

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT



**WELLFORD, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

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**STARTEX-JACKSON-WELLFORD-DUNCAN
WATER DISTRICT
WELLFORD, SOUTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**



Prepared by:

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STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

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Letter of Transmittal

November 10, 2022

To the Commissioners, Employees and Customers of the Startex-Jackson-Wellford-Duncan Water District, Wellford, South Carolina:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the Startex-Jackson-Wellford-Duncan (SJWD) Water District (the District) for the fiscal year ended June 30, 2022. SJWD is required by state law to publish annual audited financial statements within six months of the end of the fiscal year. The financial statements must be presented in accordance with accounting principles generally accepted in the United States of America (GAAP), as defined by the Governmental Accounting Standards Board, and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by an independent firm of licensed certified public accountants. This ACFR is published to fulfill these requirements for the fiscal year ended June 30, 2022 by offering a more robust reporting in lieu of the minimum basic financial statement requirements.

The District's management is responsible for the accounting system and for establishing and maintaining internal controls over financial reporting. The internal control system is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of the control should not exceed its likely benefits and the evaluation of costs and benefits requires estimates and judgments by management.

District management further assumes full responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the information that follows is accurate in all material respects and fairly presents the financial position of SJWD. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The auditing firm of Halliday, Schwartz & Co. conducted the audit and issued an unmodified ("clean") opinion that the financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2022, and changes in financial position and its cash flows in conformity with GAAP. The independent auditor's report is located at the beginning of the financial section of this report.

Please refer to Management's Discussion and Analysis (MD&A) and the basic financial statements and notes for detailed information on SJWD's financial performance in FY 2022. This transmittal letter and the MD&A are intended to complement one another.

Profile of the District

Startex-Jackson-Wellford-Duncan Water District, South Carolina (the “District”), is a special purpose district wholly located in Spartanburg County, South Carolina (the “County”). It was created pursuant to Act No. 1105 of the Acts of the General Assembly of the State of South Carolina of 1956, as amended, and as such, possesses all powers granted to political subdivisions by the Constitution and general laws of the State of South Carolina (the “State”), including the power to own and operate a waterworks system. Special purpose districts are limited purpose local governments created by or pursuant to Acts of the General Assembly of the State.

The District is governed by a five-member board of Commissioners who live within the taxing district and serve six-year terms. Their terms are staggered so that no more than two Commission positions are appointed at one time. Commissioners are appointed by the Governor of the State upon recommendation by the legislative delegation of the County. The Commissioners elect a chairman, a vice-chairman and a secretary after appointments have been made every even-numbered year.

The District has a service area of approximately 128 square miles in the western portion of the County and provides drinking water to a population of more than 75,000 as of June 30, 2022. A portion of SJWD service area is a taxing district as defined in the State legislative act mentioned earlier. Property taxes are levied from this tax base to service the District’s general obligation bonded indebtedness. The District can only issue general obligation bonds through an ordinance by the County Council. However, the District’s Commissioners have the authority to impose and fix rates to recover the costs of operations, issue revenue bond debt, and otherwise control and direct the fiscal affairs of the system. The Commissioners hire a Chief Executive Officer to handle the day-to-day operations of the system.

The District’s revenues come from three principal sources: water revenues, property taxes, and miscellaneous fees and charges. An operating budget is approved each fiscal year by the Commissioners after a public hearing. In addition to the operating budget, a multi-year capital improvements plan is maintained and updated each year and approved by the Commissioners.

Factors Affecting the Financial Condition of the District

The information presented in the following MD&A and financial statements can be better understood in the light of the specific environment within which the District operates.

Location: The SJWD service area stretches from Highway 417 in the South, to Highway 11 in the North and from I-26 in the East to the Greenville County, South Carolina line in the West. SJWD’s service area also includes portions of the Middle Tyger River (Lyman Lake) and the North Tyger River (Lake Cooley and North Tiger Reservoir). SJWD treats water from these rivers at its filtration plant on Groce Road in Lyman. SJWD also includes within its boundaries the South Tyger River (Berry’s Pond) but does not currently treat water from this source.

A portion of I-85 (connecting Atlanta, GA and Charlotte, NC) runs through the District to the west of the intersection with I-26. This western portion of Spartanburg County has attracted many large employers and their suppliers, including BMW, Michelin, and Toray. The District has contributed greatly to the economic development of the area and continues to be a business-friendly partner to those seeking to locate here.

In October 2013, the SC Ports Authority opened an inland port in the northwest portion of the County near the Greenville-Spartanburg International Airport, just outside of the District's service area. The success of the port is contributing to the success of existing businesses in the District and is also proving to be a driver for port-dependent development in the District.

Customer Base: The District has also seen significant growth in the housing market. Developers have started numerous subdivisions on previously undeveloped tracts of land, especially in the southern portion of the District below I-85, bringing new residential customers to the District. The District serves more than 29,000 customer connections.

Tax Base: As discussed previously, the District levies taxes to support a significant portion of its capital improvements. Due to the number of customers and factors relating to the growth of the area served by the District, the assessed value of the District has grown allowing the District to expand without raising its millage, which has ranged from 9.4 mils to 12.0 mils each year over the last ten years.

The District has invested approximately \$67,000,000 in capital improvements over the last ten years. This total investment includes expansion of treatment and pumping capacity, expansion of finished water storage, upgrading metering infrastructure, and stabilization of the dam and spillway at Lyman Lake.

Financial Planning and Policies

The District recognizes the importance of maintaining a multi-year Capital Improvements Plan (CIP). The CIP forms the basis for setting rates to recover the cost of operations and provides direction for managing the District's debt to fund the plan. A budget is prepared annually. The Commissioners hold a workshop to discuss the budget and the financial needs for the District for the coming year. The budget, along with the CIP, is approved by the Commissioners each June following a public hearing.

The District has an internal target to maintain cash reserves of at least 240 days of operating expenses. These cash reserves allow the District to be prepared for emergencies, serve as rate and millage stabilization, and cover post-employment benefits for retirees.

The District periodically updates its master plan for its distribution system, its water treatment capacity, and its water resources. Findings from these master plans help guide the District in developing its CIP.

Major Initiatives

In addition to the execution of the current year capital improvements plan, the District looks ahead five to ten years to develop major initiatives and incorporates those into the long-term financial model. This process is repeated every two to three years. The major initiatives for the District over the next five years are as follows:

- Significant rehabilitative repairs to the dam and spillway are nearing completion. In May 2022, the lake level at Lyman Lake was returned to normal and efforts are underway to control vegetation and monitor water chemistry after the level was lowered for the work to proceed. The District purchased an Eco-Harvester to safely remove vegetation and dispose of it.
- Two elevated storage tanks are scheduled for expansion and replacement in the Reidville and Friendship pressure zones. The District is seeking funding from the American Rescue Plan Act of 2021 to aid in construction costs.

- An upgrade to the existing tie-in with a neighboring water utility is being planned. This will allow the District to increase the reliability of the connection and secure a higher volume of water, in case of emergency, while the District considers expansion of its own treatment capacity.
- The District has plans to expand the membrane capacity of the water treatment plant as the reliable capacity of the conventional plant diminishes. The District continually assesses demands and will begin design work on the expansion at the appropriate time.

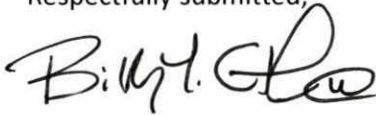
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Startex-Jackson-Wellford-Duncan Water District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the first year the District submitted and achieved this prestigious award. In order to be awarded a Certificate of Achievement, the District must publish an easily readable and efficiently organized ACFR that satisfied both general accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements and is submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this ACFR was made possible by the dedicated service and efforts of our Finance Department, all of whom have worked many extra hours to produce an accurate and effective document. We would also like to thank all District departments for assistance in providing the necessary data to prepare this report. Finally, we would like to recognize the Commissioners for their leadership, support, and continued commitment to excellence.

Respectfully submitted,



Billy Y. Cothran, III
Chief Executive Officer



Larry Christopher
Chief Financial Officer

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Schedule of Commissioners and Senior Management Staff

Commissioners



Sanford E. Carlton, Chairman
Frank Nutt, Vice Chairman
Wanda Fowler, Secretary
Barry Frost
Brian S. Leonard

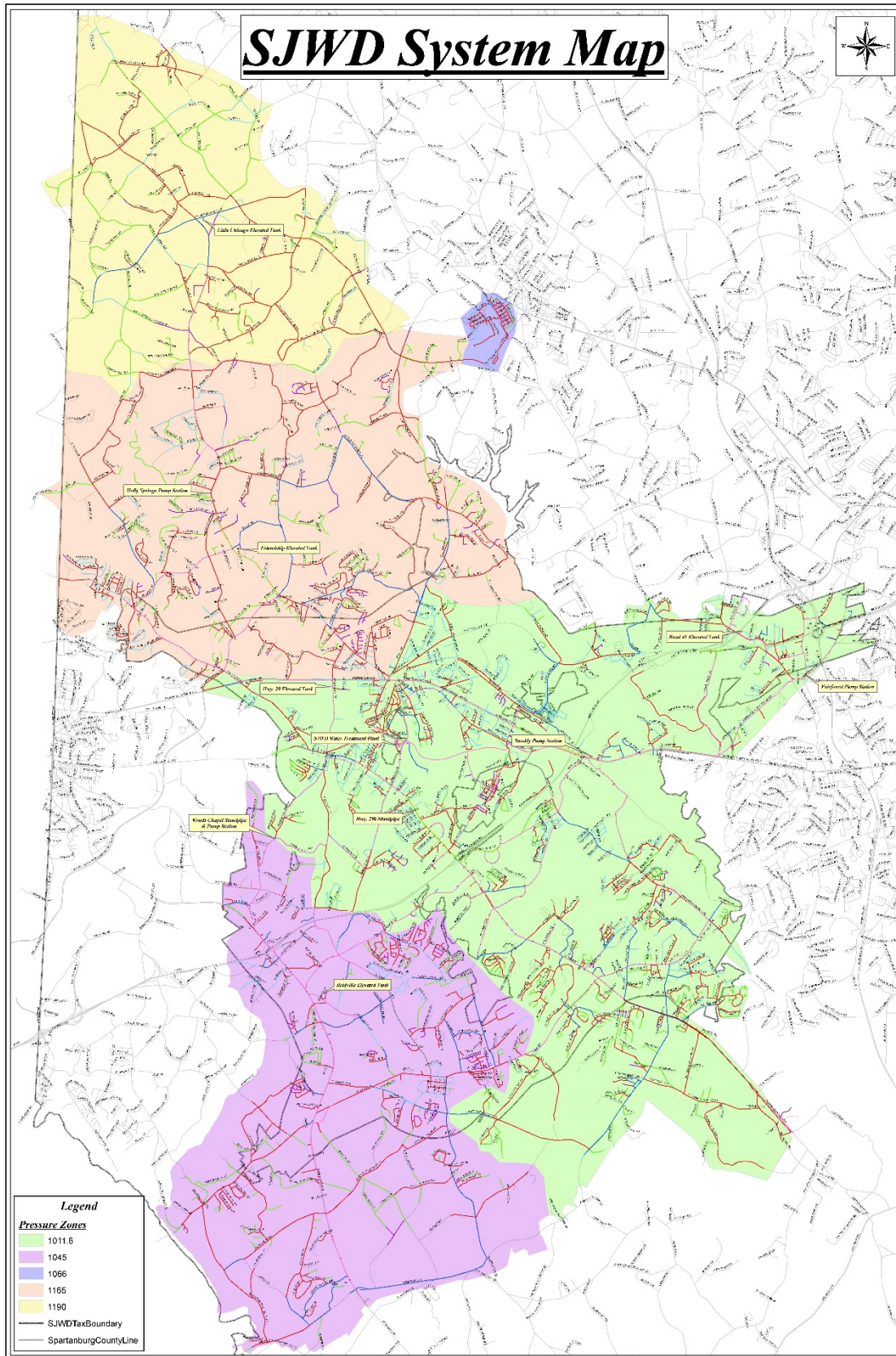
Senior Management Staff



Billy Y. Cothran III, PE, Chief Executive Officer
Larry G. Christopher, CPA, MPA, Chief Financial Officer
Kimberly R. Fortner, PE, Chief Operation Officer
Jeffrey J. Diaz, MBA, Chief Information Officer

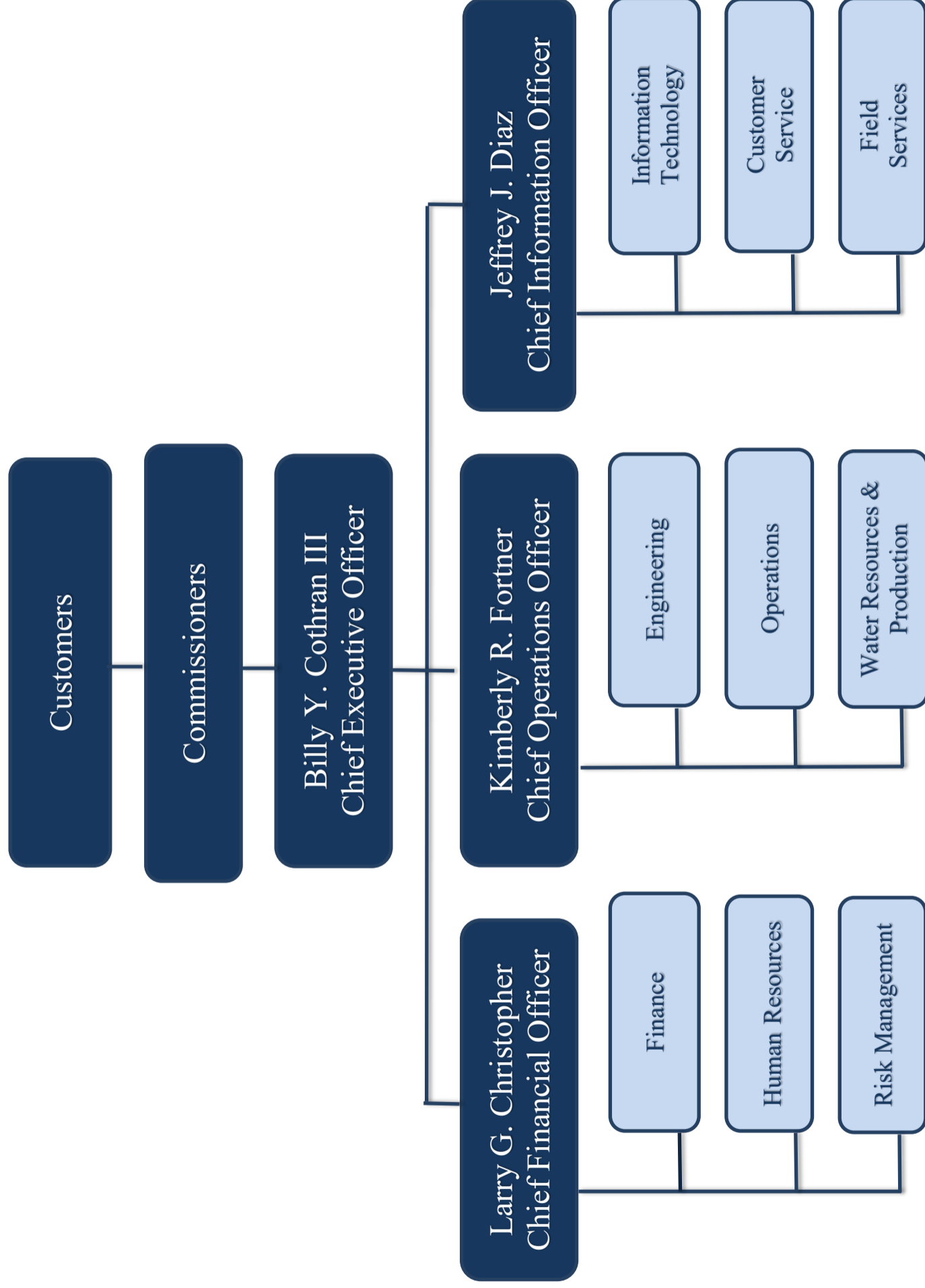
STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

Map of Service Area



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**SJWD Water District
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

II. FINANCIAL SECTION

Independent Auditor's Report

Management's Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Supplementary Information

To the Commissioners and Officers of
Startex-Jackson-Wellford-Duncan Water District
307 Spartanburg Highway
Wellford, South Carolina 29385

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of the business-type activities of Startex-Jackson-Wellford-Duncan Water District (the District), as of and for the years ended June 30, 2022 and 2021, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of Startex-Jackson-Wellford-Duncan Water District as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for the 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 judgement made by a reasonable user based on the financial statements.

(1)

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the District's proportionate share of the collective net pension liability and District's pension contributions and schedule of changes in the District's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Startex-Jackson-Wellford-Duncan Water District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

To the Commissioners and Officers of
Startex-Jackson-Wellford-Duncan Water District
Page Three

Supplementary Information - Continued

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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 10, 2022

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

The management of the Startex-Jackson-Wellford-Duncan (SJWD) Water District (the "District") offers the users of the District's financial statements this discussion and analysis (MD&A) of the District's financial performance for the fiscal years ending June 30, 2022 and 2021. We encourage the reader to consider this MD&A in conjunction with the District's audited financial statements, which follows this section.

The District has prepared and is responsible for the financial statements and related information included in this report. Such information has been subjected to the District's system of internal control and audited by independent external auditors. In management's opinion, the financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2022 and 2021, and the results of its operations for the years then ended in conformity with generally accepted accounting principles.

Financial Highlights

- The District's net financial position increased by \$5.3 million during fiscal year as of 2022, maintaining a steady millage rate and growing its customer base by 5.3%. The District ended fiscal year 2022 with 29,293 active customer accounts.
- Capital contributions topped \$3.5 million in fiscal year 2022, including grant funding for an economic development project. The District continues to expand its system to keep up with significant growth and development.
- Unrestricted cash and investments of \$9.7 million provides the District with a reserve of approximately 357 days of expenses of June 30, 2022, which exceeds the District's internal target of 240 days.
- Debt service coverage for the District's revenue bond indebtedness exceeded 700% as of June 30, 2022, well above the District's internal target of 200%.

Overview of the Financial Statements

The following management's discussion and analysis (MD&A) serves as an introduction to the financial statements. The MD&A represents management's examination and analysis of the District's financial condition and performance and should be read in conjunction with the independent auditor's report, the basic financial statements, and supplemental information. Summary financial statement data, key financial and operational indicators, budgets, bond resolutions, and other management tools were used for this analysis.

The *Statements of Net Position* present the financial position of the District on a full accrual, historical basis as of June 30, 2022 and 2021. The statement presents information on all the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. The statement may serve as a useful indicator of the District's financial condition, capital structure and liquidity, and future financial viability.

The *Statements of Revenues, Expenses and Changes in Net Position* present the business activity and results of operations for the fiscal years ended June 30, 2022 and 2021. The statement measures the success of the District's operations and can be used to evaluate the profitability and credit worthiness of the District.

The *Statements of Cash Flows* present the changes in cash and cash equivalents, resulting from operational, capital financing, and investing activities. The statements provide information as to the sources and uses of cash, where the cash was derived from and what the cash was used for, and the overall change in the cash balance during the fiscal years ended June 30, 2022 and 2021.

The *Notes to the Financial Statements* provide required disclosures and other information that is essential to a full understanding of data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Supplementary Information includes detail schedules of operations and other required supplementary information useful to the understanding of the financial statements as a whole.

Financial Analysis of the District

The following information provides a summary of the financial activities of the District for the past three fiscal years. Each section that follows begins with a condensed presentation of comparative information followed by management's interpretation of substantive highlights. Unless otherwise specified, dollar amounts are shown in thousands.

