

**CHESTER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

ISSUED BY:

CHESTER COUNTY

Management and Finance Departments

**R. Carlisle Roddey
County Supervisor**

**Thomas E. Darby
Treasurer**

CHESTER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chester County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules of clerk of court and magistrates fines and fees are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The schedules of clerk of court and magistrates 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
January 30, 2014

Chester County, South Carolina

OFFICE OF TREASURER
Post Office Drawer 686
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, 2013. 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 \$29,156,707 (net assets). Of this amount, \$7,416,957 (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 \$1,458,072 (4.8 percent). Also, at the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,172,140, a decrease of \$3,748,714 in comparison with the prior year. The primary reasons for decreases in total net assets and combined ending fund balances for the County's governmental funds were due to the completion of the Gateway Conference Center and Courthouse renovations. The Gateway Conference Center and Courthouse renovation activity is presented in Exhibit 3 on page 16 under the major capital project fund Chester Facilities Corporation. The Chester Facilities Corporation is a blended component unit as explained in the notes to the financial statements on page 26. This decrease was offset by an increase of \$2,625,000 in bond proceeds from the issuance of a Series 2012 general obligation bond for "Rolling Stock".

- The General Fund actual revenues were \$228,341 greater than budgeted and General Fund expenditures were \$195,015 more than budgeted. Overall expenditures and other financing uses exceeded revenues and other financing sources by \$141,459, decreasing the fund balance for the General Fund to \$6,239,885. Significant unfavorable variances in revenue included licenses, fees, fines and permits but were offset by a favorable variance in other income for the sale of county property. A significant unfavorable expenditure variance was realized in the public safety function of the General Fund.
- In the County's governmental activities, revenues increased \$441,980 or 1.7 percent as compared to prior year, while expenses increased \$910,339 or 3.3 percent. Most of the increase in revenue was due to an increase in capital grants and contributions for the \$2,625,000 "Rolling Stock" bond proceeds. The most significant increase in the expenditures for governmental activities was in the general government category and was due mostly to capital spending on the Gateway Conference Center and Courthouse renovations.
- The net assets of the County's business-type activities (Landfill/Transfer Station) decreased \$247,538 or 26.6 percent.

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, County Jail Fund and Chester Facilities Corporation's Capital Projects Fund. These funds are considered to be major funds. Data from the other sixty-seven 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 64 through 98 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 statements 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. The County holds other funds on behalf of Chester County School District, Sheriff Drug Seizure and Clerk of Court Bonds, and funds related to 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 64 through 98 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 \$29,156,707 at the close of the most recent fiscal year.

Chester County's Net Assets						
	Governmental activities		Business-type activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	27,216,186	22,288,742	59,558	75,709	27,275,744	22,364,451
Capital assets	29,068,232	30,588,745	726,505	834,008	29,794,737	31,422,753
Total assets	56,284,418	52,877,487	786,063	909,717	57,070,481	53,787,204
Long-term liabilities outstanding	20,299,088	18,658,034	1,591,520	1,448,756	21,890,608	20,106,790
Other liabilities	6,300,751	5,745,408	(1,735,657)	(1,221,701)	4,565,094	4,523,707
Total liabilities	26,599,839	24,403,442	(144,137)	227,055	26,455,702	24,630,497
Net assets:						
Invested in capital assets, net of related debt	8,769,144	11,930,711	280,887	532,765	9,050,031	12,463,476
Restricted	12,836,879	9,276,274	-0-	-0-	12,836,879	9,276,274
Unrestricted	8,078,556	7,267,060	649,313	149,897	8,727,869	7,416,957
Total net assets	29,684,579	28,474,045	930,200	682,662	30,614,779	29,156,707

\$12,463,476 (42.7 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, \$7,416,957 may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$149,897 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 \$1,210,534 or 4.1 percent in total net assets as reported in connection with the County's governmental activities. See Financial Highlights section presented on pages 3 and 4.

Business-type activities. The business-type net assets decreased by \$247,538 during fiscal year 2013. The primary reason for the decrease relates to a decrease in disposal fees. 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 48 of this report.

Chester County's Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	2,095,792	2,367,532	913,239	777,148	3,009,031	3,144,680
Operating grants and contributions	3,828,714	2,654,880	12,654	11,755	3,841,368	2,666,635
Capital grants and contributions	1,455,383	1,838,621	-0-	-0-	1,455,383	1,838,621
General revenues:						
Property taxes	14,871,015	15,125,301	-0-	-0-	14,871,015	15,125,301
Intergovernmental	3,474,698	3,678,951	-0-	-0-	3,474,698	3,678,951
Accommodations fees	183,446	191,351	-0-	-0-	183,446	191,351
Investment income	104,851	21,061	3,002	1,615	107,853	22,676
Other	392,720	1,052,571	-0-	-0-	392,720	1,052,571
Franchise fees	183,955	102,286	-0-	-0-	183,955	102,286
Total revenues and transfers	26,590,574	27,032,554	928,895	790,518	27,519,469	27,823,072
Expenses:						
General government	13,765,200	15,481,117	-0-	-0-	13,765,200	15,481,117
Public safety	8,306,790	8,682,469	-0-	-0-	8,306,790	8,682,469
Highways and streets	2,814,209	1,751,653	-0-	-0-	2,814,209	1,751,653
Welfare	252,414	266,454	-0-	-0-	252,414	266,454
Cultural and recreational	1,317,664	922,124	-0-	-0-	1,317,664	922,124
Interest and fiscal charges on long-term debt	415,320	678,119	-0-	-0-	415,320	678,119
Solid waste	-0-	-0-	1,205,194	1,038,056	1,205,194	1,038,056
Total expenses	26,871,597	27,781,936	1,205,194	1,038,056	28,076,791	28,819,992
Increase (decrease) in net assets	(281,023)	(749,382)	(276,299)	(247,538)	(557,322)	(996,920)
Net assets - Beginning, as previously stated	29,965,602	29,684,579	1,206,499	930,200	31,172,101	30,614,779
Prior period adjustment	-0-	(461,152)	-0-	-0-	-0-	(461,152)
Net assets - Beginning, as restated	29,965,602	29,223,427	1,206,499	930,200	31,172,101	30,153,627
Net assets - Ending	29,684,579	28,474,045	930,200	682,662	30,614,779	29,156,707

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 \$141,000. Major capital projects funds decreased by \$5,000,000 due to the completion of scheduled projects. Major debt service funds increased by approximately \$485,000 due to funds accumulated for future debt service. Other governmental funds increased by approximately \$908,000 mainly due to bond proceeds received and set aside during the year.

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 \$6,239,885. 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 33.6 percent of total general fund expenditures.

General Fund Budgetary Highlights

During fiscal year 2013, there were no budgetary supplemental appropriations needed by County Council. The County realized a favorable variance of \$228,341 in the collection of General Fund revenues and an unfavorable variance of \$195,015 in the County's General Fund expenditures. See Financial Highlights section presented on pages 3 and 4.

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, 2013, amounts to \$31,422,753 (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) building improvements to the Gateway Facility of approximately \$2,753,659, 2) drainage improvements to Raxter Road of approximately \$748,639, and 3) addition of 911 Radio System of approximately \$372,798.

Chester County's Capital Assets						
	Governmental activities		Business-type activities		Total	
	2012	2013	2012	2013	2012	2013
Land	4,701,738	3,773,557	112,144	112,144	4,813,882	3,885,701
Construction in progress	-0-	-0-	-0-	104,785	-0-	104,785
Buildings and improvements	19,100,728	21,351,656	192,639	251,329	19,293,367	21,602,985
Improvements other than buildings	916,630	899,404	19,000	11,400	935,630	910,804
Infrastructure	906,620	1,583,141	-0-	-0-	906,620	1,583,141
Machinery and equipment	1,864,516	2,179,656	402,722	354,350	2,267,238	2,534,006
Vehicles	1,578,000	1,262,483	-0-	-0-	1,578,000	1,262,483
Prior period adjustment	-0-	(461,152)	-0-	-0-	-0-	(461,152)
Total capital assets	29,068,232	30,588,745	726,505	834,008	29,794,737	31,422,753

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 \$11,834,091. 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 increased by \$721,833. 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 \$104,706,002. The current legal debt limit for the County is \$8,376,480. The available debt margin is \$3,202,389.

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	
	2012	2013	2012	2013	2012	2013
2003 General Obligation Bond	275,000	-0-	-0-	-0-	275,000	-0-
2005 General Obligation Bond	193,420	129,770	-0-	-0-	193,420	129,770
2007 General Obligation Bond	2,350,000	2,110,000	-0-	-0-	2,350,000	2,110,000
2007 Richburg Fire G.O. Bond	128,838	109,321	-0-	-0-	128,838	109,321
2010 General Obligation Bonds	8,165,000	6,660,000	-0-	-0-	8,165,000	6,660,000
2012 General Obligation Bond	-0-	2,625,000	-0-	-0-	-0-	2,625,000
2013 General Obligation Bond	-0-	200,000	-0-	-0-	-0-	200,000
Total general obligation bonds	11,112,258	11,834,091	-0-	-0-	11,112,258	11,834,091

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 2013 was estimated at 33,500.
- The total number of jobs in June 2013 was estimated at 12,973, an increase of approximately 3.6 percent from last year.
- The State's unemployment rate was 8.7 percent in June 2013 as reported by the SC Department of Employment and Workforce. In comparison, the County's unemployment rate as of June 2013 was 12.5 percent.
- The average annual wage and average hourly wage in 2013 was \$37,336 and \$17.95, respectively, with both being approximately 93 percent of the South Carolina average.

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 Chester County Treasurer, Chester County Government, P.O. Drawer 686, 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.

Chester County Treasurer

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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. Also included are 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.

The 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

Chester Facilities Corporation (CFC), 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 CFC's Board of Directors, it has a financial burden to CFC in that it is obligated for lease payments equaling the amount of debt to be relieved and associated interest payments. Activities of CFC are reported as major capital projects and debt service funds. Separate financial statements 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, Richburg Fire District and Chester County Library for the year ended June 30, 2013. 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 and the County can impose its will on the Airport Commission because the County has the ability to remove appointed members of the governing board at will.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
 JUNE 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 6,283,546	\$ -	\$ 6,283,546	\$ 636,501
Investments	10,421,927	-	10,421,927	-
Receivables:				
Taxes	1,460,219	-	1,460,219	9,193
Accounts	-	75,709	75,709	15,908
Other	1,040,521	-	1,040,521	-
Intergovernmental receivable	2,225,654	-	2,225,654	36,948
Other assets	230,845	-	230,845	13,033
Deferred assets	626,030	-	626,030	-
Fuel inventory	-	-	-	22,912
Capital assets	30,588,745	834,008	31,422,753	5,834,071
	<u>52,877,487</u>	<u>909,717</u>	<u>53,787,204</u>	<u>6,568,566</u>
Total assets				
LIABILITIES				
Accounts payable	551,986	-	551,986	70,850
Accrued expenses	2,289,130	-	2,289,130	52,789
Due to other funds	1,221,701	(1,221,701)	-	-
Due to agency funds	567,098	-	567,098	-
Intergovernmental payable	245,749	-	245,749	3,519
Escrow tax sale	526,575	-	526,575	-
Deferred revenue	343,169	-	343,169	2,851
Long-term liabilities				
Due within one year	2,719,697	195,121	2,914,818	93,304
Due in more than one year	15,938,337	1,253,635	17,191,972	2,009,800
	<u>24,403,442</u>	<u>227,055</u>	<u>24,630,497</u>	<u>2,233,113</u>
Total liabilities				
NET ASSETS				
Invested in capital assets, net of related debt	11,930,711	532,765	12,463,476	3,730,967
Restricted for:				
Debt service	4,840,489	-	4,840,489	-
Capital projects	939,678	-	939,678	-
Other purposes	3,496,107	-	3,496,107	-
Unrestricted	7,267,060	149,897	7,416,957	604,486
	<u>28,474,045</u>	<u>682,662</u>	<u>29,156,707</u>	<u>4,335,453</u>
Total net assets				

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
 JUNE 30, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General government	\$ 15,481,117	\$ 929,180	2,263,667	\$ 1,838,621
Public safety	8,682,469	1,438,352	391,213	-
Highways and streets	1,751,653	-	-	-
Welfare	266,454	-	-	-
Cultural and recreational	922,124	-	-	-
Interest and fiscal charges on long-term debt	678,119	-	-	-
Total governmental activities	27,781,936	2,367,532	2,654,880	1,838,621
BUSINESS-TYPE ACTIVITIES				
Landfill/transfer station	1,038,056	777,148	11,755	-
Total primary government	\$ 28,819,992	\$ 3,144,680	\$ 2,666,635	\$ 1,838,621
COMPONENT UNITS				
Chester County Airport Commission	\$ 437,102	\$ 292,182	\$ -	\$ 6,353
Chester Fire District	1,613,281	-	-	-
Lando Fire District	85,773	-	25,377	-
Richburg Fire District	222,370	-	116,199	-
Chester County Library	652,611	13,916	72,171	-
Total component units	\$ 3,011,137	\$ 306,098	\$ 213,747	\$ 6,353

