

**CHESTER COUNTY, SOUTH CAROLINA
AUDITED ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

ISSUED BY:

CHESTER COUNTY

Management and Finance Departments

**R. Carlisle Roddey
County Supervisor**

**Thomas E. Darby
Treasurer**

CHESTER COUNTY, SOUTH CAROLINA
AUDITED ANNUAL FINANCIAL REPORT
JUNE 30, 2014

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITORS' REPORT	1
1. MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	3
2. FINANCIAL STATEMENTS	
Exhibits:	
1 Statement of Net Position	13
2 Statement of Activities	14
3 Balance Sheet – Governmental Funds	16
4 Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	17
5 Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	18
6 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
7 Statement of Net Position – Proprietary Funds	20
8 Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	21
9 Statement of Cash Flows – Proprietary Funds	22
10 Statement of Fiduciary Net Position – Fiduciary Funds	23
11 Combining Statement of Net Position – Discrete Component Units	24
12 Combining Statement of Activities – Discrete Component Units	25
Notes to Financial Statements	26
3. REQUIRED SUPPLEMENTARY INFORMATION	
Schedules:	
A-1 Budgetary Comparison Schedule – General Fund – Revenues	61
A-2 Budgetary Comparison Schedule – General Fund – Expenditures	63

CHESTER COUNTY, SOUTH CAROLINA
AUDITED ANNUAL FINANCIAL REPORT
JUNE 30, 2014

TABLE OF CONTENTS

	Page No.
4. SUPPLEMENTARY INFORMATION - COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
Schedules:	
B-1 Combining Balance Sheet – Nonmajor Governmental Funds.....	66
B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	67
B-3 Combining Balance Sheet – Nonmajor Special Revenue Funds	68
B-4 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	78
B-5 Combining Balance Sheet – Nonmajor Debt Service Funds.....	89
B-6 Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Debt Service Funds	90
B-7 Combining Balance Sheet – Nonmajor Capital Projects Funds	91
B-8 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	95
B-9 Supplementary Information – Schedule of Clerk of Court Fines and Fees	99
B-10 Supplementary Information – Schedule of Magistrate Fines and Fees.....	100

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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, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 did not audit the financial statements of Chester Fire District, which represents twelve percent, fifteen percent, and fifty-six percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our report, insofar as it relates to amounts included for Chester Fire District, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based on our audit and the report of other auditors, 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, 2014, 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 61 through 65 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 and other auditors 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 and the schedules of clerk of court and magistrates fines and fees 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2015 on our consideration of Chester County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chester County's internal control over financial reporting and compliance.

Faulkner and Thompson, P.A.

Rock Hill, South Carolina
March 6, 2015

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, 2014. 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 \$29,479,542 (net position). Of this amount, \$5,564,391 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$322,835 (1.1 percent). Also, at the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$15,515,962, an increase of \$343,822 in comparison with the prior year. The primary reasons for increases in total net position and combined ending fund balances were due to bond proceeds received for the EMS/Coroner facility that were not expended until after fiscal year end. Also, expenditures were in excess of revenue for various special revenue funds and the Chester County debt service fund due primarily to the timing of the appropriate reimbursement or receipt of revenue. Expenditures were also in excess of revenues for the Vehicle Replacement capital project fund due to bond proceeds being received in the prior year and a significant portion being expended in the current fiscal year.

- General Fund actual revenues were \$373,637 lower than budgeted. Significant unfavorable variances included licenses, fees, fines, permits and intergovernmental revenue but were offset by favorable variances in current property taxes. General Fund actual expenditures were \$313,643 more than budgeted. Significant unfavorable expenditure variances were realized in the public safety functions of the General Fund. Overall expenditures and other financing uses exceeded revenues and other financing sources by \$896,141, decreasing the fund balance for the General Fund to \$5,343,744. The detail of these variances are outlined in Schedule A-1 and A-2 which are located on pages 61-65.
- In the County's governmental activities, revenues increased \$1,838,735 or 6.8 percent as compared to prior year, while expenses increased \$189,942 or less than one percent. Most of the increase in revenue was due to an increase in capital grants and contributions for state funds of \$1,712,000 received for rural infrastructure improvements.
- The net position of the County's business-type activities (Landfill/Transfer Station and Gateway Conference Center) decreased \$102,772 or 15.1 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 position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases and decreases in the net position 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 position changed during the most recent fiscal year. All changes in net position 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 two business-type activities, which are the Landfill/Transfer Station and Gateway Conference Center.

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, Richburg 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, Jail Construction Bond Debt Service Fund and EMS/Coroner Facility 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 66 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 two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide statements. The County uses enterprise funds to account for its Solid Waste Disposal and Gateway Conference Center operations.

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 and gateway conference center operations.

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 Position 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, the Town of Fort Lawn, 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 60 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the report also presents certain *required supplementary information*. 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 66 through 98 of this report.

Financial Analysis of the County as a Whole

As noted earlier, net position 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 \$29,479,542 at the close of the most recent fiscal year.

Chester County's Net Position						
	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	22,288,742	20,957,603	75,709	75,656	22,364,451	21,033,259
Capital assets	30,588,745	31,446,699	834,008	1,337,238	31,422,753	32,783,937
Total assets	52,877,487	52,404,302	909,717	1,412,894	53,787,204	53,817,196
Long-term liabilities outstanding	18,658,034	18,888,337	1,448,756	1,278,813	20,106,790	20,167,150
Other liabilities	5,745,408	4,616,313	(1,221,701)	(445,809)	4,523,707	4,170,504
Total liabilities	24,403,442	23,504,650	227,055	833,004	24,630,497	24,337,654
Net position:						
Invested in capital assets, net of related debt	11,930,711	12,558,362	532,765	1,184,571	12,463,476	13,742,933
Restricted	9,276,274	10,172,218	-0-	-0-	9,276,274	10,172,218
Unrestricted	7,267,060	6,169,072	149,897	(604,681)	7,416,957	5,564,391
Total net position	28,474,045	28,899,652	682,662	579,890	29,156,707	29,479,542

\$13,742,933 (46.6 percent) of the County's net position 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 position, \$5,564,391, may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$(604,681) is the unrestricted net position of the County's Landfill/Transfer Station and Gateway Conference Center.

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

Governmental activities. There was an increase of \$425,607 or 1.5 percent in total net position 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 position decreased by \$102,772 during fiscal year 2014. The primary reasons for the decrease relate to revenues exceeding expenses for the Gateway Conference Center by approximately \$120,000, while the Landfill/Transfer Station sustained an operating loss of approximately \$228,000. Additional information on the County's solid waste landfill can be found in **Note 10 – Solid Waste Landfill Closure and Postclosure Care Costs** beginning on page 48 of this report.

Chester County's Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
Program revenues:						
Charges for services	2,367,532	2,314,340	777,148	1,452,910	3,144,680	3,767,250
Operating grants and contributions	2,654,880	2,437,602	11,755	12,710	2,666,635	2,450,312
Capital grants and contributions	1,838,621	3,043,515	-0-	-0-	1,838,621	3,043,515
General revenues:						
Property taxes	15,125,301	9,693,027	-0-	-0-	15,125,301	9,693,027
Intergovernmental	3,678,951	3,496,214	-0-	-0-	3,678,951	3,496,214
Accommodations fees	191,351	183,912	-0-	-0-	191,351	183,912
Investment income	21,061	64,993	1,615	799	22,676	65,792
Other	1,052,571	7,418,512	-0-	(267,617)	1,052,571	7,150,895
Franchise fees	102,286	219,174	-0-	-0-	102,286	219,174
Total revenues and transfers	27,032,554	28,871,289	790,518	1,198,802	27,823,072	30,070,091
Expenses:						
General government	15,481,117	14,988,792	-0-	-0-	15,481,117	14,988,792
Public safety	8,682,469	9,591,916	-0-	-0-	8,682,469	9,591,916
Highways and streets	1,751,653	1,553,681	-0-	-0-	1,751,653	1,553,681
Welfare	266,454	256,044	-0-	-0-	266,454	256,044
Cultural and recreational	922,124	1,024,808	-0-	-0-	922,124	1,024,808
Interest and fiscal charges on long-term debt	678,119	556,637	-0-	-0-	678,119	556,637
Solid waste	-0-	-0-	1,038,056	1,301,574	1,038,056	1,301,574
Total expenses	27,781,936	27,971,878	1,038,056	1,301,574	28,819,992	29,273,452
Increase (decrease) in net position	(749,382)	899,411	(247,538)	(102,772)	(996,920)	796,639
Net assets - Beginning, as previously stated	29,684,579	28,474,045	930,200	682,662	30,614,779	29,156,707
Prior period adjustment	(461,152)	(473,804)	-0-	-0-	(461,152)	(473,804)
Net assets - Beginning, as restated	29,223,427	28,000,241	930,200	682,662	30,153,627	28,682,903
Net assets - Ending	28,474,045	28,899,652	682,662	579,890	29,156,707	29,479,542

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 \$896,141. Major capital projects funds increased by \$1,709,954 due to the completion of scheduled projects as well as the receipt of bond proceeds for the EMS/Coroner facility construction. Major debt service funds increased by \$540,575 due to funds accumulated for future debt service. Other governmental funds decreased by \$1,010,566 mainly due to expenditure of prior year bond proceeds.

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 \$5,343,744. 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 32.3 percent of total general fund expenditures.

General Fund Budgetary Highlights

During fiscal year 2014, there were no budgetary supplemental appropriations needed by County Council. The County realized an unfavorable variance of \$373,637 in the collection of General Fund revenues and an unfavorable variance of \$313,643 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, 2014, amounts to \$32,783,937 (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) land and construction in progress for the EMS/Coroner facility of \$1,101,315 and 2) vehicles purchased for public safety of \$985,894.

Chester County's Capital Assets						
	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
Land	3,773,557	4,173,557	112,144	112,144	3,885,701	4,285,701
Construction in progress	-0-	701,315	104,785	-0-	104,785	701,315
Buildings and improvements	21,351,656	20,808,280	251,329	337,567	21,602,985	21,145,847
Improvements other than buildings	438,252	351,313	11,400	361,835	449,652	713,148
Infrastructure	1,583,141	1,696,658	-0-	-0-	1,583,141	1,696,658
Machinery and equipment	2,179,656	1,963,867	354,350	525,692	2,534,006	2,489,559
Vehicles	1,262,483	1,751,709	-0-	-0-	1,262,483	1,751,709
Total capital assets	30,588,745	31,446,699	834,008	1,337,238	31,422,753	32,783,937

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 \$12,227,762. 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 \$393,671. 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 \$105,116,539. The current legal debt limit for the County is \$8,409,323. The available debt margin is \$1,276,561.

Additional information on the County's long-term debt can be found in **Note 8 – Long-Term Debt** beginning on page 42 of this report.

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

	Governmental activities		Business-type activities		Total	
	2013	2014	2013	2014	2013	2014
2005 General Obligation Bond	129,770	63,701	-0-	-0-	129,770	63,701
2007 General Obligation Bond	2,110,000	1,835,000	-0-	-0-	2,110,000	1,835,000
2007 Richburg Fire G.O. Bond	109,321	89,061	-0-	-0-	109,321	89,061
2010 General Obligation Bonds	6,660,000	5,095,000	-0-	-0-	6,660,000	5,095,000
2012 General Obligation Bond	2,625,000	1,995,000	-0-	-0-	2,625,000	1,995,000
2013 General Obligation Bond	200,000	200,000	-0-	-0-	200,000	200,000
2013 General Obligation Bond	-0-	2,950,000	-0-	-0-	-0-	2,950,000
Total general obligation bonds	11,834,091	12,227,762	-0-	-0-	11,834,091	12,227,762

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 2014 was estimated at 33,660.
- The total number of jobs in June 2014 was estimated at 13,721, an increase of approximately 5.7 percent from last year.
- The State's unemployment rate was 5.7 percent in June 2014 as reported by the SC Department of Employment and Workforce. In comparison, the County's unemployment rate as of June 2014 was 7.4 percent.
- The average annual wage and average hourly wage in 2014 was \$38,688 and \$18.60, respectively, with both being approximately 94 percent of the South Carolina average and 62 percent of the United States 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
STATEMENT OF NET POSITION
 JUNE 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 6,355,966	\$ 14,400	\$ 6,370,366	\$ 793,667
Investments	9,733,776	-	9,733,776	-
Receivables:				
Taxes	1,665,796	-	1,665,796	2,217
Accounts	-	61,256	61,256	2,427
Other	444,835	-	444,835	-
Intergovernmental receivable	2,614,088	-	2,614,088	33,420
Other assets	-	-	-	2,379
Unamortized bond discount	145,816	-	145,816	-
Fuel inventory	-	-	-	10,425
Capital assets	31,446,699	1,337,238	32,783,937	5,710,650
	<u>52,406,976</u>	<u>1,412,894</u>	<u>53,819,870</u>	<u>6,555,185</u>
Total assets				
LIABILITIES				
Accounts payable	724,548	-	724,548	71,047
Accrued expenses	1,670,097	-	1,670,097	46,870
Due to other funds	445,809	(445,809)	-	-
Due to agency funds	774,847	-	774,847	-
Intergovernmental payable	238,205	-	238,205	3,519
Escrow tax sale	531,243	-	531,243	2,072
Net OPEB obligation	2,674	-	2,674	-
Unearned revenue	231,564	-	231,564	-
Long-term liabilities:				
Due within one year	2,939,733	200,167	3,139,900	96,902
Due in more than one year	15,948,604	1,078,646	17,027,250	1,912,898
	<u>23,507,324</u>	<u>833,004</u>	<u>24,340,328</u>	<u>2,133,308</u>
Total liabilities				
NET POSITION				
Invested in capital assets, net of related debt	12,558,362	1,184,571	13,742,933	3,700,849
Restricted for:				
Debt service	5,277,598	-	5,277,598	-
Capital projects	2,034,887	-	2,034,887	-
Other purposes	2,859,733	-	2,859,733	-
Unrestricted	6,169,072	(604,681)	5,564,391	721,028
	<u>\$ 28,899,652</u>	<u>\$ 579,890</u>	<u>\$ 29,479,542</u>	<u>\$ 4,421,877</u>
Total net position				