Condensed Statements of Net Position							
(in thousands)	Balances at June 30			Increases (Decreases)			
				Dollars		Percentages	
	2022	2021	2020	2022 to 2021	2021 to 2020	2022 to 2021	2021 to 2020
Current assets-unrestricted	\$ 11,339	\$ 10,391	\$ 9,333	\$ 948	\$ 1,058	9%	11%
Current assets-restricted	6,217	7,302	3,302	(1,085)	4,000	-15%	121%
Noncurrent assets-unrestricted	968	1,134	1,024	(166)	110	-15%	11%
Capital assets-net of depreciation	104,312	93,525	86,863	10,788	6,662	12%	8%
Total assets	122,836	112,351	100,522	10,485	11,829	9%	12%
Total Deferred Outflows of Resources	2,316	2,390	1,621	(74)	768	-3%	47%
Current liabilities (payable from unrestricted)	2,862	2,631	1,754	231	877	9%	50%
Current liabilities (payable from restricted)	11,072	3,225	5,455	7,847	(2,229)	243%	-41%
Noncurrent liabilities	28,641	32,844	22,356	(4,203)	10,488	-13%	47%
Total liabilities	42,575	38,700	29,564	3,875	9,136	10%	31%
Total Deferred Outflows of Resources	1,940	674	549	1,266	125	188%	23%
Net Position							
Net investment in capital assets	78,698	75,236	71,064	3,463	4,172	5%	6%
Restricted	3,580	2,103	2,596	1,477	(493)	70%	-19%
Unrestricted	(1,641)	(1,972)	(1,629)	331	(343)	17%	21%
Total net position	\$ 80,638	\$ 75,367	\$ 72,031	\$ 5,271	\$ 3,336	7%	5%

Total Assets at June 30, 2022 and 2021 increased by 9% and 12%, respectively. The increase includes significant capital investments to the distribution system, metering infrastructure, and the rehabilitation of the dam and spillway at Lyman Lake.

Restricted current assets decreased from fiscal year 2021 to fiscal year 2022 and increased from fiscal year 2020 to fiscal year 2021 as available bond proceeds were received and used in the completion of designated capital projects. **Unrestricted current assets** increased over the last two years due to the decision to invest reserve cash primarily in the South Carolina Local Government Investment Pool (SCLGIP), rather than long-term bonds. Funds invested with SC LGIP earn a higher rate than money market accounts and are considered cash equivalents.

Total liabilities at June 30, 2022 and 2021 increased 10% and 31%, respectively. The increase reflects the debt, both long- and short-term, used to fund the progress on the Lyman Lake Dam and Spillway project beginning in fiscal year 2021. In fiscal year 2021 and 2022, the District accelerated bond principal payments by using the premium on the 2020 Series General Obligation Bond. This was offset by a short-term General Obligation Bond Anticipation Note in August 2021 to help fund the Lyman Lake Dam and Spillway project as the District awaits possible funding from outside sources.

Total net position as of June 30, 2022 and 2021 increased by 7% and 5%, respectively. The greatest portion of the District's net position is **net investment in capital assets**. Over the past two years, the District has invested \$21.9 million in improvements to the distribution system, metering infrastructure and the Lyman Lake dam and spillway. Funding for these improvements came from capital contributions, proceeds from bonds issued, and capital reserves.



The following information summarizes the financial activities of the District and details the changes in net position for the past three fiscal years.

Condensed Statements of Revenues, Expenses and Changes in Net Position							
(in thousands)	Fiscal Years Ended June 30			Increases (Decreases)			
	2022	2021	2020	Dollars		Percentages	
				2022 to 2021	2021 to 2020	2022 to 2021	2021 to 2020
Operating Revenues							
Water Sales	\$ 10,289	\$ 9,323	\$ 9,142	\$ 966	\$ 181	10%	2%
Other Operating Revenues	1,917	1,465	1,460	452	5	31%	0%
Total Operating Revenues	12,206	10,788	10,602	1,418	186	13%	2%
Nonoperating Revenues							
Property Taxes Revenue	3,776	3,611	2,999	\$ 165	\$ 612	5%	20%
Other Nonoperating Revenues	209	65	376	144	(311)	222%	-83%
Total Nonoperating Revenues	3,985	3,676	3,375	309	301	8%	9%
Total Revenues	16,191	14,464	13,977	1,727	487	12%	3%
Operating Expenses before Depr & Amort							
Direct Operating Expenses	1,923	1,899	1,911	23	(12)	1%	-1%
Utilities and Telephone	239	359	372	(121)	(13)	-34%	-4%
Maintenance and Supplies	501	453	303	48	150	11%	50%
Personnel Costs	5,980	5,459	5,475	521	(16)	10%	0%
Fees and Services	704	460	574	244	(114)	53%	-20%
Insurance	189	178	187	10	(9)	6%	-5%
Office Expenses	396	380	394	15	(13)	4%	-3%
Travel and Training	80	20	70	59	(50)	288%	-71%
Other Operating Expenses	84	57	199	27	(143)	48%	-72%
Ttl Operating Exp before Depr and Amort	10,094	9,267	9,486	828	(219)	9%	-2%
Depreciation and Amortization	3,908	3,666	3,297	242	369	7%	11%
Nonoperating Expenses	503	733	605	(230)	128	-31%	21%
Increase in Net Position							
before Capital Contributions	1,685	799	590	887	209	111%	35%
Capital Contributions	3,585	2,537	1,660	1,048	878	41%	53%
Increase in Net Position	5,271	3,336	2,249	1,935	1,086	58%	48%
Net Position, Beginning of Year	75,367	72,031	69,782	3,336	2,249	5%	3%
Net Position, End of Year	\$ 80,638	\$ 75,367	\$ 72,031	\$ 5,271	\$ 3,336	7%	5%

Total operating revenues for the fiscal years ending June 30, 2022 and 2021 increased 13.1% and 1.8%, respectively.

- **Water sales** increased 10% from fiscal year 2021 to 2022. The District implemented a rate increase in February 2022 for the first time in many years. Additionally, the number of customers increased 5.3% as of June 30, 2022 and the decrease in rainfall for the District contributed to an increase in the average residential consumption. The increase of 2% from fiscal year 2020 to 2021 was mainly attributed to customer growth.
- **Other operating revenues**, which include tap fees, contract income from sewer billings and customer service charges, increased 31% over the last two years. The increase is the result of more taps set compared to the prior fiscal years and an increase in the tap fee from \$500 to \$1,000 in fiscal year 2022.

Total nonoperating revenues increased 8% from fiscal year 2021 to 2022 and 9% from fiscal year 2020 to 2021. Nonoperating revenues include property tax receipts, investment earnings, and revenue from lakes and parks. The major portion of the increase is related to **property tax receipts**, which are used to service general obligation bond principal and interest payments. The debt service requirements on general obligation bonds increased in fiscal year 2021 with the issuance of the 2020 general obligation bond, and in fiscal year 2022 with the issuance of the 2021 general obligation bond anticipation note.

Total Operating Expenses increased 8.9% from fiscal year 2021 to 2022 and decreased 2.3% from fiscal year 2020 to 2021. The following comments help explain some of the major expenses of the District:

- **Direct operating expenses** include costs of water production, maintenance costs for water treatment and system infrastructure, and vehicle and equipment maintenance. These expenses have remained relatively constant over the last two years.
- **Utilities and telephone expenses** decreased over the last two years mainly because of savings associated with upgrading to fiber/optic connectivity between the District's campuses, and the elimination of redundant lines maintained during the transition period.
- **Maintenance and supplies** include the cost to read the District's Advanced Metering Infrastructure (AMI) meters. The District has a network-as-a-service (NaaS) contract with Sensus to read the AMI meters. Sensus supplies the reading network to the District at a fixed cost per meter. The cost increased as the number of meters increased with the full build-out of the system.
- **Personnel costs** increased 9.5% from fiscal year 2021 to 2022 while remaining relatively constant from fiscal year 2020 to 2021. These costs include charges associated with net pension liability (GASB 68) and post-employment benefits liability (GASB 75) and the related deferred inflows and outflows. In fiscal year 2022, the District added the equivalent of two full-time positions to support system growth and prepare for coming retirements and made inflationary salary adjustments. Also in fiscal year 2022, costs related to the District's self-funded health care plan increased after remaining relatively stable in fiscal year 2021 compared to fiscal year 2020.
- **Fees and services** increased significantly over the last two year as the District wrapped up several studies and assessments including satellite monitoring of dams, a risk and resiliency assessment, and the first phase of a water resource master plan.

Nonoperating Expenses include bond issue costs, bond interest costs, and reservoir expenses. These costs increased from fiscal year 2020 to fiscal year 2021 as the District issued a large general obligation bond in fiscal year 2021. The costs subsequently decreased in fiscal year 2022 with a smaller general obligation bond anticipation note in fiscal year 2022.

Capital Contributions have increased dramatically over the last two fiscal years. Capital contributions include system improvement fees, lines donated by developers, grant revenue, and other contributions made by developers. The District is experiencing unprecedented growth with the build out of subdivisions and the development of large tracts of land for commercial and industrial use. During the last two years, the District approved changes to update its waterline extension policy and to increase impact (system improvement) fees to meet these demands. In fiscal year 2021, the District received a \$500,000 grant from the South Carolina Rural Infrastructure Authority (SC RIA) to complete an upgrade to water lines in the Wellford area of the District. In fiscal year 2022, the District received a \$500,000 economic development grant from SC RIA to upgrade water lines to support industrial development on Highway 129 in Wellford.

Cash Flows

The District's **cash and cash equivalents** decreased slightly from fiscal year 2021 to fiscal year 2022 after posting an increase from the last two years. The changes over the last two years in **capital and related financing activities** relate to the sources and uses of proceeds from the 2020 general obligation bond and the 2021 general obligation bond anticipation note. Investing activities over the last two years were mainly comprised of deposits to the South Carolina Local Government Investment Pool, which are considered cash equivalents due to the short investment duration. This strategy was employed because of a low interest rate environment and the need to have cash on hand for significant project expenditures.

Condensed Statements of Cash Flows

(in thousands)	Fiscal Years Ended June 30			Increases (Decreases)			
				Dollars		Percentages	
	2022	2021	2020	2022 to 2021	2021 to 2020	2022 to 2021	2021 to 2020
Net Cash Flow Provided by (used for)							
Operating Activities	\$ 2,434	\$ 2,986	\$ 1,264	\$ (552)	\$ 1,722	-18%	136%
Capital and Related Financing Activities	(2,758)	2,029	(2,089)	(4,786)	4,118	-236%	-197%
Investing Activities	166	458	5,421	(292)	(4,963)	-64%	92%
Net Cash Flow	(157)	5,473	4,596	(5,630)	877	-103%	19%
Cash and Cash Equivalents-Beginning of Year	14,887	9,414	4,819	5,473	4,596	58%	95%
Cash and Cash Equivalents-End of Year	14,730	14,887	9,414	(157)	5,473	-1%	58%
Less: Restricted Cash and Cash Equivalents	(6,185)	(7,169)	(3,262)	984	(3,907)	-14%	120%
Unrestricted Cash and Cash Equivalents	8,545	7,718	6,152	827	1,566	11%	25%
Unrestricted Investments (marketable)	1,150	1,387	1,837	(237)	(450)	-17%	-24%
Unrestricted Cash and Investments	\$ 9,695	\$ 9,105	\$ 7,989	\$ 590	\$ 1,116	6%	14%
Days Cash on Hand-Unrestricted	357	382	322				

Cash reserves, defined as unrestricted cash and marketable investments (mainly certificates of deposit), are maintained to stabilize rates, provide security for the District's self-funded health plan, and meet the long-term operational needs of the District. One day of cash on hand is computed by dividing the expenses of operating and maintaining the system by 365 days. As of June 30, the days cash on hand for the past three years exceeded the District's internal goal of 240 days (see chart above).

Investment in Capital Assets

Capital asset expenditures are made in accordance with the District's Capital Improvement Plan (CIP), and the Engineering Master Plan. In fiscal year 2016, the District completed an update of its engineering master plan which analyzed the District's current condition, considered future projections, and presented recommendations for improvements. The District normally updates the CIP annually and the Engineering Master Plan on a 10-year cycle.

The following table provides details about the major asset classes and the changes that have occurred:

(in thousands)	Balances at June 30			Increases (Decreases)			
				Dollars		Percentages	
	2022	2021	2020	2022 to 2021	2021 to 2020	2022 to 2021	2021 to 2020
Depreciable Capital Assets:							
Water Treatment and Distribution infrastructure	\$ 96,201	\$ 92,521	\$ 88,333	\$ 3,680	\$ 4,188	4%	5%
Reservoirs	9,728	9,626	9,610	102	16	1%	0%
Buildings and Related Improvements	2,441	2,439	2,205	2	234	0%	11%
Machinery and Equipment	1,566	1,577	1,522	(11)	55	-1%	4%
Office Equipment and Furnishings	906	1,051	1,064	(145)	(12)	-14%	-1%
Metering Infrastructure	13,359	12,111	10,366	1,248	1,745	10%	17%
Vehicles - owned	793	873	1,011	(80)	(138)	-9%	-14%
Vehicles - leased	570	449	284	122	165	27%	-
Total Depreciable/Amortizable Assets	125,564	120,646	114,395	4,918	6,252	4%	5%
Nondepreciable Capital Assets:							
Land	2,005	2,005	1,787	-	218	0%	12%
Construction in Progress	18,099	8,638	5,113	9,462	3,524	110%	69%
Total Nondepreciable Capital Assets	20,104	10,643	6,901	9,462	3,742	89%	54%
Total Capital Assets	145,668	131,289	121,295	14,379	9,994	11%	8%
Accumulated Depreciation	(41,147)	(37,652)	(34,403)	(3,495)	(3,249)	9%	9%
Accumulated Amortization (leased vehicles)	(209)	(112)	(29)	(97)	(83)	86%	-
Net Capital Assets	\$ 104,312	\$ 93,525	\$ 86,863	\$ 10,788	\$ 6,662	12%	8%

Capital assets, net of related depreciation and amortization, increased 12% in fiscal year 2022 and 8% in 2021. Major capital asset additions for that time, as well as future capital planning, are discussed below.

- The District added and upgraded approximately 9 miles of waterline in fiscal year 2022 and 17 miles of waterline in fiscal year 2021 to support the overall growth of the system. These totals include waterlines upgraded and installed by District and waterlines installed by developers and donated to the District. As of June 30, 2022, the District maintains 765 miles of waterlines.
- The District has completed the buildout of its fixed network AMI (Advanced Metering Infrastructure) technology with over \$13.0 million invested in metering infrastructure. The District owns and maintains the meters and pays an annual fee for the reading network based on the number of meters read. In the aftermath of the 2020 COVID pandemic, the District encountered supply chain issues with some of the AMI reading components. However, the District has strategically placed meters in certain areas to minimize the number of drive-by readings while it waits on the components. The District expects these supply chain issues to be resolved in fiscal year 2023.

- In October 2019, the District secured a matching \$500,000 grant from the Rural Infrastructure Authority to make improvements in the City of Wellford. The project replaces 21,000 feet of 2-inch galvanized waterlines. The District awarded the construction contract in September 2020, and it was completed in fiscal year 2022.
- In February 2020, the emergency spillway at the Lyman Lake Dam suffered significant damage due to a historic weather event which included a tornado and heavy rainfall. In March of 2020, the President of the United States issued a major disaster declaration. Since that time, the District has worked with the South Carolina Department of Health and Environmental Control (DHEC), Black & Veatch and the Federal Emergency Management Agency (FEMA) to get the spillway repaired in accordance with regulations to meet DHEC's design requirements and FEMA's funding requirements. The total repair estimate is over \$16.0 million. As of June 30, 2022, the project is over 90% complete and should be fully completed by March 1, 2023. FEMA claims that the District failed to comply with FEMA's Environmental Historic Preservation (EHP) review by commencing work before FEMA had an opportunity to conduct its EHP review and the District is therefore ineligible for funding. The District worked with attorneys who specialize in these matters to appeal FEMA's determination. A formal filing was submitted to the United States Civilian Board of Contract Appeals in September 2022 for arbitration of the conflict. In November 2022, the District received the final ruling that the appeal was denied.
- In fiscal year 2022, the District received approval for a matching \$500,000 grant from the South Carolina Rural Infrastructure Authority for work in the Jackson Mill area of the District. The project will include waterline upgrades and increased fire protection for over 100 customers.
- The District has submitted funding requests for several projects, which are on the five-year CIP plan, under the American Rescue Plan Act. The applications have been made to Spartanburg County and the SC Rural Infrastructure Authority (which is handling the distribution of State funds). Currently, the method for allocating the available funds has not been settled, but the District is hopeful that it will be successful to some degree. The projects submitted for consideration include two water tanks and some needed waterline improvement projects.

For more information on changes in capital assets, see Note 4 to the financial statements.

Long-Term Debt and Debt Administration

Long-Term Debt consists of revenue bonds to be repaid from the net earnings of the District and general obligation bonds to be repaid by property taxes collected by Spartanburg County on behalf of the District. The District sets its water rates and tax millage to ensure payment of the bonds. The following chart shows the outstanding principal (including premiums) on the District's long-term debt:

Long-Term Debt

(in thousands)	June 30,		
	2022	2021	2020
Revenue Bonds-payable from operations	\$ 7,445	\$ 7,818	\$ 8,176
General Obligation Bonds/BANs-payable from property tax revenue	18,149	14,356	7,391
Total Outstanding Long-Term Debt (including premiums)	\$ 25,595	\$ 22,174	\$ 15,567

In August 2019, the District issued a one-year, \$3.029 million general obligation BAN (bond anticipation note) to complete the Little Chicago elevated water storage tank, the Little Chicago booster pump station, and the water treatment pilot study. This bond anticipation note was retired in August 2020 with restricted reserves and a general obligation bond in the amount of \$11.905 million, including a \$1.74 million premium. The premium on this bond will be used to defray future general obligation bond payments. The remaining proceeds from the 2020 general obligation bond was used to repair the emergency spillway at the Lyman Lake Dam.

In August 2021, the District issued a one-year, \$6.0 million general obligation BAN to provide funds for the completion of the repairs to the emergency spillway at the Lyman Lake Dam and replace the gate valve.

For more information on changes in long-term debt, see Note 5 to the financial statements.

Debt Coverage

The District is required by covenant to cover revenue bond principal and interest payments with net earnings of at least 120%; the District has an internal goal of 200%. Net earnings is calculated by adjusting net operating revenues for certain non-cash expenses and including certain non-operating revenues and expenses. Debt coverage was 751%, 556% and 731% for the last three years, which exceeded the District's internal goal of 200%.

Bond Ratings

The District continues to maintain an excellent bond rating from Standard and Poor's (AA-) and Moody's (Aa3) for general obligation bond indebtedness and revenue bond indebtedness

Other Significant Matters

- Subsequent to the year ended June 30, 2022, the District restructured the 2021 \$6.0 million general obligation BAN with another BAN in the same amount. \$2.0 million of the 2021 BAN was repaid with restricted reserves and \$4.0 million was rolled forward and combined with \$2.0 million in new proceeds. These funds will be used to ensure completion of the project at the Lyman Lake Dam while other funding options are explored.
- In October 2022, the District also purchased property for construction of a future tank site in the amount of \$400,000. The property provides the District with higher elevation for the new tank, which should decrease the overall height of the tank and other infrastructure costs.

- Also in October 2022, Two Brothers Utilities, LLC was awarded a construction contract in the amount of \$1,122,880 for the Jackson Mills Waterline Replacement Project. The project will be funded with a matching \$500,000 grant from South Carolina Rural Infrastructure Authority.

