

CHESTER COUNTY, SOUTH CAROLINA

**Independent Auditors' Report
and Financial Statements**

**As of and For the Fiscal Year Ended
June 30, 2010**

ISSUED BY:

CHESTER COUNTY

Management and Finance Departments

**R. Carlisle Roddey
County Supervisor**

**Jack L. Kindle
Treasurer**

**Jerry Baker
Finance Director**

CHESTER COUNTY, SOUTH CAROLINA
Independent Auditors' Report
and Financial Statements
June 30, 2009

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INDEPENDENT AUDITORS' REPORT

The Honorable Chairman and
Members of the County Council
Chester County, South Carolina

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 Chester County, South Carolina, as of and for the year ended June 30, 2010, which collectively comprise County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Chester County, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Chester Fire District, a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our report, insofar as it relates to amounts included for Chester Fire District, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Chester County, South Carolina, as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of Chester County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information, on pages 3 through 13 and 54 through 58, be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary

information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chester County, South Carolina's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules of magistrates and clerk of court fines and fees are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The schedules of magistrates and clerk of court fines and fees have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Faulkner and Thompson, P.A.

Rock Hill, South Carolina
December 21, 2010

Chester County, South Carolina

Office of Finance and Delinquent Tax Collection

Post Office Drawer 580

Chester, South Carolina 29706

CHESTER COUNTY, SOUTH CAROLINA

Management's Discussion and Analysis (MD&A)

The Management's Discussion and Analysis (MD&A) of Chester County Government's financial performance provides an overall review of the County's financial activities for the fiscal year ended June 30, 2010. It is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

As management of Chester County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the notes to the financial statements and the financial statements to enhance their understanding of Chester County Government's financial performance.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$31,810,550 (*net assets*). Of this amount, \$12,589,217 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$2,745,463 (9 percent).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$20,443,213, a decrease of \$7,085,091 in comparison with the prior year. Approximately 49 percent of this total amount, \$10,097,138 is available for allocation at the government's discretion (*unreserved fund balance*).

Overview of the Financial Statements

The financial section of this annual report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information and supplementary information. The basic financial statements include two kinds of statements that present different views of the County.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of Chester County's finances, in a manner similar to a private-sector business. They provide both long-term and short-term information about the County's overall financial status.

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

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

Both of the government-wide financial statements distinguish functions of the County that are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, highways and streets, sanitation, health, welfare, and cultural and recreational. Chester County has only one business-type activity, which is the Landfill/Transfer Station.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also a legally separate Chester County Library unit, Chester Fire District, Lando Fire District and Chester County Airport, all of which are fiscally dependent on the County, and for which Chester County is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 13 through 15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Chester County can be divided into these categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains seventy individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, C-Funds Transportation Fund and County Jail Fund. These funds are considered to be major funds. Data from the other sixty-eight governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and can be found on pages 59 through 95 of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

Proprietary funds. The County maintains one proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. The County uses an enterprise fund to account for its solid waste disposal operation.

Proprietary funds provide the same types of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the solid waste disposal operation.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

Fiduciary funds. Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for others. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. Fiduciary funds of the County, consisting of agency funds are reported in the Statement of Fiduciary Net Assets using an accrual basis of accounting. Agency funds held by the County involve only the receipt, temporary investment, and remittance of resources to individuals, or other governments in a purely custodial capacity (assets equal liabilities). The funds reported by the County include property taxes and other revenue collected, temporarily retained and distributed by the County Treasurer to the City of Chester and the Town of Great Falls, in accordance with the Acts of the General Assembly of South Carolina. Other funds are being held on behalf of Chester County School District, Sheriff Drug Seizure, Clerk of Court Bonds, and funds held from the Chester County Tax Sale.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 53 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the report also presents certain *required supplementary information* in this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 54 through 97 of this report.

Financial Analysis of the County as a Whole

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Chester County, total assets exceeded total liabilities by \$31,810,550 at the close of the most recent fiscal year.

Chester County's Net Assets						
	Governmental activities		Business-type activities		Total	
	2009	2010	2009	2010	2009	2010
Current and other assets	34,909,208	28,286,359	96,128	68,987	35,005,336	28,355,346
Capital assets	15,024,445	24,334,444	333,311	1,021,769	15,357,756	25,356,213
Total assets	49,933,653	52,620,803	429,439	1,090,756	50,363,092	53,711,559
Long-term liabilities outstanding	16,464,926	15,757,739	978,317	1,882,791	17,443,243	17,640,530
Other liabilities	5,952,014	6,465,404	(2,097,252)	(2,204,925)	3,854,762	4,260,479
Total liabilities	22,416,940	22,223,143	(1,118,935)	(322,134)	21,298,005	21,901,009
Net assets:						
Invested in capital assets, net of related debt	9,880,376	8,576,705	333,311	298,553	10,213,687	8,875,258
Restricted	5,959,283	10,346,075	-0-	-0-	5,959,283	10,346,075
Unrestricted	11,677,054	11,474,880	1,215,063	1,114,337	12,892,117	12,589,217
Total net assets	27,516,713	30,397,660	1,548,374	1,412,890	29,065,087	31,810,550

Twenty-eight percent of the County's net assets reflect its investment in capital assets (e.g., land, building, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The balance of total unrestricted net assets, \$12,589,217, may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$1,114,337 is the unrestricted net assets of the County's Landfill/Transfer Station.

At the end of the current fiscal year, the County is able to report positive balances in two categories of net assets, both for the government as a whole, as well as for its separate business-type activities. The same situation held true for the prior fiscal year.

Governmental activities. There was an increase of \$2,880,947 in total net assets as reported in connection with the County's governmental activities. Key elements of this increase are as follows:

- Interest income was budgeted at \$249,000 for the year ended June 30, 2010. Actual income was \$401,513.
- Expenses for the year were lower than budgeted amounts by \$1,042,772 mainly as a result of savings related to employee benefits, departmental expenses and utilities costs.
- Delinquent Taxes collections were \$827,102 more than the budgeted amount.
- Emergency Medical Services collections were \$354,856 more than the budgeted amount.

Business-type activities. The business-type net assets decreased by \$135,484 during fiscal year 2010. The primary reason for the decrease relates to an increase in disposal fees and depreciation cost, and a decrease in operating revenue. Additional information on the County's solid waste landfill can be found in **Note 8 – Solid Waste Landfill Closure and Post Closure Care Cost** beginning on page 43 of this report.

Chester County's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
Program revenues:						
Charges for services	2,191,433	2,319,312	1,028,254	946,439	3,219,687	3,265,751
Operating grants and contributions	1,743,728	2,103,338	7,481	14,420	1,751,209	2,117,758
Capital grants and contributions	1,335,168	2,220,315	-0-	-0-	1,335,168	2,220,315
General revenues:						
Property taxes	14,636,616	15,003,136	-0-	-0-	14,636,616	15,003,136
Intergovernmental	3,959,726	3,709,441	-0-	-0-	3,959,726	3,709,441
Accommodations fees	178,991	178,526	-0-	-0-	178,991	178,526
Investment income	766,701	507,873	5,218	1,614	771,919	509,487
Other	31,611	104,727	-0-	-0-	31,611	104,727
Franchise fees	179,851	184,462	-0-	-0-	179,851	184,462
Total revenues and transfers	25,023,825	26,331,130	1,040,953	962,473	26,064,778	27,293,603
Expenses:						
General government	12,835,557	12,480,193	-0-	-0-	12,835,557	12,480,193
Public safety	7,515,112	7,936,697	-0-	-0-	7,515,112	7,936,697
Highways and streets	2,603,152	1,351,865	-0-	-0-	2,603,152	1,351,865
Welfare	259,316	262,548	-0-	-0-	259,316	262,548
Culture and recreational	858,606	897,341	-0-	-0-	858,606	897,341
Interest and fiscal charges in long-term debt	296,253	521,539	-0-	-0-	296,253	521,539
Solid waste	-0-	-0-	813,639	1,097,957	813,639	1,097,957
Total expenses	24,367,996	23,450,183	813,639	1,097,957	25,181,635	24,548,140
Increase (decrease) in net assets	655,829	2,880,947	227,314	(135,484)	883,143	2,745,463
Net assets - Beginning	26,860,884	27,516,713	1,321,060	1,548,374	28,181,944	29,065,087
Net assets - Ending	27,516,713	30,397,660	1,548,374	1,412,890	29,065,087	31,810,550

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$20,443,213, a decrease of \$7,085,091 in comparison with the prior year. Approximately 49 percent of this total amount (\$10,097,138) constitutes *unreserved fund balance*, which is available for allocation at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to pay debt service.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$10,097,138, which is equal to the County's total general fund balance. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unreserved fund balance represents 62 percent of total general fund expenditures. The fund balance of the County's General Fund decreased by \$471,883 during the current fiscal year.

General Fund Budgetary Highlights

During fiscal year 2010, there were no budgetary supplemental appropriations needed by County Council. The County realized an unfavorable variance of \$1,271,687 in the collection of General Fund revenues and a favorable variance of \$1,042,772 in the County's General Fund expenditures. The most significant unfavorable variances resulted from the decrease in current property tax and delinquent tax collections.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to \$25,356,213 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, and roads.

Significant capital asset additions consisted of 1) the purchase of a land for a new industrial park in the amount of \$1,319,663; 2) A compactor for Landfill in the amount of \$731,685; 3) A new fire truck for Richburg Fire District in the amount of \$160,000; 4) Radio System for Sheriff's Department in the amount of \$74,712; 5) jail construction activities in the amount of \$8,152,650; 6) Software purchase for E911 in the amount of \$66,130.

Chester County's Capital Assets						
	Governmental activities		Business-type activities		Total	
	2009	2010	2009	2010	2009	2010
Land	3,059,001	4,176,870	112,144	112,144	3,171,145	4,289,014
Construction in progress	491,516	9,048,276	-0-	-0-	491,516	9,048,276
Buildings and improvements	7,042,368	6,818,750	171,912	177,630	7,214,280	6,996,380
Improvements other than buildings	562,188	483,459	-0-	34,200	562,188	517,659
Infrastructure	1,074,888	1,015,642	-0-	-0-	1,074,888	1,015,642
Machinery and equipment	2,794,484	2,791,447	49,255	697,795	2,843,739	3,489,242
Total capital assets	15,024,445	24,334,444	333,311	1,021,769	15,357,756	25,356,213

Additional information on the County's capital assets can be found in **Note 6 - Capital Assets** beginning on page 38 of this report.

Long-term debt. At the end of the current fiscal year, the County had total bonds and bond anticipation notes outstanding of \$15,309,684. All of this debt is backed by the full faith and credit of the government.

During the current fiscal year, the County's total general obligation debt decreased by \$834,385. The County's proprietary fund entered into a financing agreement to purchase a compactor for the landfill in the amount of \$723,216. Other new debts include a \$160,000 capital lease for a fire truck and a \$400,000 note payable for the purchase of land. State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current legal debt limit for the County is \$7,827,094. The available debt margin is \$3,517,410.

Additional information on the County's long-term debt can be found in **Note 7 - Long-Term Debt** beginning on page 39 of this report.

**Chester County's Outstanding Debt
General Obligation Bonds**

	Governmental activities		Business-type activities		Total	
	2009	2010	2009	2010	2009	2010
	2003 General Obligation Bond	1,075,000	825,000	-0-	-0-	1,075,000
2003B General Obligation Bonds	-0-	-0-	-0-	-0-	-0-	-0-
2005 General Obligation Bond	357,452	307,035	-0-	-0-	357,452	307,035
2007 General Obligation Bonds	2,705,000	2,695,000	-0-	-0-	2,705,000	2,695,000
2007 Richburg Fire G.O. Bond	183,194	165,748	-0-	-0-	183,194	165,748
2008 General Obligation Bonds	624,423	316,901	-0-	-0-	624,423	316,901
2009 General Obligation Bonds	11,000,000	11,000,000	-0-	-0-	11,000,000	11,000,000
2009 Tax Anticipation Note	199,000	-0-	-0-	-0-	199,000	-0-
Total general obligation bonds	16,144,069	15,309,684	-0-	-0-	16,144,069	15,309,684

Economic Factors (As Reported by SC Office of Research and Statistics)

- The population of Chester County in 2010 was estimated at 33,146.
- The total number of jobs in June 2010 was estimated at 12,557, a decrease of 1.78% over last year.
- The State's unemployment rate was 11.1 percent in June 2010 as reported by the U.S. Department of Labor, Bureau of Labor Statistics. In comparison, the County's average unemployment rate as of June 2010 was 18.3 percent.
- The average wage per job in 2010 was \$34,008, which is 84 percent of the U.S. average. Per capita personal income for 2010 was \$18,357.

Requests for Information

This financial report is designed to provide a general overview of Chester County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Chester County Government, P.O. Box 580, Chester, South Carolina 29706. Complete financial statements of the Chester County Library may be obtained at the Library's administrative office at 100 Center Street, Chester, South Carolina 29706 and of the Chester Fire District from the City of Chester, 100 West End Street, Chester, South Carolina 29706.

Jerry Baker
Finance Director

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
 JUNE 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 9,239,032	\$ -	\$ 9,239,032	\$ 596,608
Investments	14,366,291	-	14,366,291	-
Receivables:				
Taxes	1,807,773	-	1,807,773	91,493
Accounts	-	68,987	68,987	31,875
Other	339,363	-	339,363	-
Intergovernmental receivable	2,368,352	-	2,368,352	40,477
Other assets	165,548	-	165,548	8,075
Fuel inventory	-	-	-	14,863
Capital assets, net of accumulated depreciation:				
Land and improvements	4,176,870	150,144	4,327,014	229,276
Art collection	-	-	-	20,132
Buildings and improvements	11,686,419	282,365	11,968,784	687,758
Circulation collection	-	-	-	1,289,168
Improvements other than buildings	5,626,639	-	5,626,639	-
Machinery and equipment	13,722,571	1,167,068	14,889,639	1,608,878
Construction-in-progress	9,048,276	-	9,048,276	-
Infrastructure assets	7,501,834	-	7,501,834	2,866,780
Less accumulated depreciation	<u>(27,428,165)</u>	<u>(577,808)</u>	<u>(28,005,973)</u>	<u>(2,704,403)</u>
Total assets	<u>52,620,803</u>	<u>1,090,756</u>	<u>53,711,559</u>	<u>4,780,980</u>
LIABILITIES				
Accounts payable	944,720	-	944,720	61,519
Accrued expenses	955,692	-	955,692	60,541
Due to other funds	2,204,925	(2,204,925)	-	-
Due to agency funds	739,457	-	739,457	-
Intergovernmental payable	275,360	-	275,360	203,419
Escrow tax sale	420,405	-	420,405	-
Deferred revenue	924,845	-	924,845	2,144
Long-term liabilities:				
Due within one year	2,332,489	179,385	2,511,874	62,852
Due in more than one year	<u>13,425,250</u>	<u>1,703,406</u>	<u>15,128,656</u>	<u>353,519</u>
Total liabilities	<u>22,223,143</u>	<u>(322,134)</u>	<u>21,901,009</u>	<u>743,994</u>
NET ASSETS				
Invested in capital assets, net of related debt	8,576,705	298,553	8,875,258	3,379,568
Restricted for:				
Debt service	2,060,690	-	2,060,690	-
Capital projects	2,490,698	-	2,490,698	-
Other purposes	5,794,687	-	5,794,687	-
Unrestricted	<u>11,474,880</u>	<u>1,114,337</u>	<u>12,589,217</u>	<u>657,418</u>
Total net assets	<u>\$ 30,397,660</u>	<u>\$ 1,412,890</u>	<u>\$ 31,810,550</u>	<u>\$ 4,036,986</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
 JUNE 30, 2010

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General government	\$ 12,480,193	\$ 974,644	1,845,227	\$ 1,171,984
Public safety	7,936,697	1,344,668	258,111	-
Highways and streets	1,351,865	-	-	1,048,331
Welfare	262,548	-	-	-
Cultural and recreational	897,341	-	-	-
Interest and fiscal charges on long-term debt	521,539	-	-	-
Total governmental activities	23,450,183	2,319,312	2,103,338	2,220,315
BUSINESS-TYPE ACTIVITIES				
Landfill/transfer station	1,097,957	946,439	14,420	-
Total primary government	\$ 24,548,140	\$ 3,265,751	\$ 2,117,758	\$ 2,220,315
COMPONENT UNITS				
Chester County Airport Commission	\$ 302,822	\$ 208,894	\$ 19,065	\$ 481,653
Chester Fire District	1,620,711	-	-	-
Lando Fire District	95,107	-	28,191	1,000
Richburg Fire District	107,203	-	59,349	1,200
Chester County Library	608,275	14,939	100,346	-
Total component units	\$ 2,734,118	\$ 223,833	\$ 206,951	\$ 483,853

General revenues:

Property taxes levied for:

General purposes

Special revenue

Debt service

Intergovernmental

Accommodation fees

Franchise fees

Investment income

Miscellaneous

Total general revenues and transfers

Changes in net assets

Net assets, beginning of year, as previously stated

Prior period adjustment

Net assets, beginning of year, as restated

Net assets, end of year

See the accompanying Notes to Financial Statements.

