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Chester Metropolitan District
Regular Commission Meeting
December 19, 2023

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Tuesday, December 19, 2023, at the Wagon Wheel in Fort Lawn South Carolina. Commissioners attending were George Wilmore, Chairman; David Shinn, Kim Chisholm, Matt McCrorey, Charletta Thompson, Secretary; James Russell, and Jean Camp. Others in attendance were Fred Castles, Executive Director; Kelli Johnson, Executive Assistant; Clay Shannon, IT Manager; Beth Taylerson, HR Manager; Richard Zhao, Finance Manager; Andy Litten, District Engineer; Ryan Swancy, Attorney; and Chad Weir, Distribution Superintendent.

The Agenda for the December 19, 2023, Board Meeting was posted on the Chester Metropolitan District Website and in News and Reporter two weeks prior to meeting.

A quorum was present.

Chairman Wilmore called the meeting to order at 6:05 pm.

All reports except Financial Report were taken as information only.

Minutes

Chairman Wilmore asked for corrections or additions to the November 21, 2023, meeting minutes. Motion to approve the minutes was made by David Shinn seconded by Matt McCrorey, and unanimously approved.

Public Comment

There were no public comments.

Old Business

Filter Plant Report. Filter Plant Report for November was for information only. A copy of the report is attached to the minutes.

Engineering Report and DMAG: Engineering Report and DMAG Report for November was for information only. A copy of the report is attached to the minutes.

New Business

2022-2023 Audit

Chairman Wilmore asked if there was a motion to approve the 2022-2023 Audit. A motion to approve the 2022-2023 Audit was made by Matt McCrorey seconded by Charletta Thompson, and unanimously approved.

Grievance Recommendations

Chairman Wilmore asked if there was a motion to approve the Grievance Committee recommendation for 130 Lowry's Street in Chester SC. A motion to approve the Grievance Committee recommendation for 130 Lowry's Street in Chester SC was made by David Shinn seconded by Matt McCrorey, and unanimously approved.

Chairman Wilmore asked if there was a motion to approve the Grievance Committee recommendation for 160 Lancaster Street in Chester SC. A motion to approve the Grievance Committee recommendation for 160 Lancaster Street in Chester SC was made by Matt McCrorey seconded by David Shinn, and unanimously approved.

Leroy Investments Leak Adjustment

Chairman Wilmore asked if there was a motion to approve the leak adjustment for Leroy Investments. A motion to approve the leak adjustment for Leroy Investments was made by Matt McCrorey seconded by James Russell, and unanimously approved.

Capital Recovery Fees

Mr. Castles stated that the on December 14, 2023, at 6 pm, Chester Metropolitan District held the Capital Recovery Fee Public Hearing, and no members of the public were present.

Chairman Wilmore asked if there was a motion to approve the Capital Recovery Fees to start on January 1, 2024. A motion to approve the Capital Recovery Fees to start on January 1, 2024, was made by Charletta Thompson seconded by Matt McCrorey, and unanimously approved.

Director's Update

Director's Report: Director's Report for November was for information only. 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.

Commissioner's Discussion

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

The meeting adjourned at 6:21 pm.

Approved:

Date: 1-6-2024

Respectfully Submitted:

By: *Kelli Johnson*

Chester Metropolitan District

Agenda

Tuesday, December 19, 2023

6:00 PM

Wagon Wheel, Fort Lawn SC

I. Call Meeting to Order

II. Approval of November 21, 2023, 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. Engineering Report | -Andy Litten |
| C. DMAG Report | -Andy Litten |

V. New Business

- | | |
|--------------------------------------|-----------------|
| A. Approval of the 2022-2023 Audit | -Richard Zhao |
| B. Grievance Recommendations | -George Wilmore |
| C. Leroy Investments Leak Adjustment | -Fred Castles |
| D. Capital Recovery Fees | -Fred Castles |

VI. Reports

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

VII. Commissioner's Discussion

VIII. Adjourn

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



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Chester Metropolitan District
Regular Commission Meeting
November 21, 2023

The Chester Metropolitan District's Regular Commission meeting was held at 6:00 pm on Tuesday, November 21, 2023, at Chester Metropolitan District's Main Office. Commissioners attending were George Wilmore, Chairman; Raymond Douglas, David Shinn, Kim Chisholm, Charletta Thompson, Secretary; James Russell, and Jean Camp. Others in attendance were Fred Castles, Executive Director; Kelli Johnson, Executive Assistant; Amanda Hawkins, Scott & Company; Richard Bhola, Scott & Company; Richard Zhao, Finance Manager; Andy Litten, District Engineer; Everett Stubbs, Attorney; and Arthur Gaston, Attorney.

The Agenda for the November 21, 2023, Board Meeting was posted on the Chester Metropolitan District Website and in News and Reporter two weeks prior to meeting.

A quorum was present.

Chairman Wilmore called the meeting to order at 6:02 pm.

Minutes

Chairman Wilmore asked for corrections or additions to the October 24, 2023, meeting minutes. Motion to approve the minutes was made by Charletta Thompson, seconded by Raymond Douglas, and unanimously approved.

Chairman Wilmore asked for corrections or additions to the October 24, 2023, special call meeting minutes. Motion to approve the minutes was made by Charletta Thompson, seconded by Kim Chisholm, 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 Report and DMAG Report for October. A copy of the report is attached to the minutes.

New Business

2022-2023 Audit

Amanda Hawkins and Richard Bhola from Scott & Company presented the 2022-2023 Audit. A copy of the report is attached to the minutes.

Richburg Tank Bid Approval

Mr. Castles presented the letter of recommendation from AECOM for Southeastern Tank & Tower, Inc for the repair and repainting of Richburg Elevated Tank. Mr. Castles stated that seven bids were received and Southeastern Tank & Tower, Inc was the lowest bid. Mr. Castles stated that Southeastern Tank & Tower, Inc meets the requirements set forth in the information for bidders in the bid documents.

Chairman Wilmore asked if there was a motion to approve the Letter of Recommendation to award Southeastern Tank & Tower, Inc the Richburg Tank Repair and Repainting project. Motion to approve the Letter of Recommendation to award Southeastern Tank & Tower, Inc the Richburg Tank Repair and Repainting project was made by Raymond Douglas, seconded by James Russell, and unanimously approved.

Director's Update

Mr. Castles stated that JR Gordon graduated the H2O Apprentice Program through SCRWA. Mr. Castles stated that Chad Weir won 2023 SCRWA Distribution Operator of the Year and was presented with his award at the SCRWA Conference in Myrtle Beach. Mr. Castles congratulated Mike Hudson, Alex Odom, Bryan Landry, and Billy Hayes for passing their Distribution B License. Mr. Castles thanked the crews and employees for their hard work during the water main break in Fort Lawn.

Director's Report: Mr. Castles read the Director's 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.

Commissioner's Discussion

Mrs. Johnson reminded the Grievance Committee of their meeting on December 6, 2023, at 6pm. Mrs. Johnson stated that the December 19, 2023, meeting will be held at Wagon Wheel at 6pm. Mrs. Johnson stated that Canned for a Cause was a success and over 7,500 nonperishable items were donated. Mrs. Johnson stated the parade dates and invited all commissioners to participate.

With there being no further business to discuss, the meeting was adjourned. Motion to adjourn was made by Raymond Douglas, seconded by Charletta Thompson, and unanimously approved.

The meeting adjourned at 6:53 pm.

Approved:

Respectfully Submitted:

Date: _____

By: _____

Filter Plant Report

November 2023

- The water plant staff collected and analyzed 23 distribution samples for the presence of Total coliform bacteria and all samples were absent.
- The water plant maintained an average Finished water Total chlorine at POE of 3.19 ppm. In the areas of the distribution system where bacteria samples were collected, we measured an average Total chlorine residual of 1.18 ppm and the lowest residual measured was 0.67 ppm.
- Replaced the sampling pump on the Streaming Current online monitor.
- Started winterizing the plant. Replaced heat lamp bulbs in the Raw water pit.
- Worked on the injection pit heater. The fan doesn't want to work properly, got it going, and ordered replacement.
- Worked on the air relief valve on the #1 High Service pump, float was waterlogged, repaired the float and ordered a new replacement for spare.
- Performed Preventive Maintenance on the splitter box mixer.
- Attended a 2-day PLC training class from 9:00am – 5:30pm
- Replaced the #1 filter console controller and placed back in service.
- Performed Preventive Maintenance on the plant's venturis.
- Performed the monthly thermal images of pumps, motors and gearboxes.
- Met with Charles Underwood concerning the raw water pumps and motor sizing.
- Replaced the door closer on the Operator's floor leading to the basins.
- Performed preventive maintenance ammonia injectors.
- Cut rubber gaskets for raw water swing check valves. Drilled the bronze nut and stainless-steel bolt and installed the new cotter pin.
- Replaced 2 bladders in the #1 Trac-Vac and placed back in service.
- Replaced the magnetic identifying signs for the chlorine ton containers.
- Repaired a broken nipple on the water line supplying the Lime Flush system, repaired and placed back online.
- The backwash pump wouldn't start up, troubleshooted the system and located a blown control circuit fuse. Replaced fuse and placed back in service.
- Installed the new Lock Out – Tag Out center with locks and signage.
- Replace the steel cable on the Trac-Vac extractor winch and install a new lifting hook.

CMD Engineering Department Report

December 2023 Meeting

12/07/2023

Development Project Reviews

Richburg Meadows (Richburg): The Engineer is working on the offsite water line alignment.

Woodhaven (Chester): The project is under construction. The material submittal for the water hasn't been reviewed yet.

Knight's Bridge (Richburg): We're waiting on revised as-builts. (no change)

Walker's Mill (Richburg): We're waiting on as-builts for the off-site water line. The onsite water pressure test passed for the first area. The Developer is clearing the back portion of the property to begin construction.

Stanton Subdivision (Richburg): We approved the plans and the developer paid the Capital Recovery Fee. We're waiting on a construction permit from SCDHEC. (No change)

Oliphant Warehouse (Chester): We reviewed the plans and sent the comments back to the Engineer. (no change)

IKO Cedarhurst (Chester): We received the plans and they're currently under review.

Oliphant Warehouse #2 (Chester): We're waiting on plans for an addition to the existing warehouse on Cedarhurst. (No change)

Fort Lawn Fire Department (Fort Lawn): We're waiting on revised plans.

Winchester (Richburg): The Engineer is working on the plans.

In-House Projects

Magnolia St, Great Falls: We're working on the last 2-3 services along Chester Ave so we can abandon the water lines in the backyards. These are a little more involved because we have to close a lane which requires the use of flaggers. (no change)

Hope St, Chester: The hydrants improved in flow and residual pressure. Now all the hydrants in the area are in compliance.

Linden Drive Waterline Replacement Project

All testing is complete. The Contractor is installing the new services and meter boxes.

Filter Plant Rehabilitation Project

We received the 90% plans and they're in review.

