



GREER
COMMISSION OF
PUBLIC WORKS
Greer, South Carolina

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

Years Ended December 31, 2023 and 2022

Issued by Finance Department

GREER COMMISSION OF PUBLIC WORKS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal	i - v
Government Finance Officers Association (GFOA)	
Certificate of Achievement for Excellence in Financial Reporting	vi
Organizational Chart.....	vii
List of Principal Officials.....	viii

FINANCIAL SECTION

Independent Auditors' Report	1 - 4
Management's Discussion and Analysis	5 - 12
Basic Financial Statements:	
Statements of Net Position	13
Statements of Revenues, Expenses and Changes in Net Position	14
Statements of Cash Flows	15 and 16
Notes to Financial Statements.....	17 - 45
Required Supplementary Information:	
Schedule of the Commission's Proportionate Share of the Net Pension Liability	46
Schedule of Commission Pension Contributions	47
Schedule of Changes in the Commission's Total OPEB Liability and Related Ratios.....	48
Other Supplementary Information:	
Schedule of Actual Budgeted Revenues and Expenses	49
Schedule of Divisional Operating Revenues and Expenses	50

STATISTICAL SECTION (UNAUDITED)

Statistical Narrative	
Schedule of Net Position by Component	51
Schedule of Revenues, Expenses and Changes in Net Position – Combined System.....	52 and 53
Schedule of Revenues, Expenses and Operating Indicators – Electric System.....	54 and 55
Schedule of Revenues, Expenses and Operating Indicators – Gas System	56 and 57
Schedule of Revenues, Expenses and Operating Indicators – Water System	58 and 59
Schedule of Revenues, Expenses and Operating Indicators – Sewer System	60 and 61
Debt Service Coverage.....	62 and 63
Ratios of Outstanding Long-term Debt.....	64
Customer Statistics – Largest System Customers	65 and 66
Capital Assets Statistics by Utility.....	67
Number of Employees by Identifiable Activity.....	68
Demographics and Economic Statistics	69

GREER COMMISSION OF PUBLIC WORKS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

TABLE OF CONTENTS (CONTINUED)

Page

COMPLIANCE SECTION

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 <i>Government Auditing Standards</i>	70 and 71
Schedule of Findings and Responses	72

INTRODUCTORY SECTION



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Commissioners
 Eugene G. Gibson - Chairman
 Jeffery M. Howell
 Perry J. Williams

Michael Richard, P.E.
 General Manager

Date: April 10, 2024

The customers, management, and staff of Greer Commission of Public Works (the "Commission") are pleased to present the Annual Comprehensive Financial Report (ACFR) for year ended December 31, 2023.

INTRODUCTION

This report was prepared by the Commission's financial staff and conforms to the guidelines of the Governmental Finance Officers Association ("GFOA") and Generally Accepted Accounting Principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB"). Responsibility for both accuracy of the data and the completeness and fairness of the presentation rests with the Commission. To provide a reasonable basis for making these representations, management of the Commission has established a comprehensive internal control framework that is designed both to protect the Commission's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Commission's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the Commission's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly, the financial position and results of operations of the Commission. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The Commission's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission are free of material misstatement. As part of their audit, the independent auditor examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessed the accounting principles used and significant estimates made by management; and evaluated the overall financial statement presentation. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE COMMISSION

The Commission was formed in 1913 for the purposes of providing electricity, water distribution, and sewer collection and treatment to the residents of the City of Greer. In 1950, the City of Greer's ("City") City Council enacted an ordinance to combine the previously separate systems of the Commission. In 1957, the City Council enacted an ordinance which founded a natural gas unit to be added to what is now the present-day "System".

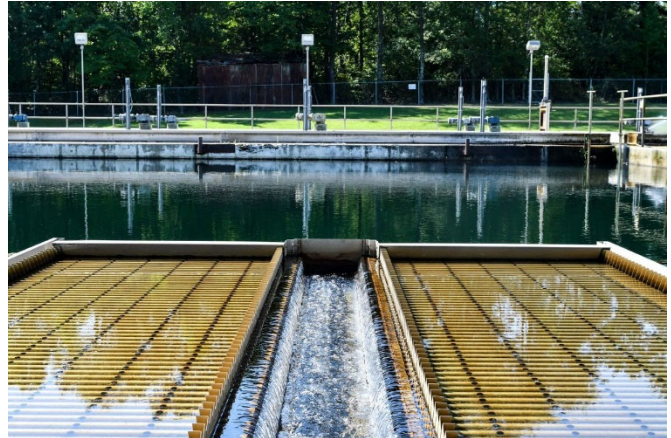
Designation of management, contractual and budgetary authority, funding of deficits, responsibility for debt, setting of rates, and fiscal management of the affairs of the Commission are the exclusive responsibility of the Commission. The Commission makes recommendations to the City Council for the issuance of bonds but is otherwise authorized under the laws of the state of South Carolina to have full control and management of the System. The laws of the state of South Carolina provide for three Commissioners to be elected by the public for six-year, staggered terms, with one seat up for election every two years. The members of the Commission, as of December 31, 2023, and the number of years of continuous services as Commissioners are as follows:

Name	Years of Service
Jeffery Howell	25
Eugene Gibson (Chairman)	41
Perry Williams	14

Water System

The Waterworks Unit was established in 1914. The Commission owns and manages two raw water reservoirs, Lake Cunningham, and Lake Robinson. Lake Cunningham is the Commission's primary water supply and was constructed on the South Tyger River in 1957. It is approximately 200 surface acres in size. Lake Robinson was constructed in 1984 and includes approximately 800 surface acres. Lake Robinson is the secondary water supply and is located just north of Lake Cunningham.

The water treatment plant is located at Lake Cunningham and has a treatment capacity of 24 million gallons per day ("MGD") with an average daily flow of 9.6 MGD. The water distribution system operates on three gradient levels, a high-level system (1,272 ft. mean sea level ("MSL")), intermediate level system (1,130 ft. MSL), and a low-level system (1,104 ft. MSL). Each level has two elevated storage tanks for a total capacity of 5.75 million gallons. The Commission supplies potable water to 22,937 customers and serves all the population within the City limits and surrounding areas. Over the last year, the Commission experienced a customer growth rate of 2.3% in the Waterworks Unit.



Wastewater System

The Wastewater Department of the Commission was established in 1914 and provides sanitation services by means of its wastewater collections system and wastewater treatment plant (WWTP). The Maple Creek WWTP experiences an average daily processing flow of 2.62 MGD with a current permitted capacity of 5.0 MGD. The WWTP received its latest upgrade in 2009 and is designed for future upgrades to provide additional capacity due



to area growth. The upgrade included significant improvements to the headworks, influent pumping, biosolids handling facilities, and provides for ultraviolet disinfection of the wastewater at the Maple Creek WWTP. The upgrade also included an energy generation plant that not only provides the emergency energy needed for the WWTP, but also additional energy that can be added to the electrical system which generates load side credits from our wholesale energy provider. Wastewater collection and treatment for the Commission's 16,490 customers is accomplished through approximately 265.9 miles of gravity lines and 27.9 miles of force mains for a total of 293.8 miles maintained by the Commission. Over the last year, the

Commission experienced a customer growth rate of 1.3% in the Wastewater Department. The Commission also provides wastewater collection services to the customers of Renewable Water Resources ("ReWa") that live in the City of Greer and conveys this wastewater to ReWa's treatment facilities.

Electric System

The Electric system was established in 1914 and provides the generation and distribution of electricity to City residents. In 1927, the Commission ceased generating electricity and from that time initiated the purchase of power from outside electric utilities to provide its supply of electricity. Up until 1985, the Commission purchased most of its electric power from Duke Energy Company. During 1985, the Commission began purchasing its primary supply of electrical power from the Piedmont Municipal Power Agency (“PMPA”), a joint public agency consisting of ten municipal participants, of which the Commission is a charter member. The Commission also purchases a portion of its electrical supply from the United States Department of Energy’s Southeastern Power Agency’s (“SEPA”) allocation of pooled hydroelectric power generated along the Savannah River. Over 90% of the purchased power is carbon free, generated by nuclear and hydro resources. The Electric Unit consists of five substations operating 33 circuits. Distribution of 12,470 volts of electricity is managed with approximately 218 miles of overhead distribution facilities and approximately 287 miles of underground facilities. The service area served by this unit is approximately 35 square miles, including the City limits and surrounding areas, and serves 23,838 customers. Over the last year, the Commission experienced a customer growth rate of 6.1% in the Electric Unit.



Natural Gas System

The Natural Gas system was established during 1957 and provides for distribution of natural gas to residents of the City of Greer, SC, and surrounding areas. The transmission system originates on the Transcontinental Gas Pipeline Corporation (“Transco”) mainline in Crescent, SC and Landrum SC. Natural gas is then transported to the City of Greer and surrounding areas by means of twelve-inch, eight-inch and four-inch high-pressure



transmission lines which are owned and maintained by the Greer Commission of Public Works (Greer CPW). Greer CPW operates and maintains approximately 42 miles of high-pressure transmission lines and approximately 889 miles of intermediate and distribution lines, along with 228 pressure-regulating stations. These distribution lines serve 29,812 customers located north to the City of Landrum, south to the City of Woodruff, east to the City of Wellford and west to the City of Taylors encompassing approximately 450 square miles. The natural gas system continues to grow at an annual rate of 3.9% due to the efficient, safe, and economical benefits of natural gas as it relates to cooking,

heating homes and businesses, heating water, and drying clothes. Greer CPW operates one of the few compressed natural gas (“CNG”) fueling stations in the area made available to the general-public and is open twenty-four hours a day and seven days a week.

SERVING OUR CUSTOMERS

The primary mission of the Commission is to serve our community by providing safe, high quality, and reliable water, natural gas, electric and wastewater services in an environmentally and fiscally responsible manner consistent with sound business principles. The utility can set rates that are competitive with not only neighboring utilities, but with other providers throughout the region. These rates continue to benefit the growth and development in the community, while delivering a high value to all customers.

The Commission's reliability is among the very best nationally. Of the customers that experienced an electric outage, the occurrence averaged to only one time per customer, with an average duration was nearly .65 hours.



The Commission has a solid commitment to environmental stewardship. The utility is a member of PMPA, which owns a 25% stake in Unit 2 of the Catawba Nuclear Generating Station, operated by Duke Energy, in York, SC. In addition to clean burning nuclear power, hydro-electric power is purchased from SEPA. Overall, roughly 94% of the Commission's power is carbon free. To complement our clean power, the Commission's CNG fueling station celebrated nine years of service providing low emissions for fueling of vehicles, not only in the surrounding Community, but for use in approximately 11% of the Commission's service fleet.

Capital Investment

The Commission continued to invest in improving and expanding its infrastructure during 2023 by investing more than \$26 million into the System. Investment in new utility infrastructure to new subdivisions and industries totaled approximately \$16.8 million. This investment provided support for the 3.6% average growth rate.

The Commission completed its project to repair and replace its water and sewer aging infrastructure in downtown Greer while contributing to the City of Greer's Streetscape Project which has now been expanded. This project will continue to transform downtown Greer into a destination in the Upstate for years to come. These improvements along with all our community has to offer are quickly making Greer a primary place for those looking to make the Upstate their home.



Growth in the Community, Growth in our Business

The Greer community experienced continued economic growth in its residential, commercial, and industrial sectors. The Commission realized a growth rate of 4% during 2023, with a 5-year average growth rate of 4.5% across its service area.

CPW spent the better part of 2023 rolling out our new Customer Service interface, Paygo. We anticipate completing this new system in Summer 2024. We expect this system to improve year after year to better serve our customers as well as allow for more convenient options for land developers and new services for builders.

An especially exciting project we have been working on at CPW is an AMI meter change out for all utilities. Commission expects that by the end of 2025 every meter in our system will be changed to a more energy efficient model capable of hourly reads to allow customers to make better decisions for their utility use.

Awards

Employee dedication is evident by the many awards and recognitions that all aspects of the Commission's operations have received:

- The American Public Gas Association (APGA) awarded Greer CPW's Gas Department with the Silver System Operational Achievement Recognition (SOAR) award in 2023. Greer CPW received 150.5 points out of a possible 158. This award also acknowledges plans to update old infrastructure, participation in damage prevention groups, and the use of new technology when upgrading or abandoning lines by capturing the gas instead of blowing methane gases back into the environment.
- The Area-Wide Optimization Program (AWOP) awarded Greer CPW's Water Filter Plant their 17th consecutive award for going beyond state and federal drinking water regulations. Participation in AWOP is voluntary, but the standards set using this model can reduce risk or waterborne illnesses.
- Our employee, Alison Rauch, was recognized by the City of Greer for her work in the community and given the "Key to the City". We thank Alison for her service in making Greer a beautiful place to live and work.

Financial Stewardship, Financial Strength

The Commission operates under established policies for financing, rate setting, and cash management. These policies serve as parameters for developing annual operating budgets, as well as the 5-year Capital Improvement Plan. The revenue bond ordinance provides that the rates shall be maintained at levels which yield net revenues equal to a minimum of 120% of the annual principal and interest requirement in each fiscal year. The management of the Commission strives to maintain an internal target equal to a minimum of 200% of the annual requirement.

The Commission continued to realize another strong financial performance during 2023. Net revenues exceeded projections through staff efforts to reduce expenditures and improve efficiencies, while minimizing the effects of weather patterns changing from the normal patterns of the region. Debt service coverage continued strong for 2023 with 479% coverage.

Financial Award: The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its ACFR for the fiscal year ended December 31, 2022. This was the eighteenth consecutive year that the Commission has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements and is valid for a period of one year only.

Acknowledgements

This report could not have been prepared on a timely basis without the efficient and dedicated services of all the Commission's employees who assisted and contributed to its preparation. We are thankful for the leadership and support of the Board of Commissioners who enable the Commission to fulfill its role in providing our customers with the most reliable services at a reasonable price while protecting the environment and public health.

Sincerely,



Michael Richard
General Manager



Angela Karcher
Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

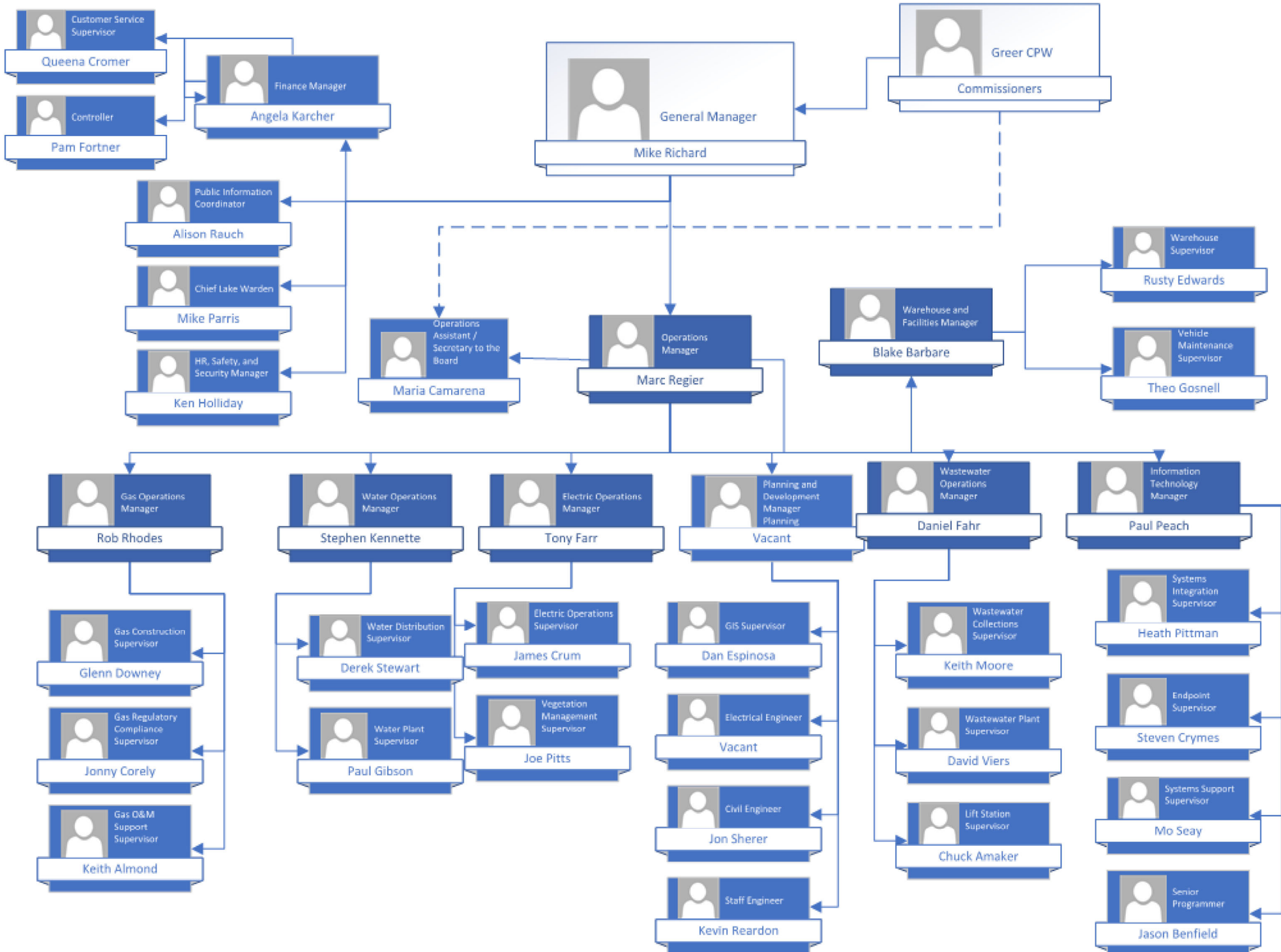
**Greer Commission of Public Works
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



GREER COMMISSION OF PUBLIC WORKS

LIST OF PRINCIPAL OFFICIALS DECEMBER 31, 2023



From left to right: Gene Gibson (Commissioner), Mike Richard (General Manager), Perry Williams (Commissioner-Chairman), and Jeffery Howell (Commissioner)

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

**To the Honorable Chairman and Members of the Commission
Greer Commission of Public Works
Greer, South Carolina**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **Greer Commission of Public Works** (the "Commission"), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position as of December 31, 2023 and 2022, and the changes in financial position, and, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Commission's proportionate share of the net pension liability, the schedule of Commission pension contributions, and the schedule of changes in the Commission's total OPEB liability and related ratios be presented to supplement the basic financial statements.

Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of actual budgeted revenues and expenses and the schedule of divisional operating revenues and expenses (collectively, the "supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Columbia, South Carolina
April 10, 2024

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of the Greer Commission of Public Works' (the "Commission") provides an overview of the financial activities for the fiscal years ended December 31, 2023, 2022 and 2021. This information serves as an introduction to the financial statements and should be read in conjunction with the audited financial statements.

Financial Highlights

The Commission continued to show a solid financial position for fiscal year 2023. The Commission is well within its debt covenants and the more stringent financial policies and guidelines set by the Board and management. The following are financial highlights for 2023:

- The Commission's net position increased by \$23,177,441, or 9.33% for 2023 as compared to an increase of \$11,768,514, or 4.97% in 2022.
- During the year, the Commission's operating revenues decreased to \$106,412,513, which represents a 3.43% decrease from the prior year. Operating revenues increased to \$110,196,471, or 12.46% in 2022.
- Total operating expenses decreased to \$90,003,262, which represents a 11.477% decrease from the prior year. Total expenses increased to \$101,672,395, or 21.47% in 2022.
- Purchased power expenses increased to \$38,125,996, up from \$37,899,229 last year. This .6% increase is reflected in the total operating expenses shown above. Purchased power increased from \$36,077,599, or by 5.05%, to \$37,899,229 in 2022.
- Purchased gas expenses decreased to \$15,450,135 last year. This 48.34% decrease is reflected in the total expenses shown above. Purchased gas increased from \$15,645,909, or by 91.147%, to \$29,906,039 in 2022.
- Capital contributions to the Commission increased by \$2,769,361, which represents a 71.99% increase from the prior year. Capital contributions decreased by \$957,014, or 19.92% in 2022.
- Transfers to the City of Greer remained at \$1,000,000 for 2023 and 2022.
- Debt service coverage for 2023 was 477% of the bond ordinance requirement, which is 120% debt service coverage. Debt service coverage for 2022 was 521%.
- The Commission's credit ratings continue to remain solid with credit ratings from Moody's, Standard & Poor's and Fitch Ratings with ratings of A1, AA-, and AA-, respectively which reflects the declining leverage and improved coverage of full obligations, competitive retail rates, diverse customer base, and robust area economics.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the Financial Statements

The Commission's annual statement consists of the Management's Discussion and Analysis ("MD&A"), the basic financial statements, required supplementary information, other supplementary information, and the compliance section. The MD&A serves as an introduction to and should be read in conjunction with the basic audited financial statements. The basic financial statements include notes which explain in detail information included in the basic financial statements.

Basic Financial Statements - The basic financial statements of the Commission report information about the Commission using the full accrual basis of accounting in a manner like those used by private sector companies. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities. These statements offer short-term and long-term financial information about its activities. The basic financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and notes to the financial statements. The Commission accounts for its activities using a single proprietary (enterprise) fund. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

Statement of Net Position - The *statement of net position* includes all the Commission's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the Commission's creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the Commission, and assessing the liquidity and financial flexibility of the Commission.

