

TOWN OF CHESTERFIELD  
Chesterfield, South Carolina

FINANCIAL STATEMENTS and  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2025

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TOWN OF CHESTERFIELD, SOUTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2025

Established 1872

MAYOR

John H. Bittle, III

TOWN COUNCIL MEMBERS

Nikki Cassidy

Lyndy Hudson

Shannon Justice

Latonya Myers

Fred D. Rivers

Derek Watson

TOWN ADMINISTRATOR

Cecil Kimrey

TOWN CLERK

Betty Lynn Watson

# CANTEY, TILLER, PIERCE & GREEN, LLP

*Certified Public Accountants*

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CAMDEN, SOUTH CAROLINA 29021

RICHARD C. TILLER, CPA  
JANET M. PIERCE, CPA  
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LORI G. KORNEGAY

LAUREN R. BAKER, CPA  
HEATHER ROBERTS  
RICHARD "CHIP" GALLOWAY, JR  
TRENT BARTELL

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AMERICAN INSTITUTE OF CPA'S

SOUTH CAROLINA ASSOCIATION OF CPA'S

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## INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Town Council  
Town of Chesterfield  
Chesterfield, South Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major funds and the aggregate remaining fund information of Town of Chesterfield, South Carolina as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major funds and the aggregate remaining fund information of Town of Chesterfield, South Carolina as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 Town of Chesterfield, South Carolina, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

The Town adopted GASB Statement No. 101, Compensated Absences, which significantly changed how the compensated absences liability is recognized and measured in the government-wide financial statements. Our opinion is not modified regarding this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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 Town of Chesterfield, South Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***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 opinions. 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 and *Government 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 Town of Chesterfield, South Carolina'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, which raise substantial doubt about Town of Chesterfield, South Carolina'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, budgetary comparison information, the schedule of Town's contributions and the schedule of Town's proportionate share of the net pension liability be presented to supplement the basic financial statements. Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to 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. Our opinion on the basic financial statements is not affected by this missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2025, on our consideration of Town of Chesterfield, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Town of Chesterfield, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Town of Chesterfield, South Carolina's internal control over financial reporting and compliance.

*Cantey, Tiller, Pierce and Green, LLP*

Cantey, Tiller, Pierce and Green, LLP  
Camden, South Carolina

December 19, 2025

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of NET POSITION  
June 30, 2025

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 4,401,376	\$ 1,752,071	\$ 6,153,447
Accrued Interest Receivable	7	5	12
Accounts Receivable, Net	105,560	199,275	304,835
Intergovernmental Receivables	20,349	-	20,349
Internal Balances	(17,062)	17,062	-
Other Assets	-	213	213
Total Current Assets	<u>4,510,230</u>	<u>1,968,626</u>	<u>6,478,856</u>
<b>NON-CURRENT ASSETS</b>			
<b>RESTRICTED ASSETS</b>			
Cash and Cash Equivalents	936,130	353,591	1,289,721
Customer Deposits Held in Trust	-	68,369	68,369
Total Restricted Assets	<u>936,130</u>	<u>421,960</u>	<u>1,358,090</u>
<b>CAPITAL ASSETS</b>			
Land and Construction in Progress	220,783	125,473	346,256
Other Capital Assets, Net of Accumulated Depreciation	1,247,393	3,486,427	4,733,820
Total Capital Assets	<u>1,468,176</u>	<u>3,611,900</u>	<u>5,080,076</u>
Total Non-Current Assets	<u>2,404,306</u>	<u>4,033,860</u>	<u>6,438,166</u>
Total Assets	<u>6,914,536</u>	<u>6,002,486</u>	<u>12,917,022</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pension Liability	276,267	-	276,267
Total Deferred Outflows of Resources	<u>276,267</u>	<u>-</u>	<u>276,267</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	138,950	172,298	311,248
Accrued Interest on Bonds Payable	-	3,842	3,842
Deferred Grant Revenue	-	1,085,500	1,085,500
Current Portion of Long-Term Obligations	28,005	64,348	92,353
Current Portion of Compensated Absences	14,243	-	14,243
Total Current Liabilities	<u>181,198</u>	<u>1,325,988</u>	<u>1,507,186</u>
<b>NON-CURRENT LIABILITIES</b>			
Compensated Absences	56,971	-	56,971
Liabilities Payable from Restricted Assets			
Customer Deposits	-	68,369	68,369
Net Pension Liability	843,795	-	843,795
Non-Current Portion of Long-Term Obligations	28,693	2,144,003	2,172,696
Total Non-Current Liabilities	<u>929,459</u>	<u>2,212,372</u>	<u>3,141,831</u>
Total Liabilities	<u>1,110,657</u>	<u>3,538,360</u>	<u>4,649,017</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension Liability	146,931	-	146,931
Unearned Revenue	11,643	-	11,643
Unearned Revenue Held in Restricted Assets	936,130	-	936,130
Total Deferred Inflows of Resources	<u>1,094,704</u>	<u>-</u>	<u>1,094,704</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,411,478	1,403,549	2,815,027
Restricted for:			
Debt Service	-	353,591	353,591
Unrestricted	3,573,964	706,986	4,280,950
Total Net Position	<u>\$ 4,985,442</u>	<u>\$ 2,464,126</u>	<u>\$ 7,449,568</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of ACTIVITIES  
For the Year Ended June 30, 2025

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
<b>Governmental Activities</b>							
General Government	\$ 335,413	\$ 526,905	\$ -	\$ 157,226	\$ 348,718	\$ -	\$ 348,718
Public Safety	929,447	83,340	-	-	(846,107)	-	(846,107)
Highways and Streets	427,459	-	-	-	(427,459)	-	(427,459)
Sanitation	376,828	313,241	-	-	(63,587)	-	(63,587)
Health and Welfare	157,172	200,529	-	-	43,357	-	43,357
Interest on Long-Term Debt	2,067	-	-	-	(2,067)	-	(2,067)
Total Governmental Activities	<u>2,228,386</u>	<u>1,124,015</u>	<u>-</u>	<u>157,226</u>	<u>(947,145)</u>	<u>-</u>	<u>(947,145)</u>
<b>Business-Type Activities:</b>							
Water and Sewer Charges	1,772,869	1,842,153	-	-	-	69,284	69,284
Total Business-Type Activities	<u>1,772,869</u>	<u>1,842,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,284</u>	<u>69,284</u>
Total Primary Government	<u>\$ 4,001,255</u>	<u>\$ 2,966,168</u>	<u>\$ -</u>	<u>\$ 157,226</u>	<u>(947,145)</u>	<u>69,284</u>	<u>(877,861)</u>
					<u>Primary Government</u>		
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property/Other Taxes					1,135,451	-	1,135,451
Franchise Taxes (Fees)					52,608	-	52,608
Unrestricted Investment Earnings					42,132	673	42,805
Loss on Disposal of Property					(29,346)	-	(29,346)
Miscellaneous					105,032	-	105,032
Total General Revenues					<u>1,305,877</u>	<u>673</u>	<u>1,306,550</u>
Change in Net Position					358,732	69,957	428,689
Net Position, Beginning of Year, As Restated					<u>4,626,710</u>	<u>2,394,169</u>	<u>7,020,879</u>
Net Position, End of Year					<u>\$ 4,985,442</u>	<u>\$ 2,464,126</u>	<u>\$ 7,449,568</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2025

	General	Special Revenue	Capital Projects	Total
<b>ASSETS</b>				
Cash on Hand and in Banks	\$ 4,033,790	\$ 14,710	\$ 352,876	\$ 4,401,376
Accrued Interest on Investments	6	1	-	7
Taxes and Other Accounts Receivable	105,560	-	-	105,560
Due from Other Funds	30,000	-	-	30,000
Due from Chesterfield/Cheraw Industrial Park	-	-	20,349	20,349
Restricted Assets				
Cash in Bank	936,130	-	-	936,130
<b>Total Assets</b>	<b>\$ 5,105,486</b>	<b>\$ 14,711</b>	<b>\$ 373,225</b>	<b>\$ 5,493,422</b>
<b>LIABILITIES, DEFERRED INFLOW and FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 137,950	\$ -	\$ 1,000	\$ 138,950
Due to Other Funds	-	-	47,062	47,062
<b>Total Liabilities</b>	<b>137,950</b>	<b>-</b>	<b>48,062</b>	<b>186,012</b>
Deferred Inflows of Resources				
Deferred Revenue	11,643	-	-	11,643
Deferred Revenue Held in Restricted Assets	936,130	-	-	936,130
<b>Total Deferred Inflows of Resources</b>	<b>947,773</b>	<b>-</b>	<b>-</b>	<b>947,773</b>
<b>FUND BALANCE</b>				
Restricted	-	14,711	325,163	339,874
Assigned	936,130	-	-	936,130
Unassigned	3,083,633	-	-	3,083,633
<b>Total Fund Balance</b>	<b>4,019,763</b>	<b>14,711</b>	<b>325,163</b>	<b>4,359,637</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 5,105,486</b>	<b>\$ 14,711</b>	<b>\$ 373,225</b>	<b>\$ 5,493,422</b>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET  
to the STATEMENT of NET POSITION  
June 30, 2025