<u>Primary Government</u>			
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>	<u>Component Units</u>
\$ (8,488,338)	\$ -	\$ (8,488,338)	\$ -
(6,333,918)	-	(6,333,918)	-
(303,534)	-	(303,534)	-
(262,548)	-	(262,548)	-
(897,341)	-	(897,341)	-
<u>(521,539)</u>	<u>-</u>	<u>(521,539)</u>	<u>-</u>
<u>(16,807,218)</u>	<u>-</u>	<u>(16,807,218)</u>	<u>-</u>
<u>-</u>	<u>(137,098)</u>	<u>(137,098)</u>	<u>-</u>
<u>(16,807,218)</u>	<u>(137,098)</u>	<u>(16,944,316)</u>	<u>-</u>
-	-	-	406,790
-	-	-	(1,620,711)
-	-	-	(65,916)
-	-	-	(46,654)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(492,990)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,819,481)</u>
9,476,554	-	9,476,554	2,434,496
3,117,977	-	3,117,977	-
2,408,605	-	2,408,605	-
3,709,441	-	3,709,441	-
178,526	-	178,526	-
184,462	-	184,462	-
507,873	1,614	509,487	1,202
104,727	-	104,727	-
<u>19,688,165</u>	<u>1,614</u>	<u>19,689,779</u>	<u>2,435,698</u>
<u>2,880,947</u>	<u>(135,484)</u>	<u>2,745,463</u>	<u>616,217</u>
27,516,713	1,548,374	29,065,087	4,554,529
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,133,760)</u>
<u>27,516,713</u>	<u>1,548,374</u>	<u>29,065,087</u>	<u>3,420,769</u>
<u>\$ 30,397,660</u>	<u>\$ 1,412,890</u>	<u>\$ 31,810,550</u>	<u>\$ 4,036,986</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2010

	<u>General Fund</u>	<u>Capital Projects Fund - County Jail</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 4,140,952	\$ 3,147,247	\$ 1,950,833	\$ 9,239,032
Investments	11,939,440	-	2,426,851	14,366,291
Receivables:				
Property taxes	1,262,118	-	545,655	1,807,773
Other	339,363	-	-	339,363
Local sources	380,628	-	-	380,628
Due from other governments:				
Federal grant revenue	61,483	-	-	61,483
State shared revenue	1,926,241	-	-	1,926,241
Due from other funds	-	-	3,230,433	3,230,433
Total assets	<u>\$ 20,050,225</u>	<u>\$ 3,147,247</u>	<u>\$ 8,153,772</u>	<u>\$ 31,351,244</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 491,306	\$ 437,913	\$ 15,501	\$ 944,720
Accrued liabilities	432,129	-	-	432,129
Due to:				
Other taxing authorities	275,360	-	-	275,360
Agency funds	739,457	-	-	739,457
Other funds	5,432,757	2,601	-	5,435,358
Escrow tax sale	420,405	-	-	420,405
Deferred revenue	1,145,968	-	498,929	1,644,897
Deferred revenue L.O.S.T.	753,380	-	-	753,380
Magistrate bonds pending	262,325	-	-	262,325
Total liabilities	<u>9,953,087</u>	<u>440,514</u>	<u>514,430</u>	<u>10,908,031</u>
FUND BALANCES				
Reserved for:				
Debt service	-	-	2,060,690	2,060,690
Special revenue funds	-	-	5,794,687	5,794,687
Capital projects funds	-	2,706,733	(216,035)	2,490,698
Unreserved	10,097,138	-	-	10,097,138
Total fund balances	<u>10,097,138</u>	<u>2,706,733</u>	<u>7,639,342</u>	<u>20,443,213</u>
Total liabilities and fund balances	<u>\$ 20,050,225</u>	<u>\$ 3,147,247</u>	<u>\$ 8,153,772</u>	<u>\$ 31,351,244</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 JUNE 30, 2010

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 20,443,213
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Land	4,176,870
Construction-in-progress	9,048,276
Buildings and improvements	11,686,419
Improvements other than buildings	5,626,639
Machinery and equipment	13,722,571
Infrastructure assets	7,501,834
Accumulated depreciation	<u>(27,428,165)</u>
Total capital assets	<u>24,334,444</u>
Some revenue will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Property taxes	<u>1,735,757</u>
Deferred charges are not financial resources and therefore are not reported in the funds.	
	43,209
Other postemployment benefit assets resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds.	
	<u>122,339</u>
Total other assets	<u>165,548</u>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:	
General obligation debt	(15,309,684)
Notes payable	(448,055)
Accrued interest	(149,177)
Compensated absences	<u>(374,386)</u>
Total long-term liabilities	<u>(16,281,302)</u>
NET ASSETS OF GOVERNMENTAL FUNDS	<u>\$ 30,397,660</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2010

	<u>General Fund</u>	<u>Capital Projects Fund - County Jail</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 9,212,908	\$ -	\$ 4,077,486	\$ 13,290,394
Licenses, fines, fees and permits	2,200,558	-	-	2,200,558
Intergovernmental	3,956,735	-	5,909,082	9,865,817
Income on investments	460,636	32,313	14,924	507,873
Other income	102,632	-	33,314	135,946
Total revenues	<u>15,933,469</u>	<u>32,313</u>	<u>10,034,806</u>	<u>26,000,588</u>
EXPENDITURES				
Current				
General government	8,605,822	-	5,461,460	14,067,282
Public safety	6,777,780	-	723,269	7,501,049
Highways and streets	459,234	-	756,057	1,215,291
Welfare	262,548	-	-	262,548
Cultural and recreational	57,000	-	813,281	870,281
Capital outlay	-	7,839,999	-	7,839,999
Debt service				
Principal retirement	-	-	807,793	807,793
Interest and fiscal charges	-	-	521,436	521,436
Total expenditures	<u>16,162,384</u>	<u>7,839,999</u>	<u>9,083,296</u>	<u>33,085,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,915)</u>	<u>(7,807,686)</u>	<u>951,510</u>	<u>(7,085,091)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in/(out)	<u>(242,968)</u>	<u>-</u>	<u>242,968</u>	<u>-</u>
Total other financing sources (uses)	<u>(242,968)</u>	<u>-</u>	<u>242,968</u>	<u>-</u>
Net changes in fund balances	<u>(471,883)</u>	<u>(7,807,686)</u>	<u>1,194,478</u>	<u>(7,085,091)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>10,569,021</u>	<u>10,514,419</u>	<u>6,444,864</u>	<u>27,528,304</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,097,138</u>	<u>\$ 2,706,733</u>	<u>\$ 7,639,342</u>	<u>\$ 20,443,213</u>

See the accompanying Notes to Financial Statements.

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

For the Year Ended June 30, 2010

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (7,085,091)

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT
 OF ACTIVITIES ARE DIFFERENT BECAUSE:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of the capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:

Capital outlay	10,370,191
Depreciation expense	<u>(1,060,192)</u>
Excess of capital outlay over depreciation expense	<u>9,309,999</u>

Because some revenue is not collected until several months after the County's fiscal year ends, it is not considered "available" and is deferred in the governmental funds. Deferred property tax decreased by this amount this year. 263,646

Bond and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current year, proceeds were received from:

Deferred cost	(7,201)
Note payable proceeds	<u>(560,000)</u>
	<u>(567,201)</u>

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:

Bond principal retirement	946,330
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. (103)

Payments to fund retirement benefit accounts that exceed annual required contributions are reported as expenses in governmental funds. 66,896

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 governmental funds.

Accrued compensated absences	<u>(53,529)</u>
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CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 2,880,947

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
 JUNE 30, 2010

ASSETS	
CURRENT ASSETS	
Accounts receivable, net of allowance of \$10,000	\$ <u>68,987</u>
Total current assets	<u>68,987</u>
NON-CURRENT ASSETS	
Interfund receivable	2,204,925
Capital assets:	
Land and land improvements	150,144
Buildings and improvements	282,365
Machinery and equipment	1,167,068
Accumulated depreciation	<u>(577,808)</u>
	<u>1,021,769</u>
Total noncurrent assets	<u>3,226,694</u>
Total assets	<u>\$ 3,295,681</u>
LIABILITIES	
CURRENT LIABILITIES	
Current portion of capital lease	136,685
Current portion of postclosure care	<u>42,700</u>
Total current liabilities	<u>179,385</u>
LONG-TERM LIABILITIES	
Long-term portion of notes payable	586,531
Long-term portion of postclosure care	<u>1,116,875</u>
Total long-term liabilities	<u>1,703,406</u>
Total liabilities	<u>1,882,791</u>
NET ASSETS	
Invested in capital assets, net of related debt	298,553
Unrestricted	<u>1,114,337</u>
Total net assets	<u>1,412,890</u>
Total liabilities and net assets	<u>\$ 3,295,681</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
For the Year Ended June 30, 2010

OPERATING REVENUES	
Disposal fees	\$ 946,439
Total operating revenues	<u>946,439</u>
OPERATING EXPENSES	
Disposal	959,855
Salaries and wages	44,736
Depreciation	<u>93,366</u>
Total operating expenses	<u>1,097,957</u>
Operating income	<u>(151,518)</u>
NON-OPERATING REVENUE/EXPENSE	
State sources	14,420
Interest income	<u>1,614</u>
Total non-operating revenue/expense	<u>16,034</u>
Changes in net assets	(135,484)
NET ASSETS, BEGINNING OF YEAR	<u>1,548,374</u>
NET ASSETS, END OF YEAR	<u>\$ 1,412,890</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	\$ 973,580
Payments to suppliers	(778,597)
Payments to employees	<u>(44,736)</u>
Net cash provided by operating activities	<u>150,247</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State revenue	14,420
Proceeds from capital lease	723,216
Acquisition of capital assets	<u>(781,824)</u>
Net cash provided by capital and related financing activities	<u>(44,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in interfund balance	(107,673)
Interest income	<u>1,614</u>
Net cash provided by investing activities	<u>(106,059)</u>
Net increase in cash and cash equivalents	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating income/(loss)	\$ (151,518)
Adjustments to reconcile operating income to net cash used for operating activities:	
Depreciation expense	93,366
Changes in current assets and liabilities:	
Accrual for postclosure liability	181,258
Accounts receivable	<u>27,141</u>
Net cash provided by operating activities	<u>\$ 150,247</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

ASSETS	
Cash and cash equivalents	\$ 446,113
Investments	2,830,457
Due from Chester County	<u>739,457</u>
Total assets	<u>\$ 4,016,027</u>
LIABILITIES	
Funds held in trust for others	<u>\$ 4,016,027</u>
Total liabilities	<u>\$ 4,016,027</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETE COMPONENT UNITS
 JUNE 30, 2010

	<u>Chester Airport Commission</u>	<u>Chester Fire District</u>	<u>Lando Fire District</u>	<u>Richburg Fire District</u>	<u>Chester County Library</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ 77,945	\$ 223,815	\$ 49,548	\$ 43,886	\$ 201,414	\$ 596,608
Receivables:						
Taxes	-	89,142	2,351	-	-	91,493
Accounts	31,875	-	-	-	-	31,875
Intergovernmental	-	7,057	33,420	-	-	40,477
Fuel inventory	14,863	-	-	-	-	14,863
Prepaid expenses	-	-	-	-	8,075	8,075
Capital assets:						
Land	29,376	-	-	199,900	-	229,276
Art collection	-	-	-	-	20,132	20,132
Circulation collection	-	-	-	-	1,289,168	1,289,168
Buildings and improvements	496,781	190,977	-	-	-	687,758
Equipment, furniture and fixtures	105,890	526,011	370,057	3,000	603,920	1,608,878
Taxiway and runway	2,866,780	-	-	-	-	2,866,780
Less accumulated depreciation	<u>(904,096)</u>	<u>(149,355)</u>	<u>(233,222)</u>	<u>(1,250)</u>	<u>(1,416,480)</u>	<u>(2,704,403)</u>
Total assets	<u>2,719,414</u>	<u>887,647</u>	<u>222,154</u>	<u>245,536</u>	<u>706,229</u>	<u>4,780,980</u>
LIABILITIES						
Accounts payable	23,692	-	-	-	37,827	61,519
Accrued expenses	35,277	-	-	-	25,264	60,541
Intergovernmental payable	3,519	-	-	199,900	-	203,419
Deferred revenue	-	-	2,144	-	-	2,144
Current portion of long-term debt	-	62,852	-	-	-	62,852
Long-term debt	<u>-</u>	<u>353,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>353,519</u>
Total liabilities	<u>62,488</u>	<u>416,371</u>	<u>2,144</u>	<u>199,900</u>	<u>63,091</u>	<u>743,994</u>
NET ASSETS						
Invested in capital assets, net of related debt	2,594,731	151,262	136,835	-	496,740	3,379,568
Unrestricted	<u>62,195</u>	<u>320,014</u>	<u>83,175</u>	<u>45,636</u>	<u>146,398</u>	<u>657,418</u>
Total net assets	<u>2,656,926</u>	<u>471,276</u>	<u>220,010</u>	<u>45,636</u>	<u>643,138</u>	<u>4,036,986</u>
Total liabilities and net assets	<u>\$ 2,719,414</u>	<u>\$ 887,647</u>	<u>\$ 222,154</u>	<u>\$ 245,536</u>	<u>\$ 706,229</u>	<u>\$ 4,780,980</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
DISCRETE COMPONENT UNITS
 For the Year Ended June 30, 2010

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
FUNCTIONS/PROGRAMS					
Chester County Airport Commission	\$ 302,822	\$ 208,894	\$ 19,065	\$ 481,653	\$ 406,790
Chester Fire District	1,620,711	-	-	-	(1,620,711)
Lando Fire District	95,107	-	28,191	1,000	(65,916)
Richburg Fire District	107,203	-	59,349	1,200	(46,654)
Chester County Library	<u>608,275</u>	<u>14,939</u>	<u>100,346</u>	<u>-</u>	<u>(492,990)</u>
	<u>\$ 2,734,118</u>	<u>\$ 223,833</u>	<u>\$ 206,951</u>	<u>\$ 483,853</u>	<u>(1,819,481)</u>
General revenues:					
					1,661,766
					23,800
					64,385
					684,545
					<u>1,202</u>
					<u>2,435,698</u>
					<u>616,217</u>
					4,554,529
					<u>(1,133,760)</u>
					<u>3,420,769</u>
					<u>\$ 4,036,986</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Chester County, South Carolina and its component units conform to Generally Accepted Accounting Policies (GAAP) applicable to governments. The following is a summary of significant accounting policies:

Reporting Entity

Chester County was organized in 1785 and operates under a Council/Supervisor form of government as provided in Title 14 of the 1976 Code of Laws of South Carolina as amended (Home Rule Act). As required by accounting principles generally accepted in the United States of America, these financial statements include those of the County (the primary government) and its component units. Operational activities of various constitutional officers, judges and other judicial officials are also included in Agency Funds. These include the Clerk of Court, Probate Court, Sheriff and Magistrate Court. In addition, it includes taxes collected by the County on behalf of school districts and towns.