Statement of Revenues, Expenses, and Changes in Net Position - All the current year's revenues and expenses are accounted for in the *statement of revenues, expenses, and changes in net position*. This statement measures the success of the Commission's operations over the past year and can be used to determine whether the Commission has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

Statement of Cash Flows - The *statement of cash flows* provides information about the Commission's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and provides comparative information on the source and use of cash, and the change in the cash balance for each of the last two fiscal years.

Notes to the Financial Statements - The *notes to the financial statements* provide information about accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning progress in funding its obligation to provide pension to its employees. The MD&A is also considered required supplementary information.

The basic financial statements were prepared by the Commission's staff from the detailed books and records of the Commission. The basic financial statements were audited and adjusted, if material, during the independent external audit process.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis

The following comparative condensed financial statements and other selected information serve as the key financial data and indicators for management, monitoring and planning:

Condensed Financial Statements

Condensed Statement of Net Position

	December 31,			2022 to 2023		2021 to 2022	
	FY 2021	FY 2022	FY 2023	Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Current and other assets	\$ 76,424,854	\$ 76,794,141	\$ 59,595,071	\$ (17,199,070)	-22.40%	\$ 369,287	0.48%
Capital assets	244,208,658	258,118,138	288,663,369	30,545,231	11.83%	13,909,480	5.70%
Total assets	\$ 320,633,512	\$ 334,912,279	\$ 348,258,440	\$ 13,346,161	3.98%	\$ 14,278,767	4.45%
Deferred outflows of resources	\$ 2,801,340	\$ 2,135,587	\$ 1,892,015	\$ (243,572)	-11.41%	\$ (665,753)	-23.77%
Long-term debt outstanding	\$ 48,432,441	\$ 43,756,502	\$ 38,354,389	\$ (5,402,113)	-12.35%	\$ (4,675,939)	-9.65%
Other liabilities	32,669,945	41,860,035	37,462,011	(4,398,024)	-10.51%	9,190,090	28.13%
Total liabilities	\$ 81,102,386	\$ 85,616,537	\$ 75,816,400	\$ (9,800,137)	-11.45%	\$ 4,514,151	5.57%
Deferred inflows of resources	\$ 5,618,589	\$ 2,950,938	\$ 2,674,233	\$ (276,705)	-9.38%	\$ (2,667,651)	-47.48%
Net investment in capital assets	\$ 190,225,958	\$ 208,816,600	\$ 244,906,151	\$ 36,089,551	17.28%	\$ 18,590,642	9.77%
Restricted	10,612,416	10,798,431	8,876,301	(1,922,130)	-17.80%	186,015	1.75%
Unrestricted	35,875,503	28,867,360	17,877,380	(10,989,980)	-38.07%	(7,008,143)	-19.53%
Total net position	\$ 236,713,877	\$ 248,482,391	\$ 271,659,832	\$ 23,177,441	9.33%	\$ 11,768,514	4.97%

Condensed Statement of Revenues, Expenses and Changes in Net Position

	FY 2021	FY 2022	FY 2023	2022 to 2023		2021 to 2022	
				Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Electric revenues	\$ 46,343,600	\$ 48,876,112	\$ 48,349,867	\$ (526,245)	-1.08%	\$ 2,532,512	5.46%
Gas revenues	30,959,073	39,125,999	35,466,605	(3,659,394)	-9.35%	8,166,926	26.38%
Water revenues	9,363,477	10,090,478	10,167,077	76,599	0.76%	727,001	7.76%
Sewer revenues	7,283,813	7,924,687	7,997,145	72,458	0.91%	640,874	8.80%
Other operating revenues	4,036,429	4,179,195	4,431,819	252,624	6.04%	142,766	3.54%
Non-operating revenues	3,947,712	2,244,101	2,887,275	643,174	28.66%	(1,703,611)	-43.15%
Total revenues	\$ 101,934,104	\$ 112,440,572	\$ 109,299,788	\$ (3,140,784)	-2.79%	\$ 10,506,468	10.31%
Purchased power	\$ 36,077,599	\$ 37,899,229	\$ 38,125,996	\$ 226,767	0.60%	\$ 1,821,630	5.05%
Purchased gas	15,645,909	29,906,039	15,450,135	(14,455,904)	-48.34%	14,260,130	91.14%
Depreciation	10,361,222	10,643,252	10,684,102	40,850	0.38%	282,030	2.72%
Other operating expense	21,616,565	23,223,875	25,743,029	2,519,154	10.85%	1,607,310	7.44%
Non-operating expense	2,528,001	2,846,768	2,735,551	(111,217)	-3.91%	318,767	12.61%
Total expense	\$ 86,229,296	\$ 104,519,163	\$ 92,738,813	\$ (11,780,350)	-11.27%	\$ 18,289,867	-11.27%
Change in net position before capital contributions and extraordinary items	\$ 15,704,808	\$ 7,921,409	\$ 16,560,975	\$ 8,639,566	109.07%	\$ (7,783,399)	-49.56%
Contributions and extraordinary items							
Capital contributions	\$ 4,804,119	\$ 3,847,105	\$ 6,616,466	\$ 2,769,361	71.99%	\$ (957,014)	-19.92%
Extraordinary revenues from electrical demand credits	-	-	-	-	0.00%	-	0.00%
Change in net position after capital contributions and extraordinary items	\$ 20,508,927	\$ 11,768,514	\$ 23,177,441	\$ 11,408,927	96.94%	\$ (8,740,413)	-42.62%
Beginning net position	\$ 216,204,950	\$ 236,713,877	\$ 248,482,391	\$ 11,768,514	4.97%	\$ 20,508,927	9.49%
Restatement	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -	0.00%
Ending net position	\$ 236,713,877	\$ 248,482,391	\$ 271,659,832	\$ 23,177,441	9.33%	\$ 11,768,514	4.97%

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Trends

During 2023, the Greater Greer area continued to realize the steady growth in the residential, commercial, and industrial base that it has experienced for the past 10 years. The Commission experienced growth in its customer base adding approximately 3,243 new customers, or 3.6%, continuing the growth trend that has averaged 3.7% over the past 10 years.

The Commission remains positioned to manage the growth that continues in our service area. We have a plentiful water supply and sufficient capacity to manage the demand of our Water and Sewer systems. The five strategically located Electric substations throughout the service area continue to provide reliable and competitive Electric services. Our Natural Gas service area is fed by our connections to the Transcontinental Pipeline, which provides our customers with an abundant supply of commodity.

Financial Position

The Commission employs conservative management principles to maintain sustained and healthy debt service coverages. This management style lends itself to our continued financial strength and stability. Total assets of \$348,258,440 increased by \$13,346,161, or 3.98%, compared to the 2022 increase to \$334,912,279. Current and other assets decreased by \$17,199,070, or 22.4% to \$59,595,071 from fiscal year 2022 results of \$76,794,141. As we continue to expand and improve our capital infrastructure, the capital assets for fiscal year 2023 increased by \$30,454,231, or 11.83%, to \$288,663,369 from fiscal year 2022 results of \$258,118,138. Total liabilities decreased by \$9,800,137, or 11.45%, to \$75,816,400 from fiscal year 2022 results of \$85,616,537.

Results of Operations

Operating Revenues: Operating revenues are primarily comprised of electric, natural gas, water and sewer sales that are supplemented by revenues from connection fees, service charges, collection fees, and some miscellaneous fees. Total revenues decreased by \$3,140,784 to \$109,299,788 in fiscal year 2023 from \$112,440,572 in fiscal year 2022 due to the net effects of decreases to the electric, natural gas, water, and sewer revenues. The decreases in the electric and natural gas revenues of 1.08 and 9.35% can be attributed to several factors, but mostly due to a more mild weather pattern. Weather is always a factor to be reviewed when evaluating revenues. The heating degree days ("HDD") during 2023 were 2505 days, lower than the 3,023 days experienced during 2022, and the cooling degree days ("CDD") during 2023 were 1,602 days a decrease from 2022's 1,792 days. In addition to the volatility of the temperatures, the weather patterns also brought to the area 51 inches of precipitation, a decrease from 2021 totals of 54 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of \$3.917 per dT, a decrease from 2022 of \$8.355 per dT.

Operating revenues during 2022 were increased by \$10,506,468 to \$112,440,572 over fiscal year 2022 due to the net effects of increases to the electric, water, and sewer revenues. The increase in the electric, natural gas, water and sewer revenues of 5.46%, 26.38%, 7.76% and 8.8% respectively, can be attributed to several factors, but mostly due to weather, growth, and commodity prices. The heating degree days ("HDD") during 2022 were 2,844 days, 1.8% higher than the 2,794 days experienced during 2021, and the cooling degree days ("CDD") during 2022 were 2,094 days an increase from 2021 of 25.1%. In addition to the volatility of the temperatures, the weather patterns also brought to the area 60 inches of precipitation, an increase of 22.7% from 2021 totals of 49 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of \$8.36 per dT, an increase from 2021 of \$4.72 per dT.

Other operating revenues increased by \$252,624 and increased by \$142,766 during 2023 and 2022, respectively. The increases are attributable to several factors, including changes in the collection of reconnect fees, sales of gas, water, and sewer tap fees, sales of inventoried materials, and recovery of bad debts.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

During 2023, non-operating revenues increased by \$643,174. This increase is attributable to an increase in interest earnings from cash balances held at banking institutions. During 2022, non-operating revenues decreased by \$1,703,611. These decreases can be attributed to the reduction in electric demand credits issued by PMPA and decrease in earnings on investments.

Operating Expenses: Operating expenses are primarily comprised of the costs to procure electricity and natural gas for sales to our customers, to provide water treatment and distribution, and sewer collection and treatment. During 2023, expenses decreased by \$11,669,133 to \$90,003,262, from \$101,672,395 in fiscal year 2022, due to the net effect of a decrease in related purchased gas and other operating expenses. Purchased gas costs decreased by \$14,455,904, or 48.34%, because of decreased commodity prices and more mild weather experienced in the first and last quarters of 2023. Purchased power costs increased \$226,767, or .6%, because of slightly elevated customer demand experienced during the warmer temperatures during the summer months. Other operating expenses decreased by \$11,669,133, with a decrease to the operations and maintenance of equipment.

During 2022, expenses increased by \$17,971,100 to \$101,672,395, from \$83,701,295 in fiscal year 2021, due to the net effect of an increase in related purchased gas, purchased power and other operating expenses. Purchased gas costs increased by \$14,260,130, or 91.14%, because of increased commodity prices and colder weather experienced in the first and last quarters of 2021. Purchased power costs increased by \$445,156, or 5.05%, because of slightly elevated customer demand experienced during the warmer temperatures during the summer months. Other operating expenses increased by \$1,607,310, with an increase to water and wastewater treatment chemicals, and the operations and maintenance of equipment.

Non-operating expenses decreased \$111,217, or 3.91%, to \$2,735,551 during 2023. The disposal of assets resulted in gain realized in the amount of \$234,313, a decrease from gain of \$345,986 realized during 2022.

During 2022, non-operating expenses increased by \$318,767, or 12.61%, to \$2,846,768. The gain realized on the disposal of assets increased by \$345,985.

As a result of these factors, the Commission experienced net revenues over expenses of \$7,921,409 and \$15,704,808, respectively, in 2022 and 2021, before capital contributions.

Capital Contributions and Grants: Capital contributions include cash contributions, non-cash contributions and grants from various sources such as developers, customer assessments, and state and federal agencies. During 2023, the Commission received \$6,616,466 in capital contributions. This was a \$2,769,361 increase from fiscal year 2022 capital contributions of \$3,847,105. Capital contributions for 2023 included the following receipts:

- \$18,031 received from various sources to offset capital costs related to lighting infrastructure
- \$4,423,043 received from various developer contributed properties that consists of water and sewer infrastructure

During 2022, the Commission received \$3,847,105 in capital contributions. This was a decrease of \$957,014 from \$4,804,119 received during fiscal year 2021.

During 2022, the Commission was awarded a \$2 million dollar grant from the Economic Development Administration (EDA) to replace the pump station at the BMW Manufacturing Plant in Greer. This grant is in addition to a \$500,000 grant from the S.C. Rural Infrastructure Authority (RIA) awarded in May 2020. This work is still under way at the end of fiscal year 2024.

Transfers to the City: During fiscal years 2023 and 20212 the Commission made transfers to the City of Greer's General Fund in the amount of \$1,000,000.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Long-Term Debt

Capital Assets: At the end of 2023, the Commission has invested \$475,046,814 in land and a broad range of infrastructure including electric distribution facilities; electric substations; fiber optic infrastructure and equipment; water and sewer plants; wastewater facilities; water and sewer lines; maintenance and administration facilities; vehicles and equipment; and office and computer equipment. Please refer to Note 3 to the financial statements for additional information on the Commission's capital assets.

In 2023 and 2022, the Commission's capital assets increased in the net amount of \$40,415,662 and \$24,249,968, respectively. Of this increase, \$13,278,171 and \$11,609,308, respectively, was for expansion and improvement to utility plant and the remainder for other operating assets during 2022 and 2021.

	FY 2021	FY 2022	FY 2023	2022 to 2023		2021 to 2022	
				Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Land	\$ 6,028,933	\$ 6,398,943	\$ 6,398,943	\$ 0	0.00%	\$ 370,010	6.14%
Buildings	7,318,736	7,348,229	7,381,910	33,681	0.46%	29,493	0.40%
Machinery, equipment, and vehicles	11,656,940	12,162,284	12,832,059	669,775	5.51%	505,344	4.34%
Electric distribution system	72,367,564	75,657,448	79,572,084	3,914,636	5.17%	3,289,884	4.55%
Water distribution system	88,442,893	91,461,055	94,499,116	3,038,061	3.32%	3,018,162	3.41%
Water reservoirs and dams	11,637,846	11,637,402	11,637,846	444	0.00%	(444)	0.00%
Recreational facilities	816,778	816,778	816,778	-	0.00%	-	0.00%
Gas distribution system	79,195,483	83,216,565	88,910,904	5,694,339	6.84%	4,021,082	5.08%
Disposal plants and sanitary sewer	115,883,719	117,163,898	121,709,670	4,545,772	3.88%	1,280,179	1.10%
Office equipment and software	3,549,268	3,660,998	2,927,452	(733,546)	-20.04%	111,730	3.15%
Fiber optic	550,297	550,297	550,297	(0)	0.00%	0	0.00%
Construction in progress	12,932,727	24,556,810	47,809,755	23,252,945	94.69%	11,624,083	89.88%
Subtotal	\$ 410,381,184	\$ 434,631,152	\$ 475,046,814	\$ 40,415,662	9.30%	\$ 24,249,968	5.91%
Less accumulated depreciation	168,304,605	178,298,454	187,218,565	8,920,111	5.00%	9,993,849	5.94%
Net property, plant, and equipment	\$ 242,076,579	\$ 256,332,698	\$ 287,828,249	\$ 31,495,551	12.29%	\$ 14,256,119	5.89%

The following is a summary of some of the major capital improvements completed and added to the system during fiscal year 2023.

System Expansion Projects in Gas	8,342,713
Advanced Meter Infrastructure Project (AMI)	8,247,348
System Expansion Projects in Electric	8,016,291
Improvements and upgrades to the Sewer system	4,114,066
Improvements and upgrades to the Electric system	3,582,328
Improvements and upgrades to the Water system	1,656,290
Motor vehicles and equipment replacements	1,215,215
System Expansion Projects in Water	924,082
Improvements and upgrades to the Gas system	792,584
Operations Building and Property Improvements	590,177
System Expansion Projects in Sewer	27,919
Software System Improvements	12,294
Total major capital improvements	\$ 37,521,307

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt: At the end of 2023, the Commission had \$42,783,149 in aggregate long-term debt, down from \$47,309,668 at the end of fiscal year 2022, a decrease of \$4,526,519, or 9.57%. In 2022, the Commission had \$47,309,668 in aggregate long-term debt, decreased from \$51,729,141 at the end of fiscal year 2021, a decrease of \$4,419,473, or 8.54%. The changes resulted from scheduled principal payments made on the existing debt, along with one debt refunding. Please refer to Note 7 to the financial statements for additional information on the Commission's long-term debt.

	FY 2021		FY 2022		FY 2023		2022 to 2023		2021 to 2022	
	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Dollars	%	Dollars	%
Series 2002 revenue bonds	\$ 21,890,000	5.48%	\$ 21,620,000	5.48%	\$ 21,330,000	5.48%	\$ (290,000)	-1.34%	\$ (270,000)	-1.23%
2004 South Carolina SRF loan	4,850,955	2.25%	4,518,602	2.25%	4,178,708	2.25%	(339,894)	-7.52%	(332,353)	-6.85%
2005 South Carolina SRF loan	4,001,924	2.25%	3,714,870	2.25%	3,421,302	2.25%	(293,568)	-7.90%	(287,054)	-7.17%
Series 2007 revenue bonds	2,201,098	4.02%	1,869,423	4.02%	1,524,415	4.02%	(345,008)	-18.46%	(331,675)	-15.07%
2007 South Carolina SRF loan	5,670,813	2.25%	4,942,385	2.25%	4,197,430	2.25%	(744,955)	-15.07%	(728,428)	-12.85%
2009 South Carolina SRF loan	3,604,351	2.25%	3,449,388	2.25%	3,291,294	2.25%	(158,094)	-4.58%	(154,963)	-4.30%
Series 2015 refunding bonds	1,945,000	2.10%	1,470,000	2.10%	990,000	2.10%	(480,000)	-32.65%	(475,000)	-24.42%
Series 2017 refunding bonds	7,565,000	1.99%	5,725,000	1.99%	3,850,000	1.99%	(1,875,000)	-32.75%	(1,840,000)	-24.32%
Total Long-term debt	\$ 51,729,141	3.65%	\$ 47,309,668	3.76%	\$ 42,783,149	0.00%	\$ (4,526,519)	-9.57%	\$ (4,419,473)	-8.54%

Bond Ratings - All outstanding Combined Utility System Revenue Bonds ("Revenue Bonds") carry an A1, A+ and AA- ratings from Moody's, Standard & Poor's, and Fitch Ratings, respectively. During 2023, the Commission received affirmations of each of its ratings from Standard and Poor's and Fitch Rating.

Limitations on Debt - The Bond Ordinance provides that debt may be issued under the Bond Ordinance from time to time in such amounts as deemed necessary or advisable to the City, upon request of the Commission, for any purpose for which bonds may be issued for the benefit of the Commission under the Enabling Act. Prior to issuing any additional bonds, other than refunding bonds, the Commission is required to prove that the estimated future net revenues of the Commission are expected to be at least 120% of the actual highest combined debt service requirement (including debt service on the proposed additional bonds) for the current fiscal year and for the three fiscal years following the issuance of the additional bonds. The Commission currently reports a maximum debt service coverage ratio of 666%, 521%, and 494%, for the years 2023, 2022, and 2021, respectively.

	FY 2021	FY 2022	FY 2023	2022 to 2023		2021 to 2022	
				Dollars	%	Dollars	%
Revenues				Increase (decrease)		Increase (decrease)	
Revenues from operations	\$ 97,986,392	\$ 110,196,471	\$ 106,412,513	\$ (3,783,958)	-3.43%	\$ 12,210,079	12.46%
Non-operating revenue	4,353,377	2,244,101	2,887,275	643,174	28.66%	(2,109,276)	-48.45%
Capacity fees*	2,385,230	1,423,000	1,684,700	261,700	18.39%	(962,230)	-40.34%
Total revenues	\$ 104,724,999	\$ 113,863,572	\$ 110,984,488	\$ (2,879,084)	-2.53%	\$ 9,138,573	8.73%
Expenses							
Total expenses	\$ 85,229,296	\$ 92,575,911	\$ 80,820,398	\$ (11,755,513)	-12.70%	\$ 7,346,615	8.62%
Depreciation	(10,361,222)	(10,643,252)	(10,684,102)	(40,850)	0.38%	(282,030)	2.72%
Bond interest expense	(1,933,666)	(1,846,768)	(1,735,551)	111,217	-6.02%	86,898	-4.49%
Gain (loss) on sale of assets	405,665	345,986	234,313	(111,673)	-32.28%	(59,679)	-14.71%
Total expenses	\$ 73,340,073	\$ 80,731,877	\$ 68,635,058	\$ (12,096,819)	-14.98%	\$ 7,391,804	10.08%
Income available for debt service	\$ 31,384,926	\$ 33,131,695	\$ 42,349,430	\$ 9,217,735	27.82%	\$ 1,746,769	5.57%
Maximum annual debt service (ADS)	\$ 6,357,000	\$ 6,357,000	\$ 6,357,000	\$ -	0.00%	\$ -	0.00%
Maximum ADS coverage	494%	521%	666%	5.47%		5.47%	

*Although Capacity fees are allocated to Contributions of Capital, they are available for debt service under the Bond Ordinance

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

With this continued strong debt service coverage ratio, the Commission has the ability and capacity to issue additional bonds to fund future capital additions to the System. As a result of the increase in capital reserves and strategic planning, the Commission currently anticipates internally funding capital projects within the current long-range Capital Improvement Plan through fiscal year 2029.

Economic Outlook and Final Comments

The economic outlook for the Greenville and Spartanburg Counties continues to show positive trends in several areas. With the continued increase in the receipt of capacity fees received by the Commission, both Greenville and Spartanburg Counties are showing continual developer activity, which coincides with economic growth. Unemployment rates for the Greenville and Spartanburg Counties were 2.19 at the end of 2023 and mean household income increased 2.71% from prior year. Population increases in both counties mirror the positive trend the Commission has seen in customer growth.

