



MetroConnects
Sustainable Wastewater Solutions

2020 Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

Metropolitan Sewer Subdistrict

dba MetroConnects

Greenville, South Carolina



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2020

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Prepared by the Finance Department

TABLE OF CONTENTS

INTRODUCTION

SERVICE AREA MAP	1
LETTER OF TRANSMITTAL	2
BOARD OF COMMISSIONERS AND OFFICIALS	6
ORGANIZATIONAL CHART	7

FINANCIAL

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION	
INDEPENDENT AUDITOR'S REPORT	8
MANAGEMENT'S DISCUSSION AND ANALYSIS	10
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	19
STATEMENT OF CASH FLOWS	20
NOTES TO FINANCIAL STATEMENTS	21
REQUIRED SUPPLEMENTAL INFORMATION	
SEWER LINE CONDITION ASSESSMENT	43
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SOUTH CAROLINA RETIREMENT SYSTEM	44
SCHEDULE OF PENSION PLAN CONTRIBUTIONS – SOUTH CAROLINA RETIREMENT SYSTEM	45
SCHEDULE OF CHANGES IN METRO'S TOTAL OPEB LIABILITY AND RELATED RATIOS	46
OTHER SUPPLEMENTAL INFORMATION	
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	47
NOTES TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	48

STATISTICAL

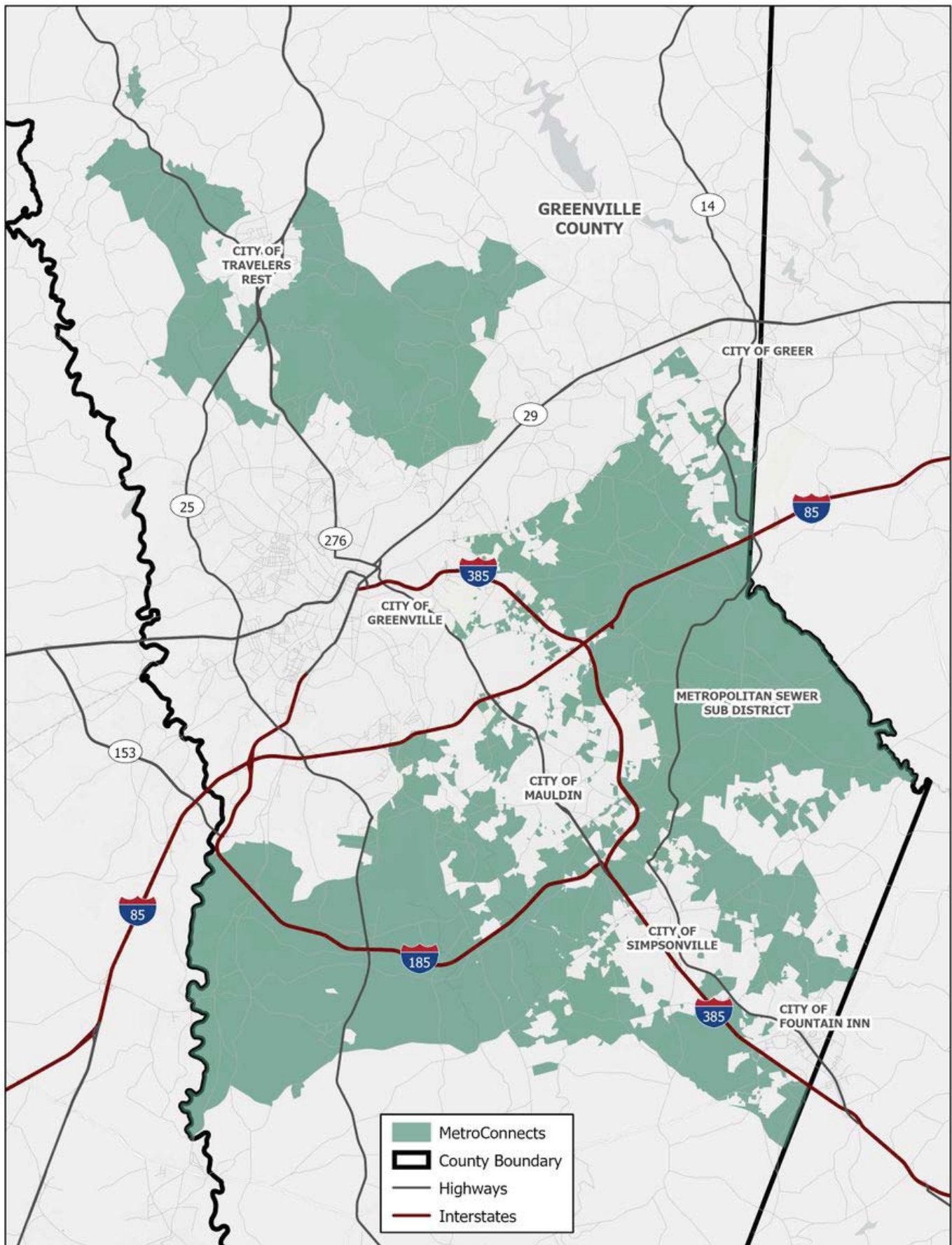
FINANCIAL TRENDS	
NET POSITION BY COMPONENT	50
SCHEDULE OF CHANGES IN NET POSITION	51

SCHEDULE OF REVENUES AND OTHER INCOME	52
SCHEDULE OF EXPENSES	53
FUND BALANCES OF GOVERNMENTAL FUNDS	54
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	55
CHANGES IN FUND BALANCE OF CAPITAL PROJECTS FUND	56
REVENUE CAPACITY	
HISTORICAL CUSTOMER CHARGES	57
SCHEDULE BY CUSTOMER TYPE AND USAGE	58
OPERATING AND CAPITAL INDICATORS	59
TEN LARGEST CUSTOMERS	60
DEBT CAPACITY	
DEBT HISTORY	61
SCHEDULE OF REVENUE BOND COVERAGE	62
DEMOGRAPHIC AND ECONOMIC STATISTICS	
DEMOGRAPHIC AND ECONOMIC STATISTICS	63
PRINCIPAL EMPLOYERS	64
OPERATING INFORMATION	
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	65
SEWER LINE CONDITION ASSESSMENT	66
COMPLIANCE	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	67

Introduction



SERVICE AREA MAP



LETTER OF TRANSMITTAL

February 22, 2021

To Metropolitan Sewer Subdistrict Board of Commissioners and Customers:

The management and staff of Metropolitan Sewer Subdistrict (Metro), dba MetroConnects, are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This is the first CAFR that Metro has prepared. This financial report will be made available to the general public via www.metroconnects.org and may also be viewed in person at our offices located at 120 Augusta Arbor Way, Greenville, SC, 29605.

Metro's management assumes responsibility for the completeness and reliability of the information contained in this financial report and that all information disclosed is accurate and reflects fairly the financial position and the operations of Metro. Metro's management has established a system of internal accounting controls designed to provide reasonable, but not absolute, assurance for the safeguarding of assets and financial statements prepared in conformity with accounting principles accepted in the United States of America (GAAP).

Metro is required by state law to publish an annual financial report audited by a certified public accountant and this CAFR fulfills that requirement. Love Bailey and Associates, LLC, Certified Public Accountants, conducted the independent audit of *Metro's Financial Statements for the Fiscal Year Ended June 30, 2020* and are free of material misstatement. The audit was conducted in accordance with United States generally accepted auditing standards. Love Bailey and Associates, LLC, issued an unmodified opinion that Metro's financial statements are fairly presented in all material aspects and in conformity with GAAP. The auditor's financial report is included in the first component of the financial section of this financial report.

A Management's Discussion and Analysis (MD&A) is provided in the financial section of this financial report. The MD&A serves as a narrative introduction, overview and analysis of Metro's financial statements. This letter of transmittal is meant to complement the MD&A and should be read in conjunction with it.

PROFILE OF THE METROPOLITAN SEWER SUBDISTRICT

Metro was created as a special purpose district, by the General Assembly by Act No. 687 on July 14, 1969 and amended in August 1972. Metro is a subdistrict within Greenville County, South Carolina Sewer Authority, now known as Renewable Water Resources (ReWa), and is empowered to acquire, construct, operate, maintain, improve and extend facilities for the collection of sewage within the subdistrict and transmit the same to the trunk lines or sewage treatment and disposal facilities of ReWa for treatment and disposal. Metro cooperates with the Environmental Protection Agency (EPA), South Carolina Department of Health and Environmental Control (SCDHEC), ReWa, all municipalities, and other special purpose districts in the provision of sewer facilities throughout Greenville and Anderson counties.

Metro serves approximately 47,000 customers with more than 670 miles of collector lines, nine pump stations and 10 miles of force main. Metro's service area extends from northern Greenville County in the Slater-Marietta area to the southern portions of the county, and east and west to the Greenville County line. Metro also serves the Piedmont area in Anderson County.

Metro strives to keep its collection system working properly and efficiently by supporting its Capacity Management Operations and Maintenance program (CMOM). Metro's well-trained personnel spend 98 percent of man-hours providing proactive maintenance on the collection system, a third of which is more than 40 years old.

Through proactive planning and response, Metro's staff and managers are ensuring that Metro has the funding to maintain its collection system in good operating condition and extending its useful life. The collection of wastewater protects public health, the environment, and our greatest resource — water.

LOCAL ECONOMY

Metro is headquartered at the South Carolina Technology and Aviation Center (SCTAC) in Greenville, SC. Greenville County, is one of 10 counties that make up the area known as the Upstate. Nestled in the foothills of the Blue Ridge mountains, Greenville is situated along the growth corridor of Interstate 85, halfway between Charlotte, N.C., and Atlanta, Ga., and has become one of the fastest growing areas in the southeast, if not the country. Greenville County's population of 529,307 is expected to grow by 222,000 residents in the next 20 years, adding an additional 108,000 jobs.

Greenville County provides an exceptional business climate and opportunity for growth for both new and existing businesses. In 2019, the Greenville Area Development Corporation announced \$401.9 million in new investments and the creation of 2,178 new jobs. Greenville County offers a growing workforce of well-educated and highly trained employees through a strong network of technical colleges, as well as colleges and universities known for research and industry innovation. Science, Technology, Engineering and Mathematics (STEM) education programs through Greenville County Schools of South Carolina (K-12) emphasizes the importance of integrating the four disciplines as a cohesive learning paradigm based on real-world applications.

In the past 35 years, Greenville County has transformed itself from the "textile capital" to a diversified business culture, encompassing everything from manufacturing facilities to innovative biotech companies. Greenville is home to world-class companies such as Michelin, Lockheed, General Electric, Hubbell Lighting and Fluor Corporation.

Greenville County plays a significant role in the economy of the Upstate and Metro provides much of the sanitary sewer infrastructure in this growing metropolitan area. Metro provides wastewater collection services for more than 20 percent of Greenville County.

The unemployment rate of Greenville County at the end of the fiscal year was 8.4 percent, which was below the state unemployment rate of 8.7 percent. According to the Greenville Area Development Corporation, the per capita personal income in Greenville County was \$47,844 for 2019, which was five percent higher than the state per capita income of \$45,438 and 15 percent less than the U.S. per capita income of \$56,490.

LONG-TERM PLANNING

A wastewater financial plan and rate study was conducted to explore Metro's revenue options while focusing on a sustainable and equitable rate structure, a solvent financial plan, as well as the flexibility to meet the future needs of Greenville and Anderson counties. The study results and findings for the six-year rate forecast

period fiscal years 2020 through 2025 are consistent with industry standards and pricing practices designed to meet the forecast of annual revenue requirements.

Prior to this study Metro's main revenue source was the collection of sewer taxes and fees. Homeowners in Metro's district were assessed 5.7 mils on the annual real property tax bill in Greenville and Anderson counties. Property owners also were assessed 5.7 mils on personal property to include cars, boats, RVs, etc. In addition to the assessed millage, Metro also collected a sewer fee through the annual tax notice.

On February 25, 2019, the Commission of Metro adopted a new user charge rate structure. Effective July 1, 2019, customers connected to Metro's collection system were charged a monthly fixed fee of \$11 and a volume charge of \$1.54 per 1,000 gallons through their monthly water bill, based on water consumption. Metro no longer charges a sewer tax and fee on the annual Greenville and Anderson counties real property tax bills.

By adopting the user charge rate structure resolution, Metro's Board of Commissions established billing rates for the next five years. See the chart below.

Sewer User Charge	FY 2020	FY2021	FY2022	FY2023	FY2024	FY 2025
Base Charge	\$11.00	\$11.25	\$11.45	\$11.72	\$12.00	\$12.25
% Change		2%	2%	2%	2%	2%
Volumetric Charge (/kgal)	\$1.54	\$1.57	\$1.60	\$1.65	\$1.68	\$1.72
% Change		2%	2%	2%	2%	2%

As a participating agency in the most recent Upstate Roundtable and Greenville County's Comprehensive plan, Metro uses a basin-approach when planning infrastructure investments, considering community needs for the provision of wastewater collection.

Metro's revised *Sanitary Sewer Standards and Procedures Manual* was released in December 2019. This manual serves as a guide for the planning, design, and construction of sanitary sewer collection systems in Metro's district.

In 2020, Metro engaged an engineering firm to assist in completing the *Business Performance Audit of MetroConnects' Collection System Business Practices*. The document is scheduled for completion in September 2020. The business audit is intended to highlight Metro's best practices and recommend improvements for efficient business practices. The document will serve as a precursor for updating Metro's CMOM compliance as required by the EPA.

BUDGETARY CONTROLS

Metro management prepares an annual operating and capital budget that is presented to the Board of Commissioners for their review and approval. The budget allows management to control strategic and long-term planning throughout the year. The draft budget is prepared and presented to the Board of Commissioners for approval in mid-May at a Commission Workshop and becomes effective on July 1 of the corresponding fiscal year. The final budget for fiscal year 2019-2020 was approved by the Board of Commissioners on June 17, 2019. Once adopted, any revisions to the budget during the year are subject to Board of Commission approval and a public hearing. The approved budget was not revised in FY 2020.

CORPORATE/SOCIAL RESPONSIBILITY

Metro manages operations, infrastructure, and investments to protect the public health, the environment, and support the local community and economy. This includes stakeholder's engagement on key issues and maintaining industry standards for operations and maintenance.