Requests for Information

Questions concerning any of the information contained in this report should be directed to:

Larry Christopher
Chief Financial Officer
SJWD Water District
P.O. Box 607
Lyman, SC 29365
(864) 949-2805



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets		
Current assets		
Cash and cash equivalents	\$ 8,545,339	\$ 7,718,350
Cash and cash equivalents - restricted	6,184,813	7,169,082
Investments	181,897	253,287
Accounts receivable - net of allowance for doubtful accounts of \$95,000 and \$113,000 as of 2022 and 2021, respectively	1,385,825	1,154,555
Property taxes receivable - net of allowance for doubtful accounts of \$165,865 and \$180,019 as of 2022 and 2021, respectively	31,699	132,508
Inventories	903,159	937,176
Accrued interest receivable	1,968	3,006
Other current assets	320,894	324,635
Total current assets	17,555,594	17,692,599
Noncurrent assets		
Investments	968,198	1,133,777
Capital assets - nondepreciable	20,104,324	10,642,740
Capital assets - net of accumulated depreciation and amortization	84,208,166	82,882,012
Total noncurrent assets	105,280,688	94,658,529
Total Assets	122,836,282	112,351,128
Deferred Outflows of Resources		
Deferred amounts related to pensions	1,122,398	1,401,808
Deferred amounts related to OPEB	1,193,846	987,939
Total Deferred Outflows of Resources	2,316,244	2,389,747

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
STATEMENTS OF NET POSITION - CONTINUED
JUNE 30, 2022 AND 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2022	2021
Liabilities		
Current liabilities (payable from operating fund)		
Revenue bonds payable - current portion	402,612	372,190
Accounts payable	936,735	1,033,048
Accrued salaries and wages	133,278	112,097
Accrued compensated absences - current portion	80,898	80,989
Accrued interest expense - revenue bonds	68,722	72,203
State retirement payable	66,204	71,229
Customer meter and tap deposits	519,175	317,200
Other accrued expenses	96,007	66,084
Sewer collections payable to others	433,269	405,556
Lease payable - current portion	125,016	100,046
	<u>2,861,916</u>	<u>2,630,642</u>
Current liabilities (payable from restricted assets)		
General obligation bond anticipation note - current portion	6,000,000	-
General obligation bonds - current portion	2,676,572	2,207,204
Accounts payable - construction	2,113,414	729,598
Accrued interest expense - general obligation bonds	117,971	93,101
Customer deposits	164,435	195,425
	<u>11,072,392</u>	<u>3,225,328</u>
Total current liabilities	<u>13,934,308</u>	<u>5,855,970</u>
Noncurrent liabilities		
General obligation bonds	9,472,663	12,149,235
Revenue bonds	7,042,748	7,445,360
Lease payable - noncurrent portion	134,848	195,230
Accrued compensated absences	54,935	49,560
Net OPEB liability	6,031,000	5,943,000
Net pension liability	5,904,559	7,061,638
Total noncurrent liabilities	<u>28,640,753</u>	<u>32,844,023</u>
Total Liabilities	<u>42,575,061</u>	<u>38,699,993</u>
Deferred Inflows of Resources		
Deferred amounts related to pension	927,869	27,006
Deferred amounts related to OPEB	1,012,000	647,000
Total Deferred Inflows of Resources	<u>1,939,869</u>	<u>674,006</u>
Net Position		
Net investment in capital assets	78,698,423	75,235,908
Restricted for:		
Debt service	3,580,300	2,103,044
Unrestricted	(1,641,127)	(1,972,076)
Total Net Position	<u>\$ 80,637,596</u>	<u>\$ 75,366,876</u>

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

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Water sales		
Metered rates	\$ 9,742,646	\$ 8,825,056
Flat rates	546,023	498,002
	<u>10,288,669</u>	<u>9,323,058</u>
Miscellaneous operating revenues		
Tap and meter revenues	1,074,370	637,647
Customer service charges	95,600	83,047
Reconnect and late payment charges	291,125	340,370
Sewer billing charges	368,020	333,034
Other	87,872	70,759
Total Operating Revenues	<u>12,205,656</u>	<u>10,787,915</u>
Operating Expenses		
Direct operating expenses	1,922,530	1,899,303
General and administrative expenses	8,171,810	7,367,379
Depreciation	3,811,070	3,582,496
Amortization	96,615	83,131
Total Operating Expenses	<u>14,002,025</u>	<u>12,932,309</u>
Net Operating Loss	<u>(1,796,369)</u>	<u>(2,144,394)</u>
Nonoperating Revenues and Expenses		
Property tax revenue	3,776,131	3,611,289
Net other nonoperating revenues and expenses	<u>(294,275)</u>	<u>(668,380)</u>
Total Nonoperating Revenues and Expenses	<u>3,481,856</u>	<u>2,942,909</u>
Increase in Net Position, Before Capital Contributions	1,685,487	798,515
Capital Contributions	<u>3,585,233</u>	<u>2,537,392</u>
Increase in Net Position	5,270,720	3,335,907
Net Position - Beginning of Year	<u>75,366,876</u>	<u>72,030,969</u>
Net Position - End of Year	<u>\$ 80,637,596</u>	<u>\$ 75,366,876</u>

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

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows Provided (Used) by Operating Activities		
Cash received from customers	\$ 12,175,475	\$ 10,681,875
Cash paid to suppliers for goods and services	(4,099,822)	(2,918,953)
Cash paid to or for the benefit of employees	(5,641,416)	(4,776,710)
	<u>2,434,237</u>	<u>2,986,212</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities		
Acquisition and construction of capital assets	(12,505,748)	(9,313,660)
Capital contributions	2,866,589	1,881,371
Property tax collections	3,876,940	3,518,804
Repayments of bonds payable - general obligation bonds	(1,915,000)	(6,484,000)
Repayments of bonds payable - revenue bonds	(350,000)	(350,000)
Bond issuance costs	(44,253)	(141,537)
Repayment of lease payable	(108,610)	(97,387)
Interest and paying agent fees	(676,310)	(673,428)
Proceeds from issuance of bonds	6,000,000	13,645,158
Proceeds from sale of capital assets	98,871	43,562
	<u>(2,757,521)</u>	<u>2,028,883</u>
Cash Flows Provided (Used) by Investing Activities		
Interest income	66,004	57,090
Proceeds from sale of investments	250,000	1,147,000
Purchase of investments	(150,000)	(746,000)
	<u>166,004</u>	<u>458,090</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(157,280)	5,473,185
Cash and Cash Equivalents - Beginning of Year	<u>14,887,432</u>	<u>9,414,247</u>
Cash and Cash Equivalents - End of Year	<u>\$ 14,730,152</u>	<u>\$ 14,887,432</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Net operating loss	\$ (1,796,369)	\$ (2,144,394)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	3,811,070	3,582,496
Amortization	96,615	83,131
Decrease in allowance for doubtful accounts	(18,000)	(41,000)
Pension expense	572,599	945,296
OPEB expense	419,939	426,605
Nonoperating income	92,398	3,724
(Increase) decrease in assets:		
Accounts receivable	(213,270)	150,791
Inventories	34,017	(338,102)
Other current assets	3,741	176,119
Deferred outflows related to pensions	(549,405)	(479,899)
Deferred outflows related to OPEB	(172,846)	(213,939)
Increase (decrease) in liabilities:		
Accounts payable	(68,600)	645,890
Accrued salaries and wages	21,181	25,019
Accrued compensated absences	5,284	(58,254)
State retirement payable	(5,025)	(8,006)
Meter and tap deposits	201,975	216,050
Customer deposits	(30,990)	5
Other accrued expenses	29,923	14,680
Net Cash Provided by Operating Activities	\$ 2,434,237	\$ 2,986,212
Noncash Investing, Capital and Financing Activities		
Contribution of capital assets	\$ 718,644	\$ 656,021
Capital assets acquired through leases	\$ 73,197	\$ 141,066
Amortization included in interest expense	\$ 314,394	\$ 203,720
Increase (decrease) in fair value of investments	\$ (136,969)	\$ (48,784)

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 STATEMENTS OF CASH FLOWS - CONTINUED
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Reconciliation of Cash and Investments as Shown on the Statements of Net Position and Cash Flows		
Statement of net position classifications		
Current assets		
Cash and cash equivalents	\$ 8,545,339	\$ 7,718,350
Cash and cash equivalents - restricted	<u>6,184,813</u>	<u>7,169,082</u>
	<u>\$ 14,730,152</u>	<u>\$ 14,887,432</u>
Cash flow classifications		
Petty cash	\$ 1,624	\$ 1,624
Cash deposits	4,234,126	2,695,727
US Treasury money market funds	173,170	162,719
Local government investment pool	<u>10,321,232</u>	<u>12,027,362</u>
Total cash and cash equivalents	<u>\$ 14,730,152</u>	<u>\$ 14,887,432</u>

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

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Startex-Jackson-Wellford-Duncan Water District (the District) is presented to assist in understanding the financial statements. The financial statements and notes are representations of the District's management, which are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (US GAAP) and have been consistently applied in the preparation of the financial statements.

Reporting Entity

The District is a special purpose district created by Act 1105 in the year 1956 passed by the General Assembly of the State of South Carolina. The District was established for the purpose of building, constructing, operating, and maintaining water lines and water mains throughout the District. The District is a primary government with no component units. The District is governed by a five-member board of commissioners appointed by the Governor upon recommendation of the legislative delegation of Spartanburg County. The commissioners serve six year terms.

Basis of Accounting

Under US GAAP, the District is considered to be a self-supporting enterprise, and these financial statements are presented accordingly. Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The basis of accounting employed is the accrual method whereby revenues are recognized when they are earned and expenses are recognized when they are incurred. Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Use of Restricted Resources

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

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions and ancillary activities.

Cash and Cash Equivalents

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less at the time of purchase are considered to be cash equivalents.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Investments

Investments, equity and debt securities are reported at fair value.

Receivables and Allowance for Doubtful Accounts

Accounts receivable are stated net of their allowance for uncollectible accounts. Unbilled revenue, in the amount of \$785,000 and \$654,000 at June 30, 2022 and 2021, respectively, is included in the accounts receivable balance on the Statements of Net Position.

Inventories

Inventories are valued at cost, using the average cost method. Inventories consist of expendable materials and supplies held for consumption and materials to be used to expand or improve the distribution system.

Capital Assets

Capital assets are stated at cost. Donated capital assets are recorded at estimated acquisition value on the date donated. Assets are recorded as capital assets when the initial individual cost is \$1,500 or more or are comprised on individual component units that total more than \$1,500 and have an estimated useful life of more than one year.

Capital assets are depreciated using the straight-line method over the following useful lives:

	<u>Years</u>
Water treatment and distribution infrastructure	5 - 66 2/3
Reservoirs	10 - 100
Buildings and related improvements	5 - 40
Machinery and equipment	5
Office equipment and furnishings	5 - 10
Metering infrastructure	15
Vehicles	5

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

The District provides eligible employees annual leave based on the number of years of service. When an employee separates from employment, he/she is compensated for any unused annual leave. At June 30, 2022 and 2021, accrued annual leave amounted to \$80,898 and \$80,989, respectively. Accrued annual leave is included as accrued compensated absences - current portion in current liabilities.

Employees also accumulate sick leave based upon months of service. Sick leave does not vest and is lost upon termination of employment. A portion of accumulated sick leave, not to exceed 30 days, is included in compensation at the time of eligible retirement. This liability is estimated to be \$54,935 and \$49,560 at June 30, 2022 and 2021, respectively, and is included in accrued compensated absences in noncurrent liabilities.

Long-Term Liabilities

Bond premiums and discounts are deferred and equally amortized over the life of the bonds.

Deferred Outflows and Inflows of Resources

In the Statements of Net Position, in addition to assets and liabilities, separate sections for deferred outflows and deferred inflows of resources are reported. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an expense until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as revenue until that time. The District's deferred outflows and deferred inflows of resources are deferred amounts arising from amounts related to the District's defined benefit pension and OPEB plans.

Net Position

Net position is classified in the following three components: net investment in capital assets; restricted; and unrestricted net position. Net investment in capital assets consist of all capital assets, net of accumulated depreciation and reduced by outstanding debt and other liabilities that are attributable to the acquisition, construction and improvement of those assets; unspent debt proceeds or other restricted cash and investments are excluded from the determination. Restricted consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation less any related liabilities. Unrestricted net position consists of all other net position not included in the above categories.

Capital Contributions

The District periodically receives contributions of distribution systems, principally water lines, from developers, as well as contributions from individual residents for the construction of water lines. In addition, the District receives grant monies for construction of improvements or extensions to its District at various times. The contributions are recorded at acquisition value (an entry price) and are recognized in the Statements of Revenues, Expenses and Changes in Net Position when earned.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Custodial credit risk - deposits - the District's policy requires all cash deposits to be insured and collateralized to limit the risk that in the event of a bank failure, the deposits may not be returned to the District.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS - CONTINUED

Custodial credit risk - deposits - continued - Cash deposits are maintained within guidelines that require all cash deposits either be secured by the Federal Deposit Insurance Corporation (FDIC) or be collaterally secured by obligations of the United States and agencies or by general obligations of the State of South Carolina or any of its political units. As of June 30, 2022 and 2021, the District was not exposed to custodial credit risk.

The District's investment policy allows funds to be invested as allowed by the South Carolina Codes of Laws. The following represents legally authorized investments:

- a. Obligations of the United States and agencies thereof;
- b. General obligations or revenue obligations of the State of South Carolina or any of its political units;
- c. Savings and loan associations to the extent that the same are secured by the Federal Deposit Insurance Corporation;
- d. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit, so secured, including interest;
- e. Deposit accounts with banking institutions with maturities consistent with the time or times when the invested monies will be needed in cash;
- f. A common trust fund known as the South Carolina Pooled Investment Fund (SC Pool) in which public monies may be deposited;
- g. 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 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 (a), (b), (c), and (f) 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.

Investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 - Investments reflect prices quoted in active markets.

Level 2 - Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include markets that are not considered active.

Level 3 - Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as a particular investment's risk. Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are valued based on quoted prices for similar assets in active markets.

The SC Pool, established pursuant to Section 6-6-10 of the South Carolina Code, is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any governing body of a political subdivision of the State, may be deposited.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS - CONTINUED

The SC Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. In accordance with governmental accounting statements, investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the SC Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by SC Pool participants at any time and may be withdrawn up to 24 hours' notice. Financial statements for the SC Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950.

Credit risk - state law and the District's policy limits investments to securities as noted above. As of June 30, 2022 and 2021, all investments were either in FDIC insured certificates of deposit, U.S. treasury money market funds, or the SC Pool.

Concentration of credit risk - the District places no limit on the amount the District may invest in any issuer. For the years ended June 30, 2022 and 2021, the concentration of investments were as follows:

	2022	2021
Certificates of deposit - FDIC insured	10%	10%
U.S. treasury money market funds	1%	1%
State treasurer's investment pool	89%	89%
	100%	100%

Interest rate risk - the District's policy has a maturity duration target for investments of 10 years or less, unless matched to a specific cash flow, to help manage its exposure to fair value losses from increasing interest rates.

The District had the following investments, all of which were held by custodians in the District's name, as of June 30, 2022 and 2021:

		2022		
Investment Type	Maturity	Fair Value	Rating	Fair Value Hierarchy
Cash equivalents				
State treasurer's investment pool	<60 days	\$ 10,321,232	Not rated	N/A
US Treasury money market funds				
First American Treasury Obligation	<90 days	173,170	Aaa-mf	N/A
Total cash equivalents		\$ 10,494,402		
Investments				
Current				
Certificates of deposit	1 year	\$ 181,897	N/A	Level 2
Noncurrent				
Certificates of deposit	2-10 years	968,198	N/A	Level 2
Total Investments		\$ 1,150,095		

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 2 - CASH DEPOSITS AND INVESTMENTS - CONTINUED

2021				
Investment Type	Maturity	Fair Value	Rating	Fair Value Hierarchy
Cash equivalents				
State treasurer's investment pool	<60 days	\$ 12,027,362	Not rated	N/A
US Treasury money market funds				
First American Treasury Obligation	<90 days	<u>162,719</u>	Aaa-mf	N/A
Total cash equivalents		<u><u>\$ 12,190,081</u></u>		
Investments				
Current				
Certificates of deposit	1 year	\$ 253,287	N/A	Level 2
Noncurrent				
Certificates of deposit	2-10 years	<u>1,133,777</u>	N/A	Level 2
Total Investments		<u><u>\$ 1,387,064</u></u>		

The District is required under bond indenture agreements in connection with the issuance of bonds, to segregate certain assets. The following assets have been segregated and are restricted in use for the acquisition and construction of capital assets and debt service/debt service reserve funds.

Assets restricted in use to fulfill customer deposits have also been segregated. The assets listed below are shown in their respective categories in the accompanying statements of net position.

	2022	2021
Restricted Assets for Customer Deposits		
Cash and Cash Equivalents	<u>\$ 164,435</u>	<u>\$ 195,425</u>
Restricted Assets for the Acquisition and Construction of Capital Assets		
Cash and Cash Equivalents	<u>2,353,806</u>	<u>4,910,019</u>
Restricted Assets for Debt Service Reserve and Debt Service Funds		
Cash and Cash Equivalents	<u>3,666,572</u>	<u>2,063,638</u>
	<u><u>\$ 6,184,813</u></u>	<u><u>\$ 7,169,082</u></u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 3 - PROPERTY TAXES

Property taxes are levied against all real and tangible personal property located within the District. Taxes are levied on real estate and personal property, other than vehicles, on assessed values as of December 31 of the preceding year. Tax bills are mailed as soon after October 1st of each year as possible. Taxes are payable without penalty until January 15th. Property goes into execution after March 15th. Taxes are levied on motor vehicles throughout the year in the month designated by the South Carolina Department of Motor Vehicles for annual license renewal.

Tax bills on vehicles are normally mailed during the month prior to the month designated for vehicle license renewal. Payment of the vehicle taxes must be made before the annual vehicle license renewal process can be completed.

The County Treasurer collects the property taxes on behalf of the District. The County Treasurer periodically remits the amounts collected to the District's designated agent for the principal and interest fund. Taxes receivable (current and delinquent) represent property taxes that have been collected and remitted to the County Treasurer's office for its distribution to the District.

At June 30, 2022 and 2021, property taxes receivable amounted to \$31,699 and \$132,508, respectively.

The District's uncollected assessed taxes that have been transferred to the County Delinquent Tax Collector were \$165,865 and \$180,019 at June 30, 2022 and 2021, respectively. The District has established an offsetting allowance for uncollectible taxes of the same amount.

NOTE 4 - CAPITAL ASSETS

A summary of changes in capital assets follows:

	2022			Balance June 30, 2022
	Balance June 30, 2021	Additions	Transfers/ Disposals	
Capital Assets				
Nondepreciable				
Land	\$ 2,005,188	\$ -	\$ -	\$ 2,005,188
Construction in progress	8,637,552	12,685,401	3,223,817	18,099,136
Total nondepreciable	<u>10,642,740</u>	<u>12,685,401</u>	<u>3,223,817</u>	<u>20,104,324</u>
Depreciable/Amortizable				
Water treatment and distribution infrastructure	92,520,893	3,685,279	5,046	96,201,126
Reservoirs	9,625,987	101,768	-	9,727,755
Buildings and related improvements	2,438,869	13,750	11,890	2,440,729
Machinery and equipment	1,576,831	68,486	79,157	1,566,160
Office equipment and furnishings	1,051,420	27,306	172,783	905,943
Metering infrastructure	12,110,580	1,248,483	-	13,359,063
Vehicles	873,046	-	80,213	792,833
Leased vehicles (Intangible)	448,848	121,576	-	570,424
Total depreciable/amortizable	<u>120,646,474</u>	<u>5,266,648</u>	<u>349,089</u>	<u>125,564,033</u>
Total Capital Assets	<u>131,289,214</u>	<u>17,952,049</u>	<u>3,572,906</u>	<u>145,668,357</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 4 - CAPITAL ASSETS - CONTINUED

	2022			
	Balance June 30, 2021	Additions	Transfers/ Disposals	Balance June 30, 2022
Accumulated Depreciation/Amortization				
Water treatment and distribution infrastructure	29,112,467	2,466,391	5,046	31,573,812
Reservoirs	2,780,520	111,928	-	2,892,448
Buildings and related improvements	1,659,530	83,917	11,890	1,731,557
Machinery and equipment	1,361,830	76,055	71,518	1,366,367
Office equipment and furnishings	790,559	123,487	171,179	742,867
Metering infrastructure	1,252,977	848,988	-	2,101,965
Vehicles	694,191	100,304	56,647	737,848
Leased vehicles (amortization)	112,388	96,615	-	209,003
	<u>37,764,462</u>	<u>3,907,685</u>	<u>316,280</u>	<u>41,355,867</u>
Capital Assets - Net of Accumulated Depreciation and Amortization	<u>\$ 93,524,752</u>			<u>\$ 104,312,490</u>

	2021			
	Balance June 30, 2020	Additions	Transfers/ Disposals	Balance June 30, 2021
Capital Assets				
Nondepreciable				
Land	\$ 1,787,443	\$ 217,745	\$ -	\$ 2,005,188
Construction in progress	5,113,092	9,674,620	6,150,160	8,637,552
Total nondepreciable	<u>6,900,535</u>	<u>9,892,365</u>	<u>6,150,160</u>	<u>10,642,740</u>
Depreciable/Amortizable				
Water treatment and distribution infrastructure	88,332,810	4,450,883	262,800	92,520,893
Reservoirs	9,610,441	20,540	4,994	9,625,987
Buildings and related improvements	2,205,092	233,777	-	2,438,869
Machinery and equipment	1,522,062	62,064	7,295	1,576,831
Office equipment and furnishings	1,063,920	13,558	26,058	1,051,420
Metering infrastructure	10,365,879	1,744,701	-	12,110,580
Vehicles	1,010,558	-	137,512	873,046
Leased vehicles (Intangible)	284,019	164,829	-	448,848
Total depreciable/amortizable	<u>114,394,781</u>	<u>6,690,352</u>	<u>438,659</u>	<u>120,646,474</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 4 - CAPITAL ASSETS - CONTINUED

	2021			Balance June 30, 2021
	Balance June 30, 2020	Additions	Transfers/ Disposals	
Accumulated Depreciation				
Water treatment and distribution infrastructure	27,252,262	2,015,564	155,359	29,112,467
Reservoirs	2,665,016	128,074	12,570	2,780,520
Buildings and related improvements	1,577,460	82,070	-	1,659,530
Machinery and equipment	1,275,174	93,950	7,294	1,361,830
Office equipment and furnishings	686,470	124,753	20,664	790,559
Metering infrastructure	248,648	1,004,329	-	1,252,977
Vehicles	697,947	133,756	137,512	694,191
Leased vehicles (amortization)	29,257	83,131	-	112,388
	<u>34,432,234</u>	<u>3,665,627</u>	<u>333,399</u>	<u>37,764,462</u>
Capital Assets - Net of Accumulated Depreciation	<u>\$ 86,863,082</u>			<u>\$ 93,524,752</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$3,811,070 and \$3,582,495, respectively. Amortization expense for the year ended June 30, 2022 and 2021 was \$96,615 and \$83,131, respectively.

