



Annual Financial Report

County of: Chester
for the year 2016



Return to:
PA Department of Community and Economic Development
Governor's Center for Local Government Services
Commonwealth Keystone Building
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Harrisburg, PA 17120-0225

Commonwealth of Pennsylvania
Tom Wolf, Governor
www.state.pa.us

PA Dept. of Community & Economic Development
Dennis M. Davin, Secretary
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pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT



2016

COUNTY

ANNUAL FINANCIAL REPORT

15 COUNTY OF CHESTER

County of CHESTER
GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<u>CURRENT ASSETS:</u>			
Cash and cash equivalents	107,129,131	605,637	107,734,768
Receivables (net of allowance for uncollectibles)	12,427,528	3,526,218	15,953,746
Due from other governments	16,447,419		16,447,419
Internal balances	4,790,475	-4,790,475	
Inventories	15,948	90,075	106,023
Prepays	2,759,751	38,972	2,798,723
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	50,006,531	242,467	50,248,998
Other: Advances to subcontractors	17,174		17,174
Other: Other assets	9,115		9,115
<u>NON-CURRENT ASSETS:</u>			
Permanently restricted:			
Investments	1,119,477		1,119,477
Capital assets not being depreciated:			
Land	24,183,356		24,183,356
Construction in progress	22,966,985	2,701,323	25,668,308
Capital assets net of accumulated depreciation:			
Buildings and system	194,807,347	4,279,474	199,086,821
Improvements other than buildings	10,219,922	39,952	10,259,874
Machinery and equipment	49,453,515	6,754	49,460,269
Infrastructure	14,004,906		14,004,906
Other: Land development rights	89,196,825		89,196,825
Other: Machinery and equipment capital lease	368,950		368,950
Other: Other assets	153,992		153,992
Other: Restricted assets and cash equivalents	21,326,005		21,326,005
TOTAL ASSETS	621,404,352	6,740,397	628,144,749

County of CHESTER
GOVERNMENT-WIDE STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred amount on debt refundings	25,435,001		25,435,001
Deferrals related to pensions	22,832,698	2,822,019	25,654,717
TOTAL DEFERRED OUTFLOWS OF RESOURCES	48,267,699	2,822,019	51,089,718
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	669,672,051	9,562,416	679,234,467
<u>LIABILITIES:</u>			
Accounts payable	18,542,641	206,546	18,749,187
Due to other governments	4,373,481		4,373,481
Unearned revenue	1,737,789		1,737,789
Funds held as fiduciary		304,608	304,608
Other current liabilities	8,961,838	873,413	9,835,251
Debt due within one year	25,534,646	108,625	25,643,271
Debt due in more than one year	584,210,156	135,011	584,345,167
Other non-current liabilities	53,591,756	7,063,636	60,655,392
Other: Accrued salaries	2,084,071	247,838	2,331,909
Other: Accrued interest payable	8,333,279	2,440	8,335,719
Other: Unearned grant revenue	23,894,316		23,894,316
Other: Funds held in escrow	227,970		227,970
TOTAL LIABILITIES	731,491,943	8,942,117	740,434,060
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferrals related to pensions	283,635	35,056	318,691
Other: Deferred fees	560,000		560,000
Other: Deferred real estate tax fee	200		200
TOTAL DEFERRED INFLOWS OF RESOURCES	843,835	35,056	878,891
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	732,335,778	8,977,173	741,312,951
<u>NET POSITION:</u>			
Net investment in capital assets	1,830,308	6,783,867	8,614,175
Restricted	8,034,744		8,034,744

County of CHESTER
GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
NET POSITION:			
Unrestricted	-72,528,779	-6,198,624	-78,727,403
TOTAL NET POSITION	-62,663,727	585,243	-62,078,484

County of CHESTER
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
 Proprietary Funds
 December 31, 2016