Staff members complete nearly 400 hours of health and safety training each year and maintain certifications for operating Metro's collection system is in good operating condition.

Metro launched a branding campaign to create an identity and brand awareness with its customers utilizing social media posts, videos, and digital advertisements to help customers understand the valuable service Metro provides.

Metro utilized members of the Senior Management Team, administrative staff and operations and maintenance crew members to create a series of videos to tell the Metro story. Metro plans to launch a new website as part of this campaign in fall of 2020.

All public meetings and hearings are communicated to the public through the Metro website, local newspapers, and are posted through Greenville County's Community Meetings site.

AWARDS

Metro has been named a South Carolina Department of Health and Environmental Control "Facility of Excellence," for six consecutive years. The award is presented annually to facilities who demonstrate excellence in facility operations, maintenance, and management in the protection of the environment while meeting or exceeding customer expectations.

ACKNOWLEDGEMENTS

We appreciate the support of Metro's Board of Commissioners and the daily contributions of our dedicated employees, as Metro strives to be the innovative leader in wastewater collections services.

Respectfully Submitted,



Carol Elliott
General Manager



Christie Whitmire
Finance Director

BOARD OF COMMISSIONERS

Metro is governed by a five-member Board of Commissioners. Board members are individually recommended by Greenville County Council and are appointed by South Carolina's Governor for staggered four-year terms. Each member of the Commission is required to live in Metro's district.

The Commission normally meets on the third Monday of each month in the Training Room at 120 Augusta Arbor Way in Greenville, South Carolina. Public comment is welcome at all Commission meetings.

Commissioner	Appointment	Term Expires	Position
James R. "Jim" Freeland	12/1/2006	11/30/2022	Chairman
Jim Gregorie	11/30/2003	11/30/2022	Vice Chairman
Caleb Freeman	11/30/2016	11/30/2024	Secretary
Jondia Berry	11/30/2018	11/30/2022	Commissioner
Evan Ruggiero	12/1/2020	11/30/2024	Commissioner

OFFICIALS

Carol Elliott - General Manager

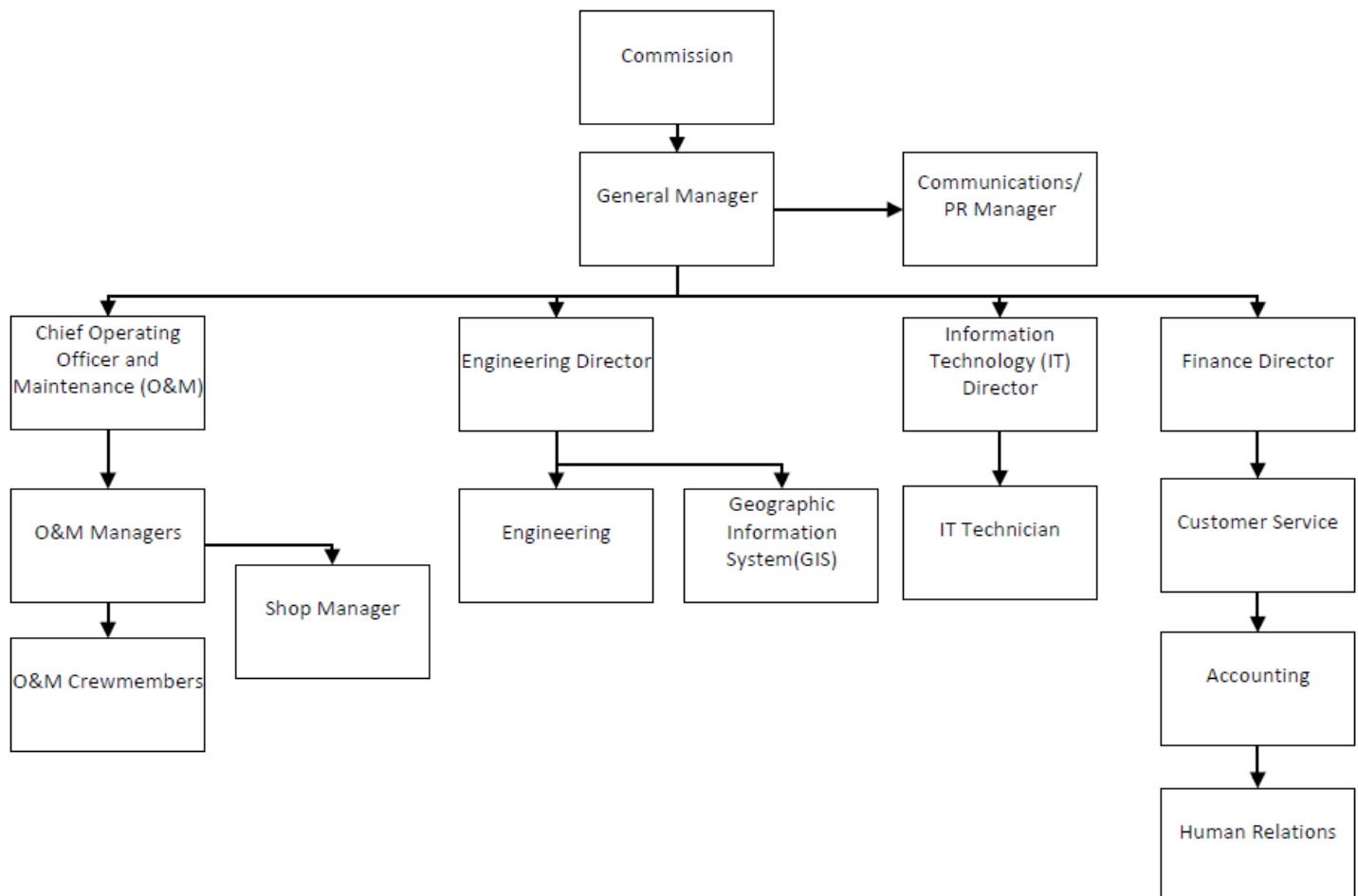
Jason Bagwell - Chief Operating Officer

Christie Whitmire - Finance Director

Josh Hawkins - Engineering Director

Andrew Carpenter-Rice - Information Technology Director

ORGANIZATIONAL CHART





**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2020**



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Commissioners
Metropolitan Sewer Subdistrict
Greenville, South Carolina

We have audited the accompanying financial statements of Metropolitan Sewer Subdistrict, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Metropolitan Sewer Subdistrict, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, sewer line condition assessment, pension plan schedules and other postemployment benefit plan schedules listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metropolitan Sewer Subdistrict's basic financial statements. The introductory section, budget to actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

Beginning July 1, 2019 Metropolitan Sewer Subdistrict switched from property tax collections to sewer user charge rate based billings. The implementation caused a change from the GASB 34 model to single proprietary (enterprise) fund accounting.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
December 21, 2020

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2020**

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

As management of the Metropolitan Sewer Subdistrict of Greenville County ("Metro"), we offer readers of Metro's financial statements this narrative overview and analysis of the financial activities of Metro for the fiscal year ended June 30, 2020.

Financial Highlights

- Metro increased its net position by \$9,021,000 or 4.3%.
- Total revenue increased by \$3,103,000 or 31.7% and total expenses increased by \$3,166,000 or 38.1%.
- Capital contributions increased by \$3,138,000 or 68.4%.
- A user charge rate structure was implemented on July 1, 2019. Metro customers paid an \$11.00 base charge and \$1.54 volumetric charge through their water bill.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of Metro's financial condition and performance.

The financial statements report information about Metro using full accrual accounting methods as utilized by similar business activities in the private sector. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities.

The results from a financial rate study concluded Metro needed a rate structure similar to a business on a self-sustaining basis, billing customers based on water consumption and the use of the system, instead of a revenue stream based on customer's property value. Revenues historically collected through the existing sewer tax and fee structure were designated for certain types of expenditures. The sewer fee was approved in 2010 to provide funding for operating expenses, but the statutory requirements for this fee restricted the funds usage for capital expansion projects. The approved user charge rate structure allows Metro to use revenues for all requirements to include operating expenses, capital costs (including expansion), debt servicing, and reserve fund transfers to support growth in Greenville and Anderson Counties.

Required Financial Statements

The financial statements of Metro report information using accounting methods similar to those used by private sector companies. These statements provide both long-term and short-term information about Metro's overall financial position.

The financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to the financial statements. The statement of net position presents the financial position of Metro on a full accrual historical cost basis and provides information about the nature and amount of resources and obligations at year end. The statement of revenues, expenses, and changes in net position presents the results of the business activities over the

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

Required Financial Statements, Continued

course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. This statement can be used to determine whether Metro has successfully recovered its annual costs through user charge rate collections, other charges, and credit worthiness.

The statement of cash flows presents changes in cash and cash equivalents, resulting from operational, financing and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Billed but uncollected user charge rates are accrued as receivables at year-end and are reported as revenues of the enterprise funds. These funds account for activities of Metro similar to those found in the private sector, where recovery and the determination of net income cost is useful or necessary for sound fiscal management.

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Metro has one enterprise fund.

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

Financial Analysis

Net position:

As shown in Table A, net position, the difference between assets, deferred outflows, liabilities and deferred inflows, may serve over time as a useful indicator of an entity's financial position.

Metropolitan Sewer Subdistrict
Management's Discussion and Analysis
June 30, 2020

Financial Analysis, Continued

Table A
Condensed Statement of Net Position

	FY 2020	FY 2019	Dollar Change	Percent Change
Current and other assets	\$ 26,658,000	\$ 26,111,000	\$ 547,000	2.1%
Restricted assets	44,000	-	44,000	
Capital assets	200,951,000	191,043,000	9,908,000	5.2%
Total assets	227,653,000	217,154,000	10,499,000	4.8%
Deferred outflows of resources	722,000	636,000	86,000	13.5%
Current liabilities	1,286,000	5,410,000	(4,124,000)	-76.2%
Noncurrent liabilities	6,570,000	856,000	5,714,000	667.5%
Total liabilities	7,856,000	6,266,000	1,590,000	25.4%
Deferred inflows of resources	49,000	75,000	(26,000)	-34.7%
Invested in capital assets	200,951,000	191,043,000	9,908,000	5.2%
Restricted	74,000	30,000	44,000	146.7%
Unrestricted	19,445,000	20,376,000	(931,000)	-4.6%
Total net position	\$ 220,470,000	\$ 211,449,000	\$ 9,021,000	4.3%

Metro's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$220,470,000 at the close of the most recent fiscal year. This amount represents an increase in net position of \$9,021,000 from \$211,449,000 in FY 2019. The largest portion of Metro's net position (91.1%) reflects its investment in capital assets (e.g. infrastructure, buildings, machinery, and equipment). The remaining portion (8.9%) represents current and other assets (e.g. cash, cash equivalents, investments, and receivables). These current and other assets will be used for the liabilities shown above, and the unrestricted net position will be used to finance future projects.

Changes in net position:

While the statement of net position shows a snapshot of Metro's financial position at the end of the fiscal year, the statement of revenues, expenses, and changes in net position provides answers as to the nature and source of the changes in net position from the prior year as can be seen in Table B.

Metropolitan Sewer Subdistrict
Management's Discussion and Analysis
June 30, 2020

Financial Analysis, Continued

Table B
Condensed Statements of Revenues, Expenses, and Changes in Net Assets

	FY 2020	FY 2019	Dollar Change	Percent Change
User charge rate	\$ 11,510,000	\$ -	\$ 11,510,000	
Property taxes	281,000	5,586,000	(5,305,000)	-95.0%
Sewer fees	26,000	3,215,000	(3,189,000)	-99.2%
Tap fees and other	897,000	749,000	148,000	19.8%
Interest income	131,000	128,000	3,000	2.3%
(Gain)/Loss on disposal of capital assets	40,000	104,000	(64,000)	-61.5%
Total revenue	12,885,000	9,782,000	3,103,000	31.7%
Salaries, wages, and benefits	3,942,000	3,600,000	342,000	9.5%
Professional fees	676,000	296,000	380,000	128.4%
Project costs	3,896,000	2,372,000	1,524,000	64.2%
Operations and maintenance	935,000	865,000	70,000	8.1%
Administration	1,411,000	596,000	815,000	136.7%
Depreciation	618,000	583,000	35,000	6.0%
Total expenses	11,478,000	8,312,000	3,166,000	38.1%
Capital grants	375,000	-	375,000	
GASB 68 - state retirement	(229,000)	-	(229,000)	
GASB 75 - other post-employment benefits	(242,000)	-	(242,000)	
Interest	(14,000)	-	(14,000)	
Change in net position before capital contributions	1,297,000	1,470,000	(173,000)	-11.8%
Capital contributions	7,724,000	4,586,000	3,138,000	68.4%
Change in net position	9,021,000	6,056,000	2,965,000	49.0%
Net position, beginning	211,449,000	205,393,000	6,056,000	2.9%
Net position, ending	\$ 220,470,000	\$ 211,449,000	\$ 9,021,000	4.3%

Total revenues increased by \$3,103,000 or 31.7%, to \$12,885,000 in FY 2020 from \$9,782,000 in FY 2019. The increase in revenue is mainly due to the implementation of the user charge rate, grant income received from the South Carolina Department of Transportation (SCDOT) for the Interstate 85/385 widening project for reimbursement from prior rights and tap fees and other income generated from

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

Financial Analysis, Continued

more individual sewer connections to Metro's sanitary sewer systems. The increase was offset mainly from Metro no longer charging sewer taxes and fees to all customers in the Metro district.

Total expenses increased by \$3,166,000, or 38.1%, to \$11,478,000 in FY 2020 from \$8,312,000 in FY 2019. The increase in expenses is due to an increase of roadway relocation, widening and improvement projects throughout the year, public relations costs for Metro's rebranding campaign through social media, pump station routine maintenance and repair, professional fee needs from conducting studies requested by Greenville County Council, a business audit and rate study, and building repairs for painting and recarpeting of the administration building. The increase was offset by decreases in equipment maintenance due to less maintenance needs on equipment, less contract CCTV footage scheduled during the year, and discontinuing the septic tank reimbursement program.

Capital contributions, which represent the non-cash contribution of sewer systems constructed by third-party developers and then deeded to Metro at the completion of the development increased \$3,138,000 or 68.4% in FY 2020 over FY 2019.