NOTE 5 - LONG-TERM DEBT

	2022				
	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Bonds and Other Noncurrent Liabilities Payable					
General obligation bond anticipation note	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000	\$ 6,000,000
General obligation bonds	12,795,000	-	(1,915,000)	10,880,000	2,410,000
Plus deferred amounts:					
Bond premium	1,561,439	-	(292,204)	1,269,235	266,572
Revenue bonds	6,680,000	-	(350,000)	6,330,000	370,000
Plus deferred amounts:					
Bond premium	1,137,550	-	(22,190)	1,115,360	32,612
Accrued compensated absences	130,549	360,975	(355,691)	135,833	80,898
Leased vehicles	295,276	73,197	(108,610)	259,863	125,016
	<u>\$ 22,599,814</u>	<u>\$ 6,434,172</u>	<u>\$ (3,043,695)</u>	<u>\$ 25,990,291</u>	<u>\$ 9,285,098</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 5 - LONG-TERM DEBT - CONTINUED

	2021				
	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Bonds and Other Noncurrent Liabilities Payable					
General obligation bond anticipation note	\$ 3,029,000	\$ -	\$ (3,029,000)	\$ -	\$ -
General obligation bonds	4,345,000	11,905,000	(3,455,000)	12,795,000	1,915,000
Plus deferred amounts:					
Bond premium	16,611	1,740,158	(195,330)	1,561,439	292,204
Revenue bonds	7,030,000	-	(350,000)	6,680,000	350,000
Plus deferred amounts:					
Bond premium	1,145,940	-	(8,390)	1,137,550	22,190
Accrued compensated absences	188,803	312,715	(370,969)	130,549	80,989
Leased vehicles	251,598	141,066	(97,388)	295,276	100,046
	<u>\$ 16,006,952</u>	<u>\$14,098,939</u>	<u>\$ (7,506,077)</u>	<u>\$ 22,599,814</u>	<u>\$ 2,760,429</u>

Bond Anticipation Note

On August 13, 2021, in anticipation of the issuance of general obligation bonds to provide for the acquisition and construction improvements to a certain area of the District, the District issued a \$6,000,000 general obligation bond anticipation note (BAN). The BAN bears an interest rate of .65% payable upon maturity on August 13, 2022. Subsequent to year end, the BAN was paid in full with the issuance of the 2022 BAN of \$6,000,000 with an interest rate of 2.83% payable upon maturity on August 12, 2023.

On August 19, 2020, the District issued \$11,905,000 in long-term general obligation bonds to defray the costs of repairs to the Lake Lyman Spillway due to damages caused by heavy rains and tornados as well as repay the 2019 BAN.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 5 - LONG-TERM DEBT - CONTINUED

General Obligation Bonds

Bonds payable at June 30, 2022 and 2021 were comprised of the following issues:

	2022	2021
<p>\$3,095,000 General Obligation Bond dated April 12, 2017. Annual maturities of \$140,000 to \$1,120,000 and semi-annual interest of 2%. The bond payable includes an original issue premium of \$43,004. The bonds were issued to defray the cost of District improvements.</p>	\$ 1,120,000	\$ 1,845,000
<p>\$11,905,000 General Obligation Bond dated August 19, 2020. Annual maturities of \$435,000 to \$1,490,000 and semi-annual interest of 2% to 5%. The bond payable includes an original issue premium of \$1,740,158. The bonds were issued to defray the cost of District improvements and pay off 2020 General Obligation Bond Anticipation Note.</p>	9,760,000	10,950,000
<p>Less: current portion</p>	10,880,000 (2,410,000)	12,795,000 (1,915,000)
<p>Total long-term general obligation bonds payable</p>	\$ 8,470,000	\$ 10,880,000

Debt service requirements to maturity including interest and issue premium on the general obligation bonds as of June 30, 2022, are as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 2,410,000	\$ 336,150	\$ 2,746,150
2024	1,490,000	287,950	1,777,950
2025	1,265,000	258,150	1,523,150
2026	1,275,000	220,200	1,495,200
2027	1,295,000	181,950	1,476,950
2028	1,335,000	130,150	1,465,150
2029	1,375,000	76,750	1,451,750
2030	435,000	21,750	456,750
	\$ 10,880,000	\$ 1,513,050	\$ 12,393,050

The South Carolina constitution permits the District to incur general obligation bonded indebtedness not to exceed eight percent of the assessed value of taxable property in the District. At June 30, 2022 and 2021, the District was in compliance with this requirement.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 5 - LONG-TERM DEBT - CONTINUED

Revenue Bonds

	2022	2021
\$7,030,000 Waterworks System Revenue Bond dated November 26, 2019. Payments of principal and interest at 3.0% to 5.0% per annum are due semi-annually with annual maturities of \$350,000 to \$620,000. The bonds were issued to finance the expansion, improvement, repair and replacement of the District's infrastructure.	\$ 6,330,000	\$ 6,680,000
Less: current portion	(370,000)	(350,000)
Total long-term revenue bonds payable	\$ 5,960,000	\$ 6,330,000

Debt service requirements to maturity including interest and issue premium on the outstanding bonds as of June 30, 2022 is as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 370,000	\$ 276,400	\$ 646,400
2024	385,000	261,600	646,600
2025	400,000	246,200	646,200
2026	415,000	230,200	645,200
2027	440,000	209,450	649,450
2028	460,000	187,450	647,450
2029	480,000	164,450	644,450
2030	505,000	140,450	645,450
2031	525,000	120,250	645,250
2032	555,000	94,000	649,000
2033	575,000	71,800	646,800
2034	600,000	48,800	648,800
2035	620,000	24,800	644,800
	\$ 6,330,000	\$ 2,075,850	\$ 8,405,850

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 5 - LONG-TERM DEBT - CONTINUED

Leases

Lease payable at June 30, 2022 and 2021 were comprised of the following:

	2022	2021
\$278,245 for 11 vehicles leased during fiscal year 2020. Monthly lease payments range from \$432 to \$616 per month. Lease terms are for 4 years. Interest rates for the vehicles ranges from 4.4% to 5.4%.	\$ 118,941	\$ 186,848
\$141,066 for 3 vehicles leased during fiscal year 2021. Monthly lease payments range from \$998 to \$1,123 per month. Lease terms are for 4 years. Interest rates for the vehicles are 4.5%.	73,326	108,428
\$73,197 for 3 vehicles leased during fiscal year 2022. Monthly lease payments range from \$183 to \$771 per month. Lease terms are for 4 years. Interest rates for the vehicles range from 4.05 to 4.24%.	67,597	-
	259,864	295,276
Less: current portion	(125,016)	(100,046)
Total long-term lease payable	\$ 134,848	\$ 195,230

Lease requirements to maturity including interest on the leases as of June 30, 2022 is as follows:

Year Ending June 30	Principal	Interest	Total
2023	\$ 125,016	\$ 8,099	\$ 133,115
2024	102,679	5,121	107,800
2025	18,180	1,465	19,645
2026	13,989	-	13,989
	\$ 259,864	\$ 14,685	\$ 274,549

There are a number of limitations and restrictions contained in the various debt instruments. The District is in compliance with all significant limitations and restrictions.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 6 - CAPITAL CONTRIBUTIONS

Donated assets, grants and participation fees are provided to finance capital expenditures and are accounted for as capital contributions. During the years ended June 30, 2022 and 2021, the District received the following as donated assets or to partially finance plant extensions or additions:

	2022	2021
Donated line extensions	\$ 718,644	\$ 656,021
Capital contributed - outside source	400,000	113,751
System improvement fees	1,891,600	1,267,620
Grants	574,989	500,000
	\$ 3,585,233	\$ 2,537,392

NOTE 7 - PENSION PLAN

Plan Description - The District, as the employer, participates in the South Carolina Retirement System (SCRS) Plan - a cost-sharing multiple-employer defined benefit pension plan administered and managed by the South Carolina Public Employee Benefit Authority (PEBA), a state agency. PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

Benefits Provided/Membership - SCRS provides retirement and other benefits for teachers and employees of the state, its public school districts, and political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. 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. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary.

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. 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.

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

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 7 - PENSION PLAN - CONTINUED

Benefits Provided/Membership - Continued - The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Contributions - 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 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 employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the 1% increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the district shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the District is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the System for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal or greater to 85%, then the district, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective on the following July 1, and annually thereafter as necessary, the district shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the years ended June 30, 2022 and 2021 was 9%. The required employer contribution rate for the years ended June 30, 2022 and 2021 was 16.41% and 15.41%, respectively. Both required employee and employer contribution rates are calculated on earnable compensation as defined by Title 9 of the South Carolina Code of Laws. Employers also contribute an additional .15% of earnable compensation, if participating in the incidental death benefit program.

Contributions to the Plan from the District for the years ended June 30, 2022 and 2021 were \$554,428 and \$479,889, respectively.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 7 - PENSION PLAN - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2022, the District reported a net pension liability of \$5,904,559 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2021, using generally accepted actuarial procedures. The allocation of the District's proportionate shares of the collective net pension liability and pension expense were calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not a representative of future contributions efforts, as of June 30, 2021. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2022 and 2021 was .027284% and .027637%, respectively, a decrease of .00035% since June 30, 2020, the prior measurement date.

For the years ended June 30, 2022 and 2021, the District recognized pension expense of \$572,599 and \$945,296, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the pension as follows:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 100,577	\$ 7,969
Changes in assumptions	323,196	-
Net difference between projected and actual earnings on pension plan investments	-	857,715
Changes in proportion and differences between the District's contributions and proportionate share of contributions	149,220	62,185
System contributions subsequent to the measurement date	549,405	-
Total	\$ 1,122,398	\$ 927,869

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 7 - PENSION PLAN - CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued -

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 81,482	\$ 26,703
Change in assumptions	8,652	-
Net difference between projected and actual earnings on pension plan investments	519,443	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	312,332	303
System contributions subsequent to the measurement date	479,899	-
Total	\$ 1,401,808	\$ 27,006

\$549,405 reported as deferred outflows of resources related to pensions in 2022 resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2023	\$ 64,891
2024	(5,138)
2025	(93,683)
2026	(320,946)
	<u>\$ (354,876)</u>

Actuarial Assumptions - 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 to past expectations and new estimates are made about the future. South Carolina state statute required that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending June 30, 2019.

The June 30, 2021 total pension liability, net pension liability, and sensitivity information determined by and are based on an actuarial valuation performed as of the July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2021, using general accepted actuarial methods.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 7 - PENSION PLAN - CONTINUED

Actuarial Assumptions - Continued

There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2021.

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 11.0% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.00% (includes 2.25% inflation)

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), were developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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 following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes 4.75% real rate of return and a 2.25% inflation component.

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

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 7 - PENSION PLAN - CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00% and 7.25% for the years ended June 30, 2022 and 2021, respectively, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%/6.25%) or 1% higher (8.00%/8.25%) than the current rate:

	2022		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
System's proportionate share of the collective net pension liability	\$ 7,734,238	\$ 5,904,559	\$ 4,383,718

	2021		
	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
System's proportionate share of the collective net pension liability	\$ 8,752,034	\$ 7,061,638	\$ 5,650,137

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2021 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2021. The additional information is publicly available on PEBA's website at www.peba.sc.gov.

NOTE 8 - POST-RETIREMENT HEALTH CARE BENEFITS

Plan Description and Benefits Provided

The District sponsors a single-employer defined benefit health care plan (the Plan) that provides post-retirement health, dental and life insurance premium benefits for eligible employees and Commissioners. Eligible employees are defined as a retired employee who is participating in the District's medical program and who is eligible to retire under the South Carolina Retirement System. Eligible employees must have 15 years of continuous service with the District.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 8 - POST-RETIREMENT HEALTH CARE BENEFITS - CONTINUED

Plan Description and Benefits Provided – Continued

Eligible commissioners must have 18 years of service with the District and be 65 or older. Prior to age 65, retirees can stay on the District’s plan free of charge. Spouses of eligible retirees can stay on the District’s plan for an annual fee of \$4,966. For retirees 65 and above, the District pays the full cost of Medicare Supplement. During the fiscal years ended June 30, 2022 and 2021, 23 and 24 individuals, respectively met these eligibility requirements. The District has not made any contributions to an irrevocable trust as of June 30, 2022 and 2021, and assets are not accumulated in a trust as defined by GAAP.

The District, upon majority vote of the five member Commission, has the authority to establish and amend benefit provisions.

Plan Membership

Membership in the plan as of June 30, 2022 and 2021 was:

	2022	2021
Inactive plan members or beneficiaries		
currently receiving benefits	23	24
Active plan members	49	50
Total plan members	72	74

Contributions

The contribution requirements of the Plan are established and may be amended by the District and it is the policy of the District to contribute annually an amount sufficient to satisfy benefit payment requirements to participants. The Plan is financed on a pay-as-you-go basis and the District paid \$172,846 and \$213,939 in contributions for the years ended June 30, 2022 and 2021, respectively, for premiums and claims.

Total OPEB Liability

The District's total OPEB liability of \$6,031,000 as of June 30, 2022 was determined and measured by an actuarial valuation as of July 1, 2021. The June 30, 2021 total OPEB liability of \$5,943,000 was determined by an actuarial valuation as of July 1, 2019 and measurement date as of July 1, 2020.

Actuarial assumptions and other inputs - the Total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age actuarial cost method
Expected return on assets	N/A - there are no assets accumulated for the Plan
Discount rate	1.92%
Salary scale	2.50%
Healthcare cost trend rates	5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2021.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 8 - POST-RETIREMENT HEALTH CARE BENEFITS - CONTINUED

Total OPEB Liability – Continued

Discount rate - the discount rate used to measure the total OPEB liability was set equal to 1.92% and represents the Municipal GO AA 20-year yield curve rate as of the measurement date, a decrease from 2.45% from July 1, 2020, the prior measurement date.

Changes in the Total OPEB Liability

	2022	Total OPEB Liability
Balance as of July 1, 2021		\$ 5,943,000
Changes for the Year		
Service cost		265,000
Interest		149,000
Difference between expected and actual experience		(579,000)
Benefit payments		(214,000)
Assumption changes		467,000
Net Changes		88,000
Balance as of June 30, 2022*		\$ 6,031,000

*Measurement date is July 1, 2021

	2021	Total OPEB Liability
Balance as of July 1, 2020		\$ 5,494,000
Changes for the Year		
Service cost		228,000
Interest		176,000
Difference between expected and actual experience		(281,000)
Benefit payments		(176,000)
Assumption changes		502,000
Net Changes		449,000
Balance as of June 30, 2021*		\$ 5,943,000

*Measurement date is July 1, 2020

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 8 - POST-RETIREMENT HEALTH CARE BENEFITS - CONTINUED

Changes in the Total OPEB Liability – Continued

Sensitivity of the net OPEB liability to changes in the discount rate - the following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate 1.0% lower or 1.0% higher than the current discount rate:

2022			
	1% Decrease 0.92%	Discount Rate 1.92%	1% Increase 2.92%
Total OPEB Liability	\$ 7,064,000	\$ 6,031,000	\$ 5,211,000

2021			
	1% Decrease 1.45%	Discount Rate 2.45%	1% Increase 3.45%
Total OPEB Liability	\$ 6,941,000	\$ 5,943,000	\$ 5,142,000

Sensitivity of the net OPEB liability to changes in the health care cost trend rates - the following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using health care cost trend rates that are 1.0% lower or 1.0% higher than the current health care cost trend rates:

2022			
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,178,000	\$ 6,031,000	\$ 7,151,000

2021			
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 5,050,000	\$ 5,943,000	\$ 7,109,000

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

For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of \$419,939 and \$426,605, respectively. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

2022		
	Deferred Outflows Of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,000	\$ 986,000
Change in assumptions	944,000	26,000
District contributions subsequent to the measurement date	172,846	-
	\$ 1,193,846	\$ 1,012,000

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 8 - POST-RETIREMENT HEALTH CARE BENEFITS - CONTINUED

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

	2021	
	Deferred Outflows Of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 103,000	\$ 611,000
Change in assumptions	671,000	36,000
District contributions subsequent to the measurement date	213,939	-
	\$ 987,939	\$ 647,000

\$172,846 reported as deferred outflows of resources for FY 2022 related to OPEB resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 6,000
2024	6,000
2025	9,000
2026	(8,000)
2027	6,000
Thereafter	(10,000)
	\$ 9,000

NOTE 9 - DEFERRED COMPENSATION PLANS

Two deferred compensation plans are available to District employees. The multiple-employer plans, created under Internal Revenue Code Sections 401(k) and 457, are administered and accounted for by the State of South Carolina. Employees may withdraw the current year value of their contributions prior to termination of employment if they meet certain requirements. These requirements differ between the two plans. The plans, available to all District employees, permit them to defer a portion of their salary until future years. Participation in the plans is optional and participants elect how their salary deferrals are invested. The District matches 401(k) contributions for all participating employees. The match is 50% of the employee contribution up to a maximum of 3% of base pay. The District's deferred compensation match is included in retirement expense. Deferred compensation expense for the fiscal years ended June 30, 2022 and 2021 was \$44,065 and \$37,620, respectively.

Contributions deferred under the Section 401 (k) and 457 plans are placed in trust for the contributing employees. The District has no liability for losses under the plans.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 JUNE 30, 2022 AND 2021

NOTE 10 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is insured under policies with commercial insurance companies. The District did not have settled claims that exceeded the District's insurance coverage during the past three years.

The District established a self-funded health insurance program effective December 1, 1989. Specific stop loss coverage for each claim in excess of \$45,000 for both the years ended June 30, 2022 and 2021, and minimum annual aggregate stop loss coverage for claims in excess of \$966,636 and \$946,467 as of June 30, 2022 and 2021, respectively, is provided by a commercial insurance company. Total expenses incurred for claims and stop loss coverage, net of any refunds for claims paid in excess of stop loss amounts, for the fiscal years ended June 30, 2022 and 2021 amounted to \$1,416,267 and \$972,274, respectively. Total cumulative funds set aside by the District and designated to meet future claims amounted to \$1,150,095 and \$1,387,064 as of June 30, 2022 and 2021, respectively. The following represents the change in unfiled, unpaid claims from July 1, 2021 to June 30, 2022 and July 1, 2020 to June 30, 2021:

	2022	2021
Beginning of the year liability	\$ 50,000	\$ 38,000
Claims	986,693	584,593
Claims payments - net of refunds	(951,693)	(572,593)
End of the year liability	\$ 85,000	\$ 50,000

The liability is included in other accrued expenses on the Statements of Net Position.

