



Solving the water needs of tomorrow, today.

Chester Metropolitan District
Regular Commission Meeting
December 14, 2021

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Tuesday, December 14, 2021, by WebEx. Commissioners attending were George Wilmore, Chairman; Jean Nichols, Secretary; Matt McCrorey, Raymond Douglas, Stephen Woody, Charletta Thompson and Larry Loflin. Others in attendance were Fred Castles, Executive Director; Clay Shannon, Manager of Information Services; Kelli Johnson, Executive Assistant; Andy Litten, District Engineer; Richard Zhao, Finance Manager; Michael Slapnik with Scott and Company; and Arthur Gaston, Attorney.

The Agenda for the December 14, 2021, Board Meeting was posted on the Chester Metropolitan District Website one week prior to the meeting.

A quorum was present.

Chairman Wilmore called the meeting to order at 6:04 pm.

Minutes

Chairman Wilmore asked for corrections or additions to the November 9, 2021, minutes. Motion to approve the minutes was made by Matt McCrorey, seconded by Jean Nichols, and unanimously approved.

Public Comment

There were no public comments.

Mr. Castles stated that Michael Slapnik with Scott and Company was in attendance and would give presentation of the 2020-2021 Audit. Mr. Castles asked Chairman Wilmore if Mr. Slapnik could present first.

Chairman Wilmore agreed for Mr. Slapnik to be moved to the top of the agenda.

2020-2021 Audit Presentation

2020-2021 Audit Presentation: Mr. Slapnik presented the 2020-2021 Audit to the Board. A copy of the audit report is attached to the minutes.

Old Business

Filter Plant Report: Mr. Castles read the Filter Plant Report for November. A copy of the report is attached to the minutes.

Engineering Report and DMAG: Mr. Litten read the Engineering and DMAG Report for November. A copy of the report is attached to the minutes.

New Business

Approval of the 2020-2021 Audit

Mr. Zhao stated that it was his recommendation for the Board to approve the 2020-2021 Audit.

Mr. Douglas asked during discussion if this could be tabled and voted on in a special call meeting.

Mr. Gaston stated that there was a motion and a second on the table, and that the commissioners could vote.

Chairman Wilmore asked if there was any discussion. Motion to approve the 2020-2021 Audit was made by Jean Nichols, seconded by Matt McCrorey, and approved 6-1.

Reports

Director's Report: Mr. Castles read the Director's Report for November. A copy of the report is attached to the minutes.

Hydrant Report: Mr. Castles read the Hydrant Report for November. A copy of the report is attached to the minutes.

Financial Report: Mr. Zhao read the Financial Report for November. A copy of the report is attached to the minutes.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by Matt McCrorey, seconded by Jean Nichols, and unanimously approved.

The meeting adjourned at 6:45 pm.

Approved:

Respectfully Submitted:

Date: 1-11-2022

By: *Kelli Johnson*

Chester Metropolitan District

Agenda

Tuesday, December 14, 2021

6:00 PM

WebEx

- I. Call Meeting to Order**
- II. Approval of November 9, 2021, Meeting Minutes**

III. Public Comment

Public Comment is limited to three (3) minutes per speaker.

IV. Old Business

- A. Filter Plant Report -Fred Castles
- B. Engineer Report -Andy Litten
- C. DMAG -Andy Litten

V. New Business

- A. 2020-2021 Audit Presentation -Michael Slapnik
- B. Approval of 2020-2021 Audit -Richard Zhao

VI. Reports

- A. Director's Report -Fred Castles
- B. Hydrant Report -Fred Castles
- C. Financial Report -Richard Zhao

VII. Adjourn

This agenda is subject to change up to 24 hours in advance of the meeting.



Solving the water needs of tomorrow, today.

Chester Metropolitan District
Regular Commission Meeting
November 9, 2021

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Tuesday, October 12, 2021, by WebEx. Commissioners attending were George Wilmore, Chairman; Jean Nichols, Secretary; Matt McCrorey, Raymond Douglas, Stephen Woody, and Larry Loflin. Others in attendance were Fred Castles, Executive Director; Clay Shannon, Manager of Information Services; Kelli Johnson, Executive Assistant; Andy Litten, District Engineer; Susan Roddey, IT Support Specialist; Richard Zhao, Finance Manager; and Arthur Gaston, Attorney.

The Agenda for the November 9, 2021, Board Meeting was posted in the News & Reporter and on the Chester Metropolitan District Website one week prior to the meeting.

A quorum was present.

Chairman Wilmore called the meeting to order at 6:09 pm.

Minutes

Chairman Wilmore asked for corrections or additions to the October 12, 2021, minutes. Motion to approve the minutes was made by Matt McCrorey, seconded by Jean Nichols, and unanimously approved.

Public Comment

There were no public comments.

Old Business

Filter Plant Report: Mr. Castles read the Filter Plant Report for October. A copy of the report is attached to the minutes.

Engineering Report and DMAG: Mr. Litten read the Engineering and DMAG Report for October. A copy of the report is attached to the minutes.

Declining Block Rate

Mr. Castles stated that CMD held the Public Hearing for the Declining Block Rate Structure for Large Water Users on November 8, 2021, at 3pm, and no one from the public was present.

Chairman Wilmore asked if there was any discussion. Motion to approve the Declining Block Rate was made by Matt McCrorey and seconded by Jean Nichols, and unanimously approved.

New Business

Proposal to add two Federal Holidays

Mr. Castles stated that CMD has implemented an Employee Advisory Committee (EAC) that meets every quarter. Mr. Castles stated that the EAC is a group of employees from each department that meet and can discuss concerns, and ideas for the District. Mr. Castles stated that employees brought up Juneteenth and Columbus Day and wanted those holidays to be approved as holidays for the District. Mr. Castles stated that it is his recommendation for the Board to discuss these holidays and approve to add to the Districts paid holidays.

Mr. Gaston stated that it would be best for the Board to make a separate motion for each holiday.

Chairman Wilmore asked if there was any discussion. Motion to approve Juneteenth as a paid holiday was made by Raymond Douglas and seconded by Matt McCrorey, and unanimously approved.

No motion was made regarding Columbus Day.

Approval of Generator Bids

Mr. Castles stated that CMD received four bids for the generator project. Mr. Castles stated that the lowest bid, did not have the proper licenses to complete the project. Mr. Castles stated that the second lowest bid from MSI Construction, did not check a box on the bid packet that stated they received the addendum. Mr. Castles stated that on the bid packet it stated that CMD has the right to waive any informalities or reject any or all bids. Mr. Castles stated that CMD reached out to the third lowest bidder, and they stated that they would not appeal the decision by the District to take the second lowest bid, even though they did not check the box for the receiving the addendum.

Mr. Gaston stated from a legal standpoint, there was not an issue of approving the bid from the second lowest bidder MSI Construction. Mr. Gaston stated that the District had it in writing that the third lowest bidder would not appeal the decision.

Chairman Wilmore asked if there was any discussion. Motion to approve the Generator Bid from MSI Construction was made by Stephen Woody, and seconded by Matt McCrorey, and unanimously approved.

Reports

Director's Report: Mr. Castles read the Director's Report for October. A copy of the report is attached to the minutes.

Hydrant Report: Mr. Castles read the Hydrant Report for October. A copy of the report is attached to the minutes.

Financial Report: Mr. Zhao read the Financial Report for October. A copy of the report is attached to the minutes.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by Jean Nichols, seconded by Matt McCrorey, and unanimously approved.

The meeting adjourned at 6:49 pm.

Approved:

Respectfully Submitted:

Date: _____

By: _____

Filter Plant Report

November 2021

- Completed all reports.
- Collected 17 Distribution Samples and analyzed for the presence of Coliform Bacteria. All samples were within acceptable range.
- We maintained a Finished water free chlorine residual of 2.50 ppm. In the areas of the distribution system where bacteria samples were collected, we maintained a total chlorine residual of .38 ppm.
- Clearwater Electric installed the rewind motor for raw water pump #3. The pump was started, and everything worked as normal.
- Repaired water supply union on the Plate & Frame pressure washer.
-
- Performed an open & close time check for the HSP's soft close check valves and adjusted.
- Started winterizing around the plant.
- Catoe Heating & Plumbing came to troubleshoot a no start issue on the plant boiler unit and found a circulation pump, the technician was able to restart the pump. While they were here they performed a check on the laboratory unit and found the heating elements and the control board burned out.
- Installed the equipment needed for internet access in the sludge building.
- Fabricated conduit support hangers, finished conduit access box, and other work needed for running larger lime feed lines to the filters.
- Replaced the packing around the #4 waste valve and fabricated and installed additional hold down clamps for the packing gland.
- The clarifier gravity discharge valve stem is broken. Perkinson Inc. is scheduled to come and evaluate the problem.

CMD Engineering Department Report December 2021 Meeting

Development Project Reviews

Knights Bridge (Richburg): We've received the tap fees and now we're waiting on the materials to be delivered. No testing has been completed yet on site. The current schedule is to complete phase I testing this month so that the builder can start building houses in January.

Walker's Mill (Richburg): Water line construction has not begun yet.

Last Step Recycling (Chester): We're waiting on payment of the Capital Recovery Fees, and the material submittal so that we can review them.

Gallo (Fort Lawn): The bore was installed, and the waterline is currently being installed across Hwy 21 to the new meter vault.

Chester Hazmat Facility (Chester): The backflow preventer was installed in the ground which is not allowed for new construction per our policy. We're waiting for the Contractor to install the backflow preventer in an above ground enclosure and submit test reports.

Academy for Teaching and Learning (Chester): We're waiting on material submittals so we can review them.

Covalent Chemical (Chester): Water service construction has not started yet.

In-House Projects

Some of the materials are in so we are now starting projects.

Magnolia Avenue, Great Falls: All the taps are complete. (no change)

Edgewood Road, Great Falls: On the replacement list. (no change)

Timmie/Gregg Ave, Chester: On hold. (no change)

Cemetery St, Great Falls: The water line was installed. We're waiting on the materials to make the taps so that we can test the water line and connect the customers to the new water line.

Generator Project

We're planning to have the pre-construction meeting the week of December 13th. We'll issue to the notice to proceed to the Contractor at that time. The generators are on the manufacturer's property and ready to be delivered.

Toilet Rebate Program

Applications for Rebate this month: 0

Customer Portal

The Customer Portal has been updated and now customers can view their water usage online. We've put a post on Facebook letting customer's know and will put bill stuffers out in the near future.

DMAG

SC Drought reports that Chester's status is normal. (no change)

The US Drought Monitor reports Severe Drought conditions.

NOAA 3-Month precipitation outlook is below normal.

NOAA 3-Month temperature outlook is above normal. (no change)

Duke is preparing for Stage 0 conditions to occur in January. If that Stage is declared the Drought Management Group will start having monthly meetings which will provide more in-depth information on conditions.

**Independent Auditor's Report
on the Financial Statements**

Chester Metropolitan District

as of and for the years ended June 30, 2021 and 2020

Draft

SCOTT  COMPANY

Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Required Supplementary Information:	
Management's Discussion and Analysis	3-7
Basic Financial Statements:	
Statements of Net Position	8-9
Statements of Revenues, Expenses, and Changes in Net Position	10
Statements of Cash Flows	11-12
Notes to the Financial Statements	13-36
Required Supplementary Information:	
Schedule of the Chester Metropolitan District's Changes in Total OPEB Liability and Related Ratios - Other Postemployment Benefits	37
Schedule of the Chester Metropolitan District's Proportionate Share of the Net Pension Liability – South Carolina Retirement System	38
Schedule of the Chester Metropolitan District's Contributions – South Carolina Retirement System	39
Supplemental Information:	
Supplemental Schedule of Certain Expenses – Budget and Actual	40-42

Independent Auditor's Report

To the Board of Commissioners
Chester Metropolitan District
Chester, South Carolina

We have audited the accompanying financial statements of Chester Metropolitan District (the "District") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District'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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years 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, other postemployment benefits, and pension information on pages 3 through 7 and 37 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements. The schedule of certain expenses – budget and actual is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The schedule of certain expenses – budget and actual on pages 40 through 42 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of certain expenses – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Columbia, South Carolina

XXXX, 2021

Required Supplementary Information

Draft

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Chester Metropolitan District's (the "District") annual financial report presents an analysis of the District's financial performance during the fiscal years ended June 30, 2021 and 2020. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased by \$685,317 or 10 percent from \$7,171,132 to \$7,856,449. The increase was primarily due to increases in water connection fees, non-payment fees, and water service revenue mainly from increased rates.
- Operating expenses increased by \$551,859 or 8 percent from \$7,132,334 to \$7,684,193. The increase was primarily due to increases in Other Post-Employment Benefits (OPEB) expense, pension expense, and loss on disposal of assets.
- Operating revenues increased \$458,107 or 6 percent from \$8,070,177 to \$8,528,284.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position presents the financial position of the District at the end of the fiscal year. Net position is the difference between the sum of the assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. There are three components of net position: net investment in capital assets, unrestricted assets, and restricted assets. Net position is one indicator of the current financial condition of the District, while the change in net position is an indicator that the overall financial condition has improved or worsened during the year.

