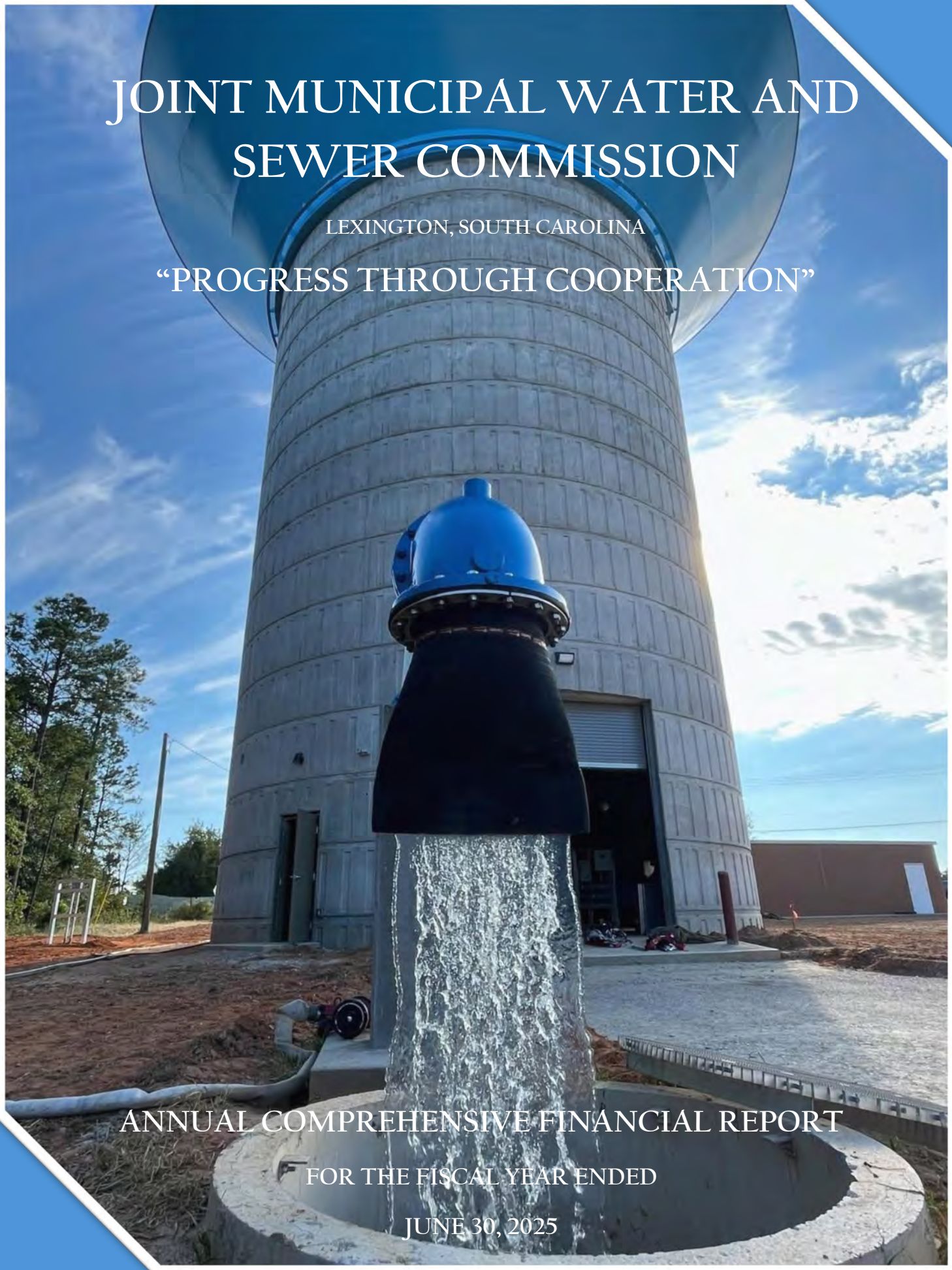
JOINT MUNICIPAL WATER AND SEWER COMMISSION

LEXINGTON, SOUTH CAROLINA

"PROGRESS THROUGH COOPERATION"



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

JOINT MUNICIPAL
WATER AND SEWER COMMISSION

POST OFFICE BOX 2555
LEXINGTON, SC 29071-2555

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2025

PREPARED BY THE FINANCE DEPARTMENT

CUSIP Prefix 529055

Submitted in compliance with the provisions of the Disclosure Dissemination Agent Agreement between the Commission and Digital Assurance Certification, L.L.C. dated as of December 19, 2019 which was executed in connection with the Commission's $17,820,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019A, $4,485,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019B, and $21,915,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019C, respectively.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

I. INTRODUCTORY SECTION ..... PAGE
- Letter of Transmittal 1
- List of Commissioners and Senior Management 9
- Organizational Chart 11
- Certificate of Achievement for Excellence in Financial Reporting 13

II. FINANCIAL SECTION
- Independent Auditors' Report 15
- Management's Discussion and Analysis 21
- **Basic Financial Statements:**
  - Statement of Net Position (Exhibit A) 35
  - Statement of Revenues, Expenses and Changes in Net Position (Exhibit B) 39
  - Statement of Cash Flows (Exhibit C) 41
  - Notes to the Financial Statements 43
- **Required Supplementary Information:**
  - South Carolina Retirement System – Schedule of Contributions 65
  - South Carolina Retirement System – Schedule of the Proportionate Share of the Net Pension Liability 65
  - Other Post-Employment Benefits – Schedule of Changes in the Net OPEB Liability 66
  - Other Post-Employment Benefits - Schedule of the Net OPEB Liability 67
  - Other Post-Employment Benefits - Schedule of Employer Contributions 67
- **Schedule of Other Supplementary Information:**
  - Schedule of Other General and Administrative Expenses (Schedule 1) 68

III. STATISTICAL SECTION
- Statistical Section Table of Contents 69
- Financial Trends
  - Table I - Net Position by Component 71
  - Table II - Changes in Net Position 73
  - Table III - Revenues and Expenses (Rate Basis) 75
- Revenue Capacity
  - Table IV - Distribution of Customers by Account Type 77
  - Table V-1 – Monthly Charges to Commission Residential Customers with ¾" Meter and 7,000 Gallons Usage and Monthly Charge Comparison with Other Regional Municipal Utility Systems for Residential Customers with ¾" Meter and 7,000 Gallons Usage 79
  - Table V-2 - Monthly Charge Comparison with Other Regional Municipal Utility Systems for Industrial Customers with 4" Meter and 400,000 Gallons Usage 81
  - Table VI – Residential Water and Sewer Rates 83
  - Table VII - Top Ten Largest Water Users and Top Ten Largest Sewer Users 85
  - Table VIII - Billings and Collections 87
  - Table IX - Water Purchased vs. Water Billed 89
- Debt Capacity
  - Table X - Summary of Financial Indebtedness of the System 91
  - Table XI - Description of Debt Instruments 93
  - Table XII – Debt and Debt Service per Customer 95
  - Table XIII - Pledged Revenue Coverage 97
- Demographic and Economic Information
  - Table XIV - Demographic and Economic Statistics (County of Lexington) 99
  - Table XV - Principal Employers (County of Lexington) 101
- Operating and Capital Information
  - Table XVI - Departmental Breakdown of Commission Employees 103
  - Table XVII - Operating Indicators 105
  - Table XVIII - Capital Assets of the Commission 107

IV. COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards....109
Notes to the Schedule of Expenditures of Federal Awards....111
Independent Auditors' 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*....113
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance....117
Schedule of Findings and Questioned Costs....123

Introductory Section

July 24, 2026

Joint Municipal Water and Sewer Commission
P. O. Box 2555
Lexington, SC 29071

To the Board of Commissioners and Customers of
Joint Municipal Water and Sewer Commission

It is our pleasure to submit to you this Annual Comprehensive Financial Report (ACFR) of the Joint Municipal Water and Sewer Commission (the "Commission") for the fiscal year that ended June 30, 2025. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that we have established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, this report 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 was created by an act of the State of South Carolina Legislature that requires an annual audit by independent certified public accountants. The Brittingham Group, LLP has performed an audit of the Commission's financial statements and has issued an unmodified ("clean") opinion on the Joint Municipal Water and Sewer Commission's financial statements for the fiscal year ended June 30, 2025. (See page 15)

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Commission is required to assess whether an annual single audit in conformity with the provisions by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards needs to be performed. In accordance with these requirements, a Single Audit was needed because the Commission's federal expenditures exceeded $750,000 during fiscal year 2025.

This report is submitted in compliance with the provisions of the Disclosure Dissemination Agent Agreement between the Commission and Digital Assurance Certification, L.L.C. dated as of December 19, 2019 which was executed in connection with the Commission's $17,820,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019A, $4,485,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019B, and $21,915,000 Water and Sewer System Improvement and Refunding Revenue Bonds, Series 2019C, respectively. Pursuant to this undertaking, the Commission has covenanted to provide certain financial information and operating data relating to the Commission by no later than January 31 of each year, and to provide notices of the occurrences of certain enumerated events, if deemed by the Commission to be material. These covenants were made to assist the underwriters of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5).

This report and future ACFRs will be filed with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access system ("EMMA"). Notices of material events will be filed with EMMA. No material default has occurred under the Commission's continuing disclosure undertakings.

No persons at the Commission have undertaken to independently verify information pertaining to nongovernmental data and activities contained in this ACFR, but such information has been obtained from sources which the Commission believes to be reliable, and the Commission has no reason to believe that they are untrue in any material respect.

Profile of the Commission

The Commission is a joint authority water and sewer system and a public body corporate and politic organized under Title 6, Chapter 25 South Carolina Code of Laws of 1976, as amended, currently providing water and sewer services in the central and southern unincorporated areas of Lexington County. The Commission was organized for the purpose of establishing a comprehensive, county-wide water and sewer system to be accomplished through the construction of new facilities and improvements and purchase of existing systems, where appropriate. The term of the existence of the Commission is not limited.