Total Fund Balance for Governmental Funds	
Total Net Position reported for governmental activities in the statement of net position is different because:	\$ 4,359,637
Capital assets of \$4,688,351 net of accumulated depreciation of \$3,220,175, are not financial resources and, therefore, are not reported in the funds.	1,468,176
Deferred outflows and inflows related to the pension liability are applicable to future periods and therefore are not reported in the governmental funds:	
Deferred outflows-pension	276,267
Deferred inflows-pension	(146,931)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Governmental Leases Payable	\$ (56,698)
Net Pension Liability	(843,795)
Compensated Absences	<u>(71,214)</u>
	<u>(971,707)</u>
Total Net Position of Governmental Activities	<u>\$ 4,985,442</u>

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of REVENUES, EXPENDITURES and CHANGES in FUND BALANCE  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2025

	General	Special Revenue	Capital Projects	Total
<b>REVENUES</b>				
Taxes	\$ 1,135,451	\$ -	\$ -	\$ 1,135,451
Licenses and Permits	526,905	-	-	526,905
Intergovernmental Revenues	52,608	157,226	-	209,834
Charges for Services	513,770	-	-	513,770
Fines and Forfeitures	83,340	-	-	83,340
Miscellaneous	92,596	1,000	11,436	105,032
Interest Income	37,403	596	4,133	42,132
Total Revenues	<u>2,442,073</u>	<u>158,822</u>	<u>15,569</u>	<u>2,616,464</u>
<b>EXPENDITURES</b>				
Current:				
General Government	337,574	-	3,286	340,860
Public Safety	828,387	-	-	828,387
Highways and Streets	398,706	-	-	398,706
Sanitation	367,557	-	-	367,557
Health and Welfare	54,673	100,140	-	154,813
Capital Outlay	143,650	57,768	-	201,418
Debt Service				
Principal	63,080	-	-	63,080
Interest	2,067	-	-	2,067
Total Expenditures	<u>2,195,694</u>	<u>157,908</u>	<u>3,286</u>	<u>2,356,888</u>
<b>EXCESS (DEFICIENCY) of REVENUES OVER (UNDER) EXPENDITURES</b>	<b>246,379</b>	<b>914</b>	<b>12,283</b>	<b>259,576</b>
FUND BALANCE, Beginning of Year	<u>3,773,384</u>	<u>13,797</u>	<u>312,880</u>	<u>4,100,061</u>
FUND BALANCE, End of Year	<u>\$ 4,019,763</u>	<u>\$ 14,711</u>	<u>\$ 325,163</u>	<u>\$ 4,359,637</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

RECONCILIATION of the GOVERNMENTAL FUNDS STATEMENT of REVENUES, EXPENDITURES,  
and CHANGES in FUND BALANCE to the STATEMENT of ACTIVITIES  
For the Year Ended June 30, 2025

Net Changes in Fund Balance - Total Governmental Funds

The change in net position reported for governmental activities in the statement of activities is different because: \$ 259,576

Governmental funds report capital as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$185,414 was less than net capital outlays of \$201,418. 16,004

Governmental funds report only the proceeds on sale of assets. However, in the statement of activities, the gain or loss on the sale of assets is reported. The difference is the net book value of the asset disposed. (29,346)

The proceeds of debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the statement of net position. The amount of debt repayments for the period is \$63,080. 63,080

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

Net increase in compensated absences (11,691)

Net decrease in net pension related net liabilities 61,109

Changes in Net Position of Governmental Activities \$ 358,732

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of NET POSITION – PROPRIETARY FUNDS  
June 30, 2025

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,752,071
Water and Sewer Accounts Receivable, Net	116,126
Grants Receivable	83,149
Due from Other Funds	17,062
Other Assets	218
Total Current Assets	1,968,626
NON-CURRENT ASSETS	
RESTRICTED ASSETS	
Cash-Reserve Bond	353,591
Cash-Customer Deposits	68,369
Total Restricted Assets	421,960
CAPITAL ASSETS	
Land	125,473
Improvements	6,083,528
Vehicles	99,539
Water System	3,577,576
Sub-Total	9,886,116
Less Accumulated Depreciation	6,274,216
Total Capital Assets	3,611,900
Total Non-Current Assets	4,033,860
Total Assets	6,002,486
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	172,298
Accrued Interest Payable	3,842
Deferred Grant Revenue	1,085,500
Serial Bonds Payable, Current	64,348
Total Current Liabilities	1,325,988
NON-CURRENT LIABILITIES	
Liabilities Payable from Restricted Assets	
Customers' Deposits	68,369
Serial Bonds Payable, Non-Current	2,144,003
Total Non-Current Liabilities	2,212,372
Total Liabilities	3,538,360
NET POSITION	
Net Investment in Capital Assets	1,403,549
Restricted for Debt Service	353,591
Unrestricted	706,986
Total Net Position	\$ 2,464,126

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of REVENUES, EXPENSES and CHANGES in NET POSITION -  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2025

<b>OPERATING REVENUES</b>	
Water Charges	\$ 531,969
Sewer Service Charges	597,421
Tap-On Fees and Reconnect Charges	36,693
Grant Revenues	672,959
Miscellaneous	3,111
Total Operating Revenues	1,842,153
 <b>OPERATING EXPENSES</b>	
Supplies	461,919
Utilities and Telephone	30,113
Professional Services	441,861
Miscellaneous	470,616
Depreciation	280,033
Total Operating Expenses	1,684,542
Operating Income	157,611
 <b>NON-OPERATING INCOME (EXPENSE)</b>	
Investment Income	673
Interest Expense	(88,327)
Total Non-operating Income (Expense)	(87,654)
Net Loss	69,957
NET POSITION, Beginning of Year	2,394,169
NET POSITION, End of Year	\$ 2,464,126

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2025

CASH FLOWS from OPERATING ACTIVITIES:	
Cash Received from Customers and Others	\$ 1,839,307
Cash Payments to Suppliers for Goods and Services	(236,878)
Net Cash Provided by Operating Activities	<u>1,602,429</u>
CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES:	
Net Purchase of Assets	(243,464)
Principal Paid on Revenue Bonds	(61,749)
Interest Paid on Bonds	(88,327)
Net Cash Used in Capital and Related Financing Activities	<u>(393,540)</u>
CASH FLOWS from INVESTING ACTIVITIES:	
Interest on Investments	673
Net Cash Provided by Investing Activities	<u>673</u>
Net Increase in Cash and Cash Equivalents	1,209,562
Cash and Cash Equivalents at Beginning of Year	964,469
Cash and Cash Equivalents at End of Year	<u>\$ 2,174,031</u>
Unrestricted Cash	\$ 1,752,071
Restricted Cash	421,960
	<u>\$ 2,174,031</u>
RECONCILIATION of OPERATING INCOME to NET	
CASH PROVIDED by OPERATING ACTIVITIES:	
Operating Income	\$ 157,611
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	280,033
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Assets	
Accounts Receivable	(1,496)
Grants Receivable	(1,200)
Other Assets	(150)
Increase (Decrease) in Current Liabilities	
Accounts Payable	81,486
Accrued Interest Payable	(103)
Customer Deposits	748
Deferred Grant Revenue	1,085,500
Net Cash Provided by Operating Activities	<u>\$ 1,602,429</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

NOTES TO FINANCIAL STATEMENTS  
June 30, 2025

NOTE 1 SUMMARY of ACCOUNTING POLICIES

The Town of Chesterfield was incorporated February 5, 1872, under a charter granted by the Secretary of State of South Carolina. On June 22, 1976, the Town adopted the mayor-council form of government under the provisions of Section 47-20 of the South Carolina Code of Laws, as amended. A new certificate of incorporation was issued on that date. The Town provides the following services as authorized by its charter: public safety (police and fire), street and sanitation, health and welfare, water and sewer and general administrative services.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town is discussed below.