	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total Fiduciary
<u>GOVERNMENTAL ACTIVITIES:</u>							
General government - administrative	39,966,052	12,350,778	710,481		-26,904,793		-26,904,793
General government - judicial	48,866,015	8,022,906	6,049,840		-34,793,269		-34,793,269
Public safety	29,975,222	12,418,994	1,272,898	823,514	-15,459,816		-15,459,816
Corrections	42,594,834	4,416,627	2,487,829		-35,690,378		-35,690,378
Highways and streets	1,069,580				-1,069,580		-1,069,580
Health and welfare	191,939,745	3,962,072	174,579,424		-13,398,249		-13,398,249
Culture - recreation	13,107,347	306,611	32,666	95,628	-12,672,442		-12,672,442
Conservation	9,091,124	1,441,261	326,728	535,263	-6,787,872		-6,787,872
Other: Interest on long term debt	26,951,207				-26,951,207		-26,951,207
Other: Public works	572,328	939,631	1,024,423	1,673,910	3,065,636		3,065,636
TOTAL GOVERNMENTAL ACTIVITIES	404,133,454	43,858,880	186,484,289	3,128,315	-170,661,970		-170,661,970
<u>MAJOR BUSINESS-TYPE ACTIVITIES:</u>							
Business 1	26,408,244	25,740,289	18,725			-649,230	-649,230
TOTAL BUSINESS-TYPE ACTIVITIES	26,408,244	25,740,289	18,725			-649,230	-649,230
TOTAL PRIMARY GOVERNMENTS	430,541,698	69,599,169	186,503,014	3,128,315	-170,661,970	-649,230	-171,311,200

County of CHESTER
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

December 31, 2016

	Governmental Activities	Business-Type Activities	Total
TOTAL PRIMARY GOVERNMENTS	-170,661,970	-649,230	-171,311,200
GENERAL REVENUES:			
Real estate	155,056,169		155,056,169
Hotel room rental	1		1
Personal property	13,156		13,156
Unrestricted investment earnings	1,344,485		1,344,485
Other: Misc	5,996,765		5,996,765
Transfers	541,814	-541,814	
TOTAL GENERAL REVENUES AND TRANSFERS	162,952,390	-541,814	162,410,576
CHANGE IN NET POSITION	-7,709,580	-1,191,044	-8,900,624
NET POSITION - BEGINNING OF YEAR	-54,954,147	1,776,287	-53,177,860
NET POSITION - END OF YEAR	-62,663,727	585,243	-62,078,484

County of CHESTER
BALANCE SHEET - GOVERNMENTAL FUNDS

(Including the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Units)

December 31, 2016

	General	Managed Behavioral Healthcare	Children and Youth	Capital Improve ment	Debt Service	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
ASSETS:									
Cash and cash equivalents	28,548,149	5,600,153	16,300	2,204,734	30,774,375			26,405,036	93,548,747
Receivables (net of allowance for uncollectibles)	7,146,863	290	133,339	77,716	1,199,695			3,778,509	12,336,412
Due from other governments	2,335,019	168,083	7,818,559	883,331				5,242,428	16,447,420
Due from other funds	15,935,199								15,935,199
Inventories	15,948								15,948
Prepays	1,627,349							377,203	2,004,552
Restricted assets:									
Temporarily restricted:									
Cash and cash equivalents	1,074,668	17,873,987		50,006,531				2,377,350	71,332,536
Investments	1,119,477								1,119,477
Permanently restricted:									
Investments									
Other: Other assets	7,372							1,743	9,115
Other: Advance to subcontractors			15,000					2,174	17,174
Other: Hotel room rental								1	1
TOTAL ASSETS	57,810,044	23,642,513	7,983,198	53,172,312	31,974,070			38,184,444	212,766,581
DEFERRED OUTFLOWS OF RESOURCES:									
TOTAL DEFERRED OUTFLOWS OF RESOURCES									
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	57,810,044	23,642,513	7,983,198	53,172,312	31,974,070			38,184,444	212,766,581
LIABILITIES:									
Accounts payable	2,138,378	1,247,493	2,687,032	4,174,647	539			7,223,414	17,471,503
Due to other governments		3,936,403	222,649					214,642	4,373,694
Due to other funds		494,830	4,841,172					3,972,855	9,308,857
Unearned revenue	208,223	17,873,987	56,939					5,755,166	23,894,315
Funds held as fiduciary	211,186			10,000				6,785	227,971
Other: Accrued liabilities	1,418,436	12,231	163,953					483,606	2,078,226

County of CHESTER
BALANCE SHEET - GOVERNMENTAL FUNDS

(Including the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Units)

