

**CHESTER COUNTY, SOUTH CAROLINA  
ANNUAL AUDITED FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**ISSUED BY:**

**CHESTER COUNTY**

**Management and Finance Departments**

**Dr. Wylie G. Frederick  
Interim County Supervisor**

**Thomas E. Darby  
Treasurer**

CHESTER COUNTY, SOUTH CAROLINA  
**ANNUAL AUDITED FINANCIAL REPORT**  
 JUNE 30, 2020

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ROBERT E. FAULKNER  
T. DALE THOMPSON

CERTIFIED IN S.C. AND N.C.

226 NORTHPARK DRIVE, SUITE 110  
POST OFFICE BOX 2456  
ROCK HILL, SOUTH CAROLINA 29732-4456  
TELEPHONE: 803 324-3160  
FACSIMILE: 803 324-2767

NORTH CAROLINA OFFICES

10800 SIKES PLACE, SUITE 300  
CHARLOTTE, NORTH CAROLINA 28277  
TELEPHONE: 704 541-6180

## INDEPENDENT AUDITORS' REPORT

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

### 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 (the County), as of and for the year ended June 30, 2020, 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 seven percent, four percent, and sixty-one 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 opinion, insofar as it relates to amounts included for Chester Fire District, is based solely 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 the County as of June 30, 2020, 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 on pages 4 through 13, budgetary comparison information on pages 75 through 79, the County's Proportionate Share of the Net Pension Liability on pages 80 and 81, the Schedules of the County's Contributions on pages 82 and 83 and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 84 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 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 the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the Schedule of Court Fines, Assessments and Surcharges (Per ACT 96), and the schedule of expenditures of federal awards are the responsibility of management, 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, the Schedule of Court Fines, Assessments and Surcharges (Per ACT 96) and schedule of expenditures of federal awards 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 19, 2021, on our consideration of the 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 the County's internal control over financial reporting and compliance.

*Faulkner and Thompson, P.A.*

Rock Hill, South Carolina  
March 19, 2021

# Chester County, South Carolina

OFFICE OF TREASURER

Post Office Drawer 686

Chester, South Carolina 29706

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## 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, 2020. 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 and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$25,913,734 (net position).
- The government's total net position increased by \$8,100,923 (45 percent). General revenues from Property Taxes and Intergovernmental revenues for the County increased. At the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$34,730,303, an increase of \$1,355,185 in comparison with the prior year. The primary reason for the increase in combined ending fund balances was due to an increase in the General Fund and Debt Service Fund - Chester Facilities Corporation (CFC). These increases were offset by a decrease in the CFC Gateway Bond Fund from expenditures related to the Gateway expansion.
- General Fund actual revenues were \$462,809 higher than budgeted. This was primarily due to a favorable variance in Fee in Lieu of Tax revenues. General Fund actual expenditures were \$629,848 less than budgeted. Overall revenues and other financing sources exceeded expenditures and other financing uses by \$1,145,175, increasing the fund balance for the General Fund to \$10,138,214. The detail of these variances is outlined in Schedules A-1 and A-2, which are located on pages 75 through 79.

- In the County's governmental activities, revenues and transfers increased \$798,360 or 19 percent as compared to the prior year, while expenses also decreased \$1,201,945 or 3 percent.
- The net position of the County's business-type activities (Landfill/Transfer Station and Gateway Conference Center) increased \$513,005. A major part of the increase in net position was due to an increase in operating income from the Landfill/Transfer Station.

## 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 the following legally separate units: Chester County Airport Commission, Chester County Library, Chester Fire District, Lando Fire District, Richburg Fire District, Lewis Fire District, and Fort Lawn Fire District; 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 14 through 16 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 eighty-one 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, Chester Facilities Corporation Debt Service Fund, Capital Projects Sales Tax Capital Projects Fund, Capital Projects 2018 and 2020 Capital Project Funds and CFC Gateway Bond Capital Project Fund. These funds are considered to be major funds. Data from the other seventy-nine 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 85 through 122 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 17 through 22 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 23 through 25 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 30 through 74 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 85 through 122 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 and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$25,647,724 at the close of the most recent fiscal year.

Chester County's Net Position						
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	42,390,613	40,652,268	246,023	114,221	42,636,636	40,766,489
Capital assets	40,094,532	36,725,630	906,742	986,396	41,001,274	37,712,026
Total assets	82,485,145	77,377,898	1,152,765	1,100,617	83,637,910	78,478,515
Deferred outflows of resources	4,525,846	4,309,303	34,023	34,115	4,559,869	4,343,418
Total assets and deferred outflows of resources	87,010,991	81,687,201	1,186,788	1,134,732	88,197,779	82,821,933
Long-term liabilities outstanding	26,643,338	30,207,492	1,105,380	1,127,862	27,748,718	31,335,354
Other liabilities	34,328,890	33,435,550	(582,982)	(144,047)	33,745,908	33,291,503
Total liabilities	60,972,228	63,643,042	522,398	983,815	61,494,626	64,626,857
Deferred inflows of resources	785,938	379,252	3,481	3,013	789,419	382,265
Net position:						
Invested in capital assets, net of related debt	13,451,194	6,518,138	906,742	990,790	14,357,936	7,508,928
Restricted	24,592,089	24,382,079	-0-	-0-	24,592,089	24,382,079
Unrestricted	(12,790,458)	(13,235,310)	(245,833)	(842,886)	(13,036,291)	(14,078,196)
Total net position	25,252,825	17,664,907	660,909	147,904	25,913,734	17,812,811
Total liabilities, deferred inflows of resources and net position	87,010,991	81,687,201	1,186,788	1,134,732	88,197,779	82,821,933

\$14,357,936 (55 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 may be used to meet the government's ongoing obligations to citizens and creditors.

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 business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities.** There was an increase of \$7,587,918 or forty-three percent in total net position as reported in connection with the County's governmental activities due primarily to an increase in property taxes and intergovernmental revenues. See Financial Highlights section presented on pages 4 and 5.

**Business-type activities.** The business-type net position increased by \$513,005 during fiscal year 2020. The primary reason for the increase relates to operating income for the Landfill/Transfer Station of \$429,230. Additional information on the County's solid waste landfill can be found in **Note 11 - Solid Waste Landfill Closure and Postclosure Care Costs** on page 53 of this report.

**Chester County's Changes in Net Position**

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	2,700,943	2,760,203	1,591,155	1,292,808	4,292,098	4,053,011
Operating grants and Contributions	3,712,653	2,979,529	20,691	32,159	3,733,344	3,011,688
Capital grants and contributions	941,899	1,355,748	-0-	-0-	941,899	1,355,748
<b>General revenues:</b>						
Property taxes	22,597,937	23,614,530	-0-	-0-	22,597,937	23,614,530
Intergovernmental	11,603,615	9,996,463	-0-	-0-	11,603,615	9,996,463
Accommodation fees	220,456	232,670	-0-	-0-	220,456	232,670
Investment income	380,240	534,671	10,120	8,353	390,360	543,024
Other	347,800	159,517	-0-	-0-	347,800	159,517
Franchise fees	76,362	75,214	-0-	-0-	76,362	75,214
Transfers in (out)	(75,000)	-0-	75,000	-0-	-0-	-0-
<b>Total revenues and transfers</b>	<b>42,506,905</b>	<b>41,708,545</b>	<b>1,696,966</b>	<b>1,333,320</b>	<b>44,203,871</b>	<b>43,041,865</b>
<b>Expenses:</b>						
General government	16,902,339	17,851,316	143,833	169,044	17,046,172	18,020,360
Public safety	14,161,886	13,837,428	-0-	-0-	14,161,886	13,837,428
Highways and streets	780,893	1,919,110	-0-	-0-	780,893	1,919,110
Welfare	324,676	328,913	-0-	-0-	324,676	328,913
Cultural and recreational	1,165,203	1,132,896	-0-	-0-	1,165,203	1,132,896
Interest and fiscal charges on long-term debt	1,413,990	1,152,279	-0-	-0-	1,413,990	1,152,279
Bond issuance costs	170,000	165,000	-0-	-0-	170,000	165,000
Solid waste	-0-	-0-	1,040,128	1,025,714	1,040,128	1,025,714
<b>Total expenses</b>	<b>34,918,987</b>	<b>36,386,942</b>	<b>1,183,961</b>	<b>1,194,758</b>	<b>36,102,948</b>	<b>37,581,700</b>
<b>Increase (decrease) in net position</b>	<b>7,587,918</b>	<b>5,321,603</b>	<b>513,005</b>	<b>138,562</b>	<b>8,100,923</b>	<b>5,460,165</b>
<b>Net position - Beginning</b>	<b>17,664,907</b>	<b>12,343,304</b>	<b>147,904</b>	<b>9,342</b>	<b>17,812,811</b>	<b>12,352,646</b>
<b>Net position - Ending</b>	<b>25,252,825</b>	<b>17,664,907</b>	<b>660,909</b>	<b>147,904</b>	<b>25,913,734</b>	<b>17,812,811</b>

## 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, *unassigned 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 increased by \$1,145,175. Major debt service funds increased by \$2,067,757 due to Fee in Lieu of Tax revenues received in excess of principal retirement for the Chester Facilities Corporation Debt Service Fund. Major capital projects funds decreased by \$2,186,346 due to the expenditure of bond proceeds for the Gateway Bond. Other governmental funds increased by \$328,599 due to an excess of revenues over expenditures in various funds.

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 \$10,138,214. 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 46 percent of total general fund expenditures.

### General Fund Budgetary Highlights

During fiscal year 2020, there were no budgetary supplemental appropriations needed by County Council. The County realized a favorable variance of \$462,809 in the collection of General Fund revenues and a favorable variance of \$629,848 in the County's General Fund expenditures. See Financial Highlights section presented on pages 4 and 5.

### 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, 2020, amounts to \$41,001,274 (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 \$158,284 for Animal Control Facility renovations, \$1,132,258 for an E911 Radio System and \$162,140 for a Government Complex generator.

Chester County's Capital Assets						
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Land	4,010,477	4,010,477	112,144	112,144	4,122,621	4,122,621
Construction in progress	459,341	2,936,411	-0-	-0-	459,341	2,936,411
Buildings and improvements	26,658,498	22,013,675	272,950	291,143	26,931,448	22,304,818
Improvements other than buildings	957,441	1,043,295	318,344	342,858	1,275,785	1,386,153
Infrastructure	1,147,891	1,239,520	-0-	-0-	1,147,891	1,239,520
Machinery and equipment	3,453,880	2,407,378	203,304	240,251	3,657,184	2,647,629
Vehicles	3,407,004	3,074,874	-0-	-0-	3,407,004	3,074,874
Total capital assets	40,094,532	36,725,630	906,742	986,396	41,001,274	37,712,026

Additional information on the County's capital assets can be found in **Note 6 – Capital Assets** beginning on page 45 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total bonds outstanding of \$7,260,000. All of this debt is backed by the full faith and credit of the government.

During the current fiscal year, the County's total general obligation debt decreased by \$3,585,000. 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 \$137,437,592. The current legal debt limit for the County is \$10,995,007. \$5,485,000 of the County's general obligation debt is subject to the 8 percent debt limit State statute; therefore, the available debt margin for the County is \$5,510,007.

Additional information on the County's long-term debt can be found in **Note 9 – Long-Term Debt** beginning on page 46 of this report.

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

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
	2013B General Obligation Bond	1,050,000	1,385,000	-0-	-0-	1,050,000
2014 General Obligation Bond	1,775,000	3,515,000	-0-	-0-	1,775,000	3,515,000
2015 General Obligation Bond	-0-	825,000	-0-	-0-	-0-	825,000
2016A General Obligation Bond	915,000	1,815,000	-0-	-0-	915,000	1,815,000
2016B General Obligation Bond	-0-	485,000	-0-	-0-	-0-	485,000
2017A General Obligation Bond	1,255,000	1,375,000	-0-	-0-	1,255,000	1,375,000
2018 General Obligation Bond	1,095,000	1,445,000	-0-	-0-	1,095,000	1,445,000
2019 General Obligation Bond	1,170,000	-0-	-0-	-0-	1,170,000	-0-
<b>Total general obligation bonds</b>	<b>7,260,000</b>	<b>10,845,000</b>	<b>-0-</b>	<b>-0-</b>	<b>7,260,000</b>	<b>10,845,000</b>

**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 2020 was estimated at 32,244.
- The total number of jobs in June 2020 was estimated at 12,294, which is slightly more than last year.
- The State's unemployment rate was 8.7 percent in June 2020 as reported by the SC Department of Employment and Workforce. In comparison, the County's unemployment rate as of June 2020 was 13.6 percent.
- Chester County's average weekly wage in 2020 was \$823, while the South Carolinas average weekly wage was \$866, which ranks 46th in the United States.

**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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,341,297	\$ 113,750	\$ 19,455,047	\$ 1,182,215
Investments	17,409,407	-	17,409,407	-
Receivables:				
Taxes	2,433,841	-	2,433,841	84,688
Accounts	-	132,273	132,273	9,140
Other	439,843	-	439,843	-
Intergovernmental receivable	2,625,772	-	2,625,772	393,351
Prepaid insurance	140,453	-	140,453	-
Other assets	-	-	-	4,073
Fuel inventory	-	-	-	20,773
Capital assets	40,094,532	906,742	41,001,274	7,060,629
Total assets	<u>82,485,145</u>	<u>1,152,765</u>	<u>83,637,910</u>	<u>8,754,869</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	4,523,804	34,023	4,557,827	136,460
OPEB	2,042	-	2,042	-
Total deferred outflows of resources	<u>4,525,846</u>	<u>34,023</u>	<u>4,559,869</u>	<u>136,460</u>
Total assets and deferred outflows of resources	<u>\$ 87,010,991</u>	<u>\$ 1,186,788</u>	<u>\$ 88,197,779</u>	<u>\$ 8,891,329</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 808,974	\$ -	\$ 808,974	\$ 69,541
Accrued expenses	1,230,566	-	1,230,566	82,122
Due to other funds	805,817	(805,821)	(4)	-
Due to agency funds	2,772,742	-	2,772,742	-
Intergovernmental payable	35,114	-	35,114	3,519
Escrow tax sale	449,610	-	449,610	-
Net OPEB obligation	1,656,002	-	1,656,002	-
Unearned revenue	451,986	-	451,986	4,911
Net pension liability	26,118,079	222,839	26,340,918	1,003,574
Long-term liabilities:				
Due within one year	2,266,586	56,550	2,323,136	215,576
Due in more than one year	24,376,752	1,048,830	25,425,582	3,477,509
Total liabilities	<u>60,972,228</u>	<u>522,398</u>	<u>61,494,626</u>	<u>4,856,752</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	745,084	3,481	748,565	25,051
OPEB	40,854	-	40,854	-
Total deferred inflows of resources	<u>785,938</u>	<u>3,481</u>	<u>789,419</u>	<u>25,051</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	13,451,194	906,742	14,357,936	3,431,544
Restricted for:				
Debt service	6,625,628	-	6,625,628	-
Capital projects	13,994,226	-	13,994,226	-
Other purposes	3,972,235	-	3,972,235	-
Unrestricted	(12,790,458)	(245,833)	(13,036,291)	577,982
Total net position	<u>25,252,825</u>	<u>660,909</u>	<u>25,913,734</u>	<u>4,009,526</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 87,010,991</u>	<u>\$ 1,186,788</u>	<u>\$ 88,197,779</u>	<u>\$ 8,891,329</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>PRIMARY GOVERNMENT</b>				
<b>GOVERNMENTAL ACTIVITIES</b>				
General government	\$ 16,902,339	\$ 1,049,324	\$ 3,247,275	\$ 819,074
Public safety	14,161,886	1,651,619	465,378	122,825
Highways and streets	780,893	-	-	-
Welfare	324,676	-	-	-
Cultural and recreational	1,165,203	-	-	-
Interest and fiscal charges on long-term debt	1,413,990	-	-	-
Bond issuance costs	170,000	-	-	-
<b>Total governmental activities</b>	<u>34,918,987</u>	<u>2,700,943</u>	<u>3,712,653</u>	<u>941,899</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Landfill/transfer station	1,040,128	1,443,047	16,191	-
Gateway Conference Center	143,833	148,108	4,500	-
<b>Total business-type activities</b>	<u>1,183,961</u>	<u>1,591,155</u>	<u>20,691</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 36,102,948</u>	<u>\$ 4,292,098</u>	<u>\$ 3,733,344</u>	<u>\$ 941,899</u>
<b>COMPONENT UNITS</b>				
Chester County Airport Commission	\$ 365,867	\$ 243,233	\$ -	\$ 115,055
Chester County Library	897,441	15,950	109,075	-
Chester Fire District	1,961,076	-	-	-
Lando Fire District	98,592	-	32,539	-
Richburg Fire District	396,389	23,275	27,750	-
Lewis Fire District	34,408	-	-	-
Fort Lawn Fire District	110,573	-	14,540	-
<b>Total component units</b>	<u>\$ 3,864,346</u>	<u>\$ 282,458</u>	<u>\$ 183,904</u>	<u>\$ 115,055</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

Changes in net position

Net position, beginning of year

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	
\$ (11,786,666)	\$ -	\$ (11,786,666)	\$ -
(11,922,064)	-	(11,922,064)	-
(780,893)	-	(780,893)	-
(324,676)	-	(324,676)	-
(1,165,203)	-	(1,165,203)	-
(1,413,990)	-	(1,413,990)	-
(170,000)	-	(170,000)	-
<u>(27,563,492)</u>	<u>-</u>	<u>(27,563,492)</u>	<u>-</u>
-	419,110	419,110	-
-	8,775	8,775	-
-	<u>427,885</u>	<u>427,885</u>	-
<u>(27,563,492)</u>	<u>427,885</u>	<u>(27,135,607)</u>	<u>-</u>
-	-	-	(7,579)
-	-	-	(772,416)
-	-	-	(1,961,076)
-	-	-	(66,053)
-	-	-	(345,364)
-	-	-	(34,408)
-	-	-	(96,033)
-	-	-	<u>(3,282,929)</u>
15,933,845	-	15,933,845	3,279,122
4,130,629	-	4,130,629	-
2,533,463	-	2,533,463	-
11,603,615	-	11,603,615	-
220,456	-	220,456	-
76,362	-	76,362	-
380,240	10,120	390,360	397
347,800	-	347,800	15,240
<u>(75,000)</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
<u>35,151,410</u>	<u>85,120</u>	<u>35,236,530</u>	<u>3,294,759</u>
<u>7,587,918</u>	<u>513,005</u>	<u>8,100,923</u>	<u>11,830</u>
<u>17,664,907</u>	<u>147,904</u>	<u>17,812,811</u>	<u>3,997,696</u>
<u>\$ 25,252,825</u>	<u>\$ 660,909</u>	<u>\$ 25,913,734</u>	<u>\$ 4,009,526</u>

See the accompanying Notes to Financial Statements.



CHESTER COUNTY, SOUTH CAROLINA  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
 JUNE 30, 2020

	<b>General Fund</b>	<b>Debt Service Fund - Chester Facilities Corporation</b>
<b>ASSETS</b>		
Cash	\$ 3,454,510	\$ 3,618,945
Investments	12,924,268	-
Receivables:		
Property taxes	1,699,923	-
Other	151,718	-
Local sources	288,125	-
Due from other governments:		
Federal grant revenue	79,319	-
State shared revenue	1,831,244	-
Due from other funds	-	-
Total assets	\$ 20,429,107	\$ 3,618,945
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 808,974	\$ -
Accrued liabilities	83,636	-
Due to:		
Other taxing authorities	35,114	-
Agency funds	2,772,742	-
Other funds	4,294,100	-
Escrow tax sale	449,610	-
Unearned revenue	451,986	-
Magistrate bonds pending	(63,512)	-
Total liabilities	8,832,650	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	1,458,243	-
Total deferred inflows of resources	1,458,243	-
 <b>FUND BALANCES</b>		
Restricted	-	3,618,945
Committed	119,041	-
Assigned	-	-
Unassigned	10,019,173	-
Total fund balances	10,138,214	3,618,945
Total liabilities, deferred inflows of resources and fund balances	\$ 20,429,107	\$ 3,618,945

See the accompanying Notes to Financial Statements.