A. Reporting Entity

The financial statements of the Town consist only of the funds of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

B. Basic Financial Statements - Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Town's public safety, streets and sanitation, health and welfare, and general administrative services are classified as governmental activities. The Town's utility services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales taxes, intergovernmental revenues, interest income, etc.).

The Town does not allocate indirect costs. This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town.

- a. General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital projects are used to account for financial resources to be used for the acquisition and development of capital facilities (other than those financed by proprietary funds).

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Town:

- a. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

D. Basis of Accounting

The government-wide statement reports using the economic resources measurement focus and the accrual basis of accounting generally include the reclassification or elimination of internal activity (between or within funds). Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial recourses measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include sales and use taxes, motel taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements include revenues and expenses related to the primary, continuing operations of the fund. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

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

E. Budgets and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the year for the General and Water and Sewer Funds. The General Fund Budget is adopted on a basis substantially consistent with the basis of accounting utilized by that fund. The Water and Sewer Fund budget is adopted on the cash basis.

The Town Council approves by ordinance the budget appropriations by department. Unused appropriations lapse at the end of the year.

The Town does not utilize a formal method of encumbrance accounting and reporting.

The Town has not presented budget information for special revenue funds and capital project funds since budgetary control is maintained on an individual grant basis. Due to timing, this information may not be meaningful.

F. Cash and Investments

For purposes of cash flows, the Town considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Investment Credit Risk - The Town has no investment policy that limits its investment choices other than the limitation of state law. The State of South Carolina General Statutes permits the Town to invest in the following types of instruments:

1. Obligations of the United States, and its agencies, the principal and interest of which is fully guaranteed by the United States.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

2. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to the refinement or graduation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
3. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or graduation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
4. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
5. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificate of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
6. Repurchase agreements when collateralized by securities as set forth in this section.
7. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), (3), and (6) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

G. Inventory

The proprietary fund inventory consists primarily of chemicals and supplies which are recorded at lower of cost or market.

H. Receivables and Allowance for Uncollectible Accounts

The Town positively enforces the property tax collection policies described in Note 1-J.; thus, all property taxes receivable is expected to be fully collectible. Allowance for uncollectible accounts receivable in the enterprise fund at year end is \$4,393 at June 30, 2025.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets, Depreciation and Amortization

Capital assets are stated at historical cost or estimated historical cost. Donated capital assets are stated at their fair value on the date donated. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	20 - 60 Years
Mobile Equipment	5 Years
Furniture, Fixtures and Equipment	5 Years

No valuation has been made of plant assets in existence prior to the improvements under the 1960 bond issue and plant assets acquired by the Town prior to May 1, 1949. It is estimated that these assets are fully depreciated at, or prior to June 30, 2025. Depreciation is computed on the known improvements to the system since 1960 and system assets acquired by the Town since May 1, 1949. Cost of extensions to the system is based on estimates by the water superintendent since no records are maintained for the installation of each tap.

The capitalized cost of assets includes not only purchase price or construction cost, but also ancillary charges (such as site preparation and professional fees) and construction-period interest.

J. Revenue Recognition - Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on real property. Assessment is made by Chesterfield County. The Town provides the County with the tax levy, and the County prints the tax notices for the Town. The tax levy for 2023 was 145 mills. Property taxes are due January 15, with a 15% penalty added January 16. Notice of Levy to Taxes is sent by certified mail to delinquent taxpayers May 1. After May 1, additional costs of collection are added. Property is duly advertised for three consecutive weeks in July and sold for taxes, penalties, and costs of sales on the first Monday in August.

Property tax revenues are recognized when they become available. Available includes those property taxes expected to be collected within sixty days after year end.

K. Compensated Absences

The government recognizes a liability for compensated absences that is more likely than not to be used or paid, provided the leave is attributable to services already rendered and accumulates over time. Compensated absences include vacation leave, sick leave, and other paid time off (PTO). The liability is measured based on the employee's current pay rate as of the financial statement date. Salary-related payments, such as FICA, Medicare taxes, and workers' compensation, are included in the liability measurement.

As of June 30, 2025, the liability for compensated absences was \$71,214.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town has one item that meets these criterion-- pension-related deferrals. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has several items that meets these criteria—deferred revenue and pension-related deferrals.

M. Net Position

Net position is classified and presented in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and amortization, and reduced by the outstanding balances of any mortgages, notes payable, or other borrowings, that are attributable to the acquisitions, construction, or improvement of those assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other assets that do not meet the definition of “restricted” or “invested in capital assets.”

N. Fund Balance

The Town has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on government’s fund balance more transparent. The following classification describes the relative strength of the spending constraints placed on the purpose for which resources can be used:

- Nonspendable fund balance—amounts that are not in a spendable form (such as inventory and prepaid) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance—amounts constrained to specific purpose by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes same highest-level action to remove or change the constraint.
- Assigned fund balance—amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose; positive amounts are reported only in the general fund.
- When both restricted and unrestricted resources are available for use, it is the Town’s policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

O. General Obligation Bonded Debt Service

The Town levies and collects annually upon all taxable property in the Town an ad valorem tax sufficient to pay the principal of and interest on its general obligation bonds as they respectively mature. The projected annual requirement takes into consideration the following items: the beginning fund balance available, the maintenance of an adequate ending balance, and the maintenance of an allocation rate large enough to satisfy the minimum amounts prescribed by the bond ordinances.

P. Accounting Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the Town's management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Q. Grants

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 2 CASH AND INVESTMENTS

Deposits are shown at carrying value at June 30, 2025, as follows:

	1	2	3	Bank Balance	Total Carrying Amount
Checking Accounts	\$ 370,544	\$ 674,527	\$ -	\$ 1,045,071	\$ 1,133,980
Savings Accounts	500,000	3,410,482	-	3,910,482	3,911,084
Certificates of Deposit	-	2,027,743	-	2,027,743	2,027,743
Investments in SCLGIP (Defined Below)	-	438,190	-	438,190	438,190
	<u>\$ 870,544</u>	<u>\$ 6,550,942</u>	<u>\$ -</u>	<u>\$ 7,421,486</u>	7,510,997
Cash on Hand and Other					540
					<u>\$ 7,511,537</u>

The Town's deposits are categorized to indicate the level of risk assumed by the Town at year end. Category 1 includes deposits that are insured or collateralized with securities held by the government or its agent in the government's name. Category 2 includes deposits that are collateralized with securities held by pledging financial institution's trust department or agent in the government's name. Category 3 includes uncollateralized deposits or deposits collateralized with securities held by the pledging financial institution or its trust department or agent but not in the Town's name.

Custodial Risk-Deposits - Deposits in financial institutions, reported as components of cash and cash equivalents, had a bank balance of \$7,421,486 as of June 30, 2025, of which \$1,682,960 was uninsured and \$5,738,526 was insured by depository insurance or secured with collateral held in the Town's name by its agent.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

A reconciliation of cash and cash equivalents at June 30, 2025 as shown in the combined Statement of Net Position for the primary government follows:

Petty Cash and Other	\$ 540
Carrying Amount of Deposits	<u>7,510,997</u>
Total	<u>\$ 7,511,537</u>
Cash and Cash Equivalents	\$ 6,153,447
Cash and Cash Equivalents - Restricted	<u>1,358,090</u>
Total	<u>\$ 7,511,537</u>

The Town has certain funds invested within the South Carolina Local Government Investment Pool (SCLGIP). The SCLGIP is an investment trust fund, created by state legislation, in which public monies under the custody of any political subdivision in excess of current needs may be deposited. The SCLGIP is permitted to purchase obligations of the United States, its agencies and instrumentalities, and any corporation within the United States if such obligations bear any of the three highest ratings of at least two nationally recognized rating services. The SCLGIP is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for Liquidity; attention to credit quality, portfolio diversification and maintenance of a short average maturity of fixed and floating rate investments.

NOTE 3 FAIR VALUE MEASUREMENTS

*Fair Value Measurements* establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Board has the ability to access.

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 inactive 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.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025.

