CHESTER COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

ISSUED BY:

CHESTER COUNTY

Management and Finance Departments

R. Carlisle Roddey
County Supervisor

Thomas E. Darby
Treasurer

Emmy S. Bennett
Finance Director

CHESTER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2012

TABLE OF CONTENTS

Page No.

INDEPENDENT AUDITORS' REPORT 1

1. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) 3

2. FINANCIAL STATEMENTS

Exhibits:

1 Statement of Net Assets 13

2 Statement of Activities 14

3 Balance Sheet – Governmental Funds 16

4 Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities 17

5 Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 18

6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 19

7 Statement of Net Assets – Proprietary Funds – Landfill/Transfer Station 20

8 Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds – Landfill/Transfer Station 21

9 Statement of Cash Flows – Proprietary Funds – Landfill/Transfer Station 22

10 Statement of Fiduciary Net Assets – Fiduciary Funds 23

11 Combining Statement of Net Assets – Discrete Component Units 24

12 Combining Statement of Activities – Discrete Component Units 25

Notes to Financial Statements 26

3. REQUIRED SUPPLEMENTARY INFORMATION

Schedules:

A-1 Budgetary Comparison Schedule – General Fund – Revenues 59

A-2 Budgetary Comparison Schedule – General Fund – Expenditures 61

TABLE OF CONTENTS

Page No.

4. SUPPLEMENTARY INFORMATION - COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

Schedules:

B-1 Combining Balance Sheet – Nonmajor Governmental Funds 64

B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds 65

B-3 Combining Balance Sheet – Nonmajor Special Revenue Funds 66

B-4 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds 75

B-5 Combining Balance Sheet – Nonmajor Debt Service Funds 87

B-6 Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Debt Service Funds 88

B-7 Combining Balance Sheet – Nonmajor Capital Projects Funds 89

B-8 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds 93

B-9 Supplementary Information – Schedule of Clerk of Court Fines and Fees 97

B-10 Supplementary Information – Schedule of Magistrate Fines and Fees 98

FAULKNER AND THOMPSON, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

ROBERT E. FAULKNER
T. DALE THOMPSON

CERTIFIED IN S.C. AND N.C.

226 NORTHPARK DRIVE, SUITE 110
POST OFFICE BOX 2456
ROCK HILL, SOUTH CAROLINA 29732
TELEPHONE: 803-324-3160
FACSIMILE: 803-324-2767

NORTH CAROLINA OFFICE:
10800 SIKES PLACE, SUITE 300
CHARLOTTE, NORTH CAROLINA 28277

TELEPHONE: 704-541-6180

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, 2012, which collectively comprise the 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 the 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, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 March 21, 2013, 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 the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 59 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 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 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 them.

Faulkner and Thompson, P.A.

Rock Hill, South Carolina
March 21, 2013

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, 2012. 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 $30,614,779 (*net assets*). Of this amount, $8,727,869 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by $365,749 (1 percent).
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of $18,920,854, a decrease of $3,019,044 in comparison with the prior year.

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 62 through 96 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 58 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 59 through 96 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 $30,614,779 at the close of the most recent fiscal year.

Chester County's Net Assets						
	Governmental activities		Business-type activities		Total	
	2011	2012	2011	2012	2011	2012
Current and other assets	24,191,500	27,216,186	95,333	59,558	24,286,833	27,275,744
Capital assets	27,824,008	29,068,232	876,910	726,505	28,700,918	29,794,737
Total assets	52,015,508	56,284,418	972,243	786,063	52,987,751	57,070,481
Long-term liabilities outstanding	15,161,631	20,299,088	1,762,329	1,591,520	16,923,960	21,890,608
Other liabilities	6,888,275	6,300,751	(1,996,585)	(1,735,657)	4,891,690	4,565,094
Total liabilities	22,049,906	26,599,839	(234,256)	(144,137)	21,815,650	26,455,702
Net assets:						
Invested in capital assets, net of related debt	12,662,377	8,769,144	290,890	280,887	12,953,267	9,050,031
Restricted	6,053,435	12,836,879	-0-	-0-	6,053,435	12,836,879
Unrestricted	11,249,790	8,078,556	915,609	649,313	12,165,399	8,727,869
Total net assets	29,965,602	29,684,579	1,206,499	930,200	31,172,101	30,614,779

Thirty (30) 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, $8,727,869 may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, $649,313 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 a decrease of $281,023 or 0.94% in total net assets as reported in connection with the County's governmental activities. Key elements of this decrease are as follows:

- Interest income was budgeted at $150,000 for the year ended June 30, 2012. Actual income was $87,066.
- Delinquent tax collections were $339,782 more than the budgeted amount.
- Local government revenue was $50,880 less than the budgeted amount.

Business-type activities. The business-type net assets decreased by $276,299 during fiscal year 2012. 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 9 – Solid Waste Landfill Closure and Postclosure Care Costs** beginning on page 47 of this report.

Chester County's Changes in Net Assets						
	Governmental activities		Business-type activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program revenues:						
Charges for services	2,116,942	2,095,792	994,345	913,239	3,111,287	3,009,031
Operating grants and contributions	2,326,591	3,828,714	14,316	12,654	2,340,907	3,841,368
Capital grants and contributions	1,234,281	1,455,383	-0-	-0-	1,234,281	1,455,383
General revenues:						
Property taxes	15,602,136	14,871,015	-0-	-0-	15,602,136	14,871,015
Intergovernmental	3,491,028	3,474,698	-0-	-0-	3,491,028	3,474,698
Accommodations fees	158,553	183,446	-0-	-0-	158,553	183,446
Investment income	119,407	104,851	1,206	3,002	120,613	107,853
Other	177,386	392,720	-0-	-0-	177,386	392,720
Franchise fees	177,821	183,955	-0-	-0-	177,821	183,955
Total revenues and transfers	25,404,145	26,590,574	1,009,867	928,895	26,414,012	27,519,469
Expenses:						
General government	13,687,327	13,765,200	-0-	-0-	13,687,327	13,765,200
Public safety	8,016,168	8,306,790	-0-	-0-	8,016,168	8,306,790
Highways and streets	2,011,266	2,814,209	-0-	-0-	2,011,266	2,814,209
Welfare	264,049	252,414	-0-	-0-	264,049	252,414
Cultural and recreational	1,371,267	1,317,664	-0-	-0-	1,371,267	1,317,664
Interest and fiscal charges on long-term debt	486,126	415,320	-0-	-0-	486,126	415,320
Solid waste	-0-	-0-	1,216,258	1,205,194	1,216,258	1,205,194
Total expenses	25,836,203	26,871,597	1,216,258	1,205,194	27,052,461	28,076,791
Increase (decrease) in net assets	(432,058)	(281,023)	(206,391)	(276,299)	(638,449)	(557,322)
Net assets - Beginning	30,397,660	29,965,602	1,412,890	1,206,499	31,810,550	31,172,101
Net assets - Ending	29,965,602	29,684,579	1,206,499	930,200	31,172,101	30,614,779

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 general fund decreased by approximately $1,400,000, mainly due to lower collections of current property taxes. Major capital projects funds increased by $5,000,000 due to bond proceeds received and set aside during the year. Major debt service funds increased by approximately $486,000 due to funds accumulated for future debt service. Other governmental funds decreased by approximately $1,000,000 mainly due to highway and street-related projects paid from funds accumulated in prior years.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, the County's total fund balance of the general fund was $6,381,344. As a measure of the general fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. Unassigned fund balance represents 9 percent of total general fund expenditures. The fund balance of the County's General Fund decreased by $1,400,631 during the current fiscal year.

General Fund Budgetary Highlights

During fiscal year 2012, there were no budgetary supplemental appropriations needed by County Council. The County realized an unfavorable variance of $1,379,874 in the collection of General Fund revenues and an unfavorable variance of $20,991 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, 2012, amounts to $29,794,737 (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) police vehicles of approximately $860,000, 2) improvements to EMS facilities of approximately $560,000, and 3) construction of airport security fencing of approximately $463,000.

Chester County's Capital Assets						
	Governmental activities		Business-type activities		Total	
	2011	2012	2011	2012	2011	2012
Land	4,701,738	4,701,738	112,144	112,144	4,813,882	4,813,882
Construction in progress	11,478,243	-0-	-0-	-0-	11,478,243	-0-
Buildings and improvements	7,909,813	19,100,728	170,601	192,639	8,080,414	19,293,367
Improvements other than buildings	428,337	916,630	26,600	19,000	454,937	935,630
Infrastructure	956,396	906,620	-0-	-0-	956,396	906,620
Machinery and equipment	2,349,481	3,442,516	567,565	402,722	2,917,046	3,845,238
Total capital assets	27,824,008	29,068,232	876,910	726,505	28,700,918	29,794,737

Additional information on the County's capital assets can be found in **Note 6 - Capital Assets** beginning on page 40 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 $11,112,258. 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 $1,975,120. 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 of $99,398,216. The current legal debt limit for the County is $7,951,857. The available debt margin is $5,326,857.

Additional information on the County's long-term debt can be found in **Note 7 - Long-Term Debt** beginning on page 41 of this report.

Chester County's Outstanding Debt General Obligation Bonds						
	Governmental activities		Business-type activities		Total	
	2011	2012	2011	2012	2011	2012
2003 General Obligation Bond	550,000	275,000	-0-	-0-	550,000	275,000
2005 General Obligation Bond	254,740	193,420	-0-	-0-	254,740	193,420
2007 General Obligation Bond	2,525,000	2,350,000	-0-	-0-	2,525,000	2,350,000
2007 Richburg Fire G.O. Bond	147,638	128,838	-0-	-0-	147,638	128,838
2010 General Obligation Bonds	9,610,000	8,165,000	-0-	-0-	9,610,000	8,165,000
Total general obligation bonds	13,087,378	11,112,258	-0-	-0-	13,087,378	11,112,258

Economic Factors (As Reported by the South Carolina Office of Research and Statistics and the South Carolina Department of Employment and Workforce)

- The population of Chester County in 2012 was estimated at 32,546.
- The total number of jobs in June 2012 was estimated at 12,524, a decrease of approximately 0.92% from last year.
- The State's unemployment rate was 9.9 percent in June 2012 as reported by the SC Department of Employment and Workforce. In comparison, the County's unemployment rate as of June 2012 was 14.8 percent.
- The average annual wage in 2012 was $36,036, which is approximately 94 percent of the South Carolina average. Per capita income for 2012 was $27,299.

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.