The Statement of Revenues, Expenses, and Changes in Net Position replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized as operating or non-operating.

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, and investing activities.

FINANCIAL ANALYSIS

STATEMENT OF NET POSITION:

Net position may serve over time as a useful indicator of an entity's financial position. During the fiscal year ended June 30, 2021, current and other assets increased by \$1,459,553 or 14 percent. Contributing to the increase was the increase of cash and cash equivalents for an overall increase in total assets and deferred outflows of resources of \$2,642,790 or 11 percent. The increase of cash of cash equivalents was primarily due to increase in water connection fees, non-payment fees, and water service revenue. Net capital assets decreased by \$354,848. Deferred outflows of resources increased by \$1,538,085 or 123 percent, primarily due to an increase in Other Post-Employment Benefits (OPEB) deferred outflows, based on changes in assumptions used in the actuarial calculation.

Total liabilities reflect an increase of \$2,053,336 or 13 percent. Total liabilities and deferred inflows of resources increased by \$1,957,473. The increase is primarily attributable to the increase of Other Post-Employment Benefits (OPEB) liability and net pension liability. Net position restricted for other purposes decreased approximately \$720,000 largely due to transfers from capital fee cash to gross revenue cash.

The following schedule is prepared from the District's Statements of Net Position, on an accrual basis of accounting, and presented as condensed statements.

Condensed Statements of Net Position
June 30,

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current and other assets	\$ 11,862,650	\$ 10,403,097	\$ 1,459,553	14%
Capital assets, net	<u>12,269,491</u>	<u>12,624,339</u>	<u>(354,848)</u>	-3%
Total assets	<u>24,132,141</u>	<u>23,027,436</u>	<u>1,104,705</u>	5%
Deferred outflows of resources	<u>2,784,121</u>	<u>1,246,036</u>	<u>1,538,085</u>	123%
Total assets and deferred outflows of resources	<u>26,916,262</u>	<u>24,273,472</u>	<u>2,642,790</u>	11%
Current liabilities	1,381,451	1,260,073	121,378	10%
Non-current liabilities	<u>16,949,068</u>	<u>15,017,110</u>	<u>1,931,958</u>	13%
Total liabilities	<u>18,330,519</u>	<u>16,277,183</u>	<u>2,053,336</u>	13%
Deferred inflows of resources	<u>729,294</u>	<u>825,157</u>	<u>(95,863)</u>	-12%
Total liabilities and deferred inflows of resources	<u>19,059,813</u>	<u>17,102,340</u>	<u>1,957,473</u>	11%
Net investment in capital assets	6,739,858	7,051,373	(311,515)	-4%
Net position restricted for debt service	1,006	2,273	(1,267)	-56%
Net position restricted for other purposes	-	720,215	(720,215)	-100%
Unrestricted net position	<u>1,115,585</u>	<u>(602,729)</u>	<u>1,718,314</u>	285%
Total net position	<u>\$ 7,856,449</u>	<u>\$ 7,171,132</u>	<u>\$ 685,317</u>	10%

The Statement of Revenues, Expenses and Changes in Net Position presents and categorizes revenues earned and expenses incurred during the year by operating and non-operating. Generally, operating revenues and expenses are those received and used to carry out the mission of the District, although interest incomes from South Carolina are listed below as non-operating revenue.

The following schedule is prepared from the District's Statements of Revenues, Expenses and Changes in Net Position and presented as condensed statements.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position
For the years ended June 30,**

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating revenues	\$ 8,528,284	\$ 8,070,177	\$ 458,107	6%
Non-operating revenues	19,798	79,042	(59,244)	-75%
Total revenues	<u>8,548,082</u>	<u>8,149,219</u>	<u>398,863</u>	5%
Depreciation expense	995,854	947,064	48,790	5%
Other operating expenses	<u>6,688,339</u>	<u>6,185,270</u>	<u>503,069</u>	8%
Total operating expenses	7,684,193	7,132,334	551,859	8%
Interest expense	<u>178,572</u>	<u>188,307</u>	<u>(9,735)</u>	-5%
Total expenses	<u>7,862,765</u>	<u>7,320,641</u>	<u>542,124</u>	7%
Increase in net position	<u>\$ 685,317</u>	<u>\$ 828,578</u>	<u>\$ (143,261)</u>	-17%

REVENUES

The District's total revenues increased \$398,863 or 5 percent as compared to fiscal year end June 30, 2020.

- Operating revenue, or revenue received from the day-to-day activities of the District, increased 6 percent over last fiscal year. The primary source of increased revenue came from increase of non-payment fees, water connection fees, and monthly utility billings mainly from increased rates.
- Non-operating revenue decreased by \$59,244 or 75 percent. The District earned approximately 74 percent less in interest revenue over last fiscal year. The change is based on lower interest rates.

EXPENSES

- The District's total expenses in 2021 increased by \$542,124 or 7 percent compared to fiscal year end June 30, 2020. Operating expenses are the expenses necessary to perform the normal business operations and include, (but are not limited to) salaries, benefits, costs of supplies and materials, utilities and depreciation. Operating expenses, excluding depreciation, increased \$503,069 or 8 percent over last fiscal year. The increase was primarily due to increase in Other Post-Employment Benefits (OPEB) expense, pension expense, and loss on disposal of assets.

CAPITAL ASSETS

The District's capital assets include land and land rights, construction in progress, structures and distribution lines, equipment, vehicles and buildings. Additions to the District's net capital assets during fiscal year 2021 totaled \$850,728, an increase of \$196,105 compared to fiscal year 2020. The funding sources are listed below:

Proceeds from Vehicle Lease	\$ 108,252
Operating Revenue	114,841
Capital Fee	627,635
	<hr/>
	\$ 850,728

Additional information on the District's capital assets may be found in Note 4 in the Notes to the Financial Statements.

OUTSTANDING DEBT

The District uses a combination of debt and pay as you go financing to fund capital improvements.

As of June 30, 2021, the District had \$5,529,633 in outstanding debt compared to \$5,825,016 at June 30, 2020. The outstanding debt includes a \$5.21 million 2017 Series Revenue Bond, a \$196,890 premium on bonds payable, and a \$122,743 capital lease. The bonds were issued to redeem the 2016 BAN, redeem the 2009 bond, and to defray costs of projects necessary to the operation of the District. The bond was refunded to reduce total debt service payments by approximately \$108,000 and to obtain an economic gain of approximately \$112,000. Under the most restrictive provisions of the revenue bond agreements, the District is required to maintain net earnings (as defined in the agreement) of at least one hundred twenty percent of the total annual principal and interest requirements for all series of bonds outstanding during the fiscal year. As of June 30, 2021, and June 30, 2020 the District was in compliance with this covenant with a coverage ratio of 4.1 and 4.4. Utilities are encouraged to keep a coverage ratio of 1.5 or higher.

Additional information on the District's long-term debt may be found in Note 5 in the Notes to the Financial Statements.

ECONOMIC FACTORS

Walker's Mill, a new subdivision containing 305 residential lots, began construction in 2019. Construction on-site ceased in early 2020 due to the presence of rock making the project unfeasible for development at this time. Construction resumed in mid-2021 and will consist of 280 single-family homes and will be served by Chester Metropolitan District.

Knights Bridge, a new subdivision containing 292 residential lots, began construction in mid-September 2020. Water and sewer was completed in 4th quarter 2021. Residential construction will begin in early 2022 and will consist of 265 single-family homes and will be served by Chester Metropolitan District.

Village Drive Subdivision, a proposed residential development containing 266 single-family homes, 215 multi-family units, and commercial business space. The project schedule is unknown. The development will be served by Chester Metropolitan.

Winchester, a proposed residential subdivision containing 1150 single-family homes was recently approved by the Chester County Zoning Board. The project schedule is unknown. The development will be served by Chester Metropolitan District.

Stanton, a proposed planned development was recently approved by the Chester County Zoning Board. The project will consist of 180 low-density lots, 520 medium-density lots, 200 townhomes, and 240 multi-family apartments, and commercial business space. The project schedule unknown. The development will be served by Chester Metropolitan District.

On June 15, 2021, Ernest and Julio Gallo Winery announced they will be constructing a new east coast operation in Fort Lawn, South Carolina. The operation will be \$423 million in capital investment and will create 496 new full-time jobs. Phase 1A production is proposed to begin in 2022 with a 200,000 gal/day water demand. Phase 1B production is proposed to begin in 2023 with a 400,000 gal/day water demand. Phase 1C production is proposed to begin in 2024 with a 600,000 gal/day water demand.

Chart Industries, Inc., a global manufacturer of highly engineered cryogenic equipment, has constructed a facility in Chester County to provide repair, service, and leasing of cryogenic equipment on the East Coast. Chart Industries is located in the Chester County Research and Development Park along SC Route 99 near Great Falls. The facility opened during the Summer of 2021.

Last Step Recycling, a materials recycling company, is constructing a new facility in Chester County in the Chester Technology Park near York Technical College. The operation will bring 46 million in capital investment and will create 50 new full-time jobs. The facility is scheduled to open July 2022.

There has been continuous interest in Chester County from industrial clients and land developers during 2021. Chester Metropolitan District works closely with Chester County Economic Development to promote growth through utility services. We expect the interest from industrial clients and developers to continue long into the future.

ADDITIONAL FINANCIAL INFORMATION

Economic Factors and Next Year's Budget and Rates – The Board of Directors has adopted the District's budget for the year ended June 30, 2022. The approval of the budget provides funding for the District's operating and debt service costs for the year end June 30, 2021. The District's water rates are reviewed by management and the Board of Commissioners on an annual basis.

This financial report is designed to provide the District's customers and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in the report or wish to request additional information, please contact the Chester Metropolitan District at PO Box 550, Chester, South Carolina, 29706.

Basic Financial Statements

Draft

Chester Metropolitan District
Statements of Net Position
June 30,

	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	\$ 10,220,799	\$ 8,147,828
Customer receivables, net of allowance of \$193,917 for 2021 and 2020	382,798	324,174
Unbilled revenue	522,323	501,126
Due from related party	-	29,275
Prepaid expenses	106,782	88,130
Inventories	349,108	321,532
Total current assets	11,581,810	9,412,065
Cash and cash equivalents, restricted	1,006	722,488
Cash surrender value of life insurance	279,834	268,544
Capital assets, net of accumulated depreciation	12,269,491	12,624,339
Total assets	24,132,141	23,027,436
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	394,526	373,016
Difference between expected and actual retirement plan experience	63,971	3,434
Difference between projected and actual investment experience	407,808	44,235
Change in proportionate share of net pension liability	58,438	178,171
Change in actuarial assumptions on retirement plan	6,792	100,683
Contributions to OPEB after measurement date	388,367	360,407
Difference between expected and actual OPEB experience	17,216	15,774
Change in actuarial assumptions on OPEB	1,436,332	156,087
Deferred loss on bond refunding	10,671	14,229
Total deferred outflows of resources	2,784,121	1,246,036
Total assets and deferred outflows of resources	26,916,262	24,273,472

The accompanying notes are an integral part of these financial statements.

