

TOWN OF CHESTERFIELD  
Chesterfield, South Carolina

FINANCIAL STATEMENTS and  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2024

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TOWN OF CHESTERFIELD, SOUTH CAROLINA

LISTING OF PRINCIPAL OFFICIALS

YEAR ENDED JUNE 30, 2024

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

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

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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, 2024, 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, 2024, 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.

#### ***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 16, 2024, on our consideration of Town of Jefferson, 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 Jefferson, 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 Jefferson, South Carolina's internal control over financial reporting and compliance.

*Cantey, Tiller, Pierce & Green, LLP*

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

December 16, 2024

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of NET POSITION  
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 4,476,684	\$ 543,477	\$ 5,020,161
Accrued Interest Receivable	7	5	12
Accounts Receivable, Net	62,083	196,579	258,662
Intergovernmental Receivables	11,913	-	11,913
Internal Balances	(80,976)	17,062	(63,914)
Other Assets	-	63	63
Total Current Assets	<u>4,469,711</u>	<u>757,186</u>	<u>5,226,897</u>
<b>NON-CURRENT ASSETS</b>			
<b>RESTRICTED ASSETS</b>			
Cash and Cash Equivalents	911,568	353,371	1,264,939
Customer Deposits Held in Trust	-	67,621	67,621
Total Restricted Assets	<u>911,568</u>	<u>420,992</u>	<u>1,332,560</u>
<b>CAPITAL ASSETS</b>			
Land and Construction in Progress	249,129	35,973	285,102
Other Capital Assets, Net of Accumulated Depreciation	1,232,389	3,612,497	4,844,886
Total Capital Assets	<u>1,481,518</u>	<u>3,648,470</u>	<u>5,129,988</u>
Total Non-Current Assets	<u>2,393,086</u>	<u>4,069,462</u>	<u>6,462,548</u>
Total Assets	<u>6,862,797</u>	<u>4,826,648</u>	<u>11,689,445</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pension Liability	276,376	-	276,376
Total Deferred Outflows of Resources	<u>276,376</u>	<u>-</u>	<u>276,376</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	95,757	90,813	186,570
Accrued Interest on Bonds Payable	-	3,945	3,945
Current Portion of Long-Term Obligations	51,297	61,708	113,005
Total Current Liabilities	<u>147,054</u>	<u>156,466</u>	<u>303,520</u>
<b>NON-CURRENT LIABILITIES</b>			
Compensated Absences	41,745	-	41,745
Liabilities Payable from Restricted Assets			
Customer Deposits	-	67,621	67,621
Net Pension Liability	873,142	-	873,142
Non-Current Portion of Long-Term Obligations	68,481	2,208,392	2,276,873
Total Non-Current Liabilities	<u>983,368</u>	<u>2,276,013</u>	<u>3,259,381</u>
Total Liabilities	<u>1,130,422</u>	<u>2,432,479</u>	<u>3,562,901</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pension Liability	178,802	-	178,802
Unearned Revenue	337,800	-	337,800
Unearned Revenue Held in Restricted Assets	911,568	-	911,568
Total Deferred Inflows of Resources	<u>1,428,170</u>	<u>-</u>	<u>1,428,170</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,361,740	1,378,370	2,740,110
Restricted for:			
Debt Service	-	353,371	353,371
Unrestricted	3,218,841	662,428	3,881,269
Total Net Position	<u>\$ 4,580,581</u>	<u>\$ 2,394,169</u>	<u>\$ 6,974,750</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, 2024

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>							
Governmental Activities							
General Government	\$ 296,054	\$ 512,830	\$ -	\$ 42,550	\$ 259,326	\$ -	\$ 259,326
Public Safety	776,330	65,653	-	-	(710,677)	-	(710,677)
Highways and Streets	339,516	-	-	-	(339,516)	-	(339,516)
Sanitation	340,190	305,750	-	-	(34,440)	-	(34,440)
Health and Welfare	220,603	202,719	-	-	(17,884)	-	(17,884)
Interest on Long-Term Debt	18,099	-	-	-	(18,099)	-	(18,099)
Total Governmental Activities	<u>1,990,792</u>	<u>1,086,952</u>	<u>-</u>	<u>42,550</u>	<u>(861,290)</u>	<u>-</u>	<u>(861,290)</u>
Business-Type Activities:							
Water and Sewer Charges	1,988,843	1,970,619	-	-	-	(18,224)	(18,224)
Total Business-Type Activities	<u>1,988,843</u>	<u>1,970,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,224)</u>	<u>(18,224)</u>
Total Primary Government	<u>\$ 3,979,635</u>	<u>\$ 3,057,571</u>	<u>\$ -</u>	<u>\$ 42,550</u>	<u>(861,290)</u>	<u>(18,224)</u>	<u>(879,514)</u>
					<u>Primary Government</u>		
General Revenues:							
Taxes:							
Property/Other Taxes					1,152,209	-	1,152,209
Franchise Taxes (Fees)					70,345	-	70,345
Unrestricted Investment Earnings:					52,904	6,911	59,815
Miscellaneous					312,092	-	312,092
Total General Revenues					<u>1,587,550</u>	<u>6,911</u>	<u>1,594,461</u>
Change in Net Position					726,260	(11,313)	714,947
Net Position, Beginning of Year					<u>3,854,321</u>	<u>2,405,482</u>	<u>6,259,803</u>
Net Position, End of Year					<u>\$ 4,580,581</u>	<u>\$ 2,394,169</u>	<u>\$ 6,974,750</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, 2024