The financial statements of Chester County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

The component units discussed below are included in the County's financial reporting entity because of the significance of their operational and financial relationship with the County. The financial statements of the component units have been included as discretely presented component units. The component unit column in the combined financial statements includes the financial data from the Chester County Airport Commission, Chester Fire District, Lando Fire District, Chester County Library System and Richburg Fire District for the year ended June 30, 2010. These units were reported in a column separate from the County's financial information to emphasize that they are legally separate from the County.

Discretely Presented Component Units

Chester County Airport Commission

The Chester County Airport Commission manages and coordinates activities of the Chester Airport and assists the Federal government, the City of Chester and Chester County in all matters affecting the Airport. The Airport Commission is a component unit because a majority of the governing board is appointed by Chester County Council.

Chester Fire District

The Chester Fire District provides fire protection within its respective fire district. The Fire District is fiscally dependent on the County because the County levies and collects property taxes for the District. Property tax revenue constitutes ninety-nine percent of the District's operating revenue. Chester County Council appoints two of the District's five board members. In addition, the District is required to submit its budget to County Council, which approves both the budget and the millage rate. Complete financial statements for the Chester Fire District may be obtained at the City of Chester, 100 West End Street, Chester, South Carolina 29706; telephone (803) 581-2123.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

Lando Fire District

The Lando Fire District provides fire protection within its respective fire district. The Fire District is fiscally dependent on the County because the County levies and collects property taxes for the District. Chester County Council appoints members of the District's board. In addition, the District is required to submit its budget to County Council, which approves both the budget and the millage rate.

Chester County Library

The Chester County Library provides library services to the citizens throughout the County. The Library is fiscally dependent on the County because the County levies and collects property taxes for the Library. Property tax revenue constitutes approximately eighty-six percent of the Library's operating revenue. Chester County Council appoints all of the members of the Library's Board of Trustees, which is the governing authority for the Library. In turn, the Board is responsible for hiring and firing management personnel. The Library is required to submit its budget to County Council for approval.

Richburg Fire District

The Richburg Fire District provides fire protection within its respective fire district. The Fire District is fiscally dependent on the County because the County levies and collects property taxes for the District. Chester County Council appoints members of the District's board. In addition, the district is required to submit its budget to County Council, which approves both the budget and the millage rate.

Basis of Presentation

The County's basic financial statements consist of government-wide financial statements that include a statement of net assets, a statement of activities and fund financial statements that provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature, which normally are supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end.

The statement of activities presents a comparison between direct expenses and program revenue for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

The government-wide financial statements and the proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the period earned; expenses are recognized when a liability is incurred. Property taxes are recognized as revenues in the year in which they are levied. Grants and intergovernmental revenues are recognized as revenue when the eligibility requirements imposed by the grantor or other government agency have been met. Fees and charges of the proprietary fund are recognized as revenue when the services are provided.

The statement of activities, which shows the change in net assets, presents direct expenses offset by program revenues for each core service area. Program revenues include fees and charges to customers for specific services provided and grants and contributions restricted for use in specific operations of a core service area. Tax revenues, interest and other revenue items that benefit the entire primary government are considered general revenues.

Fund Financial Statements

During the year, the County segregates transactions related to certain county functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. The general fund and capital projects fund - County Jail are considered major funds. The general fund is the primary operating fund of the County. The capital projects fund - County Jail accounts for the proceeds of the \$11,000,000 General Obligation Bond used for the express purpose of renovation, repairs and construction of the county jail. Non-major funds are aggregated and presented in a single column.

Fund Accounting

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The County has the following fund types:

Governmental Fund Types

Governmental funds are used to account for the County's general governmental activities. Governmental fund types use the flow of current financial resources measurement focus and modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types (Continued)

Property taxes, cablevision franchise fees, state shared revenues, grants, and other miscellaneous fees are susceptible to accrual. Property taxes and franchise fees are recognized as revenue in the fiscal year for which they are levied. Intergovernmental sources are recognized as revenue when the underlying eligibility requirements are met and the resources become available. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Other sources become measurable and available when cash is received by the County and are recognized as revenue at that time.

Governmental funds include the following types:

General Fund

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

Special Revenue Funds

Special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

Debt Service Fund

The debt service fund accounts for the accumulation of resources for, and the payment of, long-term general obligation principal, interest and related costs not being financed by proprietary funds.

Capital Projects Funds

Capital projects funds account for the construction or acquisition of major capital projects not being financed by proprietary funds.

Proprietary Fund Types

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Landfill/transfer station user charges are accrued as receivables at year-end and are reported as revenues of the enterprise funds. These funds account for activities of the County similar to those found in the private sector, where cost recovery and the determination of net income is useful or necessary for sound fiscal management.

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has one enterprise fund (landfill/transfer station).

The landfill/transfer station, a proprietary fund type, distinguishes between operating revenues and expenses and non-operating revenues and expenses. The principal operating revenues of the fund are disposal fees. Operating expenses consist of costs for services provided, administrative costs and depreciation of assets. All other revenues and expenses are classified as non-operating.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units, and/or other funds. The County's only fiduciary fund is its agency funds. The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. Property taxes and other revenue are collected, temporarily retained and distributed by the County Treasurer in accordance with Acts of the General Assembly of South Carolina. Each governmental unit for which an agency fund is maintained is administered by a governing body independent of the County Council. Cash held by fiscal agents, which has been transferred from the County Treasurer for the retirement of long-term debt principal and interest of other governmental units, is considered an asset.

Revenues

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, fees and charges for services.

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

Deferred Revenue

Revenues collected in advance of the fiscal year in which they are earned are recorded as deferred revenues in the government-wide and governmental fund financial statements. Deferred revenue in the governmental fund financial statements also include revenues that are measurable but not available.

Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Investments

Cash and cash equivalents of the County are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Most short-term cash surpluses are maintained in a cash and investment pool allocated to each fund based on month-end deposit and investment balances.

Investments with a readily determinable fair value are stated at fair value in accordance with GASB Statement 31. All other investments are at cost. The County's current policy does not utilize amortized cost for any applicable investments.

Statutes established by the State of South Carolina allow the County to invest in the following:

- (1) Obligations of the United States and its agencies.
- (2) General obligations of the State of South Carolina or any of its political units.
- (3) Savings and loan association deposits to the extent they are insured by the Federal Deposit Insurance Corporation.
- (4) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) or (2) above, held by a third party as escrow agent or custodian, and of a market value not less than the amount of certificates of deposit so secured, including interest provided. However, such collateral shall not be required to the extent the same are insured by an agency of the Federal government.
- (5) Repurchase agreements when collateralized by securities as set forth in (1) and (2).
- (6) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (a) is limited to obligations described in (1), (2) and (5), and (b) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of a fiscal year are reported as *due to/from other funds*.

Real property taxes receivable are the actual property taxes levied and still outstanding after the fiscal year end.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (Continued)

For proprietary funds, all accounts receivables are shown net of an allowance for doubtful accounts. Accounts receivable in excess of 90 days comprise the trade accounts receivable allowance.

Internal balances are eliminated in the statement of net assets to minimize the effect on assets and liabilities within the governmental fund-type activities columns.

Amounts due from Federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Property Tax Calendar

Property taxes are levied on real properties owned on the preceding December 31 of each county fiscal year ended June 30. Liens attach to the property at the time the taxes are levied, which is usually in October of each year ended June 30.

These taxes are due without penalty until January 15. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax plus collection costs

Current year real taxes become delinquent March 17. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the month.

Taxes uncollected at June 30, 2010 are not considered available to liquidate current period liabilities and, accordingly, the County has provided deferred revenue equal to the delinquent accounts at fiscal year-end.

The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires. The County bills and collects its own property taxes. The County also bills and collects property taxes for the special service districts, school districts and municipalities. Property tax revenue is recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. An allowance is provided for an estimated amount of taxes billed, which may ultimately prove to be uncollectible. Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures.

The County follows Governmental Accounting Standards Board (GASB) Statement Number 33, *Accounting and Financial Reporting for Non-exchange Transactions*, to account for non-exchange revenues, which primarily consist of imposed non-exchange revenues or ad valorem taxes. Under the standard, a receivable is recorded when an enforceable legal claim for property taxes has arisen, and revenue is recognized when the resources are available.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets, except for the land and construction in progress, are depreciated. Amortization of assets recorded under capital lease obligations has been included with depreciation expense. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure are estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	10 to 20 Years
Buildings	50 Years
Building improvements	15 to 25 Years
Vehicles	8 Years
Furniture and equipment	3 to 10 Years
Machinery and equipment	5 to 15 Years
Infrastructure	10 to 50 Years

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 assets. Bonds payable are reported net of any applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since it is the County's policy to record the cost of sick leave only when it is used. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation/sick leave is reported in the governmental funds financial statements only if the benefit has matured, for example, as a result of employee resignations and retirements.

Employees accrue different amounts of vacation hours each month, depending on the number of years of service with the County. They are as follows: length of service is 0-1 years, accrue 3.75 hours/month; length of service is 1-5 years, accrue 7.5 hours/month; length of service is 5-10 years, accrue 11.25 hours/month, length of service is 10-20 years, accrue 15 hours/month; and length of service is 20 or more years, accrue 18.75 hours/month of vacation pay. Employees may carry over from one calendar year to another a maximum carryover equivalent to 45 days of unused annual leave. For all County employees, no more than 720 hours may be carried over from one calendar year to another for sick leave benefits.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Generally, the effect of interfund activity is eliminated from government-wide financial statements to remove the effect of overstating internal service fund activity.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates. The estimates and assumptions 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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year of the County. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unencumbered appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Manager; any additional appropriations and transfers between departments are approved by the Council. The legal level of budgetary control is the department level. During the year, no supplementary appropriations were made.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

Budgets for the Chester County Airport Commission, Chester Fire District, Lando Fire District and the Chester County Library (discretely presented component units) are adopted by their respective Boards prior to the beginning of each fiscal year and are approved by County Council. Departmental expenditures may not exceed amounts appropriated without approval of the respective governing boards and unencumbered appropriations lapse at fiscal year-end. Line item transfers within operating departments are approved by the directors of each institution; any additional appropriations and transfers between departments are approved by the respective governing boards.

On or before March 1, heads of county departments and agencies submit requests for appropriation to the County Director of Finance who compiles the requests and submits a budget request document to the County Supervisor. After adjustments, the County Supervisor submits a comprehensive budget request document to County Council. The County Council conducts a public hearing on the proposed budget and adopts the budget not later than June 30.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute GAAP expenditures or liabilities and are carried forward and honored during the subsequent year. There were no significant encumbrances at June 30, 2010.

The County has an appropriated budget for the enterprise fund but is not required to report budgetary comparisons in the financial statements.

Deficit Fund Equity

Individual funds with deficit fund equity are as follows:

1997 Short Fund	\$ 2,378	SLPG Grant CFDA#97.042	\$ 851
Sheriff's Donation	466	Public Defender	12,230
Chester Airport	2,681	Gayle Mills Sidewalk	48,538
Economic Development Marketing	11,837	Hwy 99 Industrial Park	185,341
HMEP CFDA#20.703	8,815	Vehicle Replacement	67,495
Baton Rouge Park	15,653	Republic Mill #3 Fire	83,495
SOS DUI Enforcement	11,212		

Deficit fund balances result primarily from the timing of the appropriate reimbursement or receipt of revenue. The deficits will be made up primarily from future grant monies, state shared revenues and fund transfers from general fund. Subsequent to year-end, the County transferred general funds to close the following funds with deficit equity: Republic Mill #3 Fire, Gayle Mills Sidewalk, Vehicle Replacement and Hwy 99 Industrial Park.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits

All of the County's deposits are either insured or collateralized by using one of two methods, the dedicated or pooling method. Under the dedicated method, all deposits exceeding the Federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. Under the pooling method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent.

Because of the inability to measure the exact amount of collateral pledged for the County under the pooling method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method. The County does not have policies regarding custodial credit risk for deposits.

At June 30, 2010, the County's deposits had a carrying amount of \$9,236,642 and a bank balance of \$8,511,152, which was entirely covered by Federal depository insurance or collateralized. At June 30 2010, the County had \$2,390 cash on hand.

Investments

As of June 30, 2010, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>1 – 3 Years</u>
U.S. Government Agencies	\$ 3,284,171	\$ –	\$ 3,284,171
S.C. State Investment Pool	6,783,572	6,783,572	–
Certificates of Deposit	<u>4,298,548</u>	<u>504,667</u>	<u>3,793,881</u>
	<u>\$ 14,366,291</u>	<u>\$ 7,288,239</u>	<u>\$ 7,078,052</u>

At June 30, 2010, the County held \$2,830,457 of investments in S.C. State Investment Pool for agency funds.

The Treasurer has implemented investment policies which are included as a section of the County's financial policies. These policies enhance the guidelines provided by the State of South Carolina and incorporate the Government Finance Officers Association's recommendation on treatment of collateralized mortgage obligations. While operating under the adopted financial policies, Chester County can, if necessary to prevent a loss, hold all investments until their maturity. The fair value of the South Carolina pooled investment is the same as the value of the pooled shares. Regulatory oversight is provided by the South Carolina State Treasurer.

Interest Rate Risk As a means of limiting its exposure to fair value losses arising from rising interest rates, Chester County's investment policies allow for building the investment portfolio so that securities mature to meet ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Risk is also minimized by investing in shorter-term securities, generally with maturities of less than five years.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit Risk In accordance with Chester County's investment policies, all investment instruments used by the Treasurer are authorized by current state statute, or any permissible investment as redefined by State legislature. The County's investments in U.S. Government agencies, including Federal National Mortgage Association, Government National Mortgage Association and Federal Home Loan Mortgage Corporation, are rated AAA by Standard and Poor's and AAA by Moody's Investors Service. The South Carolina Investment Pool is unrated.

Custodial Credit Risk For an investment, 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 of collateral that is in possession of an outside party. All of Chester County's investments are fully collateralized by securities that either are in the County's name or held by their agent in the County's name.

Concentration of Credit Risk The County's investment policy requires diversifying the investment portfolio. Assets held are diversified to control the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, class of security, and/or dealers through whom these instruments are bought and sold. To control the risk of liquidity within the pooled cash area, an average minimum dollar amount equivalent to six weeks of expenditures shall be held in a liquid investment. However, the dollar amount placed in a liquid investment has no maximum restrictions.