Toilet Rebate Program

Applications for Rebate this month: 1

Catawba-Wateree Drought Management Advisory Group (DMAG)

Currently in Stage 1 condition (no change)

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

Chester Metropolitan District

as of and for the years ended June 30, 2023 and 2022



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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Chester Metropolitan District (the "District") (a South Carolina corporation) which comprise the statements of net position as of June 30, 2023 and 2022, and the related statements of revenues, expenses, and changes in net position, and statements of cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 4 through 8 and 38 through 40, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 as a whole. The schedule of certain expenses – budget and actual, on pages 41 through 43, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Columbia, South Carolina
XXXX, 2023

Required Supplementary Information

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, 2023 and 2022. 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 \$1,641,631 or approximately 18 percent from \$9,072,490 to \$10,714,121. The increase was primarily due to increases in capital recovery fees, interest income, and a reimbursement for a federal grant.
- Operating expenses increased by \$434,357 or approximately 5 percent from \$7,957,031 to \$8,391,388. The increase was primarily due to increases in payroll and depreciation expenses.
- Operating revenues increased \$405,831 or approximately 4 percent from \$9,315,685 to \$9,721,516.

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, 2023, current and other assets (excludes capital, right of use, and subscription assets) increased by \$1,680,192 or approximately 13 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 \$2,085,009 or approximately 7 percent. The increase was primarily due to increases in capital recovery fees, interest income, and a reimbursement for a federal grant. Net capital, right of use, and subscription assets decreased by \$44,921 as depreciation exceeded acquisitions. Deferred outflows of resources increased by \$368,573 or approximately 12 percent, primarily due to an increase in pension liability deferred outflows, based on change in proportionate share of net pension liability and change in actuarial assumptions on retirement plan.

Total liabilities reflect a decrease of \$446,766 or approximately 3 percent. The decrease is primarily due to a decrease of Other Post-Employment Benefits (OPEB) liability and revenue bonds payable. Total liabilities and deferred inflows of resources increased by \$443,378. The increase is primarily attributable to the increase of investment experience for pension liability. Net position restricted for debt service increased approximately \$9,500, largely due to higher interest income earned in debt service 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>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current and other assets	\$ 15,140,561	\$ 13,379,204	\$ 1,761,357	13%
Capital, right of use, and subscription assets, net	<u>11,757,736</u>	<u>11,802,657</u>	<u>(44,921)</u>	0%
Total assets	<u>26,898,297</u>	<u>25,181,861</u>	<u>1,716,436</u>	7%
Deferred outflows of resources	<u>3,410,881</u>	<u>3,042,308</u>	<u>368,573</u>	12%
Total assets and deferred outflows of resources	<u>30,309,178</u>	<u>28,224,169</u>	<u>2,085,009</u>	7%
Current liabilities	1,653,211	1,406,432	246,779	18%
Non-current liabilities	<u>14,549,524</u>	<u>15,243,069</u>	<u>(693,545)</u>	-5%
Total liabilities	<u>16,202,735</u>	<u>16,649,501</u>	<u>(446,766)</u>	-3%
Deferred inflows of resources	<u>3,392,322</u>	<u>2,502,178</u>	<u>890,144</u>	36%
Total liabilities and deferred inflows of resources	<u>19,595,057</u>	<u>19,151,679</u>	<u>443,378</u>	2%
Net investment in capital assets	6,890,691	6,738,098	152,593	2%
Net position restricted for debt service	57,890	48,424	9,466	20%
Unrestricted net position	<u>3,765,540</u>	<u>2,285,968</u>	<u>1,479,572</u>	65%
Total net position	<u>\$ 10,714,121</u>	<u>\$ 9,072,490</u>	<u>\$ 1,641,631</u>	18%

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>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating revenues	\$ 9,721,516	\$ 9,315,685	\$ 405,831	4%
Non-operating revenues	464,747	23,846	440,901	1849%
Total revenues	<u>10,186,263</u>	<u>9,339,531</u>	<u>846,732</u>	9%
Depreciation and amortization expense	1,093,751	1,018,625	75,126	7%
Other operating expenses	<u>7,297,637</u>	<u>6,938,406</u>	<u>359,231</u>	5%
Total operating expenses	8,391,388	7,957,031	434,357	5%
Interest expense	<u>153,244</u>	<u>166,459</u>	<u>(13,215)</u>	-8%
Total expenses	<u>8,544,632</u>	<u>8,123,490</u>	<u>421,142</u>	5%
Increase in net position	<u><u>\$ 1,641,631</u></u>	<u><u>\$ 1,216,041</u></u>	<u><u>\$ 425,590</u></u>	35%

REVENUES

The District's total revenues increased \$846,732 or approximately 9 percent as compared to fiscal year end June 30, 2022.

- Operating revenue, or revenue received from the day-to-day activities of the District, increased approximately 4 percent over last fiscal year. The primary source of increased revenue came from increase of capital recovery fees.
- Non-operating revenue increased by \$440,901 or approximately 1849 percent. The District earned approximately 538 percent more in interest revenue over last fiscal year. The change is based on higher interest rates. The District was also awarded federal grant funding of \$312,496.

EXPENSES

- The District's total expenses in 2023 increased by \$421,142 or approximately 5 percent compared to fiscal year end June 30, 2022. 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 and amortization, increased by \$359,231 or approximately 5 percent over last fiscal year. The increase was primarily due to increase in payroll and depreciation expenses.

CAPITAL, RIGHT OF USE, AND SUBSCRIPTION ASSETS

The District's capital and right of use assets include land and land rights, construction in progress, structures and distribution lines, equipment, vehicles and buildings. Additions to the District's net capital and right of use assets during fiscal year 2023 totaled \$728,844, an increase of \$148,189 compared to fiscal year 2022. The funding sources are listed below:

Federal Grant	\$ 165,547
Operating Revenue	152,978
Capital Fee	410,319
	<hr/>
	\$ 728,844

The District also had a net increase in subscription assets of \$283,286, which is related to maintenance technology for water meters.

Additional information on the District's capital, right of use, and subscription assets may be found in Notes 4 and 5 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, 2023, the District had \$4,583,759 in outstanding debt compared to \$5,064,559 at June 30, 2022. The outstanding debt includes a \$4.365 million 2017 Series Revenue Bond, a \$170,638 premium on bonds payable, and a \$48,121 finance 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, 2023, and June 30, 2022 the District was in compliance with this covenant with an approximate coverage ratio of 4.6 and 4.4, respectively. 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 6 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. Residential construction will begin in the 1st quarter of 2024 and will be served by Chester Metropolitan District.

Knight's Bridge, a new subdivision containing 295 residential lots, began construction in mid-September 2020. Water and sewer was completed in 4th quarter 2021. Residential construction began in the Fall of 2022 and consists of 265 single-family homes. Phases 1 and 2 have been completed and home construction for Phase 3 is underway. The subdivision is served by Chester Metropolitan District.

Woodhaven, an approved residential development, contains 266 single-family homes, 215 multi-family units, and commercial business space. The project is under construction and Phase 1 will consist of single-family homes. The development will be served by Chester Metropolitan.

Winchester, an approved residential subdivision containing 1 150 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, an approved planned development was recently approved by the Chester County Zoning Board. The project will consist of 630 single-family homes, 200 townhomes, 240 multi-family apartments, and commercial business space. The project schedule is unknown. The development will be served by Chester Metropolitan District.

Richburg Meadows, an approved subdivision will consist of 400 single-family homes. The project schedule is unknown. The development will be served by Chester Metropolitan District.

The number of residential homes that have been approved by Chester County, to date, will increase Chester Metropolitan District's customer base by approximately 60 percent over the next 10 years.

Ernest and Julio Gallo Winery began their Phase 1A production in April 2023. The operation includes \$423 million in capital investment and will create 496 new full-time jobs. Phase 1A production averages over 300,000 gal/day in water usage. Phase 1B will start-up in the second quarter of 2025 and is proposed to have a water demand of 400,000 gal/day. Phase 1C production is proposed to have a water demand of 400,000 gal/day.

In 2023, IKO, a fiber glass mat and shingle manufacturer announced that it would be building a new facility in Chester County as well as buying the former PPG/Nippon manufacturing facility. IKO will employ about 200 full-time employees at each facility. Both facilities combined propose a water demand of 200,000 gal/day.

Project Albemarle, a lithium ore processing facility announced that they will be locating a manufacturing facility in Chester County. The project has a 1.6 billion-dollar investment and will create 200 full-time jobs. The Phase 1 water demand is projected to be 1 million gal/day. The Phase 2 water demand is also projected to be 1 million gal/day. The project is scheduled to begin production in 2026.

There has been continuous interest in Chester County from industrial clients and land developers during 2023. 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, 2024. The approval of the budget provides funding for the District's operating and debt service costs for the year end June 30, 2024. 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

Chester Metropolitan District
Statements of Net Position
June 30,

	2023	2022
Assets:		
Current assets:		
Cash and cash equivalents	\$ 12,988,049	\$ 11,629,309
Customer receivables, net of allowance of \$203,065 for 2023 and 2022	398,419	321,705
Grants receivable	81,165	-
Unbilled revenue	575,317	537,638
Prepaid expenses and other assets	150,850	127,369
Inventories	593,031	427,100
Total current assets	<u>14,786,831</u>	<u>13,043,121</u>
Cash and cash equivalents, restricted	57,890	48,424
Cash surrender value of life insurance	295,840	287,659
Right of use asset, net of accumulated amortization	52,285	74,349
Subscription asset, net of accumulated amortization	283,286	-
Capital assets, net of accumulated depreciation	11,422,165	11,728,308
Total assets	<u>26,898,297</u>	<u>25,181,861</u>
Deferred outflows of resources:		
Contributions to retirement plan after measurement date	522,070	455,176
Difference between expected and actual retirement plan experience	48,628	83,402
Difference between projected and actual investment experience	823,397	360,938
Change in proportionate share of net pension liability	185,232	177,878
Change in actuarial assumptions on retirement plan	179,509	268,004
Contributions to OPEB after measurement date	544,589	411,432
Difference between expected and actual OPEB experience	12,313	14,405
Change in actuarial assumptions on OPEB	1,091,586	1,263,959
Deferred loss on bond refunding	3,557	7,114
Total deferred outflows of resources	<u>3,410,881</u>	<u>3,042,308</u>
Total assets and deferred outflows of resources	<u>30,309,178</u>	<u>28,224,169</u>

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

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

	2023	2022
Liabilities:		
Current liabilities:		
Current maturities of revenue bonds payable	440,000	430,000
Current maturities of finance lease payable	38,415	37,674
Current maturities of subscription liability	19,760	-
Accounts payable	396,396	269,666
Other liabilities	13,384	13,150
Accrued interest payable	11,377	12,452
Accrued payroll and related liabilities	149,791	98,327
Customer service deposits	371,351	361,546
Accrued compensated absences, current	212,737	183,617
Total current liabilities	1,653,211	1,406,432
Accrued compensated absences, net of current portion	18,116	58,888
Revenue bonds payable, net of current maturities	4,095,638	4,548,764
Finance lease payable, net of current portion	9,706	48,121
Subscription liability, net of current portion	287,646	-
OPEB liability	4,541,415	5,691,064
Net pension liability	5,597,003	4,896,232
Total liabilities	16,202,735	16,649,501
Deferred inflows of resources:		
Difference between expected and actual retirement plan experience	24,392	6,608
Difference between projected and actual investment experience	814,766	1,072,181
Difference between expected and actual OPEB experience	698,941	800,706
Change in proportionate share of pension liability	10,157	20,478
Change in actuarial assumptions on OPEB	1,844,066	602,205
Total deferred inflows of resources	3,392,322	2,502,178
Total liabilities and deferred inflows of resources	19,595,057	19,151,679
Net position:		
Net investment in capital assets	6,890,691	6,738,098
Restricted for debt service	57,890	48,424
Unrestricted	3,765,540	2,285,968
Total net position	\$ 10,714,121	\$ 9,072,490