Chester Metropolitan District
 Statements of Net Position (Continued)
 June 30,

	2021	2020
Liabilities:		
Current liabilities:		
Current maturities of revenue bonds payable	415,000	405,000
Current maturities of capital lease payable	36,947	-
Accounts payable	270,470	245,964
Other liabilities	26,713	25,352
Accrued interest payable	13,490	14,502
Accrued payroll and related liabilities	125,090	159,550
Customer service deposits	346,493	285,407
Accrued compensated absences, current	147,248	124,298
Total current liabilities	1,381,451	1,260,073
Accrued compensated absences, net of current portion	102,930	133,327
Revenue bonds payable, net of current maturities	4,991,890	5,420,016
Capital lease payable, net of current portion	85,796	-
OPEB liability	6,224,444	4,467,456
Net pension liability	5,544,008	4,996,311
Total liabilities	18,330,519	16,277,183
Deferred inflows of resources:		
Difference between expected and actual retirement plan experience	20,964	35,891
Difference between expected and actual OPEB experience	216,472	245,568
Change in proportionate share of OPEB	30,800	-
Change in actuarial assumptions on OPEB	461,058	543,698
Total deferred inflows of resources	729,294	825,157
Total liabilities and deferred inflows of resources	19,059,813	17,102,340
Net position:		
Net investment in capital assets	6,739,858	7,051,373
Restricted for debt service	1,006	2,273
Restricted for capital expenditures	-	720,215
Unrestricted	1,115,585	(602,729)
Total net position	\$ 7,856,449	\$ 7,171,132

The accompanying notes are an integral part of these financial statements.

Chester Metropolitan District
 Statements of Revenues, Expenses, and Changes in Net Position
 for the years ended June 30,

	2021	2020
Operating revenues:		
Water service	\$ 7,433,388	\$ 7,204,584
Expense reimbursements, related party	244,353	238,492
Capital recovery fees	362,591	323,238
Penalties	65,193	60,919
Water connection fees	82,917	25,868
Non-payment fees	140,085	118,035
Gain on sale of assets	10,276	-
Miscellaneous	189,481	99,041
Total operating revenues	8,528,284	8,070,177
Operating expenses:		
Filter and sludge division	1,641,806	1,662,724
Distribution	1,164,284	1,081,564
Administration and general	2,908,169	2,725,099
Depreciation	995,854	947,064
Meters	421,183	361,602
Engineering	343,175	354,281
Loss on disposal of assets	209,722	-
Total operating expenses	7,684,193	7,132,334
Operating income	844,091	937,843
Non-operating income (expenses):		
Interest income	19,798	76,474
Interest expense	(178,572)	(188,307)
Unrealized gain on investment	-	2,568
Total non-operating expenses, net	(158,774)	(109,265)
Increase in net position	685,317	828,578
Net position, at beginning of year	7,171,132	6,342,554
Net position, at end of year	\$ 7,856,449	\$ 7,171,132

The accompanying notes are an integral part of these financial statements.

Chester Metropolitan District
Statements of Cash Flows
for the years ended June 30,

	2021	2020
Cash flows from operating activities:		
Cash received from customers and others	\$ 8,528,548	\$ 7,831,979
Cash paid to employees	(2,599,157)	(2,446,207)
Cash paid to suppliers	(3,296,419)	(2,931,959)
Net cash provided by operating activities	2,632,972	2,453,813
Cash flows used in capital and related financing activities:		
Acquisition and construction of capital assets	(850,728)	(654,623)
Principal payments on revenue bonds	(405,000)	(390,000)
Proceeds from capital lease	150,000	-
Principal payments on capital lease	(27,257)	-
Interest paid	(178,572)	(188,307)
Net cash used in capital and related financing activities	(1,311,557)	(1,232,930)
Cash flows provided by investing activities:		
Sales of investments	-	197,432
Proceeds from sale of capital assets	10,276	-
Interest income	19,798	79,042
Net cash provided by investing activities	30,074	276,474
Net increase in cash and cash equivalents	1,351,489	1,497,357
Cash and cash equivalents at beginning of year	8,870,316	7,372,959
Cash and cash equivalents at end of year	\$ 10,221,805	\$ 8,870,316

The accompanying notes are an integral part of these financial statements.

Chester Metropolitan District
Statements of Cash Flows (Continued)
for the years ended June 30,

	2021	2020
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 844,091	\$ 937,843
Adjustments to reconcile net operating income to net cash provided		
by operating activities:		
Depreciation	995,854	947,064
Amortization	3,558	3,557
Increase in cash surrender value of life insurance	(11,290)	(22,549)
Bad debt expense	1,061	66,417
Change in assets and liabilities:		
Customer receivables	(59,685)	63,349
Unbilled revenue	(21,197)	(50,376)
Due from related party	29,275	879
Other assets	-	40,815
Prepaid expenses	(18,652)	(33,085)
Inventories	(27,576)	(39,979)
Deferred outflows of resources	(1,541,643)	25,529
Accounts payable	24,506	(41,804)
Accrued interest payable	(1,012)	(975)
Accrued expenses	(34,460)	9,175
Compensated absences	(7,447)	12,519
Customer service deposits	61,086	4,779
Other liabilities	1,361	25,352
Bond premium	(13,126)	(13,120)
Net pension liability	547,697	155,325
OPEB liability	1,756,988	192,767
Deferred inflows of resources	(95,863)	170,331
Gain on sale of assets	(10,276)	-
Loss on disposal of capital assets	209,722	-
Total adjustments	1,788,881	1,515,970
Net cash provided by operating activities	\$ 2,632,972	\$ 2,453,813

A reconciliation of cash and cash equivalents reflected in the statements of cash flows to the statements of net position are as follows:

	Current assets	Restricted assets	Statements of Cash Flows
Cash and cash equivalents, June 30, 2019	\$ 6,384,961	\$ 987,998	\$ 7,372,959
Net increase (decrease)	1,762,867	(265,510)	1,497,357
Cash and cash equivalents, June 30, 2020	8,147,828	722,488	8,870,316
Net increase (decrease)	2,072,971	(721,482)	1,351,489
Cash and cash equivalents, June 30, 2021	\$ 10,220,799	\$ 1,006	\$ 10,221,805

The accompanying notes are an integral part of these financial statements.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Organization and Basis of Accounting – Chester Metropolitan District (the “District”) was created in 1964 pursuant to Act Number 379 of the Acts of the General Assembly of the State of South Carolina. The District's principal purpose is to provide filtered water in substantial quantities in and throughout the area of Chester County.

The District operates as a self-supporting governmental enterprise and uses accounting policies applicable to governmental enterprise funds. The District is directed by a governing board whose members (9) are appointed by the County and town governments serviced by the District.

The District uses the accrual basis of accounting and the economic resources measurement focus for reporting. The accrual basis of accounting recognizes revenue when earned, regardless of when received. Expenses are recorded when incurred, regardless of when paid.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with an enterprise fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Accounting Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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. The most significant estimates include the estimated useful lives of property and equipment and the actuarially calculated net pension and other post-employment benefit (“OPEB”) liabilities. Management is not aware of any condition that would affect those estimates in the near term.

Cash and Cash Equivalents – For purposes of reporting cash flows in the financial statements, all demand deposits and highly liquid debt instruments (including restricted assets) purchased with an initial maturity of three months or less are considered to be cash equivalents.

Customer Receivables – Customer receivables are obligations due under billing cycles and each customer is required to remit a deposit before service is activated. The District's accounts receivable are due from residential and industrial customers.

Allowance for Doubtful Accounts – An allowance for possible credit losses is recorded and reduces the carrying value of accounts receivable to its net realizable value. The amount of the reserve is based upon management's estimate of currently uncollectible accounts, historical trends, current economic trends, and other factors. Provisions to increase or decrease the allowance are charged to operations. Account balances are written off when collection efforts are deemed ineffective. The allowance for doubtful accounts was approximately \$193,900 at June 30, 2021 and 2020.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Investments – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. At June 30, 2021 and 2020, all of the District’s investments are bank certificates of deposit with maturities through 2027, that are valued with Level 1 inputs. Certificates of deposit are reported at cost plus interest earned which approximates fair value.

Unbilled Revenue – The District renders bills to customers on billing cycles that end on various days throughout the month. Unbilled revenue represents the portion of bills rendered during the month of July applicable to service provided in June.

Cash Surrender Value of Life Insurance - The District has a life insurance policy on its former executive director and it had a cash surrender value of approximately \$280,000 and \$269,000 at June 30, 2021 and 2020, respectively. The death benefit of the policy at June 30, 2021 and 2020, was approximately \$598,000 and \$582,000, respectively.

Inventories – Inventories consist principally of maintenance parts and supplies valued at average cost.

Restricted Assets Not Available for Current Operations – In accordance with revenue bond provisions and loan requirements, revenues have been set aside in special funds for specified purposes. The assets in these accounts are shown as restricted assets on the statements of net position.

Capital Assets – Property constructed or purchased is stated at cost. Contributed property is stated at estimated fair market value on the date received. Interest is capitalized on significant long-term construction projects and is depreciated over the useful life of the related asset. Depreciation is computed over the assets’ estimated useful lives using the straight-line method at the following rates: structures and distribution lines 2%-4%; buildings 3%-11%; equipment 10%-20%; and vehicles 20%.

When property, plant, and equipment are retired or otherwise disposed of, the asset and accumulated depreciation are removed from the accounts and the resulting gain or loss is recognized in the statements of revenues, expenses, and changes in net position.

Compensated Absences – Vacations accrue based on years of service with the District. Only full-time employees are eligible for paid vacations. The compensated absences liability includes accrued annual leave earned for which the employees are entitled to paid time off or payment at termination.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Deferred inflows/outflows of resources – GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* requires that the statement of net position provide separate sections for deferred inflows and outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Employer contributions made subsequent to the measurement date of the net pension liability and net OPEB liability are reported as deferred outflows of resources. The District's deferred outflows of resources are also determined by the difference between expected and actual liability experience, difference between projected and actual investment earnings, change in proportionate share of net pension liability, changes in actuarial assumptions on the retirement plan and OPEB, and loss on bond refunding.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District's deferred inflows of resources include the difference between expected and actual retirement plan and OPEB experience and changes in actuarial assumptions on the OPEB plan.

Net Position – The District reports the following classifications of net position:

Net investment in capital assets: This represents the District's total investment in capital assets, net of outstanding debt obligations, if any, related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net position: Restricted net position consists of assets with constraints placed on the use of those assets either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position: Unrestricted net position represents the remainder of the District's liabilities in excess of assets excluding net position reported in other categories.

When the District incurs an expense that may be paid from unrestricted or restricted funds, the District first uses restricted funds as allowed by legal or contractual requirements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's policy regarding custodial credit risk related to deposits is that management monitors the amounts deposited that have exceeded the FDIC insurance of \$250,000. Any overages are then collateralized with the financial institution to avoid exposure. The District deposits its funds in high quality and very large institutions, and also considers shifting funds from one financial institution to another when funds greatly exceed the FDIC insurance coverage.

Chester Metropolitan District
Notes to the Financial Statements

Note 2. Deposits and Investments (continued)

Deposits (continued)

The bank balances for deposits of the District at June 30, 2021 and 2020, were approximately \$10,187,000 and \$8,774,000, respectively. As of June 30, 2021, none of the District's bank balances were uninsured and uncollateralized. The District did not recognize any losses in either reporting period due to default by counterparties.

Restricted cash and cash equivalents includes approximately \$1,000 and \$722,000 at June 30, 2021 and 2020, respectively, held for debt service and capital expenditures. The remaining amounts restricted for capital expenditures were used during the year ended June 30, 2021, resulting in the decrease in restricted cash and cash equivalents.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of failure of counterparty, the District will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. The District's policy regarding custodial credit risk for investments is that all investments are collateralized by highly stable and low risk debt securities. The District monitors its investments periodically to ensure that the collateral exceeds the market value of investments.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy regarding credit risk of investments is that it only uses high quality brokers and financial institutions to manage its investment portfolios. In addition, the District's investments are not subject to credit risk as they are fully collateralized. Therefore, the disclosure of quality ratings on rated debt investments is not applicable to the District.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy regarding concentration of credit risk of investments is that it only uses high quality brokers and financial institutions to manage its investment portfolios, as noted above.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. The District does not have a formal policy related to interest rate risk as it applies to its investments.