General revenues:

Property taxes levied for:

General purposes

Special revenue

Debt service

Intergovernmental

Accommodation fees

Franchise fees

Investment income

Miscellaneous

Total general revenues and transfers

Changes in net assets

Net assets, beginning of year, as previously stated

Prior period adjustment

Net assets, beginning of year, as restated

Net assets, end of year

See the accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Discretely Presented Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (10,449,649)	\$ -	\$ (10,449,649)	\$ -
(6,852,904)	-	(6,852,904)	-
(1,751,653)	-	(1,751,653)	-
(266,454)	-	(266,454)	-
(922,124)	-	(922,124)	-
(678,119)	-	(678,119)	-
(20,920,903)	-	(20,920,903)	-
-	(249,153)	(249,153)	-
(20,920,903)	(249,153)	(21,170,056)	-
-	-	-	(138,567)
-	-	-	(1,613,281)
-	-	-	(60,396)
-	-	-	(106,171)
-	-	-	(566,524)
-	-	-	(2,484,939)
9,002,859	-	9,002,859	2,375,272
3,052,514	-	3,052,514	-
3,069,928	-	3,069,928	-
3,678,951	-	3,678,951	-
191,351	-	191,351	-
102,286	-	102,286	-
21,061	1,615	22,676	248
1,052,571	-	1,052,571	-
20,171,521	1,615	20,173,136	2,375,520
(749,382)	(247,538)	(996,920)	(109,419)
29,684,579	930,200	30,614,779	3,983,720
(461,152)	-	(461,152)	461,152
29,223,427	930,200	30,153,627	4,444,872
\$ 28,474,045	\$ 682,662	\$ 29,156,707	\$ 4,335,453

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2013

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 3,312,941	\$ 2,492,912	\$ -	\$ 477,693	\$ 6,283,546
Investments	8,619,619	-	54,886	1,747,422	10,421,927
Receivables:					
Property taxes	1,028,036	-	-	432,183	1,460,219
Other	123,705	-	-	-	123,705
Local sources	916,816	-	-	-	916,816
Due from other governments:					
Federal grant revenue	249,310	-	-	-	249,310
State shared revenue	1,976,344	-	-	-	1,976,344
Due from other funds	-	544,436	-	4,387,510	4,931,946
Total assets	\$ 16,226,771	\$ 3,037,348	\$ 54,886	\$ 7,044,808	\$ 26,363,813
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 487,732	\$ -	\$ 54,886	\$ 9,368	\$ 551,986
Accrued liabilities	1,561,162	-	-	20,625	1,581,787
Due to:					
Other taxing authorities	245,749	-	-	-	245,749
Agency funds	567,098	-	-	-	567,098
Other funds	5,477,864	-	-	675,783	6,153,647
Escrow tax sale	526,575	-	-	-	526,575
Deferred revenue	828,156	-	-	444,125	1,272,281
Deferred revenue L.O.S.T.	129,312	-	-	-	129,312
Magistrate bonds pending	163,238	-	-	-	163,238
Total liabilities	9,986,886	-	54,886	1,149,901	11,191,673
FUND BALANCES					
Restricted	-	-	-	1,326,095	1,326,095
Committed	344,019	3,037,348	-	3,451,753	6,833,120
Assigned	-	-	-	1,639,874	1,639,874
Unassigned	5,895,866	-	-	(522,815)	5,373,051
Total fund balances	6,239,885	3,037,348	-	5,894,907	15,172,140
Total liabilities and fund balances	\$ 16,226,771	\$ 3,037,348	\$ 54,886	\$ 7,044,808	\$ 26,363,813

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**
 JUNE 30, 2013

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 15,172,140

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	3,773,557
Buildings and improvements	27,575,323
Improvements other than buildings	5,791,170
Machinery and equipment	6,846,379
Infrastructure assets	8,260,420
Vehicles	8,890,368
Accumulated depreciation	<u>(30,548,472)</u>
Total capital assets	<u>30,588,745</u>

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	<u>1,221,662</u>
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Deferred charges are not financial resources and therefore are not
 reported in the funds.

626,030

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.

230,845

Total other assets

856,875

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	(11,834,091)
Chester Facilities Corporation revenue bonds	(6,385,000)
Capital leases	(438,943)
Accrued interest	(114,010)
Compensated absences	<u>(593,333)</u>

Total long-term liabilities

(19,365,377)

NET ASSETS OF GOVERNMENTAL FUNDS

\$ 28,474,045

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
**STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2013

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - Chester Facilities Corporation	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 9,087,289	\$ -	\$ -	\$ 3,894,923	\$ 12,982,212
Licenses, fines, fees and permits	2,221,304	-	-	-	2,221,304
Intergovernmental	3,906,099	2,227,520	-	4,732,423	10,866,042
Income on investments	13,866	4,164	1,341	3,032	22,403
Other income	877,385	-	43,611	166,035	1,087,031
Total revenues:	16,105,943	2,231,684	44,952	8,796,413	27,178,992
EXPENDITURES					
Current					
General government	7,920,889	-	378,214	4,513,858	12,812,961
Public safety	7,206,884	-	-	868,882	8,075,766
Highways and streets	460,437	-	-	1,202,040	1,662,477
Welfare	266,454	-	-	-	266,454
Cultural and recreational	50,220	-	-	800,107	850,327
Capital outlay	96,190	-	2,616,887	1,431,081	4,144,158
Professional expenses	-	-	300,291	32,738	333,029
Debt service					
Principal retirement	-	1,505,000	1,715,281	1,703,002	4,923,283
Interest and fiscal charges	-	242,007	34,279	407,965	684,251
Total expenditures:	16,001,074	1,747,007	5,044,952	10,959,673	33,752,706
Excess (deficiency) of revenues over expenditure:	104,869	484,677	(5,000,000)	(2,163,260)	(6,573,714)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	2,825,000	2,825,000
Operating transfers in/(out)	(246,328)	-	-	246,328	-
Total other financing sources (uses)	(246,328)	-	-	3,071,328	2,825,000
Net changes in fund balances:	(141,459)	484,677	(5,000,000)	908,068	(3,748,714)
FUND BALANCES, BEGINNING OF YEAR	6,381,344	2,552,671	5,000,000	4,986,839	18,920,854
FUND BALANCES, END OF YEAR	\$ 6,239,885	\$ 3,037,348	\$ -	\$ 5,894,907	\$ 15,172,140

See the accompanying Notes to Financial Statements.

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

For the Year Ended June 30, 2013

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (3,748,714)

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, changes in these amounts, net of disposals, are:

Capital outlay	2,527,141
Depreciation expense	<u>(545,476)</u>
Excess of capital outlay over depreciation expense	<u>1,981,665</u>

Because some revenue is not collected until several months after the County's fiscal year ends, it is not considered "available" and is deferred in the governmental funds. Deferred property tax decreased by this amount this year. (517,830)

Bond and capital lease and related discount and cost proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current year, proceeds and related discounts and costs were as follows:

Deferred cost	(32,650)
Chester Facilities Corporation - bond proceeds	(200,000)
Rolling stock bond proceeds	(2,625,000)
Capital lease	<u>(372,798)</u>
	<u>(3,230,448)</u>

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

Bond principal retirement	2,103,167
Capital lease principal	2,735,686

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due. 6,132

Payments to fund retirement benefit accounts that exceed annual required contributions are reported as expenses in governmental funds. (62,008)

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

Accrued compensated absences	<u>(17,032)</u>
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CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (749,382)

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
 JUNE 30, 2013

ASSETS	
CURRENT ASSETS	
Accounts receivable, net of allowance of \$10,000	\$ 75,709
Total current assets	<u>75,709</u>
NONCURRENT ASSETS	
Interfund receivable	1,221,701
Capital assets:	
Construction in progress	104,785
Land and land improvements	150,144
Buildings and improvements	379,093
Machinery and equipment	1,198,367
Accumulated depreciation	<u>(998,381)</u>
	<u>834,008</u>
Total noncurrent assets	<u>2,055,709</u>
Total assets	<u>\$ 2,131,418</u>
LIABILITIES	
CURRENT LIABILITIES	
Current portion of notes payable	148,621
Current portion of postclosure care	<u>46,500</u>
Total current liabilities	<u>195,121</u>
LONG-TERM LIABILITIES	
Long-term portion of notes payable	152,622
Long-term portion of postclosure care	<u>1,101,013</u>
Total long-term liabilities	<u>1,253,635</u>
Total liabilities	<u>1,448,756</u>
NET ASSETS	
Invested in capital assets, net of related debt	532,765
Unrestricted	<u>149,897</u>
Total net assets	<u>682,662</u>
Total liabilities and net assets	<u>\$ 2,131,418</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
For the Year Ended June 30, 2013

OPERATING REVENUES	
Disposal fees	<u>\$ 777,148</u>
Total operating revenues	<u>777,148</u>
OPERATING EXPENSES	
Disposal	892,127
Salaries and wages	69,107
Depreciation	<u>64,045</u>
Total operating expenses	<u>1,025,279</u>
Operating income/(loss)	<u>(248,131)</u>
NON-OPERATING REVENUE/(EXPENSE)	
State sources	11,755
Interest income	1,615
Interest expense	<u>(12,777)</u>
Total non-operating revenue/(expense)	<u>593</u>
Changes in net assets	(247,538)
NET ASSETS, BEGINNING OF YEAR	<u>930,200</u>
NET ASSETS, END OF YEAR	<u><u>\$ 682,662</u></u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - LANDFILL/TRANSFER STATION
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 760,997
Payments to suppliers	(890,516)
Payments to employees	<u>(69,107)</u>
Net cash used for operating activities	<u>(198,626)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State revenue	11,755
Capital lease payments	(144,375)
Acquisition of capital assets	<u>(171,548)</u>
Net cash used for capital and related financing activities	<u>(304,168)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in interfund balance	513,956
Interest income	1,615
Interest expense	<u>(12,777)</u>
Net cash provided by investing activities	<u>502,794</u>
Net increase in cash and cash equivalents	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating income/(loss)	\$ (248,131)
Adjustments to reconcile operating income/(loss) to net cash used for operating activities:	
Depreciation expense	64,045
Changes in current assets and liabilities:	
Accrual for postclosure liability	1,611
Accounts receivable	<u>(16,151)</u>
Net cash used for operating activities	<u>\$ (198,626)</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2013

ASSETS	
Cash and cash equivalents	\$ 433,121
Investments	1,712,123
Due from Chester County	<u>567,098</u>
Total assets	<u><u>\$ 2,712,342</u></u>
LIABILITIES	
Funds held in trust for others	<u>\$ 2,712,342</u>
Total liabilities	<u><u>\$ 2,712,342</u></u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET ASSETS
DISCRETE COMPONENT UNITS
 JUNE 30, 2013