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,

	<u>2023</u>	<u>2022</u>
Operating revenues:		
Water service	\$ 8,303,547	\$ 8,214,123
Expense reimbursements, related party	284,475	272,521
Capital recovery fees	724,008	56,085
Penalties	82,494	78,201
Water connection fees	61,227	411,613
Non-payment fees	137,430	132,705
Gain on sale of assets	10,118	9,208
Miscellaneous	118,217	141,229
Total operating revenues	<u>9,721,516</u>	<u>9,315,685</u>
Operating expenses:		
Filter and sludge division	2,066,393	1,895,720
Distribution	1,575,763	1,391,708
Administration and general	2,744,962	2,737,278
Depreciation and amortization	1,093,751	1,018,625
Meters	467,269	501,592
Engineering	442,949	383,244
Loss on disposal of assets	301	28,864
Total operating expenses	<u>8,391,388</u>	<u>7,957,031</u>
Operating income	<u>1,330,128</u>	<u>1,358,654</u>
Non-operating income (expenses):		
Interest income	152,251	23,846
Interest expense	(153,244)	(166,459)
Contributed capital	312,496	-
Total non-operating expenses, net	<u>311,503</u>	<u>(142,613)</u>
Increase in net position	1,641,631	1,216,041
Net position, at beginning of year	<u>9,072,490</u>	<u>7,856,449</u>
Net position, at end of year	<u><u>\$ 10,714,121</u></u>	<u><u>\$ 9,072,490</u></u>

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

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

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Cash received from customers and others	\$ 9,606,810	\$ 9,367,308
Cash paid to employees	(2,996,855)	(2,901,080)
Cash paid to suppliers	(4,285,687)	(3,844,292)
Net cash provided by operating activities	<u>2,324,268</u>	<u>2,621,936</u>
Cash flows used in capital and related financing activities:		
Acquisition and construction of capital assets	(728,844)	(580,655)
Principal payments on revenue bonds	(430,000)	(415,000)
Principal payments on finance lease	(37,674)	(36,948)
Interest paid	(153,244)	(166,459)
Grants received	231,331	-
Net cash used in capital and related financing activities	<u>(1,118,431)</u>	<u>(1,199,062)</u>
Cash flows provided by investing activities:		
Proceeds from sale of capital assets	10,118	9,208
Interest income	152,251	23,846
Net cash provided by investing activities	<u>162,369</u>	<u>33,054</u>
Net increase in cash and cash equivalents	1,368,206	1,455,928
Cash and cash equivalents at beginning of year	11,677,733	10,221,805
Cash and cash equivalents at end of year	<u>\$ 13,045,939</u>	<u>\$ 11,677,733</u>

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,

	2023	2022
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,330,128	\$ 1,358,654
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	1,034,686	996,561
Amortization	59,065	25,621
Increase in cash surrender value of life insurance	(8,181)	(7,825)
Bad debt expense	2,897	18,310
Change in assets and liabilities:		
Customer receivables	(79,611)	42,783
Unbilled revenue	(37,679)	(15,315)
Prepaid expenses and other assets	(23,481)	(20,587)
Inventories	(165,931)	(77,992)
Deferred outflows of resources	(372,130)	(261,744)
Accounts payable	126,730	(804)
Accrued interest payable	(1,075)	(1,038)
Accrued expenses	51,464	(26,763)
Compensated absences	(11,652)	(7,673)
Customer service deposits	9,805	15,053
Other liabilities	234	(13,563)
Subscription liability	(9,324)	-
Bond premium	(13,126)	(13,126)
Net pension liability	700,771	(647,776)
OPEB liability	(1,149,649)	(533,380)
Deferred inflows of resources	890,144	1,772,884
Gain on sale of assets	(10,118)	(9,208)
Loss on disposal of capital assets	301	28,864
Total adjustments	994,140	1,263,282
Net cash provided by operating activities	<u>\$ 2,324,268</u>	<u>\$ 2,621,936</u>

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, 2021	\$ 10,220,799	\$ 1,006	\$ 10,221,805
Net increase	1,408,510	47,418	1,455,928
Cash and cash equivalents, June 30, 2022	11,629,309	48,424	11,677,733
Net increase	1,358,740	9,466	1,368,206
Cash and cash equivalents, June 30, 2023	<u>\$ 12,988,049</u>	<u>\$ 57,890</u>	<u>\$ 13,045,939</u>

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 1959 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 (9) members 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. Actual results could differ from those estimates.

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 \$203,000 at June 30, 2023 and 2022.

Fair Value Measurements – The District values its assets and liabilities based on the guidance contained in the fair value topic of the FASB Codification which defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Codification also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

At June 30, 2023 and 2022, all of the District's investments are cash surrender values of life insurance policies with maturities through 2027. Cash surrender values of life insurance are reported at cost plus interest earned which approximates fair value; therefore, those assets are reported as Level 2 in the fair value hierarchy.

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 \$296,000 and \$288,000 at June 30, 2023 and 2022, respectively. The death benefit of the policy at June 30, 2023 and 2022, was approximately \$561,000 and \$570,000, 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.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

Right to Use Leased Assets – Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Subscription Based Information Technology Arrangements (“SBITA”) – At the commencement of a SBITA, the District initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Preliminary project stage outlays are expensed as included. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the subscription asset or subscription term. For SBITAs with a maximum possible term of 12 months or less at commencement, the District recognizes operating expenses based on the provisions of the arrangement.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period during which the District has a noncancellable right to use the underlying subscription assets. The subscription term also includes periods covered by an option to extend if it is reasonably certain that the District or the vendor will exercise that option, or to terminate if it is reasonably certain that the District or the vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are all composed of fixed payments.

The District monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

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.

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.

Chester Metropolitan District
Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies (continued)

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.

Recently Implemented GASB Standards – GASB Statement No. 96, *Subscription-Based Information Technology Arrangements ("SBITAs")* is effective for the District for the year ending June 30, 2023. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain right-to-use subscription assets and corresponding subscription liabilities as well as related disclosures. The District implemented this standard for the year ending June 30, 2023, noting restatement of prior periods was not considered necessary when considering the impact to net position. See Notes 1 and 5 for further information.

Note 2. Deposits and Investments

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.

The bank balances for deposits of the District at June 30, 2023 and 2022, were approximately \$13,228,000 and \$11,819,000, respectively. As of June 30, 2023, 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 \$58,000 and \$48,000 at June 30, 2023 and 2022, respectively, held for debt service and capital expenditures.

Chester Metropolitan District
Notes to the Financial Statements

Note 2. Deposits and Investments (continued)

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 \$3,307,000 and \$3,178,000 at June 30, 2023 and 2022, 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>.

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>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 12,988,049	\$ 11,629,309
Restricted assets:		
Cash and cash equivalents	<u>57,890</u>	<u>48,424</u>
Total cash and investments	<u>\$ 13,045,939</u>	<u>\$ 11,677,733</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 2. Deposits and Investments (continued)

Disclosure: Deposits and Investments	<u>2023</u>	<u>2022</u>
Carrying value of deposits:		
Held by a financial institution	\$ 9,738,723	\$ 8,499,818
SC State Treasurer	<u>3,307,216</u>	<u>3,177,915</u>
Total deposits and investments	<u>\$ 13,045,939</u>	<u>\$ 11,677,733</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.

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>2023</u>	<u>2022</u>
Cash and cash equivalents held by Trustee:		
Revenue bonds:		
2017 Debt Service Fund	\$ 57,890	\$ 48,424
Total assets restricted by revenue bond covenants	<u>57,890</u>	<u>48,424</u>
Total restricted net position	<u>\$ 57,890</u>	<u>\$ 48,424</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 4. Capital Assets and Right to Use Assets

A summary of changes in capital assets for the year ended June 30, 2023, as follows:

	Balance, July 1, 2022	Additions	Disposals & Adjustments	Balance, June 30, 2023
Capital assets not being depreciated:				
Land and land rights	\$ 1,251,668	\$ -	\$ -	\$ 1,251,668
Construction in progress	706,918	410,319	(248,151)	869,086
Other capital assets:				
Structures and distribution lines	24,830,512	-	(1,268)	24,829,244
Equipment	2,610,664	261,894	175,619	3,048,177
Vehicles	733,367	-	(15,017)	718,350
Buildings and building improvements	4,886,816	56,631	(147,203)	4,796,244
	35,019,945	728,844	(236,020)	35,512,769
Less accumulated depreciation	(23,291,637)	(1,034,686)	235,719	(24,090,604)
Capital assets, net	<u>\$ 11,728,308</u>	<u>\$ (305,842)</u>	<u>\$ (301)</u>	<u>\$ 11,422,165</u>

A summary of changes in capital assets for the year ended June 30, 2022, as follows:

	Balance, July 1, 2021	Additions	Disposals & Adjustments	Balance, June 30, 2022
Capital assets not being depreciated:				
Land and land rights	\$ 1,255,918	\$ -	\$ (4,250)	\$ 1,251,668
Construction in progress	445,453	261,465	-	706,918
Other capital assets:				
Structures and distribution lines	24,764,407	111,690	(45,585)	24,830,512
Equipment	2,765,450	114,960	(269,746)	2,610,664
Vehicles	706,776	56,186	(29,595)	733,367
Buildings and building improvements	4,869,077	36,354	(18,615)	4,886,816
	34,807,081	580,655	(367,791)	35,019,945
Less accumulated depreciation	(22,634,003)	(996,561)	338,927	(23,291,637)
Capital assets, net	<u>\$ 12,173,078</u>	<u>\$ (415,906)</u>	<u>\$ (28,864)</u>	<u>\$ 11,728,308</u>

Depreciation expense was approximately \$1,035,000 and \$997,000 for the years ended June 30, 2023 and 2022, respectively.

The District has recorded a right to use asset for leased vehicles. For further details, see Note 6.

A summary of changes in right to use assets for the year ended June 30, 2023, as follows:

	Balance, July 1, 2022	Additions	Disposals & Adjustments	Balance, June 30, 2023
Right to use assets, being amortized:				
Leased vehicles	\$ 110,320	\$ -	\$ -	\$ 110,320
Less accumulated amortization	(35,971)	(22,064)	-	(58,035)
Right to use assets, net	<u>\$ 74,349</u>	<u>\$ (22,064)</u>	<u>\$ -</u>	<u>\$ 52,285</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 4. Capital Assets and Right to Use Assets (continued)

A summary of changes in right to use assets for the year ended June 30, 2022, as follows:

	Balance, July 1, 2021	Additions	Disposals & Adjustments	Balance, June 30, 2022
Right to use assets, being amortized:				
Leased vehicles	\$ 110,320	\$ -	\$ -	\$ 110,320
Less accumulated amortization	(13,907)	(22,064)	-	(35,971)
Right to use assets, net	<u>\$ 96,413</u>	<u>\$ (22,064)</u>	<u>\$ -</u>	<u>\$ 74,349</u>

Note 5. Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, addresses how the costs and investments for subscription-based information technology arrangements ("SBITA"s) are accounted for and disclosed by governmental entities. These changes were effective for fiscal years beginning after June 15, 2022.

The District has one SBITA related to water meter technology software. Amortization expense related to the SBITA was approximately \$33,000 for the year ending June 30, 2023, and is included in depreciation and amortization on the statements of revenue, expenses and changes in net position.