Capital Assets and Debt Administration

Capital assets

As of June 30, 2020, Metro's capital assets amounted to \$200,951,000 (net of accumulated depreciation) including sewer lines, land, buildings, equipment, and vehicles as shown in Table C.

Table C
Capital Assets

	FY 2020	FY 2019	Increase (Decrease) Over 2019	Percentage Increase (Decrease)
Vehicles	2,066,104	1,840,814	\$ 225,290	12.2%
Office Equipment	89,757	87,654	2,103	2.4%
Computer Equipment	218,348	226,150	(7,802)	-3.4%
Software	580,566	601,328	(20,762)	-3.5%
Maintenance Equipment	1,143,759	1,147,372	(3,613)	-0.3%
Pump Station Equipment	178,564	236,543	(57,979)	-24.5%
Administrative Building	892,270	890,379	1,891	0.2%
Training Facility	1,269,100	1,269,100	0	0.0%
O&M Building	25,473	25,474	(1)	0.0%
Shop Equipment	20,309	32,540	(12,231)	-37.6%
Maintenance Shop Buildings	308,794	308,795	(1)	0.0%
Safety Equipment	25,904	36,992	(11,088)	-30.0%
Sewer Lines	198,092,284	188,280,779	9,811,505	5.2%
Sub-Total	204,911,232	194,983,920	9,927,312	5.1%
Less Accumulated Depreciation	3,960,625	3,941,120	19,505	0.5%
Net Capital Assets	200,950,607	191,042,800	9,907,807	5.2%

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

Capital Assets and Debt Administration, Continued

The increase in the capital asset accounts are the result of general purchases that were budgeted. The increase in sewer lines is due primarily to developer installed sewer lines providing service to new commercial sites and residential subdivisions that were contributed to Metro of approximately \$7,724,000.

Metro uses the modified approach to account for its infrastructure assets. Under this approach, Metro manages its eligible infrastructure by use of an asset management system that provides for current inventories, condition assessments, and annual estimates of maintenance and preservation costs. Metro has committed to documenting and preserving its eligible infrastructure assets at a predetermined condition level by continuous condition assessments.

Debt administration:

Metro has not issued debt in more than 40 years due to using the pay as you go financing method. A Sewer System Revenue Bond, Series 2019 was issued on December 17, 2019. The following table consists of Metro's long-term obligations at June 30, 2020:

Table D
Summary of Outstanding Long-Term Obligations
(000's)

	FY2020
Series 2019 revenue bond	\$ 449,000
Compensated absences	133,000
Other post-employment benefits liability	734,000
Net pension liability	5,155,000
Total long-term obligations	6,471,000

Additional information on long-term debt can be found in Note 5 to the basic financial statements included in this report.

Economic Factors and Rates

The following key economic factors were considered when Metro established next year's budget:

- The unemployment rate for Greenville County was 8.4% at June 30, 2020.¹
- The number of residential building permits issued in Greenville County was 8,943 during the year ended June 30, 2020.²
- The number of commercial and other plumbing permits issued in Greenville County was 2,505 during the year ended June 30, 2020.²

¹ Source: U.S. Bureau of Labor Statistics

² Source: Greenville County Codes Enforcement

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

Economic Factors and Rates, Continued

- A two percent increase per year is planned for the user charge rate over the next five years beginning July 1, 2020.
- Metro has implemented a revised connection fee schedule starting July 1, 2020.

Table E
Condensed General and Capital Fund Operating 2020-2021 Budget
(000)

User charge rate	\$ 10,500,000
Property taxes	-
Sewer fees	-
Grants	377,000
Tap fees and other	1,201,000
Interest Income	204,000
(Gain)/loss on disposal of capital assets	75,000
Metro reserves	6,238,000
Total revenues	\$ 18,595,000
Sewer lines	\$ 4,750,000
Other capital assets	846,000
Salaries, wages, and benefits	4,851,000
Professional fees	730,000
Project costs	4,760,000
Operations and maintenance	1,410,000
Administration	1,219,000
Debt Service	29,000
Total expenditures	\$ 18,595,000

Metro's revenues are derived primarily from the user charge rates based on water consumption collected by area water providers. New construction, whether commercial or residential, will continue to have a major impact on revenues as well. Metro estimates that revenue will increase by 40.2% in FY 2021 due to the steady commercial and residential growth in Greenville County.

Metropolitan Sewer Subdistrict

Management's Discussion and Analysis

June 30, 2020

Requests for Information

This financial report is designed to provide a general overview of Metro's finances for all those with an interest in Metro's finances and to demonstrate Metro's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Metropolitan Sewer Subdistrict, 120 Augusta Arbor Way, Greenville, SC 29605.

BASIC FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020

METROPOLITAN SEWER SUBDISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

CURRENT ASSETS

Cash and cash equivalents	\$ 18,948,003
Restricted cash	43,813
Investments	6,088,102
User charge rate receivable, net	1,507,250
Prepaid expenses	115,378

NONCURRENT ASSETS

Capital assets not being depreciated	198,092,284
Capital assets, net of accumulated depreciation	<u>2,858,323</u>
Total assets	<u>227,653,153</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows on net pension liability	<u>722,248</u>
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LIABILITIES

Accounts payable and accrued expenses	1,284,806
Current portion of long-term liabilities	1,761

NONCURRENT LIABILITIES

Due within one year:	
Compensated absences	85,467
Interest payable	13,722
Due in more than one year:	
Compensated absences	132,840
Long-term liabilities, net of current portion	449,239
Other post-employment benefits liability	733,758
Net pension liability	<u>5,154,603</u>
Total liabilities	<u>7,856,196</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows on net pension liability	<u>49,286</u>
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NET POSITION

Net investment in capital assets	200,950,607
Restricted for capital activity	30,459
Restricted for debt service	43,813
Unrestricted	<u>19,445,040</u>
Total net position	<u>\$ 220,469,919</u>

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

METROPOLITAN SEWER SUBDISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

OPERATING REVENUES

User charge rate	\$ 11,510,041
Property taxes	281,134
Sewer fees	25,755
Tap fees and other	896,995
Total revenues	<u>12,713,925</u>

OPERATING EXPENSES

Salaries, wages, and benefits	3,942,514
Professional fees	675,570
Project costs	3,895,718
General and administration	1,366,792
Operations and maintenance	979,255
Operating expenses excluding depreciation	<u>10,859,849</u>
Depreciation	<u>618,380</u>
Total operating expenses	<u>11,478,229</u>
Operating income	<u>1,235,696</u>

NON-OPERATING REVENUE (EXPENSES)

Interest income	131,052
Gain (loss) on sale of assets	40,021
Capital grant revenue	375,131
GASB 68 - state retirement	(229,128)
GASB 75 - other post-employment benefits	(242,115)
Interest expense	(13,722)
Total non-operating revenue (expense)	<u>61,239</u>
Change in net position before capital contributions	1,296,935

CAPITAL CONTRIBUTIONS

Change in net position	<u>7,724,454</u>
Net position, beginning of year	<u>211,448,530</u>
Net position, end of year	<u>\$ 220,469,919</u>

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

METROPOLITAN SEWER SUBDISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net position	\$ 9,021,389
Adjustments to reconcile changes in net assets to net cash used in operating activities	
Depreciation	618,380
Gain on disposal	(40,021)
Donated sewer lines	(7,724,454)
Decrease (increase) in:	
Accounts receivable	(1,347,776)
Prepays and other assets	(10,097)
Increase (decrease) in:	
Accounts payable	508,565
Accrued liabilities	52,693
GASB 68 - state retirement	223,305
GASB 75 - other post-employment benefits	242,115
Net cash provided by operating activities	<u>1,544,099</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	3,057,656
Purchases of investments	<u>(3,075,975)</u>
Net cash used in investing activities	<u>(18,319)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Net proceeds on notes payable	451,000
Proceeds from sale of assets	48,325
Purchases of capital assets	<u>(2,810,037)</u>
Net cash used in financing activities	<u>(2,310,712)</u>
Net decrease in cash	(784,932)

CASH

Beginning of year	<u>19,776,748</u>
End of year	<u><u>\$ 18,991,816</u></u>

SUPPLEMENTAL INFORMATION

Interest paid	<u><u>\$ -</u></u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2020

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Metropolitan Sewer Subdistrict (“Metro”) was created in 1969 by the General Assembly of the State of South Carolina. The purpose of Metro’s creation was to provide sewer collection service within the boundary area of Renewable Water Resources (ReWa) to those established areas of Greenville County and Anderson County which, because of the population density, were in need of such service but did not lie within the boundaries of an existing special purpose district or municipality.

The financial statements of Metro have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Metro also applies Financial Accounting Standards Board (“FASB”) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of Metro’s accounting policies are described below.

Basis of presentation

Beginning July 1, 2019, Metro’s basic financial statements consist of enterprise fund financials, including a statement of net position, a statement of revenues, expenses and change in net position, and a statement of cash flows. Prior to July 1, 2019, Metro’s basic financial statements consisted of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements.

The statement of net position and the statement of revenues, expenses and changes in net position display information of Metro as a whole. These statements include the financial activities of the primary government. The effect of inter-fund activity has been removed from the statements.

Fund accounting

Metro maintains a single enterprise fund to record its activities which consists of a self-balancing set of accounts. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expense, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

All proprietary funds are accounted for using the accrual basis of accounting. Metro's revenues are recognized when they are earned, and expenses are recognized when they are incurred. Unbilled utility service receivables are recorded at year end. With this measurement focus, all assets and liabilities are included on the Statement of Net Position. Net position is segregated into invested in capital assets, restricted for capital activity, restricted for debt service and unrestricted.

Net position

Net position represents the difference between assets and liabilities and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets, net of related debt. Instead, that portion of the debt is included in the same net position components as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position which does not meet the previously mentioned criteria is considered unrestricted. Restricted net position for capital activity is comprised of a money market account that is for the sole use of maintaining a certain pump station and force mains. Restricted net position for debt service is comprised of a cash account that is for the sole use of making debt service payments once a year and maintaining a one year of debt payment reserve.

The statement of net position may report deferred outflows of resources following the assets section and deferred inflows of resources following the liabilities section. Deferred outflows of resources represents a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represents an acquisition of net position that applies to future periods and will not be recognized as revenue until that time.

User charge rate

On February 25, 2019, the Commission of Metro adopted a new user charge rate structure. This new rate structure, effective July 1, 2019, is based on a connected sewer customer's water consumption. Only customers connected to the Metro sanitary sewer system will be charged a monthly fixed fee of \$11 and volume charge of \$1.54 per 1,000 gallons through their monthly water bill, based on water consumption. This rate structure is uniform for all customer types for residential, commercial and industrial. With the adoption of the user charge rates, a forecasted rate adjustment schedule was included for five years. The base charge rate and volumetric charges (consumption) will both increase two percent each year over the next five years.

Metro no longer charges a sewer tax and fee on the annual Greenville County and Anderson County real property tax bills.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Cash and cash equivalents and investments

Metro considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Metro's investment policy is to maintain collateral for all certificates of deposits in their name. Metro obtains multiple quotes on matured certificates of deposits and places the funds where Metro can obtain the most favorable rate. Investment purchases and sales are recorded as of the trade date. Other investment income is recognized when earned. Investments are reported at fair value except as noted below. Fair value is the amount reasonably expected to be received for an investment in a current sale between a willing buyer and a willing seller. Net appreciation (depreciation) is determined by calculating the change in the fair value of investments between the beginning of the year and the end of the year, less purchases of investments at cost, plus sales of investments at fair value. Investment expenses consist of external expenses directly related to Metro's investment operations.

Money market funds (such as short-term, highly liquid debt instruments including bankers' acceptances and securities notes, bills, and bonds of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit, certificates of deposit, and repurchase agreements) with maturities at time of purchase of one year or less, are carried at amortized cost which approximates fair value.

Accounts Receivable

Metro outsources billing to residential, commercial, and industrial customers on billing cycles that end on various days throughout the month. The accounts receivable are financial instruments that potentially subject Metro to credit risk. Management has provided an allowance for uncollectible amounts based on its assessment of the current status of individual accounts. Balances that are still outstanding and deemed uncollectible after management has used reasonable collection efforts are written-off against the allowance for uncollectible accounts.

Capital assets

Capital assets, which include property, plant, and equipment and eligible infrastructure assets, are reported in the statement of net position. Capital assets are defined by Metro as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital assets, Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. All reported capital assets except infrastructure assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings and improvements	39 years
Vehicles	5 years
Furniture, fixtures and equipment	7-10 years
Computer equipment	5 years
Software	3 years

Metro uses the modified approach to account for its infrastructure assets. Infrastructure assets include sewer lines and appurtenances. Under this approach, Metro manages its eligible infrastructure by use of an asset management system that provides for current inventories, condition assessments, and annual estimates of maintenance and preservation costs. Metro has committed to documenting and preserving its eligible infrastructure assets as a predetermined condition level by continuous condition assessments.

Budgets and budgetary accounting

Budgets are prepared using the accrual basis of accounting. Budgeted amounts are as originally adopted by the Board of Commissioners.

The budget for the Capital Projects Fund includes both current year and future year expenditures as the funds are subject to the individual project expenditures determined by the cost of the project together with the requirements for external borrowings used to fund a particular project rather than annual appropriations alone. These budgets, when established, do not lapse at year end and are carried over to the completion of the project.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make reasonable estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the period. Ultimate resolution of uncertainties could cause actual results to differ from these estimates.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Compensated absences

The annual vacation leave policy of Metro provides for the accumulation of up to 5 weeks (188 hours for salary and 200 hours for hourly) earned annual leave with such leave being fully vested when earned. Any unused annual leave in excess of the 5 weeks is forfeited as of December 31st of each year. The accumulated annual leave has been reported as a liability in the accompanying statement of net position.