External Investment Pool - The District has funds invested in the South Carolina Local Government Investment Pool (the "Pool"). These funds total approximately \$3,167,000 and \$3,161,000 at June 30, 2021 and 2020, respectively, and are included in cash and cash equivalents on the statements of net position. The Pool is under the regulatory oversight of the South Carolina State Treasurer's Office and the fair value of the District's funds in the Pool is the same as the value of the Pool shares as allocated to the District.

More information pertaining to carrying amounts, fair value, credit and other risks as required by Governmental Accounting Standards Board Statement No. 40, *Deposits and Investments - Risk Disclosures*, of the State Treasurer's investments are disclosed in the Comprehensive Annual Financial Report of the State of South Carolina. The financial statements for the Pool can be obtained from <http://osa.sc.gov/Pages/default.aspx>.

Chester Metropolitan District
Notes to the Financial Statements

Note 2. Deposits and Investments (continued)

Investments (continued)

The following schedule reconciles cash and investments as reported on the Statements of Net Position to the footnote disclosure provided for deposits and investments, as of June 30:

Statements of Net Position:	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 10,220,799	\$ 8,147,828
Restricted assets:		
Cash and cash equivalents	<u>1,006</u>	<u>722,488</u>
Total cash and investments	<u>\$ 10,221,805</u>	<u>\$ 8,870,316</u>
Disclosure: Deposits and Investments	<u>2021</u>	<u>2020</u>
Carrying value of deposits:		
Held by a financial institution	\$ 7,054,702	\$ 5,709,603
SC State Treasurer	<u>3,167,103</u>	<u>3,160,713</u>
Total deposits and investments	<u>\$ 10,221,805</u>	<u>\$ 8,870,316</u>

Note 3. Assets Restricted by Revenue Bond Covenants

In connection with outstanding revenue bonds, (1) the District's net earnings (defined as the portion of revenues remaining after providing for the proper operation and maintenance of facilities) are pledged for payment of bond principal and interest, and (2) a statutory lien on the District's facilities exists.

The assets of the Revenue Bond Debt Service Funds ("Debt Service Funds") are to be used for the redemption of bonds and payment of interest on the bonds.

Chester Metropolitan District
Notes to the Financial Statements

Note 3. Assets Restricted by Revenue Bond Covenants (continued)

Additions to the Debt Service Funds are required from operating funds in amounts equal to the annual principal and interest payments. Additions to the Reserve Funds are from operating funds when the Reserve Funds assets are less than the sum of the largest annual debt service payment for each issue of revenue bonds outstanding. When the assets of the Reserve Funds exceed the requirements, the District is permitted to use the Reserve Funds investment income for principal and interest payments and thereby reduce the amount of operating funds required to be transferred to the Debt Service Fund.

Restricted funds and restricted net position at June 30 summarized by fund are:		<u>2021</u>	<u>2020</u>
Cash and cash equivalents held by Trustee:			
Revenue bonds:			
2017 Debt Service Fund	\$	1,016	\$ 2,273
Total assets restricted by revenue bond covenants		<u>1,016</u>	<u>2,273</u>
Capital fee fund		<u>(10)</u>	<u>720,215</u>
Total restricted net position	\$	<u>1,006</u>	\$ <u>722,488</u>

Note 4. Capital Assets

A summary of changes in capital assets for the year ended June 30, 2021, follows:

	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Disposals & Adjustments</u>	<u>Balance, June 30, 2021</u>
Capital assets not being depreciated:				
Land and land rights	\$ 1,256,618	\$ -	\$ (700)	\$ 1,255,918
Construction in progress	-	445,453	-	445,453
Other capital assets:				
Structures and distribution lines	26,304,320	182,181	(1,722,094)	24,764,407
Equipment	2,895,045	67,587	(197,182)	2,765,450
Vehicles	724,093	110,838	(17,835)	817,096
Buildings and building improvements	4,874,244	44,669	(49,836)	4,869,077
	<u>36,054,320</u>	<u>850,728</u>	<u>(1,987,647)</u>	<u>34,917,401</u>
Less accumulated depreciation	<u>(23,429,981)</u>	<u>(995,854)</u>	<u>1,777,925</u>	<u>(22,647,910)</u>
Capital assets, net	<u>\$ 12,624,339</u>	<u>\$ (145,126)</u>	<u>\$ (209,722)</u>	<u>\$ 12,269,491</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 4. Capital Assets (continued)

A summary of changes in capital assets for the year ended June 30, 2020, follows:

	Balance, July 1, 2019	Additions	Disposals & Adjustments	Balance, June 30, 2020
Capital assets not being depreciated:				
Land and land rights	\$ 1,152,921	\$ -	\$ 103,697	\$ 1,256,618
Construction in progress	671,085	300,475	(971,560)	-
Other capital assets:				
Structures and distribution lines	26,595,025	-	(290,705)	26,304,320
Equipment	3,090,364	200,805	(396,124)	2,895,045
Vehicles	428,050	127,203	168,840	724,093
Buildings and building improvements	3,899,440	974,804	-	4,874,244
	<u>35,836,885</u>	<u>1,603,287</u>	<u>(1,385,852)</u>	<u>36,054,320</u>
Less accumulated depreciation	(22,920,105)	(947,064)	437,188	(23,429,981)
Capital assets, net	<u>\$ 12,916,780</u>	<u>\$ 656,223</u>	<u>\$ (948,664)</u>	<u>\$ 12,624,339</u>

During 2021 and 2020, management analyzed all items included in capital assets and determined that certain items should be reclassified to different categories. These reclassifications are included in the disposals and adjustments column above.

Depreciation expense was approximately \$996,000 and \$947,000 for the years ended June 30, 2021 and 2020, respectively. The District did not have any interest capitalized at June 30, 2021 and 2020, in the above totals.

Note 5. Financing Arrangements

Revenue Bonds Payable

In March of 2017, the District issued the Waterworks System Improvement and Refunding Revenue Bonds, Series 2017 with a par amount of \$6,755,000. Premiums recorded during the fiscal year totaled approximately \$210,000. The proceeds of the bonds were used to defease the Series 2009 Bonds (\$2,517,122). The interest rate on the 2017 Series Bonds is 3.00 percent from 2017 through 2032, 3.25 percent in 2033 and 2034, and 3.50 percent in 2035 and 2036, with a term of 20 years maturing on June 1, 2036. The bonds were refunded to reduce total debt service payments by approximately \$108,000 and to obtain an economic gain of approximately \$112,000.

Optional Redemption. The Series 2017 Bonds maturing on or after June 1, 2028 are subject to redemption prior to maturity, at the option of the District on and after June 1, 2027, in whole or in part at any time, upon 30 days' notice, in such manner as will be determined by the District, and by lot (or by such depository transfer check procedure as is customary if the Book-Entry-Only System is still in effect) within a maturity at par, plus accrued interest to the redemption date.

Mandatory Redemption. The Series 2017 Bonds maturing on June 1, 2034 are subject to mandatory sinking fund redemption (to the extent not previously redeemed) at a redemption price of 100% of such principal amount, plus interest to the redemption date, on June 1 of each of the following years in the respective principal amounts for each year specified below:

Chester Metropolitan District
Notes to the Financial Statements

Note 5. Financing Arrangements (continued)

Revenue Bonds Payable (continued)

Mandatory Redemption (continued)

	Year	Amount
	2033	\$350,000
	2034*	\$360,000

* Final Maturity.

The Series 2017 Bonds maturing on June 1, 2036 are subject to mandatory sinking fund redemption (to the extent not previously redeemed) at a redemption price of 100% of such principal amount, plus interest to the redemption date, on June 1 of each of the following years in the respective principal amounts for each year specified below:

	Year	Amount
	2035	\$375,000
	2036*	\$385,000

* Final Maturity.

The amount of any mandatory sinking fund redemption will be reduced to the extent the Series 2017 Bonds of the applicable maturity have been purchased by the District or redeemed by the District pursuant to any optional redemption provisions, in such manner as the District will direct. The bonds are payable solely from and secured by a pledge of and lien upon the gross revenues of the District. The bond has an insurance policy that would pay the principal and interest due in the event of default. Insurance premiums may increase if default occurs.

Maturities of revenue bonds are summarized as follows:

Year Ending June 30,	Interest	Principal	Total Debt Service
2022	\$ 161,875	\$ 415,000	\$ 576,875
2023	149,425	430,000	579,425
2024	136,525	440,000	576,525
2025	123,325	275,000	398,325
2026	115,075	285,000	400,075
2027-2031	442,025	1,555,000	1,997,025
2032-2036	187,925	1,810,000	1,997,925
	\$ 1,316,175	\$ 5,210,000	\$ 6,526,175

Interest expense related to the revenue bonds was approximately \$177,000 and \$188,000 for the years ended June 30, 2021 and 2020, respectively.

Per the bond agreement, annual net earnings must equal at least 120% of annual principal and interest requirements. Net earnings includes gross revenues less operation and maintenance expenses, excluding certain expenses as defined in the agreement. The District is in compliance with this debt covenant at June 30, 2021.

Chester Metropolitan District
Notes to the Financial Statements

Note 5. Financing Arrangements (continued)

Capital Lease Payable

The District entered into a lease purchase contract for \$150,000 to finance the acquisition of four vehicles during the year ended June 30, 2021. The terms of the lease were 48 months at the bank qualified rate of 1.95%. Vehicles were reported at cost at purchase for a total of approximately \$110,000, with total related depreciation of approximately \$14,000 at June 30, 2021. The vehicles under the contract will be available for purchase at the end of the lease term or after all payments have been made.

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Interest	Principal	Total
2022	\$ 2,065	\$ 36,947	\$ 39,012
2023	1,338	37,674	39,012
2024	597	38,415	39,012
2025	32	9,707	9,739
	<u>\$ 4,032</u>	<u>\$ 122,743</u>	<u>\$ 126,775</u>

Interest expense related to the lease was approximately \$2,000 for the years ended June 30, 2021.

A summary of changes in long-term liabilities for the year ended June 30, 2021 is as follows:

	Balance, July 1, 2020	Additions	Reductions	Balance, June 30, 2021	Due within one year
Series 2017 Revenue Bonds	\$ 5,615,000	\$ -	\$ 405,000	\$ 5,210,000	\$ 415,000
Premium on Bonds	210,016	-	13,126	196,890	13,126
Capital Lease Payable	-	150,000	27,257	122,743	36,947
Net Pension Liability	4,996,311	547,697	-	5,544,008	-
OPEB Liability	4,467,456	1,756,988	-	6,224,444	-
Compensated Absences	257,625	71,953	79,400	250,178	147,248
	<u>\$ 15,546,408</u>	<u>\$ 2,526,638</u>	<u>\$ 524,783</u>	<u>\$ 17,548,263</u>	<u>\$ 612,321</u>

Note 6. Pension Plan

The South Carolina Public Employee Benefit Authority (“PEBA”), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (“SFAA”), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (“Systems”) and serves as a co-trustee of the Systems in conducting that review.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (“GAAP”). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (“CAFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

Plan Descriptions

- The South Carolina Retirement System (“SCRS”), a cost-sharing multiple-employer defined benefit pension plan, 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.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, teachers, and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- The District does not participate in the State Optional Retirement Program (“State ORP”) or the Police Officers Retirement System (“PORS”).

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of the benefit terms for each system is presented below.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

Benefits (continued)

• SCRS - A Class Two 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 Three 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 Two and Class Three 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.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the State Fiscal Accountability Authority for approval an increase in the SCRS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS. An increase in the contribution rates adopted by the Authority 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 Authority are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Authority 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.