At June 30, 2010, \$1,004,667, or thirteen percent, of total investments were held at one financial institution.

Interest is recorded when earned and is distributed to each fund based on the fund's proportionate equity in pooled cash and investments.

NOTE 4 - RECEIVABLES

Receivables as of year-end for the County's individual major funds and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from other governments	\$ 1,987,724	\$ -	\$ 1,987,724
Property taxes	1,274,867	551,167	1,826,034
Emergency management (EMS)	574,836	-	574,836
Local sources	380,628	-	380,628
Other receivables	<u>224,395</u>	<u>-</u>	<u>224,395</u>
Gross receivables	<u>4,442,450</u>	<u>551,167</u>	<u>4,993,617</u>
Less allowance for:			
Taxes	(12,749)	(5,512)	(18,261)
EMS	<u>(459,868)</u>	<u>-</u>	<u>(459,868)</u>
Net receivables	<u>\$ 3,969,833</u>	<u>\$ 545,655</u>	<u>\$ 4,515,488</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

A summary of net amounts due from/to other funds at June 30, 2010 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$(6,172,214)
Debt service fund	233,316	-
Special revenue fund	3,213,152	-
Capital projects fund - non-major	-	(216,035)
Capital projects fund - major	-	(2,601)
Enterprise fund	2,204,925	-
Agency fund	<u>739,457</u>	<u>-</u>
	<u>\$ 6,390,850</u>	<u>\$(6,390,850)</u>

Governmental funds interfund receivables and payables represent lending/borrowing arrangements resulting from the timing of expenditures versus the receipt of revenues.

The general fund transferred \$263,128 to the non-major special revenue fund to fund future capital asset acquisitions. The general fund transferred \$71,543 to the special revenue fund to support the Solicitor's office operations. The special revenue fund transferred \$81,669 of unspent Title IV-D unit cost funds to the general fund.

NOTE 6 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2010 is as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2010</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 3,059,001	\$ 1,319,663	\$(201,794)	\$ 4,176,870
Construction in progress	<u>491,516</u>	<u>8,556,760</u>	<u>-</u>	<u>9,048,276</u>
	<u>3,550,517</u>	<u>9,876,423</u>	<u>(201,794)</u>	<u>13,225,146</u>
Capital assets being depreciated:				
Buildings and improvements	11,647,353	39,066	-	11,686,419
Improvements other than buildings	5,626,639	-	-	5,626,639
Machinery and equipment	13,066,074	656,497	-	13,722,571
Infrastructure	<u>7,501,834</u>	<u>-</u>	<u>-</u>	<u>7,501,834</u>
	37,841,900	695,563	-	38,537,463
Less accumulated depreciation	<u>(26,367,972)</u>	<u>(1,060,193)</u>	<u>-</u>	<u>(27,428,165)</u>
	<u>11,473,928</u>	<u>(364,630)</u>	<u>-</u>	<u>11,109,298</u>
Governmental activities capital assets, net	<u>\$ 15,024,445</u>	<u>\$ 9,511,793</u>	<u>\$(201,794)</u>	<u>\$ 24,334,444</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 6 - CAPITAL ASSETS (CONTINUED)

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>June 30, 2010</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 112,144	\$ -	\$ -	\$ 112,144
Improvements	<u>-</u>	<u>38,000</u>	<u>-</u>	<u>38,000</u>
	<u>112,144</u>	<u>38,000</u>	<u>-</u>	<u>150,144</u>
Capital assets being depreciated:				
Buildings and improvements	270,225	12,140	-	282,365
Machinery and equipment	<u>435,384</u>	<u>731,684</u>	<u>-</u>	<u>1,167,068</u>
	705,609	743,824	-	1,449,433
Less accumulated depreciation	(<u>484,442</u>)	(<u>93,366</u>)	<u>-</u>	(<u>577,808</u>)
	<u>221,167</u>	<u>650,458</u>	<u>-</u>	<u>871,625</u>
Business-type activities capital assets, net	<u>\$ 333,311</u>	<u>\$ 688,458</u>	<u>\$ -</u>	<u>\$ 1,021,769</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental Activities:

County government administration	\$ 460,911
Public safety	435,648
Highways and streets	136,574
Cultural and recreational	<u>27,060</u>
	<u>\$ 1,060,193</u>

Business-Type Activities:

Solid waste	<u>\$ 93,366</u>
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NOTE 7 - LONG-TERM DEBT

Assets acquired and liabilities incurred through capital lease agreements for general governmental activities are accounted for under governmental activities. Assets and liabilities related to proprietary-type funds are accounted for under the business-type activities.

Long-term debt consists of the following at June 30, 2010:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$15,945,069	\$ -	\$(635,385)	\$15,309,684	\$ 2,222,306
Notes payable and capital leases	<u>199,000</u>	<u>560,000</u>	(<u>310,945</u>)	<u>448,055</u>	<u>110,183</u>
	<u>16,144,069</u>	<u>560,000</u>	(<u>946,330</u>)	<u>15,757,739</u>	<u>2,332,489</u>
Accrued compensated absences	<u>320,857</u>	<u>437,694</u>	(<u>384,165</u>)	<u>374,386</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$16,464,926</u>	<u>\$ 997,694</u>	(<u>1,330,495</u>)	<u>\$16,132,125</u>	<u>\$ 2,332,489</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>Business-Type Activities:</i>					
Capital leases	\$ <u> —</u>	\$ <u> 723,216</u>	\$ <u> —</u>	\$ <u> 723,216</u>	\$ <u> 136,685</u>
Business-type activities capital leases	\$ <u> —</u>	\$ <u> 723,216</u>	\$ <u> —</u>	\$ <u> 723,216</u>	\$ <u> 136,685</u>

For the governmental funds, accrued compensated absences and OPEB liability is liquidated by the general fund.

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in an amount sufficient to pay the principal and interest due each year. The South Carolina Constitution limits local unit borrowing power to eight percent of its assessed property value. The limitation excludes bond indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, special source revenue bonds and other prescribed indebtedness approved by the voters. Based on the 2009 assessed property valuation of \$97,838,680, the legal debt limit is \$7,827,094. The legal debt margin for the County as of June 30, 2010 is \$3,517,410.

During fiscal year ended 6/30/09, the County issued a \$11,000,000 General Obligation Bond. Proceeds from this bond are used to undertake renovation, repairs and new construction of the county jail, pay bond interest during the construction and pay the cost of issuing a bond. The principal of and interest on the bond are payable first from the proceeds of a one percent sales and use tax to be collected within the County for a period of time not to exceed seven years, and second, from ad valorem taxes, unlimited as to rate or amount, to be levied upon all taxable property within the County subject to taxation for general obligation bond purposes. The County held a referendum which provided favorable results for issuing general obligation bonds and imposing a special one percent sales and use tax in the County for the repayment of these bonds. The bonds are also secured by the full faith credit and taxing power of the County. The bonds issued pursuant to this referendum are excluded from the computation of the County's legal debt limit discussed in the preceding paragraph.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

General obligation bonds currently outstanding are as follows:

\$2,000,000 General Obligation Bond 2003 due in annual principal installments of \$275,000 through March 1, 2013; plus interest semiannually at 2.50% to 4.50%.	\$ 825,000
\$500,000 General Obligation Bond 2005 (Lando Rural Fire District) due in annual principal installments of \$52,295 to \$63,701 through June 21, 2015; plus interest annually at 3.55%.	307,035
\$2,710,000 General Obligation Bond 2007 due in annual principal installments of \$170,000 to \$490,000 through September 25, 2017, plus interest semiannually at 3.635%.	2,695,000
\$200,000 General Obligation Bond 2007 (Richburg Fire District) due in annual principal installments of \$18,110 to \$23,529 through September 25, 2017, plus interest semiannually at 3.81%.	165,748
\$940,000 General Obligation Refunding Bond 2008 due in an annual principal installment of \$316,901 through March 1, 2011, plus interest annually at 3.05%.	316,901
\$11,000,000 General Obligation Bond 2009 due in annual principal installments of \$1,390,000 to \$1,765,000 through November 1, 2016, plus interest semi-annually at 3.23%.	<u>11,000,000</u>
Total general obligation bonds outstanding	<u>\$ 15,309,684</u>

Governmental notes payable and capital leases currently outstanding are as follows:

\$160,000 2009 capital lease due in annual principal installments of \$31,945 to \$33,892 through April 1, 2014; plus interest annually at 3.94%. The note is collateralized by a fire truck.	\$ 128,055
\$400,000 2010 note payable due in annual principal only payments of \$80,000 through June 1, 2014. The note is collateralize by a parcel of land.	<u>320,000</u>
Total notes payable and capital leases outstanding	<u>\$ 448,055</u>

Business-type capital leases currently outstanding are as follows:

\$723,216 2009 note payable due in annual principal installments of \$136,685 to \$152,827 through September 2, 2014; plus interest annually at 2.83%. The note is collateralized by a landfill compactor.	<u>\$ 723,216</u>
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CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Special Source Revenue Bonds

Article X, Section 14, of the Constitution of the State of South Carolina, as amended, provides that indebtedness payable solely from a special source, which source does not involve revenues from any tax or license, may be issued by a county. State law empowers Chester County to receive and retain revenues from a payment in lieu of taxes, to issue special source revenue bonds secured by and payable from all or a part of such revenues, for the purpose of defraying a portion of the cost of designing, acquiring, construction, improving or expanding the infrastructure serving the County in order to enhance the economic development of the County. At June 30, 2010, the County had no special source revenue bonds outstanding.

The annual requirement to amortize debt in the long-term debt at June 30, 2010 is as follows:

Year Ending June 30,	2003 General Obligation Bond Payable		Lando General Obligation Bond Payable		2007 General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 275,000	\$ 20,625	\$ 52,295	\$ 10,900	\$ 170,000	\$ 97,693
2012	275,000	13,750	61,320	9,043	175,000	91,531
2013	275,000	6,875	63,650	6,866	240,000	85,188
2014	-	-	66,069	4,607	275,000	76,487
2015	-	-	63,701	2,261	425,000	66,519
2016-2020	-	-	-	-	1,410,000	103,675
Totals	\$ 825,000	\$ 41,250	\$ 307,035	\$ 33,677	\$ 2,695,000	\$ 521,093

Year Ending June 30,	Richburg General Obligation Bond Payable		2008 General Obligation Refunding Bond Payable		2009 General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 18,110	\$ 6,315	\$ 316,901	\$ 9,666	\$ 1,390,000	\$ 332,852
2012	18,800	5,625	-	-	1,445,000	287,066
2013	19,517	4,909	-	-	1,505,000	239,424
2014	20,260	4,165	-	-	1,565,000	189,843
2015	21,032	3,393	-	-	1,630,000	138,244
2016-2020	68,029	5,248	-	-	3,465,000	112,969
Totals	\$ 165,748	\$ 29,655	\$ 316,901	\$ 9,666	\$ 11,000,000	\$ 1,300,398

Year Ending June 30,	\$160,000 2009 Capital Lease		\$400,000 2010 Note Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 30,183	\$ 5,045	\$ 80,000	\$ -	\$ 2,332,489	\$ 483,096
2012	31,372	3,856	80,000	-	2,086,492	410,871
2013	32,608	2,620	80,000	-	2,215,775	345,882
2014	33,892	1,335	80,000	-	2,040,221	276,437
2015	-	-	-	-	2,139,733	210,417
2016-2020	-	-	-	-	4,943,029	221,892
Totals	\$ 128,055	\$ 12,856	\$ 320,000	\$ -	\$ 15,757,739	\$ 1,948,595

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The annual requirement to amortize debt in the business-type long-term debt at June 30, 2010 is as follows:

<u>Year Ending June 30,</u>	<u>2010 Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2011	\$ 136,685	\$ 20,467
2012	140,553	16,599
2013	144,531	12,621
2014	148,621	8,531
2015	152,826	4,325
2016-2020	—	—
Totals	<u>\$ 723,216</u>	<u>\$ 62,543</u>

The County leases certain property and equipment under capital leases. Assets recorded under capital leases are included in property and equipment and consist of the following at June 30, 2010:

	<u>Cost</u>	<u>Accumulated Amortization</u>
Governmental Activities:		
Public safety, fire truck	\$ 160,000	\$(9,918)
Land	<u>400,000</u>	—
	<u>\$ 560,000</u>	<u>\$(9,918)</u>
Business-Type Activities:		
Landfill fund equipment, compactor	<u>\$ 731,685</u>	<u>\$(73,169)</u>

NOTE 8 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and Federal laws and regulations (per EPA October 9, 1991 rule, *Solid Waste Disposal Facility Criteria*) require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years (30) after closure. The liability is based on landfill capacity used to date. The County's MSW landfill is 100% full and no additional solid waste is being accepted. The County's C&D landfill has a remaining life of 2.7 years and is 80% full. The accompanying financial statements include a liability of \$1,159,575 for landfill postclosure care liability and C & D landfill closure and postclosure in the long-term debt of the landfill business-type enterprise fund, as required by generally accepted accounting principles.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure case requirements.

Additions to landfill closure and postclosure costs are reported net of maturities. Actual cost of landfill closure and postclosure care costs may be higher due to inflation, changes in technology, changes in regulations and other variables.

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2010</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Landfill closure and postclosure costs	<u>\$ 978,317</u>	<u>\$ 223,485</u>	<u>\$(42,227)</u>	<u>\$ 1,159,575</u>	<u>\$ 42,700</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 9 - 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, along with other South Carolina counties, is insured under the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance fund. The County pays annual premiums to the Insurance Reserve Fund for its general insurance coverage. The Insurance Reserve Fund is self-sustaining through member premiums and purchases of commercial insurance coverage on a portion of its liabilities. The State accumulates assets to cover risks incurred by its members in their normal operations. Specifically, the State assumes substantially all of the risk of the above.

The County continues to carry insurance for other risks of loss including workers compensation and employee health, dental, group life and accident insurance under various plans. For its employee's health and accident insurance coverage, the County participates in the Blue Choice with employee basic dental coverage being borne by the County and healthcare supplemental. Employees can elect to have dependent coverage at their expense.

Workers' Compensation is covered by a self-insured pool for counties in South Carolina and administered by Administrator Companion Property and Casualty Insurance. For the current fiscal year, settlements did not exceed the County's insurance coverage nor were there significant reductions in insurance coverage from the prior year.

The County pays unemployment claims on a pay-as-you-go basis as claims are presented. Actual claims paid by the County for the most recent two fiscal years are as follows:

<u>Fiscal Year</u>	<u>Claims Paid</u>
2009	41,568
2010	54,175

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS

Employee's Pension Plan

The General Assembly of South Carolina ratified the following constitutional amendment on January 24, 1979:

The governing body of any retirement or pension system in this State funded in whole or in part by public funds shall not pay any increased benefits to members or beneficiaries of such system above the benefit levels in effect on January 1, 1979 unless such governing body shall first determine that funding for such increase on a sound actuarial basis has been provided or is concurrently provided.

The General Assembly shall annually appropriate funds and prescribe member contributions for any State operated retirement system which will insure the availability of funds to meet all normal and accrued liability of the system on a sound actuarial basis as determined by the governing body of the system.