The annual sick leave policy of Metro provides for an accumulation of up to 90 days of sick leave. Sick leave does not vest and Metro has no obligation for any sick leave until it is actually taken. Therefore, no accrual for sick leave has been made.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (“SCRS”) and additions to/deductions from the SCRS’ fiduciary net position have been determined on the same basis as they are reported by SCRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows of resources and deferred inflows of resources

Changes in net pension liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions subsequent to the measurement date of the net pension liability are reported as deferred outflows of resources.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

As of June 30, 2020, Metro had the following cash, cash equivalents and investments

Cash and cash equivalents

Checking and other cash	\$ 18,991,816
Total cash and cash equivalents	<u>\$ 18,991,816</u>

Investments

Money market account	\$ 30,459
Certificates of deposit	5,058,545
SC Local Government Investment Pool	999,098
Total investments	<u>\$ 6,088,102</u>

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Credit risk

State law limits investments to obligations of the United States and agencies thereof, general obligations of the State of South Carolina or any of its political units, financial institutions to the extent that the same are secured by Federal Deposit Insurance, and certificates of deposits where the certificates are collaterally secured by securities of the type described above are 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. Metro has no investment policy that would further limit its investment choices.

As of June 30, 2020, the underlying security ratings of Metro's investment in the South Carolina Local Government Investment Pool (SCLGIP or the Pool) may be obtained from the SCLGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by submitting a request to The State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

Interest rate risk

Metro's policy is to invest primarily in certificates of deposit with maturity dates of three to twelve months as a means of managing its exposure to fair value losses arising from increasing interest rates. The maturity of Metro's position in the SCLGIP is based on the average maturity of the Pool's investments, without regard to Metro's ability to withdraw funds on demand. It is the policy of the State Treasurer's Office that the weighted average maturity of the SCLGIP portfolio not exceed sixty days.

Concentration of credit risk

Metro places no limit on the amount it may invest in any one issuer. More than 5 percent of Metro's investments are in Certificates of Deposit at one financial institution. These Certificates of Deposit investment are 83 percent of Metro's total investments.

Custodial credit risk deposits

Custodial credit risk is the risk that in the event of a bank failure, Metro's deposits may not be returned. Metro has a policy that all deposits in financial institutions be collateralized. As of June 30, 2020, Metro's bank balance was \$19,318,377. All of Metro's deposits held at June 30, 2020 were insured or collateralized with securities held by Metro's agents in Metro's name as is required by the investment policy and state law.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, Continued

Fair value of investments

Metro categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles (GAAP). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Metro has the following recurring fair value measurements as of June 30, 2020:

- SC Local Government Investment Pool funds of \$999,098 are measured at the Net Asset Value (NAV).

The Pool investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "Accounting and Financial Reporting for Certain investments and for External Investment Pools", investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the 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 Pool participants at any time and may be withdrawn through a website request. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211-1950. Investments measured at the NAV per share as described in GASB 72 are not subject to the fair value hierarchy reporting.

NOTE 3 – USER CHARGE RATE RECEIVABLE

Metro's accounts receivable and allowance for doubtful accounts were as follows at June 30, 2020:

	<u>2020</u>
User charge rate receivable	\$ 1,740,633
Less allowance for doubtful accounts	<u>(233,383)</u>
	<u>\$ 1,507,250</u>

METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions/ transfers	Retirements/ transfers	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Infrastructure	\$ 188,280,778	\$ 9,811,506	\$ -	\$ 198,092,284
Total capital assets at historical cost not being depreciated	<u>188,280,778</u>	<u>9,811,506</u>	<u>-</u>	<u>198,092,284</u>
Capital assets being depreciated				
Building and improvements	2,493,752	1,888	-	2,495,640
Vehicles	1,840,813	529,285	(303,997)	2,066,101
Furniture, fixtures and equipment	1,541,099	143,279	(226,086)	1,458,292
Computer equipment	226,148	88,864	(96,666)	218,346
Software	601,329	-	(20,763)	580,566
Total capital assets at historical cost being depreciated	<u>6,703,141</u>	<u>763,316</u>	<u>(647,512)</u>	<u>6,818,945</u>
Less: accumulated depreciation				
Buildings and improvements	(798,329)	(80,840)	-	(879,169)
Vehicles	(1,466,165)	(237,621)	303,997	(1,399,789)
Furniture, fixtures and equipment	(1,106,589)	(129,170)	177,451	(1,058,308)
Computer equipment	(173,029)	(18,266)	96,666	(94,629)
Software	(397,007)	(152,483)	20,763	(528,727)
Total accumulated depreciation	<u>(3,941,119)</u>	<u>(618,380)</u>	<u>598,877</u>	<u>(3,960,622)</u>
Total capital assets being depreciated, net	<u>2,762,022</u>	<u>144,936</u>	<u>(48,635)</u>	<u>2,858,323</u>
Capital assets, net	<u>\$ 191,042,800</u>	<u>\$ 9,956,442</u>	<u>\$ (48,635)</u>	<u>\$ 200,950,607</u>

Depreciation expense for the year ended June 30, 2020 totaled \$618,380.

Donated assets for fiscal year 2020 consisted of infrastructure additions of \$7,724,454.

METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – LONG-TERM DEBT

Revenue bonds

On December 17, 2019, Metro was issued \$451,000 of Sewer System Revenue Bond, Series 2019. The bond is payable in annual installments of \$29,205 beginning January 5, 2021 through fiscal year 2060. Maturity date for the bond is December 17, 2059 and has an interest rate of 5.69 percent.

The following is a summary of changes in revenue bonds for the year ended June 30, 2020.

Revenue Bond	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds:					
Series 2019	\$ -	\$ 451,000	\$ -	\$ 451,000	\$ 1,761
Total Bonds	\$ -	\$ 451,000	\$ -	\$ 451,000	\$ 1,761

Maturities of revenue bonds for the succeeding five years are as follows:

<u>Year ending June 30:</u>	
2021	1,761
2022	3,288
2023	3,478
2024	3,678
2025	3,821
Thereafter	434,974
	<u>\$ 451,000</u>

Changes in other long-term liabilities

Other long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Compensated absences	\$ 179,336	\$ 85,467	\$ 46,496	\$ 218,307
Other postemployment benefits liability ¹	491,643	255,761	13,646	733,758
Net pension liability	4,819,515	726,539	391,451	5,154,603
Total	\$ 5,490,494	\$ 1,067,767	\$ 451,593	\$ 6,106,668

At June 30, 2020, \$85,467 of the compensated absences balance is expected to be due within one year.

¹ See Note 8

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN

Employee Retirement Systems

Metro participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA").

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems ("Systems") and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

Membership

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

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

Benefits

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

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

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

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS 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 Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems 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 to or greater than 85 percent, then the Board, 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 percent. 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 percent, then effective on the following July 1, and annually thereafter as necessary, the Board 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 percent.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>
SCRS		
Employee Class Two	15.41%	14.41%
Employee Class Three	15.41%	14.41%
Employer Incidental Death Benefit	0.15%	0.15%

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued as of July 1, 2015.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2019.

Actuarial Cost Method ²	Entry age normal
Investment Rate of Return	7.25%
Projected Salary Increases	3.0% to 12.5% (varies by service) ¹
Benefit Adjustments	Lesser of 1% or \$500 annually

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

² Includes inflation at 2.25%

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the System's mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2019, TPL are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

Net Pension Liability

The NPL represents the TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. State pension liability (SPL) totals, as of June 30, 2019, for SCRS is presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 50,073,060,256	\$ 27,238,916,138	\$ 22,834,144,118	54.4%

The TPL is calculated by the System's actuary, and the fiduciary net position is reported in the System's financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the System's notes to the financial statements and required supplementary information. Liability calculations performed by the System's actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plan's funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was based upon the 30 year capital markets assumptions. The long-term expected rate of returns 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.

METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – PENSION PLAN, Continued

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the fiscal year 2019. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Total Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	51.0%		
Global Public Equity	35.0%	7.29%	2.55%
Private Equity	9.0%	7.67%	0.69%
Equity Options Strategies	7.0%	5.23%	0.37%
Real Assets	12.0%		
Real Estate (private)	8.0%	5.59%	0.45%
Real Estate (REITs)	1.0%	8.16%	0.08%
Infrastructure (private)	2.0%	5.03%	0.10%
Infrastructure (public)	1.0%	6.12%	0.06%
Opportunistic	8.0%		
Global Tactical Asset	7.0%	3.09%	0.22%
Other	1.0%	3.82%	0.04%
Credit	15.0%		
High Yield Bonds	4.0%	3.14%	0.13%
Emerging Marketing Debt	4.0%	3.31%	0.13%
Private Debt	7.0%	5.49%	0.38%
Rate Sensitive	14.0%		
Core Fixed Income	13.0%	1.62%	0.21%
Cash and Short Duration (net)	1.0%	0.31%	0.00%
Total Expected Real Return	100%		5.41%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.66%

Pensions

At June 30, 2020, Metro reported a liability of \$5,154,603 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Metro's proportion of the net pension liability was based on a projection of the Metro's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

For the year ended June 30, 2020, Metro recognized additional pension expense of \$229,128. At June 30, 2020, Metro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 107,416	\$ 37,030
Changes of assumptions:		
Net difference between projected and actual earnings on pension plan investments	45,636	-
Changes in proportion and differences between:		
Metro contributions and proportionate share of contributions	169,866	12,256
Metro contributions subsequent to the measurement date	399,330	-
Total	<u>\$ 722,248</u>	<u>\$ 49,286</u>

An amount of \$399,330 reported as deferred outflows of resources related to pensions resulting from Metro contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/ (inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4.00 years for SCRS:

Measurement Period Ending June 30	
2020	\$ 186,604
2021	8,550
2022	59,502
2023	18,975
Net Balance of Deferred Outflow/ (Inflow) of Resources	<u>\$ 273,631</u>

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6 – PENSION PLAN, Continued

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower or (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 6,493,731	\$ 5,154,611	\$ 4,037,037

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plan administered by PEBA is available in the System's audited financial statements for the fiscal year ended June 30, 2019 accounting and financial reporting actuarial valuation as of June 30, 2019.

NOTE 7 – EMPLOYEE BENEFITS

Metro offers health, dental, and life insurance through Greenville County. Metro pays the entire cost of the employee portion of health and dental coverage, and will pay a portion of dependent health and dental coverage if elected by the employee. Metro pays for a \$50,000 life insurance policy through Reliastar Life Insurance contracted through Greenville County for each employee. Employees may elect additional employee, dependent, and/or child life insurance policies at the employee's expense. Medical and life insurance expense totaled \$647,162 for the fiscal year ended June 30, 2020.

Metro provides post-retirement health and dental care benefits for eligible retirees and their spouses under similar provisions provided to existing employees. See Note 8 for further information related to these benefits.

Metro offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457 and 401(k) plans. The plans, available to all Metro employees, permit employees to defer a portion of their salary until future years. The deferred compensation is not available (except through a retirement loan) to employees until termination, retirement, death, or unforeseeable emergency. Great West Retirement Services, 8515 East Orchard Road, Greenwood Village, CO 80111, (under state contract) is the program administrator of both the 457 and the 401(k) plans. The choice of deferred compensation options are selected by the participant.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

Metro administers a single-employer defined benefit healthcare plan (the “Retiree Health Plan”). The plan provides post-retirement health, dental, and supplemental insurance benefits for eligible retirees and their spouses under the same provisions provided to existing employees. Benefit provisions are established by the Board of Commissioners. The Retiree Health Plan does not issue a publically available financial report. Metro pays a portion of the monthly premiums for health, dental or supplemental insurance coverage for these eligible retired plan members and their spouses in the amount of \$75 per month, with the retiree plan members paying the remainder of the premiums. As of year-end, four retiree and three spouses were receiving coverage benefits.

Funding Policy

Metro’s annual other post-employment benefits (OPEB) cost (expense) is a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

Health insurance continuation of coverage – as required by the Consolidated Omnibus Budget and Reconciliation Act (COBRA), Metro provides health and dental insurance benefits to eligible former employees and eligible dependents based upon requirements outlined by the federal government for this coverage. The premium is paid in full by the former employee on or before the tenth day of the month for the actual month covered. There is no associated cost to Metro.

Total OPEB liability – Metro’s total OPEB liability of \$733,758 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs – the total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Average Retirement Age	65
Plan Asset Return	0.00 percent
Bond Yield	2.21 percent
Discount Rate	2.21 percent
Salary Increases	5.00 percent
Percentage Participation	100 percent

The discount rate was based on the 20-Bond GO Index.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Mortality rates were based on the July 1, 2019 SCRS valuation (see Note 6).

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study with a measurement date of June 30, 2020.

Changes in the total OPEB liability:

	Total OPEB Liability
Balance at June 30, 2019	\$ 491,643
Changes for the year:	
Service cost	32,032
Interest	11,202
Difference between expected/actual experience	212,527
Changes in assumptions	(8,290)
Employer contributions	(5,356)
Net changes	242,115
Balance at June 30, 2020	<u>\$ 733,758</u>

Post-Employment and Other Employee Benefits

Sensitivity of the total OPEB liability to changes in the discount rate – the following presents the total OPEB liability of Metro, as well as what Metro’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current discount rate:

	1% Decrease (1.21)	Discount Rate (2.21)	1% Increase (3.21)
Total OPEB liability	<u>\$ 889,664</u>	<u>\$ 733,758</u>	<u>\$ 611,990</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB - For the year ended June 30, 2020, Metro recognized an OPEB expense of \$242,115. At June 30, 2020, Metro reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected/actual experience	\$ -	\$ -
Changes in assumptions	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

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:		
2020	\$	-
2021	\$	-
2022	\$	-
2023	\$	-
2024	\$	-

NOTE 9 – CONSTRUCTION CONTRACTS IN PROGRESS

At June 30, 2020, Metro had commitments for various capital and rehabilitation projects. The following summarized the capital and rehabilitation contracts in progress at June 30, 2020 on which significant additional work is to be performed:

Project Name	Contract amount	Total contract incurred through June 30, 2020	Balance to be performed
<u>Construction Phase:</u>			
Huff Creek Interceptor	\$ 1,244,974	\$ -	\$ 1,244,974
Carr Road Pump Station	1,707,355	1,602,191	105,164
South Greenville Business Park Pump Station	1,528,503	-	1,528,503
Spaulding Farms Pump Stations Rehab	85,420	-	85,420
	<u>\$ 4,566,252</u>	<u>\$ 1,602,191</u>	<u>\$ 2,964,061</u>
<u>Design Phase:</u>			
Roper Mountain Road Extension	\$ 61,800	\$ 28,955	\$ 32,845
RMF Sewer Extension	129,700	51,215	78,485
Pebble Creek Find and Fix CIPP	1,867,086	-	1,867,086
	<u>\$ 2,058,586</u>	<u>\$ 81,170</u>	<u>\$ 1,978,416</u>

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Due to the nature of Metro's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may result from litigation claims, audit disallowances, threatened property loss, or uncollectible receivables. Metro maintains insurance against certain loss contingencies with tort liability policies and physical damage coverage.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10 – COMMITMENTS AND CONTINGENCIES, Continued

Metro has entered into three agreements to contribute to the construction and design of a pump station and gravity sewer system that would benefit future growth in the area. Upon completion of the projects, they will be deeded to Metro.