Subscription asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Subscription assets	\$ -	\$ 316,730	\$ -	\$ 316,730
Less, accumulated amortization	-	(33,444)	-	(33,444)
Subscription assets, net	<u>\$ -</u>	<u>\$ 283,286</u>	<u>\$ -</u>	<u>\$ 283,286</u>

Future principal and interest SBITA requirements as of June 30, 2023 are as follows:

Fiscal year ended June 30,:	Principal	Interest	Total
2024	\$ 19,760	\$ 12,204	\$ 31,964
2025	52,966	11,420	64,386
2026	52,316	9,316	61,632
2027	56,441	7,240	63,681
2028	60,687	4,999	65,686
Thereafter	65,236	2,590	67,826
	<u>\$ 307,406</u>	<u>\$ 47,769</u>	<u>\$ 355,175</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 6. 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:

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.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Financing Arrangements (continued)

Revenue Bonds Payable (continued)

Maturities of revenue bonds are summarized as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2024	\$ 440,000	\$ 136,525	\$ 576,525
2025	275,000	123,325	398,325
2026	285,000	115,075	400,075
2027	295,000	106,525	401,525
2028	300,000	97,675	397,675
2029-2033	1,650,000	347,375	1,997,375
2034-2036	1,120,000	78,375	1,198,375
	<u>\$ 4,365,000</u>	<u>\$ 1,004,875</u>	<u>\$ 5,369,875</u>

Interest expense related to the revenue bonds was approximately \$152,000 and \$164,000 for the years ended June 30, 2023 and 2022, 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, 2023.

Finance 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 related amortization of approximately \$22,000 during the years ended June 30, 2023 and 2022. The vehicles under the contract will be available for purchase at the end of the lease term or after all payments have been made. There are no variable payment components of the lease.

Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 38,415	\$ 597	\$ 39,012
2025	9,706	32	9,738
	<u>\$ 48,121</u>	<u>\$ 629</u>	<u>\$ 48,750</u>

Interest expense related to the lease was approximately \$1,300 and \$2,000 for the years ended June 30, 2023 and 2022, respectively.

Chester Metropolitan District
Notes to the Financial Statements

Note 6. Financing Arrangements (continued)

A summary of changes in long-term liabilities for the year ended June 30, 2023 is as follows:

	Balance, July 1, 2022	Additions	Reductions	Balance, June 30, 2023	Due within one year
Series 2017					
Revenue					
Bonds	\$ 4,795,000	\$ -	\$ 430,000	\$ 4,365,000	\$ 440,000
Premium on					
Bonds	183,764	-	13,126	170,638	13,126
Finance Lease					
Payable	85,795	-	37,674	48,121	38,415
Subscription					
liability	-	316,730	9,324	307,406	19,760
Net Pension					
Liability	4,896,232	700,771	-	5,597,003	-
OPEB Liability	5,691,064	-	1,149,649	4,541,415	-
Compensated					
Absences	242,505	171,965	183,617	230,853	212,737
	<u>\$ 15,894,360</u>	<u>\$ 1,189,466</u>	<u>\$ 1,823,390</u>	<u>\$ 15,260,436</u>	<u>\$ 724,038</u>

Note 7. 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.

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 an Annual Comprehensive Financial Report (“ACFR”) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR 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.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

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.

- 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. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

Contributions (continued)

In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute. Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS may not be decreased until the plans are at least 85 percent funded.

Required <u>employee</u> contribution rates are as follows:		
	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
Required <u>employer</u> contribution rates ¹ are as follows:		
SCRS		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
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		

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, 2022, 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, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2022, using generally accepted actuarial principles.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

The following provides a summary of the actuarial assumptions and methods used in the June 30, 2022, valuations for SCRS.

	SCRS
Actuarial cost method	Entry age
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	3.0% to 11.0% (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 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC") was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020. Assumptions used in the June 30, 2022 valuations for SCRS are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

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, 2022 and 2021, 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 - 2022	\$56,454,779,872	\$32,212,626,932	\$ 24,242,152,940	57.1%
SCRS - 2021	\$55,131,579,363	\$33,490,305,970	\$ 21,641,273,393	60.7%

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, 2023 was \$5,597,003.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

Net Pension Liability (continued)

The District's proportionate share of the net pension liability for SCRS is as follows for the years ended:

System	June 30, 2022	June 30, 2021	Change
SCRS	0.023088%	0.022625%	0.000463%

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 2022 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

The long term expected portfolio real rate of return based on the 2022 measurement date is shown below:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0	(0.35)	(0.09)
Private Equity	9.0	8.75	0.79
Private Debt	7.0	6.00	0.42
Real Assets	12.0		
Real Estate	9.0	4.12	0.37
Infrastructure	3.0	5.88	0.18
Total Expected Real Return	<u>100.0%</u>		<u>4.79</u>
Inflation for Actuarial Purposes			<u>2.25</u>
Total Expected Nominal Return			<u>7.04%</u>

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

The long term expected portfolio real rate of return based on the 2021 measurement date is shown below:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0	0.27	0.07
Private Equity	9.0	9.68	0.87
Private Debt	7.0	5.47	0.39
Real Assets	12.0		
Real Estate	9.0	6.01	0.54
Infrastructure	3.0	5.08	0.15
Total Expected Real Return	<u>100.0%</u>		<u>5.18</u>
Inflation for Actuarial Purposes			<u>2.25</u>
Total Expected Nominal Return			<u>7.43%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7 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 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 percent) or 1 percent higher (8 percent) than the current rate.

Chester Metropolitan District
Notes to the Financial Statements

Note 7. Pension Plan (continued)

The sensitivity analyses for the measurement dates June 30, 2022 and June 30, 2021 are below:

2022 Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 7,176,048	\$ 5,597,003	\$ 4,284,232

2021 Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 6,413,455	\$ 4,896,232	\$ 3,635,107

Deferred Outflows (Inflows) of Resources

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$37,381 and (\$14,136), respectively.

At June 30, 2023, 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	\$ 522,070	\$ -
Differences in actual and expected retirement plan experience	48,628	(24,392)
Net differences between projected and actual earnings on plan investments	823,397	(814,766)
Change in actuarial assumptions	179,509	-
Change in proportionate share of net pension liability and differences between actual contributions and the District's proportionate share of contributions	185,232	(10,157)
	<u>\$ 1,758,836</u>	<u>\$ (849,315)</u>

**Chester Metropolitan District
Notes to the Financial Statements**

Note 7. Pension Plan (continued)

Deferred Outflows (Inflows) of Resources (continued)

At June 30, 2022, 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	\$ 455,176	\$ -
Differences in actual and expected retirement plan experience	83,402	(6,608)
Net differences between projected and actual earnings on plan investments	360,938	(1,072,181)
Change in actuarial assumptions	268,004	-
Change in proportionate share of net pension liability and differences between actual contributions and the District's proportionate share of contributions	177,878	(20,478)
	<u>\$ 1,345,398</u>	<u>\$ (1,099,267)</u>

The District reported \$522,070 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, 2024. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The District reported \$455,176 as deferred outflows of resources related to contributions subsequent to the measurement date that were recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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, 2023. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2023 was 3.767 years for SCRS.

Measurement Period Ending June 30,	Fiscal Year Ending June 30,	SCRS
2023	2024	\$ 198,559
2024	2025	153,369
2025	2026	(110,443)
2026	2027	145,966
		<u>\$ 387,451</u>

The District's contributions to SCRS for the fiscal years ended June 30, 2023, 2022 and 2021 were \$522,070, \$455,176, and \$394,526, respectively.

**Chester Metropolitan District
Notes to the Financial Statements**

Note 8. 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, 2023 and 2022 totaled approximately \$284,000 and \$273,000, respectively. At June 30, 2023 and 2022 the District had no amounts due to or due from the Sewer District. Related party amounts are due upon invoicing and are therefore current assets and liabilities in the accompanying statements of net position.

Note 9. 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.

The District also has a cyber security policy with a limit of liability of \$3,000,000 as well as a cyber deception coverage extension with a limit of liability of \$25,000.

Note 10. Federal Grants

The District has been awarded a \$10 million grant on April 24, 2023 from the South Carolina Rural Infrastructure Authority related to the Hemphill Water Treatment Plant Renovation with the period of performance from April 24, 2023 to June 1, 2026. No funds have been received related to this grant as of June 30, 2023.

The District was also awarded federal funding of 75% of the completed cost of the SCADA System Generator Project during the year ended June 30, 2023. This is recorded as contributed capital on the Statement of Revenues, Expenses, and Changes in Net Position, with the remaining amount to be received at June 30, 2023 recorded as grants receivable on the Statement of Net Position.

Chester Metropolitan District
Notes to the Financial Statements

Note 11. 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.

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

Funding – 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 11. 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, 2021 valuation of the Plan.

Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Employees	48
Total Membership	<u>57</u>

Total OPEB Liability

The District's total OPEB liability of \$4,541,415 on June 30, 2023 was measured as of June 30, 2022, and was determined by an actuarial valuation of June 30, 2021. The District's total OPEB liability of \$5,691,064 was measured as of June 30, 2021, and was determined by an actuarial valuation of June 30, 2021.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 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 11. Other Post-Employment Benefits (continued)

Inflation	2.25%
Real wage growth	0.75%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% - 9.50%
Municipal Bond Index Rate	
Prior Measurement Date	2.16%
Measurement Date	3.54%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare	5.25% for 2021 decreasing to an ultimate rate of 4.75% by 2025

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 PUB 2010 Mortality Table for Employees with a 135% 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, 2021 valuation were based on the results of the 2020 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, 2021 valuation and were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability as of June 30, 2021	\$ 5,691,064
Changes for the year:	
Service cost	325,740
Interest	121,991
Difference between expected and actual experience	804
Changes of assumption or other inputs	(1,511,089)
Benefit payments and implicit subsidy credit	(87,095)
Net changes	\$ (1,149,649)
Total OPEB Liability as of June 30, 2022	\$ 4,541,415

The total OPEB liability is based on an actuarial valuation performed as of the valuation date of June 30, 2021. An expected total OPEB liability is determined as of June 30, 2022, 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, 2021, 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 11. 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 2.21% on the prior measurement date to 2.16% 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 2.16% to 3.54% 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

Sensitivity of the Proportional Share of Total OPEB Liability to Changes in the Discount Rate			
	1.00% Decrease (2.54%)	Current Discount Rate (3.54%)	1.00% Increase (4.54%)
Total OPEB Liability	\$ 5,577,264	\$ 4,541,415	\$ 3,749,330

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	\$ 3,623,432	\$ 4,541,415	\$ 5,801,819

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

For the years ended June 30, 2023 and 2022, the District recognized OPEB expense of \$31,755 and \$344,120, respectively. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Chester Metropolitan District
Notes to the Financial Statements

Note 11. Other Post-Employment Benefits (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after measurement date	\$ 544,589	\$ -
Differences between expected and actual experience	12,313	(698,941)
Change of assumptions or other inputs	1,091,586	(1,844,066)
Total	\$ 1,648,488	\$ (2,543,007)

At June 30, 2022, 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	\$ 411,432	\$ -
Differences between expected and actual experience	14,405	(800,706)
Change of assumptions or other inputs	1,263,959	(602,205)
Total	\$ 1,689,796	\$ (1,402,911)

Current and prior year employer contributions of \$544,589 and \$411,432 were recorded as deferred outflows for OPEB contributions subsequent to the measurement date at June 30, 2023 and 2022. 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,	
2023	\$ (195,724)
2024	(195,724)
2025	(195,724)
2026	(195,724)
2027	(121,836)
Thereafter	(574,804)
Total	\$ (1,479,536)

Note 12. Subsequent Events

The District has evaluated events and transactions occurring subsequent to the Statement of Net Position date of June 30, 2023, for items that should potentially be recognized or disclosed in these financial statements. The evaluation was conducted through XXXX, 2023, the date these financial statements were available to be issued, and there were no subsequent events that required disclosure in these financial statements other than noted below.