Capital Projects Funds					
Capital Projects Sales Tax	Capital Projects 2018	CFC Gateway Bond	Capital Projects 2020	Other Governmental Funds	Total Governmental Funds
\$ 330,559	\$ -	\$ 9,788,832	\$ -	\$ 2,148,451	\$ 19,341,297
3,451,970	-	-	-	1,033,169	17,409,407
-	-	-	-	733,918	2,433,841
-	-	-	-	-	151,718
-	-	-	-	-	288,125
-	-	-	-	-	79,319
-	-	-	-	715,209	2,546,453
-	64,301	-	259,756	4,236,183	4,560,240
<u>\$ 3,782,529</u>	<u>\$ 64,301</u>	<u>\$ 9,788,832</u>	<u>\$ 259,756</u>	<u>\$ 8,866,930</u>	<u>\$ 46,810,400</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 808,974
-	-	-	-	26,402	110,038
-	-	-	-	-	35,114
-	-	-	-	-	2,772,742
45,621	-	6,361	-	1,019,975	5,366,057
-	-	-	-	-	449,610
-	-	-	-	-	451,986
-	-	-	-	-	(63,512)
<u>45,621</u>	<u>-</u>	<u>6,361</u>	<u>-</u>	<u>1,046,377</u>	<u>9,931,009</u>
-	-	-	-	690,845	2,149,088
-	-	-	-	690,845	2,149,088
3,736,908	64,301	9,782,471	259,756	7,445,842	24,908,223
-	-	-	-	656,559	775,600
-	-	-	-	-	-
-	-	-	-	(972,693)	9,046,480
<u>3,736,908</u>	<u>64,301</u>	<u>9,782,471</u>	<u>259,756</u>	<u>7,129,708</u>	<u>34,730,303</u>
<u>\$ 3,782,529</u>	<u>\$ 64,301</u>	<u>\$ 9,788,832</u>	<u>\$ 259,756</u>	<u>\$ 8,866,930</u>	<u>\$ 46,810,400</u>

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, 2020

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 34,730,303

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	4,010,477
Construction in progress	459,341
Buildings and improvements	37,148,783
Improvements other than buildings	6,808,870
Machinery and equipment	8,953,749
Infrastructure assets	8,460,801
Vehicles	11,262,180
Accumulated depreciation	<u>(37,009,669)</u>
Total capital assets	<u>40,094,532</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	2,149,088
----------------	-----------

Discounts on bonds that are other financing uses in the fund financial statements are an asset that is amortized over the life of the bonds and is netted with general obligation bonds in the government-wide financial statements.

172,118

Expenditures recorded under the purchases method that apply to a future period are reported as prepaid expenses in the Statement of Net Position. The change in prepaid is an adjustment to expenses in the current period.

140,453

Deferred outflows of resources related to pensions and OPEB are not outflows of the current period and are not reported in the funds.

4,525,846

Deferred inflows of resources related to pensions and OPEB are not inflows of the current period and are not reported in the funds.

(785,938)

Some long-term 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	(7,260,000)
Chester Facilities Corporation revenue bonds	(18,895,000)
Capital leases	(660,456)
Accrued interest	(269,460)
Proportionate share of collective net pension liability	(26,118,079)
Net OPEB liability	(1,656,002)
Compensated absences	<u>(914,580)</u>
Total long-term liabilities	<u>(55,773,577)</u>

NET POSITION OF GOVERNMENTAL FUNDS

\$ 25,252,825

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, 2020

	<b>General Fund</b>	<b>Debt Service Fund - Chester Facilities Corporation</b>
<b>REVENUES</b>		
Property taxes	\$ 15,623,135	\$ -
Licenses, fines, fees and permits	2,446,357	-
State sources	-	-
Federal sources	-	-
Local sources	-	3,221,199
Intergovernmental	4,355,868	-
Income on investments	176,886	-
Other income	295,619	-
	<b>22,897,865</b>	<b>3,221,199</b>
<b>EXPENDITURES</b>		
Current		
General government	10,211,746	-
Public safety	9,862,369	-
Highways and streets	380,447	-
Welfare	324,676	-
Cultural and recreational	157,914	-
Capital outlay	617,006	-
Debt service		
Principal retirement	78,472	-
Interest and fiscal charges	24,602	1,150,525
Bond issuance costs	-	-
	<b>21,657,232</b>	<b>1,150,525</b>
Excess (deficiency) of revenues over expenditures	<b>1,240,633</b>	<b>2,070,674</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Bond and capital lease proceeds	-	-
Operating transfers in (out)	(95,458)	(2,917)
	<b>(95,458)</b>	<b>(2,917)</b>
Net changes in fund balances	<b>1,145,175</b>	<b>2,067,757</b>
FUND BALANCES, BEGINNING OF YEAR	<b>8,993,039</b>	<b>1,551,188</b>
FUND BALANCES, END OF YEAR	<b>\$ 10,138,214</b>	<b>\$ 3,618,945</b>

See the accompanying Notes to Financial Statements.

<b>Capital Projects Funds</b>					
<b>Capital Projects Sales Tax</b>	<b>Capital Projects 2018</b>	<b>CFC Gateway Bond</b>	<b>Capital Projects 2020</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 6,664,092	\$ 22,287,227
-	-	-	-	-	2,446,357
-	-	-	-	5,753,680	5,753,680
-	-	-	-	872,516	872,516
-	-	-	-	2,613,659	5,834,858
-	-	-	-	-	4,355,868
65,637	-	130,491	-	6,370	379,384
-	-	-	-	45,686	341,305
<u>65,637</u>	<u>-</u>	<u>130,491</u>	<u>-</u>	<u>15,956,003</u>	<u>42,271,195</u>
231,707	3,095	(633,440)	128,100	5,301,001	15,242,209
-	-	-	-	2,961,967	12,824,336
-	-	-	-	295,466	675,913
-	-	-	-	-	324,676
-	-	-	-	903,557	1,061,471
111,623	647,689	2,284,473	612,144	786,530	5,059,465
-	-	-	-	5,088,591	5,167,063
-	-	-	-	310,750	1,485,877
-	-	-	170,000	-	170,000
<u>343,330</u>	<u>650,784</u>	<u>1,651,033</u>	<u>910,244</u>	<u>15,647,862</u>	<u>42,011,010</u>
<u>(277,693)</u>	<u>(650,784)</u>	<u>(1,520,542)</u>	<u>(910,244)</u>	<u>308,141</u>	<u>260,185</u>
-	-	-	1,170,000	-	1,170,000
-	-	2,917	-	20,458	(75,000)
-	-	2,917	1,170,000	20,458	1,095,000
(277,693)	(650,784)	(1,517,625)	259,756	328,599	1,355,185
4,014,601	715,085	11,300,096	-	6,801,109	33,375,118
<u>\$ 3,736,908</u>	<u>\$ 64,301</u>	<u>\$ 9,782,471</u>	<u>\$ 259,756</u>	<u>\$ 7,129,708</u>	<u>\$ 34,730,303</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, 2020

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,355,185

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

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

Capital outlay	5,823,967
Depreciation expense	(2,306,767)
Disposals	(148,298)
Excess of capital outlay over depreciation expense and disposals	3,368,902

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.

310,710

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.

(1,699,083)

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:

Bond principal retirement	5,115,000
Capital lease principal	154,384
	5,269,384

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

78,034

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.

Change in accrued compensated absences liability	10,511
Change in accrued other postemployment benefits (OPEB) liability	159,172
Change in accrued net pension liability	(1,253,734)
Amortization of bond discount	(11,163)
	(1,095,214)

CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 7,587,918

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
 JUNE 30, 2020

	<u>Gateway Conference Center</u>	<u>Landfill/ Transfer Station</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 113,750	\$ -	\$ 113,750
Accounts receivable, net of allowance of \$10,000	-	132,273	132,273
Total current assets	<u>113,750</u>	<u>132,273</u>	<u>246,023</u>
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Land and land improvements	-	293,644	293,644
Buildings and improvements	133,293	379,093	512,386
Machinery and equipment	275,009	950,632	1,225,641
Improvements other than buildings	306,253	-	306,253
Accumulated depreciation	<u>(423,963)</u>	<u>(1,007,219)</u>	<u>(1,431,182)</u>
Total noncurrent assets	<u>290,592</u>	<u>616,150</u>	<u>906,742</u>
Total assets	<u>404,342</u>	<u>748,423</u>	<u>1,152,765</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	-	34,023	34,023
Total deferred outflows of resources	<u>-</u>	<u>34,023</u>	<u>34,023</u>
Total assets and deferred outflows of resources	<u>\$ 404,342</u>	<u>\$ 782,446</u>	<u>\$ 1,186,788</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current portion of postclosure care	\$ -	\$ 56,550	\$ 56,550
Total current liabilities	<u>-</u>	<u>56,550</u>	<u>56,550</u>
<b>LONG-TERM LIABILITIES</b>			
Long-term portion of postclosure care	-	1,048,830	1,048,830
Interfund payable	678,689	(1,484,510)	(805,821)
Net pension liability	-	222,839	222,839
Total long-term liabilities	<u>678,689</u>	<u>(212,841)</u>	<u>465,848</u>
Total liabilities	<u>678,689</u>	<u>(156,291)</u>	<u>522,398</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	-	3,481	3,481
Total deferred inflows of resources	<u>-</u>	<u>3,481</u>	<u>3,481</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	290,592	616,150	906,742
Unrestricted	<u>(564,939)</u>	<u>319,106</u>	<u>(245,833)</u>
Total net position	<u>(274,347)</u>	<u>935,256</u>	<u>660,909</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 404,342</u>	<u>\$ 782,446</u>	<u>\$ 1,186,788</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

EXHIBIT 8

	<b>Gateway Conference Center</b>	<b>Landfill/ Transfer Station</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Disposal fees	\$ -	\$ 1,443,047	\$ 1,443,047
Rental income	152,608	-	152,608
<b>Total operating revenues</b>	<b>152,608</b>	<b>1,443,047</b>	<b>1,595,655</b>
<b>OPERATING EXPENSES</b>			
Disposal fees	-	881,376	881,376
Salaries and wages	-	116,372	116,372
Depreciation	37,274	42,380	79,654
Other	106,559	-	106,559
<b>Total operating expenses</b>	<b>143,833</b>	<b>1,040,128</b>	<b>1,183,961</b>
<b>Operating income (loss)</b>	<b>8,775</b>	<b>402,919</b>	<b>411,694</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
State sources	-	16,191	16,191
Interest income	-	10,120	10,120
Other	-	-	-
<b>Total non-operating revenue (expense)</b>	<b>-</b>	<b>26,311</b>	<b>26,311</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	75,000	-	75,000
<b>Total other financing sources (uses)</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>
<b>Changes in net position</b>	<b>83,775</b>	<b>429,230</b>	<b>513,005</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>(358,122)</b>	<b>506,026</b>	<b>147,904</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ (274,347)</b>	<b>\$ 935,256</b>	<b>\$ 660,909</b>

See the accompanying Notes to Financial Statements.



CHESTER COUNTY, SOUTH CAROLINA  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2020

	<b>Gateway Conference Center</b>	<b>Landfill/ Transfer Station</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 152,607	\$ 1,377,999	\$ 1,530,606
Payments to suppliers	(106,558)	(874,420)	(980,978)
Payments to employees	-	(116,372)	(116,372)
	<u>46,049</u>	<u>387,207</u>	<u>433,256</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Operating transfers in (out)	75,000	-	75,000
State revenue	-	16,191	16,191
	<u>75,000</u>	<u>16,191</u>	<u>91,191</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Change in interfund balance	(54,295)	(413,518)	(467,813)
Interest income	-	10,120	10,120
	<u>(54,295)</u>	<u>(403,398)</u>	<u>(457,693)</u>
Net increase in cash and cash equivalents	66,754	-	66,754
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>46,996</u>	<u>-</u>	<u>46,996</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 113,750</u>	<u>\$ -</u>	<u>\$ 113,750</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 8,775	\$ 402,919	\$ 411,694
Adjustments to reconcile operating income (loss) to net cash used for operating activities:			
Depreciation expense	37,274	42,380	79,654
Changes in current assets and liabilities:			
Accrual for postclosure liability	-	(22,482)	(22,482)
Pension expense	-	29,438	29,438
Accounts receivable	-	(65,048)	(65,048)
	<u>\$ 46,049</u>	<u>\$ 387,207</u>	<u>\$ 433,256</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2020

ASSETS	
Cash and cash equivalents	\$ 601,068
Investments	1,248,316
Due from Chester County	<u>2,163,199</u>
Total assets	<u>\$ 4,012,583</u>
LIABILITIES	
Funds held in trust for others	<u>\$ 4,012,583</u>
Total liabilities	<u>\$ 4,012,583</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF NET POSITION**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
 JUNE 30, 2020

	<u>Chester County Airport Commission</u>	<u>Chester County Library</u>	<u>Chester Fire District</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 169,694	\$ 731,097	\$ 69,259
Receivables:			
Taxes	-	-	1,403
Accounts	9,140	-	-
Intergovernmental	-	-	285,133
Fuel inventory	20,773	-	-
Other assets	-	-	-
Capital assets:			
Land	29,376	-	-
Construction in progress	125,037	-	-
Art collection	-	20,132	-
Circulation collection	-	1,763,278	-
Buildings and improvements	1,683,314	120,340	190,977
Equipment, furniture and fixtures	128,031	387,779	586,791
Apron improvements	22,017	-	-
Taxiway and runway	2,881,588	-	-
Less accumulated depreciation	(2,089,936)	(1,847,814)	(533,878)
Total assets	<u>2,979,034</u>	<u>1,174,812</u>	<u>599,685</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	23,405	113,055	-
Total deferred outflows of resources	<u>23,405</u>	<u>113,055</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 3,002,439</u>	<u>\$ 1,287,867</u>	<u>\$ 599,685</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 17,247	\$ 35,406	\$ 16,888
Accrued expenses	5,933	74,591	-
Intergovernmental payable	3,519	-	-
Unearned revenue	-	-	-
Net pension liability	146,260	857,314	-
Current portion of long-term debt	-	-	102,915
Long-term debt	-	-	312,612
Total liabilities	<u>172,959</u>	<u>967,311</u>	<u>432,415</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	1,233	23,818	-
Total deferred inflows of resources	<u>1,233</u>	<u>23,818</u>	<u>-</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	2,779,427	443,715	(171,637)
Unrestricted	48,820	(146,977)	338,907
Total net position	<u>2,828,247</u>	<u>296,738</u>	<u>167,270</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 3,002,439</u>	<u>\$ 1,287,867</u>	<u>\$ 599,685</u>

See the accompanying Notes to Financial Statements.

<u>Lando Fire District</u>	<u>Richburg Fire District</u>	<u>Lewis Fire District</u>	<u>Fort Lawn Fire District</u>	<u>Total</u>
\$ 94,886	\$ 69,168	\$ 32,052	\$ 16,059	\$ 1,182,215
2,665	-	337	80,283	84,688
-	-	-	-	9,140
86,236	-	16,618	5,364	393,351
-	-	-	-	20,773
-	2,379	1,694	-	4,073
-	200,004	66,084	-	295,464
9,836	-	-	-	134,873
-	-	-	-	20,132
-	-	-	-	1,763,278
-	2,287,768	-	526,220	4,808,619
355,154	774,740	132,716	52,921	2,418,132
-	-	-	-	22,017
-	-	-	-	2,881,588
(355,154)	(395,114)	(21,421)	(40,157)	(5,283,474)
<u>193,623</u>	<u>2,938,945</u>	<u>228,080</u>	<u>640,690</u>	<u>8,754,869</u>
-	-	-	-	136,460
-	-	-	-	136,460
<u>\$ 193,623</u>	<u>\$ 2,938,945</u>	<u>\$ 228,080</u>	<u>\$ 640,690</u>	<u>\$ 8,891,329</u>
\$ -	\$ -	\$ -	\$ -	\$ 69,541
-	1,598	-	-	82,122
-	-	-	-	3,519
2,511	2,400	-	-	4,911
-	-	-	-	1,003,574
17,675	42,571	13,741	38,674	215,576
35,610	2,797,953	50,259	281,075	3,477,509
<u>55,796</u>	<u>2,844,522</u>	<u>64,000</u>	<u>319,749</u>	<u>4,856,752</u>
-	-	-	-	25,051
-	-	-	-	25,051
(43,449)	26,874	177,379	219,235	3,431,544
181,276	67,549	(13,299)	101,706	577,982
<u>137,827</u>	<u>94,423</u>	<u>164,080</u>	<u>320,941</u>	<u>4,009,526</u>
<u>\$ 193,623</u>	<u>\$ 2,938,945</u>	<u>\$ 228,080</u>	<u>\$ 640,690</u>	<u>\$ 8,891,329</u>

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF ACTIVITIES**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
For the Year Ended June 30, 2020

	<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>	
<b>FUNCTIONS/PROGRAMS</b>					
Chester County Airport Commission	\$ 365,867	\$ 243,233	\$ -	\$ 115,055	\$ (7,579)
Chester County Library	897,441	15,950	109,075	-	(772,416)
Chester Fire District	1,961,076	-	-	-	(1,961,076)
Lando Fire District	98,592	-	32,539	-	(66,053)
Richburg Fire District	396,389	23,275	27,750	-	(345,364)
Lewis Fire District	34,408	-	-	-	(34,408)
Fort Lawn Fire District	110,573	-	14,540	-	(96,033)
	<u>\$ 3,864,346</u>	<u>\$ 282,458</u>	<u>\$ 183,904</u>	<u>\$ 115,055</u>	<u>(3,282,929)</u>

## General revenues:

## Property taxes levied for:

Chester County Library	754,000
Chester Fire District	2,009,866
Lando Fire District	31,767
Richburg Fire District	297,769
Lewis Fire District	60,000
Fort Lawn Fire District	125,720
Interest and investment earnings	397
Other income	15,240
	<u>3,294,759</u>

## Total general revenues

3,294,759

## Changes in net position

11,830

## Net position, beginning of year

3,997,696

## Net position, end of year

\$ 4,009,526

See the accompanying Notes to Financial Statements.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**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 Principles (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 County Library, Chester Fire District, Lando Fire District, Richburg Fire District, Lewis Fire District and Fort Lawn Fire District for the year ended June 30, 2019. 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, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Discretely Presented Component Units (Continued)**

***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-two 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.

***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 Fire District. Property tax revenue constitutes one hundred percent of the Fire District's operating revenue. Chester County Council appoints two of the Fire District's five board members. In addition, the Fire 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 Fire District. Chester County Council appoints members of the Fire District's board. In addition, the Fire 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 Fire District. Chester County Council appoints members of the Fire District's board. In addition, the Fire 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.

***Lewis Fire District***

The Lewis 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 Fire District. Chester County Council appoints members of the Fire District's board. In addition, the Fire 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 Lewis Fire District.

***Fort Lawn Fire District***

The Fort Lawn 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 Fire District. Chester County Council appoints members of the Fire District's board. In addition, the Fire 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 Fort Lawn Fire District.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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, the debt service fund - Chester Facilities Corporation, and the capital projects funds - Capital Projects Sales Tax, Capital Projects 2018 and CFC Gateway Bond, are considered major governmental funds.



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

**Fund Financial Statements (Continued)**

The general fund is the primary operating fund of the County. The debt service fund, Chester Facilities Corporation, accounts primarily for receipt of Fee in Lieu of Tax Agreement revenue and the principle and interest payments related to Chester Facilities Corporation bonds. The capital projects fund, Capital Projects Sales Tax, accounts for the proceeds of a \$9,475,000 general obligation bond and a \$2,365,000 general obligation bond used for financing various capital projects for the County. The capital projects funds, Capital Projects 2018 and 2020, account for the proceeds of \$1,800,000 and \$1,170,000 general obligation bonds used for financing various capital projects for the County. The capital projects fund, CFC Gateway Bond, accounts for the proceeds of a \$19,255,000 general obligation bond used for financing various capital projects for Chester Facilities Corporation.

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:

***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 sixty 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.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Accounting (Continued)**

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).

The Landfill/Transfer Station and the Gateway Conference Center 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.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Deferred Outflows and Inflows of Resources**

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

Outflows and inflows from changes in the net pension liability are reported in the Government-Wide Financial Statements as deferred outflows of resources and deferred inflows of resources, respectively. See Note 13 for further details.

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.

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.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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;
5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above 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

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Investments (Continued)**

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

**Property Tax Calendar**

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

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

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

Current year 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, 2020 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.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property Tax Calendar (Continued)**

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) represent 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 Nonexchange Transactions*, to account for nonexchange revenues, which primarily consist of imposed nonexchange 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.

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:

Building improvements	15 to 25 Years
Buildings	50 Years
Furniture and equipment	3 to 10 Years
Infrastructure	10 to 50 Years
Land improvements	10 to 20 Years
Machinery and equipment	5 to 15 Years
Vehicles	8 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-Term Obligations (Continued)**

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond insurance, if incurred, is recognized as an expenditure in the fund financial statements, however, is recognized as prepaid in the government-wide financial statements and amortized over the life of the bonds using the straight-line method. Principal and interest payments are recorded as expenditures when due.

**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 based on the number of years of service with the County. Accrued hours are as follows: length of service 0-1 year, 3.75 hours/month; length of service 1-4 years, 7.5 hours/month; length of service 5-9 years, 11.25 hours/month, length of service 10-14 years, 15 hours/month; length of service 15-19 years, 18.75 hours/month; and length of service 20 or more years, 22.50 hours/month of vacation pay. Employees may carry over from one calendar year to another a maximum carryover equivalent to 45 days of unused annual leave. For all County employees, no more than 720 hours may be carried over from one calendar year to another for sick leave benefits.

**Net 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.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reporting (Continued)**

- *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.

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.