County employees participate in either the South Carolina Retirement System (SCRS) or, beginning July 1, 2005, the South Carolina Police Officers Retirement System (PORS). Both plans are administered by the South Carolina Retirement System and are classified as cost sharing, multiple-employer, defined benefit pension plans. The administration of the SCRS is vested in the State Budget and Control Board.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

A brief summary of benefit provisions, eligibility criteria and vesting is presented below:

Membership

- SCRS Generally all employees are required to participate in and contribute to the System as a condition of employment.
- PORS Generally all full-time employees whose principle duties are the preservation of public order and the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment.

Pension Benefits

- SCRS Monthly pension is payable at age sixty-five with a minimum five years service, or for twenty-eight years service. Reduced pension benefits (early retirement) are payable after five years of earned service and age sixty. Benefits are permanently reduced five percent for each year of age less than sixty-five, or age fifty-five or older with twenty-five years or more of service credit, five years of which must be earned service. Benefits are permanently reduced four percent for each year of service credit less than twenty-eight years.
- PORS Monthly pension is payable at age fifty-five with a minimum five years service or twenty-five years credited service regardless of age. Member is vested for a deferred annuity with five years service.

Both systems offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits. Members' accounts for both systems are vested after five years of service payable in the form of annuities beginning after age sixty for SCRS and age fifty-five for PORS. Contribution rates are determined through actuarial calculations.

The pension benefit obligation, which is the actuarial present value of credited projected benefits for all employees of all employers participating in the Plan, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date.

The formula for normal service retirement Class II SCRS members is 1.82% of average final compensation times years of credited service. For Class II PORS, it is 2.14% of average final compensation times years of credited service.

Requirements for disability retirement under both SCRS and PORS are five years of service unless an injury is job related. The disability retirement benefit for SCRS members is based on a projection of service to age sixty-five with an actuarial reduction. For PORS members, the disability retirement benefit is based on a projection of service to age fifty-five.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

Benefit options under both SCRS and PORS are:

- Option A: (Maximum/retiree only) Formula benefit as calculated above. Non-recovered contribution paid upon death.
- Option B: (100%/100% joint retiree/survivor) Provides a reduced from option A lifetime benefit that upon retiree's death will continue to retiree's beneficiary.
- Option C: (100%/50% joint retiree/survivor) Provides a reduced from option A lifetime benefit that upon retiree's death will continue to retiree's beneficiary at 50% of the retiree's annuity.

Group life insurance benefits for SCRS and PORS members are as follows:

Lump sum payment equal to one year's salary payable to the beneficiary upon death of an active member or working retired member with at least one year of service.
 No service requirements for death resulting from actual performance of duties for an active member.
 Lump-sum payment to retiree's beneficiary of up to \$6,000 based on years of service at retirement.

Withdrawal of employee contributions: Accumulated contributions, plus interest, payable 90 days after termination of all covered employment.

Actuarial valuation method: Projected benefit with level percentage entry age normal cost and open-end unfunded actuarial accrued liability.

Accrual interest rate assumption: 7.25% per annum compounded annually.

Both the County and its covered employees are required to contribute to the SCRS at rates established under the authority of Title 9 of the South Carolina Code of Laws. Cost to the employee is 6.5 percent of their salary. The County's portion is 9.24 percent of the entire salary. Participants in PORS contribute 6.5 percent of their annual compensation and the County contributes 10.65 percent. The County pays 0.15% of earnable compensation under the SCRS and 0.20% of earnable compensation under PORS to provide group life insurance to retired members. The County also contributes 0.20% to an accidental death program under the PORS. Employer contributions and covered wages are as follows:

<u>Year Ending June 30,</u>	<u>Employer SCRS</u>	<u>Employer PORS</u>	<u>Employee SCRS</u>	<u>Employee PORS</u>
2008	\$469,879	\$282,417	\$328,250	\$171,562
2009	512,103	296,937	351,056	174,670
2010	547,358	296,462	378,895	174,389
2010 SCRS and PORS	\$ <u>843,820</u>		\$ <u>553,284</u>	

The County's wage expense for the year 2009-2010 totaled \$8,713,004. Wages for employees participating in the SCRS were \$5,829,157, while wages for those participating in the PORS totaled \$2,682,914.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

All employers contribute at the actuarially required contribution rates.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960.

Other Postemployment Benefits

During the fiscal year ended June 30, 2009, the County implemented GASB Statement No. 45. The standard was implemented prospectively.

The Chester County Retiree Health Reimbursement Arrangement Plan (RHRA) is a single-employer healthcare plan administered by a third party administrator. The County's RHRA includes a defined benefit plan for all currently retired employees and a defined contribution plan for all currently active employees. The plans are maintained for the exclusive benefit of current and future retirees and are intended to constitute a medical reimbursement plan under Section 105(h) of the Code. The contribution requirements of plan members and the County are established and may be amended by the County Council. Although the County has established the plan with the bona fide intention and expectation that it will be permanent, the County is not and shall not be under any obligation or liability whatsoever to continue any allocation or to maintain the Plan for any given length of time. Administrative costs of the plan are financed by the County. The County may require participants to reimburse it in whole or in part for such expenses. A stand-alone financial report is not issued.

Defined Benefit Plan - Currently Retired Employees

The County's annual cost / (expense) for currently retired employees is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or fund excess) of the plan over a period not to exceed thirty years using the level dollar method. As discussed below, this defined benefit plan includes only currently retired employees. Thus, the ARC is comprised entirely of the amortization of the unfunded actuarial liability for this plan. For fiscal year 2010, the County contributed \$215,822 to the plan, which exceeded the ARC. Plan members contributed a total of \$144,722.

Current Pre-65 Retirees Frozen Class

The County contributes \$562 per month for employee only and \$1,130 for employee and spouse into a retirement benefit account for each retiree in this class. These funds are to be used by the administrator to reimburse retirees for medical and dental benefits elected by the retirees. Once the premiums exceed the available funds in the account, the retiree is responsible for paying the difference. This is a frozen class of retirees; any current retiree or dependent at April 1, 2009 is eligible to be covered under the plan. No other employees will be able to retire and receive this benefit. As of June 30, 2010, there were sixteen retirees in this group.

Current Post-65 Retirees Frozen Class

The County contributes \$337 per month for employee only and \$674 for employee and spouse into a retirement benefit account for each retiree in this class. These funds are to be used by the administrator to reimburse retirees for medical and dental benefits elected by the retirees. Once the premiums exceed the available funds in the account, the retiree is responsible for paying the difference. This is a frozen class of retirees; any current retiree or dependent at September 1, 2008 is eligible to be covered under the plan. No other employees will be able to retire and receive this benefit. Pre-65 retirees will move into this class when they reach age 65. As of June 30, 2010, there were fifty retirees in this group.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits (Continued)

The County's annual other postemployment benefit cost / (expense) and net obligation for the current year were as follows:

Annual required contribution (ARC)	\$ 147,572
Interest on net OPEB obligation	(6,422)
Adjustment to ARC	<u>7,776</u>
Annual OPEB cost (expense)	<u>148,926</u>
Contributions made	(<u>215,822</u>)
Decrease in net OPEB obligation	(66,896)
Net obligation (asset), beginning of year	(<u>55,443</u>)
Net obligation (asset), end of year	\$(<u>122,339</u>)

As of July 1, 2010, actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability at that date was \$2,052,155. The County's 2010 contribution represents 146% of the annual required contributions.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/10	\$ 148,926	146%	\$ 122,339
6/30/09	147,572	138%	55,443

Schedule of Funding Progress for RHRA

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a) / c)</u>
7/1/10	\$139,567	\$ 2,052,155	\$ 1,912,588	7%	\$ 8,713,004	22%
7/1/08	-	2,031,301	2,031,301	0%	8,140,933	25%

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

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 10 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The measurement date is July 1, 2010. Retiree post employment benefit expenses are determined under the unprojected unit credit actuarial cost method. The investment return (discount rate) is six percent. The remaining amortization period is thirty years.

The valuation of the liabilities as of July 1, 2010 is based on a closed group. Current employees and retirees only are considered; no provision is made for future hires. Using the actuarial assumptions, the number of retired participants is projected each year in the future. Costs are projected for each future year at each age using the trend and aging assumptions. The projected costs are multiplied by the expected number of retirees in each future year to produce expected benefits payments. These payments are then discounted using the discount rate to determine the present value of the projected liabilities. County contributions are assumed to remain constant in future years. The husband is assumed to be three years older than the wife. Mortality rates used are based on UP 1994 tables with females set back one year. Termination is based on SCRS valuations based on age, gender and years of service. Disability rates are based on gender and age. Retirement rates are based on gender, age and years of service.

Defined Contribution Plan - Currently Active Employees

The County has elected to establish a retirement account for each active employee who had achieved at least two years of full-time service as of April 2009. Contributions to this account are based upon continuous, full years of service with a maximum of \$60,000. No other contributions will be provided by the County for any other employees. Employees will be able to access their RHRA funds upon retirement and having completed the County retirement eligibility requirements. In order to fund these accounts, the County is currently contributing \$41,666 per month. As of June 30, 2010, there were 236 employees in this group.

NOTE 11 - DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code §457. The plan, available to all full-time County employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of participating employees and are not accessible by the County or its creditors.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Leases

The County's lease agreements, other than such agreements described in Note 7, consist of relatively minor commitments (generally for office machines) and are cancelable within one year as required by State law.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grants

The County participates in a number of Federal and state assisted grant programs. Funds received from Federal and state grant programs are often subject to expenditures for designated purposes only and are subject to audit by various Federal and state agencies. The County can be required to replace any funds not used for the purposes required by the grants.

Arbitrage

Chester County is required to comply with Internal Revenue Code §148 concerning the arbitrage rules governing the invested proceeds of general obligation bonds. If bond proceeds are invested in securities higher than the yield of the bond proceeds, the County is subject to arbitrage. Arbitrage regulations require calculations and payments be made every five years after the issue date to the Federal government. As of, June 30, 2010 the bond yield is estimated to be higher than the yield on investment securities and, therefore, the County does not anticipate any arbitrage liability for this period.

NOTE 13 - COMPONENT UNIT INFORMATION

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial reporting entity. The Chester County Airport Commission, Chester Fire District, Lando Fire District and Chester County Library are discretely presented on the financial statements and the following is the associated note disclosure.

Deposits

At June 30, 2010, deposits of the component units of Chester County had a carrying amount of \$596,608, which was covered in entirety by Federal depository insurance or collateralized.

Chester County Airport Commission

Cash and cash equivalents of the Chester County Airport Commission consist of petty cash and cash maintained with various financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and within three months of maturity when purchased.

At June 30, 2010, the deposits of the Chester County Airport Commission had a carrying amount and bank balance of \$77,945 and \$79,792, respectively.

Chester Fire District

Cash and cash equivalents of the Chester Fire District consist of petty cash as well as cash maintained with various financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and are within three months of maturity when purchased.

At June 30, 2010, the deposits of the Chester Fire District had a carrying amount and bank balance of \$223,815.

Lando Fire District

Cash and cash equivalents of the Lando Fire District consist of petty cash as well as cash maintained with various financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and are within three months of maturity when purchased.

At June 30, 2010, the deposits of the Lando Fire District had a carrying amount and bank balance of \$49,548 and \$50,150, respectively.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 13 - COMPONENT UNIT INFORMATION (CONTINUED)

Deposits (Continued)

Chester County Library

Cash and cash equivalents of Chester County Library consist of demand deposits and cash on hand. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and within three months of maturity when purchased.

At June 30, 2010, the deposits of the Chester County Library had a carrying amount and bank balance of \$201,414.

Richburg Fire District

Cash and cash equivalents of the Richburg Fire District consist of petty cash as well as cash maintained with various financial institutions. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to cash and are within three months of maturity when purchased.

At June 30, 2010, the deposits of the Richburg Fire District had a carrying amount and bank balance of \$43,886.

Capital Assets

Component unit capital asset activity for the year ended June 30, 2010 is as follows:

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>June 30, 2010</u>
<i>Chester County Airport Commission:</i>				
Capital assets not being depreciated:				
Land	\$ 29,376	\$ -	\$ -	\$ 29,376
Construction in progress	<u>91,903</u>	<u>467,351</u>	<u>(559,254)</u>	<u>-</u>
	<u>121,279</u>	<u>467,351</u>	<u>(559,254)</u>	<u>29,376</u>
Capital assets being depreciated:				
Buildings and improvements	459,375	37,406	-	496,781
Runway	1,570,545	-	559,254	2,129,799
Taxiway	736,981	-	-	736,981
Machinery and equipment	<u>105,890</u>	<u>-</u>	<u>-</u>	<u>105,890</u>
	2,872,791	37,406	559,254	3,469,451
Less accumulated depreciation	<u>(827,647)</u>	<u>(76,449)</u>	<u>-</u>	<u>(904,096)</u>
	<u>2,045,144</u>	<u>(39,043)</u>	<u>559,254</u>	<u>2,565,355</u>
Total Chester County Airport Commission capital assets, net	<u>\$ 2,166,423</u>	<u>\$ 428,308</u>	<u>\$ -</u>	<u>\$ 2,594,731</u>
<i>Chester Fire District:</i>				
Capital assets being depreciated:				
Buildings and improvements	\$ 190,977	\$ -	\$ -	\$ 190,977
Fire equipment	<u>526,011</u>	<u>-</u>	<u>-</u>	<u>526,011</u>
	716,988	-	-	716,988
Less accumulated depreciation	<u>(115,393)</u>	<u>(33,962)</u>	<u>-</u>	<u>(149,355)</u>
Total Chester Fire District capital assets, net	<u>\$ 601,595</u>	<u>\$ (33,962)</u>	<u>\$ -</u>	<u>\$ 567,633</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 13 - COMPONENT UNIT INFORMATION (CONTINUED)

Capital Assets (Continued)

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2010</u>
Lando Fire District:				
Capital assets being depreciated:				
Machinery and equipment	\$ 370,057	\$ -	\$ -	\$ 370,057
Less accumulated depreciation	(191,388)	(41,834)	-	(233,222)
Total Lando Fire District capital assets, net	<u>\$ 178,669</u>	<u>\$(41,834)</u>	<u>\$ -</u>	<u>\$ 136,835</u>
Chester County Library:				
Capital assets not being depreciated:				
Art collection	\$ 20,132	\$ -	\$ -	\$ 20,132
Capital assets being depreciated:				
Equipment, furniture and fixtures	597,980	5,940	-	603,920
Circulation collection	<u>1,232,957</u>	<u>56,211</u>	-	<u>1,289,168</u>
	1,830,937	62,151	-	1,893,088
Less accumulated depreciation	(1,392,362)	(24,118)	-	(1,416,480)
	<u>438,575</u>	<u>38,033</u>	-	<u>476,608</u>
Total Chester County Library capital assets, net	<u>\$ 458,707</u>	<u>\$ 38,033</u>	<u>\$ -</u>	<u>\$ 496,740</u>
Richburg Fire District:				
Capital assets not being depreciated:				
Land	\$ -	\$ 199,900	\$ -	\$ 199,900
Capital assets being depreciated:				
Machinery and equipment	\$ 3,000	\$ -	\$ -	\$ 3,000
Less accumulated depreciation	(250)	(1,000)	-	(1,250)
	<u>2,750</u>	<u>(1,000)</u>	-	<u>1,750</u>
Total Richburg Fire District capital assets, net	<u>\$ 2,750</u>	<u>\$ 198,900</u>	<u>\$ -</u>	<u>\$ 201,650</u>

During fiscal year ended June 30, 2010, Chester County transferred certain assets to Richburg Fire District.