*S.C. Local Government Investment Pool (SCLGIP)*. Fair value substantially equivalent to the value of the pool shares.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Board believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments	Level 1	Level 2	Level 3	Total
SCLGIP	\$ -	\$ 438,190	\$ -	\$ 438,190

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
GOVERNMENTAL ACTIVITIES:				
Capital Assets not Being Depreciated:				
Land and Improvements	\$ 249,129	\$ 1,000	\$ (29,346)	\$ 220,783
Total Capital Assets not Being Depreciated	249,129	1,000	(29,346)	220,783
Other Capital Assets:				
Land Improvements	29,993	-	-	29,993
Buildings and Improvements	1,290,855	-	-	1,290,855
Equipment	1,174,964	11,943	-	1,186,907
Furniture and Fixtures	102,531	-	-	102,531
Automotive Equipment	825,895	107,825	-	933,720
Streets, Sidewalks, Etc.	842,912	80,650	-	923,562
Total Other Capital Assets at Historical Cost	4,267,150	200,418	-	4,467,568
Less Accumulated Depreciation for:				
Buildings and Improvements	(650,657)	(29,858)	-	(680,515)
Equipment	(1,022,537)	(40,572)	-	(1,063,109)
Furniture and Fixtures	(77,011)	(5,436)	-	(82,447)
Automotive Equipment	(555,255)	(83,657)	-	(638,912)
Land Improvements	(29,993)	-	-	(29,993)
Streets, Sidewalks, Etc.	(699,308)	(25,891)	-	(725,199)
Total Accumulated Depreciation	(3,034,761)	(185,414)	-	(3,220,175)
Other Capital Assets, Net Governmental Activities	1,232,389	15,004	-	1,247,393
Capital Assets, Net	\$ 1,481,518	\$ 16,004	\$ (29,346)	\$ 1,468,176

NOTE 4 CAPITAL ASSETS (CONTINUED)

BUSINESS-TYPE ACTIVITIES:

Capital Assets not Being  
Depreciated:

Construction in Progress	\$ -	\$ 89,500	\$ -	\$ 89,500
Land and Improvements	35,973	-	-	35,973
Total Capital Assets not Being Depreciated	35,973	89,500	-	125,473

Other Capital Assets:

Improvements	6,083,528	-	-	6,083,528
Vehicles	36,045	63,494	-	99,539
Water System	3,487,106	90,470	-	3,577,576

Total Other Capital Assets at Historical Cost	9,606,679	153,964	-	9,760,643
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Less Accumulated Depreciation	(5,994,182)	(280,034)	-	(6,274,216)
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Other Capital Assets, Net	3,612,497	(126,070)	-	3,486,427
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Business-Type Activities

Capital Assets, Net	\$ 3,648,470	\$ (36,570)	\$ -	\$ 3,611,900
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Depreciation expense for the year ended June 30, 2025, was charged to functions as follows:

GOVERNMENT ACTIVITIES:

General Government	\$ 43,971
Public Safety	101,060
Highways and Streets	28,753
Sanitation	9,271
Health and Welfare	2,359
Total Governmental Activities Depreciation Expense	<u>\$ 185,414</u>

BUSINESS-TYPE ACTIVITIES:

Water and Sewer System	\$ 280,034
Total Business-Type Activities Depreciation Expense	<u>\$ 280,034</u>

NOTE 5 CHANGES IN LONG-TERM DEBT-PROPRIETARY FUND

The following is a summary of the long-term liability activity of the proprietary fund for the year ended June 30, 2025:

	Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Payable Within One Year
<u>Serial Bonds Payable</u>					
1994 Revenue Bond payable to FmHA in monthly installments of \$2,356 and maturing November, 2034, including interest at 5.25%	\$ 226,460	\$ -	\$ 16,782	\$ 209,678	\$ 17,683
2011A Revenue Bond Payable to USDA in monthly payments of \$919 and maturing May 13, 2051, including interest at 4.375%	172,522	-	3,550	168,972	3,720
2011B Revenue Bond Payable to USDA in monthly payments of \$9,240 and maturing June 13, 2051, including interest at 3.75%	1,871,118	-	41,417	1,829,701	42,945
Sub-Total	<u>2,270,100</u>	<u>-</u>	<u>61,749</u>	<u>2,208,351</u>	<u>64,348</u>
Total Proprietary Fund Long-Term Debt	<u>\$ 2,270,100</u>	<u>\$ -</u>	<u>\$ 61,749</u>	<u>\$ 2,208,351</u>	<u>\$ 64,348</u>

	Totals	
	Principal	Interest
2026	\$ 64,348	\$ 85,832
2027	67,104	83,076
2028	69,981	80,199
2029	72,984	77,196
2030	76,119	74,061
2031-2035	415,989	318,429
2036-2040	368,469	241,071
2041-2045	443,530	164,010
2046-2051	629,827	72,259
Total	<u>\$ 2,208,351</u>	<u>\$ 1,196,133</u>

The Town has complied with all significant covenants.

NOTE 6 CHANGES in GOVERNMENTAL FUND DEBT

A summary of the governmental fund debt as June 30, 2025 is as follows:

Lease Obligation Payable, \$29,400 Annually at 2.46% Interest, Matures 6/30/27	\$ 56,698
Total Bonds, Notes and Lease Obligations Payable	<u>56,698</u>
Liability for Compensated Absences	<u>71,214</u>
Total Governmental Fund Long-Term Debt	<u><u>\$ 127,912</u></u>

The following is a summary of the governmental fund debt activity for the year ended June 30, 2025:

	Balance			Payable	
	6/30/2024	Additions	Deductions	Balance 6/30/2025	Within One Year
Capital Leases	\$ 119,778	\$ -	\$ 63,080	\$ 56,698	\$ 28,005
Total Bonds, Notes, and Leases Payable	119,778	-	63,080	56,698	28,005
Compensated Absences	59,523	11,691	-	71,214	14,243
Total Governmental Activities Long-Term Debt	<u>\$ 179,301</u>	<u>\$ 11,691</u>	<u>\$ 63,080</u>	<u>\$ 127,912</u>	<u>\$ 42,248</u>

The annual debt service requirements to maturity, including principal and interest as of June 30, 2025 are as follows:

	Lease Obligation		Total	
	2017 Fire Truck		Principal	Interest
	Principal	Interest	Principal	Interest
2026	\$ 28,005	\$ 1,395	\$28,005	\$ 1,395
2027	28,693	706	28,693	706
Total	<u>\$ 56,698</u>	<u>\$ 2,101</u>	<u>\$56,698</u>	<u>\$ 2,101</u>

NOTE 7 INTERFUND RECEIVABLES and PAYABLE

The following is a summary of amounts due from and due to other funds at June 30, 2025:

	Net Due From Governmental Activities	Net Due to Business-Type Activities
General	\$ 30,000	\$ -
Special Revenue	-	-
Capital Projects	<u>(47,062)</u>	<u>17,062</u>
	<u>\$ (17,062)</u>	<u>\$ 17,062</u>

NOTE 8 COMPONENTS OF RESTRICTED ASSETS

Certain assets of the Town have been restricted for debt service, and customer deposits. These assets, which consist of cash and short-term investments at June 30, 2025 were as follows:

	General Fund	Proprietary Fund Type
Restricted Assets		
Reserve for Victim Assistance and Fines	\$ 6,407	\$ -
Reserve for Hospitality Tax	673,832	-
Local Option Sale Tax	253,386	-
Bail Bonds Deposited	2,505	-
Customer Deposits	-	68,369
Reserve for Cushion	-	353,591
Total Restricted Assets	<u>\$ 936,130</u>	<u>\$ 421,960</u>
Payable from Restricted Assets	<u>\$ 936,130</u>	<u>\$ 421,960</u>

NOTE 9 RETIREMENT PLANS

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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 PEBA's website at [www.peba.sc.gov](http://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 a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

## NOTE 9 RETIREMENT PLANS (CONTINUED)

### Plan Descriptions

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, and participating charter schools, public higher education institutions, other participating local subdivisions of government, and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

### 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 and teachers and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

### 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/current annual salary. A brief summary of the benefit terms for each system is presented below.

## NOTE 9 RETIREMENT PLANS (CONTINUED)

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

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

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

The 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.

### Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS 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. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation include a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

NOTE 9 RETIREMENT PLANS (CONTINUED)

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS 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 and PORS 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 and PORS may not be decreased until the plans are at least 85 percent funded.

