
Tinicum Township	4,301,000	100%	4,301,000
Upland Borough	1,605,000	100%	1,605,000
U. Chichester Township	3,911,817	100%	3,911,817
Upper Darby Township	11,105,000	100%	11,105,000
Upper Providence Township	2,353,000	100%	2,353,000
Yeadon Borough	3,238,000	100%	3,238,000
			255,933,581

(continued)

## County of Delaware, Pennsylvania

Direct and Overlapping Governmental Activities Debt

Table 10

As of December 31, 2015

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
(School District):			
Chester-Upland	\$ 82,270,000	100%	\$ 82,270,000
Chichester	58,153,231	100%	58,153,231
Garnet Valley	95,927,546	100%	95,927,546
Haverford	124,403,000	100%	124,403,000
Interboro	46,170,000	100%	46,170,000
Marple-Newtown	85,710,000	100%	85,710,000
Penn Delco	79,305,000	100%	79,305,000
Radnor	97,455,000	100%	97,455,000
Ridley	61,018,615	100%	61,018,615
Rose Tree-Media	79,911,762	100%	79,911,762
Southeast Delco	52,570,880	100%	52,570,880
Springfield	42,885,000	100%	42,885,000
Upper Darby	36,324,191	100%	36,324,191
Wallingford Swarthmore	84,363,662	100%	84,363,662
William Penn	53,847,778	100%	53,847,778
Direct school district debt			1,080,315,665
Subtotal, overlapping debt		100%	1,336,249,246
Total direct and overlapping debt		100%	\$ 1,663,330,246

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, 2015

(Unaudited)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Borrowing Base Revenues (1)	\$ 479,826,132	\$ 503,323,037	\$ 528,871,550	\$ 538,675,759	\$ 534,473,234	\$ 515,539,248	\$ 506,291,039	\$ 504,478,366	\$ 512,084,629	\$ 520,358,837
Debt Limit Percentage	300%	300%	300%	300%	300%	300%	300%	300%	300%	300%
Debt Limit	\$ 1,439,478,396	\$ 1,509,969,111	\$ 1,586,614,650	\$ 1,616,027,277	\$ 1,603,419,702	\$ 1,546,617,744	\$ 1,518,873,117	\$ 1,513,435,098	\$ 1,536,253,887	\$ 1,561,076,511
General Obligation Debt	\$ 326,764,754	\$ 307,456,947	\$ 327,023,923	\$ 339,184,638	\$ 343,081,951	\$ 329,830,465	\$ 332,519,000	\$ 338,836,000	\$ 319,599,000	\$ 327,081,000
Legal Debt Margin	\$ 1,112,713,642	\$ 1,202,512,164	\$ 1,259,590,727	\$ 1,276,842,639	\$ 1,260,337,751	\$ 1,216,787,279	\$ 1,186,354,117	\$ 1,174,599,098	\$ 1,216,654,887	\$ 1,233,995,511

(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

(Unaudited)

<u>Year</u>	<u>Estimated Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
2006	555,996	\$ 16,768,283	\$ 30,159	39.8	72,043	4.5%
2007	556,351	17,416,291	31,305	40.2	72,858	4.0%
2008	561,109	18,782,562	33,474	40.8	72,661	5.7%
2009	558,028	17,929,439	32,130	41.2	72,358	8.7%
2010	558,979	18,098,622	32,378	38.5	73,432	7.8%
2011	559,992	17,957,263	32,067	38.7	73,555	7.8%
2012	559,998	17,974,582	32,277	38.8	73,610	7.7%
2013	561,973	18,050,392	33,098	38.8	74,003	6.3%
2014	562,960	18,690,272	33,200	38.9	74,129	4.9%
2015	563,894	18,912,441	33,539	38.8	73,698	3.5%

Note: Personal property taxes were assessed at estimated actual value.