Long-Term Debt

Chester Fire District's long-term liability activity for the year was comprised of a \$535,000 general obligation bond for the purchase of a 2007 American LaFrance Eagle Ladder Truck. The bond is to be repaid in annual installments of \$79,298, including interest at 3.95%, through November 2015. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Due Within One Year</u>
Chester Fire District General Obligation Bond	\$ 476,834	\$ -	\$(60,463)	\$ 416,371	\$ 62,852

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 13 - COMPONENT UNIT INFORMATION (CONTINUED)

Long-Term Debt (Continued)

Interest expense for the year related to long-term debt totaled \$18,834.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 62,852	\$ 16,446	\$ 79,298
2012	65,334	13,964	79,298
2013	67,915	11,383	79,298
2014	70,598	8,700	79,298
2015	73,386	5,912	79,298
2016	<u>76,286</u>	<u>3,012</u>	<u>79,298</u>
	<u>\$ 416,371</u>	<u>\$ 59,417</u>	<u>\$ 475,788</u>

Complete financial statements of the Chester County Library may be obtained at the Library's administrative office at 100 Center Street, Chester, South Carolina 29706 and of the Chester Fire District from the City of Chester, 100 West End Street, Chester, South Carolina 29716.

NOTE 14 - ECONOMIC DEPENDENCY

The County has significant economic dependence on three major taxpayers. These taxpayers accounted for eighteen percent of taxes received by Chester County.

NOTE 15 - PRIOR PERIOD ADJUSTMENT

The County's component unit, Chester County Library (the "Library"), recorded a prior period adjustment to remove a building and related accumulated depreciation from its books. The Library determined capital assets previously recorded as owned by the Library were in fact owned by and recorded on the books of Chester County. The building had a net cost of \$300,690. Additionally, during the fiscal year ended June 30, 2010, Chester County Library also determined its circulation collection should be depreciated using a useful life of ten years. As a result, Chester County Library has begun depreciating their circulation collection and recorded a prior period adjustment of \$860,564. A prior period adjustment has also been recorded to reflect the beginning net assets of the Richburg Fire District.

NOTE 16 - SUBSEQUENT EVENTS

These financial statements considered subsequent events through December 21, 2010, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

CHESTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2010

SCHEDULE A-1

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
TAXES				
Current property taxes	\$ 10,324,000	\$ 10,324,000	\$ 7,835,806	\$ (2,488,194)
Delinquent taxes	550,000	550,000	1,377,102	827,102
Total taxes	<u>10,874,000</u>	<u>10,874,000</u>	<u>9,212,908</u>	<u>(1,661,092)</u>
LICENSES, FEES, FINES AND PERMITS				
Road maintenance fees	-	-	180	180
Clerk of court fines and fees	195,604	195,604	130,348	(65,256)
Family court fines and fees	91,172	91,172	97,115	5,943
Family court filing fees	48,000	48,000	47,298	(702)
Tax assessor fees	4,500	4,500	3,370	(1,130)
Auditor fees	700	700	45	(655)
Tax collector fees	195,233	195,233	83,619	(111,614)
Probate judge - license	71,541	71,541	54,837	(16,704)
Zoning fees	20,570	20,570	11,142	(9,428)
DHEC vital records	8,040	8,040	7,397	(643)
Magistrate's fines and fees	329,561	329,561	351,849	22,288
Planning permits	163,000	163,000	158,467	(4,533)
Emergency medical services	900,000	900,000	1,254,856	354,856
Sanitation permits	-	-	35	35
Total licenses, fees, fines and permits	<u>2,027,921</u>	<u>2,027,921</u>	<u>2,200,558</u>	<u>172,637</u>
INTERGOVERNMENTAL				
State shared revenues:				
Local option sales tax	2,000,000	2,000,000	2,048,444	48,444
Local government revenue	1,663,783	1,663,783	1,570,973	(92,810)
Merchant's inventory tax	90,024	90,024	90,024	-
Veterans affairs	8,740	8,740	5,267	(3,473)
National forest fund	80,000	80,000	70,675	(9,325)
State salary supplement	7,470	7,470	6,300	(1,170)
FFP Grant	10,000	10,000	7,250	(2,750)
Accommodations tax	27,000	27,000	29,451	2,451
Registration/Elections	21,815	21,815	-	(21,815)
Sheriff local revenue	94,940	94,940	89,365	(5,575)
Other Federal sources	10,000	10,000	38,986	28,986
Total intergovernmental	<u>4,013,772</u>	<u>4,013,772</u>	<u>3,956,735</u>	<u>(57,037)</u>

CHESTER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2010

SCHEDULE A-1
(Continued)

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
INCOME ON INVESTMENTS				
Investment income	\$ -	\$ -	\$ 59,123	\$ 59,123
Interest income	249,000	249,000	401,513	152,513
		-		
Total income on investments	249,000	249,000	460,636	211,636
OTHER INCOME				
Animal control	2,000	2,000	449	(1,551)
Franchise fees	5,000	5,000	18,684	13,684
Sale of county property	-	-	9,440	9,440
Rentals	18,000	18,000	21,755	3,755
Miscellaneous	9,783	9,783	28,401	18,618
Chester magistrate's local source	5,680	5,680	-	(5,680)
Vehicle decal fee	-	-	23,913	23,913
Other	-	-	(10)	(10)
		-		
Total other income	40,463	40,463	102,632	62,169
		-		
Total revenue	<u>\$ 17,205,156</u>	<u>\$ 17,205,156</u>	<u>\$ 15,933,469</u>	<u>\$ (1,271,687)</u>

CHESTER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
 For the Year Ended June 30, 2010

SCHEDULE A-2

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT				
County council	\$ 135,509	\$ 135,509	\$ 127,141	\$ 8,368
County supervisor	139,196	139,196	131,630	7,566
Finance	227,078	227,078	213,706	13,372
Human resources	213,546	213,546	208,682	4,864
Purchasing department	93,538	93,538	90,523	3,015
County treasurer	252,043	252,043	259,771	(7,728)
Tax collector	157,560	157,560	145,255	12,305
Auditor	166,906	166,906	159,013	7,893
Tax assessor	287,510	287,510	267,173	20,337
Planning/Zoning	276,129	276,129	264,101	12,028
Economic development	249,792	249,792	247,889	1,903
Coroner	70,800	70,800	68,851	1,949
Registration and election	168,975	168,975	126,535	42,440
County garage	251,258	251,258	230,637	20,621
Building maintenance	866,571	866,571	902,113	(35,542)
Airport	20,000	20,000	13,647	6,353
Network computer systems	268,274	268,274	226,449	41,825
Utilities	450,000	450,000	479,968	(29,968)
Postage	92,000	92,000	94,392	(2,392)
Property and liability insurance	410,000	410,000	344,658	65,342
Bond insurance	3,000	3,000	-	3,000
Workers' compensation insurance	450,000	450,000	523,165	(73,165)
Unemployment benefits	46,710	46,710	54,175	(7,465)
Employee health insurance	1,452,473	1,452,473	1,612,818	(160,345)
Audit expense	51,000	51,000	48,906	2,094
Catawba Regional Planning Council	40,238	40,238	40,238	-
S.C. Association of Counties	8,897	8,897	8,897	-
Grant matching funds	250,000	250,000	92,500	157,500
Contingency	197,000	197,000	148,315	48,685
Copier lease and maintenance	40,646	40,646	39,526	1,120
Abatement	34,213	34,213	33,869	344
Reserved fund	873,198	873,198	189,602	683,596
GIS system	22,000	22,000	22,357	(357)
County attorney	89,045	89,045	141,999	(52,954)
Clerk of court	318,475	318,475	345,203	(26,728)
Family court	125,565	125,565	122,208	3,357
Probate judge	211,663	211,663	205,488	6,175
Lewisville magistrate	102,914	102,914	92,766	10,148
Chester magistrate	139,358	139,358	119,897	19,461
Baton Rouge magistrate	47,352	47,352	43,540	3,812

CHESTER COUNTY, SOUTH CAROLINA SCHEDULE A-2
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended June 30, 2010

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT (CONTINUED)				
Rossville magistrate	\$ 49,272	\$ 49,272	\$ 53,833	\$ (4,561)
Family court judge	3,000	3,000	2,833	167
Public defender	58,000	58,000	58,000	-
Solicitor department	71,543	71,543	-	71,543
Judge Short court of appeals	3,000	3,000	3,553	(553)
Total general government	<u>9,485,247</u>	<u>9,485,247</u>	<u>8,605,822</u>	<u>879,425</u>
PUBLIC SAFETY				
Sheriff's department	2,322,378	2,322,378	2,342,802	(20,424)
Detention center	1,680,078	1,680,078	1,528,658	151,420
EMS	1,567,801	1,567,801	1,634,813	(67,012)
Fire coordinator	77,358	77,358	74,807	2,551
Rural fire departments	379,888	379,888	376,121	3,767
Emergency management	101,070	101,070	98,695	2,375
E911	566,555	566,555	565,997	558
Animal control	142,006	142,006	132,887	9,119
Chester County rescue squad	8,000	8,000	8,000	-
Great Falls rescue squad	15,000	15,000	15,000	-
Total public safety	<u>6,860,134</u>	<u>6,860,134</u>	<u>6,777,780</u>	<u>82,354</u>
HIGHWAYS AND STREETS				
Road department	464,650	464,650	395,921	68,729
Litter control	66,995	66,995	63,313	3,682
Total highways and streets	<u>531,645</u>	<u>531,645</u>	<u>459,234</u>	<u>72,411</u>
WELFARE				
Veterans affairs	79,927	79,927	77,472	2,455
Department of Social Services	50,000	50,000	42,130	7,870
DHEC	40,000	40,000	41,743	(1,743)
Senior Services, Inc.	20,000	20,000	20,000	-
Chester/Lancaster disabilities	5,000	5,000	5,000	-
Soil and water conservation	9,000	9,000	9,000	-
Indigent patients	67,203	67,203	67,203	-
Total welfare	<u>271,130</u>	<u>271,130</u>	<u>262,548</u>	<u>8,582</u>

CHESTER COUNTY, SOUTH CAROLINA SCHEDULE A-2
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND (Continued)
For the Year Ended June 30, 2010

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
CULTURAL AND RECREATIONAL				
County recreation	\$ 42,000	\$ 42,000	\$ 42,000	\$ -
Fort Lawn Community Center	5,000	5,000	5,000	-
Clemson Extension	10,000	10,000	10,000	-
Total cultural and recreational	57,000	57,000	57,000	-
Total expenditures	17,205,156	17,205,156	16,162,384	1,042,772
Excess (deficiency) of revenues over (under) expenditures	-	-	(228,915)	(228,915)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	99,814	99,814
Operating transfers out	-	-	(342,782)	(342,782)
Total other financing sources (uses)	\$ -	\$ -	(242,968)	\$ (242,968)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses			(471,883)	
FUND BALANCE, BEGINNING OF YEAR			10,569,021	
FUND BALANCE, END OF YEAR			\$ 10,097,138	

SUPPLEMENTARY INFORMATION

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

SCHEDULE B-1

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 833,065	\$ 1,117,768	\$ -	\$ 1,950,833
Investments	1,728,008	698,843	-	2,426,851
Property taxes receivable	416,214	129,441	-	545,655
Due from other funds	3,400,367	233,316	100,992	3,734,675
Total assets	<u>\$ 6,377,654</u>	<u>\$ 2,179,368</u>	<u>\$ 100,992</u>	<u>\$ 8,658,014</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,501	\$ -	\$ -	\$ 15,501
Due to other funds	187,215	-	317,027	504,242
Deferred revenue	380,251	118,678	-	498,929
Total liabilities	<u>582,967</u>	<u>118,678</u>	<u>317,027</u>	<u>1,018,672</u>
FUND BALANCES				
Reserved for:				
Debt service	-	2,060,690	-	2,060,690
Capital projects	-	-	(216,035)	(216,035)
Other purposes	-	-	-	-
Unreserved:				
Reported in special revenue funds	5,794,687	-	-	5,794,687
Total fund balances	<u>5,794,687</u>	<u>2,060,690</u>	<u>(216,035)</u>	<u>7,639,342</u>
Total liabilities and fund balances	<u>\$ 6,377,654</u>	<u>\$ 2,179,368</u>	<u>\$ 100,992</u>	<u>\$ 8,658,014</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes and fee-in-lieu of taxes	\$ 3,117,973	\$ 959,513	\$ -	\$ 4,077,486
Federal sources	704,441	-	3,740	708,181
State sources	2,374,636	1,449,092	47,150	3,870,878
Local sources	1,330,023	-	-	1,330,023
Investment income	9,134	5,790	-	14,924
Other income	33,314	-	-	33,314
Total revenues	<u>7,569,521</u>	<u>2,414,395</u>	<u>50,890</u>	<u>10,034,806</u>
EXPENDITURES				
General government	5,379,135	-	82,325	5,461,460
Public safety	723,269	-	-	723,269
Highway, streets and public buildings	756,057	-	-	756,057
Cultural and recreational	813,281	-	-	813,281
Debt service:				
Principal retirements	111,945	695,848	-	807,793
Interest and fiscal charges	3,292	518,144	-	521,436
Total expenditures	<u>7,786,979</u>	<u>1,213,992</u>	<u>82,325</u>	<u>9,083,296</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(217,458)</u>	<u>1,200,403</u>	<u>(31,435)</u>	<u>951,510</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	342,782	-	-	342,782
Operating transfer out	(99,811)	-	(3)	(99,814)
Total other financing sources (uses)	<u>242,971</u>	<u>-</u>	<u>(3)</u>	<u>242,968</u>
NET CHANGE IN FUND BALANCES	25,513	1,200,403	(31,438)	1,194,478
FUND BALANCES, BEGINNING OF YEAR	<u>5,769,174</u>	<u>860,287</u>	<u>(184,597)</u>	<u>6,444,864</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 5,794,687</u></u>	<u><u>\$ 2,060,690</u></u>	<u><u>\$ (216,035)</u></u>	<u><u>\$ 7,639,342</u></u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3

	911 Subscriber Fees	1997 Short Fund	Solicitor's Office	Drug Forfeiture Fund
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 46,337
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	219,535	-	448,198	-
	<u>219,535</u>	<u>-</u>	<u>448,198</u>	<u>-</u>
Total assets	<u>\$ 219,535</u>	<u>\$ -</u>	<u>\$ 448,198</u>	<u>\$ 46,337</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,378	-	28,508
Deferred revenue	-	-	-	-
	<u>-</u>	<u>2,378</u>	<u>-</u>	<u>28,508</u>
Total liabilities	<u>-</u>	<u>2,378</u>	<u>-</u>	<u>28,508</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	219,535	(2,378)	448,198	17,829
	<u>219,535</u>	<u>(2,378)</u>	<u>448,198</u>	<u>17,829</u>
Total fund balances	<u>219,535</u>	<u>(2,378)</u>	<u>448,198</u>	<u>17,829</u>
Total liabilities and fund balances	<u>\$ 219,535</u>	<u>\$ -</u>	<u>\$ 448,198</u>	<u>\$ 46,337</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	Sheriff's Department IV-D	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 76,976
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	6,138	201,526	18,237	-
Total assets	\$ 6,138	\$ 201,526	\$ 18,237	\$ 76,976
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	24,742
Deferred revenue	-	-	-	-
Total liabilities	-		-	24,742
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	6,138	201,526	18,237	52,234
Total fund balances	6,138	201,526	18,237	52,234
Total liabilities and fund balances	\$ 6,138	\$ 201,526	\$ 18,237	\$ 76,976