Required employer and employee contribution rates are as follows:

	<u>SCRS Rates</u>	<u>PORS Rates</u>
Employer Contribution Rate		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.15%	0.20%
Accidental Death Contributions	0.00%	0.20%
Total	<u>18.56%</u>	<u>21.24%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.75%</u>

The required contributions and percentages of amounts contributed to the Plans were as follows:

Year Ended	<u>SCRS Contributions</u>		<u>PORS Contributions</u>		Total
	Required	%Contributed	Required	%Contributed	
June 30					
2025	\$ 63,005	100%	\$ 62,740	100%	\$ 125,745

Eligible payrolls covered under the Plans were as follows:

Year Ended	<u>SCRS Payroll</u>	<u>PORS Payroll</u>	<u>Total</u>
June 30			
2025	\$ 339,466	\$ 295,386	\$ 634,852

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2023. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

NOTE 9 RETIREMENT PLANS (CONTINUED)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

	SCRS	PORS
Actuarial cost method	Entry Age	Entry Age
Actuarial assumptions:		
Investment rate of return	7.0%	7.0%
Projected salary increases	3.0% to 11% (Varies by service)	3.5% to 10.5% (Varies by service)
Includes inflation at	2.25%	2.25%
Benefit adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

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 determination of the June 30, 2024, TPL 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 NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Position Liability(Asset)	Plan Fiduciary Net Position as a % of the Total Pension Liability
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
PORS	\$ 10,177,904,231	\$ 7,178,118,865	\$ 2,999,785,366	70.5%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 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 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

NOTE 9 RETIREMENT PLANS (CONTINUED)

At June 30, 2025, the Town reported a liability of \$452,151 and \$391,644 for its proportionate share of the net pension liability for the SCRS and PORS, respectively. The net pension liability was measured as of July 1, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The Town's proportion was .0019% for the SCRS and .0131% for the PORS.

For the year ended June 30, 2025, the Town recognized pension expense of \$21,387 and \$43,251 for SCRS and PORS, respectively. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 146,931
Liability Experience	150,522	-
Town Contributions Subsequent to the Measurement Date	125,745	-
Total	<u>\$ 276,267</u>	<u>\$ 146,931</u>

The \$125,745 of deferred outflows of resources resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Measurement Period <u>Year Ended June 30,</u>	<u>Fiscal Year Ended June 30</u>	
2025	2026	\$ (15,508)
2026	2027	29,406
2027	2028	74
2028	2029	(10,381)
		<u>\$ 3,591</u>

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 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.

NOTE 9 RETIREMENT PLANS (CONTINUED)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bond	26.0%	2.60%	0.68%
Private Equity	9.0%	9.60%	0.86%
Private Debt	7.0%	6.90%	0.48%
Real Assets	<b>12.0%</b>		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Real Return	100%		5.49%
Inflation for Actuarial Purposes			2.25%
			<b>7.74%</b>

Discount Rate

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	\$ 585,937	\$ 452,151	\$ 328,945
PORS	567,417	391,644	247,677

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Annual Comprehensive Financial Report (ACFR).

**NOTE 10 SHARED GRANT with TOWN of CHESTERFIELD**

In an effort to attract quality industry into the Chesterfield/Chesterfield area, the two Towns applied for a joint grant where they could combine their efforts and resources to develop an industrial park project primarily by developing infrastructure for water and sewer. The portion attributed to the Town of Chesterfield is reported under "Capital Projects Funds".

**NOTE 11 RISK MANAGEMENT**

The Town is participating in a Public Entity Risk Pools for Property and Casualty Insurance. The Town has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund ("SCMIRF") and the South Carolina Municipal Insurance Trust ("SCMIT"), which are public entity risk pools currently operating as a common risk management and insurance program for general risk insurance and workers compensation, respectively. The Town pays an annual premium to SCMIRF for its general risk insurance. For the year ended June 30, 2025, the Town made premium payments totaling approximately \$22,536. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF's net position from its most recently issued audited financial statements at December 31, 2024 totaled approximately \$15,434,375. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The Town pays an annual premium to SCMIT for its workers compensation insurance. For the year ended June 30, 2025, the Town made premium payments totaling approximately \$85,754. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's net position from its most recently issued audited financial statements at December 31, 2024 totaled approximately \$45,641,906. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

**NOTE 12 CONTINGENT LIABILITIES AND COMMITMENTS**

The Town is periodically the subject of litigation by a variety of plaintiffs. The Town's management believes that such amounts claimed by these plaintiffs, net of the applicable insurance coverage, are immaterial.

The Town receives financial assistance from various federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements included herein or on the overall financial position of the Town at June 30, 2025.

**NOTE 13 SUBSEQUENT EVENTS**

The Town evaluated all events or transactions that occurred after June 30, 2025, through the date of December 19, 2025 when the Town issued these financial statements. During this period, the Town did not have any material subsequent events that required recognition in the Town's disclosures to the June 30, 2025, financial statements.

## NOTE 14 RESTATEMENT of NET POSITION

Effective for the fiscal year ended June 30, 2025, the Town implemented GASB Statement No. 101, Compensated Absences. This Statement requires recognition of a liability for compensated absences when (1) the absence is attributable to services already rendered, (2) it accumulates and carries forward to future reporting periods, and (3) it is not contingent on a future event (such as illness).

Previously, the Town recognized a liability for compensated absences when amounts vested or were payable upon termination. Implementation of GASB 101 expanded recognition to include certain non-vesting sick leave.

The Government adopted GASB 101 using the modified retrospective approach as prescribed by GASB Statement No. 100, Accounting Changes and Error Corrections. Accordingly, the cumulative effect of adoption is reported as an adjustment to the beginning balances of net position as of July 1, 2024.

The change to the beginning net position is as follows:

	Governmental Activities Net Position
Enging Balance Per Fiscal Year 2024 Audit before Restatement	\$ 4,644,488
Effect of GASB 101 Implementation	(17,778)
Balance, Restated	<u>\$ 4,626,710</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES, EXPENDITURES and CHANGES in  
FUND BALANCE - BUDGET (GAAP BASIS) and ACTUAL  
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 1,088,841	\$ 1,088,841	\$ 1,135,451	\$ 46,610
Licenses and Permits	414,410	414,410	526,905	112,495
Intergovernmental Revenues	60,000	60,000	52,608	(7,392)
Charge for Services	504,600	504,600	513,770	9,170
Fines and Forfeits	64,000	64,000	83,340	19,340
Miscellaneous	2,130	2,130	92,596	90,466
Interest Income	6,000	6,000	37,403	31,403
Total Revenues	2,139,981	2,139,981	2,442,073	302,092
<b>EXPENDITURES</b>				
General Government	339,585	339,585	337,574	2,011
Public Safety	738,031	738,031	828,387	(90,356)
Highways and Streets	436,108	436,108	398,706	37,402
Sanitation	347,340	347,340	367,557	(20,217)
Health and Welfare	143,919	143,919	54,673	89,246
Capital Outlay	20,017	20,017	143,650	(123,633)
Debt Service				
Principal	114,981	114,981	63,080	51,901
Interest	-	-	2,067	(2,067)
Total Expenditures	2,139,981	2,139,981	2,195,694	(55,713)
<b>EXCESS of REVENUES over EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	246,379	<b>\$ 246,379</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>3,773,384</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 4,019,763</b>	

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

SCHEDULE of TOWN'S CONTRIBUTIONS  
South Carolina Retirement System  
Years Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily Required Contributions	\$ 125,745	\$ 103,874	\$ 90,841	\$ 84,122	\$ 71,485	\$ 78,708	\$ 71,608	\$ 60,987	\$ 56,231	\$ 51,937
Contributions in Relation to Statutorily Required Contributions	<u>125,745</u>	<u>103,874</u>	<u>90,841</u>	<u>84,122</u>	<u>71,485</u>	<u>78,708</u>	<u>71,608</u>	<u>60,987</u>	<u>56,231</u>	<u>51,937</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reporting Unit's Covered-Employee Payroll	<u>\$ 634,852</u>	<u>\$ 522,479</u>	<u>\$ 479,348</u>	<u>\$ 470,634</u>	<u>\$ 423,565</u>	<u>\$ 469,263</u>	<u>\$ 459,592</u>	<u>\$ 417,686</u>	<u>\$ 446,120</u>	<u>\$ 436,670</u>
Contributions as a Percentage of Covered Employee Payroll	19.8%	19.9%	19.0%	17.9%	16.9%	16.8%	15.6%	14.6%	12.6%	11.9%

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN OF CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

SCHEDULE of TOWN'S PROPORTIONATE  
SHARE of the NET PENSION LIABILITY  
South Carolina Retirement System  
Years Ended June 30,

