



GREER
COMMISSION OF
PUBLIC WORKS
Greer, South Carolina

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

Years Ended December 31, 2025 and 2024

Issued by Finance Department

GREER COMMISSION OF PUBLIC WORKS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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INTRODUCTORY SECTION



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Greer, SC 29650
(864) 848-5500
info@greercpw.com

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

Marc Regier
General Manager

Date: April 18, 2026

Honorable Chairman
Commissioners of Public Works
Members of the Commission
Citizens of the City of Greer,

The 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, 2025.

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 purpose 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 responsibilities 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, 2025, and the number of years of continuous services as Commissioners are as follows:

<u>Name</u>	<u>Years of Service</u>
Jeffery Howell	27
Eugene Gibson (Chairman)	43
Perry Williams	16

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 9.81 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 24,182 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 1% 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 3.03 MGD with a current permitted capacity of 5.0 MGD.



The WWTP is currently undergoing a series of planned upgrades which, when completed, will result in significant capacity increases at the headworks and ultraviolet disinfection areas. The highly qualified Wastewater Department staff strives to incorporate emerging technologies and modern methodologies at the WWTP to ensure the best possible wastewater treatment and effluent discharge quality while maintaining maximum cost efficiencies for the benefit of our ratepayers. Future upgrades will include incorporating new technologies capable of increasing biological

treatment capacity within the existing three-basin footprint to finalize the upgrade from the current 5.0MGD rating to the planned 7.5MGD.

Wastewater collection and treatment for the Commission's 16,498 customers is accomplished through approximately 275.04 miles of gravity lines and 31.37 miles of force mains for a total of 306.41 miles maintained by the Commission. Over the last year, the Commission experienced a customer growth rate of 7.4% 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. The Electric Unit consists of six substations operating 35 circuits. Distribution of 12,470 volts of electricity is managed with approximately 219 miles of overhead distribution facilities and approximately 303 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 25,916 customers. Over the last year, the Commission experienced a customer growth rate of 1.2% 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 44 miles of high-pressure transmission lines, and approximately 900 miles of intermediate and distribution lines, along with 243 pressure-regulating stations. These distribution lines serve 33,148 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 3.5% 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 of nearly .71 hours.



Capital Investment

The Commission continued to invest in improving and expanding its infrastructure during 2025 by investing more than \$37 million into the System. Investment in new utility infrastructure to new subdivisions and industries totaled approximately \$19.7 million. This investment provided support for the 2.8% average growth rate.

The Commission has completed the AMI meter change out for the water and electric utilities during 2025. The AMI gas meter upgrades will continue in 2026 with a total completion estimated by 2027. This major infrastructure upgrade will allow the Commission to better plan for the usage needs of the utility and also allow our customers to see up to the hour data on their specific usage.

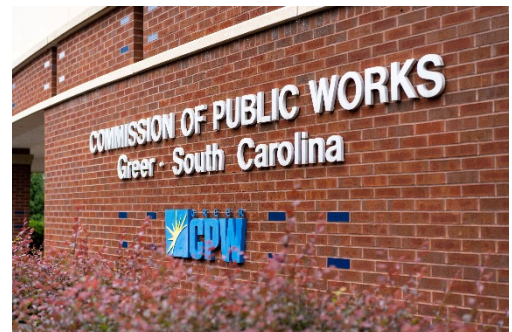
Growth in the Community, Growth in our Business

The Greer community experienced continued economic growth in its residential, commercial, and industrial sectors. The Commission realized a growth rate of 2.8% during 2025, with a 5-year average growth rate of 4.5% across its service area.

Utility Highlights

In 2025, the Commission demonstrated continued excellence in governance, operational effectiveness, and service delivery through several notable achievements. The Commission received multiple professional awards recognizing its high standards in public outreach, accountability, and transparency, reinforcing our commitment to clear and effective communication with stakeholders.

Strategic investments in system operations included the implementation of advanced nanobubble technology, reflecting a proactive approach to innovation, efficiency, and environmental responsibility. These accomplishments are supported by a highly experienced workforce, with employees averaging 18 years of service, providing significant institutional knowledge, operational continuity, and consistent service quality. More importantly, these successes were achieved while maintaining stable, low, and competitive utility rates, underscoring disciplined financial management, long-term planning, and a sustained focus on delivering reliable, high-quality services at an exceptional value to customers.



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 2025. 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 2025 with 480% coverage.

Financial Award

The GFOA awarded the Commission a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Report (ACFR) for the fiscal year ended December 31, 2024. This marks the twenty-first consecutive year the Commission has earned this prestigious distinction. The Certificate of Achievement is granted only to entities that prepare an ACFR that is clearly written, efficiently organized, and fully compliant with Generally Accepted Accounting Principles (GAAP). The award is granted for a period of one year.

Acknowledgements

This report was prepared in a timely manner thanks to the efficiency, dedication, and expertise of the Commission's employees, whose contributions were essential throughout its development. We also extend our sincere appreciation to the Board of Commissioners for their leadership and continued support, which enables the Commission to provide reliable, high-quality services at reasonable rates while upholding our commitment to environmental stewardship and public health.

Sincerely,



Marc Regier
General Manager



Angela Karcher
Finance Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

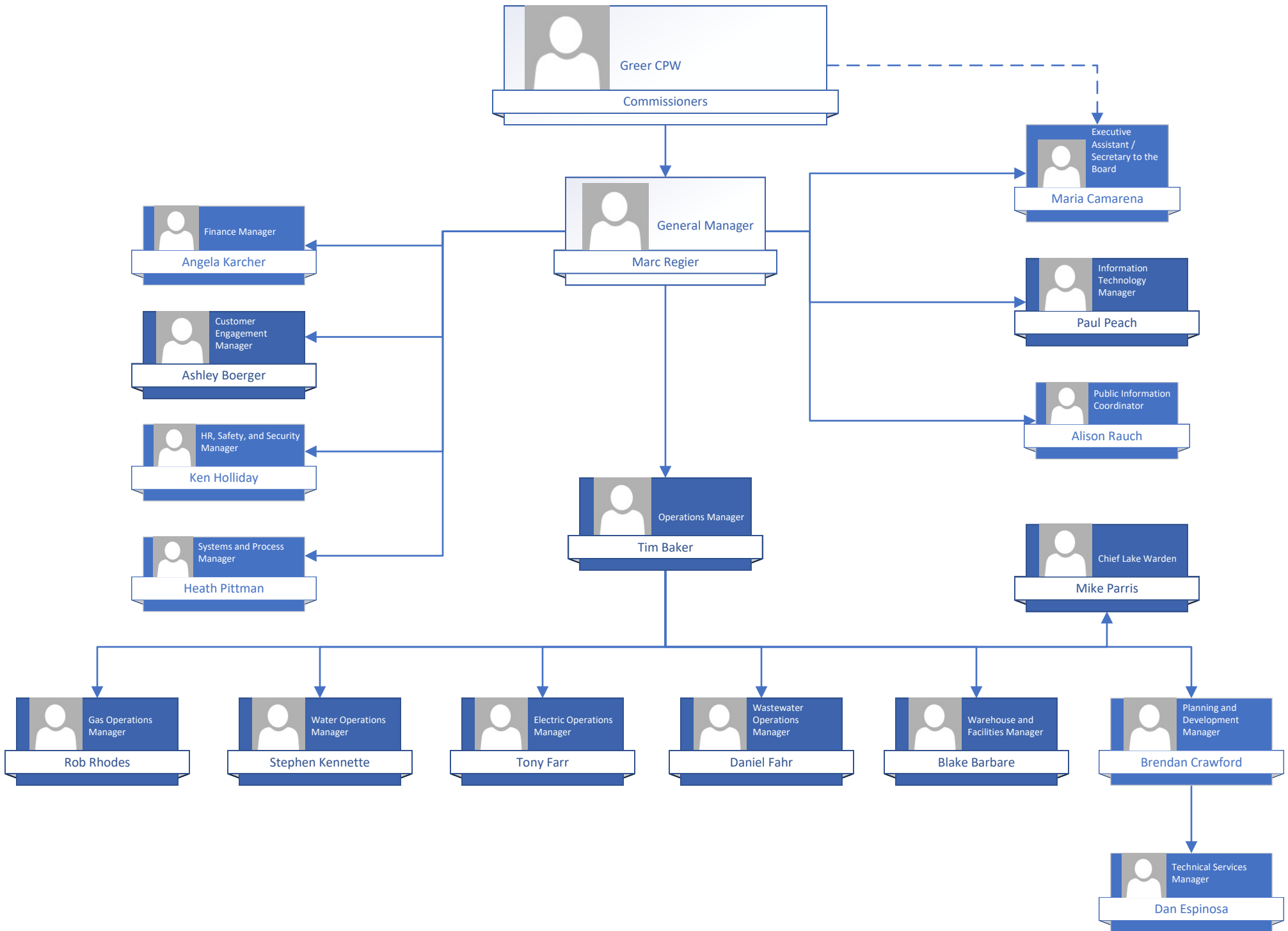
**Greer Commission of Public Works
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morill

Executive Director/CEO



GREER COMMISSION OF PUBLIC WORKS

**LIST OF PRINCIPAL OFFICIALS
DECEMBER 31, 2025**

Jeffery M. Howell (Commissioner)

Perry Williams (Commissioner)

Gene Gibson (Commissioner - Chairman)

FINANCIAL SECTION



Independent Auditor's 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, 2025 and 2024, 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, 2025 and 2024, 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 12 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 and budgeted revenues and expenses, the schedule of divisional operating revenues and expenses, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.

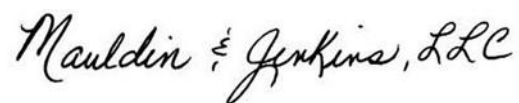
Other Information

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 18, 2026, 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.



Columbia, South Carolina
April 18, 2026

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, 2025, 2024, and 2023. 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 2025. 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 2025:

- The Commission's net position increased by \$21,683,452 or 6.84% for 2025 as compared to an increase of \$45,384,962, or 16.71% in 2024.
- During the year, the Commission's operating revenues increased to \$116,712,237, which represents a 6.30% increase from the prior year. Operating revenues increased to \$109,768,677, or 3.15% in 2024.
- Total operating expenses increased to \$107,294,192, which represents a 12.28% increase from the prior year. Total expenses increased to \$95,555,804, or 6.17% in 2024.
- Purchased power expenses increased to \$40,392,612, up from \$39,653,709 last year. This 1.86% increase is reflected in the total operating expenses shown above. Purchased power increased from \$38,125,996, or by 4% to \$39,653,709 in 2024.
- Purchased gas expenses increased to \$25,799,339 last year. This 50.17% increase is reflected in the total expenses shown above. Purchased gas increased from \$15,450,135, or by 11.2% to \$17,180,306 in 2024.
- Capital contributions to the Commission increased by \$2,591,366, which represents a 50.8% increase from the prior year. Capital contributions decreased by \$1,522,533, or 23.01% in 2024.
- Transfers to the City of Greer remained at \$1,000,000 for 2025 and 2024.
- Debt service coverage for 2025 was 677% of the bond ordinance requirement, which is 120% debt service coverage. Debt service coverage for 2024 was 618%.
- 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 continued 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 earning 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, deferred outflows, liabilities and deferred inflows 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 creditworthiness.

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,			2024 to 2025		2023 to 2024	
	FY 2023	FY 2024	FY 2025	Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Current and other assets	\$ 59,595,071	\$ 85,070,986	\$ 72,896,530	\$ (12,174,456)	-14.31%	\$ 25,475,915	42.75%
Capital assets	288,663,369	320,473,330	349,186,085	28,712,755	8.96%	31,809,961	11.02%
Total assets	\$ 348,258,440	\$ 405,544,316	\$ 422,082,615	\$ 16,538,299	4.08%	\$ 57,285,876	16.45%
Deferred outflows of resources	\$ 1,892,015	\$ 2,045,836	\$ 2,490,155	\$ 444,319	21.72%	\$ 153,821	8.13%
Long-term debt outstanding	\$ 38,354,389	\$ 49,991,256	\$ 45,329,379	\$ (4,661,877)	-9.33%	\$ 11,636,867	30.34%
Other liabilities	37,462,011	37,192,882	37,493,624	300,742	0.81%	(269,129)	-0.72%
Total liabilities	\$ 75,816,400	\$ 87,184,138	\$ 82,823,003	\$ (4,361,135)	-5.00%	\$ 11,367,738	14.99%
Deferred inflows of resources	\$ 2,674,223	\$ 3,361,220	\$ 3,021,521	\$ (339,699)	-10.11%	\$ 686,997	25.69%
Net investment in capital assets	\$ 244,906,151	\$ 280,298,424	\$ 313,651,570	\$ 33,353,146	11.90%	\$ 35,392,273	14.45%
Restricted	8,876,301	5,251,002	1,817,357	(3,433,645)	-65.39%	(3,625,299)	-40.84%
Unrestricted	17,877,380	31,495,368	23,259,319	(8,236,049)	-26.15%	13,617,988	76.17%
Total net position	\$ 271,659,832	\$ 317,044,794	\$ 338,728,246	\$ 21,683,452	6.84%	\$ 45,384,962	16.71%

Condensed Statement of Revenues, Expenses and Changes in Net Position

	FY 2023	FY 2024	FY 2025	2024 to 2025		2023 to 2024	
				Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Electric revenues	\$ 48,349,867	\$ 51,792,181	\$ 52,859,642	\$ 1,067,461	2.06%	\$ 3,442,314	7.12%
Gas revenues	35,466,605	32,580,769	39,821,397	7,240,628	22.22%	(2,885,836)	-8.14%
Water revenues	10,167,077	10,559,201	10,776,192	216,991	2.05%	392,124	3.86%
Sewer revenues	7,997,145	8,644,361	8,629,983	(14,378)	-0.17%	647,216	8.09%
Other operating revenues	4,431,819	6,192,165	4,625,023	(1,567,142)	-25.31%	1,760,346	39.72%
Non-operating revenues	2,887,275	29,331,869	7,774,159	(21,557,710)	-73.50%	26,444,594	915.90%
Total revenues	\$ 109,299,788	\$ 139,100,546	\$ 124,486,396	\$ (14,614,150)	-10.51%	\$ 29,800,758	27.27%
Purchased power	\$ 38,125,996	\$ 39,653,709	\$ 40,392,612	\$ 738,903	1.86%	\$ 1,527,713	4.01%
Purchased gas	15,450,135	17,180,306	25,799,339	8,619,033	50.17%	1,730,171	11.20%
Depreciation	10,684,102	11,113,934	12,068,389	954,455	8.59%	429,832	4.02%
Other operating expense	25,743,029	27,607,855	29,033,852	1,425,997	5.17%	1,864,826	7.24%
Non-operating expense	2,735,551	3,253,693	3,194,031	(59,662)	-1.83%	518,142	18.94%
Total expenses	\$ 92,738,813	\$ 98,809,497	\$ 110,488,223	\$ 11,678,726	11.82%	\$ 6,070,684	11.82%
Change in net position before capital contributions	\$ 16,560,975	\$ 40,291,049	\$ 13,998,173	\$ (26,292,876)	-65.26%	\$ 23,730,074	143.29%
Contributions							
Capital contributions	\$ 6,616,466	\$ 5,093,913	\$ 7,685,279	\$ 2,591,366	50.87%	\$ (1,522,553)	-23.01%
Change in net position after capital contributions	\$ 23,177,441	\$ 45,384,962	\$ 21,683,452	\$ (23,701,510)	-52.22%	\$ 22,207,521	95.82%
Beginning net position	\$ 248,482,391	\$ 271,659,832	\$ 317,044,794	\$ 45,384,962	16.71%	\$ 23,177,441	9.33%
Ending net position	\$ 271,659,832	\$ 317,044,794	\$ 338,728,246	\$ 21,683,452	6.84%	\$ 45,384,962	16.71%

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Trends

During 2025, 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 2,785 new customers, or 2.9%, continuing the growth trend that has averaged 4.1% 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 six 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 \$422,082,615 increased by \$16,538,299, or 4.08%, compared to the 2024 increase to \$405,544,316. Current and other assets decreased by \$12,174,456, or 14.31%, to \$72,896,530 from fiscal year 2024 results of \$85,070,986. As we continue to expand and improve our capital infrastructure, the capital assets for fiscal year 2025 increased by \$28,712,755, or 8.96%, to \$349,186,085 from fiscal year 2024 results of \$320,473,330. Total liabilities decreased by \$4,361,135, or 5%, to \$82,823,003 from fiscal year 2024 results of \$87,184,138.

