

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 27, 2025

NEW ISSUE-BOOK ENTRY ONLY

Ratings: Moody's: "Aaa" (Stable Outlook)
S&P: "AAA" (Stable Outlook)
Fitch: "AAA" (Stable Outlook)
(See "RATINGS" herein)

In the Opinion of Bond Counsel, interest on the Bonds (including interest in the form of original issue discount properly allocated to a holder thereof) is excludable from gross income for purposes of federal income tax under existing statutes, regulations, rulings and court decisions, subject to the conditions described in "TAX MATTERS" herein. Interest on the Bonds will not be a specific preference item for purposes of computing the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds is taken into account in determining the adjusted financial statement income of applicable corporations for purposes of computing the alternative minimum tax imposed on such corporations. Under laws of the Commonwealth of Pennsylvania, as enacted and construed on the date hereof, interest on the Bonds is exempt from Pennsylvania income tax and Pennsylvania corporate net income tax. For a more complete discussion see "TAX MATTERS" herein.

\$25,545,000*

County of Chester **Commonwealth of Pennsylvania** **General Obligation Bonds, Series of 2025**

Dated: Date of Issuance

Interest Payable: January 15 and July 15

Principal Due: July 15 (as shown on inside cover)

First Interest Payment: July 15, 2026

The County of Chester, Pennsylvania (the "County") will issue its \$25,545,000* aggregate principal amount of General Obligation Bonds, Series of 2025 (the "Bonds") in registered form in denominations of \$5,000 and any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as the registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Beneficial ownership of the Bonds may be acquired under the book-entry system maintained by DTC through its brokers and dealers who are, or act through, DTC participants ("DTC Participants"). The purchasers of the Bonds will not receive physical delivery of the Bonds. For so long as any purchaser is the beneficial owner of a Bond, that purchaser must maintain an account with a broker or a dealer who is, or acts through, a DTC Participant to receive payment of principal of and interest on the Bonds. See "**BOOK-ENTRY-ONLY SYSTEM**" herein. If, under the circumstances described herein, Bonds are ever issued in certificated form, the Bonds will be subject to registration of transfer, exchange and payment as described herein. The principal of the Bonds will be paid to the registered owners or assigns, when due, upon presentation and surrender of the Bonds to U.S. Bank Trust Company, National Association (the "Paying Agent"), acting as paying agent, registrar and sinking fund depository, at its corporate trust office in Philadelphia, Pennsylvania. Interest on the Bonds is payable initially on July 15, 2026, and thereafter, semiannually on January 15 and July 15 of each year, until the principal sum thereof is paid. Payment of interest on the Bonds will be made by check drawn on the Paying Agent mailed to the registered owners of the Bonds as of the Record Date (see "**THE BONDS**" herein).

The Bonds are subject to optional and mandatory redemption prior to maturity as provided herein.

The Bonds are general obligation bonds of the County, payable from its tax and other general revenues. The County has covenanted that it will provide in its budget in each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year and will duly and punctually pay or cause to be paid from the sinking fund established under the Ordinance (defined herein) or any of its other revenues or funds, the principal of the Bonds and the interest thereon, at the place, on the dates and in the manner stated in the Bonds, and for such budgeting, appropriation and payment the County irrevocably has pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable real property within the County, within limitations provided by law (see "**DEFAULTS AND REMEDIES**" and "**COUNTY FINANCES, TAXES AND DEBT – County Assessment Law**" herein).

Proceeds of the Bonds will be used to finance a portion of the County's ongoing Capital Investment Program including but not limited to the following projects: (1) certain capital projects consisting of Open Space and Community Revitalization programs, park and trail development, and improvements to infrastructure, facilities and public safety capabilities and various other capital projects in the County, and (2) paying the costs of issuing the Bonds.

The Bonds are an authorized investment for fiduciaries in the Commonwealth of Pennsylvania pursuant to the Pennsylvania Probate, Estate and Fiduciaries Code, Act of June 30, 1972, No. 164, P.L. 508, as amended and supplemented.

This cover contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Preliminary Official Statement, including the Appendices attached hereto, to obtain information essential to their making an informed investment decision.

MATURITIES, AMOUNTS, RATES, YIELDS, PRICES & CUSIP NUMBERS* **(See Inside Front Cover)**

The Bonds are offered when, as and if issued by the County, subject to withdrawal or modification of the offer without notice, and subject to the approving legal opinions of Bond Counsel, Dilworth Paxson LLP of Philadelphia, Pennsylvania, to be furnished upon delivery of the Bonds. Certain other legal matters will be passed upon for the County by Colleen Frens, Esquire, West Chester, Pennsylvania, County Solicitor and for the Underwriters by Obermayer Rebmann Maxwell & Hippel LLP, Philadelphia, Pennsylvania. PFM Financial Advisors LLC, Malvern, Pennsylvania serves as Municipal Advisor to the County in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through DTC or its agent in New York, New York, on or about December __, 2025.

STIFEL

Janney

* Estimated, subject to change.

\$25,545,000*
County of Chester
Commonwealth of Pennsylvania
General Obligation Bonds, Series of 2025

MATURITIES, AMOUNTS, RATES, YIELDS, PRICES & CUSIP NUMBERS*

Dated: Date of Issuance

Interest Payable: January 15 and July 15

Expected Delivery: December __, 2025

Principal Due: July 15 (as shown below)

First Interest Payment: July 15, 2026

Maturity Date <u>(July 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP**</u>
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					

*Estimated, subject to change.

**Registered trademark of the American Bankers Association. CUSIP numbers are provided by the CUSIP Service Bureau, Incorporated by FactSet Research Systems Inc. The CUSIP numbers listed above are being provided solely for the convenience of the holders of Bonds only at the time of issuance of the Bonds and the County and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

County of Chester

Commonwealth of Pennsylvania

BOARD OF COMMISSIONERS

Josh Maxwell	Chair
Marian D. Moskowitz	Vice-Chair
Eric M. Roe	Member

OTHER COUNTY OFFICIALS

Yolanda Van de Krol	Clerk of Courts
Margaret Reif	Controller
Sophia Garcia-Jackson, MS, F-ABMDI	Coroner
Christopher de Barrera-Sarobe	District Attorney
Kristen E. Hume	Acting Prothonotary
Diane O'Dwyer	Recorder of Deeds
Michele Vaughn	Register of Wills
Kevin D. Dykes	Sheriff
Patricia Maisano	Treasurer
Colleen Frens, Esq.	Solicitor

BOND COUNSEL

DILWORTH PAXSON LLP
Philadelphia, Pennsylvania

MUNICIPAL ADVISOR

PFM FINANCIAL ADVISORS LLC
Malvern, Pennsylvania

UNDERWRITERS' COUNSEL

OBERMAYER REBMANN MAXWELL & HIPPEL LLP
Philadelphia, Pennsylvania

UNDERWRITERS

STIFEL, NICOLAUS & COMPANY, INCORPORATED
Conshohocken, Pennsylvania

JANNEY MONTGOMERY SCOTT LLC
Philadelphia, Pennsylvania

PAYING AGENT

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
Philadelphia, Pennsylvania

COUNTY ADDRESS

Chester County
Finance Department
313 West Market Street, Suite 6902
P.O. Box 2748
West Chester, PA 19380-0991

This Preliminary Official Statement does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. No dealer, broker, salesman or other person has been authorized by the County to give information or to make any representations, other than those contained in this Preliminary Official Statement, and if given or made, such other information or representations must not be relied upon. The information set forth herein has been obtained from the County and from other sources which are believed to be reliable but the County does not guarantee the accuracy or completeness of information from sources other than the County.

This Preliminary Official Statement is not to be construed as a contract or agreement among the County, the Underwriters and the purchasers or owners of any offered Bonds. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in any of the information set forth herein since the date hereof.

THE UNDERWRITERS HAVE PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS PRELIMINARY OFFICIAL STATEMENT. THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS PRELIMINARY OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS OR THE ORDINANCE IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF CERTAIN STATES, IF ANY, IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS PRELIMINARY OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE ORDER AND PLACEMENT OF THE MATERIALS IN THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS PRELIMINARY OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE PRELIMINARY OFFICIAL STATEMENT.

THIS PRELIMINARY OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE FORWARD-LOOKING STATEMENTS, AS SUCH TERM IS DEFINED IN SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. IN THIS RESPECT, SUCH FORWARD-LOOKING STATEMENTS ARE IDENTIFIED BY THE USE OF THE WORDS ESTIMATE, PROJECT, ANTICIPATE, EXPECT, FORECAST, INTEND OR BELIEVE OR THE NEGATIVE THEREOF OR OTHER VARIATIONS THEREON OR COMPARABLE TERMINOLOGY. SUCH FORWARD-LOOKING INFORMATION INVOLVES IMPORTANT RISKS AND UNCERTAINTIES THAT COULD RESULT IN THE ACTUAL INFORMATION BEING SIGNIFICANTLY DIFFERENT FROM THAT EXPRESSED IN THIS PRELIMINARY OFFICIAL STATEMENT. POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS. SUCH RISKS AND UNCERTAINTIES WHICH COULD AFFECT THE REVENUES AND BONDS OF THE COUNTY INCLUDE, AMONG OTHERS, CHANGES IN ECONOMIC CONDITIONS, MANDATES FROM OTHER GOVERNMENTS AND VARIOUS OTHER EVENTS, CONDITIONS AND CIRCUMSTANCES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COUNTY. SUCH FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE OF THIS PRELIMINARY OFFICIAL STATEMENT. THE COUNTY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGES IN THE COUNTY'S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

The County does not generally publish its business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the County does not intend to update or otherwise revise the forecasted financial information to reflect circumstances existing since its preparation or to reflect the occurrence of unanticipated events, even in the event that any or all of the underlying assumptions are shown to be in error. Furthermore, the County does not intend to update or revise the forecasted financial information to reflect changes in general economic or industry conditions. Additional information relating to the principal assumptions used in preparing the projections is set forth herein.

Neither the County's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

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PRELIMINARY OFFICIAL STATEMENT

\$25,545,000*

County of Chester
Commonwealth of Pennsylvania
General Obligation Bonds, Series of 2025

INTRODUCTION

This Preliminary Official Statement, including the cover and inside cover pages hereof and Appendices hereto, is furnished by the County of Chester, Pennsylvania (the "County"), in connection with the offering of its \$25,545,000* aggregate principal amount General Obligation Bonds, Series of 2025 (the "Bonds"). The Bonds are dated their respective date of issuance and are being issued pursuant to the Ordinance of the Board of Commissioners of the County enacted on October 22, 2025 (the "Ordinance"), and pursuant to the Local Government Unit Debt Act of the Commonwealth of Pennsylvania (the "Commonwealth") (53 Pa. C.S. §8001 *et seq.*), as amended (the "Act"). Issuance of the Bonds will be approved by the Department of Community and Economic Development of the Commonwealth (DCED) pursuant to the Act prior to the delivery of the Bonds.

The Bonds will be general obligation bonds of the County and will be payable from its tax and other general revenues. The County has covenanted in the Ordinance that it will include the amount of debt service for the Bonds in its budget for each fiscal year, that it will appropriate such amounts from its general revenues for the payment of such debt service in each such fiscal year, and that it will duly and punctually pay or cause to be paid the principal of the Bonds and the interest thereon at the dates and place and in the manner stated in the Bonds. For such budgeting, appropriation and payment, the County has irrevocably pledged its full faith, credit and taxing power, which taxing power includes the power to levy *ad valorem* taxes on all taxable property within the County, within limitations provided by law for the payment of debt approved under the Act. See "THE BONDS – Security", "COUNTY FINANCES, TAXES AND DEBT – County Assessment Law" and "DEFAULTS AND REMEDIES" herein.

PURPOSE OF THE ISSUE

Proceeds of the Bonds will be used to finance a portion of the County's ongoing Capital Investment Program including but not limited to the following projects : (1) certain capital projects consisting of Open Space and Community Revitalization programs, park and trail development, and improvements to infrastructure, facilities and public safety capabilities and various other capital projects in the County, and (2) paying the costs of issuing the Bonds.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

The following is a summary of the estimated sources and uses of the proceeds from the issuance of the Bonds.

<u>Sources of Funds</u>	<u>Total</u>
Par Amount of the Bonds	
Plus/Less: Original Issue Premium/Discount	
Total Sources of Funds	
<u>Uses of Funds</u>	
Project Fund	
Costs of Issuance ⁽¹⁾	
Total Uses of Funds	

⁽¹⁾Includes legal, underwriters' discount, Municipal Advisor, printing, credit ratings, paying agent, CUSIP and miscellaneous fees.

* Estimated, subject to change.

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AUTHORITY TO ISSUE

The County is authorized to issue the Bonds pursuant to the Act. Under the Act, the General Assembly of the Commonwealth has granted full power and authority to issue Bonds to every local government unit in the Commonwealth, including the County, subject to certain limitations, restrictions and conditions set forth in the Act. The County has authorized the issuance of the Bonds by enacting the Ordinance in accordance with the provisions of the Act. The Bonds will be issued as nonelectoral debt of the County without the approval of the electorate. As required by the Act, the County expects to receive approval DCED to incur the debt evidenced by the Bonds.

THE BONDS

Description

The Bonds will be issued in fully registered form, in denominations of \$5,000 and integral multiples thereof. The Bonds will be in the aggregate principal amount of \$25,545,000*. The Bonds will be dated the date of issuance thereof and will bear interest at the rates and mature in the amounts and on the dates set forth on the inside front cover of this Preliminary Official Statement. Interest on the Bonds will be payable initially on July 15, 2026, and thereafter, semiannually on January 15 and July 15 of each year (each, an "Interest Payment Date"), until the maturity date of such Bonds or, if any Bond is subject to redemption prior to maturity, until the date fixed for redemption thereof, if payment of the redemption price has been duly made or provided for.

When issued, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. Purchasers of the Bonds (the "Beneficial Owners") will not receive any physical delivery of certificates evidencing Bonds, and beneficial ownership of the Bonds will be evidenced only by book entries. See "**BOOK-ENTRY- ONLY SYSTEM**" herein.

Payment of Principal and Interest

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, payments of principal of, redemption premium, if any, and interest on the Bonds, when due, are to be made to DTC and all such payments shall be valid and effective to satisfy fully and to discharge the Bonds of the County with respect to, and to the extent of, principal, redemption premium, if any, and interest so paid.

Interest on the Bonds will be payable to the registered owner thereof from the Interest Payment Date next preceding the date of registration and authentication of such Bonds, unless: (a) such Bonds are registered and authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from said Interest Payment Date, or (b) such Bonds are registered and authenticated after a Regular Record Date (hereinafter defined) and before the next succeeding Interest Payment Date, in which event such Bonds shall bear interest from such succeeding Interest Payment Date, or (c) such Bonds are registered and authenticated prior to the Regular Record Date preceding July 15, 2026, in which event such Bonds shall bear interest from the date of issuance thereof, or (d) as shown by the records of U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), interest on such Bonds shall be in default, in which event such Bonds shall bear interest from the date on which interest was last paid on such Bonds until the principal sum thereof is paid. Interest on the Bonds will be payable to the registered owner whose name and address shall appear, at the close of business on the fifteenth (15th) day (whether or not a day on which the Paying Agent is open for business) next preceding the applicable Interest Payment Date (the "Regular Record Date"), on the registration books maintained by the Paying Agent, irrespective of any transfer or exchange of the Bonds subsequent to such Regular Record Date and prior to such Interest Payment Date, unless the County shall be in default in payment of interest due on such Interest Payment Date. In the event of any such default, such defaulted interest shall be payable to the person in whose name such Bonds are registered at the close of business on a special record date which shall be at least ten (10) days but not more than fifteen (15) days prior to the special interest payment date. Such notice of the special record date and the special interest payment date shall be mailed to the persons in whose names such Bonds are registered at least ten (10) days prior to the special record date, but not more than thirty (30) days prior to the special interest payment date.

If the date for payment of the principal of or interest on any Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the Commonwealth are authorized or required by law or executive order to close (a "Holiday"), then the date for payment of such principal or interest shall be the next succeeding day which is not a Holiday, and payment on such date shall have the same force and effect as if made on the nominal date established for such payment.

If the use of the Book-Entry-Only System for the Bonds is discontinued for any reason, certificates evidencing such Bonds will be issued to the Beneficial Owners thereof and payment of principal, redemption premium, if any and interest on such Bonds shall be made as described in the following paragraph.

The principal amount of the Bonds, when due upon maturity or upon any earlier redemption, will be paid to the registered owners thereof, or registered assigns, upon surrender of such Bonds to the Paying Agent at its corporate trust office in Philadelphia, Pennsylvania (or to any successor paying agent at its designated office(s)).

* Estimated, subject to change.

Transfer, Exchange and Registration of Bonds

Subject to the provisions described below under “**BOOK-ENTRY-ONLY SYSTEM**,” Bonds are transferable or exchangeable by the registered owners thereof upon surrender of such Bonds to the Paying Agent, accompanied by a written instrument or instruments in form, with instructions, and with guaranty of signature satisfactory to the County and the Paying Agent, duly executed by the registered owner of such Bonds or his attorney-in-fact or legal representative. The Paying Agent shall enter any transfer of ownership of Bonds in the registration books and shall authenticate and deliver at the earliest practicable time in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity for the aggregate principal amount which the registered owner is entitled to receive. The County and the Paying Agent may deem and treat the registered owner of any Bonds as the absolute owner thereof (whether or not payment of or on such Bonds shall be overdue) for the purpose of receiving payment of or on account of principal and interest and for all other purposes, and the County and the Paying Agent shall not be affected by any notice to the contrary.

Neither the County nor the Paying Agent or its designee shall be required to: (a) issue, or register the transfer or exchange of, any Bond during a period beginning at the close of business on the fifteenth (15th) day next preceding any date of selection of Bonds to be redeemed and ending on the close of business on the day on which the applicable notice of redemption is given; or (b) register the transfer or exchange of any Bond after it has been selected for redemption, in whole or in part, until after the date fixed for redemption.

Security

The Bonds are general obligation bonds of the County, payable from its tax and other general revenues. The County has covenanted that it will provide in its budget for each year, and will appropriate from its general revenues in each such year, the amount of the debt service on the Bonds for such year, and will duly and punctually pay or cause to be paid from the Sinking Fund, as hereinafter defined, or any of its other revenues or funds, the principal of each of the Bonds and the interest thereon at the dates and place and in the manner stated on such Bonds, and for such budgeting, appropriation and payment the County irrevocably has pledged its full faith, credit and taxing power, which taxing power presently includes the power to levy *ad valorem* taxes on all taxable property within the County, within limitations provided by law. The Act presently provides for enforcement of debt service payments as hereinafter described (see “**COUNTY FINANCES, TAXES AND DEBT- County Assessment Law**” and “**DEFAULTS AND REMEDIES**” herein).

Sinking Fund

A sinking fund for the payment of debt service on the Bonds, designated “Sinking Fund – County of Chester General Obligation Bonds, Series of 2025” (the “Sinking Fund”), will be established under the Ordinance and maintained by the Paying Agent, as sinking fund depository. The County shall deposit in the Sinking Fund a sufficient sum not later than the date when interest or principal is to become due on the Bonds so that on each payment date the Sinking Fund will contain an amount which, together with any other funds available therein, is sufficient to pay, in full, interest and principal then due on the Bonds.

The Sinking Fund shall be held by the Paying Agent, as sinking fund depository, and invested by the Paying Agent in such securities or shall be deposited in such funds or accounts as are authorized by the Act, upon direction of the County. Such deposits and securities shall be in the name of the County, but subject to withdrawal or collection only by the Paying Agent, as sinking fund depository, and such deposits and securities, together with the interest thereon, shall be a part of the Sinking Fund.

The Paying Agent, as sinking fund depository, is authorized without further order from the County to pay from the Sinking Fund the principal of and interest on the Bonds, as and when due and payable.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been obtained from materials provided by DTC for such purpose. The County and the Underwriters do not guaranty the accuracy or completeness of such information and such information is not to be construed as a representation of the County or the Underwriters. The websites referenced below are included for reference only and the information contained therein is not incorporated by reference in this Preliminary Official Statement.

Initially, the Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, New York, New York, as registered owner of the Bonds. Purchasers of such Bonds will not receive physical delivery of bond certificates. For purposes of this Preliminary Official Statement, so long as all of the Bonds are immobilized in the custody of DTC, references to holders or owners of the Bonds (except under “**TAX MATTERS**” herein) mean DTC or its nominee.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, as applicable, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing

Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for such Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents, as applicable. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to any Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts such Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest and redemption payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates evidencing such Bonds are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates evidencing the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

THE COUNTY, THE PAYING AGENT AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT DTC WILL DISTRIBUTE TO ITS PARTICIPANTS OR THAT DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL DISTRIBUTE TO BENEFICIAL OWNERS OF THE BONDS: (A) PAYMENTS OF THE PRINCIPAL OF, OR INTEREST ON, THE BONDS, OR (B) CONFIRMATION OF OWNERSHIP INTERESTS IN THE BONDS, OR (C) NOTICES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS PRELIMINARY OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH ITS PARTICIPANTS ARE ON FILE WITH DTC.

NONE OF THE COUNTY, THE PAYING AGENT OR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, BENEFICIAL OWNERS OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS FOR: (A) SENDING TRANSACTION STATEMENTS; (B) MAINTAINING, SUPERVISING OR REVIEWING THE ACCURACY OF, ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT OR OTHER NOMINEES OF SUCH BENEFICIAL OWNERS; (C) PAYMENT OR THE TIMELINESS OF

PAYMENT BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNER, OF ANY AMOUNT DUE IN RESPECT OF THE PRINCIPAL OF, OR INTEREST ON, THE BONDS; (D) DELIVERY OR TIMELY DELIVERY BY DTC TO ANY DTC PARTICIPANT, OR BY ANY DTC PARTICIPANT OR OTHER NOMINEES OF BENEFICIAL OWNERS TO ANY BENEFICIAL OWNERS, OF ANY NOTICE OR OTHER COMMUNICATION WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO HOLDERS OR OWNERS OF THE BONDS; OR (E) ANY ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE BONDS.

REDEMPTION OF BONDS

Optional Redemption

The Bonds stated to mature on and after July 15, 20__ are subject to redemption prior to maturity at the option of the County, as a whole or from time to time in part, in any order of maturity or portion of a maturity as selected by the County on ____, 20__ or any date thereafter, upon payment of a redemption price of 100% of the principal amount, plus interest accrued to the redemption date.

If less than all of the Bonds within a maturity are to be redeemed at any particular time, such Bonds to be called for redemption shall be chosen by lot by the Paying Agent.

Mandatory Redemption

The Bonds stated to mature on July 15, 20__, (the "Term Bonds") are subject to mandatory redemption prior to their stated maturity by lot from monies to be deposited in the Sinking Fund established under the Ordinance at a redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption. The County hereby covenants that it will cause the Paying Agent to select by lot, to give notice of redemption and to redeem Term Bonds at said price from monies deposited in the Sinking Fund sufficient to effect such redemption (to the extent that Term Bonds shall not have been previously purchased from said monies by the County as permitted under the Ordinance) on July 15 of the years, from the maturities and in the annual principal amounts set forth in the following schedule (or such lesser principal amount as shall at the time represent all Term Bonds which shall then be outstanding):

Mandatory Redemption Schedule

Redemption Date (July 15)	Principal Amount
------------------------------	------------------

* Final Maturity

In lieu of mandatory sinking fund redemption, the Paying Agent, with the approval of the County, may purchase from money in the Sinking Fund, at a price not to exceed the principal amount thereof plus accrued interest, or the County may tender to the Paying Agent, all or part of the Term Bonds subject to being drawn for mandatory sinking fund redemption in any such year.

In the event that a portion, but not all of the Term Bonds are redeemed pursuant to optional redemption, then the principal amount of any remaining mandatory sinking fund redemptions and the final maturity applicable to the Term Bonds shall be proportionately reduced (subject to the Paying Agent making such adjustments as it deems necessary to be able to affect future redemptions of such Bonds in authorized denominations) unless the County directs an alternate reduction of such mandatory sinking fund redemptions and final maturity.

Notice of Redemption

So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, the County and the Paying Agent shall send redemption notices only to Cede & Co. (See "**BOOK-ENTRY-ONLY SYSTEM**" herein for further information.)

Notice of any redemption shall be given by first class mail, postage prepaid, mailed by the Paying Agent not less than 20 nor more than 45 days prior to the redemption date to the registered owners of the Bonds at their addresses as they appear on the bond register maintained by the Paying Agent. Such notice shall be given in the name of the County, shall identify the Bonds to be redeemed (and, in the case of a partial redemption of any Bonds, the respective principal amounts thereof to be redeemed), shall specify the redemption date and the redemption price, and shall state that on the redemption date the Bonds called for redemption will be payable at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania and that from the date of redemption interest will cease to accrue. The Paying Agent shall use "CUSIP" numbers (if then generally in use) in notices of redemption as a convenience of Bond owners, provided that any such redemption notice shall state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of redemption and that reliance may be placed only on the identification numbers prefixed "R-" printed on the Bonds. Failure to mail any notice of redemption, or any defect therein, or in the mailing thereof, with respect to any Bond shall not affect the validity of any proceeding for redemption of other Bonds so called for redemption.

On the date designated for redemption, and upon deposit with the Paying Agent of funds sufficient for payment of the principal of and accrued interest on the Bonds or portions thereof called for redemption, interest on the Bonds or portions thereof called for redemption shall cease to accrue and such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Ordinance, and registered owners of such Bonds or portions thereof so called for redemption shall have no rights with respect to such Bonds, except to receive payment of the principal of and accrued interest on such Bonds to the date fixed for redemption.

With respect to any optional redemption of Bonds, if at the time of mailing such notice of redemption, the County shall not have deposited with the Paying Agent moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Paying Agent not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

Manner of Redemption

For the purpose of selection of Bonds for redemption, any Bond of a denomination greater than \$5,000 shall be treated as representing such number of separate Bonds, each of the denomination of \$5,000, as is obtained by dividing the actual principal amount of such Bond by \$5,000. Any Bond which is to be redeemed only in part shall be surrendered at the corporate trust office of the Paying Agent in Philadelphia, Pennsylvania, together with a duly executed instrument of transfer in form satisfactory to the Paying Agent, and the registered owner of such Bond shall receive, without service charge, a new Bond or Bonds, of any authorized denomination as requested by such registered owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

If the redemption date for any Bonds shall be a Holiday, then the date for payment of the principal, premium, if any, and interest upon such redemption shall be the next succeeding day which is not a Holiday, and payment on such date shall have the same force and effect as if made on the nominal date of redemption.

DESCRIPTION OF THE COUNTY

Introduction

The County is a county of the third class and is governed by a Board of three County Commissioners (the “Board of Commissioners”) elected for four-year terms. Other County officials elected at large for four-year terms include: the Clerk of the Courts, Controller (“County Controller”), Coroner, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, and Treasurer (“County Treasurer”). In addition, there are fourteen Judges of the Court of Common Pleas elected for ten-year terms and three Senior Judges. The Board of Commissioners has power of appointment of various other officials, including the Solicitor, Public Defender, and various departmental directors. Among the major functions within the County government is: Administrative, Judicial, Correctional and Human Services. The County also operates a Parks and Recreation system and a Geriatric Center, Pocopson Home.

The County is located in Southeastern Pennsylvania, approximately 30 miles west of the City of Philadelphia. The Borough of West Chester is the county seat. The County has 73 political subdivisions, consisting of one third class city (Coatesville), 15 boroughs, and 57 townships. There are also 14 school districts providing elementary and secondary education. The County is bounded on the north by Montgomery and Berks Counties and the Schuylkill River, on the east by Delaware County, on the south by the States of Delaware and Maryland, and on the west by Lancaster County. The County is part of the Philadelphia Metropolitan Statistical Area (“PMSA”).

Population and employment have boomed during the past 30 years as suburban development spread westward and as high technology businesses grew along the Route 202 corridor.

Summary of Financial Factors

2023 Census Population:	549,784
Market Value of Taxable Real Property, 2024	\$79,300,010,423
Assessed Valuation of Taxable Real Property, 2024	\$40,796,022,894
Ratio of Assessed to Market Valuation	51.45%
2024 Market Valuation Per Capita	\$144,238
2024 Assessed Valuation Per Capita	\$74,204

Source: County Board of Assessments.

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Largest Taxpayers

The ten largest taxpayers in the County and their 2025 assessments are listed below:

<u>Taxpayer</u>	<u>Type of Business</u>	2025 <u>Assessment</u>	% of Total <u>Assessment</u>
Hankin ⁽¹⁾	Property Management	\$314,107,845	0.77%
Horatio/Nelson (Vanguard)	Financial Investment Firm	175,978,420	0.43%
WPT Land 2 LP	Real Estate Investment	127,737,610	0.31%
Main Street at Exton/Cinema	Shopping Mall	77,791,430	0.19%
Kendal-Crosslands/Crosslands Corp	Continuing Care Community	62,036,950	0.15%
Exton Square/PR Exton/PP Exton	Shopping Mall	61,725,115	0.15%
CBCC Acquisitions/CBCC-Lee Rd ⁽¹⁾	Property Management	60,028,990	0.15%
Q Owner PA001 LLC (AKA QVC)	Television Shopping Network	56,343,960	0.14%
Worthington Associates ⁽¹⁾	Property Management	55,144,740	0.14%
Brandywine Square	Shopping Mall	52,920,000	0.13%
Total		\$1,043,815,060	2.56%

Source: County Assessment Office.

⁽¹⁾ Open Court of Common Pleas and/or PA Commonwealth appeals and/or petition of PA Supreme Court.

COUNTY FINANCES, TAXES AND DEBT

Calendar Year

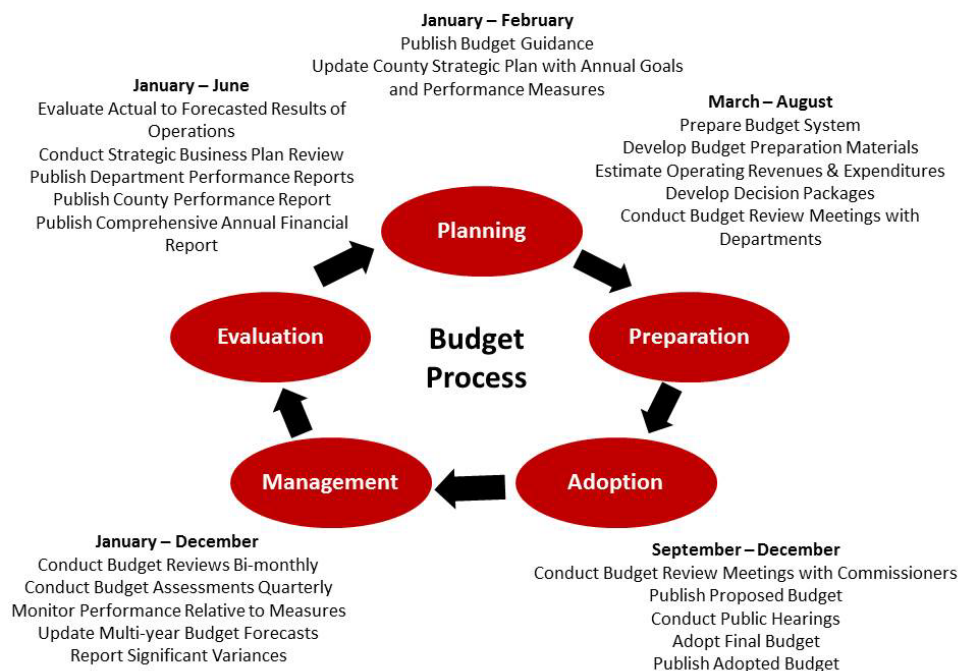
The County's budget year commences on the first day of each January and ends with the last day of December.

Statutory Budgeting Requirements

As required by the Commonwealth of Pennsylvania County Code, as amended (the "County Code"), the proposed budget is made available for public inspection for at least 20 days prior to the date of adoption, with adoption required by December 31. Subsequent to the budget approval, the Board of Commissioners adopts the appropriation measures required to put the budget into effect and fix the rate of taxation.

An annual budget is required to be legally adopted for the County's General Fund. Although not legally required, the County also adopts budgets for all of its other funds. Within 15 days subsequent to the legal adoption of the budget, the Board of Commissioners files a budget report with the DCED.

Budget Process



County Taxing Power

As part of adopting the County's budget each year, the Board of Commissioners fixes by resolution the rate of taxation on real estate for each year. Below is a table that summarizes the maximum statutory rates for counties of the third class. Counties of the third class may exceed the 25 mill limit for "General Purpose" real estate taxes by petitioning the Court of Common Pleas for relief. In this event, the Court of Common Pleas may permit up to five additional mills to be levied. Except as provided below under "**County Assessment Law**", the County is empowered to levy *ad valorem* taxes on real property without limitation on rates or amounts to pay debt service on the general obligation debt of the County. Further, the County is empowered to levy *ad valorem* taxes on real property without limit as to rate or amount for libraries, parks and recreation. (See "**County Assessment Law**" below.) Tax Assessment provides the tax duplicate as of the year's end to the County Treasurer. The County Treasurer then sends tax bills on or before January 15 based on the duplicate to all properties appearing on the duplicate. Taxpayers paying their taxes between January 15 and March 16 are entitled to a 2% discount. Taxes paid from March 17 through May 15 are paid at the face amount. Taxpayers who pay their taxes after May 16 are subject to a penalty of 10%. Liens are filed against all delinquent accounts by January 7 of the year following the tax notice.

Statutory Tax Limits and 2025 Tax Rates

<u>Type of Tax</u>	<u>Legal Limit</u>	<u>2025 Levies</u>
Personal Property Tax ⁽¹⁾	4 mills	-
Real Estate Taxes		
General Purposes	25 mills	3.559
Debt Service	No Limit	1.290
Lease Rental Payments to Authorities	10 mills	-
Institution Districts	10 mills	-
Parks and Playgrounds	No Limit	0.122
Libraries	No Limit	0.193
Road and Bridges	6 mills	-
Community Colleges ⁽²⁾	-	-
TOTAL		5.164

⁽¹⁾ The County has not levied a Personal Property Tax since 1996.

⁽²⁾ Local sponsors may levy any tax permitted by law to support a community college. The tax cannot exceed 5 mills of the market value of real estate, except for cities of the first class and school districts of the first class whose tax may not exceed one mill of the market value of real estate.

County Assessment Law

Section 8823 of Pennsylvania's Consolidated County Assessment Law establishes a limitation on tax increases after a countywide reassessment. See, 53 Pa. C.S. § 8823. Following a countywide reassessment, the statute requires all taxing districts to adjust the tax millage rates in order to assure tax neutrality. In other words, the statute requires the municipal taxing districts to set the revised tax millage rate based on the reassessed property values at a rate that yields the same tax revenue as the municipality received in the prior tax year. A municipality may, by separate and specific vote, seek to increase the initial tax neutral millage rate. However, a municipality seeking to increase the initial tax neutral millage rate is limited to establishing a tax millage rate at a figure which limits the total amount of municipal taxes levied immediately following a countywide reassessment to not more than 10% greater than the total amount it levied on all municipal properties in the prior year. The last countywide reassessment in the County was 1998.

Investments

The types of investments that the County may utilize are limited by statute. The County Code permits counties of the third class to invest in the following types of securities:

1. United States Treasury bills.
2. Short-term obligations of the United States or its agencies or instrumentalities.
3. Savings deposits or time deposits of Pennsylvania institutions that is either insured or secured by collateral pledged by the depository as provided by law.
4. Obligations of the United States or its agencies or instrumentalities backed by the full faith and credit of the United States and obligations of Pennsylvania, its agencies or instrumentalities, or its political subdivisions secured by a full faith and credit pledge.
5. Shares of investment companies registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, which only invest in the above listed allowable investments.

6. Certificates of deposit from any institution, subject to certain restrictions, that are either insured or collateralized by a pledge of assets of the institution, including loans, or as approved by law.
7. Commercial paper and prime commercial paper of corporations with assets in excess of \$1,000,000,000 and satisfying certain requirements.

In addition to the investments permitted by the County Code referenced above, Act 10 of 2016, which became effective on May 24, 2016, expands authorized investments for municipal authorities and local governments, including the County. The new investments are approved in addition to the investments currently authorized under the County Code. Such additional investment categories enumerated in Act 10, but not specifically authorized under the County Code, include:

- Obligations, participations or other instruments of any federal agency, instrumentality or United States government-sponsored enterprise, and not limited to short-term obligations as currently authorized under the County Code, if such debt obligations are rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
- Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three (3) years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association or a State-licensed branch of a foreign bank. For obligations with a maturity of one (1) year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations. For obligations with a maturity in excess of one (1) year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two nationally recognized statistical ratings organizations.
- Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days' maturity and the accepting bank is rated in the top short-term category by at least two nationally recognized statistical ratings organizations.

The County invests idle cash from operations and the unexpended proceeds of bond issues. Checks and balances are incorporated in the investment procedures. Investments are initiated by the County Finance Department, but confirmations of investments are reported to the offices of the independently elected County Treasurer and County Controller. The investments of the County's operating and capital projects fund portfolio as of August 29, 2025 are:

**COUNTY OF CHESTER
OPERATING AND CAPITAL PROGRAM PORTFOLIO**

<u>Investments on August 29, 2025</u>	<u>Amount</u>	<u>Percentage of Total</u>
Bank CD's	\$77,868,730.00	33.306%
Bank Deposits	77,725,302.02	33.244%
Money Markets	<u>78,206,040.07</u>	<u>34.450%</u>
Total	<u>\$233,800,072.09</u>	<u>100.000%</u>

Source: County Finance Department.

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Real Estate Valuation

Based on the table below, the assessed valuation of real property in the County in 2025 was 70.7 percent residential, 17.2 percent commercial, 9.4 percent exempt (utilities and railroads), 1.7 percent farm and 0.9 percent industrial. A change in assessing farmland occurred with the passage of Acts 515, 319 and 56 protecting farmland and open space by granting lowered preferential assessments to eligible properties of this type, which are otherwise assessed according to their market value.

Property Assessment

A trend of assessment by land use in the County appears below:

COUNTY OF CHESTER ASSESSMENT BY LAND USE

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	\$30,928,095,106	\$31,401,301,153	\$31,711,987,297	\$32,008,935,165	\$32,250,535,638
Commercial	7,644,577,066	7,825,765,705	7,881,863,800	7,844,209,975	7,848,463,247
Farm	740,365,100	746,875,580	750,401,220	755,716,070	765,213,510
Industrial	443,479,200	457,914,727	456,363,160	457,311,620	429,150,931
Exempt ⁽¹⁾	3,988,468,338	4,082,080,187	4,164,216,358	4,189,201,998	4,306,883,738
Total	\$43,744,984,810	\$44,513,937,352	\$44,964,831,835	\$45,225,374,828	\$45,600,247,064

⁽¹⁾ Exempt property includes utilities and railroads.

Source: County Audit Report and County Officials.

Additional assessment data are presented in the following tables.

COUNTY OF CHESTER REAL PROPERTY ASSESSMENT DATA

<u>Year⁽¹⁾</u>	<u>Estimated Market Value</u>	<u>Total Taxable Assessed Value⁽²⁾</u>	<u>Assessment Ratio</u>
2012	\$61,667,806,129	\$36,384,005,616	59.00%
2013	60,475,529,183	36,406,268,568	60.20%
2014	63,522,343,636	36,652,392,278	57.70%
2015	66,695,587,238	36,949,355,330	55.40%
2016	69,273,294,862	37,269,032,636	53.80%
2017	70,924,288,635	37,589,872,977	53.00%
2018	74,833,261,037	38,389,462,912	51.30%
2019	78,499,546,836	38,700,276,590	49.30%
2020	83,016,941,928	39,017,962,706	47.00%
2021	88,347,814,382	39,756,516,472	45.00%
2022	102,359,132,063	40,431,857,165	39.50%
2023	113,335,042,992	40,800,615,477	36.00%
2024	121,074,907,702	41,044,393,711	33.90%
2025	128,900,121,360	41,041,798,641	31.84%

⁽¹⁾ As of January 1.

⁽²⁾ Does not include exempt properties.

Source: County Assessment Office and County Comprehensive Annual Financial Report.

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SCHOOL DISTRICT MARKET VALUE AND ASSESSED VALUES

SCHOOL DISTRICT*	2023	2023	2024	2024
	MARKET VALUE	ASSESSED VALUE	MARKET VALUE	ASSESSED VALUE
Avon-Grove	\$3,265,874,773	\$1,976,062,061	\$3,578,665,586	\$1,985,535,096
Coatesville Area	5,246,117,738	3,090,228,753	5,820,405,640	3,164,504,517
Downingtown Area	10,534,155,117	5,947,341,173	11,588,031,238	6,042,367,002
Great Valley	7,825,487,328	4,233,938,432	8,340,589,221	4,258,936,614
Kennett Consolidated	3,627,620,716	2,139,154,570	3,874,057,185	2,158,341,456
Octorara Area**	1,211,868,870	703,708,746	1,380,434,466	711,467,876
Owen J. Roberts	4,188,333,994	2,516,863,443	4,595,945,610	2,521,645,724
Oxford Area	2,038,122,464	1,203,803,703	2,271,593,558	1,216,755,137
Phoenixville Area	4,192,107,254	2,279,044,631	4,718,668,112	2,332,537,703
Tredyffrin-Easttown	10,111,101,050	5,188,070,387	10,763,348,109	5,195,890,315
Twin Valley**	1,161,120,329	692,029,560	1,288,096,444	698,760,900
Unionville-Chadds Ford**	3,454,873,182	1,994,314,490	3,764,079,248	2,002,389,060
West Chester Area**	15,734,016,570	8,308,192,132	17,027,945,135	8,360,182,249

*Does not include two school districts located primarily in other counties.

** Market and Assessed Values only include Townships and Boroughs within the School District that are located in Chester County

Source: PA State Tax Equalization Board (STEB)/Tax Equalization Division (TED)

Tax Collection Data

The following table reviews the County's total collections for the years 2019 through 2025.

COUNTY OF CHESTER REAL PROPERTY TAX COLLECTION DATA

Year	Tax Levy	Current Year Collections	Current Year Collections as Percent of Total Tax Levy	Total Current Plus Delinquent Collections	Total Collections as Percent of Total Tax Levy
2019	\$167,690,599	\$163,842,861	97.1%	\$167,381,347	99.2%
2020	169,048,545	164,752,343	97.1%	167,827,059	98.9%
2021	179,949,503	174,991,750	97.2%	178,768,282	99.3%
2022	183,254,742	178,237,822	97.3%	182,039,841	99.3%
2023	185,843,805	181,026,462	97.4%	184,437,978	99.2%
2024	185,654,791	181,900,563	98.0%	184,747,348	99.5%
2025 ⁽¹⁾	211,939,856	200,757,737	94.7 %	201,762,021	95.2 %

⁽¹⁾As of August 2025

Source: County Assessment Office and County Audit Reports.

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Tax Rates

COUNTY OF CHESTER TAX RATES – 2025 County – Municipality – School District

COUNTY OF CHESTER TAX RATES - 2025

County - Municipality - School

2025 County / 2025 Municipality

TOTAL MILLS	DISTRICT		MILLAGE			SCH
	#	NAME	CO 25	TWP 25	SCH 25-26	
55.1240	7	ATGLEN	5.1640	6.5000	43.4600	Oct
46.1640	4	AVONDALE	5.1640	5.0000	36.0000	A-G
40.9740	65	BIRMINGHAM	5.1640	1.9000	33.9100	U-CF
55.5900	39	CALN	5.1640	6.0620	44.3640	Coat
31.1340	35	CHARLESTOWN	5.1640	0.7500	25.2200	GrVv
63.2870	16	COATESVILLE	5.1640	13.7590	44.3640	Coat
45.7240	11	DOWNINGTOWN	5.1640	8.6500	31.9100	Down
30.5485	51	EAST BRADFORD	5.1640	2.0000	23.3845	WC
40.1040	30	EAST BRANDYWINE	5.1640	3.0300	31.9100	Down
38.3240	40	EAST CALN	5.1640	1.2500	31.9100	Down
46.2739	18	EAST COVENTRY	5.1640	4.7500	36.3599	OJR
53.2780	47	EAST FALLOWFIELD	5.1640	3.7500	44.3640	Coat
30.2985	53	EAST GOSHEN	5.1640	1.7500	23.3845	WC
@	61	EAST MARLBORO	5.1640	4.8830		@
42.0239	24	EAST NANTMEAL	5.1640	0.5000	36.3599	OJR
43.6031	69	EAST NOTTINGHAM	5.1640	0.0000	38.4391	Oxf
40.7434	26	EAST PIKELAND	5.1640	0.5000	35.0794	Phoe
43.5239	21	EAST VINCENT	5.1640	2.0000	36.3599	OJR
31.2790	42	EAST WHITELAND	5.1640	0.8950	25.2200	GrVv
40.2207	55	EASTTOWN	5.1640	5.4000	29.6567	T-E
43.8601	70	ELK	5.1640	0.2570	38.4391	Oxf
37.6583	13	ELVERSON	5.1640	0.0000	32.4943	TwVv
43.6590	72	FRANKLIN	5.1640	2.4950	36.0000	A-G
50.9240	45	HIGHLAND	5.1640	2.3000	43.4600	Oct
41.8583	12	HONEY BROOK BORO	5.1640	4.2000	32.4943	TwVv
39.0083	22	HONEY BROOK TWP	5.1640	1.3500	32.4943	TwVv
43.7582	62	KENNETT TWP	5.1640	3.6000	34.9942	Kenn
51.6082	3	KENNETT SQUARE	5.1640	11.4500	34.9942	Kenn
47.2640	73	LONDON BRITAIN	5.1640	6.1000	36.0000	A-G
42.4140	59	LONDON GROVE	5.1640	1.2500	36.0000	A-G
48.6240	46	LONDONDERRY	5.1640	0.0000	43.4600	Oct
43.8531	56	LOWER OXFORD	5.1640	0.2500	38.4391	Oxf
35.0540	2	MALVERN	5.1640	4.6700	25.2200	GrVv
60.1280	10	MODENA	5.1640	10.6000	44.3640	Coat
43.4282	60	NEW GARDEN	5.1640	3.2700	34.9942	Kenn
42.1640	71	NEW LONDON	5.1640	1.0000	36.0000	A-G
41.1740	49	NEWLIN	5.1640	2.1000	33.9100	U-CF

TOTAL MILLS	DISTRICT		MILLAGE			SCH
	#	NAME	CO 25	TWP 25	SCH 25-26	
44.9639	17	NORTH COVENTRY	5.1640	3.4400	36.3599	OJR
57.2631	6	OXFORD	5.1640	13.6600	38.4391	Oxf
66.5740	8	PARKESBURG	5.1640	17.9500	43.4600	Oct
41.6940	58	PENN	5.1640	0.5300	36.0000	A-G
40.5640	64	PENNSBURY	5.1640	1.4900	33.9100	U-CF
48.7134	15	PHOENIXVILLE	5.1640	8.4700	35.0794	Phoe
41.2740	63	POCOPSON	5.1640	2.2000	33.9100	U-CF
52.6280	37	SADSBURY	5.1640	3.1000	44.3640	Coat
43.2434	27	SCHUYLKILL	5.1640	3.0000	35.0794	Phoe
62.1280	9	SOUTH COATESVILLE	5.1640	12.6000	44.3640	Coat
42.0239	20	SOUTH COVENTRY	5.1640	0.5000	36.3599	OJR
44.5295	14	SPRING CITY	5.1640	5.1800	34.1855	SpFd
29.5435	66	THORNBURY	5.1640	0.9950	23.3845	WC
38.9827	43	TREDYFFRIN	5.1640	4.1620	29.6567	T-E
44.1031	57	UPPER OXFORD	5.1640	0.5000	38.4391	Oxf
38.1080	32	UPPER UWCHLAN	5.1640	1.0340	31.9100	Down
37.5140	33	UWCHLAN	5.1640	0.4400	31.9100	Down
54.5280	38	VALLEY	5.1640	5.0000	44.3640	Coat
37.0740	31	WALLACE	5.1640	0.0000	31.9100	Down
41.5239	19	WARWICK	5.1640	0.0000	36.3599	OJR
37.5740	50	WEST BRADFORD	5.1640	0.5000	31.9100	Down
53.2310	29	WEST BRANDYWINE	5.1640	3.7030	44.3640	Coat
52.5280	28	WEST CALN	5.1640	3.0000	44.3640	Coat
36.6385	1	WEST CHESTER	5.1640	8.0900	23.3845	WC
50.7840	44	WEST FALLOWFIELD	5.1640	2.1600	43.4600	Oct
30.5485	52	WEST GOSHEN	5.1640	2.0000	23.3845	WC
46.6640	5	WEST GROVE	5.1640	5.5000	36.0000	A-G
41.0740	48	WEST MARLBORO	5.1640	2.0000	33.9100	U-CF
38.3483	23	WEST NANTMEAL	5.1640	0.6900	32.4943	TwVv
44.9231	68	WEST NOTTINGHAM	5.1640	1.3200	38.4391	Oxf
38.6240	34	WEST PIKELAND	5.1640	1.5500	31.9100	Down
55.6240	36	WEST SADSBURY	5.1640	7.0000	43.4600	Oct
43.6139	25	WEST VINCENT	5.1640	2.0900	36.3599	OJR
30.5485	41	WEST WHITELAND	5.1640	2.0000	23.3845	WC
32.4685	67	WESTTOWN	5.1640	3.9200	23.3845	WC
30.6640	54	WILLISTOWN	5.1640	0.2800	25.2200	GrVv

Source: Chester County website.

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Basis of Accounting

The County's annual financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when payment is due.

The County's audited financial reports and current budget are available to the public and can be provided upon request by contacting the County Controller's Office, located at 313 W. Market Street, Suite 6302, West Chester, PA 19380-0991. The County's Comprehensive Annual Financial Report for the Year Ended December 31, 2024 is attached hereto as Appendix E.

COUNTY OF CHESTER SUMMARY OF COUNTY GENERAL FUND REVENUES AND EXPENDITURES AND SOURCES AND USES OF FUNDS⁽¹⁾ (For the years ended December 31)

Revenues:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Taxes:					
Real Estate Taxes	\$119,140,955	\$125,553,287	\$127,879,212	\$127,420,052	\$127,603,766
Personal Property	21,341	18,547	2,976	539	1,577
Licenses and Permits	2,077,820	2,139,015	1,972,910	1,957,075	2,039,111
Court Costs and Fines	3,374,732	3,872,542	3,615,138	4,155,738	4,397,761
Interest and Rent	1,160,734	490,724	1,750,236	5,942,469	5,866,840
General Grants	60,809,282	22,192,974	10,827,964	6,028,628	7,507,830
Health and Welfare Grants	7,384,814	11,000,630	10,109,851	9,882,386	12,033,172
Departmental Earnings	14,560,531	16,527,999	13,973,876	13,692,569	13,799,825
Other Revenue Sources	7,940,569	7,831,252	5,599,416	5,055,436	6,335,607
Total Revenues	\$216,470,778	\$189,626,970	\$175,731,579	\$174,134,892	\$179,585,489
Expenditures:					
Current:					
General Government	\$64,471,838	\$34,363,122	\$33,694,432	\$34,252,380	\$38,165,758
Judicial	39,633,999	39,651,669	39,590,047	41,196,119	43,402,428
Public Safety	27,040,422	11,130,558	5,818,221	6,683,627	7,306,225
Corrections	46,306,564	45,211,685	46,558,814	50,182,209	53,056,831
Human Services	11,475,772	17,192,982	13,654,311	14,581,928	14,928,081
Conservation and Development	6,027,278	6,222,445	6,667,129	6,883,716	7,130,559
Capital Outlay	953,586	501,298	237,916	521,509	774,125
Debt Service:					
Principal	420,067	312,902	1,755,092	1,689,784	1,673,910
Interest	48,320	36,344	155,786	150,898	151,986
Total Expenditures	\$196,377,846	\$154,623,005	\$148,131,748	\$156,142,170	\$166,589,903
Excess (Deficiency) of Revenues over Expenditures	\$20,092,932	\$35,003,965	\$27,599,831	\$17,992,722	\$12,995,586
Operating Transfers In	\$250,325	\$376,326	\$3,850,343	\$6,569,232	\$35,396,061
Operating Transfers Out	(14,522,724)	(19,477,877)	(28,791,878)	(24,961,890)	(55,287,754)
Capital Lease	192,202	372,344	165,029	419,839	552,037
Sale of Capital Assets	202,108	23,138	8,953	45,390	50,176
Total Other Financing Sources (Uses)	(\$13,878,089)	(\$18,706,069)	(\$24,767,553)	(\$17,927,429)	(\$19,289,480)
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other (Uses)	\$6,214,843	\$16,297,896	\$2,832,278	\$65,293	(\$6,293,894)
Fund Balance, Beginning of Year (as originally reported)	\$52,642,286	\$58,857,129	\$75,155,025	\$77,987,303	\$78,052,596
Fund Balance, End of Year	\$58,857,129	\$75,155,025	\$77,987,303	\$78,052,596	\$71,758,702

⁽¹⁾ Totals may not add due to rounding.

Source: County Annual Financial Reports.

COUNTY OF CHESTER
SUMMARY OF COUNTY GENERAL FUND BUDGETED
REVENUES AND EXPENDITURES AND SOURCES AND USES OF FUNDS
(For the year ended December 31)

	General Budget
	2025⁽¹⁾
Revenues	
Real Estate Taxes	\$146,560,875
Federal & State Grants	16,772,440
Licenses & Permits	2,375,500
Charges for Services	17,811,897
Fines & Forfeits	1,967,224
Interest, Rent & Miscellaneous	9,498,953
Cost Recovery	12,060,175
Operating Transfers In	2,022,148
Total Revenues	\$209,069,212
Expenditures	
General Government	\$49,967,843
Judicial	48,534,906
Public Safety	7,484,229
Corrections	56,913,065
Human Services	15,622,472
Conservation and Development	7,880,900
Transfers to Other Funds	24,023,702
Other	7,642,095
Total Expenditures	\$218,069,212
Excess (Deficiency) of Revenues over Expenditures	(\$9,000,000)
Estimated Beginning Fund Balance⁽²⁾	\$66,605,273
Estimated Ending Fund Balance	\$57,605,273

⁽¹⁾ As adopted December 18, 2024.

⁽²⁾ Projected as per budget at time of adoption.

Source: County Finance Department.

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Capital Investment Program

The Capital Investment Program (the “CIP”) identifies the County’s planned capital projects over the next five years and the funding sources for the projected projects. The CIP is comprised of projects funded in the Capital Reserve Fund and Capital Improvement Fund. Each year projects planned for the subsequent budget year are adopted during the annual budget process.