	Chester County Airport Commission	Chester Fire District	Lando Fire District	Richburg Fire District	Chester County Library	Total
ASSETS						
Cash and cash equivalents	\$ 27,022	\$ 275,683	\$ 71,544	\$ 38,018	\$ 224,234	\$ 636,501
Receivables:						
Taxes	-	7,057	2,136	-	-	9,193
Accounts	15,883	-	-	-	25	15,908
Intergovernmental	-	3,528	33,420	-	-	36,948
Fuel inventory	22,912	-	-	-	-	22,912
Prepaid expenses	-	-	-	-	10,654	10,654
Other assets	-	-	-	2,379	-	2,379
Capital assets:						
Land	29,376	-	-	200,004	-	229,380
Art collection	-	-	-	-	20,132	20,132
Circulation collection	-	-	-	-	1,477,493	1,477,493
Buildings and improvements	965,472	190,977	-	1,698,557	-	2,855,006
Equipment, furniture and fixtures	105,891	582,255	355,154	14,087	766,615	1,824,002
Apron improvements	10,925	-	-	-	-	10,925
Taxiway and runway	2,880,389	-	-	-	-	2,880,389
Less accumulated depreciatio	(1,194,725)	(260,245)	(133,152)	(44,137)	(1,830,997)	(3,463,256)
Total assets	<u>\$ 2,863,145</u>	<u>\$ 799,255</u>	<u>\$ 329,102</u>	<u>\$ 1,908,908</u>	<u>\$ 668,156</u>	<u>\$ 6,568,566</u>
LIABILITIES						
Accounts payable	\$ 30,020	\$ 102	\$ -	\$ -	\$ 40,728	\$ 70,850
Accrued expenses	5,314	-	-	-	47,475	52,789
Intergovernmental payable	3,519	-	-	-	-	3,519
Deferred revenue	-	-	2,851	-	-	2,851
Current portion of long-term debt	-	70,598	-	22,706	-	93,304
Long-term debt	-	149,671	-	1,860,129	-	2,009,800
Total liabilities	<u>38,853</u>	<u>220,371</u>	<u>2,851</u>	<u>1,882,835</u>	<u>88,203</u>	<u>2,233,113</u>
NET ASSETS						
Invested in capital assets, net of related debt	2,797,328	292,718	222,002	(14,324)	433,243	3,730,967
Unrestricted	26,964	286,166	104,249	40,397	146,710	604,486
Total net assets	<u>2,824,292</u>	<u>578,884</u>	<u>326,251</u>	<u>26,073</u>	<u>579,953</u>	<u>4,335,453</u>
Total liabilities and net asset:	<u>\$ 2,863,145</u>	<u>\$ 799,255</u>	<u>\$ 329,102</u>	<u>\$ 1,908,908</u>	<u>\$ 668,156</u>	<u>\$ 6,568,566</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF ACTIVITIES
DISCRETE COMPONENT UNITS
For the Year Ended June 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
FUNCTIONS/PROGRAMS					
Chester County Airport Commission	\$ 437,102	\$ 292,182	\$ -	\$ 6,353	\$ (138,567)
Chester Fire District	1,613,281	-	-	-	(1,613,281)
Lando Fire District	85,773	-	25,377	-	(60,396)
Richburg Fire District	222,370	-	49,874	-	(172,496)
Chester County Library	652,611	13,916	72,171	-	(566,524)
	<u>\$ 3,011,137</u>	<u>\$ 306,098</u>	<u>\$ 147,422</u>	<u>\$ 6,353</u>	<u>(2,551,264)</u>
General revenues:					
Property taxes levied for Chester Fire District					1,588,653
Property taxes levied for Lando Fire District					26,671
Property taxes levied for Richburg Fire District					135,798
Property taxes levied for Chester County Library					690,475
Interest and investment earnings					248
Total general revenues					<u>2,441,845</u>
Changes in net assets					<u>(109,419)</u>
Net assets, beginning of year, as previously stated					3,983,720
Prior period adjustment					461,152
Net assets, beginning of year, as restated					<u>4,444,872</u>
Net assets, end of year					<u>\$ 4,335,453</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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. The County also has a financial benefit/burden relationship with the Chester Fire District. 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. The County also has a financial benefit/burden relationship with the Lando Fire District.

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. The County also has a financial benefit/burden relationship with the Richburg Fire District.

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-nine 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, and the County can impose its will on the Library because the Library is required to submit its budget to County Council for approval. In turn, the Board is responsible for hiring and firing management personnel.

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

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

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 changes 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:

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds (Continued)

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.

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

Revenues

Revenues - Exchange and Non-Exchange Transactions

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

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

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

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

Deferred Revenue

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

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

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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.

Certain property taxes are uncollected at June 30, 2013 and not considered available to liquidate current period liabilities. These are accounts not collected within sixty days of fiscal year end. The County has provided deferred revenue equal to these delinquent accounts.

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 column in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of three or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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

During fiscal year 2013, the County performed an assessment of the useful lives of the enterprise fund capital assets. In evaluating useful lives, the County considered how long assets would remain functionally efficient and effective based on the length of time similar assets were used. This assessment indicated that certain assets had a longer useful life than previously anticipated. As a result, effective July 1, 2012 the County revised the useful life of one of its assets from five years to fifteen years. Changes in estimates are accounted for on a prospective basis by amortizing the current carrying value of the assets over their revised remaining useful lives. The effect of this change in estimate, compared to the original depreciation for fiscal year 2013, was a reduction in annual depreciation expense of \$117,070 and a corresponding increase in net assets.

Restatement of Previous Periods

During fiscal year 2013, the County discovered an error related to capital assets recorded on their books. One asset belonging to the Chester Airport was reported as an asset of the County as of June 30, 2012. During fiscal year 2013, this asset was reclassified to the Chester Airport from the County.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reporting (Continued)

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.

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 a reduction 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. 68 and 69 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. 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 69 *Government Combinations and Disposals of Government Operations*

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013.

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 Treasurer 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, 2013.

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

Deficit Fund Equity

Individual funds with deficit fund equity are as follows:

1997 Short Fund	\$ 2,378	Economic Development Marketing	\$11,837
Drug Forfeiture Fund	20,432	SLPG CFDA #97.042	851
SOS DUI Enforcement	11,212	Public Defender	18,117
Law Enforcement Network	3,807	Sale of County Property	41,000
EMS Donations	133	Raxter Road Project	187,642
LEMPG Competitive Grant	17,400	Golf Course/Great Falls & Republic	1,487
HMEP CFDA #20.703	7,167	Gateway Commons	311,000
ECCBG Energy Grant	8,440		

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Equity (Continued)

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, 2013, the County's governmental fund deposits had a carrying amount of \$6,338,043 and a bank balance of \$6,111,290, which was entirely covered by Federal depository insurance or collateralized. Agency funds had a carrying amount of \$433,121 and a bank balance of \$336,328 at June 30 2013. The County had \$2,390 of cash on hand.

Investments

As of June 30, 2013, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>	<u>1 – 3 Years</u>
U.S. Government Agencies	\$ 1,609,144	\$ –	\$ 1,609,144
S.C. State Investment Pool	7,537,164	7,537,164	–
Money Market Funds - Chester Facilities Corporation	659,234	659,234	–
Certificates of Deposit	<u>616,385</u>	<u>–</u>	<u>616,385</u>
	<u>\$ 10,421,927</u>	<u>\$ 8,196,398</u>	<u>\$ 2,225,529</u>

At June 30, 2013, the County held \$1,712,123 of investments in S.C. State Investment Pool for agency funds.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

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

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 4 - RECEIVABLES

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

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from other governments	\$ 2,225,654	\$ -	\$ 2,225,654
Property taxes	1,038,420	436,548	1,474,968
Emergency management (EMS)	572,551	-	572,551
Local sources	916,816	-	916,816
Other receivables	<u>9,195</u>	<u>-</u>	<u>9,195</u>
Gross receivables	<u>4,762,636</u>	<u>436,548</u>	<u>5,199,184</u>
Less allowance for:			
Taxes	(10,384)	(4,365)	(14,749)
EMS	<u>(458,041)</u>	<u>-</u>	<u>(458,041)</u>
Net receivables	<u>\$ 4,294,211</u>	<u>\$ 432,183</u>	<u>\$ 4,726,394</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

A summary of net amounts due from/to other funds at June 30, 2013 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$(6,044,962)
Debt service fund	1,027,492	-
Special revenue fund	2,240,493	-
Capital projects fund	988,178	-
Enterprise fund	1,221,701	-
Agency fund	<u>567,098</u>	<u>-</u>
	<u>\$ 6,044,962</u>	<u>\$(6,044,962)</u>

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

The general fund transferred \$71,543 to the special revenue fund to support the Solicitor's Office operations, \$130,586 to the special revenue fund for economic development projects, \$19,523 to the capital projects fund to close out the jail construction fund, and \$312,295 to the capital projects fund for economic development projects. The special revenue fund transferred \$287,619 of Family Court IV-D funds to the general fund and \$86,039 to the capital projects fund for payment of interest on the Gateway lease.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 6 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2013 is as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 4,701,738	\$ 15,131	\$(943,312)	\$ -	\$ 3,773,557
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>4,701,738</u>	<u>15,131</u>	<u>(943,312)</u>	<u>-</u>	<u>3,773,557</u>
Capital assets being depreciated:					
Buildings and improvements	24,786,356	2,788,967	-	-	27,575,323
Improvements other than buildings	6,197,555	56,479	-	-	6,254,034
Machinery and equipment	6,089,048	757,331	-	-	6,846,379
Infrastructure	7,511,781	748,639	-	-	8,260,420
Vehicles	<u>9,786,462</u>	<u>150,409</u>	<u>(1,046,503)</u>	<u>-</u>	<u>8,890,368</u>
	<u>54,371,202</u>	<u>4,501,825</u>	<u>(1,046,503)</u>	<u>-</u>	<u>57,826,524</u>
Less accumulated depreciation	<u>(30,004,708)</u>	<u>(1,581,297)</u>	<u>1,035,821</u>	<u>-</u>	<u>(30,550,184)</u>
Total capital assets, net depreciation	24,366,494	2,920,528	(10,682)	-	27,276,340
Prior period adjustment	<u>(461,152)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(461,152)</u>
Governmental activities capital assets, net	<u>\$28,607,080</u>	<u>\$2,935,659</u>	<u>\$(953,994)</u>	<u>\$ -</u>	<u>\$ 30,588,745</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 112,144	\$ -	\$ -	\$ -	\$ 112,144
Improvements	38,000	-	-	-	38,000
Construction in progress	<u>-</u>	<u>104,785</u>	<u>-</u>	<u>-</u>	<u>104,785</u>
	<u>150,144</u>	<u>104,785</u>	<u>-</u>	<u>-</u>	<u>254,929</u>
Capital assets being depreciated:					
Buildings and improvements	312,330	66,763	-	-	379,093
Machinery and equipment	<u>1,198,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,198,367</u>
	<u>1,510,697</u>	<u>66,763</u>	<u>-</u>	<u>-</u>	<u>1,577,460</u>
Less accumulated depreciation	<u>(934,336)</u>	<u>(64,045)</u>	<u>-</u>	<u>-</u>	<u>(998,381)</u>
	<u>576,361</u>	<u>2,718</u>	<u>-</u>	<u>-</u>	<u>579,079</u>
Business-type activities capital assets, net	<u>\$ 726,505</u>	<u>\$ 107,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 834,008</u>

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

Governmental Activities:	
General government	\$ 354,730
Public safety	1,065,594
Highways and streets	89,176
Cultural and recreational	<u>71,797</u>
	<u>\$ 1,581,297</u>
Business-Type Activities:	
Solid waste	<u>\$ 64,045</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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, 2013:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$11,112,258	\$ 2,825,000	\$(2,103,167)	\$ 11,834,091	\$ 2,556,329
Chester Facilities Corporation revenue bonds	6,385,000	-	-	6,385,000	-
Notes payable and capital leases	<u>2,801,831</u>	<u>372,798</u>	<u>(2,735,686)</u>	<u>438,943</u>	<u>163,368</u>
	<u>20,299,089</u>	<u>3,197,798</u>	<u>(4,838,853)</u>	<u>18,658,034</u>	<u>2,719,697</u>
Accrued compensated absences	<u>576,301</u>	<u>517,960</u>	<u>(500,928)</u>	<u>593,333</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$20,875,390</u>	<u>\$ 3,715,758</u>	<u>\$(5,339,781)</u>	<u>\$ 19,251,367</u>	<u>\$ 2,719,697</u>
Business-Type Activities:					
Capital leases	\$ <u>445,618</u>	\$ <u>-</u>	\$(<u>144,375</u>)	\$ <u>301,243</u>	\$ <u>148,621</u>
Business-type activities capital leases	\$ <u>445,618</u>	\$ <u>-</u>	\$(<u>144,375</u>)	\$ <u>301,243</u>	\$ <u>148,621</u>

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:

\$200,000 2013 General Obligation Bond due in annual principal installments of \$1,000 to \$198,000 through March 1, 2019; plus interest annually at 2.629%.	\$ 200,000
\$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%.	129,770
\$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%.	2,110,000
\$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%.	109,321
\$11,000,000 2009 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%. The bonds issued by a referendum and first payable from a one percent sales and use tax are excluded from the County computation of its legal debt limit.	6,660,000
\$2,625,000 2012 General Obligation Bond due in annual principal installments of \$495,000 to \$630,000 through March 1, 2018, plus interest semiannually at 0.95%.	<u>2,625,000</u>
Total general obligation bonds outstanding	<u>\$11,834,091</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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 (CFC) is a separate legal entity and its debts, CFC 2012 Installment Purchase Revenue Bonds, are not a debt of the County. However, as CFC is blended with the operations of the County, CFC's debt 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. \$ 33,892

\$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. 80,000

\$372,798 2012 capital lease due in annual principal installments of \$47,747 to \$59,103 through January 1, 2019; plus interest annually at 3.62%. The note is collateralized by Motorola radio dispatch equipment. 325,051

Total notes payable and capital leases outstanding \$ 438,943

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. \$ 301,243

The annual requirement to amortize debt in the long-term debt at June 30, 2013 is as follows:

Year Ending June 30,	2013 General Obligation Bond Payable		Lando General Obligation Bond Payable		2007 General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ -	\$ 5,488	\$ 66,069	\$ 4,607	\$ 275,000	\$ 76,487
2015	-	5,258	63,701	2,261	425,000	66,519
2016	-	5,265	-	-	450,000	51,113
2017	1,000	5,251	-	-	470,000	34,800
2018	1,000	5,232	-	-	490,000	17,762
2019-2023	198,000	5,206	-	-	-	-
2024-2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2037	-	-	-	-	-	-
Totals	<u>\$ 200,000</u>	<u>\$ 31,700</u>	<u>\$ 129,770</u>	<u>\$ 6,868</u>	<u>\$ 2,110,000</u>	<u>\$ 246,681</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Notes Payable and Capital Leases (Continued)

Year Ending June 30,	Richburg General Obligation Bond Payable		2009 General Obligation Bond Payable		2012 General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ 20,260	\$ 4,165	\$ 1,565,000	\$ 189,843	\$ 630,000
2015	21,032	3,393	1,630,000	138,244	500,000	18,953
2016	21,834	2,592	1,700,000	55,960	495,000	14,203
2017	22,666	1,760	1,765,000	57,008	500,000	9,500
2018	23,529	896	-	-	500,000	4,749
2019-2023	-	-	-	-	-	-
2024-2028	-	-	-	-	-	-
2029-2033	-	-	-	-	-	-
2034-2037	-	-	-	-	-	-
Totals	<u>\$ 109,321</u>	<u>\$ 12,806</u>	<u>\$ 6,660,000</u>	<u>\$ 441,055</u>	<u>\$ 2,625,000</u>	<u>\$ 72,343</u>

Year Ending June 30,	Chester Facilities Corporation - 2012 Installment Purchase Revenue Bonds		\$160,000 2010 Capital Lease		\$400,000 2010 Note Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
	2014	\$ -	\$ 219,675	\$ 33,892	\$ 1,335	\$ 80,000
2015	-	219,675	-	-	-	-
2016	-	219,675	-	-	-	-
2017	-	219,675	-	-	-	-
2018	-	219,675	-	-	-	-
2019-2023	1,425,000	852,045	-	-	-	-
2024-2028	1,645,000	891,374	-	-	-	-
2029-2033	1,530,000	615,443	-	-	-	-
2034-2037	<u>1,785,000</u>	<u>226,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 6,385,000</u>	<u>\$3,683,237</u>	<u>\$ 33,892</u>	<u>\$ 1,335</u>	<u>\$ 80,000</u>	<u>\$ -</u>

Year Ending June 30,	\$372,798 2012 Capital Lease		Totals	
	Principal	Interest	Principal	Interest
	2014	\$ 49,476	\$ 11,767	\$ 2,719,697
2015	51,267	9,976	2,691,000	464,279
2016	53,122	8,120	2,719,956	356,928
2017	55,045	6,197	2,813,711	334,191
2018	57,038	4,204	1,071,567	252,518
2019-2023	59,103	2,139	1,682,103	859,390
2024-2028	-	-	1,645,000	891,374
2029-2033	-	-	1,530,000	615,443
2034-2037	<u>-</u>	<u>-</u>	<u>1,785,000</u>	<u>226,000</u>
Totals	<u>\$ 325,051</u>	<u>\$ 42,403</u>	<u>\$18,658,034</u>	<u>\$4,538,428</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Notes Payable and Capital Leases (Continued)

The annual requirement to amortize debt in the business-type long-term debt at June 30, 2013 is as follows:

Year Ending June 30,	<u>2010 Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 148,621	\$ 8,531
2015	<u>152,622</u>	<u>4,325</u>
Totals	<u>\$ 301,243</u>	<u>\$ 12,856</u>

The County leases certain property and equipment under capital leases. Assets recorded under capital leases are included in property and equipment and consist of the following at June 30, 2013:

	<u>Cost</u>	<u>Accumulated Amortization</u>
Governmental Activities:		
Public safety, fire truck	\$ 160,000	\$(69,973)
Land	400,000	-
Nourse Automall	1,749,560	(62,965)
Police vehicles and related equipment	875,162	(175,032)
Motorola radio dispatch equipment	<u>372,798</u>	<u>(25,972)</u>
	<u>\$ 3,557,520</u>	<u>\$(333,942)</u>
Business-Type Activities:		
Landfill fund equipment, compactor	<u>\$ 731,685</u>	<u>\$(170,726)</u>

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 were used for the acquisition, construction, renovating, improving, and equipping of new and existing public facilities, in particular a new County Conference Center. The projects were 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 were 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 rights, 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. During the current fiscal year, 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 into 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, 2013, is computed below:

Real and other personal property assessed value	\$ 70,367,787
Plus vehicles assessed value	9,496,528
Plus manufacturers assessed value	11,508,340
Plus fee-in-lieu and joint industrial park value	12,763,817
Plus motor vehicle carriers assessed value	<u>569,530</u>
	104,706,002
	x 8%
Constitutional debt limit	<u>8,376,480</u>
Less outstanding debt subject to limit	(<u>5,174,091</u>)
General obligation debt available without referendum	\$ <u>3,202,389</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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:

<u>Year Ended June 30</u>	<u>General Obligation Indebtedness</u>
2009	\$ 4,404,423
2010	3,836,901
2011	3,075,000
2012	2,625,000
2013	3,202,389

Overlapping Debt

The table below shows local subdivisions which overlap the County and which have outstanding debt as of June 30, 2013:

	<u>Outstanding Debt as of June 30, 2013</u>	<u>Assessed Value as of June 30, 2013</u>
<u>Municipalities</u>		
Chester Fire District	\$ 220,269	\$ 32,079,350
Lando Rural Fire District	129,770	7,627,573
Richburg Fire District	1,940,927	11,737,220
<u>School District</u>		
Chester County School District	11,713,578	104,109,052

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 balances at June 30, 2013 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund - Jail Construction Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances				
Restricted for				
Victim Witness	\$ -	\$ -	\$ 134,251	\$ 134,251
Family Court Unit CFDA IV-D	-	-	265,998	265,998
Sheriff Department IV-D	-	-	14,509	14,509
2007 JAG CFDA #16.738	-	-	1	1
DHEC SW reduction/recycling	-	-	2,137	2,137
Forfeited Land Commission	-	-	10,138	10,138
GIS Data Conversion	-	-	15,069	15,069
Economic development infrastructure	-	-	16,483	16,483
Family Court	-	-	10,079	10,079
C-Funds	-	-	741,612	741,612
911 Subscriber fees	-	-	115,818	115,818
	<u>-</u>	<u>-</u>	<u>1,326,095</u>	<u>1,326,095</u>
Total restricted	-	-	1,326,095	1,326,095

(Continued)

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 8 - FUND BALANCES (CONTINUED)

	<u>General Fund</u>	<u>Debt Service Fund - Jail Construction Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances (Continued)				
Committed to				
EMA donations	\$ -	\$ -	\$ 21,011	\$ 21,011
LEMPG Competitive Grant	-	-	(17,400)	(17,400)
Chester County debt service	-	-	997,489	997,489
Lando Fire debt service	-	-	18,548	18,548
Richburg Fire bond	-	-	80,139	80,139
Chester Fire bond	-	-	102,617	102,617
Chester Facilities Corporation	-	-	604,348	604,348
Jail construction bond	-	3,037,348	-	3,037,348
Solid waste collection	-	-	228,989	228,989
A-Tax County Recreation Local	-	-	115,375	115,375
Lando Fire District	-	-	32,044	32,044
Chester Fire District	-	-	567,402	567,402
Chester County Library	-	-	324,335	324,335
York Tech	-	-	84,289	84,289
Richburg Fire District	-	-	75,337	75,337
Animal control donations	-	-	10,534	10,534
6 th 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
EMS trauma fund	-	-	16,123	16,123
EMS local grants	-	-	1,750	1,750
Economic development	251,519	-	-	251,519
Raxter Road	<u>92,500</u>	<u>-</u>	<u>100,000</u>	<u>192,500</u>
Total committed	<u>344,019</u>	<u>3,037,348</u>	<u>3,451,753</u>	<u>6,833,120</u>
Assigned to				
Solicitor	-	-	213,902	213,902
Hazmat - Local	-	-	43,985	43,985
Duke - Local	-	-	20,208	20,208
Vehicle replacement	-	-	1,359,279	1,359,279
Meadowbrook water project	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>2,500</u>
Total assigned	<u>-</u>	<u>-</u>	<u>1,639,874</u>	<u>1,639,874</u>
Unassigned	<u>5,930,143</u>	<u>-</u>	<u>(522,815)</u>	<u>5,407,328</u>
Total fund balances	<u>\$6,274,162</u>	<u>\$ 3,037,348</u>	<u>\$ 5,894,907</u>	<u>\$15,206,417</u>

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 20 years and is 46% full. The accompanying financial statements include a liability of \$1,086,829 for landfill postclosure care liability and C & D landfill

CHESTER COUNTY, SOUTH CAROLINA
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 JUNE 30, 2013

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

closure and postclosure in the long-term debt of the landfill business-type enterprise fund, as required by generally accepted accounting principles.

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

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

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>Business-Type Activities:</i>					
Landfill closure and postclosure care costs	\$ <u>1,145,902</u>	\$ <u>68,408</u>	\$ (<u>66,797</u>)	\$ <u>1,147,513</u>	\$ <u>46,500</u>

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:

<u>Fiscal Year</u>	<u>Claims Paid</u>
2012	14,265
2013	27,324

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 \$10.97 per month for each year of service.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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

Employee's Pension Plan (Continued)

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

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

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 7.0 percent of their salary. The County's portion is 10.45 percent of the entire salary. Participants in PORS contribute 7.0 percent of their annual compensation and the County contributes 10.90 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:

<u>Year Ending June 30,</u>	<u>Employer SCRS</u>	<u>Employer PORS</u>	<u>Employee SCRS</u>	<u>Employee PORS</u>
2011	\$ 603,906	\$ 330,676	\$ 418,039	\$ 186,418
2012	625,676	350,437	426,523	196,994
2013	656,192	358,467	432,156	206,824
2013				
SCRS and PORS	<u>\$ 1,014,659</u>		<u>\$ 638,980</u>	

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

Employee's Pension Plan (Continued)

The County's wage expense for the year 2012-2013 totaled \$9,153,041. Wages for employees participating in the SCRS were \$6,190,489, while wages for those participating in the PORS totaled \$2,962,552.

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 2013, the County contributed \$198,162 to the plan, which did not exceed 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, 2013, 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, 2013, there were fifty-one retirees in this group.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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)	\$ 235,501
Interest on net OPEB obligation	(13,178)
Adjustment to ARC	<u>37,847</u>
Annual OPEB cost (expense)	<u>260,170</u>
Contributions made	(<u>198,162</u>)
Decrease in net OPEB obligation	62,008
Net obligation (asset), beginning of year	(<u>292,853</u>)
Net obligation (asset), end of year	\$(<u>230,845</u>)

During fiscal year 2013, the County changed trustees for their OPEB plan. Funds held by the former trustee totaling \$930,642 were transferred back to the County and recorded in accrued liabilities. Subsequent to year-end, the majority of these funds were transferred from the County to the new trustee.

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 2013 contribution represents 113% of the annual required contributions.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset</u>
6/30/13	\$260,170	113%	\$ 230,845
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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a) / c)</u>
7/1/12	\$1,128,715	\$ 1,822,260	\$ 693,545	62%	\$ 8,450,981	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, 2013. 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, 2013 is based on a closed group. Current employees and retirees only are considered; no provision is made for future hires. Using the actuarial assumptions, the number of retired participants is projected each year in the future. Costs are projected for each future year at each age using the trend and aging assumptions. The projected costs are multiplied by the expected number of retirees in each future year to produce expected benefits payments. These payments are then discounted using the discount rate to determine the present value of the projected liabilities. County contributions are assumed to remain constant in future years. The husband is assumed to be three years older than the wife. Mortality rates used are based on UP 1994 tables with females set back one year. Termination is based on SCRS valuations based on age, gender and years of service. Disability rates are based on gender and age. Retirement rates are based on gender, age and years of service.

Defined Contribution Plan - Currently Active Employees

The County has elected to establish a retirement account 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, 2013, there were one hundred and eighteen 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 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, 2013, deposits of the component units of Chester County had a carrying amount of \$636,501, 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, 2013, the deposits of the Chester County Airport Commission had a carrying amount and bank balance of \$27,022 and \$32,973, 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, 2013, the deposits of the Chester Fire District had a carrying amount and bank balance of \$275,683.

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, 2013, the deposits of the Lando Fire District had a carrying amount and bank balance of \$71,544 and \$75,370, respectively.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 14 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Deposits (Continued)

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, 2013, the deposits of the Richburg Fire District had a carrying amount of \$38,018 and a bank balance of \$38,623.

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, 2013, the deposits of the Chester County Library had a carrying amount and bank balance of \$224,234 and \$236,162, respectively.