	General	Special Revenue	Capital Projects	Total
<b>ASSETS</b>				
Cash on Hand and in Banks	\$ 4,113,852	\$ 13,803	\$ 349,029	\$ 4,476,684
Accrued Interest on Investments	6	1	-	7
Taxes and Other Accounts Receivable	62,083	-	-	62,083
Due from Other Funds	30,000	-	-	30,000
Due from Chesterfield/Cheraw Industrial Par	-	-	11,913	11,913
<b>Restricted Assets</b>				
Cash in Bank	911,568	-	-	911,568
<b>Total Assets</b>	<b>\$ 5,117,509</b>	<b>\$ 13,804</b>	<b>\$ 360,942</b>	<b>\$ 5,492,255</b>
 <b>LIABILITIES, DEFERRED INFLOW and FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 94,757	\$ -	\$ 1,000	\$ 95,757
Due to Other Funds	-	63,914	47,062	110,976
<b>Total Liabilities</b>	<b>94,757</b>	<b>63,914</b>	<b>48,062</b>	<b>206,733</b>
<b>Deferred Inflows of Resources</b>				
Deferred Revenue	337,800	-	-	337,800
Deferred Revenue Held in Restricted Asse	911,568	-	-	911,568
<b>Total Deferred Inflows of Resources</b>	<b>1,249,368</b>	<b>-</b>	<b>-</b>	<b>1,249,368</b>
 <b>FUND BALANCE</b>				
Restricted	-	(50,110)	312,880	262,770
Assigned	911,568	-	-	911,568
Unassigned	2,861,816	-	-	2,861,816
<b>Total Fund Balance</b>	<b>3,773,384</b>	<b>(50,110)</b>	<b>312,880</b>	<b>4,036,154</b>
 <b>Total Liabilities and Fund Balance</b>	<b>\$ 5,117,509</b>	<b>\$ 13,804</b>	<b>\$ 360,942</b>	<b>\$ 5,492,255</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, 2024

Total Fund Balance for Governmental Funds	
Total Net Position reported for governmental activities in the statement of net position is different because:	\$ 4,036,154
Capital assets of \$4,516,279 net of accumulated depreciation of \$3,034,761, are not financial resources and, therefore, are not reported in the funds.	1,481,518
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	276,376
Deferred inflows-pension	(178,802)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Governmental Leases Payable	\$ (119,778)
Net Pension Liability	(873,142)
Compensated Absences	(41,745)
	<u>(1,034,665)</u>
Total Net Position of Governmental Activities	<u>\$ 4,580,581</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, 2024

	General	Special Revenue	Capital Projects	Total
<b>REVENUES</b>				
Taxes	\$ 1,152,209	\$ -	\$ -	\$ 1,152,209
Licenses and Permits	512,830	-	-	512,830
Intergovernmental Revenues	70,345	42,550	-	112,895
Charges for Services	508,469	-	-	508,469
Fines and Forfeitures	65,653	-	-	65,653
Miscellaneous	86,286	21,000	204,806	312,092
Interest Income	50,498	73	2,333	52,904
Total Revenues	<u>2,446,290</u>	<u>63,623</u>	<u>207,139</u>	<u>2,717,052</u>
<b>EXPENDITURES</b>				
Current:				
General Government	324,018	-	59,110	383,128
Public Safety	698,793	-	-	698,793
Highways and Streets	310,896	-	-	310,896
Sanitation	315,937	-	-	315,937
Health and Welfare	151,544	64,705	-	216,249
Capital Outlay	85,771	-	67,100	152,871
Debt Service				
Principal	82,338	-	132,989	215,327
Interest	7,965	-	10,134	18,099
Total Expenditures	<u>1,977,262</u>	<u>64,705</u>	<u>269,333</u>	<u>2,311,300</u>
<b>EXCESS (DEFICIENCY) of REVENUES OVER (UNDER) EXPENDITURES</b>	469,028	(1,082)	(62,194)	405,752
FUND BALANCE, Beginning of Year	3,304,356	(49,028)	375,074	3,630,402
FUND BALANCE, End of Year	<u>\$ 3,773,384</u>	<u>\$ (50,110)</u>	<u>\$ 312,880</u>	<u>\$ 4,036,154</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, 2024

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: \$ 405,752

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 \$168,340 was less than net capital outlays of \$238,386. 70,046

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 \$215,327. 215,327

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 (9,572)  
Net decrease in net pension related net liabilities 44,707

Changes in Net Position of Governmental Activities \$ 726,260

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of NET POSITION – PROPRIETARY FUNDS  
June 30, 2024

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash	\$ 543,477
Water and Sewer Accounts Receivable, Net	114,630
Grants Receivable	81,949
Due from Other Funds	17,062
Other Assets	68
Total Current Assets	757,186
<b>NON-CURRENT ASSETS</b>	
<b>RESTRICTED ASSETS</b>	
Cash-Reserve Bond	353,371
Cash-Customer Deposits	67,621
Total Restricted Assets	420,992
<b>CAPITAL ASSETS</b>	
Land	35,973
Improvements	6,083,528
Vehicles	36,045
Water System	3,487,106
Sub-Total	9,642,652
Less Accumulated Depreciation	5,994,182
Total Capital Assets	3,648,470
Total Non-Current Assets	4,069,462
Total Assets	4,826,648
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	90,813
Accrued Interest Payable	3,945
Serial Bonds Payable, Current	61,708
Total Current Liabilities	156,466
<b>NON-CURRENT LIABILITIES</b>	
Liabilities Payable from Restricted Assets	
Customers' Deposits	67,621
Serial Bonds Payable, Non-Current	2,208,392
Total Non-Current Liabilities	2,276,013
Total Liabilities	2,432,479
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,378,370
Restricted for Debt Service	353,371
Unrestricted	662,428
Total Net Position	\$ 2,394,169

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, 2024

OPERATING REVENUES	
Water Charges	\$ 420,532
Sewer Service Charges	485,560
Tap-On Fees and Reconnect Charges	30,465
Grant Revenues	908,548
Miscellaneous	125,514
Total Operating Revenues	<u>1,970,619</u>
OPERATING EXPENSES	
Supplies	473,623
Utilities and Telephone	32,119
Professional Services	351,058
Miscellaneous	781,683
Depreciation	259,498
Total Operating Expenses	<u>1,897,981</u>
Operating Income	<u>72,638</u>
NON-OPERATING INCOME (EXPENSE)	
Investment Income	6,911
Interest Expense	<u>(90,862)</u>
Total Non-operating Income (Expense)	<u>(83,951)</u>
Net Loss	(11,313)
NET POSITION, Beginning of Year	<u>2,405,482</u>
NET POSITION, End of Year	<u>\$ 2,394,169</u>

TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2024

CASH FLOWS from OPERATING ACTIVITIES:	
Cash Received from Customers and Others	\$ 2,060,843
Cash Payments to Suppliers for Goods and Services	<u>(1,665,548)</u>
Net Cash Provided by Operating Activities	<u>395,295</u>
CASH FLOWS from CAPITAL and RELATED FINANCING ACTIVITIES:	
Net Purchase of Assets	(154,282)
Principal Paid on Revenue Bonds	(59,219)
Interest Paid on Bonds	<u>(90,862)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(304,363)</u>
CASH FLOWS from INVESTING ACTIVITIES:	
Interest on Investments	<u>6,911</u>
Net Cash Provided by Investing Activities	<u>6,911</u>
Net Increase in Cash and Cash Equivalents	97,843
Cash and Cash Equivalents at Beginning of Year	866,626
Cash and Cash Equivalents at End of Year	<u>\$ 964,469</u>
Unrestricted Cash	\$ 543,477
Restricted Cash	<u>420,992</u>
	<u>\$ 964,469</u>
RECONCILIATION of OPERATING INCOME to NET	
CASH PROVIDED by OPERATING ACTIVITIES:	
Operating Income	\$ 72,638
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Depreciation	259,498
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Assets	
Accounts Receivable	(16,758)
Grants Receivable	106,982
Increase (Decrease) in Current Liabilities	
Accounts Payable	(28,953)
Accrued Interest Payable	(100)
Customer Deposits	1,988
Net Cash Provided by Operating Activities	<u>\$ 395,295</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, 2024

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 resources 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 \$2,365 at June 30, 2024.

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, 2024. 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 Town permits employees to accumulate a limited amount of compensated absences. Annual leave will be accrued at the rate of one day for each calendar month worked. Annual leave will be accrued to a maximum of forty-five days. Vacation days accrued past forty-five days are lost if not used within the fiscal year of the Town. Upon termination of employment with the Town, an employee shall be paid for accrued annual leave which has been accrued but not used. Employees will not be paid for accrued annual leave if they resign before they have worked one year.

Sick leave is accrued at the rate of one working day per calendar month to a maximum of ninety days beginning with the first month of employment. Upon termination of employment with the Town, an employee shall not be paid for any sick leave which has been accrued but not used.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

In the event an employee is required to devote an unusual amount of extra time to the work of the Town, the Mayor may provide for compensatory time off for such an employee.

Accumulated unpaid compensated absences totaled \$41,745 at June 30, 2024 for Town employees. Accumulated unpaid compensated absences are reported as accrued in the government-wide and proprietary financial statements. Governmental funds report only matured compensated absences payable to currently terminating employees and are included in wages and benefits payable.

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.

NOTE 1 SUMMARY of ACCOUNTING POLICIES (CONTINUED)

N. Fund Balance (Continued)

- 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.

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, 2024, as follows:

	1	2	3	Bank Balance	Total Carrying Amount
Checking Accounts	\$ 370,465	\$ 593,629	\$ -	\$ 964,094	\$ 1,208,897
Savings Accounts	500,000	2,454,077	-	2,954,077	2,948,116
Certificates of Deposit	-	1,756,978	-	1,756,978	1,756,978
Investments in SCLGIP (Defined Below)	-	438,190	-	438,190	438,190
	<u>\$ 870,465</u>	<u>\$ 5,242,874</u>	<u>\$ -</u>	<u>\$ 6,113,339</u>	6,352,181
Cash on Hand and Other					540
					<u>\$ 6,352,721</u>

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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 \$6,113,339 at June 30, 2024, that was fully insured by depository insurance or secured with collateral held by the Town's agent in its name.

A reconciliation of cash and cash equivalents at June 30, 2024 as shown in the combined Statement of Net Position for the primary government follows:

Petty Cash and Other	\$ 540
Carrying Amount of Deposits	6,352,181
Total	<u>\$ 6,352,721</u>
Cash and Cash Equivalents	\$ 5,020,161
Cash and Cash Equivalents - Restricted	1,332,560
Total	<u>\$ 6,352,721</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.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

- 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.

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, 2024.

*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, 2024 was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Increases	Decreases	
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital Assets not Being Depreciated:				
Land and Improvements	\$ 163,614	\$ 85,515	\$ -	\$ 249,129
Total Capital Assets not Being Depreciated	163,614	85,515	-	249,129
Other Capital Assets:				
Land Improvements	29,993	-	-	29,993
Buildings and Improvements	1,290,855	-	-	1,290,855
Equipment	1,071,493	103,471	-	1,174,964
Furniture and Fixtures	102,531	-	-	102,531
Automotive Equipment	776,495	49,400	-	825,895
Streets, Sidewalks, Etc.	842,912	-	-	842,912
Total Other Capital Assets at Historical Cost	4,114,279	152,871	-	4,267,150
Less Accumulated Depreciation for:				
Buildings and Improvements	(620,799)	(29,858)	-	(650,657)
Equipment	(992,530)	(30,007)	-	(1,022,537)
Furniture and Fixtures	(68,496)	(8,515)	-	(77,011)
Automotive Equipment	(480,178)	(75,077)	-	(555,255)
Land Improvements	(29,993)	-	-	(29,993)
Streets, Sidewalks, Etc.	(674,425)	(24,883)	-	(699,308)
Total Accumulated Depreciation	(2,866,421)	(168,340)	-	(3,034,761)
Other Capital Assets, Net Governmental Activities	1,247,858	(15,469)	-	1,232,389
Capital Assets, Net	\$ 1,411,472	\$ 70,046	\$ -	\$ 1,481,518
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Capital Assets not Being Depreciated:				
Land and Improvements	\$ 35,973	\$ -	\$ -	\$ 35,973
Total Capital Assets not Being Depreciated	35,973	-	-	35,973
Other Capital Assets:				
Improvements	6,083,528	-	-	6,083,528
Vehicles	36,045	-	-	36,045
Water System	3,332,824	154,282	-	3,487,106
Total Other Capital Assets at Historical Cost	9,452,397	154,282	-	9,606,679
Less Accumulated Depreciation	(5,734,684)	(259,498)	-	(5,994,182)
Other Capital Assets, Net	3,717,713	(105,216)	-	3,612,497
Business-Type Activities Capital Assets, Net	\$ 3,753,686	\$ (105,216)	\$ -	\$ 3,648,470