Pay-as-you-go projects are funded in the Capital Reserve Fund. For 2025, projects in the Capital Reserve Fund will primarily be funded by grant funding of approximately \$15.6 million.

Projects for the acquisition and/or construction of assets with an extended useful life are budgeted in the Capital Improvement Fund. These projects are financed through the issuance of general obligation notes and/or bonds. Also, from time to time, grant funding may be available to support the projects. The County estimates approximately \$84 million of capital expenditures to be funded from future bond proceeds during a five year period (2024-2028) based on the County’s current Capital Investment Program.

Open Space & Community Revitalization programs include municipal park and conservancy grants, acquisition of land for County parks and trails, farmland preservation easement purchases, and community revitalization grants. County Parks & Trails Development projects include funding for the development of, and major improvements to, County parks and trails, including the Chester Valley Trail and the Schuylkill River Trail. Public safety projects include the continued enhancement of the 9-1-1 communication system, and the upgrade of data transmission infrastructure. Facilities projects include improvements at the Government Services Center, Historic Courthouse, 313 West Market Street, Public Safety Training Campus, Prison and Guard Shack. Infrastructure projects include installing a trail through the auxiliary spillway over the crest of the Hibernia dam to allow public access.

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DEBT AND DEBT LIMITS

Debt Statement

The following table shows the debt of the County after giving effect to the issuance of the estimated Bonds.

COUNTY OF CHESTER DEBT STATEMENT (As of October 1, 2025)

	Gross Outstanding ⁽¹⁾
DIRECT DEBT OF THE COUNTY	
General Obligation Bonds, Series of 2025 (last maturity 2045)	\$25,545,000
General Obligation Bonds, Series A of 2024 (last maturity 2034)	38,800,000
General Obligation Bonds, Series of 2024 (last maturity 2041)	21,870,000
General Obligation Bonds, Series of 2021 (last maturity 2041)	32,805,000
General Obligation Bonds, Series of 2020 (last maturity 2040)	30,640,000
General Obligation Bonds, Series of 2019 (last maturity 2032)	54,700,000
General Obligation Bonds, Series of 2018 (last maturity 2038)	23,310,000
General Obligation Bonds, Series of 2017 (last maturity 2033)	71,900,000
General Obligation Bonds, Series A of 2016 (last maturity 2029)	80,315,000
General Obligation Bonds, Series of 2016 (last maturity 2036)	39,780,000
TOTAL GENERAL OBLIGATION DEBT	\$419,665,000
Lease Rental Debt	\$1,495,000
Total Direct Debt	\$421,160,000
OVERLAPPING DEBT	
Municipal General Obligation and Lease Rental Debt	\$457,228,473
School District General Obligation and Lease Rental Debt	1,385,740,150
TOTAL OVERLAPPING DEBT	\$1,842,968,623
TOTAL DIRECT AND OVERLAPPING DEBT	\$2,264,128,623
Ratio of Total Debt to:	
2024 Market Value of Real Estate	2.49%
2024 Assessed Valuation of Real Estate	4.70%
Population (2023)	\$4,118

⁽¹⁾Includes the estimated Bonds offered through this Preliminary Official Statement.

*Preliminary, subject to change.

Source: County Officials, and the Pennsylvania Dept. of Community & Economic Development (DCED) - LGUDA

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Types of Indebtedness under the Act

The Act establishes three forms of debt for a local government unit: (i) electoral debt (debt incurred with the approval of the electors for which there is no limitation on the amount that may be so incurred), (ii) nonelectoral debt (debt of a local government unit not being electoral or lease rental debt for which the limitation on all such net debt which may be incurred is 300 percent of the borrowing base for the County), and (iii) lease rental debt (the principal amount of municipal authority debt or debt of another local government unit to be repaid by the local government unit pursuant to a lease, subsidy contract, guarantee or other form of agreement with the County pursuant to which such debt is or may be payable out of County tax revenues and other general revenues; the limitation on all such net debt which may be incurred, including any net nonelectoral debt incurred, is 400 percent of the borrowing base for the County). Any debt which qualifies under the Act as subsidized or self-liquidating may be deducted or excluded from the determination of any such debt incurred in determining the net debt of the local government unit to which such limitations are applicable. Certain other deductions are allowed in determining net debt.

Borrowing Capacity

The Act establishes debt limits for local government units. The basis for determining nonelectoral borrowing capacity is related to adjusted revenues received over the most recent three fiscal years. The following is a calculation of the current “borrowing base”, which is the arithmetic average of the total revenues of the County after adjustments by the exclusion of certain subsidies, reimbursements, pledged revenues and non-recurring items:

Total Revenues for 2022	\$577,927,000
Total Revenues for 2023	591,290,000
Total Revenues for 2024	625,454,000
Total	\$1,794,671,000
Annual Arithmetic Average (Borrowing Base)	\$598,223,667

Source: County officials.

The following is a calculation of the County’s current net debt limitations.

Net Nonelectoral Debt Limit:	
Borrowing Base	\$598,223,667
Multiplier	300%
<i>Net Nonelectoral Debt Limit</i>	\$1,794,671,000
 Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit:	
Borrowing Base	\$598,223,667
Multiplier	400%
<i>Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit</i>	\$2,392,894,667

In addition to the above, a county may utilize an additional debt limit of 100 percent of the borrowing base for additional nonelectoral or additional lease rental debt, or both, if the county has assumed county-wide responsibility for hospitals and other public health services, air and water pollution control, flood control, environmental protection, water distribution and supply systems, sewage and refuse collection and disposal systems, education at any level, highways, public transportation or port operations, but such additional debt limit may be so utilized only to provide funds for and towards the cost of capital facilities for any or any combination of the foregoing purposes. Debt, other than electoral debt, at any time incurred for such purposes or any of them, may be assigned by ordinance to this additional debt limit, if the remaining borrowing capacity within the regular limits is insufficient to finance other projects deemed necessary by the applicable board of county commissioners.

Future Financing

The County anticipates issuing long-term debt in addition to the Bonds of approximately \$20 to \$25 million per year over the next 4 years to fund a portion of its CIP. The County anticipates issuing bonds in 2026 to refinance existing debt depending on market conditions.

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County Employees and Labor Relations

The County currently employs approximately 2,560 persons, including 2,183 full-time employees and 377 part-time employees; of the total, 50 full-time equivalent personnel are at the Pocopson Home, its geriatric center. Four bargaining units, comprising 327 employees, represent employees in labor negotiations. The collective bargaining agreement with the union representing County Detectives expires 12/31/2027. The collective bargaining agreement with the union representing Human Services' employees expires 6/30/2025 or if ratified 6/30/2028 and the collective bargaining agreement with the union representing the County Court-Appointed Professional employees expires 12/31/2025 and the Court-Related Professional employees expires 12/31/2027. The County has never suffered a strike by its employees.

Employee Retirement Plan (Retirement Pension Trust Fund)

The County's Retirement System was established on January 1, 1943. The County's Retirement System is administered by the County's Retirement Board, which consists of the members of the Board of Commissioners, the County Controller, and the County Treasurer. The County's retirement plan is a defined benefit plan to which both the County and its employees contribute. Members are given the option to withdraw their accumulated contribution in full at retirement. An annual actuarial study determines the required County contribution. The minimum member contribution rate is fixed by class of membership (currently 5%), for employees hired before December 31, 2010. For employees hired after January 1, 2011, the minimum contribution rate fixed by a class of membership is 6%. Each member has the option of contributing up to an additional 10% of gross salary, to provide for a larger pension. The County's contributions may be reduced or eliminated by investment earnings in excess of the actuarial requirements that accumulate in the County's Retirement Fund Excess Earnings Account. The table which follows shows the number of participants, contributions, and payments of the County's Retirement System for the years 2021 through 2025.

<u>Year</u>	<u>Covered Employees</u>		<u>Annual Contributions</u>			<u>Annual</u>	<u>Value of</u>	<u>Total</u>
	<u>Active</u>	<u>Retired⁽¹⁾</u>	<u>Employee</u>	<u>County</u>	<u>Total</u>	<u>Payments⁽²⁾</u>	<u>Assets⁽³⁾</u>	<u>Liabilities⁽⁴⁾</u>
2021	2,058	1,521	\$8,104,833	\$9,502,229	\$17,607,062	\$31,510,756	\$592,314,578	\$631,350,759
2022	1,971	1,568	8,489,697	7,997,146	16,486,843	35,633,591	477,098,673	661,879,237
2023	1,971	1,568	10,868,537	9,319,085	20,187,622	36,212,854	521,719,942	608,948,526
2024	2,062	1,629	11,250,678	10,086,713	21,337,391	38,512,711	555,261,109	639,572,705
2025	2,093	1,681	10,868,537	11,250,678	22,119,215	36,212,854	521,719,942	665,908,903

⁽¹⁾ Includes terminated employees entitled to benefits, but not yet receiving them.

⁽²⁾ Including cost of living adjustments, if applicable.

⁽³⁾ Market value.

⁽⁴⁾ Actuarial basis.

Source: County Retirement Plan Actuary Reports, County Controller's Office.

The County budgeted contributions of \$11.3 million for 2024 and \$10.9 million for 2023. The County fully funded the annual required contribution for 2024 of \$11,250,678 per the actuarial report issued on June 2025 by Boomershine Consulting Group, LLC, the County's independent actuary (the "Actuarial Report"). The County's funded ratio, on an actuarial basis, as set forth in the Actuarial Report, is 86.04% as of January 1, 2024. The actuarial report assumes an investment rate of return of 7.00%, projected salary increases of 3.5%, an inflation rate of 3.50% and 5-year smoothing. For more information regarding the County's retirement plan, see the County's Annual Comprehensive Financial Report for the Year Ended December 31, 2024 attached hereto as Appendix E and the actuarial report, which is available, upon request, from the County Controller.

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Other Post-Employment Benefits (“OPEB”)

- The health benefits option for retirees aged 55 to 65 was closed to new participants as of June 30, 2006 except for the County Detectives. Currently there are three County Detectives potentially eligible.
- Current enrollment in the health benefits option consists of two retirees and one spouses. In 2016, and in years beyond, it is anticipated that participation will decrease. As covered adults reach 65 years of age, the benefit ceases.
- Each retiree receives a \$10,000 life insurance policy; approximate cost is \$14.40 per year per participant.
- According to the County's benefit consultant actuaries, future OPEB do not pose a material threat to the County's financial position.
- The County's OPEB contributions were as follows:

Year	Contributions
2024	\$103,387
2023	96,041
2022	101,879
2021	100,113
2020	96,650
2019	129,000

As of December 31, 2024, the County's net OPEB obligation was \$8,352,000. The County funds its OPEB obligation on a pay-as-you-go basis. For more information regarding the County's OPEB obligations, see the County's Comprehensive Annual Financial Report for the Year Ended December 31, 2024, attached hereto as Appendix E.

LITIGATION

There is no litigation pending or to the County's knowledge threatened to: (1) restrain or enjoin the issuance and delivery of the Bonds; (2) contest the authority for or validity of the Bonds; or (3) contest the corporate existence or powers of the County. The County Solicitor will opine at closing that there is no litigation pending or to her knowledge threatened against the County that is not fully covered by insurance, or which, to the extent not covered by insurance, if adversely determined as to the County, would in the aggregate materially adversely affect its ability to pay the principal of and interest on the Bonds as and when the same become due and payable.

DEFAULTS AND REMEDIES

The remedies available to registered owners of the Bonds upon any failure to pay principal or interest when due include those prescribed by the Act. If such failure should continue for 30 days, any registered owner will (subject to certain priorities) have the right to bring suit for the amount due such registered owner in the Court of Common Pleas of Chester County, Pennsylvania (the “Court”). If the County defaults in the payment of principal or interest, or if the County fails to comply with any provision of the Bonds or of the Ordinance, the registered owners of 25% in aggregate principal amount of the Bonds may appoint a trustee to represent the registered owners. Such trustee may, and upon written request of the registered owners of 25% in aggregate principal amount of the Bonds and being furnished with satisfactory indemnity must take one or more of the following actions, which will preclude similar action by the individual registered owners: (i) by mandamus or other proceeding at law or in equity, enforce all rights of the registered owners; (ii) bring suit on the Bonds; (iii) petition the Court to levy the amount due plus estimated costs of collection as an assessment upon all taxable real estate and other property subject to ad valorem taxation in the County (any such assessment will have the same priority and preference as to other liens or security interests as a lien for unpaid taxes); and (iv) by suit in equity, enjoin any acts and things which may be unlawful or in violation of the rights of the registered owners all as set forth more fully in the Act.

The General Assembly has enacted the Financially Distressed Municipalities Act of July 10, 1987, P.L. 246, No. 47 (the “Distressed Municipalities Act”), which sets forth a comprehensive system consisting of a judicial determination of financial distress, the appointment of a coordinator, the preparation of plans for debt restructuring, the availability of Commonwealth financial aid and the exploration of municipal consolidation and merger, among other provisions, to aid the efforts of a financially distressed municipality. Although the Distressed Municipalities Act is not a true debt adjustment statute, all plans must have a public hearing and all creditors are provided opportunity for comment. However, the Distressed Municipalities Act does authorize a financially distressed municipality, upon satisfaction of certain preconditions, to file a federal municipal debt adjustment action under Chapter 9 of the Federal Bankruptcy Code.

Enforcement of a claim for payment of principal of or interest on the Bonds may be subject to the provisions of the federal bankruptcy laws, to the Distressed Municipalities Act, and to the provisions of other statutory laws enacted by Congress or the General Assembly of the Commonwealth and case law developed by courts having jurisdiction extending the time for payment or imposing other constraints upon enforcement insofar as such laws may be constitutionally applied.

TAX MATTERS

Federal Tax Exemption

Bond Counsel will deliver, concurrently with the issuance of the Bonds, its opinion in the form attached hereto as Appendix “B” to the effect that under existing statutes, regulations, rulings and court decisions, interest on the Bonds (including interest in the form of original issue discount properly allocated to a holder thereof) is excludable from the gross income of the holders thereof for federal income tax purposes and will not be a preference item for purposes of calculating federal alternative minimum taxable income imposed on individuals; however, such interest on the Bonds is taken into account in determining the “adjusted financial statement income” of “applicable corporations” for purposes of computing the alternative minimum tax imposed on such corporations, as quoted terms are defined in the Internal Revenue Code of 1986, as amended (the “Code”). In addition, interest on the Bonds may be included in a foreign corporation’s effectively connected earnings and profits upon which certain foreign corporations are required to pay the foreign branch profits tax imposed under Section 884 of the Code.

[Certain maturities of the Bonds have been offered at a discount (“Original Issue Discount”) equal generally to the difference between public offering price and principal amount. For federal income tax purposes, Original Issue Discount on a Bond accrues periodically over the term of the Bonds as interest with the same tax exemption and alternative minimum tax status as regular interest. The accrual of Original Issue Discount increases the holder’s tax basis in the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Prospective purchasers of the Bonds should consult their tax advisers for an explanation of the treatment of Original Issue Discount.]

[Certain maturities of the Bonds have been offered at a premium (“Original Issue Premium”) over their principal amount. For federal income tax purposes, Original Issue Premium is amortizable periodically over the term of a Bond through reductions in the holder’s tax basis for the Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the Bond rather than creating a deductible expense or loss. Prospective purchasers of the Bonds should consult their tax advisers for an explanation of the treatment of Original Issue Premium.]

Ownership of the Bonds may result in collateral federal tax consequences to certain tax payers, including, without limitation, financial institutions, S corporations with excess net passive income, property and casualty companies, individual recipients of social security or railroad retirement benefits and taxpayers who may be deemed to have incurred indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion with respect to these or any other collateral tax consequences of the ownership of the Bonds. The nature and extent of the tax benefit to a taxpayer of ownership of the Bonds will generally depend upon the particular nature of such taxpayer or such taxpayer’s own particular circumstances, including other items of income or deduction. Accordingly, prospective purchasers of the Bonds should consult their own tax advisors.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. Ongoing requirements include, among other things, the provisions of Section 148 of the Code which prescribe yield and other limits within which the proceeds of the Bonds are to be invested and which may require that certain excess earnings on investments made with the proceeds of the Bonds be rebated on a periodic basis to the United States. The County will make certain representations and undertake certain agreements and covenants in the tax compliance agreement to be delivered concurrently with the issuance of the Bonds, that are designed to ensure compliance with the applicable provisions of the Code. The inaccuracy of these representations or the failure on the part of the County to comply with such covenants and agreements could result in the interest on the Bonds being included in the gross income of the holder for federal income tax purposes, in certain cases retroactive to the date of original issue of the Bonds.

The opinion of Bond Counsel assumes the accuracy of these representations and the future compliance by the County with its covenants and agreements. Moreover, Bond Counsel has not undertaken to evaluate, determine or inform any person, including any holder of the Bonds, whether any actions taken or not taken, events occurring or not occurring, or other matters that might come to the attention of Bond Counsel, would adversely affect the value of, or tax status of the interest on, the Bonds.

There can be no assurance that currently existing or future legislative proposals by the United States Congress limiting or further qualifying the excludability of interest on tax-exempt bonds from gross income for federal tax purposes, or changes in federal tax policy generally, will not adversely affect the market for the Bonds.

Pennsylvania Tax Exemption

Bond Counsel will also deliver an opinion to the effect that under existing law as enacted and construed on the date of such opinion, interest on the Bonds is exempt from the Pennsylvania personal income tax and the Pennsylvania corporate net income tax. However, under the laws of the Commonwealth as presently enacted and construed, any profits, gains or income derived from the sale, exchange or other disposition of obligations of the County, such as the Bonds, will be subject to Pennsylvania taxes within the Commonwealth.

The Bonds and the interest thereon may be subject to state or local taxes in jurisdictions other than the Commonwealth under applicable state or local tax laws.

PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL INCOME TAX CONSEQUENCES OF OWNERSHIP OF THE BONDS AND ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED TAX LEGISLATION.

SECONDARY MARKET DISCLOSURE

Under the terms of the Continuing Disclosure Agreement, the County will undertake to file with the Municipal Securities Rulemaking Board (“MSRB”) financial and other information concerning the County, all as set forth in Appendix D. The covenants being made by the County in the Continuing Disclosure Agreement are being made to assist the Underwriters (defined below) in complying with SEC Rule 15c2-12(b)(5) (the “Rule”). The County’s obligations with respect to continuing disclosure, as it relates to the Bonds, shall terminate upon the prior redemption or payment in full of all of the Bonds.

The MSRB has been designated by the Securities Exchange Commission to be the central and sole repository for continuing disclosures information filed by issuers of municipal securities since July 1, 2009. Information and notices filed by municipal issuers (and other “obligated persons” with respect to municipal securities issues) are made available through the MSRB’s Electronic Municipal Market Access (“EMMA”) System, which may be accessed on the internet at <http://www.emma.msrb.org>.

A breach of the undertaking will not be a default under the Ordinance.

The County reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth in the Continuing Disclosure Agreement, if and when such County no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Bonds and shall be enforceable by the holders of such Bonds; provided that the Bondholders’ right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the County’s obligations hereunder and any failure by the County to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds.

The County has reviewed and updated its disclosure policies and procedures in place to ensure ongoing timely filings of its continuing disclosure requirements.

The County has complied in all material respects with its continuing disclosure undertakings over the last five years.

RATINGS

Moody’s Investors Service, Inc., Standard & Poor’s Global Services and Fitch Ratings, have assigned their municipal bond ratings of “Aaa” (Stable Outlook), “AAA” (Stable Outlook), and “AAA” (Stable Outlook), respectively to this issue of Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of a rating should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated as represented on behalf of itself and Janney Montgomery Scott LLC, (collectively the “Underwriters”) have agreed, subject to certain conditions, to purchase the Bonds from the County, subject to certain conditions precedent, and will purchase all of the Bonds if any of such Bonds are purchased. The Bonds will be purchased by the Underwriters for an aggregate purchase price of \$_____, which is equal to the par amount of the Bonds of \$_____, less an underwriters’ discount of \$_____, plus/less net original issue premium/discount of \$_____.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and to persons and entities with relationships with the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

LEGAL OPINIONS

The Bonds are offered subject to the receipt of the approving legal opinions of Bond Counsel, Dilworth Paxson LLP, of Philadelphia, Pennsylvania. Certain legal matters will be passed upon for the County by Colleen Frens, Esquire, of West Chester, Pennsylvania, County Solicitor and for the Underwriters by Obermayer Rebmann Maxwell & Hippel LLP, Philadelphia, Pennsylvania.

MUNICIPAL ADVISOR

The County has retained PFM Financial Advisors LLC, Malvern, Pennsylvania, as Municipal Advisor (the “Municipal Advisor”) in connection with the preparation, authorization, and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Preliminary Official Statement. PFM Financial Advisors LLC is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other public securities.

MISCELLANEOUS

This Preliminary Official Statement has been prepared under the direction of the County by the Municipal Advisor. The information set forth in this Preliminary Official Statement has been obtained from the County and from other sources believed to be reliable. Insofar as any statement herein includes matters of opinion or estimates about future conditions, it is not intended as a representation of fact, and there is no guarantee that it is, or will be, realized. Summaries or descriptions of provisions of the Bonds, the Ordinance, and all references to other documents or materials not purporting to be quoted in full are only brief outlines of some of the provisions thereof. Reference is hereby made to the complete documents, copies of which will be furnished by the County or the Municipal Advisor upon request. The information assembled in this Preliminary Official Statement is not to be construed as a contract with holders of the Bonds. The attached Appendices are integral parts of this Preliminary Official Statement and should be read in their entirety together with the foregoing statements.

The County has authorized the distribution of this Preliminary Official Statement.

COUNTY OF CHESTER, PENNSYLVANIA

By: _____
Chair, Board of Commissioners

APPENDIX A

**DEMOGRAPHIC AND ECONOMIC INFORMATION
RELATING TO THE COUNTY OF CHESTER**

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History

The County of Chester Pennsylvania (the “County”), one of the Commonwealth of Pennsylvania’s (the “Commonwealth”) three original counties, was named by William Penn in 1682. Although the northern and western boundaries were not specific, it is known to have encompassed present Chester, Delaware and Lancaster Counties. In the 1680s, English, Welsh and Irish Quakers came through the Port of Philadelphia to settle Eastern and middle Chester County, followed shortly thereafter by the Swiss and Swiss-Germans. Most of the Scotch and Scotch-Irish opted to disembark at New Castle, Delaware, between 1725 and 1745 and settled Western Chester County on either side of the Nanticoke Indian Path, now Route #10. Gradually the homesteaders purchased land from William Penn and his heirs via a land patent system. Rapid immigration and population density gave reason for the County government to subdivide municipalities and create new ones.

Population

Table A-1 which follows, shows recent population trends for the County and the Commonwealth. Table A-2 shows age composition and average number of persons per household in the County and for the Commonwealth as of 2020. Average household size was higher for the County than the statewide average.

TABLE A-1
POPULATION TRENDS

<u>Area</u>	<u>2010</u>	<u>2020</u>	<u>2022</u>
Chester County.....	498,886	534,413	545,823
Pennsylvania	12,702,379	13,002,700	12,972,008

Source: U.S. Census Bureau, Census 2010 & 2020 Redistricting Data (Public Law 94-171) Summary File and the Pennsylvania State Data Center, U.S. Census Bureau, 2010-2020 American Community Survey 5-Year Estimates.

TABLE A-2
AGE COMPOSITION

	<u>0-18</u>	<u>65+</u>	<u>Persons Per</u>
	<u>Years</u>	<u>Years</u>	<u>Household</u>
Chester County.....	22.7%	16.4%	2.6
Pennsylvania	20.7%	18.3%	2.4

Source: Pennsylvania State Data Center, 2020 General Population and Housing Characteristics: Pennsylvania.

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Employment

Overall employment data are not compiled for the County, but such data are compiled for the Montgomery-Bucks-Chester, PA Metropolitan Division (an area which includes the County) as shown on Table A-3.

TABLE A-3
DISTRIBUTION OF EMPLOYMENT BY INDUSTRY
MONTGOMERY-BUCKS-CHESTER, PA METROPOLITAN DIVISION
APRIL 2025
NONFARM JOBS - NOT SEASONALLY ADJUSTED

Establishment Data	Industry Employment				Net Change From:	
	Apr 2025	Mar 2025	Feb 2025	Apr 2024	Mar 2025	Apr 2024
TOTAL NONFARM	3,139,800	3,114,000	3,097,900	3,104,000	25,800	35,800
TOTAL PRIVATE	2,784,300	2,758,300	2,743,400	2,754,300	26,000	30,000
GOODS PRODUCING	298,400	294,800	293,900	303,300	3,600	-4,900
Construction, Natural Resources, and Mining	120,600	117,700	116,600	125,000	2,900	-4,400
Manufacturing	177,800	177,100	177,300	178,300	700	-500
Durable Goods	90,100	89,500	89,600	90,600	600	-500
Non-Durable Goods	87,700	87,600	87,700	87,700	100	0
SERVICE-PROVIDING	2,841,400	2,819,200	2,804,000	2,800,700	22,200	40,700
PRIVATE SERVICE-PROVIDING	2,485,900	2,463,500	2,449,500	2,451,000	22,400	34,900
Trade, Transportation, and Utilities	541,000	541,100	542,800	537,900	-100	3,100
Wholesale Trade	120,800	120,800	121,100	121,200	0	-400
Retail Trade	277,200	276,600	276,500	276,200	600	1,000
General merchandise retailers	49,200	49,300	49,600	49,100	-100	100
Transportation, Warehousing, and Utilities	143,000	143,700	145,200	140,500	-700	2,500
Information	51,000	51,000	50,600	52,500	0	-1,500
Financial Activities	223,500	222,900	223,900	225,800	600	-2,300
Finance and insurance	182,300	182,200	182,900	184,700	100	-2,400
Credit Intermediation	63,500	63,400	63,800	64,100	100	-600
Real Estate and Rental and Leasing	41,200	40,700	41,000	41,100	500	100
Professional and Business Services	503,200	494,800	490,900	499,600	8,400	3,600
Professional and technical services	254,700	251,500	249,900	251,300	3,200	3,400
Administrative and waste services	177,400	171,900	170,000	178,000	5,500	-600
Education and Health Services	761,800	758,300	754,300	733,100	3,500	28,700
Health care and social assistance	617,900	616,700	612,500	590,100	1,200	27,800
Ambulatory health care and services	204,400	204,000	201,900	195,600	400	8,800
Hospitals	149,300	149,300	148,600	144,800	0	4,500
Leisure and Hospitality	275,500	266,000	259,300	277,200	9,500	-1,700
Accommodation and food services	218,000	213,300	208,900	221,500	4,700	-3,500
Other Services	129,900	129,400	127,700	124,900	500	5,000
Government	355,500	355,700	354,500	349,700	-200	5,800
Federal Government	56,600	56,400	56,700	56,100	200	500
State Government	57,400	57,000	56,800	57,800	400	-400
Local Government	241,500	242,300	241,000	235,800	-800	5,700
Data benchmarked to March 2024						

Source: Center for Workforce Information & Analysis, Pennsylvania Department of Labor & Industry

Table A-4 shows trends in labor force, employment and unemployment for the County and the Commonwealth.

TABLE A-4
TRENDS IN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
NOT SEASONALLY ADJUSTED

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025⁽¹⁾</u>	Compound Average Annual % Rate
Chester County							
Civilian Labor Force (000)	280.1	286.4	291.1	295.9	302.4	300.5	0.97%
Employment (000)	262.1	274.3	282.7	289.5	294.1	291.8	1.24%
Unemployment (000)	18.0	12.0	8.4	6.3	8.4	8.7	-6.23%
Unemployment Rate	6.40%	4.20%	2.90%	2.10%	2.80%	2.90%	
Pennsylvania							
Civilian Labor Force (000)	6,515.0	6,445.0	6,479.0	6,485.0	6,577.0	6,520.0	0.35%
Employment (000)	5,933.0	6,059.0	6,196.0	6,296.0	6,337.0	6,274.0	0.90%
Unemployment (000)	581.0	386.0	283.0	189.0	239.0	246.0	-9.58%
Unemployment Rate	8.90%	6.00%	4.40%	2.90%	3.60%	3.80%	

⁽¹⁾As of May 2025.

Source: Pennsylvania Department of Labor and Industry, Center for Workforce Information and Analysis website.

Largest County Employers

Listed below are the largest employers located within or near the County and their approximate employment:

<u>Employers</u>	<u>2024 # Employees</u>	<u>% of Labor Force</u>
Vanguard Group ⁽¹⁾	20,000	6.73%
Chester County Hospital	3,500	1.18%
Main Line Hospitals	2,800	0.94%
County of Chester	2,794	0.94%
Giant Food Stores, LLC	2,400	0.81%
Downingtown Area School District	1,895	0.64%
PA System of Higher Education ⁽²⁾	1,700	0.57%
QVC, Inc.	1,650	0.56%
West Chester Area School District	1,580	0.53%
Chester County Intermediate Unit	1,565	0.53%

⁽¹⁾Includes contracted employees.

⁽²⁾Includes West Chester University, Lincoln University, Cheyney University and Penn State Great Valley

Source: 2024 County CAFR.

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Income

The data on Table A-5 shows recent trends in per capita income for the County and the Commonwealth over the 2010-2020 period.

TABLE A-5
RECENT TRENDS IN PER CAPITA INCOME*

	<u>2010</u>	<u>2020</u>
Chester County.....	\$42,042	\$52,711
Pennsylvania	27,824	35,518

*Income is defined by the Bureau of the Census as the sum of wage and salary income, non-farm self-employment income, net self-employment income, Social Security and Railroad retirement income, public assistance income, interest, dividends, pensions, etc. before deductions for personal income taxes, Social Security, etc.

Source: 2020: U.S. Census Bureau, Summary File 1 (SF 1) and Summary File 3 (SF 3) & 2010: U.S. Census Bureau, 2007-2011 American Community Survey.

Commercial Activity

The data in Table A-6 shows retail sales for the 2018-2024 period for the County, the PMSA and the Commonwealth.

TABLE A-6
TOTAL RETAIL SALES
(000)

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Chester County	\$16,586,181	\$16,689,538	\$20,551,778	\$19,467,582	\$19,141,485
PMSA	121,588,785	117,611,765	129,095,108	138,955,072	135,906,640
Pennsylvania	251,185,116	274,685,600	297,770,327	310,912,244	317,239,286

Source: Neilson Company.

Housing

In 2023, 1,637 new housing units were added to the housing supply in Chester County. Approximately, 37 percent of all new housing units were single-family detached homes. Single-family attached units, which include twin, townhouses and condominiums, accounted for 38 percent of the new units. Apartments accounted for the remaining 25 percent of total new housing units.

The value of the County's single-family housing units is significantly greater than those of Pennsylvania and the United States. The inflation adjusted median Chester County 2023 home sale price was \$490,000 and 5,554 homes were sold in Chester County in 2023.

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Agriculture

Farming

A substantial part of the County still consists of large farms and estates. In 2022, there were 1,558 farms with an average size of 92 acres, for a total of 143,442 acres of farmland in the County. The Pennsylvania Agriculture Statistics Service ranks the County second among Commonwealth counties in the value of agricultural products sold. Crop production remains the dominant sector (about 83% of sales), but there is a diversity of agricultural operations including nursery and greenhouse/floriculture/sod (especially mushrooms), field crops and dairy production, and a variety of vegetable, fruit and tree-nut, livestock, egg and poultry operations.

Source: Chester County Agriculture Development Council, Census of Agriculture – 2022.

Mushrooms

The County remains a world leader in the cultivated mushroom industry and in crops grown under cover (greenhouse, nursery, floriculture, sod and mushrooms). In 2022, the value of crops grown under cover in the County was \$531,294,000, ranking 1st in Pennsylvania and 3rd in the U.S. Of that amount, mushrooms alone accounted for approximately \$455,253,923, or about 86% of that value.

Source: Chester County Agriculture Development Council, Census of Agriculture – 2022.

Horses

The County continues its long and rich equestrian heritage. In 2022, the value of sales of horses, ponies, mules, burros and donkeys in the County was \$8,299,000, marking a 41 % increase from the 2017 figure of \$5,881,000. The County ranks second in the Commonwealth in value for equine (horses, ponies, mules, burros, donkeys) production. Nationally, the County ranks 26th in the U.S. for this category. According to the Census, there are 7,074 horses and ponies reported in the County as of December 31, 2022.

This equine sector supports a diverse range of farms and facilities - from thoroughbred and sport-horse breeding to training, showing and trail-riding operations. Many of these operations are located on large estates and farms that contribute to the County's open-space character. The equine community also plays a role in cultural and tourism experiences, hosting riding clubs, show grounds, combined driving events, fox-hunting associations, and more.

While exact acreage solely dedicated to equine use (such as pastures, training rings or specialized facilities) is not separately reported in the 2022 data, the continuing high value of the equine category and its established presence suggest a substantial land base remains committed to horse-related operations.

Tourism

In 2022 the County welcomed approximately 2.6 million day and overnight visitors (about 1.45 million day visitors and 1.11 million overnight visitors). These visitors generated direct visitor spending of about \$766 million, and when indirect and induced impacts are included the total economic impact is estimated at about \$1.4 billion, supporting 12,764 jobs and generating about \$95 million in state and local tax revenues.

Major attractions within the County continue to include the nationally significant horticultural display gardens at Longwood Gardens in Kennett Square, the American Helicopter Museum & Education Center, the many wineries of the region, nearby Valley Forge National Historical Park, and the more than fifteen historic covered bridges. The natural beauty of the County and its extensive preserved open-space also draw many visitors.

Source: Chescoplanning.org

Parks and Recreation

More than 100,000 acres of open space, public and private, are located in the County. Major County parks include Nottingham, Hibernia, Warwick, Springton Manor and Struble Trail. The County's park system contains approximately 4,953 acres.

State and Federal parks, including Marsh Creek State Park and parts of French Creek State Park, Valley Forge National Park, and Hopewell Furnace National Historic Site cover 4,935 acres.

State game lands and numerous public lakes cover approximately 4,683 acres of land within the County. Chambers Lake at Hibernia County Park, Marsh Creek, and Struble Lake are favorite spots for anglers and boaters alike.

There are a total of 2,890 acres of recreational open space within the 73 townships and municipalities of the County. These areas provide opportunities for both passive and active recreation. There are hiking trails throughout the state and county parks as well as trails within numerous conservation areas such as the Laurels Preserve and White Clay Creek Preserve. The Horse-Shoe, Brandywine, Mid-County, and Mason-Dixon Trails also provide residents hiking opportunities.

Education

Public elementary and secondary education is provided by 14 school districts in the County. There are numerous private and parochial schools in the County. Higher education is offered by West Chester University, Cheyney University, Lincoln University, Immaculata University, Delaware County Community College, and The School of Graduate Professional Studies – Penn State Great Valley. The School of Graduate Professional Studies – Penn State Great Valley, located in the Great Valley Corporate Center, is the first permanent educational facility of a major American university to be located in a corporate park. Lincoln and Cheyney Universities are two of the oldest institutions of higher learning for African Americans in the country.

2024 Higher Education Enrollment

<u>Higher Education Facility</u>	<u>Enrollment</u>
West Chester University	17,171
Delaware County Community College	9,989
Immaculata University	2,302
Lincoln University	1,848
The School of Graduate Professional Studies – Penn State Great Valley	N/A
Cheyney University	N/A

Sources: Individual School Institutional Research Departments and the County 2024 Budget.

Also located in the County are the Flowers and Cook Observatory of the University of Pennsylvania and the large animal facility (New Bolton Center) of the University of Pennsylvania School of Veterinary Medicine.

Emergency Services

The County residents are served by 49 volunteer fire stations and 29 ambulance stations, with all calls coordinated by the County 9-1-1 Communications Center. Law enforcement within the County is represented by 42 municipal police departments, 2 State Police barracks, the County Detectives, and 2 School District/University departments.

Health coverage is provided by 18 hospitals and medical centers. There are also 48 personal care boarding houses and assisted living facilities, 11 continuing care communities, and 23 nursing homes.

Utilities

Electricity is provided by PECO Energy, PPL Electric Utilities Corporation, and Metropolitan Edison Co. Telephone service is provided by Verizon. Water service is provided by various municipalities, municipal authorities, and local water companies. The largest non-governmental supplier is Aqua Pennsylvania, Inc. Sewer service is provided to the more densely populated parts of the County by municipalities or by municipal authorities.

Transportation

There are two passenger rail providers that serve the County. Amtrak and SEPTA provide regional rail service on the line extending between the City of Philadelphia and Thorndale. There are 12 train stations along this line in the County. Bus transportation is provided by SEPTA, PUT, Krapfs, and other private carriers throughout the County. Numerous major highways, including Routes 30, 100, 202, 1, 3, 322, 41, and the Pennsylvania Turnpike, provide commuters access to major employment centers within the County as well as the Delaware Valley and the City of Philadelphia. There are over 3,400 miles of roadways within the County. The County is home to three regional airports, one heliport, and is approximately 30 miles from Philadelphia International Airport.

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APPENDIX B

2025 BONDS AMORTIZATION SCHEDULES

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SERIES OF 2025 BONDS AMORTIZATION SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Annual Debt Service</u>
7/15/2026					
1/15/2027					
7/15/2027					
1/15/2028					
7/15/2028					
1/15/2029					
7/15/2029					
1/15/2030					
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7/15/2042					
1/15/2043					
7/15/2043					
1/15/2044					
7/15/2044					
1/15/2045					
7/15/2045					
Total					

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APPENDIX C

PROPOSED FORM OF BOND COUNSEL OPINION FOR THE BONDS

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APPENDIX C
FORM OF BOND COUNSEL OPINION

[Date of Closing]

County of Chester, Pennsylvania

Re: County of Chester, Commonwealth of Pennsylvania
\$_____ General Obligation Bonds, Series of 2025

We have acted as Bond Counsel to the County of Chester, Pennsylvania (the “County”) in connection with the issuance of its \$_____ aggregate principal amount General Obligation Bonds, Series of 2025 (the “Bonds”). The Bonds are issued pursuant to, and are secured by, the Pennsylvania Local Government Unit Debt Act, 53 Pa. Cons. Stat. Ann. §§8001 *et seq.*, as amended (the “Act”), and an Ordinance enacted by the Board of Commissioners of the County on October 22, 2025 (the “Ordinance”). The Bonds are being issued for the purpose of providing funds to finance a portion of the County’s ongoing Capital Investment Program including but not limited to the following projects: (i) certain capital projects consisting of Open Space and Community Revitalization programs, park and trail development, and improvements to infrastructure, facilities and public safety capabilities and various other capital projects in the County; and (ii) the costs and expenses of issuing the 2025 Bonds, or any or all of the same.

As Bond Counsel for the County, we have examined the relevant provisions of the Constitution of the Commonwealth of Pennsylvania (the “Commonwealth”); the Acts of Assembly pursuant to which the Bonds are authorized, issued and sold; the transcript of proceedings filed with the Pennsylvania Department of Community and Economic Development (the “Department”); and certain statements, affidavits and other documents which we have considered pertinent.

In rendering this opinion we have examined and relied upon (a) the opinion of counsel to the County with respect, *inter alia*, to the due adoption by the County of the Ordinance in accordance with applicable laws; (b) the accuracy of the statements and representations and the performance by the County of its covenants set forth in the Ordinance and the County’s Tax Certificate delivered on this date in connection with the issuance of the Bonds; and (c) all other documents and papers as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the County contained in the Ordinance and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The County is authorized under the provisions of the Constitution and laws of the Commonwealth to issue the Bonds for the purposes above set forth, and the County has authorized the issuance thereof.

2. As indicated in the County's debt statement filed with the Department in connection with the issuance of the Bonds, outstanding debt of the County, including debt represented by the Bonds, is within the debt limitations of the Act.

3. The County has established a sinking fund for the Bonds, with the paying agent named in the Ordinance as sinking fund depository and has covenanted to deposit therein amounts sufficient for the payment of the principal of and interest on the Bonds, as the same shall become due and payable, and has authorized the paying agent to apply such amounts to such purposes.

4. The County has covenanted in the Ordinance (i) to include the amount of debt service for the Bonds for each fiscal year in which such sums are due and payable in its budget for that year; (ii) to appropriate such amounts from its general revenues for the payment of such debt service; and (iii) to duly and punctually pay, or cause to be paid, from its sinking fund or any other of its revenues or funds, the principal of, and interest on, the Bonds at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof; for such budgeting, appropriation and payment the County in the Ordinance has pledged its full faith, credit and taxing power.

5. The Bonds are the valid and binding general obligations of the County payable from the revenues of the County from whatever source derived, which revenues, at the time of the issuance and sale of the Bonds, include *ad valorem* taxes levied upon all the taxable property within the County, within limitations provided by law.

6. Under the laws of the Commonwealth, as presently enacted and construed on the date hereof, the Bonds are exempt from personal property taxes in the Commonwealth and interest on the Bonds is exempt from Commonwealth personal income and corporate net income tax.

7. Interest on the Bonds (including any original issue discount properly allocated to a holder thereof) is excluded from the gross income of the owners of the Bonds for federal income tax purposes under existing law, as currently enacted and construed. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals; however, such interest on the Bonds may be taken into account for the purposes of computing the alternative minimum tax on certain corporations.

In providing this opinion, we advise you that it may be determined in the future that interest on the Bonds, retroactive to the date of issuance thereof or prospectively, will not be excluded from the gross income of the owners of the Bonds for federal income tax purposes if certain requirements of the Code are not met. The County has covenanted in the Ordinance to comply with such requirements.

The purchasers of the Bonds should consult their own tax advisors as to collateral state or federal income tax consequences. We express no opinion regarding federal or state tax consequences arising with respect to the Bonds other than as expressly set forth in paragraphs 6 and 7 hereof.

These opinions are rendered on the basis of the laws of the Commonwealth and, as to numbered paragraph 7 hereof only, federal law, in both instances as enacted and construed on the date hereof. We express no opinion as to any matter not set forth in the numbered paragraphs above including, without limitation, with respect to, and assume no responsibility for, the accuracy, adequacy or completeness of, the Preliminary Official Statement prepared in respect of the Bonds, or the Official Statement, including, in both cases, the appendices thereto, and make no representation that we have independently verified any such information.

The opinions set forth herein are given solely for the benefit of the purchasers of the Bonds and may not be relied on by any other person or entity without our express prior written consent. The opinions set forth herein are given solely as of the date hereof, and we do not undertake to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

DILWORTH PAXSON LLP

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

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COUNTY OF CHESTER
Commonwealth of Pennsylvania
\$[_____] General Obligation Bonds, Series of 2025

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the “Disclosure Agreement”) is executed and delivered this ____ day of December, 2025, by the County of Chester, Pennsylvania (the “County”), in connection with the issuance and sale by the County of its \$[_____] aggregate principal amount General Obligation Bonds, Series of 2025 (the “Bonds”). The Bonds are being issued by the County pursuant to the Pennsylvania Local Government Unit Debt Act, 53 Pa. C.S. Chs. 80-82 (the “Act”).

The County, intending to be legally bound, hereby agrees as follows:

Section 1. Definitions

In this Disclosure Agreement and any agreement supplemental hereto (except as otherwise expressly provided or unless the context clearly otherwise requires) terms used as defined terms in the recitals hereto shall have the same meanings throughout this Disclosure Agreement, and, in addition, the following terms shall have the meanings specified below.

“Annual Financial Information” shall mean the following annual financial or operating data regarding the County:

- (i) annual audited financial statements of the County;
- (ii) real estate tax collection information, including to the extent reasonably feasible:
 - (A) the total market value of all taxable real estate located within the jurisdiction of the County;
 - (B) the total assessed value of all taxable real estate located within the jurisdiction of the County;
 - (C) the real estate tax levy imposed by the County (expressed both as a millage rate and an aggregate dollar amount);
 - (D) the amount of real estate taxes collected that represent current collections (expressed both as a percentage of the current year’s levy and as an aggregate dollar amount);
 - (E) the amount of real estate taxes collected that represents taxes levied in past years (expressed as an aggregate dollar amount); and
 - (F) the total amount of real estate taxes collected (expressed both as a percentage of the current year’s levy and as an aggregate dollar amount);
- (iii) the County’s General Fund Budget or a summary thereof;
- (iv) the total number of employees of the County;
- (v) employee pension retirement plan information consisting of: (i) the amount of the County’s annual contribution for the most recent fiscal year, and (ii) market value of assets, and (iii) total liabilities for the most recent fiscal year, all as set forth in the chart below the first paragraph under the subsection titled “Employee Retirement Plan (Retirement Pension Trust Fund)” in the County’s Official Statement, and (iv) funded ratio on an actuarial basis as of the most recent fiscal year; and

(vi) Other Post Employment Benefit (OPEB) information consisting of: (i) the contribution made by the County for the most recent fiscal year, and (ii) the amount of the County's net OPEB obligation for the most recent fiscal year as set forth in the chart and the first sentence following said chart, respectively, under the subsection titled "Other Post-Employment Benefits ("OPEB") in the County's Official Statement.

The County's annual audited financial statements are prepared according to accounting methods and procedures which conform to guidelines adopted by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants' Audit Guide, Audits of States and Local Government based upon financial statements of the County prepared in conformity with the accounting practices prescribed or permitted by the Department.

Any of the operating data referred to above may be included in the County's annual audited financial statements or by specific reference to any official statement submitted to and available from the MSRB and if so does not need to be separately posted. If any of the above information can no longer be generated because the operations to which such information relates have been materially changed or discontinued, a statement to that effect shall satisfy the obligations of the County under this Disclosure Agreement with respect to such information, provided, however that the County shall, to the extent feasible, provide in lieu thereof similar information with respect to any substitute or replacement operations.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which the County is authorized or directed by law or executive order to remain closed.

"Commonwealth" shall mean the Commonwealth of Pennsylvania.

"Department" shall mean the Pennsylvania Department of Community and Economic Development.

"Disclosure Representative" shall mean the County Administrator of the County or such other official or employee of the County as shall be designated in writing by the County to an Agent (as hereinafter defined).

"EMMA" shall mean the Electronic Municipal Market Access System maintained by the MSRB at <http://emma.msrb.org>, which serves as the sole nationally recognized municipal securities information repository under the Rule.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Listed Event" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the final Official Statement relating to the Bonds dated November __, 2025.

“Ordinance” shall mean the County’s Ordinance enacted on October 22, 2025.

“Participating Underwriter” shall mean each original underwriter of the Bonds required to comply with the Rule in connection with its purchase and reoffering of the Bonds.

“Registered Owner or Owners” shall mean the person or persons in whose name a Bond is registered on the books of the County kept by the Paying Agent for that purpose in accordance with the Ordinance and the Bonds. For so long as the Bonds shall be registered in the name of the Securities Depository or its nominee, the term Registered Owner or Owners shall also mean and include, for the purposes of this Disclosure Agreement, the beneficial owners of the Bonds who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise have or share: (a) voting power which includes the power to vote, or to direct the voting of, the Bonds; or (b) investment power which includes the power to dispose or to direct the disposition of a Bond. Beneficial owners of book-entry credits may file their names and addresses with the County for purposes of receiving notices or giving direction under this Disclosure Agreement; provided, however, that the County or the Agent (as defined herein), if appropriate, may require owners of book-entry credits to establish proof of ownership of such book-entry credits.

“Rule” shall mean Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, as such Rule may be amended from time to time.

“Securities Depository” shall mean The Depository Trust Company, New York, New York, and its nominee, Cede & Co.

All capitalized terms and phrases used in this Disclosure Agreement and not defined above or elsewhere herein shall have the same meanings as set forth in the Ordinance.

Section 2. Authorization and Purpose of Disclosure Agreement

This Disclosure Agreement is authorized to be executed and delivered by the County pursuant to the Ordinance in order to assist the Participating Underwriter in complying with the requirements of the Rule.

The County is the only obligated person with respect to the Bonds for the purposes of the Rule.

Section 3. General Provisions Regarding MSRB Filings

All filings with the MSRB pursuant to this Disclosure Agreement: (a) shall be made in an electronic format as prescribed by the MSRB; and (b) shall be accompanied by identifying information as prescribed by the MSRB.

Notwithstanding any other provisions of this Disclosure Agreement, any filing required by this Disclosure Agreement may be made with such repositories and using such electronic filing systems as may be approved by the Securities and Exchange Commission and/or the MSRB.

Section 4. Annual Financial Information

By the 1st day of October, of each year following the close of each fiscal year of the County, commencing on October 1, 2026, with regard to the County's fiscal year ending December 31, 2025, the County shall file the Annual Financial Information for such fiscal year with the MSRB via EMMA.

Section 5. Reportable Events

(a) The County agrees that it shall provide, in a timely manner, not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB via EMMA, notice of any of the following Listed Events with respect to the Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modification to rights of Holders of the Bonds, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other

- similar terms of a Financial Obligation of the obligated person, any of which affect securities holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

The Listed Events listed in this Section 5(a) are quoted directly from the Rule.

(b) Whenever the County concludes that a Listed Event has occurred, it shall file in a timely manner not in excess of ten (10) Business Days after the occurrence of such event, a notice of such occurrence specifying the Listed Event with the MSRB via EMMA.

(c) The County shall obtain a written acknowledgment of or a receipt (including an electronic receipt or confirmation) for any notice delivered to the MSRB via EMMA, which shall specify, among other things, the date the notice was received. All such written acknowledgements or receipts of notice returned to the County shall be retained by the County until the termination of this Disclosure Agreement.

(d) The County agrees that it will also provide to the MSRB via EMMA timely notice of any failure by the County to timely file the Annual Financial Information required by Section 4 hereof.

Section 6. Amendment; Waiver

(a) Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement or waive any of the provisions hereof, provided that no such amendment or waiver shall be executed by the County or effective unless:

- (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in identity, nature or status of the County or the type of business conducted by the County;
- (2) the undertaking, as amended or taking into account such waivers would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Disclosure Agreement, as amended by the amendment or waiver, would have complied with the requirements of the Rule at the time of original issuance of the respective Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (3) the amendment or waiver does not in the opinion of nationally recognized bond counsel materially impair the interests of the Registered Owners of the Bonds.

(b) Evidence of compliance with the conditions set forth in clause (a) of this Section 6 shall be satisfied by the delivery to the County of an opinion of counsel having recognized experience and skill in the issuance of municipal securities and federal securities law, to the effect

that the amendment or waiver satisfies the conditions set forth in clauses (a)(1), (2), and (3) of this Section 6.

(c) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Disclosure Representative shall describe such amendment in the next Annual Financial Information, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County. The Disclosure Representative shall also send notice of the amendment or waiver to each Registered Owner.

(d) In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given by filing a notice with the MSRB through EMMA, and (2) the Annual Financial Information for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Other Information; Duties Under the Ordinance

Nothing in this Disclosure Agreement shall preclude the County from disseminating any other information with respect to the County or the Bonds, using the means of communication provided in this Disclosure Agreement or otherwise, in addition to the Annual Financial Information and the notices of Listed Events specifically provided for herein, nor shall the County be relieved of complying with any applicable law relating to the availability and inspection of records, if any. Any election by the County to furnish any information not specifically provided for herein in any notice given pursuant to this Disclosure Agreement or by the means of communication provided for herein shall not be deemed to be an additional contractual undertaking and the County shall have no obligation to furnish such information in any subsequent notice or by the same means of communication.

Section 8. Default

(a) In the event that the County fails to comply with any provision of this Disclosure Agreement, any Registered Owner of the Bonds shall have the right, by suit, action or proceeding at law or in equity, to compel the County to perform each and every term, provision and covenant contained in this Disclosure Agreement applicable to the County.

(b) A default under the Disclosure Agreement shall not be or be deemed to be a default under the Bonds, the Ordinance or the Act and the sole remedy in the event of a failure by the County to comply with the provisions hereof shall be the action to compel performance described in clause (a) above.

Section 9. Concerning the County

The County may execute any powers hereunder and perform any duties required of it through attorneys, agents, and other experts, officers, or employees, selected by it, and the written advice of such counsel or other experts shall be full and complete authorization and protection in

respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

Section 10. Agent

(a) The County may appoint an entity to serve as disclosure agent (the “Agent”) to assist the County in carrying out its obligations under this Disclosure Agreement. The County may discharge the Agent with or without appointing a successor Agent. The Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Agreement.

(b) The duties and obligations of the Agent shall be as set forth in an agreement between the parties.

Section 11. Term of Disclosure Agreement

This Disclosure Agreement shall terminate: (1) upon payment or provision for payment in full of the Bonds; (2) upon repeal or rescission of Section (b)(5) of the Rule; or (3) upon a final determination that Section (b)(5) of the Rule is invalid or unenforceable.

Section 12. Beneficiaries

This Disclosure Agreement shall inure solely to the benefit of the County and the Registered Owners, from time to time, of the Bonds and nothing herein contained shall confer any right upon any other person.

Section 13. Notices

Any written notice to or demand may be served, presented or made to the persons named below and shall be sufficiently given or filed for all purposes of this Disclosure Agreement if deposited in the United States mail, first class postage prepaid or in a recognized form of overnight mail or by telecopy or electronic mail with confirmation of receipt, addressed:

(a) To the County or the Disclosure Representative at:

County of Chester
313 Market Street, Suite 6202
West Chester, PA 19380
Fax: (610) 344-5998
Telephone No.: (610) 344-6026
Attention: Chief Operating Officer

(b) To the MSRB at <http://emma.msrb.org>; or such other address as may be designated by the MSRB.

Section 14. No Personal Recourse

No personal recourse shall be had for any claim based on this Disclosure Agreement against any member, officer, or employee, past, present or future, of the Board of Commissioners of the County (including without limitation, the Disclosure Representative), or of any successor bodies of such, either directly or through the Board of Commissioners of the County or successor bodies of such, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

Section 15. Controlling Law

This Disclosure Agreement and all matters arising out of or related to this Disclosure Agreement shall be governed by and construed in accordance with the laws of the Commonwealth, without regard to its conflict of laws principles.

Section 16. Successors and Assigns

All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the County shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

Section 17. Headings for Convenience Only

The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 18. Counterparts

The Disclosure Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, COUNTY OF CHESTER, PENNSYLVANIA, has caused this Disclosure Agreement to be executed by the Chair of the Board of Commissioners of the County and attested by the County Administrator of the County, respectively, and its corporate seal to be hereunto affixed, all as of the day and year first above written.