December 31, 2016

	General	Managed Behavioral Healthcare	Children and Youth	Capital Improvement	Debt Service	Major #5	Permanent Fund	Other Governmental Funds	Total Government Funds
Other: Working capital reserve	16,200,000								16,200,000
Other: Retirement of long term debt					31,010,654				31,010,654
Other: Capital projects							6,875,781		6,875,781
Other: Upkeep of county parks							5,015,786		5,015,786
Other: Upkeep of county libraries							2,199,651		2,199,651
Unassigned fund balance*	21,046,705								21,046,705
TOTAL FUND BALANCE	46,890,002			48,966,664	31,010,654			18,733,982	145,601,302
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCES	57,810,044	23,642,513	7,983,198	53,172,312	31,974,070			38,184,444	212,766,581

Amounts reported for governmental activities in the statement of net assets are different because:	
Internal service funds are used by management to charge certain costs to county departments and employees	
The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service funds are included in governmental activities in the STATEMENT OF NET POSITION	9,329,525
Long-term liabilities and deferred inflows are not due and payable in the current period and therefore are not reported as a fund liability	-627,335,680
The difference in net position between full accrual accounting and modified accrual accounting is due to differing revenue recognition criteria between the two methods	153,991
The difference in net position between full accrual accounting and modified accrual accounting is due to differing expenditure recognition criteria between the two methods	4,754,279
Capital assets used in government activities are not financial resources and, therefore, are not reported in the funds	404,832,856
Other: _____	
NET POSITION OF GOVERNMENTAL ACTIVITIES	-62,663,727

County of CHESTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
 December 31, 2016

	General	Managed Behavioral Healthcare	Children and Youth	Capital Improvement	Debt Service	Major #5	Rermanent Fund	Other Governmenta I Funds	Total Government Funds
REVENUES:									
TAXES:									
Real estate	104,170,293				39,952,418			11,123,568	155,246,279
Hotel room rental								1	1
Other: Personal property	13,156								13,156
TOTAL TAXES	104,183,449				39,952,418			11,123,569	155,259,436
INTERGOVERNMENTAL REVENUES:									
Federal	5,204,287		3,798,915	919,142				30,840,300	40,762,644
State	107,296	853							108,149
Local government units	7,105,409	80,801,983	18,741,154	535,263				40,496,140	147,679,949
TOTAL INTERGOVERNMENTAL REVENUES	12,416,992	80,802,836	22,540,069	1,454,405				71,336,440	188,550,742
Charges for Service	21,054,110		767,510					12,957,797	34,779,417
	21,054,110		767,510					12,957,797	34,779,417
MISCELLANEOUS REVENUES:									
Interest earnings	456,006			298,377	236,458			181,376	1,172,217
Rents	119,610							726,649	846,259
Other: Other	4,086,422		92,879	338,856	1,182,928			2,404,750	8,105,835
TOTAL MISCELLANEOUS REVENUES	4,662,038		92,879	637,233	1,419,386			3,312,775	10,124,311
TOTAL REVENUES	142,316,589	80,802,836	23,400,458	2,091,638	41,371,804			98,730,581	388,713,906

EXPENDITURES:

General government - administrative	29,506,826			339,487	11,446			658,739	30,516,498
General government - judicial	37,437,975			49,000				6,519,380	44,006,355
Public safety	3,611,670							13,452,732	17,064,402
Corrections	39,522,287			14,970				25,937	39,563,194
Highways and streets								1,069,580	1,069,580
Health and welfare	9,539,544	80,287,966	29,274,299	3,088,695				66,898,377	189,088,881

County of CHESTER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 December 31, 2016