<u>Sewer Line</u>	<u>Details</u>
Pine Ridge Place	Contribute up to \$100,000
Peters Creek Phillips McCall Road Sewer Extension	Reimburse 50%, but not to exceed \$150,000
Waterford Pump Station	Contribution \$249,557

NOTE 11 – BILLING AGREEMENTS

Metro has contracted with four local water utilities which have common customers to provide billing and collection functions. The most significant is with Greenville Water located in Greenville, South Carolina. The cost to Metro for the year ended June 30, 2020 was \$576,080, which is included in general and administration expenses on the accompanying Statement of Revenues, Expenses and Changes in Net Position. For the year ending June 30, 2021, billing charges to Metro are estimated to cost approximately \$624,000.

NOTE 12 – RISK MANAGEMENT

Metro is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and job related illnesses and accidents. Metro pays the State Fiscal Accountability Authority (Insurance Reserve Fund) for all other forms of coverage. Metro pays premiums to the State Accident Fund for workman's compensation insurance which is administered by a private insurance company.

The State Accident Fund and the State Fiscal Accountability Authority (Insurance Reserve Fund) promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

**METROPOLITAN SEWER SUBDISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13 – SUBSEQUENT EVENTS

On August 6, 2020, Metro was issued \$8,847,000 of Sewer System Revenue Bond, Series 2020. The bond is payable in semi-annual installments on each January 5 and July 5, commencing January 5, 2021 through fiscal year 2036. Maturity date for the bond is January 5, 2036 and has an interest rate of 1.18 percent. This bond will be used for improvements including installation of pump stations, construction of sewer line extensions, relocation of sewer lines to accommodate road widening projects, and large equipment purchases.

In preparing these financial statements, Metro has evaluated events and transactions for potential recognition or disclosure through the date of this report the date the financial statements were available for issuance.

REQUIRED SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2020

**METROPOLITAN SEWER SUBDISTRICT
SEWER LINE CONDITION ASSESSMENT
YEAR ENDED JUNE 30, 2020**

CONDITION ASSESSMENT OF GRAVITY SYSTEM INFRASTRUCTURE ASSETS

FY2020					
	Condition Score	Unique Gravity Main Assets	Linear Feet	Percent of Total	Miles
Best	1	18,005	3,257,353	92.1%	616.92
Good	2	613	127,203	3.6%	24.09
Acceptable	3	668	116,547	3.3%	22.07
Deficient	4	75	16,527	0.5%	3.13
Worst	5	84	18,527	0.5%	3.51
Total		19,445	3,536,157	100%	669.72

**COMPARISON OF BUDGETED-TO-ACTUAL REHABILITATION PROJECTS AND MAINTENANCE
PROJECTS CONTRACT**

	FY2020	FY2019	FY2018	FY2017	FY2016
Budgeted	\$ 4,475,000	\$ 3,427,000	\$ 3,922,000	\$ 3,667,000	\$ 2,421,000
Actual	\$ 2,345,443	\$ 2,162,045	\$ 3,929,636	\$ 2,607,452	\$ 1,620,812

The condition assessment data of Metro's sewer system is recorded in the Cityworks/GIS network, an asset management system, which provides individual pipe segment information and is tied directly to a unique asset. Integrated application within the asset management system is then used to implement proactive inspection, repair, and rehabilitation workflows. Sewer pipeline assessments are revised annually to reflect any changes in condition of the system. It is Metro's policy to maintain its sewer system so that a condition rating of 5 is less than 5% of the system. There were no significant changes in the condition level of infrastructure assets from June 30, 2019 to June 30, 2020.

METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2020

	SCRS						
	2020	2019	2018	2017	2016	2015	2014
Metro's proportion of the net pension liability	0.02257%	0.02151%	0.02157%	0.02162%	0.02226%	0.02050%	0.02050%
Metro's proportionate share of the net pension liability	\$ 5,154,603	\$ 4,819,515	\$ 4,855,304	\$ 4,617,786	\$ 4,221,147	\$ 3,529,076	\$ 3,676,610
Metro's covered payroll	\$ 2,566,388	\$ 2,383,766	\$ 2,228,571	\$ 2,176,180	\$ 2,093,521	\$ 2,086,829	\$ 1,860,914
Metro's proportionate share of the net pension liability as a percentage of its covered-employee payroll	200.85049%	202.18071%	217.86625%	212.19688%	201.62907%	169.11189%	197.57012%
Plan fiduciary net position as a percentage of the total pension liability	54.40%	54.10%	53.30%	52.91%	56.99%	59.90%	56.39%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information presented is only for those years which are available.

**METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
YEAR ENDED JUNE 30, 2020**

	SCRS									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 399,330	\$ 347,076	\$ 302,194	\$ 251,566	\$ 231,543	\$ 227,464	\$ 197,257	\$ 183,620	N/A	N/A
Contributions in relation to the contractually required contribution	399,330	347,076	302,194	251,566	231,543	227,464	197,257	183,620	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A
Metro's covered-employee payroll	\$ 2,566,388	\$ 2,383,766	\$ 2,228,571	\$ 2,176,180	\$ 2,093,521	\$ 2,086,829	\$ 1,860,914	\$ 1,732,268	N/A	N/A
Contributions as a percentage of covered-employee payroll	15.56%	14.56%	13.56%	11.56%	11.06%	10.90%	10.60%	10.60%	N/A	N/A

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information presented is only for those years which are available.

METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF CHANGES IN METRO'S OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2020

For the last fiscal year

	<u>2020</u>	<u>2019</u>	<u>2018</u>
OPEB liability:			
Service cost	\$ 32,032	\$ 39,276	\$ 29,207
Interest	11,202	13,590	731
Employer contributions	(5,356)	(5,356)	(5,356)
Effect of economic/demographic gains or losses	212,527	-	-
Effect of assumptions	<u>(8,290)</u>	<u>(123,239)</u>	<u>5,356</u>
Net change in total OPEB liability	242,115	(75,729)	29,938
OPEB liability - beginning of year	<u>491,643</u>	<u>567,372</u>	<u>537,372</u>
OPEB liability - ending of year	<u>\$ 733,758</u>	<u>\$ 491,643</u>	<u>\$ 567,310</u>
Covered employee payroll	<u>\$ 2,566,388</u>	<u>\$ 2,383,766</u>	<u>\$ 2,228,571</u>
OPEB liability as a percentage of covered employee payroll	28.59%	20.62%	25.46%
Measurement date	June 30, 2019	June 30, 2018	June 30, 2018

Notes

(1) Pursuant to GASB 75, a 10-year history of the information shown above is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

**OTHER SUPPLEMENTAL INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2020**

METROPOLITAN SEWER SUBDISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2020

	Original and final budget	Actual	Variance favorable (unfavorable)	Percent change
OPERATING REVENUE				
User charge rate	\$ 11,080,250	\$ 11,510,041	\$ 429,791	3.73%
Property taxes	401,600	281,134	(120,466)	-42.85%
Sewer fees	31,800	25,755	(6,045)	-23.47%
Tap fees and other	711,000	896,995	185,995	20.74%
Total operating revenues	12,224,650	12,713,925	489,275	3.85%
OPERATING EXPENSES				
Salaries, wages, and benefits	4,667,980	3,942,514	725,466	18.40%
Professional fees	768,000	675,570	92,430	13.68%
Project costs	7,830,000	3,895,718	3,934,282	100.99%
General and administration	1,363,000	1,366,792	(3,792)	-0.28%
Operations and maintenance	1,393,000	979,255	413,745	42.25%
Operating expenses excluding depreciation	16,021,980	10,859,849	5,162,131	47.53%
Depreciation	-	618,380	(618,380)	-100.00%
Total operating expenses	16,021,980	11,478,229	4,543,751	39.59%
Operating income	(3,797,330)	1,235,696	(5,033,026)	-407.30%
NON-OPERATING REVENUE (EXPENSES)				
Interest income	130,000	131,052	1,052	0.80%
Gain (loss) on sale of assets	75,000	40,021	(34,979)	-87.40%
Capital grant revenue	-	375,131	375,131	100.00%
GASB 68 - state retirement	-	(229,128)	(229,128)	100.00%
GASB 75 - other post-employment benefits	-	(242,115)	(242,115)	100.00%
Interest expense	-	(13,722)	(13,722)	100.00%
Total non-operating revenue (expense)	205,000	61,239	(143,761)	-234.75%
Change in net position before capital contributions	(3,592,330)	1,296,935	(5,176,787)	-399.16%
CAPITAL CONTRIBUTIONS	-	7,724,454	7,724,454	100.00%
Change in net position	(3,592,330)	9,021,389	12,613,719	139.82%
Net position, beginning of year	211,448,530	211,448,530	-	0.00%
Net position, end of year	\$ 207,856,200	\$ 220,469,919	\$ 12,613,719	5.72%

METROPOLITAN SEWER SUBDISTRICT
NOTES TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET TO ACTUAL
JUNE 30, 2020

Budget to Actual Highlights

Total Operating Revenues: Actual fiscal year FY 2020 operating revenues are \$12,713,925 versus budgeted operating revenues of \$12,224,650 which results in a variance of \$489,275 or 3.85% above budget.

The following is a summary of the Operating Revenue categories:

- User charge rate revenues are above budget by \$429,791 or 3.73% due to FY 2020 being the first year implementing a new rate structure. All user charge rate budget data was projected based on a 2019 Rate Study.
- Property taxes are below budget by \$120,466 or 42.85% and Sewer fees are below budget \$6,045 or 23.47%. This is due primarily to the charge in customer billing from taxes and fees to charges based on water consumption.
- Tap Fees and other are above budget by \$185,995 or 20.74%. This is related to more development in Metro's service area than anticipated.

Total Operating Expenses (excludes depreciation): Actual fiscal year FY 2020 operating expenses are \$11,478,229 versus budgeted operating expenses of \$16,021,980 which results in a variance of \$4,543,751 or 39.59% below budget.

The following is a summary of the Operating Expense categories:

- Salaries, wages, and benefit expenses are under budget by \$725,466 or 18.40%. This is primarily due to open positions being vacant longer than expected.
- Professional Fees are under budget by \$92,430 or 13.68% due to lower than expected legal and miscellaneous professional services throughout FY 2020.
- Project cost expenses are under budget by \$3,934,282 or 100.99%. This is mainly related to timing of projects and projects coming in under budget.
- General and administrative expenses are over budget by \$3,792 or .28%. This is related to accounts not originally budgeted for Bad debt expense created due to the new billing rate structure and by Bond Fees for the issuance of the 2019 Series Bond.
- Operations and maintenance expenses are under budget by \$413,745 or 42.25% mainly due to less anticipated repairs on vehicles, equipment, and pump stations.

METROPOLITAN SEWER SUBDISTRICT
NOTES TO BUDGET AND ACTUAL COMPARISON SCHEDULE
JUNE 30, 2020

Budgetary to Actual Highlights, Continued

Non-Operating Revenues (Expenses): Actual non-operating revenues are \$61,239 versus budgeted non-operating revenues of \$205,000, which results in a variance of \$143,461 or 234.75% below budget.

The following is a summary for the Non-Operating Revenue categories:

- Interest income is over budget by \$1,052 or .80%. This is due to higher interest rate available for maturing Certificates of Deposits and checking account balance interest received.
- Gain (loss) on sale of assets were less than budgeted due mainly to the lower vehicles trade-in values than anticipated.
- Capital grant revenue of \$375,131 was received in FY 2020 for a South Carolina Department of Transportation reimbursement project.
- GASB 68 and GASB 75 liability expenses were booked as the result in the change from government-wide financial statements to enterprise fund financial statement. However, this includes the annual year-end non-cash adjustment of net pension contributions and liabilities in accordance with the South Carolina Retirement System's actuarial calculations.
- Interest expense was booked as the result of accrued interest related to the debt issued.

Donated sewer lines: Donated sewer lines are a non-budgeted item totaling \$7,724,454 which represents sewer lines and pump stations contributed by private developers.

Net Pension: The change for FY 2020 was an increase of \$9,021,389 versus the FY 2019 budgeted decrease of \$3,592,330, which is \$12,613,719 or 139.82% above budget. This increase to budget is mainly related to the change in customer billing and higher than expected donated sewer lines contributed to Metro.