These positive economic indicators promote the financial health and sustainability of the Commission. The Commission is committed to fiscal responsibility, which is our assurance we will sensibly spend, earn, and generate funds without placing undue hardship on our ratepayers. The COVID-19 pandemic continues to plague our supply chain. The increase we are seeing on typical inventory prices continue at never before seen levels. Gas prices show signs of stability protecting our purchase gas and price per dT.

The Commission considered a variety of factors in developing the fiscal year 2024 budget, including required rates by utility and customer class, user fees, and other charges. The Commission is required under the Ordinance to set rates and fees at levels which are at least sufficient to provide 100% of the amounts required to be deposited into the Operation and Maintenance Fund for the then current fiscal year, any amounts required to be deposited into any Debt Service Reserve Fund for the then current fiscal year, and any other amounts necessary to comply with the terms of the Bond Ordinance or any other contract or agreement with the Bondholders.

The fiscal year 2024 budget provided for no rate increases in any of the Commission's utility services. For 2024, requirements, such as increasing legislative environmental requirements mandated for our drinking water and wastewater treatment facilities, volatile natural gas, rising health care costs, and the general overall effects of inflation on our day-to-day operating requirements, must be dealt with effectively through the rates and fees charged for our services in order to achieve revenue sufficiency and appropriate levels of debt service coverage for each of the four operating utilities.

The Commission's customer base for each utility is evaluated in consideration of the City and County projected population growth, the impacts of annexations, the general economy, and other known factors affecting each individual utility.

Contacting the Commission's Finance Manager

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the money it receives. Questions concerning any of the information in this report or requests for additional information should be directed to the office of Angela M. Karcher, Finance Manager, Greer Commission of Public Works, P.O. Box 216, Greer, South Carolina 29652-0216.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF NET POSITION DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 19,141,047	\$ 24,481,604
Accounts receivable - customer (less allowance for doubtful accounts of \$104,893 and \$169,908 for 2023 and 2022, respectively)	11,795,030	12,096,924
Inventories	17,727,373	13,604,201
Prepaid expenses	102,128	101,408
Restricted assets, cash and cash equivalents	10,626,504	26,303,032
Current portion of leases receivable	202,989	208,972
Total Current Assets	59,595,071	76,796,141
Noncurrent Assets		
Leases receivable, net of current portion	795,986	998,975
Capital Assets:		
Right-to-use lease assets, net of accumulated amortization	39,134	786,465
Utility plant	475,046,814	434,631,152
Less: accumulated depreciation	(187,218,565)	(178,298,454)
Net utility plant	287,828,249	256,332,698
Total Noncurrent Assets	288,663,369	258,118,138
Total Assets	348,258,440	334,914,279
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized charge on refunding	62,298	105,310
Deferred outflows-other postemployment benefits	374,985	306,569
Deferred outflows-pension	1,454,732	1,723,708
Total Deferred Outflows of Resources	1,892,015	2,135,587
LIABILITIES		
Current Liabilities		
Accounts payable	8,739,083	13,565,494
Construction contract retainage payable	431,324	245,941
Accrued interest	477,906	509,791
Other accrued liabilities	3,946,914	3,480,899
Customers' deposits	1,172,994	1,063,862
Compensated absences	616,736	564,194
Current portion of landfill post-closure liability	10,460	12,350
Current portion of long-term debt	4,669,141	4,651,371
Total Current Liabilities	20,064,558	24,093,902
Noncurrent Liabilities		
Landfill post-closure liability, net of current portion	160,140	170,600
Total other postemployment benefit liability	790,204	776,669
Net pension liability	16,447,109	16,818,864
Long-term debt, net of unamortized premium and current portion of long-term debt	38,354,389	43,756,502
Total Noncurrent Liabilities	55,751,842	61,522,635
Total Liabilities	75,816,400	85,616,537
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows-lease receipts	966,606	1,183,814
Deferred inflows-pension	463,318	391,430
Deferred inflows-other postemployment benefits	1,244,299	1,375,694
Total Deferred Inflows of Resources	2,674,223	2,950,938
NET POSITION		
Net investment in capital assets	244,474,827	208,570,659
Restricted for:		
Debt service	1,209,678	711,733
Capital projects	7,666,623	10,086,698
Unrestricted	18,308,704	29,113,301
Total Net Position	\$ 271,659,832	\$ 248,482,391

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
Operating Revenues		
Electric revenues	\$ 48,349,867	\$ 48,876,112
Gas revenues	35,466,605	39,125,999
Water revenues	10,167,077	10,090,478
Sewer revenues	7,997,145	7,924,687
Other operating revenues	4,431,819	4,179,195
Total Operating Revenues	106,412,513	110,196,471
Operating Expenses		
Purchased power	38,125,996	37,899,229
Purchased gas	15,450,135	29,906,039
Depreciation and amortization	10,684,102	10,643,252
Other operating expenses	25,743,029	23,223,875
Total Operating Expenses	90,003,262	101,672,395
Operating Income	16,409,251	8,524,076
Non-operating Revenues (Expenses)		
Investment income	831,928	317,860
Intergovernmental revenues	1,821,034	64,545
Gain on sale of capital assets	234,313	345,986
Interest expense	(1,735,551)	(1,846,768)
Revenues from electric demand credits	-	1,515,710
Intergovernmental expense to the City of Greer	(1,000,000)	(1,000,000)
Total Non-operating Revenues (Expenses), Net	151,724	(602,667)
Income before Contributions	16,560,975	7,921,409
Capital Contributions	6,616,466	3,847,105
Change in Net Position	23,177,441	11,768,514
Net Position, Beginning of Year	248,482,391	236,713,877
Net Position, End of Year	\$ 271,659,832	\$ 248,482,391

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 102,391,720	\$ 103,524,999
Cash Paid to Employees	(9,231,047)	(9,297,716)
Cash Paid to Suppliers	(78,749,376)	(82,871,368)
Other receipts	4,431,819	5,694,905
Net Cash Provided by Operating Activities	18,843,116	17,050,820
Cash Flows from Noncapital Financing Activities		
Intergovernmental Payments to the City of Greer	(1,000,000)	(1,000,000)
Net Cash Used in Noncapital Financing Activities	(1,000,000)	(1,000,000)
Cash Flows for Capital and Related Financing Activities		
Capital Grants and Contributions	3,722,106	1,519,178
Construction and Improvement of Utility Plant	(37,450,076)	(22,479,240)
Debt Principal Payments	(4,559,761)	(4,491,368)
Proceeds from Sales of Capital Assets	362,954	565,530
Interest Paid	(1,759,116)	(1,867,024)
Net Cash Used in Capital and Related Financing Activities	(39,683,893)	(26,752,924)
Cash Flows from Investing Activities		
Interest Received	823,692	325,578
Net Cash Provided by Investing Activities	823,692	325,578
Net Decrease in Cash and Cash Equivalents	(21,017,085)	(10,376,526)
Cash and Cash Equivalents, Beginning of Year	50,784,636	61,161,162
Cash and Cash Equivalents, End of Year	\$ 29,767,551	\$ 50,784,636
Per Statement of Net Position:		
Cash and Cash Equivalents	\$ 19,141,047	\$ 24,481,604
Cash and Cash Equivalents - Restricted	10,626,504	26,303,032
	\$ 29,767,551	\$ 50,784,636

(Continued)

GREER COMMISSION OF PUBLIC WORKS
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	2023	2022
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 16,409,251	\$ 8,524,076
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	10,684,102	10,643,252
Other receipts	-	1,515,710
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	301,894	(2,652,550)
Increase in Inventory	(4,123,172)	(8,085,955)
Increase in Prepaid Expenses	(720)	(3,572)
Decrease in Deferred Outflows of Resources	200,560	622,741
Increase (Decrease) in Accounts Payable	(4,841,809)	6,945,470
(Decrease) in Other Accrued Liabilities	533,955	460,090
Increase in Customer Deposits	109,132	160,273
Increase (Decrease) in Total Other Postemployment Benefit Liability	13,535	(123,553)
Increase (Decrease) in Net Pension Liability	(371,755)	1,496,970
Decrease in Landfill Post-closure Liability	(12,350)	(11,850)
Decrease in Deferred Inflows of Resources	(59,507)	(2,440,282)
Net Cash Provided by Operating Activities	\$ 18,843,116	\$ 17,050,820
Non-cash Investing, Capital and Financing Activities:		
Non-cash Capital Contributions	\$ 4,715,394	\$ 2,392,472

GREER COMMISSION OF PUBLIC WORKS

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Greer Commission of Public Works (the "Commission") is a municipal utility system established in 1913 to furnish electricity, natural gas, water, and sanitary sewer service to the City of Greer (the "City") and the surrounding area. The Commission is governed by three elected Commissioners and managed by an appointed General Manager.

For its electric service needs, under an all requirements contract, the Commission is a member of Piedmont Municipal Power Agency (PMPA) which owns a 25% undivided ownership interest in Duke Energy's Catawba Nuclear Station Unit 2 and its initial nuclear core. This jointly owned reactor furnishes approximately 96% of the Commission's electrical needs. The Commission also purchases power from the U.S. Department of Energy – Southeastern Power Administration and from the Laurens Electric Cooperative.

In addition to the incorporated City service area, natural gas is provided to five other municipalities. Natural gas supplies are purchased from a variety of sources including Conoco Phillips, BP Energy, Direct Energy, NJR Energy, SW Virginia Gas Company, and other providers and delivered to the Commission's marketing areas via transmission lines owned by Transcontinental Gas Pipeline Corporation. In June 2013, the Commission began participating as a cooperative buyer from Municipal Gas Acquisition and Supply Corporation (MuniGas).

Raw water supply is provided from two reservoirs located approximately 5 miles north of the City. This water undergoes treatment in compliance with the South Carolina Department of Health and Environmental Control and Federal Environmental Protection Agency regulations and is partially softened during the process.

The sanitary sewer system consists of a series of collection mains, as well as a primary sewage treatment plant.

The Commission's significant accounting policies are as follows:

REPORTING ENTITY

This report includes all operations of the Primary Government for which the Commission is financially accountable. The following criteria were used in determining the operations for which financial accountability existed:

1. Selection of a majority of the governing board of the unit
2. Ability to impose its will upon the unit
3. Possibility of the unit to provide a benefit or impose a burden on the Primary Government

There are no component units.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The Commission's accounting records are maintained on the full accrual basis in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities and substantially in conformity with the Federal Energy Regulatory Commission's Uniform System of Accounts.

The Commission accounts for its activities similar to those found in private business enterprises. The Financial Accounting Standards Board (FASB) and its predecessor organizations have issued accounting and reporting standards for activities in the private sector, however, the Commission has applied all applicable pronouncements issued by the Governmental Accounting Standards Board (GASB).

The Commission reports its activities in a single proprietary fund. Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. The accounting objective of this measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION (CONTINUED)

Enterprise funds are a type of proprietary fund used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission are charges to customers for services. The Commission also recognizes origination fees, which are intended to recover the cost of connecting new customers to the system, as operating revenue. Operating expenses for proprietary funds include the cost to provide services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Non-exchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On the full accrual basis, revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

BUDGETS

The Commission is not required by law to adopt a formal budget; however, the Commission does adopt and maintain a formal budget annually.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, the Commission considers cash on hand, demand deposits and all highly liquid non-equity investments with an original maturity of three months or less when purchased to be cash equivalents.

INVESTMENTS

The Commission's investment policy is designed to operate within existing State of South Carolina statutes that authorize the Commission to invest in the following:

- a. Obligations of the United States of America and agencies thereof;
- b. General obligations of the State of South Carolina or any of its political units;
- c. Financial institutions to the extent that the same are insured by an agency of the federal government;
- d. Certificates of deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally insured by securities of the type described in (a) and (b) above, held by a third party as escrow agent, or custodian of a market value, not less than the amount of the certificates or funds in deposit accounts so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- e. Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the Commission or a third party as escrow agent or custodian; and
- f. South Carolina Pooled Investment Fund established and maintained by the State Treasurer.

All investments are stated at their fair values.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE

Customer receivables represent fees for utility services earned but not yet collected. The Commission recognizes revenue as earned on a monthly basis, based on rates established by the Commission's Board of Commissioners. Due to the fact that the customer meters are read and billed at various times during each month, the Commission estimates unbilled revenues for each of its services delivered to customers between their last respective cycle billing date and December 31, and records that amount as unbilled revenues for the current year. Estimated unbilled revenues as of December 31, 2023 and 2022 were \$4,929,190 and \$5,960,764, respectively. Receivables are reported net of applicable allowances for uncollectible accounts. Management reviews account receivables on a regular basis to determine if any receivables will potentially be uncollectible. The allowance for uncollectible accounts includes amounts estimated through an evaluation of specific accounts, based on the best available facts and circumstances, of customers that may be unable to meet their financial obligations, and a reserve based on historical experience. Management believes that the allowance for uncollectible accounts as of year-end was adequate.

INVENTORIES AND PREPAID EXPENSES

Materials and supplies inventories are valued at average cost, and consists of materials, supplies, and fuel. Prepaid expenses consist of items such as general liability insurance premiums that have been paid during 2023 and 2022 but are recognized over the appropriate accounting periods.

RESTRICTED ASSETS

Restricted assets consist of cash that will be used for future additions to utility plant or to meet debt service obligations on debt issued to fund additions to utility plant, as prescribed by the underlying bond ordinance.

UTILITY PLANTS AND RIGHT-TO-USE LEASE ASSETS

Utility plant and right-to-use lease assets are stated at cost and contributed capital assets are recorded at their acquisition fair value at the date of contribution. Minimum capitalization costs are \$5,000.

Capital assets of the Commission are depreciated or amortized on a straight-line basis over the following estimated useful lives:

	<u>Years</u>		<u>Years</u>
Electric distribution system	25	Operations center	50
Gas distribution system	33	Vehicle maintenance facility	33
Water system	50	Buildings	10
Compressed natural gas station	15	Right-to-use buildings	10
Recreational facilities	25	Fiber optic	10
Disposal plants and sanitary sewer	50	Vehicles and other work equipment	7
Lift stations	20	Office equipment and furniture	6
Finance building	50	Right-to-use equipment	6

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$10,684,102 and \$10,643,252, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

UTILITY PLANTS AND RIGHT-TO-USE LEASE ASSETS (CONTINUED)

Costs of labor, materials, supervision, and other expenses incurred in making repairs and minor replacements and in maintaining the plant are charged to expense. Plant accounts are charged with the costs of permanent betterments and replacements of plant, including capitalized labor, as appropriate. Donated assets are valued at acquisition value at the date of donation.

LEASES

Lessor: The Commission is the lessor for certain noncancellable leases of buildings and equipment. In accordance with GASB Statement No. 87, *Leases*, the Commission recognizes a lease receivable and a deferred inflow of resources for deferred lease receipts in accordance with these transactions. At the commencement of a lease, the Commission initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the Commission (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: the lease agreements entered into by the Commission as lessor do not include stated interest rates. Therefore, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases; the lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the Commission will receive over the term of the lease agreement. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

Lessee: The Commission is the lessee for certain noncancellable leases of equipment. In accordance with GASB Statement No. 87, *Leases*, the Commission recognizes a lease liability and a right-to-use lease asset in accordance with these transactions. At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the Commission (if any). Subsequently, the lease asset is amortized into amortization expense on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments: the lease agreements entered into by the Commission as lessee do not include stated interest rates. Therefore, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases; the lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments that the Commission will make over the term of the lease agreement. The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease liability and lease asset if certain changes occur that are expected to significantly affect the amount of the lease.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Police Officers Retirement System (PORS) and additions to/deductions from SCRS'/PORS' fiduciary net position have been determined on the same basis as they are reported by SCRS and PORS. For this purpose, benefit payments (including refunds of employer contributions) are recognized when due and payable in accordance with the benefit terms.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position reports a separate section for deferred outflow of resources and deferred inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Unamortized charge on refunding reported on the Statement of Net Position and employer pension and OPEB contributions subsequent to the measurement date of the net pension liability and total OPEB liability not included in pension/OPEB expenses are reported as deferred outflows of resources or deferred inflows of resources. Additional pension and OPEB related deferred outflows/inflows of resources reported on the Statement of Net Positions include: (1) differences between expected and actual experience, (2) differences between projected and actual earnings on pension plan investments, (3) changes in actuarial assumptions, and (4) changes in proportion and differences between Commission contributions and proportionate share of pension contributions. The Commission also reports deferred inflows of resources relative to deferred lease receipts which are amortized into lease revenue on a straight-line basis over the lease term.

COMPENSATED ABSENCES

In prior years it has been the Commission's policy to permit employees to accrue earned but unused paid vacation time and general leave. In 2019, the Commission implemented a policy combining paid vacation time and general leave into one category of paid leave that has been earned but unused referred to as personal time off (PTO). PTO vests when earned. Under the new policy, employees with existing leave balances are permitted to accumulate and carry over up to 80 hours of earned but unused PTO. Amounts in excess of 80 hours at year end will be paid out to employees in January of the following year. PTO within the annual carryover limit and the amount earned in excess of 80 hours to be paid to employees in January of the following year is reported as a liability on the Statement of Net Position.

AMORTIZATION

Bond premiums and discounts are recorded and amortized over the life of the respective bonds using a method that approximates the effective interest method.

CAPITAL CONTRIBUTIONS

The Commission receives contributions in aid of construction from customers in the form of capacity fees for water and sewer expansions, from developer contributions, as well as from federal, state, and local grants principally for utility plant.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NET POSITION

Net position is the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position comprises the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net position is classified in the following three components: net investment in capital assets, restricted for debt service and for capital projects, and unrestricted net position. Net investment in capital assets consists of all capital assets, net of accumulated depreciation and amortization and reduced by outstanding debt and other liabilities that is attributable to the acquisition, construction and improvement of those assets; unspent debt proceeds or other restricted cash and investments is excluded from the determination. Net position restricted for debt service and capital projects consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not included in the above categories. When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and use unrestricted resources as they are needed.

NOTE 2. PROJECT POWER SALES AGREEMENT

The Commission, as a member of the PMPA, is party to the Catawba Project Power Sales Agreements (the "Sales Agreements"). These Sales Agreements oblige PMPA to provide each member a share of the Catawba Nuclear Station (the "Project") power output and, in turn, each member must pay its share of Project costs.

Members make their payments on a "take-or-pay" basis whether or not the Project is operable or operating. Such payments are not subject to reduction or offset and are not conditioned upon performance by PMPA or any given member. The Sales Agreements are in effect until the earlier of August 1, 2035, or the completion of payments of PMPA's bonds and satisfaction of obligations under the Project agreements. The Commission's share of PMPA's total energy usage was approximately 9.34% in 2023 and 2022.

The Commission, as a member of PMPA, is also party to the Supplemental Power Sales Agreements (the "Supplemental Agreements") under which each member has agreed to pay, in exchange for supplemental bulk power supply costs, its share of supplemental bulk power supply costs. A member may terminate its Supplemental Agreement with ten years advance notice. Accordingly, the Commission provided PMPA advance written notice to terminate the Supplemental Power Sales Agreement on December 31, 2018. The termination will be effective on December 31, 2028. During 2023 and 2022, the Commission purchased \$37,344,856 and \$35,535,470, respectively, from PMPA under the two agreements discussed above. On December 31, 2023 and 2022, amounts due to PMPA of \$3,295,459 and \$3,024,434, respectively, were included in accounts payable.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2023, the carrying value of deposits included in cash and cash equivalents was \$23,017,292 and the bank balance was \$22,780,694. Additionally at December 31, 2023, the Commission's cash and cash equivalents include petty cash of \$7,406 and deposits with the South Carolina Local Government Investment Pool (LGIP) of \$6,742,853. At December 31, 2022, the carrying value of deposits included in cash and cash equivalents was \$44,382,797 and the bank balance was \$44,062,237. Additionally at December 31, 2022, the Commission's cash and cash equivalents include petty cash of \$6,000 and deposits with the LGIP of \$6,395,839. The bank deposits were covered by federal depository insurance up to \$250,000 and/or fully collateralized with eligible securities held by an agent of the Commission in the Commission's name. The Federal Deposit Insurance Corporation (FDIC) covers \$250,000 for substantially all depository accounts.

INTEREST RATE RISK

Interest rate risk is the risk that rising interest rates will adversely affect the fair value of the Commission's deposits. As outlined in the Commission's investment policy, investment maturities shall be less than two years and maturities shall be staggered in a way that avoids undue concentration in a specific maturity sector. A competitive bidding process is utilized, only allowing a select list of qualified commercial banks to participate.

CREDIT RISK

The deposits of the Commission are invested pursuant to statutes established by the state of South Carolina. The statutes allow for the investment of money in the following investments:

- a) Obligations of the United States and its agencies.
- b) General obligations of the state of South Carolina or any of its political units. Savings and loan association deposits to the extent they are insured by the FDIC.
- c) Certificates of deposit which are collaterally secured by securities of the type described above, held by a third party as escrow agent or custodian, at a fair value not less than the amount of certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an Agency of the Federal government.
- d) Collateralized repurchase agreements which are collateralized by securities as set forth in (a) and (b) above.

In addition, the South Carolina state statutes authorize the Commission to invest in the LGIP. The LGIP is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the Department does not disclose investment in the LGIP within the fair value hierarchy. As of December 31, 2023 and 2022, the underlying security ratings of the Commission's investment in the LGIP may be obtained from the LGIP's complete financial statements. This investment pool does not have a credit quality rating assigned. These financial statements may be obtained by writing to the State Treasurer's Office, Local Government Investment Pool, Post Office Box 11778, Columbia, South Carolina 29211.