COUNTY OF CHESTER, PENNSYLVANIA

[SEAL]

By: _____
Chair

Attest: _____
County Administrator

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APPENDIX E

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2024**

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County of Chester, Pennsylvania

Annual Comprehensive Financial Report

For the Year Ended December 31, 2024

Prepared by the Office of the Controller
Margaret Reif, Controller

COUNTY OF CHESTER
PENNSYLVANIA

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended December 31, 2024



PREPARED BY
THE OFFICE OF THE CONTROLLER

Margaret Reif, Controller
Carol Pollitz, CPA, CGMA, Deputy Controller
Anitha Rajagopal Rao, Accounting Manager

Introductory Section

COUNTY OF CHESTER, PENNSYLVANIA
Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2024

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Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2024

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Annual Comprehensive Financial Report
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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

MARGARET REIF
CONTROLLER

June 25, 2025

To the Citizens of the County of Chester, Pennsylvania:

I am pleased to submit the **Annual Comprehensive Financial Report (Annual Report)** of the County of Chester, Pennsylvania for the fiscal year ending December 31, 2024.

This report has been prepared by the Office of the County Controller, with the assistance of numerous County officials and departments. Responsibility for the accuracy, completeness, and fairness of the information presented rests with County management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and has been presented in a manner that fairly reflects the financial position and results of operations of the County in accordance with Generally Accepted Accounting Principles (GAAP). All necessary disclosures have been included to enable the reader to gain a comprehensive understanding of Chester County's financial condition.

The Board of County Commissioners, composed of three elected members, exercises all legislative and executive powers of the County and oversees the management of its fiscal affairs. The County Controller, elected independently, serves as the County's Chief Fiscal Officer, supervising all financial transactions and safeguarding the public funds entrusted to County officials.

This report is intended to provide meaningful financial information to a broad audience, including taxpayers, investors, credit rating agencies, underwriters, budget planners, government officials, and the public. To ensure compliance with national standards and to validate the integrity of this report, the County's financial statements have been audited by the independent public accounting firm Zelenkofske Axelrod, LLC (ZA). Their audit provides reasonable assurance that the financial statements are free from material misstatement.

The information presented herein reflects not only the financial strength of Chester County, but also the continued commitment of the Board of Commissioners to responsible governance and effective financial management. This commitment is underscored by the reaffirmation of Chester County's Aaa/AAA credit ratings from all three major national credit rating agencies—a distinction achieved by only a select number of counties across the United States.

The preparation of this report would not have been possible without the professionalism, dedication, and hard work of the staff within the Chester County Controller's and Finance Offices. I extend my sincere appreciation for their efforts and continued support of our mission.

It has been my privilege to serve as your County Controller. I will remain deeply committed to the principles of transparency, efficiency, and accountability in all financial matters affecting Chester County.

Sincerely,

Margaret Reif
Controller, County of Chester



Government Finance Officers Association

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

Presented to

**County of Chester
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO



THE COUNTY OF CHESTER

COMMISSIONERS

Josh Maxwell
Marian D. Moskowitz
Eric M. Roe

OFFICE OF THE COMMISSIONERS

313 W. Market Street, Suite 6202
P.O. Box 2748
West Chester, PA 19380-0991
(610) 344-6100



June 25, 2025

To the Honorable Chair, Members of the Chester County Board of Commissioners, and Citizens of Chester County:

It is our privilege to submit to you the Annual Comprehensive Financial Report (ACFR) of the County of Chester, Pennsylvania, for the year ended December 31, 2024. Responsibility for the accuracy and the completeness of the presentation, including all disclosures, rests with management. The report was prepared with an emphasis on full disclosure to enable the reader to gain an understanding of the County's operations and financial position. The County provides its residents with a variety of services in areas such as 911 emergency operations, prison, courts, probation, domestic relations, bridge maintenance, planning and conservation, and human services which include public health, children, youth and family services and mental health, intellectual and developmental disabilities. The County's component units include Solid Waste Authority, Area Airport Authority, Water Resources Authority, Library and District Center, Conference and Visitors Bureau, and General Authority.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the financial statements and should be read in conjunction with this letter. The County of Chester's MD&A can be found immediately following the report of the independent auditors.

BUDGET

The County of Chester is required to adopt an annual budget for all funds except the Commissary fund, no later than December 31. Budgets may be adjusted by means of a budget amendment or by an internal budget transfer. Budget amendments are initiated by the departments, reviewed/approved by the finance department, the County Chief Executive Officer and Chief Operating Officer, and finally by the Commissioners. Internal transfers are initiated by the departments, reviewed/approved by the finance department and finally by the County Chief Executive Officer and the Chief Operating Officer. For a more detailed discussion of the budget, please refer to the Notes to Required Supplementary Information on page 100.

ECONOMIC CONDITION AND OUTLOOK

By the end of 2024, Chester County had allocated all its \$102.0 million in funding received from the American Rescue Plan Act (ARPA). More than 120 projects received funding that has met local pandemic recovery needs, and that has helped to accelerate the ongoing rebuilding of Chester County's economy.

The breakdown in funding for the recommended projects includes \$54.1 million in Government Services, \$15.2 million in Public Health and Safety Services, \$15.0 million in Mental Health Services, \$7.5 million in Housing Services and Affordable Housing, \$2.8 million in Water and Sewer Infrastructure, \$2.2 million in

Community Services, \$2.0 million in Skills Training, \$1.8 million in Food Programs, \$0.4 million in Library Services, and \$0.3 million in Child Care.

Economic indicators surpassed federal, state, and surrounding county data, and the County maintains one of the lowest unemployment rates among the Commonwealth’s 67 counties.

**Chester County maintains the lowest unemployment rate in Southeastern Pennsylvania
(2024 full-year average by county)**

Chester	2.8%
Montgomery	3.0%
Bucks	3.3%
Delaware	3.5%
Philadelphia	4.5%

Source: PA Department of Labor and Industry, 2024 Annual Data

The County of Chester remains one of the fastest growing counties in the Commonwealth, with predictions by the Delaware Valley Regional Planning Commission estimating a 30 percent increase in population by the year 2050, from more than 530,000 to 645,000. This growth brings with it a 30 percent estimated increase in jobs as well as residential and commercial dwellings – resulting in significant tax base growth.

The County remains the only county in Pennsylvania to have earned and maintained three Triple-A bond ratings from Moody’s, Standard & Poor’s and Fitch rating agencies, and we are one of just a handful of counties (out of 3,087) nationwide to earn Triple-A ratings from each of the three rating agencies – placing Chester County in the top two percent of counties across America to have consistently earned top ratings. Key factors named by all three rating agencies that contribute to the Triple-A ratings are a healthy financial position, solid financial management, and strong reserves. The County continues to have a diverse tax base.

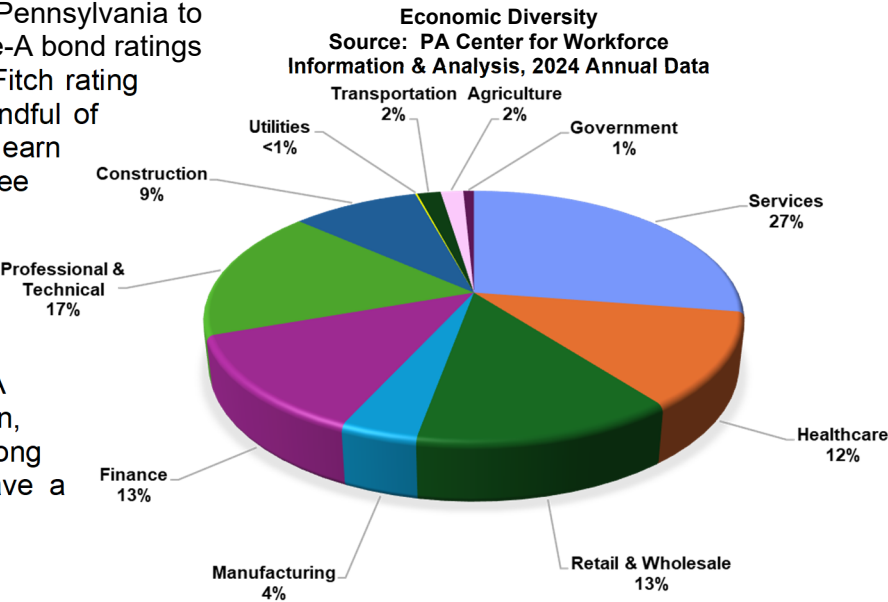
**LONG TERM FINANCIAL PLANNING
AND FINANCIAL POLICIES**

The County of Chester has developed financial policies and strategies to address the long-term challenges it will be facing. The County follows a Strategic Plan, which focuses on delivering results that support County priorities and allows for long-term financial planning.

Financial Policies in Place Include:

Working Capital Reserve Policy: Maintaining ten percent of the subsequent year’s budgeted General Fund expenditures as a reserve.

Debt and Capital Investment Program Policy: Preparing and approving a five-year capital plan, not using long-term debt to fund current operations, and refunding outstanding debt if savings are three percent or more.



Internal Control: The County's internal control system is an established comprehensive framework that provides taxpayers and other interested people and entities with assurances that the assets of the County are reasonably safeguarded against loss from unauthorized use, mismanagement, and negligence. These controls are also utilized to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP).

Because the cost of the internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Innovate Chester County

In October 2024, the Chester County Commissioners issued a county-wide call to action, asking residents to be part of *Innovate Chester County* – an initiative that explores new ways to tackle challenges related to affordable housing, public transportation, children's mental health, veteran services, and agriculture. More than 100 individuals were selected to take part in the program's work groups and for the remainder of 2024 the work groups met to research and prepare a selection of ideas presented to the Commissioners, the county administrative team, and an *Innovate Chester County* steering committee. The ideas presented ranged from simple volunteer ambassador programs for Chester Connect and Veterans Affairs, to recommendations that support a public education campaign on affordable housing, as well as collaboration on children's mental health services, and communication of Chester County's extensive agricultural and farming products. First-phase projects resulting from the *Innovate Chester County* recommendations are being implemented in 2025.



AgConnect



Agriculture is one of Chester County's top industries, and the importance of agriculture and its economic development led to a strategic restructuring and partnership between Chester County Government and the Chester County Economic Development Council (CCEDC) in 2024. AgConnect, the Next Generation Industry Partnership originally introduced and managed by the CCEDC, has broadened its scope to not only support agricultural producers across the region, but also to provide valuable resources and educational opportunities to Chester County consumers. A key part of the transition sees AgConnect leading the implementation of the Chester County Agricultural Economic Development Strategic Plan, aimed at fostering growth and sustainability in the county's agricultural sector.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting. 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 ACFR for the fiscal year ended December 31, 2023. To be awarded a Certificate of Achievement, a government unit 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. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. Chester County has received a Certificate of Achievement consistently for the last 43 years.

The County's financial statements have been audited by the certified public accounting firm of Zelenkofske Axelrod, LLC (ZA) to ensure that the financial reporting is free of material misstatement and compliant with national standards. The County received an unqualified audit opinion for year ended December 2024.

Distinguished Budget Presentation Award. Chester County has been presented the Award for Distinguished Budget Presentation by the GFOA for 34 consecutive years. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document operations guide, financial plan and communications device.

Acknowledgement

This year, in addition to thanking staff in the Chester County Finance Department and Controller's Office for their efforts in preparing this report, we acknowledge Chester County's municipal leaders – those who are elected, and those who work and volunteer to ensure communities throughout Chester County focus on the balance between growth and preservation, and who help to keep Chester County healthy and safe.

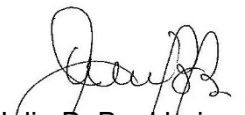
Respectfully submitted,



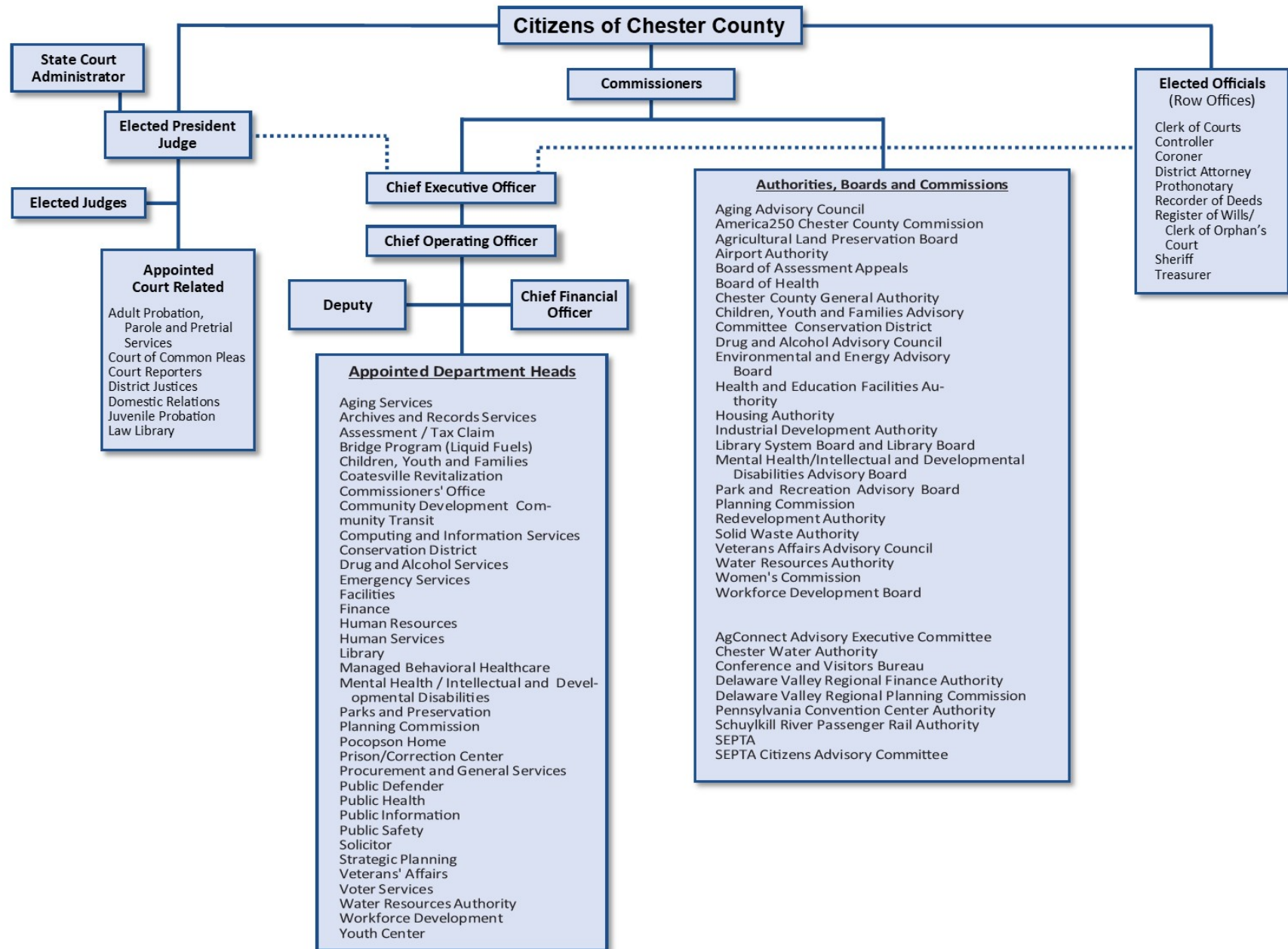
David Byerman
Chief Executive Officer



Erik T. Walschburger
Chief Operating Officer



Julie B. Bookheimer, CPA
Chief Financial Officer



2024

County of Chester Elected Officials

PRINCIPAL OFFICIALS

JUDICIARY

The Honorable John L. Hall, President Judge
The Honorable Ann Marie Wheatcraft
The Honorable Patrick Carmody
The Honorable Allison Bell Royer
The Honorable Bret H. Binder
The Honorable Analisa Sondergaard
The Honorable Anthony T. Verwey
The Honorable Alita A. Rovito
The Honorable Fredda L. Maddox
The Honorable Deborah S. Ryan
The Honorable Sarah B. Black
The Honorable Nicole R. Forzato
The Honorable Thomas P. McCabe

The Honorable Jacqueline Carroll Cody - Senior Judge
The Honorable Katherine B.L. Platt - Senior Judge
The Honorable William P. Mahon - Senior Judge
The Honorable David F. Bortner - Senior Judge
The Honorable Jeffrey R. Sommer - Senior Judge

BOARD OF COMMISSIONERS

Josh Maxwell, Chairman
Marian D. Moskowitz, Vice Chairman
Eric M. Roe

ROW OFFICERS

Christopher de Barrena-Sarobe, District Attorney
Margaret Reif, Controller
Patricia Maisano, Treasurer
Michele Vaughn, Register of Wills/Clerk of the Orphans' Court
Kevin D. Dykes, Sheriff
Diane O'Dwyer, Recorder of Deeds
Kristen E. Hume, Acting Prothonotary
Sophia Garcia-Jackson, Coroner
Yolanda Van de Krol, Clerk of Courts Division of Common Pleas



Financial Section

Independent Auditor's Report





Zelenkofske Axelrod LLC

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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Chester
West Chester, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF CHESTER, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the COUNTY OF CHESTER's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF CHESTER, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the discretely presented component units' financial statements for the Chester County Solid Waste Authority, the Chester County Area Airport Authority, the Chester County Water Resources Authority, Chester County Library and Library Board System, and the Chester County Conference and Visitors Bureau, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. 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 those aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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



Zelenkofske Axelrod LLC

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County Commissioners
County of Chester
West Chester, Pennsylvania

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Adoption of New Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2024 the County adopted the required provisions of GASB Statement No. 99, "*Omnibus 2022*", the provisions of GASB Statement No. 100, "*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*" and GASB Statement No. 101, "*Compensated Absences*". Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the County's net pension liability and related ratios, schedule of County pension contributions, schedule of pension investment returns, schedule of changes in the County's total other postemployment benefits liability and budgetary comparison schedules on pages 5 through 24 and pages 89 through 99 be presented to supplement the basic financial statements.



Zelenkofske Axlerod LLC

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County Commissioners
County of Chester
West Chester, Pennsylvania

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF CHESTER's basic financial statements. The supplementary information in the financial section (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information in the financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that in uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Zelenkofske Axlerod LLC

ZELENKOFSCHE AXELROD LLC

Harrisburg, Pennsylvania
June 25, 2025

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Management's Discussion and Analysis



COUNTY OF CHESTER, PENNSYLVANIA
Management's Discussion and Analysis
December 31, 2024

INTRODUCTION

Management's Discussion and Analysis (MD&A) includes an introduction to the basic financial statements for governments and an analytical overview of Chester County's financial activities for the year ended December 31, 2024. It is best understood if read in conjunction with the Letter of Transmittal, the basic financial statements, and the supplementary information. The financial report also includes a statistical section with financial and demographic data to further enhance the reader's understanding of Chester County.

MD&A is designed to focus on the current year's activities and the resulting changes in the County's financial position. Currently known facts, which may have a significant impact on the County's financial position now and in the foreseeable future, are also discussed.

FINANCIAL HIGHLIGHTS

The following financial highlights are described in more detail in the analysis sections of the MD&A:

- Government-wide net position (assets, plus deferred outflows of resources less liabilities, less deferred inflows of resources) at the end of the year totaled \$55.2 million for an increase of \$46.3 million from 2023.
- The General Fund reported an ending fund balance of \$71.8 million; \$6.3 million less than the prior year, of which \$69.8 million is unrestricted (assigned and unassigned). Ending fund balance reported is 35.7 percent of total original General Fund budgetary expenditures and other financing uses.
- \$21.8 million of General Fund unrestricted fund balance has been assigned as Working Capital Reserve or ten percent of the \$218.1 million adopted General Fund expenditure budget for 2025 in accordance with County policy; an increase of \$1.7 million from the prior year.
- Ending fund balances for the four tax supported funds, in the aggregate, totaled \$83.2 million; a decrease of \$13.6 million from the prior year. The General Fund, Library Fund, Parks and Recreation Fund, and Debt Service Fund are tax supported.
- Ending fund balances for all Governmental Funds totaled \$174.4 million for an increase of \$41.1 million from the prior year. Whereas; nonspendable fund balance totaled \$1.7 million, restricted fund balance totaled \$52.1 million, assigned fund balance totaled \$81.7 million, and unassigned fund balance totaled \$38.9 million.
- Outstanding General Obligation Bonds and Notes Payable were \$428.1 million for a decrease of \$17.2 million from the prior year. In 2024, the County issued General Obligation Bonds totaling \$71.7 million of which \$49.8 million refunded the 2014 General Obligation Bonds and \$21.9 million funded the Capital Improvement Program.
- The County's Aaa/AAA debt ratings were reaffirmed in August 2024 for debt issued in 2024 from three rating agencies: Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC, and Fitch Ratings Inc.

Unaudited – see accompanying independent auditors' report

COUNTY OF CHESTER, PENNSYLVANIA
Management's Discussion and Analysis
December 31, 2024

OVERVIEW OF THE FINANCIAL REPORT

The County's reporting entity is comprised of the primary government and its component units. Component units are legally separate organizations for which the County is financially accountable or for which there is a significant relationship.

The table below provides a condensed summary of the County's basic financial statements. The narrative following the table explains the statements and accompanying information in more detail.

Major Features of Chester County's Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and the County's component units	The activities of the County that are not proprietary or fiduciary, such as judicial and corrections	Activities the County operates similar to private businesses such as Pocopson Nursing Home and internal services to County departments	Funds for which the County is the trustee or agent for someone else's resources, such as the employees' retirement plan
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow/liability, deferred inflow information	All assets and liabilities, both financial and capital, and short-term and long-term, deferred outflows/inflows of resources	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term, deferred outflows/inflows of resources	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

The government-wide financial statements provide information on governmental and business-type activities excluding fiduciary activities in a manner similar to the private sector. The statements are prepared using the accrual

Unaudited – see accompanying independent auditors' report

COUNTY OF CHESTER, PENNSYLVANIA
Management's Discussion and Analysis
December 31, 2024

basis of accounting. Revenues and expenses are taken into account when earned or incurred regardless of when cash is received or disbursed; for example, uncollected taxes and earned but unused compensated absences.

Governmental and business-type activities are reported in separate columns which add to a total for the primary government. The government-wide financial statements also include segregated information for entities known as component units. Component units are legally separate units for which the County has financial accountability and a significant relationship exists. The County's six component units are the Solid Waste Authority, the Area Airport Authority, the Water Resources Authority, the Library Board, the Visitors and Conference Bureau, and the General Authority.

The Statement of Net Position reports assets, plus deferred outflows of resources less liabilities less deferred inflows of resources, equals net position. Over time, increases or decreases in net position may serve as one indicator of whether the County's financial position is improving or deteriorating. Additionally, non-financial factors, such as changes in the real estate tax base or the condition of County facilities, should be considered to assess the overall financial condition of the County.

The Statement of Activities shows the extent to which program revenues offset the expenses of governmental and business-type activities. This is intended to summarize and simplify the users' analysis of the cost of various governmental services and/or subsidy to business-type activities. The statement also reports the change in net position as a result of the fiscal year's revenues and expenses. The governmental activities included in the statement reflect the County's basic services, including general government, judicial departments, public safety, corrections, the public works bridge program, human services, culture and recreation, and conservation and development. Taxes, charges for services, and intergovernmental revenues finance the majority of these services. The primary government has one business-type activity – Pocopson Nursing Home. The County charges fees directly, or through third party billing, to help cover the cost of the nursing home.

Fund Financial Statements

A fund is a separate fiscal and accounting entity that is used to segregate sources and uses of funding for specific purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County are divided into three categories – governmental, proprietary, and fiduciary. Each category is reported using the measurement focus and basis of accounting required for that category. In the fund financial statements, the focus is on major funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide Statement of Activities. However, unlike the government-wide statements, the governmental fund statements focus on current sources and uses of expendable resources and the balance of expendable resources available at the end of the year.

Governmental funds information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide financial statements, a reconciliation of the fund financial statements to the government-wide financial statements is presented immediately after the fund financial statements. For example, the fund financial statements reflect bond proceeds as other financing sources and capital outlays and debt principal payments as expenditures. The reconciliation eliminates these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements, among other reconciling items.

The County maintains twenty-one (21) individual governmental funds. Information is presented separately for the General Fund, Community Development, American Rescue Plan Act Fund, Managed Behavioral Healthcare Fund, Drug and Alcohol Fund, Capital Reserve Fund and Debt Service Fund. These seven (7) funds have been identified as major funds based on minimum criteria set forth in GASB No. 34. Financial data for the remaining governmental

Unaudited – see accompanying independent auditors' report

COUNTY OF CHESTER, PENNSYLVANIA
Management's Discussion and Analysis
December 31, 2024

funds is combined into a single, aggregated presentation labeled, "Other Governmental Funds". Individual fund financial information for each non-major governmental fund is provided in the form of a combining statement in the *Supplementary Information* section of the report.

Proprietary Funds. Proprietary funds are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. The County maintains two different types of proprietary funds that use the accrual basis of accounting - enterprise and internal service. An enterprise fund is used to report the same functions as presented as business-type activities in the government-wide financial statements. The County has an enterprise fund, the Pocopson Nursing Home, which is the County's long-term care facility. Two internal service funds, presented in a single, aggregated column in the proprietary fund statements, are used to account for, on a cost reimbursement basis, the provision of desktop computing resources and employee benefits to County departments. Although both the fund and government-wide financial statements provide a long-term and short-term focus, reconciliation is still required. This is due to the fact that the excess income or loss for internal service funds has been redistributed to customers in the government-wide statements. The reconciliation appears on the bottom of the proprietary funds' financial statements.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County is responsible for ensuring that the assets of these funds are used for their intended purposes. The County is the trustee, or fiduciary, for the Employee Retirement Trust Fund, Tax Claim Custodial Fund, Row Office Custodial Fund and Municipal Tax Custodial Fund. Fiduciary activities are reported in a manner similar to proprietary funds in a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are excluded from the government-wide statements because the assets of these funds are not available to support the County's programs.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes immediately follow the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the financial section includes Required Supplementary Information (RSI) and other supplementary information. These statements and schedules can be found immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-wide Statement of Net Position

The table below summarizes the Statement of Net Position for the primary government as of December 31, 2024 and 2023.

COUNTY OF CHESTER, PENNSYLVANIA
Management's Discussion and Analysis
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Chester County Primary Government Summary of Net Position December 31, 2024 and 2023						
	Governmental Activities		Business-type Activities		Total	
Assets:	2024	2023	2024	2023	2024	2023
Current assets	\$ 285,744,265	\$ 303,380,739	\$ 14,802,532	\$ 15,924,634	\$ 300,546,797	\$ 319,305,373
Capital assets	416,378,750	417,238,138	8,254,042	9,056,893	424,632,792	426,295,031
Other noncurrent assets	54,621,318	45,739,612	-	-	54,621,318	45,739,612
Total assets	756,744,333	766,358,489	23,056,574	24,981,527	779,800,907	791,340,016
Deferred outflow of resources:						
Deferred charge on refunding	5,858,783	9,081,041	-	-	5,858,783	9,081,041
Deferred outflows related to pension	36,927,391	55,529,118	4,395,155	6,462,013	41,322,546	61,991,131
Deferred outflows related to OPEB	555,930	830,850	83,070	124,150	639,000	955,000
Total deferred outflows of resources	43,342,104	65,441,009	4,478,225	6,586,163	47,820,329	72,027,172
Liabilities:						
Current liabilities	185,779,496	242,380,727	7,166,606	8,916,182	192,946,102	251,296,909
Noncurrent liabilities	554,835,617	581,782,554	12,373,922	12,753,335	567,209,539	594,535,889
Total liabilities	740,615,113	824,163,281	19,540,528	21,669,517	760,155,641	845,832,798
Deferred inflows of resources:						
Deferred real estate tax fee	3,050	7,450	-	-	3,050	7,450
Deferred inflows related to pension	3,384,955	5,809,594	386,706	656,110	3,771,661	6,465,704
Deferred inflows related to OPEB	2,277,660	1,762,620	340,340	263,380	2,618,000	2,026,000
Deferred gain on refunding	5,862,695	92,022	-	-	5,862,695	92,022
Total deferred inflows of resources	11,528,360	7,671,686	727,046	919,490	12,255,406	8,591,176
Net position:						
Net investment in capital assets	62,276,055	35,990,394	8,232,721	9,053,886	70,508,776	45,044,280
Restricted	68,058,052	51,128,859	-	-	68,058,052	51,128,859
Unrestricted	(82,391,143)	(87,154,722)	(965,496)	(75,203)	(83,356,639)	(87,229,925)
Total net position	\$ 47,942,964	\$ (35,470)	\$ 7,267,225	\$ 8,978,683	\$ 55,210,189	\$ 8,943,213

Total Net Position. Government-wide total net position at the close of 2024 was \$55.2 million or an increase of \$46.3 million from 2023. Net investment in capital assets increased \$25.5 million from the prior year. Restricted net position increased \$16.9 million and unrestricted net position increased \$3.9 million.

Net investment in capital assets increased due to the reduction of related outstanding debt of \$17.2 million at year end. Continuing to impact net position is the cumulative amount of debt used to finance capital assets titled to others. Grants are provided to municipalities for open space and community development/revitalization projects such as streetscape improvements, as well as water and sewer infrastructure. Land conservancies receive grants to maintain open space. At the end of 2024, there was approximately \$22.5 million contractually committed to purchase assets on behalf of others in accordance with the County's Open Space and Community Revitalization Program. This amount includes commitments for municipal park grants, conservancy grants, and community revitalization grants.

Restricted assets increased \$16.9 million from the prior year. The County's restricted nationwide opioid settlement funds increased from \$17.9 million to \$32.3 million. The funds provide support and services for opioid treatment, recovery and education. Other changes to restricted assets include funds restricted under Act 89 for construction, reconstruction and maintenance of bridges increased by \$2.7 million from the prior year; Act 13-Impact fees

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COUNTY OF CHESTER, PENNSYLVANIA
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reconstruction and maintenance of bridges increased by \$2.7 million from the prior year; Act 13-Impact fees increased \$0.5 million; funds restricted for County records improvements decreased by \$0.3 million. Lastly, medical claims and Inmate Welfare funds decreased \$0.6 million and \$0.1 million; respectively.

Unrestricted net position increased \$3.9 million at year end. A decrease in unearned grant revenues and debt offset by a decrease in cash and investments contributed to the increase in unrestricted net position as of December 31, 2024.

Governmental Activities Net Position. Governmental activities' net position increased to \$48.0 million from the prior year. Net position is a measure of the difference between all assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources regardless of their potential relevance for near-term financing decisions. Net investment in capital assets increased \$26.3 million from the prior year. Restricted net position increased \$16.9 million and unrestricted net position decreased \$4.8 million from the prior year.

Net investment in capital assets totaled \$62.3 million and is reported net of accumulated depreciation reduced by related outstanding debt. Capital assets decreased by \$0.9 million from the prior year. Cumulative debt used to finance capital assets decreased by \$27.1 million.

Restricted net position at year end totaled \$68.1 million. Resources that are subject to various external restrictions on how they may be used in support of programs and services increased \$16.9 million from the prior year. As noted, above, the County restricted the nationwide opioid settlement funds totaling \$32.3 million; increasing \$14.4 million from the prior year. In 2016, the County enacted a \$5 local use fee for eligible vehicles under Pennsylvania Act 89 of 2013. These fees are restricted for bridge construction and repairs only. At year end, \$19.6 million of Act 89 fees are restricted, an increase of \$2.7 million from the prior year. Funding restricted for affordable housing totaled \$1.4 million and Inmate Welfare fees totaled \$3.2 million, decreasing \$0.1 million. Funds restricted from Marcellus Shale Act 13 Impact fees totaled \$6.7 million, increasing \$0.5 million over the prior year. Combined net increases/decreases in the other various restricted funds total \$(0.6) million for County records improvement, agriculture easements, child support enforcement and medical claims.

Unrestricted net position at the end of the year totaled \$(82.4) million. Unrestricted net position are assets, deferred outflows of resources, liabilities, and deferred inflows of resources not included in the determination of net investment in capital assets or the restricted component of net position. Overall, governmental activities' unrestricted net position increased by \$4.8 million from the prior year. The following financial activity contributed to the net increase: deferred outflows/inflows related to pension and the net pension obligation had a negative impact of \$13.2 million on net position; debt related activities increased \$6.8 million with accrued interest payable decreasing \$0.8 million; deferred and unearned revenues increased \$49.8 million; cash and investments decreased \$39.6 million from the prior year; restricted cash and investments for capital projects decreased \$1.3 million; combined receivables and prepaid items increased \$15.2 million; accounts payables and other miscellaneous liabilities increased \$1.4 million; compensated absences along with health and other post-employment benefit deferred outflows decreased \$2.2 million.

Business-type Net Position. Total business-type net position for the Pocopson Nursing Home, the County's business-type activity, was \$7.3 million; a decrease of \$1.7 million from the prior year. Total assets decreased \$1.9 million from the prior year to \$23.1 million. Total liabilities decreased \$2.1 million to \$19.5 million. The net deferred outflows and deferred inflows related to pension and other post-employment benefits decreased \$1.9 million from 2023. The net investment in capital assets totaled \$8.2 million decreasing \$0.8 million. Unrestricted net position totaled \$(1.0) million for a decrease of \$0.9 million from the prior year.

COUNTY OF CHESTER, PENNSYLVANIA
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Government-wide Statement of Activities

The table below summarizes the changes in net position for the primary government for the period ended December 31, 2024 and 2023.

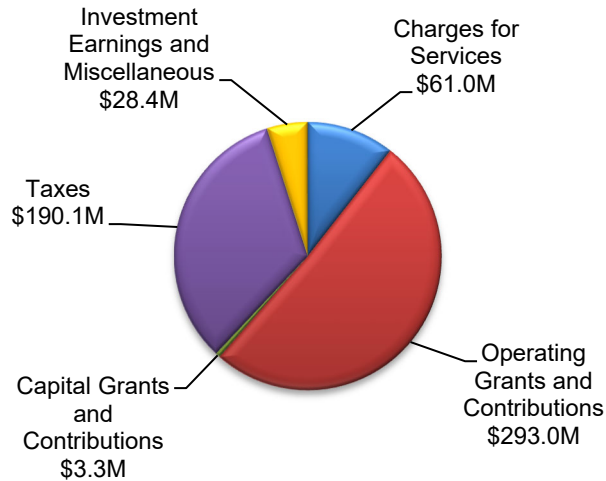
Chester County Primary Government Summary of Changes in Net Position For the Years Ended December 31, 2024 and 2023						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 60,974,305	\$ 44,190,934	\$ 25,253,565	\$ 25,030,997	\$ 86,227,870	\$ 69,221,931
Operating grants and contributions	293,048,808	268,180,998	510,284	7,134	293,559,092	268,188,132
Capital grants and contributions	3,253,587	3,769,026	-	-	3,253,587	3,769,026
General revenues:						
Taxes	190,149,842	189,690,092	-	-	190,149,842	189,690,092
Investment earnings	16,842,669	15,174,838	70,894	226,030	16,913,563	15,400,868
Miscellaneous	11,573,358	12,000,376	3,849	-	11,577,207	12,000,376
Total revenues	\$ 575,842,569	\$ 533,006,264	\$ 25,838,592	\$ 25,264,161	\$ 601,681,161	\$ 558,270,425
Expenses:						
General government	\$ 60,589,710	\$ 58,540,583	\$ -	\$ -	\$ 60,589,710	\$ 58,540,583
Judicial government	59,878,565	53,983,155	-	-	59,878,565	53,983,155
Public safety	33,174,378	30,447,581	-	-	33,174,378	30,447,581
Corrections	60,787,025	56,105,078	-	-	60,787,025	56,105,078
Public works	2,276,514	2,329,153	-	-	2,276,514	2,329,153
Human services	251,055,661	261,000,222	28,457,151	26,242,140	279,512,812	287,242,362
Culture and recreation	24,141,696	22,961,129	-	-	24,141,696	22,961,129
Conservation and development	13,793,064	12,569,264	-	-	13,793,064	12,569,264
Interest on long-term debt	21,260,421	22,328,169	-	-	21,260,421	22,328,169
Total expenses	\$ 526,957,034	\$ 520,264,334	\$ 28,457,151	\$ 26,242,140	\$ 555,414,185	\$ 546,506,474
Excess (deficiency) before transfers	48,885,535	12,741,930	(2,618,559)	(977,979)	46,266,976	11,763,951
Transfers	(907,101)	(347,101)	907,101	347,101	-	-
Change in net position	47,978,434	12,394,829	(1,711,458)	(630,878)	46,266,976	11,763,951
Net position - beginning	(35,470)	(12,430,298)	8,978,683	9,609,561	8,943,213	(2,820,737)
Net position - ending	<u>\$ 47,942,964</u>	<u>\$ (35,470)</u>	<u>\$ 7,267,225</u>	<u>\$ 8,978,683</u>	<u>\$ 55,210,189</u>	<u>\$ 8,943,213</u>

Governmental Activities Revenues. Revenues for the County's governmental activities were \$575.8 million for the year ended December 31, 2024. The pie chart below shows the composition of revenues by dollars.

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Revenues by Source – Governmental Activities
For the Year Ended December 31, 2024



Operating grants and contributions are the largest source of governmental activities revenues. The 2024 total of \$293.0 million or 50.9 percent of revenues increased \$24.9 million from 2023. Human Services activities received \$221.9 million or \$17.3 million less than the prior year. General Government operating grants increased \$40.2 million from the prior year and Corrections operating grants increased \$1.0 million from the prior year. Included ARPA revenues of \$55.3 million were used for Governmental Activities in support of specific programs and services to continue the economic recovery after the pandemic.

Taxes comprise the next largest revenue source at \$190.1 million, or 33.0 percent of governmental revenues increasing \$0.5 million over the prior year. For budget year 2024, the total real estate tax rate was 4.551 mills per \$1,000 of assessed property value; the same as the prior year. The dedicated millage for 2024 was: General Fund – 3.143 mills; Debt Service Fund – 1.093 mills; Library Fund - 0.193 mills; and Parks and Recreation Fund - 0.122 mills. Real estate taxes increased \$0.5 million due to the increase in the tax base of 0.86 percent. Hotel taxes, totaling \$5.6 million are included in the total, decreasing \$0.1 million from the prior year.

Charges for services amount to 10.6 percent of governmental activities funding sources or an increase of \$16.8 million from the prior year. Those who benefited from services paid \$61.0 million of the costs for services. Charges for services include fees, fines, licenses, permits, and commissions for certain fees collected by County row offices on behalf of the Commonwealth of Pennsylvania. Over eighty-two percent of the charges for services support the General Government, Judicial, Public Safety and Human Services' activities as noted below:

- Charges for services for General Government activities totaled \$8.7 million decreasing \$1.6 million from the prior year. Fees assessed in Tax Assessment, Treasurer's Office, Recorder of Deeds' Office offset by internal service charges for insurance and computer usage fees are included in the total. The offsets for the computer usage fees and retirement contributions contributed to the net decrease. Document recording fees decreased due to fewer real estate transactions in 2024.
- Judicial charges for services collected totaled \$10.4 million; increasing \$2.1 million over the prior year. More opioid settlement funding was recognized in 2024 than in 2023. Judicial charges include department fees, court costs, constable fees, bail and other court fees collect by the District Justice offices and court-related departments.

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- Public Safety charges for services totaled \$13.0 million; increasing \$0.1 million over the prior year. Charges for services include 9-1-1 fees, tower rentals, fire training, reports and incident responses. The uniform 9-1-1 telephone surcharge fees collected and distributed by the Commonwealth increased \$0.2 million over the prior year. Fees for fire training and first-aid training decreased slightly from the prior year.
- Human Services charges for services totaled \$18.4 million; increasing \$15.3 million over the prior year. Charges for services include licenses and permits in the Public Health department, health and transportation fees, child welfare fees and driving under the influence related fees and fines. More Opioid settlement funding was received and recognized for prevention, intervention, treatment, and recovery services related to opioid use, misuse, and overdose.

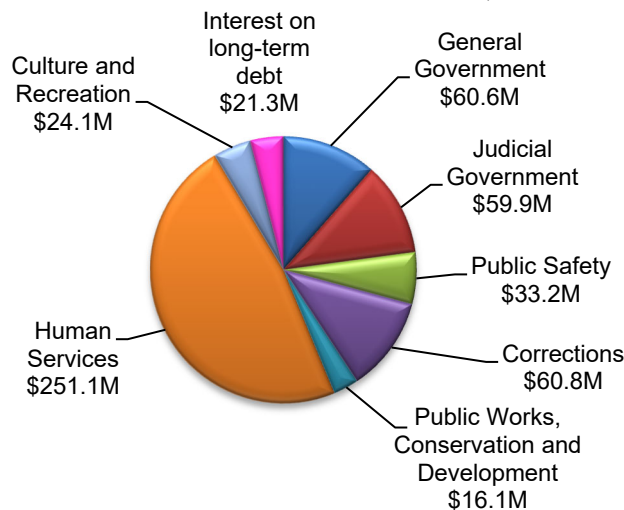
Capital grants and contributions totaling \$3.3 million or 0.6 percent of revenues were used for the County's Open Space program, Public Works' bridge programs and park trails. Capital grants decreased \$0.5 million from the prior year.

The combination of *investment earnings* and *miscellaneous* income totaled \$28.4 million or 4.9 percent of revenues for an increase of \$1.2 million from 2023. Investment earnings increased by \$1.7 million and miscellaneous income decreased \$0.4 million from the prior year. The average rate of return on investments in 2024 equaled 4.6 percent which was slightly lower than the average rate of return of 5.06 percent for 2023. Reimbursements for excess medical claims decreased \$0.3 million from the prior year. The Public Health department received \$0.1 million less from vaccine reimbursements. Miscellaneous income also includes reimbursement of postage, refunds, and other items not included in other income.

Transfers to the Pocopson Nursing Home, the County's business-type activity, includes \$0.7 million of funding from the General Fund, \$0.1 million from the Capital Improvement Fund for capital improvement projects completed at the nursing facility and \$0.1 million from the ARPA Fund.

Governmental Activities Expenses. Expenses for governmental activities totaled \$527.0 million; increasing \$6.7 million from 2023.

**Expenses by Function – Governmental Activities
For the Year Ended December 31, 2024**



General government expenses for the administration of County government totaled \$60.6 million and represent 11.5 percent of the total Governmental Activities expenses; an increase of \$2.0 million over the prior year. Voter Services' expenses increased from the prior year due to additional costs incurred for the presidential election and

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to ensure voter election security. The Department of Computing and Information Services expenses decreased due to reductions in contracted professional services. Overall personnel expenditures increased due to performance increases during the year. The net pension expense related to the General Government increased by \$0.9 million from the prior year.

Judicial government is comprised of the Court of Common Pleas, the minor judiciary, child support enforcement, and row offices that provide services to the courts. Expenses totaled \$59.9 million or 11.4 percent of the total Governmental Activities expenses; increasing \$5.9 million from the prior year. Overall, personnel and operating costs are higher by \$3.6 million over the prior year. The net pension expense related to the function increased by \$1.2 million from the prior year. Depreciation of \$1.8 million on buildings and related capital assets is included in the total expenses.

Public safety includes emergency management, operations of the enhanced 9-1-1 communications center, hazardous materials response, and emergency medical services. Expenses totaled \$33.2 million or 6.3 percent of the total Governmental Activities expenses; increasing \$2.8 million over the prior year. Total personnel costs and operating expenses increased \$1.2 million and \$0.8 million; respectively, over the prior year. Net pension expense of \$1.8 million is allocated; increasing by \$0.5 million from the prior year. Depreciation of \$6.7 million on buildings and related capital assets is included in the total expenses; down \$2.6 million from 2023.

Correctional expenses were \$60.8 million or 11.5 percent of the total, increasing \$4.7 million over the prior year. Corrections programs include costs for the prison, adult probation and juvenile probation services. Total personnel costs increased \$0.5 million over the prior year with operating expenditures increasing \$2.7 million from the prior year. Medical and hospital services along with other professional services increased \$2.0 million. Net pension costs increased over \$1.0 million from the prior year. Depreciation of \$5.5 million on buildings and related capital assets is included in the total expenses.

Human services programs, with costs totaling \$251.1 million, comprised 47.6 percent of governmental activities expenses decreasing \$9.9 million from 2023. The majority of the funding received for human services is passed through to service providers for purchased services in the following departments: Aging Services, Drug and Alcohol, Children, Youth and Families, Mental Health/Intellectual and Development Disabilities, Managed Behavioral Healthcare, Community Development, Workforce Development, Community Transit and the Department of Human Services. 2024 was the first full year of operation for the Department of Community Transit providing community transportation services within the County. Revenues and expenditures totaled \$10.3 million. The administration and oversight of the program, Chesco Connect, continues to streamline costs and provide transportation needs to County residents, specifically, Medicaid and Medicare eligible riders. Provider services or purchased services, totaling \$155.4 million decreased \$14.9 million from the prior year. Combined payments to municipalities and other organizations decreased by \$0.3 million. In addition, payments for housing and rental assistance increased over \$0.7 million. Administrative services for Mental Health/Intellectual and Development Disabilities increased \$3.4 million addressing the need and demand for mental health services. The managed care organization assessment tax for Managed Behavioral Healthcare decreased \$18.2 million due to the decrease in membership over the prior year. Also, included in the function are the expenses of the County's Public Health Department which increased \$0.3 million from the prior year.

Culture and recreation expenses include parks and recreational activities, as well as library programs, totaled \$24.1 million or 4.6 percent of the total Governmental Activities expenses or an increase of \$1.2 million from 2023. Personnel costs increased from the prior year as a result of performance increases. The net pension obligation and depreciable items also increased from the prior year. Included in the total are hotel tax collections distributed to promote tourism in the County. The expenses reflect the maintenance of and improvements to the Chester County parks; the Chester County trail network that includes three regional trails: the Chester Valley Trail, the Schuylkill River Trail, and the Struble Trail; and the Chester County Library System that includes the two County libraries and 16 district libraries.

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The balance of program expenses, \$16.1 million or 3.0 percent of the total expenses, is for *Public Works*' bridge activities totaling \$2.3 million and for *Conservation and Development* programs related to land use planning, soil conservation, agricultural development, and water resources totaling \$13.8 million. Public Works' depreciation expense decreased over the prior year. Fewer capitalized land development rights impacted the net expense for preservation and conservation. Payments to municipalities, organizations and individuals increased slightly from the prior year.

Interest on long-term debt totaled \$21.3 million or 4.0 percent of total expenses; decreasing by \$1.1 million from the prior year. In 2024, the County issued General Obligation Bonds totaling \$71.7 million of which \$49.8 million refunded the 2014 General Obligation Bonds resulting in interest savings and \$21.9 million to fund the Capital Improvement Program. The 2024 bond activities are further discussed in the *Long-term Debt* section.

Net Cost of Governmental Activities. The following table is a summary of expenses, program revenues, and the net cost of services for programs before taxes, investment earnings, and miscellaneous income. Expenses totaled \$527.0 million. Those who benefited paid \$61.0 million in charges for governmental services. Intergovernmental operating and capital grants subsidized \$296.3 million for certain programs. Net cost of services provided totaled \$169.7 million; decreasing \$34.4 million from 2023.

Net Cost of Chester County's Governmental Activities For the Years Ended December 31, 2024 and 2023						
	Expenses		Program Revenues		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
General government	\$ 60,589,710	\$ 58,540,583	\$ 66,474,380	\$ 27,927,619	\$ (5,884,670)	\$ 30,612,964
Judicial government	59,878,565	53,983,155	17,422,124	14,536,870	42,456,441	39,446,285
Public safety	33,174,378	30,447,581	15,402,671	14,733,507	17,771,707	15,714,074
Corrections	60,787,025	56,105,078	8,257,049	6,762,278	52,529,976	49,342,800
Public works	2,276,514	2,329,153	6,123,816	6,708,442	(3,847,302)	(4,379,289)
Human services	251,055,661	261,000,222	240,360,559	242,360,539	10,695,102	18,639,683
Culture and recreation	24,141,696	22,961,129	374,111	276,229	23,767,585	22,684,900
Conservation and development	13,793,064	12,569,264	2,861,990	2,835,474	10,931,074	9,733,790
Debt service	21,260,421	22,328,169	-	-	21,260,421	22,328,169
Total	\$526,957,034	\$520,264,334	\$357,276,700	\$316,140,958	\$169,680,334	\$204,123,376

Business-type Activities. Net position of the Pocopson Nursing Home, the County's long-term care and rehabilitation facility, totaled \$7.3 million after a net transfer of \$0.9 million from governmental activities. Net position decreased \$1.7 million from the prior year. The Pocopson Nursing Home's net patient service revenues totaled \$25.3 million; \$0.2 million more than the prior year. Operating expenses totaled \$28.5 million; increasing of \$2.2 million from 2023. The average population of the Pocopson Nursing Home residents decreased slightly from 171.2 in 2023 to 171.1 in 2024.

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FUNDS FINANCIAL ANALYSIS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The accounting focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is valuable in assessing the County's financing requirements. For the year ended December 31, 2024, Chester County's governmental funds reported combined ending fund balances of \$174.4 million; an increase of \$41.1 million from 2023. Restricted fund balance increased \$20.5 million and unrestricted fund balance increased \$20.5 million. In particular, unrestricted fund balance serves as a useful measure of a government's net resources available for spending at year end. Unrestricted fund balance as of December 31, 2024, totaled \$120.8 million which includes assigned and unassigned funds. Ending assigned fund balance for all governmental funds totaled \$81.8 million. Ending unassigned fund balance in the General Fund totaled \$39.0 million; decreasing \$9.7 million from the prior year.

Restricted fund balance totaled \$52.1 million; an increase of \$20.5 million from the prior year. Funds restricted for the opioid settlement lawsuit totaled \$6.7 million; increasing \$4.6 million. Funds specifically restricted for capital projects increased \$12.8 million over the prior year. Funds restricted in the Capital Reserve Fund for bridge maintenance increased by \$3.1 million. Funds restricted for affordable housing increased slightly. Restricted inmate welfare funds totaled \$3.2 million; decreasing slightly from the prior year. Restricted funds for agricultural easements total \$0.6 million. Restricted fund balances are subject to externally enforceable legal restrictions from grantors, contributors or enabling legislation.

Assigned fund balance totaled \$81.8 million for an increase of \$30.1 million. Included in assigned fund balance is \$21.8 million for General Fund Working Capital Reserve; increasing \$1.7 million from the prior year and \$9.0 million to support the subsequent year's General Fund expenditures. Fund balance assigned to capital projects totaled \$36.4 million; an increase of \$33.2 million from the prior year. Capital projects assigned fund balance is earmarked in the Capital Reserve Fund for pay-as-you-go projects. Assigned fund balance in the American Rescue Plan Act fund totaled \$3.7 million for general government services. The \$10.8 million remaining in assigned fund balance relates to the tax supported fund balances for Parks, Library and Debt Service funds; in the aggregate, decreased \$7.4 million from the prior year.

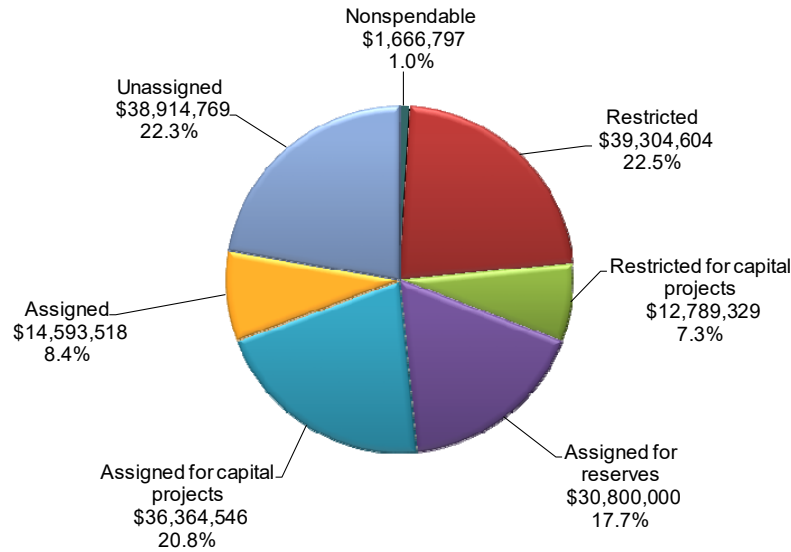
Nonspendable fund balance totaling over \$1.7 million includes \$1.4 million for prepaid items and \$0.3 million for a principal trust endowment. These balances are not in spendable form or the net resource must remain intact.

The County Commissioners have not self-imposed limitations requiring formal action to commit fund balance as of December 31, 2024.

The chart below shows the components of fund balances as of December 31, 2024.

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Governmental Funds
Fund Balance Components
As of December 31, 2024



General Fund. The General Fund is the primary operating fund of the County. At the end of 2024, the total General Fund balance totaled \$71.8 million. The General Fund spendable fund balance totaled \$70.5 million and the nonspendable fund balance totaled \$1.3 million.

The decrease in fund balance was a result of expenditures exceeding revenues at year end. Ending fund balance decreased \$6.3 million from the prior year. Transfers to special revenue funds to cover non-grant funded expenditures exceeded budget by \$6.0 million. Grants to others, such as municipalities and non-profit entities exceed budget by \$0.5 million. Personnel expenditures were below budget due to vacancies and employee turnover during the year.

One measure of the County's financial strength is the level of cash reserves for contingencies. The Board of Commissioners adopted a fund balance policy establishing the objective to strive to maintain an unrestricted fund balance in the General Fund of not less than two months (two – twelfths) of the subsequent year's General Fund budgeted expenditures. Included in the unrestricted fund balance is the Working Capital Reserve. Whereas, ten percent of the subsequent year's General Fund budgeted expenditures are assigned as Working Capital Reserve. As of December 31, 2024, unrestricted fund balance totaled \$69.8 million; comprised of assigned fund balance of \$30.8 million and unassigned fund balance of \$39.0 million, exceeding the minimum as set forth in the County policy.

Community Development Fund. Revenues decreased from \$25.6 million in 2023 to \$13.9 million in 2024; a decrease of \$11.7 million. Expenditures decreased from \$26.9 million to \$13.4 million; a decrease of \$13.5 million. The reduction in revenues and corresponding expenditures resulted from the County receiving/spending less Emergency Rental Assistance grant funding to subsidize rental assistance and imminent utility shut-offs directly related to hardships caused by Covid-19 pandemic. The Community Development special revenue fund carries a fund balance for Housing Trust Fees collected and used to fund affordable housing efforts within the County in accordance with the Affordable Housing Act. At year end the balance was \$1.4 million.