The Commission is authorized, among other things, (a) to purchase, construct, acquire, own, operate, maintain, repair and improve any and all works, improvements, facilities, plants and equipment in accordance with its bylaws, (b) to issue revenue bonds of the Commission, payable solely from revenues of the system and such other funds as may be available therefor with a favorable vote of two-thirds of the Commissioners, and (c) to fix, charge and collect rents, rates, fees and charges for the use of and for the services furnished or to be furnished by any system of the Commission.

The Commission was formed in October 1992, and consisted of four (4) initial members, including the County of Lexington, City of Cayce, Town of Pelion, and Town of Swansea. Currently, it consists of seven (7) additional members, including the City of West Columbia, Town of Batesburg-Leesville, Town of Springdale, Town of Gaston, the Gilbert-Summit Rural Water District, the Town of Lexington, and the Town of South Congaree, bringing the current total to eleven (11) members. Its purpose is to pursue, through the cooperative efforts of its representative members, water and wastewater systems expansion within the County of Lexington to promote and support further economic development, and to address health, environmental and quality of life concerns brought on by the lack of such services within the county. Utilizing the systems resources available from its members, as well as the resources of its own, the Commission's goal is to meet water and wastewater service needs in certain unincorporated areas of Lexington County. It is governed by representatives appointed by the governing bodies of its members.

Although originally established to provide water and wastewater services only to the unincorporated areas of Lexington County, the Commission now also provides wholesale services to surrounding incorporated municipalities. The Commission's customer base as of June 30, 2025, was comprised of 20,960 water customer retail accounts, 7,250 sewer customer retail accounts, and the following wholesale water and sewer customers: the Town of Swansea (water & sewer) and the Town of Gaston (sewer only). The Commission assumed franchise operations of the Town of South Congaree and the Town of Pelion in fiscal year 2010, as well as the acquisition of a portion of AAA Utilities. Historically, the Commission has provided limited water supplies to the Town of Lexington, Gilbert-Summit Rural Water District, and the City of Cayce as needed. Commission headquarters are located on Two Notch Road in Lexington County, approximately 3 miles west of the Town of Lexington.

The Commission has no taxing power. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded by capital (cash and systems) contributions from customers, including other utilities and developers, Federal and State grants and loans, debt issuance and customer revenues.

Commission Organization

The Administrative Department provides executive management, including policy formation and strategic planning to the entire Commission. The Administrative Department also represents the Commission in all legislative-lobbying efforts pertaining to securing continued federal and state funded rate relief. Additional responsibilities include representing the Commission in all litigation, overseeing and directing labor relations and management information systems.

The Finance Department provides management of the Commission's revenues and all its financial resources. The Finance Department accomplishes these objectives through its financial budgeting, rate analysis, accounting, and cash management activities. This department is also responsible for debt financing, investment management, providing procurement, as well as maintaining several finance-related information technology applications. This department is responsible for organization-wide information technology initiatives and oversight.

The Customer Service Department provides services to the customers in the form of setting up new accounts, billing and adjustments, documenting the resolution of service issues, erratic consumption, accepting and properly crediting payments from customers, managing automated payment services, and responding to customer inquiries via telephone and the internet. This department is also responsible for bad debt collection.

The Water and Sewer Departments ensure ongoing maintenance and emergency repairs to the Commission's water and sewer mains, service connections, hydrants, and drains. This department is also responsible for inventory control, provisions of facilities, support services, meter reading, safety management, and programs regulated by the State and Federal governments.

The Engineering Department ensures the provision of high-quality reliable drinking water and sanitary sewer collection services while protecting the environment. This is done by effectively planning, designing, managing, and providing contract compliance for the construction of the Commission's capital projects. This department is also responsible for updating and maintaining the Commission's Geographic Information System (GIS).

The Cross Connection Department protects the Commission's water distribution system and water quality from contamination and/or pollution due to unprotected or improperly installed connections to its system.

The Commission provides reliable high-quality supplies of potable water used for drinking, irrigation, fire protection and other purposes. The City of West Columbia surface water treatment plant on Lake Murray is the sole source from which the Commission obtains its water. Wastewater services are provided by the City of Cayce Regional Wastewater Treatment Facility (WWTF), which provides wholesale treatment services to the Commission for its service area.

Local Economy

The Commission is situated in and is a provider of water and sewer services to, an area of Lexington County which is home to a dense industrial population. Major industries and corporations located within the Commission's boundaries or in close proximity include Michelin Tire Corp., Prysmian Cables & Systems, U. S. Foods, The Martin Brower Company (previously Golden State Foods), and Wal-Mart. Lexington County School District #1 and the Lexington Medical Center also have a significant economic presence, with these two entities employing approximately 13,134 teachers, professionals, and support staff.

According to data from the Bureau of Labor Statistics, Lexington County's annual unemployment rate of 3.6% in calendar year 2024 was lower than the 4.1% unemployment rate recorded for the state of South Carolina as a whole, and the 4.0% recorded for the United States as a whole. According to the Community Profile for Lexington County published by the SC Department of Employment and Workforce, this trend of a relatively low unemployment rate versus the State of South Carolina and the United States has been a consistent pattern for at least the last ten years. Further evidence of the economic stability of Lexington County can be found in its continued growth in population. The estimated population of Lexington County was 313,774 as of July 1, 2024,

versus 293,977 as of April 1, 2020, according to the US Census Bureau. This population growth of 19,797 people since 2020 corresponds to a compound annual growth rate (CAGR) of 1.64%. This evidence suggests that Lexington County is a desirable, growing community. As further evidence of the desirability of the area in which the Commission operates, Niche, an online platform that connects people to their future schools, neighborhoods and workplaces has ranked Lexington County 5th place (of 46) for "2026 Best Counties to Live in South Carolina" based on a comprehensive assessment of the overall livability, taking into account several key factors of a location, including the quality of local schools, crime rates, housing trends, employment statistics, and access to amenities.

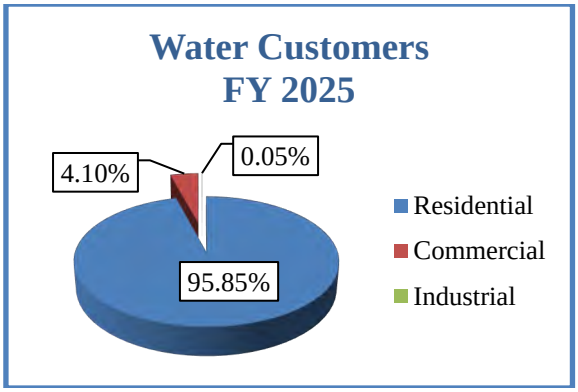
The Commission continues to seek ways to operate in an efficient manner to benefit customers and staff. As of June 30, 2025, the Commission had 38 active full-time employees out of 40 total budgeted positions. This reflects one additional active employee and two additional budgeted positions at fiscal year-end versus the prior year.

The Commission continues to maintain a credit rating of Aa2 from Moody's and AA+ from S&P Global Ratings.

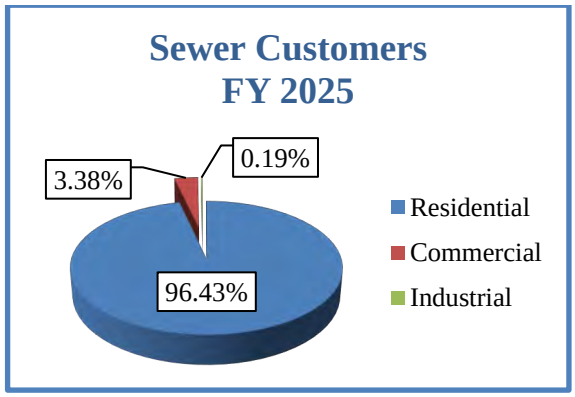
It is the expectation of Commission staff that we will continue delivering effective service to customers. As a result of strong management initiatives and a solid financial foundation, we expect to continue to meet the needs of the community and its growth well into the future.

Customer Base

Our water customer base has grown at a CAGR of 3.94% per year over the past 10-year period (including acquisitions and franchises), growing from 14,239 water customers at fiscal year-end 2015 to 20,960 at fiscal year-end 2025 – a total growth of 6,721 water customers, or 47.20% total growth. The water customer base has seen a total increase of 9.74%, or a CAGR of 3.15%, over the past 3 fiscal years of 2025, 2024 and 2023. The sewer customer base has seen even more robust growth, growing at a CAGR of 6.20% over the same 10-year period, growing from 3,973 sewer customers at fiscal year-end 2015 to 7,250 at fiscal year-end 2025 – a total growth of 3,277 sewer customers, or 82.48% total growth. The sewer customer base has seen a total increase of 22.22%, or a CAGR of 6.92%, over the past 3 fiscal years of 2025, 2024 and 2023. The level of growth experienced by the Commission is an excellent indicator of its continued financial health. The charts and tables below depict the customer class composition of our customer base (active accounts):



Water Customer Base - 10 Year Comparison of Growth				
	2025	2015	Change	% Change
Residential	20,090	13,572	+6,518	48.03%
Commercial	860	655	+205	31.30%
Industrial	10	12	-2	-16.67%
Total	**20,960**	**14,239**	**6,721**	**47.20%**



Sewer Customer Base - 10 Year Comparison of Growth				
	2025	2015	Change	% Change
Residential	6,991	3,799	+3,192	84.02%
Commercial	245	160	+85	53.13%
Industrial	14	14	+0	0.00%
Total	**7,250**	**3,973**	**3,277**	**82.48%**

Budgetary Procedures

The Commission's budgetary preparations begin at the middle of each fiscal year. Budget workbooks are distributed to each of the Commission's department managers, who are responsible for preparing expenditure estimates and submitting their projected operational and capital needs for the ensuing fiscal year. These requests are reviewed by the General Manager/CEO and interim discussions are held with department managers to clarify the needs of each department. Once a final draft is established, it is submitted to the Board of Commissioners (the "Board") for approval. The approved budget will remain in effect for the entire fiscal year and cannot be revised without amendment by the Board as described below.