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Future Accounting Pronouncements**

The following GASB Statements will be implemented in future financial statements:

Statement No. 87	<i>Leases</i>	This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It is effective for financial statements for reporting periods beginning after June 15, 2021.
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**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 County Library, Chester Fire District, Lando Fire District, Richburg Fire District, Lewis Fire District and Fort Lawn Fire District (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 information 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, 2020.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**Budgetary Information (Continued)**

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	\$ 398,079	Bennett Landfill Fire	\$ 554
1997 Short Fund	2,357	Sale of County Property	33,000
Solid Waste Collection Site	134,805	LEN Grant	139
EMPG 01 Multiple	15,675	DHEC SC HPP Grant	3,519
SOS DUI Enforcement	11,212	Jag Grant CFDA #16.738	9,682
EMS Donations	133	Economic Development Grant	16,131
HMEP CFDA #20.703	20,189	EECBG Energy Grant	8,440
SLPG CFDA #97.042	1,417	Hazard Mitigation Program	13,158
Public Defender	733	E-911 Jail Lightning Strike Damage	7,832
SCPRT Republic Park	20,888	Hurricane Florence	6,136
Solicitor's Office	24,186	DSS/DHEC Building Renovation	94,135
Victims/Witness Surcharges and Assessments	11,803	COVID-19 Fund	138,490

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.

**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, 2020, the County's governmental fund deposits had a carrying amount of \$19,341,297 and a bank balance of \$19,401,188, which was entirely covered by Federal depository insurance or collateralized.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 3 - DEPOSITS AND INVESTMENTS (CONTINUED)**

**Deposits (Continued)**

Agency funds had a carrying amount of \$601,068 and a bank balance of \$681,604 at June 30, 2020. The County had \$2,390 of cash on hand.

**Investments**

As of June 30, 2020, 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	\$ 1,568,380	\$ -	\$ 1,568,380
S.C. State Investment Pool	<u>15,841,027</u>	<u>15,841,027</u>	<u>-</u>
	<u>\$ 17,409,407</u>	<u>\$ 15,841,027</u>	<u>\$ 1,568,380</u>

At June 30, 2020, the County held \$1,248,316 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.

**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 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.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 4 - RECEIVABLES**

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

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Due from other governments	\$ 1,910,563	\$ 715,209	\$ 2,625,772
Property taxes	1,717,094	741,331	2,458,425
Emergency management (EMS)	588,910	-	588,910
Local sources	288,125	-	288,125
Other receivables	<u>33,936</u>	<u>-</u>	<u>33,936</u>
Gross receivables	<u>4,538,628</u>	<u>1,456,540</u>	<u>5,995,168</u>
Less allowance for:			
Taxes	( 17,171)	( 7,413)	( 24,584)
EMS	<u>( 471,128)</u>	<u>-</u>	<u>( 471,128)</u>
Net receivables	<u>\$ 4,050,329</u>	<u>\$ 1,449,127</u>	<u>\$ 5,499,456</u>

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

A summary of net amounts due from/to other funds at June 30, 2020 is as follows:

	<u>Receivable</u>	<u>Payable</u>
General fund	\$ -	\$( 7,066,842)
Debt service funds	616,102	-
Special revenue funds	2,456,421	-
Capital projects funds	415,755	-
Enterprise funds	805,821	-
Agency funds	<u>2,772,743</u>	<u>-</u>
	<u>\$ 7,066,842</u>	<u>\$( 7,066,842)</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 \$125,615 to a special revenue fund to support the Solicitor's Office operations and \$75,000 to a capital projects fund for ongoing projects. Special revenue funds transferred \$109,208 of Family Court IV-D funds and \$4,051 of Animal Shelter funds to the general fund. A special revenue fund transferred \$75,000 of A-Tax funds to the Conference Center for expenses.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 6 - CAPITAL ASSETS**

Primary government capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 4,010,477	\$ -	\$ -	\$ -	\$ 4,010,477
Construction in progress	<u>2,936,411</u>	<u>201,858</u>	<u>-</u>	<u>(2,678,928)</u>	<u>459,341</u>
	<u>6,946,888</u>	<u>201,858</u>	<u>-</u>	<u>(2,678,928)</u>	<u>4,469,818</u>
Capital assets being depreciated:					
Buildings and improvements	31,753,831	2,716,024	-	2,678,928	37,148,783
Improvements other than buildings	6,808,870	-	-	-	6,808,870
Machinery and equipment	8,862,790	1,661,957	( 1,570,998)	-	8,953,749
Infrastructure	8,460,801	-	-	-	8,460,801
Vehicles	<u>10,332,929</u>	<u>1,244,128</u>	<u>( 314,877)</u>	<u>-</u>	<u>11,262,180</u>
	<u>66,219,221</u>	<u>5,622,109</u>	<u>( 1,885,875)</u>	<u>2,678,928</u>	<u>72,634,383</u>
Less accumulated depreciation	<u>( 36,440,479)</u>	<u>(2,306,767)</u>	<u>1,737,577</u>	<u>-</u>	<u>( 37,009,669)</u>
Total capital assets, net depreciation	<u>29,778,742</u>	<u>3,315,342</u>	<u>( 148,298)</u>	<u>2,678,928</u>	<u>35,624,714</u>
Governmental activities capital assets, net	<u>\$ 36,725,630</u>	<u>\$ 3,517,200</u>	<u>\$ ( 148,298)</u>	<u>\$ -</u>	<u>\$ 40,094,532</u>
<b>Business-Type Activities:</b>					
<b>Landfill</b>					
Capital assets not being depreciated:					
Land	\$ 112,144	\$ -	\$ -	\$ -	\$ 112,144
Capital assets being depreciated:					
Improvements	181,500	-	-	-	181,500
Buildings and improvements	379,093	-	-	-	379,093
Machinery and equipment	<u>950,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>950,632</u>
	<u>1,511,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,511,225</u>
Less accumulated depreciation	<u>( 964,839)</u>	<u>( 42,380)</u>	<u>-</u>	<u>-</u>	<u>( 1,007,219)</u>
	<u>546,386</u>	<u>( 42,380)</u>	<u>-</u>	<u>-</u>	<u>504,006</u>
Landfill capital assets, net	<u>658,530</u>	<u>( 42,380)</u>	<u>-</u>	<u>-</u>	<u>616,150</u>
<b>Gateway Conference Center</b>					
Capital assets being depreciated:					
Buildings and improvements	133,293	-	-	-	133,293
Improvements, other than buildings	306,253	-	-	-	306,253
Machinery and equipment	<u>275,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,009</u>
	<u>714,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,555</u>
Less accumulated depreciation	<u>( 386,689)</u>	<u>( 37,274)</u>	<u>-</u>	<u>-</u>	<u>( 423,963)</u>
Gateway Conference Center capital assets, net	<u>327,866</u>	<u>( 37,274)</u>	<u>-</u>	<u>-</u>	<u>290,592</u>
Business-type activities, net	<u>\$ 986,396</u>	<u>\$ ( 79,654)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 906,742</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

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

**Governmental Activities:**

General government	\$ 447,790
Public safety	1,650,265
Highways and streets	104,980
Cultural and recreational	<u>103,732</u>
	<u>\$ 2,306,767</u>

**Business-Type Activities:**

Solid waste	\$ 42,380
Gateway Conference Center	<u>37,274</u>
	<u>\$ 79,654</u>

**NOTE 7 - ACCOUNTS PAYABLE**

Accounts payable consist of general fund trade accounts payable of \$1,438,503.

**NOTE 8 - UNEARNED REVENUE**

Unearned revenue in the government-wide and governmental funds financial statements consists of collections of local options sales tax revenue of \$451,986 during the fiscal year ended June 30, 2020 that relate to the subsequent fiscal year.

**NOTE 9 - 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, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds payable					
General obligation bonds	\$ 10,845,000	\$ 1,170,000	\$( 4,755,000 )	\$ 7,260,000	\$ 1,740,000
Chester Facilities Corporation revenue bonds	19,255,000	-	( 360,000 )	18,895,000	370,000
Less: Unamortized discounts	( <u>178,265</u> )	<u>-</u>	<u>6,147</u>	( <u>172,118</u> )	<u>6,147</u>
Net bonds payable	29,921,735	1,170,000	( 5,108,853 )	25,982,882	2,116,147
Notes payable and capital leases	<u>285,757</u>	<u>529,083</u>	<u>( 154,384 )</u>	<u>660,456</u>	<u>150,439</u>
	30,207,492	1,699,083	( 5,263,237 )	26,643,338	2,266,586
Accrued compensated absences	<u>925,091</u>	<u>763,119</u>	<u>( 773,630 )</u>	<u>914,580</u>	<u>-</u>
Governmental activities long-term debt	<u>\$ 31,132,583</u>	<u>\$ 2,462,202</u>	<u>\$( 6,036,867 )</u>	<u>\$ 27,557,918</u>	<u>\$ 2,266,586</u>

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

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds**

General obligation bonds currently outstanding are as follows:

2013B \$2,950,000 General Obligation Bond due in annual principal installments of \$300,000 to \$360,000 through March 1, 2023, plus interest semiannually at 2.24%.	\$ 1,050,000
2014 \$9,475,000 General Obligation Bond due in annual principal installments of \$935,000 to \$1,775,000 through July 1, 2021, plus interest semiannually at 1.90%. The bonds issued by a referendum and first payable from a one percent sales and use tax are excluded from the County's computation of its legal debt limit.	1,775,000
2016A \$2,500,000 General Obligation Bond due in annual principal installments of \$685,000 to \$915,000 through March 1, 2021, plus interest semiannually at 1.43%.	915,000
2017A \$2,500,000 General Obligation Bond due in annual principal installments of \$75,000 to \$1,055,000 through March 1, 2023, plus interest semiannually at 1.99%.	1,255,000
2018 \$1,800,000 General Obligation Bond due in annual principal installments of \$350,000 to \$370,000 through March 1, 2023, plus interest semiannually at 2.84%	1,095,000
2019 \$1,170,000 General Obligation Bond due in annual principal installments of \$150,000 to \$1,020,000 through March 1, 2024, plus interest semiannually at 1.924%	<u>1,170,000</u>
Total general obligation bonds outstanding	<u>\$ 7,260,000</u>

**Chester Facilities Corporation Revenue Bonds**

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

\$19,255,000 Installment Purchase Revenue Bonds, Series 2018. Interest at 2.7% - 4.35% due annually on September 1, 2019 through September 1, 2048. Bonds mature September 1, 2038 through September 1, 2048.	<u>\$18,895,000</u>
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Chester Facilities Corporation (CFC) is a separate legal entity and its debts, CFC 2018 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:

2014 \$525,000 Capital Lease due in annual principal installments of \$57,065 to \$71,643 through March 15, 2023; plus interest annually at 2.33%. The note is collateralized by firefighting equipment.	\$ 209,845
2019 \$529,083 Capital Lease due in annual principal installments of \$82,121 to \$98,495 through August 30, 2024; plus interest annually at 4.65%. The note is collateralized by 911 communication equipment.	<u>450,611</u>
Total notes payable and capital leases outstanding	<u>\$ 660,456</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Notes Payable and Capital Leases (Continued)**

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

2014 \$525,000 Capital Lease due in annual principal installments of \$57,065 to \$71,643 through March 15, 2023; plus interest annually at 2.33%. The note is collateralized by firefighting equipment.	\$ 209,845
2019 \$529,083 Capital Lease due in annual principal installments of \$82,121 to \$98,495 through August 30, 2024; plus interest annually at 4.65%. The note is collateralized by 911 communication equipment.	<u>450,611</u>
Total notes payable and capital leases outstanding	<u>\$ 660,456</u>

The annual requirement to amortize debt in the governmental activities long-term debt at June 30, 2020 is as follows:

Year Ending June 30,	2013B General Obligation Bond Payable		2014 General Obligation Bond Payable		2016A General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 340,000	\$ 23,520	\$ -	\$ 50,255	\$ 915,000	\$ 13,085
2022	350,000	15,904	1,775,000	16,863	-	-
2023	360,000	8,064	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026-2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-
2041-2045	-	-	-	-	-	-
2046-2050	-	-	-	-	-	-
Totals	<u>\$ 1,050,000</u>	<u>\$ 47,488</u>	<u>\$ 1,775,000</u>	<u>\$ 67,118</u>	<u>\$ 915,000</u>	<u>\$ 13,085</u>

Year Ending June 30,	2017A General Obligation Bond Payable		2018 General Obligation Bond Payable		2019 General Obligation Bond Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 125,000	\$ 24,975	\$ 360,000	\$ 31,098	\$ -	\$ 22,511
2022	1,055,000	22,487	365,000	20,874	-	22,511
2023	75,000	22,487	370,000	10,508	1,020,000	22,511
2024	-	-	-	-	150,000	2,886
2025	-	-	-	-	-	-
2026-2030	-	-	-	-	-	-
2031-2035	-	-	-	-	-	-
2036-2040	-	-	-	-	-	-
2041-2045	-	-	-	-	-	-
2046-2050	-	-	-	-	-	-
Totals	<u>\$ 1,255,000</u>	<u>\$ 69,949</u>	<u>\$ 1,095,000</u>	<u>\$ 62,480</u>	<u>\$ 1,170,000</u>	<u>\$ 70,419</u>



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Notes Payable and Capital Leases (Continued)**

Year Ending June 30,	2018 Installment Purchase Revenue Bonds		\$525,000 2014 Capital Lease		\$529,083 2019 Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
	2021	\$ 370,000	\$ 780,115	\$ 68,318	\$ 4,890	\$ 82,121
2022	380,000	768,865	69,909	3,298	85,940	17,135
2023	390,000	756,925	71,618	1,669	89,936	13,139
2024	405,000	743,901	-	-	94,118	8,957
2025	415,000	729,855	-	-	98,496	4,580
2026-2030	2,315,000	3,408,058	-	-	-	-
2031-2035	2,795,000	2,910,303	-	-	-	-
2036-2040	3,435,000	2,256,569	-	-	-	-
2041-2045	4,255,000	1,418,428	-	-	-	-
2046-2050	<u>4,135,000</u>	<u>382,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$18,895,000</u>	<u>\$14,155,632</u>	<u>\$ 209,845</u>	<u>\$ 9,857</u>	<u>\$ 450,611</u>	<u>\$ 64,764</u>

Year Ending June 30,	Totals	
	Principal	Interest
2021	\$ 2,260,439	\$ 971,402
2022	4,080,849	887,937
2023	2,376,554	835,303
2024	649,118	755,744
2025	513,496	734,435
2026-2030	2,315,000	3,408,058
2031-2035	2,795,000	2,910,303
2036-2040	3,435,000	2,256,569
2041-2045	4,255,000	1,418,428
2046-2050	<u>4,135,000</u>	<u>382,613</u>
Totals	<u>\$26,815,456</u>	<u>\$14,560,792</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, 2020:

	<u>Cost</u>	<u>Accumulated Amortization</u>
<b>Governmental Activities:</b>		
Lando fire equipment	\$ 525,000	\$( 358,330)
911 Communication equipment	<u>529,083</u>	<u>( 69,164)</u>
Total	<u>\$ 1,054,083</u>	<u>\$( 427,494)</u>

**Chester Facilities Corporation - 2018 Installment Purchase Revenue Bonds**

Chester County and Chester Facilities Corporation (CFC or the Corporation), a nonprofit corporation, entered into a Base Lease and Conveyance Agreement, dated April 10, 2012, as amended in 2018, pursuant to which the County conveyed certain improvements and leased real property to the Corporation on which certain capital projects have been acquired, constructed, renovated and equipped. The County and CFC also entered into a supplemental and Installment Purchase and Use Agreement, as amended in

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Chester Facilities Corporation - 2018 Installment Purchase Revenue Bonds, Continued**

2018. pursuant to which the County is purchasing certain facilities from CFC and CFC has agreed to make certain improvements known as the 2018 Projects.

In April 2012, CFC issued its \$6,385,000 Installment Purchase Revenue Bonds Series 2012 (2012 Bonds) pursuant to the Installment Purchase and Use Agreement between the County and CFC. 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.

In June 2018, CFC issued its \$19,225,000 Installment Purchase Revenue Bonds Taxable Series 2018 (2018 Bonds) pursuant to the same Installment Purchase and Use Agreement mentioned above. These bonds were offered at a discount of \$184,413. \$3,818,850 of proceeds from the 2018 Bonds were put into an irrevocable trust, along with existing debt service funds, to provide for all future debt service requirements and to defease the 2012 Bonds. Accordingly, the trust account assets and the liability for the \$6,385,000 of the 2012 Bonds are not included in the County's financial statements and are considered defeased at June 30, 2018.

The remaining proceeds from the 2018 Bonds will be used for capital projects outlined in the bond documents and denoted as the 2018 Projects. These projects will be for the benefit of the County and are located on real property currently owned or being acquired by the County.

The source of repayment for the 2018 Bonds and security for these bonds include certain rights of CFC under the Installment Purchase and Use Agreement and certain payments to be made by the County under this agreement. The 2018 Bonds are also insured and guaranteed by a municipal bond insurance policy. It is anticipated that the payments will be funded by the County with future fee-in-lieu revenue or the issuance of short-term general obligation bonds. The 2018 Bonds are also secured by a 2018 Trust Agreement and certain revenue due the Corporation as defined in the Installment Purchase and Use Agreement. Bond issuance costs were \$751,252. The cost of the insurance related to these bonds amounted to \$150,485.

Neither the financing obligations of the County under these agreements 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. 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.

Chester Facilities Corporation is a separate legal entity and as noted, its debts are not a debt of the County. However, as CFC is blended with the operations of the County, the debt of CFC 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.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 - LONG-TERM DEBT (CONTINUED)**

**Debt Structure (Continued)**

The County's general obligation bond debt limitation as of June 30, 2020, is computed below:

Real and other personal property assessed value	\$ 55,821,777
Plus vehicles assessed value	11,892,231
Plus manufacturers assessed value	37,036,985
Plus fee-in-lieu and joint industrial park value	32,166,563
Plus motor vehicle carriers assessed value	<u>520,036</u>
	137,437,592
	<u>        x        8%</u>
Constitutional debt limit	10,995,007
Less outstanding debt subject to limit	( <u>5,485,000</u> )
General obligation debt available without referendum	<u>\$ 5,510,007</u>

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 Ending June 30,</u>	<u>Legal Debt Margin</u>
2016	\$4,057,905
2017	948,575
2018	3,114,396
2019	4,201,894
2020	5,510,007

**Overlapping Debt**

The table below shows local subdivisions which overlap the County and which have outstanding debt as of June 30, 2020:

	<u>Outstanding Debt as of June 30, 2020</u>	<u>Assessed Value as of June 30, 2020</u>
<b><u>Municipalities</u></b>		
Chester Fire District	\$ 416,729	\$ 36,438,823
Richburg Fire District	2,351,616	13,593,032
Lando Rural Fire District	272,909	10,394,500
Fort Lawn Fire District	334,684	7,046,922
<b><u>School District</u></b>		
Chester County School District	\$ 6,804,368	\$ 116,574,119

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 10 - 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, 2020, the County had no nonspendable fund balance. A detailed schedule of fund balances at June 30, 2020 is as follows:

	Debt Service Fund		Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Chester Facilities Corporation	Capital Projects Sales Tax	Capital Projects 2018	CFC Gateway 2018		
<b>Fund Balances</b>							
Restricted for							
C-Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,514,258
Capital Projects Sales Tax	-	-	3,736,908	-	-	-	2,368,957
Capital Projects 2018	-	-	-	64,301	-	-	-
Capital Projects 2020	-	-	-	-	-	259,756	-
Drug Forfeiture Fund	-	-	-	-	-	-	590
Sheriff Department IV-D	-	-	-	-	-	-	12,003
Family Court Unit CFDA IV-D	-	-	-	-	-	-	405,932
6 <sup>th</sup> Judicial Court	-	-	-	-	-	-	18,237
Forfeited Land Commission	-	-	-	-	-	-	10,889
Sheriff's Department							
Donation	-	-	-	-	-	-	9,961
York Tech	-	-	-	-	-	-	164,472
Family Court	-	-	-	-	-	-	9,529
Animal Control Donations	-	-	-	-	-	-	4,516
DHEC Grant in Aid	-	-	-	-	-	-	752
Hazmat-Local	-	-	-	-	-	-	194,948
Duke-Local	-	-	-	-	-	-	52,457
A-Tax County Recreation Local	-	-	-	-	-	-	286,674
State A-Tax	-	-	-	-	-	-	82,599
Chester County Airport	-	-	-	-	-	-	23,761
Chester County Debt Service	-	-	-	-	-	-	100,064
Chester Fire District	-	-	-	-	-	-	1,082,890
Lando Fire District	-	-	-	-	-	-	86,364
Richburg Fire District	-	-	-	-	-	-	18,119
Lewis Fire District	-	-	-	-	-	-	5,101
Fort Lawn Fire District	-	-	-	-	-	-	98,120
DHEC SW Reduction Recycling	-	-	-	-	-	-	6,042
GIS Data Conversion	-	-	-	-	-	-	15,069
Sex Offender Registry	-	-	-	-	-	-	7,161
Veterans Affairs to Counties	-	-	-	-	-	-	12,650
Animal Control-Lutz Grant	-	-	-	-	-	-	9,659
Sheriff's Equitable Sharing	-	-	-	-	-	-	5,655
Cops Hiring Grant	-	-	-	-	-	-	4,638
Inmate Welfare	-	-	-	-	-	-	34,934
Chester Fire Bond	-	-	-	-	-	-	113,384
Lando Fire Debt Service	-	-	-	-	-	-	33,840
Richburg Fire Bond	-	-	-	-	-	-	329,425
Fort Lawn Fire Bond	-	-	-	-	-	-	61,013
Chester Facilities Corporation	-	3,618,945	-	-	9,782,471	-	-
Economic Development							
Infrastructure	-	-	-	-	-	-	16,483
Vehicle Replacement	-	-	-	-	-	-	64,861
Golf Course/Great Falls & Republic	-	-	-	-	-	-	15,223
Meadowbrook Water Project	-	-	-	-	-	-	2,500
Eureka Performance Bond	-	-	-	-	-	-	49,975
Capital Projects 2017	-	-	-	-	-	-	109,637
Roundtree Pump Station	-	-	-	-	-	-	2,500
Total restricted	-	3,618,945	3,736,908	64,301	9,782,471	259,756	7,445,842
Committed to							
Economic Development	119,041	-	-	-	-	-	-
Chester County Library	-	-	-	-	-	-	365,643
EMS Trauma Fund	-	-	-	-	-	-	4,102
EMA Donations	-	-	-	-	-	-	15,228

(Continued)

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 10 - FUND BALANCES (CONTINUED)**

	General Fund	Debt Service Fund	Capital Projects Funds			Other Governmental Funds	Total Governmental Funds
		Chester Facilities Corporation	Capital Projects Sales Tax	Capital Projects 2018	CFC Gateway 2018		
<b>Fund Balances (Continued)</b>							
Committed to (continued)							
EMS Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,750	\$ 1,750
Economic Development Marketing	-	-	-	-	-	204,750	204,750
EMS Training	-	-	-	-	-	10,586	10,586
Homeland Security SHSP Grant	-	-	-	-	-	138	138
Palmetto Pride Enf. Grant	-	-	-	-	-	930	930
Census Operations	-	-	-	-	-	5,346	5,346
Coroner Fees	-	-	-	-	-	12,643	12,643
Emergency Training Center	-	-	-	-	-	921	921
Rossville Fire Department	-	-	-	-	-	5,100	5,100
Chester Detention Center	-	-	-	-	-	964	964
Courthouse Improvements	-	-	-	-	-	28,458	28,458
Total committed	<u>119,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>656,559</u>	<u>775,600</u>
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>10,019,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 972,693 )</u>	<u>9,046,480</u>
Total fund balances	<u>\$10,138,214</u>	<u>\$ 3,618,945</u>	<u>\$ 3,736,908</u>	<u>\$ 64,301</u>	<u>\$ 9,782,471</u>	<u>\$ 7,129,708</u>	<u>\$ 34,730,303</u>

**NOTE 11 - 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 2.5 years and is 98% full. The accompanying financial statements include a liability of \$1,105,379 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.