Finance Director

EXHIBIT 1

CHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2012

	Primary Government			
	Governmental Activities	**Business-Type Activities**	**Total**	**Component Units**
ASSETS				
Cash and cash equivalents	$ 5,949,042	$ -	$ 5,949,042	$ 578,955
Investments	16,212,155	-	16,212,155	-
Receivables:				
Taxes	1,901,389	-	1,901,389	95,494
Accounts	-	59,558	59,558	67,295
Other	445,080	-	445,080	-
Intergovernmental receivable	1,756,987	-	1,756,987	39,086
Other assets	292,853	-	292,853	13,477
Deferred assets	658,680	-	658,680	-
Fuel inventory	-	-	-	22,030
Capital assets	29,068,232	726,505	29,794,737	5,617,207
Total assets	56,284,418	786,063	57,070,481	6,433,544
LIABILITIES				
Accounts payable	1,362,773	-	1,362,773	203,718
Accrued expenses	1,345,628	-	1,345,628	52,645
Due to other funds	1,735,657	(1,735,657)	-	-
Due to agency funds	526,969	-	526,969	-
Intergovernmental payable	291,403	-	291,403	3,519
Escrow tax sale	299,205	-	299,205	-
Deferred revenue	739,116	-	739,116	2,408
Long-term liabilities:				
Due within one year	4,791,106	189,031	4,980,137	84,430
Due in more than one year	15,507,982	1,402,489	16,910,471	2,103,104
Total liabilities	26,599,839	(144,137)	26,455,702	2,449,824
NET ASSETS				
Invested in capital assets, net of related debt	8,769,144	280,887	9,050,031	3,396,754
Restricted for:				
Debt service	4,269,236	-	4,269,236	-
Capital projects	4,835,515	-	4,835,515	-
Other purposes	3,732,128	-	3,732,128	-
Unrestricted	8,078,556	649,313	8,727,869	586,966
Total net assets	$ 29,684,579	$ 930,200	$ 30,614,779	$ 3,983,720

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
JUNE 30, 2012

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General government	$ 13,765,200	$ 855,303	2,798,944	$ 1,156,368
Public safety	8,306,790	1,240,489	1,029,770	299,015
Highways and streets	2,814,209	-	-	-
Welfare	252,414	-	-	-
Cultural and recreational	1,317,664	-	-	-
Interest and fiscal charges on long-term debt	415,320	-	-	-
Total governmental activities	26,871,597	2,095,792	3,828,714	1,455,383
BUSINESS-TYPE ACTIVITIES				
Landfill/transfer station	1,205,194	913,239	12,654	-
Total primary government	$ 28,076,791	$ 3,009,031	$ 3,841,368	$ 1,455,383
COMPONENT UNITS				
Chester County Airport Commission	$ 404,371	$ 300,813	$ -	$ 17,279
Chester Fire District	1,612,270	-	-	-
Lando Fire District	91,259	-	48,228	187,625
Richburg Fire District	118,266	-	75,205	-
Chester County Library	949,434	7,980	84,743	-
Total component units	$ 3,175,600	$ 308,793	$ 208,176	$ 204,904

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

Net assets, end of year

See the accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Discretely Presented Component Units
Governmental Activities	Business-Type Activities	Total	
$ (8,954,585)	$ -	$ (8,954,585)	$ -
(5,737,516)	-	(5,737,516)	-
(2,814,209)	-	(2,814,209)	-
(252,414)	-	(252,414)	-
(1,317,664)	-	(1,317,664)	-
(415,320)	-	(415,320)	-
(19,491,708)	-	(19,491,708)	-
-	(279,301)	(279,301)	-
(19,491,708)	(279,301)	(19,771,009)	-
-	-	-	(86,279)
-	-	-	(1,612,270)
-	-	-	144,594
-	-	-	(43,061)
-	-	-	(856,711)
-	-	-	(2,453,727)
8,745,630	-	8,745,630	2,446,517
3,022,753	-	3,022,753	-
3,102,632	-	3,102,632	-
3,474,698	-	3,474,698	-
183,446	-	183,446	-
183,955	-	183,955	-
104,851	3,002	107,853	469
392,720	-	392,720	-
19,210,685	3,002	19,213,687	2,446,986
(281,023)	(276,299)	(557,322)	(6,741)
29,965,602	1,206,499	31,172,101	3,990,461
$ 29,684,579	$ 930,200	$ 30,614,779	$ 3,983,720

See the accompanying Notes to Financial Statements.

EXHIBIT 3

CHESTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ 3,713,693	$ 1,964,313	$ -	$ 271,036	$ 5,949,042
Investments	8,296,878	-	5,250,000	2,665,277	16,212,155
Receivables:					
Property taxes	1,326,339	-	-	575,050	1,901,389
Other	114,975	-	-	-	114,975
Local sources	330,105	-	-	-	330,105
Due from other governments:					
Federal grant revenue	21,404	-	-	299,015	320,419
State shared revenue	1,436,568	-	-	-	1,436,568
Due from other funds	-	588,358	-	3,421,710	4,010,068
Total assets	$ 15,239,962	$ 2,552,671	$ 5,250,000	$ 7,232,088	$ 30,274,721
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 558,755	$ -	$ -	$ 804,018	$ 1,362,773
Accrued liabilities	604,175	-	-	45,010	649,185
Due to:					
Other taxing authorities	291,403	-	-	-	291,403
Agency funds	526,969	-	-	-	526,969
Other funds	4,696,203	-	250,000	799,522	5,745,725
Escrow tax sale	299,205	-	-	-	299,205
Deferred revenue	1,189,787	-	-	596,699	1,786,486
Deferred revenue L.O.S.T.	402,901	-	-	-	402,901
Magistrate bonds pending	289,220	-	-	-	289,220
Total liabilities	8,858,618	-	250,000	2,245,249	11,353,867
FUND BALANCES					
Restricted	279,912	-	5,000,000	1,794,782	7,074,694
Committed	-	2,552,671	-	3,565,498	6,118,169
Assigned	17,457	-	-	102,885	120,342
Unassigned	6,083,975	-	-	(476,326)	5,607,649
Total fund balances	6,381,344	2,552,671	5,000,000	4,986,839	18,920,854
Total liabilities and fund balances	$ 15,239,962	$ 2,552,671	$ 5,250,000	$ 7,232,088	$ 30,274,721

See the accompanying Notes to Financial Statements.

EXHIBIT 4

CHESTER COUNTY, SOUTH CAROLINA

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2012

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	$ 18,920,854
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	4,701,738
Buildings and improvements	24,786,356
Improvements other than buildings	6,197,555
Machinery and equipment	15,875,510
Infrastructure assets	7,511,781
Accumulated depreciation	(30,004,708)
Total capital assets	29,068,232
Some revenue will be collected after year-end but is not available soon enough to pay for the current period's expenditures and therefore is deferred in the funds.	
Property taxes	1,739,492
Deferred charges are not financial resources and therefore are not reported in the funds.	658,680
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.	292,853
Total other assets	951,533
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	(11,112,258)
Chester Facilities Corporation revenue bonds	(6,385,000)
Capital leases	(2,801,831)
Accrued interest	(120,142)
Compensated absences	(576,301)
Total long-term liabilities	(20,995,532)
NET ASSETS OF GOVERNMENTAL FUNDS	$ 29,684,579

See the accompanying Notes to Financial Statements.

EXHIBIT 5

CHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 8,745,630	$ -	$ -	$ 3,907,889	$ 12,653,519
Licenses, fines, fees and permits	1,970,298	-	-	-	1,970,298
Intergovernmental	3,666,787	2,217,493	-	5,494,190	11,378,470
Income on investments	95,206	4,332	-	5,313	104,851
Other income	303,074	-	-	23,819	326,893
Total revenues	14,780,995	2,221,825	-	9,431,211	26,434,031
EXPENDITURES					
Current					
General government	8,205,112	-	-	5,167,049	13,372,161
Public safety	7,149,600	-	250,000	2,445,536	9,845,136
Highways and streets	440,821	-	-	2,191,705	2,632,526
Welfare	252,414	-	-	-	252,414
Cultural and recreational	62,370	-	-	1,224,599	1,286,969
Capital outlay	-	-	-	168,206	168,206
Professional expenses	-	-	-	636,237	636,237
Debt service					
Principal retirement	-	1,445,000	-	595,455	2,040,455
Interest and fiscal charges	-	290,554	-	135,379	425,933
Total expenditures	16,110,317	1,735,554	250,000	12,564,166	30,660,037
Excess (deficiency) of revenues over (under) expenditures	(1,329,322)	486,271	(250,000)	(3,132,955)	(4,226,006)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	5,250,000	1,135,000	6,385,000
Capital lease proceeds	-	-	-	860,050	860,050
Operating transfers in/(out)	(71,309)	-	-	71,309	-
Total other financing sources (uses)	(71,309)	-	5,250,000	2,066,359	7,245,050
Net changes in fund balances	(1,400,631)	486,271	5,000,000	(1,066,596)	3,019,044
FUND BALANCES, BEGINNING OF YEAR	7,781,975	2,066,400	-	6,053,435	15,901,810
FUND BALANCES, END OF YEAR	$ 6,381,344	$ 2,552,671	$ 5,000,000	$ 4,986,839	$ 18,920,854

See the accompanying Notes to Financial Statements.

EXHIBIT 6

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, 2012

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 3,019,044
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 capital assets is allocated over their estimated useful lives as depreciation expense. In the current year, these amounts are:	
Capital outlay	2,740,833
Depreciation expense	(1,496,609)
Excess of capital outlay over depreciation expense	1,244,224
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 increased by this amount this year.	14,937
Bond and capital lease proceeds and related discounts and costs 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 and related discounts and costs were as follows:	
Deferred cost	(13,565)
Chester Facilities Corporation - Bond discount	160,237
Chester Facilities Corporation - Bond issuance costs	476,000
Chester Facilities Corporation - Bond proceeds	(6,385,000)
Capital lease	(860,050)
	(6,622,378)
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	1,975,120
Capital lease principal	132,472
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	10,614
Payments to fund retirement benefit accounts that exceed annual required contributions are reported as expenses in governmental funds.	89,399
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	(144,455)
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ (281,023)

See the accompanying Notes to Financial Statements.

EXHIBIT 7

CHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION

JUNE 30, 2012

ASSETS	
CURRENT ASSETS	
Accounts receivable, net of allowance of $10,000	$ 59,558
Total current assets	59,558
NON-CURRENT ASSETS	
Interfund receivable	1,735,657
Capital assets:	
Land and land improvements	150,144
Buildings and improvements	312,330
Machinery and equipment	1,198,367
Accumulated depreciation	(934,336)
	726,505
Total noncurrent assets	2,462,162
Total assets	$ 2,521,720
LIABILITIES	
CURRENT LIABILITIES	
Current portion of notes payable	144,531
Current portion of postclosure care	44,500
Total current liabilities	189,031
LONG-TERM LIABILITIES	
Long-term portion of notes payable	301,087
Long-term portion of postclosure care	1,101,402
Total long-term liabilities	1,402,489
Total liabilities	1,591,520
NET ASSETS	
Invested in capital assets, net of related debt	280,887
Unrestricted	649,313
Total net assets	930,200
Total liabilities and net assets	$ 2,521,720

See the accompanying Notes to Financial Statements.

EXHIBIT 8

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, 2012

OPERATING REVENUES	
Disposal fees	$ 913,239
Total operating revenues	913,239
OPERATING EXPENSES	
Disposal	938,525
Salaries and wages	69,549
Depreciation	180,370
Total operating expenses	1,188,444
Operating income/(loss)	(275,205)
NON-OPERATING REVENUE/(EXPENSE)	
State sources	12,654
Interest income	3,002
Interest expense	(16,750)
Total non-operating revenue/(expense)	(1,094)
Changes in net assets	(276,299)
NET ASSETS, BEGINNING OF YEAR	1,206,499
NET ASSETS, END OF YEAR	$ 930,200

See the accompanying Notes to Financial Statements.

EXHIBIT 9

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	$ 949,014
Payments to suppliers	(968,932)
Payments to employees	(69,549)
Net cash used for operating activities	(89,467)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State revenue	12,654
Capital lease payments	(140,402)
Acquisition of capital assets	(29,965)
Net cash used for capital and related financing activities	(157,713)
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in interfund balance	260,928
Interest income	3,002
Interest expense	(16,750)
Net cash provided by investing activities	247,180
Net increase in cash and cash equivalents	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ -
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating income/(loss)	$ (275,205)
Adjustments to reconcile operating income/(loss) to net cash used for operating activities:	
Depreciation expense	180,370
Changes in current assets and liabilities:	
Accrual for postclosure liability	(30,407)
Accounts receivable	35,775
Net cash used for operating activities	$ (89,467)

See the accompanying Notes to Financial Statements.

EXHIBIT 10

CHESTER COUNTY, SOUTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2012

ASSETS	
Cash and cash equivalents	$ 448,325
Investments	2,088,190
Due from Chester County	526,969
Total assets	$ 3,063,484
LIABILITIES	
Funds held in trust for others	$ 3,063,484
Total liabilities	$ 3,063,484

See the accompanying Notes to Financial Statements.