The budget is subjected to a progressive evaluation throughout the course of the budget year. This evaluation allows management to adjust the budget as needs arise. The budget may be amended by either a reallocation of budgetary line items or supplemental budget allocations. Certain levels of amendments may be executed without Board approval according to the Commission's approved Budget policies. Amendments that are required to have the Board's approval are presented to the Board at its next meeting.

Long-term Financial Planning and Major Initiatives

In keeping with the bylaws of the Commission, the 5-year Capital Improvements Program (CIP) identifies capital expenditures totaling $78.525 million for the fiscal year periods 2026-2030. Expenditures are divided into two categories: water system projects and sewer system projects. The budgeted cost breakdown between categories is as follows: water system projects - $67.275 million, sewer system projects - $11.25 million. These budgeted expenditures are outlined in further detail in the CIP. Anticipated funding sources budgeted for the projects listed above are as follows: borrowings of $41 million, cash reserves of $26.425 million, rate revenues of $10.0 million, and $1.1 million in grants.

The overall objectives of the Commission's CIP are to ensure: 1) the delivery of high-quality potable water for consumption; 2) the delivery of reliable fire protection; and 3) the efficient collection of sanitary sewer for transport and delivery to the Cayce Regional WWTF. In addition, the CIP includes projects to improve the overall efficiency of the Commission and to enhance the Commission's ability to provide services to its customers. The projects included in the CIP are intended to accomplish these objectives in the most efficient and cost-effective manner.

In terms of physical improvements to the system, the following projects were completed during fiscal year 2025:

- Upsize Lydia Drive 8" Water Main
- Bluefield School Regional Sewer Pump Station
- Bluefield Regional 16" Force Main (Phase 1)

During the fiscal year, work began or continued on several projects for the Commission that were not completed as of June 30, 2025:

- Counts Ferry Road Site
- Lexington Hills Lift Station
- Industrial Park Lift Station
- Old Orangeburg Road/Platt Springs Road Sewer Improvements
- Bluefield Sewer Improvements
- Batesburg-Leesville Water Line Extension
- Batesburg-Leesville Water Tank
- Pelion Water Main Replacement – Main Street
- Charter Oak Tank to Sherwood Drive Water Main
- Sherwood Waterline
- Waterline Replacement – Land of Lakes
- Water Plant Capacity – Expansion of City of West Columbia Lake Murray WTP Capacity

Additionally, there are several projects planned for the next 5 years:

- Consideration of sewer capacity purchase needs
- Smith Pond Road Water Line Extension
- Water Service Line Replacement
- White Knoll Tank
- Clermont Lakes/Bluefield Rd/Platt Springs Road Water System Expansion

Relevant Financial Policies

The Commission has established specific financial policies that set the parameters within which decisions of a financial or budgetary nature are made. Many of the policies establish guidelines for operation in accordance with the requirements of the Commission's bylaws and its Revenue Bond Indenture and other contractual obligations. There are also departmental level policies and procedures that have been designed and instituted to ensure compliance with generally accepted accounting principles ("GAAP") and applicable laws and statutes.

The Commission's policy is that it shall always maintain a fully invested, diversified portfolio with the objective of achieving the highest yield that is attainable in conjunction with preservation of capital.

Bank deposit accounts in excess of amounts insured by the Federal Depository Insurance Corporation ("FDIC") are analyzed relative to their compliance with the Commission's Bond Indenture and investment risks associated with this type of account. These risks are minimized by requiring that bank deposits be fully collateralized.

The Commission has established supplemental guidelines for reserve fund contributions and withdrawals. In addition to the reserve fund requirements specified in the Revenue Bond Indenture and other contractual obligations, the Commission manages its reserves to:

- Provide additional security to bondholders where feasible and cost effective.
- Ensure that sufficient funds are available to pay all operating and capital costs; meet, and to the extent cost-effective, exceed the net revenue requirements of the Indenture.
- Moderate rate increases.
- Reduce the cost of maintaining and operating the water and sewer systems.

In accordance with its bond indenture, the Commission maintains an account, the "Depreciation and Capital Improvements Fund" (DCIF), to be used solely for the purpose of restoring or replacing depreciated or obsolete properties of the system, paying the cost of improvements, and extensions to the system, other than those necessary to maintain the system in good repair and working order, and for the payment of extraordinary maintenance and repairs. This fund is generally used to replace such capital assets of the Commission as vehicles, computers, machinery, equipment, etc. as necessary. This fund is included in the Statement of Net Position as a part of the "Capital Asset Reserves."

The Commission established a fund, the "Emergency Fund," for the purpose of helping to maintain services during short periods of economic decline (adjusted seasonally) and to meet emergency conditions. It is funded by budgetary allocation, which is an amount determined by the General Manager/CEO during preparation of the budget document. The fund was established to provide for nonrecurring unanticipated expenditures, or to meet small increases in service delivery costs.

As part of the annual budgeting and rate setting processes the Commission reviews the funding levels of its reserve funds. Withdrawals from or additional contributions to these funds shall be proposed in accordance with the bond indenture and other contractual obligations and the objectives of the Commission. The prudent funding of these contingency accounts provides the ability to phase in the impact of unforeseen costs such as future capacity needs to meet demand, changes in energy costs and any temporary reduction in revenue.

User fees, rates and charges are set at adequate levels, which are fair and nondiscriminatory, to generate sufficient revenues to pay all operating and maintenance costs, maintain sufficient operating reserves, and pay debt service costs as detailed in its bond indenture and other contractual obligations.

The Commission has a policy that nonrecurring ("one-time") revenues, such as tap fees and impact fees, are not to be used in budgeting for operating purposes.

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Joint Municipal Water and Sewer Commission for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 12th consecutive year that the Joint Municipal Water and Sewer Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements; however, the Commission will not submit the FY 2025 Annual Comprehensive Financial Report to the Government Finance Officers Association Certificate of Achievement Program due to not having a finalized report available by the extended submission deadline. The Commission intends to resume participation in the Certificate of Achievement Program for future fiscal years and expects more timely financial reporting as a result of additional staffing resources within the Finance Department..

Acknowledgements

The staff of the Finance Department is responsible for the preparation of the ACFR. We wish to thank all departments for their assistance in providing the data necessary to prepare this report. Also, we would like to express our appreciation to the Board of Commissioners for their support for maintaining the highest standards of professionalism in the management of the Commission's finances.

Respectfully submitted,

Ashton G. Blocker, CPA, CGFO
Finance Manager

John C. Nicholson
General Manager/CEO

PRINCIPAL OFFICIALS AS OF JUNE 30, 2025

Commissioners

Frank Shumpert, *Chairman*
Town of Pelion

Joseph Hardee, *Vice-Chairman*
Gilbert-Summit Rural Water District

Troy Bivens
Town of Gaston

Cindy Campbell
Town of South Congaree

Tim James
City of Cayce

Bobby C. Keisler
Lexington County

Hazel Livingston
Town of Lexington

Viola McDaniel
Town of Swansea

Temus C. Miles, Jr.
City of West Columbia

Juston Ricard
Town of Springdale

Lancer Shull
Town of Batesburg-Leesville

Management

John C. Nicholson
General Manager/CEO

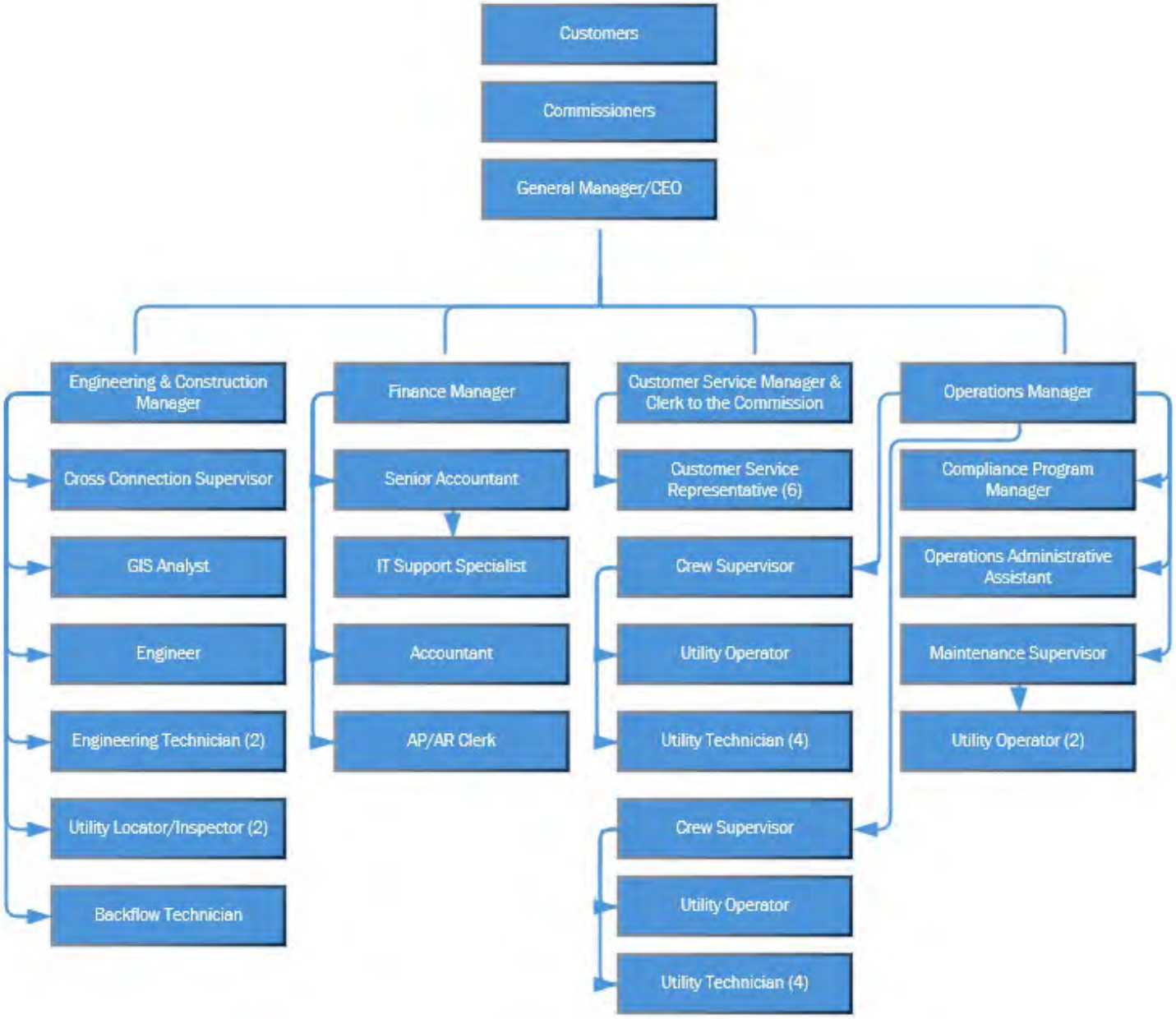
Ashton G. Blocker, CPA, CGFO
Finance Manager