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

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due Within One Year
<b>Business-Type Activities:</b>					
Landfill closure and postclosure care costs	<u>\$ 1,127,862</u>	<u>\$ 34,067</u>	<u>\$ ( 56,550 )</u>	<u>\$ 1,105,379</u>	<u>\$ 56,550</u>

CHESTER COUNTY, SOUTH CAROLINA  
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**NOTE 12 - 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>
2019	17,654
2020	7,709

**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS**

Substantially all County employees are members of the South Carolina Retirement System (SCRS) Class II and Class III or the Police Officers Retirement System (PORS) Class II and Class III. A Class II member is an employee member of the System with an effective date of membership prior to July 1, 2012. A Class III member is an employee member of the System with an effective date of membership on or after July 1, 2012. The SCRS was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions. The PORS was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firefighters of the state and its political subdivisions. Both Systems are cost-sharing, multiple-employer, defined benefit pension plans. The administration of the SCRS and PORS (the System or Systems) is vested in the South Carolina Public Employee Benefit Authority (PEBA).

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, to protect life and property and detect crimes in the State; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health, are required to participate in and contribute to the System as a condition of employment.

CHESTER COUNTY, SOUTH CAROLINA  
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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Pension Benefits**

**SCRS** A Class II member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

**PORS** A Class II member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class III member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class II and Class III members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The County and the employees are required to contribute to the retirement systems under authority of Title 9 of the SC Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and this increase is not limited to one-half of one percent per year. For the 2019-2020 year, the County contributed at a rate of 15.41% of earnable compensation, and the employees contributed at a rate of 9.00% of earnable compensation for those participating in the SCRS; for the PORS the County contributed at a rate of 17.84% of earnable compensation and the employees at a rate of 9.75%. 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. Generally, all employees are required to participate and contribute unless they are part-time employees who have the option to participate if they choose to do so.

Total County and member contributions were as follows:

<u>Year Ending June 30,</u>	<u>Employer</u>		<u>Employee</u>	
	<u>SCRS</u>	<u>PORS</u>	<u>SCRS</u>	<u>PORS</u>
2020	\$1,431,438	\$ 665,705	\$ 836,013	\$ 363,825
2019	1,252,791	622,822	782,451	362,601
2018	1,089,325	607,907	731,090	374,186

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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Pension Benefits (Continued)**

The County's wage expense for the year 2019-2020 totaled \$11,957,515. Wages for employees participating in the SCRS were \$8,670,271, while wages for those participating in the PORS totaled \$3,287,244.

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. Contribution rates are determined through actuarial calculations.

At June 30, 2020, the County reported a pension liability of \$18,430,428 and \$7,318,552 for SCRS and PORS, respectively, as governmental activities. The County also reported a net pension liability of \$222,839 for SCRS as business-type activities.

The measurement date of the collective net pension liability is June 30, 2019. The most recent annual actuarial valuation report adopted by the PEBA Board and Budget and Control Board is as of July 1, 2018. The net pension liability of the defined benefit pension plan was therefore determined based on the July 1, 2018 actuarial valuation, using membership data as of July 1, 2018, projected forward to the end of the fiscal year, and financial information of the pension trust fund as of June 30, 2019, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by the consulting actuary, Gabriel, Roeder, Smith and Company.

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that system's fiduciary net position. As of June 30, 2019, NPL amounts for the SCRS and PORS are as follows (shown in thousands):

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 50,073,060	\$ 27,238,916	\$ 22,834,144	54.4%
PORS	\$ 7,681,750	\$ 4,815,809	\$ 2,865,941	62.7%

**Actuarial Assumptions and Methods**

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability for SCRS and PORS as of June 30, 2019. The total pension liability for each plan is based on the actuarial valuations performed as of July 1, 2018 and rolled-forward from the valuation date to the plans' fiscal year ending June 30, 2019, using generally accepted actuarial principles.



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Assumptions and Methods (Continued)**

Actuarial Cost Method	SCRS Entry Age	PORS Entry Age
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
Educators and Judges	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety, Firefighters and Members of the South Carolina National Guard	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Global Equity</b>	<b>51.0%</b>		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate (Private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (Private)	2.0%	5.03%	0.10%
Infrastructure (Public)	1.0%	6.12%	0.06%
<b>Opportunistic</b>	<b>8.0%</b>		
Global Tactical Asset Allocation	7.0%	3.09%	0.22%
Other Opportunistic Strategies	1.0%	3.82%	0.04%

Continued

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Long-Term Expected Rate of Return (Continued)**

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Credit</b>	<b>15.0%</b>		
High Yield Bonds/Bank Loans	4.0%	3.14%	0.13%
Emerging Markets Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
<b>Rate Sensitive</b>	<b>14.0%</b>		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (Net)	1.0%	0.31%	<u>0.00%</u>
Total Expected Real Return	<u>100.0%</u>		5.41%
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.66%</u>

**Discount Rate**

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB Statement No. 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following table presents the net pension liability of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25) than the current rate.

**Discount Rate Sensitivity Analysis**

*(Amounts expressed in thousands)*

<u>System</u>	<u>1.00% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.00% Increase (8.25%)</u>
SCRS	\$28,766,243	\$22,834,144	\$17,883,464
PORS	3,884,030	2,865,941	2,031,869

**Pension Plan Fiduciary Net Position**

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to South Carolina Public Employee Benefit Authority, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

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**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Information**

The County's proportionate share of the collective net pension liability is \$18,799,526 and \$7,318,553 for SCRS and PORS, respectively. The County's proportion of the collective net pension liability is .0823% and .2554% for SCRS and PORS, respectively.

For the year ended June 30, 2020, the County recognized pension expense of \$3,232,664. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Governmental Activities:</b>		
Differences between expected and actual experience	\$ 163,406	\$ 185,696
Changes in assumptions	669,008	-
Net difference between projected and actual earnings on pension plan investments	259,211	-
Changes in proportionate share of net pension liability, collective deferrals and differences in the proportionate share of employer contributions	1,339,998	559,388
County contributions subsequent to the measurement date	<u>2,092,181</u>	<u>-</u>
	<u>\$ 4,523,804</u>	<u>\$ 745,084</u>
<b>Business-Type Activities:</b>		
Differences between expected and actual experience	\$ 2	\$ 3,446
Changes in assumptions	47	-
Net difference between projected and actual earnings on pension plan investments	21	-
Changes in proportionate share of net pension liability, collective deferrals and differences in the proportionate share of employer contributions	131	35
County contributions subsequent to the measurement date	<u>33,822</u>	<u>-</u>
	<u>\$ 34,023</u>	<u>\$ 3,481</u>

\$2,126,003 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2021	\$ 399,938	\$( 778)
2022	399,938	( 778)
2023	399,938	( 778)
2024	399,938	( 778)
2025	<u>86,787</u>	<u>( 168)</u>
	<u>\$ 1,686,539</u>	<u>\$( 3,280)</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefits (OPEB)**

A Chester County retiree, eligible for post-retirement medical contributions, is defined as a former employee of Chester County, previously employed in South Carolina Retirement System (SCRS) covered position, who retired prior to February 1, 2009 and is eligible to receive an early or regular retirement benefit from SCRS.

Eligible retirees participating in Chester County's defined contribution health plan, as described above, receive a monthly contribution to their defined contribution health account. The contribution amounts are determined separately for pre- and post-Medicare retirees.

Retired employees that were employed prior to July 1, 2008 are eligible to gain access to their Retiree Premium Reimbursement Account after having completed twenty (20) years of continuous service with Chester County and having reached the minimum age of sixty (60), or a combination of the two requirements that would equal eighty (80), otherwise known as the "Rule of 80". Upon gaining access to the Retiree Premium Reimbursement Account, retirees may use the funds as outlined in the Retiree Premium Reimbursement Account Plan Document.

Employees retiring after February 1, 2009 receive no post-employment contribution and must pay the full cost of health coverage.

A Retirement Health Reimbursement Account was started in order to help active employees pay insurance coverage upon retirement. The balance was established as of April 2009 based on years of service. Benefit payments will be recorded in the asset statements.

The County reimburses premiums up to a set monthly amount for a frozen class of retirees. The contribution amounts are determined separately for pre-Medicare and post-Medicare retirees by the plan administrator. For retirees on their own Medicare Supplement plan, actual disbursements were provided by Chester County and used for the purpose of this valuation. For retirees on the BCBS South Carolina state plan, actual 2017 state plan premiums and required retiree contributions were used for the purpose of this valuation.

The County's annual contribution towards premiums for the frozen class of retirees is limited to the caps shown below. These caps are not expected to increase in the future.

<b>Age</b>	<b>Employer Contribution Cap</b>	<b>Spouse Contribution Cap</b>
Under 65	6,744	6,816
Over 65	4,044	4,044

**Plan Membership**

As of June 30, 2018, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Active participants	67
Inactive receiving benefits	<u>49</u>
<b>Total</b>	<u><b>116</b></u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefits (OPEB) (Continued)**

**Actuarial Methods and Assumptions**

An actuarial cost method develops an orderly allocation of the actuarial present value of benefits payments over the working lifetime of the participants in the plan. The actuarial present value of benefits allocated to a particular fiscal year is called the normal cost. The actuarial present value of benefits allocated to all periods prior to a valuation date is called the actuarial accrued liability. The unfunded actuarial accrued liability is amortized over future years in accordance with the employer's established accounting policy.

Entry Age Actuarial Cost Method: Under this method, the actuarial present value of projected benefits of each individual included in the actuarial valuation is allocated on a level basis over future earnings of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.

The following table details the selected and projected economic assumptions for the current fiscal year.

<b><u>Assumption Selection Date</u></b>	<b><u>July 1, 2019</u></b>
Discount rate	3.87%
2018 medical trend rate	7.00%
2019 medical trend rate	6.50%
Ultimate medical trend rate	5.00%
Year ultimate trend rates reached	2022
Annual payroll increase	2.50%

**OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB**

The County's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

	<b><u>Total OPEB Liability</u></b>	<b><u>Plan Fiduciary Net Position</u></b>	<b><u>Non Trust Activity</u></b>	<b><u>Net OPEB Liability</u></b>
Balances as of June 30, 2019	\$ 1,789,007	\$ -	\$ -	\$ 1,789,007
Changes for the year:				
Service cost	8,989	-	-	8,989
Interest	65,604	-	-	65,604
Difference between expected and actual experience	-	-	-	-
Contributions - employer	-	-	207,598	( 207,598)
Projected investment income	-	-	-	-
Changes in benefit terms	-	-	-	-
Changes in assumptions	-	-	-	-
Benefit payments	( 207,598)	-	( 207,598)	-
Administrative expenses	-	-	-	-
Net changes	( 133,005)	-	-	( 133,005)
Balance as of June 30, 2020	\$ 1,656,002	\$ -	\$ -	\$ 1,656,002

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 - EMPLOYEES' PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Other Postemployment Benefits (OPEB) (Continued)**

For the year ended June 30, 2020, the County recognized OPEB expense of approximately \$48,426. At June 30, 2020, the County reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 30,428
Changes in assumptions	-	10,426
Investments	( <u>2,042</u> )	<u>-</u>
Total	\$( <u>2,042</u> )	\$ <u>40,854</u>

Amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Total</b>
2021	\$( 26,167 )
2022	( 12,645 )
2023	-
2024	<u>-</u>
	\$( <u>38,812</u> )

**Discount Rate**

The discount rate was based on the Bond Buyer's 20 Bond Index. A discount rate of 3.87% was used as of June 30, 2019. A discount rate of 3.87% was used in the final calculation for the fiscal year ending June 30, 2020.

The following table presents the sensitivity of the County's net OPEB liability to changes in the discount rate, calculated using the discount rate of 3.87%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.87%) or 1% point higher (4.87%) than the current rate:

<b>1% Decrease (2.87 %)</b>	<b>Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
\$1,753,806	\$1,656,002	\$1,568,319

The following table presents the sensitivity of the County's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower or 1% point higher than the current rate:

<b>1% Decrease (5.5% Decreasing to 4.0%)</b>	<b>Healthcare Cost Trend Rates (6.5% Decreasing to 5.0%)</b>	<b>1% Increase (7.5% Decreasing to 6.0%)</b>
\$1,643,250	\$1,656,002	\$1,666,305

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 - DEFERRED COMPENSATION**

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

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

**NOTE 15 - COMMITMENTS AND CONTINGENCIES**

**Leases**

The County's lease agreements, other than those agreements described in Note 9, 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, 2020, 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 16 - 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 County Library, Chester Fire District, Lando Fire District, Richburg Fire District, Lewis Fire District and Fort Lawn Fire District are discretely presented on the financial statements and the following is the associated note disclosure.

**Deposits**

At June 30, 2020, deposits of the component units of Chester County had a carrying amount of \$1,182,190, 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, 2020, the deposits of the Chester County Airport Commission had a carrying amount and bank balance of \$169,694 and \$170,434, respectively.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

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**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Deposits (Continued)**

**Chester County Library**

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

At June 30, 2020, the deposits of the Chester County Library had a carrying amount and bank balance of \$731,072 and \$739,789, 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, 2020, the deposits of the Chester Fire District had a carrying amount and bank balance of \$69,259 and \$70,545, respectively.

**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, 2020, the deposits of the Lando Fire District had a carrying amount and bank balance of \$94,886 and \$111,681, 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, 2020, the deposits of the Richburg Fire District had a carrying amount and bank balance of \$69,168 and \$69,593, respectively.

**Lewis Fire District**

Cash and cash equivalents of the Lewis 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, 2020, the deposits of the Lewis Fire District had a carrying amount and bank balance of \$32,052 and \$32,176, respectively.

**Fort Lawn Fire District**

Cash and cash equivalents of the Fort Lawn 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, 2020, the deposits of the Fort Lawn Fire District had a carrying amount and bank balance of \$16,059 and \$36,139, respectively.



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Capital Assets**

Component unit capital asset activity for the year ended June 30, 2020 is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balance June 30, 2020</u>
<b><i>Chester County Airport Commission:</i></b>					
Capital assets not being depreciated:					
Land	\$ 29,376	\$ -	\$ -	\$ -	\$ 29,376
Construction in Progress	<u>52,686</u>	<u>72,351</u>	<u>-</u>	<u>-</u>	<u>125,037</u>
Total capital assets not being depreciated	<u>82,062</u>	<u>72,351</u>	<u>-</u>	<u>-</u>	<u>154,413</u>
Capital assets being depreciated:					
Buildings and improvements	1,683,314	-	-	-	1,683,314
Runway	2,144,607	-	-	-	2,144,607
Taxiway	736,981	-	-	-	736,981
Machinery and equipment	128,031	-	-	-	128,031
Apron improvements	<u>22,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,017</u>
	4,714,950	-	-	-	4,714,950
Less accumulated depreciation	<u>( 1,961,601 )</u>	<u>( 128,335 )</u>	<u>-</u>	<u>-</u>	<u>( 2,089,936 )</u>
	<u>2,753,349</u>	<u>( 128,335 )</u>	<u>-</u>	<u>-</u>	<u>2,625,014</u>
Total Chester County Airport Commission capital assets, net	<u>\$ 2,835,411</u>	<u>\$ ( 55,984 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,779,427</u>
<b><i>Chester County Library:</i></b>					
Capital assets not being depreciated:					
Art collection	<u>\$ 20,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,132</u>
Capital assets being depreciated:					
Building improvements	120,340	-	-	-	120,340
Equipment, furniture and fixtures	387,779	-	-	-	387,779
Circulation collection	<u>1,725,891</u>	<u>37,387</u>	<u>-</u>	<u>-</u>	<u>1,763,278</u>
	2,234,010	37,387	-	-	2,271,397
Less accumulated depreciation	<u>( 1,764,619 )</u>	<u>( 83,195 )</u>	<u>-</u>	<u>-</u>	<u>( 1,847,814 )</u>
	<u>469,391</u>	<u>( 45,808 )</u>	<u>-</u>	<u>-</u>	<u>423,583</u>
Total Chester County Library capital assets, net	<u>\$ 489,523</u>	<u>\$ ( 45,808 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,715</u>
<b><i>Chester Fire District:</i></b>					
Capital assets being depreciated:					
Buildings and improvements	\$ 190,977	\$ -	\$ -	\$ -	\$ 190,977
Fire equipment	<u>586,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,791</u>
	777,768	-	-	-	777,768
Less accumulated depreciation	<u>( 496,072 )</u>	<u>( 37,806 )</u>	<u>-</u>	<u>-</u>	<u>( 533,878 )</u>
Total Chester Fire District capital assets, net	<u>\$ 281,696</u>	<u>\$ ( 37,806 )</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 243,890</u>
<b><i>Lewis Fire District:</i></b>					
Capital assets not being depreciated:					
Land	<u>\$ 66,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,084</u>
Capital assets being depreciated:					
Equipment	21,652	111,064	-	-	132,716
Less accumulated depreciation	<u>( 6,624 )</u>	<u>( 14,797 )</u>	<u>-</u>	<u>-</u>	<u>( 21,421 )</u>
	<u>15,028</u>	<u>96,267</u>	<u>-</u>	<u>-</u>	<u>111,295</u>
Total Lewis Fire District capital assets, net	<u>\$ 81,112</u>	<u>\$ 96,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 177,379</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Capital Assets (Continued)**

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2020</u>
<b><i>Lando Fire District:</i></b>					
Capital assets not being depreciated:					
Construction in progress	\$ 9,836	\$ -	\$ -	\$ -	\$ 9,836
Capital assets being depreciated:					
Machinery and equipment	355,154	-	-	-	355,154
Less accumulated depreciation	( 331,890)	( 23,264)	-	-	( 355,154)
	<u>23,264</u>	<u>( 23,264)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Lando Fire District capital assets, net	\$ <u>33,100</u>	\$( <u>23,264</u> )	\$ <u>-</u>	\$ <u>-</u>	\$ <u>9,836</u>
<b><i>Richburg Fire District:</i></b>					
Capital assets not being depreciated:					
Land	\$ 200,004	\$ -	\$ -	\$ -	\$ 200,004
Construction in progress	650,000	-	-	( 650,000)	-
Total capital assets not being depreciated	<u>850,004</u>	<u>-</u>	<u>-</u>	<u>( 650,000)</u>	<u>200,004</u>
Capital assets being depreciated:					
Machinery and equipment	124,740	-	-	650,000	774,740
Buildings and improvements	2,209,276	78,492	-	-	2,287,768
	<u>2,334,016</u>	<u>78,492</u>	<u>-</u>	<u>650,000</u>	<u>3,062,508</u>
Less accumulated depreciation	( 306,088)	( 89,026)	-	-	( 395,114)
	<u>2, 027, 928</u>	<u>( 10, 534)</u>	<u>-</u>	<u>650, 000</u>	<u>2, 667, 394</u>
Total Richburg Fire District capital assets, net	\$ <u>2, 877, 932</u>	\$( <u>10, 534</u> )	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2, 867, 398</u>
<b><i>Fort Lawn Fire District:</i></b>					
Capital assets being depreciated:					
Machinery and equipment	\$ 22,330	\$ 30,591	\$ -	\$ -	\$ 52,921
Buildings and improvements	526,220	-	-	-	526,220
	<u>548,550</u>	<u>30,591</u>	<u>-</u>	<u>-</u>	<u>579,141</u>
Less accumulated depreciation	( 24,738)	( 15,419)	-	-	( 40,157)
Total Fort Lawn Fire District capital assets, net	\$ <u>523,812</u>	\$ <u>15,172</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>538,984</u>