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
 JUNE 30, 2014

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
PRIMARY GOVERNMENT				
GOVERNMENTAL ACTIVITIES				
General government	\$ 14,729,464	\$ 990,558	\$ 2,004,034	\$ 3,043,515
Public safety	9,591,916	1,323,782	433,568	-
Highways and streets	1,553,681	-	-	-
Welfare	256,044	-	-	-
Cultural and recreational	1,024,808	-	-	-
Interest and fiscal charges on long-term debt	556,637	-	-	-
Total governmental activities	<u>27,712,550</u>	<u>2,314,340</u>	<u>2,437,602</u>	<u>3,043,515</u>
BUSINESS-TYPE ACTIVITIES				
Landfill/transfer station	1,065,366	828,653	12,710	-
Gateway Conference Center	236,208	73,197	291,732	-
Total primary government	<u>\$ 29,014,124</u>	<u>\$ 3,216,190</u>	<u>\$ 2,742,044</u>	<u>\$ 3,043,515</u>
COMPONENT UNITS				
Chester County Airport Commission	\$ 425,033	\$ 276,249	\$ 20,037	\$ 120,602
Chester Fire District	1,661,530	-	-	-
Lando Fire District	88,456	-	27,152	-
Richburg Fire District	211,869	16,646	27,626	-
Chester County Library	703,563	19,215	82,373	-
Total component units	<u>\$ 3,090,451</u>	<u>\$ 312,110</u>	<u>\$ 157,188</u>	<u>\$ 120,602</u>

General revenues:

Property taxes levied for:

General purposes

Special revenue

Debt service

Intergovernmental

Accommodation fees

Franchise fees

Investment income

Miscellaneous

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position, beginning of year, as previously stated

Prior period adjustment

Net position, beginning of year, as restated

Net position, end of year

See the accompanying Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Discretely Presented Component Units
Governmental Activities	Business-Type Activities	Total	
\$ (8,691,357)	\$ -	\$ (8,691,357)	\$ -
(7,834,566)	-	(7,834,566)	-
(1,553,681)	-	(1,553,681)	-
(256,044)	-	(256,044)	-
(1,024,808)	-	(1,024,808)	-
<u>(556,637)</u>	<u>-</u>	<u>(556,637)</u>	<u>-</u>
<u>(19,917,093)</u>	<u>-</u>	<u>(19,917,093)</u>	<u>-</u>
-	(224,003)	(224,003)	-
-	128,721	128,721	-
<u>(19,917,093)</u>	<u>(95,282)</u>	<u>(20,012,375)</u>	<u>-</u>
-	-	-	(8,145)
-	-	-	(1,661,530)
-	-	-	(61,304)
-	-	-	(167,597)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(601,975)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,500,551)</u>
9,693,027	-	9,693,027	2,586,871
3,166,179	-	3,166,179	-
1,147,653	-	1,147,653	-
5,789,517	-	5,789,517	-
183,912	-	183,912	-
219,174	-	219,174	-
64,992	799	65,791	104
543,761	-	543,761	-
8,289	(8,289)	-	-
<u>20,816,504</u>	<u>(7,490)</u>	<u>20,809,014</u>	<u>2,586,975</u>
899,411	(102,772)	796,639	86,424
28,474,045	682,662	29,156,707	4,335,453
<u>(473,804)</u>	<u>-</u>	<u>(473,804)</u>	<u>-</u>
<u>28,000,241</u>	<u>682,662</u>	<u>28,682,903</u>	<u>4,335,453</u>
<u>\$ 28,899,652</u>	<u>\$ 579,890</u>	<u>\$ 29,479,542</u>	<u>\$ 4,421,877</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
 JUNE 30, 2014

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - EMS/ Coroner Facility	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 2,815,520	\$ 2,986,155	\$ -	\$ 554,291	\$ 6,355,966
Investments	7,947,422	-	-	1,786,354	9,733,776
Receivables:					
Property taxes	1,170,140	-	-	495,656	1,665,796
Other	87,399	-	-	-	87,399
Local sources	357,436	-	-	-	357,436
Due from other governments:					
Federal grant revenue	151,108	-	-	-	151,108
State shared revenue	1,779,945	591,768	-	91,267	2,462,980
Due from other funds	-	-	1,709,954	2,883,779	4,593,733
Total assets	\$ 14,308,970	\$ 3,577,923	\$ 1,709,954	\$ 5,811,347	\$ 25,408,194
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 724,548	\$ -	\$ -	\$ -	\$ 724,548
Accrued liabilities	579,708	-	-	24,264	603,972
Due to:					
Other taxing authorities	238,205	-	-	-	238,205
Agency funds	774,847	-	-	-	774,847
Other funds	4,634,866	-	-	404,676	5,039,542
Escrow tax sale	531,243	-	-	-	531,243
Unearned revenue	201,564	-	-	30,000	231,564
Magistrate bonds pending	287,513	-	-	-	287,513
Total liabilities	7,972,494	-	-	458,940	8,431,434
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	992,732	-	-	468,066	1,460,798
Total deferred inflows of resources	992,732	-	-	468,066	1,460,798
FUND BALANCES					
Restricted	-	-	1,709,954	1,324,644	3,034,598
Committed	119,041	3,577,923	-	3,045,913	6,742,877
Assigned	-	-	-	603,951	603,951
Unassigned	5,224,703	-	-	(90,167)	5,134,536
Total fund balances	5,343,744	3,577,923	1,709,954	4,884,341	15,515,962
Total liabilities, deferred inflows of resources and fund balances	\$ 14,308,970	\$ 3,577,923	\$ 1,709,954	\$ 5,811,347	\$ 25,408,194

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
 TO NET POSITION OF GOVERNMENTAL ACTIVITIES**
 JUNE 30, 2014

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 15,515,962

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

Capital assets used in governmental activities are not financial resources
 and therefore are not reported in the funds. These assets consist of:

Land	4,874,872
Buildings and improvements	27,524,207
Improvements other than buildings	5,773,366
Machinery and equipment	6,526,359
Infrastructure assets	8,460,801
Vehicles	8,881,106
Accumulated depreciation	<u>(30,594,012)</u>
Total capital assets	<u>31,446,699</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
 recorded as deferred inflows of resources in the funds.

Property taxes	1,460,798
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Unamortized bond discounts are not financial resources and therefore are
 not reported in the funds.

145,816

Net other postemployment benefit obligations resulting from annual required
 contributions in excess of contributions are not financial resources and
 therefore are not reported in the funds.

(2,674)

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	(12,227,762)
Chester Facilities Corporation revenue bonds	(6,385,000)
Capital leases	(275,575)
Accrued interest	(103,391)
Compensated absences	<u>(675,221)</u>

Total long-term liabilities	<u>(19,666,949)</u>
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NET POSITION OF GOVERNMENTAL FUNDS \$ 28,899,652

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, 2014

	General Fund	Debt Service Fund - Jail Construction Bond	Capital Projects Fund - EMS Coroner Facility	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 9,767,882	\$ -	\$ -	\$ 4,313,832	\$ 14,081,714
Licenses, fines, fees and permits	2,187,499	-	-	-	2,187,499
Intergovernmental	3,715,134	2,293,303	-	5,730,747	11,739,184
Income on investments	59,366	3,698	-	1,928	64,992
Other income	316,562	-	-	282,960	599,522
Total revenues	<u>16,046,443</u>	<u>2,297,001</u>	<u>-</u>	<u>10,329,467</u>	<u>28,672,911</u>
EXPENDITURES					
Current					
General government	7,965,210	-	138,731	6,250,299	14,354,240
Public safety	7,752,500	-	-	680,433	8,432,933
Highways and streets	462,284	-	-	1,006,648	1,468,932
Welfare	256,044	-	-	-	256,044
Cultural and recreational	50,220	-	-	841,792	892,012
Capital outlay	50,922	-	701,315	2,028,500	2,780,737
Professional expenses	-	-	-	-	-
Debt service					
Principal retirement	-	1,565,000	-	1,229,552	2,794,552
Interest and fiscal charges	-	191,426	-	375,830	567,256
Total expenditures	<u>16,537,180</u>	<u>1,756,426</u>	<u>840,046</u>	<u>12,413,054</u>	<u>31,546,706</u>
Excess (deficiency) of revenues over expenditures	<u>(490,737)</u>	<u>540,575</u>	<u>(840,046)</u>	<u>(2,083,587)</u>	<u>(2,873,795)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	2,950,000	-	2,950,000
Operating transfers in/(out)	(405,404)	-	(400,000)	1,073,021	267,617
Total other financing sources (uses)	<u>(405,404)</u>	<u>-</u>	<u>2,550,000</u>	<u>1,073,021</u>	<u>3,217,617</u>
Net changes in fund balances	(896,141)	540,575	1,709,954	(1,010,566)	343,822
FUND BALANCES, BEGINNING OF YEAR	<u>6,239,885</u>	<u>3,037,348</u>	<u>-</u>	<u>5,894,907</u>	<u>15,172,140</u>
FUND BALANCES, END OF YEAR	<u>\$ 5,343,744</u>	<u>\$ 3,577,923</u>	<u>\$ 1,709,954</u>	<u>\$ 4,884,341</u>	<u>\$ 15,515,962</u>

See the accompanying Notes to Financial Statements.

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

For the Year Ended June 30, 2014

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	343,822
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
<p>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 are:</p>		
Capital outlay		2,800,274
Depreciation expense		(1,681,198)
Disposals and transfers to other funds		<u>(261,122)</u>
Excess of capital outlay over depreciation expense and disposal and transfers to other funds		<u>857,954</u>
<p>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. Unavailable revenue - property taxes increased by this amount this year.</p>		
		239,135
<p>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:</p>		
Bond discount		(6,409)
EMS/Coroner facility bond proceeds		<u>(2,950,000)</u>
		<u>(2,956,409)</u>
<p>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 position. In the current year, these amounts consisted of:</p>		
Bond principal retirement		2,556,329
Capital lease principal		163,368
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		10,619
<p>Annual required contributions that exceed payments to fund retirement benefit accounts.</p>		
		(233,519)
<p>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.</p>		
Accrued compensated absences		<u>(81,888)</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u><u>899,411</u></u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
 JUNE 30, 2014

	<u>Gateway Conference Center</u>	<u>Landfill/ Transfer Station</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 14,400	\$ -	\$ 14,400
Accounts receivable, net of allowance of \$10,000	-	61,256	61,256
Total current assets	<u>14,400</u>	<u>61,256</u>	<u>75,656</u>
NONCURRENT ASSETS			
Interfund receivable	-	851,408	851,408
Capital assets:			
Land and land improvements	-	293,644	293,644
Buildings and improvements	102,294	379,093	481,387
Machinery and equipment	237,278	1,213,909	1,451,187
Improvements other than buildings	228,618	-	228,618
Accumulated depreciation	(56,559)	(1,061,039)	(1,117,598)
	<u>511,631</u>	<u>825,607</u>	<u>1,337,238</u>
Total noncurrent assets	<u>511,631</u>	<u>1,677,015</u>	<u>2,188,646</u>
Total assets	<u>\$ 526,031</u>	<u>\$ 1,738,271</u>	<u>\$ 2,264,302</u>
LIABILITIES			
CURRENT LIABILITIES			
Current portion of notes payable	-	152,667	152,667
Current portion of postclosure care	-	47,500	47,500
Total current liabilities	<u>-</u>	<u>200,167</u>	<u>200,167</u>
LONG-TERM LIABILITIES			
Long-term portion of postclosure care	-	1,078,646	1,078,646
Interfund payable	405,599	-	405,599
Total long-term liabilities	<u>405,599</u>	<u>1,078,646</u>	<u>1,484,245</u>
Total liabilities	<u>405,599</u>	<u>1,278,813</u>	<u>1,684,412</u>
NET POSITION			
Invested in capital assets, net of related debt	511,631	672,940	1,184,571
Unrestricted	(391,199)	(213,482)	(604,681)
Total net position	<u>120,432</u>	<u>459,458</u>	<u>579,890</u>
Total liabilities and net position	<u>\$ 526,031</u>	<u>\$ 1,738,271</u>	<u>\$ 2,264,302</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

EXHIBIT 8

For the Year Ended June 30, 2014

	<u>Gateway Conference Center</u>	<u>Landfill/ Transfer Station</u>	<u>Total</u>
OPERATING REVENUES			
Disposal fees	\$ -	\$ 828,653	\$ 828,653
Rental income	73,197	-	73,197
	<u>73,197</u>	<u>828,653</u>	<u>901,850</u>
OPERATING EXPENSES			
Disposal fees	-	925,145	925,145
Salaries and wages	-	68,987	68,987
Depreciation	56,559	62,659	119,218
Other	179,649	-	179,649
	<u>236,208</u>	<u>1,056,791</u>	<u>1,292,999</u>
Total operating revenues	<u>73,197</u>	<u>828,653</u>	<u>901,850</u>
Total operating expenses	<u>236,208</u>	<u>1,056,791</u>	<u>1,292,999</u>
Operating income/(loss)	<u>(163,011)</u>	<u>(228,138)</u>	<u>(391,149)</u>
NON-OPERATING REVENUE/(EXPENSE)			
State sources	-	12,710	12,710
Interest income	-	799	799
Interest expense	-	(8,575)	(8,575)
Other income	291,732	-	291,732
	<u>291,732</u>	<u>4,934</u>	<u>296,666</u>
Total non-operating revenue/(expense)	<u>291,732</u>	<u>4,934</u>	<u>296,666</u>
OTHER FINANCING SOURCES (USES)			
Operating transfer out	(8,289)	-	(8,289)
	<u>(8,289)</u>	<u>-</u>	<u>(8,289)</u>
Total other financing sources (uses)	<u>(8,289)</u>	<u>-</u>	<u>(8,289)</u>
Changes in net position	120,432	(223,204)	(102,772)
NET POSITION, BEGINNING OF YEAR	<u>-</u>	<u>682,662</u>	<u>682,662</u>
NET POSITION, END OF YEAR	<u>\$ 120,432</u>	<u>\$ 459,458</u>	<u>\$ 579,890</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	<u>Gateway Conference Center</u>	<u>Landfill/ Transfer Station</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 73,197	\$ 843,106	\$ 916,303
Payments to suppliers	(179,649)	(946,512)	(1,126,161)
Payments to employees	-	(68,987)	(68,987)
	<u>(106,452)</u>	<u>(172,393)</u>	<u>(278,845)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
State revenue	-	12,710	12,710
Capital lease payments	-	(148,576)	(148,576)
Acquisition of capital assets	(568,190)	(54,258)	(622,448)
	<u>(568,190)</u>	<u>(190,124)</u>	<u>(758,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Change in interfund balance	405,599	370,293	775,892
Interest income	-	799	799
Interest expense	-	(8,575)	(8,575)
Other income	283,443	-	283,443
	<u>689,042</u>	<u>362,517</u>	<u>1,051,559</u>
Net cash provided by investing activities	<u>689,042</u>	<u>362,517</u>	<u>1,051,559</u>
Net increase in cash and cash equivalents	14,400	-	14,400
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 14,400</u>	<u>\$ -</u>	<u>\$ 14,400</u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:			
Operating income/(loss)	\$ (163,011)	\$ (228,138)	\$ (391,149)
Adjustments to reconcile operating income/(loss) to net cash used for operating activities:			
Depreciation expense	56,559	62,659	119,218
Changes in current assets and liabilities:			
Accrual for postclosure liability	-	(21,367)	(21,367)
Accounts receivable	-	14,453	14,453
	<u>(106,452)</u>	<u>(172,393)</u>	<u>(278,845)</u>
Net cash used for operating activities	<u>\$ (106,452)</u>	<u>\$ (172,393)</u>	<u>\$ (278,845)</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2014