Statistical



FINANCIAL TRENDS
FOR FISCAL YEAR ENDED JUNE 30, 2020

METROPOLITAN SEWER SUBDISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 1

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
NET POSITION										
Net investment in capital assets	\$ 200,950,607	\$ 191,042,800	\$ 186,195,208	\$ 181,127,267	\$ 174,667,697	\$ 170,563,901	\$ 167,067,185	\$ 162,721,340	\$ 157,050,808	\$ 153,658,287
Restricted for capital activity	30,459	30,350	30,350	30,350	30,310	30,251	30,000	30,000	30,000	30,000
Restricted for debt service	43,813	-	-	-	-	-	-	-	-	-
Unrestricted	19,445,040	20,375,380	19,167,261	19,610,020	19,015,553	16,758,800	18,932,113	16,401,380	14,636,530	12,379,430
TOTAL NET POSITION	\$ 220,469,919	\$ 211,448,530	\$ 205,392,819	\$ 200,767,637	\$ 193,713,560	\$ 187,352,952	\$ 186,029,298	\$ 179,152,720	\$ 171,717,338	\$ 166,067,717

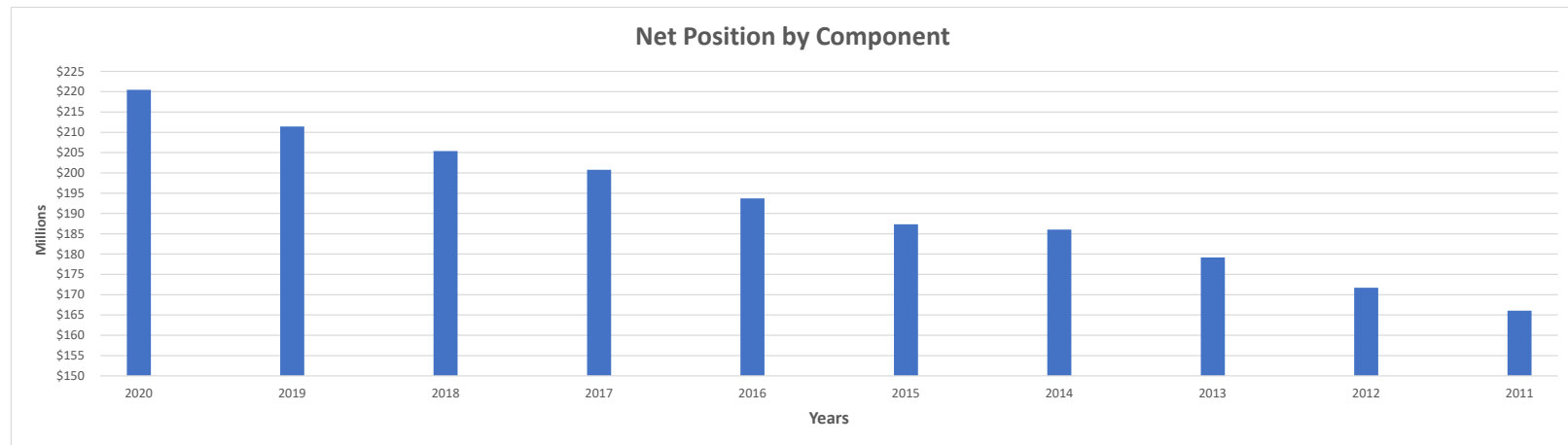


Table 2

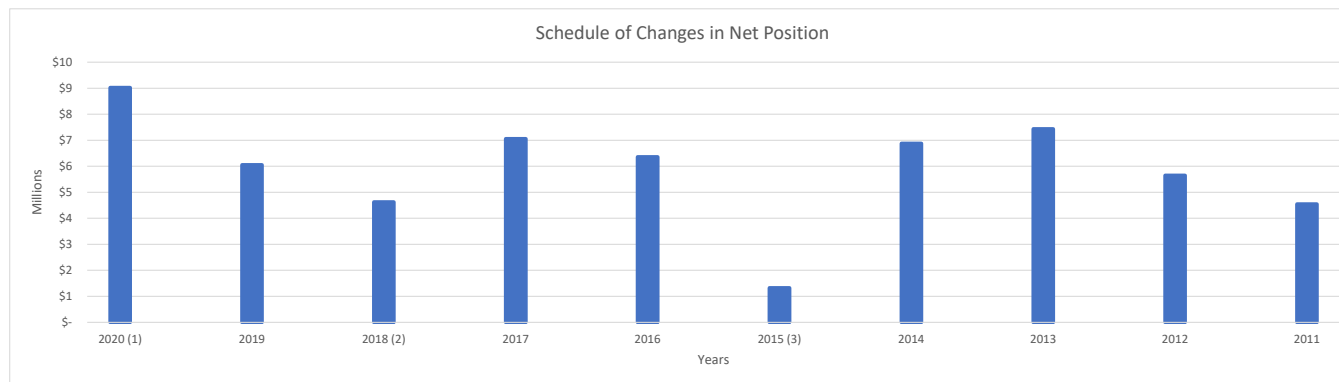
METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(UNAUDITED)

	2020 (1)	2019	2018 (2)	2017	2016	2015 (3)	2014	2013	2012	2011
OPERATING REVENUES										
User charge rate	11,510,041	-	-	-	-	-	-	-	-	-
Property taxes	281,134	5,586,169	5,341,214	5,099,938	5,101,598	4,902,401	4,682,984	4,538,342	4,478,665	4,447,869
Sewer fees	25,755	3,215,746	3,174,777	3,059,026	2,981,650	2,907,286	2,761,593	2,885,595	2,765,416	2,628,525
Tap fees and other	896,995	749,302	717,955	694,688	719,244	669,180	683,671	734,448	578,930	347,337
TOTAL OPERATING REVENUES	12,713,925	9,551,217	9,233,946	8,853,652	8,802,492	8,478,867	8,128,248	8,158,385	7,823,011	7,423,731
OPERATING EXPENSES										
Salaries, wages, and benefits	3,942,514	3,600,357	3,351,190	3,116,282	2,977,788	2,964,127	2,641,824	2,453,570	2,332,368	2,152,376
Professional fees and outside services	675,571	247,550	118,465	142,514	95,715	76,419	100,800	61,813	85,501	70,681
Operating expenses	6,241,764	3,758,020	5,142,195	3,580,004	2,429,243	2,419,009	1,952,870	3,049,631	2,752,682	1,620,710
OPERATING EXPENSES EXCLUDING DEPRECIATION	10,859,849	7,605,927	8,611,850	6,838,800	5,502,746	5,459,555	4,695,494	5,565,014	5,170,551	3,843,767
Depreciation	618,380	582,844	506,541	495,546	442,273	437,830	389,777	293,510	293,923	296,386
TOTAL OPERATING EXPENSES	11,478,229	8,188,771	9,118,391	7,334,346	5,945,019	5,897,385	5,085,271	5,858,524	5,464,474	4,140,153
NON-OPERATING REVENUE (EXPENSE)										
Interest income	131,052	127,900	71,261	33,829	19,192	17,556	30,459	28,715	37,149	71,921
Gain (loss) on sale of assets	40,021	104,000	24,500	24,721	17,075	(32,489)	22,295	99,171	899	5,618
Capital grant revenue	375,131	-	-	667,535	240,305	342,463	1,916,940	3,824,031	2,474,295	970,160
GASB implementations	(471,243)	(124,472)	(273,963)	(235,669)	(199,785)	(278,850)	(63,254)	(27,992)	(46,565)	(49,596)
Interest expense	(13,722)	-	-	-	-	-	-	-	-	-
NET NON-OPERATING REVENUE (EXPENSE)	61,239	107,428	(178,202)	490,416	76,787	48,680	1,906,440	3,923,925	2,465,778	998,103
CAPITAL CONTRIBUTIONS	7,724,454	4,585,837	5,006,887	5,044,355	3,426,348	2,172,748	1,927,161	1,211,596	825,306	264,030
PRIOR PERIOD ADJUSTMENT	-	-	(319,058)	-	-	(3,479,256)	-	-	-	-
CHANGE IN NET POSITION	9,021,389	6,055,711	4,625,182	7,054,077	6,360,608	1,323,654	6,876,578	7,435,382	5,649,621	4,545,711

(1) In fiscal year 2020, Metro changed to Enterprise Fund Accounting.

(2) In fiscal year 2018, Metro recorded a prior period adjustment related to GASB 75 and for expenses related to fiscal year 2017.

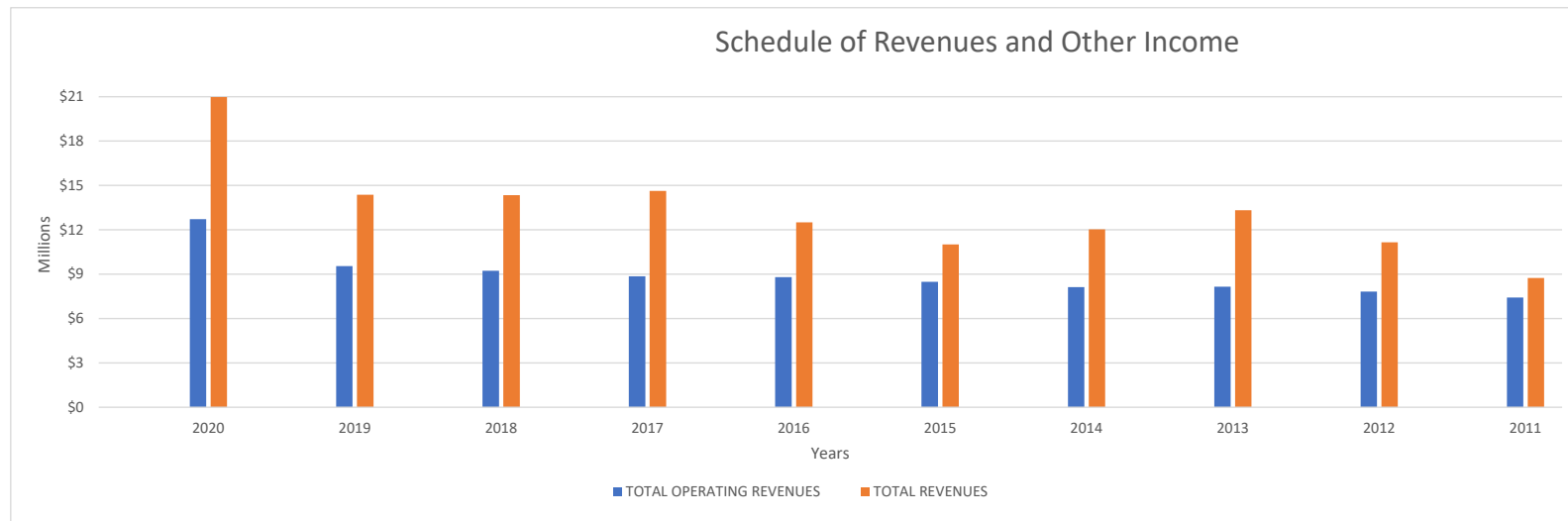
(3) In fiscal year 2015, Metro recorded a restatement for change in accounting principal due to the implementation of GASB 68.



**METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF REVENUES AND OTHER INCOME
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 3

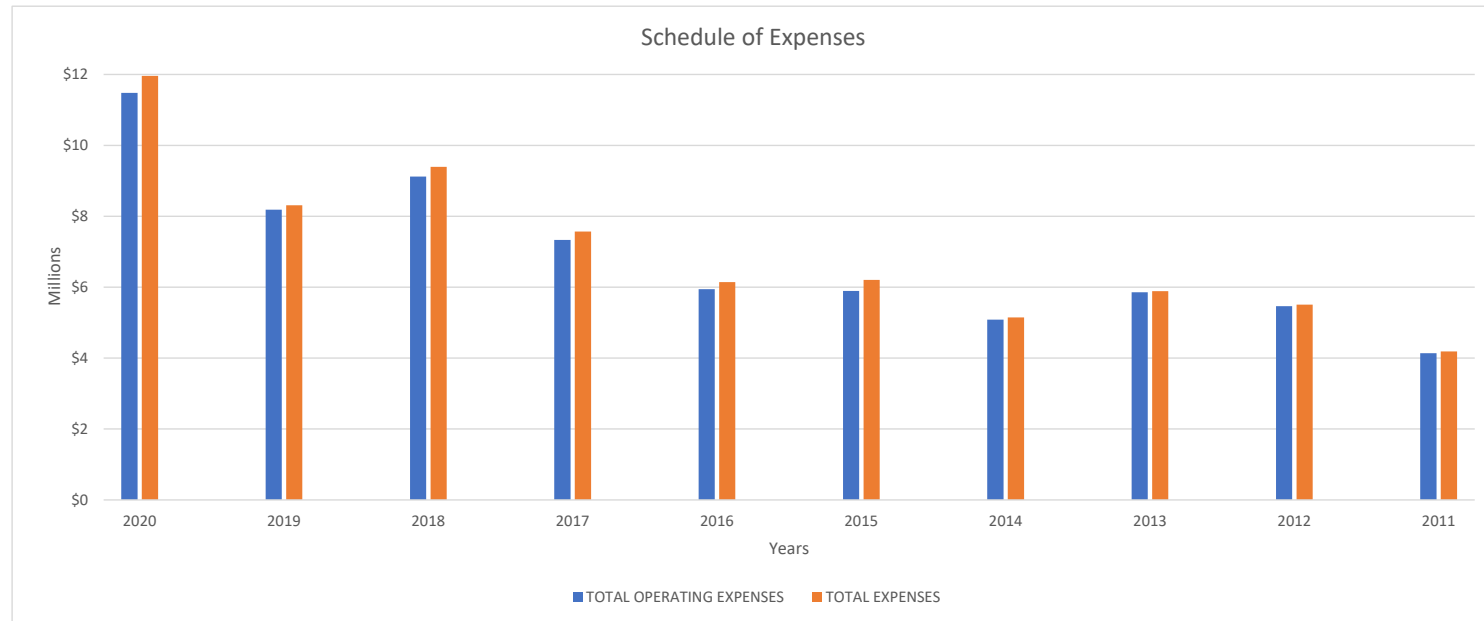
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING REVENUES										
User charge rate	11,510,041	-	-	-	-	-	-	-	-	-
Property taxes	281,134	5,586,169	5,341,214	5,099,938	5,101,598	4,902,401	4,682,984	4,538,342	4,478,665	4,447,869
Sewer fee	25,755	3,215,746	3,174,777	3,059,026	2,981,650	2,907,286	2,761,593	2,885,595	2,765,416	2,628,525
Tap fees and other	896,995	749,302	717,955	694,688	719,244	669,180	683,671	734,448	578,930	347,337
TOTAL OPERATING REVENUES	12,713,925	9,551,217	9,233,946	8,853,652	8,802,492	8,478,867	8,128,248	8,158,385	7,823,011	7,423,731
NON-OPERATING REVENUES										
Interest income	131,052	127,900	71,261	33,829	19,192	17,556	30,459	28,715	37,149	71,921
Gain (loss) on sale of assets	40,021	104,000	24,500	24,721	17,075	-	22,295	99,171	899	5,618
Capital grant revenue	375,131	-	-	667,535	240,305	342,463	1,916,940	3,824,031	2,474,295	970,160
TOTAL NON-OPERATING REVENUES	546,204	231,900	95,761	726,085	276,572	360,019	1,969,694	3,951,917	2,512,343	1,047,699
CAPITAL CONTRIBUTIONS	7,724,454	4,585,837	5,006,887	5,044,355	3,426,348	2,172,748	1,927,161	1,211,596	825,306	264,030
TOTAL REVENUES	20,984,583	14,368,954	14,336,594	14,624,092	12,505,412	11,011,634	12,025,103	13,321,898	11,160,660	8,735,460



**METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF EXPENSES
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 4

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING EXPENSES										
Salaries, wages and benefits	3,942,514	3,600,357	3,351,190	3,116,282	2,977,788	2,964,127	2,641,824	2,453,570	2,332,368	2,152,376
Operations and maintenance	675,571	247,550	118,465	142,514	95,715	76,419	100,800	61,813	85,501	70,681
Professional fees and outside services	6,241,764	3,758,020	5,142,195	3,580,004	2,429,243	2,419,009	1,952,870	3,049,631	2,752,682	1,620,710
Depreciation	618,380	582,844	506,541	495,546	442,273	437,830	389,777	293,510	293,923	296,386
TOTAL OPERATING EXPENSES	11,478,229	8,188,771	9,118,391	7,334,346	5,945,019	5,897,385	5,085,271	5,858,524	5,464,474	4,140,153
NONOPERATING EXPENSES										
GASB implementations	471,243	124,472	273,963	235,669	199,785	278,850	63,254	27,992	46,565	49,596
Interest expense	13,722	-	-	-	-	-	-	-	-	-
Loss on disposal	-	-	-	-	-	32,489	-	-	-	-
TOTAL NONOPERATING EXPENSES	484,965	124,472	273,963	235,669	199,785	311,339	63,254	27,992	46,565	49,596
TOTAL EXPENSES	11,963,194	8,313,243	9,392,354	7,570,015	6,144,804	6,208,724	5,148,525	5,886,516	5,511,039	4,189,749



**METROPOLITAN SEWER SUBDISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 5

	2020 ⁽¹⁾	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL FUND										
Restricted for future capital expenditures	-	30,350	30,350	30,350	30,310	30,251	30,000	30,000	30,000	30,000
Assigned for subsequent year's expenditures	-	-	-	2,935,560	2,730,150	1,651,585	2,155,690	1,887,690	1,897,920	1,277,500
Unassigned	-	25,304,695	23,961,360	20,913,644	20,288,332	18,598,651	16,335,310	13,498,042	11,051,796	10,897,190
TOTAL GENERAL FUND	-	<u>25,335,045</u>	<u>23,991,710</u>	<u>23,879,554</u>	<u>23,048,792</u>	<u>20,280,487</u>	<u>18,521,000</u>	<u>15,415,732</u>	<u>12,979,716</u>	<u>12,204,690</u>

⁽¹⁾ In fiscal year 2020, Metro changed to Enterprise Fund Accounting.

METROPOLITAN SEWER SUBDISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 6

	2020 ⁽¹⁾	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Property taxes	-	5,597,021	5,355,362	5,100,524	5,102,136	4,870,765	4,699,774	4,561,739	4,466,506	4,417,906
Sewer fees	-	3,215,746	3,174,777	3,059,026	2,981,650	2,907,286	2,761,593	2,885,595	2,765,416	2,628,525
Interest income	-	127,900	71,261	33,829	19,192	17,556	30,459	28,715	38,071	94,565
Tap fees and other	-	749,302	717,955	694,688	719,244	669,180	683,671	734,448	578,930	347,337
TOTAL REVENUES	-	9,689,969	9,319,355	8,888,067	8,822,222	8,464,787	8,175,497	8,210,497	7,848,923	7,488,333
EXPENDITURES										
Salaries, wages and benefits	-	3,600,357	3,351,190	3,116,282	2,977,788	2,964,127	2,641,824	2,453,570	2,332,368	2,152,376
Operations and maintenance	-	3,758,020	5,142,195	3,580,004	2,429,244	2,682,198	2,026,606	3,049,631	2,752,682	1,620,710
Professional fees and outside services	-	247,550	118,465	142,514	95,715	76,419	100,800	61,813	85,501	70,681
TOTAL EXPENDITURES	-	7,605,927	8,611,850	6,838,800	5,502,747	5,722,744	4,769,230	5,565,014	5,170,551	3,843,767
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,084,042	707,505	2,049,267	3,319,475	2,742,043	3,406,267	2,645,483	2,678,372	3,644,566
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	-	(844,707)	(565,299)	(1,250,105)	(568,245)	(1,048,207)	(323,294)	(334,436)	(1,906,771)	(1,279,561)
Proceeds from disposal of capital assets	-	104,000	29,651	31,600	17,075	65,651	22,295	124,969	3,425	8,234
TOTAL OTHER FINANCING SOURCES (USES)	-	(740,707)	(535,648)	(1,218,505)	(551,170)	(982,556)	(300,999)	(209,467)	(1,903,346)	(1,271,327)
NET CHANGE IN FUND BALANCES	-	1,343,335	171,857	830,762	2,768,305	1,759,487	3,105,268	2,436,016	775,026	2,373,239

(1) In fiscal year 2020, Metro changed to Enterprise Fund Accounting.

**METROPOLITAN SEWER SUBDISTRICT
CHANGES IN FUND BALANCES OF CAPITAL PROJECTS FUND
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 7

	2020 (1)	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Grant revenue	-	-	-	667,535	551,475	776,006	2,411,431	4,443,808	956,892	685,701
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>667,535</u>	<u>551,475</u>	<u>776,006</u>	<u>2,411,431</u>	<u>4,443,808</u>	<u>956,892</u>	<u>685,701</u>
EXPENDITURES										
Capital outlay	-	844,707	565,299	1,917,640	1,119,720	1,824,213	2,734,725	4,778,244	2,863,663	1,965,262
TOTAL EXPENDITURES	<u>-</u>	<u>844,707</u>	<u>565,299</u>	<u>1,917,640</u>	<u>1,119,720</u>	<u>1,824,213</u>	<u>2,734,725</u>	<u>4,778,244</u>	<u>2,863,663</u>	<u>1,965,262</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(844,707)</u>	<u>(565,299)</u>	<u>(1,250,105)</u>	<u>(568,245)</u>	<u>(1,048,207)</u>	<u>(323,294)</u>	<u>(334,436)</u>	<u>(1,906,771)</u>	<u>(1,279,561)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	-	844,707	565,299	1,250,105	568,245	1,048,207	323,294	334,436	1,906,771	1,279,561
Proceeds from disposal of capital assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>844,707</u>	<u>565,299</u>	<u>1,250,105</u>	<u>568,245</u>	<u>1,048,207</u>	<u>323,294</u>	<u>334,436</u>	<u>1,906,771</u>	<u>1,279,561</u>
NET CHANGE IN FUND BALANCES	-	-	-	-	-	-	-	-	-	-

(1) In fiscal year 2020, Metro changed to Enterprise Fund Accounting.

REVENUE CAPACITY
FOR FISCAL YEAR ENDED JUNE 30, 2020

**METROPOLITAN SEWER SUBDISTRICT
HISTORICAL CUSTOMER CHARGES LAST
TEN FISCAL YEARS
(UNAUDITED)**

Table 8

	2020 (1)	2019	2018	2017	2016	2015	2014	2013	2012	2011
SEWER USER CHARGE										
Base charge	\$ 11.25	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
User volume charge (per 1,000 gallons)	1.54	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
PROPERTY TAXES										
Millage rate	n/a	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
SEWER FEE BY PROPERTY VALUE										
Residential (Tax Mkt. Value < \$100,000)	n/a	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00	\$ 38.00
Residential (Tax Mkt. Value \$100,000 to \$199,000)	n/a	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60	45.60
Residential (Tax Mkt. Value \$200,000 to \$299,000)	n/a	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00
Residential (Tax Mkt. Value \$300,000 to \$499,000)	n/a	60.80	60.80	60.80	60.80	60.80	60.80	60.80	60.80	60.80
Residential (Tax Mkt. Value > \$500,000)	n/a	64.60	64.60	64.60	64.60	64.60	64.60	64.60	64.60	64.60
Residential multi-fam 1	n/a	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00
Residential multi-fam 2	n/a	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00
Commercial 1	n/a	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00	750.00
Commercial 2	n/a	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00	625.00
Commercial 3	n/a	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00
Industrial	n/a	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00

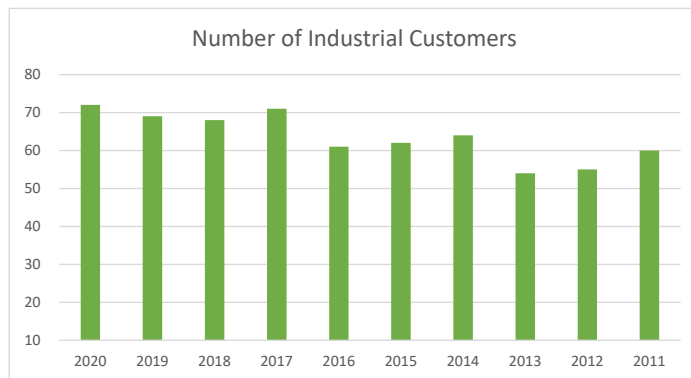
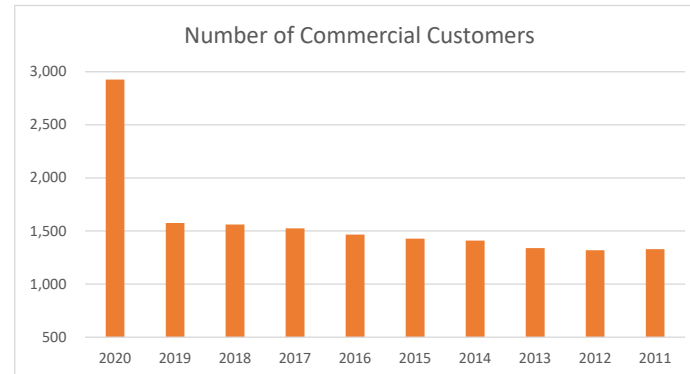
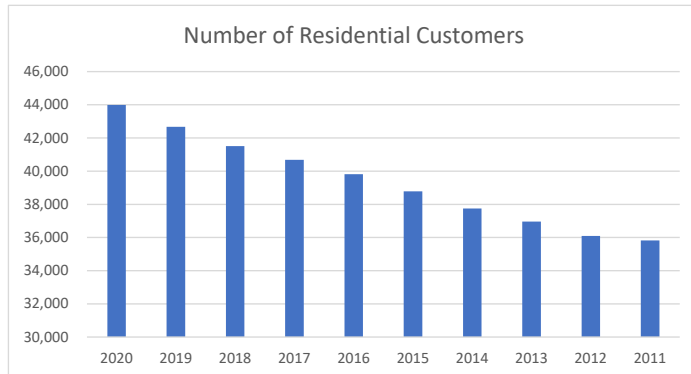
(1) On February 25, 2019 Metro adopted a new User Charge Rate Structure. The new rate structure, which went into effect July 1, 2019 is based on a connected sewer customers' water consumption.

**METROPOLITAN SEWER SUBDISTRICT
SCHEDULE BY CUSTOMER TYPE AND USAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 9

	2020 ⁽¹⁾	2019	2018	2017	2016	2015	2014	2013	2012	2011
NUMBER OF CUSTOMERS:										
Residential	43,985	42,670	41,511	40,683	39,812	38,788	37,743	36,961	36,096	35,820
Commercial	2,927	1,575	1,562	1,525	1,467	1,428	1,410	1,340	1,319	1,330
Industrial	72	69	68	71	61	62	64	54	55	60
TOTAL NUMBER OF CUSTOMERS	46,984	44,314	43,141	42,279	41,340	40,278	39,217	38,355	37,470	37,210

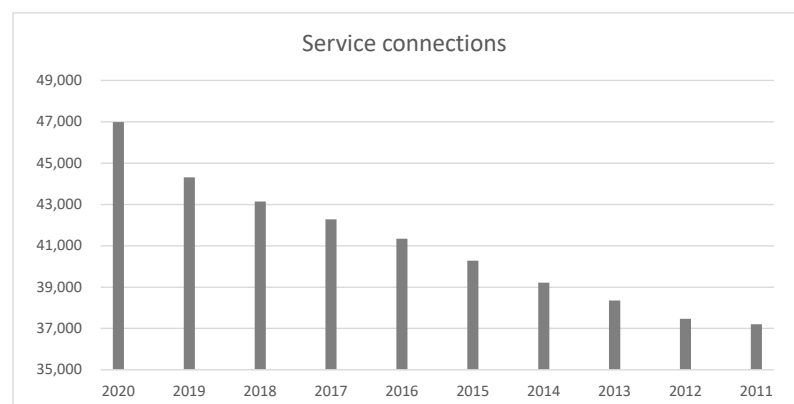
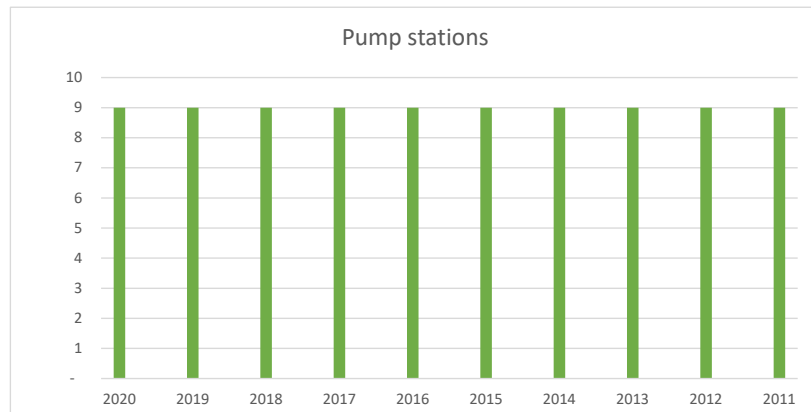
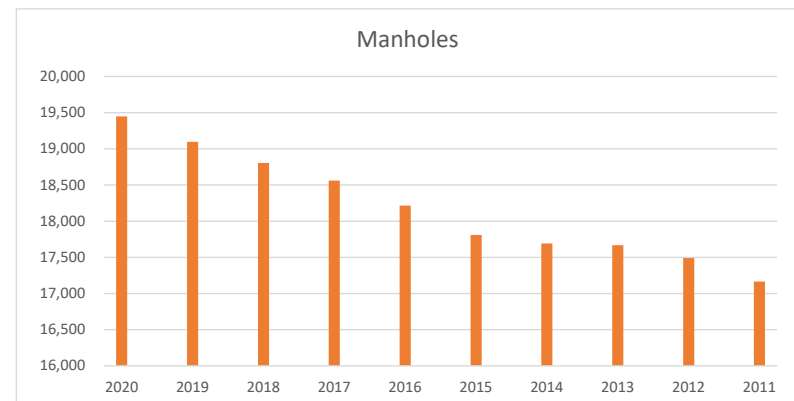
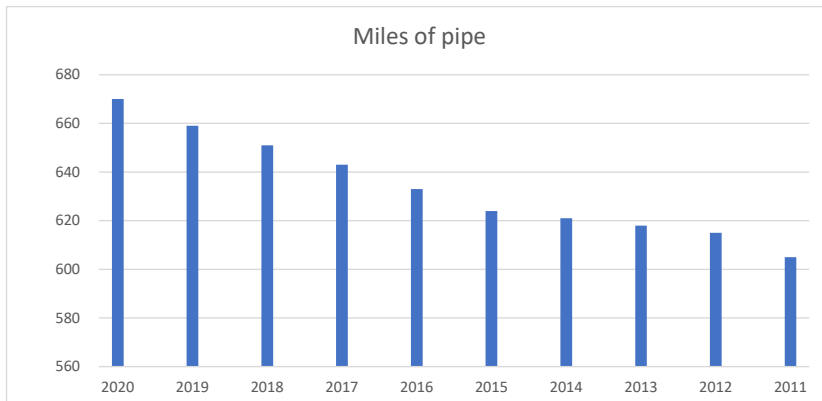
⁽¹⁾ On February 25, 2019 Metro adopted a new User Charge Rate Structure. The new rate structure, which went into effect July 1, 2019 is based on a connected sewer customers' water consumption.