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Reporting Unit's Proportion of South Carolina Retirement System Net Pension Liability (%)	0.0019%	0.0018%	0.0020%	0.0019%	0.0023%	0.0026%	0.0024%	0.0026%	0.0029%	0.0029%
Reporting Unit's Proportion of Police Officers Retirement System Net Pension Liability (%)	0.0131%	0.0142%	0.0146%	0.0138%	0.0140%	0.0130%	0.0127%	0.0140%	0.0125%	0.0137%
Reporting Unit's Proportionate Share of Net Pension Liability	<u>\$ 843,795</u>	<u>\$ 873,142</u>	<u>\$ 925,628</u>	<u>\$ 768,564</u>	<u>\$ 1,063,177</u>	<u>\$ 958,543</u>	<u>\$ 882,386</u>	<u>\$ 958,493</u>	<u>\$ 928,662</u>	<u>\$ 856,579</u>
Reporting Unit's Covered Employee Payroll	<u>\$ 634,852</u>	<u>\$ 522,479</u>	<u>\$ 479,348</u>	<u>\$ 470,634</u>	<u>\$ 423,565</u>	<u>\$ 469,263</u>	<u>\$ 459,592</u>	<u>\$ 417,686</u>	<u>\$ 446,120</u>	<u>\$ 436,670</u>
Reporting Unit's Proportionate Share of Net Pension Liability as a Percentage of its Covered Employee Payroll (%)	132.9%	167.1%	193.1%	163.3%	251.0%	204.3%	192.0%	229.5%	208.2%	196.2%

The Accompanying Notes are an Integral Part of These Financial Statements

SUPPLEMENTAL INFORMATION (OPTIONAL)

GENERAL FUND

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES and EXPENDITURES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual (Unfavorable)	Variance Favorable
<b>REVENUES</b>				
<u>Property Tax</u>				
Current Property Tax	\$ 354,000	\$ 354,000	\$ 290,899	\$ (63,101)
Vehicle Taxes	37,800	37,800	48,569	10,769
Homestead Exemption	35,500	35,500	35,725	225
Local Option Sales Tax	300,000	300,000	340,883	40,883
Local Accommodation Tax	1,500	1,500	1,332	(168)
Motor Carrier Tax	178,041	178,041	249,655	71,614
Manufacturing Tax Exemption	12,000	12,000	18,905	6,905
Local Hospitality Tax	170,000	170,000	149,483	(20,517)
Total Property Tax	<u>1,088,841</u>	<u>1,088,841</u>	<u>1,135,451</u>	<u>46,610</u>
<u>License and Franchise Fees</u>				
Business License Insurance	210,000	210,000	269,890	59,890
Business and Professional Licenses	42,000	42,000	67,971	25,971
Business License - Telecommunications	7,500	7,500	6,277	(1,223)
Business License - Broker Tax	18,000	18,000	8,706	(9,294)
Business License - Contract	4,000	4,000	22,485	18,485
Traffic Safety	5,000	5,000	5,000	-
Progress Energy Agreement	113,700	113,700	134,579	20,879
Lynches River Agreement	5,210	5,210	5,058	(152)
Sandhill Telephone	9,000	9,000	6,939	(2,061)
Total License and Franchise Fees	<u>414,410</u>	<u>414,410</u>	<u>526,905</u>	<u>112,495</u>
<u>State Shared Revenue</u>				
Merchant Inventory Tax	6,000	6,000	8,078	2,078
State Shared	37,000	37,000	35,046	(1,954)
Accommodations Tax	17,000	17,000	9,484	(7,516)
Total State Shared Revenue	<u>60,000</u>	<u>60,000</u>	<u>52,608</u>	<u>(7,392)</u>
<u>Fire Protection</u>				
Fire Protection	170,000	170,000	170,065	65
Total Fire Protection	<u>170,000</u>	<u>170,000</u>	<u>170,065</u>	<u>65</u>
<u>Garbage Fees</u>				
Garbage Fees	306,000	306,000	313,241	7,241
Total Garbage Fees	<u>306,000</u>	<u>306,000</u>	<u>313,241</u>	<u>7,241</u>
<u>Rental Fees</u>				
Rent - Guardian Ad Litem	4,200	4,200	4,200	-
Rent - Visitor's Center	7,400	7,400	7,765	365
Rent - Hut	10,000	10,000	11,120	1,120
Rent - Duke Energy	7,000	7,000	7,379	379
Total Rental Fees	<u>28,600</u>	<u>28,600</u>	<u>30,464</u>	<u>1,864</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES and EXPENDITURES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

REVENUES (Continued)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Fines</u>				
Fines and Costs	60,000	60,000	78,800	18,800
Victim's Assistance	4,000	4,000	4,540	540
Total Fines and Costs	64,000	64,000	83,340	19,340
<u>Miscellaneous</u>				
Commerce Park Maintenance	1,080	1,080	1,800	720
Yard Sales	50	50	195	145
Miscellaneous	1,000	1,000	13,520	12,520
Property Sale	-	-	67,100	67,100
Property Sale Surplus	-	-	2,375	2,375
Phone-Capital Credit-Administration	-	-	873	873
Phone-Capital Credit-Police	-	-	390	390
Phone-Capital Credit-Fire	-	-	37	37
Donations	-	-	5,306	5,306
In-Kind Donations	-	-	1,000	1,000
Total Miscellaneous	2,130	2,130	92,596	90,466
<u>Interest</u>				
Interest Earned	6,000	6,000	37,403	31,403
Total Interest	6,000	6,000	37,403	31,403
<b>TOTAL REVENUES</b>	<b>2,139,981</b>	<b>2,139,981</b>	<b>2,442,073</b>	<b>302,092</b>
 <b>EXPENDITURES</b>				
<u>General Government</u>				
Salaries	125,475	125,475	130,160	(4,685)
Social Security	9,600	9,600	9,443	157
Group Hospitalization	34,385	34,385	28,347	6,038
Retirement	20,465	20,465	21,336	(871)
Workman's Compensation	1,260	1,260	2,410	(1,150)
Utilities	7,600	7,600	6,047	1,553
Telephone	8,600	8,600	9,377	(777)
Insurance and Bonds	8,950	8,950	9,664	(714)
Office Supplies	5,000	5,000	5,378	(378)
Office Equipment (Repair and Maintenance)	1,000	1,000	-	1,000
Building Cleaning	400	400	286	114
Building Maintenance	1,000	1,000	2,651	(1,651)
Equipment Replacement	1,000	1,000	825	175
Training, Travel, Conferences	10,650	10,650	6,045	4,605
Membership Fees	1,000	1,000	1,438	(438)
Professional Services	102,000	102,000	103,298	(1,298)
Advertisements	1,200	1,200	869	331
Total General Government	339,585	339,585	337,574	2,011

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES and EXPENDITURES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Continued)</b>				
<b><u>Police Department</u></b>				
Salaries	293,195	293,195	325,797	(32,602)
Social Security	22,430	22,430	24,927	(2,497)
Group Hospitalization	46,000	46,000	41,409	4,591
Retirement	61,995	61,995	67,850	(5,855)
Workman's Compensation	10,700	10,700	13,732	(3,032)
Auto Expense	36,000	36,000	42,671	(6,671)
Utilities	2,500	2,500	2,238	262
Telephone	10,000	10,000	9,438	562
Insurance and Bonds	34,335	34,335	39,677	(5,342)
Office Supplies	2,500	2,500	2,905	(405)
Office Equipment (Repairs and Maintenance)	1,000	1,000	1,029	(29)
Police and I.D. Supplies	10,000	10,000	3,117	6,883
Building Cleaning	300	300	138	162
Building Maintenance	1,000	1,000	660	340
Equipment Replacement	8,500	8,500	31,776	(23,276)
Radio Service Contract	1,700	1,700	13,911	(12,211)
Uniforms	4,000	4,000	1,846	2,154
Uniforms-Vests	1,000	1,000	1,772	(772)
Prisoners Board	4,000	4,000	3,850	150
Donations	-	-	3,287	(3,287)
Fine Assessments	30,000	30,000	37,236	(7,236)
Training, Meals, Travel	10,000	10,000	6,108	3,892
Membership Fees	1,000	1,000	1,178	(178)
1033 Program Surplus	600	600	-	600
Professional Fees	2,000	2,000	714	1,286
Advertising	500	500	-	500
Drug Buys	500	500	-	500
Total Police Department	<u>595,755</u>	<u>595,755</u>	<u>677,266</u>	<u>(81,511)</u>
<b><u>Fire Department</u></b>				
Salaries	45,027	45,027	44,322	705
Social Security	3,380	3,380	3,374	6
Medical Insurance	4,014	4,014	4,069	(55)
Retirement	8,200	8,200	7,671	529
Workman's Compensation	1,730	1,730	2,701	(971)
Truck Expense	6,000	6,000	14,895	(8,895)
Utilities and Heat	4,500	4,500	3,654	846
Telephone	4,000	4,000	1,563	2,437
Insurance and Bonds	9,500	9,500	10,738	(1,238)
Office Supplies	500	500	528	(28)
Building Maintenance	7,500	7,500	12,440	(4,940)
Equipment Replacement	5,000	5,000	1,569	3,431
Equipment Testing	2,425	2,425	1,781	644
Radio Service Contract	1,000	1,000	1,523	(523)
Uniforms and Turn Out Gear	25,000	25,000	24,272	728
Training, Travel, Meals	2,500	2,500	4,932	(2,432)
Fire Fighter Physicals	7,000	7,000	6,810	190
Membership Fees	2,500	2,500	2,486	14
Fire Prevention	2,000	2,000	1,793	207
Professional Services	500	500	-	500
Total Fire Department	<u>142,276</u>	<u>142,276</u>	<u>151,121</u>	<u>(8,845)</u>