ASSETS

Cash and cash equivalents	\$ 456,532
Investments	1,406,496
Due from Chester County	<u>774,847</u>
Total assets	<u><u>\$2,637,875</u></u>

LIABILITIES

Funds held in trust for others	<u>\$2,637,875</u>
Total liabilities	<u><u>\$2,637,875</u></u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF NET POSITION
DISCRETE COMPONENT UNITS
 JUNE 30, 2014

	<u>Chester County Airport Commission</u>	<u>Chester Fire District</u>	<u>Lando Fire District</u>	<u>Richburg Fire District</u>	<u>Chester County Library</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 17,890	\$ 313,901	\$ 75,279	\$ 44,533	\$ 342,064	\$ 793,667
Receivables:						
Taxes	-	-	2,217	-	-	2,217
Accounts	2,402	-	-	-	25	2,427
Intergovernmental	-	-	33,420	-	-	33,420
Fuel inventory	10,425	-	-	-	-	10,425
Other assets	-	-	-	2,379	-	2,379
Capital assets:						
Land	29,376	-	-	200,004	-	229,380
Art collection	-	-	-	-	20,132	20,132
Circulation collection	-	-	-	-	1,530,537	1,530,537
Buildings and improvements	1,088,524	190,977	-	1,698,557	-	2,978,058
Equipment, furniture and fixtures	105,891	586,791	355,154	14,087	766,615	1,828,538
Apron improvements	10,925	-	-	-	-	10,925
Taxiway and runway	2,881,588	-	-	-	-	2,881,588
Less accumulated depreciation	<u>(1,310,316)</u>	<u>(300,059)</u>	<u>(169,866)</u>	<u>(81,587)</u>	<u>(1,906,680)</u>	<u>(3,768,508)</u>
Total assets	<u>\$ 2,836,705</u>	<u>\$ 791,610</u>	<u>\$ 296,204</u>	<u>\$ 1,877,973</u>	<u>\$ 752,693</u>	<u>\$ 6,555,185</u>
LIABILITIES						
Accounts payable	\$ 11,740	\$ 16,638	\$ -	\$ -	\$ 42,669	\$ 71,047
Accrued expenses	5,299	-	-	-	41,571	46,870
Intergovernmental payable	3,519	-	-	-	-	3,519
Unearned revenue	-	-	2,072	-	-	2,072
Current portion of long-term debt	-	73,386	-	23,516	-	96,902
Long-term debt	<u>-</u>	<u>76,285</u>	<u>-</u>	<u>1,836,613</u>	<u>-</u>	<u>1,912,898</u>
Total liabilities	<u>20,558</u>	<u>166,309</u>	<u>2,072</u>	<u>1,860,129</u>	<u>84,240</u>	<u>2,133,308</u>
NET POSITION						
Invested in capital assets, net of related debt	2,805,988	328,038	185,288	(29,069)	410,604	3,700,849
Unrestricted	<u>10,159</u>	<u>297,263</u>	<u>108,844</u>	<u>46,913</u>	<u>257,849</u>	<u>721,028</u>
Total net position	<u>2,816,147</u>	<u>625,301</u>	<u>294,132</u>	<u>17,844</u>	<u>668,453</u>	<u>4,421,877</u>
Total liabilities and net position	<u>\$ 2,836,705</u>	<u>\$ 791,610</u>	<u>\$ 296,204</u>	<u>\$ 1,877,973</u>	<u>\$ 752,693</u>	<u>\$ 6,555,185</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, 2014

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
FUNCTIONS/PROGRAMS					
Chester County Airport Commission	\$ 425,033	\$ 276,249	\$ 20,037	\$ 120,602	\$ (8,145)
Chester Fire District	1,661,530	-	-	-	(1,661,530)
Lando Fire District	88,456	-	27,152	-	(61,304)
Richburg Fire District	211,869	16,646	27,626	-	(167,597)
Chester County Library	703,563	19,215	82,373	-	(601,975)
	<u>\$ 3,090,451</u>	<u>\$ 312,110</u>	<u>\$ 157,188</u>	<u>\$ 120,602</u>	<u>(2,500,551)</u>
General revenues:					
Property taxes levied for Chester Fire District					1,707,912
Property taxes levied for Lando Fire District					29,132
Property taxes levied for Richburg Fire District					159,352
Property taxes levied for Chester County Library					690,475
Interest and investment earnings					104
Total general revenues					<u>2,586,975</u>
Changes in net position					86,424
Net position, beginning of year					<u>4,335,453</u>
Net position, end of year					<u>\$ 4,421,877</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 a debt service fund 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 in a debt service fund. 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, 2014. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 one hundred 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-seven 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 position, 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 position 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 position 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, 2014

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 funds 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 position, 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 - Jail Construction Bond and capital projects fund - EMS/Coroner Facility are considered major governmental funds. The general fund is the primary operating fund of the County. The debt service fund - Jail Construction Bond accounts for the accumulation of funds for servicing an \$11,000,000 general obligation bond. The capital projects fund - EMS/Coroner Facility accounts for the proceeds of a \$2,950,000 general obligation bond used for financing an EMS facility and land acquisition. The Landfill/Transfer Station fund is considered a major proprietary fund. The proprietary fund - Landfill/Transfer Station accounts for the activities at the County's Municipal Solid Waste (MSW) and Construction and Demolition (C&D) landfills. 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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, 2014

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 on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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 Funds

Debt service funds account 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 and Gateway Conference Center 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 two enterprise funds (Landfill/Transfer Station and Gateway Conference Center).

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise Funds (Continued)

The Landfill/Transfer Station and the Gateway Conference Center, both proprietary fund types, distinguish between operating revenues and expenses and non-operating revenues and expenses. The principal operating revenue of the Landfill/Transfer Station is disposal fees. The principal operating revenue of the Gateway Conference Center is rental income. 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 funds are its agency funds. *Agency funds* are custodial in nature and do 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

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.

Unearned Revenue

Revenues collected in advance of the fiscal year in which they are earned are recorded as unearned revenues in the government-wide and governmental fund financial statements.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

Property tax revenues in the governmental fund financial statements that are measurable but not available (as previously defined) are reported as deferred inflows of resources. The County had no deferred outflows of resources as of June 30, 2014.

Grants and entitlements, if any, received before the eligibility requirements are met are also recorded as deferred inflows of resources.

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.

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

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

1. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States;
2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
3. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations;
4. Savings and loan associations to the extent that the same are insured by an agency of the federal government;

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments (Continued)

5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) on the previous page held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
6. Repurchase agreements when collateralized by securities as set forth in this section;
7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in the aforementioned items (1), (2), (3), and (6), and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method; and
8. A political subdivision receiving Medicaid funds appropriated by the General Assembly in the annual general appropriations act may utilize appropriated funds and other monies generated by hospital operations to participate in principal protected investments in the form of notes, bonds, guaranteed investment contracts, debentures, or other contracts issued by a bank chartered in the United States or agency of a bank if chartered in the United States, financial institution, insurance company, or other entity which provides for full principal payment at the end of a contract term not to exceed twelve years if the issuer has received a rating in one of three highest general rating categories issued by no fewer than two nationally recognized credit rating organizations. No more than forty percent of the appropriated funds and other monies generated by hospital operations may be invested in the manner provided in this item. Revenue realized pursuant to these investments must be expended on health care 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.

For proprietary funds, all accounts receivables are shown net of an allowance for doubtful accounts.

Internal balances are eliminated in the statement of net position 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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, 2014 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 inflows of resources 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 inflows of resources (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.

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

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

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of any applicable bond premium or discount. Due to implementation of GASB Statement No. 65, bond issuance costs can no longer be amortized over the term of the related debt and must be expensed in the period incurred.

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since it is the County's policy to record the cost of sick leave only when it is used. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay 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 2-4 years, accrue 7.5 hours/month; length of service is 5-9 years, accrue 11.25 hours/month, length of service is 10-19 years, accrue 15 hours/month; and length of service is 20 or more years, accrue 18.75 hours/month of vacation pay. Employees may carry over from one calendar year to another a maximum carryover equivalent to 45 days of unused annual leave. For all County employees, no more than 720 hours may be carried over from one calendar year to another for sick leave benefits.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists 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 position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund Balance Reporting

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

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

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

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

Fund Balance Policy

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Policy (Continued)

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

Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, 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.

New Pronouncements

The GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. This statement was implemented during the current fiscal year.

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. This statement was implemented during the current fiscal year.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions; an Amendment of GASB Statement No. 27*. This statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. The County is in the process of determining the effect of implementing this statement; however, the effect on the County's financial statements has not been determined at this time.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year of the County. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unencumbered appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Supervisor; 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, Richburg 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, 2014.

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:

911 Subscriber Fees	\$ 120,553	HMEP CFDA #20.703	\$ 17,544
1997 Short Fund	2,378	Economic Development Marketing	11,837
Drug Forfeiture Fund	17,456	SLPG CFDA #97.042	851
SOS DUI Enforcement	11,212	Public Defender	18,432
Law Enforcement Network	13,756	Golf Course/Great Falls & Republic	1,487
EMS Donations	133	Gateway Commons	34,633
Chester Airport Commission	3,106	EECBG Energy Grant	8,440

Deficit fund balances result primarily from the timing of the appropriate reimbursement or receipt of revenue. The deficits will be made up primarily from future restricted revenues, state shared revenues and fund transfers from the general fund.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

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 method or the 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 the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer. 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, 2014, the County's governmental fund deposits had a carrying amount of \$6,353,576 and a bank balance of \$6,791,488, which was entirely covered by Federal depository insurance or collateralized. Agency funds had a carrying amount and a bank balance of \$456,532 at June 30 2014. The County had \$2,390 of cash on hand.

Investments

As of June 30, 2014, 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	\$ 1,548,698	\$ –	\$ 1,548,698
S.C. State Investment Pool	7,045,835	7,045,835	–
Money Market Funds - Chester			
Facilities Corporation	641,412	641,412	–
Certificates of Deposit	<u>497,831</u>	<u>–</u>	<u>497,831</u>
	<u>\$ 9,733,776</u>	<u>\$ 7,687,247</u>	<u>\$ 2,046,529</u>

At June 30, 2014, the County held \$1,406,496 of investments in S.C. State Investment Pool for agency funds.

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

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

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

Custodial Credit Risk For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment of collateral that is in possession of an outside party. All of Chester County's investments are fully collateralized by securities that either are in the County's name or held by their agent in the County's name.

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

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

NOTE 4 - RECEIVABLES

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

	<u>General Fund</u>	<u>Debt Service Fund - Jail Construction Bond</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from other governments	\$ 1,931,053	\$ 591,768	\$ 91,267	\$ 2,614,088
Property taxes	1,181,960	-	500,663	1,682,623
Emergency management (EMS)	382,183	-	-	382,183
Local sources	357,436	-	-	357,436
Other receivables	10,963	-	-	10,963
Gross receivables	<u>3,863,595</u>	<u>591,768</u>	<u>591,930</u>	<u>5,047,293</u>
Less allowance for:				
Taxes	(11,820)	-	(5,007)	(16,827)
EMS	<u>(305,747)</u>	<u>-</u>	<u>-</u>	<u>(305,747)</u>
Net receivables	<u>\$ 3,546,028</u>	<u>\$ 591,768</u>	<u>\$ 586,923</u>	<u>\$ 4,724,719</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

A summary of net amounts due from/to other funds at June 30, 2014 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$(5,409,713)
Debt service fund	344,083	-
Special revenue fund	1,782,587	-
Capital projects fund	2,062,387	-
Enterprise fund	445,809	-
Agency fund	774,847	-
	<u>\$ 5,409,713</u>	<u>\$(5,409,713)</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 a special revenue fund to support the Solicitor's Office operations, \$132,478 to a special revenue fund for economic development projects, \$125,000 to a capital projects fund for courthouse improvements, and \$213,154 to a capital projects fund for economic development projects. A special revenue fund transferred \$136,771 of Family Court IV-D funds to the general fund. A capital projects fund transferred \$400,000 to a special revenue fund for a land purchase. An enterprise fund transferred \$8,289 to a capital projects fund related to transferring capital items from a capital projects fund to an enterprise fund.