**METROPOLITAN SEWER SUBDISTRICT
OPERATING AND CAPITAL INDICATORS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 10

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
DIVISIONS										
Miles of pipe	670	659	651	643	633	624	621	618	615	605
Manholes	19,449	19,097	18,804	18,561	18,216	17,808	17,691	17,667	17,491	17,166
Pump stations	9	9	9	9	9	9	9	9	9	9
Service connections	46,984	44,314	43,141	42,279	41,340	40,278	39,217	38,355	37,470	37,210



**METROPOLITAN SEWER SUBDISTRICT
TEN LARGEST CUSTOMERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

Table 11

Customer	Type of Business	2020 (1)			2011 (2)		
		Total Amount Billed	Percent of Operating Revenue	Ranking	Total Amount Billed	Percent of Operating Revenue	Ranking (3)
Cryovac Sealed Air Corporation	Food packaging	117,316	0.92%	1	-	-	-
Cytec Carbon Fibers LLC	Chemical manufacturer	93,652	0.74%	2	44,796	0.60%	5
Michelin North America Inc	Automotive tire	91,879	0.72%	3	93,862	1.26%	1
Bausch and Lomb	Pharmaceutical	74,571	0.59%	4	20,745	0.28%	10
General Electric Gas Turbine	Gas turbine manufacturing	67,167	0.53%	5	63,142	0.85%	3
Ethox Chemicals	Chemical manufacturer	42,328	0.33%	6	-	-	-
The Crown Group	Metal coating, engraving and heat treating	23,677	0.19%	7	-	-	-
MARC	Research	22,839	0.18%	8	-	-	-
Drive Automotive	Automotive manufacturer	20,342	0.16%	9	25,909	0.35%	8
Diversified Coating System	Automotive manufacturer	15,630	0.12%	10	-	-	-
3M Company	Technology	-	-	-	68,513	0.92%	2
Cellco Partnership/Verizon Wireless	Telecommunications mass media	-	-	-	55,326	0.75%	4
Duke Energy Corporation	Energy	-	-	-	41,753	0.56%	6
BMW Manufacturing Co LLC	Automotive manufacturer	-	-	-	35,870	0.48%	7
Bellsouth Telecomm Inc	Telecommunications mass media	-	-	-	21,984	0.30%	9

(1) Based on billing for water consumption.

(2) Based on 5.7 mills tax on assessed property value.

(3) Ranking based on total taxes paid not taxable assessed value - source Greenville County Tax Collector.

DEBT CAPACITY
FOR FISCAL YEAR ENDED JUNE 30, 2020

METROPOLITAN SEWER SUBDISTRICT
DEBT HISTORY
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 13

Fiscal Year	Revenue Bonds	General Obligation		Notes Payable	Total
		Bonds			
2011	-	-		-	-
2012	-	-		-	-
2013	-	-		-	-
2014	-	-		-	-
2015	-	-		-	-
2016	-	-		-	-
2017	-	-		-	-
2018	-	-		-	-
2019	-	-		-	-
2020	451,000	-		-	451,000

**METROPOLITAN SEWER SUBDISTRICT
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 12

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Operating revenues	20,813,510	14,137,054	14,240,833	14,565,542	12,469,145	10,994,078	11,972,349	13,194,012	11,122,612	8,657,921
Interest income	131,052	127,900	71,261	33,829	19,192	17,556	30,459	28,715	37,149	71,921
Gain on sale of assets	40,021	104,000	24,500	24,721	17,075	-	22,295	99,171	899	5,618
GROSS REVENUES	<u>20,984,583</u>	<u>14,368,954</u>	<u>14,336,594</u>	<u>14,624,092</u>	<u>12,505,412</u>	<u>11,011,634</u>	<u>12,025,103</u>	<u>13,321,898</u>	<u>11,160,660</u>	<u>8,735,460</u>
LESS: OPERATING EXPENSES (1)	<u>10,859,849</u>	<u>7,605,927</u>	<u>8,611,850</u>	<u>6,838,800</u>	<u>5,502,746</u>	<u>5,459,555</u>	<u>4,695,494</u>	<u>5,565,014</u>	<u>5,170,551</u>	<u>3,843,767</u>
AVAILABLE FOR DEBT SERVICE	<u>10,124,734</u>	<u>6,763,027</u>	<u>5,724,744</u>	<u>7,785,292</u>	<u>7,002,666</u>	<u>5,552,079</u>	<u>7,329,609</u>	<u>7,756,884</u>	<u>5,990,109</u>	<u>4,891,693</u>
Debt service revenue bonds	451,000	-	-	-	-	-	-	-	-	-
Debt coverage ratio	22.45	-	-	-	-	-	-	-	-	-
Metro's debt coverage ratio	1.20	-	-	-	-	-	-	-	-	-
Debt per customer	9.60	-	-	-	-	-	-	-	-	-
BALANCE AVAILABLE	<u>9,673,734</u>	<u>6,763,027</u>	<u>5,724,744</u>	<u>7,785,292</u>	<u>7,002,666</u>	<u>5,552,079</u>	<u>7,329,609</u>	<u>7,756,884</u>	<u>5,990,109</u>	<u>4,891,693</u>

(1) Does not include depreciation

**DEMOGRAPHIC AND ECONOMIC STATISTIC
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**METROPOLITAN SEWER SUBDISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 14

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Population size (1)	529,307	522,611	512,572	509,600	495,777	481,317	485,319	480,288	470,794	461,299
Population growth	1.3%	2.0%	0.6%	2.8%	3.0%	-0.8%	1.0%	2.0%	2.1%	1.8%
Personal income (000's)	26,888,796	25,003,801	23,901,232	23,678,564	21,058,128	20,126,270	19,810,722	18,835,935	18,103,442	17,385,898
Per capita personal income (2)	50,800	47,844	46,630	46,465	42,475	41,815	40,820	39,218	38,453	37,689
Median household income (3)	57,082	56,277	53,739	51,595	50,540	48,180	44,835	45,640	45,137	46,936
Median age (4)	38.4	38.2	37.9	37.8	38.1	37.9	34.6	34.6	37.0	37.0
School enrollment (5)	76,629	75,577	74,991	76,951	72,855	72,712	71,639	71,249	70,023	69,812
Unemployment rate (6)	8.4	3.3	3.3	3.7	4.6	5.6	4.8	7.1	8.2	9.4

Data is from Greenville County Statistics

1) Population estimates for two most recent years are based on historical data. Other years are revised estimates provided by the US Department of Commerce, Bureau of Economic Analysis.

2) Per capita personal income for the two most recent fiscal years are estimates based on historical data.
The actual figures have not yet been released. All remaining years are revised estimates provided by the US Department of Commerce, Bureau of Economic Analysis.

3) The American Community Survey: One Year Survey Reports

4) Estimates based on historical information provided by the US Census Bureau.

5) The School District of Greenville County - Finance Department

6) SC Department of Employment and Workforce - Many employees were temporarily furloughed as a result of the coronavirus pandemic, causing an abnormally high unemployment rate for 2020.

METROPOLITAN SEWER SUBDISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Table 15

Employer	2020 ⁽¹⁾			2011 ⁽¹⁾		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Prisma Health	15,941	1	5.99%	9,778	1	4.36%
School District of Greenville County	10,095	2	3.80%	8,700	2	3.88%
Michelin North America	7,120	3	2.68%	4,000	3	1.78%
Bi-Lo Supermarket	4,600	4	1.72%			
Bon Secours St. Francis Health	4,355	5	1.64%	3,500	4	1.56%
GE Engineering	3,400	6	1.28%	3,200	6	1.43%
Duke Energy Corporation	3,300	7	1.24%			
Greenville County Government	2,685	8	1.02%	1,672	9	0.74%
SC State Government	2,552	9	0.96%	3,238	5	1.44%
Fluor Corporation	2,400	10	0.90%	2,100	7	0.94%
US Government				1,857	8	0.83%
Bob Jones University				1,650	10	0.74%
	<u>56,448</u>		<u>21.23%</u>	<u>39,695</u>		<u>17.70%</u>

¹⁾ Source - Greenville Area Development Corporation

OPERATING INFORMATION
FOR FISCAL YEAR ENDED JUNE 30, 2020

METROPOLITAN SEWER SUBDISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Table 16

YEAR	ADMINISTRATION	FINANCE STAFF	INFORMATION		OPERATIONS & MAINTENANCE	TOTAL
	STAFF		TECHNOLOGY STAFF	ENGINEERING STAFF	STAFF	
2020	2	4	2	12	27	47
2019	3	3	4	10	29	49
2018	3	3	4	8	27	45
2017	3	2	3	6	26	40
2016	3	2	3	8	24	40
2015	3	2	3	7	26	41
2014	3	2	3	7	26	41
2013	2	2	3	8	21	36
2012	2	2	1	9	20	34
2011	2	2	1	7	20	32

**METROPOLITAN SEWER SUBDISTRICT
SEWER LINE CONDITION ASSESSMENT
LAST TEN FISCAL YEARS
(UNAUDITED)**

Table 17

	BEST - CONDITION SCORE 1									
	2020	2019	2018 (1)	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	18,005	17,611	17,333	-	-	-	-	-	-	-
Linear feet	3,257,353	3,195,099	3,151,381	-	-	-	-	-	-	-
Percent of total	92.1%	91.8%	91.6%	-	-	-	-	-	-	-
Miles	616.92	605.13	596.85	-	-	-	-	-	-	-
	GOOD - CONDITION SCORE 2									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	613	782	788							
Linear feet	127,203	135,674	137,466	3,255,271	3,162,843	3,017,675	2,922,850	2,897,563	2,866,751	2,788,784
Percent of total	3.6%	3.9%	4.0%	96.2%	95.0%	91.7%	88.8%	88.7%	88.2%	87.5%
Miles	24.09	25.70	26.04							
	ACCEPTABLE - CONDITION SCORE 3									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	668	59	56							
Linear feet	116,547	10,077	9,912	103,438	103,438	209,551	281,270	281,270	296,871	356,345
Percent of total	3.3%	0.3%	0.3%	3.1%	3.1%	6.4%	8.6%	8.6%	9.1%	11.2%
Miles	22.07	1.91	1.88							
	DEFICIENT - CONDITION SCORE 4									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	75	575	568							
Linear feet	16,527	118,473	116,723	21,010	21,010	21,010	17,695	17,695	17,695	18,018
Percent of total	0.5%	3.4%	3.4%	0.6%	0.6%	0.6%	0.5%	0.6%	0.5%	0.6%
Miles	3.13	22.44	22.11							
	WORST - CONDITION SCORE 5									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	84	93	98							
Linear feet	18,527	21,419	22,918	5,387	42,414	42,414	69,754	69,754	69,754	23,922
Percent of total	0.5%	0.6%	0.7%	0.2%	1.3%	1.3%	2.1%	2.1%	2.2%	0.8%
Miles	3.51	4.06	4.35							
	TOTAL									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Unique gravity main assets	19,445	19,120	18,843	-	-	-	-	-	-	-
Linear feet	3,536,157	3,480,742	3,438,400	3,385,106	3,329,705	3,290,650	3,291,569	3,266,282	3,251,071	3,187,069
Percent of total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Miles	669.72	659.24	651.23	-	-	-	-	-	-	-

(1) Beginning fiscal year 2018, the condition assessment data of Metro's sewer system is recorded in Cityworks/GIS network, an asset management system, which provides individual pipe segment information and it tied directly to a unique asset. Integrated application within the asset management system is then used to implement proactive inspection, repair, and rehabilitation workflows. Sewer pipeline assessments are revised annually to reflect any changes in condition of the system. It is Metro's policy to maintain its sewer system so that a condition rating of 5 is less than 5% of the system.

Compliance





CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Honorable Board of Commissioners
Metropolitan Sewer Subdistrict
Greenville, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Metropolitan Sewer Subdistrict, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metropolitan Sewer Subdistrict's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metropolitan Sewer Subdistrict's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metropolitan Sewer's internal control. Accordingly, we do not express an opinion on the effectiveness of Metropolitan Sewer Subdistrict's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
December 21, 2020



MetroConnects
Sustainable Wastewater Solutions