M. Gene House
Operations Manager

Stephanie R. Morton
Customer Service Manager

D. Guyon Schmoltze, P. E.
Engineering and Construction Manager

ORGANIZATIONAL CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Joint Municipal Water and Sewer Commission
South Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

THE BRITTINGHAM GROUP, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
501 STATE STREET
POST OFFICE BOX 5949
WEST COLUMBIA, SOUTH CAROLINA 29171

PHONE: (803) 739-3090
FAX: (803) 791-0834

INDEPENDENT AUDITORS' REPORT

To the Commissioners of the
Joint Municipal Water and Sewer Commission
Post Office Box 2555
Lexington, South Carolina 29071-2555

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Joint Municipal Water and Sewer Commission (the "Commission"), as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Commission, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards 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 on pages 21 – 33, the Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities on page 65, the Schedule of South Carolina Retirement Systems Contributions on page 65, Other Post-Employment Benefits Schedule of Changes in the Net OPEB Liability on page 66, Other Post-Employment Benefits Schedule of the Net OPEB Liability on page 67, and Other Post-Employment Benefits Schedule of Employer Contributions on page 67, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying Schedule of Other General and Administrative Expenses and 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,* 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Other General and Administrative Expenses and the schedule of expenditures of federal awards are 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 comprised the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 July 24, 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 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 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 the Commission's internal control over financial reporting and compliance.

The Brittingham Group LLP

West Columbia, South Carolina
July 24, 2026

JOINT MUNICIPAL WATER AND SEWER COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024, and 2023)

As management of the Joint Municipal Water and Sewer Commission, we offer readers of the Commission's financial statements this narrative overview and analysis of the financial condition and activities of the Commission for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information we have furnished in our letter of transmittal, which can be found at the beginning of this report.

General Trends and Significant Events

Lexington County remains a relatively strong economic environment for the Commission to operate in, consistently recording unemployment rates lower than state and national averages. This is reflected in the increased customer growth and continued development in the Commission's service area which is an indicator of economic activity in terms of housing for the region. Capital contributions were $16.0 million in fiscal year 2025, consisting of those systems contributed by developers and grant funding related to capital projects. Notably, $8.9 million of the $16.0 million reported as contributed capital for fiscal year 2025 relates to a South Carolina Infrastructure Investment Program (SCIIP) grant that the Commission was awarded to offset costs associated with the Water System Expansion to Batesburg-Leesville project. Total capital contributions in fiscal year 2025 included a total of 905 newly permitted water lots and 867 newly permitted sewer lots. Capital assets increased $29.9 million (net of depreciation) in fiscal year 2025 which is largely attributable to these developer-built capital contributions and the following ongoing infrastructure projects: Water System Expansion to Batesburg-Leesville, Old Field Road Elevated Water Tank, and the Lake Murray Water Treatment Plant Expansion.

The Commission continues to experience growth in both water and sewer customers. The three-year average growth rate for fiscal years 2023 – 2025 has been 3.15% for water customers and 6.92% for sewer customers. Fiscal year 2025 saw customer base increases of 2.81% and 6.81% for water and sewer customers, respectively. This customer growth, along with retail rate increases effective at the beginning of the fiscal year, contributed towards the Commission recognizing strong growth (over 10%) in total operating revenues for fiscal year 2025 versus fiscal year 2024. Additionally, the Commission continued to be well-positioned to benefit from the current interest rate environment with a portion of its investments in floating interest rate investments at the South Carolina Local Government Investment Pool (LGIP) and a portion of its investments in fixed rate CDs at banks. During fiscal year 2025, the Commission recorded approximately $2.3 million in interest income – the second-highest amount recorded in a single fiscal year since the Commission's inception as an organization in fiscal year 1993. A higher interest rate environment could lead to a short-term slowing of customer growth as developers and builders moderate new housing supply in response to higher mortgage rates. However, from a long-term perspective, the Commission continues to receive significant interest from developers for large residential lot developments within its service area as reflected in the non-operating revenues recorded by the Commission in fiscal year 2025 for Water and Sewer Capital Facility Charges of almost $5.5 million – the highest annual amount ever recorded in a single fiscal year by the Commission, a direct result of the Commission's first increase to capacity fee rates since 2007. Prior to July 1, 2024, the Commission charged $1,500 per Residential Equivalent Unit (REU) for water capacity fees and $2,250 per REU for sewer capacity fees. As of July 1, 2024, those rates increased to $2,100 per REU (water) and $3,400 per REU (sewer).

Financial Highlights

The Commission exceeded debt service coverage requirements and complied with all debt covenants required by borrowing Agreements. The following are key financial highlights:

- Operating revenues were $26.2 million, an increase from fiscal year 2024 of $2.4 million, or 10.23%. This increase can be attributed to both the growth in customer base as well as the retail rate increases that were effective for fiscal year 2025. The following rate increases were effective for fiscal year 2025: water maintenance fee (3.5%), water volumetric rate (3.5%), sewer

maintenance fee (7.0%), and sewer volumetric rate (7.0%). Total operating revenues (prior to year-end accruals/adjustments) exceeded budgeted projections by 3.75%.

- Operating expenses, excluding depreciation, increased overall by $1.4 million, or 11.44%, versus fiscal year 2024. This increase in fiscal year 2025 can be partly attributed to inflation reflected in the overall U.S. economy – approximately 2.6% as measured by CPI-U. The three-year average growth rate for operating expenses, excluding depreciation, is 12.75%. The three-year average growth rates for each component of operating expenses, excluding depreciation, are as follows: Salaries & Wages – 11.24%, Wholesale Water & Sewer Costs – 12.36%, General & Administrative Expenses – 13.81%.

- Operating income was $7.4 million in fiscal year 2025, $6.9 million for 2024 and $6.0 million for 2023. The Commission continues to proactively monitor revenues and expenses through Budget vs. Actual reports that are generated and provided to managers for review monthly. This has allowed the Commission to recognize variances in revenues or expenses in a timely manner, which has resulted in consistent operating income ranging between $5.8 and $7.4 million over the last five fiscal years.

- The Commission has experienced an average income before capital contributions of $11.40 million over the most recent three-year period. The Commission realized a net income of $13.37 million in fiscal year 2025 before capital contributions. Both of these amounts are higher than in recent history. This can be attributed to several factors including: a growing customer base, slightly higher retail water & sewer rates, elevated interest income due to the higher interest rate environment, additional revenues from Water and Sewer Capital Facilities Charges due newly implemented tap fee/capacity fee rates effective as of fiscal year 2025, and $8.9 million recognized as part of the American Rescue Plan Act (ARPA)/South Carolina Infrastructure Investment Program grant proceeds.

- The Commission's total assets and deferred outflows of resources were $261.0 million, $233.0 million, and $215.8 million for fiscal years 2025, 2024 and 2023, respectively. Liabilities and deferred inflows of resources were $60.3 million, $61.6 million, and $63.2 million for fiscal years 2025, 2024 and 2023, respectively. Assets and deferred outflows exceeded liabilities and deferred inflows in the amount of $200.8 million, $171.4 million, and $152.6 million in fiscal years 2025, 2024 and 2023, respectively. This is referred to in the financial statements as the Commission's "net position". During fiscal year 2025, total assets and deferred outflows of resources increased $28.0 million and the Commission's net position increased $29.3 million. Unrestricted net position was $45.4 million.

- During fiscal year 2025, the Commission increased its water customer base by 573 active accounts, or 2.81%, and increased its sewer customer base by 462 active accounts, or 6.81%.

- In fiscal year 2025, approximately 89.4% of wholesale water purchased was billed to the Commission's retail customers. Approximately 3.9% of wholesale water purchased was accounted for via system flushing/maintenance, leaving approximately 6.7% of wholesale water purchased considered "water loss".

JOINT MUNICIPAL WATER AND SEWER COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024, and 2023)

Overview of Annual Financial Report

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Commission's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Commission's strategic plan, budget, bond indenture and other management tools were used for this analysis.

To comply with the external financial reporting requirements of the Board, the accompanying financial statements present the financial position and results of operations and cash flows of the Commission, in conformity with generally accepted accounting principles (GAAP), as defined by the Governmental Accounting Standards Board (GASB), as applied to regulated utilities (i.e., the full accrual basis of accounting and the economic resources measurement focus). The financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows; and Notes to the Financial Statements.