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American Rescue Plan Act (ARPA) Fund. The County received a total of \$101.9 million of ARPA funds. ARPA grant revenue and interest recognized in 2024 totaled \$55.3 million and \$5.6 million, respectively. Expenditures to date total \$82.0 million. The County had funding remaining of approximately \$20.0 million that is obligated per the U.S. Treasury's guidelines and will be spent by December 31, 2026. The funds continue to aid in the recovery from the pandemic and provide enhanced services for underserved populations.

Managed Behavioral Healthcare Fund. Revenues decreased from \$121.8 million in 2023 to \$103.7 million in 2024; a decrease of \$18.1 million. Expenditures decreased from \$121.0 million to \$102.8 million; a decrease of \$18.2 million. The reductions in revenues and expenditures are due to program membership decline and a 6.2 percent decrease in the capitation rate received, along with the associated clinical services activity. Membership declined due to Medicaid eligibility expirations during the course of the year. In 2024, the County program served an estimated 57,497 members. Transfers of \$0.8 million to other departments supported affordable rental housing and evidence-based network enhancement, drug and alcohol recovery and case management and mental health assistance, outreach and prevention. Funding for reinvestment projects along with risk and contingency reserves remain strong totaling \$37.7 million as of December 31. The Managed Behavioral Healthcare special revenue fund does not carry any fund balance at year end.

Drug and Alcohol Fund. The Drug and Alcohol special revenue fund is newly classified as a Major Fund in 2024. Revenues totaled \$13.4 million; an increase of \$6.6 million from the prior year. This significant increase is from receipt of funding from the statewide Opioid Misuse and Addiction Abatement Trust. Expenditures in 2024 totaled \$9.6 million; an increase of \$2.2 million. The additional expenditures funded provider services and personnel costs related to the treatment and prevention of opioid addiction in the County. The fund balance of \$6.0 million is restricted entirely for this purpose.

Capital Reserve Fund. The Capital Reserve Fund had a total fund balance of \$62.9 million at year-end; an increase of \$36.4 million from the prior year. At year end, the General Fund transferred \$31.2 million to continue to fund priority projects. The ARPA Fund transferred \$4.1 of interest earned to support improvements outlined in the Facilities' Condition Assessment Report. Funds assigned for capital projects totaled \$36.4 million. Funds restricted for County bridge work totaled \$19.6 million and funds restricted under Act 13 totaled \$6.7 million. The restricted funds are used for bridge maintenance, restoration and construction.

Debt Service Fund. As of end year, fund balance totaled \$5.5 million; a decrease of \$8.0 million from the prior year. Debt service revenues totaled \$46.1 million; in line with the prior year with tax collections increasing slightly. The 2024 Debt Service tax millage was set at 1.093 mills; the same as the prior year. Of the \$1.8 million in transfers from other funds, the Children, Youth and Families Fund transferred \$1.0 million at year end to cover debt service on the juvenile detention center. The remainder was transferred from the Capital Improvement Fund. Expenditures totaled \$109.2 million increasing from the prior year. Principal payments on bonds, notes, and loans increased \$53.9 million from the prior year. The County issued General Obligation Bonds totaling \$71.7 million of which \$49.8 million refunded the 2014 General Obligation Bonds and \$21.9 million to fund the Capital Improvement Program.

Proprietary Funds

The County maintains three proprietary funds – the Pocopson Home Enterprise Fund and two governmental-type internal service funds; the Technology Fund and the Benefits Fund. The fund financial statements for the business-type activity enterprise fund contain the same information as the government-wide statements but in greater detail. Governmental-activity internal services funds are reported in the aggregate in the fund financial statements. These costs are allocated to governmental and business type activities in the government-wide statements.

Pocopson Home Fund. The net position of the Pocopson Home Enterprise Fund as of December 31, 2024, totaled \$7.1 million. Of this amount \$8.2 million is net investment in capital assets and \$(1.1) million in unrestricted net position. The Pocopson Home Fund ended the year with a decrease of \$1.7 million in net position. The Statement of Net Position reflects Pocopson's share of the pension and other post-employment benefits deferred outflows and inflows and related liabilities.

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Internal Service Funds. The Technology Fund and the Benefits Fund are the two internal service funds maintained by the County. The net position of the two internal service funds as of December 31, 2024, totaled \$9.4 million; a decrease of \$3.9 million from the prior year. The net position for the Benefits Fund decreased \$6.1 million and the net position for the Technology Fund increased \$2.2 million.

The County is self-insured for primary healthcare and workers' compensation. Therefore, expenditures may trend higher or lower depending on the type and frequency of claims in each year. The standard fringe benefit rate charged to departments decreased by \$1,025 from the prior year covering core healthcare costs of \$10,000 annually per full-time employee and any part-time employee meeting the eligibility requirements. Core healthcare costs increased \$2.5 million over the prior year due to the increase in claims expense and covered lives. Workers' compensation charges increased \$0.4 million from \$1.7 million to \$2.1 million due to ongoing claims. The pension rate charged to departments remained at 7.0 percent in 2024; the same rate charged in 2023. The Actuarially Determined Contribution (ADC) to the pension fund increased \$0.4 million from \$10.9 million in 2023 to \$11.3 million in 2024. The County's funded ratio is projected at 86.0 percent.

The Technology Fund activity can vary year-to-year. The \$2.2 million increase in the net position of the fund resulted from the \$2.2 million transfer from the General Fund to offset on-going costs and increases for equipment leases. The purpose of the fund is to provide a standardized desktop computing environment for all County departments on a rolling basis.

GENERAL FUND BUDGETARY HIGHLIGHTS

This section provides a summary of the major factors involved in the variances in revenue and expenditure budgets between: 1) the Original Budget and the Final Amended Budget; and 2) the Final Amended Budget and the Actual Amounts for the General Fund.

2024 General Fund Original Budget vs. Final Amended Budget

Over the course of the year, the original revenue budget was increased by \$5.0 million to \$180.7 to recognize supplemental revenues which were subsequently applied to the appropriations budget. The Intergovernmental revenues (general grants and health and welfare grants) increased by \$4.1 million, interest, rent other miscellaneous revenues; combined increased \$0.8 million. Departmental earnings increased slightly. The increases were the result of the following:

- Carryover intergovernmental funding. Most grants are awarded on a fiscal year that differs from the County's calendar year budget. The original budget was based on estimates of the amounts remaining from awards made during 2023. Positive variances between estimates and actual revenues were eligible for carryover.
- Final allocations and new awards of intergovernmental revenues during 2024. Variances between final amended and original budget reflect the Commonwealth's July 1-June 30 fiscal year versus the County's calendar year.
- Unearned grant revenues received in a prior year and recognized as revenue in the current year.
- Changes in projected revenues
- Changes in legislative laws and regulations.

The increase in the original revenue budgets directly impact the increase in the original expenditure budgets. The operating expenditure budgets increased from the original budget to the final budget by \$4.5 million mostly due to grant awards received or amended during the year. Total other financing sources and uses original budget to final budget increased \$1.0 million. The General Fund transfers in increased by \$34.8 million. The ARPA Fund transfer to the General of \$1.9 million covered the impacts of the compensation study implemented in 2022. An additional

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transfer of \$32.1 million of ARPA funds to the General Fund covered governmental services. A transfer of \$1.8 million was anticipated from the Pocopson Home Fund to the General Fund. However, it was determined the General Fund would need to transfer \$0.7 million to the Pocopson Home Fund to cover unexpected costs. The transfer of \$29.7 million to the Capital Reserve Fund provides funding for immediate short-term projects not requiring funding from bond borrowings. Additional transfers to the Children, Youth and Families Fund and the Mental Health/Intellectual and Developmental Disabilities Fund of \$1.9 million and \$0.4 million, respectively, covered non-grant funded expenditures. An additional \$0.7 million was transferred to the Public Safety Fund to cover additional personnel costs incurred during the year.

2024 General Fund Final Amended Budget vs. Actual Amounts

Revenue Variances. The negative variance between total actual revenues and the total final budget for revenues equals \$1.1 million.

Real estate tax collections were under budget by \$0.7 million. Current taxes collected were over budget by \$0.2 million. Interim taxes collected were \$0.3 million less than the budgeted amount of \$1.3 million and delinquent taxes were under budget by \$0.6 million. The budget was based on a tax base growth of 1.0 percent. The actual tax base growth was 0.86 percent.

Licenses and permits issued in the Public Health Department were slightly above budget. Restaurant license fees received were slightly above budget, seeing a year-over-year increase. Revenues generated from sewage permits issued for inspections and repairs totaled \$120,000 less than budget. The Treasurer's Office revenues from permits issued for bingo and small games of chance were slightly above budget and in line with pre-pandemic revenues.

General grants have a negative variance between the final budget and actual amount of \$0.8 million. Anticipated funding in Emergency Services for reimbursements from the Southeastern Emergency Task Force was under budget by \$0.7 million. Special grant funding for initiatives in the District Attorney's Office were slightly under budget.

Health and welfare grants have a negative variance between budget and actual of \$0.1 million. The Voter Services' Election Integrity Grant awarded and recognized was slightly under budget.

Departmental earnings were \$0.2 million higher than the budget. Departmental earnings include fees, commissions and charges for services. The majority of the court-related fees and charges for services were under budget. Fire and EMS training fees collected were higher than budget. Also, Tax Claim fees collected on delinquent taxes were over budget by \$0.1 million. Higher fees collected in the Register of Wills helped to offset the lower fees collected in other departments.

Overall, the total of \$4.4 million for court fines and costs collected were slightly higher than the original and final budgets by \$0.5 million. Bail forfeitures exceeded budget by \$0.2 million and court costs collected by district courts exceeded budget by \$0.3 million. Court fines and costs collected by the court-related departments include Adult Probation, District Courts, Sheriff's Office, District Attorney's Office and Prison.

The County's rate of return on investments contributed to the negative variance for interest and rent; whereas the average actual rate of return on investments was 4.6 percent for the year and the amount budgeted was set at 5.25 percent. Interest earned totaled \$5.8 million; \$0.2 million less than budget. Lower interest rates during the year were the primary factor for the decrease in interest earnings.

Other revenues' positive variance includes Opioid settlement funds received totaling \$0.5 million over the amount budgeted of \$0.2 million and higher real estate transfer fees collected from municipalities and the state over the amount budgeted totaled \$0.2 million. Pass-thru reimbursements from municipalities were under budget by \$0.2 million. The County's combined reimbursements for health insurance, postage reimbursements, and Municipal Drug Task Force activities were slightly under budget.

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Expenditure and Other Financing Sources (Uses) Variances. Variances between the final budget and actual expenditures and other financing sources (uses) totaled a positive \$3.4 million. Significant variances include the following:

The general government departments, in aggregate, underspent their final operating budgets by \$2.0 million. Favorable operating costs in Voter Services, Facilities Management, and the Treasurer's Office, combined with the non-departmental positive variance, account for over half of the total variance in General Government. Facilities Management underspent their budget due to vacancies and underspending related to building maintenance and repairs during the year. The Treasurer's Office underspent professional services. Turnover within the department created additional personnel savings. Voter Services underspent their personnel budget by \$0.3 million. Actual overtime was less than budget and grant-related material and services were also underspent. Non-department expenditures were under budget by \$0.3 million. Contributions to authorities were under budget by \$0.1 million and insurance claims were under budget by \$0.2 million.

Judicial departments underspent their budgets by \$1.4 million. Combined personnel was under budget by \$0.5 million due to vacancies in the departments. Materials and services were under budget by \$0.9 million. Most of the underspending occurred in three departments: Court Administration, District Justices and District Attorney's Office. Court Administration's actual expenditures were less than budget by \$0.2 million. Underspending in personnel accounted for the majority of the variance due to vacancies not filled during the year. District Justice's expenditures were under budget by \$0.3 million. Again, underspending in personnel accounted for most of the variance. Also, operating costs were slightly underspent. The District Attorney's positive variance totaled \$0.6 million. Material and services were underspent.

Public Safety underspent their budget by \$0.8 million. Personnel was under budget by \$0.1 million due to vacancies during the year. Grants awarded and budgeted for specific programs and trainings were not spent and contributed to the variance.

Corrections departments include Prison, Adult Probation and Juvenile Probation. Prison personnel costs were under budget by \$0.9 million due to many vacancies through-out the year. However, materials and services were over budget due to ongoing increases in medical and food services. Adult Probation's positive variance was due to underspending related to grants received during the year.

The Public Health Department's expenditures were under budget by \$1.9 million. New awards for the Epidemiology and Laboratory Capacity grant and additional available funds for existing grants totaled \$1.4 million. Personnel services were overspent by \$0.1 million and material and services were underspent by \$2.0 million. Reallocation of the personnel budget contributed to the negative variance in personnel. Materials and services were under budget due to project delays and reallocation of grant funded resources. Many of the Public Health Department grants were underspent due to the prioritization of resources and limited staffing needed to carry out the grant's objectives.

The conservation and development departments slightly underspent their final budgets. Carryover grants from the prior year increased the original budget. The following departments are included in conservation and development: Planning, Water Resources, Open Space Preservation and the Conservation District. Combined personnel was over budget by \$0.1 million due to performance increases. Material and services were under budget by \$0.2 million due to underspending for professional services.

Other financing sources and uses had a negative variance of \$3.0 million. Total other financing sources and uses original budget to final budget increased \$34.8 million. The General Fund transfers in increased by \$34.8 million. The ARPA Fund transfer to the General Fund of \$1.9 million covered the impacts of the compensation study implemented in 2022. An additional transfer of \$32.1 million of ARPA funds was used for governmental services. A transfer of \$1.8 million to the General Fund was anticipated from the Pocopson Home Fund. However, it was determined the General Fund would need to transfer \$0.7 million to the Pocopson Home Fund to cover unexpected costs. The transfer of \$29.7 million to the Capital Reserve Fund provides funding for immediate short-term projects not requiring funding from bond borrowings. Additional transfers to the Children, Youth and Families Fund and the

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Mental Health/Intellectual and Developmental Disabilities Fund of \$1.9 million and \$0.4 million, respectively, covered non-grant funded expenditures. An additional \$0.7 million was transferred to the Public Safety Fund to cover additional personnel costs incurred during the year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets, Net of Depreciation December 31, 2024 and 2023				
	Governmental Activities	Business-type Activities	Total December 31, 2024	Total December 31, 2023
Land and improvements	\$ 47,304,072	\$ 488,434	\$ 47,792,506	\$ 49,293,792
Buildings and improvements	201,663,841	7,528,905	209,192,746	212,793,858
Machinery and equipment	17,577,741	160,942	17,738,683	16,604,940
Machinery and equipment lease	1,975,683	21,320	1,997,003	2,000,545
Infrastructure	16,102,335	-	16,102,335	16,657,187
Construction in progress	13,848,750	54,441	13,903,191	11,418,395
Land development rights	98,375,024	-	98,375,024	97,584,510
Building leases	5,197,744	-	5,197,744	6,644,864
Tower leases	14,333,560	-	14,333,560	13,296,940
Total	\$ 416,378,750	\$ 8,254,042	\$ 424,632,792	\$ 426,295,031

Net capital assets decreased \$1.7 million from 2023. Highlights of the amounts expended during 2024 for major capital assets include:

- \$6.7 million to organizations for open space and conservation
- \$3.6 million to buildings and improvements
- \$1.4 million for public safety
- \$2.2 million to municipalities for streetscape improvements
- \$0.9 million for prison upgrades

Additional detailed information on the County's capital assets can be found in Note 5 of the *Notes to the Financial Statements*.

Long-term Debt

The Commonwealth of Pennsylvania Local Government Unit Debt Act governs the amount of general obligation bonded indebtedness the County is permitted to incur. Under this Act, the County can legally incur nonelectoral debt equal to three hundred percent of its borrowing base. The borrowing base is calculated as one third of total revenues for the past three years minus certain statutory deductions.

As of December 31, 2024, the County had outstanding debt of \$428.1 million or 23.85 percent of the maximum \$1.8 billion as permitted by law. This amount represents 1.0 percent of the total assessed taxable property value as of year-end. Total debt decreased \$17.2 million from the prior year.

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General Obligation Debt Outstanding December 31, 2024 and 2023						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 428,090,000	\$ 442,790,000	\$ -	\$ -	\$ 428,090,000	\$ 442,790,000
General obligation notes	-	2,464,000	-	-	-	2,464,000
Total	<u>\$ 428,090,000</u>	<u>\$ 445,254,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,090,000</u>	<u>\$ 445,254,000</u>

Additional detailed information on the County's long-term debt can be found in Note 10 of the *Notes to the Financial Statements*.

ECONOMIC FACTORS AND 2024 BUDGET

- A \$683.4 million consolidated budget was adopted for 2024. Concurrently, the real estate tax rate was set at 4.551 mills; the same as the prior year.
- The County's average unemployment rate improved from 2023; decreasing to 2.6 percent in 2024 from 2.7 percent. Chester County's average unemployment rate remained under the Commonwealth of Pennsylvania's and Federal rates of 3.4 percent and 4.0 percent, respectively.

CONTACTING CHESTER COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, customers, and creditors with a general overview of Chester County's finances and to demonstrate the County's accountability for the money it receives. Questions regarding this report or requests for additional financial information should be directed to Margaret Reif, Controller, 313 West Market Street, Suite 6302, West Chester, PA, 19380-0991, or visit the County's web site at <http://www.chesco.org>.

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Basic Financial Statements



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COUNTY OF CHESTER, PENNSYLVANIA
Statement of Net Position
December 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Solid Waste Authority	Nonmajor Component Units
Assets:					
Current assets:					
Cash and cash equivalents	\$ 191,445,190	\$ 5,231,551	\$ 196,676,741	\$ 15,512,071	\$ 7,526,918
Investments	-	-	-	29,140,901	2,383,875
Receivables (net where applicable, of allowances for uncollectible amounts):					
Taxes	4,865,043	-	4,865,043	-	-
Accounts	53,083	6,835,936	6,889,019	2,137,082	1,088,775
Grants	37,504,427	15,000	37,519,427	-	10,120
Accrued interest and dividends	126,910	-	126,910	-	-
Other	34,536,209	1,217,345	35,753,554	-	-
Internal balances	(1,213,038)	1,213,038	-	-	-
Inventories	-	27,480	27,480	-	-
Prepays	2,202,733	32,523	2,235,256	970,755	383,601
Other assets	9,115	-	9,115	-	185,000
Advances to subcontractors	55,066	-	55,066	-	-
Restricted cash and cash equivalents	16,159,527	229,659	16,389,186	-	-
Restricted investments	-	-	-	100,000	-
Total current assets	285,744,265	14,802,532	300,546,797	47,860,809	11,578,289
Noncurrent assets:					
Other assets	111,195	-	111,195	3,236,808	-
Investments	7,908,744	-	7,908,744	-	-
Restricted cash and cash equivalents	45,275,199	-	45,275,199	-	-
Restricted investments	1,326,180	-	1,326,180	23,579,463	-
Leases receivable	-	-	-	-	3,973,188
Capital assets, not being depreciated	139,101,990	54,441	139,156,431	-	-
Capital assets, being depreciated, net	277,276,760	8,199,601	285,476,361	38,992,601	36,309,178
Total noncurrent assets	471,000,068	8,254,042	479,254,110	65,808,872	40,282,366
Total assets	756,744,333	23,056,574	779,800,907	113,669,681	51,860,655
Deferred outflows of resources:					
Deferred charge on refunding	5,858,783	-	5,858,783	-	-
Deferred outflows related to pension	36,927,391	4,395,155	41,322,546	-	-
Deferred outflows related to OPEB	555,930	83,070	639,000	-	-
Total deferred outflows of resources	43,342,104	4,478,225	47,820,329	-	-
Liabilities:					
Current liabilities:					
Vouchers and accounts payable	31,704,121	5,341,773	37,045,894	1,280,428	927,491
Accrued salaries	6,606,129	519,746	7,125,875	60,288	82,323
Accrued interest payable	6,995,341	-	6,995,341	-	-
Unearned grant revenue	69,849,692	-	69,849,692	-	1,170,931
Other unearned revenue	11,404,190	-	11,404,190	-	113,748
Funds held in escrow	564,994	-	564,994	-	-
Funds held as fiduciary	-	358,369	358,369	-	-
Due to other governments	103,524	-	103,524	-	-
Other liabilities	4,515,459	-	4,515,459	1,307,730	513
Compensated absences	6,407,143	384,396	6,791,539	-	-
Other post employment benefits	268,830	40,170	309,000	-	-
Workers' compensation claims	638,477	394,344	1,032,821	-	-
Medical and prescription claims	1,443,661	122,981	1,566,642	-	-
Leases payable	3,252,965	4,827	3,257,792	-	-
Notes and bonds payable	42,024,970	-	42,024,970	-	-
Total current liabilities	185,779,496	7,166,606	192,946,102	2,648,446	2,295,006
Noncurrent liabilities:					
Compensated absences	5,483,371	288,186	5,771,557	-	-
Net pension liability	88,701,602	10,421,132	99,122,734	-	-
Other post employment benefits	6,972,137	1,070,863	8,043,000	-	-
Workers' compensation claims	532,683	577,247	1,109,930	-	-
Leases payable	19,930,497	16,494	19,946,991	-	-
Notes and bonds payable	433,215,327	-	433,215,327	-	-
Closure and postclosure care costs	-	-	-	7,088,471	-
Total noncurrent liabilities	554,835,617	12,373,922	567,209,539	7,088,471	-
Total liabilities	740,615,113	19,540,528	760,155,641	9,736,917	2,295,006

Continued on next page

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Net Position
December 31, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Solid Waste Authority	Nonmajor Component Units
Deferred inflow of resources:					
Deferred inflows from leases receivable	-	-	-	-	3,973,188
Deferred real estate tax fee	3,050	-	3,050	-	-
Deferred inflows related to pension	3,384,955	386,706	3,771,661	-	-
Deferred inflows related to OPEB	2,277,660	340,340	2,618,000	-	-
Grants received in advance	-	-	-	-	-
Deferred gain on refunding	5,862,695	-	5,862,695	-	-
Total deferred inflow of resources	11,528,360	727,046	12,255,406	-	3,973,188
Net position:					
Net Investment in capital assets	62,276,055	8,232,721	70,508,776	38,992,601	36,309,178
Restricted for:					
Hatfield house nonexpendable	942,353	-	942,353	-	-
Hatfield house expendable	290,297	-	290,297	-	-
Agricultural easement	594,540	-	594,540	-	-
Child support enforcement	550,000	-	550,000	-	-
Landfill closure	-	-	-	16,590,992	-
Affordable housing act	1,429,092	-	1,429,092	-	-
County records improvement	226,319	-	226,319	-	-
Act 13 - impact fee revenues	6,735,228	-	6,735,228	-	-
Opioid settlement	32,257,031	-	32,257,031	-	-
County fee local use fund	19,594,982	-	19,594,982	-	-
Donor	-	-	-	-	373,608
Inmate welfare	3,153,210	-	3,153,210	-	-
Medical claims	2,285,000	-	2,285,000	-	-
Unrestricted	(82,391,143)	(965,496)	(83,356,639)	48,349,171	8,909,675
Total net position (deficit)	\$ 47,942,964	\$ 7,267,225	\$ 55,210,189	\$ 103,932,764	\$ 45,592,461

See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Activities
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 60,589,710	\$ 8,650,767	\$ 57,823,613	\$ -
Judicial government	59,878,565	10,436,472	6,985,652	-
Public safety	33,174,378	13,028,479	2,374,192	-
Corrections	60,787,025	5,565,738	2,691,311	-
Public works	2,276,514	2,504,105	911,859	2,707,852
Human services	251,055,661	18,426,339	221,934,220	-
Culture and recreation	24,141,696	372,532	1,100	479
Conservation and development	13,793,064	1,989,873	326,861	545,256
Interest on long-term debt	21,260,421	-	-	-
Total governmental activities	<u>526,957,034</u>	<u>60,974,305</u>	<u>293,048,808</u>	<u>3,253,587</u>
Business-type activities:				
Geriatric center	28,457,151	25,253,565	510,284	-
Total business type activities	<u>28,457,151</u>	<u>25,253,565</u>	<u>510,284</u>	<u>-</u>
Total primary government	<u>\$ 555,414,185</u>	<u>\$ 86,227,870</u>	<u>\$ 293,559,092</u>	<u>\$ 3,253,587</u>
Component units				
Solid waste authority				
Public works	18,060,063	19,708,731	-	-
Nonmajor component units	10,427,112	1,073,652	3,018,728	1,608,214
Total component units	<u>\$ 28,487,175</u>	<u>\$ 20,782,383</u>	<u>\$ 3,018,728</u>	<u>\$ 1,608,214</u>

General revenues

Taxes:

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Property taxes, levied for parks and recreation

 Property taxes, levied for library

 Personal property taxes

 Hotel taxes

Investment earnings

Miscellaneous

Transfers

 Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

See accompanying notes to the financial statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Solid Waste Authority	Nonmajor Component Units
\$ 5,884,670	\$ -	\$ 5,884,670	\$ -	\$ -
(42,456,441)	-	(42,456,441)	-	-
(17,771,707)	-	(17,771,707)	-	-
(52,529,976)	-	(52,529,976)	-	-
3,847,302	-	3,847,302	-	-
(10,695,102)	-	(10,695,102)	-	-
(23,767,585)	-	(23,767,585)	-	-
(10,931,074)	-	(10,931,074)	-	-
(21,260,421)	-	(21,260,421)	-	-
(169,680,334)	-	(169,680,334)	-	-
-	(2,693,302)	(2,693,302)	-	-
-	(2,693,302)	(2,693,302)	-	-
(169,680,334)	(2,693,302)	(172,373,636)	-	-
-	-	-	1,648,668	-
-	-	-	-	(4,726,518)
-	-	-	1,648,668	(4,726,518)
127,441,132	-	127,441,132	-	-
44,311,673	-	44,311,673	-	-
4,943,890	-	4,943,890	-	-
7,824,349	-	7,824,349	-	-
1,577	-	1,577	-	-
5,627,221	-	5,627,221	-	5,434,627
16,842,669	70,894	16,913,563	3,122,067	373,569
11,573,358	3,849	11,577,207	1,204,090	-
(907,101)	907,101	-	-	-
217,658,768	981,844	218,640,612	4,326,157	5,808,196
47,978,434	(1,711,458)	46,266,976	5,974,825	1,081,678
(35,470)	8,978,683	8,943,213	97,957,939	44,510,783
\$ 47,942,964	\$ 7,267,225	\$ 55,210,189	\$ 103,932,764	\$ 45,592,461

COUNTY OF CHESTER, PENNSYLVANIA

Balance Sheet

Governmental Funds

December 31, 2024

	General	Community Development	American Rescue Plan Act	Managed Behavioral Healthcare
Assets:				
Cash and cash equivalents	\$ 52,820,801	\$ 2,747,264	\$ 24,551,169	\$ 9,444,392
Taxes receivable	3,275,356	-	-	-
Grants receivable	7,464,288	1,426,383	-	9,315,505
Interest and dividends receivable	120,014	-	-	-
Other receivables	6,492,046	73,609	-	-
Due from other funds	14,045,724	-	-	-
Prepays	1,276,266	-	-	1,931
Other assets	7,372	1,743	-	-
Advances to subcontractors	-	-	-	-
Investments	7,908,744	-	-	-
Restricted cash and cash equivalents	2,532,665	1,413,689	-	37,695,399
Restricted investments	1,326,180	-	-	-
Total Assets	\$ 97,269,456	\$ 5,662,688	\$ 24,551,169	\$ 56,457,227
Liabilities, deferred inflow of resources, and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 4,085,315	\$ 793,920	\$ 836,064	\$ 11,807,259
Accrued liabilities	4,402,313	68,020	13,019	32,676
Unearned grant revenue	5,035,811	1,783,948	19,956,910	37,695,399
Other unearned revenue	618,759	1,587,708	-	6,389,759
Funds held in escrow	484,249	-	-	-
Due to other funds	-	-	-	532,134
Due to other governments	-	-	-	-
Other liabilities	3,982,734	-	-	-
Total liabilities	18,609,181	4,233,596	20,805,993	56,457,227
Deferred inflow of resources:				
Unavailable real estate taxes	1,964,287	-	-	-
Deferred real estate tax fee	3,050	-	-	-
Deferred tax claim fees	831,588	-	-	-
Deferred opioid	4,102,648	-	-	-
Total deferred inflows of resources:	6,901,573	-	-	-
Fund balances:				
Nonspendable				
Prepaid items and inventories	1,276,266	-	-	1,931
Hatfield trust endowment principal	-	-	-	-
Restricted				
Capital projects	-	-	-	-
Agricultural easement	-	-	-	-
Act 13 - impact fee revenues	-	-	-	-
County records improvement	-	-	-	-
Child support enforcement	-	-	-	-
Opioid settlement	719,935	-	-	-
County fee local use fund	-	-	-	-
Affordable housing act	-	1,429,092	-	-
Hatfield trust - spendable	-	-	-	-
Inmate welfare	-	-	-	-
Assigned				
Appropriations for subsequent years budget	9,000,000	-	-	-
General government	-	-	3,745,176	-
Capital projects	-	-	-	-
Working capital reserve	21,800,000	-	-	-
Retirement of long term debt	-	-	-	-
Upkeep of county parks	-	-	-	-
Upkeep of county libraries	-	-	-	-
Unassigned				
Undesignated	38,962,501	-	-	(1,931)
Total fund balances	71,758,702	1,429,092	3,745,176	-
Total liabilities, deferred inflow of resources and fund balances	\$ 97,269,456	\$ 5,662,688	\$ 24,551,169	\$ 56,457,227

See accompanying notes to the financial statements.

Drug and Alcohol	Capital Reserve	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 7,645,555	\$ 63,739,719	\$ 5,296,233	\$ 13,271,865	\$ 179,516,998
-	-	853,648	736,039	4,865,043
1,107,537	558,083	-	17,632,631	37,504,427
-	-	-	6,896	126,910
21,439,316	43,284	1,911	3,833,200	31,883,366
-	-	-	-	14,045,724
-	-	-	82,936	1,361,133
-	-	-	-	9,115
-	-	-	55,066	55,066
-	-	-	-	7,908,744
-	-	-	19,676,917	61,318,670
-	-	-	-	1,326,180
\$ 30,192,408	\$ 64,341,086	\$ 6,151,792	\$ 55,295,550	\$ 339,921,376
\$ 989,192	\$ 1,447,779	\$ 807	\$ 11,052,274	\$ 31,012,610
64,123	-	-	2,008,551	6,588,702
49,614	-	-	5,328,011	69,849,693
1,655,030	-	-	1,152,934	11,404,190
-	-	-	80,745	564,994
-	-	-	12,227,653	12,759,787
-	-	-	103,523	103,523
-	-	-	-	3,982,734
2,757,959	1,447,779	807	31,953,691	136,266,233
-	-	687,868	208,691	2,860,846
-	-	-	-	3,050
-	-	-	-	831,588
21,423,448	-	-	-	25,526,096
21,423,448	-	687,868	208,691	29,221,580
-	-	-	45,801	1,323,998
-	-	-	342,799	342,799
-	-	-	12,789,329	12,789,329
-	-	-	594,540	594,540
-	6,707,460	-	27,768	6,735,228
-	226,319	-	-	226,319
-	-	-	550,000	550,000
6,011,001	-	-	-	6,730,936
-	19,594,982	-	-	19,594,982
-	-	-	-	1,429,092
-	-	-	290,297	290,297
-	-	-	3,153,210	3,153,210
-	-	-	-	9,000,000
-	-	-	-	3,745,176
-	36,364,546	-	-	36,364,546
-	-	-	-	21,800,000
-	-	5,463,117	-	5,463,117
-	-	-	3,658,980	3,658,980
-	-	-	1,726,245	1,726,245
-	-	-	(45,801)	38,914,769
6,011,001	62,893,307	5,463,117	23,133,168	174,433,563
\$ 30,192,408	\$ 64,341,086	\$ 6,151,792	\$ 55,295,550	\$ 339,921,376

COUNTY OF CHESTER, PENNSYLVANIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2024

Fund balance - governmental funds balance sheet		\$ 174,433,563
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:		
Capital assets(excluding internal service funds), of \$751,647,455 less accumulated depreciation of \$335,925,849 used in governmental activities, are not financial resources and therefore are not reported in the funds.		
Those assets consist of:		
Land and improvements	26,878,216	
Land improvements, net	20,425,856	
Land development rights	98,375,024	
Infrastructure, net	16,102,335	
Buildings and improvements, net	201,663,841	
Machinery and equipment, net	17,577,741	
Building leases,net	5,197,744	
Tower leases, net	14,333,560	
Machinery and equipment leases, net	1,318,539	
Construction in progress	<u>13,848,750</u>	
Total capital assets		415,721,606
Department of Housing and Community Development low income housing loans reported as an expenditure on a fund basis and recognized as a receivable on a government-wide basis.		
		111,193
Internal service funds are used by management to charge the costs of certain activities, such as workers compensation, flexible benefits, and computer equipment replacement.		
Those assets and liabilities consist of:		
Cash	12,044,249	
Receivables	1,419,988	
Prepays	841,599	
Machinery and equipment leases, net	<u>657,144</u>	
Total assets		<u>14,962,980</u>
Vouchers payable	(691,508)	
Due to other funds	(1,213,038)	
Accrued salaries and wages payable	(17,427)	
Health care and dependent care FSA withholding	(507,508)	
Other FSA withholding	(13,457)	
Parking FSA withholding	(10,867)	
Transit FSA withholding	(893)	
Accrued health and dental liability	(1,443,661)	
Accrued workers' compensation claims liability	(638,477)	
Lease payable	(657,144)	
Accrued workers' compensation payable liability	<u>(532,683)</u>	
Total liabilities		<u>(5,726,663)</u>
Total net position		9,236,317
Some liabilities and deferred outflows including notes and bonds payable of \$428,090,000 and compensated absences of \$11,890,514 are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and notes payable	(475,240,297)	
Compensated absences	(11,890,514)	
Net pension liability	(88,701,602)	
Accrued bond and note interest payable	(6,995,341)	
Total OPEB liability	(7,240,967)	
Deferred charge on refunding	5,858,783	
Deferred gain on refunding	(5,862,695)	
Deferred outflows related to pension	36,927,391	
Deferred inflows related to pension	(3,384,955)	
Deferred outflows related to OPEB	555,930	
Deferred inflows related to OPEB	(2,277,660)	
Lease payable	<u>(22,526,318)</u>	
		(580,778,245)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Unavailable real estate taxes	2,860,846	
Deferred tax claim fees	831,588	
Deferred inflows related to opioid	<u>25,526,096</u>	
		<u>29,218,530</u>
Net position of governmental activities		<u>\$ 47,942,964</u>

See accompanying notes to the financial statements.

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COUNTY OF CHESTER, PENNSYLVANIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2024

	General	Community Development	American Rescue Plan Act	Managed Behavioral Healthcare
Revenues:				
Taxes:				
Real estate	\$ 127,603,766	\$ -	\$ -	\$ -
Personal property	1,577	-	-	-
Hotel	-	-	-	-
Licenses and permits	2,039,111	-	-	-
General grants	7,507,830	9,376,285	55,280,507	-
Health and welfare grants	12,033,172	3,213,189	-	103,658,574
Departmental earnings	13,799,825	764,238	-	-
Court costs and fines	4,397,761	-	-	-
Interest and rent	5,866,840	10,311	5,601,812	-
Other	6,335,607	550,659	-	-
Total revenues	179,585,489	13,914,682	60,882,319	103,658,574
Expenditures:				
Current:				
General government	38,165,758	-	9,413,005	-
Judicial	43,402,428	-	211,975	-
Public safety	7,306,225	-	-	-
Corrections	53,056,831	-	156,269	-
Public works	-	-	-	-
Human services	14,928,081	13,396,598	3,021,218	102,829,533
Culture and recreation	-	-	-	-
Conservation and development	7,130,559	-	-	-
Capital outlay:				
Bridges	-	-	-	-
Other	774,125	-	8,161,016	-
Debt service:				
Principal	1,673,910	-	-	-
Interest	151,986	-	-	-
Debt issuance costs	-	-	-	-
Total expenditures	166,589,903	13,396,598	20,963,483	102,829,533
Excess (deficiency) of revenues over (under) expenditures	12,995,586	518,084	39,918,836	829,041
Other financing sources (uses):				
Issuance of refunding notes	-	-	-	-
Issuance of G.O. Bonds	-	-	-	-
Premium on bond issue	-	-	-	-
Transfers in	35,396,061	62,379	-	1,359
Transfers out	(55,287,754)	(555,782)	(38,417,023)	(830,400)
Vehicle lease	552,037	-	-	-
Computer lease	-	-	-	-
Tower lease	-	-	-	-
Sale of capital assets	50,176	-	-	-
Total other financing sources (uses)	(19,289,480)	(493,403)	(38,417,023)	(829,041)
Net change in fund balances	(6,293,894)	24,681	1,501,813	-
Fund balances:				
Beginning of year as previously presented	78,052,596	1,404,411	2,243,363	-
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-
Fund balances, as adjusted or restated	78,052,596	1,404,411	2,243,363	-
Fund balance	\$ 71,758,702	\$ 1,429,092	\$ 3,745,176	\$ -

See accompanying notes to the financial statements.

Drug and Alcohol	Children, Youth and Families	Capital Reserve	Capital Improvement	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 44,366,969	\$ 12,776,613	\$ 184,747,348
-	-	-	-	-	-	1,577
-	-	-	-	-	5,627,221	5,627,221
-	-	-	-	-	-	2,039,111
112,827	-	2,707,852	-	-	16,032,570	91,017,871
6,879,980	-	-	-	-	77,942,604	203,727,519
-	-	92,712	-	-	15,142,939	29,799,714
206,462	-	-	-	-	13,279	4,617,502
222,461	-	1,487,097	-	893,861	2,398,884	16,481,266
5,962,917	-	2,504,105	-	800,114	2,527,721	18,681,123
13,384,647	-	6,791,766	-	46,060,944	132,461,831	556,740,252
-	-	39,612	-	7,316	5,627,230	53,252,921
-	-	34,831	-	-	6,992,765	50,641,999
-	-	-	-	-	17,341,393	24,647,618
-	-	-	-	-	1,825,018	55,038,118
-	-	10,363	-	-	1,224,593	1,234,956
9,633,542	-	-	-	-	101,267,212	245,076,184
-	-	-	-	-	14,362,600	14,362,600
-	-	273,824	-	-	5,789,641	13,194,024
-	-	-	-	-	-	-
-	-	3,775,619	-	-	-	3,775,619
-	-	1,725,786	-	-	9,281,269	19,942,196
-	-	-	-	-	-	-
-	-	27,139	-	88,839,000	1,343,443	91,883,492
-	-	6,230	-	20,086,784	546,708	20,791,708
-	-	-	-	280,174	209,850	490,024
9,633,542	-	5,893,404	-	109,213,274	165,811,722	594,331,459
3,751,105	-	898,362	-	(63,152,330)	(33,349,891)	(37,591,207)
-	-	-	-	49,795,000	-	49,795,000
-	-	-	-	-	21,880,000	21,880,000
-	-	-	-	3,603,288	2,838,025	6,441,313
639,070	-	35,324,523	-	1,771,301	23,491,153	96,685,846
(358,512)	-	(21,146)	-	-	(4,413,800)	(99,884,417)
-	-	-	-	-	229,805	781,842
-	-	147,640	-	-	-	147,640
-	-	-	-	-	2,719,132	2,719,132
-	-	60,282	-	-	7,876	118,334
280,558	-	35,511,299	-	55,169,589	46,752,191	78,684,690
4,031,663	-	36,409,661	-	(7,982,741)	13,402,300	41,093,483
-	-	-	651,869	13,445,858	37,541,983	133,340,080
1,979,338	-	26,483,646	(651,869)	-	(27,811,115)	-
1,979,338	-	26,483,646	-	13,445,858	9,730,868	133,340,080
\$ 6,011,001	\$ -	\$ 62,893,307	\$ -	\$ 5,463,117	\$ 23,133,168	\$ 174,433,563

COUNTY OF CHESTER, PENNSYLVANIA
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December, 31 2024

Net change in fund balances - total governmental funds	\$	41,093,483
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Amounts reported for *governmental activities* in the statement of activities are different because:

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 capital outlays exceeded depreciation in the current period. In the current period these amounts are:

Expenditures for capital assets	23,717,815	
Depreciation expense	(23,321,028)	
Retirement and sale of capital assets	<u>(751,624)</u>	
Net adjustment		(354,837)

Revenue in the statement of activities that are not available to provide current financial resources are not reported as revenues in the funds. At the government-wide level revenue recognition is not limited by availability. The effects of these adjustments in the current year are:

Real estate taxes	(226,303)	
Tax claim fees	(6,213)	
Department of community development loans	(14,134)	
Opioid revenue	<u>9,786,693</u>	
		9,540,043

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. The net effects of these differences in the current period are:

Proceeds from issuance of bonds and refunding bonds	(71,675,000)	
Premiums of long term debt issuance	(6,441,313)	
Accrued bond and note interest expense	811,000	
Principal paid on lease	3,057,098	
Debt repayments and amortizations	94,493,092	
Amortization of losses on advance refundings	(1,915,357)	
Amortization of gain on current refundings	218,212	
Debt issued for capital leases	(3,648,614)	
Pension expense	2,985,710	
Deferred charges related to pension	(16,177,088)	
OPEB expense	827,370	
Deferred charges related to OPEB	<u>(789,960)</u>	
Net adjustment		1,745,150

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences	(565,699)
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Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation, flexible benefits, and computer equipment replacement to individual funds. The non-operating revenue of certain activities of internal service fund is reported with governmental activities. The results of operations are eliminated through consolidation.

Change in net position of governmental activities	\$	<u>47,978,434</u>
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See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA

Statement of Net Position

Proprietary Funds

December 31, 2024

	Business-type Activities Enterprise Fund Pocopson	Governmental Activities Internal Service Funds
Assets:		
Current assets:		
Cash and cash equivalents	\$ 5,231,551	\$ 12,044,249
Receivables (net where applicable, of allowances for uncollectible amounts):		
Accounts	6,835,936	-
Grants	15,000	-
Other	1,217,345	1,419,988
Inventories	27,480	-
Prepays	32,523	841,599
Restricted cash and cash equivalents	229,659	-
Total current assets	<u>13,589,494</u>	<u>14,305,836</u>
Noncurrent assets:		
Capital assets, net	8,254,042	657,144
Total noncurrent assets	<u>8,254,042</u>	<u>657,144</u>
Total assets	<u>21,843,536</u>	<u>14,962,980</u>
Deferred outflows of resources:		
Deferred outflows related to pension	4,395,155	-
Deferred outflows related to OPEB	83,070	-
Total Deferred outflows of resources	<u>4,478,225</u>	<u>-</u>
Liabilities:		
Current liabilities:		
Vouchers and accounts payable	5,341,773	691,508
Accrued salaries	519,746	17,427
Funds held as fiduciary	358,369	-
Other liabilities	-	532,725
Compensated absences	384,396	-
Other post employment benefits	40,170	-
Workers' compensation claims	-	1,032,822
Health and long-term disability claims	-	1,566,642
Leases payable	4,827	573,038
Total current liabilities	<u>6,649,281</u>	<u>4,414,162</u>
Noncurrent liabilities:		
Compensated absences	288,186	-
Net pension liability	10,421,132	-
Other post employment benefits	1,070,863	-
Workers' compensation claims	-	1,109,930
Leases payable	16,494	84,106
Total noncurrent liabilities	<u>11,796,675</u>	<u>1,194,036</u>
Total liabilities	<u>18,445,956</u>	<u>5,608,198</u>
Deferred inflows of resources:		
Deferred inflows related to pension	386,706	-
Deferred inflows related to OPEB	340,340	-
Total Deferred inflows of resources	<u>727,046</u>	<u>-</u>
Net position:		
Net investment in capital assets	8,232,721	-
Restricted for:		
Medical claims	-	2,285,000
Unrestricted	(1,083,962)	7,069,782
Total net position	<u>7,148,759</u>	<u>\$ 9,354,782</u>
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities	118,466	
Net position of business-type activities	<u>\$ 7,267,225</u>	

See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Pocopson	Governmental Activities Internal Service Funds
Operating revenues:		
Net patient service revenues	\$ 25,240,042	\$ -
Self insurance premiums - employer	-	32,992,034
Self insurance premiums - employee	-	5,233,929
Computer usage fees	-	1,561,261
Other	17,372	3,167,060
Total operating revenues	25,257,414	42,954,284
Operating expenses:		
Personal services	16,448,501	876,870
Other services and charges	7,821,732	12,699,169
Self insurance claims	191,977	35,674,846
Bad debt	630,751	-
Depreciation	1,075,378	669,500
Indirect costs	1,809,569	88,672
Total operating expenses	27,977,908	50,009,057
Operating income (loss)	(2,720,494)	(7,054,773)
Nonoperating revenues (expenses):		
General grants	510,284	-
Interest income	70,894	833,255
Interest expense	(2,370)	(26,533)
Total nonoperating revenues (expenses)	578,808	806,722
Income (loss) before contributions and transfers	(2,141,686)	(6,248,051)
Transfers:		
Transfers in	907,101	2,291,470
Total transfers	907,101	2,291,470
Change in net position	(1,234,585)	(3,956,581)
Total net position - beginning	8,383,344	13,311,363
Total net position - ending	\$ 7,148,759	\$ 9,354,782
Change in net position	\$ (1,234,585)	
Adjustment to reflect the consolidation of internal service fund activities related to business-type activities	(476,873)	
Change in net position of business-type activities	\$ (1,711,458)	

See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business-type Activities Enterprise Fund Pocopson	Governmental Activities Internal Services Funds
Cash flows from operating activities		
Receipts from customers	\$ 23,442,127	\$ 1,561,261
Receipts from employer	-	33,317,915
Receipts from employees	-	5,233,929
Payments to suppliers	(12,433,359)	(13,916,036)
Payments to employees	(14,858,036)	(873,427)
Claims paid	-	(35,199,673)
Other reimbursements	-	3,167,060
Other contributions	17,372	-
Net cash provided by (used in) operating activities	(3,831,896)	(6,708,971)
Cash flows from noncapital financing activities		
Proceeds from general grants	510,284	-
Operating subsidies and transfers from other funds	907,101	2,291,470
Net cash provided by (used in) noncapital financing activities	1,417,385	2,291,470
Cash flows from capital and related financing activities		
Principal paid on capital related debt	(5,824)	(669,500)
Interest paid on capital related debt	(4,810)	(26,533)
Capital grant	(15,000)	-
Capital purchases	(248,389)	-
Net cash used in capital and related financing activities	(274,023)	(696,033)
Cash flows from investing activities		
Interest and dividends received	70,894	833,255
Net cash provided by investing activities	70,894	833,255
Net increase (decrease) in cash and cash equivalents	(2,617,640)	(4,280,279)
Cash and cash equivalents beginning of year (including Enterprise Fund restricted cash of \$252,596)	8,078,850	16,324,528
Cash, cash equivalents and investments end of year (including Enterprise Fund restricted cash of \$229,659)	\$ 5,461,210	\$ 12,044,249
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (2,720,494)	\$ (7,054,773)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation of plant and equipment	1,075,378	669,500
Increase (decrease) in:		
Receivables, net	(1,865,675)	325,881
Inventory	843	-
Prepays	69,318	-
Deferred outflow related to pension	2,107,938	-
(Increase) decrease in:		
Funds held as fiduciary	67,760	-
Net pension liability and OPEB	(455,376)	-
Accounts payable, accrued expenses, and other liabilities	(1,938,549)	(1,124,752)
Workers' compensation claims/deductibles	-	57,222
Health care claims	-	417,951
Accrued leave	19,405	-
Deferred inflow related to pension	(192,444)	-
Net cash provided by (used in) operating activities	\$ (3,831,896)	\$ (6,708,971)
Non-cash transactions:		
Computers were acquired through lease of \$164,945 in the Technology Fund.		
Vehicles were acquired through lease of \$24,138 in the Enterprise Fund.		

See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Fiduciary Net Position
December 31, 2024

	Employee Retirement Trust Fund	Custodial Funds
Assets:		
Cash and cash equivalents	\$ 4,751,205	\$ 20,113,286
Investments:		
US government obligations	51,202,003	-
Corporate bonds	31,258,518	-
Private placements	100,630,330	-
Miscellaneous fixed income	3,752,216	-
Mortgage obligations	5,438,569	-
Equities	37,954,162	-
Mutual funds	320,402,625	-
Other assets	390,000	-
Accrued interest and dividends	807,339	-
Agency tax / interest receivables	-	6,750,786
Municipal tax receivable	-	501,766
Total assets	<u>\$ 556,586,967</u>	<u>\$ 27,365,838</u>
Liabilities:		
Accounts payable	\$ 39,820	\$ -
Accrued liabilities	101	-
Due to other funds	1,285,937	-
Due to other governments	-	7,072,833
Other liabilities	-	11,613,105
Due to taxing authorities	-	7,828,321
Municipal tax payable	-	851,579
Total liabilities	<u>1,325,858</u>	<u>\$ 27,365,838</u>
Net position		
Net position restricted for pensions	<u>\$ 555,261,109</u>	

See accompanying notes to the financial statements.

COUNTY OF CHESTER, PENNSYLVANIA
Statement of Changes in Fiduciary Net Position
Year ended December 31, 2024

	Employee Retirement Trust Fund	Custodial Funds
Additions:		
Contributions:		
Employer	\$ 11,250,678	\$ -
Employee	10,086,713	-
Total contributions	21,337,391	-
Investment income:		
Net increase/(decrease) in fair value of investments	41,507,441	-
Interest	3,031,190	-
Dividends	7,457,820	-
Less: investment expense	(1,113,058)	-
Net investment income/(loss)	50,883,393	-
Other	13,535	-
Total investment income/(loss)	50,896,928	-
Collections:		
Real estate tax collections	-	16,720,314
Municipal tax collections	-	28,674,807
Fine and cost collections	-	118,297,718
Bail, restitution and collateral collections	-	8,607,322
Fee collections	-	12,491,647
Escrow funds collections	-	20,712,633
Inmate collections	-	1,763,674
Total collections	-	207,268,115
Total additions	72,234,319	207,268,115
Deductions:		
Benefit payments	33,496,987	-
Refund of employee contributions	5,015,724	-
Administrative expense	180,441	-
Payments of real estate tax	-	16,720,314
Payments of municipal tax	-	28,674,807
Payments of fines and costs	-	118,297,718
Payments of bail, restitution and collateral	-	8,607,322
Payments of fees	-	12,491,647
Payments of escrow funds	-	20,712,633
Payments of inmate funds	-	1,763,674
Total deductions	38,693,152	207,268,115
Net increase/(decrease)	33,541,167	-
Net position at beginning of year	521,719,942	-
Net position at end of year	\$ 555,261,109	\$ -

See accompanying notes to the financial statements.

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Notes to the Financial Statements



COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024

1) Summary of Significant Accounting Policies

A) Reporting Entity

The County of Chester, one of Pennsylvania's original three counties, was named by William Penn in 1682. It is located in southeastern Pennsylvania, approximately 30 miles west of Philadelphia. The Borough of West Chester is the County Seat. The County has 73 political subdivisions, consisting of one third class city (Coatesville), 15 boroughs and 57 townships. The County has a population of approximately 560,745 and covers 782 square miles, including some of the most productive agricultural land in Pennsylvania. Population and employment has dramatically grown in Chester County during the past thirty years as suburban development continues to spread westward and as high technology businesses grow along the Route 202 corridor. The median income of the County's households is one of the highest in the Commonwealth of Pennsylvania.

As required by generally accepted accounting principles, the financial statements present the County of Chester (the primary government) and its component units. The component units (discussed below) are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Consistent with the guidance contained in Statement No. 61 of the Governmental Accounting Standards Board (GASB), the criteria used by the County to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, and similar entities) within its reporting entity, are: legally separate, financial accountability, misleading to exclude, and the nature and significance of other considerations.

Based on the foregoing criteria, the reporting entity has been defined to include all the fund types and component units by meeting the financial accountability criterion for which there is a fiscal dependence or board appointment and financial benefit or burden relationship or the ability to impose will. Specific information on the nature of the component units and a description of how the aforementioned criteria have been considered in determining whether to include such units in the County's financial statements are provided in the following paragraphs.

Discretely Presented Component Units

The component units presented in two columns in the government-wide financial statements include the financial data of the County's one major component unit and five non-major component units in separate columns. They are reported in separate columns to emphasize that they are legally separate from the County.

Major Component Unit

Chester County Solid Waste Authority (CCSWA): The CCSWA acquires, holds and operates solid waste disposal facilities and enters into waste disposal contracts. The members of the governing board of the Solid Waste Authority are appointed by the Board of Commissioners. The Authority provides a financial benefit as the County can access the resources of the component unit through monetary contributions. The County has deemed the Solid Waste Authority to be a major component unit given its relationship to the County in providing a significant essential service to county residents in the form of waste collection services on a county-wide basis. The Authority was audited by other independent auditors for the year ended December 31, 2024.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

A) Reporting Entity, continued

Non-major Component Units

Chester County Area Airport Authority: The Chester County Area Airport Authority is responsible for the operations and administration of the Chester County Area Airport. The members of the governing board of the Area Airport Authority are appointed by the Board of Commissioners. The County provides financial support through appropriations. The Authority was audited by other independent auditors for the year ended December 31, 2024.

Chester County Water Resources Authority: The Authority owns and operates four regional flood control facilities that were constructed on behalf of the County. The members of the governing board of the Water Resources Authority are appointed by the Board of Commissioners. The County provides financial support through appropriations and the administrative staffs are County employees. The Authority was audited by other independent auditors for the year ended December 31, 2024.

Chester County Library and District Center: The Library Board is responsible for the operations and administration of the County Library and supported libraries. The members of the governing board of the Library are appointed by the Board of Commissioners. The County provides financial support which supplements State Library Aid and fees to fund operating expenditures. The administrative staff are all County employees. The Library was audited by other independent auditors for the year ended December 31, 2024.

Chester County Conference and Visitors Bureau: The purpose of the Bureau is to plan and promote programs designed to increase tourism. Thirty-four percent, not to exceed five in number of the governing board of the Visitors Bureau, are appointed by the Board of Commissioners. The County provides financial support through the levy and collection of a hotel tax. The County Commissioners determine and approve the hotel occupancy tax. The Conference and Visitors Bureau was audited by other independent auditors for the year ended December 31, 2024.

Chester County General Authority: The Authority was created for the purpose of carrying out projects which are permitted under the Pennsylvania Municipality Authorities Act and are located in the County of Chester. The County has advanced the Authority the funds necessary to cover current expenses. The members of the governing board of the authority are appointed by the Board of Commissioners. The Authority has been dormant in 2024, but not dissolved.