NOTE 11 - TAX ABATEMENTS

The District's property tax revenues were reduced by \$546,274 and \$363,775 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by Spartanburg County for the year ended June 30, 2022 and 2021, respectively. The District received a total of \$524,197 and \$448,595 under both FILOT and SSRC tax agreements for the year ended June 30, 2022 and 2021, respectively. Under FILOT agreements, taxpayers receive a reduction in ad valorem taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$455,500 and \$58,668 for the years ended June 30, 2022 and 2021, respectively. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$90,774 and \$305,107 for the years ended June 30, 2022 and 2021, respectively.

NOTE 12 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Sick Pay

As described more fully in Note 1, no estimate of any potential liability has been made except for those employees eligible to retire.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 12 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS - CONTINUED

Unemployment Compensation

The District is required to pay unemployment compensation on covered employees. It has chosen the alternative of paying claims as billed by the South Carolina Employment Security Commission. However, under this method of funding, no accurate estimate of any potential liability has been made.

Lake Cooley Recreation Facility

The District and Spartanburg County entered into an agreement in 2013 whereby Spartanburg County agreed to fund the construction of a recreation facility in exchange for use of the facility for twenty years. If the District decides to terminate the agreement in the first ten years of the agreement term, the District will reimburse Spartanburg County for the full appraised value of the improvements. If the District decides to terminate the agreement in the last ten years of the agreement term, the District will reimburse Spartanburg County one-half of the appraised value of the improvements.

Federal and State Assisted Programs

The District has received proceeds from Federal loans, grants, and State grants. Periodic audits of these loans and grants are required and certain costs may be questioned as not being appropriate expenditures under the loan and grant agreements. Such audits could result in the refund of loan or grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of any loan or grant monies.

Construction Commitments

Outstanding commitments on construction contracts totaled \$6,954,393 and \$13,596,083 at June 30, 2022 and 2021, respectively. After year end, an additional \$1,122,880 of contract commitments were entered into by the District for various system improvement projects.

Other Contingencies

The District is routinely involved in various legal actions arising in the normal course of business. In the opinion of management, such matters will not have a material effect upon the financial position of the District.

Arbitrage Rebate Liabilities

Arbitrage represents the difference of "spread" between lower interest rates on tax-exempt government securities and the higher interest rates on taxable investment securities. The Internal Revenue Code requires local governments to rebate arbitrage earnings to the federal government every five years for those bonds that do not meet the spend down exception. In the opinion of management such rebates, if any rebates are required to be paid, will not have a material effect upon the financial position of the District.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 2022 AND 2021

NOTE 13 - RECLASSIFICATIONS

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentations in the current year financial statements.

NOTE 14 - SUBSEQUENT EVENT

In October 2022, the District purchased property along Highway 357 for \$400,000.

REQUIRED SUPPLEMENTARY INFORMATION

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
 THE COLLECTIVE NET PENSION LIABILITY
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS*

	2022	2021	2020	2019	2018**	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.027284%	0.027637%	0.027106%	0.025509%	0.024528%	0.024612%	0.024612%	0.025337%
District's Proportionate Share of the Collective Net Pension Liability	\$ 5,904,559	\$ 7,061,638	\$ 6,189,420	\$ 5,715,822	\$ 5,521,647	\$ 5,257,087	\$ 5,257,087	\$ 4,805,284
District's Covered Payroll	\$ 3,084,181	\$ 3,083,237	\$ 2,862,317	\$ 2,643,473	\$ 2,302,206	\$ 2,386,303	\$ 2,434,539	\$ 2,611,160
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	191.45%	229.03%	216.24%	216.22%	239.84%	220.30%	215.94%	184.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

*The amounts presented were determined as of the prior fiscal years ending June 30.

Notes to Schedule:

**The District's covered payroll as of June 30, 2017 reflects 11 months related to the transition from the July 31 fiscal year to the June 30 fiscal year.

Prior to June 30, 2017, the District's fiscal year ending was July 31. July 31, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
 SOUTH CAROLINA RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018	2017**	2016	2015
Statutorially Required Contributions ¹	\$ 554,428	\$ 479,899	\$ 479,752	\$ 416,753	\$ 334,144	\$ 262,682	\$ 261,208	\$ 248,759
Contributions in Relation to the Statutorially Required Contributions	554,428	479,899	479,752	416,753	334,144	262,682	261,208	248,759
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 3,347,995	\$ 3,084,181	\$ 3,083,237	\$ 2,862,317	\$ 2,643,473	\$ 2,302,206	\$ 2,386,303	\$ 2,434,539
Contributions as a Percentage of Covered Payroll	16.56%	15.56%	15.56%	14.56%	12.64%	11.41%	10.95%	10.22%

¹ Required contributions are net of a 1% credit applied of \$24,311 paid by the State General Assembly directly to the SCRS on behalf of the District for 2018.

Notes to Schedule:

**The District's covered payroll as of June 30, 2017 reflects 11 months related to the transition from the July 31 fiscal year to the June 30 fiscal year.

Prior to June 30, 2017, the District's fiscal year ending was July 31. July 31, 2015 was the first year of GASB 68 implementation, therefore 10-year data is not yet available.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 LAST TEN FISCAL YEARS ENDING JUNE 30

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 265,000	\$ 228,000	\$ 164,000	\$ 157,000	\$ 153,000
Interest on total OPEB liability	149,000	176,000	201,000	184,000	176,000
Changes in benefit terms	-	-	-	100,000	-
Difference between expected and actual experience	(579,000)	(281,000)	(528,000)	181,000	-
Changes of assumptions or other inputs	467,000	502,000	348,000	(66,000)	-
Benefit payments	(214,000)	(176,000)	(184,000)	(124,000)	(109,000)
Net Change in Total OPEB Liability	88,000	449,000	1,000	432,000	220,000
Total OPEB Liability - Beginning of Year	5,943,000	5,494,000	5,493,000	5,061,000	4,841,000
Total OPEB Liability - End of Year (a)	\$ 6,031,000	\$ 5,943,000	\$ 5,494,000	\$ 5,493,000	\$ 5,061,000
Covered-Employee Payroll	\$ 2,778,000	\$ 2,493,000	\$ 2,493,000	\$ 2,414,000	\$ 2,414,000
Total OPEB Liability as a Percentage of Covered-Employee Payroll	217.10%	238.39%	220.38%	227.55%	209.65%

Notes to Schedule:

June 30, 2018 was the first year of GASB 75 implementation, therefore 10-year data is not yet available.

No assets are accumulated in a trust that meets all the criteria set forth in GASB No. 75 to pay related benefits.

SUPPLEMENTARY INFORMATION

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULES OF DIRECT OPERATING EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Water Purchased	\$ 216	\$ 644
Automobile and Truck Expenses	97,577	86,789
Power-distribution and Filter Plant	498,477	499,921
Maintenance and Repairs	511,252	461,679
Maintenance of Water Tanks	167,550	155,188
Equipment Rental	836	4,579
Chemicals and Sludge Removal	524,387	581,760
Lab Expense	124,874	134,306
Less Construction Equipment Cost Capitalized	<u>(2,639)</u>	<u>(25,563)</u>
Total Direct Operating Expenses	<u>\$ 1,922,530</u>	<u>\$ 1,899,303</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Salaries and Wages	\$ 3,429,333	\$ 3,058,960
Insurance - Employees	1,794,817	1,319,738
Retirement Expense	621,696	977,500
Payroll Taxes	264,617	239,280
Data Processing	144,365	151,385
Postage	140,590	128,689
Office Expense and Supplies	48,818	57,327
Bank Charges	176,963	153,886
Dues and Subscriptions	62,097	43,039
Consultants' Fees	351,775	179,164
Legal and Accounting Fees	24,280	24,835
Commissioners' Fees	38,950	36,350
Public Relations	66,650	20,536
Telephone	195,719	315,751
Utilities - Office and Maintenance Facility	42,798	43,331
Insurance - General	188,668	178,486
Maintenance Expense	477,464	439,558
Miscellaneous Expense	58,133	49,417
Small Tools	23,716	13,702
Permits	45,694	45,409
Travel and Related Expenses	35,120	3,600
Training	44,404	16,895
Bad Debts	25,672	7,245
Uniform Expense	27,166	22,637
Fringe Benefits	14,600	14,600
Less Salaries and Fringes Capitalized	(172,295)	(173,941)
Total General and Administrative Expenses	<u>\$ 8,171,810</u>	<u>\$ 7,367,379</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULES OF OTHER NONOPERATING REVENUES AND EXPENSES
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Other Nonoperating Revenues		
Interest earned on investments		
Principal and interest funds	\$ 4,993	\$ 6,384
General obligation bond proceeds	15,453	12,857
Designated funds	44,519	37,001
Increase (decrease) in fair value of investments	(136,969)	(48,784)
Other miscellaneous income	67,344	27,511
Lake Cooley income	21,531	18,240
Lake Lyman income	37,759	21,531
Rents	41,505	40,304
Gain(loss) from sale of assets	112,890	(50,139)
Total Other Nonoperating Revenues	<u>209,025</u>	<u>64,905</u>
Other Nonoperating Expenses		
Bonded debt interest expense	371,845	473,343
Bond issue costs	44,253	141,537
Lease interest expense	11,461	14,545
Lake Cooley expenses	26,727	30,513
Lake Lyman expenses	42,289	59,323
Other lake expenses	6,725	14,024
Total Other Nonoperating Expenses	<u>503,300</u>	<u>733,285</u>
Net Other Nonoperating Revenues and Expenses	<u>\$ (294,275)</u>	<u>\$ (668,380)</u>

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
 SCHEDULES OF PRINCIPAL AND INTEREST FUND RECEIPTS AND DISBURSEMENTS
 FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Receipts		
Property tax revenue	\$ 3,776,131	\$ 3,611,289
Bonded anticipation note issuance	6,000,000	-
Bonded note issuance	-	11,905,000
Investment income	4,993	6,384
	<u>9,781,124</u>	<u>15,522,673</u>
Disbursements		
Bonded debt principal	1,915,000	6,484,000
Bonded debt interest	374,450	357,983
Capital assets	5,999,999	9,152,995
	<u>8,289,449</u>	<u>15,994,978</u>
Excess Receipts over Disbursements	1,491,675	(472,305)
Total Assets Available - Beginning of Year	<u>2,033,426</u>	<u>2,505,731</u>
Total Assets Available - End of Year	<u>\$ 3,525,101</u>	<u>\$ 2,033,426</u>
Statements of Net Position		
Investments (P & I Fund) - Cash Equivalents	\$ 3,493,402	\$ 1,900,918
Property taxes receivable	31,699	132,508
	<u>\$ 3,525,101</u>	<u>\$ 2,033,426</u>

III. STATISTICAL SECTION (UNAUDITED)

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

Statistical Section

This part of the Startex-Jackson-Wellford-Duncan Water District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District's most significant revenue sources, user charges and property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Financial Trends

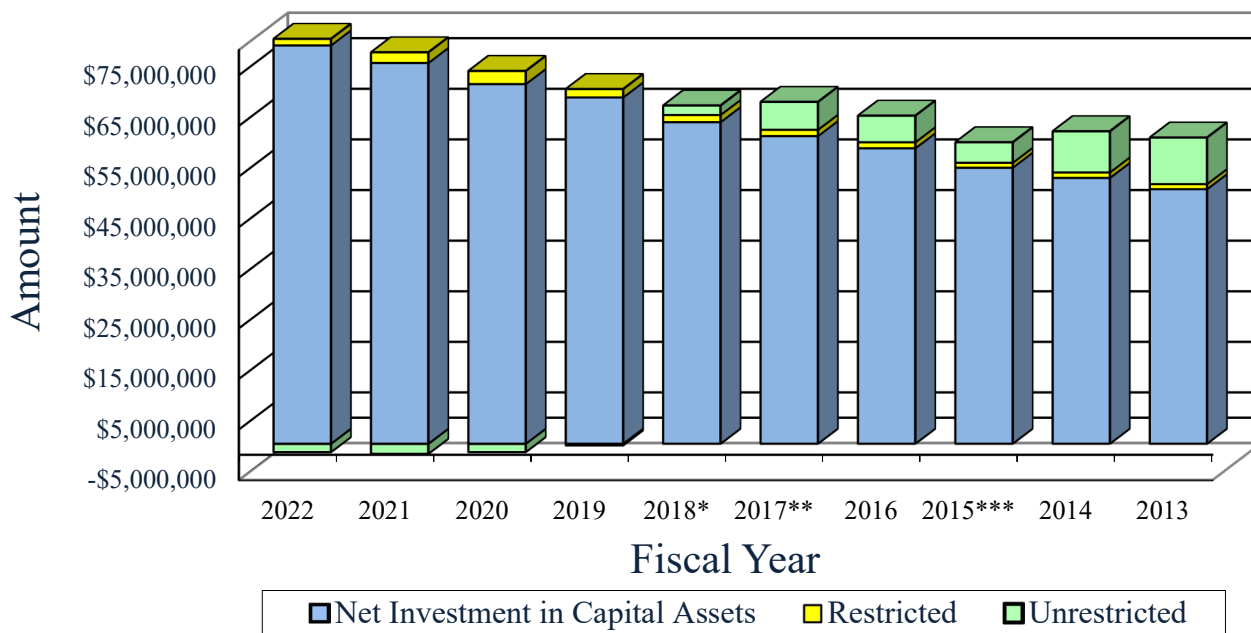
STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

Table 1

**Net Position by Component
Last Ten Fiscal Years**

Fiscal Year	Net Investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2022	\$ 78,698,423	\$ 3,580,300	\$ (1,641,127)	\$ 80,637,596
2021	75,235,908	2,103,044	(1,972,076)	75,366,876
2020	71,063,641	2,596,209	(1,628,881)	72,030,969
2019	68,428,500	1,657,749	(304,706)	69,781,543
2018*	63,552,838	1,409,368	1,872,030	66,834,236
2017**	60,791,042	1,253,520	5,503,946	67,548,508
2016	58,392,665	1,185,621	5,251,348	64,829,634
2015***	54,551,422	971,269	4,054,063	59,576,754
2014	52,535,827	1,082,969	8,129,983	61,748,779
2013	50,316,030	996,883	9,190,605	60,503,518

Net Position by Component



* In fiscal year 2018, the significant decrease in unrestricted net position was due to the implementation of GASB 75 - Accounting and Financial Reporting for Post Employment Benefits other than Pensions

** In fiscal year 2017, the District changed its fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

*** The significant decrease in unrestricted net position in Fiscal Year 2015 was due to the implementation of GASB 68 - Accounting and Financial Reporting for Pensions.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

Table 2

Changes in Net Position Last Ten Fiscal Years

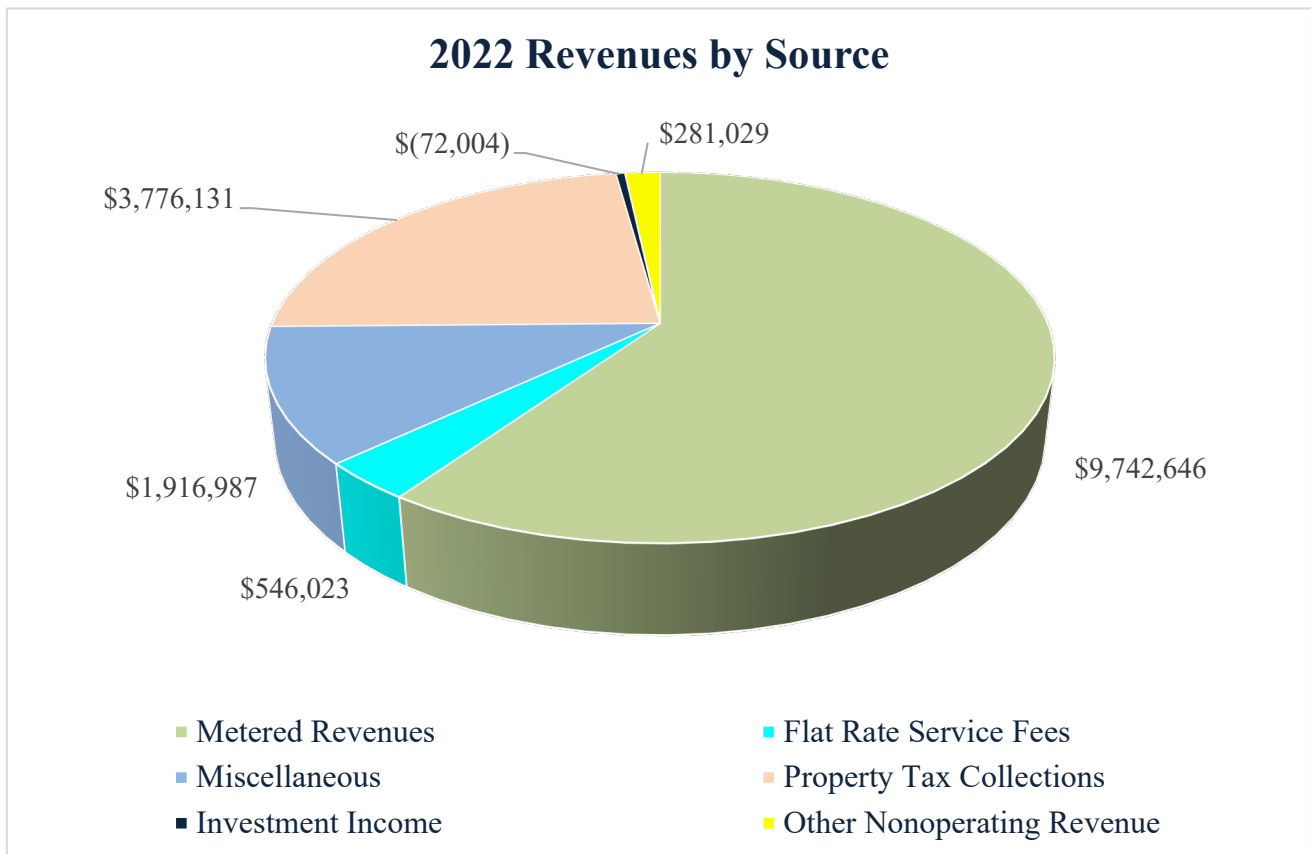
	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017*	FY 2016	FY 2015	FY 2014	FY 2013
Revenues										
Operating revenues										
User charge revenues	\$ 10,288,669	\$ 9,323,058	\$ 9,141,933	\$ 8,641,069	\$ 8,228,330	\$ 7,434,305	\$ 8,299,400	\$ 7,901,056	\$ 7,392,278	\$ 7,427,784
Other operating revenues	1,916,987	1,464,857	1,459,978	1,465,836	1,531,201	1,242,454	1,182,886	1,117,938	1,010,461	952,771
Total operating revenues	12,205,656	10,787,915	10,601,911	10,106,905	9,759,531	8,676,759	9,482,286	9,018,994	8,402,739	8,380,555
Nonoperating revenues										
Property tax collections	3,776,131	3,611,289	2,999,297	2,340,932	2,652,954	2,486,121	2,063,530	2,275,256	2,244,173	2,140,649
Other nonoperating revenues	209,025	64,905	375,930	616,361	219,023	143,119	607,925	219,414	194,234	82,080
Total nonoperating revenues	3,985,156	3,676,194	3,375,227	2,957,293	2,871,977	2,629,240	2,671,455	2,494,670	2,438,407	2,222,729
Total Revenues	16,190,812	14,464,109	13,977,138	13,064,198	12,631,508	11,305,999	12,153,741	11,513,664	10,841,146	10,603,284
Expenses										
Operating expenses, before depreciation and amortization	10,094,340	9,266,682	9,485,688	8,262,154	8,569,595	7,239,741	7,265,166	7,234,592	7,690,026	7,472,664
Depreciation and amortization	3,907,685	3,665,627	3,296,585	2,720,644	2,470,435	2,015,647	1,995,564	1,863,280	1,869,324	1,637,168
Nonoperating expenses	503,300	733,285	605,044	213,127	207,404	259,747	256,635	316,367	259,839	394,965
Total Expenses	14,505,325	13,665,594	13,387,317	11,195,925	11,247,434	9,515,135	9,517,365	9,414,239	9,819,189	9,504,797
Change in Net Position Before Capital Contributions	1,685,487	798,515	589,821	1,868,273	1,384,074	1,790,864	2,636,376	2,099,425	1,021,957	1,098,487
Capital Contributions	3,585,233	2,537,392	1,659,605	1,079,034	997,130	928,010	2,616,503	701,031	223,303	291,704
Change in Net Position	5,270,720	3,335,907	2,249,426	2,947,307	2,381,204	2,718,874	5,252,879	2,800,456	1,245,260	1,390,191
Net Position - Beginning of Year	75,366,876	72,030,969	69,781,543	66,834,236	67,548,508	64,829,634	59,576,755	61,748,779	60,503,519	59,113,328
Change in Accounting Principle	-	-	-	-	(3,095,476)	-	-	(4,972,480)	-	-
Net position - end of year	\$ 80,637,596	\$ 75,366,876	\$ 72,030,969	\$ 69,781,543	\$ 66,834,236	\$ 67,548,508	\$ 64,829,634	\$ 59,576,755	\$ 61,748,779	\$ 60,503,519