The ***Statement of Net Position*** presents the financial position of the Commission on a full accrual historical cost basis. The Statement of Net Position presents information on all the Commission's assets and liabilities. Items that do not meet the definition of assets or liabilities, as established in GASB Concepts Statement No. 4, are reported as deferred outflows of resources or deferred inflows of resources in accordance with GASB Statement No. 63. GASB recommends that the statements be calculated as follows: "Assets plus Deferred Outflows of Resources minus Liabilities minus Deferred Inflows of Resources equals Net Position." The results are identified as changes in net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the Commission is improving or deteriorating.

While the Statement of Net Position provides information about the nature and amount of resources and obligations at year-end, the ***Statement of Revenues, Expenses and Changes in Net Position*** presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Commission's recovery of its costs. Rate setting policies use different methods of cost recovery not fully provided for by GAAP. The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated based on long-term capacity needs.

The ***Statement of Cash Flows*** presents changes in cash and cash equivalents, resulting from operational, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursements information, without consideration for the earnings event, when an obligation arises, or as a result of depreciation of capital assets.

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

The Commission's staff has prepared, and accepts responsibility for, the financial statements and related notes as compiled from the detailed books and records of the Commission. The financial statements were audited and adjusted, if material, during the independent external audit process.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024, and 2023)

Financial Analysis

The following comparative condensed financial statements and other selected information serve as the key financial data and indicators for management and planning. A variance, in dollars and percentage, versus the most recent fiscal year is presented for both the Condensed Statement of Net Position and Condensed Statement of Revenues, Expenses and Changes in Net Position to aid analysis.

Condensed Financial Statements

Condensed Statement of Net Position	June 30			Variance (2025 vs. 2024)	
	2025	2024	2023	Dollars	%
Capital Assets:					
Non-depreciable Assets (Land, Construction in Progress)	$ 46,580,429	$ 26,387,587	$ 21,049,106	$ 20,192,842	76.52%
Depreciable Assets (Net of Accumulated Depreciation)	148,350,665	138,605,369	123,866,538	9,745,296	7.03%
Total Capital Assets	194,931,094	164,992,956	144,915,644	29,938,138	18.15%
Current/Non-current Assets	63,387,290	64,759,078	67,438,204	(1,371,788)	-2.12%
Total Assets	258,318,385	229,752,034	212,353,848	28,566,351	12.43%
Deferred Outflows of Rescources	2,729,382	3,275,431	3,429,891	(546,049)	-16.67%
Total Assets and Deferred Outflows of Resources	261,047,767	233,027,465	215,783,739	28,020,302	12.02%
Current Liabilities	11,081,602	9,308,982	7,994,774	1,772,620	19.04%
Non-current Liabilities	48,846,082	52,116,803	54,943,987	(3,270,721)	-6.28%
Total Liabilities	59,927,684	61,425,785	62,938,761	(1,498,101)	-2.44%
Deferred Inflows of Resources	358,928	173,920	224,681	185,008	106.38%
Total Liabilities and Deferred Inflows of Resources	60,286,612	61,599,705	63,163,442	(1,313,093)	-2.13%
Net Investment in Capital Assets	145,811,150	118,662,841	99,939,059	27,148,309	22.88%
Restricted for Debt Service	599,708	491,544	426,066	108,164	22.00%
Restricted for Construction Projects	8,933,678	5,227,174	7,817,200	3,706,504	70.91%
Unrestricted	45,416,619	47,046,201	44,437,972	(1,629,582)	-3.46%
Total Net Position	$ 200,761,155	$ 171,427,760	$ 152,620,297	$ 29,333,395	17.11%

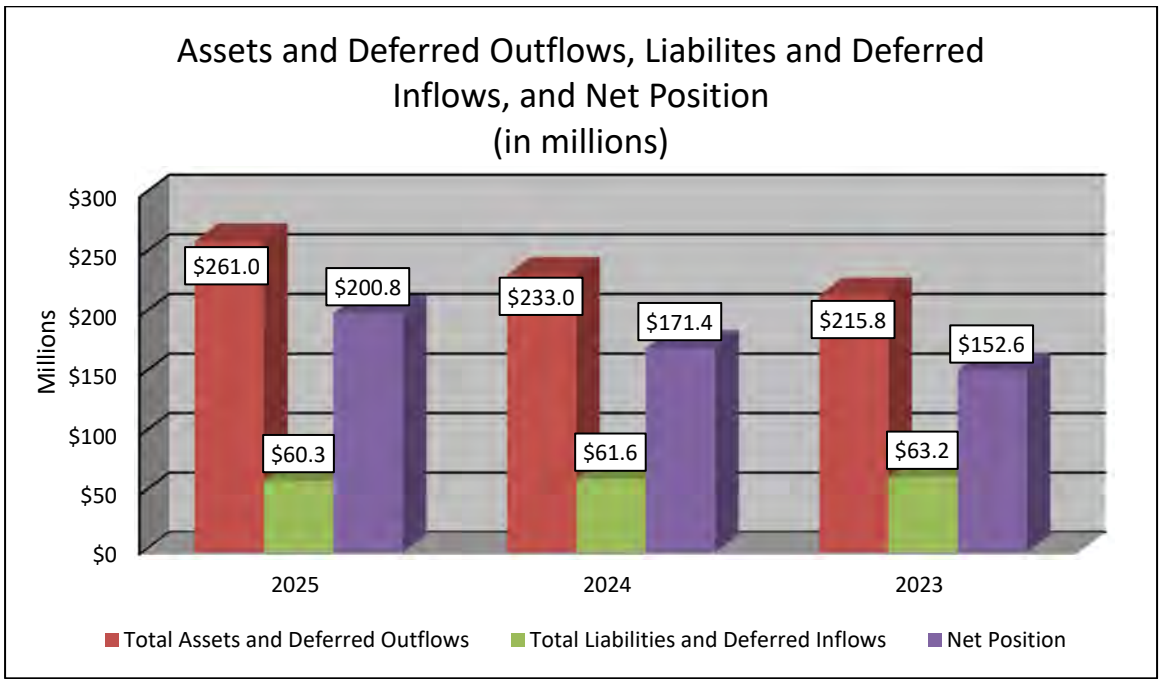
JOINT MUNICIPAL WATER AND SEWER COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024, and 2023)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Year Ended June 30,				
	2025	2024	2023	Variance (2025 vs. 2024)	
	Actual	Actual	Actual	Dollars	%
Operating Revenues:					
Water Sales & Services	**$ 12,397,257**	$ 11,807,996	$ 10,866,433	$ 589,261	4.99%
Wastewater Sales & Services	**4,934,991**	4,294,681	3,873,224	640,310	14.91%
Other Revenues	**8,870,670**	7,667,820	6,691,596	1,202,850	15.69%
Total Operating Revenues	**26,202,918**	23,770,497	21,431,253	2,432,421	10.23%
Operating Expenses:					
Salaries & Wages	**3,133,547**	2,766,028	2,420,457	367,519	13.29%
Wholesale W&S Costs	**4,548,170**	4,237,101	4,218,910	311,069	7.34%
Other General & Admin Expenses	**6,387,129**	5,621,285	4,883,743	765,844	13.62%
Subtotal	**14,068,846**	12,624,414	11,523,110	1,444,432	11.44%
Depreciation	**4,730,580**	4,206,919	3,876,524	523,661	12.45%
Total Operating Expenses	**18,799,426**	16,831,333	15,399,634	1,968,093	11.69%
Operating Income	**7,403,492**	6,939,164	6,031,619	464,328	6.69%
Non-operating Revenues (Expenses)					
Water & Sewer CFCs	**5,497,153**	3,879,250	2,795,375	1,617,903	41.71%
Interest Income	**2,288,516**	3,034,530	2,119,345	(746,014)	-24.58%
Insurance Reimbursement	**29,375**	2,483	78,900	26,892	1083.04%
Gain (Loss) on Sale of Capital Asset(s)	**(9,725)**	16,538	(14,336)	(26,263)	-158.80%
Interest Expense	**(1,505,088)**	(1,582,199)	(1,655,630)	77,111	-4.87%
Amortization Expense	**(141,915)**	(141,914)	(664,485)	(1)	0.00%
Arbitrage Rebate/Yield Restriction Expense	**(191,001)**	-	-	(191,001)	N/A
Total Non-operating Rev/(Exp.), net	**5,967,315**	5,208,687	2,659,169	758,628	14.56%
Income Before Capital Contributions	**13,370,807**	12,147,851	8,690,788	1,222,956	10.07%
Capital Contributions	**15,962,588**	6,659,612	7,092,339	9,302,976	139.69%
Change in Net Position	**29,333,395**	18,807,463	15,783,127	10,525,932	55.97%
Net Position - Beginning of Year	**171,427,760**	152,620,297	136,837,170	18,807,463	12.32%
Net Position - End of Year	**$200,761,155**	$171,427,760	$152,620,297	$ 29,333,395	17.11%

Financial Condition

The Commission's financial position remained strong at year-end, with sufficient liquid resources and capital assets to meet current and future service demands. Operational capacity, staffing capabilities, and planned system expansions are aligned with anticipated customer needs and remain well managed. The following chart summarizes the Statement of Net Position with comparisons to the prior two fiscal years.