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 \$14,614,150 to \$124,486,396 in fiscal year 2025 from \$139,100,546 in fiscal year 2024 due to the net effects of increases to electric, natural gas, water, and sewer revenues and a significant decrease in non-operating revenues from the proceeds of a legal settlement in 2024. The increase in the electric, gas and water revenues of 2.06%, 22.22%, and 2.05% can be attributed to several factors, including a more volatile weather pattern and commodity prices. Weather is always a factor to be reviewed when evaluating revenues. The heating degree days ("HDD") during 2025 were 2,832 days, higher than the 2,593 days experienced during 2024, and the cooling degree days ("CDD") during 2025 were 1,753 days, a decrease from 2024 at 1,929 days. In addition to the volatility of the temperatures, the weather patterns also brought to the area 45 inches of precipitation, a decrease from 2024 totals of 55 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of \$5.49 per dT, an increase from 2024 of \$3.72 per dT.

Operating revenues during 2024 increased by \$3,356,164 to \$109,768,677 over fiscal year 2023 due to the net effects of increases to the electric, water, and sewer revenues. The increase in the electric, water and wastewater revenues of 7.12%, 3.86% and 8.09%, respectively, can be attributed to several factors, but mostly due to a milder weather pattern. The heating degree days ("HDD") during 2024 were 2,593 days, 3% higher than the 2,505 days experienced during 2023, and the cooling degree days ("CDD") during 2024 were 1,929 days, an increase from 2023 of 17% more than the 1,602 days experienced during 2023. In addition to the volatility of the temperatures, the weather patterns also brought to the area 55 inches of precipitation, an increase of 6.6% from 2023 totals of 51 inches. The fluctuations in the price of the natural gas commodity resulted in weighted average costs of \$3.72 per dT, a decrease from 2023 of \$3.92 per dT.

Other operating revenues decreased by \$1,567,142 and increased by \$1,760,346 during 2025 and 2024, respectively. Both are attributable to several factors, including changes in the collection of non-payment 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 2025, non-operating revenues decreased by \$21,557,710. This decrease is attributable to an increase in interest earnings from cash balances held at banking institutions, as well as recognition of intergovernmental grant revenues offset by a decrease in non-operating revenues from a legal settlement in 2024. During 2024, non-operating revenues increased by \$26,444,594. This increase can be attributed to a decrease in earnings on investments, increased bad debts recovered, and a \$27,500,000 legal settlement received in 2024.

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 2025, operating expenses increased by \$11,738,388 to \$107,294,192, from \$95,555,804 in fiscal year 2024, due to the net effect of an increase in related purchased gas and other operating expenses. Purchased gas costs increased by \$8,619,033, or 50.17%, because of increased commodity prices and much colder weather experienced in the first and last quarters of 2025. Purchased power costs increased \$738,903, or 1.86%, because of slightly elevated customer demand experienced during the warmer temperatures during the summer months. Other operating expenses increased by \$1,425,997, with an increase to the operations and maintenance of equipment.

During 2024, expenses increased by \$6,070,684 to \$98,809,497, from \$92,738,813 in fiscal year 2023, due to the net effect of an increase in related purchased gas and other non-operating expenses. Purchased gas costs increased by \$1,730,171, or 11.2%, because of increased commodity prices and colder weather experienced in the first and last quarters of 2024. Purchased power costs increased by \$1,527,713, or 4.01%, because of slightly higher customer demand experienced during the summer months. Other operating expenses increased by \$1,864,826, with an increase to water and wastewater treatment chemicals, and the operations and maintenance of equipment.

Non-operating expenses decreased \$59,662, or 1.83%, to \$3,194,031 during 2025. The disposal of assets resulted in gain realized in the amount of \$322,814, an increase from gain of \$127,152 realized during 2024.

During 2024, non-operating expenses increased by \$518,142, or 18.94%, to \$3,253,693. The disposal of assets resulted in a gain realized in the amount of \$127,152, a decrease from gain of \$234,313 realized during 2023.

As a result of these factors, the Commission experienced net revenues over expenses of \$13,998,173 and \$40,291,049, respectively, in 2025 and 2024 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 2025, the Commission received \$7,685,279 in capital contributions. This was a \$2,591,366 increase from fiscal year 2024 capital contributions of \$5,093,913. Capital contributions for 2025 included the following receipts:

- \$173,890 received from various sources to offset capital costs related to lighting infrastructure
- \$4,484,741 received from various developer contributed properties that consists of water and sewer infrastructure

During 2024, the Commission received \$5,093,913 in capital contributions. This decreased by \$1,522,553 from \$6,616,466 received during fiscal year 2023.

During 2025, the Commission had a legal settlement awarded that resulted in non-operating revenues for the Commission of \$536,791, a decrease in legal settlements from 2024 of \$26,963,209.

Transfers to the City: During fiscal years 2025 and 2024 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 2025 the Commission invested \$544,150,244 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 2025 and 2024, the Commission's capital assets increased in the net amount of \$32,280,010 and \$36,784,286, respectively. Of this increase, \$19,738,690 and \$18,733,676, respectively, was for expansion of the utility plant and the remainder for other operating assets and improvements during 2025 and 2024.

Capital Assets

	FY 2023	FY 2024	FY 2025	2024 to 2025		2023 to 2024	
				Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Land	\$ 6,398,943	\$ 7,547,166	\$ 7,608,967	\$ 61,801	0.82%	\$ 1,148,223	17.94%
Buildings	7,381,910	7,392,701	7,536,650	143,949	1.95%	10,791	0.15%
Machinery, equipment, and vehicles	12,832,059	13,892,598	14,699,972	807,374	5.81%	1,060,539	8.26%
Electric distribution system	79,572,084	84,615,213	93,554,398	8,939,185	10.56%	5,043,129	6.34%
Water distribution system	94,499,116	97,684,142	116,758,461	19,074,319	19.53%	3,185,026	3.37%
Water reservoirs and dams	11,637,846	11,637,846	11,637,846	-	0.00%	-	0.00%
Recreational facilities	816,778	816,778	951,778	135,000	16.53%	-	0.00%
Gas distribution system	88,910,904	96,933,243	113,936,412	17,003,169	17.54%	8,022,339	9.02%
Disposal plants and sanitary sewer	121,709,670	125,225,083	135,747,512	10,522,429	8.40%	3,515,413	2.89%
Office equipment and software	2,927,452	3,472,305	3,859,639	387,334	11.15%	544,853	18.61%
Fiber optic	550,297	550,297	550,297	-	0.00%	-	0.00%
Construction in progress	47,809,755	61,968,796	37,174,246	(24,794,550)	-40.01%	14,159,041	29.62%
Right to use lease assets	39,134	134,066	134,066	-	0.00%	94,932	242.58%
Subtotal	\$ 475,085,948	\$ 511,870,234	\$ 544,150,244	\$ 32,280,010	6.31%	\$ 36,784,286	7.74%
Less accumulated depreciation	187,218,565	191,396,904	194,964,159	3,567,255	1.86%	4,178,339	2.23%
Net property, plant, and equipment	\$ 287,867,383	\$ 320,473,330	\$ 349,186,085	\$ 28,712,755	8.96%	\$ 32,605,947	11.33%

The following is a summary of some of the major capital improvements completed and added to the system during fiscal year 2025.

System Expansion Projects in Gas	\$ 10,407,382
Advanced Meter Infrastructure Project (AMI)	5,346,136
System Expansion Projects in Sewer	5,286,215
System Expansion Projects in Electric	3,654,126
Improvements and upgrades to the Electric system	3,495,557
Improvements and upgrades to the Sewer system	2,541,774
Improvements and upgrades to the Water system	1,934,381
Lakes and Operations Improvements	1,802,318
Motor vehicles and equipment replacements	1,635,878
Improvements and upgrades to the Gas system	956,687
System Expansion Projects in Water	390,967
Software System Improvements	313,278
Total major capital improvements	\$ 37,764,699

Long-term Debt: At the end of 2025, the Commission had \$48,517,443 in aggregate long-term debt, down from \$53,269,390 at the end of fiscal year 2024, a decrease of \$4,751,947, or 8.92%. In 2024, the Commission had \$53,269,390 in aggregate long-term debt, increased from \$42,823,533 at the end of fiscal year 2023, an increase of \$10,445,857, or 24.39%.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The changes resulted from scheduled principal payments made on the existing debt, along with a new revenue bond for a gas system expansion. Please refer to Note 6 to the financial statements for additional information on the Commission's long-term debt.

	FY 2023		FY 2024		FY 2025		2024 to 2025		2023 to 2024	
	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Principal Outstanding	Weighted Average Coupon Rate	Dollars	%	Dollars	%
Series 2002 revenue bonds	\$ 21,330,000	5.48%	\$ 21,020,000	5.48%	\$ 20,695,000	5.48%	\$ (325,000)	-1.55%	\$ (310,000)	-1.45%
2004 South Carolina SRF loan	4,178,708	2.25%	3,831,102	2.25%	3,475,609	2.25%	(355,493)	-9.28%	(347,606)	-8.32%
2005 South Carolina SRF loan	3,421,302	2.25%	3,121,073	2.25%	2,814,031	2.25%	(307,042)	-9.84%	(300,229)	-8.78%
Series 2007 revenue bonds	1,524,415	4.02%	1,165,537	4.02%	792,233	4.02%	(373,304)	-32.03%	(358,878)	-23.54%
2007 South Carolina SRF loan	4,197,430	2.25%	3,435,567	2.25%	2,656,420	2.25%	(779,147)	-22.68%	(761,863)	-18.15%
2009 South Carolina SRF loan	3,291,294	2.25%	3,129,958	2.25%	2,965,264	2.25%	(164,694)	-5.26%	(161,336)	-4.90%
Series 2015 refunding bonds	990,000	2.10%	500,000	2.10%	-	2.10%	(500,000)	-100.00%	(490,000)	-49.49%
Series 2017 refunding bonds	3,850,000	1.99%	1,945,000	1.99%	-	1.99%	(1,945,000)	-100.00%	(1,905,000)	-49.48%
Series 2024 revenue bonds	-	0.00%	15,115,000	3.70%	15,115,000	3.70%	-	0.00%	15,115,000	0.00%
Leases	40,384	2.12%	6,153	2.12%	3,886	2.12%	(2,267)	-36.84%	(34,231)	-84.76%
Total Long-term debt	\$ 42,823,533	-8.92%	\$ 53,269,390	24.39%	\$ 48,517,443	4.11%	\$ (4,751,947)	-8.92%	\$ 10,445,857	24.39%

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 2024, 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 480%, 448%, and 491%, for the years 2025, 2024, and 2023, respectively.

	FY 2023	FY 2024	FY 2025	2024 to 2025		2023 to 2024	
				Dollars	%	Dollars	%
				Increase (decrease)		Increase (decrease)	
Revenues							
Revenues from operations	\$ 106,412,513	\$ 109,791,888	\$ 116,712,237	\$ 6,920,349	6.30%	\$ 3,379,375	3.18%
Non-operating revenue	2,652,962	1,704,717	6,914,554	5,209,837	305.61%	(948,245)	-35.74%
Capacity fees*	1,684,700	2,057,600	3,026,647	969,047	47.10%	372,900	22.13%
Total revenues	\$ 110,750,175	\$ 113,554,205	\$ 126,653,438	\$ 13,099,233	11.54%	\$ 2,804,030	2.53%
Expenses							
Total expenses	\$ 91,738,813	\$ 97,809,497	\$ 109,488,222	\$ 11,678,725	11.94%	\$ 6,070,684	6.62%
Depreciation	(10,684,102)	(11,137,143)	(12,068,389)	(931,246)	8.36%	(453,041)	4.24%
Bond interest expense	(1,735,551)	(2,253,693)	(2,194,031)	59,662	-2.65%	(518,142)	29.85%
Gain (loss) on sale of assets	234,313	127,152	322,814	195,662	153.88%	(107,161)	-45.73%
Total expenses	\$ 79,553,473	\$ 84,545,813	\$ 95,548,616	\$ 11,002,803	13.01%	\$ 4,992,340	6.28%
Income available for debt service	\$ 31,196,702	\$ 29,008,392	\$ 31,104,822	\$ 2,096,430	7.23%	\$ (2,188,310)	-7.01%
Maximum annual debt service (ADS)	\$ 6,357,000	\$ 6,474,000	\$ 6,474,000	\$ -	0.00%	\$ 117,000	1.84%
Maximum ADS coverage	491%	448%	480%	-8.76%		-8.76%	

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

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 or applying for grant funds for capital projects within the current long-range Capital Improvement Plan through fiscal year 2030.

GREER COMMISSION OF PUBLIC WORKS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Greer area were 4.2% at the end of 2025 and mean household income increased 3.24% 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 Commission considered a variety of factors in developing the fiscal year 2026 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 2026 budget provided for facility charge increases in the water and wastewater utilities. For 2026, 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, 2025 AND 2024

	December 31,	
	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 31,202,412	\$ 34,763,147
Accounts receivable - customer (less allowance for doubtful accounts of \$398,814 and \$381,649 for 2025 and 2024, respectively)	14,947,715	13,019,274
Grants receivable	4,336,642	-
Inventories	18,509,888	14,975,776
Prepaid expenses	203,233	122,580
Restricted assets, cash and cash equivalents	3,083,402	21,394,224
Current portion of leases receivable	182,070	182,748
Total Current Assets	72,465,362	84,457,749
Noncurrent Assets		
Leases receivable, net of current portion	431,168	613,237
Capital Assets:		
Right-to-use lease assets, net of accumulated amortization	3,802	6,222
Utility plant	544,016,178	511,736,168
Less: accumulated depreciation	(194,833,895)	(191,269,060)
Net capital assets	349,186,085	320,473,330
Total Noncurrent Assets	349,617,253	321,086,567
Total Assets	422,082,615	405,544,316
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized charge on refunding	-	43,012
Deferred outflows-other postemployment benefits	415,857	355,928
Deferred outflows-pension	2,074,298	1,646,896
Total Deferred Outflows of Resources	2,490,155	2,045,836
LIABILITIES		
Current Liabilities		
Accounts payable	10,831,930	9,656,703
Construction contract retainage payable	505,400	477,343
Accrued interest	658,358	450,063
Other accrued liabilities	4,236,641	4,147,098
Customers' deposits	1,266,045	1,140,594
Compensated absences	653,603	661,427
Current portion of landfill post-closure liability	11,500	11,125
Current portion of long-term debt	4,538,191	4,751,947
Current portion of other postemployment benefit liability	142,000	60,000
Total Current Liabilities	22,843,668	21,356,300
Noncurrent Liabilities		
Landfill post-closure liability, net of current portion	137,515	149,015
Long-term other postemployment benefit liability	303,666	632,484
Net pension liability	14,208,775	15,055,083
Long-term debt, net of unamortized premium and current portion of long-term debt	45,329,379	49,991,256
Total Noncurrent Liabilities	59,979,335	65,827,838
Total Liabilities	82,823,003	87,184,138
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows-lease receipts	576,695	759,433
Deferred inflows-pension	1,380,185	1,470,217
Deferred inflows-other postemployment benefits	1,064,641	1,131,570
Total Deferred Inflows of Resources	3,021,521	3,361,220
NET POSITION		
Net investment in capital assets	313,651,570	280,298,424
Restricted for:		
Debt service	1,624,571	2,076,179
Capital projects	192,786	3,174,823
Unrestricted	23,259,319	31,495,368
Total Net Position	\$ 338,728,246	\$ 317,044,794

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, 2025 AND 2024

	December 31,	
	2025	2024
Operating Revenues		
Electric revenues	\$ 52,859,642	\$ 51,792,181
Gas revenues	39,821,397	32,580,769
Water revenues	10,776,192	10,559,201
Sewer revenues	8,629,983	8,644,361
Other operating revenues	4,625,023	6,192,165
Total Operating Revenues	116,712,237	109,768,677
Operating Expenses		
Purchased power	40,392,612	39,653,709
Purchased gas	25,799,339	17,180,306
Depreciation and amortization	12,068,389	11,113,934
Other operating expenses	29,033,852	27,607,855
Total Operating Expenses	107,294,192	95,555,804
Operating Income	9,418,045	14,212,873
Non-operating Revenues (Expenses)		
Investment income	820,959	1,303,073
Intergovernmental revenues	6,093,595	401,644
Gain on sale of capital assets	322,814	127,152
Interest expense	(2,194,031)	(2,253,693)
Intergovernmental expense to the City of Greer	(1,000,000)	(1,000,000)
Legal Settlement	536,791	27,500,000
Total Non-operating Revenues, Net	4,580,128	26,078,176
Income before Contributions	13,998,173	40,291,049
Capital Contributions	7,685,279	5,093,913
Change in Net Position	21,683,452	45,384,962
Net Position, Beginning of Year	317,044,794	271,659,832
Net Position, End of Year	\$ 338,728,246	\$ 317,044,794

See accompanying notes to the financial statements.