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2024, was charged to functions as follows:

GOVERNMENT ACTIVITIES:

General Government	\$ 33,576
Public Safety	77,537
Highways and Streets	28,620
Sanitation	24,253
Health and Welfare	4,354
Total Governmental Activities Depreciation Expense	<u>\$ 168,340</u>

BUSINESS-TYPE ACTIVITIES:

Water and Sewer System	\$ 259,498
Total Business-Type Activities Depreciation Expense	<u>\$ 259,498</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, 2024:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	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%	\$ 242,385	\$ -	\$ 15,925	\$ 226,460	\$ 16,780
2011A Revenue Bond Payable to USDA in monthly payments of \$919 and maturing May 13, 2051, including interest at 4.375%	175,921	-	3,399	172,522	3,561
2011B Revenue Bond Payable to USDA in monthly payments of \$9,240 and maturing June 13, 2051, including interest at 3.75%	1,911,013	-	39,895	1,871,118	41,367
Sub-Total	<u>2,329,319</u>	<u>-</u>	<u>59,219</u>	<u>2,270,100</u>	<u>61,708</u>
Total Proprietary Fund Long-Term Debt	<u>\$ 2,329,319</u>	<u>\$ -</u>	<u>\$ 59,219</u>	<u>\$ 2,270,100</u>	<u>\$ 61,708</u>

NOTE 5 CHANGES IN LONG-TERM DEBT-PROPRIETARY FUND (CONTINUED)

	Totals	
	Principal	Interest
2025	\$ 61,708	\$ 88,472
2026	64,348	85,832
2027	67,104	83,076
2028	69,981	80,200
2029	72,984	77,196
2030-2034	414,808	336,092
2034-2039	366,376	254,954
2040-2044	426,923	180,617
2045-2049	518,658	90,882
2050-2051	207,210	7,283
Total	<u>\$ 2,270,100</u>	<u>\$ 1,284,604</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, 2024 is as follows:

Lease Obligation Payable, \$11,010 Annually at 3.70% Interest, Matures 7/15/25	\$ 22,021
Lease Obligation Payable, \$14,603 Annually at 3.10% Interest, Matures 9/1/24	13,726
Lease Obligation Payable, \$29,400 Annually at 2.46% Interest, Matures 6/30/27	84,031
Total Bonds, Notes and Lease Obligations Payable	<u>119,778</u>
Liability for Compensated Absences	41,745
Total Governmental Fund Long-Term Debt	<u>\$ 161,523</u>

The following is a summary of the governmental fund debt activity for the year ended June 30, 2024:

	Balance			Balance 6/30/2024	Payable Within One Year
	6/30/2023	Additions	Deductions		
Capital Leases	\$ 202,116	\$ -	\$ 82,338	\$ 119,778	\$ 51,297
Notes Payable	2,641	-	2,641	-	-
General Obligation Bond	130,348	-	130,348	-	-
Total Bonds, Notes, and Leases Payable	<u>335,105</u>	<u>-</u>	<u>215,327</u>	<u>119,778</u>	<u>\$ 51,297</u>
Compensated Absences	32,173	9,572	-	41,745	
Total Governmental Activities Long-Term Debt	<u>\$ 367,278</u>	<u>\$ 9,572</u>	<u>\$ 215,327</u>	<u>\$ 161,523</u>	

NOTE 6 CHANGES in GOVERNMENTAL FUND DEBT (CONTINUED)

The annual debt service requirements to maturity, including principal and interest as of June 30, 2024 are as follows:

	2022 Chev Tahoe		2021 Chev Tahoe Police	
	Principal	Interest	Principal	Interest
2025	\$ 10,239	\$ 772	\$13,726	\$ 413
2026	11,782	393	-	-
Total	<u>\$ 22,021</u>	<u>\$ 1,165</u>	<u>\$13,726</u>	<u>\$ 413</u>

	Lease Obligation 2017 Fire Truck		King Land	
	Principal	Interest	Principal	Interest
2025	\$ 27,332	\$ 2,067	\$ -	\$ 600
2026	28,005	1,395	-	-
2027	28,694	706	-	-
Total	<u>\$ 84,031</u>	<u>\$ 4,168</u>	<u>\$ -</u>	<u>\$ 600</u>

	Total	
	Principal	Interest
2025	\$ 51,297	\$ 3,852
2026	39,787	1,788
2027	28,694	706
Total	<u>\$ 119,778</u>	<u>\$ 6,346</u>

NOTE 7 INTERFUND RECEIVABLES and PAYABLE

The following is a summary of amounts due from and due to other funds at June 30, 2024:

	Net Due From Governmental Acitvities	Net Due to Business-Type Activities
General	\$ 30,000	\$ -
Special Revenue	(63,906)	-
Capital Projects	16,844	17,062
	<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, 2024 were as follows:

	General Fund	Proprietary Fund Type
Restricted Assets		
Reserve for Victim Assistance and Fines	\$ 6,667	\$ -
Reserve for Hospitality Tax	647,982	-
Local Option Sale Tax	255,714	-
Bail Bonds Deposited	1,205	-
Customer Deposits	-	67,621
Reserve for Cushion	-	353,371
Total Restricted Assets	<u>\$ 911,568</u>	<u>\$ 420,992</u>
Payable from Restricted Assets	<u>\$ 911,568</u>	<u>\$ 420,992</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 various Retirement Systems and retirement 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 a Comprehensive Annual Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Comprehensive Annual Financial Report 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 considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state

## 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, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

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 police 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 newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

### 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					
2024	\$ 49,176	100%	\$ 54,698	100%	\$ 103,874

Eligible payrolls covered under the Plans were as follows:

Year Ended	<u>SCRS Payroll</u>	<u>PORS Payroll</u>	<u>Total</u>
June 30			
2024	\$ 264,957	\$ 257,522	\$ 522,479

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. An experience report on the Systems was most recently issued for the period ending June 30, 2019.