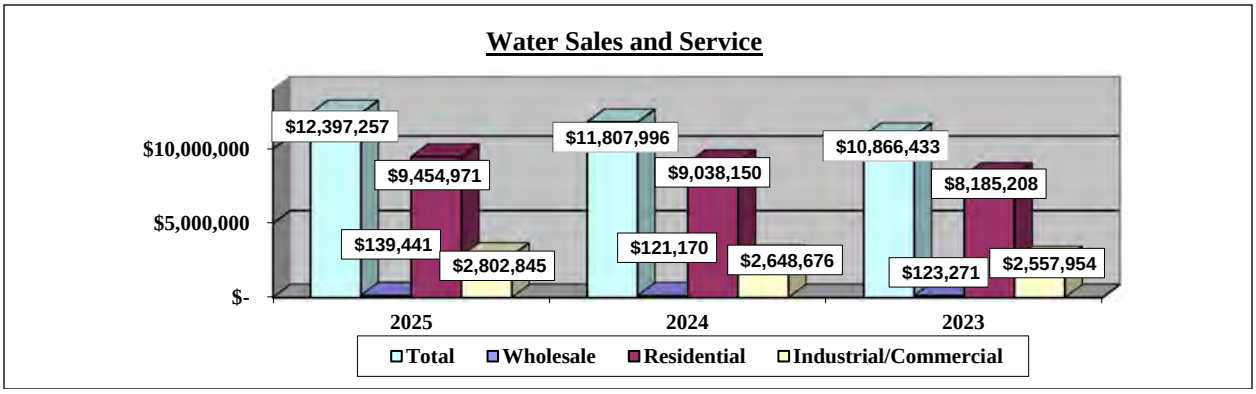


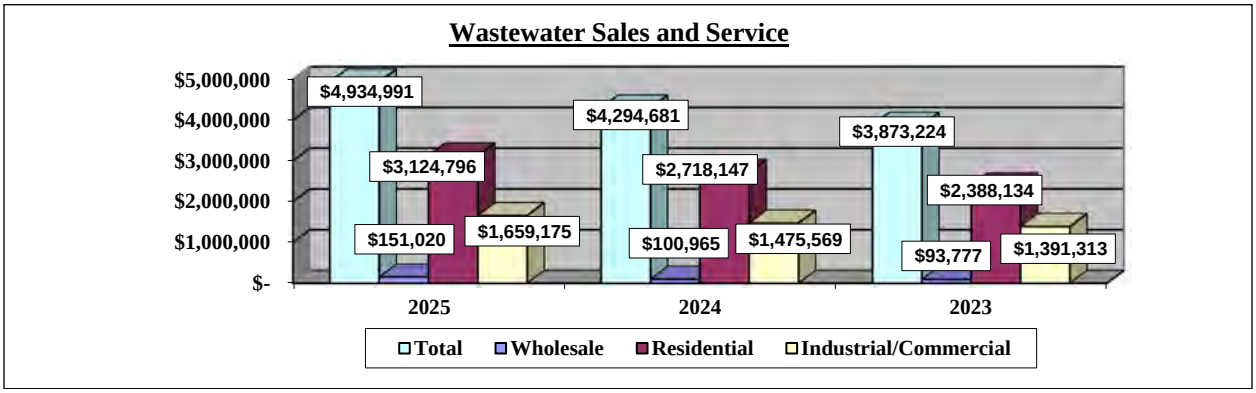
Total assets and deferred outflows grew by $28.0 million or 12.02%. Operating surplus, additions to capital assets, including work on the Capital Improvements Program (CIP), developer contributions, and other asset acquisitions were significant contributors to the overall increase. Additionally, restricted assets related to debt service increased by $108,164, or 22.00%.

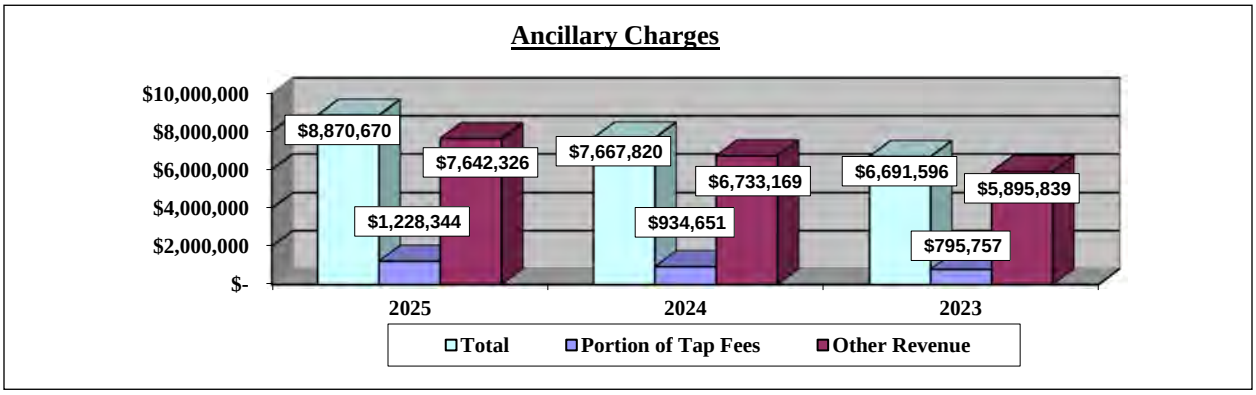
Total net position increased $29.3 million. This increase is attributable to three areas of the Commission's business: 1) Operating income of approximately $7.4 million – driven mainly by an increase in active customers along with the retail rate increases as described previously in the "Financial Highlights" section. 2) Non-operating income of approximately $6.0 million – driven by two main factors: Water and Sewer Capital Facility Charges that resulted from increased rates in fiscal year 2025 and interest income that remained elevated even as the interest rate environment moderated during fiscal year 2025. 3) Contributed capital of $16.0 million recognized during the fiscal year – driven by developer contributions of water and sewer systems, plus over $8.9 million recognized related to a SCIIP/ARPA grant related to the Batesburg-Leesville Water Main Extension and Tank project. Unrestricted net position decreased by $1.6 million.

Results of Operations

Operating Revenues: Revenues from operations fall into three general categories: water service, wastewater service and ancillary charges. Ancillary charges include a portion of tap fees, account setup fees, nonpayment fees, and charges for other miscellaneous services. The Commission has two classes of water and wastewater customers: wholesale and retail, with retail further subdivided into residential, industrial, and commercial customers. The following charts depict water and wastewater service revenues for the last three fiscal years.



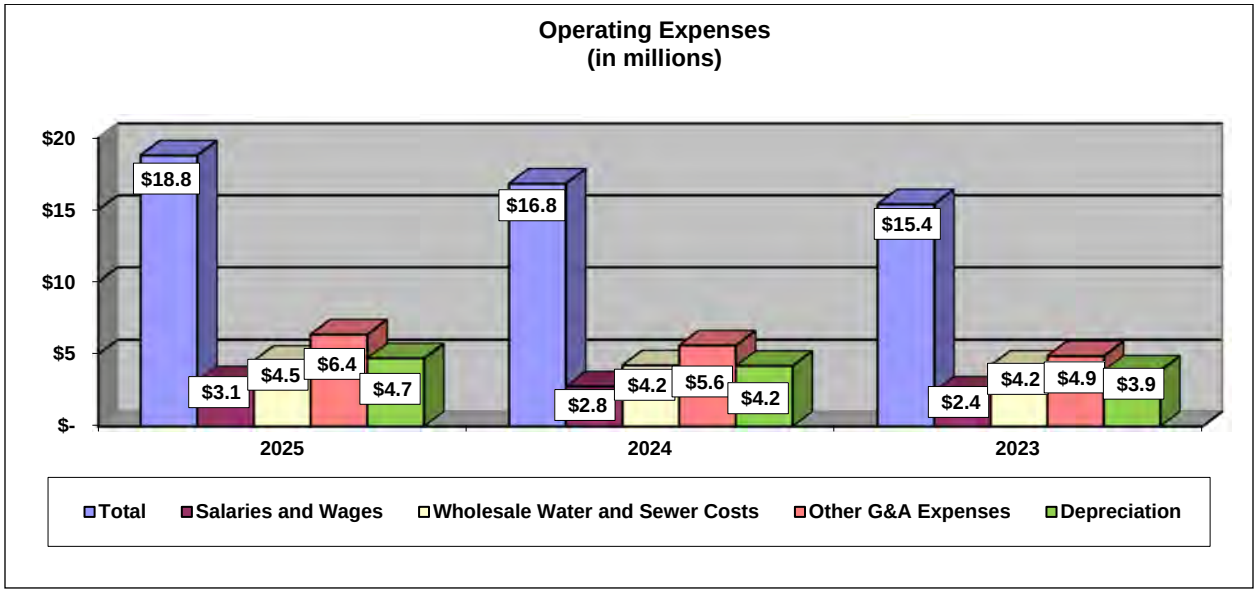




Expenses: The Commission operates and maintains a potable water distribution system and has sufficient capacity allocated at the City of West Columbia Lake Murray Surface Water Treatment Plant (WTP) to meet the demand of the current customer base as well as the new growth expected in its service area. Water is purchased from the City of West Columbia in accordance with an agreement between the City of West Columbia and the Commission.

The Commission also operates and maintains a sewer collection system and has sufficient capacity allocated at the City of Cayce regional Wastewater Treatment Facility (WWTF) to meet the demand of the current customer base as well as the new growth expected in its service area. The Commission has an agreement with the City of Cayce in place for sanitary sewer treatment services.

Operating income was approximately $7.4 million in fiscal year 2025, $6.9 million in fiscal year 2024, and $6.0 million in fiscal year 2023.



Cash Flow Activity

The following table shows the Commission's ability to generate net operating cash. Net cash provided by operating activities is shown both in dollars and as a percentage of operating revenues.

	2025	2024	2023	Variance (2025 vs. 2024)
Total Operating Revenues	$ 26,202,918	$ 23,770,497	$ 21,431,253	$ 2,432,421
Net Cash provided by Operations	11,998,803	11,864,932	9,441,748	133,871
Net Operating Cash (as a % of Operating Revenue)	46%	50%	44%	

Capital Assets

Property, plant, and equipment, excluding depreciation, increased $34.6 million in 2025 with $7.1 million from non-cash developer contributions.