GREER COMMISSION OF PUBLIC WORKS

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	December 31,	
	2025	2024
Cash Flows from Operating Activities		
Cash Received from Customers	\$ 105,947,582	\$ 102,319,868
Cash Paid to Employees	(12,610,333)	(10,689,160)
Cash Paid to Suppliers	(86,721,832)	(70,638,213)
Other receipts	5,161,814	33,692,165
Net Cash Provided by Operating Activities	11,777,231	54,684,660
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		
Proceeds from Issuance of Revenue Bonds	-	16,486,265
Capital Grants and Contributions	9,294,133	2,662,095
Construction and Improvement of Utility Plant	(36,620,889)	(40,794,381)
Debt Principal Payments	(4,751,947)	(4,669,143)
Proceeds from Sales of Capital Assets	675,357	81,133
Interest Paid	(2,066,410)	(2,359,700)
Net Cash Used in Capital and Related Financing Activities	(33,469,756)	(28,593,731)
Cash Flows from Investing Activities		
Interest Received	820,968	1,298,891
Net Cash Provided by Investing Activities	820,968	1,298,891
Net Increase (Decrease) in Cash and Cash Equivalents	(21,871,557)	26,389,820
Cash and Cash Equivalents, Beginning of Year	56,157,371	29,767,551
Cash and Cash Equivalents, End of Year	\$ 34,285,814	\$ 56,157,371
Per Statement of Net Position:		
Cash and Cash Equivalents	\$ 31,202,412	\$ 34,763,147
Cash and Cash Equivalents - Restricted	3,083,402	21,394,224
	\$ 34,285,814	\$ 56,157,371
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	\$ 9,418,045	\$ 14,212,873
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	12,068,389	11,113,934
Other Receipts - Legal Settlement	536,791	27,500,000
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(6,265,083)	(1,224,244)
(Increase) Decrease in Inventory	(3,534,112)	2,751,597
Increase in Prepaid Expenses	(80,653)	(20,452)
Increase in Deferred Outflows of Resources	(487,331)	(173,107)
Increase in Accounts Payable	1,152,898	900,588
Increase in Other Accrued Liabilities	104,048	261,907
Increase (Decrease) in Customer Deposits	125,451	(32,400)
Decrease in Total Other Postemployment Benefit Liability	(246,818)	(97,720)
Decrease in Net Pension Liability	(846,308)	(1,392,026)
Decrease in Landfill Post-closure Liability	(11,125)	(10,460)
Increase (Decrease) in Deferred Inflows of Resources	(156,961)	894,170
Net Cash Provided by Operating Activities	\$ 11,777,231	\$ 54,684,660
Non-cash Investing, Capital and Financing Activities:		
Non-cash Capital Contributions	\$ 4,484,741	\$ 2,833,462
Change in retainage payable	28,057	-
Net non-cash Investing, Capital and Financing Activities	\$ 4,512,798	\$ 2,833,462

See accompanying notes to the financial statements.

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 five 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.

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 an 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, 2025 and 2024 were \$5,983,162 and \$5,462,780, 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 2025 and 2024 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, 2025 and 2024 was \$12,068,389 and \$11,113,934, 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 noncancelable 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.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Commission has developed a hedging policy, which provides guidelines for the use of natural gas and financial futures, options, and other contracts. The purpose of the hedging policy is to mitigate the risks associated with fluctuations in interest rates and/or natural gas prices.

By using derivative financial instruments to hedge exposures to changes in natural gas prices, the Commission exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract.

When the fair value of a derivative contract is positive, the counterparty owes the Commission, which creates credit risk for the Commission. When the fair value of a derivative contract is negative, the Commission owes the counterparty and, therefore, it does not possess credit risk.

The Commission minimizes the credit risk in derivative instruments by entering into transactions with high-quality counterparties. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates or commodity prices. The market risk associated with commodity-price contracts is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

Cumulative changes in the fair value of hedge contracts are recorded at the time the contracts are closed. At December 31, 2024 and 2025, the Commission had a total of 12 and 12 contracts outstanding, respectively, hedging the natural gas system supply and supply for other specific non-system customers, depending upon the expected month of future delivery. These contracts represent a total outstanding commitment of \$2,450,858 and \$9,064,770 at an average cost of \$2.79 and \$6.64 per dekatherm of natural gas at December 31, 2024 and 2025, respectively.

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.

NOTES TO FINANCIAL STATEMENTS

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 2025 and 2024.

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 2025 and 2024, the Commission purchased \$39,561,459 and \$38,889,320, respectively, from PMPA under the two agreements discussed above. On December 31, 2025 and 2024, amounts due to PMPA of \$3,255,369 and \$3,224,259, respectively, were included in accounts payable.

NOTE 3. CASH AND CASH EQUIVALENTS

At December 31, 2025, the carrying value of deposits included in cash and cash equivalents was \$29,964,578 and the bank balance was \$30,055,702. Additionally, at December 31, 2025, the Commission’s cash and cash equivalents include petty cash of \$4,200 and deposits with the South Carolina Local Government Investment Pool (LGIP) of \$4,317,036. At December 31, 2024, the carrying value of deposits included in cash and cash equivalents was \$32,909,885 and the bank balance was \$32,610,054. Additionally at December 31, 2024, the Commission’s cash and cash equivalents include petty cash of \$7,746 and deposits with the LGIP of \$23,239,740. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2025 and 2024, 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, "AA+" rated Federal Agency securities, or general obligations of the state of South Carolina or any of its political units.

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 2025 and 2024, the Commission had no investments.

NOTE 4. INVENTORIES

Inventories at December 31, 2025 and 2024, consist of the following:

	2025	2024
Electric	\$ 6,818,216	\$ 7,563,395
Gas	9,944,227	5,516,079
Water and sewer	1,693,291	1,841,081
Other	18,176	17,746
Gasoline	35,978	37,475
Total Inventories	\$ 18,509,888	\$ 14,975,776

NOTES TO FINANCIAL STATEMENTS

NOTE 5. UTILITY PLANT

The following is a summary of changes in utility plant as of December 31, 2025:

	December 31, 2024	Additions	Classification Transfers	Disposals	December 31, 2025
Utility plant not being depreciated:					
Land	\$ 7,547,167	\$ 2,400	\$ 59,400	\$ -	\$ 7,608,967
Construction in progress	61,968,796	33,104,663	(58,019,665)	120,452	37,174,246
Total utility plant not being depreciated	69,515,963	33,107,063	(57,960,265)	120,452	44,783,213
Utility plant being depreciated:					
Electric distribution system	84,615,213	653,406	15,342,641	(7,056,862)	93,554,398
Gas distribution system	96,933,243	1,163,680	16,378,696	(539,207)	113,936,412
Water distribution system	97,684,142	2,305,052	16,769,267	-	116,758,461
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	135,000	-	951,778
Disposal plants and sanitary sewer	125,225,083	1,955,330	8,605,761	(38,662)	135,747,512
Buildings	7,392,701	-	183,062	(39,113)	7,536,650
Vehicles and other work equipment	13,892,597	1,949,156	-	(1,141,781)	14,699,972
Office equipment and furniture	3,472,305	-	545,838	(158,504)	3,859,639
Fiber optic	550,297	-	-	-	550,297
Right-to-use lease assets	134,066	-	-	-	134,066
Total utility plant being depreciated	442,354,271	8,026,624	57,960,265	(8,974,129)	499,367,031
Less accumulated depreciation for:					
Electric distribution system	(40,749,362)	(2,906,802)	-	7,056,862	(36,599,302)
Gas distribution system	(44,068,037)	(2,824,608)	-	539,207	(46,353,438)
Water distribution system	(34,943,917)	(2,041,225)	-	-	(36,985,142)
Water reservoirs and dams	(8,491,985)	(222,197)	-	-	(8,714,182)
Recreational facilities	(470,194)	(21,231)	-	-	(491,425)
Disposal plants and sanitary sewer	(44,555,289)	(2,514,568)	-	38,662	(47,031,195)
Buildings	(5,005,274)	(163,903)	-	39,114	(5,130,063)
Vehicles and other work equipment	(9,875,895)	(1,133,162)	-	668,785	(10,340,272)
Office equipment and furniture	(2,646,725)	(218,741)	-	158,504	(2,706,962)
Fiber optic	(462,382)	(19,532)	-	-	(481,914)
Right-to-use lease assets	(127,844)	(2,420)	-	-	(130,264)
Total accumulated depreciation	(191,396,904)	(12,068,389)	-	8,501,134	(194,964,159)
Utility plant, net	\$ 320,473,330	\$ 29,065,298	\$ -	\$ (352,543)	\$ 349,186,085

NOTES TO FINANCIAL STATEMENTS

NOTE 5. UTILITY PLANT (CONTINUED)

The following is a summary of changes in utility plant as of December 31, 2024:

	December 31, 2023	Additions	Classification Transfers	Disposals	December 31, 2024
Utility plant not being depreciated:					
Land	\$ 6,398,943	\$ 1,148,224	\$ -	\$ -	\$ 7,547,167
Construction in progress	47,809,755	35,051,211	(20,938,189)	46,019	61,968,796
Total utility plant not being depreciated	54,208,698	36,199,435	(20,938,189)	46,019	69,515,963
Utility plant being depreciated:					
Electric distribution system	79,572,084	987,120	7,722,446	(3,666,437)	84,615,213
Gas distribution system	88,910,904	1,579,031	7,735,527	(1,292,219)	96,933,243
Water distribution system	94,499,116	1,736,653	2,325,683	(877,310)	97,684,142
Water reservoirs and dams	11,637,846	-	-	-	11,637,846
Recreational facilities	816,778	-	-	-	816,778
Disposal plants and sanitary sewer	121,709,670	1,710,327	2,376,378	(571,292)	125,225,083
Buildings	7,381,910	-	73,207	(62,416)	7,392,701
Vehicles and other work equipment	12,832,059	1,461,296	-	(400,758)	13,892,597
Office equipment and furniture	2,927,452	-	704,948	(160,095)	3,472,305
Fiber optic	550,297	-	-	-	550,297
Right-to-use lease assets	134,066	-	-	-	134,066
Total utility plant being depreciated	420,972,182	7,474,427	20,938,189	(7,030,527)	442,354,271
Less accumulated depreciation for:					
Electric distribution system	(41,755,089)	(2,633,099)	(27,611)	3,666,437	(40,749,362)
Gas distribution system	(41,371,303)	(2,570,402)	(1,418,551)	1,292,219	(44,068,037)
Water distribution system	(33,881,061)	(1,925,499)	(14,667)	877,310	(34,943,917)
Water reservoirs and dams	(8,269,788)	(222,197)	-	-	(8,491,985)
Recreational facilities	(449,251)	(20,943)	-	-	(470,194)
Disposal plants and sanitary sewer	(42,697,785)	(2,427,973)	(823)	571,292	(44,555,289)
Buildings	(4,905,901)	(161,789)	-	62,416	(5,005,274)
Vehicles and other work equipment	(7,867,135)	(987,684)	(1,421,834)	400,758	(9,875,895)
Office equipment and furniture	(5,578,402)	(111,904)	2,883,486	160,095	(2,646,725)
Fiber optic	(442,850)	(19,532)	-	-	(462,382)
Right-to-use lease assets	(94,932)	(32,912)	-	-	(127,844)
Total accumulated depreciation	(187,313,497)	(11,113,934)	-	7,030,527	(191,396,904)
Utility plant, net	\$ 287,867,383	\$ 32,559,928	\$ -	\$ 46,019	\$ 320,473,330

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

At December 31, 2025 and 2024, the Commission had outstanding contractual commitments of \$3,212,959 and \$1,796,100, respectively, related to additions to the utility plant. Such construction will be financed from cash flows from operations, and available cash and investments.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the years ended December 31, 2025 and 2024, is as follows:

Description	Rate	December 31,			December 31,			December 31,		Current
		2023	Additions	Deductions	Remeasurement	2024	Additions	Deductions	2025	
Revenue Bonds:										
Series 2002	3.00% to 5.48%	\$ 21,330,000	\$ -	\$ (310,000)	\$ -	\$ 21,020,000	\$ -	\$ (325,000)	\$ 20,695,000	\$ 2,505,000
Series 2007	4.02%	1,524,415	-	(358,878)	-	1,165,537	-	(373,304)	792,233	388,311
Series 2015	2.10%	990,000	-	(490,000)	-	500,000	-	(500,000)	-	-
Series 2017	1.99%	3,850,000	-	(1,905,000)	-	1,945,000	-	(1,945,000)	-	-
Series 2024	4.00 to 5.00%	-	15,115,000	-	-	15,115,000	-	-	15,115,000	-
		27,694,415	15,115,000	(3,063,878)	-	39,745,537	-	(3,143,304)	36,602,233	2,893,311
Add: Bond Premiums		199,997	1,371,265	(97,449)	-	1,473,813	-	(123,686)	1,350,127	-
Total Revenue Bonds		27,894,412	16,486,265	(3,161,327)	-	41,219,350	-	(3,266,990)	37,952,360	2,893,311
State Revolving Fund Loans:										
Series 2004	2.25%	4,178,708	-	(347,606)	-	3,831,102	-	(355,493)	3,475,609	363,560
Series 2005	2.25%	3,421,302	-	(300,229)	-	3,121,073	-	(307,042)	2,814,031	314,008
Series 2007	2.25%	4,197,430	-	(761,863)	-	3,435,567	-	(779,147)	2,656,420	796,827
Series 2009	2.25%	3,291,294	-	(161,336)	-	3,129,958	-	(164,694)	2,965,264	168,170
Total State Revolving Fund Loans		15,088,734	-	(1,571,034)	-	13,517,700	-	(1,606,376)	11,911,324	1,642,565
Other Long-term Liabilities										
Leases	2.12% to 3.00%	40,384	-	(34,231)	-	6,153	-	(2,267)	3,886	2,315
Landfill post-closure costs	n/a	170,600	-	(10,460)	-	160,140	-	(11,125)	149,015	11,500
Compensated absences	n/a	616,736	460,617	(415,926)	-	661,427	552,598	(560,422)	653,603	653,603
Net pension liabilities	n/a	16,447,109	1,405,280	(2,797,306)	-	15,055,083	1,396,066	(2,242,374)	14,208,775	-
Total other postemployment benefits liability	n/a	790,204	72,073	(169,793)	-	692,484	66,480	(313,298)	445,666	142,000
Total Other Long-term Liabilities		18,065,033	1,937,970	(3,427,716)	-	16,575,287	2,015,144	(3,129,486)	15,460,945	809,418
Total Long-term Liabilities		61,048,179	\$ 18,424,235	\$ (8,160,077)	\$ -	71,312,337	\$ 2,015,144	\$ (8,002,852)	65,324,629	\$ 5,345,294
Less current portion		(5,296,337)				(5,484,499)			(5,345,294)	
Total Long-term Liabilities		\$ 55,751,842				\$ 65,827,838			\$ 59,979,335	

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, 2025 and 2024 are as follows:

	2025	2024
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.	\$ 20,695,000	\$ 21,020,000
\$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.	792,233	1,165,537
\$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.	-	500,000
\$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.	-	1,945,000
\$15,115,000 Series 2024 Combined Utility System Revenue Bond used to fund construction and acquisition of certain improvements of gas systems; interest at 4.00% to 5.00%; principal payable annually starting March 1, 2025, and interest payable semi-annually through September 1, 2044.	15,115,000	15,115,000
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.	3,475,609	3,831,102
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.	2,814,031	3,121,073
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.	2,656,420	3,435,567
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%.	2,965,264	3,129,958
Leases:		
Lease for right-to-use building entered into in September 2022; borrowing rate at 2.12%, monthly installments through September 7, 2027.	3,886	6,153
Total long-term debt	\$ 48,517,443	\$ 53,269,390