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES and EXPENDITURES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Continued)</b>				
<u>Public Properties</u>				
Salaries	138,385	138,385	134,211	4,174
Social Security	10,590	10,590	10,214	376
Group Hospitalization	33,703	33,703	22,934	10,769
Retirement	25,690	25,690	24,516	1,174
Workman's Compensation	2,400	2,400	2,076	324
Truck Expense	21,000	21,000	21,567	(567)
Utilities	138,390	138,390	142,509	(4,119)
Telephone	5,200	5,200	5,038	162
Insurance and Bonds	15,000	15,000	16,782	(1,782)
Supplies	4,000	4,000	1,580	2,420
Building Maintenance and Other	20,650	20,650	6,408	14,242
Banner Installation	4,000	4,000	-	4,000
Christmas Lights	4,500	4,500	1,774	2,726
Equipment Replacement	6,700	6,700	7,908	(1,208)
Uniforms	1,500	1,500	826	674
Streets/Sidewalk Repair	4,000	4,000	136	3,864
Travel, Training, Conferences	250	250	227	23
Advertisements	150	150	-	150
Total Streets	436,108	436,108	398,706	37,402
<u>Sanitation</u>				
Salaries	12,470	12,470	17,388	(4,918)
Social Security	955	955	1,319	(364)
Group Hospitalization	3,250	3,250	3,885	(635)
Retirement	2,315	2,315	3,222	(907)
Workman's Compensation	750	750	1,205	(455)
Truck Expense	8,000	8,000	7,712	288
Insurance and Bonds	1,200	1,200	1,240	(40)
Supplies	250	250	73	177
Equipment Replacement	2,000	2,000	-	2,000
Uniforms	1,000	1,000	-	1,000
Solid Waste Contract	315,000	315,000	331,513	(16,513)
Advertisements	150	150	-	150
Total Sanitation	347,340	347,340	367,557	(20,217)
<u>Municipal Court</u>				
Salaries	10,470	10,470	6,369	4,101
Social Security	801	801	487	314
Retirement	1,943	1,943	1,182	761
Workman's Compensation	35	35	32	3
Jurors	300	300	-	300
Insurance and Bonds	250	250	227	23
Office Supplies	500	500	995	(495)
Office Equipment (Repairs and Maintenance)	300	300	-	300
Public Defenders Fees	4,000	4,000	3,500	500
Travel, Training, Conferences	250	250	100	150
Advertisements	50	50	-	50
Membership Fees	100	100	135	(35)
Professional Services	16,000	16,000	15,080	920
Total Municipal Court	34,999	34,999	28,107	6,892

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

GENERAL FUND  
STATEMENT of REVENUES and EXPENDITURES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)				
Parks and Recreation				
Hospitality Tax	106,820	106,820	24,291	82,529
YMCA	2,100	2,100	2,275	(175)
Total Parks and Recreation	108,920	108,920	26,566	82,354
<u>Capital Outlay</u>				
Capital Outlay-General Government		-	1,000	(1,000)
Capital Outlay-Police	20,017	20,017	142,650	(122,633)
Total Capital Outlay	20,017	20,017	143,650	(123,633)
<u>Debt Service</u>				
Principal	114,981	114,981	63,080	51,901
Interest	-	-	2,067	(2,067)
Total Debt Service	114,981	114,981	65,147	49,834
 TOTAL EXPENDITURES	 2,139,981	 2,139,981	 2,195,694	 (55,713)
 EXCESS of REVENUES OVER EXPENDITURES	 \$ -	 \$ -	 \$ 246,379	 \$ 246,379

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of FINES and ASSESSMENTS  
For the Year Ended June 30, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected	-	-	83,339	83,339
Court fines and assessments remitted to State Treasurer	-	-	37,236	37,236
<b>Total Court Fines and Assessments retained</b>	-	-	46,103	46,103
<b>Surcharges and Assessments retained for victim services:</b>	-			
Surcharges collected and retained	-	-	-	-
Assessments retained	-	-	4,540	4,540
<b>Total Surcharges and Assessments retained for victim services</b>	-	-	4,540	4,540

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	<u>Municipal</u>	<u>County</u>	<u>Total</u>
<b>Carryforward from Previous Year – Beginning Balance</b>	6,667	-	6,667
<b><u>Victim Service Revenue:</u></b>			
Victim Service Fines Retained by City/County Treasurer	-	-	-
Victim Service Assessments Retained by City/County Treasurer	4,540	-	4,540
Victim Service Surcharges Retained by City/County Treasurer	-	-	-
Interest Earned	-	-	-
Grant Funds Received			
Grant from:	-	-	-
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of	-	-	-
(2) Town of	-	-	-
(3) City of	-	-	-
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	11,207	-	11,207
<b><u>Expenditures for Victim Service Program:</u></b>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	-	-	-
Operating Expenditures	4,800	-	4,800
<b>Victim Service Contract(s):</b>			
(1) Entity's Name	-	-	-
(2) Entity's Name	-	-	-
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter: Safe Passage Inc.	-	-	-
(2) Rape Crisis Center:	-	-	-
(3) Other local direct crime victims service agency:	-	-	-
Transferred to General Fund	-	-	-
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	4,800	-	4,800
<b>Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)</b>	6,407	-	6,407
<b>Less: Prior Year Fund Deficit Repayment</b>	-	-	-
<b>Carryforward Funds – End of Year</b>	6,407	-	6,407

Note: This schedule is required by SC 14-1-208E and is an annual reconciliation of amounts collected and remitted to the State Treasurer on the State Treasurer's monthly Remittance Form.

## SPECIAL REVENUE FUNDS

The Special Revenue Funds are used by the Town to account for the accumulation and disbursement of restricted resources. The following is a description of the Town's Special Revenue Funds:

Fire 1% - To account for allocation of Fire 1% funds

Old Courthouse - To account for restricted funds to be used to renovate the old courthouse.

Community Development - To account for funds restricted for old revenue sharing program.

Accommodation Tax Funds - To account for grant for recreation.

Police and Fire-To account for various grants for police and fire.

American Reserve Fund – To account for impact related to COVID-19.

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

SPECIAL REVENUE FUNDS  
COMBINING STATEMENT of REVENUES and EXPENDITURES  
For the Year Ended June 30, 2025

	Fire 1% Fund	Community Development	Accom. Tax Funds	Police and Fire	American Rescue Fund	Total
<b>REVENUES</b>						
Grant Income	\$ 12,306	\$ -	\$ -	\$ 41,880	\$ 103,040	\$ 157,226
Local Donations	-	-	1,000	-	-	1,000
Interest	-	596	-	-	-	596
Total Revenues	<u>12,306</u>	<u>596</u>	<u>1,000</u>	<u>41,880</u>	<u>103,040</u>	<u>158,822</u>
<b>EXPENDITURES</b>						
Special Activities	11,988	-	1,000	41,880	103,040	157,908
Total Expenditures	<u>11,988</u>	<u>-</u>	<u>1,000</u>	<u>41,880</u>	<u>103,040</u>	<u>157,908</u>
<b>EXCESS (DEFICIENCY) of REVENUES over (under) EXPENDITURES</b>						
	318	596	-	-	-	914
<b>BEGINNING FUND BALANCE</b>						
	<u>1,480</u>	<u>12,322</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>13,797</u>
<b>ENDING FUND BALANCE</b>						
	<u>\$ 1,798</u>	<u>\$ 12,918</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,711</u>

The Accompanying Notes are an Integral Part of These Financial Statements

## CAPITAL PROJECTS FUNDS

The Capital Project Funds account for all resources used for the acquisition and/or construction of major capital facilities by the Town. The following is a description of the Town's Capital Project Funds:

Cheraw/Chesterfield Industrial Park - This fund is used to account for a joint venture with Chesterfield to develop an industrial park.