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

SCHEDULE B-3
 (Continued)

	Richburg Fire District	Sheriff's Department Donations	York Tech	Exit 65 Adopt an Interchange
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	12,545	-	26,009	-
Due from other funds	117,349	-	96,822	-
	<u>117,349</u>	<u>-</u>	<u>96,822</u>	<u>-</u>
Total assets	<u>\$ 129,894</u>	<u>\$ -</u>	<u>\$ 122,831</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	466	-	-
Deferred revenue	11,670	-	23,499	-
	<u>11,670</u>	<u>-</u>	<u>23,499</u>	<u>-</u>
Total liabilities	<u>11,670</u>	<u>466</u>	<u>23,499</u>	<u>-</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	118,224	(466)	99,332	-
	<u>118,224</u>	<u>(466)</u>	<u>99,332</u>	<u>-</u>
Total fund balances	<u>118,224</u>	<u>(466)</u>	<u>99,332</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 129,894</u>	<u>\$ -</u>	<u>\$ 122,831</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
 (Continued)

	Family Court	Animal Control Donations	LEN ZJC04006	DHEC Grant in Aid MFY
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	31,853	7,551	-	519
	<u>31,853</u>	<u>7,551</u>	<u>-</u>	<u>519</u>
Total assets	<u>\$ 31,853</u>	<u>\$ 7,551</u>	<u>\$ -</u>	<u>\$ 519</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	31,853	7,551	-	519
	<u>31,853</u>	<u>7,551</u>	<u>-</u>	<u>519</u>
Total fund balances	<u>31,853</u>	<u>7,551</u>	<u>-</u>	<u>519</u>
Total liabilities and fund balances	<u>\$ 31,853</u>	<u>\$ 7,551</u>	<u>\$ -</u>	<u>\$ 519</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

SCHEDULE B-3
 (Continued)

	C-Fund	Hazmat Local	Duke Local	State Mapping Grant
ASSETS				
Cash	\$ 709,752	\$ -	\$ -	\$ -
Investments	1,728,008	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	45,437	20,923	15,254	-
Total assets	<u>\$ 2,483,197</u>	<u>\$ 20,923</u>	<u>\$ 15,254</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	2,483,197	20,923	15,254	-
Total fund balances	2,483,197	20,923	15,254	-
Total liabilities and fund balances	<u>\$ 2,483,197</u>	<u>\$ 20,923</u>	<u>\$ 15,254</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

SCHEDULE B-3
 (Continued)

	Victims/ Witness Surcharges and Assessments	Solid Waste Collection	Local Accommodations Tax
ASSETS			
Cash	\$ -	\$ -	\$ -
Investments	-	-	-
Property taxes receivable	-	73,819	-
Due from other funds	39,318	461,911	151,941
	<u>39,318</u>	<u>461,911</u>	<u>151,941</u>
Total assets	<u>\$ 39,318</u>	<u>\$ 535,730</u>	<u>\$ 151,941</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Deferred revenue	-	68,255	-
	<u>-</u>	<u>68,255</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>68,255</u>	<u>-</u>
FUND BALANCES			
Unreserved:			
Reported in special revenue funds	39,318	467,475	151,941
	<u>39,318</u>	<u>467,475</u>	<u>151,941</u>
Total fund balances	<u>39,318</u>	<u>467,475</u>	<u>151,941</u>
Total liabilities and fund balances	<u>\$ 39,318</u>	<u>\$ 535,730</u>	<u>\$ 151,941</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

SCHEDULE B-3
(Continued)

	State Accommodations Tax	MFY'S Citizen Corps	EMPG 01 Multiple	SOS DUI Enforcement
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	36,128	-	17,650	-
	<u>36,128</u>	<u>-</u>	<u>17,650</u>	<u>-</u>
Total assets	<u>\$ 36,128</u>	<u>\$ -</u>	<u>\$ 17,650</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 15,501	\$ -	\$ -	\$ -
Due to other funds	-	-	-	11,212
Deferred revenue	-	-	-	-
	<u>15,501</u>	<u>-</u>	<u>-</u>	<u>11,212</u>
Total liabilities	<u>15,501</u>	<u>-</u>	<u>-</u>	<u>11,212</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	20,627	-	17,650	(11,212)
	<u>20,627</u>	<u>-</u>	<u>17,650</u>	<u>(11,212)</u>
Total fund balances	<u>20,627</u>	<u>-</u>	<u>17,650</u>	<u>(11,212)</u>
Total liabilities and fund balances	<u>\$ 36,128</u>	<u>\$ -</u>	<u>\$ 17,650</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	2007 JAG CFDA#16.738	Chester Fire District	Lando Fire District	Grant in Aid 2004-05
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	220,816	2,704	-
Due from other funds	-	870,784	34,549	-
	\$ -	\$ 1,091,600	\$ 37,253	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	-	201,250	2,467	-
	-	201,250	2,467	-
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	-	890,350	34,786	-
	-	890,350	34,786	-
Total fund balances	-	890,350	34,786	-
	-	890,350	34,786	-
Total liabilities and fund balances	\$ -	\$ 1,091,600	\$ 37,253	\$ -
	\$ -	\$ 1,091,600	\$ 37,253	\$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	EMS Donations	Chester Airport Commission	Highway 9 Corridor	LEN 2JCO5006
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	1,666	-	-	-
	<u>1,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,681	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>2,681</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>2,681</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	1,666	(2,681)	-	-
	<u>1,666</u>	<u>(2,681)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,666</u>	<u>(2,681)</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	HMEP CFDA#20.703	Chester County Library	LEN 2JC06006	Republic Mill #3 Fire
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	80,321	-	-
Due from other funds	-	373,997	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ -</u>	<u>\$ 454,318</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	8,815	-	-	83,495
Deferred revenue	-	73,110	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>8,815</u>	<u>73,110</u>	<u>-</u>	<u>83,495</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	<u>(8,815)</u>	<u>381,208</u>	<u>-</u>	<u>(83,495)</u>
Total fund balances	<u>(8,815)</u>	<u>381,208</u>	<u>-</u>	<u>(83,495)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 454,318</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	DHEC SW Reduction	Economic Development Marketing	SLPG Grant CFDA#97.042	GIS Data Conversion
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	-	-	-	15,069
	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,069</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,069</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	11,837	851	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>11,837</u>	<u>851</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>11,837</u>	<u>851</u>	<u>-</u>
FUND BALANCES				
Unreserved:				
Reported in special revenue funds	-	(11,837)	(851)	15,069
	<u>-</u>	<u>(11,837)</u>	<u>(851)</u>	<u>15,069</u>
Total fund balances	<u>-</u>	<u>(11,837)</u>	<u>(851)</u>	<u>15,069</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,069</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30,2010

SCHEDULE B-3
(Continued)

	Public Defender	Sale of County Property	Stimulus JAG Grant	Community Development Grant	Totals
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 833,065
Investments	-	-	-	-	1,728,008
Property taxes receivable	-	-	-	-	416,214
Due from other funds	-	168,012	-	-	3,400,367
	<u>-</u>	<u>168,012</u>	<u>-</u>	<u>-</u>	<u>3,400,367</u>
Total assets	<u>\$ -</u>	<u>\$ 168,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,377,654</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,501
Due to other funds	12,230	-	-	-	187,215
Deferred revenue	-	-	-	-	380,251
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>380,251</u>
Total liabilities	<u>12,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>582,967</u>
FUND BALANCES					
Unreserved:					
Reported in special revenue funds	<u>(12,230)</u>	<u>168,012</u>	<u>-</u>	<u>-</u>	<u>5,794,687</u>
Total fund balances	<u>(12,230)</u>	<u>168,012</u>	<u>-</u>	<u>-</u>	<u>5,794,687</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 168,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,377,654</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4

	911 Fees Subscriber	1997 Short Fund	Solicitor's Office	Drug Forfeiture Fund
REVENUES				
County sources - property taxes	\$ -	\$ (138)	\$ -	\$ -
Federal sources	-	-	-	-
State sources	57,693	-	466,597	-
Local sources	154,459	-	177,003	45,092
Investment income	-	-	-	41
Other income	-	-	-	-
Total revenues	<u>212,152</u>	<u>(138)</u>	<u>643,600</u>	<u>45,133</u>
EXPENDITURES				
General government	-	-	813,985	-
Public safety	380,680	-	-	42,567
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>380,680</u>	<u>-</u>	<u>813,985</u>	<u>42,567</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(168,528)</u>	<u>(138)</u>	<u>(170,385)</u>	<u>2,566</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	71,543	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>71,543</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(168,528)</u>	<u>(138)</u>	<u>(98,842)</u>	<u>2,566</u>
FUND BALANCES, BEGINNING OF YEAR	<u>388,063</u>	<u>(2,240)</u>	<u>547,040</u>	<u>15,263</u>
FUND BALANCES, END OF YEAR	<u>\$ 219,535</u>	<u>\$ (2,378)</u>	<u>\$ 448,198</u>	<u>\$ 17,829</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

**SCHEDULE B-4
 (Continued)**

	Sherriff's Department IV - D	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	26,994	26,025	-	-
State sources	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	26,994	26,025	-	-
EXPENDITURES				
General government	15,297	4,100	-	8,020
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	15,297	4,100	-	8,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,697	21,925	-	(8,020)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfer out	(9,995)	-	-	-
Total other financing sources (uses)	(9,995)	-	-	-
NET CHANGES IN FUND BALANCES	1,702	21,925	-	(8,020)
FUND BALANCES, BEGINNING OF YEAR	4,436	179,601	18,237	60,254
FUND BALANCES, END OF YEAR	\$ 6,138	\$ 201,526	\$ 18,237	\$ 52,234

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

**SCHEDULE B-4
 (Continued)**

	<u>Richburg Fire District</u>	<u>Sheriff's Department Donations</u>	<u>York Tech</u>	<u>Exit 65 Adopt An Interchange</u>
REVENUES				
County sources - property taxes	\$ 92,883	\$ -	\$ 232,845	\$ -
Federal sources	-	-	-	-
State sources	-	-	-	-
Local sources	-	242	-	-
Investment income	-	-	-	-
Other income	33,314	-	-	-
Total revenues	<u>126,197</u>	<u>242</u>	<u>232,845</u>	<u>-</u>
EXPENDITURES				
General government	-	-	237,000	-
Public safety	114,261	8,351	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:	-	-	-	-
Principal retirements	31,945	-	-	-
Interest and fiscal charges	3,292	-	-	-
Total expenditures	<u>149,498</u>	<u>8,351</u>	<u>237,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,301)</u>	<u>(8,109)</u>	<u>(4,155)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfer out	-	-	-	(1,786)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,786)</u>
NET CHANGES IN FUND BALANCES	(23,301)	(8,109)	(4,155)	(1,786)
FUND BALANCES, BEGINNING OF YEAR	<u>141,525</u>	<u>7,643</u>	<u>103,487</u>	<u>1,786</u>
FUND BALANCES, END OF YEAR	<u>\$ 118,224</u>	<u>\$ (466)</u>	<u>\$ 99,332</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>Family Court</u>	<u>Animal Control Donations</u>	<u>LEN ZJC04006</u>	<u>DHEC Grant in Aid MFY</u>
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	126,065	-	-	-
State sources	-	-	-	12,550
Local sources	-	6,220	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>126,065</u>	<u>6,220</u>	<u>-</u>	<u>12,550</u>
EXPENDITURES				
General government	44,947	2,179	-	14,435
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>44,947</u>	<u>2,179</u>	<u>-</u>	<u>14,435</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>81,118</u>	<u>4,041</u>	<u>-</u>	<u>(1,885)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	2,088
Operating transfer out	(81,669)	-	(2,951)	-
Total other financing sources (uses)	<u>(81,669)</u>	<u>-</u>	<u>(2,951)</u>	<u>2,088</u>
NET CHANGES IN FUND BALANCES	(551)	4,041	(2,951)	203
FUND BALANCES, BEGINNING OF YEAR	<u>32,404</u>	<u>3,510</u>	<u>2,951</u>	<u>316</u>
FUND BALANCES, END OF YEAR	<u>\$ 31,853</u>	<u>\$ 7,551</u>	<u>\$ -</u>	<u>\$ 519</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>C-Fund</u>	<u>Hazmat Local</u>	<u>Duke Local</u>	<u>State Mapping Grant</u>
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	997,442	-	-	-
Local sources	-	30,238	17,215	-
Investment income	8,861	-	-	-
Other income	-	-	-	-
Total revenues	<u>1,006,303</u>	<u>30,238</u>	<u>17,215</u>	<u>-</u>
EXPENDITURES				
General government	-	-	9,545	-
Public safety	-	22,499	-	-
Highway, streets and public buildings	756,057	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>756,057</u>	<u>22,499</u>	<u>9,545</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>250,246</u>	<u>7,739</u>	<u>7,670</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	2,100
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100</u>
NET CHANGES IN FUND BALANCES	250,246	7,739	7,670	2,100
FUND BALANCES, BEGINNING OF YEAR	<u>2,232,951</u>	<u>13,184</u>	<u>7,584</u>	<u>(2,100)</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,483,197</u>	<u>\$ 20,923</u>	<u>\$ 15,254</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>Victims/ Witness Surcharges and Assessments</u>	<u>Solid Waste Collection</u>	<u>Local Accommodations Tax</u>
REVENUES			
County sources - property taxes	\$ -	\$ 566,883	\$ -
Federal sources	-	-	-
State sources	-	-	-
Local sources	45,958	-	87,271
Investment income	-	-	-
Other income	-	-	-
Total revenues	<u>45,958</u>	<u>566,883</u>	<u>87,271</u>
EXPENDITURES			
General government	-	647,934	-
Public safety	52,494	-	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	-	-	55,115
Debt service:			
Principal retirements	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>52,494</u>	<u>647,934</u>	<u>55,115</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,536)</u>	<u>(81,051)</u>	<u>32,156</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfer out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(6,536)</u>	<u>(81,051)</u>	<u>32,156</u>
FUND BALANCES, BEGINNING OF YEAR	<u>45,854</u>	<u>548,526</u>	<u>119,785</u>
FUND BALANCES, END OF YEAR	<u>\$ 39,318</u>	<u>\$ 467,475</u>	<u>\$ 151,941</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>State Accomodations Tax</u>	<u>MFY'S Citizens Corps</u>	<u>EMPG 01 Multiple</u>	<u>SOS DUI Enforcement</u>
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	-	4,774	53,577	-
State sources	61,804	-	-	-
Local sources	-	-	-	-
Investment income	232	-	-	-
Other income	-	-	-	-
Total revenues	<u>62,036</u>	<u>4,774</u>	<u>53,577</u>	<u>-</u>
EXPENDITURES				
General government	-	4,774	62,659	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	65,524	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>65,524</u>	<u>4,774</u>	<u>62,659</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,488)</u>	<u>-</u>	<u>(9,082)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(3,488)	-	(9,082)	-
FUND BALANCES, BEGINNING OF YEAR	<u>24,115</u>	<u>-</u>	<u>26,732</u>	<u>(11,212)</u>
FUND BALANCES, END OF YEAR	<u>\$ 20,627</u>	<u>\$ -</u>	<u>\$ 17,650</u>	<u>\$ (11,212)</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>2007 JAG CFDA#16.738</u>	<u>Chester Fire District</u>	<u>Lando Fire District</u>	<u>Grant in Aid 2004-05</u>
REVENUES				
County sources - property taxes	\$ -	\$ 1,531,645	\$ 25,361	\$ -
Federal sources	24,940	-	-	-
State sources	-	14,114	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>24,940</u>	<u>1,545,759</u>	<u>25,361</u>	<u>-</u>
EXPENDITURES				
General government	24,919	1,582,468	23,800	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>24,919</u>	<u>1,582,468</u>	<u>23,800</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21</u>	<u>(36,709)</u>	<u>1,561</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfer out	(21)	-	-	(569)
Total other financing sources (uses)	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>(569)</u>
NET CHANGES IN FUND BALANCES	-	(36,709)	1,561	(569)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>927,059</u>	<u>33,225</u>	<u>569</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 890,350</u>	<u>\$ 34,786</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>EMS Donations</u>	<u>Chester Airport Commission</u>	<u>Highway 9 Corridor</u>	<u>LEN 2JCO5006</u>
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	-	-	-	-
Local sources	-	63,624	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>63,624</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General government	-	63,510	-	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:	-	-	-	-
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>63,510</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>114</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	2,781
Operating transfer out	-	-	(1,145)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,145)</u>	<u>2,781</u>
NET CHANGES IN FUND BALANCES	-	114	(1,145)	2,781
FUND BALANCES, BEGINNING OF YEAR	<u>1,666</u>	<u>(2,795)</u>	<u>1,145</u>	<u>(2,781)</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,666</u>	<u>\$ (2,681)</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	<u>HMEP CFDA#20.703</u>	<u>Chester County Library</u>	<u>LEN 2JCO6006</u>	<u>Republic Mill #3 Fire</u>
REVENUES				
County sources - property taxes	\$ -	\$ 668,494	\$ -	\$ -
Federal sources	27,639	-	-	-
State sources	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>27,639</u>	<u>668,494</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General government	24,646	-	-	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	692,642	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>24,646</u>	<u>692,642</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,993</u>	<u>(24,148)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	1,142	-
Operating transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,142</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	2,993	(24,148)	1,142	-
FUND BALANCES, BEGINNING OF YEAR	<u>(11,808)</u>	<u>405,356</u>	<u>(1,142)</u>	<u>(83,495)</u>
FUND BALANCES, END OF YEAR	<u>\$ (8,815)</u>	<u>\$ 381,208</u>	<u>\$ -</u>	<u>\$ (83,495)</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
 (Continued)