NOTE 6 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2014 is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2014</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 3,773,557	\$ 400,000	\$ -	\$ -	\$ 4,173,557
Construction in progress	-	<u>701,315</u>	-	-	<u>701,315</u>
	<u>3,773,557</u>	<u>1,101,315</u>	-	-	<u>4,874,872</u>
Capital assets being depreciated:					
Buildings and improvements	27,575,323	125,278	(74,100)	(102,294)	27,524,207
Improvements other than buildings	5,791,170	31,196	-	(49,000)	5,773,366
Machinery and equipment	6,846,379	356,210	(559,907)	(116,323)	6,526,359
Infrastructure	8,260,420	200,381	-	-	8,460,801
Vehicles	<u>8,890,368</u>	<u>985,894</u>	<u>(995,156)</u>	-	<u>8,881,106</u>
	57,363,660	1,698,959	(1,629,163)	(267,617)	57,165,839
Less accumulated depreciation	(<u>30,548,472</u>)	(<u>1,681,198</u>)	<u>1,627,369</u>	<u>8,289</u>	(<u>30,594,012</u>)
Total capital assets, net depreciation	<u>26,815,188</u>	<u>17,761</u>	<u>(1,794)</u>	<u>(259,328)</u>	<u>26,571,827</u>
Governmental activities capital assets, net	<u>\$30,588,745</u>	<u>\$1,119,076</u>	<u>\$(1,794)</u>	<u>\$(259,328)</u>	<u>\$ 31,446,699</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Business-Type Activities - Landfill:

Capital assets not being depreciated:

Land	\$ 112,144	\$ -	\$ -	\$ -	\$ 112,144
Improvements	38,000	38,715	-	104,785	181,500
Construction in progress	<u>104,785</u>	<u>-</u>	<u>-</u>	<u>(104,785)</u>	<u>-</u>
	<u>254,929</u>	<u>38,715</u>	<u>-</u>	<u>-</u>	<u>293,644</u>

Capital assets being depreciated:

Buildings and improvements	379,093	-	-	-	379,093
Machinery and equipment	<u>1,198,367</u>	<u>15,543</u>	<u>-</u>	<u>-</u>	<u>1,213,910</u>
	1,577,460	15,543	-	-	1,593,003
Less accumulated depreciation	<u>(998,381)</u>	<u>(62,659)</u>	<u>-</u>	<u>-</u>	<u>(1,061,040)</u>
	<u>579,079</u>	<u>(47,116)</u>	<u>-</u>	<u>-</u>	<u>531,963</u>

Business-type activities - landfill
 capital assets, net

\$ <u>834,008</u>	\$ <u>(8,401)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>825,607</u>
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Business-Type Activities - Gateway Conference Center:

Capital assets being depreciated:

Buildings and improvements	\$ -	\$ -	\$ -	\$ 102,294	\$ 102,294
Improvements, other than buildings	-	179,618	-	49,000	228,618
Machinery and equipment	<u>-</u>	<u>120,955</u>	<u>-</u>	<u>116,323</u>	<u>237,278</u>
	-	300,573	-	267,617	568,190
Less accumulated depreciation	<u>-</u>	<u>(48,270)</u>	<u>-</u>	<u>(8,289)</u>	<u>(56,559)</u>

Business-type activities -
 Gateway Conference

Center capital assets, net	\$ <u>-</u>	\$ <u>252,303</u>	\$ <u>-</u>	\$ <u>259,328</u>	\$ <u>511,631</u>
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Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental Activities:

General government	\$ 297,104
Public safety	1,158,260
Highways and streets	84,749
Cultural and recreational	<u>132,796</u>
	<u>\$ 1,672,909</u>

Business-Type Activities:

Solid waste	\$ 62,659
Gateway	<u>56,559</u>
	<u>\$ 119,218</u>

NOTE 7 - UNEARNED REVENUE

Unearned revenue in the government-wide and governmental funds financial statements consist of: 1) Collections of local options sales tax revenue of \$201,564 during the fiscal year ended June 30, 2014 that relate to the subsequent fiscal year and, 2) Remaining portion of unearned sublease revenue of \$30,000.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - 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, 2014:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds	\$11,834,091	\$ 2,950,000	\$(2,556,329)	\$ 12,227,762	\$ 2,939,733
Chester Facilities Corporation revenue bonds	6,385,000	-	-	6,385,000	-
Notes payable and capital leases	<u>438,943</u>	<u>-</u>	<u>(163,368)</u>	<u>275,575</u>	<u>51,267</u>
	<u>18,658,034</u>	<u>2,950,000</u>	<u>(2,719,697)</u>	<u>18,888,337</u>	<u>2,991,000</u>
Accrued compensated absences	<u>593,333</u>	<u>566,426</u>	<u>(484,538)</u>	<u>675,221</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$19,251,367</u>	<u>\$ 3,516,426</u>	<u>\$(3,204,235)</u>	<u>\$ 19,563,558</u>	<u>\$ 2,991,000</u>
Business-Type Activities:					
Capital leases	<u>\$ 301,243</u>	<u>\$ -</u>	<u>\$(148,576)</u>	<u>\$ 152,667</u>	<u>\$ 152,667</u>
Business-type activities capital leases	<u>\$ 301,243</u>	<u>\$ -</u>	<u>\$(148,576)</u>	<u>\$ 152,667</u>	<u>\$ 152,667</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%.	63,701
\$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%.	1,835,000
\$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%.	89,061
\$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.	5,095,000
\$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%.	1,995,000
\$2,950,000 2013 General Obligation Bond due in annual principal installments of \$300,000 to \$360,000 through March 1, 2023, plus interest semiannually at 2.24%.	<u>2,950,000</u>
Total general obligation bonds outstanding	<u>\$12,227,762</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - 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:

\$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. \$ 275,575

Total notes payable and capital leases outstanding \$ 275,575

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. \$ 152,667

The annual requirement to amortize debt in the governmental activities long-term debt at June 30, 2014 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
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	198,000	5,205	-	-	-	-
2020-2024	-	-	-	-	-	-
2025-2029	-	-	-	-	-	-
2030-2034	-	-	-	-	-	-
2035-2037	-	-	-	-	-	-
Totals	\$ <u>200,000</u>	\$ <u>26,211</u>	\$ <u>63,701</u>	\$ <u>2,261</u>	\$ <u>1,835,000</u>	\$ <u>170,194</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - 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
	2015	\$ 21,032	\$ 3,393	\$ 1,630,000	\$ 138,244	\$ 500,000
2016	21,834	2,592	1,700,000	84,464	495,000	14,203
2017	22,666	1,760	1,765,000	28,504	500,000	9,500
2018	23,529	896	-	-	500,000	4,749
2019	-	-	-	-	-	-
2020-2024	-	-	-	-	-	-
2025-2029	-	-	-	-	-	-
2030-2034	-	-	-	-	-	-
2035-2037	-	-	-	-	-	-
Totals	<u>\$ 89,061</u>	<u>\$ 8,641</u>	<u>\$ 5,095,000</u>	<u>\$ 251,212</u>	<u>\$ 1,995,000</u>	<u>\$ 47,405</u>

Year Ending June 30,	Chester Facilities Corporation 2012 Installment Purchase Revenue Bonds		2013 General Obligation Bond Payable		\$372,798 2012 Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
	2015	\$ -	\$ 219,675	\$ 300,000	\$ 66,080	\$ 51,267
2016	-	219,675	305,000	59,360	53,122	8,120
2017	-	219,675	315,000	52,528	55,045	6,197
2018	-	219,675	320,000	45,472	57,038	4,204
2019	-	219,675	325,000	38,304	59,103	2,139
2020-2024	1,425,000	1,016,820	1,385,000	78,512	-	-
2025-2029	1,645,000	791,767	-	-	-	-
2030-2034	1,950,000	473,100	-	-	-	-
2035-2037	<u>1,365,000</u>	<u>83,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 6,385,000</u>	<u>\$3,463,562</u>	<u>\$ 2,950,000</u>	<u>\$ 340,256</u>	<u>\$ 275,575</u>	<u>\$ 30,636</u>

Year Ending June 30,	Totals	
	Principal	Interest
2015	\$ 2,991,000	\$ 530,359
2016	3,024,956	444,792
2017	3,128,711	358,215
2018	1,391,567	297,990
2019	582,103	265,323
2020-2024	2,810,000	1,095,332
2025-2029	1,645,000	791,767
2030-2034	1,950,000	473,100
2035-2037	<u>1,365,000</u>	<u>83,500</u>
Totals	<u>\$18,888,337</u>	<u>\$4,340,378</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - LONG-TERM DEBT (CONTINUED)

The annual requirement to amortize debt in the business-type activities long-term debt at June 30, 2014 is as follows:

Year Ending June 30,	<u>2010 Capital Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ <u>152,667</u>	\$ <u>4,325</u>
Totals	\$ <u>152,667</u>	\$ <u>4,325</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, 2014:

	<u>Cost</u>	<u>Accumulated Amortization</u>
Governmental Activities:		
Motorola radio dispatch equipment	\$ <u>372,798</u>	\$(<u>79,229</u>)
Business-Type Activities:		
Landfill fund equipment, compactor	\$ <u>731,685</u>	\$(<u>424,377</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.

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - LONG-TERM DEBT (CONTINUED)

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 prior 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 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, 2014, is computed below:

Real and other personal property assessed value	\$ 71,816,596
Plus vehicles assessed value	10,192,612
Plus manufacturers assessed value	15,190,520
Plus fee-in-lieu and joint industrial park value	7,075,101
Plus motor vehicle carriers assessed value	<u>841,710</u>
	105,116,539
	<u>x 8%</u>
Constitutional debt limit	8,409,323
Less outstanding debt subject to limit	(<u>7,132,762</u>)
General obligation debt available without referendum	\$ <u><u>1,276,561</u></u>

Outstanding General Obligation Indebtedness

The following table sets forth the legal debt margin 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>
2010	\$ 3,836,901
2011	3,075,000
2012	2,625,000
2013	3,202,389
2014	1,276,561

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Debt Structure (Continued)

Overlapping Debt

The table below shows local subdivisions which overlap the County and which have outstanding debt as of June 30, 2014:

	<u>Outstanding Debt as of June 30, 2014</u>	<u>Assessed Value as of June 30, 2014</u>
<u>Municipalities</u>		
Chester Fire District	\$ 149,672	\$ 31,836,223
Lando Rural Fire District	63,701	7,657,821
Richburg Fire District	1,832,233	12,070,348
<u>School District</u>		
Chester County School District	10,478,019	104,452,849

NOTE 9 - 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). As of June 30, 2014, the County had no nonspendable fund balance. A detailed schedule of fund balances at June 30, 2014 is as follows:

	<u>General Fund</u>	<u>Debt Service Fund - Jail Construction Bond</u>	<u>Capital Projects Fund EMS/Coroner Facility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances					
Restricted for					
Victim Witness	\$ -	\$ -	\$ -	\$ 165,736	\$ 165,736
Family Court Unit CFDA IV-D	-	-	-	284,458	284,458
Sheriff Department IV-D	-	-	-	4,038	4,038
Sheriff's equitable sharing	-	-	-	89	89
DHEC SW reduction/recycling	-	-	-	3,256	3,256
Forfeited Land Commission	-	-	-	8,628	8,628
GIS Data Conversion	-	-	-	15,069	15,069
Economic development infrastructure	-	-	-	16,483	16,483
Family Court	-	-	-	9,529	9,529
C-Funds	-	-	-	887,936	887,936
911 Subscriber fees	-	-	-	(120,553)	(120,553)
EMS/Coroner Facility	-	-	1,709,954	-	1,709,954
Eureka performance bond	-	-	-	49,975	49,975
Total restricted	-	-	1,709,954	1,324,644	3,034,598
Committed to					
EMA donations	-	-	-	55,149	55,149
Animal Control - Lutz Grant	-	-	-	2,912	2,912
Chester County debt service	-	-	-	837,633	837,633
Lando Fire debt service	-	-	-	17,478	17,478
Richburg Fire bond	-	-	-	105,850	105,850
Chester Fire bond	-	-	-	97,302	97,302
Chester Facilities Corporation	-	-	-	641,412	641,412
Jail construction bond	-	3,577,923	-	-	3,577,923

(continued)

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 9 - FUND BALANCES (CONTINUED)

	<u>General Fund</u>	<u>Debt Service Fund - Jail Construction Bond</u>	<u>Capital Projects Fund EMS/Coroner Facility</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Committed to (Continued)					
Solid waste collection	\$ -	\$ -	\$ -	\$ 163,258	\$ 163,258
A-Tax County Recreation Local	-	-	-	88,859	88,859
Lando Fire District	-	-	-	29,905	29,905
Chester Fire District	-	-	-	524,163	524,163
Chester County Library	-	-	-	304,025	304,025
York Tech	-	-	-	81,166	81,166
Richburg Fire District	-	-	-	56,376	56,376
Animal control donations	-	-	-	11,976	11,976
6th Judicial Circuit Court	-	-	-	18,237	18,237
Sheriff's Department donations	-	-	-	919	919
Emergency Training Center	-	-	-	921	921
Chester Detention Center	-	-	-	964	964
Rossville Fire Department	-	-	-	5,100	5,100
EMS trauma fund	-	-	-	558	558
EMS local grants	-	-	-	1,750	1,750
Economic development	119,041	-	-	1,750	120,791
Total committed	<u>119,041</u>	<u>3,577,923</u>	<u>-</u>	<u>3,045,913</u>	<u>6,742,877</u>
Assigned to					
Solicitor	-	-	-	178,954	178,954
Hazmat - Local	-	-	-	76,467	76,467
Duke - Local	-	-	-	52,480	52,480
Vehicle replacement	-	-	-	275,244	275,244
Meadowbrook water project	-	-	-	2,500	2,500
Courthouse improvements	-	-	-	18,306	18,306
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,951</u>	<u>603,951</u>
Unassigned	<u>5,224,703</u>	<u>-</u>	<u>-</u>	<u>(90,167)</u>	<u>5,134,536</u>
Total fund balances	<u>\$ 5,343,744</u>	<u>\$ 3,577,923</u>	<u>\$ 1,709,954</u>	<u>\$ 4,884,341</u>	<u>\$ 15,515,962</u>

NOTE 10 - 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 was expanded and the original C&D landfill is full. The expanded portion of the C&D landfill has a remaining life of 30 years and is 2% full. The accompanying financial statements include a liability of \$1,126,146 for Landfill/Transfer Station postclosure care liability and C & D landfill closure and postclosure in the long-term debt of the landfill business-type enterprise fund, as required by generally accepted accounting principles.

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

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 10 - SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (CONTINUED)

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, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
<i>Business-Type Activities:</i>					
Landfill closure and postclosure care costs	\$ <u>1,147,513</u>	\$ <u>30,916</u>	\$(<u>52,283</u>)	\$ <u>1,126,146</u>	\$ <u>47,500</u>

NOTE 11 - 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 employees' health and accident insurance coverage, the County participates in Blue Choice with employee basic dental coverage being borne by the County and healthcare supplemental coverage. Employees can elect to have dependent coverage at their own 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>
2013	27,324
2014	35,339

NOTE 12 - 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

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 as follows: 1) Class II - either age fifty-five and at least twenty-five years of service with a four percent reduction of each year of service under twenty-eight, or age sixty with a five percent reduction for each year under age sixty-five; and 2) Class III - age sixty with a five percent reduction for each year under age sixty-five.
- 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.