* In fiscal year 2017, the District changed its fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Revenues by Source
Last Ten Fiscal Years

Table 3

Fiscal Year	Operating Revenues			Non Operating Revenues			Total Revenues
	Metered Revenues	Flat Rate Service Fees	Miscellaneous	Property Tax Collections	Investment Income	Other Nonoperating Revenue	
2022	\$ 9,742,646	\$ 546,023	\$ 1,916,987	\$ 3,776,131	\$ (72,004)	\$ 281,029	\$16,190,812
2021	8,825,056	498,002	1,464,857	3,611,289	7,458	57,447	14,464,109
2020	8,640,612	501,321	1,459,978	2,999,297	240,680	135,250	13,977,138
2019	8,226,203	414,866	1,465,836	2,340,932	474,278	142,083	13,064,198
2018	7,836,527	391,803	1,531,201	2,652,954	91,124	127,899	12,631,508
2017*	7,089,272	345,034	1,242,453	2,486,121	30,298	112,821	11,305,999
2016	7,937,733	361,667	1,182,886	2,063,530	136,654	471,271	12,153,741
2015	7,546,670	354,386	1,117,937	2,275,256	111,298	108,116	11,513,663
2014	7,042,418	349,860	1,010,462	2,244,173	63,291	130,943	10,841,147
2013	7,078,217	349,566	952,771	2,140,649	(2,558)	84,638	10,603,283



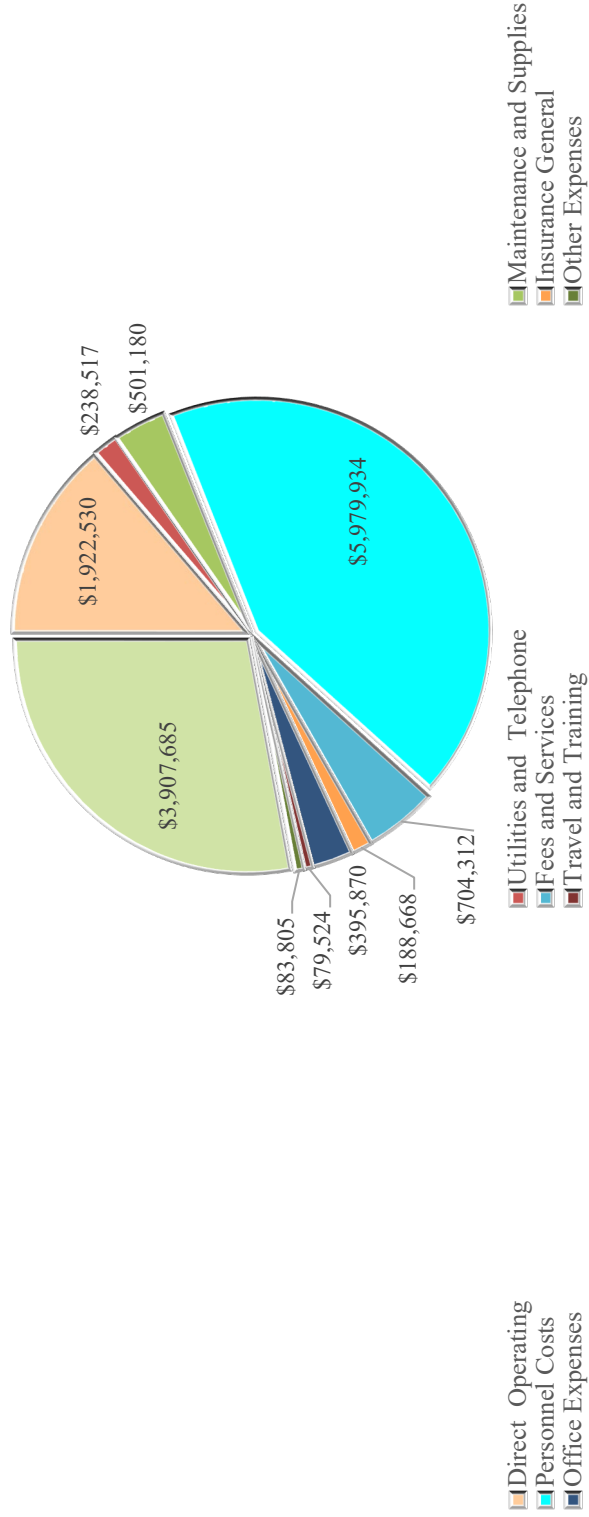
* In fiscal year 2017, the District changed its fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

Table 4

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Operating Expenses by Function
Last Ten Fiscal Years

Fiscal Year	Direct Operating	Utilities and Telephone	Maintenance and Supplies	Personnel Costs	Fees and Services	Insurance General	Office Expenses	Travel and Training	Other Expenses	Depreciation and Amortization Expense	Total Operating Expenses
2022	\$ 1,922,530	\$ 238,517	\$ 501,180	\$ 5,979,934	\$ 704,312	\$ 188,668	\$ 395,870	\$ 79,524	\$ 83,805	\$ 3,907,685	\$ 14,002,025
2021	1,899,303	359,082	453,260	5,458,774	460,180	178,486	380,440	20,495	56,662	3,665,627	12,932,309
2020	1,911,258	372,209	303,177	5,474,914	573,806	187,101	393,791	70,187	199,245	3,296,585	12,782,273
2019	1,591,299	227,100	302,272	4,853,580	532,342	167,414	373,188	99,092	115,867	2,720,644	10,982,798
2018	2,391,144	199,045	242,685	4,537,162	495,792	174,690	304,297	95,492	129,287	2,382,991	10,952,586
2017*	2,089,189	185,745	196,069	3,622,133	457,015	141,411	332,615	64,937	150,627	2,015,647	9,255,387
2016	1,918,385	183,657	223,870	4,036,099	322,884	155,752	235,729	90,080	98,711	1,995,564	9,260,730
2015	2,193,672	169,996	212,350	3,895,523	220,373	141,539	246,411	72,715	82,013	1,863,280	9,097,872
2014	2,087,433	172,256	245,245	4,268,222	378,921	147,484	248,687	76,775	65,002	1,869,324	9,559,349
2013	2,024,743	177,661	266,481	3,937,966	540,616	141,454	222,826	84,397	78,589	1,637,168	9,111,901
2012	1,811,500	159,835	271,783	3,882,377	542,083	136,592	229,619	100,188	84,788	1,484,018	8,702,783

Operating Expenses by Function



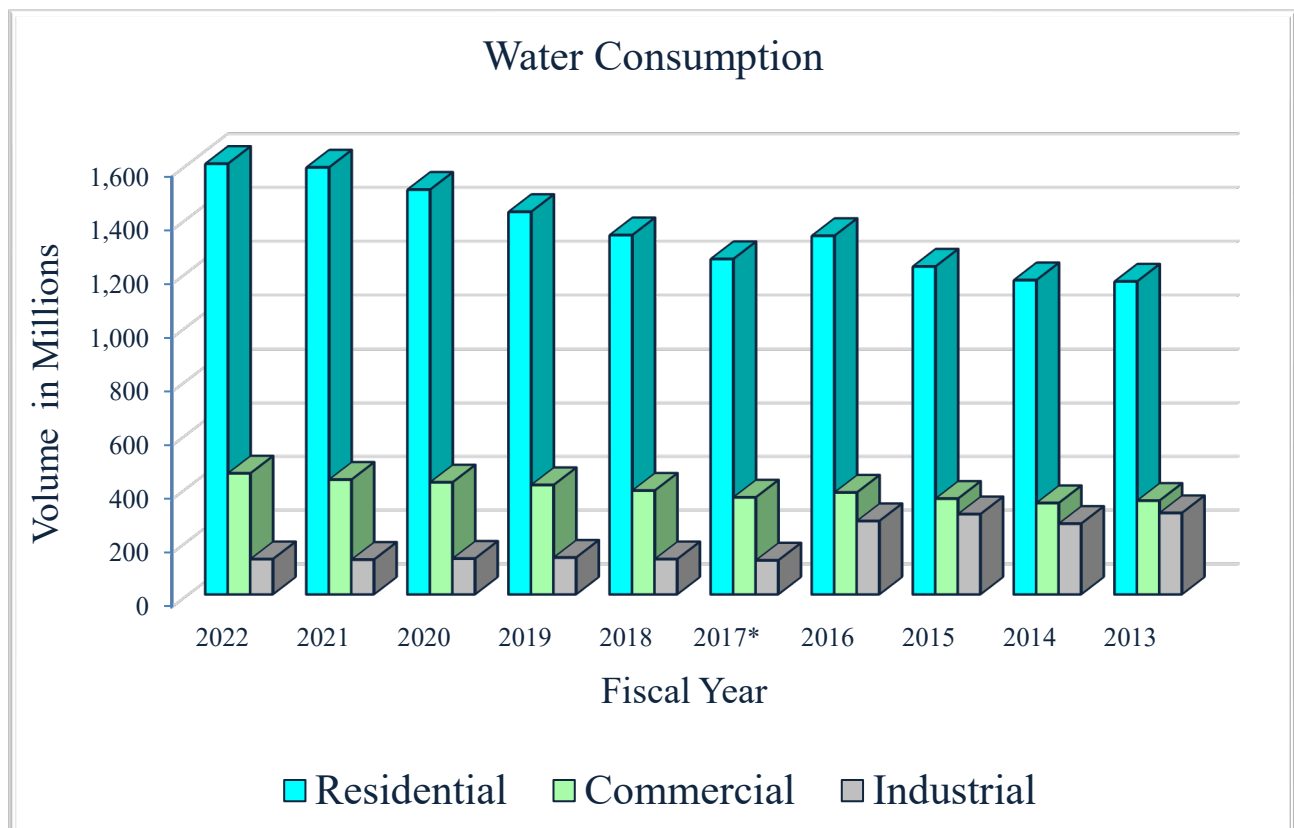
* In fiscal year 2017, the District changed the fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

Revenue Capacity

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Water Consumption
Last Ten Fiscal Years

Table 5

Fiscal Year Ended June 30	Volume in Million Gallons			Total
	Residential	Commercial	Industrial	
2022	1,626	450	131	2,206
2021	1,586	426	129	2,142
2020	1,504	416	133	2,053
2019	1,421	406	137	1,965
2018	1,335	386	131	1,852
2017*	1,246	360	126	1,733
2016	1,332	379	272	1,983
2015	1,219	356	298	1,872
2014	1,168	339	263	1,770
2013	1,163	348	302	1,813

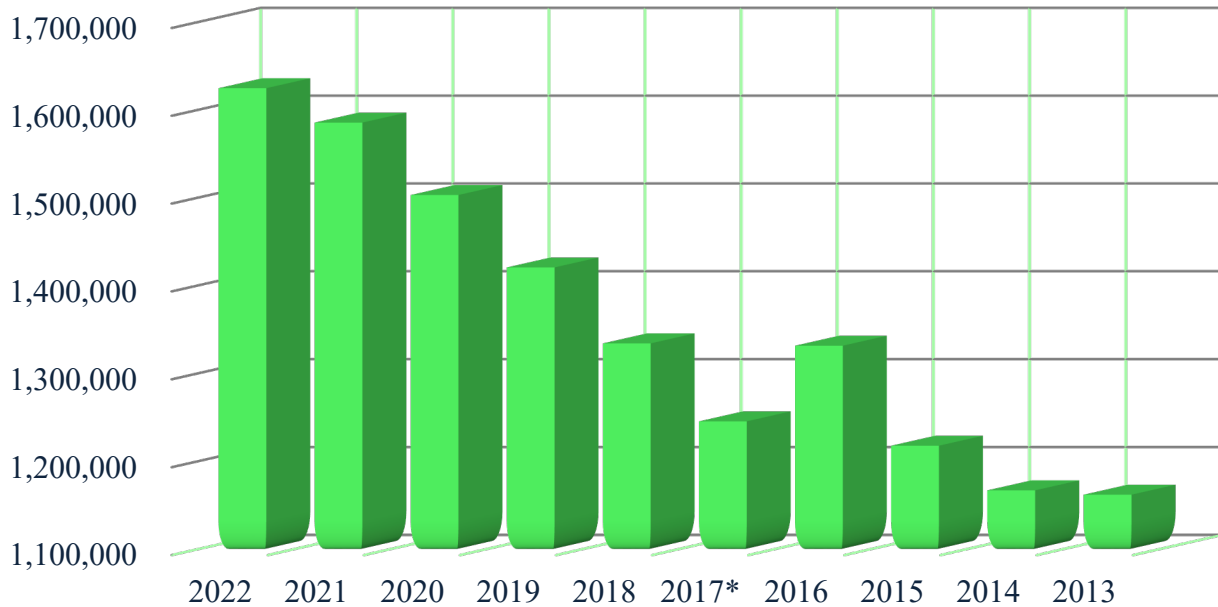


STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Historical Residential Rate Information
Last Ten Fiscal Years

Table 6

Fiscal Year	Ad Valorem Tax Millage	Average Residential Rate History	Volume Billed (per 1000 gal)
2022	12	\$4.23	1,625,589
2021	11.9	4.47	1,586,409
2020	11.5	4.53	1,503,928
2019	9.4	4.59	1,421,447
2018	12	4.61	1,335,011
2017*	12	4.54	1,246,308
2016	10	4.53	1,332,375
2015	11.5	4.58	1,218,590
2014	12	4.61	1,167,814
2013	12	4.56	1,162,873

Volume Billed (per 1000 gal)



* In fiscal year 2017, the District changed the fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Property Tax Collections
Last Ten Fiscal Years

Year End	Property Taxes Levy**	Property Taxes Collected	Percent Collected	Delinquent Taxes Collected	Percent Delinquent Collected	Total Collections to Date	Total Percent Collected	Bond Millage	Total Direct Rate*
2022	\$ 2,882,297	\$ 3,713,163	128.83%	\$ 62,968	1.70%	\$ 3,776,131	131.01%	12	12
2021	2,706,222	3,412,453	126.10%	198,836	5.83%	3,611,289	133.44%	11.9	11.9
2020	2,493,391	2,920,755	117.14%	78,542	2.69%	2,999,297	120.29%	11.5	11.5
2019	1,782,396	2,324,832	130.43%	16,100	0.69%	2,340,932	131.34%	9.4	9.4
2018	2,131,144	2,590,618	121.56%	62,336	2.41%	2,652,954	124.48%	12	12
2017	2,160,774	2,431,384	112.52%	54,737	2.25%	2,486,121	115.06%	12	12
2016	1,650,418	2,003,264	121.38%	60,266	3.01%	2,063,530	125.03%	10	10
2015	1,866,855	2,176,772	116.60%	98,484	4.52%	2,275,256	121.88%	11.5	11.5
2014	1,861,750	2,187,814	117.51%	56,359	2.58%	2,244,173	120.54%	12	12
2013	1,857,150	2,090,232	112.55%	50,417	2.41%	2,140,649	115.27%	12	12

* Total Direct Rate is equivalent to the Ad Valorem Tax Millage

** Property taxes levy is based on collections required for the calendar year to service the District's debt.

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Ten Largest Taxpayers
Fiscal Year 2022 and 2013

Table 8

Customer	2022			2013		
	Assessed Value	Taxes Paid*	2022 Ranking	Assessed Value	Taxes Paid*	2013 Ranking
Duke Energy Corp	\$ 5,652,770	\$ 2,082,940	1	\$ 2,971,620	\$1,024,025	4
Stag Industrial Holdings LLC	4,533,290	1,646,491	2	1,530,720	528,500	9
Sew Eurodrive Inc	4,533,220	1,670,964	3	3,783,608	1,301,903	2
Cryovac Inc	2,789,290	1,027,296	4	3,273,644	1,126,461	3
Southwood River Falls LLC	1,845,000	685,971	5			
Triangle Berry Shoals LLC	1,845,000	669,366	6			
Victoria Logistics LP	1,757,580	644,225	7			
Lex AV Duncan 1 LLC	1,752,000	650,693	8			
AFL Telecommunications LLC	1,671,030	617,891	9	1,807,520	618,630	8
TRE Groves at Berry Creek LLC	1,645,520	611,804	10			
American Fund Us Investments				2,934,826	1,004,004	5
BMW Manufacturing Co LLC				1,502,142	513,996	10
CBRE Operating Partnership LP				2,093,030	720,332	6
DSI Draexlmaier Service Inc				2,064,663	721,187	7
General Motors LLC				3,931,980	1,371,372	1
TOTAL	\$ 28,024,700	\$10,307,641		\$ 25,893,753	\$8,930,411	

2022 Taxes Paid do not include fee in lieu of tax payments, 2013 did include fee in lieu of tax payments

Source: Spartanburg County Auditor's Office

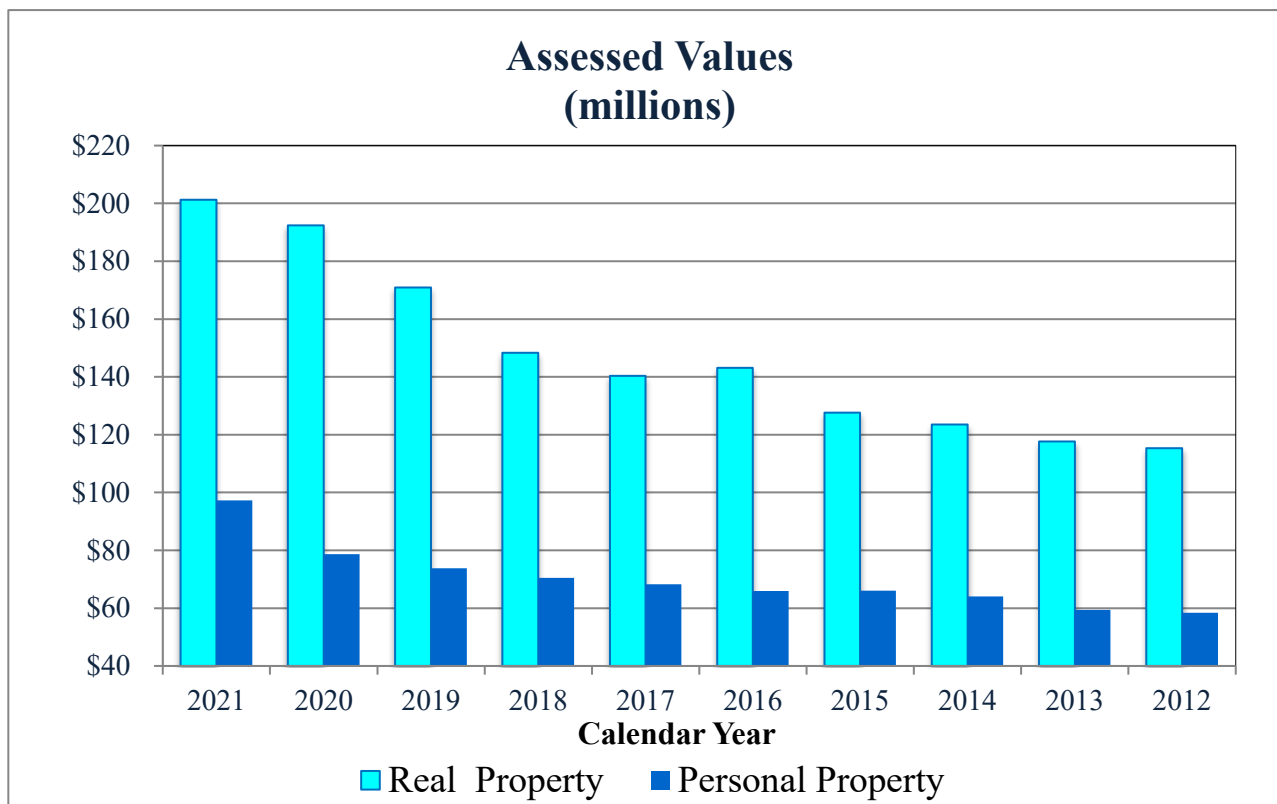
*Taxes paid represents total taxes paid to Spartanburg County