Capital Assets

Component unit capital asset activity for the year ended June 30, 2013 is as follows:

	Balance July 1, 2012	Additions	Dispositions	Balance June 30, 2013
<i>Chester County Airport Commission:</i>				
Capital assets not being depreciated:				
Land	\$ 29,376	\$ -	\$ -	\$ 29,376
Capital assets being depreciated:				
Buildings and improvements	502,608	-	-	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
	3,499,812	-	-	3,499,812
Less accumulated depreciation	(1,080,594)	(110,707)	-	(1,191,301)
Total capital assets, net depreciation	2,419,218	(110,707)	-	2,308,511
Prior period adjustment	461,152	-	-	461,152
Total Chester County Airport Commission capital assets, net	\$ 2,909,746	\$(110,707)	\$ -	\$ 2,799,039
<i>Chester Fire District:</i>				
Capital assets being depreciated:				
Buildings and improvements	\$ 190,977	\$ -	\$ -	\$ 190,977
Fire equipment	582,255	-	-	582,255
	773,232	-	-	773,232
Less accumulated depreciation	(220,657)	(39,588)	-	(260,245)
Total Chester Fire District capital assets, net	\$ 552,575	\$(39,588)	\$ -	\$ 512,987

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 14 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Capital Assets (Continued)

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2013</u>
Lando Fire District:				
Capital assets being depreciated:				
Machinery and equipment	\$ 570,196	\$ -	\$(215,042)	\$ 355,154
Less accumulated depreciation	(<u>311,262</u>)	(<u>36,933</u>)	<u>215,042</u>	(<u>133,153</u>)
Total Lando Fire District capital assets, net	<u>\$ 258,934</u>	\$(<u>36,933</u>)	\$ <u>-</u>	<u>\$ 222,001</u>
Richburg Fire District:				
Capital assets not being depreciated:				
Land	\$ <u>200,004</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>200,004</u>
Capital assets being depreciated:				
Machinery and equipment	14,087	-	-	14,087
Buildings and improvements	1,725,401	-	(26,844)	1,698,557
Less accumulated depreciation	(<u>7,223</u>)	(<u>36,914</u>)	<u>-</u>	(<u>44,137</u>)
Total Richburg Fire District capital assets, net	<u>\$ 1,932,269</u>	\$(<u>36,914</u>)	\$(<u>26,844</u>)	<u>\$ 1,868,511</u>
Chester County Library:				
Capital assets not being depreciated:				
Art collection	\$ <u>20,132</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>20,132</u>
Capital assets being depreciated:				
Equipment, furniture and fixtures	727,510	39,105	-	766,615
Circulation collection	<u>1,425,368</u>	<u>52,125</u>	<u>-</u>	<u>1,477,493</u>
	2,152,878	91,230	-	2,244,108
Less accumulated depreciation	(<u>1,748,175</u>)	(<u>82,822</u>)	<u>-</u>	(<u>1,830,997</u>)
Total Chester County Library capital assets, net	<u>\$ 404,703</u>	<u>8,408</u>	<u>-</u>	<u>413,111</u>
	<u>\$ 424,835</u>	\$ <u>8,408</u>	\$ <u>-</u>	<u>\$ 433,243</u>

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:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Chester Fire District					
General obligation bond	\$ <u>288,184</u>	\$ <u>-</u>	\$(<u>67,915</u>)	\$ <u>220,269</u>	\$ <u>70,598</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

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 \$11,383.

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 70,598	\$ 8,700	\$ 79,298
2015	73,386	5,912	79,298
2016	<u>76,285</u>	<u>3,012</u>	<u>79,297</u>
	<u>\$ 220,269</u>	<u>\$ 17,624</u>	<u>\$ 237,893</u>

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. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Richburg Fire District Note payable	\$ <u>1,899,350</u>	\$ <u>-</u>	\$(<u>16,515</u>)	\$ <u>1,882,835</u>	\$ <u>22,706</u>

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,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 22,706	\$ 65,728	\$ 88,434
2015	23,516	64,918	88,434
2016	24,355	64,079	88,434
2017	25,224	63,210	88,434
2018	26,124	62,310	88,434
2019-2023	145,280	296,889	442,169
2024-2028	173,108	269,061	442,169
2029-2033	206,266	235,903	442,169
2034-2038	245,776	196,393	442,169
2039-2043	292,853	149,316	442,169
2044-2048	348,947	93,222	442,169
2049-2053	<u>348,680</u>	<u>27,163</u>	<u>375,843</u>
	<u>\$ 1,882,835</u>	<u>\$1,588,192</u>	<u>\$ 3,471,027</u>

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

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15 - ECONOMIC DEPENDENCY

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

NOTE 16 - SUBSEQUENT EVENTS

These financial statements considered subsequent events through January 30, 2014, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES
 For the Year Ended June 30, 2013

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
TAXES				
Current property taxes	\$ 8,520,914	\$ 8,520,914	\$ 8,493,249	\$ (27,665)
Delinquent taxes	600,000	600,000	594,040	(5,960)
Total taxes	<u>9,120,914</u>	<u>9,120,914</u>	<u>9,087,289</u>	<u>(33,625)</u>
LICENSES, FEES, FINES AND PERMITS				
Road maintenance fees	-	-	45	45
Clerk of court fines and fees	110,000	110,000	124,891	14,891
Family court fines and fees	106,500	106,500	95,018	(11,482)
Family court filing fees	37,300	37,300	10,460	(26,840)
Tax assessor fees	1,500	1,500	660	(840)
Tax collector fees	100,000	100,000	76,606	(23,394)
Probate judge - license	60,000	60,000	49,141	(10,859)
Zoning fees	14,000	14,000	13,927	(73)
DHEC vital records	7,500	7,500	7,305	(195)
Magistrate's fines and fees	351,450	351,450	430,371	78,921
Planning permits	135,000	135,000	127,990	(7,010)
Emergency medical services	1,660,000	1,660,000	1,284,890	(375,110)
Total licenses, fees, fines and permits	<u>2,583,250</u>	<u>2,583,250</u>	<u>2,221,304</u>	<u>(361,946)</u>
INTERGOVERNMENTAL				
State shared revenues:				
Local option sales tax	2,100,000	2,100,000	2,378,327	278,327
Local government revenue	1,311,741	1,311,741	1,210,600	(101,141)
Merchant's inventory tax	90,024	90,024	90,024	-
Veterans affairs	5,300	5,300	-	(5,300)
National forest fund	77,000	77,000	5,125	(71,875)
State salary supplement	6,300	6,300	6,300	-
FFP grant	22,000	22,000	-	(22,000)
Accommodations tax	30,000	30,000	30,263	263
Registration/Elections	25,000	25,000	31,998	6,998
Sheriff local revenue	90,000	90,000	153,462	63,462
Appropriation of fund balance	200,000	200,000	-	(200,000)
Total intergovernmental	<u>3,957,365</u>	<u>3,957,365</u>	<u>3,906,099</u>	<u>(51,266)</u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES
For the Year Ended June 30, 2013

SCHEDULE A-1
Continued

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
INCOME/(LOSS) ON INVESTMENTS				
Investment loss	\$ -	\$ -	\$ (54,734)	\$ (54,734)
Interest income	83,573	83,573	68,600	(14,973)
Total income/(loss) on investments	<u>83,573</u>	<u>83,573</u>	<u>13,866</u>	<u>(69,707)</u>
OTHER INCOME				
Animal control	500	500	-	(500)
Franchise fees	15,000	15,000	19,882	4,882
Sale of county property	-	-	700,050	700,050
Rentals	25,000	25,000	17,775	(7,225)
Miscellaneous	70,000	70,000	105,356	35,356
Vehicle decal fee	22,000	22,000	25,080	3,080
Other	-	-	9,242	9,242
Total other income	<u>132,500</u>	<u>132,500</u>	<u>877,385</u>	<u>744,885</u>
Total revenue	<u><u>\$ 15,877,602</u></u>	<u><u>\$ 15,877,602</u></u>	<u><u>\$ 16,105,943</u></u>	<u><u>\$ 228,341</u></u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
 For the Year Ended June 30, 2013

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
GENERAL GOVERNMENT				
County council	\$ 128,148	\$ 128,148	\$ 118,223	\$ 9,925
County supervisor	136,343	136,343	130,914	5,429
Finance	181,649	181,649	169,086	12,563
Human resources	124,857	124,857	116,902	7,955
Purchasing department	82,575	82,575	80,780	1,795
County treasurer	215,197	215,197	210,526	4,671
Tax collector	142,866	142,866	121,371	21,495
Auditor	111,591	111,591	110,132	1,459
Tax assessor	280,763	280,763	283,890	(3,127)
Planning/Zoning	260,289	260,289	203,784	56,505
Economic development	237,486	237,486	216,821	20,665
Coroner	87,978	87,978	82,186	5,792
Registration and election	159,844	159,844	155,774	4,070
County garage	251,756	251,756	312,138	(60,382)
Building maintenance	812,457	812,457	805,693	6,764
Airport	20,000	20,000	20,000	-
Network computer systems	335,456	335,456	271,243	64,213
Utilities	485,000	485,000	617,052	(132,052)
Postage	75,000	75,000	54,047	20,953
Property and liability insurance	325,394	325,394	325,564	(170)
Bond insurance	3,000	3,000	1,343	1,657
Workers compensation insurance	346,627	346,627	417,390	(70,763)
Unemployment benefits	46,710	46,710	27,324	19,386
Employee health insurance	1,115,117	1,115,117	1,113,742	1,375
Audit expense	50,000	50,000	54,500	(4,500)
Catawba Regional Planning Council	40,238	40,238	40,238	-
S.C. Association of Counties	8,898	8,898	8,897	1
Grant matching funds	81,000	51,000	25,000	26,000
Contingency	100,000	116,700	86,500	30,200
Copier lease and maintenance	57,100	57,100	80,021	(22,921)
Abatement	34,548	34,548	33,328	1,220
Reserved fund	50,000	50,000	10,000	40,000
GIS system	38,530	38,530	33,313	5,217
QSI	133,870	133,870	124,251	9,619
Medical services	235,743	235,743	251,260	(15,517)
Security professionals	30,000	30,000	14,518	15,482
County attorney	89,190	89,190	120,684	(31,494)
Clerk of court	315,575	315,575	352,953	(37,378)

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
For the Year Ended June 30, 2013

SCHEDULE A-2
Continued

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
GENERAL GOVERNMENT (CONTINUED)				
Family court	\$ 125,596	\$ 125,596	\$ 119,958	\$ 5,638
Probate judge	213,015	213,015	207,014	6,001
Lewisville magistrate	-	-	353	(353)
Chester magistrate	260,847	260,847	255,129	5,718
Rossville magistrate	71,799	71,799	70,984	815
Family court judge	3,000	3,000	3,204	(204)
Public defender	58,000	58,000	58,000	-
Judge Short Court of Appellate	3,000	3,000	4,859	(1,859)
Total general government	<u>7,966,052</u>	<u>7,952,752</u>	<u>7,920,889</u>	<u>31,863</u>
PUBLIC SAFETY				
Sheriff's Department	2,386,427	2,386,427	2,430,667	(44,240)
Detention center	1,700,488	1,700,488	1,693,374	7,114
EMS	1,682,400	1,682,400	1,793,250	(110,850)
Fire coordinator	78,351	78,351	79,774	(1,423)
Rural fire departments	336,455	346,455	350,230	(3,775)
Emergency management	100,599	103,899	94,991	8,908
E911	609,406	609,406	594,469	14,937
Animal control	134,256	134,256	145,829	(11,573)
Chester County Rescue Squad	12,150	12,150	12,150	-
Great Falls Rescue Squad	12,150	12,150	12,150	-
Total public safety	<u>7,052,682</u>	<u>7,065,982</u>	<u>7,206,884</u>	<u>(140,902)</u>
HIGHWAYS AND STREETS				
Road department	412,418	412,418	397,651	14,767
Litter control	66,847	66,847	62,786	4,061
Total highways and streets	<u>479,265</u>	<u>479,265</u>	<u>460,437</u>	<u>18,828</u>
WELFARE				
Veterans Affairs	79,082	79,082	78,620	462
Department of Social Services	34,650	34,650	37,419	(2,769)
DHEC	32,400	32,400	38,707	(6,307)
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	-
Palmetto Citizens Against Sexual Assault	5,000	5,000	5,000	-
Indigent patients	77,548	77,548	77,548	-
Total welfare	<u>257,840</u>	<u>257,840</u>	<u>266,454</u>	<u>(8,614)</u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
For the Year Ended June 30, 2013