The District has been approved by for a \$5,506,000 State Revolving Fund loan from South Carolina Department of Health and Environmental Control for improvements at the Hemphill water treatment plant expected to be received during the year ended June 30, 2024.

The District has entered into a lease purchase contract with First Citizens Bank and Trust Company on November 15, 2023 for \$278,295 at an interest rate of 5.41% for a period of four years for six vehicles and/or equipment.

Required Supplementary Information

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, 2023
Last Six Fiscal Years

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost at end of year	\$ 325,740	\$ 342,044	\$ 217,799	\$ 195,273	\$ 209,557	\$ 243,506
Interest	121,991	136,727	155,098	164,154	149,685	131,786
Difference between expected and actual experience	804	(685,999)	4,253	(274,664)	9,920	11,859
Changes of assumptions or other inputs	(1,511,089)	(250,302)	1,452,618	174,581	(266,287)	(496,481)
Benefit payments and implicit subsidy credit	(87,095)	(75,850)	(72,780)	(66,577)	(65,048)	(63,684)
Net change in Total OPEB Liability	(1,149,649)	(533,380)	1,756,988	192,767	37,827	(173,014)
Total OPEB Liability – beginning	5,691,064	6,224,444	4,467,456	4,274,689	4,236,862	4,409,876
Total OPEB Liability – ending	<u>\$ 4,541,415</u>	<u>\$ 5,691,064</u>	<u>\$ 6,224,444</u>	<u>\$ 4,467,456</u>	<u>\$ 4,274,689</u>	<u>\$ 4,236,862</u>
Covered-employee payroll	\$ 2,506,390	\$ 2,506,390	\$ 2,128,323	\$ 2,128,323	\$ 1,884,585	\$ 1,884,585
Total OPEB Liability as a percentage of covered- employee payroll	181.19%	227.06%	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 2.16% on the prior measurement date to 3.54% on the current year measurement date.

The covered-employee payroll amounts above were determined as of the June 30, 2021, 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, 2023
Last Nine Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
The District's proportion of the net pension liability	0.023088%	0.022625%	0.021697%	0.021881%	0.021605%	0.021170%	0.019573%	0.018110%	0.017663%
The District's proportionate share of the net pension liability	\$ 5,597,003	\$ 4,896,232	\$ 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	\$ 2,723,750	\$ 2,535,514	\$ 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	205.49%	193.11%	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	57.1%	60.7%	50.7%	54.4%	54.1%	53.3%	52.9%	57.0%	59.9%

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, 2023
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contribution	\$ 517,610	\$ 451,053	\$ 394,526	\$ 373,016	\$ 333,460
Contributions in relation to the contractually required contribution	517,610	451,053	394,526	373,016	333,460
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 The District's covered payroll	 \$ 2,947,665	 \$ 2,723,750	 \$ 2,535,514	 \$ 2,397,275	 \$ 2,290,247
Contributions as a percentage of covered payroll	17.56%	16.56%	15.56%	15.56%	14.56%
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 300,951	\$ 241,639	\$ 209,345	\$ 184,913	\$ 169,976
Contributions in relation to the contractually required contribution	300,951	241,639	209,345	184,913	169,976
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 The District's covered payroll	 \$ 2,219,403	 \$ 2,090,303	 \$ 1,892,812	 \$ 1,696,450	 \$ 1,603,547
Contributions as a percentage of covered payroll	13.56%	11.56%	11.06%	10.90%	10.60%

See independent auditor's report.

Supplemental Information

Chester Metropolitan District
Supplemental Schedule of Certain Expenses - Budget and Actual
for the year ended June 30, 2023

	Budget	Actual	Variance (Favorable) Unfavorable
Administrative and general:			
Salaries	\$ 992,606	\$ 989,311	\$ (3,295)
Payroll taxes	59,071	58,009	(1,062)
Fringe benefits	488,006	477,334	(10,672)
Supplies	10,650	7,404	(3,246)
Postage	3,320	2,673	(647)
Uniforms and boots	3,304	2,234	(1,070)
Contract services	449,459	424,104	(25,355)
Advertising and promotion	20,000	6,472	(13,528)
Legal	49,300	20,498	(28,802)
Audit	27,000	24,275	(2,725)
Utilities and telephone	100,904	100,604	(300)
Insurance	176,295	168,438	(7,857)
Travel and fuel	3,200	3,346	146
Repairs and maintenance	3,100	1,260	(1,840)
Bad debts	-	2,897	2,897
Dues, fees, and testing	34,652	31,505	(3,147)
Training and education	73,029	49,831	(23,198)
Bank service charges	107,671	123,262	15,591
Employee Appreciation	17,202	17,632	430
Crisis Fund	2,500	200	(2,300)
Employee Assistance	14,000	79,823	65,823
Miscellaneous	640	8,029	7,389
Office furniture and equipment	5,000	1,679	(3,321)
Board expense	33,864	19,946	(13,918)
IT and Computer hardware	19,766	18,989	(777)
Contingency	50,000	31,590	(18,410)
Community Support	9,193	4,481	(4,712)
Pension Expense	-	37,381	37,381
OPEB Expense	-	31,755	31,755
	<u>\$ 2,753,732</u>	<u>\$ 2,744,962</u>	<u>\$ (8,770)</u>
Filter and sludge division:			
Salaries	\$ 884,233	\$ 808,319	\$ (75,914)
Payroll taxes	50,267	49,678	(589)
Fringe benefits	346,218	334,193	(12,025)
Supplies	89,470	54,740	(34,730)
Chemicals	448,500	313,279	(135,221)
Uniforms and boots	11,378	10,759	(619)
Contract services	76,984	49,667	(27,317)
Hauling and tipping	86,000	28,549	(57,451)
Utilities and telephone	200,340	175,658	(24,682)
Postage	810	1,383	573
Repairs and maintenance	166,432	159,586	(6,846)
Travel and fuel	9,000	4,860	(4,140)
Dues, fees, and testing	32,055	30,057	(1,998)
Training and education	12,350	10,409	(1,941)
Machinery and equipment	67,196	32,585	(34,611)
Computer hardware and software	650	635	(15)
Miscellaneous	2,000	2,036	36
	<u>\$ 2,483,883</u>	<u>\$ 2,066,393</u>	<u>\$ (417,490)</u>

See independent auditor's report.

Chester Metropolitan District
Supplemental Schedule of Certain Expenses - Budget and Actual (Continued)
for the year ended June 30, 2023

	Budget	Actual	Variance (Favorable) Unfavorable
Distribution:			
Salaries	\$ 779,371	\$ 748,899	\$ (30,472)
Payroll taxes	43,891	46,219	2,328
Fringe benefits	335,639	339,142	3,503
Supplies and materials	257,235	214,944	(42,291)
Uniforms and boots	14,550	16,085	1,535
Contract services	26,572	25,788	(784)
Utilities and telephone	14,740	12,331	(2,409)
Repairs and maintenance	118,060	95,656	(22,404)
Travel and fuel	46,200	53,125	6,925
Dues, fees, and testing	19,200	9,654	(9,546)
Training and education	4,200	2,544	(1,656)
Miscellaneous	1,000	952	(48)
Equipment and buildings	47,150	10,424	(36,726)
	<u>\$ 1,707,808</u>	<u>\$ 1,575,763</u>	<u>\$ (132,045)</u>
Meters:			
Salaries	\$ 194,795	\$ 173,511	\$ (21,284)
Payroll taxes	11,031	10,844	(187)
Fringe benefits	90,634	71,006	(19,628)
Supplies and parts	248,620	105,956	(142,664)
Uniforms and boots	4,220	2,418	(1,802)
Utilities and telephone	7,792	5,076	(2,716)
Repairs and maintenance	96,928	81,866	(15,062)
Meters	405,000	-	(405,000)
Miscellaneous	750	235	(515)
Equipment	5,500	-	(5,500)
Travel and fuel	16,800	15,187	(1,613)
Dues, fees, and testing	320	80	(240)
Training and education	7,020	1,090	(5,930)
	<u>\$ 1,089,410</u>	<u>\$ 467,269</u>	<u>\$ (622,141)</u>

See independent auditor's report.

Chester Metropolitan District
Supplemental Schedule of Certain Expenses - Budget and Actual (Continued)
for the year ended June 30, 2023

	Budget	Actual	Variance (Favorable) Unfavorable
Engineering:			
Salaries	\$ 264,899	\$ 276,815	\$ 11,916
Payroll taxes	16,040	16,725	685
Fringe benefits	107,344	114,957	7,613
Uniforms and boots	2,202	1,890	(312)
Supplies	4,500	1,945	(2,555)
Contract services	21,750	10,268	(11,482)
Utilities and telephone	4,260	2,785	(1,475)
Repairs and maintenance	4,270	1,628	(2,642)
Miscellaneous	3,500	797	(2,703)
Equipment	3,000	1,968	(1,032)
Travel and fuel	6,000	7,505	1,505
Dues, fees, and testing	2,900	2,120	(780)
Training and education	10,825	3,546	(7,279)
	<u>\$ 451,490</u>	<u>\$ 442,949</u>	<u>\$ (8,541)</u>
Total for all Departments	<u>\$ 8,486,323</u>	<u>\$ 7,297,336</u>	<u>\$ (1,188,987)</u>

See independent auditor's report.

Grievance Committee Recommendations from 12/6/23 Meeting

Grievance 130 Lowry's Street Chester, South Carolina

The recommendation of the Grievance Committee with a vote of 3 to 1 is to reduce the charge of \$360 for unauthorized water usage to \$180.

Grievance 160 Lancaster Street Chester, South Carolina

The recommendation of the Grievance Committee with a vote of 4 to 0 is to adjust the bill to the 3-month bill average for this location. This would change his bill from \$670.93 to \$296.56.

CHESTER METROPOLITAN DISTRICT
P.O. Box 550
Chester, SC 29706

Account Number	AMOUNT DUE
95-00043-00	\$52,500.77
Due Date	After Due Date Pay
11/24/2023	PAID BY DRAFT
Service Address	
5992 Lancaster Hwy	

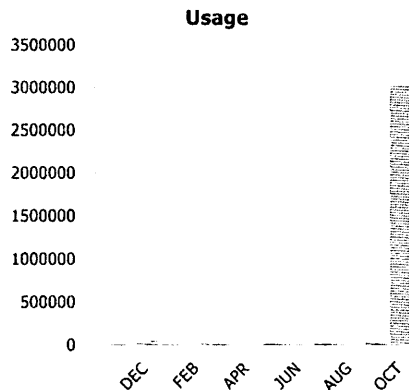
There will be a charge on all returned checks.
Please return this portion with your payment.
When paying in person, please bring both portions of this bill.