NOTE 9 RETIREMENT PLANS (CONTINUED)

The June 30, 2023, 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023.

	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, 2023, TPL are as follows:

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	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, 2023, 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	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	\$ 9,450,021,576	\$ 6,405,925,370	\$ 3,044,096,206	67.8%

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, 2024, the Town reported a liability of \$440,902 and \$432,240 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, 2023, 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 .0018% for the SCRS and .0142% for the PORS.

For the year ended June 30, 2024, the Town recognized pension expense of \$202 and \$58,965 for SCRS and PORS, respectively. At June 30, 2024, 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	\$ -	\$ 178,802
Liability Experience	172,502	-
Town Contributions Subsequent to the Measurement Date	103,874	-
Total	<u>\$ 276,376</u>	<u>\$ 178,802</u>

The \$103,874 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, 2025. 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>	Fiscal Year <u>Ended June 30</u>	
2024	2025	\$ (6,325)
2025	2026	(22,689)
2026	2027	23,427
2027	2028	(713)
		<u>\$ (6,300)</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 2023 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%	6.62%	3.04%
Bond	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	<b>12.0%</b>		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Return	<u>100%</u>		<u>5.31%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
			<u>7.56%</u>

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	\$ 569,688	\$ 440,902	\$ 609,740
PORS	333,860	432,240	286,845

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, 2023, and the accounting valuation report as of June 30, 2023. 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, 2024, the Town made premium payments totaling approximately \$16,929. 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, 2023 totaled approximately \$8,549,788. 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, 2024, the Town made premium payments totaling approximately \$74,522. 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, 2023 totaled approximately \$43,866,712. 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, 2024.

**NOTE 13 SUBSEQUENT EVENTS**

The Town evaluated all events or transactions that occurred after June 30, 2024, through the date of December 16, 2024 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, 2024, financial statements.

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, 2024

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes	\$ 952,300	\$ 952,300	\$ 1,152,209	\$ 199,909
Licenses and Permits	416,400	416,400	512,830	96,430
Intergovernmental Revenues	64,000	64,000	70,345	6,345
Charge for Services	505,080	505,080	508,469	3,389
Fines and Forfeits	64,000	64,000	65,653	1,653
Miscellaneous	75,386	75,386	86,286	10,900
Interest Income	4,095	4,095	50,498	46,403
Total Revenues	2,081,261	2,081,261	2,446,290	365,029
<b>EXPENDITURES</b>				
General Government	319,484	319,484	324,018	(4,534)
Public Safety	775,456	775,456	698,793	76,663
Highways and Streets	388,188	388,188	310,896	77,292
Sanitation	379,040	379,040	315,937	63,103
Health and Welfare	161,976	161,976	151,544	10,432
Capital Outlay	9,200	9,200	85,771	(76,571)
Debt Service				
Principal	47,917	47,917	82,338	(34,421)
Interest	-	-	7,965	(7,965)
Total Expenditures	2,081,261	2,081,261	1,977,262	103,999
<b>EXCESS of REVENUES over EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	469,028	<b>\$ 469,028</b>
<b>FUND BALANCE, Beginning of Year</b>			<b>3,304,356</b>	
<b>FUND BALANCE, End of Year</b>			<b>\$ 3,773,384</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>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>	<u>2015</u>
Statutorily Required Contributions	\$ 103,874	\$ 90,841	\$ 84,122	\$ 71,485	\$ 78,708	\$ 71,608	\$ 60,987	\$ 56,231	\$ 51,937	\$ 52,473
Contributions in Relation to Statutorily Required Contributions	<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>	<u>52,473</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>\$ 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>	<u>\$ 445,501</u>
Contributions as a Percentage of Covered Employee Payroll	19.9%	19.0%	17.9%	16.9%	16.8%	15.6%	14.6%	12.6%	11.9%	11.8%

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>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>	<u>2015</u>
Reporting Unit's Proportion of South Carolina Retirement System Net Pension Liability (%)	0.0018%	0.0020%	0.0019%	0.0023%	0.0026%	0.0024%	0.0026%	0.0029%	0.0029%	0.0033%
Reporting Unit's Proportion of Police Officers Retirement System Net Pension Liability (%)	0.0142%	0.0146%	0.0138%	0.0140%	0.0130%	0.0127%	0.0140%	0.0125%	0.0137%	0.0140%
Reporting Unit's Proportionate Share of Net Pension Liability	<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>	<u>\$ 837,223</u>
Reporting Unit's Covered Employee Payroll	<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>	<u>\$ 445,501</u>
Reporting Unit's Proportionate Share of Net Pension Liability as a Percentage of its Covered Employee Payroll (%)	167.1%	193.1%	163.3%	251.0%	204.3%	192.0%	229.5%	208.2%	196.2%	187.9%

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, 2024

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
<u>Property Tax</u>				
Current Property Tax	\$ 360,000	\$ 360,000	\$ 360,528	\$ 528
Vehicle Taxes	37,800	37,800	64,216	26,416
Homestead Exemption	36,500	36,500	35,086	(1,414)
Local Option Sales Tax	267,000	267,000	376,055	109,055
Local Accommodation Tax	1,000	1,000	1,525	525
Motor Carrier Tax	88,000	88,000	224,642	136,642
Manufacturing Tax Exemption	10,000	10,000	18,074	8,074
Local Hospitality Tax	152,000	152,000	72,083	(79,917)
Total Property Tax	952,300	952,300	1,152,209	199,909
<u>License and Franchise Fees</u>				
Business License Insurance	211,000	211,000	248,789	37,789
Business and Professional Licenses	42,000	42,000	76,714	34,714
Business License - Telecommunications	7,500	7,500	7,095	(405)
Business License - Broker Tax	18,000	18,000	9,498	(8,502)
Business License - Contract	4,000	4,000	24,774	20,774
Traffic Safety	5,000	5,000	5,000	-
Progress Energy Agreement	113,700	113,700	128,499	14,799
Lynches River Agreement	4,200	4,200	5,134	934
Sandhill Telephone	11,000	11,000	7,327	(3,673)
Total License and Franchise Fees	416,400	416,400	512,830	96,430
<u>State Shared Revenue</u>				
Merchant Inventory Tax	9,000	9,000	8,078	(922)
State Shared	34,000	34,000	33,384	(616)
Accommodations Tax	21,000	21,000	28,883	7,883
Total State Shared Revenue	64,000	64,000	70,345	6,345
<u>Fire Protection</u>				
Fire Protection	170,000	170,000	170,000	-
Total Fire Protection	170,000	170,000	170,000	-
<u>Garbage Fees</u>				
Garbage Fees	306,000	306,000	305,750	(250)
Total Garbage Fees	306,000	306,000	305,750	(250)
<u>Rental Fees</u>				
Rent - Guardian Ad Litem	4,200	4,200	4,200	-
Rent - Visitor's Center	7,380	7,380	7,525	145
Rent - Hut	10,500	10,500	13,165	2,665
Rent - Duke Energy	7,000	7,000	7,829	829
Total Rental Fees	29,080	29,080	32,719	3,639