SCHEDULE A-2
Continued

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
CULTURAL AND RECREATIONAL				
YMCA	\$ 34,020	\$ 34,020	\$ 34,020	\$ -
Fort Lawn Community Center	4,050	4,050	4,050	-
Clemson Extension	12,150	12,150	12,150	-
Total cultural and recreational	50,220	50,220	50,220	-
 CAPITAL OUTLAY	-	-	96,190	(96,190)
 Total expenditures	15,806,059	15,806,059	16,001,074	(195,015)
 Excess (deficiency) of revenues over expenditures	71,543	71,543	104,869	33,326
 OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	287,619	287,619
Operating transfers out	-	-	(462,404)	(462,404)
Operating transfer out - Solicitor	(71,543)	(71,543)	(71,543)	-
Total other financing sources (uses)	\$ (71,543)	\$ (71,543)	(246,328)	\$ (174,785)
 Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			(141,459)	
 FUND BALANCE, BEGINNING OF YEAR			6,381,344	
 FUND BALANCE, END OF YEAR			\$ 6,239,885	

SUPPLEMENTARY INFORMATION

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 474,933	\$ 260	\$ 2,500	\$ 477,693
Investments	437,884	1,309,538	-	1,747,422
Property taxes receivable	322,852	109,331	-	432,183
Due from other funds	2,458,707	483,056	1,445,747	4,387,510
Total assets	<u>\$ 3,694,376</u>	<u>\$ 1,902,185</u>	<u>\$ 1,448,247</u>	<u>\$ 7,044,808</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 9,368	\$ -	\$ -	\$ 9,368
Due to other funds	218,214	-	457,569	675,783
Deferred revenue	294,081	99,044	51,000	444,125
Accrued liabilities	20,625	-	-	20,625
Total liabilities	<u>542,288</u>	<u>99,044</u>	<u>508,569</u>	<u>1,149,901</u>
FUND BALANCES				
Restricted	1,309,612	-	16,483	1,326,095
Committed	1,578,627	1,803,141	69,985	3,451,753
Assigned	278,095	-	1,361,779	1,639,874
Unassigned	(14,246)	-	(508,569)	(522,815)
Total fund balances	<u>3,152,088</u>	<u>1,803,141</u>	<u>939,678</u>	<u>5,894,907</u>
Total liabilities and fund balances	<u>\$ 3,694,376</u>	<u>\$ 1,902,185</u>	<u>\$ 1,448,247</u>	<u>\$ 7,044,808</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2013

	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	\$ 3,052,515	\$ 842,408	\$ -	\$ 3,894,923
Federal sources	546,759	-	571,834	1,118,593
State sources	1,805,738	-	100,000	1,905,738
Local sources	1,619,013	-	89,079	1,708,092
Investment income	1,320	1,712	-	3,032
Other income	32,279	133,756	-	166,035
Total revenues	<u>7,057,624</u>	<u>977,876</u>	<u>760,913</u>	<u>8,796,413</u>
EXPENDITURES				
General government	4,218,440	-	295,418	4,513,858
Public safety	706,122	-	162,760	868,882
Highway, streets and public buildings	1,202,040	-	-	1,202,040
Cultural and recreational	800,107	-	-	800,107
Capital outlay	65,606	-	1,365,475	1,431,081
Professional expenses	-	32,738	-	32,738
Debt service:				
Principal retirements	160,355	682,597	860,050	1,703,002
Interest and fiscal charges	16,096	375,965	15,904	407,965
Total expenditures	<u>7,168,766</u>	<u>1,091,300</u>	<u>2,699,607</u>	<u>10,959,673</u>
Excess (deficiency) of revenues over expenditures	<u>(111,142)</u>	<u>(113,424)</u>	<u>(1,938,694)</u>	<u>(2,163,260)</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	200,000	-	200,000
Capital lease proceeds	-	-	2,625,000	2,625,000
Operating transfers in	202,129	-	492,857	694,986
Operating transfers out	<u>(373,658)</u>	<u>-</u>	<u>(75,000)</u>	<u>(448,658)</u>
Total other financing sources (uses)	<u>(171,529)</u>	<u>200,000</u>	<u>3,042,857</u>	<u>3,071,328</u>
Net changes in fund balances	(282,671)	86,576	1,104,163	908,068
FUND BALANCES, BEGINNING OF YEAR	<u>3,434,759</u>	<u>1,716,565</u>	<u>(164,485)</u>	<u>4,986,839</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,152,088</u>	<u>\$ 1,803,141</u>	<u>\$ 939,678</u>	<u>\$ 5,894,907</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	<u>911 Subscriber Fees</u>	<u>1997 Short Fund</u>	<u>Solicitor's Office</u>	<u>Drug Forfeiture Fund</u>	<u>Sheriff's Department IV-D</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ 11,595	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	115,818	-	213,902	-	14,509
	<u>115,818</u>	<u>-</u>	<u>213,902</u>	<u>-</u>	<u>14,509</u>
Total assets	<u>\$ 115,818</u>	<u>\$ -</u>	<u>\$213,902</u>	<u>\$ 11,595</u>	<u>\$ 14,509</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,378	-	32,027	-
Deferred revenue	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>2,378</u>	<u>-</u>	<u>32,027</u>	<u>-</u>
FUND BALANCES					
Restricted	115,818	-	-	-	14,509
Committed	-	-	-	-	-
Assigned	-	-	213,902	-	-
Unassigned	-	(2,378)	-	(20,432)	-
	<u>-</u>	<u>(2,378)</u>	<u>-</u>	<u>(20,432)</u>	<u>-</u>
Total fund balances	<u>115,818</u>	<u>(2,378)</u>	<u>213,902</u>	<u>(20,432)</u>	<u>14,509</u>
Total liabilities and fund balances	<u>\$ 115,818</u>	<u>\$ -</u>	<u>\$213,902</u>	<u>\$ 11,595</u>	<u>\$ 14,509</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

SCHEDULE B-3
Continued

	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission	Richburg Fire District	Sheriff's Department Donations
ASSETS					
Cash	\$ -	\$ -	\$ 82,232	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	15,292	-
Due from other funds	265,998	18,237	-	73,581	601
Total assets	<u>\$ 265,998</u>	<u>\$ 18,237</u>	<u>\$ 82,232</u>	<u>\$ 88,873</u>	<u>\$ 601</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	72,094	-	-
Deferred revenue	-	-	-	13,536	-
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>72,094</u>	<u>13,536</u>	<u>-</u>
FUND BALANCES					
Restricted	265,998	-	10,138	-	-
Committed	-	18,237	-	75,337	601
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>265,998</u>	<u>18,237</u>	<u>10,138</u>	<u>75,337</u>	<u>601</u>
Total liabilities and fund balances	<u>\$ 265,998</u>	<u>\$ 18,237</u>	<u>\$ 82,232</u>	<u>\$ 88,873</u>	<u>\$ 601</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	York Tech	Family Court	Animal Control Donations	DHEC Grant In Aid MFY	C-Fund
ASSETS					
Cash	\$ -	\$ -	\$ 10,725	\$ -	\$ 370,381
Investments	-	-	-	-	437,884
Property taxes receivable	25,473	-	-	-	-
Due from other funds	82,004	10,079	-	-	42,715
Total assets	<u>\$107,477</u>	<u>\$ 10,079</u>	<u>\$ 10,725</u>	<u>\$ -</u>	<u>\$ 850,980</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,368
Due to other funds	-	-	191	-	-
Deferred revenue	23,188	-	-	-	-
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>23,188</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>9,368</u>
FUND BALANCES					
Restricted	-	10,079	-	-	741,612
Committed	84,289	-	10,534	-	100,000
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>84,289</u>	<u>10,079</u>	<u>10,534</u>	<u>-</u>	<u>841,612</u>
Total liabilities and fund balances	<u>\$107,477</u>	<u>\$ 10,079</u>	<u>\$ 10,725</u>	<u>\$ -</u>	<u>\$ 850,980</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Hazmat Local</u>	<u>Duke Local</u>	<u>Victims/ Witness Surcharges and Assessments</u>	<u>Solid Waste Collection Sites</u>	<u>Local Accommodations Tax</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	61,785	-
Due from other funds	43,985	20,208	134,251	224,012	115,375
Total assets	<u>\$ 43,985</u>	<u>\$ 20,208</u>	<u>\$ 134,251</u>	<u>\$ 285,797</u>	<u>\$ 115,375</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	56,808	-
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,808</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	134,251	-	-
Committed	-	-	-	228,989	115,375
Assigned	43,985	20,208	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>43,985</u>	<u>20,208</u>	<u>134,251</u>	<u>228,989</u>	<u>115,375</u>
Total liabilities and fund balances	<u>\$ 43,985</u>	<u>\$ 20,208</u>	<u>\$ 134,251</u>	<u>\$ 285,797</u>	<u>\$ 115,375</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

SCHEDULE B-3
Continued

	<u>State Accomodations Tax</u>	<u>EMPG 01 Multiple</u>	<u>SOS DUI Enforcement</u>	<u>2007 JAG CFDA #16.738</u>	<u>Chester Fire District</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	142,899
Due from other funds	<u>55,097</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>554,527</u>
Total assets	<u>\$ 55,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 697,426</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	11,212	-	-
Deferred revenue	-	-	-	-	130,024
Accrued liabilities	<u>20,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>20,625</u>	<u>-</u>	<u>11,212</u>	<u>-</u>	<u>130,024</u>
FUND BALANCES					
Restricted	-	-	-	1	-
Committed	-	-	-	-	567,402
Assigned	-	-	-	-	-
Unassigned	<u>34,472</u>	<u>-</u>	<u>(11,212)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>34,472</u>	<u>-</u>	<u>(11,212)</u>	<u>1</u>	<u>567,402</u>
Total liabilities and fund balances	<u>\$ 55,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 697,426</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Lando Fire District</u>	<u>EMS Trauma Fund</u>	<u>MFYS Citizens Corp</u>	<u>EMA Donations</u>	<u>Law Enforcement Network</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	2,136	-	-	-	-
Due from other funds	<u>31,725</u>	<u>16,123</u>	<u>-</u>	<u>21,011</u>	<u>-</u>
Total assets	<u>\$ 33,861</u>	<u>\$16,123</u>	<u>\$ -</u>	<u>\$ 21,011</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	3,807
Deferred revenue	1,817	-	-	-	-
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,817</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,807</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	32,044	16,123	-	21,011	-
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,807)</u>
Total fund balances	<u>32,044</u>	<u>16,123</u>	<u>-</u>	<u>21,011</u>	<u>(3,807)</u>
Total liabilities and fund balances	<u>\$ 33,861</u>	<u>\$16,123</u>	<u>\$ -</u>	<u>\$ 21,011</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>Homeland Security Program</u>	<u>EMS Local Grants</u>	<u>EMS Donations</u>	<u>LEMPG Competitive Grant</u>	<u>Chester Airport Commission</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	1,750	-	-	55,009
Total assets	<u>\$ -</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,009</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	133	17,400	-
Deferred revenue	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>133</u>	<u>17,400</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	1,750	-	(17,400)	-
Assigned	-	-	-	-	-
Unassigned	-	-	(133)	-	55,009
Total fund balances	<u>-</u>	<u>1,750</u>	<u>(133)</u>	<u>(17,400)</u>	<u>55,009</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,009</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	<u>HMEP CFDA #20.703</u>	<u>Chester County Library</u>	<u>DHEC SW Reduction</u>	<u>Economic Development Marketing</u>	<u>SLPG CFDA #97.042</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	75,267	-	-	-
Due from other funds	-	317,776	2,137	-	-
	<u>-</u>	<u>393,043</u>	<u>2,137</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ 393,043</u>	<u>\$ 2,137</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	7,167	-	-	11,837	851
Deferred revenue	-	68,708	-	-	-
Accrued liabilities	-	-	-	-	-
	<u>7,167</u>	<u>68,708</u>	<u>-</u>	<u>11,837</u>	<u>851</u>
Total liabilities	<u>7,167</u>	<u>68,708</u>	<u>-</u>	<u>11,837</u>	<u>851</u>
FUND BALANCES					
Restricted	-	-	2,137	-	-
Committed	-	324,335	-	-	-
Assigned	-	-	-	-	-
Unassigned	(7,167)	-	-	(11,837)	(851)
	<u>(7,167)</u>	<u>324,335</u>	<u>2,137</u>	<u>(11,837)</u>	<u>(851)</u>
Total fund balances	<u>(7,167)</u>	<u>324,335</u>	<u>2,137</u>	<u>(11,837)</u>	<u>(851)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 393,043</u>	<u>\$ 2,137</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