Complete financial statements of the individual component units can be obtained directly from their administrative offices.

Administrative Offices

Chester County Area Airport Authority
GO Carlson Chester County Airport
Coatesville, PA 19320

Chester County Solid Waste Authority
7224 Division Highway
Narvon, PA 17555

Chester County Water Resources Authority
Government Services Center
601 Westtown Road, Suite 260
West Chester, PA 19382

Chester County General Authority
313 West Market Street, Suite 6902
PO Box 2748
West Chester, PA 19380-0991

Chester County Conference and Visitors Bureau
300 Greenwood Road
Kennett Square, PA 19348

Chester County Library and District Center
450 Exton Square Parkway
Exton, PA 19341

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

A) Reporting Entity, continued

Related Organizations

The Board of Commissioners is also responsible for appointing all or some of the members of the boards of other organizations. The County's accountability for these organizations does not extend beyond making the appointments. The Board of Commissioners appoints board members of the following:

Chester County Housing Authority
Chester County Health and Education Facilities Authority
Chester County Industrial Development Authority
Delaware Valley Regional Finance Authority
Southeastern Pennsylvania Transportation Authority

B) Government-wide and Fund Financial Statements

The accounting policies of the County of Chester conform to generally accepted accounting principles applicable to governments. The basic financial statements are presented using the government-wide financial statements and the fund financial statements. Both of these are explained below. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County. For the most part, inter-fund activities have been removed from these statements. The inter-fund services provided and used 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Administrative overhead charges of the general government are included in the direct expenses. Program revenues include: charges to customers who purchase, use, or directly benefit from goods, services or privileges provided by a given function and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Interest revenue earned on program revenues is included with functional revenue. Taxes and other items not properly included among the program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds; however, the fiduciary activities are excluded from the government-wide financial statements because they are used to report assets that cannot be used to support the County's programs. The inter-fund transfers reported in the enterprise fund column of the proprietary fund statement of revenues, expenses and changes in net position are eliminated in the corresponding government-wide statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

C) 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, fiduciary fund, and custodial fund financial statements. For all others, 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 have been met.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers tax revenues to be available if they are collected within 60 days, and all other revenues to be available if they are collected within 180 days of the end of the current fiscal period. In some situations, the availability period in connection with expenditure-driven grants will be extended beyond this period, when all eligibility criteria have been met and it can be reasonably assumed that the reason for the delay in reimbursement will not become a permanent impairment. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants, charges for services, permits, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so 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.

General capital asset acquisitions, including entering into contracts giving the County of Chester the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The County reports the following major governmental funds:

- General Fund – This fund is the County’s primary operating fund. It accounts for the general operating activities of the County, except for those accounted for in another fund. The general tax revenues of the County, as well as other resources received and not designated for a special purpose are accounted for in the General Fund.
- Community Development Fund – This fund operates and administers the Housing and Community Development programs. Financing is provided by federal and state grants.
- American Rescue Plan Act – This fund represents the federal coronavirus rescue package designed to facilitate the recovery from the devastating economic and health effects of the COVID–19 pandemic.
- Managed Behavioral Healthcare Fund – This fund is for the operations and administration of the County’s medical assistance funded mental health and drug and alcohol programs. Financing is provided by state and federal grants and program income.
- Drug and Alcohol Fund - Operations and administration of the County Drug and Alcohol Program. Financing is provided by state and federal grants with a matching appropriation from the County General Fund.
- Capital Reserve Fund – Certain capital expenditures financed by Debt Service transfer and federal and state grants.
- Debt Service Fund – This fund is maintained to account for the accumulation of financial resources to be utilized for payment of interest and principal on long-term debt.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

C) Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

The County reports the following proprietary fund:

- Enterprise Fund - The Pocopson Home Fund is maintained to account for activities of the County's geriatric center with the intent that the costs (including depreciation and other non-cash expenses) of providing goods or services on a continuing basis be financed or recovered, primarily through user charges.

Additionally the government reports the following fund types:

- Internal Service Funds – are maintained to account for and finance services and commodities furnished exclusively for user offices, departments and other agencies and funds of the County on a cost reimbursement basis. The principal services include the leasing or purchase of desktop computer hardware and software, and a self-insurance program for workers' compensation, medical and prescription benefits.
- Fiduciary Funds – are trust and custodial funds maintained to account for assets held by the County in a trustee or custodial capacity. The Chester County Employee Retirement Trust Fund ("Plan") is included as a fiduciary component unit and is accounted for essentially in the same manner as proprietary funds since the measurement of periodic net income and the determination of capital maintenance are critical. The Plan is included in the financial reporting entity as a fiduciary fund because the Plan is considered a separate legal entity. The County appoints a voting majority of the governing board and the Plan imposes a financial burden on the County as it legally obligated or has assumed an obligation to make contributions to the Plan. Custodial funds are reported using economic resources measurement focus and the accrual basis of accounting. The Tax Claim Fund collects delinquent taxes, penalties, and interest on behalf of other taxing authorities. The Row Office Fund assesses and collects fees on behalf of other government agencies. The Municipal Tax Fund accounts for current real estate taxes collected by the Treasurer's office on behalf of other taxing authorities.

D) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash and cash equivalents include certain short-term investments generally maturing in three months or less, when acquired, and includes restricted cash.

E) Investments

Investments are stated at fair value for all funds.

F) Receivables

Taxes receivables are reported net of an allowance for uncollectible amounts of \$31,342.

Enterprise Fund receivables are reported net of an allowance for uncollectible amounts of \$342,515.

Community Development Fund loans receivable are reported net of an allowance for uncollectible amounts of \$111,196.

Inter-fund Receivables – As a result of its operations, the County affects a variety of transactions between funds to finance operations, service debt and other similar functions. Accordingly, to the extent that certain inter-fund transactions have not been paid or received, appropriate inter-fund receivables or payables have been established.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

G) Deferred Outflows of Resources

Deferred outflow of resources represents a consumption of net assets that applies to future periods.

Deferred charge on refunding represents a deferred charge resulting from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows related to pension and OPEB are described further in Note 11 and Note 12 respectively. The components of deferred outflows of resources, other than the difference between the projected and actual investment earnings on investments, are amortized into pension expense over a closed period, which reflects the weighted average remaining service life of all the pension plan members beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on the investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year).

H) Deferred Inflow of Resources

Deferred inflow of resources represents an acquisition of net assets that applies to future periods and as such will not be recognized as an inflow of resources (revenue) until that time, comprising of property taxes, deferred gain on refunding and deferred inflows related to Opioid, pension and OPEB.

I) Inter-fund Eliminations

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are balances between the governmental activities and the business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

J) Operating and Non-operating Revenues

Proprietary funds distinguish operating revenues and expenses from non-operating items. The principal operating revenues of the Pocopson Home are charges to customers for providing patient services. Operating expenses for the Pocopson Home include the cost of services, administrative expenses, and depreciation on capital assets. All other revenues and expenses not meeting the above criteria are reported as non-operating revenues and expenses.

K) Deposits and Investments

Under Section 1706 of the County Code, the County is authorized to invest in the following:

- United States Treasury bills.
- Short-term obligations of the U.S. Government or its agencies or instrumentalities.
- Savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania (Commonwealth) and insured by Federal Agencies.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

K) Deposits and Investments, continued

- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision. The County may also invest in shares of a registered investment company, provided that investments of that company are in authorized investments as noted above.
- Certificates of deposit purchased from institutions having their principal place of business in the Commonwealth and insured by federal agencies. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of deposit may not exceed 20 percent of a bank's total capital surplus or 20 percent of a savings and loans or savings bank's assets net of its liabilities.
- "Commercial paper" and "prime commercial paper" meeting certain requirements.

Pension or retirement funds may be invested by the County according to the "Prudent Man Rule" as defined by the Decedents, Estates and Fiduciaries Act, 20 PA C.S.A. § 7302 (b)., which is referred to in the County Code.

It is the policy of the County to invest funds under the County's control principally in certificates of deposit, repurchase agreements, U.S. Government Securities and money market mutual funds. Funds under the County's direct control exclude monies of the Retirement Trust Fund and component units.

L) Inventories

Inventories in both government-wide and fund financial statements consist of items maintained for consumption. These items are recorded as expenses/expenditures on a cost basis when consumed. Ending inventory is valued on a weighted average cost basis.

M) Advance Deposits and Prepaid Costs

Postage and other miscellaneous advances are recorded as prepaid items in both government-wide and fund financial statements. These items are recorded as expenses/expenditures when consumed.

N) Restricted Assets

Restricted cash and investments in the governmental activities are made up of the following items. An amount of \$16,043,471 represents the unspent proceeds from debt issues for capital projects. An amount of \$2,532,665 represents amounts received from the sale of properties by Tax Claim which are due to other taxing authorities. An amount of \$1,413,689 represents funding that will be provided to non-profit agencies over a five year period to develop and implement housing opportunities to mental health consumers within the priority population group(s) throughout Chester County. \$37,695,399 represents amounts received by the Managed Behavioral Healthcare program, which will be distributed to the program provider and other County programs based on Commonwealth performance measures and \$1,326,180 representing an investment funding an Installment Purchase Agreement which is paying a land owner for Land Development Rights. \$3,153,210 represents amounts received to operate a commissary store for inmates at the Chester County Prison. \$116,056 represents the District Attorney Special Investigation funds. Restricted cash and cash equivalents in the business activities are made up of \$229,659 which belongs to the Pocopson Nursing Home residents.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

N) Restricted Assets, continued

The nonexpendable portion of the Hatfield Trust, \$942,353, includes cash, land and building improvements. Cash is restricted in the amount of \$480,236. The expendable portion, in the amount of \$290,297, is the accumulated increase of the difference between the income and disbursements from the trust. Income items include interest and dividends from trust and rental income from the property. Disbursements include expenditures related to the operations and maintenance of the property.

O) Capital Assets

Capital assets, which include land, buildings, building improvements, equipment, improvements other than buildings, and infrastructure (bridges acquired, reconstructed or significantly improved in fiscal years ending after December 31, 1980), are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with a value of \$10,000 or more. This capitalization threshold is applied to individual capital assets rather than to groups/sets of capital assets (e.g. chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in note Q below) if actual historical cost is not available. Donated capital assets are valued at their acquisition value.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Infrastructure, buildings, building improvements, certain land improvements, equipment, furnishings, vehicles and computer equipment/software are depreciated by using the straight-line method over the estimated useful lives as follows:

Infrastructure	40 years
Buildings	40 years
Building improvements	15 years
Land improvements	15 years
Heavy (operating) equipment	7 years
Office furnishings	7 years
Office equipment	5 years
Vehicles	5 years
Computer equipment	3 - 5 years

Capital assets of Proprietary Funds are stated at historical cost and depreciated using the straight-line method utilizing the following estimated useful lives:

Buildings and improvements	8 - 50 years
Land improvements	15 - 50 years
Equipment	3 - 20 years

The County of Chester is one of the leading farming counties in the Commonwealth of Pennsylvania and is committed to preserving its agricultural land from further non-agricultural development. The County of Chester has developed the Chester County Agricultural Conservation Easement Program. The program purchases from existing working farms "Land Development Rights" which is a perpetual contract, preventing the land from being diverted from its current agricultural use. The County of Chester carries these investments in Land Development Rights as intangible assets at their historical cost, which is not amortized.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

O) Capital Assets, continued

In the event that the land would become not suitable for farming and the current farm owner and County mutually agree, the property could be sold for development other than farming. The County would realize proceeds at the then current market price for giving up its rights in the property acquired under the agricultural easement program.

P) Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In governmental funds, long-term debt is accounted for as other financing sources and uses when issued or paid respectively.

Q) Leases

The County of Chester is a lessee for noncancellable leases of cell phone towers, equipment and building. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstance that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

R) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

S) Compensated Absences

Vacation Pay

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31 of each year. Earned but unused vacation, not exceeding fifteen days, can be carried over into the next year. Any excess accumulated time and accompanying salary will be forfeited. Accordingly, a liability for unused vacation pay of fifteen or less days is accrued each year for each employee in the government-wide financial statements.

Sick Pay

Employees earn one sick day for each month of service or 12 days per year. The County has a long-term financial incentive program for employee's sick pay. Under the long-term program, upon voluntary termination from employment after eight or more years of continuous full-time service, a full-time county employee is eligible to receive payment at 25 percent of their hourly rate at the time of resignation/retirement, for unused sick leave, in an amount not to exceed three months gross pay. Accordingly, a liability for accumulated sick pay for employees with eight or more years of service as well as one for employees with less than eight years that are projected to meet the minimum criteria in the future is accrued each year in the government-wide financial statements.

T) Fund Balance – Governmental Funds

The County's fund balance policy establishes the objective to strive to maintain an *unrestricted fund balance* in the General Fund of not less than two months (two – twelfths) of the subsequent year's General Fund budgeted expenditures. Included in the *unrestricted fund balance* will be a Working Capital Reserve. Whereas, 10 percent of the subsequent year's General Fund budgeted expenditures will be assigned as Working Capital.

The County distinguishes fund balance classification between amounts that are considered nonspendable, and spendable amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent.

In circumstances where expenditures are made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Beginning with the nonspendable, and followed by the spendable classifications with binding constraints, fund balance amounts will be reported in the following classifications:

Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventory or prepaid amounts. The principal amount of the Hatfield Memorial Trust Endowment is an example of an amount that is legally or contractually required to remain intact.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

T) Fund Balance – Governmental Funds, continued

Restricted – Amounts with constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County's restrictions are as follows:

Capital Projects – Use governed by debt covenants.

Agricultural Easement – Represents interest on breaches of previously preferred real estate sold to developers which now must be used to help fund farmland preservation.

Act 13 – Impact Fee Revenues – Represents funds collected from the Operators in the Marcellus Shale project and distributed to the County by formula determined by the Pennsylvania Public Utility Commission (PUC). Use of the funding is based on a list of broadly defined purposes.

County Records Improvement – Represents fees collected by Recorder of Deeds to be used to support development and improvement of office records management.

Child Support Enforcement – Represents amount restricted for Domestic Relations Title IV-D incentive program.

Opioid Settlement – Represents the settlement funds received from various pharmaceutical companies that are restricted to pay for Opioid related expenses.

County Fee for Local Use Fund – Represents a fee of \$5 imposed by Chester County for each nonexempt vehicle registered to an address located in the County. Use of the funds is constitutionally limited to highway and bridge purposes listed in Section 9010(b) of the Vehicle Code.

Affordable Housing Act – Represents fees collected by Recorder of Deeds on property transfers to be used to fund affordable housing efforts in the County.

Hatfield Trust Expendable – Represents the spendable portion of the Hatfield Memorial Trust to be used for the upkeep of the Hatfield Mansion maintained in the Parks and Recreation Fund.

Inmate Welfare Fund - Represents funds restricted for the benefit of the inmates at the Chester County prison.

Medical Claims – Represents funds restricted to pay claims expense, other charges/medical fees and retention charge incurred during the term of the contract, but paid after the date of termination of the agreement.

Committed – Amounts established by formal action by the Board of Commissioners. Once committed it cannot be used for any other purpose unless changed by County policy or action (e.g., future anticipated costs). The formal action should occur prior to the end of the reporting period, but the amount subject to the constraint, if any, may be determined in the subsequent period. The County Commissioners have not taken any action to commit fund balance.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

T) Fund Balance – Governmental Funds, continued

Assigned – Amounts are constrained by the government's intent to use for specific purposes, but are neither restricted, nor committed. Intent should be expressed by Board of Commissioners. The County's assignments are as follows:

Capital Reserve – to fund future capital projects.

General Fund – Working Capital Reserve: represents 10 percent of subsequent year's General Fund budgeted expenditures.

– *Subsequent Year Budget*: represents the amount required to support the County's subsequent year's budget.

Debt Service – to fund retirement of long-term debt.

Parks and Recreation – to fund upkeep of County Parks.

Library – to fund upkeep of County Libraries.

American Rescue Plan Act – to fund general government expenditures.

Unassigned – Amounts available for consumption or not restricted in any manner. General Fund is the only fund that reports a positive unassigned balance. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

U) New Accounting Pronouncements

In May 2022, the GASB issued the Statement No. 99, *Omnibus 2022* - The requirements of Statement 99 that relate to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures for non-monetary transactions, pledges of future revenues by pledging governments, clarifications of certain provisions in Statement 34, and terminology updates are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the other requirements related to derivative instruments are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The County has implemented the effects of this Statement for the reporting period ending December 31, 2024.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2023. The County has implemented the effects of this Statement for the reporting period ending December 31, 2024.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2023. The County has implemented the effects of this Statement for the reporting period ending December 31, 2024.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2024. The County is currently evaluating the effect of implementation of this Statement.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

1) Summary of Significant Accounting Policies, continued

U) New Accounting Pronouncements, continued

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

In April 2024, the GASB issued Statement No. 104, *Disclosures of certain Capital Assets*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2025. The County is currently evaluating the effect of implementation of this Statement.

2) Deposits and Investments

Deposits and investments of the County (including restricted items) shown in the Statement of Net Position:

Cash and cash equivalents	\$ 196,676,741
Restricted cash and cash equivalents	61,664,385
Restricted investments	1,326,180
Investments	7,908,744
	<u>\$ 267,576,050</u>

Cash or investment type Statement of Net Position (Primary Government)	Fair Value	Investment Maturities from December 31, 2024			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 years
US government obligations	\$ 1,326,180	\$ -	\$ 1,326,180	\$ -	\$ -
Fixed Income Investments	7,908,744	-	7,908,744	-	-
Cash and cash equivalents	<u>258,341,126</u>				
Total cash and other investments	<u>\$ 267,576,050</u>				

Deposits and investments of the County shown in the Statement of Fiduciary Net Position:

Employee retirement trust fund	
Cash and cash equivalents	\$ 4,751,205
Mutual funds	320,402,625
Investments	230,625,798
Custodial funds	
Cash and cash equivalents	<u>20,113,286</u>
	<u>\$ 575,892,914</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Deposits and investments of the County shown in the Statement of Fiduciary Net Position, continued:

Cash or investment type Statement of Fiduciary Net Position (Fiduciary Funds)	Fair Value	Investment Maturities from December 31, 2024			
		Less than 1 year	1-5 Years	6-10 Years	More than 10 years
Corporate Bonds	\$ 31,258,518	\$ -	\$ 14,092,950	\$ 12,669,813	\$ 4,495,755
Asset Backed Obligation	212,277	-	-	-	212,277
Miscellaneous Fixed Income	3,752,216	-	1,551,146	2,201,070	-
US Government Mortgage Pool	5,226,292	-	-	195,841	5,030,451
US Treasury Notes and Bonds	51,202,003	-	10,620,595	26,110,055	14,471,353
Total debt securities	91,651,306	<u>\$ -</u>	<u>\$ 26,264,691</u>	<u>\$ 41,176,779</u>	<u>\$ 24,209,836</u>
Cash and cash equivalents	24,864,491				
Private placements equity	100,630,330				
Mutual funds	320,402,625				
Equities	37,954,162				
Other assets	<u>390,000</u>				
Total cash and other investments	<u>\$ 575,892,914</u>				

Deposits – Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2024, the Federal Depository Insurance Corporation insured \$102,200,242 of the County's \$288,893,816 bank balances. The remaining bank balances of \$186,693,574 were exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania Legislature, which permits the institution to pool collateral for all governmental deposits, and has the collateral held by a custodian in the institution's name. These deposits have a carrying amount of \$283,205,618.

The County Code Section 1706 governs the types of investments that are allowable for operating funds. In addition, the County has formally adopted an Investment Policy that places additional restrictions on the investment of operating funds.

The following is a description of the County's investment risks:

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. County funds may only be invested in those instruments identified in the County Code, subsection (c). The following conditions apply:

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Deposits and investments of the County shown in the Statement of Fiduciary Net Position, continued:

County operating funds may be invested subject to the following limitations and statutory requirements of the County Code:

<u>Instrument</u>	<u>Limit</u>
U.S. Treasury Bills;	100%
Short-term obligations of the U.S. Government, its agencies or instrumentalities;	100%
Obligations of the U.S. Government, its agencies or instrumentalities backed by the full faith and credit of the U.S.;	100%
Obligations of the Commonwealth of Pennsylvania, any of its political subdivisions, or their agencies or instrumentalities;	100%
Certificates of deposit;	50%
Statutorily permitted Money Market Mutual Funds or Local Government Investment Pools;	100%
Statutorily permitted Commercial Paper	25%

In addition to the above, the County chooses not to invest more than 50 percent of the County's total invested operating funds with any single bank or financial institution. These internal limitations shall be on an average basis calculated at the end of each month.

The credit ratings for debt securities held by the Primary Government are as follows:

<u>Investment Category</u>	<u>A+</u>	<u>AA+</u>	<u>BBB</u>	<u>BBB-</u>	<u>NR*</u>	<u>Total</u>
US Government	\$ -	\$ 1,505,542	\$ -	\$ -	\$ -	\$ 1,505,542
Fixed Income Investments	501,181	5,005,150	247,472	244,243	1,731,336	7,729,382
Total	<u>\$ 501,181</u>	<u>\$ 6,510,692</u>	<u>\$ 247,472</u>	<u>\$ 244,243</u>	<u>\$ 1,731,336</u>	<u>\$ 9,234,924</u>

* Not Rated by S&P

Investment policy – The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Board (the Board) by a majority vote of its members. It is the policy of the Board to pursue an investment 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:

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Deposits and investments of the County shown in the Statement of Fiduciary Net Position, continued:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	30 - 60%
International equity	10 - 30
Fixed income	15 - 25
Real Estate/Alternative investments	5 - 25
Cash	0 - 10
Total	100%

The credit ratings for debt securities held by the Fiduciary Fund are as follows:

<u>General Accounting Minor Category</u>	<u>S&P</u>				
	<u>AAA</u>	<u>AA</u>	<u>AA-</u>	<u>A+</u>	<u>A</u>
Corporate Bonds	\$ -	\$ 511,521	\$ 1,723,857	\$ 1,503,008	\$ 2,551,032
Asset Backed Obligations	212,277	-	-	-	-
Miscellaneous Fixed Income	-	-	-	-	-
US Government Mortgage Pool	5,226,292	-	-	-	-
US Treasury Notes and Bonds	51,202,003	-	-	-	-
	<u>\$ 56,640,572</u>	<u>\$ 511,521</u>	<u>\$ 1,723,857</u>	<u>\$ 1,503,008</u>	<u>\$ 2,551,032</u>

<u>General Accounting Minor Category</u>	<u>S&P</u>				
	<u>A-</u>	<u>BBB+</u>	<u>BBB</u>	<u>BBB-</u>	<u>BB+</u>
Corporate Bonds	\$ 7,883,138	\$ 5,969,637	\$ 5,309,990	\$ 1,230,830	\$ 933,716
Asset Backed Obligation	-	-	-	-	-
Miscellaneous Fixed Income	292,443	-	-	-	450,955
US Government Mortgage Pool	-	-	-	-	-
US Treasury Notes and Bonds	-	-	-	-	-
	<u>\$ 8,175,581</u>	<u>\$ 5,969,637</u>	<u>\$ 5,309,990</u>	<u>\$ 1,230,830</u>	<u>\$ 1,384,671</u>

<u>General Accounting Minor Category</u>	<u>S&P</u>				
	<u>BB</u>	<u>BB-</u>	<u>B+</u>	<u>B</u>	<u>N/R*</u>
Corporate Bonds	\$ 854,516	\$ 644,507	\$ 376,704	\$ -	\$ 1,766,062
Asset Backed Obligation	-	-	-	-	-
Miscellaneous Fixed Income	1,477,583	895,714	162,177	473,344	-
US Government Mortgage Pool	-	-	-	-	-
US Treasury Notes and Bonds	-	-	-	-	-
	<u>\$ 2,332,099</u>	<u>\$ 1,540,221</u>	<u>\$ 538,881</u>	<u>\$ 473,344</u>	<u>\$ 1,766,062</u>

<u>General Accounting Minor Category</u>	<u>S&P</u>
	<u>Total</u>
Corporate Bonds	\$ 31,258,518
Asset Backed Obligation	212,277
Miscellaneous Fixed Income	3,752,216
US Government Mortgage Pool	5,226,292
US Treasury Notes and Bonds	51,202,003
Total	<u>\$ 91,651,306</u>

*These Investments are not rated by S&P.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Deposits and investments of the County shown in the Statement of Fiduciary Net Position, continued:

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside entity. The County's policy is to have all investment securities held in its name in a segregated account with our primary banking institution. The primary government and the retirement fund have separate custodial relationships with separate banking institutions. The preceding two detailed schedules portray the split between the two banking institutions.

Concentration of Credit Risk – The Investment Policy of the Primary Government does not place any limits or restrictions on investment in any one issuer. The County Code does restrict the types of investments that are permissible. Of those permitted investments, only Commercial Paper and Negotiable Certificates of Deposits would expose the County to Concentration of Credit Risk. As of December 31, 2024, the County did not own any commercial paper which were held by a single institution.

The County Retirement Fund does not have a policy on Concentration of Credit Risk.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has adopted a policy of holding all investments to maturity. Accordingly, any change in fair value due to changing market interest rates is temporary. The County Retirement Fund does not have a policy on Interest Rate Risk.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates may adversely affect the fair value of an investment. The County has no formal policy related to foreign currency risk. The County's external investment managers may invest in international securities and must follow the County's investment guidelines pertaining to these types of investments.

Fair Value Measurement

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; or in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Fair Value Measurement, continued

The County's cash equivalents and investments by fair value as of December 31, 2024, include the following:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments	12/31/2024	(Level 1)	(Level 2)	(Level 3)
Mutual funds	\$ 320,402,625	\$ 320,402,625	\$ -	\$ -
Pooled, common and collective funds	4,127,216	-	4,127,216	-
Common stocks	37,579,161	30,712,677	6,866,484	-
Bonds and notes				
Corporate bonds	31,258,518	-	31,258,518	-
Asset backed obligation	212,277	-	212,277	-
US Government mortgage pool	5,226,292	-	5,226,292	-
US Treasury notes and bonds	51,202,003	51,202,003	-	-
Other assets	390,000	-	-	390,000
	450,398,092	402,317,305	47,690,787	390,000
Private placements measured at net asset value per share	100,630,330			
Total investments	551,028,422			
Cash and cash equivalents	4,751,205			
Total cash, cash equivalents and investments in Employee Trust Fund	555,779,627			
Governmental activities				
US Government Obligation	1,326,180	1,326,180	-	-
Fixed Income Investments	7,908,744	7,908,744	-	-
Total investments in Governmental Activities	9,234,924	\$ 9,234,924	\$ -	\$ -
Total investments	<u>\$ 565,014,551</u>			

Mutual Funds, certain Common Stocks, and US Treasury Notes and Bonds categorized as Level 1 are observable inputs valued based on quoted prices for identical assets in active markets. They reflect the assumptions market participants would use in pricing the asset based on market date obtained from independent sources. Pooled, Common and Collective Funds, certain Common Stocks, Corporate Bonds, Asset Backed Obligation, and US Government Mortgage Pool categorized as Level 2 are inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset. These assets are valued at pricing matrix model. Inputs are observable but do not solely rely on quoted market prices to establish fair value. Other assets categorized as Level 3 are the least marked to market of the categories, with asset and values based on models and unobservable inputs. Private placements are measured at net asset value per share and are valued at in kind contribution. All asset classes use traded date information as a source.

Taurus Private Markets Fund, L.P. This investment is a limited partnership whose objective is to acquire, hold, fund, and dispose of privately negotiated interests in private investment funds. The Partnership's target markets are leverage buyout, private credit, and venture capital. The fair value of this investment has been determined using the net asset value per share of the investments. The County's initial capital commitment is \$2,000,000 of which \$635,000 is unfunded as of December 31, 2024. This investment is a closed-end vehicle with liquidity determined by the manager. The County cannot redeem shares at their discretion and the fund has a 10-year term after the final close on June 30, 2021 with three 1-year extensions at the discretion of the General Partner with full liquidation anticipated by September 2033. The fair value of the County's investment in the fund is \$1,443,017 as of December 31, 2024 (The most recent available statement was as of September 30, 2024, and the value has been adjusted for cash flows).

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Fair Value Measurement, continued

Siguler Guff Small Buyout Opportunities Fund IV, LP. This investment is a limited partnership whose objective is to invest in pooled investment vehicles managed by the investment managers and Direct Investments primarily focused on buyout, recapitalization, and growth equity transactions. The fair value of this investment has been determined using the net asset value per share of the investments. The County's initial capital commitment is \$5,000,000 of which \$840,827 is unfunded as of December 31, 2024. This investment is a closed-end vehicle with liquidity determined by the manager. The County cannot redeem shares at their discretion and the fund has a 10-year term after the final close on March 22, 2021 with three 1-year extensions at the discretion of the General Partner, or whenever all the fund assets are distributed with full liquidation anticipated by June 2034. The fair value of the County's investment in the fund is \$5,180,607 as of December 31, 2024 (The manager has provided a preliminary value for December 31, 2024, which is subject to change).

NCS Group Trust – International Fund. This investment (a.k.a. Walter Scott) is an equity fund whose objective is to seek long-term capital appreciation by investing in equity securities. The fair value of this investment has been determined using the net asset value per share of the investments. Redemptions may be made in the form of cash (or in securities, at the discretion of the Manager) on the next business day that follows any Valuation Date, and will be recorded at the net asset value per unit determined as of the close of business on the immediately preceding Valuation Date. There is no commitment or end date for this investment. The fair value of the County's investment in the fund is \$40,720,174 as of December 31, 2024.

Banner Ridge DSCO Fund I, LP. This is a closed-end vehicle with liquidity determined by the manager. The County cannot redeem the shares at their discretion and the fund has a 10-year term after the final close on March 22, 2021 with two 1-year extensions at the discretion of the General Partner. An estimated date for the fund to be fully liquidated would be March 22, 2033. The Fund's objective is to create a diversified portfolio of primaries, co-investments and secondaries in managers, generally investing out of a lockup fund structure, characterized by distressed, special situations and credit. The County's initial capital commitment is \$10,000,000 of which \$7,160,633 is unfunded as of December 31, 2024. The underlying funds/managers each provide a quarterly NAV statement, which is rolled up to provide investors with a capital account statement for DSCO, net of expenses and leverage. The fair value of the County's investment in the fund is \$4,448,619 as of December 31, 2024 (The most recent available statement was as of October 31, 2024, and the value has been adjusted for cash flows).

PRISA PF LP. This investment is an open-ended limited partnership invested in PRISA UHC, which invests in industrial, residential, and commercial real estate. The investment in PRISA UHC is measured at fair value, based on PRISA PF LP's share of the net asset value (NAV) of PRISA UHC. Redemptions may be made at quarterly intervals and will be scheduled for payment at least 90 days after receipt of a written request for withdrawal. In the event that total withdrawal requests exceed the total cash available to honor such requests, available cash will be allocated pro-rata amongst those Limited Partners eligible for withdrawals. The fair value of the County's investment in the fund is \$23,275,544 as of December 31, 2024.

TA Realty Core Property Fund, L.P. This investment is an open-ended limited partnership invested in industrial, residential, and commercial real estate. The investment is measured at net asset value (NAV). Redemptions may be made at quarterly intervals. The County's capital commitment is \$27,600,000 of which \$4,000,000 is unfunded as of December 31, 2024. The fair value of the County's investment in the fund is \$21,562,369 as of December 31, 2024.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Participation in External Investment Pools

As of December 31, 2024, the County has \$89,839,254 classified as cash and cash equivalents invested in the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT is an external investment pool that was rated AAAM by Standard & Poor's (S&P) as of December 31, 2023. The average maturity of these investments is less than a year. There are no restrictions pertaining to the number of withdrawals from the PLGIT account. The County's investment in PLGIT is measured at amortized cost, which approximates fair value. The County has no regulatory oversight for the pool, which is governed by a Board of Trustees and is administered by Dahab Associates Inc. PLGIT is audited annually by Ernst & Young, LLP and the financial statements are available to the public at <http://www.plgit.com>.

As of December 31, 2024, the County has \$3,447,642 classified as cash and cash equivalents invested in the Pennsylvania School District Liquid Asset Fund (PSDLAF). PSDLAF is an external investment pool that was rated AAAM by Standard & Poor's (S&P) as of December 31, 2024. The average maturity of these investments is less than a year. There are no restrictions pertaining to the number of withdrawals from the PSDLAF account. The County's investment in PSDLAF is measured at amortized cost, which approximates fair value. The County has no regulatory oversight for the pool, which is governed by a Board of Trustees and is administered by Dahab Associates Inc. PSDLAF is audited annually by PricewaterhouseCoopers, LLP and the financial statements are available to the public at <http://www.psdlaf.org>.

Component Units – Deposits and Investments

Chester County Solid Waste Authority

Total cash of \$15,512,071 and total investments of \$52,820,364 are presented in the balance sheet as follows:

Cash and cash equivalents	\$ 15,512,071
Unrestricted investments	29,140,901
Restricted cash and investments - current	100,000
Restricted cash and investments - noncurrent	<u>23,579,463</u>
	<u>\$ 68,332,435</u>

Investment type	Fair value	2024		
		Investment maturities (in years)		
		Less than 1	1 - 5	6 - 10
Certificate of Deposit	\$ 10,161,422	\$ 7,927,842	\$ 2,233,580	\$ -
Municipal Bonds	26,486,884	2,760,693	19,118,618	4,607,573
U.S. Treasury Notes	16,172,058	16,172,058	-	-
Total investments	52,820,364	<u>\$ 26,860,593</u>	<u>\$ 21,352,198</u>	<u>\$ 4,607,573</u>
Cash and cash equivalents	15,512,071			
Total cash and investments	<u>\$ 68,332,435</u>			

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Component Units – Deposits and Investments, continued

Chester County Solid Waste Authority, continued

Deposits – Commonwealth of Pennsylvania law requires that the CCSWA deposits be placed in savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Corporation, or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured and for any amounts above the insured maximum if the approved collateral as provided by law shall be pledged by the depository. At December 31, 2024, the carrying value and bank balances were \$15,512,071 and \$16,952,262 respectively. Of the bank balances, \$500,000 was insured by FDIC and the remaining balances were collateralized by financial institutions via single collateral pool arrangements as permitted by Act No. 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors.

Investments – The CCSWA has adopted a formal investment policy in accordance with Section 5611 of the Commonwealth of Pennsylvania Municipality Authorities Act. In accordance with their investment policy, the CCSWA is authorized to invest in (1) U.S. Treasury bills; (2) short-term obligations of the U.S. government or its agencies or instrumentalities; (3) obligations of the U.S. or any of its agencies or instrumentalities backed by the full faith and credit of the U.S, the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision; and (4) shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the value of an investment. The Authority's investment policy does not specifically limit investment maturities as a means of managing exposure to fair value losses arising from increased interest rates. It is the Authority's current intention to hold both municipal securities and certificates of deposit until their maturities.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy limits its investments to credit quality ratings of not less than A- as rated by Standard & Poor's Investor Service. The Authority's investments in the municipal bond securities were rated A- or higher and the money market funds were rated AAA by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk – The CCSWA's investment policy does not limit the amount that may be invested with one issuer. Investments in obligations specifically guaranteed by the U.S. government, mutual funds and other pooled investments are exempt from disclosure of concentration risk. As of December 31, 2024, the Authority had no issuers with fair value of investments in excess of 5% of the investment portfolio, other than Philadelphia Authority for Industrial Development (10%).

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

2) Deposits and Investments, continued

Component Units – Deposits and Investments, continued

Chester County Solid Waste Authority, continued

The aggregate fair value by input level, for the Authority investments as of December 31, 2024, are as follows:

Investment Type	2024		
	Fair Value	Level 1	Level 2
Certificate of Deposits	\$ 10,161,422	\$ -	\$ 10,161,422
Municipal Bonds	26,486,884	-	26,486,884
U.S. Treasury Notes	16,172,058	-	16,172,058
Total	<u>\$ 52,820,364</u>	<u>\$ -</u>	<u>\$ 52,820,364</u>

3) Property Taxes

Real estate property taxes attach as an enforceable lien on property on or about January 7th of the subsequent year. Taxes are billed on or about January 15th, payable under the following terms: 2 percent discount, January 15th through March 16th; face amount, March 17th through May 15th and 10 percent penalty after May 16th. The County bills and collects its own property taxes, and revenues are recognized in the period in which they are levied. On a fund basis, revenues are recognized when they are available to pay current year liabilities.

The rate of taxation in 2024 was 4.551 mills, of which 1.093 mills was designated for debt service, 0.122 mills for Parks and Recreation, 0.193 mills for the Library System, and the remaining 3.143 mills for general purposes.

4) Risk Management

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The County purchases commercial insurance to cover these risks of loss including general liability, excess liability, property insurance, employee life, and accident insurance. Settled claims have not exceeded the commercial coverage insurance in any of the past three fiscal years; and there have been no significant changes in insurance coverage in those years.

The Benefits Internal Service Fund is used to account for risk of loss related to medical, prescription and workers' compensation self-insurance activities. Related claims are paid from this fund.

The County is partially self-insured for liabilities related to medical and prescription claims. The first \$350,000 per year per individual for claims is the County's responsibility. Liabilities in excess of \$350,000 per year per individual are covered by commercial insurance. As outlined in the contract with the provider, reserves for the year must be maintained at \$2,285,000. In addition, the County has advanced \$659,000 to the insurance provider to facilitate claims processing and is included in prepaid expenditures in the Benefits Internal Service Fund.

Prescription claims are paid when incurred. The County is not required to maintain an advance or reserve account under the current provider contract.

The health care liability balance is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. The claims liability reported as of December 31, 2024 is \$1,566,642.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

4) Risk Management, continued

The County has workers' compensation insurance with a self-insured retention per occurrence of \$750,000, including employees categorized as "Police". A commercially purchased excess workers' compensation policy pays the remainder of the claim up to statutory limits in excess of the \$750,000 self-insured retention.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the Benefits Internal Service Fund. Independent of these reserves, the County has advanced \$80,000 to a third party administrator to facilitate claims processing. This amount is included in prepaid expenditures, in the Benefits Internal Service Fund.

The accrued liability for workers' compensation claims is determined by an actuary in accordance with actuarial principles; such claims are not discounted. Per the actuarial report as of December 31, 2024, the County's recommended liability for reserves is \$2,142,751; of which \$1,171,160 is allocated to Governmental activities and \$971,591 to Business-type activities. County funds and departments contribute to the Benefits Internal Service Fund through appropriations based on claims of the current and prior years.

Pocopson Nursing Home is part of a Risk Retention Group (RRG) organized under the laws of the State of Vermont and pursuant to the federal Liability Risk Retention Act of 1986. The RRG provides liability insurance coverage to nursing homes in Pennsylvania that meet the RRG's underwriting standards. Eligible institutions that become insured by the RRG are referred to as "Insureds". Insureds are also referred to as "Subscribers", a term used to identify members of a reciprocal, an unincorporated form of insurer. The Subscribers of the RRG are its owners.

The RRG was formed under the direction of the County Commissioners Association of Pennsylvania (CCAP) and the Pennsylvania Association of County Affiliated Homes (PACAH) to address the lack of availability of stable, fairly priced medical professional liability and general liability insurance coverage for nonprofit nursing homes. Management functions are preformed primarily by the RRG's "Attorney-in-Fact", which is a Vermont limited liability company, wholly owned by CCAP. The RRG establishes the premiums charged by the RRG for insurance coverage and engages outside actuaries to consult with management with respect to the setting of premiums. The policy issued by the RRG does not permit policy assessments or retrospective increases in annual premiums.

All accrued self-insurance liabilities at December 31, 2024 are summarized as follows:

	Benefits Internal Service Fund		
	Long Term	Due within one year	Total
Health	\$ -	\$ 1,566,642	\$ 1,566,642
Workers' comp	1,109,930	1,032,821	2,142,751
Total	<u>\$ 1,109,930</u>	<u>\$ 2,599,463</u>	<u>\$ 3,709,393</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

4) Risk Management, continued

The following summary provides aggregate information on prior year self-insurance liabilities; incurred claims and payments during the year ended December 31, 2023, and reported self-insurance liabilities at December 31, 2024.

	December 31, 2023 Liability	Incurred Claims		Payments		December 31, 2024 Liability	Due within one year
		Current	Prior	Current	Prior		
Health	\$ 1,148,691	\$ 19,144,076	\$ 114,357	\$ (17,577,434)	\$ (1,263,048)	\$ 1,566,642	\$ 1,566,642
Workers' comp	<u>2,085,530</u>	<u>1,163,699</u>	<u>(51,677)</u>	<u>(426,326)</u>	<u>(628,475)</u>	<u>2,142,751</u>	<u>1,032,821</u>
Total	<u>\$ 3,234,221</u>	<u>\$ 20,307,775</u>	<u>\$ 62,680</u>	<u>\$ (18,003,760)</u>	<u>\$ (1,891,523)</u>	<u>\$ 3,709,393</u>	<u>\$ 2,599,463</u>

The following summary provides aggregate information on prior year self-insurance liabilities; incurred claims and payments during the year ended December 31, 2022 and reported self-insurance liabilities at December 31, 2023.

	December 31, 2022 Liability	Incurred Claims		Payments		December 31, 2023 Liability	Due within one year
		Current	Prior	Current	Prior		
Health	\$ 1,112,407	\$ 18,784,300	\$ 33,869	\$ (17,635,609)	\$ (1,146,276)	\$ 1,148,691	\$ 1,148,691
Workers' comp	<u>2,085,530</u>	<u>1,320,237</u>	<u>(55,804)</u>	<u>(653,514)</u>	<u>(610,919)</u>	<u>2,085,530</u>	<u>771,613</u>
Total	<u>\$ 3,197,937</u>	<u>\$ 20,104,537</u>	<u>\$ (21,935)</u>	<u>\$ (18,289,123)</u>	<u>\$ (1,757,195)</u>	<u>\$ 3,234,221</u>	<u>\$ 1,920,304</u>

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COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

5) Capital Assets

The following is a summary of the changes in capital assets for the year ended December 31, 2024.

Governmental Activities

	Primary Government		
	Balance at January 1, 2024	Increases	Decreases* December 31, 2024
Governmental Activities:			
Capital assets, not being depreciated:			
Land and improvements	\$ 26,787,448	\$ 90,768	\$ -
Land development rights	97,584,510	790,514	-
Construction in progress	11,418,395	5,681,561	(3,251,206)
Total capital assets, not being depreciated	135,790,353	6,562,843	(3,251,206)
Capital assets, being depreciated/amortized:			
Buildings and improvements	363,152,333	7,714,222	(7,571,944)
Infrastructure	33,390,038	560,134	(1,071,288)
Land improvements	37,930,495	821,835	(97,742)
Machinery and equipment	194,812,279	7,212,786	(56,343,164)
Building leases	9,657,814	-	(838,177)
Tower leases	16,699,280	2,719,132	-
Machinery and equipment lease	8,668,984	1,094,428	(3,564,776)
Total capital assets, being depreciated	664,311,223	20,122,537	(69,487,091)
Less accumulated depreciation/amortization for:			
Buildings and improvements	(158,863,529)	(10,339,185)	7,571,944
Infrastructure	(16,732,851)	(830,979)	787,281
Land improvements	(15,919,599)	(2,406,875)	97,742
Machinery and equipment	(178,260,724)	(6,167,573)	56,324,137
Building leases	(3,012,950)	(1,447,120)	838,177
Tower leases	(3,402,340)	(1,682,512)	-
Machinery and equipment lease	(6,671,445)	(1,116,284)	3,564,776
Total accumulated depreciation	(382,863,438)	(23,990,528)	69,184,057
Total being depreciated/amortized, net	281,447,785	(3,867,991)	(303,034)
Governmental activities capital assets, net	\$ 417,238,138	\$ 2,694,852	\$ (3,554,240)

*The balance of decreases includes disposals, termination of leases, transfers, asset classification and changes.

Depreciation/amortization was charged to governmental functions as follows:

General government	\$ 4,818,465
Judicial government	1,808,405
Public safety	6,723,662
Corrections	5,448,404
Public works	921,105
Human services	1,159,310
Culture and recreation	3,109,326
Conservation and development	1,851
Total	\$ 23,990,528

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

5) Capital Assets, continued

Proprietary Funds

Geriatric Center Enterprise Fund

	January 1, 2024	Increases	Decreases*	December 31, 2024
Capital assets, not being depreciated				
Construction in Progress	\$ -	\$ 54,441	\$ -	\$ 54,441
Total capital assets, not being depreciated	-	54,441	-	54,441
Capital assets, being depreciated				
Land and improvements	735,524	-	-	735,524
Buildings and improvements	22,172,062	-	-	22,172,062
Machinery and equipment	2,030,242	193,948	(40,309)	2,183,881
Machinery and equipment lease	80,260	24,138	(39,649)	64,749
Total capital assets, being depreciated	25,018,088	218,086	(79,958)	25,156,216
Less accumulated depreciation for:				
Land and improvements	(240,076)	(7,014)	-	(247,090)
Buildings and improvements	(13,667,008)	(976,149)	-	(14,643,157)
Machinery and equipment	(1,976,857)	(86,391)	40,309	(2,022,939)
Machinery and equipment lease	(77,254)	(5,824)	39,649	(43,429)
Total accumulated depreciation	(15,961,195)	(1,075,378)	79,958	(16,956,615)
Total capital assets being depreciated, net	9,056,893	(857,292)	-	8,199,601
Geriatric Center capital assets, net	\$ 9,056,893	\$ (802,851)	\$ -	\$ 8,254,042

*The balance of decreases includes disposals, termination of leases, transfers, asset classification and changes.

Component Units – Capital Assets

Chester County Solid Waste Authority

	January 1, 2024	Increase	Decrease	December 31, 2024
Land	\$ 100,650,454	\$ 4,838,739	\$ -	\$ 105,489,193
Building improvements	18,767,506	1,120,252	(183,167)	19,704,591
Heavy equipment	17,001,549	990,254	(1,050,601)	16,941,202
Equipment	2,417,883	288,382	(8,975)	2,697,290
Construction-in-progress	1,113,180	4,197,952	(850,741)	4,460,391
	139,950,572	11,435,579	(2,093,484)	149,292,667
Less: accumulated depreciation and depletion	(105,870,897)	(5,654,363)	1,225,194	(110,300,066)
Total	\$ 34,079,675	\$ 5,781,216	\$ (868,290)	\$ 38,992,601

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

6) Inter-fund Receivables, Payables and Transfers

The compositions of inter-fund balances as of December 31, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Managed Behavioral Health Care Fund	\$ 532,134
	Retirement Trust	1,285,937
	Nonmajor Governmental Funds	12,227,653
		<u>\$ 14,045,724</u>

During the year, the cash pool absorbs temporary cash short falls. At year-end, any balances representing temporary cash short falls are reclassified as receivables in the General Fund.

The compositions of inter-fund transfers as of December 31, 2024 are as follows:

Inter-fund transfers:	Transfers In:				
	General Fund	Housing Community Development	Managed Behavioral Health Care	Drug and Alcohol	Capital Reserve
Transfers out:					
General Fund	\$ -	\$ -	\$ -	\$ 414,667	\$ 31,224,523
Housing Community Development					
American Rescue Plan Act	34,085,933	-	-	-	4,100,000
Managed Behavioral Health Care	-	6,022	-	106,195	-
Drug and Alcohol	13,849	-	272	-	-
Capital Reserve Fund	-	-	-	-	-
Nonmajor Governmental Funds	1,296,279	56,357	1,087	118,208	-
Total transfers	<u>\$ 35,396,061</u>	<u>\$ 62,379</u>	<u>\$ 1,359</u>	<u>\$ 639,070</u>	<u>\$ 35,324,523</u>

	Transfers In:				
	Debt Service	Enterprise Fund	Technology Fund	Nonmajor Governmental	Total Transfers
Transfers out:					
General Fund	\$ -	\$ 662,165	\$ 2,291,470	\$ 20,694,929	\$ 55,287,754
Housing Community Development	-	-	-	555,782	555,782
American Rescue Plan Act	-	131,090	-	100,000	38,417,023
Managed Behavioral Health Care	-	-	-	718,183	830,400
Drug and Alcohol	-	-	-	344,391	358,512
Capital Reserve Fund	-	21,146	-	-	21,146
Nonmajor Governmental Funds	1,771,301	92,700	-	1,077,868	4,413,800
Total transfers	<u>\$ 1,771,301</u>	<u>\$ 907,101</u>	<u>\$ 2,291,470</u>	<u>\$ 23,491,153</u>	<u>\$ 99,884,417</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

6) Inter-fund Receivables, Payables and Transfers, continued

The General Fund transferred its share of the grants match to various Special Revenue Funds. The Children, Youth & Families Fund and the Capital Improvement Fund helped fund the certain expenditures of the Debt Service Fund. Capital Improvement Fund provided funds to acquire certain capital assets in the Enterprise Fund. Other Special Revenue Funds also transferred funds to various other funds for provider services in accordance with their grant provisions.

7) Compensated Absences

At December 31, 2024, accumulated vacation pay for governmental activities was \$5,898,406 (including accrued FICA and Medicare) and accumulated sick pay was \$5,992,108 (including accrued FICA and Medicare). These amounts total \$11,890,514 and are reported in the government-wide financial statements. At December 31, 2024, accumulated vacation for business-type activities/proprietary funds was \$347,080 (including accrued FICA and Medicare) and accumulated sick pay was \$325,502 (including accrued FICA and Medicare). These amounts total \$672,582 and are included in business-type activities/proprietary funds and government-wide financial statements.

Vacation and sick pay are recorded as an expense and a liability in the proprietary fund when earned. Governmental funds record the use of vacation and sick time, to be liquidated with expendable available financial resources, as an expenditure in the current year by the governmental fund that will pay it.

8) Deferred Inflows and Outflows of Resources

Deferred Inflows of Resources

		<u>Fund Statement</u>	<u>Government-wide Statement</u>
General Fund:			
Deferred tax claim fees		\$ 831,588	\$ -
Deferred real estate tax fees		3,050	3,050
Deferred inflows related to pension		-	3,384,955
Deferred inflows related to OPEB		-	2,277,660
Deferred inflows related to Opioid		4,102,648	-
Unavailable real estate taxes-gross	\$ 2,440,718		-
Less: 60 day collection 1/25-2/25	(476,431)	1,964,287	-
Total General Fund		<u>6,901,573</u>	<u>5,665,665</u>
Drug and Alcohol			
Deferred inflows related to Opioid		<u>21,423,448</u>	-
Total Drug and Alcohol Fund		<u>21,423,448</u>	-
Debt Service Fund:			
Deferred gain on refunding			5,862,695
Unavailable real estate taxes-gross	\$ 853,648		-
Less: 60 day collection 1/25-2/25	(165,780)	687,868	-
Total Debt Service Fund		<u>687,868</u>	<u>5,862,695</u>
Nonmajor Funds:			
Unavailable real estate taxes-gross	\$ 256,304		-
Less: 60 day collection 1/25-2/25	(47,613)	208,691	-
Total Nonmajor Funds		<u>208,691</u>	-
Business-Type Activities:			
Deferred inflows related to pension		386,706	386,706
Deferred inflows related to OPEB		340,340	340,340
		<u>727,046</u>	<u>727,046</u>
Total deferred inflows of resources		<u>\$ 29,948,626</u>	<u>\$ 12,255,406</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

8) Deferred Inflows and Outflows of Resources, continued

Deferred Inflows of Resources, continued

Deferred inflows of resources, reported in the Fund Statements, is \$17,693,220 more than the deferred inflows of resources reported in the Government-wide statements. The difference is made up of \$2,860,846 in recognized real estate taxes, \$831,588 in recognized tax claim fees, \$25,526,096 in deferred opioid funding less deferred inflow related to pension of \$3,384,955, deferred inflow related to OPEB of \$2,277,660 and deferred inflow related to gain on refunding of \$5,862,695.