**Long-Term Debt**

**Chester Fire District**

Chester Fire District's long-term liability activity for the year was comprised of a \$535,000 general obligation bond for the purchase of a 2007 American LaFrance Eagle Ladder Truck. The bond is to be repaid in annual installments of \$79,298, including interest at 3.95%, through 2024. Activity for the fiscal year is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Due Within</u> <u>One Year</u>
Chester Fire District general obligation bond	\$ 515,935	\$ -	\$( 100,408 )	\$ 415,527	\$ 102,915

Chester Fire District interest expense for the year related to long-term debt totaled \$12,092.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Long-Term Debt (Continued)**

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 102,915	\$ 9,585	\$ 112,500
2022	105,452	7,048	112,500
2023	108,051	4,449	112,500
2024	<u>99,109</u>	<u>2,993</u>	<u>102,102</u>
	<u>\$ 415,527</u>	<u>\$ 24,075</u>	<u>\$ 439,602</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 and a \$1,200,000 note payable related to the purchase of a fire truck. Bond issuance costs related to the \$1,200,000 bond were \$50,674. As of June 30, 2020, the bond issuance costs have amortization of \$1,584, which was recorded to interest expense. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Richburg Fire District \$1,899,350 note payable	\$ 1,733,853	\$ -	\$( 28,021)	\$ 1,705,832	\$ 29,020
Richburg Fire District \$1,200,00 note payable	<u>1,196,819</u>	<u>-</u>	<u>( 13,037)</u>	<u>1,183,782</u>	<u>13,551</u>
	<u>\$ 2,930,672</u>	<u>\$ -</u>	<u>\$( 41,058)</u>	<u>\$ 2,889,614</u>	<u>\$ 42,571</u>

Annual debt service requirements to maturity for the Richburg Fire District \$1,899,350 note payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 29,020	\$ 59,414	\$ 88,434
2022	30,056	58,378	88,434
2023	31,128	57,306	88,434
2024	32,238	56,196	88,434
2025	33,388	55,046	88,434
2026-2030	185,678	256,492	442,170
2031-2035	221,244	220,926	442,170
2036-2040	263,623	178,547	442,170
2041-2045	314,118	128,052	442,170
2046-2050	374,286	67,884	442,170
2056-2060	<u>191,053</u>	<u>6,357</u>	<u>197,410</u>
	<u>\$ 1,705,832</u>	<u>\$ 1,144,598</u>	<u>\$ 2,850,430</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Long-Term Debt (Continued)**

**Richburg Fire District (Continued)**

Annual debt service requirements to maturity for the Richburg Fire District \$1,200,000 note payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,551	\$ 45,633	\$ 59,184
2022	14,086	45,098	59,184
2023	14,642	44,542	59,184
2024	15,219	43,965	59,184
2025	15,819	43,365	59,184
2026-2030	88,965	206,955	295,920
2031-2035	107,951	187,969	295,920
2036-2040	130,989	164,931	295,920
2041-2045	158,944	136,976	295,920
2046-2050	192,865	103,055	295,920
2051-2055	234,025	61,895	295,920
2056-2060	<u>196,726</u>	<u>14,216</u>	<u>210,942</u>
	<u>\$ 1,183,782</u>	<u>\$ 1,098,600</u>	<u>\$ 2,282,382</u>

**Lewis Fire District**

Lewis Fire District's long-term liability activity for the year was comprised of one note payable related to the purchase of a truck and the upfit of the truck. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Lewis Fire District notes payable	\$ <u>-</u>	\$ <u>75,000</u>	\$( <u>11,000</u> )	\$ <u>64,000</u>	\$ <u>13,741</u>

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,741	\$ 3,259	\$ 17,000
2022	14,360	2,640	17,000
2023	14,979	2,021	17,000
2024	15,624	1,376	17,000
2025	<u>5,296</u>	<u>704</u>	<u>6,000</u>
	<u>\$ 64,000</u>	<u>\$ 10,000</u>	<u>\$ 74,000</u>

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 16 - DISCRETELY PRESENTED COMPONENT UNIT INFORMATION (CONTINUED)**

**Long-Term Debt (Continued)**

**Fort Lawn Fire District**

Fort Lawn Fire District's long-term liability activity for the year was comprised of one bond payable related to the construction of a new substation. Bond issuance costs were \$20,825. As of June 30, 2020, the bond issuance costs have amortization of \$5,894, which was recorded to interest expense. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Fort Lawn Fire District notes payable	\$ <u>372,519</u>	\$ <u>-</u>	\$( <u>37,835</u> )	\$ <u>334,684</u>	\$ <u>38,678</u>

Annual debt service requirements to maturity for the Fort Lawn Fire District bond payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 38,678	\$ 7,032	\$ 45,710
2022	39,541	6,160	45,701
2023	40,423	5,268	45,691
2024	41,324	4,357	45,681
2025	42,245	3,425	45,670
2026-2028	<u>132,473</u>	<u>4,475</u>	<u>136,948</u>
	<u>\$ 334,684</u>	<u>\$ 30,717</u>	<u>\$ 365,401</u>

**Lando Fire District**

Lando Fire District's long-term liability activity for the year was comprised of two bonds payable related to the purchase of new fire equipment. Activity for the fiscal year is as follows:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
Lando Fire District notes payable	\$ <u>87,360</u>	\$ <u>-</u>	\$( <u>34,075</u> )	\$ <u>53,285</u>	\$ <u>17,675</u>

Annual debt service requirements to maturity for the Lando Fire District notes payable are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 17,675	\$ 1,997	\$ 15,697
2022	14,260	1,442	15,702
2023	14,835	865	15,700
2024	<u>6,515</u>	<u>264</u>	<u>6,779</u>
	<u>\$ 53,285</u>	<u>\$ 4,568</u>	<u>\$ 57,853</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 29706.

CHESTER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 17 - TAX ABATEMENT PROGRAMS**

The County has three tax abatement programs pursuant to which the County reduces certain taxpayers' property tax liability.

**Fee-in-Lieu of Ad Valorem Property Tax Program**

One of the County's tax abatement programs is the "Fee-in-Lieu of *Ad Valorem* Property Tax" (FILOT) program. The FILOT program may take one of three forms: (a) a "Little Fee," as authorized by South Carolina Code Annotated section 4-12-10, *et seq.*, (b) a "Simplified Fee," as authorized by South Carolina Code Annotated section 12-44-10, *et seq.*, or (c) a "Big Fee," as authorized by South Carolina Code Annotated section 4-29-67. The FILOT program's purpose is to reduce property tax rates, which have previously impeded new and expanding business from locating in South Carolina, applied to manufacturing and some commercial properties.

A taxpayer receives a property tax reduction under the applicable FILOT program if the taxpayer agrees to make a minimum investment in a project located in the County during an approximately 5-year period. The minimum investment depends on the FILOT program the County and the taxpayer choose. Under the Little Fee and the Simplified Fee, a taxpayer must invest at least \$2,500,000. Under the Big Fee, a taxpayer must invest at least \$45,000,000. Additionally, before a taxpayer's project is eligible for benefits under the applicable FILOT program, the County's governing body (County Council) must find (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than the costs.

Under the FILOT program, property taxes of economic development property associated with each project are abated by the agreement the County and the taxpayer execute. According to the agreement, a fee-in-lieu of ad valorem property tax payment is calculated using (i) a reduced assessment ratio, which may be reduced from 10.5% to as low as 6% (or 4% for enhanced investments as described in state law), and (ii) a millage rate fixed for the entire length of the agreement or a millage rate that is allowed to increase or decrease every fifth year, for a term of not more than 30 years (or 40 years for enhanced investments as described in state law). The FILOT program also permits qualifying taxpayers and the County to negotiate for equalized fee-in-lieu of *ad valorem* property tax payments over the agreement's term.

If a taxpayer fails to invest the statutorily required minimum amount in a project during the approximately 5-year investment period, then the agreement is automatically terminated, and the taxpayer is no longer entitled to any of the FILOT program's benefits. At an agreement's termination, the taxpayer is obligated to pay to the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid by the taxpayer had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have otherwise been available to the taxpayer, and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payments made by the taxpayer with respect to the economic development property.

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program, the taxpayer and the County may also negotiate other taxpayer commitments. For example, the taxpayer may commit (i) to invest amounts exceeding the statutorily-required minimum, and (ii) to create a specific number of jobs.

For tax year 2019, County property taxes abated resulting from active agreements to which the County is a party under the FILOT program, totaled \$1,061,465. In place of standard *ad valorem* property tax payments, the County received \$2,326,467 in fee-in-lieu of *ad valorem* property tax payments in tax year 2019.

**NOTE 17 - TAX ABATEMENT PROGRAMS (CONTINUED)**

**Special Source Revenue Credit Program**

The County also abates property taxes through the "Special Source Revenue Credit" (SSRC) program, as authorized, specifically, by South Carolina Code Annotated section 4-1-175. The SSRC program's purpose is to enhance the County's economic development.

A taxpayer is eligible to receive an SSRC, thereby reducing its property taxes, if (i) the taxpayer's property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the SSRC to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Property taxes are abated under the SSRC program by the County's providing a credit (of a specific dollar amount or a percentage) against a taxpayer's property tax liability. Although not required by state law, often, the County and the taxpayer enter into an agreement pursuant to which the County agrees to provide the credit against a taxpayer's property tax liability for a specific period, and the taxpayer commits (i) to invest a specific amount in a project, (ii) to create a specific number of jobs at a project, or (iii) both. When the County and the taxpayer have executed an agreement to affect the SSRC program, if the taxpayer does not comply with the agreement's requirements, then the County may have the right to require the taxpayer to repay a portion, determined by formula, of the credit received by the taxpayer to the County.

The County may use the SSRC program and the FILOT program in conjunction. Following the calculation of a taxpayer's fee-in-lieu of ad valorem property tax payment under the FILOT program, the County may then apply a credit to further abate the taxpayer's property tax liability. To receive a property tax abatement under the SSRC program and the FILOT program, the taxpayer must meet the eligibility criteria for both programs.

For tax year 2019, County property taxes abated resulting from active agreements to which the County is a party under the SSRC program (includes agreements under the SSRC program and those agreements providing for a credit as part of an agreement executed under the FILOT program) totaled \$319,121. In place of standard *ad valorem* property tax payments from taxpayers subject to an agreement executed solely under the SSRC program, the County received \$47,193 in tax year 2019.

**Multicounty Industrial or Business Park**

The County uses the "multicounty industrial or business park" designation in connection with the SSRC program and the FILOT program. Specifically, as described above, to receive a property tax abatement under the SSRC program, a taxpayer's property must be designated as "multicounty industrial or business park" property. Additionally, the County may designate a taxpayer's property in a multicounty industrial or business park at the taxpayer's request, so the taxpayer may obtain additional or enhanced State incentives. To be able to designate a taxpayer's property as "multicounty industrial or business park" property, the County must execute an agreement with one or more contiguous counties, which sets forth how the member counties will share expenses and revenues from the designated multicounty industrial or business park property. The agreement must specify how revenues collected from property designated as "multicounty industrial or business park" property will be distributed to each taxing entity in each member county's jurisdiction.

For tax year 2019, of the total payments made by taxpayers who were subject to the County's multicounty industrial or business park agreements, \$247,982 would have been received by the County but for a taxpayer's designation as "multicounty industrial or business park" property. For tax year 2019, fees-in-lieu of standard *ad valorem* property taxes received by the County from taxpayers with property designated as "multicounty industrial or business park" property totaled \$3,201,717.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 17 - TAX ABATEMENT PROGRAMS (CONTINUED)**

**Nonfinancial Commitments**

As part of an agreement executed according to one of the above-referenced tax abatement programs, the County may also make nonfinancial commitments. For the fiscal year ended June 30, 2019, the County did not have any nonfinancial commitments related to an agreement executed according to one of the above-referenced tax abatement programs.

**2019 Tax Abatement Summary**

**VIA ACTIVE FILOT AGREEMENTS**

<b><u>Tax Entity (Effected Entities)</u></b>	<b><u>Taxes Abated</u></b>	<b><u>Taxes Received</u></b>
School District Operations and Bonds (Millage = 0.2542)	\$ 7,718,317	\$ 1,906,578
County Operating and Bonds (Millage = 0.1684)	1,061,465	2,326,467
Millage Fund/Solid Waste (Millage = 0.0075)	227,724	35,846
Library (Millage = 0.0069)	209,506	32,978
York Tech Chester Campus (Millage = 0.0023)	69,835	10,993
Chester Fire Operations and Bonds (Millage = 0.0500)	264,883	198,796
Lando Fire Operations and Bonds (Millage = 0.0114)	7,975	1,986
Richburg Fire Operations and Bonds (Millage = 0.0188)	<u>452,747</u>	<u>63,189</u>
Total Via Active FILOT Agreements	<u>10,012,452</u>	<u>4,576,833</u>

**VIA SSRC'S**

***Through FILOT Agreements:***

<b><u>Tax Entity (Effected Entities)</u></b>	<b><u>Taxes Abated</u></b>	<b><u>Taxes Received</u></b>
School District Operations and Bonds (Millage = 0.2542)	\$ 6,373,503	\$ N/A
County Operating and Bonds (Millage = 0.1684)	343	N/A
Millage Fund/Solid Waste (Millage = 0.0075)	188,046	N/A
Library (Millage = 0.0069)	173,002	N/A
York Tech Chester Campus (Millage = 0.0023)	57,667	N/A
Chester Fire Operations and Bonds (Millage = 0.0500)	424,553	N/A
Lando Fire Operations and Bonds (Millage = 0.0114)	11,472	N/A
Richburg Fire Operations and Bonds (Millage = 0.0188)	<u>292,818</u>	<u>N/A</u>
Total Through FILOT Agreements	<u>7,521,404</u>	<u>N/A</u>



CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
 JUNE 30, 2020

**NOTE 17 - TAX ABATEMENT PROGRAMS (CONTINUED)**

**2019 Tax Abatement Summary (Continued)**

**VIA SSRC'S**

*Through "Stand-Alone" SSRC Agreements*

<u><b>Tax Entity (Effected Entities)</b></u>	<u><b>Taxes Abated</b></u>	<u><b>Taxes Received</b></u>
School District Operations and Bonds (Millage = 0.2497)	\$ 501,898	\$ 71,238
County Operating and Bonds (Millage = 0.1625)	318,778	47,193
Town of Great Falls (Millage = 0.121)	-	-
Millage Fund/Solid Waste (Millage = 0.0073)	14,808	2,102
Library (Millage = 0.0069)	13,624	1,934
York Tech Chester Campus (Millage = 0.0023)	4,541	645
Chester Fire Operations and Bonds (Millage = 0.0489)	-	-
Lando Fire Operations and Bonds (Millage = 0.0125)	227	-
Richburg Fire Operations and Bonds (Millage = 0.0197)	-	-
Total Through "Stand-Alone" SSRC Agreements	<u>853,876</u>	<u>123,112</u>
Total Taxes Abated/Received Through SSRC's	<u>8,375,280</u>	<u>123,112</u>

**VIA MCIP AGREEMENTS**

*Through FILOT Agreements:*

<u><b>Tax Entity (Effected Entities)</b></u>	<u><b>Taxes Abated</b></u>	<u><b>Taxes Received</b></u>
School District Operations and Bonds (Millage = 0.2542)	\$ 2,610,109	\$ N/A
County Operating and Bonds (Millage = 0.1684)	233,543	3,163,872
Millage Fund/Solid Waste (Millage = 0.0075)	77,010	N/A
Library (Millage = 0.0069)	70,849	N/A
York Tech Chester Campus (Millage = 0.0023)	23,616	N/A
Chester Fire Operations and Bonds (Millage = 0.0500)	64,712	N/A
Lando Fire Operations and Bonds (Millage = 0.0114)	11,497	N/A
Richburg Fire Operations and Bonds (Millage = 0.0188)	149,746	N/A
Total Through FILOT Agreements	<u>3,241,082</u>	<u>3,163,872</u>

*Through "Stand-Alone" SSRC Agreements*

<u><b>Tax Entity (Effected Entities)</b></u>	<u><b>Taxes Abated</b></u>	<u><b>Taxes Received</b></u>
School District Operations and Bonds (Millage = 0.2497)	\$ 21,806	\$ N/A
County Operating and Bonds (Millage = 0.1625)	14,439	37,845
Town of Great Falls (Millage = 0.121)	-	N/A
Millage Fund/Solid Waste (Millage = 0.0073)	643	N/A
Library (Millage = 0.0069)	592	N/A
York Tech Chester Campus (Millage = 0.0023)	197	N/A
Chester Fire Operations and Bonds (Millage = 0.0489)	-	N/A
Lando Fire Operations and Bonds (Millage = 0.0125)	967	N/A
Richburg Fire Operations and Bonds (Millage = 0.0197)	-	N/A
Total Through "Stand-Alone" SSRC Agreements	<u>38,644</u>	<u>37,845</u>
Total Taxes Abated/Received Through MCIP Agreements	<u>3,279,726</u>	<u>3,201,717</u>
Total Taxes Abated/Received	<u>\$ 21,667,458</u>	<u>\$ 7,901,662</u>

Note: Taxes received includes fees-in-lieu of taxes, negotiated fees-in-lieu of taxes, and other revenues resulting from incentive agreements, but does not include penalties.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2020

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**NOTE 18 - ECONOMIC DEPENDENCY**

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

**NOTE 19 - ECONOMIC UNCERTAINTY**

On March 16, 2020, the County issued a Declaration of State of Emergency providing for certain duties available to assist the County with protecting public life, health and safety. Because of COVID-19 virus, economic uncertainties have arisen which may impact its operations and operating results. Management continues to actively monitor the impact from this health crisis on its financial condition, liquidity, operations, workforce and citizens. Given the daily evolution of the pandemic, the related financial impact cannot be reasonably estimated at this time.

**NOTE 20 - SUBSEQUENT EVENTS**

These financial statements considered subsequent events through March 19, 2021, the date the financial statements were available to be issued.