SCHEDULE B-3
Continued

	<u>GIS Data Conversion</u>	<u>Public Defender</u>	<u>Sale of County Property</u>	<u>Cops Hiring Grant</u>	<u>Sex Offender Registry</u>
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	15,069	-	-	-	8,107
	<u>15,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,107</u>
Total assets	<u>\$ 15,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,107</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	18,117	41,000	-	-
Deferred revenue	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>18,117</u>	<u>41,000</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	15,069	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(18,117)	(41,000)	-	8,107
	<u>-</u>	<u>(18,117)</u>	<u>(41,000)</u>	<u>-</u>	<u>8,107</u>
Total fund balances	<u>15,069</u>	<u>(18,117)</u>	<u>(41,000)</u>	<u>-</u>	<u>8,107</u>
Total liabilities and fund balances	<u>\$ 15,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,107</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Veterans Affairs Aid to Counties	Totals	
ASSETS			
Cash	\$ -	\$ 474,933	
Investments	-	437,884	
Property taxes receivable	-	322,852	
Due from other funds	5,100	2,458,707	
Total assets	<u>\$ 5,100</u>	<u>\$ 3,694,376</u>	
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ -	\$ 9,368	
Due to other funds	-	218,214	
Deferred revenue	-	294,081	
Accrued liabilities	-	20,625	
Total liabilities	<u>-</u>	<u>542,288</u>	
 FUND BALANCES			
Restricted	-	1,309,612	
Committed	-	1,578,627	
Assigned	-	278,095	
Unassigned	5,100	(14,246)	
Total fund balances	<u>5,100</u>	<u>3,152,088</u>	
Total liabilities and fund balances	<u>\$ 5,100</u>	<u>\$ 3,694,376</u>	

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2013

	<u>911 Subscriber Fees</u>	<u>1997 Short Fund</u>	<u>Solicitor's Office</u>	<u>Drug Forfeiture Fund</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	134,876	-	437,829	-
County sources - property taxes	-	-	-	-
Local sources	174,510	-	656,266	6,532
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>309,386</u>	<u>-</u>	<u>1,094,095</u>	<u>6,532</u>
EXPENDITURES				
General government	-	-	967,578	-
Public safety	359,765	-	-	21,581
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	20,989	-	-	-
Debt service				
Principal retirement	47,747	-	-	-
Interest and fiscal charges	13,495	-	-	-
Total expenditures	<u>441,996</u>	<u>-</u>	<u>967,578</u>	<u>21,581</u>
Excess (deficiency) of revenues over expenditures	<u>(132,610)</u>	<u>-</u>	<u>126,517</u>	<u>(15,049)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	71,543	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>71,543</u>	<u>-</u>
Net changes in fund balances	(132,610)	-	198,060	(15,049)
FUND BALANCES, BEGINNING OF YEAR	<u>248,428</u>	<u>(2,378)</u>	<u>15,842</u>	<u>(5,383)</u>
FUND BALANCES, END OF YEAR	<u>\$ 115,818</u>	<u>\$ (2,378)</u>	<u>\$ 213,902</u>	<u>\$ (20,432)</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	Sheriff's Department IV - D	Family Court IV-D	6th Judicial Circuit Court
REVENUES			
Federal sources	\$ 27,262	\$ 22,452	\$ -
State sources	-	-	-
County sources - property taxes	-	-	-
Local sources	-	-	-
Investment income	-	-	-
Other income	-	-	-
Total revenues	27,262	22,452	-
EXPENDITURES			
General government	24,062	3,800	-
Public safety	-	-	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	24,062	3,800	-
Excess (deficiency) of revenues over expenditures	3,200	18,652	-
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	3,200	18,652	-
FUND BALANCES, BEGINNING OF YEAR	11,309	247,346	18,237
FUND BALANCES, END OF YEAR	\$ 14,509	\$ 265,998	\$ 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, 2013

	<u>Forfeited Land Commission</u>	<u>Richburg Fire District</u>	<u>Sheriff's Department Donations</u>	<u>York Tech</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
County sources - property taxes	-	86,363	-	233,230
Local sources	-	-	500	-
Investment income	-	-	-	-
Other income	-	32,279	-	-
Total revenues	<u>-</u>	<u>118,642</u>	<u>500</u>	<u>233,230</u>
EXPENDITURES				
General government	18,980	-	-	237,000
Public safety	-	104,146	500	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	32,608	-	-
Interest and fiscal charges	-	2,601	-	-
Total expenditures	<u>18,980</u>	<u>139,355</u>	<u>500</u>	<u>237,000</u>
Excess (deficiency) of revenues over expenditures	<u>(18,980)</u>	<u>(20,713)</u>	<u>-</u>	<u>(3,770)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(18,980)	(20,713)	-	(3,770)
FUND BALANCES, BEGINNING OF YEAR	<u>29,118</u>	<u>96,050</u>	<u>601</u>	<u>88,059</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,138</u>	<u>\$ 75,337</u>	<u>\$ 601</u>	<u>\$ 84,289</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>Family Court</u>	<u>Animal Control Donations</u>	<u>DHEC Grant In Aid MFY</u>	<u>C-Fund</u>
REVENUES				
Federal sources	\$ 135,930	\$ -	\$ -	\$ -
State sources	-	-	7,564	1,093,808
County sources - property taxes	-	-	-	-
Local sources	-	31,853	-	-
Investment income	-	-	-	1,320
Other income	-	-	-	-
Total revenues	<u>135,930</u>	<u>31,853</u>	<u>7,564</u>	<u>1,095,128</u>
EXPENDITURES				
General government	10,704	25,874	8,776	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	1,202,040
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>10,704</u>	<u>25,874</u>	<u>8,776</u>	<u>1,202,040</u>
Excess (deficiency) of revenues over expenditures	<u>125,226</u>	<u>5,979</u>	<u>(1,212)</u>	<u>(106,912)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(287,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(287,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(162,393)	5,979	(1,212)	(106,912)
FUND BALANCES, BEGINNING OF YEAR	<u>172,472</u>	<u>4,555</u>	<u>1,212</u>	<u>948,524</u>
FUND BALANCES, END OF YEAR	<u>\$ 10,079</u>	<u>\$ 10,534</u>	<u>\$ -</u>	<u>\$ 841,612</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>Hazmat Local</u>	<u>Duke Local</u>	<u>Victims/ Witness Surcharges and Assessments</u>	<u>Solid Waste Collection Sites</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
County sources - property taxes	-	-	-	569,095
Local sources	14,602	15,000	81,827	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>14,602</u>	<u>15,000</u>	<u>81,827</u>	<u>569,095</u>
EXPENDITURES				
General government	-	5,465	-	629,450
Public safety	9,693	-	44,367	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	7,536	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>9,693</u>	<u>5,465</u>	<u>51,903</u>	<u>629,450</u>
Excess (deficiency) of revenues over expenditures	<u>4,909</u>	<u>9,535</u>	<u>29,924</u>	<u>(60,355)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	4,909	9,535	29,924	(60,355)
FUND BALANCES, BEGINNING OF YEAR	<u>39,076</u>	<u>10,673</u>	<u>104,327</u>	<u>289,344</u>
FUND BALANCES, END OF YEAR	<u>\$ 43,985</u>	<u>\$ 20,208</u>	<u>\$ 134,251</u>	<u>\$ 228,989</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>Local Accommodations Tax</u>	<u>State Accommodations Tax</u>	<u>EMPG 01 Multiple</u>
REVENUES			
Federal sources	\$ -	\$ -	\$ 64,915
State sources	911	68,420	-
County sources - property taxes	-	-	-
Local sources	92,667	-	-
Investment income	-	-	-
Other income	-	-	-
Total revenues	<u>93,578</u>	<u>68,420</u>	<u>64,915</u>
EXPENDITURES			
General government	-	-	29,975
Public safety	-	-	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	64,908	44,724	-
Capital outlay	-	-	8,724
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>64,908</u>	<u>44,724</u>	<u>38,699</u>
Excess (deficiency) of revenues over expenditures	<u>28,670</u>	<u>23,696</u>	<u>26,216</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(86,039)	-	-
Total other financing sources (uses)	<u>(86,039)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(57,369)	23,696	26,216
FUND BALANCES, BEGINNING OF YEAR	<u>172,744</u>	<u>10,776</u>	<u>(26,216)</u>
FUND BALANCES, END OF YEAR	<u>\$ 115,375</u>	<u>\$ 34,472</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>SOS DUI Enforcement</u>	<u>2007 JAG CFDA #16.738</u>	<u>Chester Fire District</u>	<u>Lando Fire District</u>
REVENUES				
Federal sources	\$ -	\$ 34,445	\$ -	\$ -
State sources	-	-	14,114	-
County sources - property taxes	-	-	1,469,180	25,221
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>-</u>	<u>34,445</u>	<u>1,483,294</u>	<u>25,221</u>
EXPENDITURES				
General government	-	34,445	1,594,970	27,800
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>34,445</u>	<u>1,594,970</u>	<u>27,800</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(111,676)</u>	<u>(2,579)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	(111,676)	(2,579)
FUND BALANCES, BEGINNING OF YEAR	<u>(11,212)</u>	<u>1</u>	<u>679,078</u>	<u>34,623</u>
FUND BALANCES, END OF YEAR	<u>\$ (11,212)</u>	<u>\$ 1</u>	<u>\$ 567,402</u>	<u>\$ 32,044</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	EMS Trauma Fund	MFYS Citizens Corp	EMA Donations	Law Enforcement Network
REVENUES				
Federal sources	\$ -	\$ 53,562	\$ -	\$ -
State sources	11,344	-	-	28,606
County sources - property taxes	-	-	-	-
Local sources	-	-	100	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	11,344	53,562	100	28,606
EXPENDITURES				
General government	-	-	-	-
Public safety	12,332	44,639	10,289	20,509
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	5,280
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	12,332	44,639	10,289	25,789
Excess (deficiency) of revenues over expenditures	(988)	8,923	(10,189)	2,817
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(988)	8,923	(10,189)	2,817
FUND BALANCES, BEGINNING OF YEAR	17,111	(8,923)	31,200	(6,624)
FUND BALANCES, END OF YEAR	\$ 16,123	\$ -	\$ 21,011	\$ (3,807)

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>Homeland Security Program</u>	<u>EMS Local Grants</u>	<u>EMS Donations</u>	<u>LEMPG Competitive Grant</u>
REVENUES				
Federal sources	\$ 17,229	\$ -	\$ -	\$ -
State sources	-	-	-	-
County sources - property taxes	-	-	-	-
Local sources	-	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>17,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General government	5,795	-	-	-
Public safety	-	-	-	5,757
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	11,434	-	-	11,643
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>17,229</u>	<u>-</u>	<u>-</u>	<u>17,400</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,400)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	-	(17,400)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>1,750</u>	<u>(133)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u><u>\$ -</u></u>	<u><u>\$ 1,750</u></u>	<u><u>\$ (133)</u></u>	<u><u>\$ (17,400)</u></u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	Chester Airport Commission	HMEP CFDA #20.703	Chester County Library	DHEC SW Reduction
REVENUES				
Federal sources	\$ 63,013	\$ 19,025	\$ -	\$ -
State sources	-	-	1,000	2,166
County sources - property taxes	-	-	669,426	-
Local sources	59,427	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	122,440	19,025	670,426	2,166
EXPENDITURES				
General government	65,060	24,063	-	1,734
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	690,475	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	65,060	24,063	690,475	1,734
Excess (deficiency) of revenues over expenditures	57,380	(5,038)	(20,049)	432
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	57,380	(5,038)	(20,049)	432
FUND BALANCES, BEGINNING OF YEAR	(2,371)	(2,129)	344,384	1,705
FUND BALANCES, END OF YEAR	\$ 55,009	\$ (7,167)	\$ 324,335	\$ 2,137

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2013

	Economic Development Marketing	SLPG CFDA #97.042	GIS Data Conversion	Public Defender
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
County sources - property taxes	-	-	-	-
Local sources	-	-	-	462,622
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	-	-	-	462,622
EXPENDITURES				
General government	-	-	-	461,909
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	461,909
Excess (deficiency) of revenues over expenditures	-	-	-	713
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	-	713
FUND BALANCES, BEGINNING OF YEAR	(11,837)	(851)	15,069	(18,830)
FUND BALANCES, END OF YEAR	\$ (11,837)	\$ (851)	\$ 15,069	\$ (18,117)

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	<u>Sale of County Property</u>	<u>Cops Hiring Grant</u>	<u>Sex Offender Registry</u>
REVENUES			
Federal sources	\$ -	\$ 108,926	\$ -
State sources	-	-	-
County sources - property taxes	-	-	-
Local sources	15,000	-	8,107
Investment income	-	-	-
Other income	-	-	-
Total revenues	<u>15,000</u>	<u>108,926</u>	<u>8,107</u>
EXPENDITURES			
General government	41,000	-	-
Public safety	-	72,544	-
Highway, streets and public buildings	-	-	-
Cultural and recreational	-	-	-
Capital outlay	-	-	-
Debt service			
Principal retirement	80,000	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>121,000</u>	<u>72,544</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(106,000)</u>	<u>36,382</u>	<u>8,107</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	130,586	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>130,586</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	24,586	36,382	8,107
FUND BALANCES, BEGINNING OF YEAR	<u>(65,586)</u>	<u>(36,382)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (41,000)</u>	<u>\$ -</u>	<u>\$ 8,107</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2013