Required employee contribution rates are as follows:

	Fiscal Year 2021	Fiscal Year 2020
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%

Required employer contribution rates¹ are as follows:

SCRS		
Employer Class Two	15.41%	15.41%
Employer Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%

¹ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

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 during the valuation process 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 June 30, 2019.

The June 30, 2020, total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (“GRS”) and are based on the actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ended June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used in the June 30, 2020, valuations for SCRS.

	SCRS
Actuarial cost method	Entry age
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (“2016 PRSC”) was developed using the Systems’ mortality experience. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the June 30, 2020 valuations for SCRS are as follows:

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 and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

Net Pension Liability

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. NPL totals, as of June 30, 2020 and 2019, for SCRS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS - 2020	\$51,844,187,763	\$26,292,418,682	\$ 25,551,769,081	50.7%
SCRS - 2019	\$50,073,060,256	\$27,238,916,138	\$ 22,834,144,118	54.4%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements. The District's net pension liability at June 30, 2021 was \$5,544,008.

The District's proportionate share of the net pension liability for SCRS is as follows for the years ended June 30, 2020 and 2019:

System	June 30, 2021	June 30, 2020	Change
SCRS	0.021697%	0.021881%	-0.000184%

The District's change in proportionate share of the net pension liability and related deferred inflows and outflows of the resources will be amortized into pension expense over the respective average remaining service lives of the system.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon the 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 on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

The long term expected portfolio real rate of return based on the 2020 measurement date is shown below:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0	7.81%	2.73%
Private Equity	9.0	8.91	0.80
Equity Options Strategies	7.0	5.09	0.36
Real Assets	12.0		
Real Estate (Private)	8.0	5.55	0.44
Real Estate (REITs)	1.0	7.78	0.08
Infrastructure (Private)	2.0	4.88	0.10
Infrastructure (Public)	1.0	7.05	0.07
Opportunistic	8.0		
Global Tactical Asset Allocation	7.0	3.56	0.25
Other Opportunistic Strategies	1.0	4.41	0.04
Diversified Credit	15.0		
High Yield Bonds/Bank Loans	4.0	4.21	0.17
Emerging Markets Debt	4.0	3.44	0.14
Private Debt	7.0	5.79	0.40
Conservative Fixed Income	14.0		
Core Fixed Income	13.0	1.60	0.21
Cash and Short Duration (Net)	1.0	0.56	0.01
Total Expected Real Return	<u>100.0%</u>		<u>5.80</u>
Inflation for Actuarial Purposes			<u>2.25</u>
Total Expected Nominal Return			<u>8.05%</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

The long term expected portfolio real rate of return based on the 2019 measurement date is shown below:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
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
Real Assets	12.0		
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
Opportunistic	8.0		
GTAA/Risk Parity	7.0	3.09	0.22
Other Opportunistic Strategies	1.0	3.82	0.04
Diversified Credit	15.0		
Mixed Credit	4.0	3.14	0.13
Emerging Markets Debt	4.0	3.31	0.13
Private Debt	7.0	5.49	0.38
Conservative Fixed Income	14.0		
Core Fixed Income	13.0	1.62	0.21
Cash and Short Duration (Net)	1.0	0.31	0.00
Total Expected Real Return	<u>100.0%</u>		<u>5.41</u>
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 will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each 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.

Sensitivity Analysis

The following table presents the Fund's proportional share of the collective net pension liability of the participating employers calculated using the discount rate of 7.25 percent, as well as what the Fund's proportional share of 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 percent) than the current rate.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

The sensitivity analyses for the measurement dates June 30, 2020 and June 30, 2019 are below:

2020 Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 6,871,118	\$ 5,544,008	\$ 4,435,855

2019 Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 6,294,306	\$ 4,996,311	\$ 3,913,059

Deferred Outflows (Inflows) of Resources

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$331,574 and \$373,323, respectively.

At June 30, 2021, the District reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 394,526	\$ -
Differences in actual and expected retirement plan experience	63,971	(20,964)
Net differences between projected and actual earnings on plan investments	407,808	-
Change in actuarial assumptions	6,792	-
Change in proportionate share of net pension liability and differences between actual contributions and the District's proportionate share of contributions	58,438	(30,800)
	<u>\$ 931,535</u>	<u>\$ (51,764)</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Pension Plan (continued)

Deferred Outflows (Inflows) of Resources (continued)

At June 30, 2020, the District reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 373,016	\$ -
Differences in actual and expected retirement plan experience	3,434	(35,891)
Net differences between projected and actual earnings on plan investments	44,235	-
Change in actuarial assumptions	100,683	-
Change in proportionate share of net pension liability and differences between actual contributions and the District's proportionate share of contributions	178,171	-
	\$ 699,539	\$ (35,891)

The District reported \$394,526 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the District's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2021. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2021 was 3.984 years for SCRS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS
2021	2022	\$ 114,238
2022	2023	134,800
2023	2024	132,143
2024	2025	104,064
		\$ 485,245

The District's contributions to SCRS for the fiscal years ended June 30, 2021, 2020 and 2019 were \$394,526, \$373,016, and \$333,460, respectively.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Related Parties

The Chester Wastewater Recovery ("CWR"), an independent organization, and the District previously shared common facilities until 2016. Billing and collections are performed jointly by the organizations with separate accounting records maintained for each organization. The District bills the CWR for a portion of the salaries of employees who perform services for both organizations, any CWR expenses paid by the District, and any portion of expenses associated with shared space and equipment. Expense reimbursements for the years ended June 30, 2021 and 2020 totaled approximately \$244,000 and \$238,000, respectively. At June 30, 2021 and 2020, the District had amounts due from the CWR of approximately \$0 and \$29,000, respectively. At June 30, 2021 and 2020 the District had no amounts due to the Sewer District. These related party amounts are due upon invoicing and are therefore current assets and liabilities in the accompanying statements of net position.

Note 8. Risk Management

The District pays premiums to the South Carolina State Insurance Reserve Fund ("IRF"), which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets, activities, and/or events:

1. Theft of, damage to, or destruction of the assets;
2. Building contents and equipment;
3. Motor vehicles;
4. Torts;
5. Errors and omissions;
6. Natural disasters;

Worker's compensation claims are handled by the South Carolina State Accident Fund, whom the District also pays premiums to.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of certain property and equipment and auto liability. The IRF's rates are determined actuarially.

Note 9. Other Post-Employment Benefits

The District contributes to the premium cost of retiree group health insurance in the State's retiree insurance program. The South Carolina Public Employee Benefit Authority ("PEBA") is a State agency responsible for the administration and management of South Carolina's employee insurance programs. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB). For reporting purposes, this OPEB plan is a single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Chester Metropolitan District
Notes to the Financial Statements

Note 9. Other Post-Employment Benefits (continued)

Funding Policy

Insurance and Retirement

The District contributes the employer portion of the premium cost for coverage of eligible employees and covered dependents in the State of South Carolina's Employee Insurance Plan. The District also currently contributes an additional \$16.70 per month toward the employee's portion of the premiums. The employer and employee's contribution are set by PEBA and not by the District.

Full-time and part-time employees are required to enter into the State Retirement System as a condition of their employment. The employee will contribute a portion of his gross salary per pay period into retirement plan with the District contributing an additional amount. The employee and employer shares are set by PEBA and not the District.

Retiree Group Health Insurance

Effective July 1, 2015, the District began contributing to the premium cost of retiree group health insurance in the state's retiree insurance program as set forth below. This policy may be altered or eliminated at any time in the District's discretion on notice to participating retirees. Eligibility to participate in the state's retiree insurance program is required and is determined by the PEBA and not by this or any of the District's policies. Eligibility to retire under the rules of the state retirement plan is also required and is determined by PEBA retirement system. In accordance with District policy, "years of consecutive full-time service to the District" means years of service to the Chester Metropolitan District. At retirement, if an employee has reached at least 10 years of service with the District, the District will accept up to 5 years of full-time service with a PEBA (SCRS & Employee Insurance Program ("EIP")) participating employer to apply towards District funding guidelines. In order for the service to count, the employee must have participated in PEBA's retirement and insurance program in the previous public employment.

Employees and Former Employees Hired Before May 2, 2008

Funded – for the following employees or former employees who meet the age and service requirements below, the District will pay 100% of the premium for retiree coverage and will pay towards any dependent coverage the equivalent of the employer portion of the premium for active coverage. The retiree will be responsible for the remainder of the premium. The age and service requirements are as follows:

Chester Metropolitan District
Notes to the Financial Statements

Note 9. Other Post-Employment Benefits (continued)

- Current employees who at the time of retirement will be at least 60 years of age, or on PEBA-approved disability retirement, and have at least ten years of consecutive full-time service to the District.
- Employees with 25 years of service with the District, who retire before age 60, will be eligible for funded insurance premiums at the time they would have reached 28 years of service or reached 60 years of age, whichever occurs first.
- Current employees who at the time of retirement have at least 28 years of consecutive full-time service to the District.
- Employee's last 5 years of service must have been served consecutively in a full-time, benefits eligible position with the District.
 - Non-Funded – for all other current and former employees, the retiree will be responsible for the entire premium cost.
- Employees and Former Employees Hired On or After May 2, 2008
 - Funded – for current employees who at the time of retirement will have 25 years of consecutive full-time service to the District, the District will pay 100% of the premium for retiree coverage and will pay towards any dependent coverage the equivalent of the employer portion of the premium for active coverage. The retiree will be responsible for the remainder of the premium.
 - Partially Funded – for current employees who at the time of retirement will have 15 years but fewer than 25 years of consecutive full-time service to the District, the District will pay towards the elected coverage the equivalent of 50% of the employer portion of the premium for active coverage. The retiree will be responsible for the remainder of the premium.
 - Non-Funded – for all current employees, the retiree will be responsible for the entire premium cost.

Membership

The following summarizes the data required regarding the membership used in the June 30, 2019 valuation of the Plan.

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Employees	42
Total Membership	51

Total OPEB Liability

The District's total OPEB liability of \$6,224,444 was measured as of June 30, 2020, and was determined by an actuarial valuation of June 30, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Chester Metropolitan District
Notes to the Financial Statements

Note 9. Other Post-Employment Benefits (continued)

Inflation	2.25%
Real wage growth	0.75%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% - 7.00%
Municipal Bond Index Rate	
Prior Measurement Date	3.50%
Measurement Date	2.21%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2019 decreasing to an ultimate rate of 4.75% by 2029
Medicare	5.38% for 2019 decreasing to an ultimate rate of 4.75% by 2023

The discount rate used to measure the Total OPEB Liability ("TOL") was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly. Mortality rates were based on the RP-2014 Mortality Table for Employees with a 95% multiplier to better reflect the anticipated experience and provide margin for future improvements. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study adopted by SCRS and PORS. The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) were used in the June 30, 2019 valuation and were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability as of June 30, 2019	\$ 4,467,456
Changes for the year:	
Service cost	217,799
Interest	155,098
Difference between expected and actual experience	4,253
Changes of assumption or other inputs	1,452,618
Benefit payments and implicit subsidy credit	(72,780)
Net changes	\$ 1,756,988
Total OPEB Liability as of June 30, 2020	\$ 6,224,444

The total OPEB liability is based on an actuarial valuation performed as of the valuation date of June 30, 2019. An expected total OPEB liability is determined as of June 30, 2020, the measurement date, using standard roll forward techniques. The roll forward calculation begins with the total OPEB liability as of the prior measurement date, June 30, 2019, subtracts the expected benefit payments for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the service cost).

Chester Metropolitan District
Notes to the Financial Statements

Note 9. Other Post-Employment Benefits (continued)

Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. Recognition of deferred outflows/(inflows) of resources is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions or other inputs, if any, are recognized over the average remaining service life of the active and inactive Plan members at the beginning of the measurement period. The average remaining service life of active members is the average number of years the active members are expected to remain in covered employment. The average expected remaining service life of the inactive members is zero. The recognition period is the weighted average of these two amounts – not less than one year. The recognition period is 9.44 years.