	DHEC SW Reduction	Economic Development Marketing	SLPG Grant CFDA#97.042	GIS Data Conversion
REVENUES				
County sources - property taxes	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	14,436	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	14,436	-	-	-
EXPENDITURES				
General government	14,101	-	-	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	14,101	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	335	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfer out	(1,649)	-	-	-
Total other financing sources (uses)	(1,649)	-	-	-
NET CHANGES IN FUND BALANCES	(1,314)	-	-	-
FUND BALANCES, BEGINNING OF YEAR	1,314	(11,837)	(851)	15,069
FUND BALANCES, END OF YEAR	\$ -	\$ (11,837)	\$ (851)	\$ 15,069

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	Public Defender	Sale of County Property	Stimulus JAG Grant
REVENUES			
County sources - property taxes	\$ -	\$ -	\$ -
Federal sources	-	-	102,443
State sources	-	750,000	-
Local sources	371,139	331,562	-
Investment income	-	-	-
Other income	-	-	-
Total revenues	371,139	1,081,562	102,443
EXPENDITURES			
General government	372,154	1,096,678	-
Public safety	-	-	102,417
Highway, streets and public buildings	-	-	-
Cultural and recreational	-	-	-
Debt service:			
Principal retirements	-	80,000	-
Interest and fiscal charges	-	-	-
Total expenditures	372,154	1,176,678	102,417
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,015)	(95,116)	26
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	263,128	-
Operating transfer out	-	-	(26)
Total other financing sources (uses)	-	263,128	(26)
NET CHANGES IN FUND BALANCES	(1,015)	168,012	-
FUND BALANCES, BEGINNING OF YEAR	(11,215)	-	-
FUND BALANCES, END OF YEAR	\$ (12,230)	\$ 168,012	\$ -

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2010

SCHEDULE B-4
(Continued)

	Community Development Grant	Totals
	<u> </u>	<u> </u>
REVENUES		
County sources - property taxes	\$ -	\$ 3,117,973
Federal sources	311,984	704,441
State sources	-	2,374,636
Local sources	-	1,330,023
Investment income	-	9,134
Other income	-	33,314
Total revenues	<u>311,984</u>	<u>7,569,521</u>
EXPENDITURES		
General government	311,984	5,379,135
Public safety	-	723,269
Highway, streets and public buildings	-	756,057
Cultural and recreational	-	813,281
Debt service:		
Principal retirements	-	111,945
Interest and fiscal charges	-	3,292
Total expenditures	<u>311,984</u>	<u>7,786,979</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(217,458)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	342,782
Operating transfer out	-	(99,811)
Total other financing sources (uses)	<u>-</u>	<u>242,971</u>
NET CHANGES IN FUND BALANCES	-	25,513
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>5,769,174</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 5,794,687</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2010

SCHEDULE B-5

	<u>Chester County Debt Service</u>	<u>Lando Fire Debt Service</u>	<u>Richburg Fire Fire Bond</u>	<u>Chester Fire Fire Bond</u>	<u>Jail Construction Bond</u>	<u>Total</u>
ASSETS						
Cash	\$ 259	\$ -	\$ -	\$ -	\$ 1,117,509	\$ 1,117,768
Investments	698,843	-	-	-	-	698,843
Property taxes receivable, net	112,220	4,764	3,597	8,860	-	129,441
Due from other funds	<u>61,747</u>	<u>17,661</u>	<u>38,075</u>	<u>115,833</u>	<u>-</u>	<u>233,316</u>
Total assets	<u>\$ 873,069</u>	<u>\$ 22,425</u>	<u>\$ 41,672</u>	<u>\$ 124,693</u>	<u>\$ 1,117,509</u>	<u>\$ 2,179,368</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Deferred revenue						
Property taxes	\$ 103,326	\$ 4,175	\$ 3,331	\$ 7,846	\$ -	\$ 118,678
Fee-in-lieu of taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>103,326</u>	<u>4,175</u>	<u>3,331</u>	<u>7,846</u>	<u>-</u>	<u>118,678</u>
FUND BALANCES						
Reserved for debt service	<u>769,743</u>	<u>18,250</u>	<u>38,341</u>	<u>116,847</u>	<u>1,117,509</u>	<u>2,060,690</u>
Total liabilities and fund balances	<u>\$ 873,069</u>	<u>\$ 22,425</u>	<u>\$ 41,672</u>	<u>\$ 124,693</u>	<u>\$ 1,117,509</u>	<u>\$ 2,179,368</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS**
For the Year Ended June 30, 2010

	Chester County Debt Service	Lando Fire Debt Service	Richburg Fire Bond	Chester Fire Bond	Jail Construction Bond	Totals
REVENUES						
Property taxes	\$ 788,516	\$ 62,928	\$ 28,001	\$ 80,068	\$ -	\$ 959,513
State sources	-	-	-	-	1,449,092	1,449,092
Investment income	2,769	-	-	-	3,021	5,790
Total revenue	<u>791,285</u>	<u>62,928</u>	<u>28,001</u>	<u>80,068</u>	<u>1,452,113</u>	<u>2,414,395</u>
EXPENDITURES						
Debt service						
Principal retirements	567,522	50,417	17,446	60,463	-	695,848
Interest and fiscal charges	145,036	12,689	6,980	18,835	334,604	518,144
Total expenditures	<u>712,558</u>	<u>63,106</u>	<u>24,426</u>	<u>79,298</u>	<u>334,604</u>	<u>1,213,992</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	78,727	(178)	3,575	770	1,117,509	1,200,403
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	78,727	(178)	3,575	770	1,117,509	1,200,403
FUND BALANCES, BEGINNING OF YEAR	<u>691,016</u>	<u>18,428</u>	<u>34,766</u>	<u>116,077</u>	<u>-</u>	<u>860,287</u>
FUND BALANCES, END OF YEAR	<u>\$ 769,743</u>	<u>\$ 18,250</u>	<u>\$ 38,341</u>	<u>\$ 116,847</u>	<u>\$ 1,117,509</u>	<u>\$ 2,060,690</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

SCHEDULE B-7

	<u>Economic Development Infrastructure</u>	<u>Emergency Training Center</u>	<u>Gayle Mills Park Construction</u>	<u>Rossville Fire Department</u>
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other funds	<u>16,483</u>	<u>3,651</u>	<u>-</u>	<u>5,100</u>
Total assets	<u><u>\$ 16,483</u></u>	<u><u>\$ 3,651</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,100</u></u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Reserved for capital projects	<u>16,483</u>	<u>3,651</u>	<u>-</u>	<u>5,100</u>
Total fund balances	<u>16,483</u>	<u>3,651</u>	<u>-</u>	<u>5,100</u>
Total liabilities and fund balances	<u><u>\$ 16,483</u></u>	<u><u>\$ 3,651</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,100</u></u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

SCHEDULE B-7
(Continued)

	Chester Detention Center	Gayle Mills Sidewalk	Owenings Corning #1698	Highway 99 Industrial Park
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other funds	4,768	-	4,250	-
	<u>4,768</u>	<u>-</u>	<u>4,250</u>	<u>-</u>
Total assets	<u>\$ 4,768</u>	<u>\$ -</u>	<u>\$ 4,250</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	48,538	-	185,341
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>48,538</u>	<u>-</u>	<u>185,341</u>
FUND BALANCES				
Reserved for capital projects	4,768	(48,538)	4,250	(185,341)
	<u>4,768</u>	<u>(48,538)</u>	<u>4,250</u>	<u>(185,341)</u>
Total fund balances	<u>4,768</u>	<u>(48,538)</u>	<u>4,250</u>	<u>(185,341)</u>
Total liabilities and fund balances	<u>\$ 4,768</u>	<u>\$ -</u>	<u>\$ 4,250</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

SCHEDULE B-7
(Continued)

	Richburg Fire Department	West Chester Fire	Vehicle Replacement	Raxter Road Project
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other funds	-	63,000	-	3,740
	-	63,000	-	3,740
Total assets	\$ -	\$ 63,000	\$ -	\$ 3,740
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	67,495	-
Deferred revenue	-	-	-	-
	-	-	67,495	-
Total liabilities	-	-	67,495	-
FUND BALANCES				
Reserved for capital projects	-	63,000	(67,495)	3,740
	-	63,000	(67,495)	3,740
Total fund balances	-	63,000	(67,495)	3,740
Total liabilities and fund balances	\$ -	\$ 63,000	\$ -	\$ 3,740

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2010

SCHEDULE B-7
(Continued)

	Baton Rouge Park	Rodman Ballfield Additon	Great Falls Town Park	Totals
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Due from other funds	-	-	-	100,992
Total assets	\$ -	\$ -	\$ -	\$ 100,992
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	15,653	-	-	317,027
Deferred revenue	-	-	-	-
Total liabilities	15,653	-	-	317,027
FUND BALANCES				
Reserved for capital projects	(15,653)	-	-	(216,035)
Total fund balances	(15,653)	-	-	(216,035)
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 100,992

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**
For the Year Ended June 30, 2010

SCHEDULE B-8

	<u>Economic Development Infrastructure</u>	<u>Emergency Training Center</u>	<u>Gayle Mills Park Construction</u>	<u>Rossville Fire Department</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General government	-	729	2,510	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	729	2,510	-
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	-	(729)	(2,510)	-
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGES IN FUND BALANCES				
	-	(729)	(2,510)	-
FUND BALANCES, BEGINNING OF YEAR				
	16,483	4,380	2,510	5,100
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES, END OF YEAR				
	<u>\$ 16,483</u>	<u>\$ 3,651</u>	<u>\$ -</u>	<u>\$ 5,100</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2010

SCHEDULE B-8
(Continued)

	Chester Detention Center	Gayle Mills Sidewalk	Owenings Corning #1698	Highway 99 Industrial Park
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
General government	-	-	-	-
	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	4,768	(48,538)	4,250	(185,341)
FUND BALANCES, END OF YEAR	\$ 4,768	\$ (48,538)	\$ 4,250	\$ (185,341)

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**
For the Year Ended June 30, 2010

**SCHEDULE B-8
(Continued)**

	<u>Richburg Fire Department</u>	<u>West Chester Fire</u>	<u>Vehicle Replacement</u>	<u>Raxter Road Project</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 3,740
State sources	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,740</u>
EXPENDITURES				
General government	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(37,000)</u>	<u>-</u>	<u>-</u>	<u>3,740</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	(37,000)	-	-	3,740
FUND BALANCES, BEGINNING OF YEAR	<u>37,000</u>	<u>63,000</u>	<u>(67,495)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 63,000</u>	<u>\$ (67,495)</u>	<u>\$ 3,740</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**
For the Year Ended June 30, 2010

**SCHEDULE B-8
(Continued)**

	<u>Baton Rouge Park</u>	<u>Rodman Ballfield Addition</u>	<u>Great Falls Town Park</u>	<u>Totals</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 3,740
State sources	-	22,458	24,692	47,150
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>22,458</u>	<u>24,692</u>	<u>50,890</u>
EXPENDITURES				
General government	<u>19,695</u>	<u>-</u>	<u>22,391</u>	<u>82,325</u>
Total expenditures	<u>19,695</u>	<u>-</u>	<u>22,391</u>	<u>82,325</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,695)</u>	<u>22,458</u>	<u>2,301</u>	<u>(31,435)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Total other financing sources (uses)	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
NET CHANGES IN FUND BALANCES	(19,695)	22,455	2,301	(31,438)
FUND BALANCES, BEGINNING OF YEAR	<u>4,042</u>	<u>(22,455)</u>	<u>(2,301)</u>	<u>(184,597)</u>
FUND BALANCES, END OF YEAR	<u>\$ (15,653)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (216,035)</u>

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CLERK OF COURT FINES AND FEES
For the Year Ended June 30, 2010
(UNAUDITED)

SCHEDULE B-9

	<u>Total Collected</u>
Amount Retained by County Treasurer	
Fines	\$ 4,066
Fees	122,570
Assessments	-
Other	<u>1,610</u>
Total retained by County Treasurer	<u><u>\$ 128,246</u></u>
 Amount Remitted to State Treasurer	
Fines	\$ 6,186
Fees	79,830
Assessments	72
Other	<u>6,021</u>
Total remitted to State Treasurer	<u><u>\$ 92,109</u></u>
 Amount Allocated to Victim's Services	
Fines	\$ -
Fees	-
Assessments	3,331
Surcharges	<u>13,063</u>
Total allocated to Victim's Services	<u><u>\$ 16,394</u></u>

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF MAGISTRATE FINES AND FEES
For the Year Ended June 30, 2010
(UNAUDITED)

SCHEDULE B-10

Fines collected	\$	285,475
Assessments collected		186,505
Surcharges collected		98,498
		98,498
	\$	570,478
Fines and assessments remitted to State Treasurer	\$	285,781
Funds allocated to General Fund		255,659
Court assessments allocated to Victims' Services		19,320
Court surcharges allocated to Victims' Services		9,718
		9,718
	\$	570,478
Victims' Services beginning balance	\$	45,854
Assessments allocated		19,320
Surcharges allocated		9,718
Clerk of Court assessments		3,331
Clerk of Court surcharges		13,063
Payroll and related expenses		(52,494)
		(52,494)
	\$	38,792