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

Current portion of long-term debt	\$	(4,538,191)	\$	(4,751,947)
2002 Series bond premium, net of accumulated amortization of \$879,345 in 2025 and \$845,415 in 2024.		132,067		165,780
2024 Series bond premium, net of accumulated amortization of \$153,205 in 2025 and \$63,232 in 2024.		1,218,060		1,308,033
Long-term debt, net of unamortized premium, and current portion of long-term debt	\$	45,329,379	\$	49,991,256

As of December 31, 2025, future maturities of long-term debt are as follows:

	Revenue Bonds		State Revolving Fund Loans	
	Principal	Interest	Principal	Interest
2026	\$ 2,893,311	\$ 1,888,573	\$ 1,642,565	\$ 256,366
2027	3,043,922	1,735,188	1,679,619	219,312
2028	2,785,000	1,573,750	1,717,560	181,371
2029	2,940,000	1,420,575	1,115,389	146,113
2030	3,100,000	1,258,875	924,543	124,484
2031-2035	8,610,000	4,100,625	3,726,369	314,675
2036-2040	6,165,000	2,535,000	1,105,279	72,878
2041-2044	7,065,000	777,000	-	-
	\$ 36,602,233	\$ 15,289,586	\$ 11,911,324	\$ 1,315,199

	Leases		Total	
	Principal	Interest	Principal	Interest
2026	\$ 2,315	\$ 60	\$ 4,538,191	\$ 2,144,999
2027	1,571	12	4,725,112	1,954,512
2028	-	-	4,502,560	1,755,121
2029	-	-	4,055,389	1,566,688
2030	-	-	4,024,543	1,383,359
2031-2035	-	-	12,336,369	4,415,300
2036-2040	-	-	7,270,279	2,607,878
2041-2044	-	-	7,065,000	777,000
	\$ 3,886	\$ 72	\$ 48,517,443	\$ 16,604,857

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, 2025 and 2024, the amount of defeased bonds principal outstanding and unpaid by the Trustee was \$0 and \$4,640,000, 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, 2025 and 2024, amortization in the amount of \$11,125 and \$10,460, 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, 2025 and 2024 is as follows:

	December 31, 2024	Additions	Remeasurements	Amortization	December 31, 2025
Right-to-use lease assets:					
Lease assets, being amortized:					
Furniture and equipment	\$ 6,222	\$ -	\$ -	\$ (2,420)	\$ 3,802
Total lease assets, being amortized, net	\$ 6,222	\$ -	\$ -	\$ (2,420)	\$ 3,802
	December 31, 2023	Additions	Remeasurements	Amortization	December 31, 2024
Right-to-use lease assets:					
Lease assets, being amortized:					
Furniture and equipment	\$ 39,134	\$ -	\$ -	\$ (32,912)	\$ 6,222
Total lease assets, being amortized, net	\$ 39,134	\$ -	\$ -	\$ (32,912)	\$ 6,222

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 \$1,873,211 to the SCRS Plan and \$24,963 to the PORS Plan for the year ended December 31, 2025, and contributed \$1,699,741 to the SCRS Plan and \$20,659 to the PORS Plan for the year ended December 31, 2024.

Required employee contribution rates during the year ended December 31, 2025 and 2024, 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, 2025, are as follows:

SCRS

- 18.56% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation.

PORS

- 21.24% of earnable compensation from January 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, 2024, are as follows:

SCRS

- 18.56% of earnable compensation from January 1st through December 31st
- Employer incidental death benefit: 0.15% of earnable compensation

PORS

- 21.24% of earnable compensation from January 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, 2025 and 2024, the Commission reported liabilities of \$14,067,361 and \$14,910,019, respectively, for its proportionate share of the SCRS net pension liability and \$141,414 and \$145,064, respectively, for its proportionate share of the PORS net pension liability. The net pension liabilities as of December 31, 2025 and 2024 were measured as of June 30, 2025 and June 30, 2024, respectively, and the total pension liabilities used to calculate the net pension liabilities were determined by an actuarial valuation as of July 1, 2024, and July 1, 2023, 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, 2025 (measurement date for reporting at December 31, 2025), the Commission's proportionate shares of the SCRS plan was 0.065100%, which was 0.001519% higher than its proportionate share of the net pension liability measured as of June 30, 2024 (measurement date for reporting at December 31, 2024). At June 30, 2025 (measurement date for reporting at December 31, 2025), the Commission's proportionate shares of the PORS plan was 0.005114%, which was 0.000278% higher than its proportionate share of the net pension liability measured as of June 30, 2024 (measurement date for reporting at December 31, 2024).

Pension Expense

For the years ended December 31, 2025 and 2024, the Commission recognized pension expense for the SCRS plan of \$546,203 and \$1,151,038, respectively. For the years ended December 31, 2025 and 2024, the Commission recognized pension expense for the PORS plan of (\$11,772) and (\$7,930), respectively. For the years ended December 31, 2025 and 2024, the Commission recognized a total pension expense for the SCRS plan and PORS plan of \$534,431 and \$1,143,108, respectively.

Deferred Inflows of Resources and Deferred Outflows of Resources

At December 31, 2025 and 2024, 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:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS				
Difference between expected and actual experience	\$ 660,009	\$ -	\$ 489,996	\$ 18,504
Changes of assumptions	166,257	-	262,861	-
Net difference between projected and actual earnings on pension plan investments	-	903,177	-	574,487
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	247,647	428,776	-	805,078
Commission contributions subsequent to the measurement date to the measurement date	963,727	-	866,548	-
Total SCRS	\$ 2,037,640	\$ 1,331,953	\$ 1,619,405	\$ 1,398,069
PORS				
Difference between expected and actual experience	\$ 16,602	\$ -	\$ 13,623	\$ 832
Changes of assumptions	1,879	-	3,158	-
Net difference between projected and actual earnings on pension plan investments	-	13,318	-	8,133
Changes in proportionate share differences between employer contributions and proportionate share of total plan employer contributions	5,572	34,914	256	63,183
Commission contributions subsequent to the measurement date to the measurement date	12,605	-	10,454	-
Total PORS	\$ 36,658	\$ 48,232	\$ 27,491	\$ 72,148
Total SCRS and PORS	\$ 2,074,298	\$ 1,380,185	\$ 1,646,896	\$ 1,470,217

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

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

The \$963,727 and \$12,605 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, 2025, will be recognized as a reduction of the net pension liabilities in the year ending December 31, 2026. The \$866,548 and \$10,454 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, 2024, was recognized as a reduction of the net pension liabilities in the year ending December 31, 2025.

As of December 31, 2025, 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
2026	\$ 312,501	\$ (12,260)	\$ 300,241
2027	(111,257)	(6,786)	(118,043)
2028	(251,064)	(2,099)	(253,163)
2029	(208,220)	(3,034)	(211,254)
Total	\$ (258,040)	\$ (24,179)	\$ (282,219)

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2025 is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2024 valuation to calculate the TPL as of the June 30, 2025 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	Lesser of 1% or \$500 annually	Lesser 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 2025 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 7.00 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%	5.87%	2.70%
Bonds	26.0%	3.20%	0.83%
Private Equity	9.0%	8.50%	0.77%
Private Debt	7.0%	7.40%	0.52%
Real Assets	12.0%		
Real Estate	9.0%	5.00%	0.45%
Infrastructure	3.0%	7.70%	0.23%
Total Expected Return	100.0%		5.50%
Inflation for Actuarial Purposes			2.25%
			7.75%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the TPL 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 NPL as of December 31, 2025, (June 30, 2025 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	\$ 19,009,824	\$ 14,067,361	\$ 9,954,488
PORS	215,238	141,414	80,848
	\$ 19,225,062	\$ 14,208,775	\$ 10,035,336

The following table presents the Commission's proportionate share of the NPL as of December 31, 2024, (June 30, 2024 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 NPL 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	\$ 19,321,699	\$ 14,910,019	\$ 10,847,210
PORS	210,170	145,064	91,739
	\$ 19,531,869	\$ 15,055,083	\$ 10,938,949

Pension Plan Fiduciary Net Position

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB Statement No. 67 less that System's fiduciary net position. As of June 30, 2025 (measurement date for the Commission's year ended December 31, 2025), NPL 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	\$ 63,956,318,760	\$ 42,347,352,061	\$ 21,608,966,699	66.2%
PORS	10,857,734,777	8,092,430,248	2,765,304,529	74.5%

NOTES TO FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE RETIREMENT PLANS (CONTINUED)

PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position (Continued)

As of June 30, 2024 (measurement date for the Commission's year ended December 31, 2024), NPL 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	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%

The TPL is calculated by the System's actuary, and each plan's fiduciary net position is reported in the System's financial statements. The NPL 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 four 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 three 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 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 three 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:

	2025	2024
Inactive plan members or beneficiaries currently receiving benefits	1	10
Active plan members	103	101
Total plan members	104	111

The health plan is financed on a pay-as-you-go basis. As of December 31, 2025, and 2024, 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, 2025 and 2024 was measured as of December 31, 2024 and December 31, 2023, respectively. The total OPEB liability at the December 31, 2024 and December 31, 2023 measurement date were determined by an actuarial valuation as of December 31, 2024 and December 31, 2022, respectively. Actuarial values are performed biannually. As of December 31, 2025 (December 31, 2024 measurement date) the Commission's total OPEB liability amounted to \$445,666. As of December 31, 2024 (December 31, 2023 measurement date) the Commission's total OPEB liability was \$692,484.

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, 2024
Methods and assumptions	
Actuarial cost method	Entry age normal
Discount rate	3.26% as of the December 31, 2023 measurement date 4.08% as of the December 31, 2024 measurement date
Salary increases	3.00% to 11.00%
Mortality	Based on the PUB-2010 Mortality Table for Employees with a 100% multiplier to better reflect the anticipated experience and provide margin for future improvements
Health care trend rates	7.00% for 2025, declining to an ultimate rate of 4.50% by 2035
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, 2023 (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, 2024 measurement date, the municipal bond index rate is 4.08% (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, 2023 measurement date rate of 3.26%.

CHANGES IN TOTAL OPEB LIABILITY

The below schedule shows the changes in the total OPEB liability for the years ending December 31, 2025 and 2024:

	2025	2024
Beginning balance at January 1,	\$ 692,484	\$ 790,204
Changes for the year:		
Service cost	21,692	18,967
Interest	20,236	28,194
Differences between expected and actual experience	24,552	(104,599)
Changes in assumptions	(168,629)	24,912
Benefit payments	(144,669)	(65,194)
Net changes	(246,818)	(97,720)
Ending balance at December 31,	\$ 445,666	\$ 692,484

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, 2025 (December 31, 2024 measurement date); calculated using a discount rate of 4.08%, 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 (3.08%)	Discount Rate (4.08%)	1% Increase (5.08%)
Total OPEB Liability	\$490,817	\$445,666	\$405,374

The following table presents the plan's total OPEB liability at December 31, 2024 (December 31, 2023 measurement date); calculated using a discount rate of 3.26%, 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 (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$750,996	\$692,484	\$639,891

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, 2025 (December 31, 2024 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	\$397,446	\$445,666	\$503,635

The following table presents the plan's total OPEB liability as of December 31, 2024 (December 31, 2023 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	\$620,358	\$692,484	\$780,046

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 9.25 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, 2025 and 2024 were as follows:

	December 31, 2025		December 31, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 121,353	\$ 373,909	\$ 114,204	\$ 457,071
Change in assumptions	152,504	690,732	181,724	674,499
Employer contributions after measurement date but prior to fiscal year end	142,000	-	60,000	-
Total	\$ 415,857	\$ 1,064,641	\$ 355,928	\$ 1,131,570

As of December 31, 2025, deferred outflows of resources of \$142,000 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, 2026. As of December 31, 2024, deferred outflows of resources of \$60,000 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, 2025. As of December 31, 2025, 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:	
2026	\$ (188,935)
2027	(188,935)
2028	(188,935)
2029	(143,995)
2030	(4,344)
Thereafter	(75,640)
	<u>\$ (790,784)</u>

For the years ended December 31, 2025 and 2024, the Commission recognized OPEB expense of (\$147,007) and (\$126,198), respectively, as follows:

OPEB Expense	December 31, 2025	December 31, 2024
Service cost	\$ 21,692	\$ 18,967
Interest on the total OPEB liability	20,236	28,194
Expensed portion of current-period differences between expected and actual experience	2,654	(9,457)
Expensed portion of current-period changes in assumptions	(18,230)	2,252
Amortization of Deferred Outflow and Inflow of Resources:		
Beginning deferred outflows of resources	43,969	41,717
Beginning deferred inflows of resources	(217,328)	(207,871)
Total OPEB Expense	\$ (147,007)	\$ (126,198)

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
2025	\$ 2,599,258	\$ 2,216,015	\$ 2,382,327	\$ 2,432,946
2024	2,626,887	2,133,260	2,160,889	2,599,258

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 2025 and 2024, 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 2025 and 2024, 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, 2025 and 2024 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 \$3,026,647 and \$2,057,600 and capital contributions of \$4,658,632 and \$3,036,313, 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, 2025 and 2024, 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, 2025 and 2024, 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, 2025</u>	<u>December 31, 2024</u>
Net investment in capital assets:		
Capital assets, net of accumulated depreciation	\$ 349,182,283	\$ 320,467,108
Right-to-use lease assets, net of accumulated amortization	3,802	6,222
Add:		
Deferred loss on refunding	-	43,012
Unspent bond proceeds	14,838,455	15,002,628
Less:		
Retainage payable	(505,400)	(477,343)
Outstanding bonds, leases and notes payable, net of original issue premiums	<u>(49,867,570)</u>	<u>(54,743,203)</u>
	<u>\$ 313,651,570</u>	<u>\$ 280,298,424</u>

REQUIRED SUPPLEMENTARY INFORMATION

GREER COMMISSION OF PUBLIC WORKS

**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DECEMBER 31, 2025**

As of June 30,	Commission's Proportion of Net Pension Liability	Commission's Proportionate Share of the Net Pension Liability	Commission's Covered Payroll	Commission's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
South Carolina Retirement System					
2025	0.065100%	\$ 14,067,361	\$ 9,569,140	147.0%	66.2%
2024	0.063581%	14,910,019	8,737,179	170.7%	61.8%
2023	0.067194%	16,245,881	8,495,585	191.2%	58.6%
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%
Police Officers Retirement System					
2025	0.005114%	\$ 141,414	\$ 107,393	131.7%	74.5%
2024	0.004836%	145,064	95,385	152.1%	70.5%
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%

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF COMMISSION PENSION CONTRIBUTIONS FOR THE YEARS ENDED DECEMBER 31, 2025

As of December 31,	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	Commission's Covered Payroll	Contributions as a Percentage of Total Payroll
South Carolina Retirement System					
2025	\$ 1,873,211	\$ 1,873,211	\$ -	\$ 10,092,733	18.6%
2024	1,699,741	1,699,741	-	9,158,085	18.6%
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%
Police Officers Retirement System					
2025	\$ 24,963	\$ 24,963	\$ -	\$ 117,527	21.2%
2024	20,659	20,659	-	97,265	21.2%
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%

NOTES TO SCHEDULE:

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, 2023	July 1, 2023
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	24 years maximum, closed period	24 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**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 21,692	\$ 18,967	\$ 29,713	\$ 32,120	\$ 29,629	\$ 21,277	\$ 83,297	\$ 79,000
Interest on Total OPEB Liability	20,236	28,194	15,687	17,661	22,803	34,132	95,581	100,000
Changes on Assumptions and Other Inputs	(168,629)	24,912	(76,476)	(17,719)	38,911	82,420	(1,352,678)	201,000
Difference between Expected and Actual Experience	24,552	(104,599)	75,133	(20,623)	46,231	42,165	(616,164)	(85,000)
Benefit payments	(144,669)	(65,194)	(30,522)	(134,992)	(138,252)	(220,927)	(309,203)	(56,000)
Net Change in Total OPEB Liability	(246,818)	(97,720)	13,535	(123,553)	(678)	(40,933)	(2,099,167)	239,000
Total OPEB Liability-Beginning	692,484	790,204	776,669	900,222	900,900	941,833	3,041,000	2,802,000
Total OPEB Liability-Ending	\$ 445,666	\$ 692,484	\$ 790,204	\$ 776,669	\$ 900,222	\$ 900,900	\$ 941,833	\$ 3,041,000
Covered Employee Payroll	\$ 9,193,567	\$ 7,336,347	\$ 7,336,347	\$ 8,091,213	\$ 8,091,213	\$ 6,878,621	\$ 6,878,621	\$ 6,531,000
Discount Rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.31%
Total OPEB Liability as a Percentage of Covered Employee Payroll	4.85%	9.44%	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, 2025