EXHIBIT 11

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETE COMPONENT UNITS
JUNE 30, 2012

	Chester County Airport Commission	Chester Fire District	Lando Fire District	Richburg Fire District	Chester County Library	Total
ASSETS						
Cash and cash equivalents	$ 46,741	$ 265,374	$ 67,069	$ 45,686	$ 154,085	$ 578,955
Receivables:						
Taxes	-	92,672	2,822	-	-	95,494
Accounts	6,218	-	-	-	61,077	67,295
Intergovernmental	-	3,528	33,420	2,138	-	39,086
Fuel inventory	22,030	-	-	-	-	22,030
Prepaid expenses	-	-	-	-	11,098	11,098
Other assets	-	-	-	2,379	-	2,379
Capital assets:						
Land	29,376	-	-	200,004	-	229,380
Art collection	-	-	-	-	20,132	20,132
Circulation collection	-	-	-	-	1,425,368	1,425,368
Buildings and improvements	502,608	190,977	-	1,725,401	-	2,418,986
Equipment, furniture and fixtures	105,891	582,255	570,196	14,087	727,510	1,999,939
Apron improvements	10,925	-	-	-	-	10,925
Taxiway and runway	2,880,389	-	-	-	-	2,880,389
Less accumulated depreciation	(1,080,595)	(220,657)	(311,262)	(7,223)	(1,748,175)	(3,367,912)
Total assets	$ 2,523,583	$ 914,149	$ 362,245	$ 1,982,472	$ 651,095	$ 6,433,544
LIABILITIES						
Accounts payable	$ 13,540	$ 22,494	$ -	$ 20,380	$ 147,304	$ 203,718
Accrued expenses	4,856	-	-	-	47,789	52,645
Intergovernmental payable	3,519	-	-	-	-	3,519
Deferred revenue	-	-	2,408	-	-	2,408
Current portion of long-term debt	-	67,915	-	16,515	-	84,430
Long-term debt	-	220,269	-	1,882,835	-	2,103,104
Total liabilities	21,915	310,678	2,408	1,919,730	195,093	2,449,824
NET ASSETS						
Invested in capital assets, net of related debt	2,448,594	264,391	258,934	-	424,835	3,396,754
Unrestricted	53,074	339,080	100,903	62,742	31,167	586,966
Total net assets	2,501,668	603,471	359,837	62,742	456,002	3,983,720
Total liabilities and net assets	$ 2,523,583	$ 914,149	$ 362,245	$ 1,982,472	$ 651,095	$ 6,433,544

See the accompanying Notes to Financial Statements.

EXHIBIT 12

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTVITIES
DISCRETE COMPONENT UNITS
For the Year Ended June 30, 2012

		Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
Chester County Airport Commission	$ 404,371	$ 300,813	$ -	$ 17,279	$ (86,279)
Chester Fire District	1,612,270	-	-	-	(1,612,270)
Lando Fire District	91,259	-	48,228	187,625	144,594
Richburg Fire District	118,266	-	75,205	-	(43,061)
Chester County Library	949,434	7,980	84,743	-	(856,711)
	$ 3,175,600	$ 308,793	$ 208,176	$ 204,904	(2,453,727)

General revenues:	
Property taxes levied for Chester Fire District	1,669,924
Property taxes levied for Lando Fire District	25,797
Property taxes levied for Richburg Fire District	65,971
Property taxes levied for Chester County Library	684,825
Interest and investment earnings	469
Total general revenues	2,446,986
Changes in net assets	(6,741)
Net assets, beginning of year	3,990,461
Net assets, end of year	$ 3,983,720

See the accompanying Notes to Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Chester County, South Carolina (the "County") 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 unit entities for which the government is considered to be financially accountable. Operational activities of various constitutional officers, judges and other judicial officials are 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 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 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.

Following is a description of the County's component units:

Blended Component Unit

A blended component unit, although a legally separate entity is, in substance, part of the County's operations, and data from the unit is presented in capital projects funds and debt service funds within the County's governmental activities. The following entity is presented as a blended component unit.

Chester Facilities Corporation

The Chester Facilities Corporation (Facilities Corporation), a not-for-profit organization, was established in 2012 to acquire, construct and lease facilities to be used by the County. While the County does not appoint members to the Facilities Corporation's Board of Directors, it has a financial burden to the Facilities Corporation in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Activities of the Facilities Corporation are reported as major capital projects and debt service funds. Separate financial statements for the Facilities Corporation are not issued.

Discretely Presented Component Units

The discretely presented 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 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 and Richburg Fire District for the year ended June 30, 2012. These units were reported in a column separate from the County's financial information to emphasize that they are legally separate from the County.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

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.

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-eight 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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

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.

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, debt service fund - County Jail and capital projects fund - Chester Facilities Corporation are considered major funds. The general fund is the primary operating fund of the County. The debt service fund - County Jail accounts for the accumulation of funds for servicing an $11,000,000 general obligations bond. The capital projects fund - Chester Facilities Corporation blended component unit accounts for the proceeds of a $6,385,000 special revenue bond used for the acquisition, construction, renovation, improving and equipping of new and existing public facilities, in particular, the new County Conference Center. 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 of 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.

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.

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.

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, its agencies, and instrumentalities;
2. Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
3. Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two nationally recognized rating services;
4. Certificates of deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
5. Repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest; and
6. Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

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.

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, 2012 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.

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.

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 Balance Reporting

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* - Amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the County Council) and that remain binding unless removed or changed in the same manner. The underlying action that imposed the limitation needs to occur before the close of the reporting period.
- *Assigned fund balance* - Amounts that are constrained by the County's *intent* to be used for specific purposes. The intent can be established by either the County Council or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds.
- *Unassigned fund balance* - The residual classification for the County's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The County Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

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

Fund Balance Policy

The County believes that sound financial management principles require that sufficient funds be retained by the County to provide a stable financial base at all times. To retain this stable financial base, the County needs to maintain unrestricted fund balance in its County funds sufficient to fund cash flows of the County and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balance is considered unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policy (Continued)

The purpose of the County's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

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.

Future Governmental Accounting Standards Board (GASB) Statements

GASB Statements Nos. 60-68 listed below, if applicable, will be implemented in future financial statements. The impact of these statements on the County has yet to be determined.

Statement No. 60	*Accounting and Financial Reporting for Service Concession Arrangements*	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
Statement No. 61	*The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*	The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.
Statement No. 62	*Codifications of Accounting and Financial Reporting Guidance*	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
Statement No. 63	*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.
Statement No. 64	*Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*	The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011.
Statement No. 65	*Items Previously Reported as Assets and Liabilities*	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Future Government Accounting Standards Board (GASB) Statements (Continued)

Statement No. 66	*Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*	The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.
Statement No. 67	*Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*	The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013.
Statement No. 68	*Accounting and Financial Reporting for Pensions -* an *amendment of GASB Statement No. 27*	The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014.

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.

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, 2012.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

Deficit Fund Equity

Individual funds with deficit fund equity are as follows:

1997 Short Fund	$ 2,378	Economic Development Marketing	$11,837
Drug Forfeiture Fund	5,383	SLPG CFDA #97.042	851
EMPG 01 Multiple	26,216	Public Defender	18,830
SOS DUI Enforcement	11,212	Sale of County Property	65,586
MFYS Citizens Corp	8,923	Cops Hiring Grant	36,382
Law Enforcement Network	6,624	Raxter Road Project	5,153
EMS Donations	133	Jail Construction	19,523
Chester Airport Commission	2,371	Golf Course/Great Falls & Republic	1,487
HMEP CFDA #20.703	2,129	Gateway Commons	253,644
EECBG Energy Grant	8,440		

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 restricted revenues, state shared revenues and fund transfers from general fund.

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, 2012, the County's governmental fund deposits had a carrying amount of $5,949,042 and a bank balance of $5,172,016, which was entirely covered by Federal depository insurance or collateralized. Agency funds had a carrying amount of $447,635 and a bank balance of $582,984 at June 30 2012. The County had $2,390 of cash on hand.

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

As of June 30, 2012, the County had the following investments and maturities:

Investment Type	Fair Value	Less than 6 Months	1 – 3 Years
U.S. Government Agencies	$ 1,548,725	$ –	$ 1,548,725
S.C. State Investment Pool	6,572,612	6,572,612	–
Money Market Funds - Chester Facilities Corporation	6,225,207	6,225,207	–
Certificates of Deposit	1,865,611	–	1,865,611
	$ 16,212,155	$ 12,797,819	$ 3,414,336

At June 30, 2012, the County held $2,088,190 of investments in S.C. State Investment Pool for agency funds.

The Treasurer has implemented investment policies that are included as a section of the County's financial policies. These polices 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.

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 State 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.

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:

	General Fund	Nonmajor Governmental Funds	Total
Due from other governments	$ 1,457,972	$ 299,015	$ 1,756,987
Property taxes	1,339,736	580,860	1,920,596
Emergency management (EMS)	532,721	–	532,721
Local sources	330,105	–	330,105
Other receivables	8,431	–	8,431
Gross receivables	3,668,965	879,875	4,548,840
Less allowance for:			
Taxes	(13,397)	(5,810)	(19,207)
EMS	(426,177)	–	(426,177)
Net receivables	$ 3,229,391	$ 874,065	$ 4,103,456

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

A summary of net amounts due from/to other funds at June 30, 2012 is as follows:

	Receivable	Payable
General fund	$ –	$(5,223,172)
Debt service fund	1,089,004	–
Special revenue fund	2,513,042	–
Capital projects fund	–	(641,500)
Enterprise fund	1,735,657	–
Agency fund	526,969	–
	$ 5,864,672	$(5,864,672)

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 $71,543 to the special revenue fund to support the Solicitor's office operations. The capital projects fund transferred $234 of unspent capital projects funds to the general fund.

NOTE 6 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2012 is as follows:

	Balance July 1, 2011	Additions	Dispositions	Transfers	Balance June 30, 2012
Governmental Activities:					
Capital assets not being depreciated:					
Land	$ 4,701,738	$ –	$ –	$ –	$ 4,701,738
Construction in progress	11,478,243	227,972	–	(11,706,215)	–
	16,179,981	227,972	–	(11,706,215)	4,701,738
Capital assets being depreciated:					
Buildings and improvements	13,058,501	21,640	–	11,706,215	24,786,356
Improvements other than buildings	5,635,687	561,868	–	–	6,197,555
Machinery and equipment	13,956,104	1,919,406	–	–	15,875,510
Infrastructure	7,501,834	9,947	–	–	7,511,781
	40,152,126	2,512,861	–	11,706,215	54,371,202
Less accumulated depreciation	(28,508,099)	(1,496,609)	–	–	(30,004,708)
	11,644,027	1,016,252	–	11,706,215	24,366,494
Governmental activities capital assets, net	$27,824,008	$1,244,224	$ –	$ –	$ 29,068,232
Business-Type Activities:					
Capital assets not being depreciated:					
Land	$ 112,144	$ –	$ –	$ –	$ 112,144
Improvements	38,000	–	–	–	38,000
	150,144	–	–	–	150,144
Capital assets being depreciated:					
Buildings and improvements	282,365	29,965	–	–	312,330
Machinery and equipment	1,198,367	–	–	–	1,198,367
	1,480,732	29,965	–	–	1,510,697
Less accumulated depreciation	(753,966)	(180,370)	–	–	(934,336)
	726,766	(150,405)	–	–	576,361
Business-type activities capital assets, net	$ 876,910	$(150,405)	$ –	$ –	$ 726,505

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

Governmental Activities:	
General government	$ 675,199
Public safety	609,032
Highways and streets	181,683
Cultural and recreational	30,695
	$ 1,496,609
Business-Type Activities:	
Solid waste	$ 180,370

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, 2012:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Governmental Activities:					
General obligation bonds	$13,087,378	$ –	$(1,975,120)	$ 11,112,258	$ 2,103,167
Chester Facilities Corporation revenue bonds	–	6,385,000	–	6,385,000	–
Notes payable and capital leases	2,074,253	860,050	(132,472)	2,801,831	2,687,939
	15,161,631	7,245,050	(2,107,592)	20,299,089	4,791,106
Accrued compensated absences	431,839	570,838	(426,376)	576,301	–
Governmental activities long-term liabilities	$15,593,470	$ 7,815,888	$(2,533,968)	$ 20,875,390	$ 4,791,106
Business-Type Activities:					
Capital leases	$ 586,531	$ –	$(140,913)	$ 445,618	$ 144,531
Business-type activities capital leases	$ 586,531	$ –	$(140,913)	$ 445,618	$ 144,531

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

General Obligation Bonds

General obligation bonds currently outstanding are as follows:

$2,000,000 2003 General Obligation Bond due in annual principal installments of $275,000 through March 1, 2013; plus interest semiannually at 2.50% to 4.50%.	$ 275,000
$500,000 2005 General Obligation Bond (Lando Rural Fire District) due in annual principal installments of $61,320 to $63,701 through June 21, 2015; plus interest annually at 3.55%.	193,420
$2,710,000 2007 General Obligation Bond due in annual principal installments of $175,000 to $490,000 through September 25, 2017, plus interest semiannually at 3.635%.	2,350,000
$200,000 2007 General Obligation Bond (Richburg Fire District) due in annual principal installments of $18,800 to $23,529 through September 25, 2017, plus interest semiannually at 3.81%.	128,838
$11,000,000 2010 General Obligation Bond due in annual principal installments of $1,445,000 to $1,765,000 through November 1, 2016, plus interest semiannually at 3.23%.	8,165,000
Total general obligation bonds outstanding	$ 11,112,258

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Chester Facilities Corporation Revenue Bonds

Chester Facilities Corporation revenue bonds payable currently outstanding are as follows:

$6,385,000 Installment Purchase Revenue Bonds, Series 2012. Interest at 4 - 4.18% due annually on September 1, 2012 through September 1, 2036. Bonds mature September 1, 2019 through September 1, 2036.	$ 6,385,000

Chester Facilities Corporation is a separate legal entity and its debts, CFC 2012 Installment Purchase Revenue Bonds, are not a debt of the County. However, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

Notes Payable and Capital Leases

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

$160,000 2010 capital lease due in annual principal installments of $31,372 to $33,892 through April 1, 2014; plus interest annually at 3.94%. The note is collateralized by a fire truck.	$ 66,500
$1,800,000 2012 capital lease due in monthly principal installments of $7,500 from January 1, 2011 through December 31, 2012. The County has to purchase the property by the maturity date for $1,800,000. The County transferred this lease and related assets to Chester Facilities Corporation (blended component unit).	1,715,281
$400,000 2010 note payable due in annual principal only payments of $80,000 through June 1, 2014. The note is collateralized by a parcel of land.	160,000
$860,050 2012 capital lease due in full in one year; plus interest at 1.87%. The lease will be refinanced during fiscal year 2013. The lease is collateralized by purchased police vehicles and equipment.	860,050
Total notes payable and capital leases outstanding	$ 2,801,831

Business-type capital leases currently outstanding are as follows:

$723,216 2010 note payable due in annual principal installments of $140,553 to $152,827 through September 2, 2014; plus interest annually at 2.83%. The note is collateralized by a landfill compactor.	$ 445,618

The annual requirement to amortize debt in the long-term debt at June 30, 2012 is as follows:

Year Ending	2003 General Obligation Bond Payable		Lando General Obligation Bond Payable		2007 General Obligation Bond Payable	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
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	–	–	–	–	450,000	51,113
2017	–	–	–	–	470,000	34,800
2018-2022	–	–	–	–	490,000	17,762
2023-2027	–	–	–	–	–	–
2028-2032	–	–	–	–	–	–
2033-2037	–	–	–	–	–	–
Totals	$ 275,000	$ 6,875	$ 193,420	$ 13,734	$ 2,350,000	$ 331,869

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Notes Payable and Capital Leases (Continued)

Year Ending June 30,	Richburg General Obligation Bond Payable		2010 General Obligation Bond Payable		Chester Facilities Corporation - 2012 Installment Purchase Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 19,517	$ 4,909	$ 1,505,000	$ 239,424	$ –	$ 195,877
2014	20,260	4,165	1,565,000	189,843	–	219,675
2015	21,032	3,393	1,630,000	138,244	–	219,675
2016	21,834	2,592	1,700,000	55,960	–	219,675
2017	22,666	1,760	1,765,000	57,008	–	219,675
2018-2022	23,529	896	–	–	1,125,000	1,071,720
2023-2027	–	–	–	–	1,595,000	891,374
2028-2032	–	–	–	–	1,880,000	615,443
2033-2037	–	–	–	–	1,785,000	226,000
Totals	$ 128,838	$ 17,715	$ 8,165,000	$ 680,479	$ 6,385,000	$3,879,114

Year Ending June 30,	$1,800,000 2012Capital Lease		$160,000 2010 Capital Lease		$400,000 2010 Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 1,715,281	$ 39,719	$ 32,608	$ 2,620	$ 80,000	$ –
2014	–	–	33,892	1,335	80,000	–
2015	–	–	–	–	–	–
2016	–	–	–	–	–	–
2017	–	–	–	–	–	–
2018-2022	–	–	–	–	–	–
2023-2027	–	–	–	–	–	–
2028-2032	–	–	–	–	–	–
2033-2037	–	–	–	–	–	–
Totals	$ 1,715,281	$ 39,719	$ 66,500	$ 3,955	$ 160,000	$ –

Year Ending June 30,	$860,050 2012 Capital Lease		Totals	
	Principal	Interest	Principal	Interest
2013	$ 860,050	$ 16,083	$ 4,791,106	$ 597,561
2014	–	–	2,040,221	496,112
2015	–	–	2,139,733	430,092
2016	–	–	2,171,834	329,340
2017	–	–	2,257,666	313,243
2018-2022	–	–	1,638,529	1,090,378
2023-2027	–	–	1,595,000	891,374
2028-2032	–	–	1,880,000	615,443
2033-2037	–	–	1,785,000	226,000
Totals	$ 860,050	$ 16,083	$20,299,089	$4,989,543

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The annual requirement to amortize debt in the business-type long-term debt at June 30, 2012 is as follows:

Year Ending June 30,	2010 Capital Lease Principal	2010 Capital Lease Interest
2013	$ 144,531	$ 12,621
2014	148,621	8,531
2015	152,466	4,325
Totals	$ 445,618	$ 25,477

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, 2012:

	Cost	Accumulated Amortization
Governmental Activities:		
Public safety, fire truck	$ 160,000	$(49,973)
Land	400,000	–
Nourse Automall	1,749,560	(37,765)
Police vehicles and related equipment	875,162	(119,012)
	$ 3,184,722	$(206,750)
Business-Type Activities:		
Landfill fund equipment, compactor	$ 731,685	$(365,842)

Chester Facilities Corporation - 2012 Installment Purchase Revenue Bonds

In April 2012, the Chester Facilities Corporation (CFC) issued $6,385,000 Installment Purchase Revenue Bonds (County Conference Center Project) Series 2012 pursuant to an Installment Purchase and Use Agreement ("Agreement") between the County and CFC. The bonds were offered at a discount of $160,237. Approximately $4,500,000 of the proceeds will be used for the acquisition, construction, renovating, improving, and equipping of new and existing public facilities, in particular a new County Conference Center. The projects will be located on real property currently leased by the County. The County transferred all rights under this lease and conveyed all existing improvements on the site to CFC. Approximately $750,000 of the proceeds will be used for certain ancillary projects, which are not subject to the base lease or the purchase and use agreement, primarily consisting of the renovating, improving, and equipping of existing public facilities: (a) County courthouse in the approximate amount of $400,000; (b) County museum in the approximate amount of $100,000; and (c) County E-911 facility in the approximate amount of $250,000. The remaining proceeds were used to establish a debt reserve account and to pay professional fees related to bond issuance.

The agreement obligates the County to make payments to CFC in amounts calculated to be sufficient to enable CFC to pay the principal and interest on the outstanding bonds. The County's obligations under the agreement are from year to year only and do not constitute a mandatory payment obligation of the County in any fiscal year in which funds are not appropriated by the County to pay the installment payments. It is anticipated that the payments will be funded by the County with the future issuance of short-term general obligation bonds or restricted fee-in-lieu of revenue.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Chester Facilities Corporation - 2012 Installment Purchase Revenue Bonds (Continued)

Neither the financing obligations of the County under the Purchase and Use Agreement nor the bonds themselves are deemed to constitute, or create an indebtedness, liability or obligation of the County within the meaning of any State constitutional provision or statutory limitation or a pledge of the full faith and credit of the County.

For the payment of principal and interest on the bonds, CFC has assigned and granted a security interest in, among other things, all right, title and interest in all installment payments and other amounts receivable under the Purchase and Use Agreement with the County, and interest in and to the 2012 facilities to be acquired and improved. Subsequent to year-end, under the terms of its lease, CFC acquired the Conference Center property using $1,800,000 of proceeds earmarked for this purpose.

The bonds are also secured by the 2012 reserve account of the bond fund, held by the Trustee under the Trust Agreement in an amount equal to the 2012 reserve requirement of $494,275. To provide additional security and sources of payment for the bonds, the County has entered four fee and fee-in-lieu of tax agreements.

Chester Facilities Corporation is a separate legal entity and its debts are not a debt of the County. However, as the Corporation is blended with the operations of the County, the debt of the Corporation is included with the County's other obligations as required by generally accepted accounting principles.

Debt Structure

Legal Debt Limit of the County

Section 14 of Article X of the State Constitution provides that subsequent to November 30, 1977, the counties of the State may issue bonded indebtedness in an amount not exceeding 8% of the assessed value of all taxable property without the necessity of conducting a referendum, and provides further that no bonded indebtedness incurred on or prior to November 30, 1977, and any refunding thereof, and no indebtedness approved in a referendum, or any refunding thereof, shall be charged against such 8% debt limitation.

The County's general obligation bond debt limitation as of June 30, 2012, is computed below:

Real and Other Personal Property Assessed Value	$ 78,130,940
Plus Vehicles Assessed Value	8,853,146
Plus Manufacturers Assessed Value	10,761,360
Plus Merchants Inventory Value	1,078,130
Plus Motor Vehicle Carriers Assessed Value	574,640
	99,398,216
	x 8%
Constitutional Debt Limit	7,951,857
Less Outstanding Debt Subject to Limit	2,625,000
General Obligation Debt Available Without Referendum	$ 5,326,857

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Debt Structure (Continued)

Outstanding General Obligation Indebtedness

The following table sets forth the amount of general obligation indebtedness of the County at the end of each of the past five fiscal years:

Year Ended June 30	General Obligation Indebtedness
2008	$ 5,260,000
2009	4,404,423
2010	3,836,901
2011	3,075,000
2012	2,625,000

Overlapping Debt

The table below shows local subdivisions which overlap the County and which have outstanding debt as of June 30, 2012:

	Outstanding Debt as of June 30, 2012	Assessed Value as of June 30, 2012
Municipalities		
Lando Rural Fire District	$ 193,420	$ 7,657,821
Richburg Fire District	128,838	12,070,348
Chester Fire District	288,184	31,836,223
School District		
Chester County School District	15,195,000	103,448,066

NOTE 8 - FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of each of these categories). A detailed schedule of fund balance at June 30, 2012 is as follows:

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
Fund Balances					
Restricted for					
State	$ 226,618	$ -	$ -	$ -	$ 226,618
Fire Departments	53,294	-	-	-	53,294
Victim Witness	-	-	-	104,327	104,327
Family Court Unit CFDA IV-D	-	-	-	247,346	247,346
Telephone	-	-	-	248,428	248,428
Roads	-	-	-	948,524	948,524
Salaries and Bonuses - Family Court	-	-	-	172,472	172,472
Sheriff Department IV-D	-	-	-	11,309	11,309
2007 JAG CFDA	-	-	-	1	1
DHEC SW Reduction/Recycling	-	-	-	1,705	1,705
Forfeited Land Commission	-	-	-	29,118	29,118
GIS Data Conversion	-	-	-	15,069	15,069
Economic Development Infrastructure	-	-	-	16,483	16,483
Chester Facilities Corporation	-	-	5,000,000	-	5,000,000
Total Restricted	279,912	-	5,000,000	1,794,782	7,074,694

NOTE 8 - FUND BALANCES (CONTINUED)