	General	Managed Behavioral Healthcare	Children and Youth	Capital Improvement	Debt Service	Major #5	Rermanent Fund	Other Governmenta I Funds	Total Government Funds
Culture - recreation				102,532				11,053,386	11,155,918
Conservation	5,654,302			3,531,222				222,368	9,407,892
Debt Service				362,671	42,167,416				42,530,087
Other: Bridges								2,663,657	2,663,657
Other: Other			2,598	19,561,832				3,261,498	22,825,928
Other: Hotel Room Rental								1	1
TOTAL EXPENDITURES	125,272,604	80,287,966	29,276,897	27,050,409	42,178,862			105,825,655	409,892,393
<u>OTHER FINANCIAL SOURCES/(USES):</u>									
Interfund Operating Transfers	-11,174,000	-514,870	5,876,439	-246,780	-860,787			7,461,812	541,814
Sale of capital assets	2,424			9,251				29,452	41,127
Long-term debt issued				58,170,000					58,170,000
Payment on advanced refunding of debt					-117,401,061				-117,401,061
Other: Issuance of Refunding Bonds					96,765,000				96,765,000
Other: Premium on bond issue				13,192,671	21,199,138				34,391,809
TOTAL OTHER FINANCING SOURCES/ (USES)	-11,171,576	-514,870	5,876,439	71,125,142	-297,710			7,491,264	72,508,689
CHANGE IN FUND BALANCES	5,872,409			46,166,371	-1,104,768			396,190	51,330,202
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	41,017,593			2,800,293	32,115,422			18,337,792	94,271,100
FUND BALANCES (DEFICIT) - END OF YEAR	46,890,002			48,966,664	31,010,654			18,733,982	145,601,302

County of CHESTER

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

December 31, 2016

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances (deficit) - total governmental funds

51,330,202

The net revenue (expense) of certain activities of the internal services fund is reported with governmental activities

-1,950,526

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Additionally, various other long-term liabilities and deferred inflows do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds. This amount is the net effect of the differences in the treatment of long-term liabilities and deferred inflows on the statement of activities

-59,444,382

The difference in the change in net position between full accrual accounting and modified accrual accounting is due to differing revenue recognition criteria between the two accounting methods

-217,428

The difference in the change in net position between full accrual accounting and modified accrual accounting is due to differing expenditure recognition criteria between the two accounting methods

-485,419

The net effect of various transactions involving capital assets, (i.e. purchases, disposals, etc.) is to increase net position

3,057,973

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**-7,709,580**

County of CHESTER
STATEMENT OF NET POSITION

Proprietary Funds

December 31, 2016

	Pocopson	Major Bus. #2	Major Bus. #3	Major Bus. #4	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
Funds held as fiduciary	304,608						304,608	
TOTAL CURRENT LIABILITIES	7,890,968						7,890,968	3,225,948
<u>NON-CURRENT LIABILITIES:</u>								
Debt due in more than 1 year	135,011						135,011	
Other non-current liabilities	5,995,283						5,995,283	1,440,079
Other: Compensated absences	348,317						348,317	
Other: Capital lease payable								149,996
TOTAL NON-CURRENT LIABILITIES	6,478,611						6,478,611	1,590,075
TOTAL LIABILITIES	14,369,579						14,369,579	4,816,023
<u>NON-CURRENT LIABILITIES:</u>								
TOTAL NON-CURRENT LIABILITIES								
<u>DEFERRED INFLOWS OF RESOURCES:</u>								
Deferrals related to pensions	35,056						35,056	
TOTAL DEFERRED INFLOWS OF RESOURCES	35,056						35,056	
	35,056						35,056	
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	14,404,635						14,404,635	4,816,023
<u>NET POSITION:</u>								
Net investment in capital assets	6,783,867						6,783,867	
Restricted								2,862,000
Unrestricted	-6,835,611						-6,835,611	7,104,512
TOTAL NET POSITION	-51,744						-51,744	9,966,512
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	14,352,891						14,352,891	14,782,535

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

636,987

Net Position of Business-type Activities

585,243

County of CHESTER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-
 Proprietary Funds
 For the Year Ended December 31, 2016

	Pocopson	Major Bus. #2	Major Bus. #3	Major Bus. #4	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
OPERATING REVENUES:								
Charges for service	25,634,509						25,634,509	36,964,421
Other: Other	124,506						124,506	1,103,764
TOTAL OPERATING REVENUES	25,759,015						25,759,015	38,068,185
OPERATING EXPENSES:								
Personnel services	18,604,877						18,604,877	608,337
Other services and charges	5,033,047						5,033,047	9,462,518
Depreciation and amortization	556,202						556,202	322,103
Other: Self insurance claims	137,473						137,473	30,062,483
Other: Indirect cost	1,522,167						1,522,167	76,065
Other: Bad debt	125,000						125,000	
TOTAL OPERATING EXPENSES	25,978,766						25,978,766	40,531,506
OPERATING INCOME/(LOSS)	-219,751						-219,751	-2,463,321
NONOPERATING REVENUES/(EXPENSES):								
Investment earnings								103,418
Interest expense	-6,281						-6,281	-13,821
TOTAL NONOPERATING REVENUES/(EXPENSES)	-6,281						-6,281	89,597
TRANSFERS IN/(OUT)	-541,814						-541,814	
CHANGE IN NET POSITION	-767,846						-767,846	-2,373,724
NET POSITION - BEGINNING OF YEAR	716,102							12,340,236