CUSTODIAL CREDIT RISK

For a deposit, custodial credit risk is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. The Commission's deposits are subject to insurance provided by the FDIC and are fully collateralized with U.S. Treasury, "AAA" rated Federal Agency securities, or general obligations of the state of South Carolina or any of its political units.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND CASH EQUIVALENTS (CONTINUED)

CONCENTRATION OF CREDIT RISK

The investment policy of the Commission places no limit on the amount that the Commission may invest in any one issuer. During 2023 and 2022, the Commission had no investments.

NOTE 4. INVENTORIES

Inventories at December 31, 2023 and 2022, consist of the following:

	2023	2022
Electric	\$ 9,447,858	\$ 5,084,577
Gas	6,135,821	4,197,896
Water and sewer	2,082,798	4,256,906
Other	19,174	17,380
Gasoline	41,722	47,442
Total Inventories	\$ 17,727,373	\$ 13,604,201

NOTE 5. UTILITY PLANT

The following is a summary of changes in utility plant as of December 31, 2023:

	December 31, 2022	Additions	Classification Transfers	Disposals	December 31, 2023
Utility plant not being depreciated:					
Land	\$ 6,398,943	\$ -	\$ -	\$ -	\$ 6,398,943
Construction in progress	24,556,810	34,040,506	(10,787,561)	-	47,809,755
Total utility plant not being depreciated	30,955,753	34,040,506	(10,787,561)	-	54,208,698
Utility plant being depreciated:					
Electric distribution system	75,657,448	695,980	3,572,231	(353,575)	79,572,084
Gas distribution system	83,216,566	1,016,948	5,344,391	(667,001)	88,910,904
Water distribution system	91,461,055	1,890,245	1,513,809	(365,993)	94,499,116
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	-	-	816,778
Disposal plants and sanitary sewer	117,163,897	3,456,401	1,091,744	(2,372)	121,709,670
Buildings	7,348,229	-	33,681	-	7,381,910
Vehicles and other work equipment	12,162,286	1,250,771	(34,750)	(546,248)	12,832,059
Office equipment and furniture	3,660,997	-	(733,545)	-	2,927,452
Fiber optic	550,297	-	-	-	550,297
Total utility plant being depreciated	403,675,399	8,310,345	10,787,561	(1,935,189)	420,838,116
Less accumulated depreciation for:					
Electric distribution system	(39,598,212)	(2,510,452)	-	353,575	(41,755,089)
Gas distribution system	(40,365,514)	(2,420,644)	747,854	667,001	(41,371,303)
Water distribution system	(32,393,990)	(1,853,064)	-	365,993	(33,881,061)
Water reservoirs and dams	(8,047,591)	(222,197)	-	-	(8,269,788)
Recreational facilities	(428,308)	(20,943)	-	-	(449,251)
Disposal plants and sanitary sewer	(40,350,454)	(2,349,703)	-	2,372	(42,697,785)
Buildings	(4,745,057)	(160,844)	-	-	(4,905,901)
Vehicles and other work equipment	(9,090,736)	(1,086,953)	1,968,417	342,137	(7,867,135)
Office equipment and furniture	(2,855,274)	(6,857)	(2,716,271)	-	(5,578,402)
Fiber optic	(423,318)	(19,532)	-	-	(442,850)
Total accumulated depreciation	(178,298,454)	(10,651,189)	-	1,731,078	(187,218,565)
Utility plant, net	\$ 256,332,698				\$ 287,828,249

NOTES TO FINANCIAL STATEMENTS

NOTE 5. UTILITY PLANT (CONTINUED)

The following is a summary of changes in utility plant as of December 31, 2022:

	December 31, 2021	Additions	Classification Transfers	Disposals	December 31, 2022
Utility plant not being depreciated:					
Land	\$ 6,028,933	\$ 370,010	\$ -	\$ -	\$ 6,398,943
Construction in progress	12,932,727	19,020,341	(7,396,258)	-	24,556,810
Total utility plant not being depreciated	18,961,660	19,390,351	(7,396,258)	-	30,955,753
Utility plant being depreciated:					
Electric distribution system	72,367,564	893,798	2,396,086	-	75,657,448
Gas distribution system	79,195,484	588,487	3,432,595	-	83,216,566
Water distribution system	88,442,893	1,851,083	1,167,079	-	91,461,055
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	-	-	816,778
Disposal plants and sanitary sewer	115,883,719	991,410	288,768	-	117,163,897
Buildings	7,318,736	29,493	-	-	7,348,229
Vehicles and other work equipment	11,656,940	1,257,200	-	(751,854)	12,162,286
Office equipment and furniture	3,549,267	-	111,730	-	3,660,997
Fiber optic	550,297	-	-	-	550,297
Total utility plant being depreciated	391,419,524	5,611,471	7,396,258	(751,854)	403,675,399
Less accumulated depreciation for:					
Electric distribution system	(37,166,825)	(2,431,387)	-	-	(39,598,212)
Gas distribution system	(37,994,647)	(2,370,867)	-	-	(40,365,514)
Water distribution system	(30,583,379)	(1,810,611)	-	-	(32,393,990)
Water reservoirs and dams	(7,825,394)	(222,197)	-	-	(8,047,591)
Recreational facilities	(407,365)	(20,943)	-	-	(428,308)
Disposal plants and sanitary sewer	(38,032,506)	(2,317,948)	-	-	(40,350,454)
Buildings	(4,580,273)	(164,784)	-	-	(4,745,057)
Vehicles and other work equipment	(8,480,738)	(1,142,308)	-	532,310	(9,090,736)
Office equipment and furniture	(2,829,755)	(25,519)	-	-	(2,855,274)
Fiber optic	(403,724)	(19,594)	-	-	(423,318)
Total accumulated depreciation	(168,304,606)	(10,526,158)	-	532,310	(178,298,454)
Utility plant, net	\$ 242,076,578				\$ 256,332,698

Transfers of construction in progress are shown as additions to utility plant being depreciated.

At December 31, 2023 and 2022, the Commission had outstanding contractual commitments of \$3,189,406 and \$4,304,837, respectively, related to additions to the utility plant. Such construction will be financed from cash flows from operations, and available cash and investments. The Commission is reevaluating the useful life of building assets and anticipates the effect to be immaterial to 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the years ended December 31, 2023 and 2022, is as follows:

Description	Rate	December 31,			December 31,			December 31,		
		2021	Additions	Deductions	2022	Additions	Deductions	Remeasurement	2023	Current
Revenue Bonds:										
Series 2002	3.00% to 5.50%	\$ 21,890,000	\$ -	\$ (270,000)	\$ 21,620,000	\$ -	\$ (290,000)	\$ -	\$ 21,330,000	\$ 310,000
Series 2007	4.02%	2,201,098	-	(331,675)	1,869,423	-	(345,008)	-	1,524,415	358,878
Series 2015	2.10%	1,945,000	-	(475,000)	1,470,000	-	(480,000)	-	990,000	490,000
Series 2017	1.99%	7,565,000	-	(1,840,000)	5,725,000	-	(1,875,000)	-	3,850,000	1,905,000
		33,601,098	-	(2,916,675)	30,684,423	-	(2,990,008)	-	27,694,415	3,063,878
Add: Bond Premiums		269,801	-	(35,112)	234,689	-	(34,692)	-	199,997	-
Total Revenue Bonds		33,870,899	-	(2,951,787)	30,919,112	-	(3,024,700)	-	27,894,412	3,063,878
State Revolving Fund Loans:										
Series 2004	2.25%	4,850,954	-	(332,352)	4,518,602	-	(339,894)	-	4,178,708	347,607
Series 2005	2.25%	4,001,925	-	(287,055)	3,714,870	-	(293,568)	-	3,421,302	300,229
Series 2007	2.25%	5,670,814	-	(728,428)	4,942,386	-	(744,956)	-	4,197,430	761,860
Series 2009	2.25%	3,604,350	-	(154,963)	3,449,387	-	(158,093)	-	3,291,294	161,336
Total State Revolving Fund Loans		18,128,043	-	(1,502,798)	16,625,245	-	(1,536,511)	-	15,088,734	1,571,032
Other Long-term Liabilities										
Leases	2.12% to 3.00%	924,133	11,278	(71,895)	863,516	-	(33,242)	(789,890)	40,384	34,231
Landfill post-closure costs	n/a	194,800	-	(11,850)	182,950	-	(12,350)	-	170,600	10,460
Compensated absences	n/a	572,143	478,040	(485,989)	564,194	473,318	(420,776)	-	616,736	616,736
Net pension liabilities	n/a	15,321,894	3,381,337	(1,884,367)	16,818,864	1,682,166	(2,053,921)	-	16,447,109	-
Total other postemployment benefits liability	n/a	900,222	49,781	(173,334)	776,669	120,533	(106,998)	-	790,204	-
Total Other Long-term Liabilities		17,913,192	3,920,436	(2,627,435)	19,206,193	2,276,017	(2,627,287)	(789,890)	18,065,033	661,427
Total Long-term Liabilities		69,912,134	3,920,436	(7,082,020)	66,750,550	2,276,017	(7,188,498)	(789,890)	61,048,179	5,296,337
Less current portion		(5,074,627)			(5,227,915)				(5,296,337)	
Total Long-term Liabilities		\$ 64,837,507			\$ 61,522,635				\$ 55,751,842	

REVENUE BONDS AND STATE REVOLVING FUND LOANS PAYABLE

Revenues bonds payable consist of bonded indebtedness secured by statutory liens on the pledged revenues. The revenue bonds, together with the interest thereon, are payable from revenues derived by the Commission from the operation of its systems and monies on deposit in any fund or account established pursuant to the bond ordinance. The Commission is required to comply with various limitations, restrictions and covenants contained in the various bond indentures and ordinances. In the event of default by the Commission, the lender may declare the outstanding principal and all unpaid interest accrued to be due and payable immediately.

State Revolving Fund loans payable were entered into by the Commission and the South Carolina State Revolving Fund Program to finance the acquisition and construction water and wastewater facilities and infrastructure. The loans, together with the interest thereon, are payable from revenues derived by the Commission from the operation of its systems and monies on deposit in any fund or account established pursuant to the loan agreements. The Commission is required to comply with various limitations, restrictions and covenants contained in the various loan agreements and ordinances. In the event of default by the Commission, the lender may declare the outstanding principal and all unpaid interest accrued to be due and payable immediately.

LEASES

Leases payable consist of noncancellable leases in which the Commission is the lessee for various right-to-use assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Long-term debt payable as of December 31, 2023 and 2022 are as follows:

	2023	2022
Revenue Bonds:		
\$25,060,000 Series 2002 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of utility plants; interest at 3.00% to 5.50%; principal payable annually starting September 1, 2005 and interest payable semi-annually through September 1, 2032.	\$ 21,330,000	\$ 21,620,000
\$5,700,000 Series 2007 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of utility plants; interest at 4.02%; principal payable annually starting September 1, 2008 and interest payable annually through September 2027.	1,524,415	1,869,423
\$4,590,000 Series 2015 Combined Utility System Refunding Bond used to refund Series 2010 Combined Utility System Revenue Bonds; interest at 2.10%; principal payable annually starting September 1, 2016 and interest payable annually through September 1, 2025.	990,000	1,470,000
\$14,740,000 Series 2017 Combined Utility System Refunding Bond used to refund Series 2009 Combined Utility System Revenue Bonds; interest at 1.99%; principal payable annually starting September 1, 2017 and interest payable annually through September 1, 2025.	3,850,000	5,725,000
State Revolving Fund Loans:		
South Carolina Water Quality Revolving Fund loan to finance the Water Treatment Plant Upgrade Project; interest at 2.25%; quarterly installments through August 1, 2034.	4,178,708	4,518,602
South Carolina Water Quality Revolving Fund loan to finance the Water Transmission and Distribution System Improvements Project, interest at 2.25%; quarterly installments through February 1, 2034.	3,421,302	3,714,870
South Carolina Water Quality Revolving Fund loan to finance the upgrading and expanding of the Maple Creek Waste Water Treatment Plant Project; interest at 2.25%; quarterly installments through March 1, 2029.	4,197,430	4,942,386
South Carolina Water Quality Revolving Fund loan to finance the construction of a 1.5 million gallon Elevated Water Tank and Transmission Main, interest at 2.25%; quarterly installments through January 1, 2041; partially funded by American Recovery and Reinvestment Act ("ARRA") in the amount of \$2,000,000, interest at 0.0%.	3,291,294	3,449,387

(continued)

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

	2023	2022
Leases:		
Lease for right-to-use building entered into in May 2021; borrowing rate at 2.75%, monthly installments through April 30, 2031.	\$ -	\$ 789,889
Lease for right-to-use equipment entered into in January 2020; borrowing rate at 3%, monthly installments through January 2, 2025.	32,012	63,083
Lease for right-to-use building entered into in September 2022; borrowing rate at 2.12%, monthly installments through September 7, 2027.	8,372	10,544
Total long-term debt	\$ 42,823,533	\$ 48,173,184
Current portion of long-term debt	\$ (4,669,141)	\$ (4,651,371)
Bond premium, net of accumulated amortization of \$811,415 in 2023 and \$776,723 in 2022.	199,997	234,689
Long-term debt, net of unamortized premium, and current portion of long-term debt	\$ 38,354,389	\$ 43,756,502

As of December 31, 2023, future maturities of long-term debt are as follows:

	Revenue Bonds		State Revolving Fund Loans	
	Principal	Interest	Principal	Interest
2024	\$ 3,063,878	\$ 1,331,836	\$ 1,571,032	\$ 327,899
2025	3,143,304	1,252,160	1,606,376	292,555
2026	2,893,311	1,170,073	1,642,565	256,366
2027	3,043,922	1,016,688	1,679,619	219,312
2028	2,785,000	855,250	1,717,560	181,371
2029-2033	12,765,000	1,802,075	4,941,424	555,202
2034-2038	-	-	1,471,821	129,038
2039-2040	-	-	458,337	12,927
	\$ 27,694,415	\$ 7,428,082	\$ 15,088,734	\$ 1,974,670

	Leases		Total	
	Principal	Interest	Principal	Interest
2024	\$ 34,231	\$ 604	\$ 4,669,141	\$ 1,660,339
2025	2,267	105	4,751,947	1,544,820
2026	2,315	57	4,538,191	1,426,496
2027	1,571	10	4,725,112	1,236,010
2028	-	-	4,502,560	1,036,621
2029-2033	-	-	17,706,424	2,357,277
2034-2038	-	-	1,471,821	129,038
2039-2040	-	-	458,337	12,927
	\$ 40,384	\$ 776	\$ 42,823,533	\$ 9,403,528

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

DEFEASED BONDS

In prior years, the Commission defeased outstanding debt issues by issuing new debt and depositing the proceeds in an irrevocable trust to provide for all future debt service payments of the old debt. Thus, the defeased debt and the irrevocable trust are not a part of the financial statements. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt which is included in the accompanying financial statements as bond defeasance loss and is being amortized as interest expense over the term of the new debt.

In June 2017, the Commission issued \$14,740,000 of refunding bonds at an interest rate of 1.99% to defease the remaining outstanding bonds, net of all cost of debt, of the Series 2009 Combined Utility System Revenue bonds in the amount of \$14,535,000. The Commission completed the refunding to reduce its total debt service payments over a period of 9 years by \$1,433,773 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,033,197.

At December 31, 2023 and 2022, the amount of defeased bonds principal outstanding and unpaid by the Trustee was \$9,085,000 and \$13,350,000, respectively.

POST-CLOSURE CARE COSTS - SOLID WASTE LANDFILLS

On October 9, 1991, Federal regulations issued by the Environmental Protection Agency (EPA) placed specific requirements pertaining to the closing of municipal solid waste landfills as well as post-closure maintenance for a period of 30 years after closure. During 2003, the Commission recorded a \$435,000 landfill post-closure liability for its South Tyger Monofill landfill. Under the EPA rulings, this amount is to be amortized over the remaining life of the post-closure period, which is 15 years. During a review by independent engineers in September 2017, the landfill post-closure liability was reduced to \$245,300, a decrease of \$42,700, and will be amortized over the remaining post-closure period. For the years ended December 31, 2023 and 2022, amortization in the amount of \$12,350 and \$11,850, respectively, was recorded against related expenses. Actual cost for post-closure care may vary due to inflation, developments in technology, or changes in laws and regulations.

NOTE 7. LEASES

A summary of lease asset activity for the Commission for the year ended December 31, 2023 and 2022 is as follows:

	December 31,				December 31,	
	2022	Additions	Remeasurements	Amortization	2023	
Right-to-use lease assets:						
Lease assets, being amortized:						
Buildings	\$ 714,418	\$ -	\$ (714,418)	\$ -	\$ -	
Furniture and equipment	72,047	-	-	(32,913)	39,134	
Total lease assets, being amortized, net	\$ 786,465	\$ -	\$ (714,418)	\$ (32,913)	\$ 39,134	
	December 31,				December 31,	
	2021	Additions	Remeasurements	Amortization	2022	
Right-to-use lease assets:						
Lease assets, being amortized:						
Buildings	\$ 820,879	\$ -	\$ (20,731)	\$ (85,730)	\$ 714,418	
Furniture and equipment	103,254	11,278	(11,120)	(31,365)	72,047	
Total lease assets, being amortized, net	\$ 924,133	\$ 11,278	\$ (31,851)	\$ (117,095)	\$ 786,465	

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS

PENSION PLANS

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

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

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. 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 ACFR of the state.

Plan Descriptions

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Membership

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

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

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

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of 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 creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five or eight years earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members 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 \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Benefits (Continued)

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

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

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. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the schedule contributions are not sufficient to meet the funding periods set in statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statutes such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year, if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period for 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Contributions (Continued)

The Commission contributed \$1,520,622 to the SCRS Plan and \$19,408 to the PORS Plan for the year ended December 31, 2023, and contributed \$1,383,855 to the SCRS Plan and \$25,979 to the PORS Plan for the year ended December 31, 2022.

Required employee contribution rates during the year ended December 31, 2023 and 2022, are as follows:

- SCRS - 9.00% of earnable compensation from January 1st through December 31st
- PORS - 9.75% of earnable compensation from January 1st through December 31st

Required employer contribution rates during the year ended December 31, 2023, are as follows:

SCRS

- 17.41% of earnable compensation from January 1st through June 30th
- 18.41% of earnable compensation from July 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation.

PORS

- 19.84% of earnable compensation from January 1st through June 30th
- 20.84% of earnable compensation from July 1st through December 31st
- Employer incidental death benefit: 0.20% of earnable compensation.
- Employer accidental death benefit: 0.20% of earnable compensation.

Required employer contribution rates during the year ended December 31, 2022, are as follows:

SCRS

- 16.41% of earnable compensation from January 1st through June 30th
- 17.41% of earnable compensation from July 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation.

PORS

- 18.84% of earnable compensation from January 1st through June 30th
- 19.84% of earnable compensation from July 1st through December 31st
- Employer incidental death benefit: 0.20% of earnable compensation.
- Employer accidental death benefit: 0.20% of earnable compensation.

Net Pension Liability

At December 31, 2023 and 2022, the Commission reported liabilities of \$16,245,881 and \$16,564,824, respectively, for its proportionate share of the SCRS net pension liability and \$201,228 and \$254,040, respectively, for its proportionate share of the PORS net pension liability. The net pension liabilities as of December 31, 2023 and 2022 were measured as of June 30, 2023 and June 30, 2022, respectively, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2022, and July 1, 2021, respectively, rolled-forward to the respective measurement dates using generally accepted actuarial principles.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Net Pension Liability (Continued)

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2023 (measurement date for reporting at December 31, 2023), the Commission's proportionate shares of the SCRS plan was 0.067194%, which was 0.001137% lower than its proportionate share of the net pension liability measured as of June 30, 2022 (measurement date for reporting at December 31, 2022). At June 30, 2023 (measurement date for reporting at December 31, 2023), the Commission's proportionate shares of the PORS plan was 0.006610%, which was 0.001861% lower than its proportionate share of the net pension liability measured as of June 30, 2023 (measurement date for reporting at December 31, 2023).

Pension Expense

For the years ended December 31, 2023 and 2022, the Commission recognized pension expense for the SCRS plan of \$1,498,491 and \$1,081,506, respectively. For the years ended December 31, 2023 and 2022, the Commission recognized pension expense for the PORS plan of \$10,649 and \$30,447, respectively. For the years ended December 31, 2023 and 2022, the Commission recognized a total pension expense for the SCRS plan and PORS plan of \$1,509,140 and \$1,111,953, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At December 31, 2023 and 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the SCRS and PORS plans:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS				
Difference between expected and actual experience	\$ 282,057	\$ 45,052	\$ 143,917	\$ 72,189
Changes of assumptions	248,910	-	531,273	-
Net difference between projected and actual earnings on pension plan investments	-	22,237	25,546	-
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	109,160	352,770	229,116	311,986
Commission contributions subsequent to the measurement date to the measurement date	788,427	-	759,630	-
Total SCRS	\$ 1,428,554	\$ 420,059	\$ 1,689,482	\$ 384,175
PORS				
Difference between expected and actual experience	\$ 9,470	\$ 2,481	\$ 4,262	\$ 5,022
Changes of assumptions	4,380	-	10,579	-
Net difference between projected and actual earnings on pension plan investments	-	345	767	-
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	2,274	40,433	4,530	2,233
Commission contributions subsequent to the measurement date to the measurement date	10,054	-	14,088	-
Total PORS	\$ 26,178	\$ 43,259	\$ 34,226	\$ 7,255
Total SCRS and PORS	\$ 1,454,732	\$ 463,318	\$ 1,723,708	\$ 391,430

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Deferred Inflows of Resources and Deferred Outflows of Resources (Continued)

The \$788,427 and \$10,054 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date for the SCRS and PORS plans, respectively during the year ended December 31, 2023, will be recognized as a reduction of the net pension liabilities in the year ending December 31, 2024. The \$759,630 and \$14,088 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date for the SCRS and PORS plans, respectively during the year ended December 31, 2022, was recognized as a reduction of the net pension liabilities in the year ending December 31, 2023.