Source: U.S. Census Bureau, Center for Workforce Information & Analysis, PA Dept. of Education

## County of Delaware, Pennsylvania

Principal Employers

Table 13

Current Year and Ten Years Ago

(Unaudited)

2015			2006		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Crozer-Keystone Health System	7,000	2.52%	Crozer-Keystone Health System	7,050	1.70%
Boeing Co.	4,900	1.76%	Boeing Co. (Rotorcraft Div.)	4,400	1.06%
Wawa Inc.	4,000	1.44%	Boeing Co. (Army Systems Div.)	4,000	0.96%
Delaware County	3,100	1.11%	Riddle Health System	1,900	0.46%
United Parcel Service, Inc.	3,000	1.08%	Acme Markets Inc.	1,800	0.44%
Villanova University	2,750	0.99%	Villanova University	1,750	0.43%
SAP America	2,500	0.90%	Elwyn Industries	1,500	0.36%
Upper Darby School District	2,200	0.90%	Keystone Mercy Health Plan	1,500	0.36%
Main Line Health System	2,000	0.79%	SAP America	1,400	0.34%
Harrah's	1,400	0.50%	Wawa Inc.	1,300	0.31%
Widener University	1,200	0.43%	Harrah's	1,300	0.31%

Source: PA 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

(Unaudited)

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government and administration	2,317	2,385	2,274	2,477	2,389	2,402	2,438	2,429	2,347	2,410
Judicial	789	693	754	718	669	690	692	687	656	674
Culture and recreation	21	16	17	14	15	17	17	17	17	17
Golf course	5	5	5	5	5	5	5	5	5	5
Fleet services	<u>5</u>	<u>6</u>	<u>6</u>	<u>4</u>	<u>4</u>	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>
Total	<u><u>3,137</u></u>	<u><u>3,105</u></u>	<u><u>3,056</u></u>	<u><u>3,218</u></u>	<u><u>3,082</u></u>	<u><u>3,121</u></u>	<u><u>3,159</u></u>	<u><u>3,144</u></u>	<u><u>3,031</u></u>	<u><u>3,112</u></u>

Source: Personnel Department

## County of Delaware, Pennsylvania

Operating Indicators by Function/Program  
 Table 15  
 Last Ten Fiscal Years  
 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
General Government and Judicial										
Bridges maintained	43	43	43	43	43	43	43	43	43	43
Buildings maintained	8	8	8	8	8	8	8	8	8	8
Recreation										
Rounds played	28,500	29,443	29,650	27,000	29,118	25,561	27,015	24,806	22,010	20,000
Garden plots	121	118	118	114	114	114	114	114	114	114
Summer Fest Events	47	52	46	49	47	49	50	50	50	49
Summer Fest Attendance	37,696	65,000	58,000	50,000	47,000	53,000	52,000	50,000	51,000	48,000
Health & Human Services										
Cases	54,959	55,642	56,441	57,266	67,479	69,037	69,994	69,994	33,364	34,698
Adoptions	757	756	795	836	809	719	701	714	720	725
Children in Foster Care	989	1,028	1,100	1,143	892	868	844	891	885	710
Mental Health Population	6,524	6,852	8,077	8,222	7,847	8,900	7,503	17,867	23,092	24,163
Judicial										
Cases										
Civil	1,612	1,690	1,783	1,191	1,230	1,428	1,639	1,862	11,837	11,399
Criminal	1,537	1,659	1,774	1,155	1,194	1,314	1,945	2,178	8,219	7,624
Solid Waste										
Residential Tonnage	275,208	264,164	253,147	244,590	238,406	230,358	217,700	213,195	211,852	211,349
Commercial Tonnage	138,370	137,690	151,290	132,920	130,847	136,125	140,694	147,684	155,443	164,887

Source: County Records

## County of Delaware, Pennsylvania

### Capital Asset Statistics by Function/Program

Table 16

Last Ten Fiscal Years

(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
General Government and Judicial										
Facilities	7	7	7	7	7	7	7	7	7	7
Vehicles	261	261	261	252	252	252	277	310	315	352
Recreation										
Parks	6	6	6	6	6	6	6	6	6	6
Golf Courses	1	1	1	1	1	1	1	1	1	1
Golf Rounds played	28,500	29,443	29,650	27,000	29,118	25,561	27,015	24,806	22,010	20,000
Vehicles	14	14	14	14	14	14	14	14	14	14
Public Works										
Vehicles	8	1	1	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	1	1	1
Corrections										
Capacity	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883	1,883
Vehicles	3	3	3	3	3	1	1	1	1	-
Juvenile Facility										
Capacity	66	66	66	66	66	66	66	66	66	66
Vehicles	2	2	2	2	2	2	2	2	2	2
Human Services										
Caseloads	54,959	55,642	56,441	57,266	57,266	67,479	68,919	69,002	33,364	34,698
Vehicles	52	52	51	45	45	46	46	46	46	43
Infrastructure										
Bridges	43	43	43	43	43	43	43	43	43	43

Source: County Records



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