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
Fund Balances (Continued)					
Committed to					
Chester County Debt Service	$ -	$ -	$ -	$ 1,054,059	$ 1,054,059
Lando Fire Debt Service	-	-	-	19,614	19,614
Richburg Fire Bond	-	-	-	34,852	34,852
Chester Fire Bond	-	-	-	108,833	108,833
Chester Facilities Corporation	-	-	-	499,207	499,207
Jail Construction Bond	-	2,552,671	-	-	2,552,671
Solid Waste Collection	-	-	-	289,344	289,344
A-Tax County Recreation Local	-	-	-	172,744	172,744
Lando Fire District	-	-	-	34,623	34,623
Chester Fire District	-	-	-	679,078	679,078
Chester County Library	-	-	-	344,384	344,384
York Tech	-	-	-	88,059	88,059
Richburg Fire District	-	-	-	96,050	96,050
Animal Control Donations	-	-	-	4,555	4,555
EMS Donations	-	-	-	31,200	31,200
6th Judicial Circuit Court	-	-	-	18,237	18,237
Sheriff's Department Donations	-	-	-	601	601
Emergency Training Center	-	-	-	921	921
Chester Detention Center	-	-	-	964	964
Rossville Fire Department	-	-	-	5,100	5,100
West Chester Fire	-	-	-	63,000	63,000
DHEC Grant in Aid MFY	-	-	-	1,212	1,212
EMS Trauma Fund	-	-	-	17,111	17,111
EMS Local Grants	-	-	-	1,750	1,750
Total Committed	-	2,552,671	-	3,565,498	6,118,169
Assigned to					
Special Revenue	17,223	-	-	-	17,223
Capital Projects	234	-	-	-	234
Solicitor	-	-	-	15,842	15,842
Hazmat-Local	-	-	-	39,076	39,076
Duke-Local	-	-	-	10,673	10,673
Vehicle Replacement	-	-	-	37,294	37,294
Total Assigned	17,457	-	-	102,885	120,342
Unassigned	6,083,975	-	-	(476,326)	5,607,649
Total Fund Balances	$ 6,381,344	$2,552,671	$ 5,000,000	$ 4,986,839	$18,920,854

NOTE 9 - 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 2.1 years and is 96% full. The accompanying financial statements include a liability of $1,145,902 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.

NOTE 9 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

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.

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012	Amounts Due Within One Year
Business-Type Activities:					
Landfill closure and postclosure costs	$ 1,176,309	$ 54,353	$(84,760)	$ 1,145,902	$ 44,500

NOTE 10 - 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 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:

Fiscal Year	Claims Paid
2011	42,762
2012	18,769

NOTE 11 - 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.

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.

NOTE 11 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

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

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 and employee contributions and covered wages are as follows:

Year Ending June 30,	Employer SCRS	Employer PORS	Employee SCRS	Employee PORS
2010	$ 547,358	$ 296,462	$ 378,895	$ 174,389
2011	603,906	330,676	418,039	186,418
2012	625,676	350,437	426,523	196,994
2012 SCRS and PORS	$ 976,113		$ 623,517	

NOTE 11 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The County's wage expense for the year 2011-2012 totaled $9,592,567. Wages for employees participating in the SCRS were $6,561,893, while wages for those participating in the PORS totaled $3,030,674.

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

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 2012, the County contributed $234,531 to the plan, which exceeded the ARC.

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 current employees when retiring will receive this benefit. As of June 30, 2012, there were six 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 current employees when retiring will receive this benefit. Pre-65 retirees will move into this class when they reach age 65. As of June 30, 2012, there were fifty-three retirees in this group.

NOTE 11 - 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)	$ 142,116
Interest on net OPEB obligation	(12,207)
Adjustment to ARC	15,223
Annual OPEB cost (expense)	145,132
Contributions made	(234,531)
Decrease in net OPEB obligation	(89,399)
Net obligation (asset), beginning of year	(203,454)
Net obligation (asset), end of year	$(292,853)

As of July 1, 2012, actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability at July 1, 2012 was $1,822,260. The County's 2012 contribution represents 162% of the annual required contributions.

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/12	$145,132	162%	$ 292,853
6/30/11	148,926	154%	203,454
6/30/10	148,926	146%	122,339
6/30/09	147,572	138%	55,443

Schedule of Funding Progress for RHRA

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
7/1/12	$1,128,715	$ 1,822,260	$ 693,545	62%	$ 8,450,980	8%
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.

NOTE 11 - 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, 2012. 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, 2012 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 payment 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 on 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. The County is currently contributing $41,666 monthly to fund these amounts. As of June 30, 2012, there were 196 employees in this group.

NOTE 12 - 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 13 - 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.

NOTE 13 - 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, 2012 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 14 - DISCRETELY PRESENTED 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, 2012, deposits of the component units of Chester County had a carrying amount of $533,269, 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, 2012, the deposits of the Chester County Airport Commission had a carrying amount and bank balance of $46,741 and $72,839, 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, 2012, the deposits of the Chester Fire District had a carrying amount and bank balance of $265,374.

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, 2012, the deposits of the Lando Fire District had a carrying amount and bank balance of $67,069 and $66,624, respectively.

NOTE 14 - DISCRETELY PRESENTED 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, 2012, the deposits of the Chester County Library had a carrying amount and bank balance of $154,085 and $193,976, respectively.

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, 2012, the deposits of the Richburg Fire District had a carrying amount and bank balance of $45,686.

Capital Assets

Component unit capital asset activity for the year ended June 30, 2012 is as follows:

	Balance July 1, 2011	Additions	Dispositions	Balance June 30, 2012
Chester County Airport Commission:				
Capital assets not being depreciated:				
Land	$ 29,376	$ –	$ –	$ 29,376
Capital assets being depreciated:				
Buildings and improvements	496,781	5,827	–	502,608
Runway	2,143,408	–	–	2,143,408
Taxiway	736,981	–	–	736,981
Machinery and equipment	105,890	–	–	105,890
Apron improvements	–	10,925	–	10,925
	3,483,060	16,752	–	3,499,812
Less accumulated depreciation	(991,738)	(88,856)	–	(1,080,594)
	2,491,322	(72,104)	–	2,419,218
Total Chester County Airport Commission capital assets, net	$ 2,520,698	$(72,104)	$ –	$ 2,448,594
Chester Fire District:				
Capital assets being depreciated:				
Buildings and improvements	$ 190,977	$ –	$ –	$ 190,977
Fire equipment	559,761	22,494	–	582,255
	750,738	22,494	–	773,232
Less accumulated depreciation	(183,318)	(37,339)	–	(220,657)
Total Chester Fire District capital assets, net	$ 567,420	$(14,845)	$ –	$ 552,575

NOTE 14 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Capital Assets (Continued)

	Balance July 1, 2011	Additions	Dispositions	Balance June 30, 2012
Lando Fire District:				
Capital assets being depreciated:				
Machinery and equipment	$ 370,057	$ 200,139	$ –	$ 570,196
Less accumulated depreciation	(272,776)	(38,486)	–	(311,262)
Total Lando Fire District capital assets, net	$ 97,281	$ 161,653	$ –	$ 258,934
Chester County Library:				
Capital assets not being depreciated:				
Art collection	$ 20,132	$ –	$ –	$ 20,132
Capital assets being depreciated:				
Equipment, furniture and fixtures	677,744	49,766	–	727,510
Circulation collection	1,351,584	73,784	–	1,425,368
	2,029,328	123,550	–	2,152,878
Less accumulated depreciation	(1,574,605)	(173,570)	–	(1,748,175)
	454,723	(50,020)	–	404,703
Total Chester County Library capital assets, net	$ 474,855	$(50,020)	$ –	$ 424,835
Richburg Fire District:				
Capital assets not being depreciated:				
Land	$ 200,004	$ –	$ –	$ 200,004
Capital assets being depreciated:				
Machinery and equipment	14,087	–	–	14,087
Buildings and improvements	–	1,725,401	–	1,725,401
Less accumulated depreciation	(3,219)	(4,004)	–	(7,223)
	10,868	1,721,397	–	1,732,265
Total Richburg Fire District capital assets, net	$ 210,872	$1,721,397	$ –	$ 1,932,269

Long-Term Debt

Chester Fire District

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:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
Chester Fire District General Obligation Bond	$ 353,518	$ –	$(65,334)	$ 288,184	$ 67,915

NOTE 14 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Long-Term Debt (Continued)

Chester Fire District interest expense for the year related to long-term debt totaled $13,964.

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

Year Ending June 30,	Principal	Interest	Total
2013	$ 67,915	$ 11,383	$ 79,298
2014	70,598	8,700	79,298
2015	73,386	5,912	79,298
2016	76,285	3,012	79,297
	$ 288,184	$ 29,007	$ 317,191

Richburg Fire District

Richburg Fire District's long-term liability activity for the year was comprised of a $1,899,350 note payable related to the purchase of a new fire station. The note was refinanced subsequent to year-end. See Note 16 for further details. Activity for the fiscal year is as follows:

	Balance July 1, 2011	Additions	Retirements	Balance June 30, 2012	Due Within One Year
Richburg Fire District Note Payable	$ 200,004	$ 1,899,350	$(200,004)	$ 1,899,350	$ 16,515

Richburg Fire District had no interest expense for the year related to long-term debt.

Annual debt service requirements to maturity for the note payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2013	$ 16,515	$ 49,810	$ 66,325
2014	22,706	65,728	88,434
2015	23,516	64,917	88,433
2016	24,355	64,079	88,434
2017	25,224	63,210	88,434
2018-2022	140,276	301,893	442,169
2023-2027	167,146	275,023	442,169
2028-2032	199,162	243,007	442,169
2033-2037	237,310	204,859	442,169
2038-2042	282,766	159,403	442,169
2043-2047	336,928	105,240	442,168
2048-2052	401,466	40,703	442,169
2053	21,980	128	22,108
	$ 1,899,350	$1,638,000	$ 3,537,350

NOTE 14 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

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 15 - ECONOMIC DEPENDENCY

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

NOTE 16 - SUBSEQUENT EVENTS

These financial statements considered subsequent events through March 21, 2013, the date the financial statements were available to be issued.

Subsequent to year-end, the County issued a $1,899,350 Fire Protection District Improvement Revenue Bond (Richburg Fire Protection District Project) Series 2012. The bond is payable in annual installments of $88,433.76, including interest at 3.5%, and is scheduled to mature on September 11, 2052. The bond was issued to obtain funds to lend to the Richburg Fire Protection District to assist in refinancing debt related to an improvement project. The County signed a loan agreement with the Richburg Fire Protection District. The District pledged and assigned to the County the net revenues available for debt service.

Subsequent to year-end, the County issued a $2,625,000 General Obligation Bond Series 2012. The bond is payable in semi-annual variable installments from $502,375 to $642,468, including interest at .95%, and is scheduled to mature on September 1, 2018. The bond was issued to: 1) acquire rolling stock for use by County officials, 2) refinance a lease purchase agreement, and 3) pay costs of issuance of the bond. The bond is a general obligation of the County secured by the full faith and credit and taxing power of the County.