As of December 31, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ending June 30:	SCRS	PORS	Total
2024	\$ 245,551	\$ (7,020)	\$ 238,531
2025	(444,323)	(18,633)	(462,956)
2026	428,369	(1,272)	427,097
2027	(9,529)	(210)	(9,739)
Total	\$ 220,068	\$ (27,135)	\$ 192,933

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2022 valuation to calculate the Total Pension Liability as of the June 30, 2023 measurement date.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return	7.00%	7.00%
Inflation	2.25%	2.25%
Projected salary increases	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
(Includes inflation at)	2.25%	2.25%
Benefits adjustments	Lessor of 1% or \$500 annually	Lessor of 1% or \$500 annually

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Actuarial Assumptions and Methods (Continued)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Former Job Class	Males	Females
General Employees and Members of the General Assembly (SCRS)	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters (PORS)	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	12.0%		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
			7.56%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Discount Rate

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

Sensitivity Analysis

The following table presents the Commission's proportionate share of the net pension liabilities as of December 31, 2023 (June 30, 2023 measurement date) of the respective plans calculated using the discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Commission's Proportionate Share of Net Pension Liability	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 20,991,227	\$ 16,245,881	\$ 12,301,713
PORS	283,863	201,228	133,540
	\$ 21,275,090	\$ 16,447,109	\$ 12,435,253

The following table presents the Commission's proportionate share of the net pension liabilities as of December 31, 2022 (June 30, 2022 measurement date) of the respective plans calculated using the discount rate of 7.00%, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Commission's Proportionate Share of Net Pension Liability	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	\$ 21,238,148	\$ 16,564,824	\$ 12,679,562
PORS	354,244	254,040	172,014
	\$ 21,592,392	\$ 16,818,864	\$ 12,851,576

Pension Plan Fiduciary Net Position

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2023 (measurement date for the Commission's year ended December 31, 2023), net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.8%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position (Continued)

As of June 30, 2022 (measurement date for the Commission's year ended December 31, 2022), net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%

The total pension liability is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The net pension liability is disclosed in accordance with the requirements of GASB Statement No. 67 in the System's notes to the financial statements and required supplementary information.

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for SCRS which can be accessed via the contact information provided above.

Employees of the Commission are eligible to participate into two additional programs that allow for income tax deferral through the South Carolina Deferred Compensation Program, specifically in either a 401(k) or 457 plan. Participation in these programs allows an employee to defer up to the maximum amount permissible by the Internal Revenue Service for the respective deferral period. These programs are fully funded by the employee only; thus no matching funds are provided by the Commission.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

Other postemployment benefits (OPEB) are part of the total compensation offered to attract and retain the services of qualified employees. The Commission provides other postemployment benefits under a single-employer benefit plan that provides medical and dental insurance for retired employees and their spouses based on the years of service at the time of retirements. There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. A retiring employee from the Commission who has served at least 30 years in a full time, regular position, is eligible to elect post-retirement insurance coverage, for a maximum of 3 years, or Medicare eligibility, whichever comes first.

In addition to the requirements shown on the following page, retirees must also meet the class rules. Class One employees are those that qualified for retirement with the Commission prior to July 1, 2010. Class Two employees are those employees that qualify for retirement with the Commission on or after July 1, 2010. Spouses of eligible participants are eligible for a maximum of three (3) years of post-retirement insurance coverage.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Employees qualifying for retirement prior to July 1, 2010 (Class 2):

- At age 60 and with 10 years of earned service and 15 years of service qualification with the South Carolina Retirement System (SCRS) or Police Officer's Retirement System (PORS). The participant will pay 100% of the funded premium rates for participant and qualifying spouse.
- At age 60 and with 20 years of earned service and 25 years of service qualification with the SCRS, or PORS. The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse.
- At any age and with 15 years of earned service and 30 years of service qualification with the SCRS or PORS. The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse.
- At any age and with 15 years of earned service and 28 years of service qualification with the SCRS or PORS.

Employees qualifying for retirement on or after July 1, 2010 (Class 3):

- At age 62 and with 30 years of earned service and 30 years of service qualification with the South Carolina Retirement System (SCRS) or Police Officer's Retirement System (PORS). The Commission will pay 100% of the funded premium rate for the participant and qualifying spouse for a maximum of 3 years, or Medicare eligibility, whichever comes first.

The following table provides a summary of the number of participants in the plan as of December 31:

	2023	2022
Inactive plan members or beneficiaries currently receiving benefits	10	13
Active plan members	101	117
Total plan members	111	130

The health plan is financed on a pay-as-you-go basis. As of December 31, 2023, and 2022, retirees in postemployment status that were eligible for benefits under the Plan included eight members, respectively.

TOTAL OPEB LIABILITY

The Commission's total OPEB liability as of December 31, 2023 and 2022 was measured as of December 31, 2022 and December 31, 2021, respectively. The total OPEB liability at the December 30, 2022 and December 31, 2021 measurement date were determined by an actuarial valuation as of December 31, 2022 and December 31, 2021, respectively. Actuarial values are performed biannually. As of December 31, 2023 (December 31, 2022 measurement date) the Commission's total OPEB liability amounted to \$790,204. As of December 31, 2022 (December 31, 2021 measurement date) the Commission's total OPEB liability was \$776,669.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs:

Valuation Date	December 31, 2022
Methods and assumptions	
Actuarial cost method	Entry age normal
Discount rate	2.06% as of the December 31, 2021 measurement date 3.72% as of the December 31, 2022 measurement date
Salary increases	3.00% to 10.50%
Mortality	Based on the PUB-2010 Mortality Table for Employees with a 135% multiplier to better reflect the anticipated experience and provide margin for future improvements
Health care trend rates	7.00% for 2023, declining to an ultimate rate of 4.50% by 2033
Participation rates	100% of active participants are assumed to elect coverage into retirement; 50% of active participants are assumed to cover a spouse into retirement
Other information	
Notes	There were no benefit changes during the year

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2022 (measurement date) and the current sharing pattern of costs between employer and inactive employees.

DISCOUNT RATE

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of the Commission's valuation for the December 31, 2022 measurement date, the municipal bond index rate is 3.72% (based on the daily rate equal to the Fidelity Index's "20-year Municipal GO AA Index") which was an increase from the December 31, 2021 measurement date rate of 2.06%.

CHANGES IN TOTAL OPEB LIABILITY

The below schedule shows the changes in the total OPEB liability for the years ending December 31, 2023 and 2022:

	2023	2022
Beginning balance at January 1,	\$ 776,669	\$ 900,222
Changes for the year:		
Service cost	29,713	32,120
Interest	15,687	17,661
Differences between expected and actual experience	75,133	(17,719)
Changes in assumptions	(76,476)	(20,623)
Benefit payments	(30,522)	(134,992)
Net changes	13,535	(123,553)
Ending balance at December 31,	\$ 790,204	\$ 776,669

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN DISCOUNT RATE

The following table presents the plan's total OPEB liability at December 31, 2023 (December 31, 2022 measurement date); calculated using a discount rate of 3.72%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$846,693	\$790,204	\$739,474

The following table presents the plan's total OPEB liability at December 31, 2022 (December 31, 2021 measurement date); calculated using a discount rate of 2.06%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$842,406	\$776,669	\$716,996

SENSITIVITY OF THE TOTAL OPEB LIABILITY TO CHANGES IN HEALTHCARE COST TREND RATES

The following table presents the plan's total OPEB liability as of December 31, 2023 (December 31, 2022 measurement date); calculated using the assumed healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

	1% Decrease (6.00% - 3.50%)	Current Trend Rate (7.00% - 4.50%)	1% Increase (8.00% - 5.50%)
Total OPEB Liability	\$728,569	\$790,204	\$864,611

The following table presents the plan's total OPEB liability as of December 31, 2022 (December 31, 2021 measurement date); calculated using the assumed healthcare cost trend rates as well as what the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower or one percent higher:

	1% Decrease (6.00% - 3.50%)	Current Trend Rate (7.00% - 4.50%)	1% Increase (8.00% - 5.50%)
Total OPEB Liability	\$691,695	\$776,669	\$880,352

OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period of equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the average of the expected remaining service lives of all active employees for the purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period was approximately 11.06 years.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES RELATED TO OPEB (CONTINUED)

Deferred outflows of resources and deferred inflows of resources related to OPEB at December 31, 2023 and 2022 were as follows:

	December 31, 2023		December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 128,953	\$ 435,634	\$ 68,569	\$ 509,339
Change in assumptions	186,032	808,665	213,000	866,355
Employer contributions after measurement date but prior to fiscal year end	60,000	-	25,000	-
Total	\$ 374,985	\$ 1,244,299	\$ 306,569	\$ 1,375,694

As of December 31, 2023 deferred outflows of resources of \$60,000 related to OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2024. As of December 31, 2022, deferred outflows of resources of \$25,000 related to OPEB resulting from the Commission's contributions subsequent to the measurement date were recognized as a reduction of the OPEB liability in the year ended December 31, 2023. As of December 31, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$ (166,154)
2025	(166,154)
2026	(166,154)
2027	(166,154)
2028	(166,154)
Thereafter	(98,544)
	<u>\$ (929,314)</u>

For the years ended December 31, 2023 and 2022, the Commission recognized OPEB expense of (\$120,754) and (\$116,251), respectively, as follows:

OPEB Expense	December 31, 2023	December 31, 2022
Service cost	\$ 29,713	\$ 32,120
Interest on the total OPEB liability	15,687	17,661
Expensed portion of current-period differences between expected and actual experience	6,793	(1,926)
Expensed portion of current-period changes in assumptions	(6,915)	(1,654)
Amortization of Deferred Outflow and Inflow of Resources:		
Beginning deferred outflows of resources	34,924	34,924
Beginning deferred inflows of resources	(200,956)	(197,376)
Total OPEB Expense	\$ (120,754)	\$ (116,251)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission is insured under policies through the South Carolina Budget and Control Board, Office of the Insurance Reserve Fund (the “Fund”) that is a public entity risk pool. The Commission pays premiums to the Fund for its general liability, property, and accidental insurance. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. The Commission carries general liability insurance with coverage of up to \$1,000,000 per occurrence; automobile insurance with coverage of up to \$1,000,000 per occurrence for bodily injury; and a public official’s and employee liability with coverage of up to \$1,000,000 per occurrence.

The Commission participates in a self-funded insurance plan (the “Plan”) whereby the Commission is responsible for the payment of health care claims, administrative costs, and other liabilities incurred by covered active and post-retirement employees. The Plan administrator provides the Commission with an expected claims liability for each fiscal year. These estimates are based upon the Commission’s claims history, claims processed following the close of the Plan’s year end, and other industry factors. The Commission subsequently purchased a stop-loss insurance plan to ensure the Commission does not pay in excess of 125% of expected claims. Changes in reported liabilities are as follows:

Year Ended December 31,	Beginning Balance	Claims and Changes in Estimates	Claims/ Payments	Ending Balance
2023	\$ 2,203,076	\$ 2,114,081	\$ 1,690,270	\$ 2,626,887
2022	1,883,068	2,434,588	2,114,580	2,203,076

It is the policy of the Commission to provide group health insurance for all its full-time employees and Commissioners. These health insurance policies are administered by a third party.

The Commission also participates in the South Carolina Municipal Insurance Trust (SCMIT) for workers’ compensation insurance coverage up to the statutory limits. This is a public entity risk pool operating as a common risk management and insurance program. The Commission pays premiums to SCMIT for this coverage. The Trust uses reinsurance agreements to reduce its exposure to large workers’ compensation losses. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past fiscal years.

NOTE 11. RELATED PARTY TRANSACTIONS

In 2023 and 2022, the Commission and the City of Greer verbally agreed to addendums to the existing 10-year agreement whereby the Commission makes a fixed payment to the City each year. The Commission recognized expenses of \$1,000,000 in each of 2023 and 2022, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. CONTRIBUTIONS AND CAPITAL IMPROVEMENT GRANTS

The Commission receives capital improvement grants from federal, state, and local government agencies to finance the planning and construction of various water projects. Upon completion of the projects, the Commission is required to have independent audits of grant funds. Such audits could lead to a request for reimbursement to the grantor agencies for expenditures disallowed under the terms of the agreement.

The Commission receives developer contributed assets from various developers during the year of which become property of the Commission for future maintenance. The Commission's policy has been to require residential and commercial developers in need of sewer and water services to develop the needed infrastructure at their costs and then to donate the assets to the Commission at the donated assets acquisition value.

Beginning in September 2000, the Commission initiated a policy of charging developers and consumers capacity fees related to the direct capitalization cost of installing new services in previously undeveloped parts of its service area, with respect to the waterworks and sanitary sewer systems. These fees serve to recover a portion of the economic impact to the Commission directly relating to these system expansions and may be used to pay a portion of the debt service on debt issued to fund such improvements. Capacity fees are recorded as contributions by the Commission.

Contributions for the years ended December 31, 2023 and 2022 are reported in the Statements of Revenues, Expenses, and Changes in Net Position as revenues, rather than as directed additions to contributed capital. Developer and consumer capacity fees of \$1,684,700 and \$1,423,003 and capital contributions of \$4,931,766 and \$2,424,102, respectively, are included in contributions.

NOTE 13. PURCHASED GAS ADJUSTMENT

The Commission has a purchased gas adjustment (PGA) mechanism in place to absorb fluctuations in the cost of natural gas. The Commission amended the PGA to provide the ability to spread the collection of accumulated price spikes over longer periods of time to minimize the impacts on its customers.

The PGA calculation records the actual value paid for the commodity during any month and provides the ability to charge the customer with a price per therm of consumption that would cover a portion of accumulated unbilled amounts, while remaining competitive with other providers in the existing market environment. This future recovery of the cost of natural gas not yet billed is expected to be completed over the course of future billing periods. As of December 31, 2023 and 2022, the Commission had no accumulated unbilled PGA costs.

NOTE 14. PURCHASED POWER ADJUSTMENT

The Commission has a purchased power adjustment (PPA) mechanism in place to absorb fluctuations in the cost of electricity. The Commission approved in 2015 the PPA to provide the ability to spread the collection of accumulated price spikes in the second succeeding billing month to minimize the impacts on its customers.

Annually, estimates of the power sales and costs are developed for budgetary purposes and rate setting. The PPA calculation is designed to recover the difference between the Commission's actual cost of purchased power and the estimated purchased power costs and provides the ability to charge the customer with a price per kilowatt hour. As of December 31, 2023 and 2022, the Commission had no accumulated unbilled PPA costs.

NOTE 15. CONTINGENCIES

The Commission is occasionally involved in claims arising out of its operations in the normal course of business, none of which are expected, individually or in the aggregate, to have a material adverse effect on the Commission.

NOTES TO FINANCIAL STATEMENTS

NOTE 16. NET INVESTMENT IN CAPITAL ASSETS

The calculation of the net investment in capital assets component of net position is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Net investment in capital assets:		
Capital assets, net of accumulated depreciation	\$ 287,828,249	\$ 256,332,698
Right-to-use lease assets, net of accumulated amortization	39,134	786,465
Add:		
Deferred loss on refunding	62,298	105,310
Less:		
Retainage payable	(431,324)	(245,941)
Outstanding bonds, leases and notes payable, net of original issue premiums	<u>(43,023,530)</u>	<u>(48,407,873)</u>
	<u>\$ 244,474,827</u>	<u>\$ 208,570,659</u>

REQUIRED SUPPLEMENTARY INFORMATION

GREER COMMISSION OF PUBLIC WORKS

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DECEMBER 31,**

As of June 30,	Commission's Proportion of Net Pension Liability	Commission's Proportionate Share of the Net Pension Liability	Commission's Covered Employee Payroll	Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
South Carolina Retirement System					
2023	0.067194%	\$ 16,245,881	\$ 8,495,585	191.2%	56.8%
2022	0.068331%	16,564,824	8,136,581	203.6%	57.1%
2021	0.069783%	15,101,931	7,888,327	191.4%	60.7%
2020	0.067773%	17,317,203	7,561,001	229.0%	50.7%
2019	0.068794%	15,708,423	7,264,413	216.2%	54.4%
2018	0.073875%	16,553,103	7,666,617	215.9%	54.1%
2017	0.077065%	17,348,571	7,775,554	223.1%	53.3%
2016	0.076715%	16,386,211	7,428,797	220.6%	52.9%
2015	0.070640%	13,397,217	6,795,936	197.1%	57.0%
2014	0.073261%	12,613,115	6,655,473	189.5%	59.9%
Police Officers Retirement System					
2023	0.006610%	\$ 201,228	\$ 115,821	173.7%	67.8%
2022	0.008471%	254,040	134,060	189.5%	66.4%
2021	0.008549%	219,963	128,554	171.1%	70.4%
2020	0.008265%	274,080	124,853	219.5%	58.8%
2019	0.008220%	235,569	119,222	197.6%	62.7%
2018	0.008658%	244,753	119,559	204.7%	61.7%
2017	0.005180%	141,854	69,727	203.4%	60.9%
2016	0.004380%	111,123	55,850	199.0%	60.4%
2015	0.002770%	60,481	34,372	176.0%	64.6%
2014	0.000360%	6,930	-	0.0%	67.5%

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS FOR THE YEARS ENDED DECEMBER 31,

As of December 31,	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Commission's Covered Employee Payroll	Contributions as a Percentage of Total Payroll
South Carolina Retirement System					
2023	\$ 1,520,622	\$ 1,520,622	\$ -	\$ 8,417,667	18.1%
2022	1,383,855	1,383,855	-	8,095,385	17.1%
2021	1,296,524	1,296,524	-	8,051,754	16.1%
2020	1,243,505	1,243,505	-	7,991,682	15.6%
2019	1,112,726	1,112,726	-	7,460,067	14.9%
2018	1,027,657	1,027,657	-	7,331,749	14.0%
2017	986,834	986,834	-	7,859,783	12.6%
2016	852,012	852,012	-	7,530,495	11.3%
2015	780,337	780,337	-	7,104,370	11.0%
2014	701,210	701,210	-	6,666,273	10.5%
Police Officers Retirement System					
2023	\$ 19,408	\$ 19,408	\$ -	\$ 93,551	20.7%
2022	25,979	25,979	-	131,411	19.8%
2021	24,800	24,800	-	132,002	18.8%
2020	23,878	23,878	-	130,921	18.2%
2019	21,292	21,292	-	122,714	17.4%
2018	19,232	19,232	-	115,144	16.7%
2017	15,230	15,230	-	99,914	15.2%
2016	8,580	8,580	-	62,141	13.8%
2015	6,383	6,383	-	47,648	13.4%
2014	1,837	1,837	-	13,905	13.2%

NOTES TO SCHEDULE:

(1) Actuarial assumptions used to determine the contractually required contribution are as follows:

System	South Carolina Retirement System	Police Officers Retirement System
Calculation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5-year Smoothed	5-year Smoothed
Amortization method	Level % of pay	Level % of pay
Amortization period	26 years maximum, closed period	26 years maximum, closed period
Investment return	7.00%	7.00%
Inflation	2.25%	2.25%
Salary increases	3.00% plus step-rate increases for members with less than 21 years of service.	3.50% plus step-rate increases for members with less than 21 years of service.
Mortality	2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 97% for non-educators and 95% for educators. Female rates multiplied by 107% for non-educators and 94% for educators.	2020 Public Retirees of South Carolina Mortality Tables for Males and Females, both projected at Scale UMP from the year 2020. Male rates are multiplied by 127% and female rates are multiplied by 107%.