## REQUIRED SUPPLEMENTARY INFORMATION

CHESTER COUNTY, SOUTH CAROLINA  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES**  
 For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>TAXES</b>				
Current property taxes	\$ 13,270,307	\$ 13,270,307	\$ 14,443,493	\$ 1,173,186
Delinquent taxes	550,000	550,000	1,179,642	629,642
Total taxes	<u>13,820,307</u>	<u>13,820,307</u>	<u>15,623,135</u>	<u>1,802,828</u>
<b>LICENSES, FEES, FINES AND PERMITS</b>				
Road maintenance fees	-	-	-	-
Clerk of court fines and fees	150,000	150,000	183,579	33,579
Family court fines and fees	130,000	130,000	145,890	15,890
Tax assessor fees	-	-	176	176
Tax collector fees	100,000	100,000	91,759	(8,241)
Probate judge - license	55,000	55,000	61,923	6,923
Zoning fees	15,000	15,000	11,025	(3,975)
Magistrate's fines and fees	400,000	400,000	289,377	(110,623)
Planning permits	290,000	290,000	233,488	(56,512)
Emergency medical services	1,500,000	1,500,000	1,429,140	(70,860)
Total licenses, fees, fines and permits	<u>2,640,000</u>	<u>2,640,000</u>	<u>2,446,357</u>	<u>(193,643)</u>
<b>INTERGOVERNMENTAL</b>				
State shared revenues:				
Local option sales tax	2,750,000	2,750,000	2,435,787	(314,213)
Local government revenue	1,368,493	1,368,493	1,435,052	66,559
Merchant's inventory tax	90,000	90,000	90,024	24
National forest fund	44,000	44,000	116,790	72,790
State salary supplement	6,300	6,300	6,300	-
DHEC vital records/FFP grant	28,700	28,700	23,524	(5,176)
Accommodations tax	30,000	30,000	30,630	630
Sheriff local revenue	100,468	100,468	217,761	117,293
Appropriation of fund balance	265,041	1,326,788	-	(1,326,788)
Total intergovernmental	<u>4,683,002</u>	<u>5,744,749</u>	<u>4,355,868</u>	<u>(1,388,881)</u>
<b>INCOME ON INVESTMENTS</b>				
	<u>100,000</u>	<u>100,000</u>	<u>176,886</u>	<u>76,886</u>
Total income on investments	<u>100,000</u>	<u>100,000</u>	<u>176,886</u>	<u>76,886</u>

CHESTER COUNTY, SOUTH CAROLINA  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - REVENUES**  
 For the Year Ended June 30, 2020

**SCHEDULE A-1**  
**Continued**

	<b>Budget</b>		<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
OTHER INCOME				
Franchise fees	\$ 15,000	\$ 15,000	\$ 21,640	\$ 6,640
Sale of county property	-	-	158,241	158,241
Rentals	35,000	35,000	34,424	(576)
Animal control donations	-	-	4,717	4,717
Miscellaneous	55,000	55,000	49,780	(5,220)
Vehicle decal fee	25,000	25,000	26,817	1,817
	<u>130,000</u>	<u>130,000</u>	<u>295,619</u>	<u>165,619</u>
Total other income				
	<u>\$ 21,373,309</u>	<u>\$ 22,435,056</u>	<u>\$ 22,897,865</u>	<u>\$ 462,809</u>
Total revenue				

CHESTER COUNTY, SOUTH CAROLINA  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES**  
 For the Year Ended June 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<b>GENERAL GOVERNMENT</b>				
County council	\$ 149,840	\$ 156,015	\$ 137,921	\$ 18,094
Delegation	24,386	24,386	23,943	443
County supervisor	195,760	206,645	208,736	(2,091)
Finance	206,759	224,222	219,934	4,288
Human resources	171,949	177,860	139,143	38,717
Purchasing department	92,105	106,841	103,869	2,972
County treasurer	291,136	303,009	315,495	(12,486)
Tax collector	153,154	153,154	147,648	5,506
Auditor	137,668	147,793	146,129	1,664
Tax assessor	337,462	344,253	332,995	11,258
Planning/Zoning	467,585	467,585	361,121	106,464
Economic development	326,193	492,665	382,099	110,566
Coroner	171,976	171,976	182,963	(10,987)
Registration and election	234,795	234,795	238,472	(3,677)
County garage	272,574	272,574	245,343	27,231
Building maintenance	892,115	924,925	889,082	35,843
Airport	40,000	40,000	40,000	-
Network computer systems	331,097	338,506	349,605	(11,099)
Utilities	780,000	780,000	815,362	(35,362)
Postage	50,000	50,000	43,033	6,967
Property and liability insurance	519,842	519,842	522,095	(2,253)
Bond insurance	3,000	3,000	1,343	1,657
Workers compensation insurance	301,769	301,769	301,769	-
Unemployment benefits	30,000	30,000	7,709	22,291
Employee health insurance	1,484,283	1,484,283	1,528,739	(44,456)
Audit expense	81,000	81,000	124,937	(43,937)
Catawba Regional Planning Council	39,769	39,769	39,769	-
S.C. Association of Counties	8,898	8,898	8,898	-
Grant matching funds	182,484	182,484	9,358	173,126
Contingency	86,000	86,000	182,324	(96,324)
Copier lease and maintenance	207,000	207,000	231,074	(24,074)
Code enforcement	39,238	43,993	43,181	812
GIS system	50,030	50,030	23,589	26,441
QSI	190,895	190,895	205,920	(15,025)
Medical services	245,673	245,673	219,025	26,648
County attorney	93,470	93,470	88,476	4,994
Clerk of court	400,783	400,783	379,029	21,754
Family court	226,037	226,037	157,405	68,632
Probate judge	261,100	280,640	259,074	21,566

SCHEDULE A-2  
Continued

CHESTER COUNTY, SOUTH CAROLINA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES  
For the Year Ended June 30, 2020

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>GENERAL GOVERNMENT (CONTINUED)</b>				
Chester magistrate	\$ 530,920	\$ 535,492	\$ 439,150	\$ 96,342
Rossville magistrate	-	-	-	-
Family court judge	1,300	1,300	975	325
Public defender	110,828	110,828	110,828	-
Court of Appeals	5,000	5,000	4,186	814
Salary Study 2018	218,411	9,204		9,204
Total general government	<u>10,644,284</u>	<u>10,754,594</u>	<u>10,211,746</u>	<u>542,848</u>
<b>PUBLIC SAFETY</b>				
Sheriff's Department	3,437,689	3,927,689	3,372,305	555,384
Detention center	1,962,280	1,962,280	1,897,607	64,673
EMS	2,289,958	2,539,958	2,698,312	(158,354)
Fire coordinator	105,523	113,570	109,556	4,014
Rural fire departments	428,961	428,961	397,565	31,396
Emergency management	136,818	136,818	132,201	4,617
E911	1,029,944	1,029,944	920,859	109,085
Animal control	264,646	281,218	309,964	(28,746)
Chester County Rescue Squad	12,000	12,000	12,000	-
Great Falls Rescue Squad	12,000	12,000	12,000	-
Total public safety	<u>9,679,819</u>	<u>10,444,438</u>	<u>9,862,369</u>	<u>582,069</u>
<b>HIGHWAYS AND STREETS</b>				
Road department	315,465	330,055	186,897	143,158
Public works	160,726	198,951	112,504	86,447
Litter control	92,192	92,192	81,046	11,146
Total highways and streets	<u>568,383</u>	<u>621,198</u>	<u>380,447</u>	<u>240,751</u>
<b>WELFARE</b>				
Veterans Affairs	120,978	126,591	122,918	3,673
Department of Social Services	36,000	36,000	43,979	(7,979)
DHEC	38,300	38,300	51,649	(13,349)
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	61,880	61,880	61,880	-
Keystone	5,000	5,000	5,000	-
Catawba Community Mental Health Center	3,000	3,000	3,000	-
Total welfare	<u>301,408</u>	<u>307,021</u>	<u>324,676</u>	<u>(17,655)</u>

CHESTER COUNTY, SOUTH CAROLINA  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND - EXPENDITURES**  
For the Year Ended June 30, 2020

**SCHEDULE A-2**  
**Continued**

	Budget		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>CULTURAL AND RECREATIONAL</b>				
Recreation	\$ 115,600	\$ 121,629	\$ 119,714	\$ 1,915
Fort Lawn Community Center	4,050	4,050	4,050	-
Great Falls Hometown Association	12,000	12,000	12,000	-
Summer Feeding Program	10,000	10,000	10,000	-
Clemson Extension	12,150	12,150	12,150	-
Total cultural and recreational	153,800	159,829	157,914	1,915
<b>CAPITAL OUTLAY</b>	-	-	617,006	(617,006)
<b>DEBT SERVICE</b>				
Principal retirements	-	-	78,472	(78,472)
Interest and fiscal charges	-	-	24,602	(24,602)
Total debt service	-	-	103,074	(103,074)
Total expenditures	21,347,694	22,287,080	21,657,232	629,848
Excess (deficiency) of revenues over expenditures	25,615	147,976	1,240,633	1,092,657
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	100,000	100,000	109,208	9,208
Operating transfers out	(125,615)	(125,615)	(204,666)	(79,051)
Total other financing sources (uses)	(25,615)	(25,615)	(95,458)	\$ (69,843)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ 122,361	1,145,175	
FUND BALANCE, BEGINNING OF YEAR			8,993,039	
FUND BALANCE, END OF YEAR			\$ 10,138,214	



CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**  
 For the Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County's proportion of the collective net pension liability	0.0707%	0.0707%	0.0711%	0.0709%
County's proportionate share of the collective net pension liability	\$ 12,676,036	\$ 12,167,375	\$ 13,493,182	\$ 15,142,427
County's covered-employee payroll, prior fiscal year	\$ 6,190,489	\$ 6,406,651	\$ 6,662,648	\$ 6,866,666
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	204.7663%	189.9179%	202.5198%	220.5208%
Plan fiduciary net position as a percentage of the total pension liability	56.3882%	59.9194%	56.9917%	52.9064%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
County's proportion of the collective net pension liability	0.0774%	0.0784%	0.0823%	
County's proportionate share of the collective net pension liability	\$ 17,415,881	\$ 17,565,421	\$ 18,799,526	
County's covered-employee payroll, prior fiscal year	\$ 7,805,729	\$ 6,406,651	\$ 6,662,648	
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	223.1166%	274.1748%	282.1630%	
Plan fiduciary net position as a percentage of the total pension liability	53.3384%	54.1048%	54.3983%	

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**POLICE OFFICERS RETIREMENT SYSTEM (PORS)**  
For the Year Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
County's proportion of the collective net pension liability	0.2545%	0.2545%	0.2605%	0.2493%
County's proportionate share of the collective net pension liability	\$ 5,274,969	\$ 4,871,529	\$ 5,678,024	\$ 6,322,518
County's covered-employee payroll, prior fiscal year	\$ 2,962,552	\$ 3,069,928	\$ 3,223,711	\$ 3,168,717
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	178.0549%	158.6854%	176.1332%	199.5293%
Plan fiduciary net position as a percentage of the total pension liability	62.9788%	67.5495%	64.5686%	60.4449%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
County's proportion of the collective net pension liability	0.2858%	0.2768%	0.2554%	
County's proportionate share of the collective net pension liability	\$ 7,828,706	\$ 7,843,609	\$ 7,318,553	
County's covered-employee payroll, prior fiscal year	\$ 3,848,320	\$ 3,837,797	\$ 3,698,467	
County's proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	203.4318%	204.3779%	197.8807%	
Plan fiduciary net position as a percentage of the total pension liability	60.9398%	61.7294%	62.6916%	

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF COUNTY'S CONTRIBUTIONS**  
**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**  
 For the Year Ended June 30,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 656,192	\$ 679,105	\$ 726,229	\$ 759,453
Contributions in relation to the contractually required contribution	<u>(656,192)</u>	<u>(679,105)</u>	<u>(726,229)</u>	<u>(759,453)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 6,190,489	\$ 6,406,651	\$ 6,662,648	\$ 6,866,666
Contributions as a percentage of covered-employee payroll	10.60%	10.60%	10.90%	11.06%
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 902,342	\$ 1,101,509	\$ 1,265,842	\$ 1,445,372
Contributions in relation to the contractually required contribution	<u>(902,342)</u>	<u>(1,101,509)</u>	<u>(1,265,842)</u>	<u>(1,445,372)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 7,805,729	\$ 8,123,226	\$ 8,693,903	\$ 9,289,021
Contributions as a percentage of covered-employee payroll	11.56%	13.56%	14.56%	15.56%

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF COUNTY'S CONTRIBUTIONS**  
**POLICE OFFICERS RETIREMENT SYSTEM (PORS)**  
 For the Year Ended June 30,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 358,469	\$ 394,179	\$ 432,300	\$ 435,382
Contributions in relation to the contractually required contribution	<u>(358,469)</u>	<u>(394,179)</u>	<u>(432,300)</u>	<u>(435,382)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 2,962,552	\$ 3,069,928	\$ 3,223,711	\$ 3,168,717
Contributions as a percentage of covered-employee payroll	12.10%	12.84%	13.41%	13.74%
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 548,001	\$ 623,258	\$ 637,616	\$ 680,631
Contributions in relation to the contractually required contribution	<u>(548,001)</u>	<u>(623,258)</u>	<u>(637,616)</u>	<u>(680,631)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 3,848,320	\$ 3,837,797	\$ 3,698,467	\$ 3,731,532
Contributions as a percentage of covered-employee payroll	14.24%	16.24%	17.24%	18.24%

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
 For the Year Ended June 30, 2020

<b>Total OPEB Liability</b>	
Service cost	\$ 8,989
Interest	65,604
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions and other inputs	-
Benefit payments	(207,598)
Net changes in total OPEB liability	<u>(133,005)</u>
Total OPEB liability, Beginning	<u>1,789,007</u>
Total OPEB liability, Ending	<u>1,656,002</u>
<b>Plan Fiduciary Net Position</b>	
Contributions employer	207,598
Actual versus expected return	-
Expected investment return	-
Benefit payments	(207,598)
Administration expenses	-
Net changes in plan fiduciary net position	<u>-</u>
Plan fiduciary net position, Beginning	<u>-</u>
Plan fiduciary net position, Ending	<u>-</u>
<b>Net OPEB Liability, Ending</b>	<b><u><u>\$ 1,656,002</u></u></b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB liability	0.00%
Covered Employee Payroll	N/A
Net OPEB Liability as a Percentage of Covered Employee Payroll	N/A

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

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
 JUNE 30, 2020

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Services Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash	\$ 487,334	\$ 1,654,008	\$ 7,109	\$ 2,148,451
Investments	1,031,946	1,223	-	1,033,169
Property taxes receivable	437,668	296,250	-	733,918
Due from state shared revenue	-	715,209	-	715,209
Due from other funds	3,328,459	616,102	291,622	4,236,183
	<u>\$ 5,285,407</u>	<u>\$ 3,282,792</u>	<u>\$ 298,731</u>	<u>\$ 8,866,930</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 872,034	\$ -	\$ 147,941	\$ 1,019,975
Accrued liabilities	26,402	-	-	26,402
	<u>898,436</u>	<u>-</u>	<u>147,941</u>	<u>1,046,377</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	414,736	276,109	-	690,845
	<u>414,736</u>	<u>276,109</u>	<u>-</u>	<u>690,845</u>
<b>FUND BALANCES</b>				
Restricted	4,177,980	3,006,683	261,179	7,445,842
Committed	621,116	-	35,443	656,559
Assigned	-	-	-	-
Unassigned	(826,861)	-	(145,832)	(972,693)
	<u>3,972,235</u>	<u>3,006,683</u>	<u>150,790</u>	<u>7,129,708</u>
	<u>\$ 5,285,407</u>	<u>\$ 3,282,792</u>	<u>\$ 298,731</u>	<u>\$ 8,866,930</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,285,407</u>	<u>\$ 3,282,792</u>	<u>\$ 298,731</u>	<u>\$ 8,866,930</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2020

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Property taxes and fee-in-lieu of taxes	\$ 4,130,629	\$ 2,533,463	\$ -	\$ 6,664,092
Federal sources	468,738	-	403,778	872,516
State sources	2,555,290	2,910,540	287,850	5,753,680
County sources	-	-	-	-
Local sources	2,514,215	-	99,444	2,613,659
Investment income	-	6,370	-	6,370
Other income	41,718	3,968	-	45,686
Total revenues	<u>9,710,590</u>	<u>5,454,341</u>	<u>791,072</u>	<u>15,956,003</u>
<b>EXPENDITURES</b>				
General government	4,619,255	-	681,746	5,301,001
Public safety	2,950,523	-	11,444	2,961,967
Highways and streets	295,466	-	-	295,466
Cultural and recreational	903,557	-	-	903,557
Capital outlay	536,637	-	249,893	786,530
Debt service:				
Principal retirements	-	5,088,591	-	5,088,591
Interest and fiscal charges	-	310,750	-	310,750
Total expenditures	<u>9,305,438</u>	<u>5,399,341</u>	<u>943,083</u>	<u>15,647,862</u>
Excess (deficiency) of revenues over expenditures	<u>405,152</u>	<u>55,000</u>	<u>(152,011)</u>	<u>308,141</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	129,666	-	75,000	204,666
Operating transfers out	(184,208)	-	-	(184,208)
Proceeds from bonds	-	-	-	-
Total other financing sources (uses)	<u>(54,542)</u>	<u>-</u>	<u>75,000</u>	<u>20,458</u>
Net changes in fund balances	350,610	55,000	(77,011)	328,599
FUND BALANCES, BEGINNING OF YEAR	<u>3,621,625</u>	<u>2,951,683</u>	<u>227,801</u>	<u>6,801,109</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,972,235</u>	<u>\$ 3,006,683</u>	<u>\$ 150,790</u>	<u>\$ 7,129,708</u>



CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

	<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>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ 40,689	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	12,003
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,003</u>
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,689</u>	<u>\$ 12,003</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 398,079	\$ 2,357	\$ 24,186	\$ 40,099	\$ -
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>398,079</u>	<u>2,357</u>	<u>24,186</u>	<u>40,099</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
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>
<b>FUND BALANCES</b>					
Restricted	-	-	-	590	12,003
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(398,079)	(2,357)	(24,186)	-	-
	<u>(398,079)</u>	<u>(2,357)</u>	<u>(24,186)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(398,079)</u>	<u>(2,357)</u>	<u>(24,186)</u>	<u>590</u>	<u>12,003</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,689</u>	<u>\$ 12,003</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
**Continued**

	<u>Family Court IV-D</u>	<u>6th Judicial Circuit Court</u>	<u>Forfeited Land Commission</u>	<u>Sheriff's Department Donations</u>	<u>York Tech</u>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ 10,889	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	34,513
Due from other funds	<u>405,932</u>	<u>18,237</u>	<u>-</u>	<u>9,961</u>	<u>162,607</u>
Total assets	<u><u>\$ 405,932</u></u>	<u><u>\$ 18,237</u></u>	<u><u>\$ 10,889</u></u>	<u><u>\$ 9,961</u></u>	<u><u>\$ 197,120</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,648</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,648</u>
<b>FUND BALANCES</b>					
Restricted	405,932	18,237	10,889	9,961	164,472
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>405,932</u>	<u>18,237</u>	<u>10,889</u>	<u>9,961</u>	<u>164,472</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 405,932</u></u>	<u><u>\$ 18,237</u></u>	<u><u>\$ 10,889</u></u>	<u><u>\$ 9,961</u></u>	<u><u>\$ 197,120</u></u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
**Continued**

	<b>Family Court</b>	<b>Animal Control Donations</b>	<b>DHEC Grant In Aid MFY</b>	<b>Hazmat Local</b>	<b>Duke Local</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	9,529	4,516	752	194,948	52,457
 Total assets	\$ 9,529	\$ 4,516	\$ 752	\$ 194,948	\$ 52,457
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
 Total liabilities	-	-	-	-	-
 <b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
 Total deferred inflows of resources	-	-	-	-	-
 <b>FUND BALANCES</b>					
Restricted	9,529	4,516	752	194,948	52,457
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
 Total fund balances	9,529	4,516	752	194,948	52,457
 Total liabilities, deferred inflows of resources and fund balances	\$ 9,529	\$ 4,516	\$ 752	\$ 194,948	\$ 52,457

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>Victims/Witness Surcharges and Assessments</b>	<b>Solid Waste Collection Sites</b>	<b>Local Accommodations Tax</b>	<b>State Accommodations Tax</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Property taxes receivable	-	90,384	-	-
Due from other funds	-	-	286,674	109,001
	-	-	286,674	109,001
Total assets	\$ -	\$ 90,384	\$ 286,674	\$ 109,001
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 11,803	\$ 139,879	\$ -	\$ -
Accrued liabilities	-	-	-	26,402
	-	-	-	26,402
Total liabilities	11,803	139,879	-	26,402
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	85,310	-	-
	-	85,310	-	-
Total deferred inflows of resources	-	85,310	-	-
<b>FUND BALANCES</b>				
Restricted	-	-	286,674	82,599
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(11,803)	(134,805)	-	-
	(11,803)	(134,805)	-	-
Total fund balances	(11,803)	(134,805)	286,674	82,599
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 90,384	\$ 286,674	\$ 109,001

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<u>EMPG 01</u>	<u>SOS DUI</u>	<u>Chester</u>	<u>Chester</u>	<u>Chester</u>
	<u>Multiple</u>	<u>Enforcement</u>	<u>County</u>	<u>County</u>	<u>Fire</u>
			<u>Airport</u>	<u>Library</u>	<u>District</u>
			<u>Commission</u>		
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	101,377	158,215
Due from other funds	-	-	23,761	360,066	1,075,754
	<u>-</u>	<u>-</u>	<u>23,761</u>	<u>360,066</u>	<u>1,075,754</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,761</u>	<u>\$ 461,443</u>	<u>\$ 1,233,969</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 15,675	\$ 11,212	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>15,675</u>	<u>11,212</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	95,800	151,079
	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,800</u>	<u>151,079</u>
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,800</u>	<u>151,079</u>
<b>FUND BALANCES</b>					
Restricted	-	-	23,761	-	1,082,890
Committed	-	-	-	365,643	-
Assigned	-	-	-	-	-
Unassigned	(15,675)	(11,212)	-	-	-
	<u>(15,675)</u>	<u>(11,212)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>(15,675)</u>	<u>(11,212)</u>	<u>23,761</u>	<u>365,643</u>	<u>1,082,890</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,761</u>	<u>\$ 461,443</u>	<u>\$ 1,233,969</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>Lando Fire District</b>	<b>Richburg Fire District</b>	<b>Lewis Fire District</b>	<b>Fort Lawn Fire District</b>	<b>EMS Trauma Fund</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	2,639	39,632	3,382	7,526	-
Due from other funds	86,236	16,000	4,764	97,424	4,102
Total assets	<u>\$ 88,875</u>	<u>\$ 55,632</u>	<u>\$ 8,146</u>	<u>\$ 104,950</u>	<u>\$ 4,102</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Total liabilities	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	2,511	37,513	3,045	6,830	-
Total deferred inflows of resources	2,511	37,513	3,045	6,830	-
<b>FUND BALANCES</b>					
Restricted	86,364	18,119	5,101	98,120	-
Committed	-	-	-	-	4,102
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	86,364	18,119	5,101	98,120	4,102
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,875</u>	<u>\$ 55,632</u>	<u>\$ 8,146</u>	<u>\$ 104,950</u>	<u>\$ 4,102</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<u>EMA Donations</u>	<u>EMS Local Grants</u>	<u>EMS Donations</u>	<u>HMEP CFDA #20.703</u>	<u>DHEC SW Reduction</u>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	15,228	1,750	-	-	6,042
	<u>15,228</u>	<u>1,750</u>	<u>-</u>	<u>-</u>	<u>6,042</u>
Total assets	<u>\$ 15,228</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,042</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ 133	\$ 20,189	\$ -
Accrued liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>133</u>	<u>20,189</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>133</u>	<u>20,189</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
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>
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	6,042
Committed	15,228	1,750	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(133)	(20,189)	-
	<u>-</u>	<u>-</u>	<u>(133)</u>	<u>(20,189)</u>	<u>-</u>
Total fund balances	<u>15,228</u>	<u>1,750</u>	<u>(133)</u>	<u>(20,189)</u>	<u>6,042</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,228</u>	<u>\$ 1,750</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,042</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>Economic Development Marketing</b>	<b>SLPG CFDA #97.042</b>	<b>GIS Data Conversion</b>	<b>Public Defender</b>	<b>Sex Offender Registry</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	204,750	-	15,069	-	7,161
<b>Total assets</b>	<b>\$ 204,750</b>	<b>\$ -</b>	<b>\$ 15,069</b>	<b>\$ -</b>	<b>\$ 7,161</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ 1,417	\$ -	\$ 733	\$ -
Accrued liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1,417</b>	<b>-</b>	<b>733</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
Restricted	-	-	15,069	-	7,161
Committed	204,750	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(1,417)	-	(733)	-
<b>Total fund balances</b>	<b>204,750</b>	<b>(1,417)</b>	<b>15,069</b>	<b>(733)</b>	<b>7,161</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 204,750</b>	<b>\$ -</b>	<b>\$ 15,069</b>	<b>\$ -</b>	<b>\$ 7,161</b>



CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>Veterans Affairs Aid to Counties</b>	<b>Animal Control- Lutz Grant</b>	<b>Sheriff's Equitable Sharing</b>	<b>EMS Training</b>	<b>SCPRT Republic Park</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	12,650	9,659	5,655	10,586	-
 Total assets	\$ 12,650	\$ 9,659	\$ 5,655	\$ 10,586	\$ -
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 20,888
Accrued liabilities	-	-	-	-	-
 Total liabilities	-	-	-	-	20,888
 <b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
 Total deferred inflows of resources	-	-	-	-	-
 <b>FUND BALANCES</b>					
Restricted	12,650	9,659	5,655	-	-
Committed	-	-	-	10,586	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(20,888)
 Total fund balances	12,650	9,659	5,655	10,586	(20,888)
 Total liabilities, deferred inflows of resources and fund balances	\$ 12,650	\$ 9,659	\$ 5,655	\$ 10,586	\$ -

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>Bennett Landfill Fire</b>	<b>Palmetto Pride Enf. Grant</b>	<b>Sale of County Property</b>	<b>Coroner Fees</b>	<b>Cops Hiring Grant</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	930	-	12,643	4,638
	-	930	-	12,643	4,638
Total assets	\$ -	\$ 930	\$ -	\$ 12,643	\$ 4,638
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 554	\$ -	\$ 33,000	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
	554	-	33,000	-	-
Total liabilities	554	-	33,000	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	-	-	-	-	4,638
Committed	-	930	-	12,643	-
Assigned	-	-	-	-	-
Unassigned	(554)	-	(33,000)	-	-
	(554)	930	(33,000)	12,643	4,638
Total fund balances	(554)	930	(33,000)	12,643	4,638
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 930	\$ -	\$ 12,643	\$ 4,638

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
 Continued

	<b>LEN Grant</b>	<b>Homeland Security SHSP Grant</b>	<b>DHEC SC HPP Grant</b>	<b>Special Revenue C-Funds</b>	<b>Inmate Welfare</b>
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ -	\$ 435,756	\$ -
Investments	-	-	-	1,031,946	-
Property taxes receivable	-	-	-	-	-
Due from other funds	-	138	-	46,556	34,934
	-	138	-	46,556	34,934
Total assets	\$ -	\$ 138	\$ -	\$ 1,514,258	\$ 34,934
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Due to other funds	\$ 139	\$ -	\$ 3,519	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
	-	-	-	-	-
Total liabilities	139	-	3,519	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted	-	-	-	1,514,258	34,934
Committed	-	138	-	-	-
Assigned	-	-	-	-	-
Unassigned	(139)	-	(3,519)	-	-
	(139)	-	(3,519)	-	-
Total fund balances	(139)	138	(3,519)	1,514,258	34,934
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 138	\$ -	\$ 1,514,258	\$ 34,934

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-3**  
**Continued**

	<b>JAG Grant CFDA 16.738</b>	<b>Census Operations</b>	<b>COVID 19 Fund</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 487,334
Investments	-	-	-	1,031,946
Property taxes receivable	-	-	-	437,668
Due from other funds	-	5,346	-	3,328,459
Total assets	\$ -	\$ 5,346	\$ -	\$ 5,285,407
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 9,682	\$ -	\$ 138,490	\$ 872,034
Accrued liabilities	-	-	-	26,402
Total liabilities	9,682	-	138,490	898,436
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	414,736
Total deferred inflows of resources	-	-	-	414,736
<b>FUND BALANCES</b>				
Restricted	-	-	-	4,177,980
Committed	-	5,346	-	621,116
Assigned	-	-	-	-
Unassigned	(9,682)	-	(138,490)	(826,861)
Total fund balances	(9,682)	5,346	(138,490)	3,972,235
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 5,346	\$ -	\$ 5,285,407

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
 For the Year Ended June 30, 2020

	<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>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 19,891
State sources	200,406	-	1,216,118	-	-
County sources - property taxes	-	-	-	-	-
Local sources	130,529	-	856,938	52,590	-
Other income	-	-	-	-	-
Total revenues	<u>330,935</u>	<u>-</u>	<u>2,073,056</u>	<u>52,590</u>	<u>19,891</u>
<b>EXPENDITURES</b>					
General government	-	-	2,268,861	-	12,142
Public safety	200,304	-	-	16,848	-
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	484,074	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>684,378</u>	<u>-</u>	<u>2,268,861</u>	<u>16,848</u>	<u>12,142</u>
Excess (deficiency) of revenues over expenditures	<u>(353,443)</u>	<u>-</u>	<u>(195,805)</u>	<u>35,742</u>	<u>7,749</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
Operating transfers in	-	-	125,615	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>125,615</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(353,443)	-	(70,190)	35,742	7,749
FUND BALANCES, BEGINNING OF YEAR	<u>(44,636)</u>	<u>(2,357)</u>	<u>46,004</u>	<u>(35,152)</u>	<u>4,254</u>
FUND BALANCES, END OF YEAR	<u>\$ (398,079)</u>	<u>\$ (2,357)</u>	<u>\$ (24,186)</u>	<u>\$ 590</u>	<u>\$ 12,003</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, 2020

**SCHEDULE B-4**  
**Continued**

	<u>Family Court IV-D</u>	<u>6th Judicial Circuit Court</u>	<u>Forfeited Land Commission</u>	<u>Sheriff's Department Donations</u>	<u>York Tech</u>
<b>REVENUES</b>					
Federal sources	\$ 41,902	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
County sources - property taxes	-	-	-	-	257,678
Local sources	-	-	-	7,821	-
Other income	-	-	-	-	-
Total revenues	<u>41,902</u>	<u>-</u>	<u>-</u>	<u>7,821</u>	<u>257,678</u>
<b>EXPENDITURES</b>					
General government	2,700	-	10,888	-	237,000
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>2,700</u>	<u>-</u>	<u>10,888</u>	<u>-</u>	<u>237,000</u>
Excess (deficiency) of revenues over expenditures	<u>39,202</u>	<u>-</u>	<u>(10,888)</u>	<u>7,821</u>	<u>20,678</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	39,202	-	(10,888)	7,821	20,678
FUND BALANCES, BEGINNING OF YEAR	<u>366,730</u>	<u>18,237</u>	<u>21,777</u>	<u>2,140</u>	<u>143,794</u>
FUND BALANCES, END OF YEAR	<u>\$ 405,932</u>	<u>\$ 18,237</u>	<u>\$ 10,889</u>	<u>\$ 9,961</u>	<u>\$ 164,472</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, 2020

	<u>Family Court</u>	<u>Animal Control Donations</u>	<u>DHEC Grant In Aid MFY</u>	<u>Hazmat Local</u>	<u>Duke Local</u>
<b>REVENUES</b>					
Federal sources	\$ 144,174	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
County sources - property taxes	-	-	-	-	-
Local sources	-	4,640	7,752	3,000	35,000
Other income	-	-	-	18,206	-
Total revenues	<u>144,174</u>	<u>4,640</u>	<u>7,752</u>	<u>21,206</u>	<u>35,000</u>
<b>EXPENDITURES</b>					
General government	34,966	2,090	7,000	-	-
Public safety	-	-	-	2,483	35,180
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	1,984	-	5,641
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>34,966</u>	<u>2,090</u>	<u>8,984</u>	<u>2,483</u>	<u>40,821</u>
Excess (deficiency) of revenues over expenditures	<u>109,208</u>	<u>2,550</u>	<u>(1,232)</u>	<u>18,723</u>	<u>(5,821)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(109,208)</u>	-	-	-	-
Total other financing sources (uses)	<u>(109,208)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	2,550	(1,232)	18,723	(5,821)
FUND BALANCES, BEGINNING OF YEAR	<u>9,529</u>	<u>1,966</u>	<u>1,984</u>	<u>176,225</u>	<u>58,278</u>
FUND BALANCES, END OF YEAR	<u>\$ 9,529</u>	<u>\$ 4,516</u>	<u>\$ 752</u>	<u>\$ 194,948</u>	<u>\$ 52,457</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, 2020

SCHEDULE B-4  
 Continued

	<b>Victims/Witness Surcharges and Assessments</b>	<b>Solid Waste Collection Sites</b>	<b>Local Accommodations Tax</b>	<b>State Accommodations Tax</b>
<b>REVENUES</b>				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	73,192
County sources - property taxes	-	730,002	-	-
Local sources	46,723	-	116,634	-
Other income	-	-	-	-
Total revenues	46,723	730,002	116,634	73,192
<b>EXPENDITURES</b>				
General government	-	815,454	-	-
Public safety	67,058	-	-	-
Highways and streets	-	-	-	-
Cultural and recreational	-	-	81,197	68,360
Capital outlay	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	67,058	815,454	81,197	68,360
Excess (deficiency) of revenues over expenditures	(20,335)	(85,452)	35,437	4,832
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(75,000)	-
Total other financing sources (uses)	-	-	(75,000)	-
Net changes in fund balances	(20,335)	(85,452)	(39,563)	4,832
<b>FUND BALANCES, BEGINNING OF YEAR</b>	8,532	(49,353)	326,237	77,767
<b>FUND BALANCES, END OF YEAR</b>	\$ (11,803)	\$ (134,805)	\$ 286,674	\$ 82,599



CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS**  
 For the Year Ended June 30, 2020

SCHEDULE B-4  
 Continued

	<u>EMPG 01 Multiple</u>	<u>SOS DUI Enforcement</u>	<u>Chester County Airport Commission</u>	<u>Chester County Library</u>	<u>Chester Fire District</u>
<b>REVENUES</b>					
Federal sources	\$ 67,256	\$ -	\$ 30,000	\$ -	\$ -
State sources	-	-	-	-	14,614
County sources - property taxes	-	-	-	772,686	1,949,377
Local sources	-	-	120,827	-	-
Other income	-	-	-	-	-
Total revenues	<u>67,256</u>	<u>-</u>	<u>150,827</u>	<u>772,686</u>	<u>1,963,991</u>
<b>EXPENDITURES</b>					
General government	32,763	-	126,760	-	-
Public safety	-	-	-	-	1,918,989
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	754,000	-
Capital outlay	33,074	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>65,837</u>	<u>-</u>	<u>126,760</u>	<u>754,000</u>	<u>1,918,989</u>
Excess (deficiency) of revenues over expenditures	<u>1,419</u>	<u>-</u>	<u>24,067</u>	<u>18,686</u>	<u>45,002</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	1,419	-	24,067	18,686	45,002
FUND BALANCES, BEGINNING OF YEAR	<u>(17,094)</u>	<u>(11,212)</u>	<u>(306)</u>	<u>346,957</u>	<u>1,037,888</u>
FUND BALANCES, END OF YEAR	<u>\$ (15,675)</u>	<u>\$ (11,212)</u>	<u>\$ 23,761</u>	<u>\$ 365,643</u>	<u>\$ 1,082,890</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, 2020

SCHEDULE B-4  
 Continued

	<u>Lando Fire District</u>	<u>Richburg Fire District</u>	<u>Lewis Fire District</u>	<u>Fort Lawn Fire District</u>	<u>EMS Trauma Fund</u>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
County sources - property taxes	39,989	144,767	59,333	88,618	-
Local sources	-	-	-	40,568	11,344
Other income	-	22,686	-	-	-
Total revenues	<u>39,989</u>	<u>167,453</u>	<u>59,333</u>	<u>129,186</u>	<u>11,344</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Public safety	67,756	224,677	60,000	37,646	7,950
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	4,214	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>67,756</u>	<u>224,677</u>	<u>60,000</u>	<u>41,860</u>	<u>7,950</u>
Excess (deficiency) of revenues over expenditures	<u>(27,767)</u>	<u>(57,224)</u>	<u>(667)</u>	<u>87,326</u>	<u>3,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	(27,767)	(57,224)	(667)	87,326	3,394
FUND BALANCES, BEGINNING OF YEAR	<u>114,131</u>	<u>75,343</u>	<u>5,768</u>	<u>10,794</u>	<u>708</u>
FUND BALANCES, END OF YEAR	<u>\$ 86,364</u>	<u>\$ 18,119</u>	<u>\$ 5,101</u>	<u>\$ 98,120</u>	<u>\$ 4,102</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, 2020

	<u>EMA Donations</u>	<u>EMS Local Grants</u>	<u>EMS Donations</u>	<u>HMEP CFDA #20.703</u>	<u>DHEC SW Reduction</u>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ 28,900	\$ -
State sources	-	-	-	-	165
County sources - property taxes	-	-	-	-	-
Local sources	2,000	-	-	-	-
Other income	-	-	-	-	-
Total revenues	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>28,900</u>	<u>165</u>
<b>EXPENDITURES</b>					
General government	-	-	-	21,179	105
Public safety	10,053	-	-	-	-
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>10,053</u>	<u>-</u>	<u>-</u>	<u>21,179</u>	<u>105</u>
Excess (deficiency) of revenues over expenditures	<u>(8,053)</u>	<u>-</u>	<u>-</u>	<u>7,721</u>	<u>60</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	(8,053)	-	-	7,721	60
FUND BALANCES, BEGINNING OF YEAR	<u>23,281</u>	<u>1,750</u>	<u>(133)</u>	<u>(27,910)</u>	<u>5,982</u>
FUND BALANCES, END OF YEAR	<u>\$ 15,228</u>	<u>\$ 1,750</u>	<u>\$ (133)</u>	<u>\$ (20,189)</u>	<u>\$ 6,042</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, 2020

SCHEDULE B-4  
 Continued

	<u>Economic Development Marketing</u>	<u>SLPG CFDA #97.042</u>	<u>GIS Data Conversion</u>	<u>Public Defender</u>	<u>Sex Offender Registry</u>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-
County sources - property taxes	88,179	-	-	-	-
Local sources	8,625	-	-	988,500	4,180
Other income	-	-	-	-	-
Total revenues	<u>96,804</u>	<u>-</u>	<u>-</u>	<u>988,500</u>	<u>4,180</u>
<b>EXPENDITURES</b>					
General government	44,140	-	-	989,015	-
Public safety	-	-	-	-	2,737
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>44,140</u>	<u>-</u>	<u>-</u>	<u>989,015</u>	<u>2,737</u>
Excess (deficiency) of revenues over expenditures	<u>52,664</u>	<u>-</u>	<u>-</u>	<u>(515)</u>	<u>1,443</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	52,664	-	-	(515)	1,443
FUND BALANCES, BEGINNING OF YEAR	<u>152,086</u>	<u>(1,417)</u>	<u>15,069</u>	<u>(218)</u>	<u>5,718</u>
FUND BALANCES, END OF YEAR	<u>\$ 204,750</u>	<u>\$ (1,417)</u>	<u>\$ 15,069</u>	<u>\$ (733)</u>	<u>\$ 7,161</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, 2020

SCHEDULE B-4  
 Continued

	<b>Veterans Affairs Aid to Counties</b>	<b>Animal Control- Lutz Grant</b>	<b>Sheriff's Equitable Sharing</b>	<b>EMS Training</b>	<b>SCPRT Republic Park</b>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	5,478	-	-	-	-
County sources - property taxes	-	-	-	-	-
Local sources	-	20,000	-	16,774	-
Other income	-	-	-	-	-
Total revenues	5,478	20,000	-	16,774	-
<b>EXPENDITURES</b>					
General government	529	12,158	-	-	-
Public safety	-	-	-	7,423	-
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	529	12,158	-	7,423	-
Excess (deficiency) of revenues over expenditures	4,949	7,842	-	9,351	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	4,949	7,842	-	9,351	-
FUND BALANCES, BEGINNING OF YEAR	7,701	1,817	5,655	1,235	(20,888)
FUND BALANCES, END OF YEAR	\$ 12,650	\$ 9,659	\$ 5,655	\$ 10,586	\$ (20,888)

CHESTER COUNTY, SOUTH CAROLINA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2020

	<u>Bennett Landfill Fire</u>	<u>Palmetto Pride Enf. Grant</u>	<u>Sale of County Property</u>	<u>Coroner Fees</u>	<u>Cops Hiring Grant</u>
<b>REVENUES</b>					
Federal sources	\$ -	\$ -	\$ -	\$ -	\$ 67,585
State sources	-	3,950	-	-	-
County sources - property taxes	-	-	-	-	-
Local sources	-	-	-	3,630	-
Other income	-	-	-	-	-
Total revenues	<u>-</u>	<u>3,950</u>	<u>-</u>	<u>3,630</u>	<u>67,585</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Public safety	-	3,020	-	-	62,947
Highways and streets	-	-	-	-	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3,020</u>	<u>-</u>	<u>-</u>	<u>62,947</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>930</u>	<u>-</u>	<u>3,630</u>	<u>4,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	-	930	-	3,630	4,638
FUND BALANCES, BEGINNING OF YEAR	<u>(554)</u>	<u>-</u>	<u>(33,000)</u>	<u>9,013</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ (554)</u>	<u>\$ 930</u>	<u>\$ (33,000)</u>	<u>\$ 12,643</u>	<u>\$ 4,638</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, 2020

	<u>LEN Grant</u>	<u>Homeland Security SHSP Grant</u>	<u>DHEC SC HPP Grant</u>	<u>Special Revenue C-Funds</u>	<u>Inmate Welfare</u>
<b>REVENUES</b>					
Federal sources	\$ 3,027	\$ -	\$ 6,338	\$ -	\$ -
State sources	-	-	-	1,041,367	-
County sources - property taxes	-	-	-	-	-
Local sources	-	-	-	-	33,340
Other income	-	-	-	826	-
Total revenues	<u>3,027</u>	<u>-</u>	<u>6,338</u>	<u>1,042,193</u>	<u>33,340</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	-
Public safety	2,696	-	-	-	26,122
Highways and streets	-	-	-	295,466	-
Cultural and recreational	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>2,696</u>	<u>-</u>	<u>-</u>	<u>295,466</u>	<u>26,122</u>
Excess (deficiency) of revenues over expenditures	<u>331</u>	<u>-</u>	<u>6,338</u>	<u>746,727</u>	<u>7,218</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from bonds	-	-	-	-	-
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	331	-	6,338	746,727	7,218
FUND BALANCES, BEGINNING OF YEAR	<u>(470)</u>	<u>138</u>	<u>(9,857)</u>	<u>767,531</u>	<u>27,716</u>
FUND BALANCES, END OF YEAR	<u>\$ (139)</u>	<u>\$ 138</u>	<u>\$ (3,519)</u>	<u>\$ 1,514,258</u>	<u>\$ 34,934</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, 2020

**SCHEDULE B-4**  
 Continued

	<u>JAG Grant CFDA 16.738</u>	<u>Census Operations</u>	<u>COVID 19 Fund</u>	<u>Totals</u>
<b>REVENUES</b>				
Federal sources	\$ 14,301	\$ -	\$ 45,364	\$ 468,738
State sources	-	-	-	2,555,290
County sources - property taxes	-	-	-	4,130,629
Local sources	-	2,800	-	2,514,215
Other income	-	-	-	41,718
Total revenues	<u>14,301</u>	<u>2,800</u>	<u>45,364</u>	<u>9,710,590</u>
<b>EXPENDITURES</b>				
General government	-	1,505	-	4,619,255
Public safety	12,780	-	183,854	2,950,523
Highways and streets	-	-	-	295,466
Cultural and recreational	-	-	-	903,557
Capital outlay	7,650	-	-	536,637
Debt service				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>20,430</u>	<u>1,505</u>	<u>183,854</u>	<u>9,305,438</u>
Excess (deficiency) of revenues over expenditures	<u>(6,129)</u>	<u>1,295</u>	<u>(138,490)</u>	<u>405,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	4,051	-	129,666
Operating transfers out	-	-	-	(184,208)
Total other financing sources (uses)	<u>-</u>	<u>4,051</u>	<u>-</u>	<u>(54,542)</u>
Net changes in fund balances	(6,129)	5,346	(138,490)	350,610
FUND BALANCES, BEGINNING OF YEAR	<u>(3,553)</u>	<u>-</u>	<u>-</u>	<u>3,621,625</u>
FUND BALANCES, END OF YEAR	<u>\$ (9,682)</u>	<u>\$ 5,346</u>	<u>\$ (138,490)</u>	<u>\$ 3,972,235</u>



CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR DEBT SERVICE FUNDS**  
 JUNE 30, 2020

	<u>Chester County Debt Service</u>	<u>Chester Fire Bond</u>	<u>Lando Fire Debt Service</u>	<u>Richburg Fire Bond</u>	<u>Capital Projects Sales Tax</u>	<u>Fort Lawn Fire Bond</u>	<u>Totals</u>
<b>ASSETS</b>							
Cash	\$ 260	\$ -	\$ -	\$ -	\$ 1,653,748	\$ -	\$ 1,654,008
Investments	1,223	-	-	-	-	-	1,223
Receivables							
Property taxes, net	218,210	9,716	6,114	58,078	-	4,132	296,250
Due from state shared revenue	-	-	-	-	715,209	-	715,209
Due from other funds	83,339	112,930	33,542	325,690	-	60,601	616,102
<b>Total assets</b>	<b><u>\$ 303,032</u></b>	<b><u>\$ 122,646</u></b>	<b><u>\$ 39,656</u></b>	<b><u>\$ 383,768</u></b>	<b><u>\$ 2,368,957</u></b>	<b><u>\$ 64,733</u></b>	<b><u>\$ 3,282,792</u></b>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	202,968	9,262	5,816	54,343	-	3,720	276,109
<b>Total deferred inflows of resources</b>	<b><u>202,968</u></b>	<b><u>9,262</u></b>	<b><u>5,816</u></b>	<b><u>54,343</u></b>	<b><u>-</u></b>	<b><u>3,720</u></b>	<b><u>276,109</u></b>
<b>FUND BALANCES</b>							
Restricted	100,064	113,384	33,840	329,425	2,368,957	61,013	3,006,683
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b><u>100,064</u></b>	<b><u>113,384</u></b>	<b><u>33,840</u></b>	<b><u>329,425</u></b>	<b><u>2,368,957</u></b>	<b><u>61,013</u></b>	<b><u>3,006,683</u></b>
<b>Total deferred inflows of resources and fund balances</b>	<b><u>\$ 303,032</u></b>	<b><u>\$ 122,646</u></b>	<b><u>\$ 39,656</u></b>	<b><u>\$ 383,768</u></b>	<b><u>\$ 2,368,957</u></b>	<b><u>\$ 64,733</u></b>	<b><u>\$ 3,282,792</u></b>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS**  
For the Year Ended June 30, 2020

	Chester County Debt Service	Chester Fire Bond	Lando Fire Debt Service	Richburg Fire Bond	Capital Projects Sales Tax	Fort Lawn Fire Bond	Totals
<b>REVENUES</b>							
Property taxes	\$ 2,083,978	\$ 121,021	\$ 84,347	\$ 189,755	\$ -	\$ 54,362	\$ 2,533,463
Investment income	6,370	-	-	-	-	-	6,370
Federal sources	-	-	-	-	-	-	-
State sources	-	-	-	-	2,910,540	-	2,910,540
Other income	-	-	-	-	3,968	-	3,968
Total revenue	<u>2,090,348</u>	<u>121,021</u>	<u>84,347</u>	<u>189,755</u>	<u>2,914,508</u>	<u>54,362</u>	<u>5,454,341</u>
<b>EXPENDITURES</b>							
Debt service							
Principal retirement	1,705,000	100,408	100,864	94,484	3,050,000	37,835	5,088,591
Interest and fiscal charges	139,406	12,092	9,820	53,134	88,413	7,885	310,750
Total expenditures	<u>1,844,406</u>	<u>112,500</u>	<u>110,684</u>	<u>147,618</u>	<u>3,138,413</u>	<u>45,720</u>	<u>5,399,341</u>
Net changes in fund balances	245,942	8,521	(26,337)	42,137	(223,905)	8,642	55,000
FUND BALANCES, BEGINNING OF YEAR	<u>(145,878)</u>	<u>104,863</u>	<u>60,177</u>	<u>287,288</u>	<u>2,592,862</u>	<u>52,371</u>	<u>2,951,683</u>
FUND BALANCES, END OF YEAR	<u>\$ 100,064</u>	<u>\$ 113,384</u>	<u>\$ 33,840</u>	<u>\$ 329,425</u>	<u>\$ 2,368,957</u>	<u>\$ 61,013</u>	<u>\$ 3,006,683</u>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
 JUNE 30, 2020

	<b>Economic Development Grant</b>	<b>Economic Development Infrastructure</b>	<b>Emergency Training Center</b>	<b>Rossville Fire Department</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	16,483	921	5,100
Total assets	\$ -	\$ 16,483	\$ 921	\$ 5,100
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 16,131	\$ -	\$ -	\$ -
Total liabilities	16,131	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	16,483	-	-
Committed	-	-	921	5,100
Assigned	-	-	-	-
Unassigned	(16,131)	-	-	-
Total fund balances	(16,131)	16,483	921	5,100
Total liabilities and fund balances	\$ -	\$ 16,483	\$ 921	\$ 5,100

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-7**  
**Continued**

	<b>Chester Detention Center</b>	<b>Vehicle Replacement</b>	<b>Golf Course/ Great Falls &amp; Republic</b>	<b>Meadowbrook Water Project</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 2,500
Due from other funds	964	64,861	15,223	-
	<b>\$ 964</b>	<b>\$ 64,861</b>	<b>\$ 15,223</b>	<b>\$ 2,500</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	64,861	15,223	2,500
Committed	964	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	964	64,861	15,223	2,500
Total liabilities and fund balances	\$ 964	\$ 64,861	\$ 15,223	\$ 2,500

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-7**  
 Continued

	<b>EECBG Energy Grant</b>	<b>Courthouse Improvements</b>	<b>Eureka Performance Bond</b>	<b>Hazard Mitigation Program</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	28,458	49,975	-
Total assets	\$ -	\$ 28,458	\$ 49,975	\$ -
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 8,440	\$ -	\$ -	\$ 13,158
Total liabilities	8,440	-	-	13,158
<b>FUND BALANCES</b>				
Restricted	-	-	49,975	-
Committed	-	28,458	-	-
Assigned	-	-	-	-
Unassigned	(8,440)	-	-	(13,158)
Total fund balances	(8,440)	28,458	49,975	(13,158)
Total liabilities and fund balances	\$ -	\$ 28,458	\$ 49,975	\$ -

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
 JUNE 30, 2020

**SCHEDULE B-7**  
 Continued

	<b>E-911 Jail Lightning Strike Damage</b>	<b>Capital Projects 2017</b>	<b>Hurricane Florence</b>	<b>DSS/DHEC Building Renovation</b>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 2,104
Due from other funds	-	109,637	-	-
Total assets	\$ -	\$ 109,637	\$ -	\$ 2,104
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 7,832	\$ -	\$ 6,136	\$ 96,239
Total liabilities	7,832	-	6,136	96,239
<b>FUND BALANCES</b>				
Restricted	-	109,637	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(7,832)	-	(6,136)	(94,135)
Total fund balances	(7,832)	109,637	(6,136)	(94,135)
Total liabilities and fund balances	\$ -	\$ 109,637	\$ -	\$ 2,104

CHESTER COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2020

	<b>Roundtree Circle Pump Station</b>	<b>Totals</b>
<b>ASSETS</b>		
Cash	\$ 2,505	\$ 7,109
Due from other funds	-	291,622
	<u>2,505</u>	<u>291,622</u>
Total assets	<u>\$ 2,505</u>	<u>\$ 298,731</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Due to other funds	\$ 5	\$ 147,941
Total liabilities	<u>5</u>	<u>147,941</u>
<b>FUND BALANCES</b>		
Restricted	2,500	261,179
Committed	-	35,443
Assigned	-	-
Unassigned	-	(145,832)
	<u>2,500</u>	<u>150,790</u>
Total fund balances	<u>2,500</u>	<u>150,790</u>
Total liabilities and fund balances	<u>\$ 2,505</u>	<u>\$ 298,731</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, 2020

	<u>Economic Development Grant</u>	<u>Economic Development Infrastructure</u>	<u>Emergency Training Center</u>	<u>Rossville Fire Department</u>
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-
State sources	287,850	-	-	-
	<u>287,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	287,850	-	-	-
<b>EXPENDITURES</b>				
General government	287,850	-	-	-
Public safety	-	-	-	-
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	287,850	-	-	-
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>(16,131)</u>	<u>16,483</u>	<u>921</u>	<u>5,100</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ (16,131)</u></u>	<u><u>\$ 16,483</u></u>	<u><u>\$ 921</u></u>	<u><u>\$ 5,100</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, 2020

**SCHEDULE B-8**  
**Continued**

	<b>Chester Detention Center</b>	<b>Vehicle Replacement</b>	<b>Golf Course/ Great Falls &amp; Republic</b>	<b>Meadowbrook Water Project</b>
<b>REVENUES</b>				
Local sources	\$ -	\$ 99,434	\$ -	\$ -
Federal sources	-	-	-	-
State sources	-	-	-	-
	-	-	-	-
Total revenues	-	99,434	-	-
<b>EXPENDITURES</b>				
General government	-	58,391	-	-
Public safety	-	-	-	-
Capital outlay	-	39,795	-	-
	-	39,795	-	-
Total expenditures	-	98,186	-	-
Excess (deficiency) of revenues over expenditures	-	1,248	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	1,248	-	-
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	964	63,613	15,223	2,500
<b>FUND BALANCES, END OF YEAR</b>				
	\$ 964	\$ 64,861	\$ 15,223	\$ 2,500

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**  
For the Year Ended June 30, 2020

**SCHEDULE B-8  
Continued**

	<b>EECBG Energy Grant</b>	<b>Courthouse Improvements</b>	<b>Eureka Performance Bond</b>	<b>Hazard Mitigation Program</b>
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	160,192
State sources	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	160,192
<b>EXPENDITURES</b>				
General government	-	37,095	-	-
Public safety	-	-	-	295
Capital outlay	-	15,166	-	121,605
	-	15,166	-	121,605
Total expenditures	-	52,261	-	121,900
Excess (deficiency) of revenues over expenditures	-	(52,261)	-	38,292
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	-	75,000	-	-
	-	75,000	-	-
Total other financing sources (uses)	-	75,000	-	-
Net changes in fund balances	-	22,739	-	38,292
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	(8,440)	5,719	49,975	(51,450)
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ (8,440)</b>	<b>\$ 28,458</b>	<b>\$ 49,975</b>	<b>\$ (13,158)</b>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS**  
For the Year Ended June 30, 2020

**SCHEDULE B-8**  
**Continued**

	<b>E-911 Jail Lightning Strike Damage</b>	<b>Capital Projects 2017</b>	<b>Hurricane Florence</b>	<b>DSS/DHEC Building Renovations</b>
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ 10
Federal sources	-	-	-	120,761
State sources	-	-	-	-
	-	-	-	-
Total revenues	-	-	-	120,771
<b>EXPENDITURES</b>				
General government	-	-	-	175,585
Public safety	-	11,149	-	-
Capital outlay	-	73,327	-	-
	-	73,327	-	-
Total expenditures	-	84,476	-	175,585
Excess (deficiency) of revenues over expenditures	-	(84,476)	-	(54,814)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in (out)	-	-	-	-
	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	(84,476)	-	(54,814)
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	(7,832)	194,113	(6,136)	(39,321)
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ (7,832)</b>	<b>\$ 109,637</b>	<b>\$ (6,136)</b>	<b>\$ (94,135)</b>

CHESTER COUNTY, SOUTH CAROLINA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS**  
 For the Year Ended June 30, 2020

	<b>Roundtree Circle Pump Station</b>	<b>Totals</b>
<b>REVENUES</b>		
Local sources	\$ -	\$ 99,444
Federal sources	122,825	403,778
State sources	-	287,850
	122,825	791,072
<b>EXPENDITURES</b>		
General government	122,825	681,746
Public safety	-	11,444
Capital outlay	-	249,893
	122,825	943,083
Excess (deficiency) of revenues over expenditures	-	(152,011)
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in (out)	-	75,000
Total other financing sources (uses)	-	75,000
Net changes in fund balances	-	(77,011)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>2,500</b>	<b>227,801</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 2,500</b>	<b>\$ 150,790</b>

CHESTER COUNTY, SOUTH CAROLINA  
**UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (Per ACT 96)**  
 For the Year Ended June 30, 2020

FOR THE STATE TREASURER'S OFFICE

COUNTY/MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected	\$ 555,248	\$ 665,861	\$ -	\$ 1,221,109
Court fines and assessments remitted to State Treasurer	163,871	376,485	-	540,356
<b>Total Court Fines and Assessments Retained</b>	<b>\$ 391,377</b>	<b>\$ 289,376</b>	<b>\$ -</b>	<b>\$ 680,753</b>
<b>Surcharges and Assessments Retained for Victim Services:</b>				
Surcharges collected and retained	\$ 1,578	\$ 4,768	\$ -	\$ 6,346
Assessments retained	5,783	24,524	-	30,307
<b>Total Surcharges and Assessments Retained for Victim Services</b>	<b>\$ 7,361</b>	<b>\$ 29,292</b>	<b>\$ -</b>	<b>\$ 36,653</b>

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year - Beginning Balance</b>	<b>\$ 16,503</b>	<b>\$ (14,644)</b>	<b>\$ 1,859</b>
<b>Victim Service Revenue:</b>			
Victim service fines retained by City/County Treasurer	-	-	-
Victim service assessments retained by City/County Treasurer	-	30,307	30,307
Victim service surcharge retained by City/County Treasurer	-	6,347	6,347
Interest earned	-	-	-
Grant funds received	-	-	-
Grant from:	-	-	-
General funds transferred to victim service fund	-	-	-
Contribution received from victim service contracts:	-	-	-
(1) Town of Great Falls	4,706	-	4,706
(2) Town of Fort Lawn	1,069	-	1,069
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	<b>\$ 22,278</b>	<b>\$ 22,010</b>	<b>\$ 44,288</b>
<b>Expenditures for Victim Service Program:</b>			
Salaries and benefits	\$ -	\$ 50,038	\$ 50,038
Operating expenditures	-	17,021	17,021
<b>Victim Service Contract(s):</b>			
(1) Town of Great Falls	-	-	-
(2) Town of Fort Lawn	-	-	-
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter	-	-	-
(2) Rape Crisis Center	-	-	-
(3) Other local direct crime victims service agency	-	-	-
Transferred to General Fund	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	<b>-</b>	<b>67,059</b>	<b>67,059</b>
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	22,278	(45,049)	(22,771)
Less: Prior Year Fund Deficit Repayment	-	-	-
<b>Carryforward Funds - End of Year</b>	<b>\$ 22,278</b>	<b>\$ (45,049)</b>	<b>\$ (22,771)</b>

## COMPLIANCE SECTION

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance for Each Major Federal Program**

We have audited Chester County, South Carolina's (the "County") compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Faulkner and Thompson, P.A.*

Rock Hill, South Carolina  
March 19, 2021



CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Passed-Through South Carolina Department of Commerce			
Community Development Block Grant Program	14.218	4-C1-18-003	\$ 122,825
Community Development Block Grant Program	14.218	4-CE-18-005	<u>175,585</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>298,410</u></b>
<b>U.S. DEPARTMENT OF JUSTICE</b>			
Passed-Through South Carolina Department of Public Safety			
Justice Assistance Grant Program	16.738	2017-DJ-BX-0863	9,331
Justice Assistance Grant Program	16.738	2019-DJ-BX-0477	<u>10,305</u>
<b>Total U.S. Department of Justice</b>			<b><u>19,636</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
Passed-Through South Carolina Aeronautics Commission			
Airport Improvement Program	20.106	3-45-0015-010-2018	<u>116,898</u>
<b>Total Passed-Through South Carolina Aeronautics Commission</b>			<b><u>116,898</u></b>
Passed-Through South Carolina Department of Public Safety			
Office of Highway Safety and Justice Programs	20.600	2JC18006	1,253
Office of Highway Safety and Justice Programs	20.600	2JC19006	1,443
Office of Highway Safety and Justice Programs	20.600		<u>62,947</u>
<b>Total Passed-Through South Carolina Department of Public Safety</b>			<b><u>65,643</u></b>
Passed-Through South Carolina Emergency Management Division			
HMEP Planning Grant FY20	20.703	HMEP 693JK319400338	21,179
Hazard Mitigation Grant Program	20.703	4346-0014	<u>121,900</u>
<b>Total Passed-Through South Carolina Emergency Management Division</b>			<b><u>143,079</u></b>
<b>Total U.S. Department of Transportation</b>			<b><u>325,620</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Direct Program			
CARES Provider Relief Fund	93.498		<u>45,364</u>
<b>Total Direct Program</b>			<b><u>45,364</u></b>
Passed-Through South Carolina Department of Social Services (DSS)			
Child Support Enforcement IV-D Unit Cost FY20	93.563	C20010C	34,966
Child Support Enforcement IV-D Incentive FY20	93.563	C20010C	2,700
Child Support Enforcement IV-D Sheriff FY20	93.563	C20010S	<u>12,142</u>
<b>Total Passed-Through South Carolina Department of Social Services (DSS)</b>			<b><u>49,808</u></b>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>95,172</u></b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
Passed-through South Carolina Emergency Management Division			
Local Emergency Management Performance FY20	97.042	19EMPG01	<u>57,989</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>57,989</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 796,827</u></b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CHESTER COUNTY, SOUTH CAROLINA  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2020

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Chester County under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Matching costs (i.e., the non-federal share of certain program costs) are not included in the accompanying Schedule.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor of the 2020 Catalog of Federal Domestic Assistance. When no CFDA number had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used. For June 30, 2020, all CFDA numbers were obtained and reported.

**NOTE 4 – PASS-THROUGH ENTITIES' IDENTIFYING NUMBER**

When federal awards were received from a pass-through entity, the schedule of expenditures of federal awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

**NOTE 5 – INDIRECT COST RATE**

The County did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414. Uniform Guidance §200.510(6) requires the County to disclose whether or not it elected to use the 10 percent de minimis cost rate that §200.414(f) allows for nonfederal entities that never received a negotiated indirect cost rate.

**NOTE 6 – OUTSTANDING LOANS OF FEDERAL FUNDS**

The following schedule presents the amount of outstanding loans of federal funds. The loans were provided by the USDA Rural Development:

<b>Federal CFDA Number</b>	<b>Program Title</b>	<b>Amount Outstanding</b>	
		<b>June 30, 2019</b>	<b>June 30, 2020</b>
10.766	Community Facilities Loans and Grants	\$ 1,196,819	\$ 1,183,782
10.766	Community Facilities Loans and Grants	\$ 1,733,854	\$ 1,705,833

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 For the Year Ended June 30, 2020

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**Section I – Summary of Auditors’ Results**

**Financial Statements:**

Type of auditor’s report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____ <input checked="" type="checkbox"/>	yes	_____ none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/> no

**Federal Awards:**

Internal control over major program:			
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/> no
Significant deficiency(ies) identified?	_____	yes	_____ <input checked="" type="checkbox"/> none reported
Type of auditor’s report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a).	_____	yes	_____ <input checked="" type="checkbox"/> no

**Identification of Major Programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	U.S. Department of Housing and Urban Development Community Development Block Grant
20.703	U.S. Department of Transportation Hazardous Materials Planning Grant

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	_____ yes      _____ <input checked="" type="checkbox"/> no

CHESTER COUNTY, SOUTH CAROLINA  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Year Ended June 30, 2020

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***Findings Related to Generally Accepted Auditing Standards***

**Prior Year Findings:**

19-01 Magistrates' Office

Criteria: Lack of segregation of duties can reduce the level of internal accounting controls over the magistrates' receipts and maintenance of funds.

Condition: During our audit of the magistrates' office, we noted a lack of segregation of duties over the cash receipts and disbursements function and the reconciliation process for the magistrates' bank accounts and its unadjudicated bonds.

Effect: Lack of internal controls can increase the likelihood funds on hand may be improperly reported and/or subject to errors or irregularities.

Cause: The magistrates' office has a limited number of administrative staff available for accounting functions. Currently the same staff that records cash receipts and disbursements is performing the reconciliations of cash accounts. The reconciliations are not currently reviewed and approved. The unadjudicated bonds are not being reconciled to cash on hand.

Recommendation: We suggest the magistrates' office consider the following:

1. We suggest the magistrates' cash accounts be reconciled monthly by someone independent of the recording of cash receipts and disbursements. We also suggest the reconciliation process for the magistrates' cash accounts be documented with written procedures. These procedures should include a process whereby these reconciliations are reviewed by someone independent of the reconciliation process.
2. A listing of adjudicated bonds should be maintained for each month-end and reconciled to cash on hand each month.

We believe such changes would strengthen controls over the County's funds and increase the efficiency of record keeping within the magistrates' office.

Current Status and Management's Response: Chester County understands the importance of a strong internal control system and will continue to work with the Magistrate's office to ensure these recommendations are implemented. We anticipate this finding to be resolved within the next fiscal year.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, 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, the 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 (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon March 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item [19-01] that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Chester County, South Carolina's Response to Findings**

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Faulkner and Thompson, P.A.*

Rock Hill, South Carolina  
March 19, 2021