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Electric revenues	\$ 56,141,665	\$ 52,859,642	\$ (3,282,023)
Gas revenues	32,489,996	39,821,397	7,331,401
Water and sewer service	19,791,903	19,406,175	(385,728)
Other operating revenues	3,899,967	4,625,023	725,056
Total operating revenues	<u>112,323,531</u>	<u>116,712,237</u>	<u>4,388,706</u>
Operating expenses:			
Purchased power	40,649,389	40,392,612	256,777
Purchased gas	17,206,233	25,799,339	(8,593,106)
Depreciation and amortization	10,800,000	12,068,389	(1,268,389)
Other operating expenses	41,989,092	29,033,852	12,955,240
Total operating expenses	<u>110,644,714</u>	<u>107,294,192</u>	<u>3,350,522</u>
Operating income	<u>1,678,817</u>	<u>9,418,045</u>	<u>7,739,228</u>
Non-operating revenues (expenses):			
Interest expense	(2,195,196)	(2,194,031)	1,165
Intergovernmental revenues	-	6,093,595	6,093,595
Investment income	325,800	820,959	495,159
Transfers to the City of Greer	(1,000,000)	(1,000,000)	-
Gain on disposal of utility plant	-	322,814	322,814
Legal Settlement	-	536,791	536,791
Total other revenues (expenses), net	<u>(2,869,396)</u>	<u>4,580,128</u>	<u>7,449,524</u>
Change in net position before contributions	<u>(1,190,579)</u>	<u>13,998,173</u>	<u>15,188,752</u>
Contributions	<u>-</u>	<u>7,685,279</u>	<u>7,685,279</u>
Change in net position	<u>\$ (1,190,579)</u>	<u>\$ 21,683,452</u>	<u>\$ 22,874,031</u>

GREER COMMISSION OF PUBLIC WORKS

SCHEDULE OF DIVISIONAL OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2025

	Electric	Gas	Water	Sewer	Total
Operating revenues:					
Electric and gas sales:					
Residential	\$ 32,026,466	\$ 18,217,052	\$ -	\$ -	\$ 50,243,518
Commercial	7,031,625	10,290,560	-	-	17,322,185
Industrial and power	13,801,551	11,313,785	-	-	25,115,336
Water and sewer service	-	-	10,776,192	8,629,983	19,406,175
Collection penalties	183,266	274,899	229,082	229,082	916,329
Other operating revenues	876,503	765,793	671,692	1,394,706	3,708,694
Total operating revenues	53,919,411	40,862,089	11,676,966	10,253,771	116,712,237
Operating expenses:					
Purchased power	40,392,612	-	-	-	40,392,612
Purchased gas	-	25,799,339	-	-	25,799,339
Depreciation and amortization	3,307,158	3,353,013	2,512,605	2,895,613	12,068,389
Other operating expenses	6,604,385	9,375,266	7,741,969	5,312,232	29,033,852
Total operating expenses	50,304,155	38,527,618	10,254,574	8,207,845	107,294,192
Net operating divisional revenue	\$ 3,615,256	\$ 2,334,471	\$ 1,422,392	\$ 2,045,926	\$ 9,418,045

**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	50 - 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.

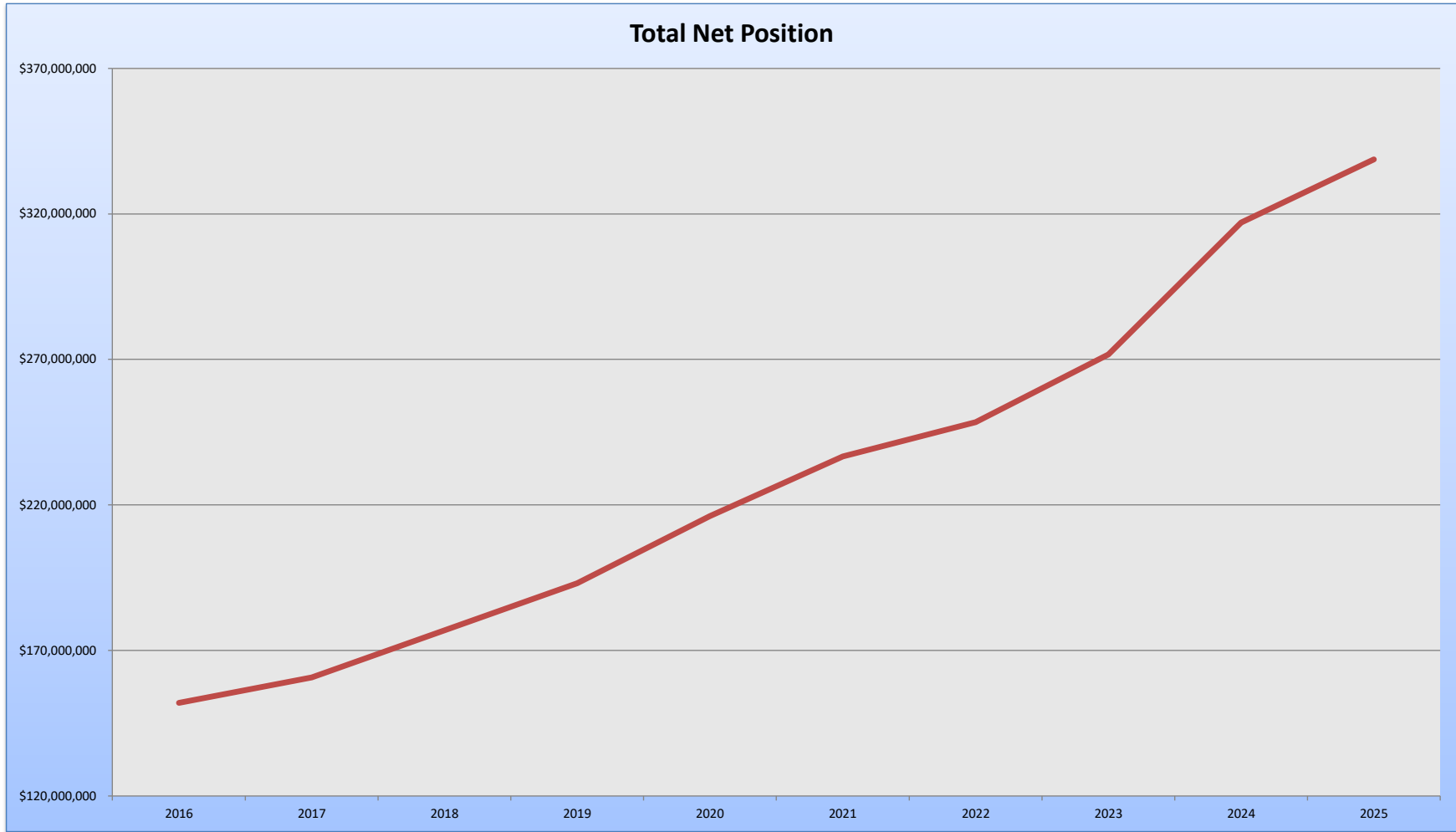
Greer Commission of Public Works

**Combined System
Schedule of Net Position By Component For The Last 10 Years**

	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023	2024	2025
Net investment in capital assets	\$ 131,737,021	\$ 143,103,152	\$ 153,598,034	\$ 162,621,982	\$ 177,260,352	\$ 190,225,958	\$ 208,816,600	\$ 244,906,151	\$ 280,298,424	\$ 313,651,570
Restricted for:										
Debt service	2,194,446	429,032	435,807	472,525	1,002,227	728,263	711,733	1,209,678	2,076,179	1,624,571
Capital projects	9,176,820	6,744,278	7,842,003	9,412,603	11,644,603	9,884,153	10,086,698	7,666,623	3,174,823	192,786
Total restricted	11,371,266	7,173,310	8,277,810	9,885,128	12,646,830	10,612,416	10,798,431	8,876,301	5,251,002	1,817,357
Unrestricted	8,853,337	12,119,357	15,025,227	20,612,988	26,297,768	35,875,503	28,867,360	17,877,380	31,495,368	23,259,319
Change in accounting principles ^{(1) (2) (3)}	-	(1,696,000)	-	-	-	-	-	-	-	-
Unrestricted, restated	8,853,337	10,423,357	15,025,227	20,612,988	26,297,768	35,875,503	28,867,360	17,877,380	31,495,368	23,259,319
Total net position	\$ 151,961,624	\$ 160,699,819	\$ 176,901,071	\$ 193,120,098	\$ 216,204,950	\$ 236,713,877	\$ 248,482,391	\$ 271,659,832	\$ 317,044,794	\$ 338,728,246

- (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 Net Position By Component For The Last 10 Years (Continued)



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>	2016	2017 (Restated)	2018	2019 (Restated)	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Electric revenues	\$ 42,731	\$ 41,945	\$ 45,295	\$ 46,670	\$ 45,671	\$ 46,344	\$ 48,876	\$ 48,350	\$ 51,792	\$ 52,860
Gas revenues	24,346	26,147	33,642	26,981	24,277	30,959	39,126	35,466	32,581	39,821
Water revenues	8,455	8,401	8,497	8,800	8,887	9,363	10,090	10,167	10,559	10,776
Sewer revenues	5,844	6,269	6,572	6,895	6,970	7,284	7,925	7,997	8,644	8,630
Other operating revenues	3,021	2,911	2,944	3,386	3,847	4,036	4,179	4,432	6,192	4,625
Total operating revenues	84,397	85,673	96,950	92,732	89,652	97,986	110,196	106,412	109,768	116,712
OPERATING EXPENSES:										
Purchased power	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125	39,654	40,393
Purchased gas	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450	17,180	25,799
Depreciation	8,454	8,735	8,887	8,989	10,186	10,361	10,643	10,684	11,113	12,068
Depreciation - change in accounting estimate	-	-	-	-	-	-	-	-	-	-
Other operating expenses	18,448	18,897	21,177	22,096	21,909	21,617	23,224	25,744	27,608	29,034
Total operating expenses	75,588	77,120	87,384	80,779	77,058	83,701	101,672	90,003	95,555	107,294
Net operating revenue	\$ 8,809	\$ 8,553	\$ 9,566	\$ 11,953	\$ 12,594	\$ 14,285	\$ 8,524	\$ 16,409	\$ 14,213	\$ 9,418
OTHER REVENUES (EXPENSES)										
Interest expense	\$ (2,541)	\$ (2,324)	\$ (2,060)	\$ (1,979)	\$ (2,059)	\$ (1,934)	\$ (1,846)	\$ (1,735)	\$ (2,254)	\$ (2,194)
Interest revenue	46	66	93	164	113	17	318	832	1,303	821
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	-	-	-
Revenues from legal settlement	-	-	-	-	-	-	-	-	27,500	537
Intergovernmental Grants	-	-	-	-	-	-	64	1,821	402	6,094
Gain/(loss) on disposal of utility plant	44	88	(283)	(742)	(495)	406	346	234	127	323
Total other expenses, net	(3,451)	(3,170)	(3,250)	3,463	770	1,419	(602)	152	26,078	4,581
Change in net position before contributions and extraordinary items	5,358	5,383	6,316	15,416	13,364	15,704	7,922	16,561	40,291	13,999
Capital contributions	3,375	5,051	6,911	5,351	9,721	4,804	3,847	6,616	5,094	7,685
Extraordinary revenues	-	-	2,974	-	-	-	-	-	-	-
	3,375	5,051	9,885	5,351	9,721	4,804	3,847	6,616	5,094	7,685
Change in net position after contributions and extraordinary items	8,733	10,434	16,201	20,767	23,085	20,508	11,769	23,177	45,385	21,684
Beginning net position ^{(2) (3) (4)}	143,229	151,962	160,700	176,901	193,120	216,205	236,713	248,482	271,659	317,044
Change in accounting principle	-	(1,696)	-	(4,548)	-	-	-	-	-	-
Beginning net position, restated	143,229	150,266	160,700	172,353	193,120	216,205	236,713	248,482	271,659	317,044
Ending net position	\$ 151,962	\$ 160,700	\$ 176,901	\$ 193,120	\$ 216,205	\$ 236,713	\$ 248,482	\$ 271,659	\$ 317,044	\$ 338,728

(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

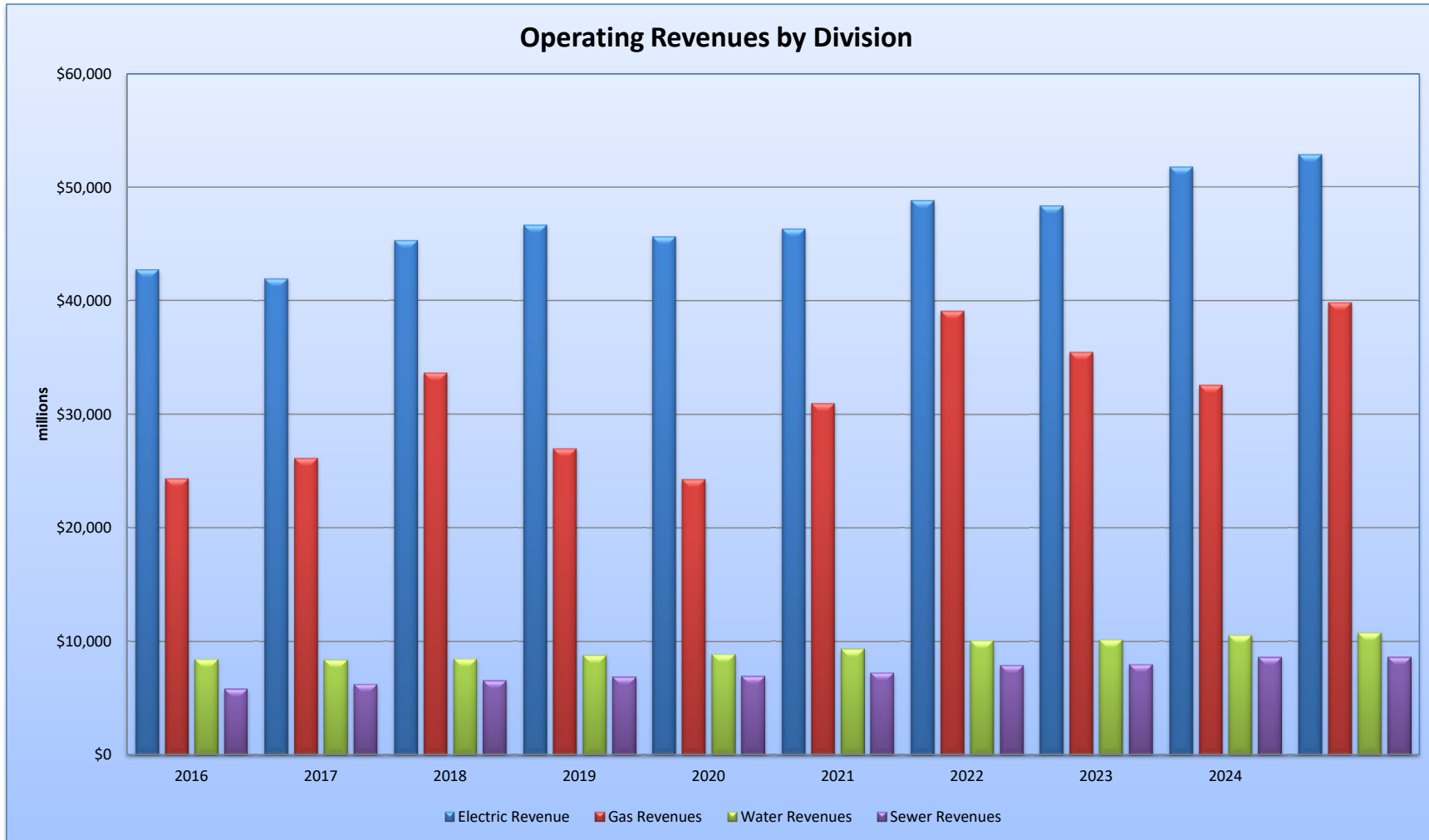
(3) The Commission adopted GASB 68 in fiscal year 2014, which recorded net pension liability