GREER COMMISSION OF PUBLIC WORKS

**SCHEDULE OF CHANGES IN THE COMMISSION'S TOTAL OPEB LIABILITY
AND RELATED RATIOS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 29,713	\$ 32,120	\$ 29,629	\$ 21,277	\$ 83,297	\$ 79,000
Interest on Total OPEB Liability	15,687	17,661	22,803	34,132	95,581	100,000
Changes on Assumptions and Other Inputs	(76,476)	(17,719)	38,911	82,420	(1,352,678)	201,000
Difference between Expected and Actual Experience	75,133	(20,623)	46,231	42,165	(616,164)	(85,000)
Benefit payments	(30,522)	(134,992)	(138,252)	(220,927)	(309,203)	(56,000)
Net Change in Total OPEB Liability	<u>13,535</u>	<u>(123,553)</u>	<u>(678)</u>	<u>(40,933)</u>	<u>(2,099,167)</u>	<u>239,000</u>
Total OPEB Liability-Beginning	<u>776,669</u>	<u>900,222</u>	<u>900,900</u>	<u>941,833</u>	<u>3,041,000</u>	<u>2,802,000</u>
Total OPEB Liability-Ending	<u>\$ 790,204</u>	<u>\$ 776,669</u>	<u>\$ 900,222</u>	<u>\$ 900,900</u>	<u>\$ 941,833</u>	<u>\$ 3,041,000</u>
Covered-Employee Payroll	\$ 7,336,347	\$ 8,091,213	\$ 8,091,213	\$ 6,878,621	\$ 6,878,621	\$ 6,531,000
Discount Rate	3.72%	2.06%	2.12%	2.74%	4.10%	3.31%
Total OPEB Liability as a Percentage of Covered Payroll	10.77%	9.60%	11.13%	13.10%	13.69%	46.56%

NOTES TO SCHEDULE:

- (1) This schedule will present 10 years of information once it is accumulated.
- (2) The assumptions used in the preparation of the above schedule are disclosed in Note 8 to the Financial Statements.
- (3) The Commission is not accumulating assets in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

OTHER SUPPLEMENTARY INFORMATION

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF ACTUAL AND BUDGETED REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Electric revenues	\$ 50,902,582	\$ 48,349,867	\$ (2,552,715)
Gas revenues	36,320,352	35,466,605	(853,747)
Water and sewer service	18,116,695	18,164,222	47,527
Other operating revenues	3,332,217	4,431,819	1,099,602
Total operating revenues	108,671,846	106,412,513	(2,259,333)
Operating expenses:			
Purchased power	39,537,851	38,125,996	1,411,855
Purchased gas	23,407,109	15,450,135	7,956,974
Depreciation	10,600,250	10,684,102	(83,852)
Other operating expenses	35,589,701	25,743,029	9,846,672
Total operating expenses	109,134,911	90,003,262	19,131,649
Net operating revenue	(463,065)	16,409,251	16,872,316
Non-operating revenues (expenses):			
Interest expense	(1,750,376)	(1,735,551)	14,825
Intergovernmental revenues	-	1,821,034	1,821,034
Investment income	90,000	831,928	741,928
Transfers to the City of Greer	(1,000,000)	(1,000,000)	-
Loss on disposal of utility plant	-	234,313	234,313
Total other expenses, net	(2,660,376)	151,724	2,812,100
Change in net position before contributions	(3,123,441)	16,560,975	19,684,416
Contributions			
Contributions	-	6,616,466	6,616,466
Change in net position	\$ (3,123,441)	\$ 23,177,441	\$ 26,300,882

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF DIVISIONAL OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Electric	Gas	Water	Sewer	Total
Operating revenues:					
Electric and gas sales:					
Residential	\$ 28,004,139	\$ 15,731,867	\$ -	\$ -	\$ 43,736,006
Commercial	6,532,496	9,064,742	-	-	15,597,238
Industrial and power	13,813,232	10,669,996	-	-	24,483,228
Water and sewer service	-	-	10,167,077	7,997,145	18,164,222
Collection penalties	121,928	197,858	163,636	163,636	647,058
Other operating revenues	1,018,542	648,751	728,188	1,389,280	3,784,761
Total operating revenues	49,490,337	36,313,214	11,058,901	9,550,061	106,412,513
Operating expenses:					
Purchased power	38,125,996	-	-	-	38,125,996
Purchased gas	-	15,450,135	-	-	15,450,135
Depreciation and amortization	2,889,830	2,813,134	2,315,678	2,665,460	10,684,102
Other operating expenses	5,262,848	8,301,188	6,984,283	5,194,710	25,743,029
Total operating expenses	46,278,674	26,564,457	9,299,961	7,860,170	90,003,262
Net operating divisional revenue	\$ 3,211,663	\$ 9,748,757	\$ 1,758,940	\$ 1,689,891	\$ 16,409,251

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION (Unaudited)

This part of the Commission's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

Index	Page
Financial Trends	51 - 53

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

Revenue Capacity	54 - 61
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These schedules contain information to help the reader assess the Commission's most significant local revenue sources, including water, gas and electric revenues.

Debt Capacity	62 - 64
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These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.

Demographic, Economic and Operating Information	65 - 69
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place. These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's annual comprehensive financial report relates to the services the Commission provides and the activities it performs.

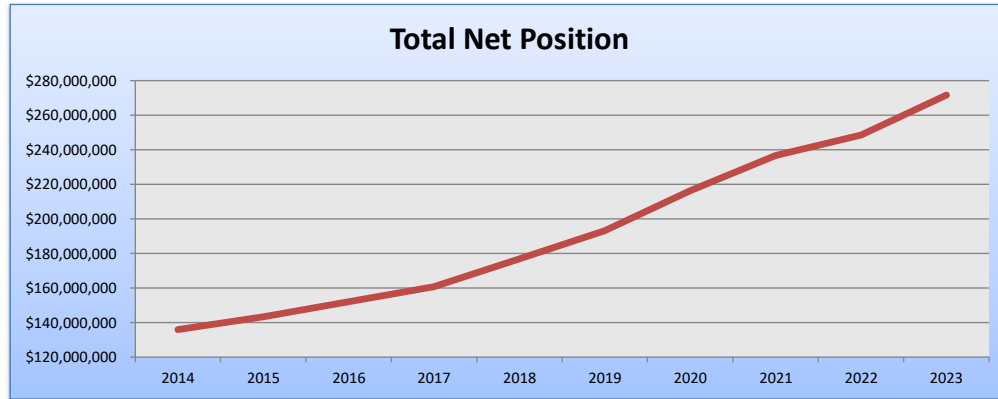
GREER COMMISSION OF PUBLIC WORKS
Combined System
Schedule of Net Position By Component For The Last 10 Years

	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023
Net investment in capital assets	\$114,376,942	\$125,357,319	\$131,737,021	\$143,103,152	\$153,598,034	\$162,621,982	\$177,260,352	\$190,225,958	\$208,570,659	\$244,474,827
Restricted for:										
Debt service	2,871,675	2,390,345	2,194,446	429,032	435,807	472,525	1,002,227	728,263	711,733	1,209,678
Capital projects	7,408,021	8,025,105	9,176,820	6,744,278	7,842,003	9,412,603	11,644,603	9,884,153	10,086,698	7,666,623
Total restricted	10,279,696	10,415,450	11,371,266	7,173,310	8,277,810	9,885,128	12,646,830	10,612,416	10,798,431	8,876,301
Unrestricted	24,217,176	7,456,275	8,853,337	12,119,357	15,025,227	20,612,988	26,297,768	35,875,503	29,113,301	18,308,704
Change In accounting principles ^{(1) (2) (3)}	(12,957,409)	-	-	(1,696,000)	-	-	-	-	-	-
Unrestricted, restated	11,259,767	7,456,275	8,853,337	10,423,357	15,025,227	20,612,988	26,297,768	35,875,503	29,113,301	18,308,704
Total net position	\$135,916,405	\$143,229,044	\$151,961,624	\$160,699,819	\$176,901,071	\$193,120,098	\$216,204,950	\$236,713,877	\$248,482,391	\$271,659,832

(1) The Commission adopted GASB 65 in fiscal year 2011, which changed the treatment of the costs of debt issuance

(2) The Commission adopted GASB 68 in fiscal year 2014, which recorded net pension liability

(3) The Commission adopted GASB 75 in fiscal year 2017, which recorded changes to other post-employment liability



GREER COMMISSION OF PUBLIC WORKS

Combined System

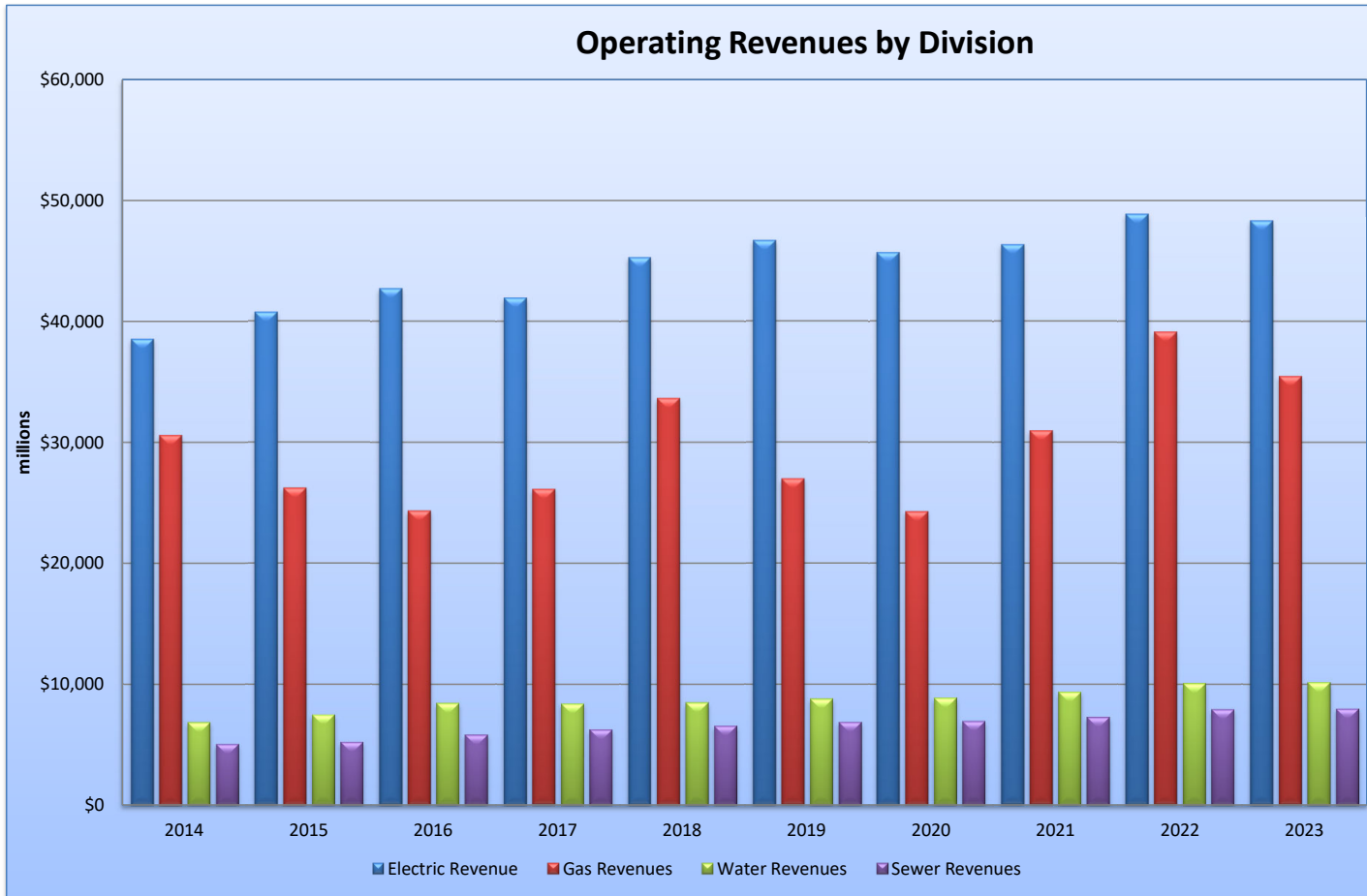
Schedule of Revenues, Expenses and Changes in Net Position - Last Ten Fiscal Years ⁽¹⁾

<i>(in thousands)</i>	2014 (Restated)	2015	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023
OPERATING REVENUES:										
Electric revenues	\$ 38,539	\$ 40,756	\$ 42,731	\$ 41,945	\$ 45,295	\$ 46,670	\$ 45,671	\$ 46,344	\$ 48,876	\$ 48,350
Gas revenues	30,594	26,201	24,346	26,147	33,642	26,981	24,277	30,959	39,126	35,466
Water revenues	6,862	7,495	8,455	8,401	8,497	8,800	8,887	9,363	10,090	10,167
Sewer revenues	5,061	5,246	5,844	6,269	6,572	6,895	6,970	7,284	7,925	7,997
Other operating revenues	2,729	2,738	3,021	2,911	2,944	3,386	3,847	4,036	4,179	4,432
Total operating revenues	83,785	82,436	84,397	85,673	96,950	92,732	89,652	97,986	110,196	106,412
OPERATING EXPENSES:										
Purchased power	32,895	34,595	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125
Purchased gas	18,743	15,856	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450
Depreciation	8,026	8,280	8,454	8,735	8,887	8,989	10,186	10,361	10,643	10,684
Other operating expenses	16,673	16,884	18,448	18,897	21,177	22,096	21,909	21,617	23,224	25,744
Total operating expenses	76,337	75,615	75,588	77,120	87,384	80,779	77,058	83,701	101,672	90,003
Net operating revenue	\$ 7,448	\$ 6,821	\$ 8,809	\$ 8,553	\$ 9,566	\$ 11,953	\$ 12,594	\$ 14,285	\$ 8,524	\$ 16,409
OTHER REVENUES (EXPENSES)										
Interest expense	\$ (2,848)	\$ (2,583)	\$ (2,541)	\$ (2,324)	\$ (2,060)	\$ (1,979)	\$ (2,059)	\$ (1,934)	\$ (1,846)	\$ (1,735)
Interest revenue	30	29	46	66	93	164	113	17	318	832
Transfers to the City of Greer	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Revenues from electric demand credits	-	-	-	-	-	7,020	4,211	3,930	1,516	-
Intergovernmental Grants	-	-	-	-	-	-	-	-	64	1,821
Gain/(loss) on disposal of utility plant	(34)	(26)	44	88	(283)	(742)	(495)	406	346	234
Total other expenses, net	(3,852)	(3,580)	(3,451)	(3,170)	(3,250)	3,463	770	1,419	(602)	152
Change in net position before contributions and extraordinary items	3,596	3,241	5,358	5,383	6,316	15,416	13,364	15,704	7,922	16,561
Capital contributions	2,629	4,072	3,375	5,051	6,911	5,351	9,721	4,804	3,847	6,616
Extraordinary revenues	-	-	-	-	2,974	-	-	-	-	-
Change in net position after contributions and extraordinary items	6,225	7,313	8,733	10,434	16,201	20,767	23,085	20,508	11,769	23,177
Beginning net position ^{(2) (3) (4)}	142,133	135,916	143,229	151,962	160,700	176,901	193,120	216,205	236,713	248,482
Change in accounting principle	(12,442)	-	-	(1,696)	-	(4,548)	-	-	-	-
Beginning net position, restated	129,691	135,916	143,229	150,266	160,700	172,353	193,120	216,205	236,713	248,482
Ending net position	\$ 135,916	\$ 143,229	\$ 151,962	\$ 160,700	\$ 176,901	\$ 193,120	\$ 216,205	\$ 236,713	\$ 248,482	\$ 271,659

- (1) Information is summarized from the audited financial statements for the years indicated
(2) The Commission adopted GASB 65 in fiscal year 2011, which changed the treatment of the costs of debt issuance
(3) The Commission adopted GASB 68 in fiscal year 2014, which recorded net pension liability
(4) The Commission adopted GASB 75 in fiscal year 2017, which changed the treatment of other post-employment benefits

GREER COMMISSION OF PUBLIC WORKS

Combined System
Schedule of Revenues, Expenses and Changes in Net Position - Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

Electric System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾

<i>(in thousands)</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Residential	\$ 20,681	\$ 21,679	\$ 23,192	\$ 22,524	\$ 25,209	\$ 25,688	\$ 25,733	\$ 26,529	\$ 27,766	\$ 28,600
Small commercial	4,322	4,455	4,242	4,425	4,621	4,911	4,732	4,767	5,234	5,173
Time of use	234	623	368	236	218	96	129	167	237	483
Large commercial	12,005	12,624	13,501	13,454	13,802	14,444	13,500	13,615	15,141	13,746
Rental and street lighting	1,298	1,375	1,429	1,306	1,445	1,752	1,577	1,266	1,372	1,357
Collection penalties	99	105	94	91	121	113	63	114	129	126
Other	495	488	622	534	535	358	1,103	567	61	769
Total operating revenues	39,134	41,349	43,448	42,570	45,951	47,362	46,837	47,025	49,940	50,254
OPERATING EXPENSES:										
Purchased power	32,895	34,595	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125
Depreciation	1,902	1,982	2,043	2,133	2,197	2,222	2,572	2,764	2,797	2,857
Other operating expenses	3,072	3,160	3,544	3,951	5,017	5,662	4,561	4,625	5,916	5,194
Total operating expenses	37,869	39,737	41,587	41,586	44,036	45,212	42,765	43,466	46,612	46,176
Net operating departmental revenue	\$ 1,265	\$ 1,612	\$ 1,861	\$ 984	\$ 1,915	\$ 2,150	\$ 4,072	\$ 3,559	\$ 3,328	\$ 4,078
PURCHASED POWER - (Megawatt Hours)										
Purchased from PMPA ⁽²⁾	357,985	361,126	378,360	368,656	394,346	392,886	378,289	402,415	426,457	420,629
Purchased from SEPA ⁽³⁾	15,267	15,606	16,254	13,072	16,917	22,341	25,980	19,485	16,706	16,322
Total purchased	373,252	376,732	394,614	381,728	411,263	415,227	404,269	421,900	443,163	436,951
CONSUMPTION - (Megawatt Hours)										
Residential	176,752	180,179	187,783	178,757	200,421	202,236	204,120	213,273	221,591	223,717
Small commercial	13,612	13,502	13,566	13,091	13,815	21,465	32,396	34,894	38,388	38,756
Time of use	2,793	6,295	2,876	2,571	2,395	1,130	901	1,067	856	864
Large commercial	152,595	152,925	157,777	152,547	161,881	157,070	133,238	152,441	154,212	155,692
Rental and street lighting	6,112	6,327	6,360	5,405	5,370	6,623	1,012	1,207	770	777
Other	11,987	12,225	12,672	12,150	12,304	12,925	13,067	211	227	229
Total consumption	363,851	371,453	381,034	364,521	396,186	401,449	384,734	403,093	416,044	420,035
Line losses and megawatt hours unaccounted for	9,401	5,279	13,580	17,207	15,077	13,271	19,535	18,807	27,119	16,916
Percentage of line losses and megawatt hours unaccounted for to purchased power	2.5%	1.4%	3.4%	4.5%	3.7%	3.2%	4.8%	4.5%	6.1%	3.9%
ACTIVE SERVICES (Number of Meters)										
Residential	14,526	14,819	15,338	15,797	16,693	17,534	18,444	19,362	20,363	21,216
Small commercial	1,229	1,244	1,263	1,313	1,196	2,006	2,005	2,098	2,165	2,256
Time of use	3	4	4	4	4	4	6	6	6	6
Large commercial	782	773	829	906	971	325	320	354	346	360
Rental and street lighting	6,952	6,963	6,934	7,005	7,112	8,107	13,200	10,759	8,694	9,058
Other	49	49	48	48	50	236	356	468	633	660
Total active services	23,541	23,852	24,416	25,073	26,026	28,212	34,331	33,047	32,207	33,556

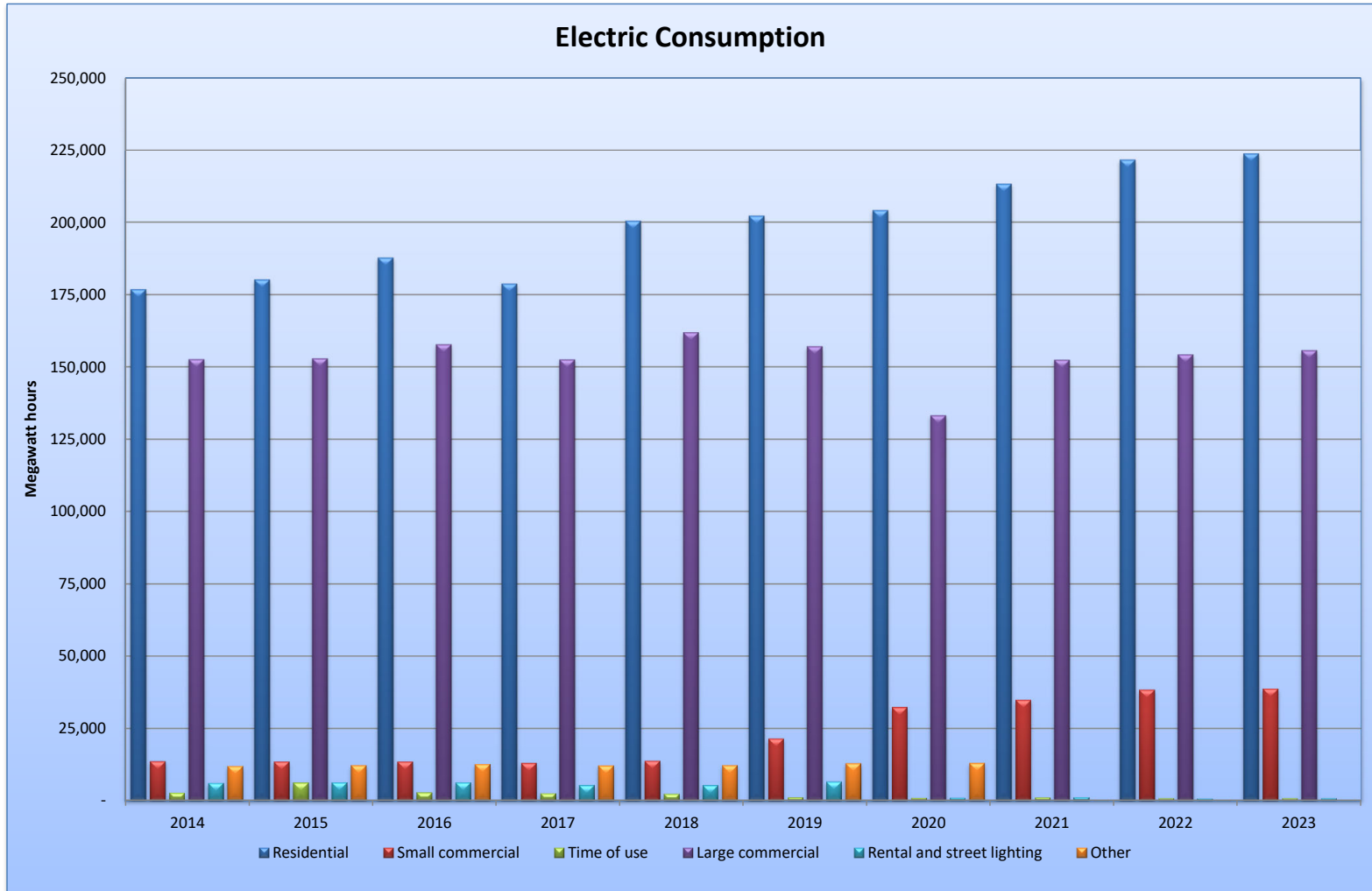
(1) Information is compiled from internally generated statistical reports