Deferred Outflows of Resources

	<u>Fund Statement</u>	<u>Government-wide Statement</u>
Governmental Activities		
Deferred charge on refunding	\$ -	\$ 5,858,783
Deferred outflows related to pension	-	36,927,391
Deferred outflows related to OPEB	-	555,930
Total Governmental Activities	-	43,342,104
Business-Type Activities		
Deferred outflows related to pension	4,395,155	4,395,155
Deferred outflows related to OPEB	83,070	83,070
Total Business-Type Activities	4,478,225	4,478,225
Total deferred outflows of resources	<u>\$ 4,478,225</u>	<u>\$ 47,820,329</u>

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COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

9) Leases

Initial Liability	Purpose	Outstanding Liability Balance 12/31/2024	Asset Value 12/31/2024	Accumulated Amortization 12/31/2024
\$ 8,855,977	On January 1, 2022 and during the year 2023, the County of Chester entered into leases with various buildings. The County of Chester is required to make monthly payments ranging from about \$1,700 to \$16,000. The interest rates used range from 1% to 5%. The terms of the leases run from about 2 to 22 years.	\$ 5,401,328	\$ 8,819,637	\$ 3,621,893
20,003,328	On January 1, 2022, and during the year 2024, the County of Chester entered into leases with various towers. The County of Chester is required to make monthly payments ranging from about \$1,000 to \$30,000 as well as a few quarterly payments ranging from about \$6,000 to \$6,500. The interest rates used range from 3% to 5%. The terms of the leases run from about 2 to 25 years.	15,802,913	19,418,412	5,084,852
8,501,226	In April 2018 the County of Chester has entered into new lease agreements for computers. In January 2018 the County has entered into new lease agreements for fleet. The County of Chester is required to make monthly payments ranging from between \$248 to \$963 as well as annual payments ranging between about \$24,000 to \$161,000. The interest rates used range from 2% to 9%. The terms of the leases run from about 3 to 5 years.	1,979,221	6,198,636	4,222,953
80,260	Beginning in May 2018 the Pocopson Home has entered into new lease agreements fleet. The County of Chester is required to make monthly payments ranging from between \$304 to \$372. The interest rates used range from 4% to 6%. The terms of the leases run 5 years.	21,321	64,749	43,429
<u>\$ 37,440,791</u>		<u>\$ 23,204,783</u>	<u>\$ 34,501,434</u>	<u>\$ 12,973,127</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

9) Leases, continued

The future lease payments as of December 31, 2024 were as follows:

Building & Parking Leases

	Principal <u>Requirements</u>	Interest <u>Requirements</u>	Total Building Lease <u>Requirements</u>
2025	\$ 1,024,517	\$ 93,109	\$ 1,117,626
2026	970,111	84,439	1,054,549
2027	832,705	74,065	906,770
2028	624,836	63,630	688,466
2029	649,190	70,408	719,598
2030-2034	948,654	123,682	1,072,336
2035-2039	186,304	49,267	235,571
2040-2044	165,011	40,980	205,991
	<u>\$ 5,401,328</u>	<u>\$ 599,580</u>	<u>\$ 6,000,908</u>

Tower Leases

	Principal <u>Requirements</u>	Interest <u>Requirements</u>	Total Tower Lease <u>Requirements</u>
2025	\$ 1,242,559	\$ 565,091	\$ 1,807,650
2026	787,858	525,974	1,313,832
2027	800,091	524,249	1,324,340
2028	809,274	508,741	1,318,015
2029	847,483	499,551	1,347,033
2030-2034	4,515,392	2,566,261	7,081,653
2035-2039	4,055,182	2,321,140	6,376,323
2040-2044	2,555,428	1,311,862	3,867,290
2045-2049	189,646	123,235	312,881
	<u>\$ 15,802,913</u>	<u>\$ 8,946,104</u>	<u>\$ 24,749,017</u>

Machinery Leases - Governmental Funds

	Principal <u>Requirements</u>	Interest <u>Requirements</u>	Total Machinery Lease <u>Requirements</u>
2025	\$ 985,889	\$ 100,151	\$ 1,086,040
2026	376,550	82,742	459,292
2027	331,412	76,508	407,920
2028	222,939	57,257	280,196
2029	62,431	17,596	80,027
	<u>\$ 1,979,221</u>	<u>\$ 334,254</u>	<u>\$ 2,313,475</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

9) Leases, continued

Year Ended December 31:

Machinery Leases - Proprietary Funds

	Principal Requirements	Interest Requirements	Total Machinery Lease Requirements
2025	\$ 4,827	\$ 1,501	\$ 6,328
2026	4,827	1,501	6,328
2027	4,827	1,501	6,328
2028	4,827	1,501	6,328
2029	2,013	625	2,638
	<u>\$ 21,321</u>	<u>\$ 6,629</u>	<u>\$ 27,950</u>

10) Long-term Liabilities

Long-term liability activity for the year ended December 31, 2024, was as follows:

	Balance January 1, 2024	Additions	Reductions	Balance December 31, 2024	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 442,790,000	\$ 71,675,000	\$ 86,375,000	\$ 428,090,000	\$ 36,310,000
Premium on bonds	53,658,861	6,441,313	12,949,877	47,150,297	5,714,970
General obligation notes	2,464,000	-	2,464,000	-	-
Lease liability	23,096,500	3,813,560	3,726,598	23,183,462	3,252,965
Compensated absences	11,324,815	565,699	-	11,890,514	6,407,143
Net pension (asset)/liability	91,687,312	-	2,985,710	88,701,602	-
OPEB obligation	8,068,337	-	827,370	7,240,967	268,830
Workers' compensation claims	1,249,230	580,062	658,132	1,171,160	638,477
Medical and prescription claims	1,052,316	17,752,849	17,361,504	1,443,661	1,443,661
Governmental activities					
Long-term liabilities	<u>\$ 635,391,371</u>	<u>\$ 100,828,483</u>	<u>\$ 127,348,191</u>	<u>\$ 608,871,663</u>	<u>\$ 54,036,046</u>
Business-type activities:					
Lease liability	3,007	24,138	5,824	21,321	4,827
Compensated absences	653,178	22,596	3,192	672,582	384,396
Net pension (asset)/liability	10,752,878	-	331,746	10,421,132	-
OPEB obligation	1,234,663	-	123,630	1,111,033	40,170
Workers' compensation claims	836,300	583,637	448,346	971,591	394,344
Medical and prescription claims	96,375	1,505,584	1,478,978	122,981	122,981
Business-type activities					
Long-term liabilities	<u>\$ 13,576,401</u>	<u>\$ 2,135,955</u>	<u>\$ 2,391,716</u>	<u>\$ 13,320,640</u>	<u>\$ 946,718</u>

Internal service fund serves the governmental funds and enterprise fund. Accordingly, long-term liabilities for workers' compensation claims, medical claims, compensated absences, net pension liability (if applicable), and net OPEB obligation are included as part of the above totals for governmental funds and enterprise fund and are generally liquidated by the County's general fund, special revenue funds and enterprise fund. The additions, in the above table, also includes computers acquired through leases of \$164,945 in Technology Fund. As a result of an early fleet lease termination, there was a reduction of \$12,606 on the lease. The carrying value of the lease liability was removed from the balance sheet.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

10) Long-term Liabilities, continued

An analysis of debt service requirements to maturity on bonds and notes payable follows:

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Year ended December 31:			
General Obligation Bonds:			
2025	\$ 36,310,000	\$ 18,683,883	\$ 54,993,883
2026	36,345,000	17,537,550	53,882,550
2027	39,230,000	15,818,550	55,048,550
2028	41,015,000	14,038,450	55,053,450
2029	42,770,000	12,279,300	55,049,300
2030-2034	161,465,000	34,622,800	196,087,800
2035-2039	50,045,000	11,427,950	61,472,950
2040-2043	20,910,000	1,472,750	22,382,750
	<u>428,090,000</u>	<u>125,881,233</u>	<u>553,971,233</u>
To be retired by:			
Governmental Funds	\$ <u>428,090,000</u>	\$ <u>125,881,233</u>	\$ <u>553,971,233</u>
Total	<u>\$ 428,090,000</u>	<u>\$ 125,881,233</u>	<u>\$ 553,971,233</u>

Pertinent information regarding general obligation debt outstanding is presented below:

Date of Issue	Amount of Original Issue	Description	Balance Outstanding at December 31, 2024
2016	58,170,000	To finance the Open Space Recreation and Agricultural Preservation program, capital improvements to County park facilities, acquisition of equipment and fixtures, construction and improvements to County buildings and the infrastructure, community revitalization, construction of renovations and repairs to County owned bridges and other public transportation projects. Principal due in annual installments on July 15, increasing from \$50,000 in 2017 to \$4,560,000 in 2036.	42,470,000
2016A	96,765,000	To advance refund a portion of 2009 and 2009C General Obligation Bonds. Principal due in annual installments on July 15, increasing from \$5,000 in 2017 to \$ 27,475,000 in 2029.	86,890,000
2017	71,935,000	To advance refund all of the 2011 and 2012 General Obligation Bonds. Principal due in annual installments on November 15, increasing from \$20,000 in 2021 to \$12,580,000 in 2033.	71,900,000

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

10) Long-term Liabilities, continued

Date of Issue	Amount of Original Issue	Description	Balance Outstanding at December 31, 2024
2018	30,000,000	To finance the Open Space Recreation and Agricultural Preservation program, capital improvements to County park facilities, acquisition of equipment and fixtures, construction and improvements to County buildings and the infrastructure, community revitalization, construction of renovations and repairs to County owned bridges and other public transportation projects. Principal due in annual installments on July 15, increasing from \$5,000 to \$2,365,000 in 2038.	24,565,000
2019	57,360,000	To refund the General Obligation Bonds, Series of 2009, Series B of 2009. Principal due in annual installments on July 15th, increasing from \$5,000 to \$13,865,000 in 2032.	57,335,000
2020	36,160,000	To finance the Open Space Recreation and Agricultural Preservation program, capital improvements to County park facilities, acquisition of equipment and fixtures, construction and improvements to County buildings and the infrastructure, community revitalization, construction of renovations and repairs to County owned bridges and other public transportation projects. Principal due in annual installments on July 15th, increasing from \$180,000 to \$2,660,000 in 2040.	32,060,000
2020A	26,370,000	To refund 2010 General Obligation Bonds. Principal due in annual installments on July 15th, increasing from \$5,365,000 to \$6,995,00 in 2025.	6,995,000
2021	37,095,000	To finance the purchase of the 313 West Market Street administration building as well as various other capital improvement projects as outlined in the County's long term Capital Improvement Plan and payment of costs incurred by the County in connection with the issuance of the Bonds. Principal due in annual installments on July 15th, increasing from \$255,000 to \$2,715,000 in 2041.	34,200,000
2024	21,880,000	To finance the Open Space Recreation and Agricultural Preservation program, capital improvements to County park facilities, acquisition of equipment and fixtures, construction and improvements to County buildings and the infrastructure, community revitalization, construction of renovations and repairs to County owned bridges and other public transportation projects. Principal due in annual installments on July 15th, increasing from \$10,000 to \$7,970,00 in 2041.	21,880,000
2024A	49,795,000	To refund 2014 General Obligation Bonds. Principal due in annual installments on July 15th, decreasing from \$10,995,000 to \$2,830,000 in 2034.	49,795,000
	<u>\$ 485,530,000</u>		<u>\$ 428,090,000</u>

Interest rates on the above fixed rate obligations range from 0.25 to 5.5 percent. The County has pledged its taxing power as security for outstanding general obligation debt. The County does not have any lines of credit, assets pledged as collateral for debt or significant debt terms.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the County performed calculations of excess investment earnings on various bonds and financings and at December 31, 2024 does not expect to incur a liability.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

10) Long-term Liabilities, continued

On March 25, 2024, the County of Chester issued its General Obligation Bonds, Series of 2024 in the principal amount of \$21,880,000. The proceeds of the Bonds were used for: (1) paying and/or reimbursing for certain capital projects consisting of Open Space and Community Revitalization programs, park and trail development and improvements to infrastructure, facilities and public safety capabilities, and (2) paying the costs incurred by the County in connection with the issuance of the 2024 Bonds.

On October 17, 2024, the County of Chester issued its General Obligation Bonds, Series A of 2024 in the principal amount of \$49,795,000. The proceeds of the Bonds were used for: (1) refunding all the County's outstanding General Obligation Bonds, Series of 2014, currently outstanding in the aggregate principal amount \$52,615,000, and (2) paying the costs of issuing the Bonds. The 2024 Bonds will provide net present value debt service savings of approximately \$2,298,592. The future value of such savings or the savings in comparison to the total cost of the old debt service and the total cost of the new debt service is \$2,144,586.

11) Employee Retirement Trust Fund

Basis of Accounting

The County of Chester Employee Retirement Trust Fund financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions 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.

Plan Description

The County of Chester provides a single-employer defined benefit pension plan (the Plan) that is administered by the County Retirement Board. Management of the Plan is vested in the Board, which consists of five members - three elected County Commissioners, the County Controller and the County Treasurer. All employees working over 1,000 hours per year are required to enter the Plan. County elected officials have the option of enrolling in the Plan. The Plan is included in the basic financial statements of the County of Chester as a retirement trust fund. A separate, audited GAAP-basis pension plan report is not issued. The Plan provides retirement, disability and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 (the Act) of the Commonwealth of Pennsylvania (County Pension Law). Cost-of-living adjustments are provided at the discretion of the County Retirement Board.

Employees who have reached the normal retirement age of 60, or age 55 with 20 years of County service, are entitled to annual retirement benefits equal to the member's annuity based on the actuarial equivalent of the accumulated payroll deductions, and a County annuity equal to the product of: (a) the "Final Average Salary" (three highest years) times (b) the employee's applicable class rates times (c) the membership service in the applicable class.

The Plan permits early retirement on a voluntary basis before age 55 with 20 years of service and, on an involuntary basis, after eight years of service. Employees become 100 percent vested after five years of service. Death and disability benefits are also provided for in the Plan. If an active employee dies at age 60 or older, or after 10 years of County service, death benefits are paid to the employee's beneficiary.

Active employees who become totally disabled receive an annual pension equal to 25 percent of the "Final Average Salary" after 5 years of County service. A Plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus any accumulated interest.

Rate of return – As of December 31, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

11) Employee Retirement Trust Fund, continued

Plan Description, continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in 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 by 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 2024 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.90%
International equity	6.60
Fixed income	2.40
Real estate/Alternative Investments	4.40
Private Equity	7.95
Cash	1.00

Changes in the Net Pension Liability / (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
	(a)	(b)	(a) - (b)
Balances as of December 31, 2023	\$ 624,160,132	\$ 521,719,942	\$ 102,440,190
Changes for the Year:			
1. Service Cost	9,715,532	-	9,715,532
2. Interest	43,046,149	-	43,046,149
3. Differences Between Expected and Actual Experience	15,974,741	-	15,974,741
4. Changes of Benefit Terms	-	-	-
5. Contributions - Employer	-	11,250,678	(11,250,678)
6. Contributions - Member	-	10,086,713	(10,086,713)
7. Net Investment Income	-	50,896,928	(50,896,928)
8. Benefit Payments, including Refunds of Member Contributions	(38,512,711)	(38,512,711)	-
9. Plan Administrative Expenses	-	(180,441)	180,441
Net Changes	<u>30,223,711</u>	<u>33,541,167</u>	<u>(3,317,456)</u>
Balances as of December 31, 2024	<u>\$ 654,383,843</u>	<u>\$ 555,261,109</u>	<u>\$ 99,122,734</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

11) Employee Retirement Trust Fund, continued

Plan Description, continued

Discount rate – The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan'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 (i.e. no depletion date is projected to occur).

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County's net pension liability/(asset)	\$ 188,240,765	\$ 99,122,734	\$ 24,993,079

Membership

Membership of the Plan consisted of the following at December 31, 2024:

Inactive plan members or beneficiaries	
currently receiving benefits	1,629
Inactive plan members entitled to	
but not yet receiving benefits	468
Active plan members	<u>2,062</u>
Total	<u>4,159</u>

Plan members are required to contribute 5.0 percent of their annual covered salary and may contribute up to 15 percent. Plan members hired on or after January 1, 2011 are required to contribute 6.0 percent of their annual covered salary and may contribute up to 16 percent. The County contributions are determined as part of an annual actuarial valuation. Per Act 96 of 1971, as amended, contribution requirements of the plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Administrative costs of the plan are financed through investment earnings.

The Chester County Employee's Retirement System uses the entry age normal method. Under this method, an actuarial accrued liability is determined as the actuarial present value of projected benefits for all participants minus the actuarial present value of future normal costs. The normal cost is determined as the annual amount required to fund from date of hire to actuarial present value of projected benefits for each participant under the assumed retirement age.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

11) Employee Retirement Trust Fund, continued

Funding Policy and Contributions

An actuarially determined contribution is recommended by the plan actuary. 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 an unfunded accrued liability. For the 2024 measurement period, the active member contribution rate was 5.0 percent (6.0 percent if entered after January 1, 2011) of the annual pay, and the County average contribution rate was 6.65 percent of annual payroll.

The total pension liability was based on an actuarial valuation dated January 1, 2024. Update procedures were needed to roll-forward the total pension liability to the December 31, 2024 measurement date. The components of the net pension liability of the County at December 31, 2024 were as follows:

Total pension liability	\$ 654,383,843
Plan fiduciary net position	<u>555,261,109</u>
County's net pension liability/(asset)	<u>\$ 99,122,734</u>
Plan fiduciary net position as a percentage of the total pension liability	84.9%

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the 2024 measurement period, the County recognized pension expense (income) of \$25,907,764 and reported deferred outflows of resources and deferred inflows of resources that relate to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 21,793,509	\$ (3,771,660)
Change of assumptions	1,547,017	-
Net difference between projected and actual earnings on pension plan investments	<u>17,982,020</u>	<u>-</u>
Total	<u>\$ 41,322,546</u>	<u>\$ (3,771,660)</u>

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

2025	\$ 17,748,395
2026	24,975,868
2027	(5,379,033)
2028	205,656
2029	-
Thereafter	-
Total	<u>\$ 37,550,886</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

11) Employee Retirement Trust Fund, continued

Plan Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation for the 2024 measurement period at January 1, 2024 and rolled forward to December 31, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent, average, including inflation
Investment rate of return	7.0 percent, net of pension plan investment expenses, including inflation

For the 2024 measurement period, Mortality rates were based on the Pub2010G Mortality Table for males and females set forward one year with generational mortality improvement using MP20.

The actuarial assumptions used in the valuation for the 2024 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

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

Component Units - Employees' Retirement Plan

Chester County Solid Waste Authority

Defined Contribution Plan

CCSWA maintains a Single Employer Defined Contribution Employee Benefit Plan covering substantially all employees. Participation begins at the date of hire. Contributions to the plan are at the discretion of CCSWA's Board up to a maximum of 15% of employee compensation, and employee contributions are not required. In 2024 the contribution rate was 12%. Upon death, disability, termination, hardship, retirement, or age, a participant may elect to receive a lump sum amount equal to the value of his or her account. Assets are held by a third party trustee and administered by Empower, with administrative expenses being held by participants. The Authority's total payroll approximated \$2,963,000 in 2024. Total expense under the plan approximated \$354,000 in 2024. The fully vested plan assets of approximately \$4,174,000 at December, 31, 2024 are not recorded in the Authority's financial statements as they are held in participant directed individual accounts.

12) Post-Employment Benefits Other Than Pensions (OPEB)

Plan Description

In addition to providing a pension benefits plan, the Chester County OPEB plan provides post-employment health care and life insurance benefits (OPEB) for eligible retired employees, spouses and dependents through a single employer defined benefit plan. The benefits, benefits level, employee contribution and employer contribution are administered by the Board of Commissioners and can be amended by the County through its personnel manual and union contracts. The plan is not accounted for as a trust fund as there are no accumulated assets that meets the criteria of paragraph four of GASB No. 75. A separate, audited GAAP basis benefits plan report is not issued. The activity of the plan is reported in the County's Benefits Fund, an internal service fund.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

12) Post-Employment Benefits Other Than Pensions (OPEB), continued

Benefits Provided

Eligibility for Healthcare Benefits

Detectives hired on or before July 20, 2006: Eligible for retiree healthcare upon retirement after attaining age 60 and completing eight years of service, or after attaining age 55 and completing 20 years of service. A requirement of eight consecutive years prior to retirement applies in either case.

Eligibility for Life Insurance Benefits

All employees: Eligible for retiree life insurance upon retirement after attaining age 60 and completing eight years of service, or after attaining age 55 and completing 20 years of service. A requirement of eight consecutive years prior to retirement applies in either case.

All medical health care benefits are provided through the County's self-insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include medical services and prescriptions. A \$10,000 life insurance policy is provided for life of the retiree and is fully paid for by the County.

Membership

Membership of the plan consisted of the following at January 1, 2024:

		Pocopson		
	Detectives	Home	Other	Total
Inactive plan members currently receiving benefits*	2	114	725	841
Active plan members	2	144	1,851	1,997
Total	4	258	2,576	2,838
*Retired with medical	2	-	-	2

Total OPEB Liability

The County's total OPEB liability of \$8,352,000 was measured as of December 31, 2024 using the actuarial assumptions from the January 1, 2024 actuarial valuation, subject to adjustments.

Funding Policy and Contributions

The County negotiates the contribution percentage between the County and employees through the union contracts and personnel policy. All eligible retirees contribute 50 percent of the actuarially determined premium to the plan and the County contributes the remainder to cover the cost of providing the benefits to the retirees through the self-insured plan (pay-as-you-go). For the fiscal year ending December 31, 2024, the retirees contributed \$103,387 toward the cost of their healthcare.

Actuarial assumptions and other inputs

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

12) Post-Employment Benefits Other Than Pensions (OPEB), continued

Actuarial assumptions and other inputs, continued

Inflation	2.3 percent
Salary increases	3.5 percent, average including inflation
Discount rate	4.08 percent
Healthcare cost trend rates	6.9 percent for 2025 to an ultimate rate of 3.7 percent for 2074 and later years
Retirees' share of benefit-related costs	50 percent of projected health insurance premiums for retirees

The mortality assumption has been updated from the RP-2014 Mortality Tables with Mortality Improvement Projection Scale MP2020 to the PubG-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis with Scale MP-2021.

The actuarial assumptions used in the January 1, 2024 were based on the results of an actuarial experience study for the period January 1, 2024 to December 31, 2024.

Changes in the January 1, 2024 Actuarial Assumptions since the Prior Valuation (January 1, 2022)

- The discount rate has increased to 4.08% (Bond Buyer 20 Year Bond GO Index).
- The inflation rate has been decreased to 2.30%.
- Per capita claims costs were updated.
- Future retiree healthcare trend rates were updated.
- The mortality assumption has been updated from the RP-2014 Mortality Tables with Mortality Improvement Projection Scale MP2020 to the PubG-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis with Scale MP-2021.

Changes in the Total OPEB Liability

	Total OPEB Liability (a)
Balances at 12/31/2023	\$ 9,303,000
Changes for the year:	
Service cost	179,000
Interest on total OPEB liability	299,000
Effect of plan changes	-
Effect of liability gains or losses	29,000
Effect of assumption changes or inputs	(1,175,000)
Benefit payments	(283,000)
Balances at 12/31/2024	<u>\$ 8,352,000</u>

Change in actuarial assumptions – The discount rate increased from 3.3% to 4.08% and the mortality tables were updated to MP-2021.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

12) Post-Employment Benefits Other Than Pensions (OPEB), continued

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability, calculated using the valuation discount rate as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Total OPEB liability	\$ 9,808,000	\$ 8,352,000	\$ 7,198,000

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the OPEB liability, calculated using the valuation healthcare cost trend rate as well as what the OPEB liability would be if it were calculated using a trend rate that is one percentage point lower each year or one percentage point higher each year than the current rate.

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	\$ 8,347,000	\$ 8,352,000	\$ 8,357,000

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

For the year ended December 31, 2024, the County recognized OPEB expense (income) of \$240,000 and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 99,000
Change of assumptions	(2,618,000)	540,000
	<u>\$ (2,618,000)</u>	<u>\$ 639,000</u>

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

2025	\$ (418,000)
2026	(444,000)
2027	(444,000)
2028	(449,000)
2029	(62,000)
Thereafter	(162,000)
Total	<u>\$ (1,979,000)</u>

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

13) Related Party Transactions

The County is affiliated with the Southeastern Pennsylvania Transportation Authority (SEPTA) as a result of the following factors:

- SEPTA provides transportation services to County residents.
- The County has representation on SEPTA's governing board.
- The County partially subsidizes SEPTA's operations and capital projects.

Because of the pervasive nature of SEPTA's operations (SEPTA services all of Southeastern Pennsylvania, including several governmental entities significantly larger than Chester County), it was not considered part of the County's reporting entity; however, the County does consider SEPTA a related party based on the factors enumerated above. It further does not meet the requirements of Statement No. 61 of the Governmental Accounting Standards Board to be included as a component unit.

During 2024, the County provided operating subsidies to SEPTA of \$2,551,147. In addition, as of December 31, 2024, the County has committed to a fund operating subsidy to SEPTA approximating \$3,313,000 in 2025.

In 1985, Chester County and three neighboring counties co-sponsored the formation of the Delaware Valley Regional Finance Authority (DVRFA) for the purpose of establishing a pooled loan program for the benefit of local governmental units in the four-county area. Under the terms of the DVRFA's loan program, eligible borrowers include boroughs, cities, townships, and school districts located in the four-county area, as well as the sponsoring counties themselves. The DVRFA does not constitute a joint venture arrangement under current GASB pronouncements. However, Chester County is affiliated with the DVRFA via its sponsorship role and continuing representation on the Authority's Board. The DVRFA has credit facilities and insurance arrangements in place to guarantee their debt.

In years prior to 2024, the County has borrowed from the DVRFA through general obligation notes of which there is currently nothing outstanding at December 31, 2024.

14) Commitments and Contingencies

- A. Through 1996, the County levied a tax on personal property (defined primarily as equity and fixed-income securities) held by County residents. In 1996, the U.S. Supreme Court declared a North Carolina intangibles tax, similar to the County's personal property tax, unconstitutional. During 2000, the Pennsylvania Supreme Court ruled that the personal property tax was constitutional; however, the exemption for holdings of in-state securities was unconstitutional. The Pennsylvania Supreme Court, in the Annenberg decision, ordered that counties fashion a backward-looking remedy to correct the unconstitutional exemption from the tax. The County has in good faith implemented the backward-looking remedy as required by the Annenberg decision. At this date, there is no lawsuit filed and no litigation currently. Although the County did not and does not anticipate collection of back taxes, there was \$1,579 collected in 2024 which was recorded as current general revenue.
- B. In the normal course of business, there are various claims and suits pending against the County and its elected officials. Management is of the opinion that these matters will not have a material adverse effect on the County's financial position at December 31, 2024.
- C. At the end of 2024, there was approximately \$22.5 million contractually committed to purchase assets on behalf of others in accordance with the County's Open Space and Community Revitalization Program. This amount includes commitments for Municipal Park grants, Conservancy grants and Community Revitalization grants.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

14) Commitments and Contingencies, continued

- D. As effects of the Coronavirus pandemic continue to evolve and we are dependent upon future developments, the impact of the Coronavirus on the County's operations and financial results are uncertain at this time.

Component Unit – Commitment and Contingencies

Chester County Solid Waste Authority

The Authority maintains insurance coverage for environmental and other matters subject to certain policy exclusions. The insurance limits in force for 2024 were \$6,000,000 for each occurrence and \$12,000,000 aggregate. Any significant claims against the Authority relative to environmental matters that are not covered by existing insurance arrangements, if asserted and not successfully defended, could have a material adverse impact on the Authority's financial position and results of operations. As of December 31, 2024, however, the Authority was not aware of any such claims, asserted or unasserted, related to its operations.

15) Closure and Post-closure Costs

Component Unit - Closure and Post-closure Costs

Chester County Solid Waste Authority

Commonwealth and federal laws and regulations require CCSWA to place a cover on the completed sections of the landfill when it stops accepting waste at a site, and to perform certain maintenance and monitoring functions at the landfill site for extended periods (up to thirty years) after closure. Although closure and post-closure care costs are paid only when CCSWA stops accepting waste at a site, a portion of such costs is reported as an operating expense, each period based on landfill capacity used as of each balance sheet date. As of December 31, 2024, the landfill's total capacity used was 83.23%. Based on estimates using current tonnage received, the landfill will be fully depleted between 2031-2035.

CCSWA increases and decreases its estimated liability for closure and post-closure costs each year based on revised cost estimates provided by consulting engineers and percentage of the facility utilized. During 2024 costs of \$1,824,785 was expensed.

The current closure and post-closure financial assurance requirement approved by the Pennsylvania Department of Environmental Protection (PADEP) is \$23,613,000 as of December 31, 2023. The Authority will recognize the remaining estimated cost of closure and post-closure care for the entire site (measured as of December 31, 2024) as the remaining estimated capacity is filled. Actual costs may differ due to the rate of inflation, changes in technology, or changes in regulations.

Total cash and investments on deposit in trust accounts specifically restricted for closure and post-closure care costs totaled \$23,679,463 at December 31, 2024.

Total closure and post-closure liability, including changes for fiscal year 2024, are as follows:

COUNTY OF CHESTER, PENNSYLVANIA
Notes to the Financial Statements
December 31, 2024, Continued

15) Closure and Post-closure Costs, continued

Component Unit - Closure and Post-closure Costs, continued

Chester County Solid Waste Authority, continued

	Estimated closure/ post-closure costs
Balance at December 31, 2023	\$ 5,331,176
Closure/post-closure expense	1,824,785
Capping construction in process applied to closure liability	<u>(67,490)</u>
Balance at December 31, 2024	<u>\$ 7,088,471</u>
Balance at December 31, 2024 due within one year	<u>\$ -</u>

The United States Environmental Protection Agency (EPA) has enacted regulations that became effective in October of 1993, which, among other things, require municipal solid waste organizations to conduct post-closure care monitoring activities for a minimum of thirty years for new landfill units. Management of CCSWA has been advised by legal counsel that such regulations do not apply to certain older portions of CCSWA's landfill site that did not receive waste after the date the regulations were published. Accordingly, based on management's present intentions, CCSWA's recorded liability for post-closure obligations reflects the estimated costs of post-closure care for these older areas of the landfill site for a period of twenty years after closure, consistent with a Closure Plan submitted by the CCSWA and approved by the PADEP.

CCSWA is permitted to voluntarily conduct post-closure care activities for a period in excess of twenty years and has resolved to annually review and re-evaluate its plans and intentions in this regard. Further, CCSWA's recorded obligations for closure and post-closure care activities are accounting estimates that are based on a number of variables and could change significantly in the future as a result of changes in regulatory requirements, technology and management's plans.

Amounts reported as closure and post-closure care liabilities at December 31, 2024 are as follows:

	2024
Current	\$ -
Noncurrent	<u>7,088,471</u>
Total	<u>\$ 7,088,471</u>

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Required Supplementary Information



COUNTY OF CHESTER, PENNSYLVANIA
Required Supplementary Information
Schedule of Changes in the County's Net
Pension Liability and Related Ratios
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 9,715,532	\$ 9,140,720	\$ 8,831,614	\$ 9,439,132	\$ 8,929,198	\$ 9,831,430	\$ 9,805,975	\$ 11,391,453	\$ 11,272,384	\$ 11,010,582
Interest	43,046,149	40,969,043	40,040,631	39,137,429	37,967,836	35,256,672	33,934,957	32,184,233	30,544,719	29,144,235
Changes of Benefit Terms	-	-	10,324,944 ***	-	-	-	2,187,231 ^	-	-	-
Difference between expected and actual experience	15,974,741	16,331,706	(11,853,789)	6,500,296	22,461,158	12,251	(245,100)	(3,844,664)	(396,421)	465,500
Changes of assumptions	-	-	-	11,860,465 **	14,923,069 *	-	-	-	6,385,724 +	-
Benefit payments, including refunds of member contributions	(38,512,711)	(36,212,854)	(35,633,591)	(31,510,756)	(29,222,669)	(26,734,857)	(25,597,239)	(23,212,116)	(21,706,410)	(21,035,418)
Net change in total pension liability	30,223,711	30,228,615	11,709,809	35,426,566	55,058,592	18,365,496	20,085,824	16,518,906	26,099,996	19,584,899
Total pension liability - beginning	<u>624,160,132</u>	<u>593,931,517</u>	<u>582,221,708</u>	<u>546,795,142</u>	<u>491,736,550</u>	<u>473,371,054</u>	<u>453,285,230</u>	<u>436,766,324</u>	<u>410,666,328</u>	<u>391,081,429</u>
Total pension liability - ending (a)	<u>\$ 654,383,843</u>	<u>\$ 624,160,132</u>	<u>\$ 593,931,517</u>	<u>\$ 582,221,708</u>	<u>\$ 546,795,142</u>	<u>\$ 491,736,550</u>	<u>\$ 473,371,054</u>	<u>\$ 453,285,230</u>	<u>\$ 436,766,324</u>	<u>\$ 410,666,328</u>
Plan fiduciary net position										
Contributions - employer	\$ 11,250,678	\$ 10,868,537	\$ 7,997,146	\$ 9,502,229	\$ 10,112,879	\$ 11,183,843	\$ 9,316,461	\$ 9,681,308	\$ 8,469,935	\$ 6,025,657
Contributions - member	10,086,713	9,319,085	8,489,697	8,104,833	8,213,247	7,875,207	7,678,329	7,452,798	7,116,103	7,151,007
Net investment income	50,896,928	60,790,447	(95,948,898)	76,622,649	63,732,597	79,861,158	(24,915,288)	58,454,730	27,833,529	(6,621,058)
Benefit payments, including refunds of member contributions	(38,512,711)	(36,212,854)	(35,633,591)	(31,510,756)	(29,222,669)	(26,734,857)	(25,597,239)	(23,212,116)	(21,706,410)	(21,035,418)
Administrative expense	(180,441)	(143,946)	(139,457)	(139,042)	(165,160)	(138,916)	(125,761)	(139,070)	(138,328)	(132,597)
Other	-	-	19,198	147,400	-	229,659	38,575	127,168	704,763	54,127
Net change in plan fiduciary net position	33,541,167	44,621,269	(115,215,905)	62,727,313	52,670,894	72,276,094	(33,604,923)	52,364,818	22,279,592	(14,558,282)
Plan fiduciary net position - beginning	<u>521,719,942</u>	<u>477,098,673</u>	<u>592,314,578</u>	<u>529,587,265</u>	<u>476,916,371</u>	<u>404,640,277</u>	<u>438,245,200</u>	<u>385,880,382</u>	<u>363,600,790</u>	<u>378,159,072</u>
Plan fiduciary net position - ending (b)	<u>\$ 555,261,109</u>	<u>\$ 521,719,942</u>	<u>\$ 477,098,673</u>	<u>\$ 592,314,578</u>	<u>\$ 529,587,265</u>	<u>\$ 476,916,371</u>	<u>\$ 404,640,277</u>	<u>\$ 438,245,200</u>	<u>\$ 385,880,382</u>	<u>\$ 363,600,790</u>
County's net pension liability - ending (a) - (b)	<u>\$ 99,122,734</u>	<u>\$ 102,440,190</u>	<u>\$ 116,832,844</u>	<u>\$ (10,092,870)</u>	<u>\$ 17,207,877</u>	<u>\$ 14,820,179</u>	<u>\$ 68,730,777</u>	<u>\$ 15,040,030</u>	<u>\$ 50,885,942</u>	<u>\$ 47,065,538</u>
Plan fiduciary net position as a percentage of the total pension liability	84.85%	83.59%	80.33%	101.73%	96.85%	96.99%	85.48%	96.68%	88.35%	88.54%
Covered payroll	\$ 138,728,572	\$ 125,182,442	\$ 120,171,484	\$ 126,792,620	\$ 123,646,608	\$ 120,116,713	\$ 120,941,257	\$ 117,904,220	\$ 118,689,818	\$ 111,337,938
County's net pension liability as a percentage of covered payroll	71.5 %	81.8 %	97.2 %	(8.0)%	13.9%	12.3%	56.8%	12.8%	42.9%	42.3%

+ Effective 1/1/16: Mortality tables updated to 2013 RP Annuitant and Non-Annuitant and asset valuation method changed to 5-year smoothed fair value.

^ Effective 1/1/18: Change of benefit terms to grant a cost of living increase to retirees.

* Effective 1/1/20: The discount rate decreased from 7.5% to 7.25% and the mortality tables were updated to PubG-2010.

** Effective 1/1/21: The discount rate decreased from 7.25% to 7.00%.

*** Effective 1/1/22: Change of benefit terms to grant a cost of living increase to retirees.

COUNTY OF CHESTER, PENNSYLVANIA
Required Supplementary Information
Schedule of County Pension Contributions
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 11,250,678	\$ 10,868,537	\$ 7,997,146	\$ 9,502,229	\$ 10,112,879	\$ 11,183,843	\$ 9,316,461	\$ 9,681,308	\$ 8,469,935	\$ 6,025,657
Contributions in relation to the actuarially determined contribution	<u>11,250,678</u>	<u>10,868,537</u>	<u>7,997,146</u>	<u>9,502,229</u>	<u>10,112,879</u>	<u>11,183,843</u>	<u>9,316,461</u>	<u>9,681,308</u>	<u>8,469,935</u>	<u>6,025,657</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 138,728,572	\$ 125,182,442	\$ 120,171,484	\$ 126,792,620	\$ 123,646,608	\$ 120,116,713	\$ 120,941,257	\$ 117,904,220	\$ 118,689,818	\$ 111,337,938
Contributions as a percentage of covered payroll	8.11%	8.68%	6.65%	7.49%	8.18%	9.31%	7.70%	8.21%	7.14%	5.41%

Notes to Schedule

Valuation date Jan 1, 2024

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

g

Actuarial cost method	Entry Age
Amortization method	Level Dollar
Remaining amortization period	16 years
Asset valuation period	Fair value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	3.5% average, including inflation
Investment rate of return	7%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females set forward one year with generational mortality improvement using MP20

COUNTY OF CHESTER, PENNSYLVANIA
Required Supplementary Information
Schedule of Pension Investment Returns
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual money-weighted rate of return, net of investment expenses	9.91%	12.95%	(16.83)%	15.06%	13.80%	20.50%	(5.69)%	15.85%	7.96%	(1.57)%

COUNTY OF CHESTER, PENNSYLVANIA
Required Supplementary Information
Schedule of Changes in the County's
Total OPEB Liability
Last Ten Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Beginning Balance	\$ 9,303,000	\$ 8,377,000	\$ 10,802,000	\$ 10,387,000	\$ 9,358,000	\$ 3,796,000	\$ 4,110,000
Service cost	179,000	173,000	299,000	289,000	92,000	89,000	106,000
Interest on OPEB liability	299,000	307,000	220,000	218,000	253,000	151,000	139,000
Effect of plan changes	-	-	-	-	-	4,502,000	-
Effect of liability gains or losses	29,000	-	131,000	-	(65,000)	-	-
Effect of assumption changes or inputs	(1,175,000)	720,000	(2,817,000)	138,000	959,000	1,056,000	(412,000)
Benefit payments	(283,000)	(274,000)	(258,000)	(230,000)	(210,000)	(236,000)	(147,000)
Net Changes	(951,000)	926,000	(2,425,000)	415,000	1,029,000	5,562,000	(314,000)
Ending Balance	\$ 8,352,000	\$ 9,303,000	\$ 8,377,000	\$ 10,802,000	\$ 10,387,000	\$ 9,358,000	\$ 3,796,000
Covered-employee payroll	144,429,000	118,869,000	114,849,000	110,005,000	111,721,000	112,501,000	108,697,000
Net OPEB liability as a percentage of employee-covered payroll	6%	8%	7%	10%	9%	8%	3%

Changes to assumptions:

- 2024 - The discount rate increased from 3.3% to 4.08%.
- 2023 - The discount rate decreased from 3.7% to 3.3%.
- 2022 - The discount rate increased from 2.06% to 3.7%, the Per capita claims costs were updated and the mortality assumption has been updated from the RP-2014 Mortality Tables with Mortality Improvement Projection Scale MP2020 to the PubG-H2010 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2021 from 2010 base year and projected forward on a generational basis with Scale MP-2021.
- 2021 - The discount rate decreased from 2.1% to 2.06%.
- 2020 - The discount rate decreased from 2.7% to 2.1%, the inflation rate decreased from 2.3% to 2.2% and the mortality assumptions has been updated from the RP-2014 Mortality Tables with Mortality Improvement Project Scale MP-2018 to RP-2014 Mortality Tables with Mortality Improvement Project Scale MP-2020.
- 2019 - The discount rate decreased from 4.1% to 2.7%.
- 2018 - The discount rate is 4.1%, the inflation rate is 2.3%, the actuarial cost method has been updated from the Projection Unit Credit cost method to the Entry Age Normal cost method and the mortality assumptions has been updated from the RP-2000 Mortality Tables with Mortality Improvement Projection Scale AA to the PR-2015 Mortality Tables with Mortality Improvement Project Scale MP-2018.

No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement 75.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

COUNTY OF CHESTER, PENNSYLVANIA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Taxes:				
Real estate	\$ 128,297,300	\$ 128,297,300	\$ 127,603,766	\$ (693,534)
Personal property	-	-	1,577	1,577
Licenses and permits	2,035,225	2,035,225	2,039,111	3,886
General grants	6,008,011	8,352,095	7,507,830	(844,265)
Health and welfare grants	10,358,933	12,148,145	12,033,172	(114,973)
Departmental earnings	13,600,850	13,629,980	13,799,825	169,845
Court costs and fines	3,902,315	3,902,315	4,397,761	495,446
Interest and rent	5,959,476	6,027,934	5,866,840	(161,094)
Other	5,534,466	6,290,489	6,335,607	45,118
Total revenues	175,696,576	180,683,483	179,585,489	(1,097,994)
Expenditures:				
Current:				
General government				
Commissioners	1,233,007	1,468,907	1,468,070	837
Finance	1,171,257	1,171,257	1,163,116	8,141
Coatesville revitalization	202,965	202,965	137,128	65,837
Human resources	1,318,297	1,318,297	1,284,129	34,168
Procurement & general services	1,568,651	1,568,651	1,562,443	6,208
Public information	421,922	460,280	460,066	214
Strategic Planning	204,357	227,357	224,476	2,881
Voter services	5,958,747	6,437,000	6,090,284	346,716
Assessment	3,012,659	3,012,659	2,906,118	106,541
Treasurer	1,274,444	1,274,444	1,030,283	244,161
Controller	2,251,145	2,281,859	2,281,858	1
Solicitor	1,068,448	1,068,448	953,766	114,682
Public defender	5,190,000	5,291,815	5,179,685	112,130
Recorder of deeds	1,564,920	1,564,920	1,382,672	182,248
Facilities management	5,403,715	5,367,398	4,982,129	385,269
DCIS	13,795,862	12,596,862	12,587,589	9,273
Archives	494,494	494,494	490,493	4,001
Veterans affairs	515,751	530,751	486,483	44,268
Non-departmental	7,473,393	6,835,043	6,536,159	298,884
	54,124,034	53,173,407	51,206,947	1,966,460
Reimbursable costs				
Allocated costs	(2,206,072)	(2,206,072)	(2,206,072)	-
Indirect costs	(8,864,502)	(8,864,502)	(8,856,900)	(7,602)
Maintenance in lieu of rent	(1,978,373)	(1,978,373)	(1,978,217)	(156)
	(13,048,947)	(13,048,947)	(13,041,189)	(7,758)

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Judicial				
Justice center	1,712,372	1,757,742	1,678,547	79,195
Court administration	7,355,031	7,408,611	7,236,823	171,788
Court reporters	1,934,362	1,990,352	1,989,879	473
District justices	5,490,573	5,505,573	5,165,197	340,376
Clerk of courts	1,703,372	1,728,126	1,728,126	-
Constables	1,100,000	1,400,000	1,378,305	21,695
Coroner	1,729,087	2,004,325	1,953,169	51,156
District attorney	13,306,018	13,474,065	12,917,059	557,006
Prothonotary	1,610,578	1,629,579	1,597,365	32,214
Register of wills	1,012,996	1,012,996	921,592	91,404
Sheriff	6,939,853	6,933,967	6,836,365	97,602
	<u>43,894,242</u>	<u>44,845,336</u>	<u>43,402,428</u>	<u>1,442,908</u>
Public safety				
Emergency services	6,807,090	8,058,514	7,306,225	752,289
	<u>6,807,090</u>	<u>8,058,514</u>	<u>7,306,225</u>	<u>752,289</u>
Corrections				
Prison	36,867,292	37,034,930	37,055,979	(21,049)
Adult probation	9,504,691	10,484,215	10,389,285	94,930
Juvenile probation	5,525,530	5,613,426	5,611,568	1,858
	<u>51,897,513</u>	<u>53,132,571</u>	<u>53,056,831</u>	<u>75,740</u>
Human services				
Health department	15,459,919	16,874,435	14,928,081	1,946,354
	<u>15,459,919</u>	<u>16,874,435</u>	<u>14,928,081</u>	<u>1,946,354</u>
Conservation and development				
Planning	3,805,298	3,900,839	3,778,044	122,795
Water resources	547,942	625,703	628,745	(3,042)
Open space preservation	686,768	716,676	714,536	2,140
Soil conservation	1,999,354	2,009,234	2,009,233	1
	<u>7,039,362</u>	<u>7,252,452</u>	<u>7,130,559</u>	<u>121,893</u>
Capital outlay:				
Other	171,129	776,001	774,125	1,876
Debt service:				
Principal	1,880,316	1,725,896	1,673,910	51,986
Interest	179,418	163,803	151,986	11,817
	<u>2,230,863</u>	<u>2,665,700</u>	<u>2,600,021</u>	<u>65,679</u>
Total expenditures	<u>168,404,076</u>	<u>172,953,468</u>	<u>166,589,903</u>	<u>6,363,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,292,500</u>	<u>7,730,015</u>	<u>12,995,586</u>	<u>5,265,571</u>

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Other financing sources (uses):				
Transfers in	4,273,428	39,122,570	35,396,061	(3,726,509)
Transfers out	(21,246,005)	(55,408,629)	(55,287,754)	120,875
Vehicle lease	-	-	552,037	552,037
Sale of capital assets	4,000	4,000	50,176	46,176
Total other financing sources (uses)	(16,968,577)	(16,282,059)	(19,289,480)	(3,007,421)
Net change in fund balances	(9,676,077)	(8,552,044)	(6,293,894)	2,258,150
Fund balances:				
Beginning of year	-	78,052,596	78,052,596	-
End of year	\$ (9,676,077)	\$ 69,500,552	\$ 71,758,702	\$ 2,258,150

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
Community Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 16,474,209	\$ 16,190,495	\$ 9,376,285	\$ (6,814,210)
Health and welfare grants	5,795,645	5,826,359	3,213,189	(2,613,170)
Departmental earnings	1,155,371	1,155,371	764,238	(391,133)
Interest and rent	95,000	170,000	10,311	(159,689)
Other	564,776	719,181	550,659	(168,522)
Total revenues	24,085,001	24,061,406	13,914,682	(10,146,724)
Expenditures:				
Current:				
Human services	24,022,144	23,716,180	13,396,598	10,319,582
Total expenditures	24,022,144	23,716,180	13,396,598	10,319,582
Excess (deficiency) of revenues over (under) expenditures	62,857	345,226	518,084	172,858
Other financing sources (uses):				
Transfers in	187,461	211,056	62,379	(148,677)
Transfers out	(250,318)	(556,282)	(555,782)	500
Total other financing sources (uses)	(62,857)	(345,226)	(493,403)	(148,177)
Net change in fund balances	-	-	24,681	24,681
Fund balances:				
Beginning of year	-	1,404,411	1,404,411	-
End of year	\$ -	\$ 1,404,411	\$ 1,429,092	\$ 24,681

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
American Rescue Plan Act Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
General grants	\$ 21,007,082	\$ 70,207,082	\$ 55,280,507	\$ (14,926,575)
Interest and rent	-	4,100,000	5,601,812	1,501,812
Total revenues	21,007,082	74,307,082	60,882,319	(13,424,763)
Expenditures:				
Current:				
General government	12,510,520	10,469,761	9,413,005	1,056,756
Judicial	688,243	710,943	211,975	498,968
Corrections	32,577	167,616	156,269	11,347
Human services	3,920,593	3,920,593	3,021,218	899,375
Culture and recreation	-	290,000	-	290,000
Capital outlay:				
Other	1,911,692	18,573,622	8,161,016	10,412,606
Total expenditures	19,063,625	34,132,535	20,963,483	13,169,052
Excess (deficiency) of revenues over (under) expenditures	1,943,457	40,174,547	39,918,836	(255,711)
Other financing sources (uses):				
Transfers out	(1,943,457)	(40,174,547)	(38,417,023)	1,757,524
Total other financing sources (uses)	(1,943,457)	(40,174,547)	(38,417,023)	1,757,524
Net change in fund balances	-	-	1,501,813	1,501,813
Fund balances:				
Beginning of year	-	2,243,363	2,243,363	-
End of year	\$ -	\$ 2,243,363	\$ 3,745,176	\$ 1,501,813

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
Managed Behavioral Health Care Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Health and welfare grants	\$ 120,436,637	\$ 120,436,637	\$ 103,658,574	\$ (16,778,063)
Interest and rent	204,000	204,000	-	(204,000)
Total revenues	120,640,637	120,640,637	103,658,574	(16,982,063)
Expenditures:				
Current:				
Human services	119,338,015	119,338,015	102,829,533	16,508,482
Total expenditures	119,338,015	119,338,015	102,829,533	16,508,482
Excess (deficiency) of revenues over (under) expenditures	1,302,622	1,302,622	829,041	(473,581)
Other financing sources (uses):				
Transfers in	1,912	1,912	1,359	(553)
Transfers out	(1,304,534)	(1,304,534)	(830,400)	474,134
Total other financing sources (uses)	(1,302,622)	(1,302,622)	(829,041)	473,581
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
Drug and Alcohol Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 104,414	\$ 116,847	\$ 112,827	\$ (4,020)
Health and welfare grants	5,359,878	7,690,707	6,879,980	(810,727)
Court costs and fines	1,625,982	1,625,982	206,462	(1,419,520)
Interest and rent	85,876	85,876	222,461	136,585
Other	4,379,022	4,379,022	5,962,917	1,583,895
Total revenues	11,555,172	13,898,434	13,384,647	(513,787)
Expenditures:				
Current:				
Human services	11,648,756	13,972,696	9,633,542	4,339,154
Total expenditures	11,648,756	13,972,696	9,633,542	4,339,154
Excess (deficiency) of revenues over (under) expenditures	(93,584)	(74,262)	3,751,105	3,825,367
Other financing sources (uses):				
Transfers in	680,716	747,383	639,070	(108,313)
Transfers out	(587,132)	(673,121)	(358,512)	314,609
Total other financing sources (uses)	93,584	74,262	280,558	206,296
Net change in fund balances	-	-	4,031,663	4,031,663
Fund balances:				
Beginning of year	-	1,979,338	1,979,338	-
End of year	\$ -	\$ 1,979,338	\$ 6,011,001	\$ 4,031,663

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
Notes to Required Supplementary Information
December 31, 2024

Budgetary Information

The County follows these procedures in developing its budget:

The County Code, Act of August 9, 1955 (P.L.323, No. 130), as amended, requires that the annual budget be adopted no later than December 31 for the succeeding fiscal year beginning January 1. The Code also requires that the proposed budget be available for public inspection at least twenty days prior to the date set for adoption.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and business type funds with an exception of Commissary fund.

County department heads are required to submit operating and capital expenditure budget requests and revenue estimates to the Finance Department by June 30. The requested budgets are submitted by category of expenditure or revenue in accordance with the account structure established in the County's financial system and also by major program or activity to enhance stakeholders' understanding of County services and to aid the Board of Commissioners in implementing program priorities.

During July and August, the Finance Department and County senior staff meet with department heads to review budget requests. Review meetings are followed by public work sessions at which selected departments are asked to present their program budgets to the Commissioners.

No later than October 31, the proposed budget is available for public inspection. A public budget hearing is held during November and the budget adopted no later than the statutory deadline.

During the course of the year, departmental needs and priorities may change, emergencies may occur or additional revenue may arise. As a result, funds may need to be transferred within a department's budget, additional revenues recognized or the expenditure budget increased.

Budgets may be adjusted by either a budget amendment or by an internal budget transfer. A budget amendment is necessary when a supplemental appropriation increases a department's total appropriation by recognizing additional revenue sources, a transfer from another fund, a transfer within a fund from the unappropriated contingency line item or a transfer from one department to another department within a fund. Budget amendments are initiated by the departments, reviewed/approved by the finance department, Chief Executive Officer, Chief Operating Officer and finally approved by the Commissioners.

An internal budget transfer is necessary anytime a request is made to move funds from one line to another without changing the total appropriation for that department. Internal transfers are initiated by the departments, reviewed/approved by the finance department and finally approved by Chief Executive Officer and Chief Operating Officer.

Any appropriations which are unspent at the end of the year lapse into fund balance. During the next year, the Commissioners approve the necessary budget amendments for roll-forward amounts of federal and state grants and multi-year capital projects.

The County's approved budget is published on the website every year, here is the link, <https://www.chesco.org/220/Finance>.

Supplementary Information



COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Nonmajor Governmental Funds

Domestic Relations Fund

Operations of the County Domestic Relations Program. Financing is provided by the federal government.

Liquid Fuels Fund

Maintenance and construction of County bridges. Financing is provided by the County's share of state gasoline taxes and federal grants.

Parks and Recreation Fund

Operations of the County's parks and provision of recreation programs. Financing is primarily provided by designated real estate taxes.

Public Safety Communications Fund

Operation and administration of 9-1-1 emergency telephone system for the County. Financing is provided by a surcharge levied on telephone bills.

Library Fund

Operations and administration of the County's Library system. Financing is provided by state grants and designated real estate taxes.

Hotel Tax Fund

The Hotel Tax Fund assesses and collects taxes to be used by the Chester County Conference and Visitors Bureau. As per GASB 84 this fund is now presented as a Special Revenue Fund.

Workforce Development Fund

This fund administers the workforce development services. Financing is provided by federal and state grants.

Human Services Fund

Operation and administration of the Human Services Program. Financing is provided by state and federal grants, a General Fund appropriation, and program income.

Mental Health / Intellectual & Developmental Disabilities Fund (MH/IDD)

This fund is for the operations and administration of the County MH/IDD program. Financing is provided by state and federal grants with an appropriation from the County General Fund.

Office of Aging Fund

Operations and administration of the County Senior Citizens Program. Financing is provided by private contributions, state and federal grants, and a matching appropriation from the County General Fund.

Children, Youth & Families Fund (CYF)

This fund is for the operations and administration of the County CYF program. Financing is provided by state and federal grants with an appropriation from the County General Fund. The General Fund also finances costs in excess of state funding ceilings. This fund was formerly reported as a major fund in 2023 which resulted in change to or within the Financial Reporting Entity in 2024 as per GASB 100.

COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Nonmajor Governmental Funds, continued

Community Transit

The Community Transit program specializes in door-to-door shared ride transportation for residents of Chester County. In 2023 Community Transit's original budget was part of the Human Services Fund. In April of 2023 the Community Transit Fund was established and the funds allocated in Human Services for Community Services were transferred.

Capital Improvement Fund

Projects for the acquisition and/or construction of assets with an extended useful life are financed through the issuance of general obligation notes and bonds. This fund was formerly reported as a major fund in 2023 which resulted in change to or within the Financial Reporting Entity in 2024 as per GASB 100.

Commissary Services Fund

The Commissary store located in the prison facilitates the inmates to purchase certain basic products. As per GASB 84 this fund is now presented as a Special Revenue Fund and has no budget in 2024.

COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Major Governmental Funds

General Fund

This fund is the County's primary operating fund. It accounts for the general operating activities of the County, except for those accounted for in another fund. The general tax revenues of the County as well as other resources received and not designated for a special purpose are accounted for in the General Fund.

Community Development Fund

This fund operates and administers the Housing and Community Development programs. Financing is provided by federal and state grants.

American Rescue Plan Act

This fund represents the federal coronavirus rescue package designed to facilitate the recovery from the devastating economic and health effects of the COVID-19 pandemic.

Managed Behavioral Healthcare Fund

This fund is for the operations and administration of the County's medical assistance funded mental health and drug and alcohol programs. Financing is provided by state and federal grants and program income.

Drug and Alcohol Fund

Operations and administration of the County Drug and Alcohol Program. Financing is provided by state and federal grants with a matching appropriation from the County General Fund. This fund was formerly reported as a non-major fund in 2023 which resulted in change to or within the Financial Reporting Entity in 2024 as per GASB 100.

Capital Reserve Fund

Certain capital expenditures financed by Debt Service transfer and federal and state grants. This fund was formerly reported as a non-major fund in 2023 which resulted in change to or within the Financial Reporting Entity in 2024 as per GASB 100.