During fiscal year 2025, work was completed on the Commission's:

1) Upsize Lydia Drive 8" Water Main
2) Bluefield School Regional Sewer Pump Station
3) Bluefield Regional 16" Force Main (Phase 1)

Work continued during fiscal year 2025 on several projects for the Commission:

1) Counts Ferry Road Site
2) Lexington Hills Lift Station Rehabilitation
3) Industrial Park Lift Station Rehabilitation
4) Old Orangeburg Road/Platt Springs Road Sewer Improvements
5) Bluefield Sewer Improvements
6) Batesburg-Leesville Water Line Extension
7) Batesburg-Leesville Water Tank
8) Pelion Water Main Replacement – Main Street
9) Charter Oak Tank to Sherwood Drive Water Main
10) Sherwood Waterline
11) Water Plant Capacity – Expansion of City of West Columbia Lake Murray Water Treatment Plant Capacity

See Note 3 in the "Notes to the Financial Statements" for more information regarding the Commission's capital assets.

Debt Administration

The Commission is empowered, in accordance with the provisions of the South Carolina Constitution, Chapter 25 of Title 6 of the South Carolina Code, to borrow funds and issue bonds to be paid solely from the revenues of the system. The Commission has no legal restrictions concerning the amount of outstanding debt that it may have, subject to the coverage requirements as detailed in its revenue bond indenture and other contractual obligations.

The Commission issues revenue bonds to refund outstanding debt and to finance portions of its CIP. The Commission's 2026-2030 CIP budget, which totals $78.5 million, anticipates that $41.0 million of the projects listed requiring future funding will be funded via borrowings. The fiscal year 2026 budget for debt service is $4.6 million. See Note 4 in the "Notes to the Financial Statements" for more detailed long-term debt information.

At the end of fiscal year 2025, the Commission had four senior and two junior debt instruments outstanding:

Senior Debt	
Series 2019A	17,170,000
Series 2019B	2,035,000
Series 2019C	18,270,000
Series 2021A	2,141,875
Junior Debt	
Series 2005 (West Cola.)	389,090
Series 2020 (Cayce)	4,040,279
Total	$ 44,046,244

Credit Rating

The Commission's revenue bonds are rated "Aa2" by Moody's Investors Service, and "AA+" by Standard and Poor's.

Rate Covenant

Pursuant to Article VI of the Ninth Supplemental Indenture of Trust, the Commission has amended its covenant with respect to the rates and charges for services and facilities of the System. On the issuance of the Series 2019 Bonds (December 2019), the Holders of the Series 2019 Bonds became the Holders of the majority in principal amount of the Bonds outstanding under the Indenture and by their purchase of the Series 2019 Bonds are deemed to have consented to the Commission's amended rate covenant, as provided below:

The Commission covenants and agrees that it will fix, establish and maintain such rates and collect such fees, rentals, or other charges for the services and facilities of the System, and will revise the same from time to time whenever necessary, so as to provide in each Fiscal Year, Gross Revenues after deducting the Expenses of Operating and Maintaining the System sufficient to provide Net Revenues, together with Capital Facilities Charges available in such Fiscal Year, equal to 120% of the Debt Service Requirement on the Bonds for such Fiscal Year plus 100% of the required deposits into the Debt Service Reserve Fund (less any portion thereof to be paid from proceeds of Bonds but including any payments required to be made in respect of a Reserve Fund Credit Facility) and the Depreciation and Capital Improvements Fund in such Fiscal Year.

Net Revenues are defined by the bond indenture to mean, for the period in question, the net operating income of the System determined in accordance with generally accepted accounting principles, adding back depreciation, and including interest income not restricted to bond construction.

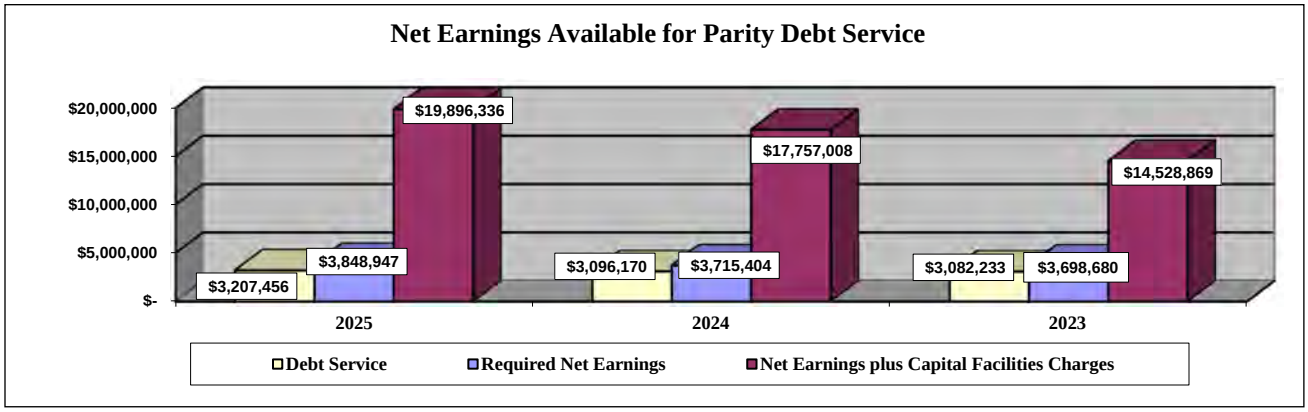
The rate covenant in the bond indenture obligates the Commission to review rates not less than once a year and to revise such rates and charges as necessary to meet the coverage test. The Commission further covenants in the bond indenture that it will maintain rates and charges that are at all times sufficient to provide for the payment of the bonds; to maintain the debt service funds, debt service reserve funds, and any other related funding instruments related to the debt of the system; to provide for the payment of administrative and operational expenses of the system preserving the system in good repair and working order, and to build and maintain a reserve for depreciation of the system.

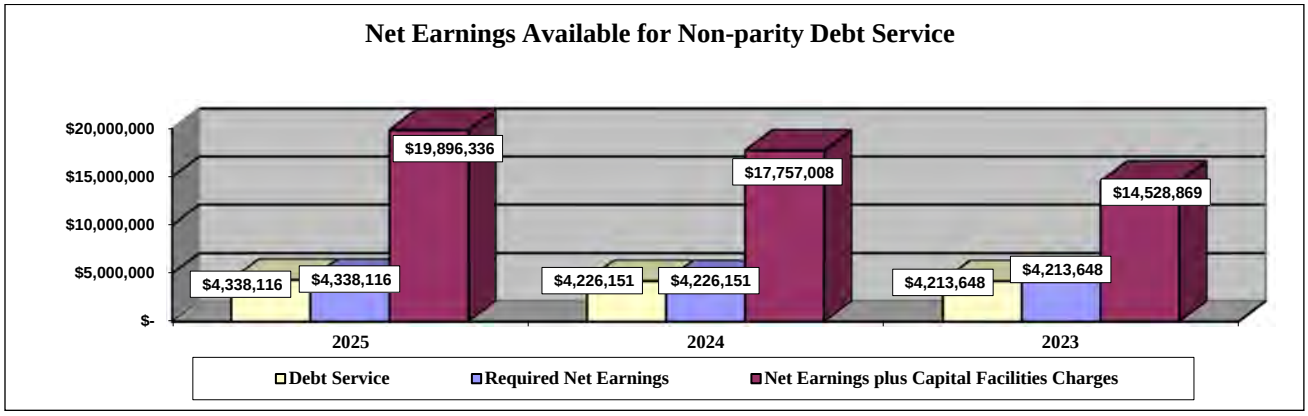
Revenue bond debt service coverage for fiscal years 2025, 2024, and 2023 was as follows:

	FY 2025	FY 2024	FY 2023
Debt Service Coverage (including Capital Facilities Charges)	6.203	5.735	4.714

The Commission has partnered with the City of West Columbia to expand operations at the City of West Columbia Surface Water Treatment Facility located on Old Cherokee Road in Lexington, SC. Also, the Commission has partnered with the City of Cayce to expand operations at the City of Cayce Wastewater Treatment Facility located in the City of Cayce, SC. As such, the Commission has obligated its revenues to assist in funding these expansions by means of Junior Lien Bonds. The Commission's old indebtedness to the City of West Columbia for the 2002 Bond was elevated to Junior Lien status, and the new indebtedness regarding the State Revolving Fund (SRF) Loan also maintains Junior Lien Bond status. During fiscal year 2021 (July 2020), the City of Cayce refunded its original 2009 SRF Loan associated with the Wastewater Treatment Facility with public debt. This indebtedness also maintains Junior Lien Bond status. The bond indenture requires that debt service coverage for Junior Lien Bonds be maintained at 100%. The Commission has met and exceeded this requirement by maintaining Non-Parity Debt Service coverage, including tap fees, at 4.586, 4.202 and 3.448 for 2025, 2024 and 2023, respectively.

The following table presents the net earnings available to service debt, with required net earnings defined by the bond covenants as 120% of parity debt service and 100% of non-parity debt service:





Final Comments

The Commission has adopted a strategic plan that guides Board and staff toward its mission of providing affordable, efficient, and reliable water and wastewater services. The Strategic Plan is implemented in part by the multi-year financial plan and rate model, the CIP, and the annual budget. It is expected that these tools will continue to provide management with sufficient long- and short-term planning information to address the capital improvement program while maintaining moderate projected rate increases over time. The following are currently known facts, decisions and conditions which were considered in developing the budget for fiscal year 2026:

- Rate increases effective 7/1/2025 for water and sewer are as follows:
  - Volumetric
    - Water - 2.0% increase per thousand gallons usage
    - Sewer - 3.0% increase per thousand gallons usage
  - Maintenance Fees
    - Water - 1.0% increase, a total of $0.11 for a ¾" meter
    - Sewer - 1.0% increase, a total of $0.15 for a ¾" meter

- During fiscal year 2025, the Federal Reserve acted three separate times to reduce the benchmark Fed Funds target rate by a total of 100 basis points to a range of 4.25% to 4.50% as of mid-December 2024. The impact of those short-term interest rate reductions can be seen in the Commission's recognized interest income for fiscal year 2025 versus fiscal year 2024 – a decline from approximately $3.0 million (FY 24) to approximately $2.3 million (FY 25). Still, the $2.3 million in interest income recorded in fiscal year 2025 is the second-highest annual amount recorded by the Commission in its 33 years.