(2) Piedmont Municipal Power Association

(3) United States Department of Energy, Southeastern Power Association

Greer Commission of Public Works

Electric System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

Gas System

Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾

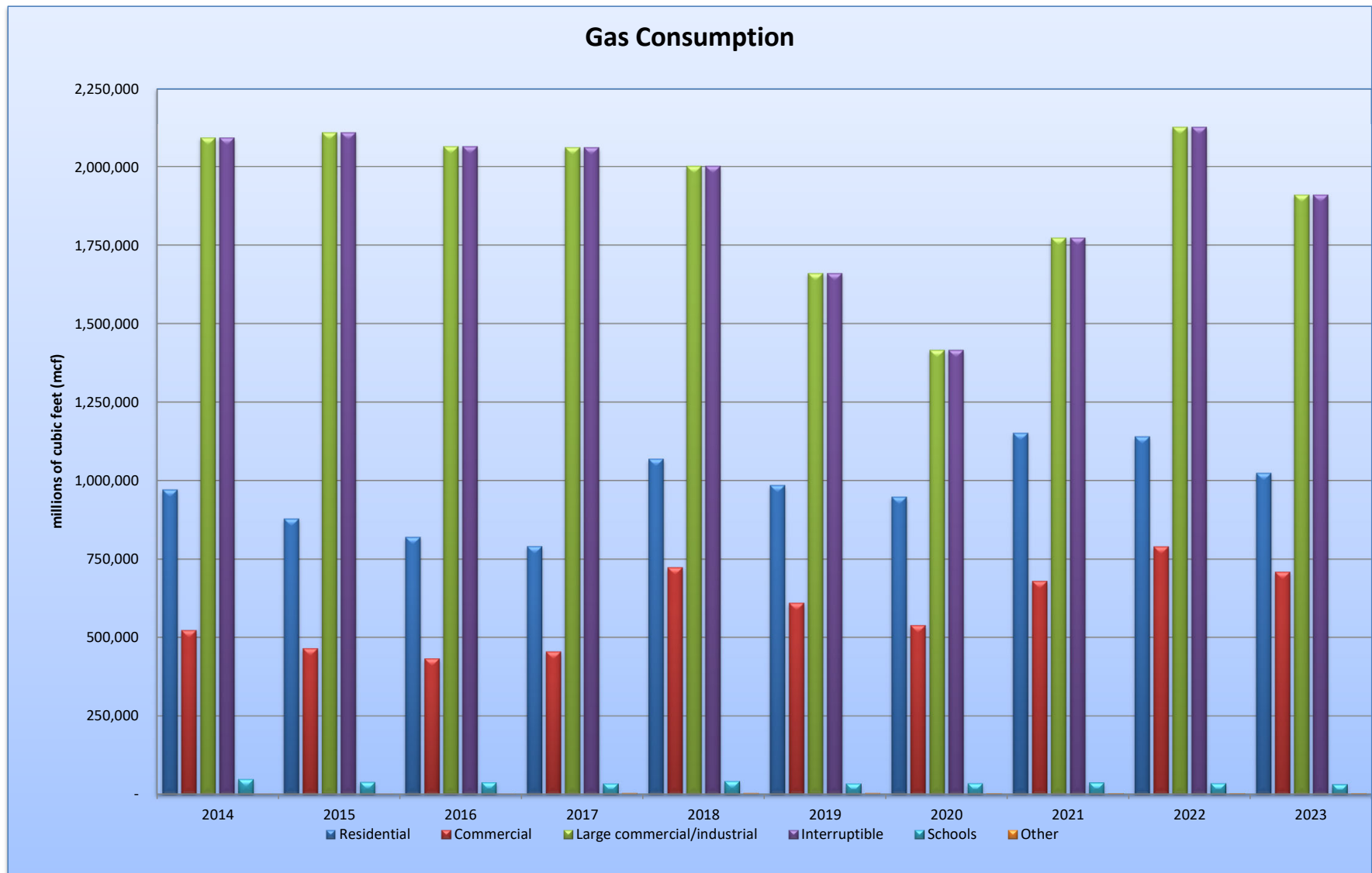
<i>(in thousands)</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Residential	\$ 11,593	\$ 10,716	\$ 10,341	\$ 10,290	\$ 14,644	\$ 12,330	\$ 12,134	\$ 13,996	\$ 14,423	\$ 17,028
Commercial	5,488	4,863	4,621	4,785	8,093	6,507	6,089	7,520	8,293	8,657
Large commercial/industrial	41	61	38	35	113	85	83	88	92	75
Interruptible	13,026	10,167	8,962	10,557	10,305	7,241	5,898	9,045	9,352	9,628
Schools	446	393	384	480	487	360	76	311	372	335
Collection penalties	153	161	144	139	185	172	189	181	207	203
Other	345	398	411	377	401	925	453	746	796	756
Total operating revenues	31,092	26,759	24,901	26,663	34,228	27,620	24,922	31,887	33,535	36,682
OPERATING EXPENSES:										
Purchased gas	18,743	15,856	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450
Depreciation	2,066	2,137	2,189	2,276	2,338	2,296	2,676	2,678	2,686	2,717
Other operating expenses	4,886	4,934	5,675	5,653	6,467	6,055	6,929	6,631	8,170	8,060
Total operating expenses	25,695	22,927	20,550	21,915	29,303	20,717	18,936	24,955	40,762	26,227
Net operating departmental revenue	\$ 5,397	\$ 3,832	\$ 4,351	\$ 4,748	\$ 4,925	\$ 6,903	\$ 5,986	\$ 6,932	\$ (7,227)	\$ 10,455
PURCHASED GAS (MCF)	3,873,682	3,629,763	3,724,402	3,644,014	3,973,806	3,410,054	3,286,291	4,173,544	4,447,078	4,415,693
CONSUMPTION - (MCF)										
Residential	971,507	878,428	820,245	790,957	1,068,994	985,167	948,220	1,151,975	1,140,199	1,024,148
Commercial	523,005	465,234	432,763	455,132	723,160	610,568	539,287	679,954	789,851	709,459
Large commercial/industrial	4,022	3,967	3,786	3,856	9,493	8,616	9,741	10,561	9,239	8,298
Interruptible	2,093,179	2,109,492	2,064,880	2,062,071	2,002,507	1,661,069	1,415,986	1,773,605	2,126,940	1,910,458
Schools	48,706	39,630	38,402	34,884	42,370	35,026	35,806	37,651	35,651	32,022
Other	2,372	2,531	2,242	4,384	4,494	4,551	3,995	3,502	3,898	3,501
Total consumption	3,642,791	3,499,282	3,362,318	3,351,284	3,851,018	3,304,997	2,953,035	3,657,248	4,105,778	3,687,886
Line-loss and unaccounted for gas	230,891	130,481	362,084	292,730	122,788	105,057	333,256	516,296	341,300	727,807
Percentage of line losses and MCF unaccounted for to purchased gas.	6.0%	3.6%	9.7%	8.0%	3.1%	3.1%	10.1%	12.4%	7.7%	16.5%
ACTIVE SERVICES (Number of Meters)										
Residential	18,575	18,947	19,671	20,529	21,395	22,300	23,468	25,052	26,075	27,743
Commercial	1,509	1,526	1,546	1,600	1,622	1,603	1,843	1,876	1,912	2,031
Large commercial/industrial	5	5	5	5	6	4	4	4	3	3
Interruptible	10	10	8	8	5	8	7	7	7	7
Schools	24	24	27	27	27	27	28	28	28	28
Other	20	21	21	22	23	137	40	33	36	38
Total active services	20,143	20,533	21,278	22,191	23,078	24,079	25,390	27,000	28,061	29,850

(1) Information is compiled from internally generated statistical reports

Greer Commission of Public Works

Gas System

Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

Water System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾

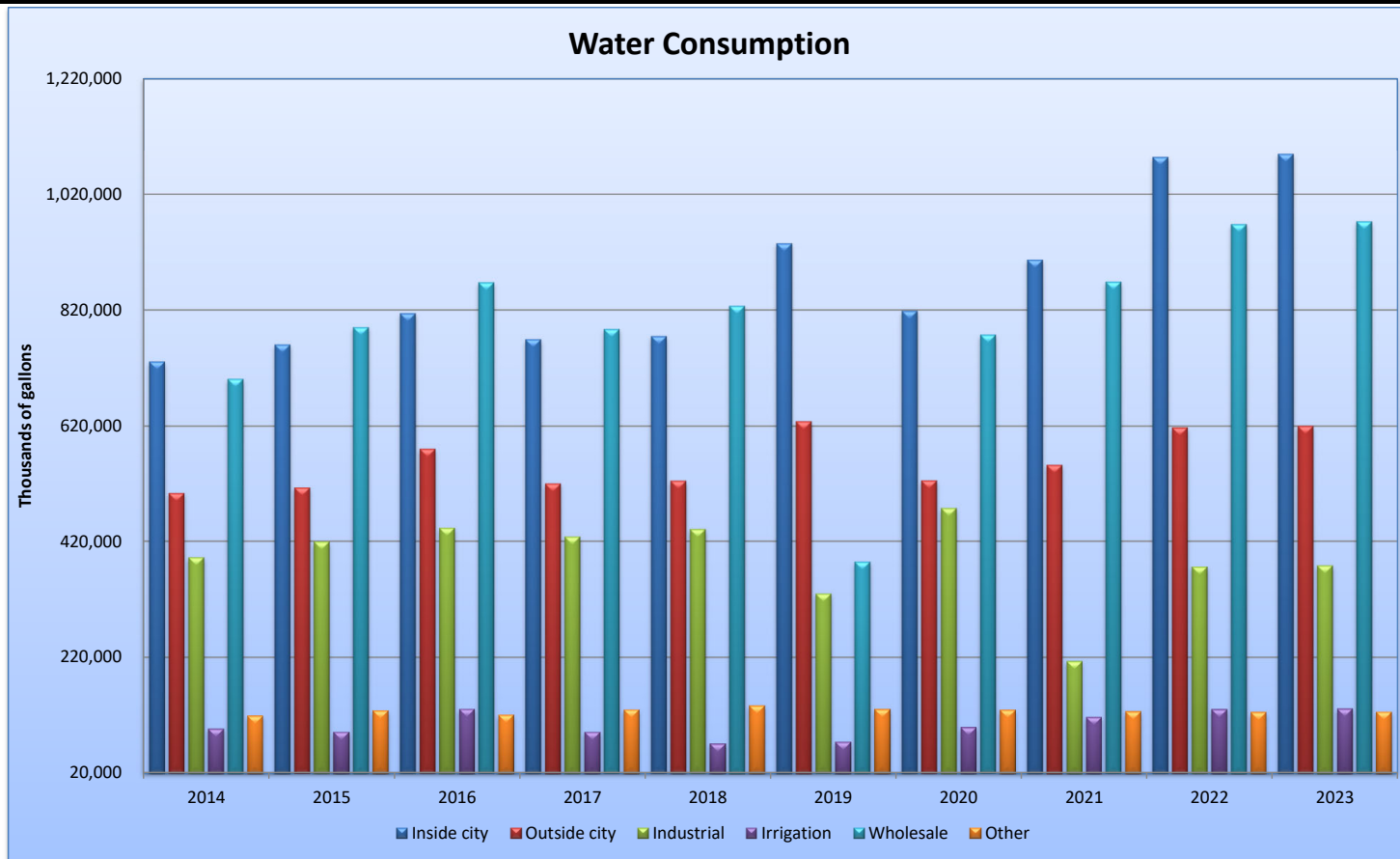
<i>(in thousands)</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Inside city	\$ 2,269	\$ 2,414	\$ 2,706	\$ 2,775	\$ 2,785	\$ 3,187	\$ 3,007	\$ 3,842	\$ 4,236	\$ 4,387
Outside city	2,244	2,404	2,689	2,651	2,672	3,006	2,696	2,901	3,188	3,127
Industrial	908	967	1,042	1,069	1,131	581	1,254	1,473	488	770
Fire protection ⁽²⁾	15	15	15	16	16	16	16	16	19	19
Irrigation	219	259	357	308	270	380	338	326	408	361
Wholesale	1,207	1,436	1,646	1,582	1,622	772	1,561	806	1,939	1,911
Collection penalties	127	133	120	116	154	143	132	150	172	167
Other	439	488	561	541	504	1,591	785	738	608	574
Total operating revenues	7,428	8,116	9,136	9,058	9,154	9,676	9,789	10,252	11,058	11,316
OPERATING EXPENSES:										
Depreciation	1,879	1,920	1,952	2,024	2,052	2,006	2,305	2,288	2,336	2,445
Other operating expenses	4,319	4,802	5,212	5,480	5,715	6,090	5,921	6,060	7,429	6,984
Total operating expenses	6,198	6,722	7,164	7,504	7,767	8,096	8,226	8,348	9,765	9,429
Net operating departmental revenue	\$ 1,230	\$ 1,394	\$ 1,972	\$ 1,554	\$ 1,387	\$ 1,580	\$ 1,563	\$ 1,904	\$ 1,293	\$ 1,887
WATER USAGE (thousands of gallons)										
Total water pumped	2,724,470	2,888,633	3,177,011	2,986,255	3,122,728	3,646,000	3,168,290	3,290,700	3,504,780	3,504,780
Consumption										
Inside city	731,028	760,646	814,636	769,526	774,757	935,219	818,962	906,942	1,084,256	1,089,283
Outside city	502,717	512,389	580,358	519,096	523,816	628,187	524,500	551,318	617,211	620,073
Industrial	391,915	418,976	442,654	427,889	440,721	329,680	477,119	213,881	376,130	377,874
Irrigation	97,219	91,731	131,294	91,895	71,355	74,531	99,823	117,375	131,063	131,671
Wholesale	701,249	790,598	867,833	787,335	827,023	384,645	777,554	868,693	968,348	972,838
Other	119,519	128,461	121,177	130,459	137,369	130,989	129,582	127,264	125,924	126,508
Total consumption	2,543,647	2,702,801	2,957,952	2,726,200	2,775,041	2,483,251	2,827,540	2,785,473	3,302,932	3,318,247
Non-account water	180,823	185,832	219,059	260,055	347,687	1,162,749	340,750	505,227	201,848	186,533
Non-account water as a percentage of total water	6.64%	6.43%	6.90%	8.71%	11.13%	31.89%	10.76%	15.35%	5.76%	5.32%
ACTIVE SERVICES (Number of Meters)										
Inside city	10,706	10,775	11,143	11,438	11,802	12,576	13,591	14,000	14,462	14,712
Outside city	6,717	6,932	7,026	7,131	7,215	7,056	7,157	7,173	7,291	8,221
Industrial	4	4	4	4	3	3	3	4	3	4
Fire protection	40	41	40	42	40	41	41	41	41	41
Irrigation	464	468	490	518	537	575	551	713	714	725
Wholesale	1	1	1	1	1	1	1	1	1	1
Other	15	17	17	17	17	17	21	21	27	23
Total active services	17,947	18,238	18,721	19,151	19,615	20,269	21,365	21,953	22,539	23,727

(1) Information is compiled from internally generated statistical reports

(2) Fire protection customers are charged based on the physical number of sprinkler heads, and consumption is metered

Greer Commission of Public Works

Water System
 Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

**Sewer System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾**

<i>(in thousands)</i>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUES:										
Inside city	\$ 3,274	\$ 3,375	\$ 3,690	\$ 4,096	\$ 4,387	\$ 4,122	\$ 4,206	\$ 5,041	\$ 4,678	\$ 4,903
Outside city	1,217	1,298	1,423	1,438	1,410	1,394	1,391	1,561	1,572	1,587
Sewer services, no water	1	1	2	2	2	1	1	1	1	1
Enoree Basin, inside city	427	402	553	570	579	404	445	447	500	794
Enoree Basin industrial	142	170	176	162	194	186	180	234	231	205
Collection penalties	127	134	120	116	154	143	261	150	171	164
Other	943	831	947	997	890	1,824	1,807	1,389	1,830	507
Total operating revenues	6,131	6,211	6,911	7,381	7,616	8,074	8,291	8,823	8,983	8,161
OPERATING EXPENSES:										
Depreciation	2,179	2,241	2,271	2,301	2,299	2,256	2,632	2,576	2,653	2,665
Other operating expenses	3,878	3,987	4,017	3,847	3,978	4,287	4,499	4,357	5,539	5,506
Total operating expenses	6,057	6,228	6,288	6,148	6,277	6,543	7,131	6,933	8,192	8,171
Net operating departmental revenue	\$ 74	\$ (17)	\$ 623	\$ 1,233	\$ 1,339	\$ 1,531	\$ 1,160	\$ 1,890	\$ 791	\$ (10)
WASTEWATER TREATMENT										
Wastewater plant flows (thousands of gallons)										
Maple Creek wastewater treatment facility	735,856	782,402	748,339	764,596	935,800	998,400	1,130,775	943,290	955,420	1,047,190
Wastewater treated - (Thousands of Gallons)										
Inside city customers	457,026	460,042	481,285	475,059	489,230	565,979	646,344	556,351	578,299	628,293
Outside city customers	202,524	186,511	207,800	201,340	211,038	201,619	386,749	236,591	228,313	344,881
Customers with sewer services, no water	1	1	2	2	2	3	3	3	3	3
Other	272	291	280	259	221	209	233	168	168	181
Retail	659,823	646,845	689,367	676,660	700,491	767,810	1,033,329	793,113	806,783	973,358
Unaccounted for wastewater	76,033	135,557	58,972	87,936	235,309	230,590	97,446	150,177	148,637	73,832
Percentage of unaccounted for wastewater to total wastewater treated	10.3%	17.3%	7.9%	11.5%	25.1%	23.1%	8.6%	15.9%	15.6%	7.1%
ANNUAL RAINFALL (inches) ⁽²⁾	50.20	59.75	34.43	53.11	80.60	52.09	73.71	49.14	54.52	51.95
ACTIVE SERVICES (Number of Meters)										
Inside city	6,497	6,555	6,718	6,963	7,289	7,684	8,098	8,587	8,950	8,935
Outside city	1,141	1,143	1,144	1,160	1,172	1,178	1,190	1,186	1,179	1,172
Sewer services, no water	4	4	4	4	3	3	3	3	3	3
Enoree Basin, inside city	4,003	4,157	4,397	4,558	4,721	4,988	5,343	5,813	6,110	6,188
Enoree Basin industrial	162	162	163	163	163	175	185	197	189	192
Other ⁽³⁾	1	1	1	1	1	1	3	3	3	3
Total active services	11,808	12,022	12,427	12,849	13,349	14,029	14,822	15,789	16,434	16,493