Economic Development Fund - This fund is used to account for capital improvements funded by various sources.

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT of REVENUES and EXPENDITURES  
For the Year Ended June 30, 2025

	Cheraw/ Chesterfield Industrial Park	Economic Development Fund	Total
REVENUE			
Other Income	\$ 8,436	\$ 3,000	\$ 11,436
Interest	-	4,133	4,133
Total Revenue	8,436	7,133	15,569
EXPENDITURES			
General Government	3,286	-	3,286
Total Expenditures	3,286	-	3,286
EXCESS (DEFICIENCY) of REVENUES OVER (UNDER) EXPENDITURES	5,150	7,133	12,283
BEGINNING FUND BALANCE	203,517	109,363	312,880
ENDING FUND BALANCE	\$ 208,667	\$ 116,496	\$ 325,163

PROPRIETARY FUNDS

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

PROPRIETARY FUND  
STATEMENT of REVENUES and EXPENSES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Water and Sewer Fund				Variance Favorable (Unfavorable)
	Budget	Water Actual	Sewer Actual	Total Actual	
<b>OPERATING REVENUES</b>					
Water Charges	\$ 474,000	\$ 514,571	\$ -	\$ 514,571	\$ 40,571
DHEC Fees	4,640	4,643	417	5,060	420
Sewer Service	590,000	-	591,433	591,433	1,433
Late Charges	9,800	5,583	5,571	11,154	1,354
Standby Charge Sprinklers	6,000	7,172	-	7,172	1,172
Tap Fees - Water	12,000	18,750	-	18,750	6,750
Tap Fees - Sewer	1,000	-	6,000	6,000	5,000
Reconnect Fees	10,500	6,018	5,925	11,943	1,443
Grant Income	-	361,490	311,469	672,959	672,959
Other Income	450	3,049	62	3,111	2,661
Total Operating Revenues	1,108,390	921,276	920,877	1,842,153	733,763
<b>OPERATING EXPENSES</b>					
<u>Supplies and Line Repairs</u>					
Administration Costs	40,000	40,231	-	40,231	(231)
Maintenance to System	154,878	134,992	-	134,992	19,886
Supplies - Water	327,000	286,696	-	286,696	40,304
Total Supplies and Line Repairs	521,878	461,919	-	461,919	59,959
<u>Certificate Cost and Membership Fees</u>					
Certificate Cost and Membership Fees	4,300	4,210	-	4,210	90
Total Certificate Cost and Membership Fees	4,300	4,210	-	4,210	90
<u>Utilities</u>					
Electricity - Water and Sewer Distribution	1,000	891	-	891	109
Electricity - Wastewater Treatment	13,000	-	11,950	11,950	1,050
Electricity - Sewer	23,300	-	17,272	17,272	6,028
Total Utilities	37,300	891	29,222	30,113	7,187
<u>Office Supplies</u>					
Office Supplies	4,000	4,084	-	4,084	(84)
Total Office Supplies	4,000	4,084	-	4,084	(84)
<u>Insurance and Bonds</u>					
Insurance and Bonds	5,900	4,808	2,617	7,425	(1,525)
Total Insurance and Bonds	5,900	4,808	2,617	7,425	(1,525)
<u>Professional Services</u>					
Professional Services	338,825	10,298	431,563	441,861	(103,036)
Total Professional Services	338,825	10,298	431,563	441,861	(103,036)
<u>Other Expenses</u>					
Bad Check Fees	100	30	-	30	70
Travel and Related	7,340	951	11,657	12,608	(5,268)
Advertising	350	640	137	777	(427)
Membership Fees	500	2,473	-	2,473	(1,973)
Telephone	11,000	-	9,515	9,515	1,485
Contingent	8,988	-	-	-	8,988
Grant Expenses	-	361,490	68,004	429,494	(429,494)
Total Other Expenses	28,278	365,584	89,313	454,897	(426,619)

The Accompanying Notes are an Integral Part of These Financial Statements

TOWN of CHESTERFIELD  
Chesterfield, South Carolina

PROPRIETARY FUND  
STATEMENT of REVENUES and EXPENSES - BUDGET COMPARED to ACTUAL  
For the Year Ended June 30, 2025

	Water and Sewer Fund				Variance Favorable (Unfavorable)
	Budget	Water Actual	Sewer Actual	Total Actual	
OPERATING EXPENSES (Continued)					
Depreciation					
Depreciation	-	69,985	210,048	280,033	(280,033)
Total Depreciation	-	69,985	210,048	280,033	(280,033)
TOTAL OPERATING EXPENSES	940,481	921,779	762,763	1,684,542	(744,061)
OPERATING INCOME (LOSS)	167,909	(503)	158,114	157,611	(10,298)
NON-OPERATING INCOME (EXPENSE)					
Investment Income	475	673	-	673	198
Interest Expense	(168,384)	(11,466)	(76,861)	(88,327)	80,057
Total Non-operating Income (Expense)	(167,909)	(10,793)	(76,861)	(87,654)	80,255
CHANGE in NET POSITION	\$ -	\$ (11,296)	\$ 81,253	\$ 69,957	\$ 69,957

# CANTEY, TILLER, PIERCE & GREEN, LLP

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT on INTERNAL CONTROL over FINANCIAL REPORTING and on COMPLIANCE and OTHER MATTERS BASED on an AUDIT of FINANCIAL STATEMENTS PERFORMED in ACCORDANCE with GOVERNMENT AUDITING STANDARDS

Honorable Mayor and  
Members of the Town Council  
Town of Chesterfield  
Chesterfield, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business- type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Chesterfield, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Town of Chesterfield, South Carolina's basic financial statements and have issued our report thereon dated December 19, 2025.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Chesterfield, South Carolina's internal control over financial reporting (internal control) as a basis for determining the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Chesterfield, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Chesterfield, South Carolina's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below that we consider being significant deficiencies.

## **Findings and Responses**

### **Financial Statement Preparation**

Condition – Based on the experience level of the accounting staff at the Town of Chesterfield, South Carolina, we drafted the financial statement and note disclosures.

Criteria – The financial statements are the responsibility of the Town.

Cause – The accounting staff of the accounting firm drafts the financial statements and note disclosures.

Effect – The accounting staff firm drafting the financial statements requires additional procedures to be completed by management to ensure that management takes responsibility for the financial statements.

Recommendation – Management is provided with a preliminary draft and asked that they review the financial statements to determine the completeness and accuracy of the financial information. Management has reviewed the financial statements and approved them. Subsequent to approval, a final report was issued.

Response – Management will review the financial statements to determine the completeness and accuracy of the financial information and then approve the report.

### **Separation of Duties**

Condition – During our audit we reviewed procedures over transaction cycles related to receipting, cash disbursements, utility billing, and payroll and found the Town to have limited segregation of duties related to the disbursements cycle.

Criteria – Adequate separation of duties calls for clear segregation of functions such as receipts, disbursements, recording, custody of assets, transaction authorization, and performance monitoring.

Cause – The accounting staff of the Town maintains and controls the check stock, prepares checks, records disbursements, prepares deposits and posts to general ledger.

Effect – The existence of this limited segregation of duties increases the risk of misstatement or fraud.

Recommendation – While we recognize the number of staff is not large enough to eliminate these deficiencies entirely, we believe the risk can be reduced by another person reviewing cancelled checks, unopened bank statements and bank reconciliations.

Response – Considering the lack of separation of responsibility, Council and management maintains an awareness of the internal control structure when making accounting and administrative decisions to ensure that reasonably adequate policies and procedures exist and are maintained.

### **Report on Compliance and Other Matters**

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

Other matters are reported in a separate letter.

## **Town of Chesterfield, South Carolina's Response to Findings**

Town of Chesterfield, South Carolina's response to the findings identified in our audit is described above. Town of Chesterfield, South Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Other Matters**

We noted certain other matters that were reported to management of the Town of Chesterfield, South Carolina in separate letter dated December 19, 2025.

### **Purpose of this Report**

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

*Cantey, Tiller, Pierce and Green, LLP*

Cantey, Tiller, Pierce and Green, LLP  
Camden, South Carolina

December 19, 2025