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, 2024

REVENUES (Continued)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Fines</u>				
Fines and Costs	60,000	60,000	60,885	885
Victim's Assistance	4,000	4,000	3,516	(484)
Restitution	-	-	1,252	1,252
Total Fines and Costs	64,000	64,000	65,653	1,653
<u>Miscellaneous</u>				
Commerce Park Maintenance	1,080	1,080	1,080	-
Yard Sales	50	50	85	35
Miscellaneous	74,256	74,256	75,862	1,606
Donations	-	-	9,259	9,259
Total Miscellaneous	75,386	75,386	86,286	10,900
<u>Interest</u>				
Interest Earned	4,095	4,095	50,498	46,403
Total Interest	4,095	4,095	50,498	46,403
<b>TOTAL REVENUES</b>	<b>2,081,261</b>	<b>2,081,261</b>	<b>2,446,290</b>	<b>365,029</b>
 <b>EXPENDITURES</b>				
<u>General Government</u>				
Salaries	118,710	118,710	123,560	(4,850)
Social Security	9,273	9,273	8,786	487
Group Hospitalization	31,041	31,041	31,010	31
Retirement	19,210	19,210	19,557	(347)
Workman's Compensation	800	800	1,258	(458)
Utilities	5,800	5,800	6,728	(928)
Telephone	10,000	10,000	9,005	995
Insurance and Bonds	8,500	8,500	8,939	(439)
Office Supplies	4,000	4,000	5,445	(1,445)
Office Equipment (Repair and Maintenance)	1,900	1,900	55	1,845
Building Cleaning	250	250	409	(159)
Building Maintenance	2,000	2,000	1,354	646
Equipment Replacement	2,000	2,000	-	2,000
Donations	-	-	578	(578)
Training, Travel, Conferences	9,800	9,800	7,823	1,977
Membership Fees	1,000	1,000	1,078	(78)
Professional Services	95,000	95,000	96,958	(1,958)
Advertisements	200	200	1,475	(1,275)
Total General Government	319,484	319,484	324,018	(4,534)



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, 2024

EXPENDITURES (Continued)	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Police Department</u>				
Salaries	278,922	278,922	293,337	(14,415)
Social Security	22,365	22,365	22,684	(319)
Group Hospitalization	76,057	76,057	49,892	26,165
Retirement	59,060	59,060	59,507	(447)
Workman's Compensation	8,500	8,500	10,691	(2,191)
Auto Expense	50,614	50,614	38,620	11,994
Utilities	2,500	2,500	1,902	598
Telephone	10,000	10,000	9,037	963
Insurance and Bonds	28,000	28,000	34,332	(6,332)
Office Supplies	2,500	2,500	2,674	(174)
Office Equipment (Repairs and Maintenan	1,000	1,000	974	26
Police and I.D. Supplies	3,000	3,000	4,398	(1,398)
Building Cleaning	300	300	-	300
Building Maintenance	1,000	1,000	1,041	(41)
Equipment Replacement	8,500	8,500	4,267	4,233
Radio Service Contract	1,700	1,700	2,022	(322)
Uniforms	4,000	4,000	3,675	325
Uniforms-Vests	1,000	1,000	2,742	(1,742)
Prisoners Board	4,000	4,000	1,300	2,700
Donations	-	-	737	(737)
Fine Assessments	30,000	30,000	30,351	(351)
Victim Assistance	2,000	2,000	-	2,000
Grants-Expense	19,600	19,600	-	19,600
Training, Meals, Travel	5,000	5,000	6,077	(1,077)
Membership Fees	1,000	1,000	906	94
1033 Program Surplus	600	600	500	100
Professional Fees	2,000	2,000	1,917	83
Advertising	500	500	-	500
Drug Buys	200	200	-	200
Total Police Department	<u>623,918</u>	<u>623,918</u>	<u>583,583</u>	<u>40,335</u>
<u>Fire Department</u>				
Salaries	42,307	42,307	42,038	269
Social Security	3,230	3,230	3,198	32
Medical Insurance	4,014	4,014	3,820	194
Retirement	7,832	7,832	7,128	704
Workman's Compensation	1,730	1,730	2,079	(349)
Truck Expense	6,000	6,000	5,987	13
Utilities and Heat	4,500	4,500	3,938	562
Telephone	4,000	4,000	926	3,074
Insurance and Bonds	9,500	9,500	10,559	(1,059)
Office Supplies	-	-	381	(381)
Specialized Department Supply	13,000	13,000	-	13,000
Building Maintenance	7,500	7,500	2,318	5,182
Equipment Replacement	5,000	5,000	9,609	(4,609)
Equipment Testing	2,425	2,425	911	1,514
Radio Service Contract	1,000	1,000	767	233
Uniforms and Turn Out Gear	25,000	25,000	2,161	22,839
Donations	-	-	3,507	(3,507)
Training, Travel, Meals	2,500	2,500	4,125	(1,625)
Fire Fighter Physicals	7,000	7,000	6,340	660
Membership Fees	2,500	2,500	2,893	(393)
Fire Prevention	2,000	2,000	-	2,000
Professional Services	500	500	2,525	(2,025)
Total Fire Department	<u>151,538</u>	<u>151,538</u>	<u>115,210</u>	<u>36,328</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, 2024