	Veterans Affairs Aid to Counties	Totals
REVENUES		
Federal sources	\$ -	\$ 546,759
State sources	5,100	1,805,738
County sources - property taxes	-	3,052,515
Local sources	-	1,619,013
Investment income	-	1,320
Other income	-	32,279
Total revenues	5,100	7,057,624
EXPENDITURES		
General government	-	4,218,440
Public safety	-	706,122
Highway, streets and public buildings	-	1,202,040
Cultural and recreational	-	800,107
Capital outlay	-	65,606
Debt service		
Principal retirement	-	160,355
Interest and fiscal charges	-	16,096
Total expenditures	-	7,168,766
Excess (deficiency) of revenues over expenditures	5,100	(111,142)
OTHER FINANCING SOURCES (USES)		
Operating transfers in	-	202,129
Operating transfers out	-	(373,658)
Total other financing sources (uses)	-	(171,529)
Net changes in fund balances	5,100	(282,671)
FUND BALANCES, BEGINNING OF YEAR	-	3,434,759
FUND BALANCES, END OF YEAR	\$ 5,100	\$ 3,152,088

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2013

	<u>Chester County Debt Service</u>	<u>Chester Fire Bond</u>	<u>Lando Fire Debt Service</u>	<u>Richburg Fire Bond</u>	<u>Chester Facilities Corporation</u>	<u>Totals</u>
ASSETS						
Cash	\$ 260	\$ -	\$ -	\$ -	\$ -	\$ 260
Investments	705,190	-	-	-	604,348	1,309,538
Receivables						
Property taxes, net	84,207	6,559	5,270	13,295	-	109,331
Due from other funds	<u>286,115</u>	<u>101,990</u>	<u>17,673</u>	<u>77,278</u>	<u>-</u>	<u>483,056</u>
 Total assets	 <u>\$ 1,075,772</u>	 <u>\$ 108,549</u>	 <u>\$ 22,943</u>	 <u>\$ 90,573</u>	 <u>\$ 604,348</u>	 <u>\$ 1,902,185</u>
 LIABILITIES AND FUND BALANCES						
LIABILITIES						
Deferred revenue						
Property taxes	<u>\$ 78,283</u>	<u>\$ 5,932</u>	<u>\$ 4,395</u>	<u>\$ 10,434</u>	<u>\$ -</u>	<u>\$ 99,044</u>
 Total liabilities	 <u>78,283</u>	 <u>5,932</u>	 <u>4,395</u>	 <u>10,434</u>	 <u>-</u>	 <u>99,044</u>
 FUND BALANCES						
Committed	<u>997,489</u>	<u>102,617</u>	<u>18,548</u>	<u>80,139</u>	<u>604,348</u>	<u>1,803,141</u>
 Total liabilities and fund balances	 <u>\$ 1,075,772</u>	 <u>\$ 108,549</u>	 <u>\$ 22,943</u>	 <u>\$ 90,573</u>	 <u>\$ 604,348</u>	 <u>\$ 1,902,185</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS**
For the Year Ended June 30, 2013

	Chester County Debt Service	Chester Fire Bond	Lando Fire Debt Service	Richburg Fire Bond	Chester Facilities Corporation	Totals
REVENUES						
Property taxes	\$ 563,839	\$ 73,082	\$ 69,450	\$ 136,037	\$ -	\$ 842,408
Investment income	1,712	-	-	-	-	1,712
Miscellaneous income	-	-	-	-	133,756	133,756
	<u>565,551</u>	<u>73,082</u>	<u>69,450</u>	<u>136,037</u>	<u>133,756</u>	<u>977,876</u>
Total revenue						
EXPENDITURES						
Debt service						
Principal retirement	515,000	67,915	63,650	36,032	-	682,597
Interest and fiscal charges	107,121	11,383	6,866	54,718	195,877	375,965
Professional expenses	-	-	-	-	4,931	4,931
	<u>622,121</u>	<u>79,298</u>	<u>70,516</u>	<u>90,750</u>	<u>200,808</u>	<u>1,063,493</u>
Total expenditures						
Excess (deficiency) of revenues over expenditures	<u>(56,570)</u>	<u>(6,216)</u>	<u>(1,066)</u>	<u>45,287</u>	<u>(67,052)</u>	<u>(85,617)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	172,193	172,193
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,193</u>	<u>172,193</u>
Total other financing sources (uses)						
Net changes in fund balances	(56,570)	(6,216)	(1,066)	45,287	105,141	86,576
FUND BALANCES, BEGINNING YEAR						
	<u>1,054,059</u>	<u>108,833</u>	<u>19,614</u>	<u>34,852</u>	<u>499,207</u>	<u>1,716,565</u>
FUND BALANCES, END OF YEAR	<u>\$ 997,489</u>	<u>\$ 102,617</u>	<u>\$ 18,548</u>	<u>\$ 80,139</u>	<u>\$ 604,348</u>	<u>\$ 1,803,141</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2013

	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, 2013

SCHEDULE B-7
Continued

	West Chester Fire	Vehicle Replacement	Raxter Road Project	Jail Construction
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Grant receivable	-	-	-	-
Due from other funds	63,000	1,359,279	-	-
	<u>63,000</u>	<u>1,359,279</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 63,000</u>	<u>\$ 1,359,279</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ 187,642	\$ -
Accounts payable	-	-	-	-
Deferred revenue	-	-	-	-
	<u>-</u>	<u>-</u>	<u>187,642</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>187,642</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	63,000	-	-	-
Assigned	-	1,359,279	-	-
Unassigned	-	-	(187,642)	-
	<u>-</u>	<u>-</u>	<u>(187,642)</u>	<u>-</u>
Total fund balances	<u>63,000</u>	<u>1,359,279</u>	<u>(187,642)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 63,000</u>	<u>\$ 1,359,279</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2013

SCHEDULE B-7
Continued

	Golf Course/ Great Falls & Republic	Cops Technology Radio Tower	Gateway Commons	Meadowbrook Water Project
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ 2,500
Grant receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ 2,500
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ 1,487	\$ -	\$ 260,000	\$ -
Accounts payable	-	-	-	-
Deferred revenue	-	-	51,000	-
Total liabilities	1,487	-	311,000	-
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	2,500
Unassigned	(1,487)	-	(311,000)	-
Total fund balances	(1,487)	-	(311,000)	2,500
Total liabilities and fund balances	\$ -	\$ -	\$ -	\$ 2,500

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2013

	EECBG Energy Grant	RIF-Grant Rolled Alloys	Totals
ASSETS			
Cash	\$ -	\$ -	\$ 2,500
Grant receivable	-	-	-
Due from other funds	-	-	1,445,747
	<u>-</u>	<u>-</u>	<u>1,445,747</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,448,247</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 8,440	\$ -	\$ 457,569
Accounts payable	-	-	-
Deferred revenue	-	-	51,000
	<u>-</u>	<u>-</u>	<u>51,000</u>
Total liabilities	<u>8,440</u>	<u>-</u>	<u>508,569</u>
FUND BALANCES			
Restricted	-	-	16,483
Committed	-	-	69,985
Assigned	-	-	1,361,779
Unassigned	(8,440)	-	(508,569)
	<u>(8,440)</u>	<u>-</u>	<u>(508,569)</u>
Total fund balances	<u>(8,440)</u>	<u>-</u>	<u>939,678</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,448,247</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS**
 For the Year Ended June 30, 2013

	<u>Economic Development Infrastructure</u>	<u>Emergency Training Center</u>	<u>Rossville Fire Department</u>	<u>Chester Detention Center</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-
EXPENDITURES				
General government	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Capital lease proceeds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>	<hr/>
	16,483	921	5,100	964
FUND BALANCES, END OF YEAR	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 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, 2013

SCHEDULE B-8
Continued

	<u>West Chester Fire</u>	<u>Vehicle Replacement</u>	<u>Raxter Road Project</u>	<u>Jail Construction</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ 560,533	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>560,533</u>	<u>-</u>
EXPENDITURES				
General government	-	-	(5,617)	-
Public safety	-	162,760	-	-
Health	-	-	-	-
Debt service				
Principal retirement	-	860,050	-	-
Interest and fiscal charges	-	15,904	-	-
Capital outlay	-	264,301	748,639	-
Total expenditures	<u>-</u>	<u>1,303,015</u>	<u>743,022</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,303,015)</u>	<u>(182,489)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	19,523
Operating transfers out	-	-	-	-
Capital lease proceeds	-	2,625,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>2,625,000</u>	<u>-</u>	<u>19,523</u>
Net changes in fund balances	<u>-</u>	<u>1,321,985</u>	<u>(182,489)</u>	<u>19,523</u>
FUND BALANCES, BEGINNING OF YEAR	<u>63,000</u>	<u>37,294</u>	<u>(5,153)</u>	<u>(19,523)</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 63,000</u></u>	<u><u>\$ 1,359,279</u></u>	<u><u>\$ (187,642)</u></u>	<u><u>\$ -</u></u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**
For the Year Ended June 30, 2013

SCHEDULE B-8
Continued

	Golf Course/ Great Falls & Republic	Cops Technology Radio Tower	Gateway Commons	Meadowbrook Water Project
REVENUES				
Federal sources	\$ -	\$ -	\$ -	\$ 11,301
State sources	-	-	-	-
Local sources	-	-	89,079	-
Total revenues	-	-	89,079	11,301
EXPENDITURES				
General government	-	-	192,234	8,801
Public safety	-	-	-	-
Health	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	352,535	-
Total expenditures	-	-	544,769	8,801
Excess (deficiency) of revenues over expenditures	-	-	(455,690)	2,500
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	473,334	-
Operating transfers out	-	-	(75,000)	-
Capital lease proceeds	-	-	-	-
Total other financing sources (uses)	-	-	398,334	-
Net changes in fund balances	-	-	(57,356)	2,500
FUND BALANCES, BEGINNING OF YEAR	(1,487)	-	(253,644)	-
FUND BALANCES, END OF YEAR	<u>\$ (1,487)</u>	<u>\$ -</u>	<u>\$ (311,000)</u>	<u>\$ 2,500</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS**
For the Year Ended June 30, 2013

	EECBG Energy Grant	RIF Grant Rolled Alloys	Totals
REVENUES			
Federal sources	\$ -	\$ -	\$ 571,834
State sources	-	100,000	100,000
Local sources	-	-	89,079
	<hr/>	<hr/>	<hr/>
Total revenues	-	100,000	760,913
EXPENDITURES			
General government	-	100,000	295,418
Public safety	-	-	162,760
Health	-	-	-
Debt service			
Principal retirement	-	-	860,050
Interest and fiscal charges	-	-	15,904
Capital outlay	-	-	1,365,475
	<hr/>	<hr/>	<hr/>
Total expenditures	-	100,000	2,699,607
Excess (deficiency) of revenues over expenditures	<hr/>	<hr/>	<hr/>
	-	-	(1,938,694)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	492,857
Operating transfers out	-	-	(75,000)
Capital lease proceeds	-	-	2,625,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	3,042,857
Net changes in fund balances	-	-	1,104,163
FUND BALANCES, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	(8,440)	-	(164,485)
FUND BALANCES, END OF YEAR	<hr/>	<hr/>	<hr/>
	\$ (8,440)	\$ -	\$ 939,678

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CLERK OF COURT FINES AND FEES
 For the Year Ended June 30, 2013
 (UNAUDITED)

	Total Collected
Amount Retained by County Treasurer	
Fines	\$ 5,407
Fees	212,227
Assessments	-
Other	-
Total retained by County Treasurer	\$ 217,634
 Amount Remitted to State Treasurer	
Fines	\$ 4,154
Fees	153,480
Assessments	6,641
Other	12,532
Total remitted to State Treasurer	\$ 176,807
 Amount Allocated to Victim's Services	
Fines	\$ -
Fees	-
Assessments	2,945
Surcharges	13,554
Total allocated to Victim's Services	\$ 16,499

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF MAGISTRATE FINES AND FEES
 For the Year Ended June 30, 2013
 (UNAUDITED)

	<u>Total Collected</u>
Amount Retained by County Treasurer	
Fines	\$ 323,596
Fees	63,112
Assessments	-
Other	-
Total Retained by County Treasurer	<u><u>\$ 386,708</u></u>
 Amount Remitted to State Treasurer	
Total Remitted to State Treasurer	<u><u>\$ 535,279</u></u>
 Amount Allocated to Victim's Services	
Total Allocated to Victim's Services	<u><u>\$ 75,166</u></u>