Leroy Investments
1377 Broadcloth St., Ste. 205
Fort Mill, SC 29715

CHESTER METROPOLITAN DISTRICT
P.O. Box 550
Chester, SC 29706

CUSTOMER ACCOUNT INFORMATION - RETAIN FOR YOUR RECORDS

Name				Service Address		Account Number
Leroy Investments				5992 Lancaster Hwy		95-00043-00
Status	Service Dates			Bill Date	Penalty Date	Due Date
	From	To	# Days			
Active	9/29/2023	10/31/2023	30	11/9/2023	11/25/2023	11/24/2023



CURRENT READING	PREVIOUS READING	USAGE
5,085,500	4,184,580	3,015,920
3,823,000	1,708,000	2,115,000

PREVIOUS BALANCE	\$1,496.61
PAYMENTS	(\$1,496.61)
ADJUSTMENTS	\$0.00
PENALTIES	\$0.00
PAST DUE AMOUNT	\$0.00

CM WATER BASE	77.28
CM WATER CONSUMPTION	27,625.83
CM WATER BASE	731.21
CM WATER CONSUMPTION	0.00
FL SEWER	23,938.45
FL SEWER	120.00
FL SEWER	8.00
CURRENT BILL	\$52,500.77

AMOUNT DUE **\$52,500.77**
PAID BY DRAFT

If payment is not received by Monday, December 4, 2023, by 5:00 p.m., a \$45.00 non-payment fee will be applied and service will be subject for disconnection on or after Tuesday, December 5, 2023. For customers who have been disconnected for nonpayment: To have services reinstated via IVR or our web portal, please ensure you pay your past-due balance plus the \$45 nonpayment fee. Services will not be reinstated until the nonpayment fee is paid in full.

TO: Chester News & Reporter

FROM: Fred W. Castles, III, Executive Director

DATE: November 2, 2023

SUBJECT: Notice of Public Hearing

Please run the following notice on **November 29, 2023, and December 6th & 13th, 2023**. It must be at least two columns wide, with the border around it. Should you have any questions concerning the request, please call Kelli at 385-5123.

NOTICE OF PUBLIC HEARING
Chester Metropolitan District

The Chester Metropolitan District (CMD) will hold a public hearing at **6pm on December 14, 2023**, at **Chester Metropolitan District 155 Wylie Street, Chester, SC 29706**. This public hearing will be for the purpose of collecting public input concerning increases to the proposed Capital Recovery Program and Fee Schedule.

Listed below are the proposed fee changes:

Fee Charged	Current Rate	Proposed Rate
<i>Single ¾" Water Service Connection</i>	\$1,045.00 (per each)	\$1,408.00 (per each)
<i>Single 1" Water Service Connection</i>	\$1,740.00 (per each)	\$2,348.00 (per each)
<i>Single 2" Water Service Connection</i>	\$5,575.00 (per each)	\$7,503.00 (per each)
<i>For all Sizes 3+ and up Current CRF Demand Formula</i>	CRF = (Water Demand, gal/day) x 1.4 x 1.25 x \$1.99 System Peaking Factor = 1.25 Water Loss Factor = 1.4	CRF= (Water Demand, gal/day) x \$4.69

Proposed fee changes will become effective beginning **January 1, 2024**.

To review a full copy of the current
Capital Recovery Fee Schedule and Policy,
please visit <https://chestermetrosc.com>.

Chester Metropolitan District

Director's Report

FY 2023-2024

	November 2023	TOTAL L 12 MOS	AVERAGE L 12 MOS
DISTRIBUTION NUMBER:			
Taps	1	25	2.1
Leaks	8	55	4.6
Main Break Leaks	3	42	3.5
Hydrants		2	0.7
DISTRIBUTION MANHOURS:			
Taps	40.0	1,405	117.1
Main Break Leaks	216	1667	138.9
Leaks	524.0	3,565	297.1
Equipment	37.0	353	29.4
Shop	334.0	3,855	321.3
Dist. Maintenance	880.5	16,219	1,351.6
Asphalt	75.0	804	67.0
Meters	0.0	-	-
Filter Plant	0.0	-	-
Hydrants	0.0	104	8.7
Construction Projects	0.0	348	29.0
Service Orders	52.0		
Total Manhours	2158.5	29,386	2,448.8
Overtime Hours	579.8	2,283	190.2
METER CALLS:			
Ons	68	1,011	84.3
Offs	36	346	28.8
Miscellaneous	32	474	39.5
Nonpayment Disconnects	258	2,860	238.3
Reinstates	247	2,593	216.1
Total Calls	641	7,468	622.3
Overtime Hours	4.0	53.0	4.4
BILLING INFORMATION:			
Non-Leak Adjustments:	13	61	5.1
Leak Adjustments	39	592	49.3
\$\$\$ Adjusted	\$ 30,703.00	\$ 71,442.59	\$ 5,953.55
Bills Mailed	6,413	76,335.0	6,361.3
Thousand Gallons Billed	55,888.0	711,976.0	59,331.3
Thousand Gallons Pumped	79,326.0	895,340.0	74,611.7
% Accounted For	70.5%	79.6%	79.6%
Other Gallons Accounted For (1,000)	1,537.0	24,631.2	2,052.6
Adjusted % Accounted For	72.4%	82.3%	81.4%

Chester Metropolitan District

Hydrant Report

December 19, 2023

<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: 2023 - 2024 Period Ending: 11/30/2023

	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue					
Function: 0100 - Operating Revenue					
Department: 0100 - Operating Revenue					
100-0100-411000 Water Service Revenue	8,646,284.00	8,646,284.00	732,438.29	3,182,929.64	5,463,354.36
100-0100-411003 Tap Fees	97,500.00	97,500.00	5,952.00	13,878.00	83,622.00
100-0100-411004 Hydrant Meter Fee	28,894.00	28,894.00	1,800.00	12,640.00	16,254.00
100-0100-412000 Penalties	81,746.00	81,746.00	8,433.00	35,607.00	46,139.00
100-0100-412001 Non-Payment Fees	142,251.00	142,251.00	11,160.00	48,915.00	93,336.00
100-0100-412003 NSF Fees	3,291.00	3,291.00	240.00	1,140.00	2,151.00
100-0100-413000 Expense Reimbursements	285,066.00	285,066.00	23,755.00	109,769.00	175,297.00
100-0100-413001 Credit Card Fees	122,400.00	122,400.00	9,482.25	46,113.67	76,286.33
100-0100-413002 Surplus Sales	0.00	0.00	0.00	10.00	-10.00
100-0100-413003 Miscellaneous Revenue	0.00	0.00	3,276.00	7,923.83	-7,923.83
100-0100-413004 Customer Charges for Damages	0.00	0.00	66.99	2,874.16	-2,874.16
100-0100-414000 Development Review Fees	2,880.00	2,880.00	0.00	310.00	2,570.00
100-0100-414001 Backflow Fees	500.00	500.00	0.00	0.00	500.00
Department: 0100 - Operating Revenue Total:	9,410,812.00	9,410,812.00	796,603.53	3,462,110.30	5,948,701.70
Function: 0100 - Operating Revenue Total:	9,410,812.00	9,410,812.00	796,603.53	3,462,110.30	5,948,701.70
Function: 9000 - Non-Operating Revenue					
Department: 9000 - Non-Operating Revenue					
100-9000-612000 Interest Income	137,792.00	137,792.00	16,762.24	81,198.54	56,593.46
Department: 9000 - Non-Operating Revenue Total:	137,792.00	137,792.00	16,762.24	81,198.54	56,593.46
Function: 9000 - Non-Operating Revenue Total:	137,792.00	137,792.00	16,762.24	81,198.54	56,593.46
Revenue Total:	9,548,604.00	9,548,604.00	813,365.77	3,543,308.84	
Expense					
Function: 1000 - Operating Expenses					
Department: 1000 - Administration					
100-1000-511000 Regular Salaries and Wages	759,500.00	759,500.00	62,479.49	284,172.79	475,327.21
100-1000-511001 Part-Time Salaries	15,725.00	15,725.00	0.00	0.00	15,725.00
100-1000-511002 Overtime	2,665.00	2,665.00	893.82	1,951.61	713.39
100-1000-511008 Sick Pay	32,663.00	32,663.00	2,108.56	12,820.61	19,842.39
100-1000-512000 FICA	47,469.00	47,469.00	3,949.70	18,044.29	29,424.71
100-1000-512001 Medicare	10,633.00	10,633.00	923.73	4,220.08	6,412.92
100-1000-512002 SC Retirement	209,318.00	209,318.00	18,046.81	82,389.11	126,928.89
100-1000-512004 Group Health Insurance	151,958.00	151,958.00	11,181.24	49,756.58	102,201.42
100-1000-521000 Accounting and Audit Services	28,900.00	28,900.00	0.00	18,444.31	10,455.69
100-1000-521001 Legal Services	37,000.00	37,000.00	0.00	2,099.50	34,900.50
100-1000-521005 Other Contractual Services	142,546.00	142,546.00	8,687.59	47,086.88	95,459.12
100-1000-522002 Vehicle Repairs and Maintenance	2,300.00	2,300.00	0.00	112.78	2,187.22
100-1000-524000 Telephone and Communications	9,320.00	9,320.00	807.83	3,949.08	5,370.92
100-1000-524001 Advertising and Promotion	11,300.00	11,300.00	310.08	2,235.46	9,064.54
100-1000-524003 Bank and fiscal agent fees	162,171.00	162,171.00	6,157.26	35,955.18	126,215.82
100-1000-524004 Postage and Delivery Fees	4,000.00	4,000.00	500.00	1,000.00	3,000.00
100-1000-526000 Uniform Rental	2,400.00	2,400.00	34.45	1,837.64	562.36
100-1000-531000 Office Supplies	5,460.00	5,460.00	675.83	1,526.68	3,933.32
100-1000-531008 Fuel	3,300.00	3,300.00	198.34	808.87	2,491.13
100-1000-550000 Professional Memberships and License Fees	34,218.00	34,218.00	10,135.00	13,705.91	20,512.09
100-1000-550001 Educational Seminars and Classes	12,133.00	12,133.00	2,580.45	7,192.77	4,940.23
100-1000-550002 Mileage Reimbursements	1,000.00	1,000.00	0.00	0.00	1,000.00
100-1000-560001 Collections Over/Short	640.00	640.00	3.14	121.17	518.83
100-1000-560006 Contingency Account	30,000.00	30,000.00	1,518.44	6,988.28	23,011.72