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Assessed Values
Last Ten Calendar Years

Table 9

Calendar Year	Real Property	Personal Property	Total Assessed Value	Total Market Value	Ratio of Total Assessed to Total Market Value
2021	\$ 201.3	\$ 97.3	\$ 298.5	\$ 4,849.7	6.16%
2020	192.4	78.7	271.1	4,898.0	5.53%
2019	170.9	73.8	244.7	4,459.0	5.49%
2018	148.3	70.5	218.8	3,980.1	5.50%
2017	140.3	68.3	208.6	3,711.6	5.62%
2016	143.1	65.9	209.0	3,496.8	5.98%
2015	127.6	66.0	193.6	3,227.1	6.00%
2014	123.5	64.1	187.6	3,120.8	6.01%
2013	117.6	59.4	177.0	3,289.4	5.38%
2012	115.3	58.4	173.7	3,241.1	5.36%

Assessed values are shown in millions



Source: Spartanburg County Auditor

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

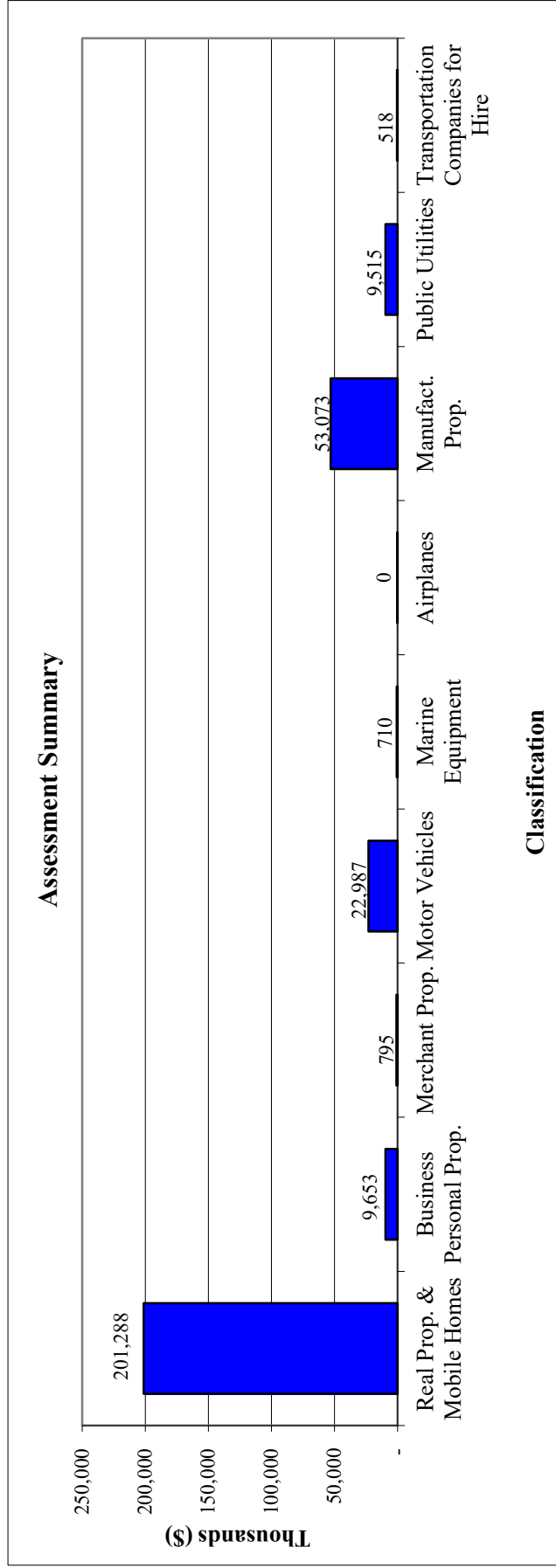
Table 10

Assessed Value Summary

Calendar Year 2021

Classification	Assessed Value	Assessment Ratio	Market Value
1. Real Property and Mobile Homes	\$ 201,287,572	4-6%	\$ 3,758,804,403
2. Business Personal Property	9,653,330	10.5%	91,936,476
3. Merchants' Furniture, Fixtures, and Equipment	795,390	10.5%	7,575,142
4. Motor Vehicles	22,986,889	6.0%	383,114,816
5. Marine Equipment	709,577	10.5%	6,757,876
6. Airplanes	130	4.0%	3,250
7. Manufacturing Property	53,072,600	10.5%	505,453,333
8. Public Utilities	9,514,762	10.5%	90,616,780
9. Transportation Companies for Hire	517,504	9.5%	5,447,410
TOTALS	\$ 298,537,754		\$ 4,849,709,486

(67)



Source: Spartanburg County Auditor

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT

Ten Largest Retail Customers

Fiscal Year 2022 and 2013

Customer	2022			2013			
	Consumption	Total Annual Operating Revenue	Percentage of Total Revenue	Consumption	Total Annual Operating Revenue	Percentage of Total Revenue	Rank
Woodruff-Roebuck Water	77,569,200	\$ 155,138	1.51%				1
Starchem LLC	23,102,550	42,890	0.42%	13,197,699	\$ 24,533	0.33%	4
Aramark Uniform Svc	20,934,130	38,076	0.37%				
Albis Barnett Polymers	13,453,660	25,423	0.25%				
Huntington Foam LLC	9,971,132	19,364	0.19%	9,385,810	18,158	0.24%	7
Cmc Recycling	9,354,690	20,491	0.20%				
Triangle Real Estate	8,053,000	19,583	0.19%				
Ashford Park LLC	7,681,000	19,409	0.19%				
Minghua	6,959,890	14,764	0.14%				
Fah Culpepper LLC	6,903,530	14,720	0.14%				
Springfield LLC				99,593,600	206,837	2.78%	1
Leigh Fibers Inc				26,756,900	46,299	0.62%	2
Coyne Textile Services				15,097,214	27,410	0.37%	3
Inman Mills				9,796,600	15,675	0.21%	5
Cryovac Plant				9,433,700	18,314	0.25%	6
Culpepper Landing				9,234,606	17,913	0.24%	8
Autolite				9,024,700	17,573	0.24%	9
Wellford Estates MHP				8,662,787	16,987	0.23%	10
Totals	183,982,782	\$ 369,858	3.59%	210,183,616	\$ 409,699	5.52%	

Debt Capacity

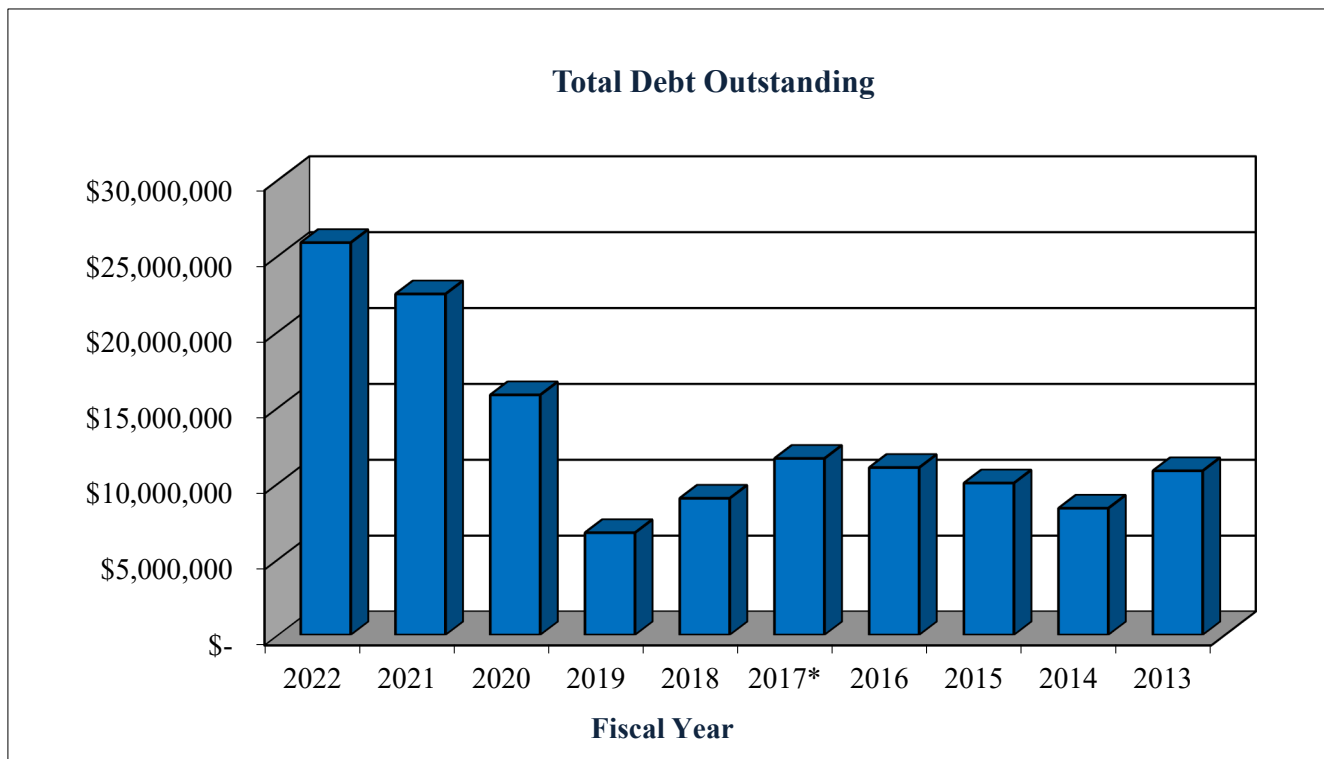
STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	General	Revenue Bonds	Bond		Total Debt Outstanding	Per Capita**	As Share of Personal Income
	Obligation Bonds		Anticipation Note	Leases			
2022	\$ 12,149,235	\$ 7,445,360	\$ 6,000,000	\$ 259,863	\$ 25,854,458	381	0.82%
2021	14,356,439	7,817,550	-	295,276	22,469,265	349	0.79%
2020	4,361,611	8,175,940	3,029,000	251,598	15,818,149	256	0.59%
2019	6,391,341	345,230	-	-	6,736,570	114	0.27%
2018	8,393,271	612,276	-	-	9,005,546	158	0.41%
2017*	10,759,760	871,458	-	-	11,631,218	214	0.64%
2016	9,969,080	1,060,824	-	-	11,029,904	210	0.60%
2015	8,702,306	1,306,799	-	-	10,009,105	199	0.57%
2014	6,174,388	2,175,530	-	-	8,349,918	169	0.50%
2013	7,814,502	3,002,232	-	-	10,816,734	223	0.70%

* In fiscal year 2017, the District changed the fiscal year end to June 30 from July 31, therefore fiscal year 2017 is a short year (11 months)

**Per capita number is based on estimate of SJWD Water District's residential customers as compared to Spartanburg County Population



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 13

Fiscal Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Funds	Net General Bonded Debt	Percentage of Taxable Market Value (2)	Per Capita (3)
2022	\$ 12,149,235	\$ (3,580,300)	\$ 8,568,935	0.18%	\$ 126
2021	14,356,439	(2,103,044)	12,253,395	0.25%	190
2020	4,361,611	(2,596,209)	1,765,402	0.04%	29
2019	6,391,341	(1,657,749)	4,733,592	0.12%	80
2018	8,393,271	(1,409,368)	6,983,903	0.19%	123
2017	10,759,760	(1,253,520)	9,506,240	0.27%	175
2016	9,969,080	(1,185,621)	8,783,459	0.27%	167
2015	8,702,306	(971,269)	7,731,037	0.25%	154
2014	6,174,388	(1,082,969)	5,091,419	0.15%	103
2013	7,814,502	(996,883)	6,817,619	0.21%	141

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (1) General bonded debt, net of related premium
- (2) See the Schedule of Assessed Values (Table 10) for property value data
- (3) Per capita number is based on estimate of SJWD Water District's residential customers as compared to Spartanburg County Population

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Legal Debt Margin
Last Ten Fiscal Years

Table 14

Assessed Valuation	
Latest assessed valuation less manufacturing depreciation reduction	<u>\$292,392,404</u>
Legal Debt Limit - 8% of assessed valuation	\$ 23,391,392
Amount of Debt Applicable to Debt Limit:	
Net general bonded debt outstanding June 30, 2022	<u>8,568,935</u>
Legal Debt Margin*	<u>\$ 14,822,457</u>

*The District may issue general obligation debt up to an amount equal to 8% of the last certified District assessment, without the requirement of conducting a referendum.

<u>Fiscal Year</u>	<u>Debt Limit*</u>	<u>Net Debt Subject to Limit</u>	<u>Legal Debt Margin</u>	<u>Outstanding Net Debt/ Debt Ceiling</u>	<u>Legal Debt Margin/ Debt Ceiling</u>
2022	\$ 23,391,392	\$ 8,568,935	\$ 14,822,457	36.63%	63.37%
2021	21,249,594	12,253,395	8,996,199	57.66%	42.34%
2020	19,700,073	1,765,402	17,934,671	8.96%	91.04%
2019	18,461,321	4,733,592	13,727,729	25.64%	74.36%
2018	15,962,792	6,983,903	8,978,889	43.75%	56.25%
2017	14,714,907	9,506,240	5,208,668	64.60%	35.40%
2016	14,646,776	8,783,459	5,863,318	59.97%	40.03%
2015	14,170,612	7,731,037	6,439,575	54.56%	45.44%
2014	13,307,301	5,091,419	8,215,883	38.26%	61.74%
2013	13,119,406	6,817,619	6,301,788	51.97%	48.03%

* Amounts provided by Spartanburg County Auditor's Office

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Historical Statements of Revenues, Expenses, Debt Service and Debt Service Coverage
Last Ten Fiscal Years

Table 15

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Income										
Operating revenues	\$ 12,205,656	\$ 10,787,915	\$ 10,601,911	\$ 10,106,905	\$ 9,759,531	\$ 8,676,759	\$ 9,482,286	\$ 9,018,993	\$ 8,402,740	\$ 8,380,554
Operating expenses before depreciation and amortization	(10,094,340)	(9,266,682)	(9,483,688)	(8,262,154)	(8,569,595)	(7,239,741)	(7,265,166)	(7,234,592)	(7,690,026)	(7,472,664)
Operating income before depreciation and amortization	2,111,316	1,521,233	1,116,223	1,844,751	1,189,936	1,437,018	2,217,120	1,784,401	712,714	907,890
Depreciation	(3,907,685)	(3,665,627)	(3,296,585)	(2,720,644)	(2,470,435)	(2,015,647)	(1,995,564)	(1,863,280)	(1,869,324)	(1,637,168)
Operating Income (Loss)	(1,796,369)	(2,144,394)	(2,180,362)	(875,893)	(1,280,499)	(578,629)	221,556	(78,879)	(1,156,610)	(729,278)
Nonoperating Revenues										
Ad valorem taxes	3,776,131	3,611,289	2,999,297	2,340,932	2,652,954	2,486,121	2,063,530	2,275,256	2,244,173	2,140,649
Other nonoperating revenues	209,025	64,905	375,930	616,361	219,023	143,119	607,925	219,414	194,234	82,080
Nonoperating Expenses	(503,300)	(733,285)	(605,044)	(213,127)	(207,405)	(259,747)	(256,635)	(316,367)	(259,839)	(394,965)
Capital Contributions	3,585,233	2,537,392	1,659,605	1,079,034	997,130	928,010	2,616,503	701,032	223,303	291,704
Net Income (Loss) Per Financial Statements	\$ 5,270,720	\$ 3,335,907	\$ 2,249,426	\$ 2,947,307	\$ 2,381,203	\$ 2,718,874	\$ 5,252,879	\$ 2,800,456	\$ 1,245,261	\$ 1,390,190
Net Income (Loss) Per Financial Statements	\$ 5,270,720	\$ 3,335,907	\$ 2,249,426	\$ 2,947,307	\$ 2,381,203	\$ 2,718,874	\$ 5,252,879	\$ 2,800,456	\$ 1,245,261	\$ 1,390,190
Less: (Gain) loss on sale of capital assets	(112,890)	-	(29,008)	(29,321)	(23,000)	(3,000)	(371,458)	(4,000)	(39,300)	(1,125)
Less: Restricted investment income	(20,446)	(19,241)	(43,599)	(78,821)	(88,231)	(39,301)	(24,197)	(12,301)	(5,696)	(6,133)
Less: Grants and donated line extensions	(1,293,633)	(1,156,021)	(631,380)	(504,884)	(464,255)	(614,355)	(2,361,295)	(490,066)	(223,303)	(291,704)
Less: Ad valorem used for GO debt service (1)	(3,776,131)	(3,611,289)	(2,999,297)	(2,340,932)	(2,652,954)	(2,486,121)	(2,063,530)	(2,275,256)	(2,244,173)	(2,140,649)
Less: Increase in fair value of investments	-	-	(53,076)	(198,520)	-	-	-	-	-	-
Plus: Loss on disposal of capital assets	136,969	50,139	-	-	-	160,150	50,704	80,695	163,285	237,114
Plus: Decrease in fair value of investments	3,907,685	3,665,627	3,296,585	2,720,644	2,470,435	2,015,647	1,995,564	1,863,280	1,869,324	1,637,168
Plus: Depreciation and amortization	383,306	487,888	329,571	127,328	144,612	95,135	88,542	142,794	179,918	218,208
Plus: Interest expense	44,253	141,537	221,465	12,242	-	94,217	92,954	83,016	12,051	71,750
Plus: Bond issuance costs	23,194	465,395	307,701	33,633	94,561	(266,135)	76,448	2,753	-	-
Plus: Pension Adjustment	247,093	212,666	179,148	267,675	101,572	246,125	265,300	274,600	226,500	177,700
Net Earnings per Revenue Bond Covenant	\$ 4,810,120	\$ 3,621,392	\$ 2,827,536	\$ 2,956,351	\$ 2,139,788	\$ 1,921,236	\$ 3,001,911	\$ 2,465,971	\$ 1,183,867	\$ 1,292,519
Debt Service Requiring Coverage, Per Covenant										
Revenue Bond Debt Service	\$ 640,400	\$ 650,900	\$ 386,908	\$ 282,429	\$ 282,429	\$ 282,429	\$ 282,429	\$ 929,817	\$ 911,239	\$ 891,694
Debt Service Coverage Ratio Based on Revenue Bond Coverage (2)/(3)	7.51	5.56	7.31	10.47	7.58	6.80	10.63	2.65	1.30	1.45

(1) Based on millage to service GO Bond debt only.
(2) The coverage is determined by dividing the Net Earnings per Revenue Bond Covenant by the Total Revenue Bond Debt Service
(3) The Revenue Bond Coverage must be at least 120% to be in compliance with the Revenue Bond Covenant

Demographic and Economic Information

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Spartanburg County Demographic Statistics
Last Ten Calendar Years*

Table 16

Calendar Year	Population (1)	Personal Income (1)		Median Age (1)	Total Labor Force (2)	Unemployment Rate (3)
		Total	Per Capita			
2020	326,205	\$ 15,182,676	\$ 46,543	38.0	156,494	4.8%
2019	319,785	14,124,521	44,169	38.2	166,127	2.5%
2018	314,137	13,543,549	43,148	37.8	160,277	3.1%
2017	306,740	12,798,599	41,709	38.2	157,221	4.0%
2016	300,867	11,501,469	38,686	38.5	153,389	4.7%
2015	296,558	10,738,530	33,600	38.4	151,336	5.8%
2014	292,981	10,252,621	34,946	38.5	148,365	6.3%
2013	290,414	10,033,000	35,040	38.5	147,740	7.8%
2012	288,176	9,819,000	33,518	35.5	146,956	9.6%
2011	286,236	9,241,000	31,873	38.1	146,154	11.2%

Data Sources:

- (1) U.S. Census Bureau of Economic Analysis (Last update: November 16, 2021)
- (2) SC Works Online (6/30/22)- <https://dew.sc.gov/data-and-statistics/data-dashboard>
- (3) SC Works Online (6/30/22)- <https://www.dew.sc.gov/news/2022-07/south-carolinas-employment-situation>