There was a change in the total OPEB liability arising from the change in the discount rate from 3.87% on the prior measurement date to 3.50% on the measurement date. Therefore, the change in TOL resulting from the change in the Discount Rate is to be recognized in the OPEB Expense (OE), beginning in the current measurement period, over a closed period equal to 9.44 years, using the same approach applied to Plan experience as described in the prior paragraph.

Information regarding changes in benefit terms and changes to assumptions or other inputs should be noted. There were no changes to benefit items. The changes to assumptions or other inputs are as follows: changes in discount rate from 3.50% to 2.21% and changes in medical trend.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

Sensitivity of the Proportional Share of Total OPEB Liability to Changes in the Discount Rate			
	1.00% Decrease (1.21%)	Current Discount Rate (2.21%)	1.00% Increase (3.21%)
Total OPEB Liability	\$ 7,763,675	\$ 6,224,444	\$ 5,056,055

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Sensitivity of the Proportional Share of Total OPEB Liability to Changes in the Healthcare Cost Trend Rates			
	1.00% Decrease	Current	1.00% Increase
Total OPEB Liability	\$ 4,851,527	\$ 6,224,444	\$ 8,148,732

Chester Metropolitan District
Notes to the Financial Statements

Note 9. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$335,605. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after measurement date	\$ 388,367	\$ -
Differences between expected and actual experience	17,216	216,472
Change of assumptions or other inputs	1,436,332	461,058
Total	\$ 1,841,915	\$ 677,530

Current year employer contributions of \$388,367 were recorded as deferred outflows for OPEB contributions subsequent to the measurement date at June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Measurement Period Ending June 30,		
2021	\$	63,448
2022		63,448
2023		63,448
2024		63,448
2025		63,448
Thereafter		458,778
Total	\$	776,018

Chester Metropolitan District
Notes to the Financial Statements

Note 10. Subsequent Events

The District has evaluated events and transactions occurring subsequent to the Statement of Net Position date of June 30, 2021, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through XXXX, 2021, the date these financial statements were available to be issued, and other than noted below, there were no subsequent events that required disclosure in these financial statements.

Subsequent to year end, the Delta variant of COVID-19 has significantly increased positive cases and hospitalizations and so the pandemic is still ongoing. This may have a negative impact on the District's operations, as an overall change in economic conditions may impact customers' ability to make payments. The District is continuously monitoring the effect of the virus on its operations and financial situation.

Draft

Required Supplementary Information

Draft

Copyright Clearance Center
222 Rosewood Drive, Danvers, MA 01923
www.copyright.com

Chester Metropolitan District
Schedule of the Chester Metropolitan District's
Changes in Total OPEB Liability and Related Ratios –
Other Postemployment Benefits
As of June 30, 2021
Last Four Fiscal Years

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost at end of year	\$ 217,799	\$ 195,273	\$ 209,557	\$ 243,506
Interest	155,098	164,154	149,685	131,786
Difference between expected and actual experience	4,253	(274,664)	9,920	11,859
Changes of assumptions or other inputs	1,452,618	174,581	(266,287)	(496,481)
Benefit payments and implicit subsidy credit	(72,780)	(66,577)	(65,048)	(63,684)
Net change in Total OPEB Liability	1,756,988	192,767	37,827	(173,014)
Total OPEB Liability – beginning	4,467,456	4,274,689	4,236,862	4,409,876
Total OPEB Liability – ending	\$ 6,224,444	\$ 4,467,456	\$ 4,274,689	\$ 4,236,862
Covered-employee payroll	\$ 2,128,323	\$ 2,128,323	\$ 1,884,585	\$ 1,884,585
Total OPEB Liability as a percentage of covered-employee payroll	292.46%	209.90%	226.82%	224.82%

Note that 10 years of information are required for this schedule, but is not available. The above information was determined as of June 30th of the preceding year.

There was a change in the total OPEB liability arising from the change in the discount rate from 3.5% on the prior measurement date to 2.21% on the current year measurement date.

The covered-employee payroll amounts above were determined as of the June 30, 2019 and 2017 valuation dates.

See independent auditor's report.

Chester Metropolitan District
Schedule of the Chester Metropolitan District's
Proportionate Share of the Net Pension Liability –
South Carolina Retirement System
As of June 30, 2021
Last Seven Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
The District's proportion of the net pension liability	0.021697%	0.021881%	0.021605%	0.021170%	0.019573%	0.018110%	0.017663%
The District's proportionate share of the net pension liability	\$ 5,544,008	\$ 4,996,311	\$ 4,840,986	\$ 4,765,707	\$ 4,180,764	\$ 3,434,649	\$ 3,040,983
The District's covered employee payroll	\$ 2,397,275	\$ 2,290,247	\$ 2,219,403	\$ 2,090,303	\$ 1,892,812	\$ 1,696,450	\$ 1,603,547
The District's proportionate share of the net pension liability as percentage of covered-employee payroll	231.26%	218.16%	218.12%	227.99%	220.88%	202.46%	189.64%
Plan fiduciary net position as a percentage of the total pension liability	50.7%	54.4%	54.1%	53.3%	52.9%		

Note: The amounts presented above were determined as of June 30th of the preceding year.

See independent auditor's report.

Chester Metropolitan District
Schedule of the Chester Metropolitan District's Contributions –
South Carolina Retirement System
As of June 30, 2021
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 394,526	\$ 373,016	\$ 333,460	\$ 300,951	\$ 241,639
Contributions in relation to the contractually required contribution	394,526	373,016	333,460	300,951	241,639
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 2,535,514	\$ 2,397,275	\$ 2,290,247	\$ 2,219,403	\$ 2,090,303
Contributions as a percentage of covered payroll	15.56%	15.56%	14.56%	13.56%	11.56%
	2016	2015	2014	2013	2012
Contractually required contribution	\$ 209,345	\$ 184,913	\$ 169,976	\$ 163,791	\$ 142,565
Contributions in relation to the contractually required contribution	209,345	184,913	169,976	163,791	142,565
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
The District's covered payroll	\$ 1,892,812	\$ 1,696,450	\$ 1,603,547	\$ 1,545,198	\$ 1,494,392
Contributions as a percentage of covered payroll	11.06%	10.90%	10.60%	10.60%	9.54%

See independent auditor's report.

Chester Metropolitan District

Director's Report

FY 2021-2022

	November 2021	TOTAL L 12 MOS	AVERAGE L 12 MOS
DISTRIBUTION NUMBER:			
Taps	1	19	1.6
Leaks	1	49	4.1
Main Break Leaks	5		
DISTRIBUTION MANHOURS:			
Taps	8.0	252	21.0
Main Break Leaks	216	831	
Leaks	48.0	724	60.3
Equipment	4.0	118	9.8
Shop	52.0	378	31.5
Dist. System	2085.0	26,960	2,246.7
Asphalt	8.0	82	6.8
Meters	0.0	-	-
Filter Plant	0.0	-	-
Hydrants	0.0	20	1.7
Construction Projects	0.0	124	10.3
Total Manhours	2421.0	28,208	2,350.7
Overtime Hours	194.0	1,919	159.9
METER CALLS:			
Ons	90	1,121	93.4
Offs	94	963	80.3
Miscellaneous	52	975	81.3
Nonpayment Disconnects	210	2,495	207.9
Reinstates	244	2,357	214.3
Total Calls	690	7,911	659.3
Overtime Hours	4.0	171.3	14.3
BILLING INFORMATION:			
Non-Leak Adjustments:	0	7	0.6
Leak Adjustments	52	556	46.3
\$\$\$ Adjusted	\$ 2,418.84	\$ 35,499.89	\$ 2,958.32
Bills Mailed	6,262	75,134.0	6,261.2
Thousand Gallons Billed	60,777.0	709,022.5	59,085.2
Thousand Gallons Pumped	61,120.0	833,350.0	69,445.8
% Accounted For	99.4%	85.4%	85.4%
Other Gallons Accounted For (1,000)	2,193.0	23,062.8	1,921.9
Adjusted % Accounted For	103.0%	88.7%	95.0%

Chester Metropolitan District

Hydrant Report

December 14, 2021

<u>0</u>	New Placement
<u>0</u>	Hydrants Replaced
<u>0</u>	Hydrants Repaired
<u>0</u>	Hydrants Removed
<u>0</u>	Hydrants Relocated
<u>\$0</u>	\$ Spent on Hydrant Work

<u>5534</u>	Total Hydrants Worked to Date
<u>\$ 1,241,397</u>	Total Cost to Date
<u>- 0 -</u>	Local Match
<u>- 0 -</u>	Contract Services
<u>\$ 1,241,397</u>	Total Cost



Statement of Revenue and Expense

Account Summary

Chester Metropolitan District

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue					
Function: 0100 - Operating Revenue					
Department: 0100 - Operating Revenue					
100-0100-411000	8,088,626.00	8,088,626.00	694,781.59	2,994,399.48	5,094,226.52
100-0100-411003	148,800.00	148,800.00	305,646.60	325,441.40	-176,641.40
100-0100-411004	23,764.00	23,764.00	600.00	6,395.00	17,369.00
100-0100-412000	60,222.00	60,222.00	6,882.00	32,004.00	28,218.00
100-0100-412001	132,586.00	132,586.00	8,820.00	54,450.00	78,136.00
100-0100-412003	0.00	0.00	210.00	1,200.00	-1,200.00
100-0100-413000	280,344.00	280,344.00	22,813.00	104,181.00	176,163.00
100-0100-413001	76,224.00	76,224.00	7,189.40	35,844.76	40,379.24
100-0100-413002	0.00	0.00	0.00	792.00	-792.00
100-0100-413003	0.00	0.00	3,029.00	4,301.41	-4,301.41
100-0100-413004	0.00	0.00	35.00	109.00	-109.00
100-0100-413005	0.00	0.00	0.00	3,500.00	-3,500.00
100-0100-414000	0.00	0.00	0.00	5,625.00	-5,625.00
100-0100-414001	500.00	500.00	0.00	0.00	500.00
Department: 0100 - Operating Revenue Total:	8,811,066.00	8,811,066.00	1,050,006.59	3,568,243.05	5,242,822.95
Function: 0100 - Operating Revenue Total:	8,811,066.00	8,811,066.00	1,050,006.59	3,568,243.05	5,242,822.95
Function: 9000 - Non-Operating Revenue					
Department: 9000 - Non-Operating Revenue					
100-9000-612000	5,000.00	5,000.00	294.30	1,443.81	3,556.19
Department: 9000 - Non-Operating Revenue Total:	5,000.00	5,000.00	294.30	1,443.81	3,556.19
Function: 9000 - Non-Operating Revenue Total:	5,000.00	5,000.00	294.30	1,443.81	3,556.19
Function: 9700 - Contributed Capital					
Department: 9700 - Contributed Capital					
100-9700-611000	360,375.00	360,375.00	0.00	0.00	360,375.00
Department: 9700 - Contributed Capital Total:	360,375.00	360,375.00	0.00	0.00	360,375.00
Function: 9700 - Contributed Capital Total:	360,375.00	360,375.00	0.00	0.00	360,375.00
Revenue Total:	9,176,441.00	9,176,441.00	1,050,300.89	3,569,686.86	
Expense					
Function: 1000 - Operating Expenses					
Department: 1000 - Administration					
100-1000-511000	711,253.00	711,253.00	55,392.62	269,662.76	441,590.24
100-1000-511001	16,351.00	16,351.00	2,438.15	9,649.30	6,701.70
100-1000-511002	6,013.00	6,013.00	151.01	1,855.93	4,157.07
100-1000-511008	16,432.00	16,432.00	1,037.22	10,410.90	6,021.10
100-1000-512000	44,453.00	44,453.00	3,376.83	17,008.66	27,444.34
100-1000-512001	9,958.00	9,958.00	789.76	3,977.94	5,980.06
100-1000-512002	117,783.00	117,783.00	9,369.78	47,018.57	70,764.43
100-1000-512004	115,911.00	115,911.00	6,887.96	31,218.84	84,692.16
100-1000-521000	26,200.00	26,200.00	0.00	18,849.86	7,350.14
100-1000-521001	35,500.00	35,500.00	10,538.25	10,688.25	24,811.75
100-1000-521005	106,597.00	106,597.00	5,160.92	26,185.86	80,411.14
100-1000-522002	4,400.00	4,400.00	0.00	99.07	4,300.93
100-1000-524000	10,730.00	10,730.00	0.00	3,501.24	7,228.76
100-1000-524001	19,700.00	19,700.00	1,509.78	3,027.59	16,672.41
100-1000-524003	108,559.00	108,559.00	6,638.04	38,172.96	70,386.04
100-1000-524004	2,320.00	2,320.00	0.00	1,624.34	695.66
100-1000-526000	2,508.00	2,508.00	0.00	0.00	2,508.00
100-1000-531000	11,974.00	11,974.00	136.23	10,593.18	1,380.82