Maturities of long-term debt have been adjusted to reflect amounts refinanced.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE A-1

CHESTER COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES

For the Year Ended June 30, 2012

	Budget			Variance Favorable
	Original	**Final**	**Actual**	**(Unfavorable)**
TAXES				
Current property taxes	$ 10,074,000	$ 10,074,000	$ 8,105,848	$ (1,968,152)
Delinquent taxes	300,000	300,000	639,782	339,782
Total taxes	10,374,000	10,374,000	8,745,630	(1,628,370)
LICENSES, FEES, FINES AND PERMITS				
Road maintenance fees	-	-	90	90
Clerk of court fines and fees	108,035	108,035	121,804	13,769
Family court fines and fees	101,720	101,720	101,235	(485)
Family court filing fees	35,460	35,460	12,764	(22,696)
Tax assessor fees	3,500	3,500	1,692	(1,808)
Tax collector fees	100,000	100,000	81,649	(18,351)
Probate judge - license	56,450	56,450	58,817	2,367
Zoning fees	13,900	13,900	3,928	(9,972)
DHEC vital records	5,000	5,000	7,538	2,538
Magistrate's fines and fees	347,340	347,340	312,482	(34,858)
Planning permits	103,630	103,630	112,569	8,939
Emergency Medical Services	1,150,000	1,150,000	1,155,730	5,730
Total licenses, fees, fines and permits	2,025,035	2,025,035	1,970,298	(54,737)
INTERGOVERNMENTAL				
State shared revenues:				
Local option sales tax	2,100,000	2,100,000	2,362,484	262,484
Local government revenue	1,073,072	1,073,072	1,022,192	(50,880)
Merchant's inventory tax	90,024	90,024	90,024	-
Veterans affairs	5,500	5,500	4,951	(549)
National forest fund	80,000	80,000	58,062	(21,938)
State salary supplement	7,470	7,470	6,300	(1,170)
FFP Grant	28,000	28,000	2,937	(25,063)
Accommodations tax	30,000	30,000	30,070	70
Registration/Elections	-	-	-	-
Sheriff local revenue	94,940	94,940	84,759	(10,181)
Other Federal sources	-	-	5,008	5,008
Total intergovernmental	3,509,006	3,509,006	3,666,787	157,781

CHESTER COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES

For the Year Ended June 30, 2012

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
INCOME ON INVESTMENTS				
Investment income	$ -	$ -	$ 8,140	$ 8,140
Interest income	150,000	150,000	87,066	(62,934)
Total income on investments	150,000	150,000	95,206	(54,794)
OTHER INCOME				
Animal control	500	500	-	(500)
Franchise fees	10,000	10,000	20,482	10,482
Sale of county property	-	-	5,642	5,642
Rentals	25,000	25,000	19,799	(5,201)
Miscellaneous	67,328	67,328	208,865	141,537
Vehicle decal fee	-	-	20,937	20,937
Other	-	-	27,349	27,349
Total other income	102,828	102,828	303,074	200,246
Total revenue	$ 16,160,869	$ 16,160,869	$ 14,780,995	$ (1,379,874)

CHESTER COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES

For the Year Ended June 30, 2012

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT				
County council	$ 133,934	$ 133,934	$ 121,528	$ 12,406
County supervisor	136,407	136,407	130,100	6,307
Finance	230,041	230,041	166,210	63,831
Human resources	125,471	125,471	121,205	4,266
Purchasing department	82,548	82,548	80,612	1,936
County treasurer	244,749	244,749	214,377	30,372
Tax collector	155,104	155,104	136,713	18,391
Auditor	171,801	171,801	172,277	(476)
Tax assessor	288,365	288,365	301,577	(13,212)
Planning/Zoning	262,409	262,409	195,641	66,768
Economic development	237,049	237,049	235,483	1,566
Coroner	88,541	88,541	74,748	13,793
Registration and election	164,494	164,494	148,868	15,626
County garage	251,308	251,308	313,999	(62,691)
Building maintenance	816,213	816,213	840,477	(24,264)
Airport	20,000	20,000	20,000	-
Network computer systems	309,361	309,361	313,744	(4,383)
Utilities	450,000	450,000	535,528	(85,528)
Postage	88,000	88,000	74,676	13,324
Property and liability insurance	357,000	357,000	307,935	49,065
Bond insurance	3,000	3,000	-	3,000
Workers compensation insurance	322,000	322,000	229,542	92,458
Unemployment benefits	46,710	46,710	14,265	32,445
Employee health insurance	1,391,927	1,391,927	1,455,753	(63,826)
Audit expense	50,000	50,000	52,580	(2,580)
Catawba Regional Planning Council	36,214	36,214	40,238	(4,024)
S.C. Association of Counties	8,898	8,898	8,897	1
Grant matching funds	72,550	72,550	21,678	50,872
Contingency	150,000	150,000	145,428	4,572
Copier lease and maintenance	57,100	57,100	60,506	(3,406)
Abatement	34,213	34,213	33,253	960
Reserved fund	150,000	150,000	112,500	37,500
GIS system	38,530	38,530	16,261	22,269
Medical services	321,022	321,022	276,966	44,056
Security professionals	-	-	12,747	(12,747)
County attorney	89,045	89,045	141,502	(52,457)
Clerk of court	313,815	313,815	355,451	(41,636)
Family court	133,864	133,864	128,919	4,945
Probate judge	209,740	209,740	205,218	4,522
Lewisville magistrate	-	-	175	(175)
Chester magistrate	266,503	266,503	251,979	14,524

CHESTER COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES

For the Year Ended June 30, 2012

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
GENERAL GOVERNMENT (CONTINUED)				
Rossville magistrate	$ 70,256	$ 70,256	$ 69,813	$ 443
Family court judge	3,000	3,000	2,501	499
Public defender	58,000	58,000	58,000	-
Judge Short Court of Appellate	3,000	3,000	5,242	(2,242)
Total general government	8,442,182	8,442,182	8,205,112	237,070
PUBLIC SAFETY				
Sheriff's Department	2,307,180	2,307,180	2,475,005	(167,825)
Detention center	1,692,667	1,692,667	1,685,219	7,448
EMS	1,582,755	1,582,755	1,723,768	(141,013)
Fire coordinator	75,817	75,817	76,022	(205)
Rural fire departments	326,831	326,831	351,760	(24,929)
Emergency management	98,199	98,199	83,749	14,450
E911	574,810	574,810	593,696	(18,886)
Animal control	153,956	153,956	136,081	17,875
Chester County Rescue Squad	12,150	12,150	12,150	-
Great Falls Rescue Squad	12,150	12,150	12,150	-
Total public safety	6,836,515	6,836,515	7,149,600	(313,085)
HIGHWAYS AND STREETS				
Road department	437,591	437,591	369,661	67,930
Litter control	66,196	66,196	71,160	(4,964)
Total highways and streets	503,787	503,787	440,821	62,966
WELFARE				
Veterans Affairs	78,731	78,731	77,860	871
Department of Social Services	34,650	34,650	35,975	(1,325)
DHEC	32,400	32,400	39,888	(7,488)
Senior Services, Inc.	16,200	16,200	16,200	-
Chester/Lancaster Disabilities	4,050	4,050	4,050	-
Soil and Water Conservation	8,910	8,910	8,910	-
Indigent patients	69,531	69,531	69,531	-
Total welfare	244,472	244,472	252,414	(7,942)

CHESTER COUNTY, SOUTH CAROLINA

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES

For the Year Ended June 30, 2012

	Budget			Variance Favorable
	Original	Final	Actual	(Unfavorable)
CULTURAL AND RECREATIONAL				
YMCA	$ 34,020	$ 34,020	$ 34,020	$ -
Fort Lawn Community Center	4,050	4,050	4,050	-
Great Falls Home Town	12,150	12,150	12,150	-
Clemson Extension	12,150	12,150	12,150	-
Total cultural and recreational	62,370	62,370	62,370	-
Total expenditures	16,089,326	16,089,326	16,110,317	(20,991)
Excess (deficiency) of revenues over (under) expenditures	71,543	71,543	(1,329,322)	(1,400,865)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	234	234
Operating transfers out	(71,543)	(71,543)	(71,543)	-
Total other financing sources (uses)	$ (71,543)	$ (71,543)	(71,309)	$ 234
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses			(1,400,631)	
FUND BALANCE, BEGINNING OF YEAR			7,781,975	
FUND BALANCE, END OF YEAR			$ 6,381,344	

SUPPLEMENTARY INFORMATION

SCHEDULE B-1

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 236,703	$ 259	$ 34,074	$ 271,036
Investments	986,591	1,678,686	-	2,665,277
Property taxes receivable	436,510	138,540	-	575,050
Grant receivable	-	-	299,015	299,015
Due from other funds	2,797,302	500,646	123,762	3,421,710
Total assets	$ 4,457,106	$ 2,318,131	$ 456,851	$ 7,232,088
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 293,944	$ 476,000	$ 34,074	$ 804,018
Due to other funds	284,260	-	515,262	799,522
Deferred revenue	399,133	125,566	72,000	596,699
Other accrued expenses	45,010	-	-	45,010
Total liabilities	1,022,347	601,566	621,336	2,245,249
FUND BALANCES				
Restricted	1,778,299	-	16,483	1,794,782
Committed	1,778,948	1,716,565	69,985	3,565,498
Assigned	65,591	-	37,294	102,885
Unassigned	(188,079)	-	(288,247)	(476,326)
Total fund balances	3,434,759	1,716,565	(164,485)	4,986,839
Total liabilities and fund balances	$ 4,457,106	$ 2,318,131	$ 456,851	$ 7,232,088

SCHEDULE B-2

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2012

	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	$ 3,022,753	$ 885,136	$ -	$ 3,907,889
Federal sources	761,798	-	392,221	1,154,019
State sources	2,201,011	-	19,952	2,220,963
Local sources	2,095,857	-	23,351	2,119,208
Investment income	3,269	2,044	-	5,313
Other income	23,375	444	-	23,819
Total revenues	8,108,063	887,624	435,524	9,431,211
EXPENDITURES				
General government	4,863,470	-	303,579	5,167,049
Public safety	1,271,359	-	1,174,177	2,445,536
Highway, streets and public buildings	2,191,705	-	-	2,191,705
Cultural and recreational	1,224,599	-	-	1,224,599
Capital outlay	-	-	168,206	168,206
Professional expenses	-	636,237	-	636,237
Debt service:				
Principal retirements	-	595,455	-	595,455
Interest and fiscal charges	-	135,379	-	135,379
Total expenditures	9,551,133	1,367,071	1,645,962	12,564,166
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,443,070)	(479,447)	(1,210,438)	(3,132,955)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	1,135,000	-	1,135,000
Capital lease proceeds	-	-	860,050	860,050
Operating transfers in	71,543	-	-	71,543
Operating transfer out	-	-	(234)	(234)
Total other financing sources (uses)	71,543	1,135,000	859,816	2,066,359
NET CHANGES IN FUND BALANCES	(1,371,527)	655,553	(350,622)	(1,066,596)
FUND BALANCES, BEGINNING OF YEAR	4,806,286	1,061,012	186,137	6,053,435
FUND BALANCES, END OF YEAR	$ 3,434,759	$ 1,716,565	$ (164,485)	$ 4,986,839

SCHEDULE B-3

CHESTER COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2012

	911 Subscriber Fees	1997 Short Fund	Solicitor's Office	Drug Forfeiture Fund	Sheriff's Department IV-D
ASSETS					
Cash	$ -	$ -	$ -	$ 26,644	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	248,428	-	15,842	-	11,309
Total assets	$ 248,428	$ -	$ 15,842	$ 26,644	$ 11,309
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	2,378	-	32,027	-
Deferred revenue	-	-	-	-	-
Other accrued expenses	-	-	-	-	-
Total liabilities	-	2,378	-	32,027	-
FUND BALANCES					
Restricted	248,428	-	-	-	11,309
Committed	-	-	-	-	-
Assigned	-	-	15,842	-	-
Unassigned	-	(2,378)	-	(5,383)	-
Total fund balances	248,428	(2,378)	15,842	(5,383)	11,309
Total liabilities and fund balances	$ 248,428	$ -	$ 15,842	$ 26,644	$ 11,309

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission	Richburg Fire District	Sheriff's Department Donations
ASSETS					
Cash	$ -	$ -	$ 87,879	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	14,194	-
Due from other funds	247,346	18,237	-	95,557	601
Total assets	$ 247,346	$ 18,237	$ 87,879	$ 109,751	$ 601
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	58,761	-	-
Deferred revenue	-	-	-	13,701	-
Other accrued expenses	-	-	-	-	-
Total liabilities	-	-	58,761	13,701	-
FUND BALANCES					
Restricted	247,346	-	29,118	-	-
Committed	-	18,237	-	96,050	601
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	247,346	18,237	29,118	96,050	601
Total liabilities and fund balances	$ 247,346	$ 18,237	$ 87,879	$ 109,751	$ 601