*Calendar year 2021 was not yet available

**STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Spartanburg County, South Carolina Major Employers and Changes
Fiscal Year 2022 and 2013**

Table 17

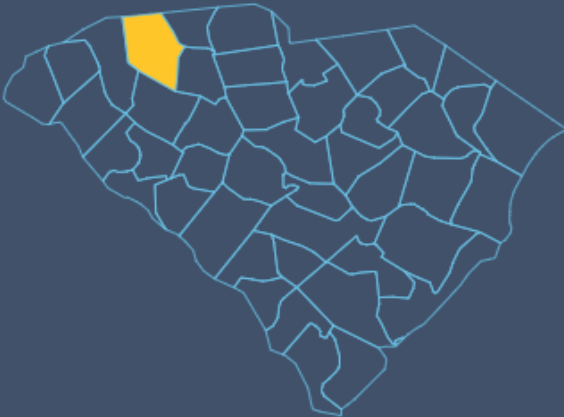
Company Name	Business/Product	Employees and % of Workforce		
		2022	%	2013
BMW Manufacturing Corporation	Automotive manufacturer	11,000	7.3%	7,200
Spartanburg Regional Medical Center	Hospital	9,648	6.4%	5,624
Spartanburg County Schools	Public school system	7,851	5.2%	6,560
State of South Carolina	State government	2,593	1.7%	2,275
Spartanburg County	County government, courts, law enforcement	1,568	1.0%	1,453
Adidas	Sporting and recreational goods and supplies	1,450	1.0%	N/A*
Draexlmaier Automotive of America LLC	Automobile component supplier	1,225	0.8%	N/A*
Michelin Tire Company	Radial truck tire manufacturer	1,150	0.8%	1,070
Benore Logistics Systems	Logistics	1,100	0.7%	N/A*
Plastic Omnium	Plastic injection molded interiors	1,100	0.7%	N/A*

Data Sources:
OneSpartanburg, Inc. and individual employers

(N/A*) Data unavailable

**STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
2020 Special Purpose Districts and Counties Rate Survey
Monthly Water Service Charge 668 CF (5,000 gal)**

Table 18



Spartanburg	Water	Sewer
Campobello, Town of	\$ 32.91	
Central Pacolet, Town of	\$ 45.90	\$ 39.45
Cowpens, Town of	\$ 45.90	\$ 39.45
Duncan, Town of	\$ 19.25	\$ 40.26
Inman, City of	\$ 32.91	\$ 38.25
Landrum, City of	\$ 45.90	\$ 39.45
Lyman, Town of	\$ 19.25	\$ 26.84
Pacolet, Town of	\$ 45.90	\$ 39.45
Spartanburg, City of	\$ 27.30	\$ 39.45
Wellford, City of	\$ 19.25	\$ 37.17
Woodruff, City of	\$ 54.92	\$ 46.00
Inman-Campobello Water District	\$ 32.91	
Liberty Chesnee Fingerville Water District	\$ 46.25	
Spartanburg Sanitary Sewer System		\$ 39.45
Startex-Jackson-Wellford-Duncan Water District	\$ 19.25	
Woodruff Roebuck Water District	\$ 54.50	

*This annual rate survey summary is based on the most recent rate surveys received from local providers, but may no longer be current. The monthly average rate is based on 5,000 gallons usage. Due to the possibility of errors in individual survey forms and data entry, the RIA does not guarantee the accuracy of this survey. Should any errors be found, please contact this office, as we do strive for maximum accuracy.

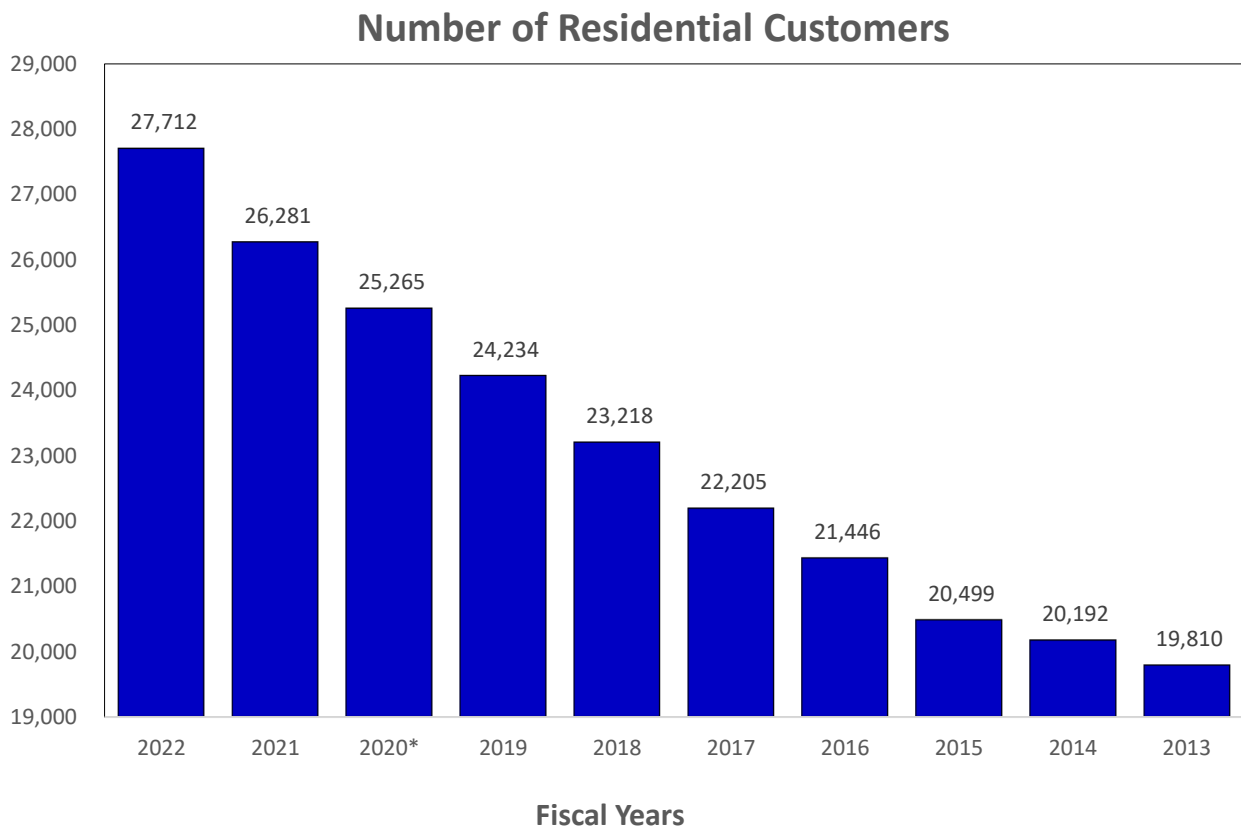
Operating Information

STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Number of Customers
Last Ten Fiscal Years

Table 19

Fiscal Year	Number of Customers		
	Residential	Other	Total
2022	27,712	1,581	29,293
2021	26,281	1,539	27,820
2020*	25,265	1,802	27,067
2019	24,234	1,544	25,778
2018	23,218	1,503	24,721
2017	22,205	1,452	23,657
2016	21,446	1,410	22,856
2015	20,499	1,388	21,887
2014	20,192	1,350	21,542
2013	19,810	1,497	21,307

* Estimate due to meter change out program



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Monthly Water Charges
Fiscal Year 2022

Table 20

Meter / Tap Rate Charges

Meter Size	Meter Equivalent	SIF Inside Tax District	SIF Outside Tax District
5/8"	1	\$ 500	\$ 1,000
1"	2.5	\$ 1,250	\$ 2,500
2"	8	\$ 4,000	\$ 8,000
3"	15	\$ 7,500	\$ 15,000
4"	25	\$ 12,500	\$ 25,000
6"	50	\$ 25,000	\$ 50,000
8"	80	\$ 40,000	\$ 80,000
10"	115	\$ 57,500	\$ 115,000
12"	215	\$ 107,500	\$ 215,000

Base Charge

Meter Size	Monthly Base Charge	
	Inside District	Outside District
5/8"	\$ 10.00	\$ 13.50
1"	\$ 25.00	\$ 33.75
2"	\$ 80.00	\$ 108.00
3"	\$ 160.00	\$ 216.00
4"	\$ 250.00	\$ 337.50
6"	\$ 500.00	\$ 675.00
8"	\$ 800.00	\$ 1,080.00

Water Usage Charge

	Usage (gallons)	Charge per 1,000 gallons	
		Inside District	Outside District
Residential & Irrigation	0-4,000	\$ 1.50	\$ 2.03
	4,001-15,000	\$ 3.25	\$ 4.39
	15,001 and up	\$ 4.00	\$ 5.40
Non- Residential	0-4,000	\$ 1.50	\$ 2.03
	4,001-15,000	\$ 3.25	\$ 4.39
	15,001-500,000	\$ 2.00	\$ 2.70
	500,001 and up	\$ 1.65	\$ 2.23

Private Fire Protection Charge (*Billed seperately from normal water usage*)

Fire Line Size	Inside District	Outside District
2"	\$ 4.85	\$ 6.06
3"	\$ 14.70	\$ 18.38
4"	\$ 80.60	\$ 100.75
6"	\$ 80.60	\$ 108.81
8"	\$ 168.72	\$ 227.78
10"	\$ 290.07	\$ 391.59
12"	\$ 458.80	\$ 619.38

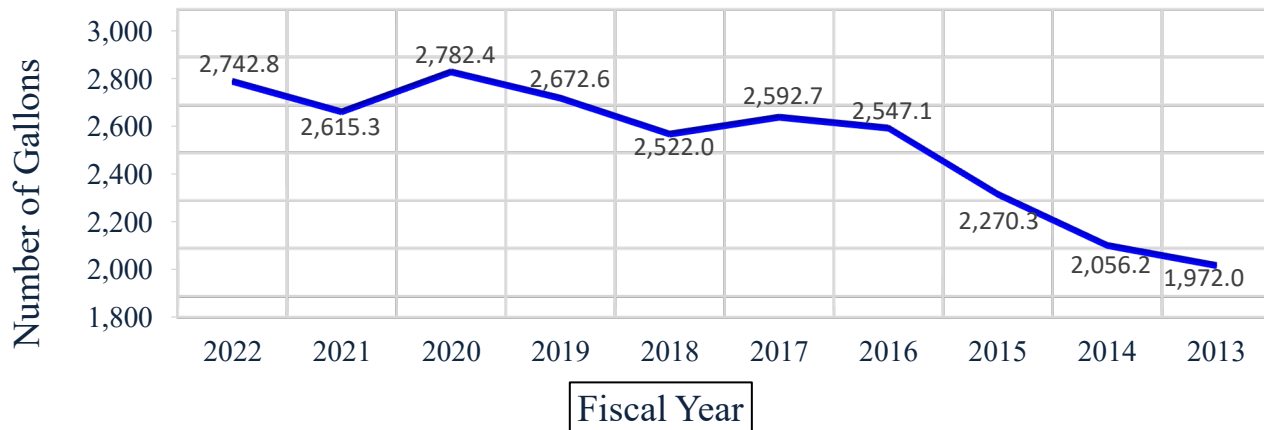
STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Annual Water Production
Last Ten Fiscal Years

Table 21

Month	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
July	265.4	290.6	287.9	247.3	248.3	276.8	261.2	218.7	175.6	217.2
August	264.6	268.4	268.4	240.6	248.8	245.0	239.9	219.6	193.2	190.5
September	237.5	244.9	272.4	237.3	225.6	261.9	224.2	198.4	171.2	177.1
October	225.7	233.2	251.8	233.6	219.4	256.7	195.2	190.3	176.7	165.7
November	196.2	195.0	197.5	201.3	190.8	214.7	185.2	160.6	172.7	153.7
December	187.0	190.3	193.4	187.5	189.2	175.3	167.9	156.4	154.2	136.2
January	202.0	183.0	216.4	195.2	198.0	177.2	180.9	155.9	153.0	144.8
February	180.1	160.2	177.5	185.8	165.6	159.3	169.4	147.0	132.4	126.8
March	186.5	170.2	201.2	191.3	185.6	175.3	187.8	166.4	152.3	142.9
April	210.4	196.5	224.8	201.5	187.7	185.0	225.2	184.4	161.3	152.0
May	277.5	245.9	234.2	281.6	217.3	219.9	241.3	235.9	209.9	184.5
June	310.0	237.3	256.9	269.6	245.7	245.6	268.9	236.7	203.7	180.6
Total Annual Production	2,742.8	2,615.3	2,782.4	2,672.6	2,522.0	2,592.7	2,547.1	2,270.3	2,056.2	1,972.0

* Amounts shown in millions of gallons

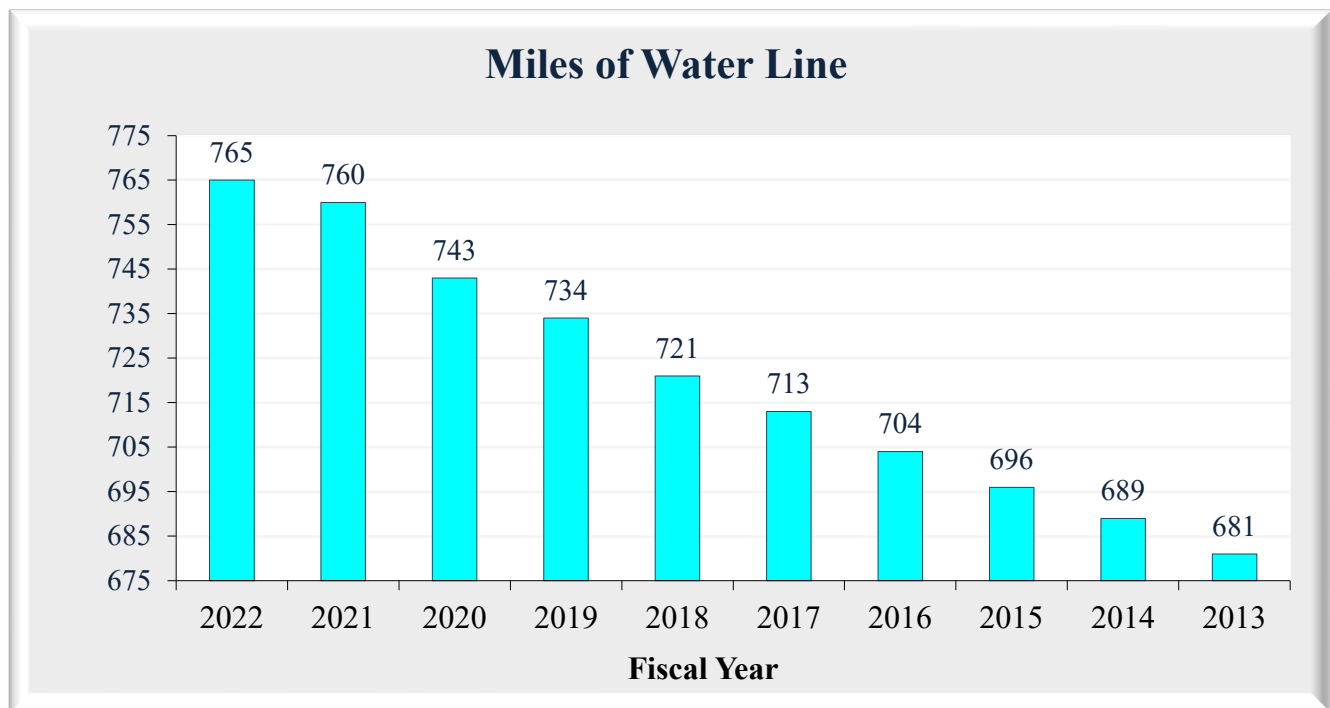
Annual Water Production
(in millions)



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Miles of Water Line
Last Ten Fiscal Years

Table 22

<u>Fiscal Year</u>	<u>Miles of Water Line</u>	<u>Percent Increase</u>
2022	765	0.65%
2021	760	2.24%
2020	743	1.21%
2019	734	1.77%
2018	721	1.11%
2017	713	1.26%
2016	704	1.14%
2015	696	1.01%
2014	689	1.16%
2013	681	0.59%



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Schedule of Treatment Plants
Fiscal Year 2022

Table 23

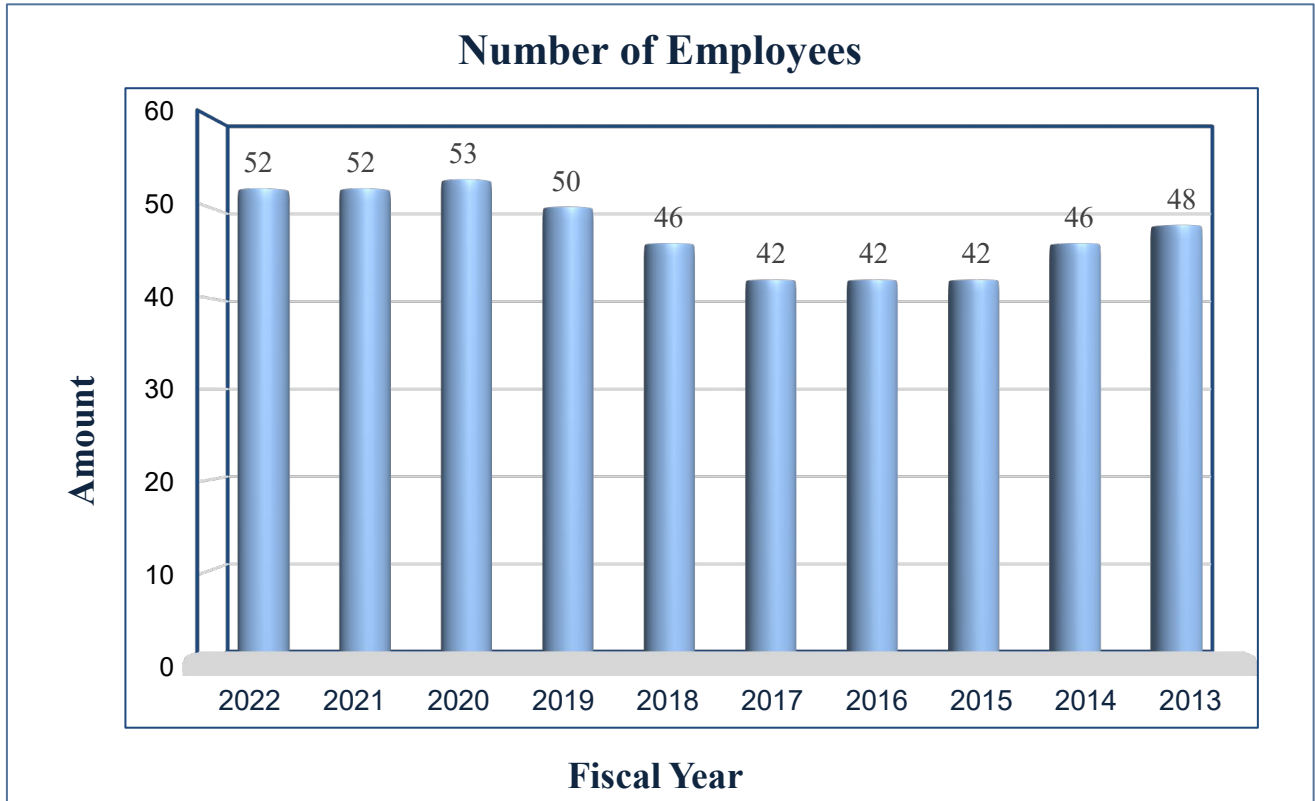
<u>Treatment Plant</u>	<u>Permitted Capacity (MGD)</u>	<u>Average Flow (MGD)</u>
Membrane	8.000	5.220
Conventional	12.000	3.280
	20.000	8.500



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Number of Employees
Last Ten Fiscal Years

Table 24

Fiscal Year	Number of Employees
2022	52
2021	52
2020	53
2019	50
2018	46
2017	42
2016	42
2015	42
2014	46
2013	48



STARTEX-JACKSON-WELLFORD-DUNCAN WATER DISTRICT
Annual Rainfall
Last Ten Fiscal Years

Table 25

Fiscal Year	Annual Rainfall*
2022	47.5
2021	57.1
2020	70.5
2019	65.2
2018	52.3
2017	45.1
2016	56.9
2015	49.2
2014	59.6
2013	55.2

* Data collected from Spartanburg Herald-Journal - Amounts shown in inches