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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 12 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

The requirement for disability retirement is five and eight years of service unless an injury is job related for Class II and Class III, respectively. Prior to January 1, 2014, the disability retirement benefit for SCRS members is based on a projection of service credit to age sixty-five with an actuarial reduction. After December 31, 2013, the disability retirement benefit is based on years of credited service at retirement, average final compensation at retirement and current benefit multiplier for service retirement benefits. There will be no projection of additional service or contributions.

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.

Incidental death 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 contributing 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: Entry age normal cost method is used. Under this cost method, the cost of each member's projected pension benefit is allocated on a level percent of payroll over the member's projected service with the retirement system.

Accrual interest rate assumption: 7.50% 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 7.5 percent of their salary. The County's portion is 10.45 percent of the entire salary. Participants in PORS contribute 7.84 percent of their annual compensation and the County contributes 12.44 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
2014	669,495	381,899	479,288	239,756
2014 SCRS and PORS	<u>\$ 1,051,394</u>		<u>\$ 719,044</u>	

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

The County's wage expense for the year 2013-2014 totaled \$9,476,579. Wages for employees participating in the SCRS were \$6,406,651, while wages for those participating in the PORS totaled \$3,069,928.

All employers and employees contribute at the actuarially required contribution rates.

The total unfunded actuarial accrued liability for the entire South Carolina Retirement System at July 1, 2013 was \$15,443 million. The total unfunded actuarial accrued liability for the entire Police Officers' Retirement System at July 1, 2013 was \$1,742 million. Obligations for individual employers, such as the Town, are not available. The unfunded actuarial accrued liability liquidation/funding period as of July 1, 2013 (latest figures available) is 30 years for each SCRS and PORS.

The South Carolina Retirement System issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the SCRS and PORS, which is publicly available on their website at www.retirement.sc.gov, or a copy may be obtained by submitting a written request to the South Carolina Public Employee Benefit Authority Retirement Benefits, P.O. Box 11960, Columbia, SC 29211-1960.

In June 2012, the Governmental Accounting Standards Board (GASB) approved two new standards which impact the accounting and financial reporting of pension assets and liabilities by pension plans and state and local governments that participate in the plans. GASB Statement No. 67, Financial Reporting for Pension Plans, replaces the requirements of Statement No. 25 and Statement No. 50, and is effective for fiscal periods beginning after June 15, 2013. This statement affects the reporting requirements for pension plans that administer benefits. GASB Statement No. 68, Accounting and Financial Reporting for Pensions, replaces the requirements of Statement No. 27 and Statement No. 50, and is effective for fiscal periods beginning after June 15, 2014. This statement revises and establishes new financial reporting requirements for participating employers.

Under GASB 67, pension plans are required to use the entry age normal actuarial cost method when determining projected benefit payments as part of the calculation of the plan's Total Pension Liability (TPL). This is the same method currently used by the pension plans administered by the SCPEBA when determining contribution rates for funding purposes. In addition, projected benefit payments are required to be discounted to the actuarial present value using a single rate that reflects (1) the long-term expected rate of return on pension plan investments to the extent that pension plan assets are expected to be invested using a strategy to achieve that return and (2) a tax-exempt, high-quality municipal bond rate to the extent that the conditions for use of the long-term expected rate of return are not met. In the case of the plans administered by the SCPEBA, the actuarial assumption for the long-term expected rate of return, currently 7.5%, is also expected to be the discount rate used for GASB reporting purposes.

Under GASB 68, participating employers will be required to report their proportionate share of the pension plan's Net Pension Liability (NPL), in their financial statements. The NPL is the pension plan's TPL less the plan's Fiduciary Net Position (FNP). The FNP is based on the market value of pension plan assets as of the measurement date. In the case of the plans administered by the SCPEBA, this will represent a change from the method used in determining the actuarial funded status of the plans where fluctuations in market value are recognized using actuarial smoothing methods. Smoothing techniques defer investment gains and losses to dampen the short-term volatility inherent in investment markets by allowing only a portion of investment gains and losses to be recognized each year. This helps mitigate sharply fluctuating market returns over a long-term period and is intended to produce an actuarial asset value that is fairly consistent with market values during periods of ordinary investment returns.

NOTE 12 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employee's Pension Plan (Continued)

Smoothing is intended to result in more stable contribution rates and a more level funded status, and is also a valuable methodology for governmental entities because it permits budgetary planning over more than one fiscal year. Since the market value of assets is currently less than the actuarial value of assets, the new GASB reporting requirements are expected to increase net pension liabilities and decrease funded levels currently reported for financial disclosure purposes. In addition to the requirements above, under GASB 68 participating employers will be required to reflect a pension expense amount in their financial statements that will differ from the actual amount expended based on the required contributions remitted. Finally, participating employers will be required to include several new footnotes that provide information related to pension costs and obligations.

Other Postemployment Benefits (OPEB)

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 2014, the County made no contributions to the plan.

Current Pre-65 Retirees Frozen Class

The County was contributing \$562 per month for employee only and \$1,130 for employee and spouse into a retirement benefit account for each retiree in this class. However, no County contributions were made for fiscal year 2014. 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, 2014, there were four retirees in this group.

Current Post-65 Retirees Frozen Class

The County was contributing \$337 per month for employee only and \$674 for employee and spouse into a retirement benefit account for each retiree in this class. However, no County contributions were made for fiscal year 2014. 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, 2014, there were thirty-two retirees in this group.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 12 - 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)	\$ 214,074
Interest on net OPEB obligation	(10,388)
Adjustment to ARC	<u>29,833</u>
Annual OPEB cost (expense)	<u>233,519</u>
Contributions made	<u>-</u>
Increase in net OPEB obligation	233,519
Net obligation (asset), beginning of year	(<u>230,845</u>)
Net obligation (asset), end of year	<u>\$ 2,674</u>

As of the July 1, 2014, actuarial valuation date, the plan was not funded. The unfunded actuarial accrued liability at July 1, 2014 was \$1,731,596.

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Asset (Obligation)</u>
6/30/14	\$233,519	0%	\$(2,674)
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 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>
7/1/14	\$ 930,642	\$ 2,662,238	\$ 1,731,596	35%	\$ 3,298,747	52%
7/1/12	1,128,715	2,950,975	1,822,260	38%	3,958,860	46%
7/1/10	139,567	2,052,155	1,912,588	7%	4,575,700	42%

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 12 - 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, 2014. Retiree post-employment benefit expenses are determined under the Projected Unit Credit actuarial cost method. Under this method, benefits are projected for life and their present value is determined. The present value is then amortized from the hire date to the date of full eligibility. The investment return (discount rate) is four and one half percent. The remaining amortization period is ten years.

The valuation of the liabilities as of July 1, 2014 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 RP 2000 tables projected to 2020 with Scale AA. Termination is based on SCRS valuations based on age, gender and years of service. 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 was contributing \$41,666 monthly to fund these amounts. However, no County contributions were made for fiscal year 2014. As of June 30, 2014, there were ninety-five employees in this group.

NOTE 13 - 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.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Leases

The County's lease agreements, other than such agreements described in Note 8, consist of relatively minor commitments (generally for office machines) and are cancelable within one year as required by State law.

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, 2014 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 15 - 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, Richburg 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, 2014, deposits of the component units of Chester County had a carrying amount of \$793,667, 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, 2014, the deposits of the Chester County Airport Commission had a carrying amount and bank balance of \$17,890 and \$23,036, 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, 2014, the deposits of the Chester Fire District had a carrying amount and bank balance of \$313,901.

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

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, 2014, the deposits of the Lando Fire District had a carrying amount and bank balance of \$75,279 and \$75,465, respectively.

Richburg Fire District

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

At June 30, 2014, the deposits of the Richburg Fire District had a carrying amount and bank balance of \$44,533 and \$44,660, respectively.

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, 2014, the deposits of the Chester County Library had a carrying amount and bank balance of \$342,064 and \$350,020, respectively.

Capital Assets

Component unit capital asset activity for the year ended June 30, 2014 is as follows:

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Chester County Airport Commission:</i>				
Capital assets not being depreciated:				
Land	\$ <u>29,376</u>	\$ <u>—</u>	\$ <u>—</u>	\$ <u>29,376</u>
Capital assets being depreciated:				
Buildings and improvements	965,472	123,052	—	1,088,524
Runway	2,143,408	1,199	—	2,144,607
Taxiway	736,981	—	—	736,981
Machinery and equipment	105,891	—	—	105,891
Apron improvements	<u>10,925</u>	<u>—</u>	<u>—</u>	<u>10,925</u>
	3,962,677	124,251	—	4,086,928
Less accumulated depreciation	(1,194,725)	(115,591)	<u>—</u>	(1,310,316)
	<u>2,767,952</u>	<u>8,660</u>	<u>—</u>	<u>2,776,612</u>
Total Chester County Airport Commission capital assets, net	\$ <u>2,797,328</u>	\$ <u>8,660</u>	\$ <u>—</u>	\$ <u>2,805,988</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Capital Assets (Continued)

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2014</u>
<i>Chester Fire District:</i>				
Capital assets being depreciated:				
Buildings and improvements	\$ 190,977	\$ -	\$ -	\$ 190,977
Fire equipment	<u>582,255</u>	<u>4,536</u>	<u>-</u>	<u>586,791</u>
	773,232	4,536	-	777,768
Less accumulated depreciation	(260,245)	(39,814)	<u>-</u>	(300,059)
Total Chester Fire District capital assets, net	<u>\$ 512,987</u>	\$(<u>35,278</u>)	<u>\$ -</u>	<u>\$ 477,709</u>
<i>Lando Fire District:</i>				
Capital assets being depreciated:				
Machinery and equipment	\$ 355,154	\$ -	\$ -	\$ 355,154
Less accumulated depreciation	(133,153)	(36,713)	<u>-</u>	(169,866)
Total Lando Fire District capital assets, net	<u>\$ 222,001</u>	\$(<u>36,713</u>)	<u>\$ -</u>	<u>\$ 185,288</u>
<i>Richburg Fire District:</i>				
Capital assets not being depreciated:				
Land	\$ 200,004	\$ -	\$ -	\$ 200,004
Capital assets being depreciated:				
Machinery and equipment	14,087	-	-	14,087
Buildings and improvements	1,698,557	-	-	1,698,557
Less accumulated depreciation	(44,137)	(37,450)	<u>-</u>	(81,587)
	<u>1,668,507</u>	(<u>37,450</u>)	<u>-</u>	<u>1,631,057</u>
Total Richburg Fire District capital assets, net	<u>\$ 1,868,511</u>	\$(<u>37,450</u>)	<u>\$ -</u>	<u>\$ 1,831,061</u>
<i>Chester County Library:</i>				
Capital assets not being depreciated:				
Art collection	\$ 20,132	\$ -	\$ -	\$ 20,132
Capital assets being depreciated:				
Equipment, furniture and fixtures	766,615	-	-	766,615
Circulation collection	<u>1,477,493</u>	<u>53,044</u>	<u>-</u>	<u>1,530,537</u>
	2,244,108	53,044	-	2,297,152
Less accumulated depreciation	(1,830,997)	(75,683)	<u>-</u>	(1,906,680)
	<u>413,111</u>	(<u>22,639</u>)	<u>-</u>	<u>390,472</u>
Total Chester County Library capital assets, net	<u>\$ 433,243</u>	\$(<u>22,639</u>)	<u>\$ -</u>	<u>\$ 410,604</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Long-Term Debt (Continued)

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</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Chester Fire District					
General obligation bond	\$ <u>220,269</u>	\$ <u>—</u>	\$(<u>70,598</u>)	\$ <u>149,671</u>	\$ <u>73,386</u>

Chester Fire District interest expense for the year related to long-term debt totaled \$8,700.

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

<u>Year</u> <u>Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 73,386	\$ 5,912	\$ 79,298
2016	<u>76,285</u>	<u>3,012</u>	<u>79,297</u>
	\$ <u>149,671</u>	\$ <u>8,924</u>	\$ <u>158,595</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</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2014</u>	<u>Due Within</u> <u>One Year</u>
Richburg Fire District					
Note payable	\$ <u>1,882,835</u>	\$ <u>-</u>	\$(<u>22,706</u>)	\$ <u>1,860,129</u>	\$ <u>23,516</u>

CHESTER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 15 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)

Long-Term Debt (Continued)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 23,516	\$ 64,917	\$ 88,433
2016	24,355	64,079	88,434
2017	25,224	63,210	88,434
2018	26,124	62,310	88,434
2019	27,056	61,378	88,434
2020-2024	150,462	291,706	442,168
2025-2029	179,283	262,886	442,169
2030-2034	213,624	228,545	442,169
2035-2039	254,543	187,626	442,169
2040-2044	303,299	138,870	442,169
2045-2049	361,395	80,774	442,169
2050-2054	<u>271,248</u>	<u>16,162</u>	<u>287,410</u>
	<u>\$ 1,860,129</u>	<u>\$1,522,463</u>	<u>\$ 3,382,592</u>

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

NOTE 16 - RESTATEMENT OF PREVIOUS PERIODS

During fiscal year 2014, the County implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As a result of implementation, unamortized debt issuance costs on the County's books from prior years were required to be written off. Due to this, net position decreased by \$473,804.

NOTE 17 - ECONOMIC DEPENDENCY

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

NOTE 18 - SUBSEQUENT EVENTS

These financial statements considered subsequent events through March 6, 2015, the date the financial statements were available to be issued.