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>EXPENDITURES (Continued)</b>				
<u>Public Properties</u>				
Salaries	124,220	124,220	93,327	30,893
Social Security	9,430	9,430	7,388	2,042
Group Hospitalization	33,703	33,703	11,388	22,315
Retirement	20,575	20,575	15,386	5,189
Workman's Compensation	1,760	1,760	2,178	(418)
Truck Expense	16,000	16,000	9,963	6,037
Utilities	113,100	113,100	130,061	(16,961)
Utilities-Christmas	3,500	3,500	-	3,500
Telephone	7,500	7,500	4,388	3,112
Insurance and Bonds	13,000	13,000	14,157	(1,157)
Supplies	4,000	4,000	753	3,247
Building Cleaning	2,500	2,500	-	2,500
Building Maintenance and Other	18,350	18,350	15,783	2,567
Banner Installation	4,000	4,000	-	4,000
Christmas Lights	4,500	4,500	42	4,458
Equipment Replacement	6,700	6,700	4,834	1,866
Uniforms	1,500	1,500	76	1,424
Streets/Sidewalk Repair	3,500	3,500	1,027	2,473
Travel, Training, Conferences	250	250	-	250
Advertisements	100	100	145	(45)
Total Streets	388,188	388,188	310,896	77,292
<u>Sanitation</u>				
Salaries	12,765	12,765	6,227	6,538
Social Security	980	980	473	507
Group Hospitalization	3,250	3,250	1,203	2,047
Retirement	2,370	2,370	1,153	1,217
Workman's Compensation	675	675	723	(48)
Truck Expense	8,000	8,000	1,123	6,877
Insurance and Bonds	1,600	1,600	1,105	495
Supplies	250	250	66	184
Equipment Replacement	2,000	2,000	-	2,000
Uniforms	1,000	1,000	-	1,000
Solid Waste Contract	346,000	346,000	303,864	42,136
Advertisements	150	150	-	150
Total Sanitation	379,040	379,040	315,937	63,103
<u>Municipal Court</u>				
Salaries	9,670	9,670	6,159	3,511
Social Security	740	740	471	269
Retirement	1,800	1,800	1,143	657
Workman's Compensation	50	50	40	10
Jurors	400	400	-	400
Insurance and Bonds	325	325	218	107
Office Supplies	900	900	339	561
Office Equipment (Repairs and Maintenance)	500	500	-	500
Retitution	-	-	1,252	(1,252)
Public Defenders Fees	1,000	1,000	3,000	(2,000)
Travel, Training, Conferences	425	425	-	425
Advertisements	100	100	-	100
Membership Fees	100	100	80	20
Professional Services	16,000	16,000	14,995	1,005
Total Municipal Court	32,010	32,010	27,697	4,313

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, 2024

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>EXPENDITURES (Continued)</u>				
<u>Parks and Recreation</u>				
Hospitality Tax	90,726	90,726	121,811	(31,085)
YMCA	2,800	2,800	1,377	1,423
Total Parks and Recreation	<u>93,526</u>	<u>93,526</u>	<u>123,188</u>	<u>(29,662)</u>
<u>Various</u>				
Election	3,000	3,000	659	2,341
Contingent	33,440	33,440	-	33,440
Total Various	<u>36,440</u>	<u>36,440</u>	<u>659</u>	<u>35,781</u>
<u>Capital Outlay</u>				
Capital Outlay-Police	5,000	5,000	48,029	(43,029)
Capital Outlay-Fire	4,200	4,200	-	4,200
Capital Outlay-Public Properties		-	37,742	(37,742)
Total Capital Outlay	<u>9,200</u>	<u>9,200</u>	<u>85,771</u>	<u>(76,571)</u>
<u>Debt Service</u>				
Principal	47,917	47,917	82,338	(34,421)
Interest	-	-	7,965	(7,965)
Total Debt Service	<u>47,917</u>	<u>47,917</u>	<u>90,303</u>	<u>(42,386)</u>
 TOTAL EXPENDITURES	 <u>2,081,261</u>	 <u>2,081,261</u>	 <u>1,977,262</u>	 <u>103,999</u>
 EXCESS of REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 469,028</u>	 <u>\$ 469,028</u>



TOWN of CHESTERFIELD, SOUTH CAROLINA  
Chesterfield, South Carolina

STATEMENT of FINES and ASSESSMENTS  
For the Year Ended June 30, 2024

Fines Collected	\$ 31,786
Assessments and Surcharges Collected	30,351
Assessments and Surcharges for Victim's Assistance	<u>3,516</u>
Total Fines, Assessments and Surcharges	<u>\$ 65,653</u>
Fines and Fees Retained by Town	\$ 31,786
Assessments and Surcharges Retained by Town For Victim's Services	<u>3,516</u>
Total Fines, Assessments and Surcharges Retained by Town	<u>\$ 35,302</u>
Total Assessments and Surcharges Remitted to State Treasurer	<u>\$ 30,351</u>
Assessments and Surcharges Retained by Town For Victim's Services	\$ 3,516
Victim Services Expenditures	<u>3,516</u>
Funds Unused Prior Year	7,451
Excess Funds Distributed	<u>(784)</u>
Funds to Carry-forward to Next Year	<u>\$ 6,667</u>

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, 2024

	Fire 1% Fund	Old Courthouse	Community Development	Accom. Tax Funds	Police and Fire	American Rescue Fund	Total
<b>REVENUES</b>							
Grant Income	\$ 10,848	\$ -	\$ -	\$ -	\$ 18,702	\$ 13,000	\$ 42,550
Local Donations	-	-	-	21,000	-	-	21,000
Interest	-	-	73	-	-	-	73
Total Revenues	<u>10,848</u>	<u>-</u>	<u>73</u>	<u>21,000</u>	<u>18,702</u>	<u>13,000</u>	<u>63,623</u>
<b>EXPENDITURES</b>							
Special Activities	12,003	-	-	21,000	18,702	13,000	64,705
Total Expenditures	<u>12,003</u>	<u>-</u>	<u>-</u>	<u>21,000</u>	<u>18,702</u>	<u>13,000</u>	<u>64,705</u>
EXCESS (DEFICIENCY) of REVENUES over (under) EXPENDITURES	(1,155)	-	73	-	-	-	(1,082)
BEGINNING FUND BALANCE	2,635	(63,907)	12,249	(5)	-	-	(49,028)
ENDING FUND BALANCE	<u>\$ 1,480</u>	<u>\$ (63,907)</u>	<u>\$ 12,322</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,110)</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, 2024