Debt Service

Maintained for the accumulation of resources for the payment of principal and interest on general obligation long-term debt. Financing is primarily provided by designated real estate taxes.

COUNTY OF CHESTER, PENNSYLVANIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Domestic Relations	Liquid Fuels	Parks and Recreation	Public Safety Communications
Assets:				
Cash and cash equivalents	\$ 200	\$ 234,179	\$ 3,658,067	\$ -
Taxes receivable	-	-	92,350	-
Grants receivable	1,279,531	-	-	20,038
Interest and dividends receivable	-	-	-	-
Other receivables	-	-	361,889	3,184,389
Prepays	-	-	37,135	45,801
Advances to subcontractors	-	-	-	-
Restricted cash and cash equivalents	-	-	480,236	-
Total assets	\$ 1,279,731	\$ 234,179	\$ 4,629,677	\$ 3,250,228
Liabilities, deferred inflow of resources, and fund balances:				
Liabilities:				
Vouchers and accounts payable	\$ 77	\$ 219,412	\$ 121,428	\$ 91,683
Accrued liabilities	193,278	14,767	130,422	341,709
Unearned grant revenue	-	-	-	-
Other unearned revenue	-	-	7,460	-
Funds held in escrow	-	-	4,305	-
Due to other funds	536,376	-	-	2,816,836
Due to other governments	-	-	-	-
Total liabilities	729,731	234,179	263,615	3,250,228
Deferred inflow of resources:				
Unavailable real estate taxes	-	-	73,986	-
Total deferred inflow of resources	-	-	73,986	-
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	45,801
Hatfield trust endowment principal	-	-	342,799	-
Restricted:				
Capital projects	-	-	-	-
Agricultural easement	-	-	-	-
Act 13 - impact fee revenues	-	-	-	-
Child support enforcement	550,000	-	-	-
Hatfield trust - spendable	-	-	290,297	-
Inmate welfare	-	-	-	-
Assigned:				
Upkeep of county parks	-	-	3,658,980	-
Upkeep of county libraries	-	-	-	-
Unassigned				
Undesignated	-	-	-	(45,801)
Total fund balances	550,000	-	4,292,076	-
Total liabilities, deferred inflow of resources and fund balances	\$ 1,279,731	\$ 234,179	\$ 4,629,677	\$ 3,250,228

Library	Hotel Tax	Workforce Development	Human Services	MH/IDD	Aging	Children, Youth and Families	Community Transit
\$ 1,968,851	\$ 485,981	\$ -	\$ 1,103,680	\$ 4,306,775	\$ 1,502,132	\$ 12,000	\$ -
163,954	479,735	-	-	-	-	-	-
-	-	1,474,500	90,003	1,808,417	245,387	9,358,297	3,094,542
-	-	-	-	-	-	-	-
385	-	43,923	-	-	8,165	154,069	37,740
-	-	-	-	-	-	-	-
-	-	-	-	-	55,066	-	-
-	-	-	-	-	-	-	-
\$ 2,133,190	\$ 965,716	\$ 1,518,423	\$ 1,193,683	\$ 6,115,192	\$ 1,810,750	\$ 9,524,366	\$ 3,132,282
\$ 52,795	\$ 892,276	\$ 568,690	\$ 161,619	\$ 2,415,655	\$ 299,063	\$ 3,255,370	\$ 1,796,290
216,445	-	31,582	51,809	273,871	108,348	453,441	192,879
-	-	272,391	5,623	3,425,666	1,302,339	321,992	-
-	-	-	974,632	-	101,000	7,363	43,729
3,000	73,440	-	-	-	-	-	-
-	-	556,730	-	-	-	5,481,707	1,099,384
-	-	89,030	-	-	-	4,493	-
272,240	965,716	1,518,423	1,193,683	6,115,192	1,810,750	9,524,366	3,132,282
134,705	-	-	-	-	-	-	-
134,705	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,726,245	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,726,245	-	-	-	-	-	-	-
\$ 2,133,190	\$ 965,716	\$ 1,518,423	\$ 1,193,683	\$ 6,115,192	\$ 1,810,750	\$ 9,524,366	\$ 3,132,282

COUNTY OF CHESTER, PENNSYLVANIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Capital Improvement	Commissary Services	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 13,271,865
Taxes receivable	-	-	736,039
Grants receivable	261,916	-	17,632,631
Interest and dividends receivable	6,896	-	6,896
Other receivables	42,640	-	3,833,200
Prepays	-	-	82,936
Advances to subcontractors	-	-	55,066
Restricted cash and cash equivalents	16,043,471	3,153,210	19,676,917
Total assets	\$ 16,354,923	\$ 3,153,210	\$ 55,295,550
Liabilities, deferred inflow of resources, and fund balances:			
Liabilities:			
Vouchers and accounts payable	\$ 1,177,916	\$ -	\$ 11,052,274
Accrued liabilities	-	-	2,008,551
Unearned grant revenue	-	-	5,328,011
Other unearned revenue	18,750	-	1,152,934
Funds held in escrow	-	-	80,745
Due to other funds	1,736,620	-	12,227,653
Due to other governments	10,000	-	103,523
Total liabilities	2,943,286	-	31,953,691
Deferred inflow of resources:			
Unavailable real estate taxes	-	-	208,691
Total deferred inflow of resources	-	-	208,691
Fund balances:			
Nonspendable:			
Prepaid items	-	-	45,801
Hatfield trust endowment principal	-	-	342,799
Restricted:			
Capital projects	12,789,329	-	12,789,329
Agricultural easement	594,540	-	594,540
Act 13 - impact fee revenues	27,768	-	27,768
Child support enforcement	-	-	550,000
Hatfield trust - spendable	-	-	290,297
Inmate welfare	-	3,153,210	3,153,210
Assigned:			
Upkeep of county parks	-	-	3,658,980
Upkeep of county libraries	-	-	1,726,245
Unassigned			
Undesignated	-	-	(45,801)
Total fund balances	13,411,637	3,153,210	23,133,168
	\$ 16,354,923	\$ 3,153,210	\$ 55,295,550

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COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	<u>Domestic Relations</u>	<u>Liquid Fuels</u>	<u>Parks and Recreation</u>	<u>Public Safety Communications</u>	<u>Library</u>
Revenues:					
Taxes:					
Real estate	\$ -	\$ -	\$ 4,942,651	\$ -	\$ 7,833,962
Hotel	-	-	-	-	-
General grants	-	911,859	-	264,528	549
Health and welfare grants	4,830,105	-	-	-	-
Departmental earnings	2,028	-	110,470	12,455,320	-
Court costs and fines	13,279	-	-	-	-
Interest and rent	-	4,321	447,995	266,026	238,997
Other	-	-	1,634,452	1,419	20
Total revenues	<u>4,845,412</u>	<u>916,180</u>	<u>7,135,568</u>	<u>12,987,293</u>	<u>8,073,528</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Judicial	6,992,765	-	-	-	-
Public safety	-	-	-	17,341,393	-
Corrections	-	-	-	-	-
Public works	-	1,224,593	-	-	-
Human services	-	-	-	-	-
Culture and recreation	-	-	5,620,599	-	8,724,521
Conservation and development	-	-	-	-	-
Capital outlay:					
Other	-	143,222	186,668	2,719,132	15,320
Debt Service:					
Principal	10,240	17,381	77,871	1,202,894	24,009
Interest	677	3,679	19,340	515,482	5,648
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>7,003,682</u>	<u>1,388,875</u>	<u>5,904,478</u>	<u>21,778,901</u>	<u>8,769,498</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,158,270)</u>	<u>(472,695)</u>	<u>1,231,090</u>	<u>(8,791,608)</u>	<u>(695,970)</u>
Other financing sources (uses):					
Issuance of G.O. Bonds	-	-	-	-	-
Premium on bond issue	-	-	-	-	-
Transfers in	2,258,270	390,433	-	6,072,476	-
Transfers out	-	-	-	-	(21,881)
Vehicle lease	-	82,262	108,086	-	15,320
Tower lease	-	-	-	2,719,132	-
Sale of capital assets	-	-	5,821	-	2,055
Total other financing sources (uses)	<u>2,258,270</u>	<u>472,695</u>	<u>113,907</u>	<u>8,791,608</u>	<u>(4,506)</u>
Net change in fund balances	<u>100,000</u>	<u>-</u>	<u>1,344,997</u>	<u>-</u>	<u>(700,476)</u>
Fund balances:					
Beginning of year as previously presented	450,000	-	2,947,079	-	2,426,721
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-
Fund balances, as adjusted or restated	<u>450,000</u>	<u>-</u>	<u>2,947,079</u>	<u>-</u>	<u>2,426,721</u>
Fund balance	<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ 4,292,076</u>	<u>\$ -</u>	<u>\$ 1,726,245</u>

<u>Hotel Tax</u>	<u>Workforce Development</u>	<u>Human Services</u>	<u>MH/IDD</u>	<u>Aging</u>	<u>Drug and Alcohol</u>	<u>Children. Youth and Families</u>	<u>Community Transit</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,627,221	-	-	-	-	-	-	-
-	5,106,287	66,040	-	6,535,424	-	-	2,602,147
-	929,694	694,648	36,067,609	-	-	28,320,787	7,099,761
-	-	158,049	-	-	-	693,730	166,586
-	-	-	-	-	-	-	-
-	-	32,985	300,396	63,212	-	-	-
9	194,508	-	2,625	275,437	-	40	408,640
5,627,230	6,230,489	951,722	36,370,630	6,874,073	-	29,014,557	10,277,134
5,627,230	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	6,479,132	2,077,882	38,457,431	6,996,954	-	37,423,068	7,671,036
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	232,577	2,644,347
-	-	-	-	-	-	-	-
-	-	-	-	-	-	11,048	-
-	-	-	-	-	-	1,882	-
-	-	-	-	-	-	-	-
5,627,230	6,479,132	2,077,882	38,457,431	6,996,954	-	37,668,575	10,315,383
-	(248,643)	(1,126,160)	(2,086,801)	(122,881)	-	(8,654,018)	(38,249)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	305,000	1,210,916	2,576,727	304,504	-	10,058,089	214,738
-	(56,357)	(84,756)	(489,926)	(181,623)	-	(1,428,208)	(176,489)
-	-	-	-	-	-	24,137	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	248,643	1,126,160	2,086,801	122,881	-	8,654,018	38,249
-	-	-	-	-	-	-	-
-	-	-	-	-	1,979,338	-	-
-	-	-	-	-	(1,979,338)	-	-
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2024

	Capital Reserve	Capital Improvement	Commissary Services	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Real estate	\$ -	\$ -	\$ -	\$ 12,776,613
Hotel	-	-	-	5,627,221
General grants		545,736	-	16,032,570
Health and welfare grants	-	-	-	77,942,604
Departmental earnings	-	-	1,556,756	15,142,939
Court costs and fines	-	-	-	13,279
Interest and rent	-	889,250	155,702	2,398,884
Other	-	-	10,571	2,527,721
Total revenues	-	1,434,986	1,723,029	132,461,831
Expenditures:				
Current:				
General government	-	-	-	5,627,230
Judicial	-	-	-	6,992,765
Public safety	-	-	-	17,341,393
Corrections	-	-	1,825,018	1,825,018
Public works	-	-	-	1,224,593
Human services	-	2,161,709	-	101,267,212
Culture and recreation	-	17,480	-	14,362,600
Conservation and development	-	5,789,641	-	5,789,641
Capital outlay:				
Other	-	3,340,003	-	9,281,269
Debt Service:				
Principal	-	-	-	1,343,443
Interest	-	-	-	546,708
Debt issuance costs	-	209,850	-	209,850
Total expenditures	-	11,518,683	1,825,018	165,811,722
Excess (deficiency) of revenues over (under) expenditures	-	(10,083,697)	(101,989)	(33,349,891)
Other financing sources (uses):				
Issuance of G.O. Bonds	-	21,880,000	-	21,880,000
Premium on bond issue	-	2,838,025	-	2,838,025
Transfers in	-	100,000	-	23,491,153
Transfers out	-	(1,974,560)	-	(4,413,800)
Vehicle lease	-	-	-	229,805
Tower lease	-	-	-	2,719,132
Sale of capital assets	-	-	-	7,876
Total other financing sources (uses)	-	22,843,465	-	46,752,191
Net change in fund balances	-	12,759,768	(101,989)	13,402,300
Fund balances:				
Beginning of year as previously presented	26,483,646	-	3,255,199	37,541,983
Change within financial reporting entity (nonmajor to major fund)	(26,483,646)	651,869	-	(27,811,115)
Fund balances, as adjusted or restated	-	651,869	3,255,199	9,730,868
Fund balance	\$ -	\$ 13,411,637	\$ 3,153,210	\$ 23,133,168

COUNTY OF CHESTER, PENNSYLVANIA
Domestic Relations Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Health and welfare grants	\$ 4,737,575	\$ 4,737,575	\$ 4,830,105	\$ 92,530
Departmental earnings	2,000	2,000	2,028	28
Court costs and fines	10,000	10,000	13,279	3,279
Total revenues	4,749,575	4,749,575	4,845,412	95,837
Expenditures:				
Current:				
Judicial	6,997,598	7,002,257	6,992,765	9,492
Debt service:				
Principal	14,330	10,241	10,240	1
Interest	1,249	679	677	2
Total expenditures	7,013,177	7,013,177	7,003,682	9,495
Excess (deficiency) of revenues over (under) expenditures	(2,263,602)	(2,263,602)	(2,158,270)	105,332
Other financing sources (uses):				
Transfers in	2,263,602	2,263,602	2,258,270	(5,332)
Total other financing sources (uses)	2,263,602	2,263,602	2,258,270	(5,332)
Net change in fund balances	-	-	100,000	100,000
Fund balances:				
Beginning of year	-	450,000	450,000	-
End of year	\$ -	\$ 450,000	\$ 550,000	\$ 100,000

COUNTY OF CHESTER, PENNSYLVANIA
Liquid Fuels Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 985,000	\$ 985,000	\$ 911,859	\$ (73,141)
Interest and rent	4,305	4,305	4,321	16
Total revenues	989,305	989,305	916,180	(73,125)
Expenditures:				
Current:				
Public works	1,392,393	1,361,086	1,224,593	136,493
Capital outlay:				
Other	16,870	143,223	143,222	1
Debt service:				
Principal	37,865	26,236	17,381	8,855
Interest	6,679	5,525	3,679	1,846
Total expenditures	1,453,807	1,536,070	1,388,875	147,195
Excess (deficiency) of revenues over (under) expenditures	(464,502)	(546,765)	(472,695)	74,070
Other financing sources (uses):				
Transfers in	464,502	464,502	390,433	(74,069)
Vehicle lease	-	82,263	82,262	(1)
Total other financing sources (uses)	464,502	546,765	472,695	(74,070)
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Parks and Recreation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Taxes:				
Real estate	\$ 4,942,535	\$ 4,942,535	\$ 4,942,651	\$ 116
Departmental earnings	69,150	69,150	110,470	41,320
Interest and rent	418,983	418,983	447,995	29,012
Other	1,426,800	1,426,800	1,634,452	207,652
Total revenues	6,857,468	6,857,468	7,135,568	278,100
Expenditures:				
Current:				
Culture and recreation	6,649,087	6,668,957	5,620,599	1,048,358
Capital outlay:				
Other	4,700	188,752	186,668	2,084
Debt service:				
Principal	173,877	88,846	77,871	10,975
Interest	29,804	19,001	19,340	(339)
Total expenditures	6,857,468	6,965,556	5,904,478	1,061,078
Excess (deficiency) of revenues over (under) expenditures	-	(108,088)	1,231,090	1,339,178
Other financing sources (uses):				
Vehicle lease	-	108,088	108,086	(2)
Sale of capital assets	-	-	5,821	5,821
Total other financing sources (uses)	-	108,088	113,907	5,819
Net change in fund balances	-	-	1,344,997	1,344,997
Fund balances:				
Beginning of year	-	2,947,079	2,947,079	-
End of year	\$ -	\$ 2,947,079	\$ 4,292,076	\$ 1,344,997

COUNTY OF CHESTER, PENNSYLVANIA
Public Safety Communications Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ -	\$ 246,397	\$ 264,528	\$ 18,131
Departmental earnings	12,208,600	12,208,600	12,455,320	246,720
Interest and rent	250,000	250,000	266,026	16,026
Other	2,500	2,500	1,419	(1,081)
Total revenues	12,461,100	12,707,497	12,987,293	279,796
Expenditures:				
Current:				
Public safety	16,073,081	17,049,768	17,341,393	(291,625)
Capital outlay:				
Other	-	-	2,719,132	(2,719,132)
Debt service:				
Principal	1,214,450	1,205,926	1,202,894	3,032
Interest	521,652	524,280	515,482	8,798
Total expenditures	17,809,183	18,779,974	21,778,901	(2,998,927)
Excess (deficiency) of revenues over (under) expenditures	(5,348,083)	(6,072,477)	(8,791,608)	(2,719,131)
Other financing sources (uses):				
Transfers in	5,348,083	6,072,477	6,072,476	(1)
Tower lease	-	-	2,719,132	2,719,132
Total other financing sources (uses)	5,348,083	6,072,477	8,791,608	2,719,131
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Library Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Taxes:				
Real estate	\$ 7,849,078	\$ 7,849,078	\$ 7,833,962	\$ (15,116)
General grants	-	-	549	549
Interest and rent	286,331	286,331	238,997	(47,334)
Other	150	150	20	(130)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>8,135,559</u>	<u>8,135,559</u>	<u>8,073,528</u>	<u>(62,031)</u>
Expenditures:				
Current:				
Culture and recreation	8,825,870	8,829,172	8,724,521	104,651
Capital outlay:				
Other	-	19,814	15,320	4,494
Debt service:				
Principal	23,378	24,013	24,009	4
Interest	3,504	5,651	5,648	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenditures	<u>8,852,752</u>	<u>8,878,650</u>	<u>8,769,498</u>	<u>109,152</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(717,193)</u>	<u>(743,091)</u>	<u>(695,970)</u>	<u>47,121</u>
Other financing sources (uses):				
Transfers out	(30,000)	(23,916)	(21,881)	2,035
Vehicle lease	-	19,814	15,320	(4,494)
Sale of capital assets	-	-	2,055	2,055
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total other financing				
sources (uses)	<u>(30,000)</u>	<u>(4,102)</u>	<u>(4,506)</u>	<u>(404)</u>
Net change in fund balances	<u>(747,193)</u>	<u>(747,193)</u>	<u>(700,476)</u>	<u>46,717</u>
Fund balances:				
Beginning of year	-	2,426,721	2,426,721	-
End of year	<u>\$ (747,193)</u>	<u>\$ 1,679,528</u>	<u>\$ 1,726,245</u>	<u>\$ 46,717</u>

COUNTY OF CHESTER, PENNSYLVANIA
Hotel Tax Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
Revenues:				
Hotel	\$ 5,125,000	\$ 5,750,000	\$ 5,627,221	\$ (122,779)
Other	-	-	9	9
Total revenues	5,125,000	5,750,000	5,627,230	(122,770)
Expenditures:				
Current:				
General government	5,125,000	5,750,000	5,627,230	122,770
Total expenditures	5,125,000	5,750,000	5,627,230	122,770
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Workforce Development Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 5,476,022	\$ 6,268,353	\$ 5,106,287	\$ (1,162,066)
Health and welfare grants	948,248	948,248	929,694	(18,554)
Other	138,500	138,500	194,508	56,008
Total revenues	6,562,770	7,355,101	6,230,489	(1,124,612)
Expenditures:				
Current:				
Human services	6,524,309	7,330,857	6,479,132	851,725
Total expenditures	6,524,309	7,330,857	6,479,132	851,725
Excess (deficiency) of revenues over (under) expenditures	38,461	24,244	(248,643)	(272,887)
Other financing sources (uses):				
Transfers in	-	32,609	305,000	272,391
Transfers out	(38,461)	(56,853)	(56,357)	496
Total other financing sources (uses)	(38,461)	(24,244)	248,643	272,887
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Human Services Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 32,000	\$ 32,000	\$ 66,040	\$ 34,040
Health and welfare grants	789,758	789,758	694,648	(95,110)
Departmental earnings	-	-	158,049	158,049
Interest and rent	28,750	28,750	32,985	4,235
Total revenues	850,508	850,508	951,722	101,214
Expenditures:				
Current:				
Human services	2,311,566	2,225,447	2,077,882	147,565
Total expenditures	2,311,566	2,225,447	2,077,882	147,565
Excess (deficiency) of revenues over (under) expenditures	(1,461,058)	(1,374,939)	(1,126,160)	248,779
Other financing sources (uses):				
Transfers in	1,462,058	1,462,058	1,210,916	(251,142)
Transfers out	(1,000)	(87,119)	(84,756)	2,363
Total other financing sources (uses)	1,461,058	1,374,939	1,126,160	(248,779)
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Mental Health / Intellectual & Developmental Disabilities Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Health and welfare grants	\$ 32,685,604	\$ 36,364,552	\$ 36,067,609	\$ (296,943)
Interest and rent	165,714	280,714	300,396	19,682
Other	29,000	32,200	2,625	(29,575)
Total revenues	32,880,318	36,677,466	36,370,630	(306,836)
Expenditures:				
Current:				
Human services	34,976,578	39,146,449	38,457,431	689,018
Total expenditures	34,976,578	39,146,449	38,457,431	689,018
Excess (deficiency) of revenues over (under) expenditures	(2,096,260)	(2,468,983)	(2,086,801)	382,182
Other financing sources (uses):				
Transfers in	2,536,410	2,991,711	2,576,727	(414,984)
Transfers out	(440,150)	(522,728)	(489,926)	32,802
Total other financing sources (uses)	2,096,260	2,468,983	2,086,801	(382,182)
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Aging Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
General grants	\$ 6,557,616	\$ 6,695,179	\$ 6,535,424	\$ (159,755)
Interest and rent	12,224	6,112	63,212	57,100
Other	130,760	304,597	275,437	(29,160)
Total revenues	6,700,600	7,005,888	6,874,073	(131,815)
Expenditures:				
Current:				
Human services	6,767,048	7,072,336	6,996,954	75,382
Total expenditures	6,767,048	7,072,336	6,996,954	75,382
Excess (deficiency) of revenues over (under) expenditures	(66,448)	(66,448)	(122,881)	(56,433)
Other financing sources (uses):				
Transfers in	304,504	304,504	304,504	-
Transfers out	(238,056)	(238,056)	(181,623)	56,433
Total other financing sources (uses)	66,448	66,448	122,881	56,433
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Children, Youth & Families Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
Taxes:				
Health and welfare grants	\$ 30,424,103	\$ 28,511,558	\$ 28,320,787	\$ (190,771)
Departmental earnings	493,922	493,922	693,730	199,808
Other	9,500	9,500	40	(9,460)
Total revenues	30,927,525	29,014,980	29,014,557	(423)
Expenditures:				
Current:				
Human services	36,900,071	37,243,702	37,423,068	(179,366)
Capital outlay:				
Other	470,000	380,348	232,577	147,771
Debt service:				
Principal	26,164	12,491	11,048	1,443
Interest	3,336	2,733	1,882	851
Total expenditures	37,399,571	37,639,274	37,668,575	(29,301)
Excess (deficiency) of revenues over (under) expenditures	(6,472,046)	(8,624,294)	(8,654,018)	(29,724)
Other financing sources (uses):				
Transfers in	8,165,983	10,054,390	10,058,089	3,699
Transfers out	(1,693,937)	(1,478,372)	(1,428,208)	50,164
Vehicle lease	-	48,276	24,137	(24,139)
Total other financing sources (uses)	6,472,046	8,624,294	8,654,018	29,724
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Community Transit Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 4,541,188	\$ 4,541,189	\$ 2,602,147	\$ (1,939,042)
Health and welfare grants	7,375,510	8,987,966	7,099,761	(1,888,205)
Departmental earnings	389,164	389,164	166,586	(222,578)
Interest and rent	12,000	12,000	-	(12,000)
Other	300,000	300,000	408,640	108,640
Total revenues	12,617,862	14,230,319	10,277,134	(3,953,185)
Expenditures:				
Current:				
Human services	7,967,796	9,741,814	7,671,036	2,070,778
Capital outlay:				
Other	4,541,188	4,461,258	2,644,347	1,816,911
Total expenditures	12,508,984	14,203,072	10,315,383	3,887,689
Excess (deficiency) of revenues over (under) expenditures	108,878	27,247	(38,249)	(65,496)
Other financing sources (uses):				
Transfers in	137,000	182,000	214,738	32,738
Transfers out	(245,878)	(209,247)	(176,489)	32,758
Total other financing sources (uses)	(108,878)	(27,247)	38,249	65,496
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

COUNTY OF CHESTER, PENNSYLVANIA
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 8,758,487	\$ 8,758,487	\$ 2,707,852	\$ (6,050,635)
Departmental earnings	100,000	100,000	92,712	(7,288)
Interest and rent	1,404,193	1,404,193	1,487,097	82,904
Other	2,300,000	2,300,000	2,504,105	204,105
Total revenues	12,562,680	12,562,680	6,791,766	(5,770,914)
Expenditures:				
Current:				
General government	20,147,071	52,694,142	39,612	52,654,530
Judicial	-	34,832	34,831	1
Public works	100,000	100,000	10,363	89,637
Conservation and development	459,300	539,300	273,824	265,476
Capital outlay:				
Bridges	15,600,500	15,855,412	3,775,619	12,079,793
Other	3,736,055	4,610,393	1,725,786	2,884,607
Debt service:				
Principal	-	27,140	27,139	1
Interest	-	6,230	6,230	-
Total expenditures	40,042,926	73,867,449	5,893,404	67,974,045
Excess (deficiency) of revenues over (under) expenditures	(27,480,246)	(61,304,769)	898,362	62,203,131
Other financing sources (uses):				
Transfers in	1,500,000	35,324,523	35,324,523	-
Transfers out	-	-	(21,146)	(21,146)
Computer lease	-	-	147,640	147,640
Sale of capital assets	-	-	60,282	60,282
Total other financing sources (uses)	1,500,000	35,324,523	35,511,299	186,776
Net change in fund balances	(25,980,246)	(25,980,246)	36,409,661	62,389,907
Fund balances:				
Beginning of year	-	26,483,646	26,483,646	-
End of year	\$ (25,980,246)	\$ 503,400	\$ 62,893,307	\$ 62,389,907

Unaudited - see accompanying independent auditor's report.

COUNTY OF CHESTER, PENNSYLVANIA
Capital Improvement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenues:				
General grants	\$ 3,377,000	\$ 3,391,262	\$ 545,736	\$ (2,845,526)
Interest and rent	739,325	739,325	889,250	149,925
Total revenues	4,116,325	4,130,587	1,434,986	(2,695,601)
Expenditures:				
Current:				
General government	367,205	235,413	-	235,413
Human services	7,400,000	7,897,582	2,161,709	5,735,873
Culture and recreation	350,000	350,000	17,480	332,520
Conservation and development	6,392,134	9,318,234	5,789,641	3,528,593
Capital outlay:				
Other	14,883,816	15,210,365	3,340,003	11,870,362
Debt service:				
Debt issuance costs	-	-	209,850	(209,850)
Total expenditures	29,393,155	33,011,594	11,518,683	21,492,911
Excess (deficiency) of revenues over (under) expenditures	(25,276,830)	(28,881,007)	(10,083,697)	18,797,310
Other financing sources (uses):				
Issuance of G.O. bonds	24,500,000	24,500,000	21,880,000	(2,620,000)
Premium on bond issue	-	-	2,838,025	2,838,025
Transfers in	-	100,000	100,000	-
Transfers out	(690,900)	(1,645,679)	(1,974,560)	(328,881)
Total other financing sources (uses)	23,809,100	22,954,321	22,843,465	(110,856)
Net change in fund balances	(1,467,730)	(5,926,686)	12,759,768	18,686,454
Fund balances:				
Beginning of year	-	651,869	651,869	-
End of year	\$ (1,467,730)	\$ (5,274,817)	\$ 13,411,637	\$ 18,686,454

COUNTY OF CHESTER, PENNSYLVANIA
Debt Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget</u>
Revenues:				
Taxes:				
Real estate	\$ 44,467,705	\$ 44,467,705	\$ 44,366,969	\$ (100,736)
Interest and rent	1,348,440	1,348,440	893,861	(454,579)
Other	800,000	800,000	800,114	114
Total revenues	<u>46,616,145</u>	<u>46,616,145</u>	<u>46,060,944</u>	<u>(555,201)</u>
Expenditures:				
Current:				
General government	15,000	15,000	7,316	7,684
Debt service:				
Principal	36,774,000	36,774,000	88,839,000	(52,065,000)
Interest	20,009,425	20,009,425	20,086,784	(77,359)
Debt issuance costs	-	-	280,174	(280,174)
Total expenditures	<u>56,798,425</u>	<u>56,798,425</u>	<u>109,213,274</u>	<u>(52,414,849)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,182,280)</u>	<u>(10,182,280)</u>	<u>(63,152,330)</u>	<u>(52,970,050)</u>
Other financing sources (uses):				
Issuance of G.O. bonds	-	-	49,795,000	49,795,000
Premium on bond issue	-	-	3,603,288	3,603,288
Transfers in	1,535,121	1,535,121	1,771,301	236,180
Total other financing sources (uses)	<u>1,535,121</u>	<u>1,535,121</u>	<u>55,169,589</u>	<u>53,634,468</u>
Net change in fund balances	<u>(8,647,159)</u>	<u>(8,647,159)</u>	<u>(7,982,741)</u>	<u>664,418</u>
Fund balances:				
Beginning of year	-	13,445,858	13,445,858	-
End of year	<u>\$ (8,647,159)</u>	<u>\$ 4,798,699</u>	<u>\$ 5,463,117</u>	<u>\$ 664,418</u>

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COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Internal Service Funds

Technology

Leasing/purchase of desktop computer hardware and software on a cost reimbursement basis.

Benefits

Accounts for health care, workers' compensation, and pension costs for self-insurance activities on a cost reimbursement basis.

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Net Position
Internal Service Funds
December 31, 2024

	<u>Technology</u>	<u>Benefits</u>	<u>Total</u>
Assets:			
Current assets			
Cash and cash equivalents	\$ 2,723,962	\$ 9,320,287	\$ 12,044,249
Receivables (net where applicable, of allowances for uncollectible amounts):			
Other	-	1,419,988	1,419,988
Prepays	-	841,599	841,599
Total current assets	<u>2,723,962</u>	<u>11,581,874</u>	<u>14,305,836</u>
Noncurrent assets			
Capital assets	<u>657,144</u>	-	<u>657,144</u>
Total assets	<u>3,381,106</u>	<u>11,581,874</u>	<u>14,962,980</u>
Liabilities:			
Current liabilities:			
Vouchers and accounts payable	-	691,508	691,508
Accrued salaries	-	17,427	17,427
Other liabilities	-	532,725	532,725
Workers' compensation claims	-	1,032,822	1,032,822
Health and long-term disability claims	-	1,566,642	1,566,642
Capital leases payable	<u>573,038</u>	-	<u>573,038</u>
Total current liabilities	<u>573,038</u>	<u>3,841,124</u>	<u>4,414,162</u>
Noncurrent liabilities:			
Workers' compensation claims	-	1,109,930	1,109,930
Capital leases payable	<u>84,106</u>	-	<u>84,106</u>
Total noncurrent liabilities	<u>84,106</u>	<u>1,109,930</u>	<u>1,194,036</u>
Total liabilities	<u>657,144</u>	<u>4,951,054</u>	<u>5,608,198</u>
Net Position:			
Restricted for:			
Medical claims	-	2,285,000	2,285,000
Unrestricted	<u>2,723,962</u>	<u>4,345,820</u>	<u>7,069,782</u>
Total net position	<u>\$ 2,723,962</u>	<u>\$ 6,630,820</u>	<u>\$ 9,354,782</u>

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2024

	<u>Technology</u>	<u>Benefits</u>	<u>Total</u>
Operating revenues:			
Self insurance premiums - employer	\$ -	\$ 32,992,034	\$ 32,992,034
Self insurance premiums - employee	-	5,233,929	5,233,929
Computer usage fees	1,561,261	-	1,561,261
Other	-	3,167,060	3,167,060
Total operating revenues	<u>1,561,261</u>	<u>41,393,023</u>	<u>42,954,284</u>
Operating expenses:			
Personal services	-	876,870	876,870
Other services and charges	1,034,428	11,664,741	12,699,169
Self insurance claims	-	35,674,846	35,674,846
Depreciation	669,500	-	669,500
Indirect costs	-	88,672	88,672
Total operating expenses	<u>1,703,928</u>	<u>48,305,129</u>	<u>50,009,057</u>
Operating income (loss)	<u>(142,667)</u>	<u>(6,912,106)</u>	<u>(7,054,773)</u>
Nonoperating revenues (expenses):			
Interest income	43,666	789,589	833,255
Interest expense	(26,533)	-	(26,533)
Total nonoperating revenues (expenses)	<u>17,133</u>	<u>789,589</u>	<u>806,722</u>
Income (loss) before transfers	<u>(125,534)</u>	<u>(6,122,517)</u>	<u>(6,248,051)</u>
Transfers in	2,291,470	-	2,291,470
Change in net position	<u>2,165,936</u>	<u>(6,122,517)</u>	<u>(3,956,581)</u>
Total net position - beginning	<u>558,026</u>	<u>12,753,337</u>	<u>13,311,363</u>
Total net position - ending	<u>\$ 2,723,962</u>	<u>\$ 6,630,820</u>	<u>\$ 9,354,782</u>

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Cash Flows
Internal Service Funds
Year ended December 31, 2024

	<u>Technology</u>	<u>Benefits</u>	<u>Total</u>
Cash flows from operating activities			
Receipts from customers	\$ 1,561,261	\$ -	\$ 1,561,261
Receipts from employer	-	33,317,915	33,317,915
Receipts from employees	-	5,233,929	5,233,929
Payments to suppliers	(1,096,812)	(12,819,224)	(13,916,036)
Payments to employees	-	(873,427)	(873,427)
Claims paid	-	(35,199,673)	(35,199,673)
Other reimbursements	-	3,167,060	3,167,060
Net cash provided by (used in) by operating activities	<u>464,449</u>	<u>(7,173,420)</u>	<u>(6,708,971)</u>
Cash flows from noncapital financing activities			
Operating subsidies and transfers from other funds	<u>2,291,470</u>	-	<u>2,291,470</u>
Net cash provided by (used in) noncapital financing activities	<u>2,291,470</u>	<u>-</u>	<u>2,291,470</u>
Cash flows from capital and related financing activities			
Principal paid on capital debt	(669,500)	-	(669,500)
Interest paid on capital debt	<u>(26,533)</u>	-	<u>(26,533)</u>
Net cash used in capital and related financing activities	<u>(696,033)</u>	<u>-</u>	<u>(696,033)</u>
Cash flows from investing activities			
Interest and dividends	<u>43,666</u>	<u>789,589</u>	<u>833,255</u>
Net cash provided by investing activities	<u>43,666</u>	<u>789,589</u>	<u>833,255</u>
Net increase (decrease) in cash and cash equivalents	<u>2,103,552</u>	<u>(6,383,831)</u>	<u>(4,280,279)</u>
Cash and cash equivalents beginning of year	<u>620,410</u>	<u>15,704,118</u>	<u>16,324,528</u>
Cash, cash equivalents and investments end of year	<u>\$ 2,723,962</u>	<u>\$ 9,320,287</u>	<u>\$ 12,044,249</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (142,667)	\$ (6,912,106)	\$ (7,054,773)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	669,500	-	669,500
(Increase) decrease in receivable	-	325,881	325,881
Increase (decrease) in accounts payable	(62,384)	(1,062,368)	(1,124,752)
Increase (decrease) in workers comp.claims	-	57,222	57,222
Increase (decrease) in health care claims	-	417,951	417,951
Net cash provided by (used in) operating activities	<u>\$ 464,449</u>	<u>\$ (7,173,420)</u>	<u>\$ (6,708,971)</u>

Non cash transactions:

Computers were acquired through new leases of \$164,945 in the Technology Fund.

COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Nonmajor Component Units

Chester County Water Resources Authority

The Authority owns and operates four regional flood control facilities that were constructed on behalf of the County. Financing is principally provided by transfers from the County.

Chester County Library and District Center

Operations and administration of the County Library and supported libraries. Financing is provided by state and federal grants and appropriations from other government organizations.

Chester County Area Airport Authority

Operations and administration of the Chester County Area Airport.

Chester County Conference and Visitors Bureau, Inc.

Operations and administration of the Chester County Conference and Visitors Bureau, Inc. Plans and promotes programs designed to increase tourism. Financing is provided through the levy and collection of a hotel tax.

Chester County General Authority

The authority was created for the purpose of carrying out projects which are permitted under the Pennsylvania Municipality Authorities Act and are located in the County of Chester. The Authority has been dormant in 2024, but not dissolved. There was no financial activity in 2024.

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Net Position
Nonmajor Component Units
December 31, 2024

	<u>Water Resources Authority</u>	<u>Chester County Library and District Center</u>	<u>Area Airport Authority</u>	<u>Chester County Conference and Visitors Bureau</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 815,353	\$ 1,757,942	\$ 1,850,773	\$ 3,102,850	\$ 7,526,918
Investments	-	2,383,875	-	-	2,383,875
Accounts receivable	44,379	123,194	45,453	875,749	1,088,775
Grants receivable	-	-	-	10,120	10,120
Prepays	-	260,923	11,326	111,352	383,601
Other assets	-	-	-	185,000	185,000
Total current assets	859,732	4,525,934	1,907,552	4,285,071	11,578,289
Noncurrent assets					
Leases Receivable	-	-	3,973,188	-	3,973,188
Capital assets, being depreciated, net	15,819,899	852,548	19,590,709	46,022	36,309,178
Total noncurrent assets	15,819,899	852,548	23,563,897	46,022	40,282,366
Total assets	16,679,631	5,378,482	25,471,449	4,331,093	51,860,655
Liabilities					
Current liabilities					
Vouchers and accounts payable	198,811	120,792	42,007	565,881	927,491
Accrued salaries	-	17,019	-	65,304	82,323
Unearned grant revenue	-	-	1,170,931	-	1,170,931
Unearned revenue	-	-	88,997	24,751	113,748
Other liabilities	-	513	-	-	513
Total liabilities	198,811	138,324	1,301,935	655,936	2,295,006
Deferred inflow of resources					
Deferred inflows from leases receivable	-	-	3,973,188	-	3,973,188
Total Deferred inflows of resources	-	-	3,973,188	-	3,973,188
Net position					
Net investment in capital assets	15,819,899	852,548	19,590,709	46,022	36,309,178
Restricted					
Donor	-	373,608	-	-	373,608
Unrestricted	660,921	4,014,002	605,617	3,629,135	8,909,675
Total net position	\$ 16,480,820	\$ 5,240,158	\$ 20,196,326	\$ 3,675,157	\$ 45,592,461

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COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Activities
Nonmajor Component Units
For the Year Ended December 31, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Water Resources Authority				
Conservation and development	\$ 448,557	\$ 718	\$ 443,786	\$ -
Library and District Center				
Culture and recreation	2,113,634	187,523	2,502,945	-
Area Airport Authority				
Public works	1,676,798	882,591	-	1,608,214
Conference and Visitors Bureau				
Culture and recreation	6,188,123	2,820	71,997	-
Total nonmajor component units	<u>\$ 10,427,112</u>	<u>\$ 1,073,652</u>	<u>\$ 3,018,728</u>	<u>\$ 1,608,214</u>

General revenues:

Hotel Tax

Investment earnings

Total general revenues

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position				
Water Resources Authority	Library and District Center	Area Airport Authority	Conference and Visitors Bureau	Totals
\$ (4,053)	\$ -	\$ -	\$ -	\$ (4,053)
-	576,834	-	-	576,834
-	-	814,007	-	814,007
-	-	-	(6,113,306)	(6,113,306)
<u>\$ (4,053)</u>	<u>\$ 576,834</u>	<u>\$ 814,007</u>	<u>\$ (6,113,306)</u>	<u>\$ (4,726,518)</u>
-	-	-	5,434,627	5,434,627
38,508	256,409	21,853	56,799	373,569
38,508	256,409	21,853	5,491,426	5,808,196
34,455	833,243	835,860	(621,880)	1,081,678
16,446,365	4,406,915	19,360,466	4,297,037	44,510,783
<u>\$ 16,480,820</u>	<u>\$ 5,240,158</u>	<u>\$ 20,196,326</u>	<u>\$ 3,675,157</u>	<u>\$ 45,592,461</u>

COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Description of Funds – Custodial Funds

Tax Claim Custodial

Delinquent taxes and interest collected by the Tax Claim Office on behalf of other taxing authorities.

Row Offices Custodial

Fees assessed by row offices on behalf of other government agencies.

Municipal Tax Custodial

Current real estate taxes collected by the Treasurer's office on behalf of other taxing authorities.

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2024

	Tax Claim	Row Offices	Municipal Tax	Total
Assets:				
Cash and cash equivalents	\$ 1,077,535	\$ 18,685,938	\$ 349,813	\$ 20,113,286
Agency tax/interest receivables	6,750,786	-	-	6,750,786
Municipal tax receivable	<u>-</u>	<u>-</u>	<u>501,766</u>	<u>501,766</u>
Total assets	<u><u>\$ 7,828,321</u></u>	<u><u>\$ 18,685,938</u></u>	<u><u>\$ 851,579</u></u>	<u><u>\$ 27,365,838</u></u>
Liabilities:				
Due to other governments	\$ -	\$ 7,072,833	\$ -	\$ 7,072,833
Other liabilities	-	11,613,105	-	11,613,105
Due to taxing authorities	7,828,321	-	-	7,828,321
Municipal tax payable	<u>-</u>	<u>-</u>	<u>851,579</u>	<u>851,579</u>
Total liabilities	<u><u>\$ 7,828,321</u></u>	<u><u>\$ 18,685,938</u></u>	<u><u>\$ 851,579</u></u>	<u><u>\$ 27,365,838</u></u>

COUNTY OF CHESTER, PENNSYLVANIA
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2024

	<u>Tax Claim</u>	<u>Row Offices</u>	<u>Municipal Tax</u>	<u>Total</u>
Additions:				
Real estate tax collections	\$ 16,720,314	\$ -	\$ -	\$ 16,720,314
Municipal tax collections	-	-	28,674,807	28,674,807
Fine and cost collections	-	118,297,718	-	118,297,718
Bail, restitution and collateral collections	-	8,607,322	-	8,607,322
Fee collections	-	12,491,647	-	12,491,647
Escrow funds collections	-	20,712,633	-	20,712,633
Inmate collections	-	1,763,674	-	1,763,674
Total additions	<u>\$ 16,720,314</u>	<u>\$ 161,872,994</u>	<u>\$ 28,674,807</u>	<u>\$ 207,268,115</u>
Deductions:				
Payments of real estate tax	\$ 16,720,314	\$ -	\$ -	\$ 16,720,314
Payments of municipal tax	-	-	28,674,807	28,674,807
Payments of fines and costs	-	118,297,718	-	118,297,718
Payments of bail, restitution and collateral	-	8,607,322	-	8,607,322
Payments of fees	-	12,491,647	-	12,491,647
Payments of escrow funds	-	20,712,633	-	20,712,633
Payments of inmate funds	-	1,763,674	-	1,763,674
Total deductions	<u>\$ 16,720,314</u>	<u>\$ 161,872,994</u>	<u>\$ 28,674,807</u>	<u>\$ 207,268,115</u>

COUNTY OF CHESTER, PENNSYLVANIA
Supplementary Information
December 31, 2024

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source

Schedule by Function and Activity

Schedule of Changes by Function and Activity

COUNTY OF CHESTER, PENNSYLVANIA
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
December 31, 2024

Governmental funds capital assets:		
Land and improvements	\$	65,532,804
Land development rights		98,375,024
Buildings and improvements		363,294,611
Infrastructure		32,878,884
Furniture, fixtures and equipment		145,681,901
Building lease		8,819,637
Tower lease		19,418,412
Machinery and equipment lease		3,797,432
Construction in progress		<u>13,848,750</u>
Total governmental funds capital assets		751,647,455
Less: Accumulated depreciation		<u>(335,925,849)</u>
Net governmental funds capital assets	\$	<u>415,721,606</u>

Investment in governmental funds capital assets by source:		
General fund	\$	104,940,746
Special revenue funds		71,422,564
Capital improvement fund		572,698,900
Donations		<u>2,585,245</u>
Total governmental funds capital assets		751,647,455
Less: Accumulated depreciation		<u>(335,925,849)</u>
Net governmental funds capital assets	\$	<u>415,721,606</u>

This schedule presents only the capital asset balances related to governmental funds.
Internal service funds are not included in the above amounts. (See note 5).

COUNTY OF CHESTER, PENNSYLVANIA
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
Year Ended December 31, 2024

Function and activity	Total	Land and land improvements	Land development rights	Buildings and building improvements	Infrastructure	Furniture fixtures and equipment	Building leases	Tower leases	Machinery & Equipment lease
General government	\$ 91,618,620	\$ 1,056,998	\$ -	\$ 66,317,481	\$ -	\$ 23,711,765	\$ 119,481	\$ -	\$ 412,895
Judicial government	127,314,591	1,246,581	-	105,367,906	-	11,882,137	7,385,646	-	1,432,321
Public safety	149,665,931	4,745,484	-	34,604,495	-	90,219,703	389,163	19,418,412	288,674
Corrections	82,151,152	1,492,691	-	75,914,595	-	4,321,620	-	-	422,246
Public works	34,445,883	824,385	-	-	32,878,884	567,019	-	-	175,595
Human services	26,490,889	-	-	13,704,387	-	12,453,486	176,208	-	156,808
Culture and recreation	73,980,905	45,996,430	2,175,700	21,763,689	-	2,458,051	749,139	-	837,896
Conservation and development	102,308,002	5,969,561	96,199,324	-	-	68,120	-	-	70,997
General government buildings	49,822,732	4,200,674	-	45,622,058	-	-	-	-	-
Total governmental funds capital assets	737,798,705	65,532,804	98,375,024	363,294,611	32,878,884	145,681,901	8,819,637	19,418,412	3,797,432
Less: Accumulated depreciation	335,925,849	18,228,732	-	161,630,771	16,776,549	128,104,160	3,621,893	5,084,852	2,478,892
Total	401,872,856	\$ 47,304,072	\$ 98,375,024	\$ 201,663,840	\$ 16,102,335	\$ 17,577,741	\$ 5,197,744	\$ 14,333,560	\$ 1,318,540
Construction in progress	13,848,750								
Net governmental funds capital assets	\$ 415,721,606								

This schedule presents only the capital asset balances related to governmental funds.
Internal service funds are not included in the above amounts. (See note 5).

COUNTY OF CHESTER, PENNSYLVANIA
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended December 31, 2024

	Primary Government			Balance at December 31, 2024
	Balance at January 1, 2024	Increases	Decreases	
Function and activity				
General government	\$ 138,585,046	\$ 2,464,740	\$ (49,431,166)	\$ 91,618,620
Judicial government	123,619,690	5,202,282	(1,507,381)	127,314,591
Public safety	152,015,098	4,362,687	(6,711,854)	149,665,931
Corrections	86,887,182	2,705,513	(7,441,543)	82,151,152
Public works	34,889,489	794,124	(1,237,730)	34,445,883
Human services	23,881,313	3,352,978	(743,402)	26,490,889
Culture and recreation	75,061,163	1,185,959	(2,266,217)	73,980,905
Conservation and development	101,685,210	770,590	(147,798)	102,308,002
General government buildings	<u>49,822,732</u>	<u>-</u>	<u>-</u>	<u>49,822,732</u>
Total governmental funds capital assets	<u>786,446,923</u>	<u>20,838,873</u>	<u>(69,487,091)</u>	<u>737,798,705</u>
Construction in progress	<u>11,418,395</u>	<u>5,681,561</u>	<u>(3,251,206)</u>	<u>13,848,750</u>
Less: Accumulated depreciation	<u>381,788,878</u>	<u>22,639,470</u>	<u>(68,502,499)</u>	<u>335,925,849</u>
Net governmental funds capital assets	<u>\$ 416,076,440</u>	<u>\$ 3,880,964</u>	<u>\$ (4,235,798)</u>	<u>\$ 415,721,606</u>

This schedule presents only the capital asset balances related to governmental funds.
Internal service funds are not included in the above amounts. (See note 5).

Statistical Section

COUNTY OF CHESTER, PENNSYLVANIA
Statistical Section
Year Ended December 31, 2024

Narrative Summary

Chester County has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*. The statement is intended to improve consistency and comparability in reporting and to provide clearer guidance regarding the applicability of the standards for the statistical section to all types of governmental entities.

This part of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the real estate property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service and capital asset 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.

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COUNTY OF CHESTER, PENNSYLVANIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019[*]</u>	<u>2018[~]</u>	<u>2017</u>	<u>2016</u>	<u>2015^{**}</u>
Governmental activities										
Net investment in capital assets	\$ 62,276,055	\$ 35,990,394	\$ 14,281,215	\$ (1,685,807)	\$ (15,021,780)	\$ (23,369,041)	\$ (11,507,915)	\$ (18,405,566)	\$ (10,075,508)	\$ (13,571,573)
Restricted	68,058,052	51,128,859	50,530,616	28,090,109	24,587,411	21,527,884	13,781,894	10,928,649	8,034,744	8,409,899
Unrestricted	<u>(82,391,143)</u>	<u>(87,154,722)</u>	<u>(77,242,129)</u>	<u>(55,271,535)</u>	<u>(75,178,531)</u>	<u>(71,249,080)</u>	<u>(73,083,681)</u>	<u>(55,852,173)</u>	<u>(60,622,963)</u>	<u>(49,792,473) *</u>
Total governmental activities net position	<u>47,942,964</u>	<u>(35,469)</u>	<u>(12,430,298)</u>	<u>(28,867,233)</u>	<u>(65,612,900)</u>	<u>(73,090,237)</u>	<u>(70,809,702)</u>	<u>(63,329,090)</u>	<u>(62,663,727)</u>	<u>(54,954,147)</u>
Business-type activities										
Net investment in capital assets	8,232,721	9,053,886	9,858,598	10,526,181	11,527,258	12,581,366	12,965,038	12,380,916	6,783,867	4,500,709
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>(965,496)</u>	<u>(75,203)</u>	<u>(249,037)</u>	<u>844,436</u>	<u>(1,505,645)</u>	<u>(3,231,052)</u>	<u>(3,087,516)</u>	<u>(2,831,474)</u>	<u>(6,198,624)</u>	<u>(2,724,420) *</u>
Total business-type activities net position	<u>7,267,225</u>	<u>8,978,683</u>	<u>9,609,561</u>	<u>11,370,617</u>	<u>10,021,613</u>	<u>9,350,314</u>	<u>9,877,522</u>	<u>9,549,442</u>	<u>585,243</u>	<u>1,776,289</u>
Primary government										
Net Investment in capital assets	70,508,776	45,044,280	24,139,813	8,840,374	(3,494,522)	(10,787,675)	1,457,123	(6,024,650)	(3,291,641)	(9,070,864)
Restricted	68,058,052	51,128,859	50,530,616	28,090,109	24,587,411	21,527,884	13,781,894	10,928,649	8,034,744	8,409,899
Unrestricted	<u>(83,356,639)</u>	<u>(87,229,925)</u>	<u>(77,491,166)</u>	<u>(54,427,099)</u>	<u>(76,684,176)</u>	<u>(74,480,132)</u>	<u>(76,171,197)</u>	<u>(58,683,647)</u>	<u>(66,821,587)</u>	<u>(52,516,893) *</u>
Total primary government net position	<u>\$ 55,210,189</u>	<u>\$ 8,943,214</u>	<u>\$ (2,820,737)</u>	<u>\$ (17,496,616)</u>	<u>\$ (55,591,287)</u>	<u>\$ (63,739,923) ></u>	<u>\$ (60,932,180) ~</u>	<u>\$ (53,779,648)</u>	<u>\$ (62,078,484)</u>	<u>\$ (53,177,858) ^</u>

[^] 2015 beginning balances were restated to reflect the effects of the implementation of GASB No. 68.

^{*} 2015 numbers were restated to reflect an overstatement of net pension liability and deferred outflow of resources related to pension.

[~] 2018 beginning balances were restated to reflect the effects of the implementation of GASB No. 75.

[>] 2019 beginning balances were restated to reflect the effects of the implementation of GASB No. 84.

Source: Statement of Net Position, Annual Comprehensive Financial Report

Certain amounts presented in the prior period have been reclassified to conform to the current year's financial statements.

For a complete explanation of the Total primary government net position, please reference page 9 of the Management Discussion & Analysis, Government-wide Statement of Net Position.