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES
 For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
TAXES				
Current property taxes	\$ 8,795,291	\$ 8,795,291	\$ 9,087,013	\$ 291,722
Delinquent taxes	640,000	640,000	680,869	40,869
Total taxes	<u>9,435,291</u>	<u>9,435,291</u>	<u>9,767,882</u>	<u>332,591</u>
LICENSES, FEES, FINES AND PERMITS				
Road maintenance fees	-	-	60	60
Clerk of court fines and fees	120,000	120,000	139,163	19,163
Family court fines and fees	81,000	81,000	100,430	19,430
Family court filing fees	36,000	36,000	17,632	(18,368)
Business license fees	250,000	250,000	-	(250,000)
Tax assessor fees	1,500	1,500	252	(1,248)
Credit card fees	5,000	5,000	-	(5,000)
Tax collector fees	100,000	100,000	84,370	(15,630)
Probate judge - license	45,000	45,000	60,837	15,837
Zoning fees	14,000	14,000	23,330	9,330
Magistrate's fines and fees	342,500	342,500	377,785	35,285
Planning permits	135,000	135,000	150,079	15,079
Emergency medical services	1,477,896	1,477,896	1,233,561	(244,335)
Total licenses, fees, fines and permits	<u>2,607,896</u>	<u>2,607,896</u>	<u>2,187,499</u>	<u>(420,397)</u>
INTERGOVERNMENTAL				
State shared revenues:				
Local option sales tax	2,250,000	2,250,000	2,168,871	(81,129)
Local government revenue	1,252,074	1,252,074	1,237,318	(14,756)
Merchant's inventory tax	90,024	90,024	90,024	-
Veterans affairs	5,700	5,700	1,275	(4,425)
National forest fund	60,000	60,000	57,430	(2,570)
State salary supplement	6,300	6,300	6,300	-
DHEC vital records/FFP grant	36,200	36,200	33,044	(3,156)
Accommodations tax	30,000	30,000	30,650	650
Registration/Elections	25,000	25,000	-	(25,000)
Sheriff local revenue	90,000	90,000	90,222	222
Appropriation of fund balance	325,000	325,000	-	(325,000)
Total intergovernmental	<u>4,170,298</u>	<u>4,170,298</u>	<u>3,715,134</u>	<u>(455,164)</u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES
For the Year Ended June 30, 2014

SCHEDULE A-1
Continued

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
INCOME/(LOSS) ON INVESTMENTS				
Investment gain/(loss)	\$ -	\$ -	\$ 1,145	\$ 1,145
Interest income	47,550	47,550	58,221	10,671
Total income/(loss) on investments	<u>47,550</u>	<u>47,550</u>	<u>59,366</u>	<u>11,816</u>
OTHER INCOME				
Animal control	10,500	10,500	-	(10,500)
Franchise fees	24,000	24,000	25,458	1,458
Sale of county property	5,000	5,000	165,240	160,240
Rentals	25,000	25,000	19,774	(5,226)
Miscellaneous	70,545	70,545	80,939	10,394
Vehicle decal fee	24,000	24,000	25,151	1,151
Total other income	<u>159,045</u>	<u>159,045</u>	<u>316,562</u>	<u>157,517</u>
Total revenue	<u><u>\$ 16,420,080</u></u>	<u><u>\$ 16,420,080</u></u>	<u><u>\$ 16,046,443</u></u>	<u><u>\$ (373,637)</u></u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
 For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
GENERAL GOVERNMENT				
County council	\$ 123,159	\$ 123,159	\$ 118,925	\$ 4,234
County supervisor	133,075	133,075	129,930	3,145
Finance	185,118	185,118	180,010	5,108
Human resources	126,686	126,686	120,882	5,804
Purchasing department	83,613	83,613	80,779	2,834
County treasurer	216,246	216,246	211,237	5,009
Tax collector	134,847	134,847	125,604	9,243
Auditor	113,180	113,180	111,664	1,516
Tax assessor	298,893	288,893	267,307	21,586
Planning/Zoning	234,435	229,435	220,716	8,719
Economic development	260,300	260,300	156,739	103,561
Coroner	86,569	86,569	90,191	(3,622)
Registration and election	146,596	146,596	144,861	1,735
County garage	287,409	287,409	254,289	33,120
Building maintenance	802,763	802,763	780,200	22,563
Airport	20,000	20,000	20,000	-
Network computer systems	310,015	305,015	298,356	6,659
Utilities	585,000	585,000	659,780	(74,780)
Postage	75,000	75,000	46,161	28,839
Property and liability insurance	374,000	374,000	345,726	28,274
Bond insurance	3,000	3,000	-	3,000
Workers compensation insurance	305,000	305,000	318,367	(13,367)
Unemployment benefits	46,710	46,710	35,339	11,371
Employee health insurance	1,156,530	1,156,530	1,206,501	(49,971)
Audit expense	66,250	66,250	82,250	(16,000)
Catawba Regional Planning Council	40,238	40,238	40,238	-
S.C. Association of Counties	9,000	9,000	8,897	103
Grant matching funds	50,000	50,000	16,094	33,906
Contingency	100,000	100,000	80,339	19,661
Copier lease and maintenance	102,037	102,037	124,685	(22,648)
Abatement	35,687	35,687	33,136	2,551
GIS system	34,030	54,030	51,083	2,947
QSI	135,061	135,061	150,560	(15,499)
Medical services	243,430	243,430	244,546	(1,116)
County attorney	89,425	89,425	145,677	(56,252)
Clerk of court	333,202	333,202	347,466	(14,264)

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
For the Year Ended June 30, 2014

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	\$ 125,993	\$ 125,993	\$ 120,403	\$ 5,590
Probate judge	216,232	216,232	210,172	6,060
Chester magistrate	275,375	275,375	242,040	33,335
Rossville magistrate	76,536	76,536	79,506	(2,970)
Family court judge	5,000	5,000	1,710	3,290
Public defender	58,000	58,000	58,000	-
Judge Short Court of Appellate	5,500	5,500	4,844	656
Total general government	<u>8,109,140</u>	<u>8,109,140</u>	<u>7,965,210</u>	<u>143,930</u>
PUBLIC SAFETY				
Sheriff's Department	2,473,349	2,473,349	2,585,136	(111,787)
Detention center	1,769,326	1,769,326	1,764,456	4,870
EMS	1,776,275	1,776,275	2,020,952	(244,677)
Fire coordinator	82,161	82,161	82,541	(380)
Rural fire departments	355,200	355,200	385,964	(30,764)
Emergency management	105,255	105,255	106,676	(1,421)
E911	589,412	589,412	592,799	(3,387)
Animal control	145,106	145,106	186,039	(40,933)
Chester County Rescue Squad	12,150	12,150	15,787	(3,637)
Great Falls Rescue Squad	12,150	12,150	12,150	-
Total public safety	<u>7,320,384</u>	<u>7,320,384</u>	<u>7,752,500</u>	<u>(432,116)</u>
HIGHWAYS AND STREETS				
Road department	418,765	418,765	400,682	18,083
Litter control	67,491	67,491	61,602	5,889
Total highways and streets	<u>486,256</u>	<u>486,256</u>	<u>462,284</u>	<u>23,972</u>
WELFARE				
Veterans Affairs	80,225	80,225	76,882	3,343
Department of Social Services	36,000	36,000	39,241	(3,241)
DHEC	40,700	40,700	39,309	1,391
Senior Services, Inc.	16,200	16,200	16,200	-
Chester/Lancaster Disabilities	4,050	4,050	4,050	-
Soil and Water Conservation	11,000	11,000	11,000	-
Palmetto Citizens Against Sexual Assault	5,000	5,000	5,000	-
Indigent patients	64,362	64,362	64,362	-
Total welfare	<u>257,537</u>	<u>257,537</u>	<u>256,044</u>	<u>1,493</u>

CHESTER COUNTY, SOUTH CAROLINA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES
For the Year Ended June 30, 2014

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	-	-	50,922	(50,922)
Total expenditures	16,223,537	16,223,537	16,537,180	(313,643)
Excess (deficiency) of revenues over expenditures	196,543	196,543	(490,737)	(687,280)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	136,771	136,771
Operating transfers out	-	-	(345,632)	(345,632)
Operating transfer out - Courthouse	(125,000)	(125,000)	(125,000)	-
Operating transfer out - Solicitor	(71,543)	(71,543)	(71,543)	-
Total other financing sources (uses)	\$ (196,543)	\$ (196,543)	(405,404)	\$ (208,861)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			(896,141)	
FUND BALANCE, BEGINNING OF YEAR			6,239,885	
FUND BALANCE, END OF YEAR			\$ 5,343,744	

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Services Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 551,532	\$ 259	\$ 2,500	\$ 554,291
Investments	438,599	1,347,755	-	1,786,354
Property taxes receivable	359,214	136,442	-	495,656
Due from other funds	2,172,703	344,083	366,993	2,883,779
Due from State sources	91,267	-	-	91,267
	<u>3,613,315</u>	<u>1,828,539</u>	<u>369,493</u>	<u>5,811,347</u>
Total assets	<u>\$ 3,613,315</u>	<u>\$ 1,828,539</u>	<u>\$ 369,493</u>	<u>\$ 5,811,347</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ 390,116	\$ -	\$ 14,560	\$ 404,676
Unearned revenue	-	-	30,000	30,000
Accrued liabilities	24,264	-	-	24,264
	<u>414,380</u>	<u>-</u>	<u>44,560</u>	<u>458,940</u>
Total liabilities	<u>414,380</u>	<u>-</u>	<u>44,560</u>	<u>458,940</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	339,202	128,864	-	468,066
	<u>339,202</u>	<u>128,864</u>	<u>-</u>	<u>468,066</u>
Total deferred inflows of resources	<u>339,202</u>	<u>128,864</u>	<u>-</u>	<u>468,066</u>
FUND BALANCES				
Restricted	1,258,186	-	66,458	1,324,644
Committed	1,339,253	1,699,675	6,985	3,045,913
Assigned	307,901	-	296,050	603,951
Unassigned	(45,607)	-	(44,560)	(90,167)
	<u>2,859,733</u>	<u>1,699,675</u>	<u>324,933</u>	<u>4,884,341</u>
Total fund balances	<u>2,859,733</u>	<u>1,699,675</u>	<u>324,933</u>	<u>4,884,341</u>
Total liabilities and fund balances	<u>\$ 3,613,315</u>	<u>\$ 1,828,539</u>	<u>\$ 369,493</u>	<u>\$ 5,811,347</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS**
 For the Year Ended June 30, 2014

	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	\$ 3,166,179	\$ 1,147,653	\$ -	\$ 4,313,832
Federal sources	521,296	-	13,622	534,918
State sources	1,928,624	-	1,712,000	3,640,624
Local sources	1,484,230	-	70,975	1,555,205
Investment income	776	1,152	-	1,928
Other income	26,221	256,739	-	282,960
Total revenues	7,127,326	1,405,544	1,796,597	10,329,467
EXPENDITURES				
General government	4,551,487	-	1,698,812	6,250,299
Public safety	680,433	-	-	680,433
Highway, streets and public buildings	1,006,648	-	-	1,006,648
Cultural and recreational	841,792	-	-	841,792
Capital outlay	710,199	-	1,318,301	2,028,500
Debt service:				
Principal retirements	83,294	1,146,258	-	1,229,552
Interest and fiscal charges	13,078	362,752	-	375,830
Total expenditures	7,886,931	1,509,010	3,017,113	12,413,054
Excess (deficiency) of revenues over expenditures	(759,605)	(103,466)	(1,220,516)	(2,083,587)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	604,021	-	605,771	1,209,792
Operating transfers out	(136,771)	-	-	(136,771)
Total other financing sources (uses)	467,250	-	605,771	1,073,021
Net changes in fund balances	(292,355)	(103,466)	(614,745)	(1,010,566)
FUND BALANCES, BEGINNING OF YEAR	3,152,088	1,803,141	939,678	5,894,907
FUND BALANCES, END OF YEAR	\$ 2,859,733	\$ 1,699,675	\$ 324,933	\$ 4,884,341

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	<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	\$ -	\$ -	\$ -	\$ 14,571	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	-	178,954	-	4,038
Due from state sources	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,954</u>	<u>\$ 14,571</u>	<u>\$ 4,038</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 120,553	\$ 2,378	\$ -	\$ 32,027	\$ -
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>120,553</u>	<u>2,378</u>	<u>-</u>	<u>32,027</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	(120,553)	-	-	-	4,038
Committed	-	-	-	-	-
Assigned	-	-	178,954	-	-
Unassigned	-	(2,378)	-	(17,456)	-
	<u>-</u>	<u>(2,378)</u>	<u>-</u>	<u>(17,456)</u>	<u>-</u>
Total fund balances	<u>(120,553)</u>	<u>(2,378)</u>	<u>178,954</u>	<u>(17,456)</u>	<u>4,038</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,954</u>	<u>\$ 14,571</u>	<u>\$ 4,038</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission	Richburg Fire District	Sheriff's Department Donations
ASSETS					
Cash	\$ -	\$ -	\$ 121,784	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	17,030	-
Due from other funds	284,458	18,237	-	55,787	919
Due from state sources	-	-	-	-	-
Total assets	<u>\$ 284,458</u>	<u>\$ 18,237</u>	<u>\$ 121,784</u>	<u>\$ 72,817</u>	<u>\$ 919</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 113,156	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>113,156</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	16,441	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,441</u>	<u>-</u>
FUND BALANCES					
Restricted	284,458	-	8,628	-	-
Committed	-	18,237	-	56,376	919
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>284,458</u>	<u>18,237</u>	<u>8,628</u>	<u>56,376</u>	<u>919</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 284,458</u>	<u>\$ 18,237</u>	<u>\$ 121,784</u>	<u>\$ 72,817</u>	<u>\$ 919</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	York Tech	Family Court	Animal Control Donations	DHEC Grant In Aid MFY	C-Fund
ASSETS					
Cash	\$ -	\$ -	\$ 30,840	\$ -	\$ 384,337
Investments	-	-	-	-	438,599
Property taxes receivable	28,185	-	-	-	-
Due from other funds	79,722	9,529	-	-	-
Due from state sources	-	-	-	-	91,267
Total assets	<u>\$ 107,907</u>	<u>\$ 9,529</u>	<u>\$ 30,840</u>	<u>\$ -</u>	<u>\$ 914,203</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 18,864	\$ -	\$ 26,267
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>18,864</u>	<u>-</u>	<u>26,267</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	26,741	-	-	-	-
Total deferred inflows of resources	<u>26,741</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	9,529	-	-	887,936
Committed	81,166	-	11,976	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>81,166</u>	<u>9,529</u>	<u>11,976</u>	<u>-</u>	<u>887,936</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 107,907</u>	<u>\$ 9,529</u>	<u>\$ 30,840</u>	<u>\$ -</u>	<u>\$ 914,203</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	Hazmat Local	Duke Local	Witness Surcharges and Assessments	Solid Waste Collection Sites	Local Accommodations Tax
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	67,040	-
Due from other funds	76,467	52,480	165,736	160,376	88,859
Due from state sources	-	-	-	-	-
	\$ 76,467	\$52,480	\$ 165,736	\$ 227,416	\$ 88,859
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
	-	-	-	-	-
Total liabilities	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	64,158	-
	-	-	-	64,158	-
Total deferred inflows of resources	-	-	-	64,158	-
FUND BALANCES					
Restricted	-	-	165,736	-	-
Committed	-	-	-	163,258	88,859
Assigned	76,467	52,480	-	-	-
Unassigned	-	-	-	-	-
	76,467	52,480	165,736	163,258	88,859
Total fund balances	76,467	52,480	165,736	163,258	88,859
Total liabilities, deferred inflows of resources and fund balances	\$ 76,467	\$52,480	\$ 165,736	\$ 227,416	\$ 88,859