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-1000-531008	Fuel	3,300.00	3,300.00	178.88	717.05	2,582.95
100-1000-550000	Professional Memberships and License Fees	24,032.00	24,032.00	7,577.00	11,095.00	12,937.00
100-1000-550001	Educational Seminars and Classes	11,189.00	11,189.00	252.00	2,501.52	8,687.48
100-1000-560001	Collections Over/Short	640.00	640.00	43.77	-63.88	703.88
100-1000-560006	Contingency Account	50,000.00	48,000.00	6,044.40	16,085.64	31,914.36
100-1000-560007	Community Support	9,094.00	9,094.00	25.00	1,379.88	7,714.12
100-1000-560011	Deposit Cleanup	0.00	2,000.00	0.00	-672.04	2,672.04
Department: 1000 - Administration Total:		1,464,897.00	1,464,897.00	117,547.60	534,588.42	930,308.58
Department: 1001 - Human Resources						
100-1001-511000	Regular Salaries and Wages	90,024.00	90,024.00	6,951.83	33,932.34	56,091.66
100-1001-511008	Sick Pay	1,639.00	1,639.00	412.14	795.00	844.00
100-1001-512000	FICA	5,626.00	5,626.00	431.55	2,039.27	3,586.73
100-1001-512001	Medicare	1,260.00	1,260.00	100.93	476.94	783.06
100-1001-512002	SC Retirement	14,908.00	14,908.00	1,219.48	5,750.86	9,157.14
100-1001-512004	Group Health Insurance	15,031.00	15,031.00	1,032.44	4,697.60	10,333.40
100-1001-512006	Workmens Comp Ins.	45,000.00	45,000.00	12,476.50	28,802.50	16,197.50
100-1001-521001	Legal Services	4,300.00	4,300.00	0.00	834.40	3,465.60
100-1001-524001	Advertising and Promotion	7,000.00	7,000.00	-32.13	0.00	7,000.00
100-1001-524006	Employee Screening & Testing	4,900.00	4,900.00	0.00	588.50	4,311.50
100-1001-531000	Office Supplies	600.00	600.00	0.00	0.00	600.00
100-1001-550000	Professional Memberships and License Fees	420.00	420.00	0.00	45.00	375.00
100-1001-550001	Educational Seminars and Classes	1,650.00	1,650.00	426.52	1,902.84	-252.84
Department: 1001 - Human Resources Total:		192,358.00	192,358.00	23,019.26	79,865.25	112,492.75
Department: 1002 - Information Services						
100-1002-511000	Regular Salaries and Wages	131,016.00	131,016.00	10,010.95	50,262.95	80,753.05
100-1002-511002	Overtime	480.00	480.00	0.00	27.75	452.25
100-1002-511008	Sick Pay	4,915.00	4,915.00	972.67	2,056.88	2,858.12
100-1002-512000	FICA	10,074.00	10,074.00	668.03	3,196.85	6,877.15
100-1002-512001	Medicare	2,356.00	2,356.00	156.23	747.65	1,608.35
100-1002-512002	SC Retirement	21,696.00	21,696.00	1,818.89	8,698.58	12,997.42
100-1002-512004	Group Health Insurance	6,550.00	6,550.00	449.90	2,079.63	4,470.37
100-1002-521002	I.S. Contracts and Services	317,684.00	317,684.00	18,659.91	138,658.94	179,025.06
100-1002-524000	Telephone and Communications	3,600.00	3,600.00	0.00	1,988.59	1,611.41
100-1002-526000	Uniform Rental	816.00	816.00	50.22	214.53	601.47
100-1002-532000	Small Tools and Equipment	750.00	750.00	0.00	294.62	455.38
100-1002-532003	Computer Hardware and Software	10,000.00	10,000.00	53.98	425.61	9,574.39
100-1002-550000	Professional Memberships and License Fees	120.00	120.00	0.00	0.00	120.00
100-1002-550001	Educational Seminars and Classes	5,690.00	5,690.00	0.00	1,980.00	3,710.00
Department: 1002 - Information Services Total:		515,747.00	515,747.00	32,840.78	210,632.58	305,114.42
Department: 1010 - Board of Commissioners						
100-1010-511009	Board of Commissioners Pay	8,950.00	8,950.00	500.00	2,155.00	6,795.00
100-1010-512000	FICA	446.00	446.00	31.00	133.61	312.39
100-1010-512001	Medicare	105.00	105.00	7.29	31.40	73.60
100-1010-512002	SC Retirement	461.00	461.00	57.96	224.39	236.61
100-1010-524000	Telephone and Communications	4,320.00	4,320.00	0.00	1,464.96	2,855.04
100-1010-531000	Office Supplies	0.00	0.00	0.00	11.87	-11.87
100-1010-550001	Educational Seminars and Classes	5,700.00	5,700.00	0.00	0.00	5,700.00
100-1010-550002	Mileage Reimbursements	3,600.00	3,600.00	0.00	49.30	3,550.70
100-1010-560004	Board Meeting Expense	3,650.00	3,650.00	0.00	0.00	3,650.00
Department: 1010 - Board of Commissioners Total:		27,232.00	27,232.00	596.25	4,070.53	23,161.47
Department: 1998 - District-Wide Employee Support, Promotion & Retent						
100-1998-550004	In-House Training and Development	47,700.00	47,700.00	4,305.15	7,889.15	39,810.85
100-1998-551000	Employee Appreciation	16,502.00	16,502.00	86.28	1,951.25	14,550.75
100-1998-551001	Tuition Assistance	14,000.00	14,000.00	0.00	0.00	14,000.00
100-1998-551002	Crisis Fund	2,500.00	2,500.00	0.00	0.00	2,500.00
Department: 1998 - District-Wide Employee Support, Promotion & Retent To..		80,702.00	80,702.00	4,391.43	9,840.40	70,861.60
Department: 1999 - Operational Non-Departmental						
100-1999-512005	Retiree Health Insurance	95,000.00	95,000.00	0.00	29,621.00	65,379.00

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-1999-512008	Flex Spending Admin Fee Expense	295.00	295.00	11.28	96.46	198.54
100-1999-512009	PEBA Admin Fee Expense	1,707.00	1,707.00	138.00	626.40	1,080.60
100-1999-521005	Other Contractual Services	10,168.00	10,168.00	590.15	3,443.54	6,724.46
100-1999-523000	Electricity	33,600.00	33,600.00	1,912.36	8,666.82	24,933.18
100-1999-523001	Natural Gas	6,000.00	6,000.00	0.00	189.11	5,810.89
100-1999-523002	Water and Sewer	7,200.00	7,200.00	294.80	1,467.12	5,732.88
100-1999-524000	Telephone and Communications	46,380.00	46,380.00	3,550.52	18,588.66	27,791.34
100-1999-524002	General Property & Liability Insurance	84,000.00	84,000.00	0.00	41,185.31	42,814.69
100-1999-531001	Janitorial and General Supplies	4,500.00	4,500.00	190.55	888.18	3,611.82
100-1999-532002	Office Furniture and Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00
100-1999-560000	Bad Debt Expense	0.00	0.00	343.80	8,267.73	-8,267.73
100-1999-710004	Capital Asset Replacement	562,543.00	562,543.00	0.00	0.00	562,543.00
100-1999-720000	Transfers Out	0.00	0.00	46,878.58	234,392.90	-234,392.90
100-1999-951003	Equipment	360,375.00	360,375.00	3,848.50	19,144.00	341,231.00
Department: 1999 - Operational Non-Departmental Total:		1,216,768.00	1,216,768.00	57,758.54	366,577.23	850,190.77
Department: 2000 - Engineering						
100-2000-511000	Regular Salaries and Wages	245,827.00	245,827.00	19,623.23	95,230.07	150,596.93
100-2000-511002	Overtime	2,300.00	2,300.00	0.00	0.00	2,300.00
100-2000-511008	Sick Pay	3,917.00	3,917.00	0.00	2,671.43	1,245.57
100-2000-512000	FICA	15,364.00	15,364.00	1,154.95	5,778.93	9,585.07
100-2000-512001	Medicare	3,442.00	3,442.00	270.11	1,351.50	2,090.50
100-2000-512002	SC Retirement	40,709.00	40,709.00	3,249.62	16,182.74	24,526.26
100-2000-512004	Group Health Insurance	27,738.00	27,738.00	2,120.64	9,616.32	18,121.68
100-2000-521005	Other Contractual Services	14,870.00	14,870.00	1,188.16	8,486.45	6,383.55
100-2000-522002	Vehicle Repairs and Maintenance	4,166.00	4,166.00	11.57	177.02	3,988.98
100-2000-524000	Telephone and Communications	4,332.00	4,332.00	0.00	1,056.91	3,275.09
100-2000-526000	Uniform Rental	2,202.00	2,202.00	103.20	438.46	1,763.54
100-2000-531000	Office Supplies	2,500.00	2,500.00	33.31	419.72	2,080.28
100-2000-531003	Safety Gear and Supplies	1,950.00	1,950.00	56.66	747.03	1,202.97
100-2000-531008	Fuel	7,345.00	7,345.00	647.64	1,937.63	5,407.37
100-2000-532000	Small Tools and Equipment	2,850.00	2,850.00	68.36	68.36	2,781.64
100-2000-532003	Computer Hardware and Software	440.00	440.00	0.00	0.00	440.00
100-2000-550000	Professional Memberships and License Fees	2,050.00	2,050.00	0.00	90.00	1,960.00
100-2000-550001	Educational Seminars and Classes	11,895.00	11,895.00	1,444.85	2,380.48	9,514.52
100-2000-560010	Miscellaneous	400.00	400.00	0.00	52.55	347.45
100-2000-560090	Water Efficiency Rebate Program	20,000.00	20,000.00	0.00	1,314.25	18,685.75
Department: 2000 - Engineering Total:		414,297.00	414,297.00	29,972.30	147,999.85	266,297.15
Department: 3000 - Distribution (Maintenance)						
100-3000-511000	Regular Salaries and Wages	590,946.00	590,946.00	47,265.57	238,897.27	352,048.73
100-3000-511002	Overtime	47,489.00	47,489.00	4,982.39	23,900.26	23,588.74
100-3000-511008	Sick Pay	18,018.00	18,018.00	3,670.76	11,674.64	6,343.36
100-3000-512000	FICA	36,934.00	36,934.00	3,308.34	16,248.44	20,685.56
100-3000-512001	Medicare	8,273.00	8,273.00	773.72	3,800.05	4,472.95
100-3000-512002	SC Retirement	97,861.00	97,861.00	9,408.67	45,405.94	52,455.06
100-3000-512004	Group Health Insurance	114,630.00	114,630.00	8,292.72	37,556.55	77,073.45
100-3000-521005	Other Contractual Services	21,280.00	21,280.00	202.08	4,676.18	16,603.82
100-3000-522000	Building and Grounds Repairs and Maintenan...	32,900.00	57,900.00	8,595.12	45,423.97	12,476.03
100-3000-522001	Equipment and Machinery Repairs and Maint...	20,000.00	20,000.00	683.37	8,659.04	11,340.96
100-3000-522002	Vehicle Repairs and Maintenance	28,400.00	27,230.75	597.12	4,036.08	23,194.67
100-3000-524000	Telephone and Communications	14,740.00	14,740.00	0.00	4,524.95	10,215.05
100-3000-525000	Hauling and tipping fees	4,000.00	4,000.00	80.00	130.00	3,870.00
100-3000-526000	Uniform Rental	11,365.00	11,365.00	1,059.79	4,284.89	7,080.11
100-3000-526001	Equipment Rental	26,545.00	26,545.00	0.00	0.00	26,545.00
100-3000-531002	Shop Supplies and Materials	20,000.00	20,000.00	4,473.48	8,001.84	11,998.16
100-3000-531003	Safety Gear and Supplies	15,690.00	15,690.00	554.56	1,421.07	14,268.93
100-3000-531004	Patching and Paving Materials	22,000.00	22,000.00	3,488.28	6,023.28	15,976.72
100-3000-531008	Fuel	36,300.00	36,300.00	3,863.98	13,123.03	23,176.97
100-3000-531010	Inventory Parts and Supplies	160,000.00	160,000.00	5,407.86	43,601.37	116,398.63
100-3000-531011	Inventory Shrink/Overage	0.00	0.00	0.00	-77.79	77.79