Statement of Revenue and Expense

For Fiscal: 2023 - 2024 Period Ending: 11/30/2023

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-1000-560007	Community Support	6,445.00	6,445.00	193.54	4,555.66	1,889.34
Department: 1000 - Administration Total:		1,723,064.00	1,723,064.00	131,385.30	600,975.24	1,122,088.76
Department: 1001 - Human Resources						
100-1001-511000	Regular Salaries and Wages	84,431.00	84,431.00	6,491.47	30,366.48	54,064.52
100-1001-511008	Sick Pay	4,571.00	4,571.00	0.00	755.08	3,815.92
100-1001-512000	FICA	5,277.00	5,277.00	393.12	1,887.97	3,389.03
100-1001-512001	Medicare	1,183.00	1,183.00	91.94	441.51	741.49
100-1001-512002	SC Retirement	23,270.00	23,270.00	1,789.06	8,577.13	14,692.87
100-1001-512004	Group Health Insurance	18,652.00	18,652.00	1,302.34	5,795.42	12,856.58
100-1001-512006	Workmens Comp Ins.	49,000.00	49,000.00	0.00	32,692.30	16,307.70
100-1001-521001	Legal Services	4,600.00	4,600.00	0.00	0.00	4,600.00
100-1001-524001	Advertising and Promotion	1,000.00	1,000.00	0.00	0.00	1,000.00
100-1001-524006	Employee Screening & Testing	3,200.00	3,200.00	353.10	823.80	2,376.20
100-1001-531000	Office Supplies	600.00	600.00	0.00	0.00	600.00
100-1001-550000	Professional Memberships and License Fees	445.00	445.00	0.00	45.00	400.00
100-1001-550001	Educational Seminars and Classes	2,920.00	2,920.00	427.14	752.14	2,167.86
Department: 1001 - Human Resources Total:		199,149.00	199,149.00	10,848.17	82,136.83	117,012.17
Department: 1002 - Information Services						
100-1002-511000	Regular Salaries and Wages	148,252.00	148,252.00	11,320.85	54,148.18	94,103.82
100-1002-511002	Overtime	447.00	447.00	0.00	0.00	447.00
100-1002-511008	Sick Pay	5,872.00	5,872.00	595.83	2,178.03	3,693.97
100-1002-512000	FICA	9,266.00	9,266.00	711.32	3,369.77	5,896.23
100-1002-512001	Medicare	2,076.00	2,076.00	166.36	788.13	1,287.87
100-1002-512002	SC Retirement	40,859.00	40,859.00	3,284.24	15,523.54	25,335.46
100-1002-512004	Group Health Insurance	11,344.00	11,344.00	2,065.16	9,189.97	2,154.03
100-1002-521002	IT Contracts and Services	369,700.00	369,700.00	73,794.63	234,193.26	135,506.74
100-1002-524000	Telephone and Communications	3,018.00	3,018.00	311.74	1,558.46	1,459.54
100-1002-526000	Uniform Rental	1,196.00	1,196.00	66.64	241.75	954.25
100-1002-532000	Small Tools and Equipment	750.00	750.00	220.12	767.50	-17.50
100-1002-532003	Computer Hardware and Software	15,000.00	15,000.00	517.95	1,177.75	13,822.25
100-1002-550000	Professional Memberships and License Fees	270.00	270.00	0.00	45.00	225.00
100-1002-550001	Educational Seminars and Classes	3,840.00	3,840.00	200.00	1,618.60	2,221.40
100-1002-550002	Mileage Reimbursements	500.00	500.00	0.00	268.81	231.19
Department: 1002 - Information Services Total:		612,390.00	612,390.00	93,254.84	325,068.75	287,321.25
Department: 1010 - Board of Commissioners						
100-1010-511009	Board of Commissioners Pay	9,750.00	9,750.00	850.00	2,000.00	7,750.00
100-1010-512000	FICA	316.00	316.00	52.70	124.00	192.00
100-1010-512001	Medicare	75.00	75.00	12.35	29.14	45.86
100-1010-512002	SC Retirement	638.00	638.00	82.68	165.36	472.64
100-1010-524000	Telephone and Communications	6,600.00	6,600.00	440.44	2,202.20	4,397.80
100-1010-531000	Office Supplies	1,547.00	1,547.00	93.71	164.50	1,382.50
100-1010-550001	Educational Seminars and Classes	9,750.00	9,750.00	429.26	429.26	9,320.74
100-1010-550002	Mileage Reimbursements	1,500.00	1,500.00	431.66	730.37	769.63
100-1010-560004	Board Meeting Expense	3,600.00	3,600.00	0.00	59.19	3,540.81
Department: 1010 - Board of Commissioners Total:		33,776.00	33,776.00	2,392.80	5,904.02	27,871.98
Department: 1998 - District-Wide Employee Support, Promotion & Retent						
100-1998-550004	In-House Training and Development	34,750.00	34,750.00	0.00	1,195.72	33,554.28
100-1998-551000	Employee Appreciation	18,175.00	18,175.00	790.45	3,098.50	15,076.50
100-1998-551001	Tuition Assistance	14,424.00	14,424.00	0.00	3,289.60	11,134.40
100-1998-551002	Crisis Fund	2,000.00	2,000.00	0.00	1,000.00	1,000.00
100-1998-551004	Employee Assistance	0.00	0.00	35.65	722.65	-722.65
Department: 1998 - District-Wide Employee Support, Promotion & Reten..		69,349.00	69,349.00	826.10	9,306.47	60,042.53
Department: 1999 - Operational Non-Departmental						
100-1999-512005	Retiree Health Insurance	102,000.00	102,000.00	6,842.92	34,214.60	67,785.40
100-1999-512008	Flex Spending Admin Fee Expense	335.00	335.00	27.84	124.56	210.44
100-1999-512009	PEBA Admin Fee Expense	1,726.00	1,726.00	148.50	670.35	1,055.65
100-1999-521005	Other Contractual Services	38,040.00	38,040.00	3,739.02	14,902.74	23,137.26
100-1999-523000	Electricity	32,400.00	32,400.00	3,397.93	12,388.54	20,011.46

Statement of Revenue and Expense

For Fiscal: 2023 - 2024 Period Ending: 11/30/2023

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-1999-523001	Natural Gas	4,800.00	4,800.00	121.88	554.89	4,245.11
100-1999-523002	Water and Sewer	7,200.00	7,200.00	636.12	2,372.74	4,827.26
100-1999-524000	Telephone and Communications	51,180.00	51,180.00	3,522.86	18,374.58	32,805.42
100-1999-524002	General Property & Liability Insurance	85,000.00	85,000.00	5,464.00	31,244.82	53,755.18
100-1999-531001	Janitorial and General Supplies	5,000.00	5,000.00	0.00	808.04	4,191.96
100-1999-532002	Office Furniture and Equipment	2,500.00	2,500.00	0.00	0.00	2,500.00
100-1999-560000	Bad Debt Expense	0.00	0.00	560.83	1,787.94	-1,787.94
100-1999-710004	Capital Asset Replacement	562,000.00	562,000.00	0.00	0.00	562,000.00
100-1999-720000	Transfers Out	0.00	0.00	46,833.33	234,166.65	-234,166.65
Department: 1999 - Operational Non-Departmental Total:		892,181.00	892,181.00	71,295.23	351,610.45	540,570.55
Department: 2000 - Engineering						
100-2000-511000	Regular Salaries and Wages	268,201.00	268,201.00	22,132.33	104,125.94	164,075.06
100-2000-511002	Overtime	6,911.00	6,911.00	95.51	268.44	6,642.56
100-2000-511008	Sick Pay	7,560.00	7,560.00	254.25	3,134.56	4,425.44
100-2000-512000	FICA	16,763.00	16,763.00	1,355.85	6,497.51	10,265.49
100-2000-512001	Medicare	3,755.00	3,755.00	317.11	1,519.57	2,235.43
100-2000-512002	SC Retirement	73,917.00	73,917.00	6,196.08	29,635.08	44,281.92
100-2000-512004	Group Health Insurance	44,480.00	44,480.00	3,122.14	13,893.54	30,586.46
100-2000-521005	Other Contractual Services	10,685.00	10,685.00	3,549.00	13,059.04	-2,374.04
100-2000-522002	Vehicle Repairs and Maintenance	4,300.00	4,300.00	0.00	2,557.63	1,742.37
100-2000-524000	Telephone and Communications	2,931.00	2,931.00	220.97	1,140.91	1,790.09
100-2000-526000	Uniform Rental	2,664.00	2,664.00	138.29	499.43	2,164.57
100-2000-531000	Office Supplies	2,400.00	2,400.00	0.00	117.43	2,282.57
100-2000-531003	Safety Gear and Supplies	1,950.00	1,950.00	0.00	707.92	1,242.08
100-2000-531008	Fuel	6,840.00	6,840.00	647.25	2,751.52	4,088.48
100-2000-532000	Small Tools and Equipment	1,500.00	1,500.00	0.00	76.58	1,423.42
100-2000-550000	Professional Memberships and License Fees	2,450.00	2,450.00	0.00	90.00	2,360.00
100-2000-550001	Educational Seminars and Classes	14,700.00	14,700.00	2,826.09	4,911.29	9,788.71
100-2000-560010	Miscellaneous	1,000.00	1,000.00	0.00	334.75	665.25
100-2000-560090	Water Efficiency Rebate Program	2,000.00	2,000.00	0.00	412.10	1,587.90
100-2000-951004	Vehicles	11,000.00	11,000.00	0.00	0.00	11,000.00
Department: 2000 - Engineering Total:		486,007.00	486,007.00	40,854.87	185,733.24	300,273.76
Department: 3000 - Distribution (Maintenance)						
100-3000-511000	Regular Salaries and Wages	714,280.00	714,280.00	60,880.93	274,068.95	440,211.05
100-3000-511002	Overtime	49,619.00	49,619.00	20,908.27	42,138.06	7,480.94
100-3000-511008	Sick Pay	29,575.00	29,575.00	2,488.15	16,460.99	13,114.01
100-3000-512000	FICA	44,643.00	44,643.00	5,164.63	20,352.03	24,290.97
100-3000-512001	Medicare	10,000.00	10,000.00	1,207.85	4,759.79	5,240.21
100-3000-512002	SC Retirement	196,856.00	196,856.00	23,226.83	91,683.30	105,172.70
100-3000-512004	Group Health Insurance	160,395.00	160,395.00	10,815.68	49,138.88	111,256.12
100-3000-521005	Other Contractual Services	39,852.00	39,852.00	2,184.56	11,675.96	28,176.04
100-3000-522000	Building and Grounds Repairs and Mainten...	62,100.00	62,100.00	807.49	19,397.46	42,702.54
100-3000-522001	Equipment and Machinery Repairs and Mai...	30,000.00	30,000.00	357.22	16,264.37	13,735.63
100-3000-522002	Vehicle Repairs and Maintenance	47,760.00	47,760.00	1,514.81	28,128.98	19,631.02
100-3000-524000	Telephone and Communications	14,368.00	14,368.00	1,085.91	5,557.59	8,810.41
100-3000-525000	Hauling and tipping fees	4,000.00	4,000.00	390.00	670.00	3,330.00
100-3000-526000	Uniform Rental	19,084.00	19,084.00	1,090.24	6,247.58	12,836.42
100-3000-526001	Equipment Rental	17,460.00	17,460.00	0.00	3,868.84	13,591.16
100-3000-531002	Shop Supplies and Materials	23,000.00	23,000.00	997.71	8,272.79	14,727.21
100-3000-531003	Safety Gear and Supplies	7,075.00	7,075.00	753.86	3,178.46	3,896.54
100-3000-531004	Patching and Paving Materials	32,370.00	32,370.00	8,426.65	17,469.01	14,900.99
100-3000-531008	Fuel	52,800.00	52,800.00	5,002.91	21,351.46	31,448.54
100-3000-531010	Inventory Parts and Supplies	200,000.00	200,000.00	40,415.92	85,449.58	114,550.42
100-3000-531011	Inventory Shrink/Overage	0.00	0.00	-0.93	1,239.86	-1,239.86
100-3000-532000	Small Tools and Equipment	17,500.00	17,500.00	134.67	6,549.17	10,950.83
100-3000-541002	Licenses and Permits	150.00	150.00	0.00	0.00	150.00
100-3000-550000	Professional Memberships and License Fees	10,760.00	10,760.00	663.00	2,785.80	7,974.20
100-3000-550001	Educational Seminars and Classes	4,200.00	4,200.00	3,510.89	5,298.61	-1,098.61
100-3000-560010	Miscellaneous	1,000.00	1,000.00	891.49	1,152.80	-152.80