(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⁾

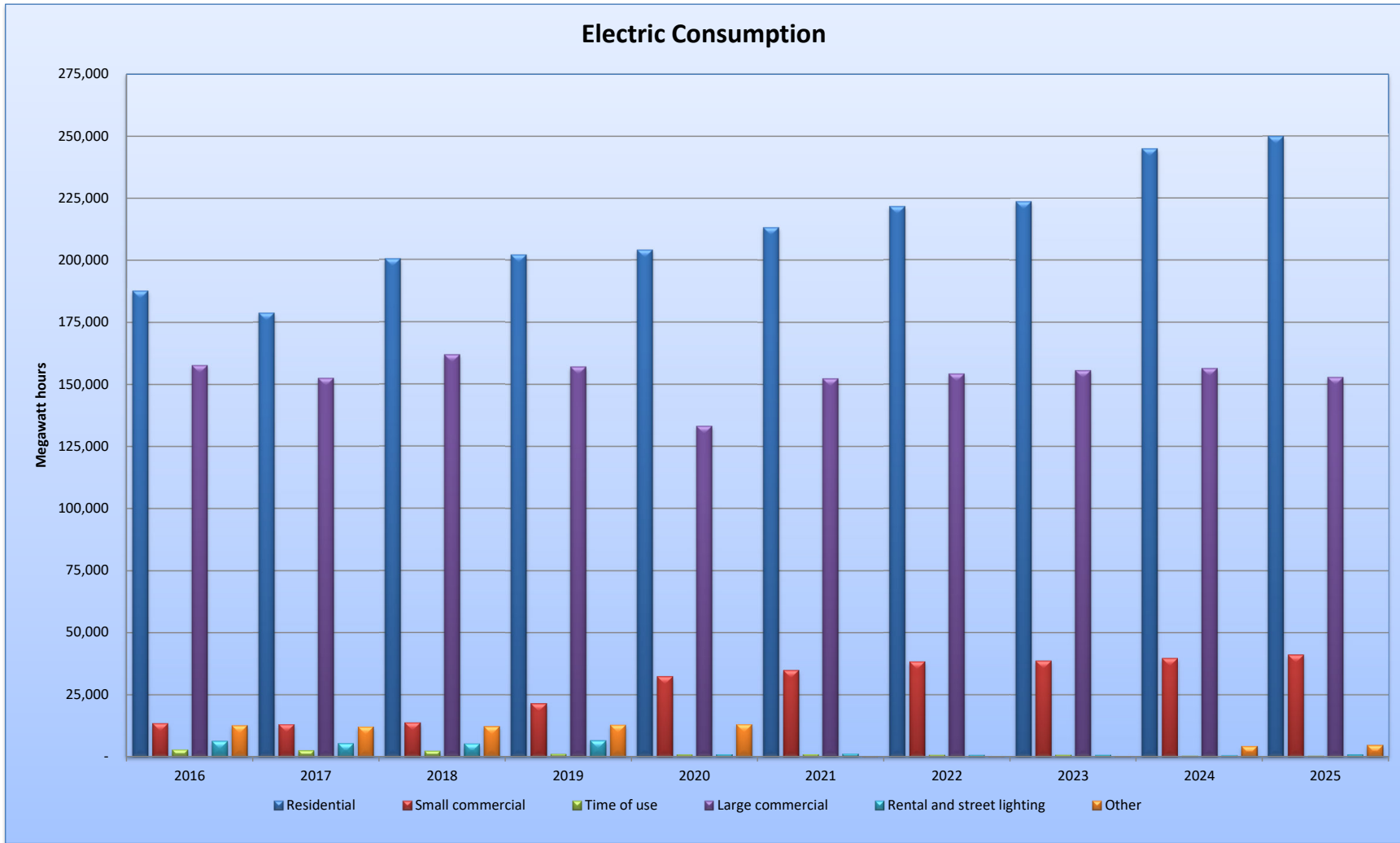
<i>(in thousands)</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Residential	\$ 23,192	\$ 22,524	\$ 25,209	\$ 25,688	\$ 25,733	\$ 26,529	\$ 27,766	\$ 28,600	\$ 28,920	\$ 32,026
Small commercial	4,242	4,425	4,621	4,911	4,732	4,767	5,234	5,173	6,790	5,715
Time of use	368	236	218	96	129	167	237	483	640	43
Large commercial	13,501	13,454	13,802	14,444	13,500	13,615	15,141	13,746	14,164	13,802
Rental and street lighting	1,429	1,306	1,445	1,752	1,577	1,266	1,372	1,357	1,278	1,343
Collection penalties	94	91	121	113	63	114	129	126	267	183
Other	622	534	535	358	1,103	567	61	769	1,641	807
Total operating revenues	43,448	42,570	45,951	47,362	46,837	47,025	49,940	50,254	53,700	53,919
OPERATING EXPENSES:										
Purchased power	36,000	35,502	36,822	37,328	35,632	36,077	37,899	38,125	39,654	40,393
Depreciation	2,043	2,133	2,197	2,222	2,572	2,764	2,797	2,857	3,008	3,307
Other operating expenses	3,544	3,951	5,017	5,662	4,561	4,625	5,916	5,194	4,885	6,604
Total operating expenses	41,587	41,586	44,036	45,212	42,765	43,466	46,612	46,176	47,547	50,304
Net operating departmental revenue	\$ 1,861	\$ 984	\$ 1,915	\$ 2,150	\$ 4,072	\$ 3,559	\$ 3,328	\$ 4,078	\$ 6,153	\$ 3,615
PURCHASED POWER - (Megawatt Hours)										
Purchased from PMPA ⁽²⁾	378,360	368,656	394,346	392,886	378,289	402,415	426,457	420,629	447,728	453,173
Purchased from SEPA ⁽³⁾	16,254	13,072	16,917	22,341	25,980	19,485	16,706	16,322	16,804	15,181
Total purchased	394,614	381,728	411,263	415,227	404,269	421,900	443,163	436,951	464,532	468,354
CONSUMPTION - (Megawatt Hours)										
Residential	187,783	178,757	200,421	202,236	204,120	213,273	221,591	223,717	245,024	250,032
Small commercial	13,566	13,091	13,815	21,465	32,396	34,894	38,388	38,756	39,733	41,181
Time of use	2,876	2,571	2,395	1,130	901	1,067	856	864	421	422
Large commercial	157,777	152,547	161,881	157,070	133,238	152,441	154,212	155,692	156,459	152,913
Rental and street lighting	6,360	5,405	5,370	6,623	1,012	1,207	770	777	591	968
Other	12,672	12,150	12,304	12,925	13,067	211	227	229	4,263	4,728
Total consumption	381,034	364,521	396,186	401,449	384,734	403,093	416,044	420,035	446,491	450,244
Line losses and megawatt hours unaccounted for	13,580	17,207	15,077	13,778	19,535	18,807	27,119	16,916	18,041	18,110
Percentage of line losses and megawatt hours unaccounted for to purchased power	3.4%	4.5%	3.7%	3.3%	4.8%	4.5%	6.1%	3.9%	3.9%	3.9%
ACTIVE SERVICES (Number of Meters)										
Residential	15,338	15,797	16,693	17,534	18,444	19,362	20,363	21,216	21,925	23,192
Small commercial	1,263	1,313	1,196	2,006	2,005	2,098	2,165	2,256	2,218	4,028
Time of use	4	4	4	4	6	6	6	6	6	6
Large commercial	829	906	971	325	320	354	346	360	350	352
Rental and street lighting	6,934	7,005	7,112	8,107	13,200	10,759	8,694	9,058	8,765	3,869
Other	48	48	50	236	356	468	633	660	702	34
Total active services	24,416	25,073	26,026	28,212	34,331	33,047	32,207	33,556	33,966	31,481

(1) Information is compiled from internally generated statistical reports

(2) Piedmont Municipal Power Association

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

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



Greer Commission of Public Works

Gas System

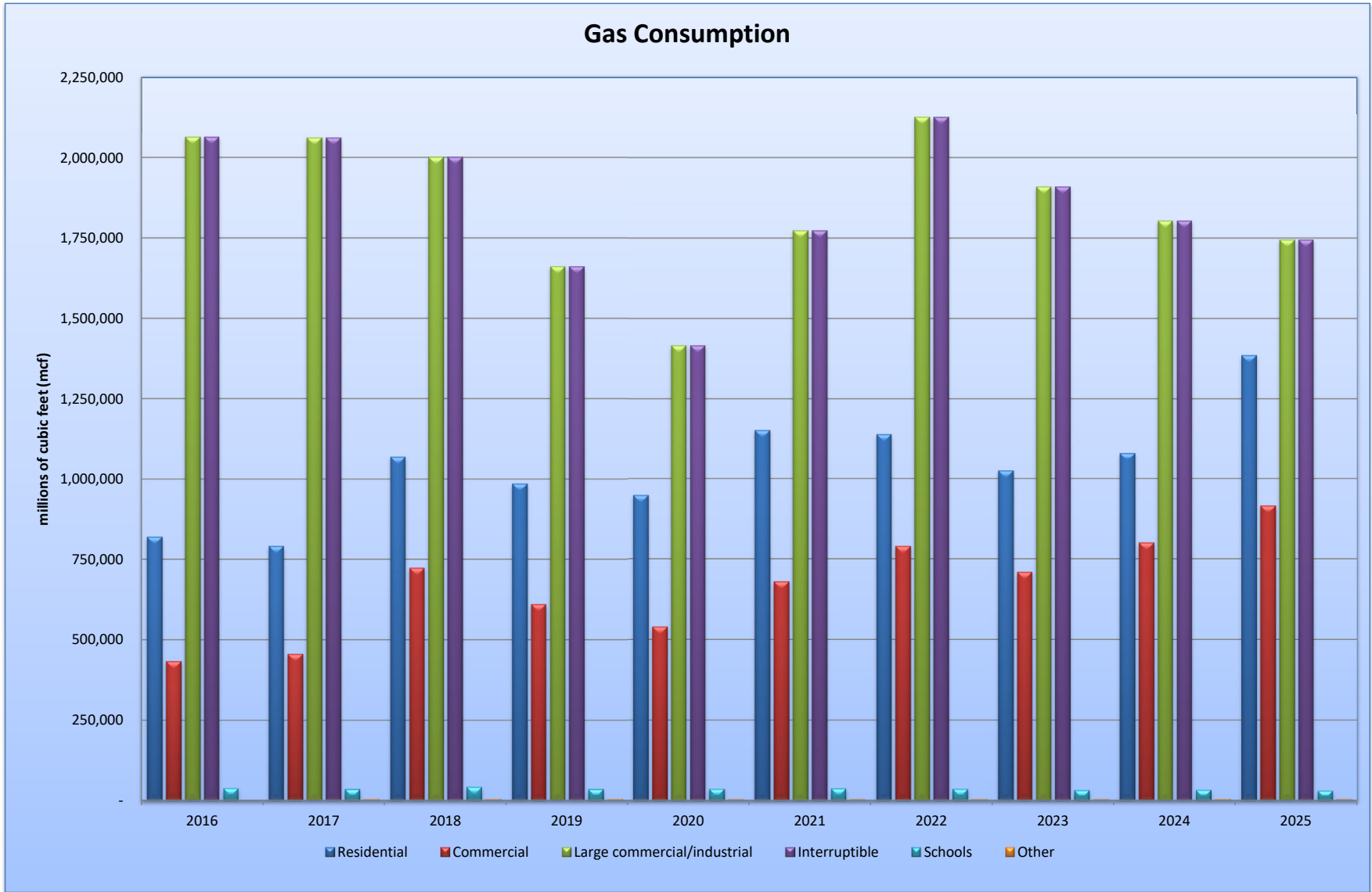
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾

<i>(in thousands)</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Residential	\$ 10,341	\$ 10,290	\$ 14,644	\$ 12,330	\$ 12,134	\$ 13,996	\$ 14,423	\$ 17,028	\$ 15,035	\$ 18,217
Commercial	4,621	4,785	8,093	6,507	6,089	7,520	8,293	8,657	8,811	10,291
Large commercial/industrial	38	35	113	85	83	88	92	75	179	208
Interruptible	8,962	10,557	10,305	7,241	5,898	9,045	9,352	9,628	8,223	10,781
Schools	384	480	487	360	76	311	372	335	332	324
Collection penalties	144	139	185	172	189	181	207	203	527	275
Other	411	377	401	925	453	746	796	756	691	766
Total operating revenues	24,901	26,663	34,228	27,620	24,922	31,887	33,535	36,682	33,798	40,862
OPERATING EXPENSES:										
Purchased gas	12,686	13,986	20,498	12,366	9,331	15,646	29,906	15,450	17,180	25,799
Depreciation	2,189	2,276	2,338	2,296	2,676	2,678	2,686	2,717	2,996	3,353
Other operating expenses	5,675	5,653	6,467	6,055	6,929	6,631	8,170	8,060	9,783	9,375
Total operating expenses	20,550	21,915	29,303	20,717	18,936	24,955	40,762	26,227	29,959	38,527
Net operating departmental revenue	\$ 4,351	\$ 4,748	\$ 4,925	\$ 6,903	\$ 5,986	\$ 6,932	\$ (7,227)	\$ 10,455	\$ 3,839	\$ 2,335
PURCHASED GAS (MCF)	3,724,402	3,644,014	3,973,806	3,410,054	3,286,291	4,173,544	4,447,078	4,415,693	4,690,013	4,709,768
CONSUMPTION - (MCF)										
Residential	820,245	790,957	1,068,994	985,167	948,220	1,151,975	1,140,199	1,024,148	1,080,698	1,385,147
Commercial	432,763	455,132	723,160	610,568	539,287	679,954	789,851	709,459	800,936	915,496
Large commercial/industrial	3,786	3,856	9,493	8,616	9,741	10,561	9,239	8,298	16,759	4,154
Interruptible	2,064,880	2,062,071	2,002,507	1,661,069	1,415,986	1,773,605	2,126,940	1,910,458	1,803,815	1,744,741
Schools	38,402	34,884	42,370	35,026	35,806	37,651	35,651	32,022	32,842	30,130
Other	2,242	4,384	4,494	4,551	3,995	3,502	3,898	3,501	4,553	3,596
Total consumption	3,362,318	3,351,284	3,851,018	3,304,997	2,953,035	3,657,248	4,105,778	3,687,886	3,739,603	4,083,264
Line-loss and unaccounted for gas	362,084	292,730	122,788	105,057	333,256	516,296	341,300	727,807	950,410	626,504
Percentage of line losses and MCF unaccounted for to purchased gas.	9.7%	8.0%	3.1%	3.1%	10.1%	12.4%	7.7%	16.5%	20.3%	13.3%
ACTIVE SERVICES (Number of Meters)										
Residential	19,671	20,529	21,395	22,300	23,468	25,052	26,075	27,743	31,185	30,227
Commercial	1,546	1,600	1,622	1,603	1,843	1,876	1,912	2,031	1,957	3,562
Large commercial/industrial	5	5	6	4	4	4	3	3	3	3
Interruptible	8	8	5	8	7	7	7	7	6	6
Schools	27	27	27	27	28	28	28	28	29	29
Other	21	22	23	137	40	33	36	38	36	44
Total active services	21,278	22,191	23,078	24,079	25,390	27,000	28,061	29,850	33,216	33,871