	Cheraw/ Chesterfield Industrial Park	Economic Development Fund	Total
REVENUE			
Other Income	\$ 201,806	\$ 3,000	\$ 204,806
Interest	-	2,333	2,333
Total Revenue	201,806	5,333	207,139
EXPENDITURES			
General Government	126,210	-	126,210
Debt Service			
Principal	-	132,989	132,989
Interest	-	10,134	10,134
Total Expenditures	126,210	143,123	269,333
EXCESS (DEFICIENCY) of REVENUES OVER (UNDER) EXPENDITURES	75,596	(137,790)	(62,194)
BEGINNING FUND BALANCE	127,921	247,153	375,074
ENDING FUND BALANCE	\$ 203,517	\$ 109,363	\$ 312,880

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, 2024

	Water and Sewer Fund				Variance Favorable Unfavorable)
	Budget	Water Actual	Sewer Actual	Total Actual	
	OPERATING REVENUES				
Water Charges	\$ 374,600	\$ 407,360	\$ -	\$ 407,360	\$ 32,760
DHEC Fees	3,600	3,721	421	4,142	542
Sewer Service	492,000	-	480,464	480,464	(11,536)
Late Charges	9,900	4,797	4,675	9,472	(428)
Standby Charge Sprinklers	6,000	4,654	-	4,654	(1,346)
Tap Fees - Water	2,000	18,258	-	18,258	16,258
Tap Fees - Sewer	1,000	-	-	-	(1,000)
Reconnect Fees	8,900	6,053	6,154	12,207	3,307
Grant Income	400,000	81,303	827,245	908,548	508,548
Other Income	1,160	106,904	18,610	125,514	124,354
Total Operating Revenues	<u>1,299,160</u>	<u>633,050</u>	<u>1,337,569</u>	<u>1,970,619</u>	<u>671,459</u>
OPERATING EXPENSES					
<u>Supplies and Line Repairs</u>					
Administration Costs	39,500	39,680	-	39,680	(180)
Maintenance to System	135,400	153,955	-	153,955	(18,555)
Supplies - Water	138,200	279,988	-	279,988	(141,788)
Total Supplies and Line Repairs	<u>313,100</u>	<u>473,623</u>	<u>-</u>	<u>473,623</u>	<u>(160,523)</u>
<u>Certificate Cost and Membership Fees</u>					
Certificate Cost and Membership Fees	4,528	4,197	-	4,197	331
Total Certificate Cost and Membership Fees	<u>4,528</u>	<u>4,197</u>	<u>-</u>	<u>4,197</u>	<u>331</u>
<u>Utilities</u>					
Electricity - Water and Sewer Distribution	1,000	1,048	-	1,048	(48)
Electricity - Wastewater Treatment	8,600	-	12,452	12,452	(3,852)
Electricity - Sewer	23,300	-	18,619	18,619	4,681
Total Utilities	<u>32,900</u>	<u>1,048</u>	<u>31,071</u>	<u>32,119</u>	<u>781</u>
<u>Office Supplies</u>					
Office Supplies	4,000	4,158	32	4,190	(190)
Total Office Supplies	<u>4,000</u>	<u>4,158</u>	<u>32</u>	<u>4,190</u>	<u>(190)</u>
<u>Insurance and Bonds</u>					
Insurance and Bonds	3,500	3,457	1,756	5,213	(1,713)
Total Insurance and Bonds	<u>3,500</u>	<u>3,457</u>	<u>1,756</u>	<u>5,213</u>	<u>(1,713)</u>
<u>Professional Services</u>					
Professional Services	235,750	7,250	343,808	351,058	(115,308)
Total Professional Services	<u>235,750</u>	<u>7,250</u>	<u>343,808</u>	<u>351,058</u>	<u>(115,308)</u>
<u>Other Expenses</u>					
Bad Check Fees	100	15	-	15	85
Travel and Related	7,100	225	3,046	3,271	3,829
Advertising	350	496	92	588	(238)
Membership Fees	350	(658)	-	(658)	1,008
Telephone	10,300	-	10,602	10,602	(302)
Contingent	77,093	-	-	-	77,093
Grant Expenses	400,000	81,303	672,962	754,265	(354,265)
Total Other Expenses	<u>495,293</u>	<u>81,381</u>	<u>686,702</u>	<u>768,083</u>	<u>(272,790)</u>

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, 2024

	Water and Sewer Fund				Variance Favorable (Unfavorable)
	Budget	Water Actual	Sewer Actual	Total Actual	
OPERATING EXPENSES (Continued)					
Depreciation					
Depreciation	-	70,368	189,130	259,498	(259,498)
Total Depreciation	-	70,368	189,130	259,498	(259,498)
 TOTAL OPERATING EXPENSES	 1,089,071	 645,482	 1,252,499	 1,897,981	 (808,910)
 OPERATING INCOME (LOSS)	 210,089	 (12,432)	 85,070	 72,638	 (137,451)
 NON-OPERATING INCOME (EXPENSE)					
Investment Income	-	6,911	-	6,911	6,911
Interest Expense	(210,089)	(12,024)	(78,838)	(90,862)	119,227
Total Non-operating Income (Expense)	(210,089)	(5,113)	(78,838)	(83,951)	126,138
 CHANGE in NET POSITION	 \$ -	 \$ (17,545)	 \$ 6,232	 \$ (11,313)	 \$ (11,313)



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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, 2024, 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 16, 2024.

## 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*.

## **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 16, 2024.

### **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 16, 2024