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	York Tech	Family Court	Animal Control Donations	DHEC Grant In Aid MFY	C-Fund
ASSETS					
Cash	$ -	$ -	$ 2,371	$ -	$ 119,809
Investments	-	-	-	-	986,591
Property taxes receivable	30,658	-	-	-	-
Due from other funds	83,915	172,472	2,184	1,212	136,068
Total assets	$ 114,573	$ 172,472	$ 4,555	$ 1,212	$ 1,242,468
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 293,944
Due to other funds	-	-	-	-	-
Deferred revenue	26,514	-	-	-	-
Other accrued expenses	-	-	-	-	-
Total liabilities	26,514	-	-	-	293,944
FUND BALANCES					
Restricted	-	172,472	-	-	948,524
Committed	88,059	-	4,555	1,212	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	88,059	172,472	4,555	1,212	948,524
Total liabilities and fund balances	$ 114,573	$ 172,472	$ 4,555	$ 1,212	$ 1,242,468

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Hazmat Local	Duke Local	Victims/ Witness Surcharges and Assessments	Solid Waste Collection Sites	Local Accomodations Tax
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	79,920	-
Due from other funds	39,076	10,673	104,327	281,377	172,744
Total assets	$ 39,076	$ 10,673	$ 104,327	$ 361,297	$ 172,744
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	71,953	-
Other accrued expenses	-	-	-	-	-
Total liabilities	-	-	-	71,953	-
FUND BALANCES					
Restricted	-	-	104,327	-	-
Committed	-	-	-	289,344	172,744
Assigned	39,076	10,673	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	39,076	10,673	104,327	289,344	172,744
Total liabilities and fund balances	$ 39,076	$ 10,673	$ 104,327	$ 361,297	$ 172,744

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	State Accomodations Tax	EMPG 01 Multiple	SOS DUI Enforcement	2007 JAG CFDA #16.738	Chester Fire District
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	215,525
Due from other funds	55,786	-	-	1	666,622
Total assets	$ 55,786	$ -	$ -	$ 1	$ 882,147
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	26,216	11,212	-	-
Deferred revenue	-	-	-	-	203,069
Other accrued expenses	45,010	-	-	-	-
Total liabilities	45,010	26,216	11,212	-	203,069
FUND BALANCES					
Restricted	-	-	-	1	-
Committed	-	-	-	-	679,078
Assigned	-	-	-	-	-
Unassigned	10,776	(26,216)	(11,212)	-	-
Total fund balances	10,776	(26,216)	(11,212)	1	679,078
Total liabilities and fund balances	$ 55,786	$ -	$ -	$ 1	$ 882,147

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Lando Fire District	EMS Trauma Fund	MFYS Citizens Corp	EMA Donations	Law Enforcement Network
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	2,822	-	-	-	-
Due from other funds	34,209	17,111	-	31,200	-
Total assets	$ 37,031	$ 17,111	$ -	$ 31,200	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	8,923	-	6,624
Deferred revenue	2,408	-	-	-	-
Other accrued expenses	-	-	-	-	-
Total liabilities	2,408	-	8,923	-	6,624
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	34,623	17,111	-	31,200	-
Assigned	-	-	-	-	-
Unassigned	-	-	(8,923)	-	(6,624)
Total fund balances	34,623	17,111	(8,923)	31,200	(6,624)
Total liabilities and fund balances	$ 37,031	$ 17,111	$ -	$ 31,200	$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Solid Waste Management Electronics	EMS Local Grants	EMS Donations	LEPC Group Donations	Chester Airport Commission
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	1,750	-	-	-
Total assets	$ -	$ 1,750	$ -	$ -	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	133	-	2,371
Deferred revenue	-	-	-	-	-
Other accrued expenses	-	-	-	-	-
Total liabilities	-	-	133	-	2,371
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	1,750	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(133)	-	(2,371)
Total fund balances	-	1,750	(133)	-	(2,371)
Total liabilities and fund balances	$ -	$ 1,750	$ -	$ -	$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	HMEP CFDA #20.703	Chester County Library	DHEC SW Reduction	Economic Development Marketing	SLPG CFDA #97.042
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Property taxes receivable	-	93,391	-	-	-
Due from other funds	-	332,481	1,705	-	-
		-			
Total assets	$ -	$ 425,872	$ 1,705	$ -	$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	2,129	-	-	11,837	851
Deferred revenue	-	81,488	-	-	-
Other accrued expenses	-	-	-	-	-
Total liabilities	2,129	81,488	-	11,837	851
FUND BALANCES					
Restricted	-	-	1,705	-	-
Committed	-	344,384	-	-	-
Assigned	-	-	-	-	-
Unassigned	(2,129)	-	-	(11,837)	(851)
Total fund balances	(2,129)	344,384	1,705	(11,837)	(851)
Total liabilities and fund balances	$ -	$ 425,872	$ 1,705	$ -	$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	GIS Data Conversion	Public Defender	Sale of County Property	Cops Hiring Grant	Totals
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ 236,703
Investments	-	-	-	-	986,591
Property taxes receivable	-	-	-	-	436,510
Due from other funds	15,069	-	-	-	2,797,302
Total assets	$ 15,069	$ -	$ -	$ -	$ 4,457,106
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ 293,944
Due to other funds	-	18,830	65,586	36,382	284,260
Deferred revenue	-	-	-	-	399,133
Other accrued expenses	-	-	-	-	45,010
Total liabilities	-	18,830	65,586	36,382	1,022,347
FUND BALANCES					
Restricted	15,069	-	-	-	1,778,299
Committed	-	-	-	-	1,778,948
Assigned	-	-	-	-	65,591
Unassigned	-	(18,830)	(65,586)	(36,382)	(188,079)
Total fund balances	15,069	(18,830)	(65,586)	(36,382)	3,434,759
Total liabilities and fund balances	$ 15,069	$ -	$ -	$ -	$ 4,457,106

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	911 Subscriber Fees	1997 Short Fund	Solicitor's Office	Drug Forfeiture Fund
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	530,360	-	485,626	-
County sources - property taxes	-	-	-	-
Local sources	424,479	-	230,764	8,193
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	954,839	-	716,390	8,193
EXPENDITURES				
General government	-	-	958,733	-
Public safety	898,784	-	-	19,560
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	898,784	-	958,733	19,560
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,055	-	(242,343)	(11,367)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	71,543	-
Total other financing sources (uses)	-	-	71,543	-
NET CHANGES IN FUND BALANCES	56,055	-	(170,800)	(11,367)
FUND BALANCES, BEGINNING OF YEAR	192,373	(2,378)	186,642	5,984
FUND BALANCES, END OF YEAR	$ 248,428	$ (2,378)	$ 15,842	$ (5,383)

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Sheriff's Department IV - D	Family Court IV-D	6th Judicial Circuit Court
REVENUES			
Federal sources	$ 24,594	$ 26,027	$ -
State sources	-	-	-
County sources - property taxes	-	-	-
Local sources	-	-	-
Investment income	-	-	-
Other income	-	-	-
Total revenues	24,594	26,027	-
EXPENDITURES			
General government	19,869	3,200	-
Public safety	-	-	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	-	-	-
Total expenditures	19,869	3,200	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,725	22,827	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGES IN FUND BALANCES	4,725	22,827	-
FUND BALANCES, BEGINNING OF YEAR	6,584	224,519	18,237
FUND BALANCES, END OF YEAR	$ 11,309	$ 247,346	$ 18,237

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Forfeited Land Commission	Richburg Fire District	Sheriff's Department Donations	York Tech
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	-	-	-	-
County sources - property taxes	-	88,450	-	232,490
Local sources	52,529	-	-	-
Investment income	-	-	-	-
Other income	-	23,375	-	-
Total revenues	52,529	111,825	-	232,490
EXPENDITURES				
General government	31,759	-	-	237,000
Public safety	-	124,584	1,306	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	31,759	124,584	1,306	237,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,770	(12,759)	(1,306)	(4,510)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	20,770	(12,759)	(1,306)	(4,510)
FUND BALANCES, BEGINNING OF YEAR	8,348	108,809	1,907	92,569
FUND BALANCES, END OF YEAR	$ 29,118	$ 96,050	$ 601	$ 88,059

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Family Court	Animal Control Donations	DHEC Grant In Aid MFY	C-Fund
REVENUES				
Federal sources	$ 150,641	$ -	$ -	$ -
State sources	-	-	8,107	1,017,710
County sources - property taxes	-	-	-	-
Local sources	-	2,371	-	7,000
Investment income	-	-	-	3,269
Other income	-	-	-	-
Total revenues	150,641	2,371	8,107	1,027,979
EXPENDITURES				
General government	18,345	642	6,895	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	2,191,705
Cultural and recreational	-	-	-	-
Total expenditures	18,345	642	6,895	2,191,705
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	132,296	1,729	1,212	(1,163,726)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	132,296	1,729	1,212	(1,163,726)
FUND BALANCES, BEGINNING OF YEAR	40,176	2,826	-	2,112,250
FUND BALANCES, END OF YEAR	$ 172,472	$ 4,555	$ 1,212	$ 948,524

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Hazmat Local	Duke Local	Victims/ Witness Surcharges and Assessments	Solid Waste Collection Sites
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	-	-	4,985	-
County sources - property taxes	-	-	-	565,617
Local sources	45,222	15,180	74,930	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	45,222	15,180	79,915	565,617
EXPENDITURES				
General government	-	14,070	-	647,095
Public safety	41,481	-	53,837	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	41,481	14,070	53,837	647,095
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,741	1,110	26,078	(81,478)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	3,741	1,110	26,078	(81,478)
FUND BALANCES, BEGINNING OF YEAR	35,335	9,563	78,249	370,822
FUND BALANCES, END OF YEAR	$ 39,076	$10,673	$ 104,327	$ 289,344

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Local Accomodations Tax	State Accomodations Tax	EMPG 01 Multiple
REVENUES			
Federal sources	$ -	$ -	$ 34,785
State sources	-	65,908	-
County sources - property taxes	-	-	-
Local sources	87,469	-	-
Investment income	-	-	-
Other income	-	-	-
Total revenues	87,469	65,908	34,785
EXPENDITURES			
General government	-	-	74,885
Public safety	-	-	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	82,095	43,581	-
Total expenditures	82,095	43,581	74,885
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,374	22,327	(40,100)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Total other financing sources (uses)	-	-	-
NET CHANGES IN FUND BALANCES	5,374	22,327	(40,100)
FUND BALANCES, BEGINNING OF YEAR	167,370	(11,551)	13,884
FUND BALANCES, END OF YEAR	$ 172,744	$ 10,776	$ (26,216)

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	SOS DUI Enforcement	2007 JAG CFDA #16.738	Chester Fire District	Lando Fire District
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	-	-	14,114	-
County sources - property taxes	-	-	1,443,004	25,797
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	-	-	1,457,118	25,797
EXPENDITURES				
General government	-	-	1,590,625	25,799
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	-	-	1,590,625	25,799
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	(133,507)	(2)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	(133,507)	(2)
FUND BALANCES, BEGINNING OF YEAR	(11,212)	1	812,585	34,625
FUND BALANCES, END OF YEAR	$ (11,212)	$ 1	$ 679,078	$ 34,623

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	EMS Trauma Fund	MFYS Citizens Corp	EMA Donations	Law Enforcement Network
REVENUES				
Federal sources	$ -	$ 11,003	$ -	$ -
State sources	51,345	-	-	6,837
County sources - property taxes	-	-	-	-
Local sources	-	-	24,200	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	51,345	11,003	24,200	6,837
EXPENDITURES				
General government	-	-	-	-
Public safety	34,234	19,926	(7,000)	13,461
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	34,234	19,926	(7,000)	13,461
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,111	(8,923)	31,200	(6,624)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	17,111	(8,923)	31,200	(6,624)
FUND BALANCES, BEGINNING OF YEAR	-	-	-	-
FUND BALANCES, END OF YEAR	$ 17,111	$ (8,923)	$ 31,200	$ (6,624)

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Solid Waste Management Electronics	EMS Local Grants	EMS Donations	LEPC Group Donations
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	3,736	-	-	-
County sources - property taxes	-	-	-	-
Local sources	-	1,750	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	3,736	1,750	-	-
EXPENDITURES				
General government	3,736	-	-	-
Public safety	-	-	1,799	4,000
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	3,736	-	1,799	4,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1,750	(1,799)	(4,000)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	1,750	(1,799)	(4,000)
FUND BALANCES, BEGINNING OF YEAR	-	-	1,666	4,000
FUND BALANCES, END OF YEAR	$ -	$ 1,750	$ (133)	$ -