COUNTY OF CHESTER, PENNSYLVANIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2024	2023	2022	2021	2020	2019^	2018*	2017	2016	2015+
Expenses										
Governmental Activities:										
General government	\$ 60,589,710	\$ 58,540,583	\$ 52,372,815	\$ 42,139,745	\$ 73,735,646	\$ 46,983,709	\$ 42,358,099	\$ 38,706,830	\$ 39,966,052	\$ 36,900,190
Judicial government	59,878,565	53,983,155	54,751,336	45,963,122	47,937,074	50,220,566	51,280,611	47,858,075	48,866,015	44,076,475
Public safety	33,174,378	30,447,581	35,843,221	36,867,116	53,650,395	30,942,340	29,557,113	26,399,731	29,975,222	18,761,892
Corrections	60,787,025	56,105,078	55,123,402	46,798,953	48,421,946	48,436,474	48,352,521	44,806,658	42,594,834	39,023,001
Public works	2,276,514	2,329,153	2,065,447	2,782,851	1,908,442	1,953,333	1,891,273	2,038,915	1,641,908	1,621,342
Human services	251,055,661	261,000,222	262,506,317	256,400,861	203,374,147	192,967,917	187,706,760	189,230,958	191,939,745	171,046,136
Culture and recreation	24,141,696	22,961,129	20,725,594	18,114,174	16,317,615	20,015,399	14,347,644	15,767,714	13,107,347	12,260,263
Conservation and recreation	13,793,064	12,569,264	12,463,103	8,847,000	13,614,651	12,800,336	18,349,155	13,815,469	9,091,124	11,518,183
Interest on long-term debt	21,260,421	22,328,169	24,031,775	24,846,238	24,943,266	25,090,601	25,248,952	25,065,808	26,951,207	22,956,163
Total Governmental Activities	526,957,034	520,264,334	519,883,010	482,760,060	483,903,182	429,410,675	419,092,128	403,690,158	404,133,454	358,163,645
Business-type Activity:										
Geriatric Center	28,457,151	26,242,140	27,715,318	23,662,693	27,401,414	27,840,070	27,712,833	25,703,087	26,408,244	24,055,422
Total Business-type Activities	28,457,151	26,242,140	27,715,318	23,662,693	27,401,414	27,840,070	27,712,833	25,703,087	26,408,244	24,055,422
Total Expenses	\$ 555,414,185	\$ 546,506,474	\$ 547,598,328	\$ 506,422,753	\$ 511,304,596	\$ 457,250,745	\$ 446,804,961	\$ 429,393,245	\$ 430,541,698	\$ 382,219,067
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 8,650,767	\$ 10,269,511	\$ 12,337,599	\$ 14,139,997	\$ 6,943,826	\$ 9,334,411	\$ 11,424,532	\$ 12,083,166	\$ 12,350,778	\$ 12,827,426
Judicial government	10,436,472	8,300,786	10,532,408	7,394,270	6,335,182	7,918,294	8,223,085	8,038,840	8,022,906	8,059,251
Public safety	13,028,479	12,892,666	12,577,959	12,790,562	13,258,577	12,236,288	12,134,698	12,705,306	12,418,994	10,537,821
Corrections	5,565,738	5,043,395	4,799,308	5,332,211	5,135,361	5,598,952	3,941,844	3,972,837	4,416,627	4,312,573
Public works	2,504,105	2,537,619	2,450,325	2,538,985	2,373,935	2,405,115	2,041,780	2,324,890	939,631	-
Human services	18,426,339	3,136,120	20,156,010	4,487,366	4,028,666	3,869,624	3,737,970	3,723,426	3,962,072	3,578,554
Culture and recreation	372,532	225,011	228,594	243,043	279,644	281,329	296,068	672,135	306,611	273,041
Conservation and recreation	1,989,873	1,785,826	1,805,761	1,591,185	1,597,044	1,582,128	1,538,757	1,488,653	1,441,261	1,250,919
Operating grants and contributions	293,048,808	268,180,998	268,533,236	269,124,438	258,947,077	185,928,611	186,212,356	188,729,656	186,484,289	170,820,476
Capital grants and contributions	3,253,587	3,769,026	4,253,197	7,697,511	3,475,251	4,899,914	5,687,982	3,790,155	3,128,315	3,188,033
Total Governmental Activities	357,276,700	316,140,958	337,674,397	325,339,568	302,374,563	234,054,666	235,239,072	237,529,064	233,471,484	214,848,094
Business-type Activity:										
Charges for services:										
Geriatric Center	25,253,565	25,030,997	21,353,015	20,611,053	24,114,071	26,520,340	26,749,915	25,695,864	25,740,289	24,548,724
Operating grants and contributions	510,284	7,134	487,407	813,417	3,220,908	14,510	12,763	18,614	18,725	3,753
Total Business-type Activity	25,763,849	25,038,131	21,840,422	21,424,470	27,334,979	26,534,850	26,762,678	25,714,478	25,759,014	24,552,477
Total Program Revenues	\$ 383,040,549	\$ 341,179,089	\$ 359,514,819	\$ 346,764,038	\$ 329,709,542	\$ 260,589,516	\$ 262,001,750	\$ 263,243,542	\$ 259,230,498	\$ 239,400,571
Net (Expense)/Revenue										
Governmental Activities	\$ (169,680,334)	\$ (204,123,376)	\$ (182,208,613)	\$ (157,420,492)	\$ (181,528,619)	\$ (195,356,009)	\$ (183,853,056)	\$ (166,161,094)	\$ (170,661,970)	\$ (143,315,551)
Business-type Activities	(2,693,302)	(1,204,009)	(5,874,896)	(2,238,223)	(66,435)	(1,305,220)	(950,155)	11,391	(649,230)	497,055
Total Net Expense	\$ (172,373,636)	\$ (205,327,385)	\$ (188,083,509)	\$ (159,658,715)	\$ (181,595,054)	\$ (196,661,229)	\$ (184,803,211)	\$ (166,149,703)	\$ (171,311,200)	\$ (142,818,496)

COUNTY OF CHESTER, PENNSYLVANIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2024	2023	2022	2021	2020	2019^	2018*	2017	2016	2015+
General Revenues										
Governmental Activities:										
Taxes										
Property taxes	\$ 184,521,044	\$ 183,959,650	\$ 181,754,358	\$ 178,669,751	\$ 168,160,566	\$ 167,307,715	\$ 165,495,858	\$ 164,076,312	\$ 155,056,169	\$ 153,693,123
Personal property taxes	1,577	539	2,976	18,547	21,341	87,550	54,788	127,294	13,156	2,193
Hotel tax	5,627,221	5,729,903	5,161,053	3,834,506	2,224,372	5,819,690	-	-	-	-
Investment earnings	16,842,669	15,174,838	3,283,427	879,549	2,228,695	4,606,190	3,784,063	2,427,945	1,344,485	817,991
Miscellaneous	11,573,358	12,000,376	12,512,571	14,346,010	17,093,313	12,682,733	9,257,861	7,816,988	5,996,766	4,804,880
Transfers	(907,101)	(347,101)	(4,068,837)	(3,582,204)	(722,331)	(765,552)	(1,400,679)	(8,952,808)	541,814	(769,236)
Total governmental activities	217,658,768	216,518,205	198,645,548	194,166,159	189,005,956	189,738,326	177,191,891	165,495,731	162,952,390	158,548,951
Business-type Activity:										
Investment earnings	70,894	226,030	45,003	5,023	15,403	-	-	-	-	-
Miscellaneous	3,849	-	-	-	-	12,460	-	-	-	-
Transfers	907,101	347,101	4,068,837	3,582,204	722,331	765,552	1,400,679	8,952,808	(541,814)	769,236
Total Business-type activities	981,844	573,131	4,113,840	3,587,227	737,734	778,012	1,400,679	8,952,808	(541,814)	769,236
Total primary government	<u>\$ 218,640,612</u>	<u>\$ 217,091,336</u>	<u>\$ 202,759,388</u>	<u>\$ 197,753,386</u>	<u>\$ 189,743,690</u>	<u>\$ 190,516,338</u>	<u>\$ 178,592,570</u>	<u>\$ 174,448,539</u>	<u>\$ 162,410,576</u>	<u>\$ 159,318,187</u>
Change in Net Position										
Governmental Activity	\$ 47,978,434	\$ 12,394,829	\$ 16,436,935	\$ 36,745,667	\$ 7,477,337	\$ (5,617,683)	\$ (6,661,165)	\$ (665,363)	\$ (7,709,580)	\$ 15,233,400
Business-type Activity	(1,711,458)	(630,878)	(1,761,056)	1,349,004	671,299	(527,208)	450,524	8,964,199	(1,191,044)	1,266,291
Total Change in Net Position	<u>\$ 46,266,976</u>	<u>\$ 11,763,951</u>	<u>\$ 14,675,879</u>	<u>\$ 38,094,671</u>	<u>\$ 8,148,636</u>	<u>\$ (6,144,891)</u>	<u>\$ (6,210,641)</u>	<u>\$ 8,298,836</u>	<u>\$ (8,900,624)</u>	<u>\$ 16,499,691</u>

+2015 numbers were restated to reflect an overstatement of net pension liability and deferred outflow of resources related to pension.

*2018 beginning balances were restated to reflect the effects of implementation of GASB 75.

^2019 beginning balances were restated to reflect the effects of implementation of GASB 84.

Source: Statement of Activities, Annual Comprehensive Financial Report

COUNTY OF CHESTER, PENNSYLVANIA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 3

	2024	2023	2022	2021	2020	2019^	2018*	2017	2016	2015
General Fund										
Nonspendable										
Prepaid Items	\$ 1,276,266	\$ 1,148,832	\$ 1,132,030	\$ 1,135,188	\$ 1,294,493	\$ 1,419,126	\$ 1,437,167	\$ 1,319,604	\$ 1,643,297	\$ 1,613,754
Restricted										
Opioid settlement	719,935	186,546	132,682	-	-	-	-	-	-	-
Assigned										
Approp. Sub. Year Budget	9,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	-
Working Capital Reserve	21,800,000	20,100,000	20,500,000	19,300,000	18,400,000	17,800,000	17,300,000	16,500,000	16,200,000	15,900,000
Unassigned	38,962,501	48,617,218	48,222,591	46,719,837	31,162,636	25,423,160	24,935,814	24,908,544	21,046,705	23,503,839
Total General Fund	71,758,702	78,052,596	77,987,303	75,155,025	58,857,129	52,642,286	51,672,981	50,728,148	46,890,002	41,017,593
All Other Governmental Funds										
Nonspendable										
Prepaid Items	47,732	115,414	78,093	133,850	-	-	-	-	247,246	-
Hatfield Trust Endowment Principal	342,799	342,799	342,799	342,799	342,799	342,799	342,799	342,799	342,799	342,799
Restricted										
Capital Projects	12,789,329	-	12,392,756	16,452,638	27,274,743	-	18,668,923	8,013,663	48,815,743	2,599,888
Agricultural Easement	594,540	642,830	613,580	409,847	403,075	413,925	198,193	148,139	148,139	199,752
Act 13 - Impact Fee Revenues	6,735,228	6,279,266	5,349,451	4,657,941	4,227,798	4,113,867	3,139,532	2,454,027	1,948,823	2,831,979
County Records Improvement	226,319	207,631	541,815	505,031	333,190	371,483	465,110	354,460	248,302	506,697
Child Support Enforcement	550,000	450,000	450,000	450,000	450,000	450,000	400,000	350,000	350,000	350,000
Opioid settlement	6,011,001	1,979,338	2,167,579	-	-	-	-	-	-	-
Bridge construction and maintenance	-	-	-	-	203,305	185,404	272,177	237,808	166,407	109,483
County fee local use fund	19,594,982	16,922,431	14,659,154	12,519,979	9,947,038	7,667,325	5,294,678	3,276,688	935,050	-
Affordable Housing Act	1,429,092	1,404,411	2,332,867	2,251,339	1,197,637	590,523	224,858	38,271	145,564	105,644
Hatfield Trust - Spendable	290,297	264,451	272,795	265,572	271,544	285,198	273,993	264,901	261,355	265,701
Inmate welfare	3,153,210	3,255,199	3,103,576	3,233,047	4,040,471	3,936,806	-	-	-	-
Assigned										
General government	3,745,176	2,243,363	-	-	-	-	-	-	-	-
Capital Projects	36,364,546	3,083,357	5,280,917	8,521,555	7,171,335	6,532,929	4,728,164	6,079,468	6,875,781	7,302,724
Retirement of Long Term Debt	5,463,117	13,445,858	15,288,028	14,630,064	22,138,794	31,461,813	35,008,702	33,838,351	31,010,654	32,115,422
Upkeep of County Parks	3,658,980	2,339,829	1,469,003	2,603,960	3,925,917	5,793,018	6,612,915	6,151,477	5,015,786	3,992,102
Upkeep of County Libraries	1,726,245	2,426,721	2,643,482	2,758,855	2,762,647	2,685,972	2,542,704	2,831,340	2,199,651	2,531,316
Unassigned	(47,732)	(115,414)	(42,400)	(43,423)	-	(2,586,564)	-	-	-	-
Total all other governmental funds	102,674,860	55,287,484	66,943,495	69,693,054	84,690,293	62,244,498	78,172,748	64,381,392	98,711,300	53,253,507
Total governmental fund balance	\$ 174,433,563	\$ 133,340,080	\$ 144,930,798	\$ 144,848,079	\$ 143,547,422	\$ 114,886,784	\$ 129,845,729	\$ 115,109,540	\$ 145,601,302	\$ 94,271,100

*2018 beginning balances were restated to reflect the effects of implementation of GASB 75.

^2019 beginning balances were restated to reflect the effects of implementation of GASB 84.

Source: Balance Sheet Governmental Funds, Annual Comprehensive Financial Report

COUNTY OF CHESTER, PENNSYLVANIA
Changes in Fund Balance - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes	\$ 190,376,146	\$ 190,168,423	\$ 187,203,870	\$ 182,621,338	\$ 170,072,772	\$ 173,288,587	\$ 165,610,464	\$ 164,205,199	\$ 155,259,435	\$ 154,015,348
Licenses and permits	2,039,111	1,957,075	1,972,910	2,139,015	2,077,820	2,305,304	1,921,810	1,957,375	1,858,810	1,861,870
General Grants	91,017,871	51,418,327	54,174,515	78,732,662	92,045,511	28,832,394	29,965,462	28,201,537	25,415,036	25,613,513
Health and welfare grants	203,727,519	219,537,113	217,508,313	197,453,800	167,180,586	160,378,286	160,042,247	162,912,136	163,135,706	146,870,690
Departmental earnings	29,799,714	29,591,382	30,702,293	32,283,319	30,370,052	29,414,251	28,222,368	28,915,370	28,710,902	26,006,290
Court costs and fines	4,617,502	4,260,810	3,821,755	4,114,652	3,530,369	4,272,564	4,299,355	4,160,091	4,209,705	4,293,961
Interest and rent	16,481,266	15,038,439	3,733,332	1,341,870	2,495,107	4,931,808	4,179,415	2,773,049	2,018,476	1,290,930
Other	18,681,123	10,679,862	12,047,584	12,965,573	12,787,218	9,919,539	9,740,779	10,040,498	8,105,835	8,318,647
Total Revenues	556,740,252	522,651,431	511,164,572	511,652,229	480,559,435	413,342,733	403,981,900	403,165,255	388,713,905	368,271,249
Expenditures										
General government	53,252,922	46,997,376	37,237,632	34,504,148	64,854,658	33,184,793	32,206,541	31,680,170	30,516,498	31,123,853
Judicial	50,641,999	47,842,729	45,926,405	46,138,632	46,139,451	47,204,765	46,200,968	44,744,429	44,006,355	42,645,485
Public safety	24,647,618	21,749,113	20,115,265	27,369,440	43,399,672	21,193,576	19,554,648	18,440,548	17,064,402	17,415,803
Corrections	55,038,118	51,577,750	48,091,629	47,165,976	47,158,163	45,809,263	43,590,986	42,317,466	39,563,194	38,662,721
Public works	1,234,956	1,371,455	1,135,840	1,542,972	1,049,128	1,129,903	1,339,498	1,062,669	1,069,580	1,026,608
Human services	245,076,184	257,468,794	256,921,809	258,566,989	203,162,121	191,684,364	184,552,729	188,071,707	189,088,881	172,137,715
Culture and recreation	14,362,599	19,955,076	18,456,340	16,447,680	14,213,193	17,792,309	11,571,675	11,637,260	11,155,918	11,363,673
Conservation and development	13,194,024	12,824,996	12,824,353	9,356,165	13,730,635	13,217,304	17,968,212	13,859,324	9,407,892	11,868,622
Capital outlay										
Bridges	3,775,619	3,727,902	897,758	468,578	1,234,756	741,438	4,099,262	1,532,376	2,663,657	1,818,657
Other	19,942,196	11,388,322	6,962,173	58,831,067	8,311,555	11,819,589	17,200,748	27,343,842	22,825,928	38,110,106
Debt Service										
Principal	91,883,492	38,314,003	43,137,623	29,420,559	57,892,994	92,995,774	25,994,929	21,226,375	18,659,377	21,338,692
Interest	20,791,708	21,275,214	22,586,834	22,445,814	22,051,868	23,141,891	21,932,110	22,838,815	22,944,962	20,060,595
Debt issuance costs	490,024	-	37,172	260,498	372,293	362,844	233,441	453,319	925,748	519,486
Total Expenditures	594,331,459	534,492,730	514,330,833	552,518,518	523,570,487	500,277,813	426,445,747	425,208,300	409,892,392	408,092,016
Excess (deficiency) of revenues over (under) expenditures	(37,591,207)	(11,841,299)	(3,166,261)	(40,866,289)	(43,011,052)	(86,935,080)	(22,463,847)	(22,043,045)	(21,178,487)	(39,820,767)
Other financing sources (uses)										
Issuance of G.O. bonds	21,880,000	-	-	37,095,000	36,160,000	-	30,000,000	-	58,170,000	-
Premium on bond issue	6,441,313	-	-	8,168,362	9,305,610	9,985,324	4,671,270	11,340,129	34,391,809	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(82,821,811)	(117,401,061)	(90,585,514)
Issuance of refunding bonds	49,795,000	-	6,980,000	-	26,370,000	57,360,000	-	71,935,000	96,765,000	91,105,000
Transfers in	96,685,846	35,113,961	36,302,649	21,562,108	19,298,244	21,833,022	19,089,505	17,319,343	17,931,600	18,856,604
Transfers out	(99,884,417)	(35,461,060)	(40,371,486)	(25,144,312)	(20,020,575)	(22,598,574)	(20,490,184)	(26,272,150)	(17,389,786)	(19,625,839)
Vehicle capital lease	781,842	381,388	259,406	372,344	287,829	799,165	1,280,288	-	-	-
Other capital lease	2,866,772	121,410	-	-	-	1,157,443	2,473,683	-	-	-
Sale of capital assets	118,334	94,882	78,411	113,444	270,582	102,607	175,474	50,772	41,127	26,346
Total other financing sources (uses)	78,684,690	250,581	3,248,980	42,166,946	71,671,690	68,638,987	37,200,036	(8,448,717)	72,508,689	(223,403)
Net change in fund balances	\$ 41,093,483	\$ (11,590,718)	\$ 82,719	\$ 1,300,657	\$ 28,660,638	\$ (18,296,093)	\$ 14,736,189	\$ (30,491,762)	\$ 51,330,202	\$ (40,044,170)
Debt service as a percentage of noncapital expenditures										
	19.7%	11.5%	13.0%	10.5%	15.6%	23.8%	11.8%	11.1%	10.8%	11.2%

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds, Annual Comprehensive Financial Report

COUNTY OF CHESTER, PENNSYLVANIA
Assessed Value and Estimated Market Value of Taxable Property
At Year End
Last Ten Years
(Unaudited)

Table 5

150	Year Ended December 31	Residential	Commercial	Farm	Industrial	Total Taxable Assessed Value	Exempt ¹	Total Direct Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Market Value
	2015	\$ 29,039,909,843	\$ 6,727,642,972	\$ 713,671,610	\$ 468,130,905	\$ 36,949,355,330	\$ 3,593,185,794	4.163	\$ 66,695,587,238	55.4
	2016	29,218,902,146	6,856,872,905	718,430,610	474,826,975	37,269,032,636	3,636,971,084	4.163	69,273,294,862	53.8
	2017	29,375,278,772	7,015,446,105	724,618,195	474,529,905	37,589,872,977	3,686,529,704	4.369	70,924,288,636	53.0
	2018	29,664,993,469	7,111,580,720	734,252,165	473,955,203	37,984,781,557	3,732,510,094	4.369	74,044,408,493	51.3
	2019	30,235,149,283	7,255,358,239	738,961,950	470,807,118	38,700,276,590	3,884,511,355	4.369	78,499,546,836	49.3
	2020	30,459,120,959	7,382,351,312	739,525,620	439,304,935	39,020,302,826	3,935,516,317	4.369	83,021,920,906	47.0
	2021	30,928,095,106	7,644,577,066	740,365,100	443,479,200	39,756,516,472	3,988,468,338	4.551	88,347,814,382	45.0
	2022	31,401,301,153	7,825,765,705	746,875,580	457,914,727	40,431,857,165	4,020,930,762	4.551	102,359,132,063	39.5
	2023	31,711,987,297	7,881,863,800	750,401,220	456,363,160	40,800,615,477	4,164,140,828	4.551	113,335,042,992	36.0
2024	32,008,935,165	7,844,209,975	755,716,070	435,532,501	41,044,393,711	4,180,684,013	4.551	121,074,907,702	33.9	

Notes:

1 Exempt property includes utilities and railroads, which is not included in any of the other categories listed above.

Source: County Assessment Office

COUNTY OF CHESTER, PENNSYLVANIA
Real Property Tax Rates - Direct and Overlapping Governments
(Mills per \$1,000 of Assessed Value)
(Last Ten Years)
(Unaudited)

Table 6

Year ended December 31	County Direct Rates					Overlapping Rates		Total Direct & Overlapping Rates
	General Purposes	Debt Service	Parks & Playgrounds	Libraries	Total County Direct	Borough or Township ¹	School District ¹	
2015	2.794	1.071	0.114	0.184	4.163	1.9298	25.189	31.2818
2016	2.794	1.071	0.114	0.184	4.163	1.9922	25.712	31.8672
2017	2.849	1.222	0.114	0.184	4.369	2.0165	26.249	32.6345
2018	2.876	1.222	0.087	0.184	4.369	2.1048	26.804	33.2778
2019	3.011	1.112	0.062	0.184	4.369	2.1310	27.347	33.8470
2020	3.104	1.019	0.062	0.184	4.369	2.1737	27.629	34.1717
2021	3.197	1.093	0.068	0.193	4.551	2.2361	28.251	35.0381
2022	3.197	1.093	0.068	0.193	4.551	2.2857	28.927	35.7637
2023	3.143	1.093	0.122	0.193	4.551	2.4086	29.576	36.5356
2024	3.143	1.093	0.122	0.193	4.551	2.7756	30.403	37.7296

Notes:

- 1 Each unit within these classes levies its own millage rate. The rates shown are weighted averages.

Source: County Assessment Office

COUNTY OF CHESTER, PENNSYLVANIA
Direct and Overlapping Property Tax Rates
(Last Ten Years)
(Unaudited)

Table 7

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County Direct Rates										
General Purposes	3.143	3.143	3.197	3.197	3.104	3.011	2.876	2.849	2.794	2.794
Debt Service	1.093	1.093	1.093	1.093	1.019	1.112	1.222	1.222	1.071	1.071
Parks & Playgrounds	0.122	0.122	0.068	0.068	0.062	0.062	0.087	0.114	0.114	0.114
Libraries	0.193	0.193	0.193	0.193	0.184	0.184	0.184	0.184	0.184	0.184
Total Direct Rate	4.551	4.551	4.551	4.551	4.369	4.369	4.369	4.369	4.163	4.163
City Rates										
City of Coatesville	13.7590	13.7590	13.7590	13.7590	13.7590	13.7590	13.7590	13.7590	13.7590	12.9150
Borough Rates										
Borough of Atglen	6.5000	6.5000	5.5000	5.5000	5.5000	5.5000	5.2000	5.2000	5.2000	5.1000
Borough of Avondale	5.0000	5.0000	5.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Borough of Downingtown	7.6500	7.6500	7.6500	7.6500	7.6500	7.6500	7.6500	7.6500	7.6500	7.6500
Borough of Elverson	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Borough of Honey Brook	3.9000	3.9000	2.7000	2.5000	2.5000	2.0000	2.0000	1.8000	1.5000	1.2000
Borough of Kennett Square	11.4500	10.2500	6.7500	6.7500	6.7500	6.7500	6.3500	6.3500	6.3500	6.3500
Borough of Malvern	4.6700	4.6700	4.6700	4.6700	4.6700	4.6700	4.6700	4.4200	4.4200	4.4200
Borough of Modena	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000	6.4000
Borough of Oxford	13.5300	12.0000	12.0000	12.0000	12.0000	12.0000	12.2500	12.2500	12.2500	12.0000
Borough of Parkesburg	14.9500	11.7500	11.7500	10.2500	10.2500	10.0000	10.0000	10.0000	10.0000	10.0000
Borough of Phoenixville	8.3200	7.6900	7.3300	7.2000	6.2300	6.1400	5.9100	5.7200	5.3500	5.2500
Borough of South Coatesville	9.1000	9.1000	7.6000	7.6000	7.6000	7.6000	7.6000	7.6000	7.6000	7.6000
Borough of Spring City	5.1800	5.1800	5.1800	5.1800	4.8900	4.7300	4.3700	4.3700	4.3700	4.3700
Borough of West Chester	8.0900	7.7000	7.7000	7.4000	6.9600	6.9600	6.9600	6.9600	6.9600	6.9600
Borough of West Grove	5.5000	5.5000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	3.5000
Municipalities										
Birmingham Township	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000	1.6000
Caln Township	5.6080	5.1280	5.1280	4.0580	4.0580	4.0580	3.4580	3.4580	2.9580	2.8080
Charlestown Township	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
East Bradford Township	2.0000	1.7500	1.7500	1.5000	1.5000	1.0000	1.0000	1.0000	1.0000	0.3400
East Brandywine Township	3.0300	3.0300	2.5000	2.9200	2.9200	2.8650	2.8650	2.5000	2.5000	2.6000
East Caln Township	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
East Coventry Township	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000
East Fallowfield Township	3.7500	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	1.2500	1.2500	0.0000

COUNTY OF CHESTER, PENNSYLVANIA
Direct and Overlapping Property Tax Rates
(Last Ten Years)
(Unaudited)

Table 7

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Municipalities, continued										
East Goshen Township	1.7500	1.7500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
East Marlborough Township	2.1830	2.1830	2.1830	2.1830	1.0500	2.1830	2.1830	2.1830	2.1830	2.1830
East Nantmeal Township	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
East Nottingham Township	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
East Pikeland Township	0.1600	0.1600	0.2200	0.2200	0.2200	0.2200	0.4400	0.4400	0.4400	0.4400
East Vincent Township	2.0000	2.0000	2.0000	1.8000	1.8000	1.8000	2.1000	2.1000	2.1000	0.9000
East Whiteland Township	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450	0.4450
Easttown Township	5.9900	4.4710	4.2580	4.1340	4.0140	4.0140	4.0140	4.0140	4.0140	4.0140
Elk Township	0.2570	0.2570	0.2570	0.2570	0.2570	0.2570	0.2570	0.2170	0.2570	0.2570
Franklin Township	2.4950	2.4950	2.4950	2.4950	2.4950	2.4950	2.4950	2.4950	2.4950	2.4950
Highland Township	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000	2.3000
Honey Brook Township	1.3500	1.3500	1.3500	1.3500	1.3500	0.9800	0.9800	0.9800	0.9800	0.9800
Kennett Township	3.5000	3.0000	2.5000	2.3000	2.3000	2.3000	2.1000	0.2000	0.2000	0.2000
London Britian Township	5.8000	5.7650	5.3250	5.1970	5.1900	4.7000	4.6750	4.6550	4.6550	4.3750
London Grove Township	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500
Londonderry Township	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Lower Oxford Township	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500
New Garden Township	2.7700	1.7200	1.7200	1.7200	1.7200	1.7200	1.7200	1.6200	1.6200	1.6200
New London Township	1.0000	0.5000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Newlin Township	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
North Coventry Township	3.2800	3.2800	3.0800	2.8500	2.8500	2.8500	2.5500	2.4500	2.3500	2.1000
Penn Township	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300	0.5300
Pennsbury Township	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900
Pocopson Township	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000	2.2000
Sadsbury Township	3.1000	3.1000	2.1000	2.1000	2.1000	2.1000	2.3000	1.3000	1.3000	1.0500
Schuylkill Township	3.0000	3.0000	3.0000	3.0000	3.0000	2.7000	2.7000	2.7000	2.7000	2.7000
South Coventry Township	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Thornbury Township	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950	0.9950
Tredyffrin Township	3.9140	2.6820	2.5690	2.5690	2.5000	2.4270	2.3800	2.3800	2.3800	2.3800
Upper Oxford Township	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Upper Uwchlan Township	1.0340	1.0340	1.0340	1.0340	1.0340	1.0340	1.0340	1.0340	1.0340	1.0340
Uwchlan Township	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Valley Township	4.5000	3.8000	3.8000	3.8000	3.5500	3.3000	3.3000	2.0000	1.5000	1.5000
Wallace Township	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Warwick Township	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

COUNTY OF CHESTER, PENNSYLVANIA
Direct and Overlapping Property Tax Rates
(Last Ten Years)
(Unaudited)

Table 7

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Municipalities, continued										
West Bradford Township	0.5000	0.5000	0.5000	0.5000	0.5000	0.0000	0.0000	0.0000	0.0000	0.0000
West Brandywine Township	3.7030	3.7030	3.7030	3.7030	3.7030	2.7030	2.3080	2.3080	2.3080	2.3080
West Caln Township	3.0000	1.7500	1.7500	1.7500	1.7500	1.0000	1.0000	1.0000	1.0000	1.0000
West Fallowfield Township	2.1600	2.1600	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	1.6710	1.6710
West Goshen Township	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
West Marlboro Township	2.0000	2.0000	2.0000	2.0000	2.0000	1.7000	1.7000	1.7000	1.7000	1.7000
West Nantmeal Township	0.6900	0.6900	0.6900	0.6900	0.6900	0.6900	0.6900	0.6900	0.6900	0.6900
West Nottingham Township	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3450	0.9700
West Pikeland Township	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
West Sadsbury Township	7.0000	5.0000	4.0000	2.9000	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000
West Vincent Township	2.0900	2.0900	2.0900	2.0900	2.0900	2.0900	2.0900	2.0900	2.0900	2.0900
West Whiteland Township	2.0000	0.7140	0.7140	0.7140	0.7140	0.7190	0.7190	0.7190	0.7190	0.7190
Westtown Township	3.9200	3.7100	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
Willistown Township	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
School Districts										
Avon Grove	34.9500	34.9500	34.1000	33.5200	32.7100	31.6100	30.6900	29.7700	29.0400	28.1570
Coatesville Area	42.8640	41.8190	41.2190	39.6910	38.2018	38.2018	36.7537	34.9138	33.4598	32.7716
Downingtown Area	30.7110	29.5580	28.5580	27.7260	27.1820	27.1820	27.1820	27.1820	27.1820	27.1820
Great Valley	24.3700	23.6600	22.9200	22.3600	21.8100	21.5500	21.2950	20.8000	20.8000	20.3200
Kennett Consolidated	33.6498	32.7275	32.4358	31.8707	31.4852	30.9497	30.4479	29.8789	29.2408	28.6017
Octorara Area	42.2800	42.2800	41.9900	40.8200	40.8900	40.7900	39.4900	39.4900	38.6300	37.5100
Owen J. Roberts	35.4731	34.5237	33.9299	33.2712	32.7858	31.9550	31.2366	30.5045	29.6305	28.8262
Oxford Area	36.9607	36.0529	34.6390	33.3548	32.0104	31.4599	31.1484	31.1484	30.8400	30.5347
Phoenixville Area	33.8474	33.0283	32.6399	32.3200	31.8200	31.2000	30.5200	29.5800	29.1600	28.8900
Spring-Ford Area	32.5131	30.8766	29.6712	28.7379	28.1869	27.4777	26.8599	26.2442	26.2442	26.0610
Twin Valley	33.0812	32.4937	31.6173	31.2059	30.1215	30.1215	29.4248	29.4248	28.6049	28.0028
Tredyffrin-Easttown	28.3373	26.7585	25.8536	25.1128	24.5003	23.8795	22.9810	22.4381	21.7423	20.9868
Unionville-Chaddsford	32.6100	31.9500	30.7300	29.9600	29.0700	29.1600	28.5100	28.4100	27.6900	26.9900
West Chester Area	22.7319	22.4364	22.4364	22.0604	21.6622	21.6622	21.2723	20.6841	20.0982	19.5779

Source: County Assessment Office

Table 8

COUNTY OF CHESTER, PENNSYLVANIA
Principal Taxpayers
(Unaudited)

Business	Type of Business	2024 Assessment			2015 Assessment		
		Assessed Valuation	Rank	% of Total Assessed Valuation	Assessed Valuation	Rank	% of Total Assessed Valuation
Hankin Group *	Property Management	\$ 314,107,845	1	0.77%	\$ 90,049,800	3	0.24%
Horatio/Nelson	Financial Investment Firm	175,978,420	2	0.43%	127,776,510	2	0.35%
WPT Land 2 LP	Real Estate Investment	127,737,610	3	0.31%			
Main Street at Exton/Cinema	Shopping Mall	77,791,430	4	0.19%	45,751,480	10	0.12%
Kendal-Crosslands/Crosslands Corp.	Retirement Community	62,036,950	5	0.15%			
Exton Square/PR Exton/PP Exton/NWHAN Exton	Shopping Mall	61,725,115	6	0.15%	71,891,610	5	0.19%
CBCC Acquisitions, LLC **	Property Management	60,028,990	7	0.15%	76,246,020	4	0.21%
Q Owner PA001 LLC	Real Estate Investment	56,343,960	8	0.14%			
Worthington Associates	Real Estate Investment	55,144,740	9	0.13%			
Brandywine Square, Inc	Shopping Mall	52,920,000	10	0.13%			
Total Principal Taxpayers 2023		<u>\$ 1,043,815,060</u>		<u>2.55%</u>			
Liberty Property Ltd. Partnership	Real Estate Investment				270,647,328	1	0.73%
Brandywine Operating Ltd. Partnerships	Property Management				62,316,000	8	0.17%
QVC, Inc.	Multichannel Retailer				50,366,400	9	0.14%
Home Properties	Real Estate Developer				64,157,430	7	0.17%
Seimens Medical Systems	Software Systems/Medical				67,192,400	6	0.18%
Total Principal Taxpayers 2015					<u>\$ 926,394,978</u>		<u>2.50%</u>

* Open Court of Common Pleas appeals

** New owner as of 08/2019, prior owner was Chesterbrook Partners

Source: County Assessment Office

COUNTY OF CHESTER, PENNSYLVANIA
Property Tax Levies and Collections
Last Ten Years
(Unaudited)

Table 9

<u>Year ended December 31</u>	<u>Total tax levy</u>	<u>Current tax collections</u>	<u>Percent of levy collected</u>	<u>Delinquent tax collections</u>	<u>Total tax collections</u>	<u>Percent of total tax collections to tax levy</u>	<u>Outstanding delinquent taxes</u>	<u>Percent of delinquent taxes to tax levy</u>
2015	\$ 154,628,180	\$ 150,415,110	97.3	\$ 3,598,045	\$ 154,013,155	99.6	\$ 1,561,294	1.0
2016	156,484,199	151,844,735	97.0	3,401,544	155,246,279	99.2	1,472,301	0.9
2017	165,463,047	160,751,205	97.2	3,326,700	164,077,905	99.2	1,375,581	0.8
2018	167,078,378	162,135,031	97.0	3,420,646	165,555,677	99.1	1,271,444	0.8
2019	168,800,800	163,842,861	97.1	3,538,486	167,381,347	99.2	1,296,264	0.8
2020	169,626,207	164,752,343	97.1	3,074,716	167,827,059	98.9	1,308,534	0.8
2021	179,949,503	174,991,750	97.2	3,776,532	178,768,282	99.3	1,144,628	0.6
2022	183,254,742	178,237,822	97.3	3,802,019	182,039,841	99.3	1,129,722	0.6
2023	185,843,805	181,026,462	97.4	3,411,516	184,437,978	99.2	905,894	0.5
2024	185,654,791	181,900,563	98.0	2,846,784	184,747,348	99.5	890,391	0.5

COUNTY OF CHESTER, PENNSYLVANIA
Ratios of Outstanding Debt
Last Ten Years
(Unaudited)

Table 10

Year ended December 31	Governmental Activities		Business-Type Activities		Total Primary Government	GO to market value	GO per capita	GO to personal income	Total debt to market value	Total debt per capita	Total debt to personal income
	General		General								
	Obligation debt (GO)	Lease debt	Obligation debt (GO)	Lease debt							
2015	\$ 549,533,936	\$ 587,336	\$ 349,259	\$ -	\$ 550,470,531	0.824%	1,066	1.44%	0.825%	1,067	1.45%
2016	609,744,802	368,950	243,636	-	610,357,388	0.881%	1,181	1.57%	0.881%	1,182	1.57%
2017	584,849,708	718,362	135,011	-	585,703,081	0.825%	1,127	1.45%	0.826%	1,128	1.46%
2018	589,628,243	3,800,136	134,932	35,285	593,598,596	0.796%	1,130	1.36%	0.802%	1,137	1.37%
2019	559,401,273	4,594,563	87,532	62,801	564,146,169	0.713%	1,066	1.22%	0.719%	1,075	1.23%
2020	568,535,313	3,849,376	59,227	46,774	572,490,690	0.685%	1,064	1.17%	0.690%	1,071	1.18%
2021	579,346,055	2,698,339	30,096	30,747	582,105,237	0.656%	1,071	1.13%	0.659%	1,076	1.13%
2022	539,999,498	26,418,486	-	14,720	566,432,704	0.528%	989	0.98%	0.553%	1,038	1.03%
2023	498,912,862	23,096,500	-	3,007	522,012,369	0.440%	907	0.84%	0.461%	949	0.88%
2024	475,240,297	23,183,462	-	21,321	498,445,080	0.393%	848	N/A	0.412%	889	N/A

N/A - not available at time of printing

Source: County Planning and Assessment Offices and Annual Comprehensive Financial Reports

COUNTY OF CHESTER, PENNSYLVANIA
Schedule of Ratios of General Debt to Assessed Value of
Real Estate and General Obligation Debt per Capita
Last Ten Years
(Unaudited)

Table 11

Year ended December 31	Population ¹	Assessed Value	General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
2015	515,939	\$ 36,949,355,330	\$ 549,883,195	1.49%	\$ 1,065.79
2016	516,312	37,269,032,636	609,988,438	1.64%	1,181.43
2017	519,293	37,589,872,977	584,984,719	1.56%	1,126.50
2018	522,046	37,984,781,557	589,763,175	1.55%	1,129.71
2019	524,989	38,700,276,590	559,488,805	1.45%	1,065.72
2020	534,413	39,020,302,826	568,594,540	1.46%	1,063.96
2021	540,864	39,756,516,472	579,376,151	1.46%	1,071.20
2022	545,823	40,431,857,165	539,999,498	1.34%	989.33
2023	549,784	40,800,615,477	498,912,862	1.22%	907.47
2024	560,745	41,044,393,711	475,240,297	1.16%	847.52

1 All years are United States Census Bureau estimates.

Sources: County Planning and Assessment Offices and Annual Comprehensive Financial Reports

COUNTY OF CHESTER, PENNSYLVANIA
Direct and Overlapping Governmental Activities Debt
December 31, 2024

Table 12

	(Unaudited)		
	Net debt	Percentage	Estimated share
<u>Direct Debt of County and Related Entities</u>	<u>outstanding</u>	<u>applicable ²</u>	<u>of direct and</u>
			<u>overlapping debt</u>
County of Chester	\$ 498,445,080	100%	\$ 498,445,080
Overlapping Debt			
School Districts: ¹			
Avon Grove	113,637,375	100%	113,637,375
Coatesville Area	239,572,782	100%	239,572,782
Downingtown Area	59,498,029	100%	59,498,029
Great Valley	70,255,951	100%	70,255,951
Kennett Consolidated	69,709,608	100%	69,709,608
Octorara Area	36,786,449	79%	29,061,295
Owen J. Roberts	90,245,724	100%	90,245,724
Oxford Area	22,325,130	100%	22,325,130
Phoenixville Area	163,101,005	100%	163,101,005
Tredyffrin-Easttown	120,210,775	100%	120,210,775
Unionville-Chaddsford	76,565,306	80%	61,252,245
West Chester Area	223,810,234	94%	210,381,620
Spring-Ford Area	57,515,000	3%	1,725,450
Twin Valley	3,530,000	49%	1,729,700
Total School Districts			<u>1,252,706,688</u>
Municipalities:			
Caln Township	17,556,339	100%	17,556,339
Charlestown Township	5,719,631	100%	5,719,631
East Bradford Township	8,501,000	100%	8,501,000
East Brandywine Township	5,506,509	100%	5,506,509
East Coventry Township	6,122,973	100%	6,122,973
East Goshen Township	18,065,000	100%	18,065,000
East Marlborough Township	4,545,000	100%	4,545,000
East Nantmeal Township	416,984	100%	416,984
East Vincent Township	13,390,000	100%	13,390,000
East Whiteland Township	18,580,000	100%	18,580,000
Easttown Township	31,691,055	100%	31,691,055
Franklin Township	2,240,000	100%	2,240,000
Highland Township	N/A	100%	N/A
Honey Brook Township	2,645,000	100%	2,645,000
Kennett Township	3,090,000	100%	3,090,000
London Britain Township	283,418	100%	283,418
London Grove Township	4,616,000	100%	4,616,000
Lower Oxford Township	661,000	100%	661,000
North Coventry Township	3,284,344	100%	3,284,344
Pennsbury Township	2,265,000	100%	2,265,000
Pocopson Township	906,000	100%	906,000

COUNTY OF CHESTER, PENNSYLVANIA
Direct and Overlapping Governmental Activities Debt
December 31, 2024

Table 12

<u>Direct Debt of County and Related Entities</u>	(Unaudited)		Estimated share of direct and overlapping debt
	Net debt outstanding	Percentage applicable ²	
Municipalities, Continued:			
South Coventry Township	\$ 223,319	100%	\$ 223,319
Schuylkill Township	10,033,078	100%	10,033,078
Tredyffrin Township	5,614,900	100%	15,930,000
Upper Uwchlan Township	13,475,000	100%	13,475,000
Uwchlan Township	873,973	100%	873,973
West Bradford Township	34,200,000	100%	34,200,000
West Brandywine Township	1,510,433	100%	1,510,433
West Caln Township	950,054	100%	950,054
West Fallowfield Township	190,000	100%	190,000
West Goshen Township	2,115,000	100%	2,115,000
West Pikeland Township	6,980,294	100%	6,980,294
West Sadsbury Township	N/A	100%	N/A
West Vincent Township	3,144,618	100%	3,144,618
West Whiteland Township	1,077,000	100%	1,077,000
Westtown Township	18,652,981	100%	18,652,981
Willistown Township	9,470,000	100%	9,470,000
Borough of Atglen	1,449,000	100%	1,449,000
Borough of Avondale	1,764,796	100%	1,764,796
Borough of Downingtown	6,635,000	100%	6,635,000
Borough of Kennett Square	19,436,000	100%	19,436,000
Borough of Malvern	N/A	100%	N/A
Borough of Modena	N/A	100%	N/A
Borough of Oxford	2,766,121	100%	2,766,121
Borough of Parkesburg	2,913,333	100%	2,913,333
Borough of Phoenixville	20,800,000	100%	20,800,000
Borough of South Coatesville	N/A	100%	N/A
Borough of West Chester	18,893,330	100%	18,893,330
City of Coatesville	N/A	100%	N/A
Total Municipalities			<u>343,568,583</u>
Total overlapping debt			<u>1,596,275,271</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 2,094,699,030</u>

Note:

- 1 The school district debt is as of June 30, 2024.
- 2 The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the school district's boundaries and dividing it by the county's total taxable assessed value.

N/A Net debt outstanding not available at time of printing.

Source: Chester County Finance Office

COUNTY OF CHESTER, PENNSYLVANIA
Legal Debt Margin Information
Last Ten Years
(in thousands)
(Unaudited)

Table 13

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Debt limit	\$ 1,794,671	\$ 1,747,598	\$ 1,713,522	\$ 1,621,617	\$ 1,514,942	\$ 1,425,962	\$ 1,391,561	\$ 1,349,244	\$ 1,312,894	\$ 1,296,199
Total net debt applicable to limit	<u>428,090</u>	<u>445,254</u>	<u>480,212</u>	<u>512,480</u>	<u>503,545</u>	<u>497,780</u>	<u>532,410</u>	<u>527,715</u>	<u>550,765</u>	<u>518,930</u>
Legal debt margin	<u>\$ 1,366,581</u>	<u>\$ 1,302,344</u>	<u>\$ 1,233,310</u>	<u>\$ 1,109,137</u>	<u>\$ 1,011,397</u>	<u>\$ 928,182</u>	<u>\$ 859,151</u>	<u>\$ 821,529</u>	<u>\$ 762,129</u>	<u>\$ 777,269</u>
Total net debt applicable to the limit as a percentage of debt limit	23.85%	25.48%	28.02%	31.60%	33.24%	34.91%	38.26%	39.11%	41.95%	40.03%

Legal Debt Margin Calculation for Fiscal Year 2024

Total Revenues Received	\$ 626,366	\$ 592,483	\$ 578,954
Grants for construction of specific programs	912	1,193	1,027
Net Revenues	\$ 625,454	\$ 591,290	\$ 577,927
Total net revenue	\$ 1,794,671		
Borrowing base = Total net revenues, divided by three	\$ 598,224		

Source: Office of the County Controller as compiled from Annual Comprehensive Financial Report

COUNTY OF CHESTER, PENNSYLVANIA
Demographic Economic Statistics
Last Ten Years
(Unaudited)

Table 14

<u>Year ended</u> <u>December 31</u>	<u>Population ¹</u>	<u>Per capita</u> <u>income ²</u>	<u>Public school</u> <u>enrollment ⁴</u>	<u>Unemployment</u> <u>rate ³</u>	<u>Personal</u> <u>income ²</u>
2015	515,939	\$ 73,803	75,854	3.7	\$ 38,077,908,000
2016	516,312	75,281	75,468	3.9	38,868,438,000
2017	519,293	77,465	71,248	3.5	40,226,989,000
2018	522,046	82,846	71,721	3.1	43,249,210,000
2019	524,989	87,557	71,519	3.0	45,966,383,000
2020	534,413	91,927	71,519	6.6	48,423,276,000
2021	540,864	95,483	70,054	4.1	51,431,960,000
2022	545,823	101,051	69,954	2.9	55,155,695,000
2023	549,784	108,215	69,504	2.7	59,494,975,000
2024	560,745	N/A	68,737	2.6	N/A

Sources:

- 1 All years are United States Census Bureau estimates.
 - 2 Bureau of Economic Analysis, 2024 information currently not available.
 - 3 Pennsylvania Department of Labor and Industry, Bureau of Research Statistics.
 - 4 Chester County Intermediate Unit 2024/2025 School Year
- N/A Not available at time of publishing

COUNTY OF CHESTER, PENNSYLVANIA
Principal Employers
Current Year and Ten Years Ago
(Unaudited)

Table 15

Employer	2024			2015		
	Rank	# Employees	% of Labor Force	Rank	# Employees	% of Labor Force
Vanguard Group ^	1	20,000	6.73%	1	10,000	3.65%
Chester County Hospital	2	3,500	1.18%	5	2,225	0.81%
Main Line Health Systems	3	2,800	0.94%	2	2,725	1.00%
County of Chester	4	2,794	0.94%	3	2,699	0.99%
Giant Food Stores, LLC	5	2,400	0.81%	6	n/a	
Downingtown Area School District	6	1,895	0.64%	10	1,223	0.45%
PA System of Higher Education*	7	1,700	0.57%			
QVC, Inc.	8	1,650	0.56%	4	2,613	0.95%
West Chester Area School District	9	1,580	0.53%			
Chester County Intermediate Unit	10	1,565	0.53%			
Siemens Medical Solutions USA, Inc				9	n/a	
YMCA of Greater Brandywine Valley				7	2,000	0.73%
The Devereux Foundation				8	1,763	0.64%
Total		<u>39,884</u>	<u>13.42%</u>		<u>25,248</u>	<u>9.23%</u>
Labor Force 2024 (average)	297,292					
Labor Force 2015 (average)	273,617					

Source for Rank: Pennsylvania Center for Workforce Information and analysis, and Individual Employers
N/A - not available at time of printing in current year / not ranked in top 10 in prior years

^ Includes contracted employees

* Includes West Chester University, Lincoln University, Cheyney University and Penn State Great Valley
Excludes Federal and State Government Entities

Table 16

COUNTY OF CHESTER, PENNSYLVANIA
Full-time Equivalent County Government Employees by Function
Last Ten Years
(Unaudited)

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Government	318	309	302	303	318	314	313	308	309	304
Judicial	467	459	462	464	489	491	494	503	498	493
Public Safety	149	145	134	135	149	131	125	121	118	119
Corrections	364	383	386	390	416	439	445	442	443	435
Public Works	5	5	4	4	4	4	4	4	4	3
Human Services	564	519	433	451	475	482	476	499	485	496
Culture & Recreation	140	134	135	134	141	142	142	144	151	151
Conservation & Development	70	69	69	69	71	68	66	71	71	71
	<u>2,077</u>	<u>2,023</u>	<u>1,925</u>	<u>1,950</u>	<u>2,063</u>	<u>2,070</u>	<u>2,065</u>	<u>2,092</u>	<u>2,079</u>	<u>2,072</u>

Note:

Totals do not include FTE's for Pocopson Home.

Source: Chester County Human Resources Department

COUNTY OF CHESTER
Capital Asset Statistics by Function and Activity
Last Ten Years
(Unaudited)

Table 17

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental										
General government										
Motor vehicles	17	14	15	15	15	14	14	12	12	13
Buildings	6	6	6	6	6	6	6	6	6	6
Judicial government										
Motor vehicles	89	96	92	92	96	94	94	105	105	98
Buildings	4	3	3	3	2	2	2	2	2	2
Public safety										
Motor vehicles	28	30	27	23	22	17	17	20	20	19
Buildings	2	2	2	2	2	2	2	2	2	1
Corrections										
Motor vehicles	44	37	37	39	41	41	41	33	33	30
Buildings	4	4	4	4	3	3	3	3	3	3
Public works										
Motor vehicles	12	12	12	12	12	12	12	9	9	8
County owned bridges	95	95	95	95	95	95	95	95	95	95
Human services										
Motor vehicles	152	130	132	130	141	126	126	118	97	79
Buildings	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Motor vehicles	52	58	60	58	58	58	58	48	48	48
Number of major parks	10	10	10	10	10	10	10	10	9	9
Acreage of major parks	4,647	4,647	4,647	4,585	4,585	4,585	4,585	4,585	4,374	4,374
Miles of trails	67	67	67	56	56	56	56	56	42	42
Buildings	5	5	5	5	5	5	5	5	5	5
Conservation and development										
Motor vehicles	6	7	7	7	7	7	7	5	5	5
Acreage of open space	52,005	50,765	50,340	48,947	47,952	46,957	45,962	44,967	43,972	42,977
General government buildings										
Buildings	3	4	3	3	3	3	3	3	3	3
Business type										
Geriatric center										
Motor vehicles	9	8	8	8	8	12	11	8	8	8
Buildings	3	3	3	3	3	3	3	3	3	3

Source: Various government departments

COUNTY OF CHESTER
Operating Indicators by Function
Last Ten Years
(Unaudited)

Table 18

Function	2024	2023	2022	2021
General Government				
% of customers receive accurate assessments	99%	99%	99%	99%
% of time the County receives Aaa/AAA bond rating in accordance with Moody's Investors Service, Standard & Poor;s Ratings Service and Fitch Ratings rating criteria	100%	100%	100%	100%
% of bids for goods/services obtained in a cost effective and timely manner	97%	100%	100%	100%
% of precincts submitting paperwork that does not require re-canvassing	90%	93%	93%	80%
Judicial				
Criminal cases pending	2,207	2,201	2,241	2,157
Family Court new cases	1,500	1,574	2,781	3,678
Total filings through District Justices offices	91,147	87,995	80,999	77,269
Public Safety				
% or more of 9-1-1 calls received and dispatched within two minutes or less	82%	83%	85%	81%
Call volume	496,081	275,683	281,285	494,024
Corrections				
Prison inmate population (average)	706	697	787	619
% of probationers/parolees will not be convicted of a new offense during their Restrictive Probation Supervision	95%	95%	95%	82%
Public Works				
Bridge Condition Rating (scale of 1 to 9)	N/A	N/A	N/A	6
% of County owned bridges that are open/available and rated safe for public use	97%	97%	97%	N/A
Human Services				
% of individuals experiencing homelessness who exit to permanent housing	40%	40%	40%	60%
% of Health Choices adults who have follow up care after mental health hospitalization within 30 days of discharge	69%	52%	58%	64%
Culture & Recreation				
% of park program participants that express the program exceeded their expectations	100%	93%	98%	96%
% of customers surveyed who attend a library program will say they increased their knowledge or learned a new skill	90%	90%	90%	99%
Conservation & Development				
Acres preserved with Farmland Easement Programs	502	425	584	1,424
% of public, municipalities, surface water suppliers, and conservation organizations that have access to annual water quality and quantity status reports, and flood and water management information products	100%	100%	100%	100%

N/A - not available at time of publication

Source: Chester County Budget

COUNTY OF CHESTER
Operating Indicators by Function
Last Ten Years
(Unaudited)

Table 18

2020	2019	2018	2017	2016	2015
99%	99%	99%	99%	99%	99%
100%	100%	100%	100%	100%	100%
97%	97%	98%	97%	97%	100%
80%	80%	80%	85%	93%	90%
2,181	1,716	1,537	1,616	1,629	1,661
3,542	6,207	6,637	5,814	5,672	5,947
61,401	97,419	105,453	100,632	98,238	102,500
90%	90%	90%	95%	97%	98%
259,240	275,617	266,482	261,100	277,198	278,255
619	850	851	831	817	893
90%	90%	94%	94%	93%	95%
5.9	6	5.8	5.7	5.9	5.6
N/A	N/A	N/A	N/A	N/A	N/A
40%	55%	51%	46%	74%	74%
69%	69%	67%	67%	71%	N/A
85%	N/A	N/A	N/A	N/A	N/A
90%	96%	95%	96%	98%	99%
613	1,249	1,573	1,300	995	1,480
100%	100%	100%	100%	100%	100%

COUNTY OF CHESTER, PENNSYLVANIA
Miscellaneous Statistics
December 31, 2024
(Unaudited)

Table 19

Date founded:	1682			
Form of government:	County			
Area:	782 square miles			
Number of Municipalities:	57 Townships 15 Boroughs 1 City			
Miles of roads:	2,650 - Municipal 1,062 - State			
County bridges:	95			
Airports:	3			
Passenger Rail Stations:	12			
Fire / ambulance protection:	43 Volunteer Fire Stations 29 Ambulance & EMS Stations			
Police protection:	42 Municipal Police Departments 2 State Police Barracks 1 County Detective Department 2 School District / University Departments			
Hospitals, Urgent Care and medical centers	31			
Number of school districts:	14			
Number of colleges:	8			
Major county parks:	Park	Acres	Active Trail/miles	Proposed Trail/miles
	Hibernia/Chambers Lake/Hatfield	1,540	6.1	-
	Nottingham	713	8.1	-
	Warwick	566	7.3	-
	Springton Manor Farm	262	6.4	-
	Black Rock Sanctuary	346	3.7	-
	Exton	423	3.7	-
	Wolf's Hollow Farm	569	11.7	-
	Chester Valley Trail	67	15.0	7.4
	Struble Trail	144	2.6	-
	Schuylkill River Trail	0.4	12.1	-
County employees:	2,425 - Full-time 369 - Part-time			
Public libraries:	18			
Registered voters:	396,121 - Nov 2024			

Source: Planning Commission, Human Resources Department, Department of Emergency Services, Parks & Recreation Department, Voter Services, PennDOT