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	State Accommodations Tax	EMPG 01 Multiple	SOS DUI Enforcement	2007 JAG CFDA #16.738	Chester Fire District
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	161,753
Due from other funds	61,701	-	-	-	513,354
Due from state sources	-	-	-	-	-
	<u>\$ 61,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,107</u>
Total assets	<u>\$ 61,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,107</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 11,212	\$ -	\$ -
Accrued liabilities	24,264	-	-	-	-
	<u>24,264</u>	<u>-</u>	<u>11,212</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>24,264</u>	<u>-</u>	<u>11,212</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	150,944
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,944</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,944</u>
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	-	524,163
Assigned	-	-	-	-	-
Unassigned	37,437	-	(11,212)	-	-
	<u>37,437</u>	<u>-</u>	<u>(11,212)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>37,437</u>	<u>-</u>	<u>(11,212)</u>	<u>-</u>	<u>524,163</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 61,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 675,107</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	Lando Fire District	EMS Trauma Fund	MFYS Citizens Corp	EMA Donations	Law Enforcement Network
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	2,217	-	-	-	-
Due from other funds	29,760	558	-	55,149	-
Due from state sources	-	-	-	-	-
	\$ 31,977	\$ 558	\$ -	\$ 55,149	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 13,756
Accrued liabilities	-	-	-	-	-
	-	-	-	-	13,756
Total liabilities	-	-	-	-	13,756
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,072	-	-	-	-
	2,072	-	-	-	-
Total deferred inflows of resources	2,072	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	29,905	558	-	55,149	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(13,756)
	29,905	558	-	55,149	(13,756)
Total fund balances	29,905	558	-	55,149	(13,756)
Total liabilities, deferred inflows of resources and fund balances	\$ 31,977	\$ 558	\$ -	\$ 55,149	\$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	<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	-	-	-
Due from state sources	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 133	\$ -	\$ 3,106
Accrued liabilities	-	-	-	-	-
Total liabilities	-	-	133	-	3,106
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	1,750	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(133)	-	(3,106)
Total fund balances	-	1,750	(133)	-	(3,106)
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	HMEP CFDA #20.703	Chester County Library	DHEC SW Reduction	Economic Development Marketing	SLPG CFDA #97.042
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	82,989	-	-	-
Due from other funds	-	299,882	3,256	-	-
Due from state sources	-	-	-	-	-
Total assets	\$ -	\$ 382,871	\$ 3,256	\$ -	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 17,544	\$ -	\$ -	\$ 11,837	\$ 851
Accrued liabilities	-	-	-	-	-
Total liabilities	17,544	-	-	11,837	851
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	78,846	-	-	-
Total deferred inflows of resources	-	78,846	-	-	-
FUND BALANCES					
Restricted	-	-	3,256	-	-
Committed	-	304,025	-	-	-
Assigned	-	-	-	-	-
Unassigned	(17,544)	-	-	(11,837)	(851)
Total fund balances	(17,544)	304,025	3,256	(11,837)	(851)
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 382,871	\$ 3,256	\$ -	\$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

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	-	-	-	8,185
Due from state sources	-	-	-	-	-
Total assets	<u><u>\$ 15,069</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,185</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ 18,432	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>18,432</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	15,069	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(18,432)	-	-	8,185
Total fund balances	<u>15,069</u>	<u>(18,432)</u>	<u>-</u>	<u>-</u>	<u>8,185</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 15,069</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,185</u></u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

SCHEDULE B-3
Continued

	Veterans Affairs Aid to Counties	Animal Control- Lutz Grant	Sheriff's Equitable Sharing	DHEC SC HPP GRANT	Totals
ASSETS					
Cash	\$ -	\$ -	\$ -	\$ -	\$ 551,532
Investments	-	-	-	-	438,599
Property taxes receivable	-	-	-	-	359,214
Due from other funds	5,476	2,912	89	-	2,172,703
Due from state sources	-	-	-	-	91,267
Total assets	<u>\$ 5,476</u>	<u>\$ 2,912</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 3,613,315</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 390,116
Accrued liabilities	-	-	-	-	24,264
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>414,380</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	-	-	339,202
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,202</u>
FUND BALANCES					
Restricted	-	-	89	-	1,258,186
Committed	-	2,912	-	-	1,339,253
Assigned	-	-	-	-	307,901
Unassigned	5,476	-	-	-	(45,607)
Total fund balances	<u>5,476</u>	<u>2,912</u>	<u>89</u>	<u>-</u>	<u>2,859,733</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,476</u>	<u>\$ 2,912</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 3,613,315</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, 2014

	<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>
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 26,763
State sources	212,954	-	477,312	-	-
County sources - property taxes	-	-	-	-	-
Local sources	135,887	-	388,509	16,680	-
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>348,841</u>	<u>-</u>	<u>865,821</u>	<u>16,680</u>	<u>26,763</u>
EXPENDITURES					
General government	-	-	972,312	-	37,234
Public safety	412,090	-	-	13,704	-
Highway, streets and public buildings	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	111,879	-	-	-	-
Debt service					
Principal retirement	49,476	-	-	-	-
Interest and fiscal charges	11,767	-	-	-	-
Total expenditures	<u>585,212</u>	<u>-</u>	<u>972,312</u>	<u>13,704</u>	<u>37,234</u>
Excess (deficiency) of revenues over expenditures	<u>(236,371)</u>	<u>-</u>	<u>(106,491)</u>	<u>2,976</u>	<u>(10,471)</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>	<u>-</u>
Net changes in fund balances	(236,371)	-	(34,948)	2,976	(10,471)
FUND BALANCES, BEGINNING OF YEAR	<u>115,818</u>	<u>(2,378)</u>	<u>213,902</u>	<u>(20,432)</u>	<u>14,509</u>
FUND BALANCES, END OF YEAR	<u><u>\$ (120,553)</u></u>	<u><u>\$ (2,378)</u></u>	<u><u>\$ 178,954</u></u>	<u><u>\$ (17,456)</u></u>	<u><u>\$ 4,038</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, 2014

	Family Court IV-D	6th Judicial Circuit Court	Forfeited Land Commission	Richburg Fire District
REVENUES				
Federal sources	\$ 22,360	\$ -	\$ -	\$ -
State sources	-	-	-	-
County sources - property taxes	-	-	-	84,570
Local sources	-	-	3,000	-
Investment income	-	-	-	-
Other income	-	-	-	26,221
Total revenues	22,360	-	3,000	110,791
EXPENDITURES				
General government	3,900	-	4,510	-
Public safety	-	-	-	94,623
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	33,818
Interest and fiscal charges	-	-	-	1,311
Total expenditures	3,900	-	4,510	129,752
Excess (deficiency) of revenues over expenditures	18,460	-	(1,510)	(18,961)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	18,460	-	(1,510)	(18,961)
FUND BALANCES, BEGINNING OF YEAR	265,998	18,237	10,138	75,337
FUND BALANCES, END OF YEAR	\$ 284,458	\$ 18,237	\$ 8,628	\$ 56,376

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2014

**SCHEDULE B-4
 Continued**

	<u>Sheriff's Department Donations</u>	<u>York Tech</u>	<u>Family Court</u>	<u>Animal Control Donations</u>	<u>DHEC Grant In Aid MFY</u>
REVENUES					
Federal sources	\$ -	\$ -	\$ 146,978	\$ -	\$ -
State sources	-	-	-	-	68,568
County sources - property taxes	-	233,877	-	-	-
Local sources	541	-	-	20,115	-
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>541</u>	<u>233,877</u>	<u>146,978</u>	<u>20,115</u>	<u>68,568</u>
EXPENDITURES					
General government	-	237,000	10,758	18,673	7,752
Public safety	223	-	-	-	-
Highway, streets and public buildings	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	60,816
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>223</u>	<u>237,000</u>	<u>10,758</u>	<u>18,673</u>	<u>68,568</u>
Excess (deficiency) of revenues over expenditures	<u>318</u>	<u>(3,123)</u>	<u>136,220</u>	<u>1,442</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	(136,770)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(136,770)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	318	(3,123)	(550)	1,442	-
FUND BALANCES, BEGINNING OF YEAR	<u>601</u>	<u>84,289</u>	<u>10,079</u>	<u>10,534</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 919</u>	<u>\$ 81,166</u>	<u>\$ 9,529</u>	<u>\$ 11,976</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, 2014

SCHEDULE B-4
Continued

	<u>C-Fund</u>	<u>Hazmat Local</u>	<u>Duke Local</u>	<u>Witness Surcharges and Assessments</u>	<u>Solid Waste Collection Sites</u>
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	1,035,396	-	-	-	-
County sources - property taxes	-	-	-	-	568,586
Local sources	16,800	48,306	40,804	84,726	-
Investment income	776	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>1,052,972</u>	<u>48,306</u>	<u>40,804</u>	<u>84,726</u>	<u>568,586</u>
EXPENDITURES					
General government	-	-	8,532	-	634,317
Public safety	-	15,824	-	53,241	-
Highway, streets and public buildings	1,006,648	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,006,648</u>	<u>15,824</u>	<u>8,532</u>	<u>53,241</u>	<u>634,317</u>
Excess (deficiency) of revenues over expenditures	<u>46,324</u>	<u>32,482</u>	<u>32,272</u>	<u>31,485</u>	<u>(65,731)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	46,324	32,482	32,272	31,485	(65,731)
FUND BALANCES, BEGINNING OF YEAR	<u>841,612</u>	<u>43,985</u>	<u>20,208</u>	<u>134,251</u>	<u>228,989</u>
FUND BALANCES, END OF YEAR	<u>\$ 887,936</u>	<u>\$ 76,467</u>	<u>\$ 52,480</u>	<u>\$ 165,736</u>	<u>\$ 163,258</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, 2014

SCHEDULE B-4
Continued

	<u>Local Accommodations Tax</u>	<u>State Accommodations Tax</u>	<u>EMPG 01 Multiple</u>	<u>SOS DUI Enforcement</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ 101,073	\$ -
State sources	-	73,456	-	-
County sources - property taxes	-	-	-	-
Local sources	79,806	-	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>79,806</u>	<u>73,456</u>	<u>101,073</u>	<u>-</u>
EXPENDITURES				
General government	-	-	71,140	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	80,826	70,491	-	-
Capital outlay	25,496	-	29,933	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>106,322</u>	<u>70,491</u>	<u>101,073</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(26,516)</u>	<u>2,965</u>	<u>-</u>	<u>-</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	(26,516)	2,965	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>115,375</u>	<u>34,472</u>	<u>-</u>	<u>(11,212)</u>
FUND BALANCES, END OF YEAR	<u>\$ 88,859</u>	<u>\$ 37,437</u>	<u>\$ -</u>	<u>\$ (11,212)</u>

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2014

	2007 JAG CFDA #16.738	Chester Fire District	Lando Fire District	EMS Trauma Fund	MFYS Citizens Corp
REVENUES					
Federal sources	\$ 12,629	\$ -	\$ -	\$ -	\$ 8,958
State sources	-	14,114	-	-	-
County sources - property taxes	-	1,581,847	26,134	-	-
Local sources	-	-	1,800	-	-
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>12,629</u>	<u>1,595,961</u>	<u>27,934</u>	<u>-</u>	<u>8,958</u>
EXPENDITURES					
General government	12,629	1,639,200	30,073	-	-
Public safety	-	-	-	15,565	8,958
Highway, streets and public buildings	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>12,629</u>	<u>1,639,200</u>	<u>30,073</u>	<u>15,565</u>	<u>8,958</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(43,239)</u>	<u>(2,139)</u>	<u>(15,565)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	(1)	-	-	-	-
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(1)	(43,239)	(2,139)	(15,565)	-
FUND BALANCES, BEGINNING OF YEAR	<u>1</u>	<u>567,402</u>	<u>32,044</u>	<u>16,123</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 524,163</u>	<u>\$ 29,905</u>	<u>\$ 558</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, 2014

SCHEDULE B-4
Continued

	EMA Donations	Law Enforcement Network	Homeland Security Program	EMS Local Grants	EMS Donations
REVENUES					
Federal sources	\$ -	\$ -	\$ 37,125	\$ -	\$ -
State sources	-	19,692	-	-	-
County sources - property taxes	-	-	-	-	-
Local sources	36,063	-	-	-	-
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	36,063	19,692	37,125	-	-
EXPENDITURES					
General government	-	-	-	-	-
Public safety	1,925	24,413	-	-	-
Highway, streets and public buildings	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	5,228	37,125	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,925	29,641	37,125	-	-
Excess (deficiency) of revenues over expenditures	34,138	(9,949)	-	-	-
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	34,138	(9,949)	-	-	-
FUND BALANCES, BEGINNING OF YEAR	21,011	(3,807)	-	1,750	(133)
FUND BALANCES, END OF YEAR	\$ 55,149	\$ (13,756)	\$ -	\$ 1,750	\$ (133)

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
For the Year Ended June 30, 2014

	<u>LEMPG Competitive Grant</u>	<u>Chester Airport Commission</u>	<u>HMEP CFDA #20.703</u>	<u>Chester County Library</u>
REVENUES				
Federal sources	\$ 17,400	\$ 57,589	\$ 14,682	\$ -
State sources	-	-	-	(1,000)
County sources - property taxes	-	-	-	671,165
Local sources	-	72,785	-	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>17,400</u>	<u>130,374</u>	<u>14,682</u>	<u>670,165</u>
EXPENDITURES				
General government	-	188,489	25,059	-
Public safety	-	-	-	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	690,475
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>188,489</u>	<u>25,059</u>	<u>690,475</u>
Excess (deficiency) of revenues over expenditures	<u>17,400</u>	<u>(58,115)</u>	<u>(10,377)</u>	<u>(20,310)</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	(58,115)	(10,377)	(20,310)
FUND BALANCES, BEGINNING OF YEAR	<u>(17,400)</u>	<u>55,009</u>	<u>(7,167)</u>	<u>324,335</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ (3,106)</u>	<u>\$ (17,544)</u>	<u>\$ 304,025</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, 2014