County of CHESTER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-
 Proprietary Funds
 For the Year Ended December 31, 2016

	Pocopson	Major Bus. #2	Major Bus. #3	Major Bus. #4	Major Bus. #5	Other Business Funds	Total Business Funds	Internal Service Fund
NET POSITION - END OF YEAR	-51,744							9,966,512
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds							-423,198	
Changes in Net Position of Business-type Activities							-1,191,044	

County of CHESTER
STATEMENT OF FIDUCIARY NET POSITION
 Fiduciary Funds
 December 31, 2016

	Employee Retirement Fund	Tax Claim Agency	Row Office Agency	Hotel Tax Agency	Municipal Tax Agency
ASSETS:					
Cash and cash equivalents	11,609,555	2,225,278	17,728,004	168,397	219,761
Receivables		14,206,971		340,175	515,389
Investments, at fair value	373,478,160				
Restricted assets:					
Temporarily restricted:					
Permanently restricted:					
Investments	829,913				
TOTAL ASSETS	385,917,628	16,432,249	17,728,004	508,572	735,150
DEFERRED OUTFLOWS OF RESOURCES:					
TOTAL DEFERRED OUTFLOWS OF RESOURCES					
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	385,917,628	16,432,249	17,728,004	508,572	735,150
LIABILITIES:					
Accounts payable and other current liabilities	24,133				
Due to other funds	13,114				
Due to other governments			4,952,739		
Other: Other liabilities			12,775,265		
Other: Due to taxing authorities		16,432,249			
Other: Hotel tax payable				508,572	
Other: Real estate tax payable					735,150
TOTAL LIABILITIES	37,247	16,432,249	17,728,004	508,572	735,150
DEFERRED INFLOWS OF RESOURCES:					
TOTAL DEFERRED INFLOWS OF RESOURCES					
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	37,247	16,432,249	17,728,004	508,572	735,150

County of CHESTER
STATEMENT OF FIDUCIARY NET POSITION

Fiduciary Funds
 December 31, 2016

	Employee Retirement Fund	Tax Claim Agency	Row Office Agency	Hotel Tax Agency	Municipal Tax Agency
NET POSITION:					
Assets held in trust for pension/other post employment benefits	385,880,381				
TOTAL NET POSITION	385,880,381				
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	385,917,628	16,432,249	17,728,004	508,572	735,150

County of CHESTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

December 31, 2016

	Employee Retirement Fund	Tax Claim Agency	Row Office Agency	Hotel Tax Agency	Municipal Tax Agency
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ADDITIONS:

Contributions

Employer	8,469,935				
Plan members	7,116,103				
TOTAL CONTRIBUTIONS	15,586,038				

INVESTMENT EARNINGS:

Interest

Net increase/(decrease) in the fair value of investments

Other: Dividends

Other: Other

TOTAL INVESTMENT EARNINGS

Interest	2,736,305				
Net increase/(decrease) in the fair value of investments	21,440,563				
Other: Dividends	4,928,038				
Other: Other	704,763				
TOTAL INVESTMENT EARNINGS	29,809,669				

Less Investment Expenses

	1,271,379				
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TOTAL ADDITIONS

	44,124,328				
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DEDUCTIONS:

Benefits

Administrative Expenses

Other: Refund of employee's contributions

TOTAL DEDUCTIONS

Benefits	18,839,834				
Administrative Expenses	138,328				
Other: Refund of employee's contributions	2,866,575				
TOTAL DEDUCTIONS	21,844,737				

County of CHESTER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Fiduciary Funds

December 31, 2016

	Employee Retirement Fund	Tax Claim Agency	Row Office Agency	Hotel Tax Agency	Municipal Tax Agency
CHANGE IN NET POSITION	22,279,591				
NET POSITION - BEGINNING OF YEAR	363,600,790				
NET POSITION - END OF YEAR	385,880,381				

County of CHESTER

December 31, 2016

DEBT STATEMENT

OUTSTANDING BONDS AND NOTES

Listed below are all currently outstanding bond and note issues according to our files, excluding bond issues redeemed or refunded and defeased. Please show the principal payments and make any other necessary corrections and additions.