(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

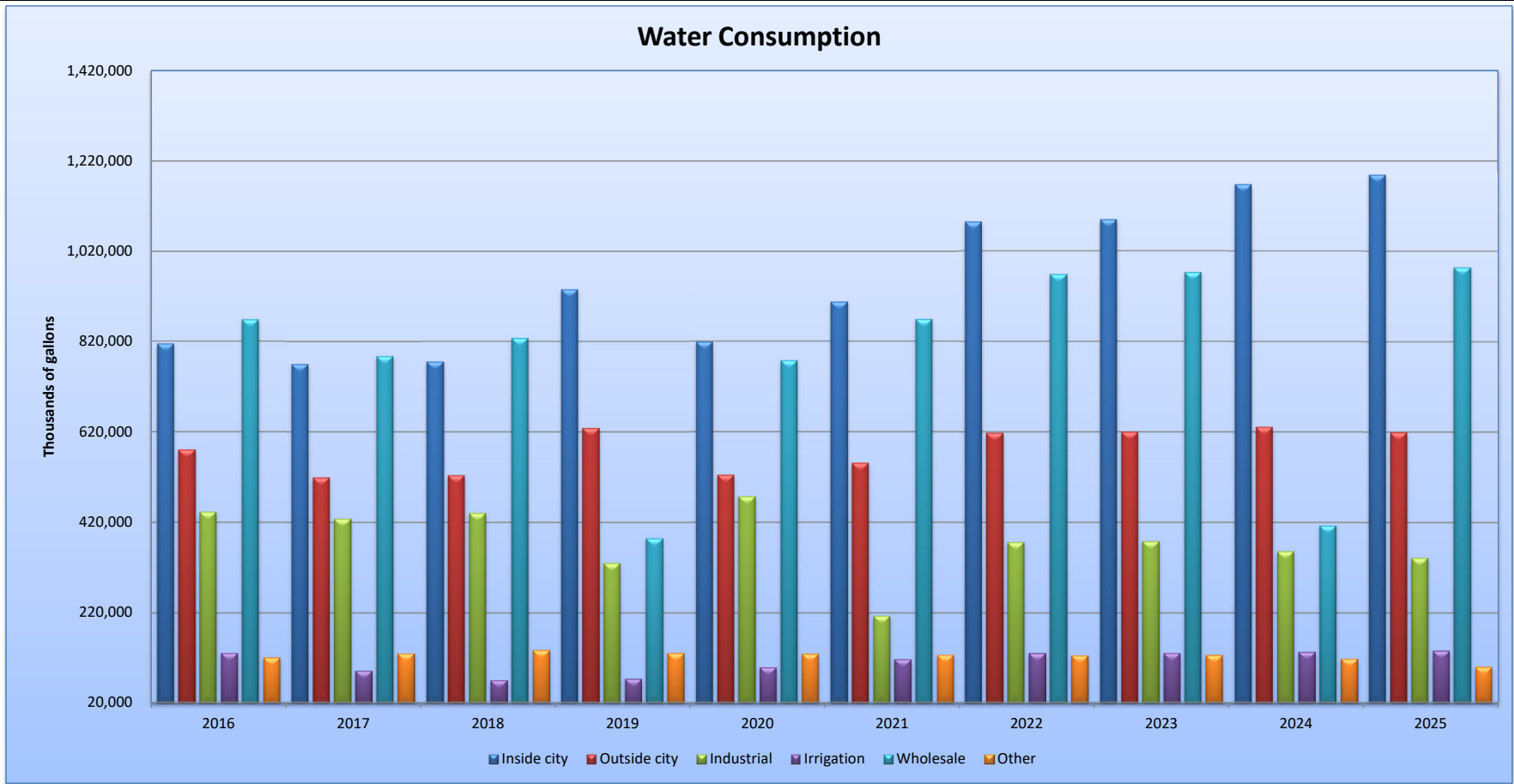
Water System
Schedule of Revenue, Expenses and Operating Indicators - Last Ten Fiscal Years ⁽¹⁾

<i>(in thousands)</i>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Inside city	\$ 2,706	\$ 2,775	\$ 2,785	\$ 3,187	\$ 3,007	\$ 3,842	\$ 4,236	\$ 4,387	\$ 4,455	\$ 4,400
Outside city	2,689	2,651	2,672	3,006	2,696	2,901	3,188	3,127	3,200	3,106
Industrial	1,042	1,069	1,131	581	1,254	1,473	488	770	674	699
Fire protection ⁽²⁾	15	16	16	16	16	16	19	19	19	16
Irrigation	357	308	270	380	338	326	408	361	132	418
Wholesale	1,646	1,582	1,622	772	1,561	806	1,939	1,911	2,079	2,137
Collection penalties	120	116	154	143	132	150	172	167	429	229
Other	561	541	504	1,591	785	738	608	574	663	672
Total operating revenues	9,136	9,058	9,154	9,676	9,789	10,252	11,058	11,316	11,651	11,677
OPERATING EXPENSES:										
Depreciation	1,952	2,024	2,052	2,006	2,305	2,288	2,336	2,445	2,364	2,513
Other operating expenses	5,212	5,480	5,715	6,090	5,921	6,060	7,429	6,984	7,443	7,742
Total operating expenses	7,164	7,504	7,767	8,096	8,226	8,348	9,765	9,429	9,807	10,255
Net operating departmental revenue	\$ 1,972	\$ 1,554	\$ 1,387	\$ 1,580	\$ 1,563	\$ 1,904	\$ 1,293	\$ 1,887	\$ 1,844	\$ 1,422
WATER USAGE (thousands of gallons)										
Total water pumped	3,177,011	2,986,255	3,122,728	3,646,000	3,168,290	3,290,700	3,504,780	3,504,780	3,574,410	3,578,830
Consumption										
Inside city	814,636	769,526	774,757	935,219	818,962	906,942	1,084,256	1,089,283	1,167,033	1,188,939
Outside city	580,358	519,096	523,816	628,187	524,500	551,318	617,211	620,073	630,779	619,210
Industrial	442,654	427,889	440,721	329,680	477,119	213,881	376,130	377,874	355,870	341,369
Irrigation	131,294	91,895	71,355	74,531	99,823	117,375	131,063	131,671	134,038	136,635
Wholesale	867,833	787,335	827,023	384,645	777,554	868,693	968,348	972,838	412,708	984,204
Other	121,177	130,459	137,369	130,989	129,582	127,264	125,924	126,508	118,269	100,845
Total consumption	2,957,952	2,726,200	2,775,041	2,483,251	2,827,540	2,785,473	3,302,932	3,318,247	2,818,697	3,371,202
Non-account water	219,059	260,055	347,687	1,162,749	340,750	505,227	201,848	186,533	755,713	207,628
Non-account water as a percentage of total water	6.90%	8.71%	11.13%	31.89%	10.76%	15.35%	5.76%	5.32%	21.14%	5.80%
ACTIVE SERVICES (Number of Meters)										
Inside city	11,143	11,438	11,802	12,576	13,591	14,000	14,462	14,712	16,087	16,749
Outside city	7,026	7,131	7,215	7,056	7,157	7,173	7,291	8,221	7,755	7,920
Industrial	4	4	3	3	3	4	3	4	6	6
Fire protection	40	42	40	41	41	41	41	41	41	40
Irrigation	490	518	537	575	551	713	714	725	794	1,085
Wholesale	1	1	1	1	1	1	1	1	1	1
Other	17	17	17	17	21	21	27	23	23	32
Total active services	18,721	19,151	19,615	20,269	21,365	21,953	22,539	23,727	24,707	25,833

(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

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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
OPERATING REVENUES:										
Inside city	\$ 3,690	\$ 4,096	\$ 4,387	\$ 4,122	\$ 4,206	\$ 5,041	\$ 4,678	\$ 4,903	\$ 5,404	\$ 5,473
Outside city	1,423	1,438	1,410	1,394	1,391	1,561	1,572	1,587	1,621	1,597
Sewer services, no water	2	2	2	1	1	1	1	1	3	1
Enoree Basin, inside city	553	570	579	404	445	447	500	794	776	1,253
Enoree Basin industrial	176	162	194	186	180	234	231	205	840	306
Collection penalties	120	116	154	143	261	150	171	164	429	229
Other	947	997	890	1,824	1,807	1,389	1,830	507	1,545	1,394
Total operating revenues	6,911	7,381	7,616	8,074	8,291	8,823	8,983	8,161	10,618	10,253
OPERATING EXPENSES:										
Depreciation	2,271	2,301	2,299	2,256	2,632	2,576	2,653	2,665	2,745	2,896
Depreciation - change in accounting estimate	-	-	-	-	-	-	-	-	-	-
Other operating expenses	4,017	3,847	3,978	4,287	4,499	4,357	5,539	5,506	5,497	5,312
Total operating expenses	6,288	6,148	6,277	6,543	7,131	6,933	8,192	8,171	8,242	8,208
Net operating departmental revenue	\$ 623	\$ 1,233	\$ 1,339	\$ 1,531	\$ 1,160	\$ 1,890	\$ 791	\$ (10)	\$ 2,376	\$ 2,045
WASTEWATER TREATMENT										
Wastewater plant flows (thousands of gallons)										
Maple Creek wastewater treatment facility	748,339	764,596	935,800	998,400	1,130,775	943,290	955,420	1,047,190	1,097,170	1,103,270
Wastewater treated - (Thousands of Gallons)										
Inside city customers	481,285	475,059	489,230	565,979	646,344	556,351	578,299	628,293	700,802	707,739
Outside city customers	207,800	201,340	211,038	201,619	386,749	236,591	228,313	344,881	223,334	208,998
Customers with sewer services, no water	2	2	2	3	3	3	3	3	3	3
Other	280	259	221	209	233	168	168	181	155	172
Retail	689,367	676,660	700,491	767,810	1,033,329	793,113	806,783	973,358	924,294	916,912
Unaccounted for wastewater	58,972	87,936	235,309	230,590	97,446	150,177	148,637	73,832	172,876	186,358
Percentage of unaccounted for wastewater to total wastewater treated	7.9%	11.5%	25.1%	23.1%	8.6%	15.9%	15.6%	7.1%	15.8%	16.9%
ANNUAL RAINFALL (inches) ⁽²⁾	34.43	53.11	80.60	52.09	73.71	49.14	54.52	51.95	55.62	45.19
ACTIVE SERVICES (Number of Meters)										
Inside city	6,718	6,963	7,289	7,684	8,098	8,587	8,950	8,935	11,333	10,813
Outside city	1,144	1,160	1,172	1,178	1,190	1,186	1,179	1,172	1,243	1,267
Sewer services, no water	4	4	3	3	3	3	3	3	3	5
Enoree Basin, inside city	4,397	4,558	4,721	4,988	5,343	5,813	6,110	6,188	6,753	6,792
Enoree Basin industrial	163	163	163	175	185	197	189	192	198	303
Other ⁽³⁾	1	1	1	1	3	3	3	3	4	4
Total active services	12,427	12,849	13,349	14,029	14,822	15,789	16,434	16,493	19,534	19,184

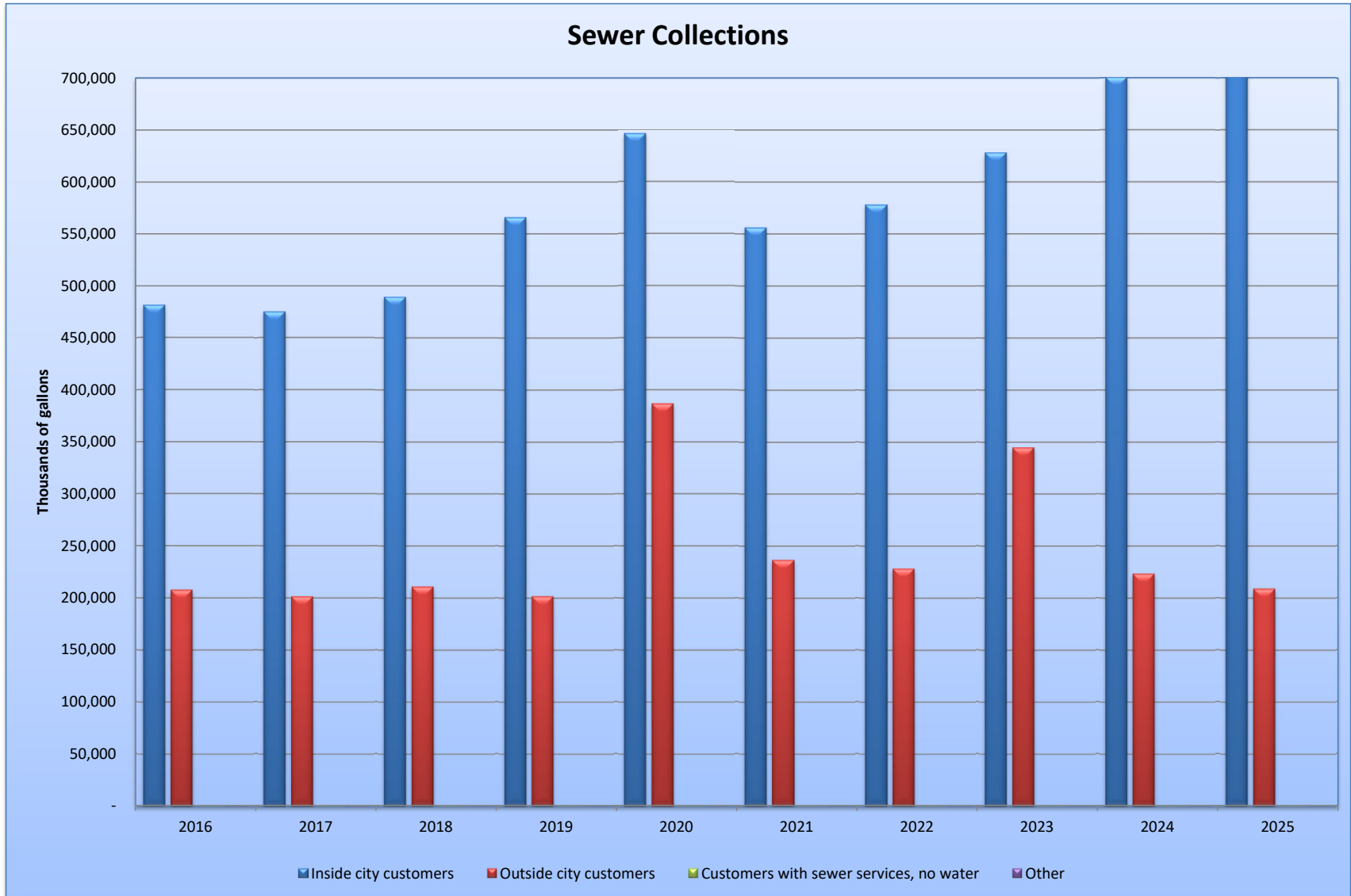
(1) Information is compiled from internally generated statistical reports

(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>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Revenues from operations	\$ 84,397	\$ 85,673	\$ 96,950	\$ 92,732	\$ 89,652	\$ 97,986	\$110,196	\$106,412	\$109,792	\$116,712
Non-operating revenues	46	66	93	7,184	4,324	4,354	2,244	2,653	1,705	6,915
Capacity fees ⁽¹⁾	1,133	1,066	1,153	1,630	2,300	2,385	1,423	1,685	2,058	3,027
Total revenues	85,576	86,805	98,196	101,546	96,276	104,725	113,863	110,750	113,555	126,654
Expenses										
Total expenses	78,085	79,356	89,727	83,290	79,613	85,635	91,029	91,739	84,828	109,488
Depreciation and amortization expense	(8,454)	(8,735)	(8,887)	(8,779)	(10,186)	(10,361)	(10,643)	(10,684)	(11,137)	(12,068)
Bond interest expense	(2,541)	(2,324)	(2,060)	(1,979)	(2,060)	(1,934)	(1,846)	(1,735)	(2,254)	(2,194)
Gain/loss on sale of assets	44	88	(283)	(742)	(495)	406	346	234	127	323
Total expenses	67,134	68,385	78,497	71,790	66,872	73,746	78,886	79,554	71,564	95,549
Net revenues available for debt service	\$ 18,442	\$ 18,420	\$ 19,699	\$ 29,756	\$ 29,404	\$ 30,979	\$ 34,977	\$ 31,196	\$ 41,991	\$ 31,105
Maximum annual debt service ⁽²⁾	\$ 7,229	\$ 7,057	\$ 7,057	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,357	\$ 6,474	\$ 6,474
Maximum annual debt service coverage	255%	261%	279%	468%	463%	487%	550%	491%	649%	480%