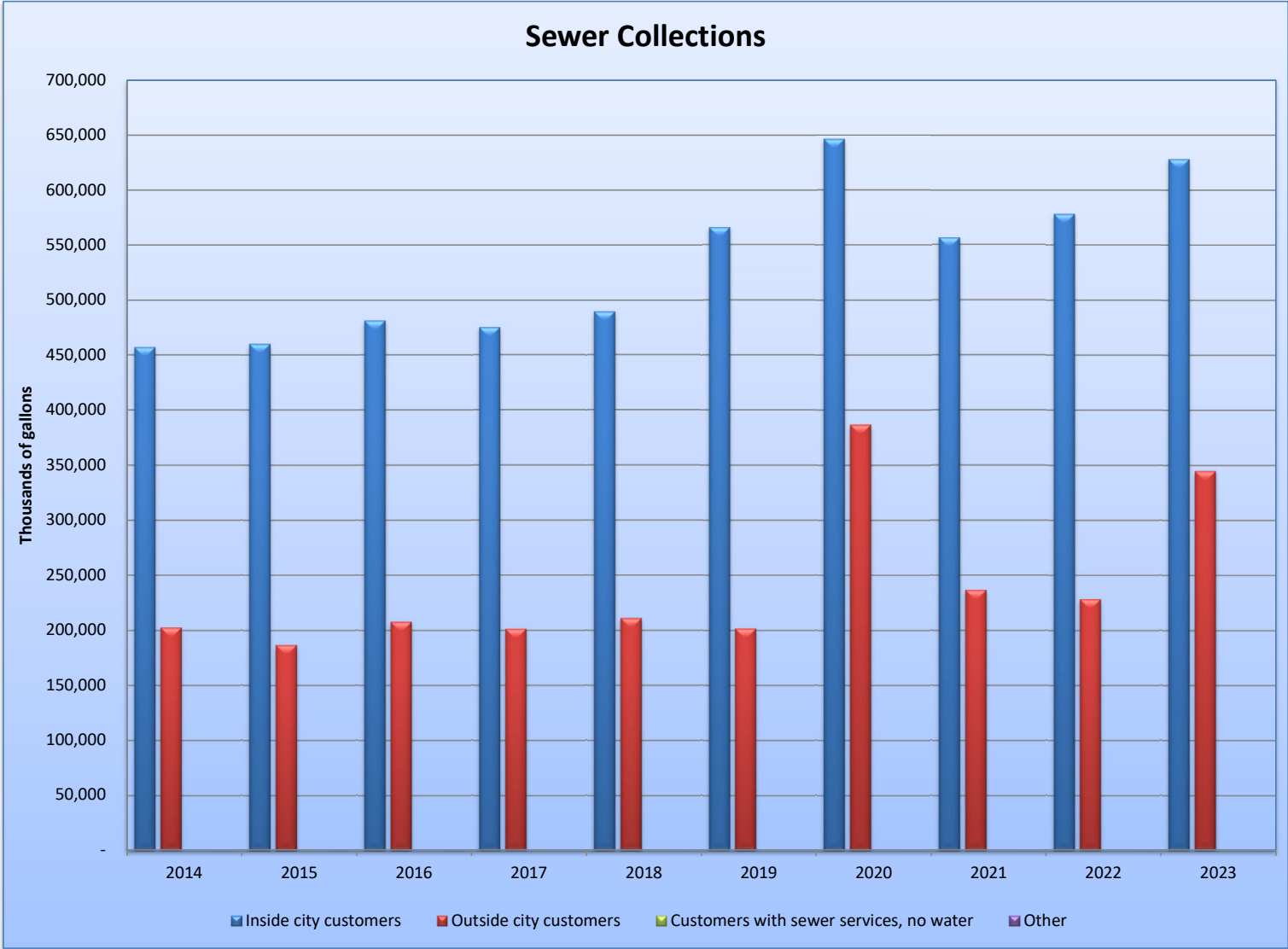
(1) Information is compiled from internally generated statistical reports

(2) Source: National Weather Service Forecast Office in Greenville for rainfall recorded in inches at Greenville-Spartanburg International Airport

(3) Other customers count does not include ReWa, Metro or surcharges

GREER COMMISSION OF PUBLIC WORKS

Sewer System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years (Continued)



Greer Commission of Public Works

**Debt Service Coverage
Last Ten Fiscal Years**

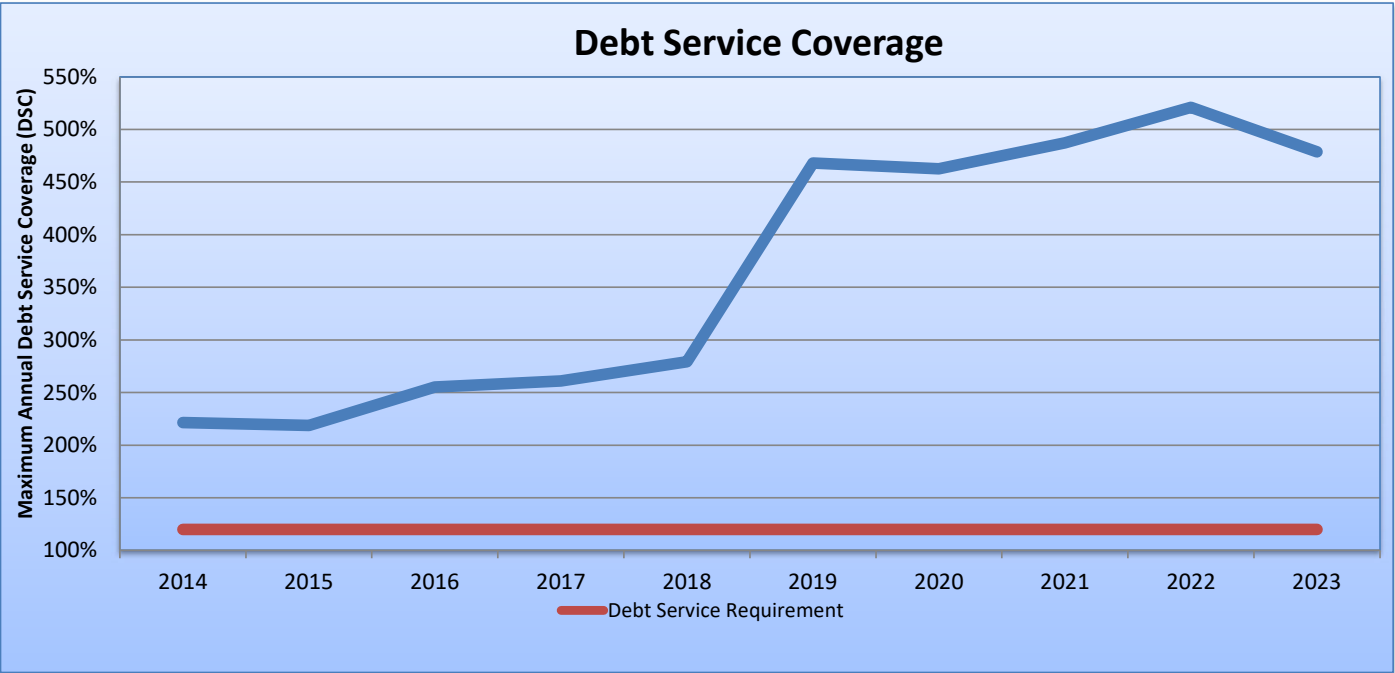
<i>(in thousands)</i>	2014 (Restated)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Revenues from operations	\$ 83,785	\$ 82,436	\$ 84,397	\$ 85,673	\$ 96,950	\$ 92,732	\$ 89,652	\$ 97,986	\$ 110,196	\$ 106,412
Non-operating revenues	30	29	46	66	93	7,184	4,324	4,354	2,244	2,887
Capacity fees ⁽¹⁾	527	675	1,133	1,066	1,153	1,630	2,300	2,385	1,423	1,685
Total revenues	84,342	83,140	85,576	86,805	98,196	101,546	96,276	104,725	113,863	110,984
Expenses										
Total expenses	79,219	78,224	78,085	79,356	89,727	83,290	79,613	85,635	92,876	92,738
Depreciation and amortization expense	(8,026)	(8,280)	(8,454)	(8,735)	(8,887)	(8,779)	(10,186)	(10,361)	(10,643)	(10,684)
Bond interest expense	(2,848)	(2,583)	(2,541)	(2,324)	(2,060)	(1,979)	(2,060)	(1,934)	(1,846)	(1,735)
Gain/loss on sale of assets	(34)	(26)	44	88	(283)	(742)	(495)	406	345	234
Total expenses	68,311	67,335	67,134	68,385	78,497	71,790	66,872	73,746	80,732	80,553
Net revenues available for debt service	\$ 16,031	\$ 15,805	\$ 18,442	\$ 18,420	\$ 19,699	\$ 29,756	\$ 29,404	\$ 30,979	\$ 33,131	\$ 30,431
Maximum annual debt service ⁽²⁾	\$ 7,239	\$ 7,229	\$ 7,229	\$ 7,057	\$ 7,057	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357
Maximum annual debt service coverage	221%	219%	255%	261%	279%	468%	463%	487%	521%	479%

(1) During 2000, the Commission initiated a policy of charging developers and consumers capacity fees to recover a portion of the economic impact directly related to these system expansions. These fees may be used to pay a portion of the debt service on debt issued to fund such improvements, and therefore are considered available for debt service under the Bond Ordinance

(2) Maximum principal and interest requirements on outstanding debt for such fiscal year

Greer Commission of Public Works

Debt Service Coverage
Last Ten Fiscal Years (Continued)



Greer Commission of Public Works
Ratios of Outstanding Long Term Debt
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds	Per Capita	As Share of Personal Income
2014	\$ 82,657,693	\$ 3,042	0.41%
2015	79,303,204	2,863	0.36%
2016	75,645,005	2,617	0.38%
2017	71,887,006	2,467	0.34%
2018	67,873,093	2,316	0.29%
2019	60,262,111	1,934	0.21%
2020	56,047,868	1,740	0.18%
2021	51,729,141	1,465	0.16%
2022	47,309,668	1,262	0.13%
2023	42,783,149	1,111	0.08%

GREER COMMISSION OF PUBLIC WORKS

Customer Statistics
Largest System Customers - Current Year and Nine Years Ago

Name	2023					2014				
	Rank	Consumption	Percentage Volume	Revenues	Percentage Revenues	Rank	Consumption	Percentage Volume	Revenues	Percentage Revenues
<i>Water System (thousands of gallons)</i>										
Blue Ridge Water Company (Wholesale)	1	954,172	28.76%	\$ 1,911,511	18.08%	1	701,249	27.57%	\$ 1,206,600	17.58%
BMW of North America, LLC	2	297,115	8.95%	684,834	6.48%	2	242,556	9.54%	441,125	6.43%
Greer Commission of Public Works	3	121,406	3.66%	223,009	2.11%	3	119,519	4.70%	183,243	2.67%
Cliffstar Corporation	4	113,593	3.42%	218,424	2.07%	5	39,329	1.55%	59,916	0.87%
Mitsubishi Polyester Film, LLC	5	107,919	3.25%	227,115	2.15%	4	102,313	4.02%	153,633	2.24%
Greenville - Spartanburg International Airport	6	57,106	1.72%	219,207	2.07%	6	28,778	1.13%	89,559	1.31%
Greer Memorial	7	16,385	0.49%	32,238	0.30%	7	26,100	1.03%	44,274	0.65%
Plastic Omnium	8	14,942	0.45%	27,833	0.26%	-	-	-	-	-
Greenville County School District	9	14,528	0.44%	40,684	0.38%	8	14,542	0.57%	27,175	0.40%
Preserve at West View Apartments	10	12,489	0.38%	54,164	0.51%	-	-	-	-	-
Honeywell						10	10,632	0.42%	28,910	0.42%
KBS Legacy Partners Greer, LLC						9	10,926	0.43%	45,322	0.66%
<i>Sewer System (thousands of gallons)</i>										
BMW of North America, LLC	1	155,704	16.00%	\$ 880,543	11.76%	1	136,565	20.70%	\$ 608,310	12.02%
Mitsubishi Polyester Film, LLC	2	125,121	12.85%	342,466	4.57%	2	131,046	19.86%	282,481	5.58%
Greenville - Spartanburg International Airport	3	59,335	6.10%	206,404	2.76%	4	38,663	5.86%	111,446	2.20%
Cliffstar Corporation	4	57,429	5.90%	74,828	1.00%	-	-	-	-	-
Greer Community Healthcare LLC	5	42,353	4.35%	113,010	1.51%	3	49,787	7.55%	113,160	2.24%
Greenville County School District	6	33,575	3.45%	97,186	1.30%	5	30,121	4.57%	69,334	1.37%
Plastic Omnium	7	29,087	2.99%	97,731	1.30%	-	-	-	-	-
Preserve at West View Apartments	8	24,979	2.57%	99,187	1.32%	7	18,389	2.79%	69,851	1.38%
Village Hospital	9	22,549	2.32%	62,198	0.83%	-	-	-	-	0.00%
FGIC Ex	10	18,566	1.91%	62,695	0.84%	-	-	-	-	-
KBS Legacy Partners Greer, LLC						6	24,223	3.67%	83,645	1.65%
Exide Battery Corp						8	17,227	2.61%	47,867	0.95%
WC Greenville, LLC						10	17,194	2.61%	63,584	1.26%

GREER COMMISSION OF PUBLIC WORKS

**Customer Statistics
Largest System Customers - Current Year and Nine Years Ago (Continued)**

Name	2023					2014				
	Rank	Consumption	Percentage Volume	Revenues	Percentage Revenues	Rank	Consumption	Percentage Volume	Revenues	Percentage Revenues
<i>Electric System (megawatt hours)</i>										
Greer Commission of Public Works	1	16,394	3.90%	1,262,236	2.56%	1	16,628	4.57%	1,083,392	2.81%
Village Hospital	2	12,235	2.91%	1,117,594	2.26%	4	8,828	2.43%	752,533	1.95%
Greenville County School District	3	9,761	2.32%	1,116,036	2.26%	3	11,228	3.09%	1,219,173	3.16%
Greer Memorial	4	9,643	2.30%	856,657	1.74%	2	15,656	4.30%	1,345,489	3.49%
Cliffstar Corporation	5	9,213	2.19%	803,094	1.63%	-	-	-	-	-
Wal-Mart Stores, Inc.	6	5,166	1.23%	452,982	0.92%	5	5,610	1.54%	475,245	1.23%
BMW of North America, LLC	7	3,980	0.95%	410,165	0.83%	-	-	-	-	-
Huntingdon Foam LLC	8	3,854	0.92%	348,233	0.71%	6	4,935	1.36%	410,587	1.07%
City of Greer	9	3,655	0.87%	450,712	0.91%	9	3,251	0.89%	371,065	0.96%
Ingles	10	3,428	0.82%	291,220	0.59%	8	3,534	0.97%	288,747	0.75%
Advanced Composit Materials						7	3,666	1.01%	234,176	0.61%
Lowe's Home Improvement						10	2,952	0.81%	250,807	0.65%
<i>Natural Gas System (mcf)</i>										
BMW of North America, LLC	1	18,802	0.51%	5,961,243	16.69%	1	147,643	4.05%	4,343,574	14.20%
Mitsubishi Polyester Film, LLC	2	5,636	0.15%	2,742,282	7.68%	2	75,220	2.06%	4,375,507	14.30%
Cliffstar Corporation	3	1,073	0.03%	1,070,384	3.00%	6	3,922	0.11%	341,927	1.12%
Rogers Group Inc	4	772	0.02%	356,272	1.00%	-	-	0.00%	-	0.00%
Sloan Construction	5	615	0.02%	241,301	0.68%	9	2,669	0.07%	155,736	0.51%
Minghua USA, Inc.	6	549	0.01%	546,859	1.53%	-	-	-	-	-
Palmetto Corporation	7	498	0.01%	264,655	0.74%	-	-	-	-	-
Village Hospital	8	344	0.01%	346,745	0.97%	-	-	0.00%	-	0.00%
Greenville Spartanburg Airport	9	313	0.01%	339,736	0.95%	-	-	0.00%	-	0.00%
SEW Eurodrive Inc	10	302	0.01%	316,956	0.89%	-	-	0.00%	-	0.00%
Greenville County School District						7	3,870	0.11%	343,920	1.12%
Carrotell Paper Board Corp						3	39,945	1.10%	2,134,691	6.98%
Springfield LLC						4	14,142	0.39%	794,155	2.60%
Ashmore Brothers						5	4,248	0.12%	230,550	0.75%
Greer Memorial						8	3,804	0.10%	365,206	1.19%
Blacklidge Emulsions						10	2,558	0.07%	223,129	0.73%

Greer Commission of Public Works

**Capital Assets Statistics by Utility
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Electric										
Substations	4	5	5	5	6	6	5	5	5	5
Winter peak (megawatts)	77	76	70	65	76	71	69	69	94	94
Summer peak (megawatts)	84	88	91	92	92	98	98	101	109	111
Overhead distribution (miles)	200	204	206	212	212	216	214	214	216	218
Underground distribution (miles)	200	204	216	227	241	251	263	270	278	287
Poles	12,302	12,443	12,557	13,012	13,266	15,733	13,744	13,846	14,092	14,148
Transformers	4,819	4,867	4,983	5,121	5,290	5,501	5,604	5,655	5,932	5,261
Meters	16,962	17,318	17,864	18,464	19,326	20,089	21,156	21,758	23,295	24,554
Vehicles	17	18	16	16	16	17	18	19	18	18
Natural Gas										
Transco pipeline connections	2	2	2	2	2	2	2	2	2	2
High-pressure transmission lines (miles)	42	43	43	43	47	43	43	43	44	42
Intermediate and distribution lines (miles)	729	739	749	764	776	789	793	811	866	889
Pressure reducing regulator stations	131	131	131	110	106	115	110	119	227	228
Meters	21,255	21,883	22,615	23,361	24,228	25,151	26,273	26,832	27,596	26,391
Vehicles	20	20	21	18	16	16	16	16	16	16
Water										
Water treatment plants	1	1	1	1	1	1	1	1	1	1
Water treatment plant capacity (million gallons per day)	24	24	24	24	24	24	24	24	24	24
Average daily flow (million gallons per day)	8	9	8	8	9	10	10	9	10	9
Peak flow (million gallons per day)	12	15	13	13	13	18	18	17	18	18
Ground storage capacity (million gallons)	8	8	8	8	8	8	8	8	8	8
Elevated tank storage capacity (million gallons)	6	6	6	6	8	6	6	6	6	6
Transmission lines (miles)	33	32	32	32	31	31	31	31	31	32
Distribution lines (miles)	370	368	382	404	385	385	395	395	426	430
Fire hydrants	1,484	1,506	1,539	1,622	1,654	1,654	1,740	1,763	1,745	1,796
Meters	18,522	18,816	19,267	19,643	20,017	20,668	21,514	21,981	22,449	23,682
Vehicles	12	13	13	12	10	13	9	10	14	14
Sewer										
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment plant capacity (million gallons per day)	5	5	5	5	5	5	5	5	5	5
Average daily flow (million gallons per day)	2	2	2	2	3	3	3	3	3	3
Maximum daily flow	6	7	4	4	7	7	7	5	5	5
Gravity collection lines (miles)	222	223	232	236	243	248	257	258	261	246
Force main collection lines (miles)	22	21	23	24	23	25	25	26	26	26
Lift stations	19	17	21	21	21	22	22	26	28	31
Sewer valves	58	65	75	78	83	89	89	107	108	108
Manholes	5,798	5,891	6,089	6,283	6,402	6,591	6,854	6,912	6,611	6,962
Vehicles	15	11	16	16	16	14	10	9	16	16

Greer Commission of Public Works

**Number of Employees by Identifiable Activity
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water system										
Water production	7	8	9	8	8	8	9	8	6	6
Water distribution	8	8	8	8	8	7	7	7	8	8
Lake wardens	3	3	2	3	3	3	3	3	2	3
Total water system	18	19	19	19	19	18	19	18	16	17
Electric distribution system	18	16	18	17	14	14	13	13	12	11
Natural gas distribution system	22	23	23	21	14	14	13	13	14	14
Sewer system										
Collection	6	7	7	8	5	5	6	4	5	5
Treatment	9	8	8	9	9	9	9	10	10	9
Total sewer system	15	15	15	17	14	14	15	14	15	14
Shared support										
General administration	3	3	2	3	5	7	7	7	6	6
Customer service	10	11	12	11	8	10	9	6	6	5
Billing	2	3	3	3	4	3	3	3	3	3
Finance and accounting	4	4	4	4	3	3	3	3	3	4
Meter Technicians	3	3	3	5	2	2	2	5	3	3
Engineering	5	7	7	7	8	8	8	8	5	8
Warehouse and facilities maintenance	4	5	4	5	6	6	6	7	6	6
Human resources	4	4	4	4	3	3	3	3	3	3
Operations	4	3	4	2	-	-	-	-	-	-
Information systems	6	5	4	3	2	3	3	3	5	5
Locators	3	4	5	5	5	5	5	4	3	-
Measurement	2	2	2	-	-	-	-	-	-	-
Communications	-	1	1	1	1	1	1	1	1	1
Vehicle maintenance	2	2	2	2	-	-	-	-	-	-
Total shared support	52	57	57	55	47	51	50	50	44	44
Total employees	125	130	132	129	108	111	110	108	101	100

Greer Commission of Public Works

**Demographics and Economic Statistics
Last 10 Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population ^{1,2}	27,169	27,697	28,905	29,145	29,307	31,154	32,211	35,308	37,481	38,495
Mean household income ¹	\$ 68,518	\$ 53,692	\$ 62,300	\$ 69,017	\$ 70,296	\$ 71,251	\$ 64,368	\$ 66,493	\$ 67,863	\$ 68,270
Personal income (000's) ¹	\$ 735,519	\$ 804,958	\$ 696,293	\$ 732,326	\$ 798,762	\$ 905,647	\$ 985,463	\$ 928,641	\$ 947,214	\$1,453,879
Per capita personal income ¹	\$ 27,072	\$ 29,063	\$ 24,089	\$ 25,127	\$ 27,255	\$ 29,070	\$ 30,594	\$ 31,969	\$ 38,279	\$ 43,091
Median age ¹	37.2	35.9	36.3	36.5	36.7	37.1	37.3	37.5	37.8	37.9
*Unemployment rates ³	5.8%	5.1%	4.4%	3.4%	3.4%	1.8%	3.6%	2.9%	2.1%	2.9%

Source:

(1) ESRI Business Analyst Online

(2) US Census Bureau

(3) South Carolina Department Employment and Workforce

* Unemployment rate data was not available specifically for the City of Greer. This number represents a weighted average of unemployment rates in Greenville and Spartanburg Counties.

COMPLIANCE SECTION

**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 Chairman and Members of the Commission
Greer Commission of Public Works
Greer, 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 **Greer Commission of Public Works** (the "Commission"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated April 10, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 financial statements. 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.



Columbia, South Carolina
April 10, 2024

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2023, due to the total amount expended being less than \$750,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

None.

SECTION III FEDERAL AWARDS FINDINGS AND RESPONSES

Not applicable.

SECTION IV PRIOR YEAR FINDINGS

None.