Statement of Revenue and Expense

For Fiscal: 2023 - 2024 Period Ending: 11/30/2023

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-3000-951001	Buildings	4,500.00	4,500.00	0.00	4,453.26	46.74
100-3000-951003	Equipment	14,000.00	14,000.00	0.00	0.00	14,000.00
100-3000-951004	Vehicles	29,200.00	29,200.00	0.00	0.00	29,200.00
Department: 3000 - Distribution (Maintenance) Total:		1,836,547.00	1,836,547.00	192,918.74	747,613.58	1,088,933.42
Department: 4000 - Meter						
100-4000-511000	Regular Salaries and Wages	171,121.00	171,121.00	14,106.68	65,551.23	105,569.77
100-4000-511002	Overtime	6,347.00	6,347.00	1,090.14	3,547.05	2,799.95
100-4000-511008	Sick Pay	3,103.00	3,103.00	183.84	1,415.70	1,687.30
100-4000-512000	FICA	10,696.00	10,696.00	948.46	4,348.97	6,347.03
100-4000-512001	Medicare	2,396.00	2,396.00	221.82	1,017.10	1,378.90
100-4000-512002	SC Retirement	47,161.00	47,161.00	4,238.91	19,433.68	27,727.32
100-4000-512004	Group Health Insurance	28,704.00	28,704.00	1,811.11	8,952.07	19,751.93
100-4000-521004	Maintenance Contracts	61,000.00	61,000.00	0.00	0.00	61,000.00
100-4000-522001	Equipment and Machinery Repairs and Mai...	1,500.00	1,500.00	0.00	486.24	1,013.76
100-4000-522002	Vehicle Repairs and Maintenance	8,800.00	8,800.00	527.64	-143.32	8,943.32
100-4000-524000	Telephone and Communications	8,228.00	8,228.00	474.85	2,416.30	5,811.70
100-4000-526000	Uniform Rental	4,220.00	4,220.00	196.51	1,713.78	2,506.22
100-4000-531002	Shop Supplies and Materials	5,500.00	5,500.00	43.19	747.86	4,752.14
100-4000-531005	Meters Supplies and Appurtenances	120,900.00	120,900.00	0.00	0.00	120,900.00
100-4000-531008	Fuel	15,300.00	15,300.00	1,887.39	8,223.92	7,076.08
100-4000-531010	Inventory Parts & Supplies	219,290.00	219,290.00	11,456.13	93,394.37	125,895.63
100-4000-532000	Small Tools and Equipment	5,500.00	5,500.00	0.00	281.31	5,218.69
100-4000-550000	Professional Memberships and License Fees	320.00	320.00	0.00	50.00	270.00
100-4000-550001	Educational Seminars and Classes	7,020.00	7,020.00	817.07	2,166.70	4,853.30
100-4000-560010	Miscellaneous	750.00	750.00	0.00	118.96	631.04
100-4000-951004	Vehicles	7,500.00	7,500.00	0.00	0.00	7,500.00
Department: 4000 - Meter Total:		735,356.00	735,356.00	38,003.74	213,721.92	521,634.08
Department: 5000 - Filter Plant						
100-5000-511000	Regular Salaries and Wages	789,961.00	789,961.00	67,839.71	301,352.33	488,608.67
100-5000-511002	Overtime	34,152.00	34,152.00	3,519.15	10,969.63	23,182.37
100-5000-511008	Sick Pay	31,368.00	31,368.00	2,839.93	21,869.82	9,498.18
100-5000-512000	FICA	49,373.00	49,373.00	4,521.47	20,378.84	28,994.16
100-5000-512001	Medicare	11,060.00	11,060.00	1,057.45	4,766.07	6,293.93
100-5000-512002	SC Retirement	217,714.00	217,714.00	20,449.18	92,103.18	125,610.82
100-5000-512004	Group Health Insurance	131,000.00	131,000.00	9,727.44	42,256.45	88,743.55
100-5000-521003	Engineering Contracts and Services	20,000.00	20,000.00	0.00	0.00	20,000.00
100-5000-521004	Maintenance Contracts	57,405.00	57,405.00	11,658.80	15,276.01	42,128.99
100-5000-521005	Other Contractual Services	1,572.00	1,572.00	130.37	679.65	892.35
100-5000-522000	Building and Grounds Repairs and Mainten...	17,740.00	17,740.00	1,298.11	4,093.11	13,646.89
100-5000-522001	Equipment and Machinery Repairs and Mai...	2,500.00	2,500.00	0.00	0.00	2,500.00
100-5000-522002	Vehicle Repairs and Maintenance	4,000.00	4,000.00	84.87	413.55	3,586.45
100-5000-522004	Water Filtration System Repairs and Maint...	144,700.00	144,700.00	32,203.82	61,857.29	82,842.71
100-5000-523000	Electricity	186,840.00	186,840.00	15,385.09	89,693.30	97,146.70
100-5000-523001	Natural Gas	10,320.00	10,320.00	127.86	274.54	10,045.46
100-5000-524000	Telephone and Communications	15,850.00	15,850.00	1,232.39	6,144.34	9,705.66
100-5000-524004	Postage and Delivery Fees	650.00	650.00	443.93	633.08	16.92
100-5000-525000	Hauling and tipping fees	37,400.00	37,400.00	2,449.50	11,542.50	25,857.50
100-5000-526000	Uniform Rental	10,818.00	10,818.00	468.14	4,306.28	6,511.72
100-5000-526002	Other Rentals	2,270.00	2,270.00	100.00	603.08	1,666.92
100-5000-531000	Office Supplies	1,500.00	1,500.00	329.00	830.14	669.86
100-5000-531001	Janitorial and General Supplies	3,400.00	3,400.00	156.92	851.18	2,548.82
100-5000-531003	Safety Gear and Supplies	1,000.00	1,000.00	312.94	1,090.54	-90.54
100-5000-531006	Laboratory Supplies and Materials	62,400.00	62,400.00	5,284.83	19,598.56	42,801.44
100-5000-531007	Chemicals	417,050.00	417,050.00	20,787.74	188,196.55	228,853.45
100-5000-531008	Fuel	9,200.00	9,200.00	466.03	3,798.66	5,401.34
100-5000-532003	Computer Hardware and Software	1,750.00	1,750.00	0.00	0.00	1,750.00
100-5000-541000	Testing	10,660.00	10,660.00	250.00	827.40	9,832.60
100-5000-541002	Licenses, Permits & Fees	22,630.00	22,630.00	0.00	22,062.00	568.00
100-5000-550000	Professional Memberships and License Fees	2,395.00	2,395.00	50.00	590.00	1,805.00

Statement of Revenue and Expense

For Fiscal: 2023 - 2024 Period Ending: 11/30/2023

		Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100-5000-550001	Educational Seminars and Classes	17,970.00	17,970.00	4,076.22	7,377.58	10,592.42
100-5000-560010	Miscellaneous	2,500.00	2,500.00	203.38	1,412.93	1,087.07
100-5000-951004	Vehicles	3,500.00	3,500.00	0.00	0.00	3,500.00
Department: 5000 - Filter Plant Total:		2,332,648.00	2,332,648.00	207,454.27	935,848.59	1,396,799.41
Function: 1000 - Operating Expenses Total:		8,920,467.00	8,920,467.00	789,234.06	3,457,919.09	5,462,547.91
Function: 9500 - Non-Operating Expense						
Department: 9500 - Non-Operating Expense						
100-9500-710001	Debt Service Interest Expense	576,525.00	576,525.00	11,377.08	56,885.40	519,639.60
100-9500-710002	Capital Lease Interest Expense	51,612.00	51,612.00	57.54	339.46	51,272.54
Department: 9500 - Non-Operating Expense Total:		628,137.00	628,137.00	11,434.62	57,224.86	570,912.14
Function: 9500 - Non-Operating Expense Total:		628,137.00	628,137.00	11,434.62	57,224.86	570,912.14
Expense Total:		9,548,604.00	9,548,604.00	800,668.68	3,515,143.95	
Total Surplus (Deficit):		0.00	0.00	12,697.09	28,164.89	

Statement of Revenue and Expense

For Fiscal: 2023 - 2024 Period Ending: 11/30/2023

Group Summary

Department	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
Revenue					
Function: 0100 - Operating Revenue					
0100 - Operating Revenue	9,410,812.00	9,410,812.00	796,603.53	3,462,110.30	5,948,701.70
Function: 0100 - Operating Revenue Total:	9,410,812.00	9,410,812.00	796,603.53	3,462,110.30	5,948,701.70
Function: 9000 - Non-Operating Revenue					
9000 - Non-Operating Revenue	137,792.00	137,792.00	16,762.24	81,198.54	56,593.46
Function: 9000 - Non-Operating Revenue Total:	137,792.00	137,792.00	16,762.24	81,198.54	56,593.46
Revenue Total:	9,548,604.00	9,548,604.00	813,365.77	3,543,308.84	6,005,295.16
Expense					
Function: 1000 - Operating Expenses					
1000 - Administration	1,723,064.00	1,723,064.00	131,385.30	600,975.24	1,122,088.76
1001 - Human Resources	199,149.00	199,149.00	10,848.17	82,136.83	117,012.17
1002 - Information Services	612,390.00	612,390.00	93,254.84	325,068.75	287,321.25
1010 - Board of Commissioners	33,776.00	33,776.00	2,392.80	5,904.02	27,871.98
1998 - District-Wide Employee Support, Promotion & Retent	69,349.00	69,349.00	826.10	9,306.47	60,042.53
1999 - Operational Non-Departmental	892,181.00	892,181.00	71,295.23	351,610.45	540,570.55
2000 - Engineering	486,007.00	486,007.00	40,854.87	185,733.24	300,273.76
3000 - Distribution (Maintenance)	1,836,547.00	1,836,547.00	192,918.74	747,613.58	1,088,933.42
4000 - Meter	735,356.00	735,356.00	38,003.74	213,721.92	521,634.08
5000 - Filter Plant	2,332,648.00	2,332,648.00	207,454.27	935,848.59	1,396,799.41
Function: 1000 - Operating Expenses Total:	8,920,467.00	8,920,467.00	789,234.06	3,457,919.09	5,462,547.91
Function: 9500 - Non-Operating Expense					
9500 - Non-Operating Expense	628,137.00	628,137.00	11,434.62	57,224.86	570,912.14
Function: 9500 - Non-Operating Expense Total:	628,137.00	628,137.00	11,434.62	57,224.86	570,912.14
Expense Total:	9,548,604.00	9,548,604.00	800,668.68	3,515,143.95	6,033,460.05
Total Surplus (Deficit):	0.00	0.00	12,697.09	28,164.89	

Fund Summary

Fund	Original Total Budget	Current Total Budget	MTD Activity	YTD Activity	Budget Remaining
100 - Operations Fund	0.00	0.00	12,697.09	28,164.89	-28,164.89
Total Surplus (Deficit):	0.00	0.00	12,697.09	28,164.89	