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-3000-532000	Small Tools and Equipment	17,300.00	17,300.00	1,195.94	6,980.24	10,319.76
100-3000-541002	Licenses and Permits	150.00	150.00	0.00	0.00	150.00
100-3000-550000	Professional Memberships and License Fees	3,250.00	3,250.00	188.11	452.87	2,797.13
100-3000-550001	Educational Seminars and Classes	4,200.00	4,200.00	1,585.25	1,795.25	2,404.75
100-3000-951001	Buildings	75,500.00	50,500.00	0.00	40.00	50,460.00
100-3000-951003	Equipment	63,000.00	63,000.00	0.00	61,126.92	1,873.08
100-3000-951004	Vehicles	55,000.00	56,169.25	0.00	0.00	56,169.25
Department: 3000 - Distribution (Maintenance) Total:		1,545,771.00	1,545,771.00	109,677.11	591,706.34	954,064.66
Department: 4000 - Meter						
100-4000-511000	Regular Salaries and Wages	156,626.00	156,626.00	7,441.19	40,707.08	115,918.92
100-4000-511002	Overtime	19,000.00	19,000.00	497.75	2,119.13	16,880.87
100-4000-511008	Sick Pay	19,866.00	19,866.00	235.68	3,069.02	16,796.98
100-4000-512000	FICA	9,789.00	9,789.00	474.10	2,688.23	7,100.77
100-4000-512001	Medicare	2,193.00	2,193.00	110.88	628.70	1,564.30
100-4000-512002	SC Retirement	25,937.00	25,937.00	1,353.71	7,600.24	18,336.76
100-4000-512004	Group Health Insurance	25,415.00	25,415.00	1,700.70	8,196.42	17,218.58
100-4000-521004	Maintenance Contracts	42,904.00	42,904.00	103.80	3,415.20	39,488.80
100-4000-522002	Vehicle Repairs and Maintenance	3,200.00	3,200.00	144.44	701.92	2,498.08
100-4000-524000	Telephone and Communications	7,648.00	7,648.00	0.00	2,133.26	5,514.74
100-4000-526000	Uniform Rental	4,220.00	4,220.00	111.66	578.86	3,641.14
100-4000-531002	Shop Supplies and Materials	7,000.00	7,000.00	315.34	1,105.82	5,894.18
100-4000-531005	Meters Supplies and Appurtenances	148,800.00	148,800.00	0.00	18,407.24	130,392.76
100-4000-531008	Fuel	12,480.00	12,480.00	1,718.81	5,179.03	7,300.97
100-4000-531010	Inventory Parts & Supplies	253,525.00	253,525.00	16,701.92	26,020.07	227,504.93
100-4000-532000	Small Tools and Equipment	5,500.00	5,500.00	0.00	0.00	5,500.00
100-4000-550000	Professional Memberships and License Fees	320.00	320.00	0.00	0.00	320.00
100-4000-550001	Educational Seminars and Classes	5,020.00	5,020.00	2,414.18	3,064.18	1,955.82
100-4000-560010	Miscellaneous	500.00	500.00	0.00	34.88	465.12
Department: 4000 - Meter Total:		749,943.00	749,943.00	33,324.16	125,649.28	624,293.72
Department: 5000 - Filter Plant						
100-5000-511000	Regular Salaries and Wages	821,260.00	821,260.00	48,088.60	250,952.07	570,307.93
100-5000-511002	Overtime	70,229.00	70,229.00	2,346.84	16,488.62	53,740.38
100-5000-511008	Sick Pay	15,048.00	15,048.00	990.96	3,578.75	11,469.25
100-5000-512000	FICA	51,329.00	51,329.00	3,064.96	16,222.99	35,106.01
100-5000-512001	Medicare	11,498.00	11,498.00	716.83	3,794.16	7,703.84
100-5000-512002	SC Retirement	136,001.00	136,001.00	8,360.15	43,861.30	92,139.70
100-5000-512004	Group Health Insurance	104,725.00	104,725.00	6,414.98	29,112.78	75,612.22
100-5000-521003	Engineering Contracts and Services	29,300.00	29,300.00	0.00	0.00	29,300.00
100-5000-521004	Maintenance Contracts	48,984.00	48,984.00	1,232.90	3,689.80	45,294.20
100-5000-521005	Other Contractual Services	1,800.00	1,800.00	25.95	1,520.80	279.20
100-5000-522000	Building and Grounds Repairs and Mainten...	9,780.00	9,780.00	337.52	2,400.00	7,380.00
100-5000-522001	Equipment and Machinery Repairs and Maint...	2,000.00	2,000.00	0.00	1,187.82	812.18
100-5000-522002	Vehicle Repairs and Maintenance	920.00	920.00	130.00	215.00	705.00
100-5000-522004	Water Filtration System Repairs and Mainten...	108,000.00	108,000.00	5,273.01	28,857.83	79,142.17
100-5000-523000	Electricity	177,540.00	177,540.00	12,535.93	57,692.60	119,847.40
100-5000-523001	Natural Gas	10,200.00	10,200.00	0.00	138.66	10,061.34
100-5000-524000	Telephone and Communications	14,640.00	14,640.00	459.75	5,207.80	9,432.20
100-5000-524004	Postage and Delivery Fees	642.00	642.00	0.00	315.76	326.24
100-5000-525000	Hauling and tipping fees	79,848.00	79,848.00	6,846.77	26,370.22	53,477.78
100-5000-526000	Uniform Rental	8,488.00	8,488.00	414.35	4,382.45	4,105.55
100-5000-526002	Other Rentals	2,101.00	2,101.00	100.00	500.00	1,601.00
100-5000-531001	Janitorial and General Supplies	2,400.00	2,400.00	227.61	1,629.62	770.38
100-5000-531006	Laboratory Supplies and Materials	75,520.00	75,520.00	410.36	29,951.30	45,568.70
100-5000-531007	Chemicals	334,457.00	334,457.00	9,826.36	102,746.19	231,710.81
100-5000-531008	Fuel	3,852.00	3,852.00	464.06	1,670.46	2,181.54
100-5000-532003	Computer Hardware and Software	1,973.00	1,973.00	0.00	0.00	1,973.00
100-5000-541000	Testing	6,712.00	6,712.00	987.75	2,739.72	3,972.28
100-5000-541002	Licenses, Permits & Fees	20,352.00	20,352.00	100.00	20,686.00	-334.00
100-5000-550000	Professional Memberships and License Fees	1,340.00	1,340.00	517.00	774.00	566.00

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-5000-550001 Educational Seminars and Classes	14,000.00	14,000.00	1,069.30	4,968.58	9,031.42
100-5000-560010 Miscellaneous	1,500.00	1,500.00	0.00	236.45	1,263.55
100-5000-951002 Plant Equipment	156,400.00	156,400.00	0.00	0.00	156,400.00
100-5000-951004 Vehicles	30,000.00	30,000.00	0.00	0.00	30,000.00
Department: 5000 - Filter Plant Total:	2,352,839.00	2,352,839.00	110,941.94	661,891.73	1,690,947.27
Function: 1000 - Operating Expenses Total:	8,560,554.00	8,560,554.00	520,069.37	2,732,821.61	5,827,732.39
Function: 9500 - Non-Operating Expense					
Department: 9500 - Non-Operating Expense					
100-9500-710001 Debt Service Interest Expense	576,875.00	576,875.00	13,489.58	67,447.90	509,427.10
100-9500-710002 Capital Lease Interest Expense	39,012.00	39,012.00	179.60	947.75	38,064.25
100-9500-710003 Gain/Loss on Asset Disposal	0.00	0.00	0.00	16,989.26	-16,989.26
Department: 9500 - Non-Operating Expense Total:	615,887.00	615,887.00	13,669.18	85,384.91	530,502.09
Function: 9500 - Non-Operating Expense Total:	615,887.00	615,887.00	13,669.18	85,384.91	530,502.09
Expense Total:	9,176,441.00	9,176,441.00	533,738.55	2,818,206.52	
Total Surplus (Deficit):	0.00	0.00	516,562.34	751,480.34	

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

Group Summary

Department	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue					
Function: 0100 - Operating Revenue					
0100 - Operating Revenue	8,811,066.00	8,811,066.00	1,050,006.59	3,568,243.05	5,242,822.95
Function: 0100 - Operating Revenue Total:	8,811,066.00	8,811,066.00	1,050,006.59	3,568,243.05	5,242,822.95
Function: 9000 - Non-Operating Revenue					
9000 - Non-Operating Revenue	5,000.00	5,000.00	294.30	1,443.81	3,556.19
Function: 9000 - Non-Operating Revenue Total:	5,000.00	5,000.00	294.30	1,443.81	3,556.19
Function: 9700 - Contributed Capital					
9700 - Contributed Capital	360,375.00	360,375.00	0.00	0.00	360,375.00
Function: 9700 - Contributed Capital Total:	360,375.00	360,375.00	0.00	0.00	360,375.00
Revenue Total:	9,176,441.00	9,176,441.00	1,050,300.89	3,569,686.86	5,606,754.14
Expense					
Function: 1000 - Operating Expenses					
1000 - Administration	1,464,897.00	1,464,897.00	117,547.60	534,588.42	930,308.58
1001 - Human Resources	192,358.00	192,358.00	23,019.26	79,865.25	112,492.75
1002 - Information Services	515,747.00	515,747.00	32,840.78	210,632.58	305,114.42
1010 - Board of Commissioners	27,232.00	27,232.00	596.25	4,070.53	23,161.47
1998 - District-Wide Employee Support, Promotion & Retent	80,702.00	80,702.00	4,391.43	9,840.40	70,861.60
1999 - Operational Non-Departmental	1,216,768.00	1,216,768.00	57,758.54	366,577.23	850,190.77
2000 - Engineering	414,297.00	414,297.00	29,972.30	147,999.85	266,297.15
3000 - Distribution (Maintenance)	1,545,771.00	1,545,771.00	109,677.11	591,706.34	954,064.66
4000 - Meter	749,943.00	749,943.00	33,324.16	125,649.28	624,293.72
5000 - Filter Plant	2,352,839.00	2,352,839.00	110,941.94	661,891.73	1,690,947.27
Function: 1000 - Operating Expenses Total:	8,560,554.00	8,560,554.00	520,069.37	2,732,821.61	5,827,732.39
Function: 9500 - Non-Operating Expense					
9500 - Non-Operating Expense	615,887.00	615,887.00	13,669.18	85,384.91	530,502.09
Function: 9500 - Non-Operating Expense Total:	615,887.00	615,887.00	13,669.18	85,384.91	530,502.09
Expense Total:	9,176,441.00	9,176,441.00	533,738.55	2,818,206.52	6,358,234.48
Total Surplus (Deficit):	0.00	0.00	516,562.34	751,480.34	

Statement of Revenue and Expense

For Fiscal: 2021 - 2022 Period Ending: 11/30/2021

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100 - Operations Fund	0.00	0.00	516,562.34	751,480.34	-751,480.34
Total Surplus (Deficit):	0.00	0.00	516,562.34	751,480.34	