Purpose	Bond Capital Lease Lease Rental Note	Issue Year (yyyy)	Maturity Year (yyyy)	Original Amount of Issue	Outstanding Beginning of Year	Principal Incurred This Year	Principal Paid This Year	Current Year Accretion on Compound Interest Bonds	Outstanding at Year End **
Other									

If you have a GAAP basis financial statement with footnotes, please provide the information below.

GUARANTEED DEBT SECTION (Optional Information)

*Debt that is guaranteed by the County \$0 (aggregate guaranteed debt) of which \$ 0 (if any) is reported above.

*The aggregate guaranteed debt amount (first line) in the "Optional Information" section should include any amount of debt guaranteed by the county. If providing this information, please include related amounts reported in the "Debt Statement," if any. Do not include debt payments that are incurred and paid off within the same fiscal year or other items, such as workers' compensation, other postemployment benefits, self-insurance, claim liabilities, compensated absences, etc.

Total Debt	550,396,050
Capitalized lease obligations	368,950
Plus(less) Unamortized Premium(Discount)	
Net debt	550,765,000

** excludes unamortized premium/discount

County of CHESTER
STATEMENT OF CAPITAL ADDITIONS
 December 31, 2016

Total

GOVERNMENTAL-TYPE ACTIVITY:

General Government - administrative	1,850,406
General Government - judicial	1,749,263
Public safety	
Police	17,479,595
Corrections	639,897
Public works	
Highways and streets	1,069,580
Other: Public Works	1,810,044
Health and welfare	2,183,612
Culture - recreation	1,815,387
Conservation	2,028,401

BUSINESS-TYPE ACTIVITY:

Pocopson	2,815,635
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TOTAL CAPITAL EXPENDITURES

33,441,820

EMPLOYEE COMPENSATION

Total salaries, wages, commissions, etc. paid this year (including all employees and elected officials)

119,496,034



COUNTY OF CHESTER

OFFICE OF THE CONTROLLER

313 WEST MARKET STREET, SUITE 6302, P.O. BOX 2748, WEST CHESTER, PA 19380-0991
 TELEPHONE: (610) 344-6155 FAX: (610) 344-6750

NORMAN MACQUEEN
 CONTROLLER

June 21, 2017

ELECTED CONTROLLER'S CERTIFIED OPINION

To the: Board of County Commissioners
 President Judge of the Court of Common Pleas
 Secretary of the Department of Community and Economic Development

I, the undersigned, the duly elected and acting Controller of the County of Chester, have audited, adjusted and settled the accounts of the County of Chester for the year ended December 31, 2016. My audit, adjustment, and settlement were made in accordance Act 103 of 2002 rather than with U.S. generally accepted auditing standards.

The County has prepared these financial statements on the basis of accounting consistent with U.S. generally accepted accounting principles; consisting of the accrual basis for the government-wide, proprietary fund and fiduciary fund financial statements and the modified accrual basis for the governmental fund financial statements.

Due to the absence of notes and other disclosures required by U.S. generally accepted accounting principles, these financial statements are not intended to be a complete presentation in accordance with U.S. generally accepted accounting principles.

In my opinion, these financial statements accurately reflect the results of operations and the financial position of the County of Chester for the year ended December 31, 2016.

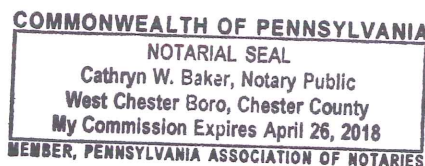
Signed:

Norman S. MacQueen
 Controller

Commonwealth of Pennsylvania)
) SS:
County of Chester)

Subscribed and sworn to before me
 this 22nd day of June, 2017. (Seal)

Signed: Cathryn W. Baker
 Notary Public



December 31, 2016

NOTES / COMMENTS