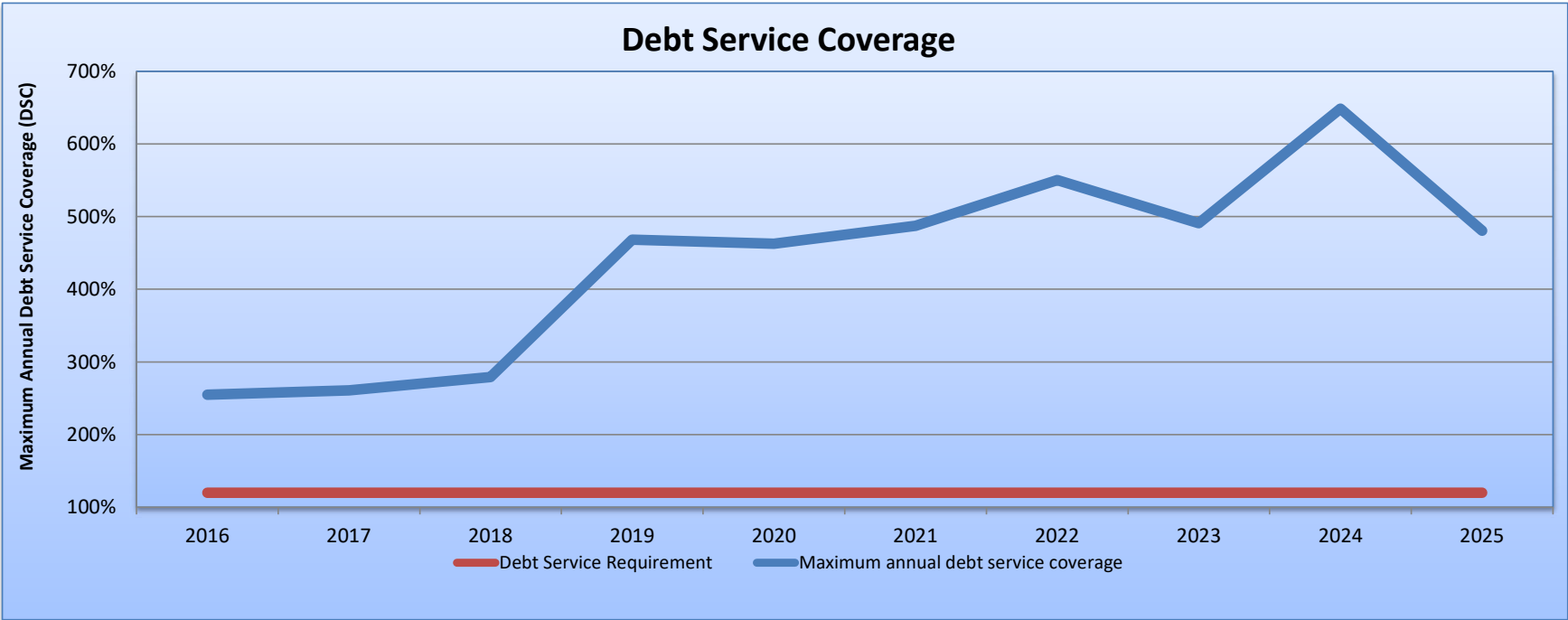
(1) During 2000, the Commission initiated a policy of charging developers and consumers capacity fees to recover a portion of the economic impact directly related to these system expansions.

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	Outstanding Debt	Per Capita	As Share of Personal Income
2016	\$ 75,645,005	\$ 3,140	0.45%
2017	71,887,006	2,861	0.39%
2018	67,873,093	2,490	0.31%
2019	60,262,111	2,073	0.23%
2020	56,047,868	1,832	0.19%
2021	51,729,141	1,618	0.17%
2022	48,173,184	1,258	0.13%
2023	42,823,533	994	0.07%
2024	53,269,390	1,026	0.07%
2025	49,867,570	942	0.06%

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

Name	2025					2016				
	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	920,397	27.30%	\$ 2,069,801	19.21%	1	867,833	29.34%	\$ 1,645,356	19.46%
BMW of North America, LLC	2	270,745	8.03%	652,806	6.06%	2	314,215	10.62%	585,518	6.93%
Greer Commission of Public Works	3	86,744	2.57%	162,478	1.51%	3	121,130	4.10%	206,397	2.44%
Mitsubishi Polyester Film, LLC	4	92,059	2.73%	189,985	1.76%	4	86,779	2.93%	162,296	1.92%
Cliffstar Corporation	5	85,330	2.53%	147,462	1.37%	5	42,206	1.43%	71,756	0.85%
Greenville - Spartanburg International Airport	6	44,969	1.33%	175,335	1.63%	6	36,323	1.23%	142,509	1.69%
Greer Hospital System	7	17,187	0.51%	34,730	0.32%	7	21,655	0.73%	42,745	0.51%
Greenville County School District	8	13,074	0.39%	35,311	0.33%	8	16,259	0.55%	35,003	0.41%
Preserve at West View Apartments	9	12,594	0.37%	48,799	0.45%	-	-	0.00%	-	0.00%
WC Greenville LLC	10	10,889	0.32%	37,902	0.35%	10	10,094	0.34%	39,628	0.47%
Spartanburg Regional Hospital System						9	10,290	0.35%	23,014	0.27%
<i>Sewer System (thousands of gallons)</i>										
Mitsubishi Polyester Film, LLC	1	139,531	15.22%	\$ 399,203	4.63%	2	120,660	17.50%	\$ 276,081	4.72%
BMW of North America, LLC	2	140,085	15.28%	833,518	9.66%	1	138,403	20.08%	637,555	10.91%
Greenville - Spartanburg International Airport	3	53,060	5.79%	184,627	2.14%	4	33,924	4.92%	111,438	1.91%
Cliffstar Corporation	4	53,430	5.83%	72,847	0.84%	7	20,861	3.03%	24,637	0.42%
Greer Hospital System	5	47,114	5.14%	136,016	1.58%	3	52,304	7.59%	125,141	2.14%
Crescent Park Commons	6	27,516	3.00%	238,807	2.77%	-	-	0.00%	-	0.00%
Greenville County School District	7	30,366	3.31%	89,909	1.04%	5	30,846	4.47%	77,632	1.33%
Preserve at West View Apartments	8	24,724	2.70%	92,203	1.07%	10	18,367	2.66%	78,104	1.34%
WC Greenville LLC	9	20,333	2.22%	77,634	0.90%	9	18,469	2.68%	73,989	1.27%
Textron Inc	10	30,454	3.32%	102,138	1.18%	-	-	0.00%	-	0.00%
KBS Legacy Partners Greer, LLC						6	22,431	3.25%	79,736	1.36%
Spartanburg Regional Hospital System						8	20,704	3.00%	48,808	0.84%

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

Name	2025					2016				
	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	15,970	3.55%	1,240,743	0.00%	1	17,038	4.47%	1,150,903	0.00%
Greer Hospital System	2	9,668	2.15%	953,869	0.00%	2	14,386	3.78%	1,454,113	0.00%
Village Hospital	3	9,151	2.03%	799,429	0.00%	4	10,338	2.71%	931,467	0.00%
Greenville County School District	4	7,716	1.71%	876,355	0.00%	3	11,744	3.08%	1,284,845	0.00%
Cliffstar Corporation	5	7,631	1.69%	688,142	0.00%	7	4,203	1.10%	365,999	0.00%
BMW of North America, LLC	6	5,091	1.13%	571,180	0.00%	-	-	0.00%	-	0.00%
City of Greer	7	3,536	0.79%	945,236	0.00%	10	3,136	0.82%	365,182	0.00%
Wal-Mart Stores Inc	8	2,924	0.65%	288,449	0.00%	5	5,879	1.54%	519,289	0.00%
Ingles	9	2,560	0.57%	234,752	0.00%	8	3,515	0.92%	304,120	0.00%
Huntington Foam	10	1,813	0.40%	196,975	0.00%	6	4,269	1.12%	383,455	0.00%
Syncreon America, Inc						9	3,505	0.92%	317,390	0.00%
<i>Natural Gas System (mcf)</i>										
BMW of North America, LLC	1	16,899	0.41%	4,739,863	11.90%	1	161,044	4.79%	3,002,915	12.33%
Mitsubishi Polyester Film, LLC	2	5,433	0.13%	3,096,126	7.78%	2	67,663	2.01%	2,353,755	9.67%
Cliffstar Corporation	3	878	0.02%	967,102	2.43%	6	4,938	0.15%	433,866	1.78%
Sloan Construction	4	784	0.02%	378,451	0.95%	4	7,361	0.22%	280,920	1.15%
Rogers Group Inc	5	492	0.01%	283,060	0.71%	5	6,054	-	241,949	-
Minghua USA, Inc.	6	424	0.01%	498,522	1.25%	-	-	-	-	-
Palmetto Corporation	7	567	0.01%	278,580	0.70%	-	-	-	-	-
Village Hospital	8	275	0.01%	299,557	0.75%	10	2,361	0.07%	228,460	0.00%
Greenville Spartanburg Airport	9	227	0.01%	256,532	0.64%	-	-	-	-	0.00%
SEW Eurodrive Inc	10	213	0.01%	230,480	0.58%	-	-	-	-	0.00%
Greenville County School District						8	3,214	0.10%	315,657	1.30%
Carrotell Paper Board Corp						3	39,820	1.18%	1,403,521	5.76%
Springfield LLC						7	4,797	0.14%	150,404	0.62%
Blacklidge Emulsions						9	2,591	0.08%	227,343	0.93%

Greer Commission of Public Works

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Electric										
Substations	5	5	6	6	5	5	5	5	5	6
Winter peak (megawatts)	70	65	76	71	69	69	94	94	91	91
Summer peak (megawatts)	91	92	92	98	98	101	109	111	113	118
Overhead distribution (miles)	206	212	212	216	214	214	216	218	218	219
Underground distribution (miles)	216	227	241	251	263	270	278	287	292	303
Poles	12,557	13,012	13,266	15,733	13,744	13,846	14,092	14,148	14,242	12,397
Transformers	4,983	5,121	5,290	5,501	5,604	5,655	5,932	5,261	5,937	6,031
Meters	17,864	18,464	19,326	20,089	21,156	21,758	23,295	24,554	24,829	25,916
Vehicles	16	16	16	17	18	19	18	18	16	17
Natural Gas										
Transco pipeline connections	2	2	2	2	2	2	2	2	2	2
High-pressure transmission lines (miles)	43	43	47	43	43	43	44	42	42	44
Intermediate and distribution lines (miles)	749	764	776	789	793	811	866	889	904	900
Pressure reducing regulator stations	131	110	106	115	110	119	227	228	228	243
Meters	22,615	23,361	24,228	25,151	26,273	26,832	27,596	26,391	29,850	33,148
Vehicles	21	18	16	16	16	16	16	16	15	15
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	8	9	10	10	9	10	9	10	10
Peak flow (million gallons per day)	13	13	13	18	18	17	18	18	21	20
Ground storage capacity (million gallons)	8	8	8	8	8	8	8	8	8	8
Elevated tank storage capacity (million gallons)	6	6	8	6	6	6	6	6	6	6
Transmission lines (miles)	32	32	31	31	31	31	31	32	35	35
Distribution lines (miles)	382	404	385	385	395	395	426	430	440	449
Fire hydrants	1,539	1,622	1,654	1,654	1,740	1,763	1,745	1,796	1,828	1,853
Meters	19,267	19,643	20,017	20,668	21,514	21,981	22,449	23,682	23,449	24,182
Vehicles	13	12	10	13	9	10	14	14	10	10
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	3	3	3	3	3	3	3	3
Maximum daily flow	4	4	7	7	7	5	5	5	5	5
Gravity collection lines (miles)	232	236	243	248	257	258	261	246	273	275
Force main collection lines (miles)	23	24	23	25	25	26	26	26	31	31
Lift stations	21	21	21	22	22	26	28	31	32	32
Sewer valves	75	78	83	89	89	107	108	108	117	120
Manholes	6,089	6,283	6,402	6,591	6,854	6,912	6,611	6,962	7,347	7,427
Vehicles	16	16	16	14	10	9	16	16	16	16

Greer Commission of Public Works

Number of Employees by Identifiable Activity

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water system										
Water production	9	8	8	8	9	8	6	6	8	9
Water distribution	8	8	8	7	7	7	8	8	7	7
Lake wardens and staff	2	3	3	3	3	3	2	3	4	4
Total water system	19	19	19	18	19	18	16	17	19	20
Electric distribution system	18	17	14	14	13	13	12	11	11	11
Natural gas distribution system	23	21	14	14	13	13	14	14	15	15
Sewer system										
Collection	7	8	5	5	6	4	5	5	4	5
Treatment	8	9	9	9	9	10	10	9	11	11
Total sewer system	15	17	14	14	15	14	15	14	15	16
Shared support										
General administration	2	3	5	7	7	7	6	6	6	6
Customer service	12	11	8	10	9	6	6	5	6	8
Billing	3	3	4	3	3	3	3	3	3	3
Finance and accounting	4	4	3	3	3	3	3	4	3	4
Meter Technicians	3	5	2	2	2	5	3	3	3	3
Engineering	7	7	8	8	8	8	5	8	9	11
Warehouse and facilities maintenance	4	5	6	6	6	7	6	6	6	6
Human resources	4	4	3	3	3	3	3	3	4	4
Operations	4	2	-	-	-	-	-	-	-	-
Information systems	4	3	2	3	3	3	5	5	5	3
Locators	5	5	5	5	5	4	3	-	-	-
Measurement	2	-	-	-	-	-	-	-	-	-
Communications	1	1	1	1	1	1	1	1	1	1
Vehicle maintenance	2	2	-	-	-	-	-	-	-	-
Total shared support	57	55	47	51	50	50	44	44	46	49
Total employees	132	129	108	111	110	108	101	100	106	111

Greer Commission of Public Works

Demographics and Economic Statistics

Last 10 Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Population ^{1,2}	28,905	29,145	29,307	31,154	32,211	35,308	37,481	38,495	44,387	50,113
Mean household income ¹	\$ 62,300	\$ 69,017	\$ 70,296	\$ 71,251	\$ 64,368	\$ 66,493	\$ 67,863	\$ 68,270	\$ 80,030	\$ 82,626
Personal income (000's) ¹	\$ 696,293	\$ 732,326	\$ 798,762	\$ 905,647	\$ 985,463	\$ 928,641	\$ 947,214	\$ 1,453,879	\$ 1,528,027	\$ 1,605,956
Per capita personal income ¹	\$ 24,089	\$ 25,127	\$ 27,255	\$ 29,070	\$ 30,594	\$ 31,969	\$ 38,279	\$ 43,091	\$ 51,913	\$ 52,956
Median age ¹	36.3	36.5	36.7	37.1	37.3	37.5	37.8	37.9	35.5	36.1
*Unemployment rates ³	4.4%	3.4%	3.4%	1.8%	3.6%	2.9%	2.1%	2.9%	3.5%	4.2%

Source:

(1) World Population Review Online or Neilsberg 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 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, 2025, 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 18, 2026.

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 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.

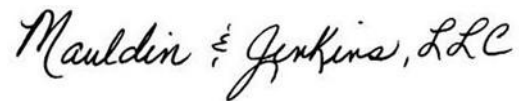
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 18, 2026



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **Greer Commission of Public Works'** (the "Commission") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2025. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

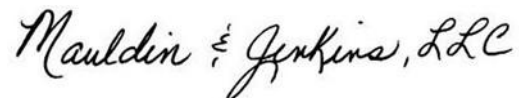
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Columbia, South Carolina
April 18, 2026

GREER COMMISSION OF PUBLIC WORKS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Grant Identification Number	Expenditures	Passed through to Subrecipients
U.S. Department of the Treasury:				
Passed through South Carolina Rural Infrastructure Authority				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)	21.027	A-23-C090	\$ 6,010,345	\$ -
Total U.S. Department of the Treasury			6,010,345	-
U.S. Department of Energy:				
Passed through South Carolina Public Service Authority				
Electric Grid Resiliency Program	81.254	DE-GD0000041	1,240	-
Total U.S. Department of Energy			1,240	-
Total Expenditures of Federal Awards			\$ 6,011,585	\$ -

GREER COMMISSION OF PUBLIC WORKS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Greer Commission of Public Works (the "Commission") and is presented on the accrual basis of accounting. The Commission reporting entity is described in Note 1 to the Commission's basic financial statements.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The Commission chose not to use the 15% de Minimis indirect cost rate for the year ended December 31, 2025.

NOTE 3. NON-CASH AWARDS AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

GREER COMMISSION OF PUBLIC WORKS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
 Material weaknesses identified? _____ Yes X No

Significant deficiencies identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:
 Material weaknesses identified? _____ Yes X No

Significant deficiencies? _____ Yes X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	U.S. Department of the Treasury COVID-19 – Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee? _____ Yes X No

GREER COMMISSION OF PUBLIC WORKS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND RESPONSES

None reported.

SECTION IV
PRIOR YEAR FINDINGS

None reported.