SCHEDULE B-4
Continued

	DHEC SW Reduction	Economic Development Marketing	SLPG CFDA #97.042	GIS Data Conversion	Public Defender
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	6,307	-	-	-	-
County sources - property taxes	-	-	-	-	-
Local sources	-	-	-	-	519,391
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
Total revenues	6,307	-	-	-	519,391
EXPENDITURES					
General government	5,188	-	-	-	519,706
Public safety	-	-	-	-	-
Highway, streets and public buildings	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	5,188	-	-	-	519,706
Excess (deficiency) of revenues over expenditures	1,119	-	-	-	(315)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	1,119	-	-	-	(315)
FUND BALANCES, BEGINNING OF YEAR	2,137	(11,837)	(851)	15,069	(18,117)
FUND BALANCES, END OF YEAR	\$ 3,256	\$ (11,837)	\$ (851)	\$ 15,069	\$ (18,432)

CHESTER COUNTY, SOUTH CAROLINA
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**
 For the Year Ended June 30, 2014

**SCHEDULE B-4
 Continued**

	<u>Sale of County Property</u>	<u>Cops Hiring Grant</u>	<u>Sex Offender Registry</u>	<u>Veterans Affairs Aid to Counties</u>
REVENUES				
Federal sources	\$ -	\$ 36,017	\$ -	\$ -
State sources	18,000	-	-	3,825
County sources - property taxes	-	-	-	-
Local sources	-	-	2,826	-
Investment income	-	-	-	-
Other income	-	-	-	-
Total revenues	<u>18,000</u>	<u>36,017</u>	<u>2,826</u>	<u>3,825</u>
EXPENDITURES				
General government	109,478	-	-	3,449
Public safety	-	36,017	2,748	-
Highway, streets and public buildings	-	-	-	-
Cultural and recreational	-	-	-	-
Capital outlay	400,000	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>509,478</u>	<u>36,017</u>	<u>2,748</u>	<u>3,449</u>
Excess (deficiency) of revenues over expenditures	<u>(491,478)</u>	<u>-</u>	<u>78</u>	<u>376</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	532,478	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>532,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	41,000	-	78	376
FUND BALANCES, BEGINNING OF YEAR	<u>(41,000)</u>	<u>-</u>	<u>8,107</u>	<u>5,100</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,185</u>	<u>\$ 5,476</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, 2014

	<u>Animal Control- Lutz Grant</u>	<u>Sheriff's Equitable Sharing</u>	<u>DHEC SC HPP Grant</u>	<u>Totals</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ 39,722	\$ 521,296
State sources	-	-	-	1,928,624
County sources - property taxes	-	-	-	3,166,179
Local sources	15,000	1,191	-	1,484,230
Investment income	-	-	-	776
Other income	-	-	-	26,221
Total revenues	<u>15,000</u>	<u>1,191</u>	<u>39,722</u>	<u>7,127,326</u>
EXPENDITURES				
General government	12,088	-	-	4,551,487
Public safety	-	1,102	-	680,433
Highway, streets and public buildings	-	-	-	1,006,648
Cultural and recreational	-	-	-	841,792
Capital outlay	-	-	39,722	710,199
Debt service				
Principal retirement	-	-	-	83,294
Interest and fiscal charges	-	-	-	13,078
Total expenditures	<u>12,088</u>	<u>1,102</u>	<u>39,722</u>	<u>7,886,931</u>
Excess (deficiency) of revenues over expenditures	<u>2,912</u>	<u>89</u>	<u>-</u>	<u>(759,605)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	604,021
Operating transfers out	-	-	-	(136,771)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,250</u>
Net changes in fund balances	2,912	89	-	<u>(292,355)</u>
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,152,088</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,912</u>	<u>\$ 89</u>	<u>\$ -</u>	<u>\$ 2,859,733</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
 For the Year Ended June 30, 2014

	<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	\$ 259	\$ -	\$ -	\$ -	\$ -	\$ 259
Investments	706,343	-	-	-	641,412	1,347,755
Receivables						
Property taxes, net	107,031	7,364	5,630	16,417	-	136,442
Due from other funds	<u>125,312</u>	<u>96,796</u>	<u>17,092</u>	<u>104,883</u>	<u>-</u>	<u>344,083</u>
 Total assets	<u><u>\$ 938,945</u></u>	<u><u>\$ 104,160</u></u>	<u><u>\$ 22,722</u></u>	<u><u>\$ 121,300</u></u>	<u><u>\$ 641,412</u></u>	<u><u>\$ 1,828,539</u></u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	<u>\$ 101,312</u>	<u>\$ 6,858</u>	<u>\$ 5,244</u>	<u>\$ 15,450</u>	<u>\$ -</u>	<u>\$ 128,864</u>
 Total deferred inflows of resources	<u>101,312</u>	<u>6,858</u>	<u>5,244</u>	<u>15,450</u>	<u>-</u>	<u>128,864</u>
 FUND BALANCES						
Committed	<u>837,633</u>	<u>97,302</u>	<u>17,478</u>	<u>105,850</u>	<u>641,412</u>	<u>1,699,675</u>
 Total deferred inflows of resources and fund balances	<u><u>\$ 938,945</u></u>	<u><u>\$ 104,160</u></u>	<u><u>\$ 22,722</u></u>	<u><u>\$ 121,300</u></u>	<u><u>\$ 641,412</u></u>	<u><u>\$ 1,828,539</u></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, 2014

	Chester County Debt Service	Chester Fire Bond	Lando Fire Debt Service	Richburg Fire Bond	Chester Facilities Corporation	Totals
REVENUES						
Property taxes	\$ 865,493	\$ 73,984	\$ 69,606	\$ 138,570	\$ -	\$ 1,147,653
Investment income	1,152	-	-	-	-	1,152
F.I.L.O.T income	-	-	-	-	256,739	256,739
Total revenue	866,645	73,984	69,606	138,570	256,739	1,405,544
EXPENDITURES						
Debt service						
Principal retirement	907,881	70,598	66,069	101,710	-	1,146,258
Interest and fiscal charges	118,620	8,701	4,607	11,149	219,675	362,752
Total expenditures	1,026,501	79,299	70,676	112,859	219,675	1,509,010
Net changes in fund balance	(159,856)	(5,315)	(1,070)	25,711	37,064	(103,466)
FUND BALANCES, BEGINNING YEAR	997,489	102,617	18,548	80,139	604,348	1,803,141
FUND BALANCES, END OF YEAR	\$ 837,633	\$ 97,302	\$ 17,478	\$ 105,850	\$ 641,412	\$ 1,699,675

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	<u>Economic Development Infrastructure</u>	<u>Emergency Training Center</u>	<u>Rossville Fire Department</u>	<u>Chester Detention Center</u>
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	<u>16,483</u>	<u>921</u>	<u>5,100</u>	<u>964</u>
Total assets	<u>\$ 16,483</u>	<u>\$ 921</u>	<u>\$ 5,100</u>	<u>\$ 964</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	16,483	-	-	-
Committed	-	921	5,100	964
Assigned	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>16,483</u>	<u>921</u>	<u>5,100</u>	<u>964</u>
Total liabilities and fund balances	<u>\$ 16,483</u>	<u>\$ 921</u>	<u>\$ 5,100</u>	<u>\$ 964</u>

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

SCHEDULE B-7
Continued

	West Chester Fire	Vehicle Replacement	Raxter Road Project	Golf Course/ Great Falls & Republic
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	275,244	-	-
Total assets	\$ -	\$ 275,244	\$ -	\$ -
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ 1,487
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	1,487
FUND BALANCES				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	275,244	-	-
Unassigned	-	-	-	(1,487)
Total fund balances	-	275,244	-	(1,487)
Total liabilities and fund balances	\$ -	\$ 275,244	\$ -	\$ -

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

SCHEDULE B-7
Continued

	Gateway Commons	Meadowbrook Water Project	EECBG Energy Grant	RIF-Grant Rolled Alloys	Courthouse Improvements
ASSETS					
Cash	\$ -	\$ 2,500	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	18,306
Total assets	\$ -	\$ 2,500	\$ -	\$ -	\$ 18,306
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 4,633	\$ -	\$ 8,440	\$ -	\$ -
Unearned revenue	30,000	-	-	-	-
Total liabilities	34,633	-	8,440	-	-
FUND BALANCES					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	2,500	-	-	18,306
Unassigned	(34,633)	-	(8,440)	-	-
Total fund balances	(34,633)	2,500	(8,440)	-	18,306
Total liabilities and fund balances	\$ -	\$ 2,500	\$ -	\$ -	\$ 18,306

CHESTER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2014

	Eureka	
	Performance	
	Bond	Totals
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ -	\$ 2,500
Due from other funds	49,975	366,993
	<u> </u>	<u> </u>
Total assets	<u>\$ 49,975</u>	<u>\$ 369,493</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other funds	\$ -	\$ 14,560
Unearned revenue	-	30,000
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>44,560</u>
FUND BALANCES		
Restricted	49,975	66,458
Committed	-	6,985
Assigned	-	296,050
Unassigned	-	(44,560)
	<u> </u>	<u> </u>
Total fund balances	<u>49,975</u>	<u>324,933</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 49,975</u>	<u>\$ 369,493</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, 2014

	<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	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
General government	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>16,483</u>	<u>921</u>	<u>5,100</u>	<u>964</u>
FUND BALANCES, END OF YEAR	<u>\$ 16,483</u>	<u>\$ 921</u>	<u>\$ 5,100</u>	<u>\$ 964</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, 2014

	<u>West Chester Fire</u>	<u>Vehicle Replacement</u>	<u>Raxter Road Project</u>	<u>Golf Course/ Great Falls & Republic</u>
REVENUES				
Federal sources	\$ -	\$ -	\$ 12,922	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>12,922</u>	<u>-</u>
EXPENDITURES				
General government	950	46,115	53	-
Capital outlay	<u>62,050</u>	<u>1,037,920</u>	<u>38,381</u>	<u>-</u>
Total expenditures	<u>63,000</u>	<u>1,084,035</u>	<u>38,434</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(63,000)</u>	<u>(1,084,035)</u>	<u>(25,512)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>-</u>	<u>-</u>	<u>213,154</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>213,154</u>	<u>-</u>
Net changes in fund balances	(63,000)	(1,084,035)	187,642	-
FUND BALANCES, BEGINNING OF YEAR	<u>63,000</u>	<u>1,359,279</u>	<u>(187,642)</u>	<u>(1,487)</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 275,244</u>	<u>\$ -</u>	<u>\$ (1,487)</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, 2014

	<u>Gateway Commons</u>	<u>Meadowbrook Water Project</u>	<u>EECBG Energy Grant</u>	<u>RIF Grant Rolled Alloys</u>
REVENUES				
Federal sources	\$ -	\$ 700	\$ -	\$ -
State sources	-	-	-	1,712,000
Local sources	<u>21,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>21,000</u>	<u>700</u>	<u>-</u>	<u>1,712,000</u>
EXPENDITURES				
General government	-	700	-	1,550,000
Capital outlay	<u>12,250</u>	<u>-</u>	<u>-</u>	<u>162,000</u>
Total expenditures	<u>12,250</u>	<u>700</u>	<u>-</u>	<u>1,712,000</u>
Excess (deficiency) of revenues over expenditures	<u>8,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>267,617</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>267,617</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	276,367	-	-	-
FUND BALANCES, BEGINNING OF YEAR	<u>(311,000)</u>	<u>2,500</u>	<u>(8,440)</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (34,633)</u>	<u>\$ 2,500</u>	<u>\$ (8,440)</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, 2014

	<u>Courthouse</u> <u>Improvements</u>	<u>Eureka</u> <u>Performance</u> <u>Bond</u>	<u>Totals</u>
REVENUES			
Federal sources	\$ -	\$ -	\$ 13,622
State sources	-	-	1,712,000
Local sources	-	49,975	70,975
	<hr/>	<hr/>	<hr/>
Total revenues	-	49,975	1,796,597
EXPENDITURES			
General government	100,994	-	1,698,812
Capital outlay	5,700	-	1,318,301
	<hr/>	<hr/>	<hr/>
Total expenditures	106,694	-	3,017,113
Excess (deficiency) of revenues over expenditures	<hr/> <u>(106,694)</u>	<hr/> <u>49,975</u>	<hr/> <u>(1,220,516)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	<hr/> <u>125,000</u>	<hr/> <u>-</u>	<hr/> <u>605,771</u>
Total other financing sources (uses)	<hr/> <u>125,000</u>	<hr/> <u>-</u>	<hr/> <u>605,771</u>
Net changes in fund balances	18,306	49,975	(614,745)
FUND BALANCES, BEGINNING OF YEAR	<hr/> <u>-</u>	<hr/> <u>-</u>	<hr/> <u>939,678</u>
FUND BALANCES, END OF YEAR	<hr/> <u>\$ 18,306</u>	<hr/> <u>\$ 49,975</u>	<hr/> <u>\$ 324,933</u>

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF CLERK OF COURT FINES AND FEES
 For the Year Ended June 30, 2014

	Total Collected
Amount Retained by County Treasurer	
Fines	\$ 6,964
Fees	240,203
Total retained by County Treasurer	\$ 247,167
 Amount Remitted to State Treasurer	
Fines	\$ 5,474
Fees	180,345
Assessments	8,342
Other	9,224
Total remitted to State Treasurer	\$ 203,385
 Amount Allocated to Victim's Services	
Assessments	\$ 3,644
Surcharges	12,128
Total allocated to Victim's Services	\$ 15,772

CHESTER COUNTY, SOUTH CAROLINA
SUPPLEMENTARY INFORMATION
SCHEDULE OF MAGISTRATE FINES AND FEES
 For the Year Ended June 30, 2014

	Total Collected
Amount Retained by County Treasurer	
Fines	\$ 322,003
Fees	55,782
Total Retained by County Treasurer	\$ 377,785
 Amount Remitted to State Treasurer	
Total Remitted to State Treasurer	\$ 506,622
 Amount Allocated to Victim's Services	
Total Allocated to Victim's Services	\$ 49,979