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Chester Airport Commission	HMEP CFDA #20.703	Chester County Library	DHEC SW Reduction
REVENUES				
Federal sources	$ 462,864	$ 22,879	$ -	$ -
State sources	-	-	-	12,283
County sources - property taxes	-	-	667,395	-
Local sources	58,257	-	428,581	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	521,121	22,879	1,095,976	12,283
EXPENDITURES				
General government	520,693	14,770	-	11,261
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	1,098,923	-
Total expenditures	520,693	14,770	1,098,923	11,261
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	428	8,109	(2,947)	1,022
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	428	8,109	(2,947)	1,022
FUND BALANCES, BEGINNING OF YEAR	(2,799)	(10,238)	347,331	683
FUND BALANCES, END OF YEAR	$ (2,371)	$ (2,129)	$ 344,384	$ 1,705

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Economic Development Marketing	SLPG CFDA #97.042	GIS Data Conversion	Public Defender
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	-	-	-	-
County sources - property taxes	-	-	-	-
Local sources	-	-	-	434,852
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	-	-	-	434,852
EXPENDITURES				
General government	-	-	-	440,031
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Total expenditures	-	-	-	440,031
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	(5,179)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	(5,179)
FUND BALANCES, BEGINNING OF YEAR	(11,837)	(851)	15,069	(13,651)
FUND BALANCES, END OF YEAR	$ (11,837)	$ (851)	$ 15,069	$ (18,830)

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2012

	Sale of County Property	Cops Hiring Grant	Totals
REVENUES			
Federal sources	$ -	$ 29,005	$ 761,798
State sources	-	-	2,201,011
County sources - property taxes	-	-	3,022,753
Local sources	200,080	-	2,095,857
Investment income	-	-	3,269
Other income	-	-	23,375
Total revenues	200,080	29,005	8,108,063
EXPENDITURES			
General government	244,062	-	4,863,470
Public safety	-	65,387	1,271,359
Highway, streets and public buildings	-	-	2,191,705
Cultural and recreational	-	-	1,224,599
Total expenditures	244,062	65,387	9,551,133
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(43,982)	(36,382)	(1,443,070)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	71,543
Total other financing sources (uses)	-	-	71,543
NET CHANGES IN FUND BALANCES	(43,982)	(36,382)	(1,371,527)
FUND BALANCES, BEGINNING OF YEAR	(21,604)	-	4,806,286
FUND BALANCES, END OF YEAR	$ (65,586)	$ (36,382)	$ 3,434,759

SCHEDULE B-5

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2012

	Chester County Debt Service	Lando Fire Debt Service	Richburg Fire Bond	Chester Fire Bond	Chester Facilities Corporation	Totals
ASSETS						
Cash	$ 259	$ -	$ -	$ -	$ -	$ 259
Investments	703,479	-	-	-	975,207	1,678,686
Receivables						
Property taxes, net	119,983	5,812	3,980	8,765	-	138,540
Due from other funds	339,342	18,415	34,679	108,210	-	500,646
Total assets	$ 1,163,063	$ 24,227	$ 38,659	$ 116,975	$ 975,207	$ 2,318,131
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Deferred revenue						
Property taxes	$ 109,004	$ 4,613	$ 3,807	$ 8,142	$ -	$ 125,566
Accounts payable	-	-	-	-	476,000	476,000
Total liabilities	109,004	4,613	3,807	8,142	476,000	601,566
FUND BALANCES						
Committed	1,054,059	19,614	34,852	108,833	499,207	1,716,565
Total liabilities and fund balances	$ 1,163,063	$ 24,227	$ 38,659	$ 116,975	$ 975,207	$ 2,318,131

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR DEBT SERVICE FUNDS

For the Year Ended June 30, 2012

	Chester County Debt Service	Lando Fire Debt Service	Richburg Fire Bond	Chester Fire Bond	Chester Facilities Corporation	Totals
REVENUES						
Property taxes	$ 709,053	$ 73,724	$ 30,411	$ 71,948	$ -	$ 885,136
Investment income	2,044	-	-	-	-	2,044
Miscellaneous income	-	-	-	-	444	444
Total revenue	711,097	73,724	30,411	71,948	444	887,624
EXPENDITURES						
Debt service						
Principal retirement	450,000	61,320	18,801	65,334	-	595,455
Interest and fiscal charges	106,747	9,043	5,625	13,964	-	135,379
Professional expenses	-	-	-	-	636,237	636,237
Total expenditures	556,747	70,363	24,426	79,298	636,237	1,367,071
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	154,350	3,361	5,985	(7,350)	(635,793)	(479,447)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	1,135,000	1,135,000
Total other financing sources (uses)	-	-	-	-	1,135,000	1,135,000
NET CHANGES IN FUND BALANCES	154,350	3,361	5,985	(7,350)	499,207	655,553
FUND BALANCES, BEGINNING YEAR	899,709	16,253	28,867	116,183	-	1,061,012
FUND BALANCES, END OF YEAR	$ 1,054,059	$ 19,614	$ 34,852	$ 108,833	$ 499,207	$ 1,716,565

SCHEDULE B-7

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Economic Development Infrastructure	Emergency Training Center	Rossville Fire Department	Chester Detention Center
ASSETS				
Cash	$ -	$ -	$ -	$ -
Grant receivable	-	-	-	-
Due from other funds	16,483	921	5,100	964
Total assets	$ 16,483	$ 921	$ 5,100	$ 964
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ -	$ -	$ -	$ -
Accounts payable	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES				
Restricted	16,483	-	-	-
Committed	-	921	5,100	964
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	16,483	921	5,100	964
Total liabilities and fund balances	$ 16,483	$ 921	$ 5,100	$ 964

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	West Chester Fire	Vehicle Replacement	Raxter Road Project	Jail Construction
ASSETS				
Cash	$ -	$ -	$ -	$ 34,074
Grant receivable	-	-	-	-
Due from other funds	63,000	37,294	-	-
Total assets	$ 63,000	$ 37,294	$ -	$ 34,074
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ -	$ -	$ 5,153	$ 19,523
Accounts payable	-	-	-	34,074
Deferred revenue	-	-	-	-
Total liabilities	-	-	5,153	53,597
FUND BALANCES				
Restricted	-	-	-	-
Committed	63,000	-	-	-
Assigned	-	37,294	-	-
Unassigned	-	-	(5,153)	(19,523)
Total fund balances	63,000	37,294	(5,153)	(19,523)
Total liabilities and fund balances	$ 63,000	$ 37,294	$ -	$ 34,074

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	Golf Course/ Great Falls & Republic	Cops Technology Radio Tower	Gateway Commons	Rodman Playground Equipment
ASSETS				
Cash	$ -	$ -	$ -	$ -
Grant receivable	-	299,015	-	-
Due from other funds	-	-	-	-
Total assets	$ -	$ 299,015	$ -	$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	$ 1,487	$ 299,015	$ 181,644	$ -
Accounts payable	-	-	-	-
Deferred revenue	-	-	72,000	-
Total liabilities	1,487	299,015	253,644	-
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(1,487)	-	(253,644)	-
Total fund balances	(1,487)	-	(253,644)	-
Total liabilities and fund balances	$ -	$ 299,015	$ -	$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	EECBG Energy Grant	Totals
ASSETS		
Cash	$ -	$ 34,074
Grant receivable	-	299,015
Due from other funds	-	123,762
Total assets	$ -	$ 456,851
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other funds	$ 8,440	$ 515,262
Accounts payable	-	34,074
Deferred revenue	-	72,000
Total liabilities	8,440	621,336
FUND BALANCES		
Restricted	-	16,483
Committed	-	69,985
Assigned	-	37,294
Unassigned	(8,440)	(288,247)
Total fund balances	(8,440)	(164,485)
Total liabilities and fund balances	$ -	$ 456,851

CHESTER COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECTS FUNDS

For the Year Ended June 30, 2012

	Economic Development Infrastructure	Emergency Training Center	Rossville Fire Department	Chester Detention Center
REVENUES				
Federal sources	$ -	$ -	$ -	$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Capital lease proceeds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	16,483	921	5,100	964
FUND BALANCES, END OF YEAR	$ 16,483	$ 921	$ 5,100	$ 964

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2012

	West Chester Fire	Vehicle Replacement	Raxter Road Project	Jail Construction
REVENUES				
Federal sources	$ -	$ -	$ 4,045	$ -
State sources	-	-	-	-
Local sources	-	(2,149)	-	-
Total revenues	-	(2,149)	4,045	-
EXPENDITURES				
General government	-	-	9,925	43,840
Public safety	-	875,162	-	-
Capital outlay	-	-	-	168,206
Total expenditures	-	875,162	9,925	212,046
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(877,311)	(5,880)	(212,046)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Capital lease proceeds	-	860,050	-	-
Total other financing sources (uses)	-	860,050	-	-
NET CHANGES IN FUND BALANCES	-	(17,261)	(5,880)	(212,046)
FUND BALANCES, BEGINNING OF YEAR	63,000	54,555	727	192,523
FUND BALANCES, END OF YEAR	$ 63,000	$ 37,294	$ (5,153)	$ (19,523)

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2012

	Golf Course/ Great Falls & Republic	Cops Technology Radio Tower	Gateway Commons	Rodman Playground Equipment
REVENUES				
Federal sources	$ -	$ 299,015	$ -	$ -
State sources	19,952	-	-	-
Local sources	-	-	25,500	-
Total revenues	19,952	299,015	25,500	-
EXPENDITURES				
General government	20,560	-	134,801	19,766
Public safety	-	299,015	-	-
Capital outlay	-	-	-	-
Total expenditures	20,560	299,015	134,801	19,766
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(608)	-	(109,301)	(19,766)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	(234)
Capital lease proceeds	-	-	-	-
Total other financing sources (uses)	-	-	-	(234)
NET CHANGES IN FUND BALANCES	(608)	-	(109,301)	(20,000)
FUND BALANCES, BEGINNING OF YEAR	(879)	-	(144,343)	20,000
FUND BALANCES, END OF YEAR	$ (1,487)	$ -	$ (253,644)	$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2012

	EECBG Energy Grant	Totals
REVENUES		
Federal sources	$ 89,161	$ 392,221
State sources	-	19,952
Local sources	-	23,351
Total revenues	89,161	435,524
EXPENDITURES		
General government	74,687	303,579
Public safety	-	1,174,177
Capital outlay	-	168,206
Total expenditures	74,687	1,645,962
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,474	(1,210,438)
OTHER FINANCING SOURCES (USES)		
Operating transfers out	-	(234)
Capital lease proceeds	-	860,050
Total other financing sources (uses)	-	859,816
NET CHANGES IN FUND BALANCES	14,474	(350,622)
FUND BALANCES, BEGINNING OF YEAR	(22,914)	186,137
FUND BALANCES, END OF YEAR	$ (8,440)	$ (164,485)

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CLERK OF COURT FINES AND FEES
For the Year Ended June 30, 2012
(UNAUDITED)

	Total Collected
Amount Retained by County Treasurer	
Fines	$ 10,616
Fees	226,522
Assessments	-
Other	-
Total retained by County Treasurer	$ 237,138
Amount Remitted to State Treasurer	
Fines	$ 1,200
Fees	186,477
Assessments	9,813
Other	13,580
Total remitted to State Treasurer	$ 211,070
Amount Allocated to Victim's Services	
Fines	$ -
Fees	-
Assessments	5,421
Surcharges	16,208
Total allocated to Victim's Services	$ 21,629

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF MAGISTRATE FINES AND FEES
For the Year Ended June 30, 2012
(UNAUDITED)

	Total Collected
Amount Retained by County Treasurer	
Fines	$ 258,287
Fees	54,195
Assessments	-
Other	-
Total retained by County Treasurer	$ 312,482
Amount Remitted to State Treasurer	
Total remitted to State Treasurer	$ 464,429
Amount Allocated to Victim's Services	
Total allocated to Victim's Services	$ 41,766