  - The Commission is well-positioned to take advantage of the current interest rate environment due to its strong financial position, specifically the combination of its Cash and Investment account balances on its Statement of Net Position. Additionally, the Commission continues to work with its bank and financial consultants to identify opportunities to maximize interest income opportunities, while maintaining preservation of capital as a primary goal.

  - While a higher interest rate environment presents opportunities to increase interest income for the Commission, it can correspond with increased borrowing costs. None of the Commission's outstanding debt as of June 30, 2025, is subject to variable interest rate terms. The Commission will continue to monitor the market interest rate environment and attempt to maintain its strong credit rating from Moody's and S&P Global to enable the organization to take advantage of the most cost-efficient borrowing opportunities when prudent.

- The employer portion of the SC Retirement System contributions remained at 18.41% for fiscal year 2025 and remains the same for fiscal year 2026. This excludes the 0.15% employer contribution rate for Incidental Death Benefit coverage. The employee contribution rate continues to be capped at 9.00%.

- The employer portion of the State Health Plan premiums will increase 4%-5%, depending on coverage level (i.e., employee-only, employee-spouse, employee-child, or full family), in calendar year 2026. Active employee premiums will not increase in 2026. Also, the Commission is subject to a 0.0% experience rating, or "load factor", on employer and subscriber contributions for the State Health Plan in 2026.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

ASSETS	**JUNE 30**	
	2025	2024
Current Assets:		
Cash and Cash Equivalents	$ -	$ 1,518,403
Cash and Cash Equivalents - Customer Deposits (Restricted)	1,300,225	1,263,350
Investments	37,739,761	44,555,635
Deposits with Fiscal Agent (Restricted)	1,523,894	1,443,830
Accounts Receivable (Net of Allowance for Uncollectible Accounts of $31,348 and $29,676 respectively)	6,071,376	4,437,252
Accrued Interest Receivable	336,267	452,733
Grants Receivable	9,650,875	745,696
Due from Other Governments	2,220	482,345
Debt Service Component of Plant Expansion Contracts	78,518	104,691
Inventory	394,664	312,441
Prepaid Expenses	204,080	186,942
Prepaid Asset - Debt Service	111,711	-
Total Current Assets	57,413,590	55,503,320
Non-current Assets:		
Restricted Cash		
Cash and Cash Equivalents	28,500	28,500
Cash and Cash Equivalents - Capital Asset Reserves	2,209,987	2,471,002
Investments	501,226	4,846,008
Capital Assets		
Non-depreciable	46,580,429	26,387,587
Depreciable	206,197,612	191,744,812
Less: Accumulated Depreciation	(57,846,947)	(53,139,443)
Tap Fees Receivable	2,670,500	1,174,000
Debt Service Component of Plant Expansion Contracts	523,960	693,501
Due from Other Governments	39,528	42,748
Total Non-Current Assets	200,904,794	174,248,714
Total Assets	258,318,385	229,752,034
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Debt Refundings	2,128,602	2,323,579
Net Pension Deferred Outflows	419,726	750,234
Net OPEB Deferred Outflows	181,054	201,618
Total Deferred Outflows of Resources	2,729,382	3,275,431
Total Assets and Deferred Outflows of Resources	$261,047,767	$233,027,465

The accompanying notes to financial statements are an integral part of this statement.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

LIABILITIES	**JUNE 30**	
	2025	2024
Current Liabilities:		
Accounts Payable	$ 1,010,357	$ 1,282,871
Cash and Cash Equivalents - Overdraft	961,440	-
Construction Contracts Payable	4,304,320	3,196,885
Payroll Accruals	88,886	68,361
Compensated Absences	96,096	91,754
Customer Deposits	1,300,225	1,263,350
Debt Service Component of Plant Expansion Contracts	78,518	104,691
Revenue Bonds Payable	1,857,533	1,680,530
Junior Lien Bond Obligations Payable	761,808	836,157
Accrued Revenue Bond and Note Interest	120,219	124,754
Unearned Revenue	502,200	659,631
Total Current Liabilities	11,081,602	9,308,982
Non-current Liabilities:		
Revenue Bonds Payable (Net of Current Portion)	40,022,819	42,042,868
Junior Lien Bond Obligations Payable (Net of Current Portion)	4,223,548	5,245,541
Compensated Absences (Net of Current Portion)	224,012	203,499
Net Pension Liability	4,254,473	4,517,224
Net OPEB Liability	121,230	107,672
Total Long-Term Liabilities	48,846,082	52,116,803
Total Liabilities	59,927,684	61,425,785
DEFERRED INFLOWS OF RESOURCES		
Net Pension Deferred Inflows	273,153	76,778
Net OPEB Deferred Inflows	85,775	97,142
Total Deferred Inflows of Resources	358,928	173,920
Total Liabilities and Deferred Inflows of Resources	60,286,612	61,599,705
NET POSITION		
Net Position:		
Net Investment in Capital Assets	145,811,150	118,662,841
Restricted for Debt Service	599,708	491,544
Restricted for Construction Projects	8,933,678	5,227,174
Unrestricted	45,416,619	47,046,201
Total Net Position	200,761,155	171,427,760
Total Liabilities, Deferred Inflows of Resources, and Net Position	$261,047,767	$233,027,465

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT B

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2024)

	JUNE 30			
	2025		2024	
Operating Revenues:				
Water Sales and Services		$ 12,397,257		$ 11,807,996
Sewer Sales and Services		4,934,991		4,294,681
Backflow Fees		1,107,721		1,052,321
Hydrant Fees		1,332,558		1,037,667
Other Operating Revenues		1,831,696		1,361,129
Account Maintenance Fees		4,598,695		4,216,703
Total Operating Revenues		26,202,918		23,770,497
Operating Expenses:				
Salaries and Wages	3,133,547		2,766,028	
Wholesale Water and Sewer Costs	4,548,170		4,237,101	
Other General and Administrative Expenses	6,387,129		5,621,285	
Depreciation	4,730,580		4,206,919	
Total Operating Expenses		18,799,426		16,831,333
Operating Income		7,403,492		6,939,164
Non-operating Revenues (Expenses):				
Water and Sewer Capital Facility Charges	5,497,153		3,879,250	
Interest Income	2,288,516		3,034,530	
Insurance Reimbursement	29,375		2,483	
Gain (Loss) on Sale of Capital Assets	(9,725)		16,538	
Interest Expense	(1,505,088)		(1,582,199)	
Amortization Expense	(141,915)		(141,914)	
Arbitrage Rebate/Yield Restriction Expense	(191,001)		-	
Total Non-operating Revenues (Expenses)		5,967,315		5,208,687
Income Before Capital Contributions		13,370,807		12,147,851
Capital Contributions		15,962,588		6,659,612
Change in Net Position		29,333,395		18,807,463
Net Position - Beginning of Year		171,427,760		152,620,297
Net Position - End of Year		$ 200,761,155		$ 171,427,760

The accompanying notes to financial statements are an integral part of this statement.

EXHIBIT C

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	JUNE 30	
	2025	**2024**
Cash Flows from Operating Activities:		
Cash Received from Customers	$ 25,897,138	$ 24,108,868
Cash Paid to Suppliers	(10,811,425)	(9,531,369)
Cash Paid to Employees	(3,086,909)	(2,712,567)
Net Cash Provided by Operating Activities	11,998,803	11,864,932
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(26,722,717)	(18,139,097)
Principal Paid on Bonds and Notes	(2,621,377)	(2,544,273)
Interest Paid on Bonds and Notes	(1,604,996)	(1,681,935)
Prepaid Asset - Debt Service on Deposit with Fiscal Agent	(111,711)	-
Capital Grants	480,125	144,200
Proceeds on Sale of Capital Asset	-	16,538
Capital Charge - Cayce/CWC	21,677	(18,651)
Depreciation Charge - Cayce	(101,772)	(101,772)
Insurance Reimbursements	29,375	2,483
Water and Sewer Capital Facility Charges	2,553,973	4,676,220
Net Cash (Used in) Capital and Related Financing Activities	(28,077,424)	(17,646,287)
Cash Flows From Investing Activities		
Net Transfer (In)/Out of Investments	11,160,656	4,777,360
Interest Received	2,404,983	2,775,713
Arbitrage Rebate/Yield Restriction	(191,001)	-
Net Cash Provided by Investing Activities	13,374,638	7,553,073
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,703,983)	1,771,718
Cash and Cash Equivalents - Beginning of Year	5,281,255	3,509,537
Cash and Cash Equivalents - End of Year*	$ 2,577,272	$ 5,281,255

*Cash and Cash Equivalents - End of Year balance for FY 2025 includes a $961,440 "Overdraft" balance reported as a Current Liability on the Statement of Net Position.

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income	$ 7,403,492	$ 6,939,164
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	4,730,580	4,206,919
CIP Costs Transferred to Expense - Non-Cash	209,119	-
(Increase) Decrease in:		
Accounts Receivable and Other Receivables	(185,224)	(36,854)
Prepaid Expense	(17,137)	(12,196)
Due from Other Governments	1,000	1,000
Inventory	(82,223)	60,778
Net Pension Outflows	330,508	(15,344)
Net OPEB Outflows	20,564	(25,174)
Increase (Decrease) in:		
Accounts Payable	(272,514)	264,385
Customer Deposits	36,875	44,937
Accrued Compensated Absences	24,855	43,224
Accrued Salaries and Fringes	20,525	5,575
Net Pension Inflows	196,375	(34,395)
Net Pension Liability	(262,751)	100,073
Net OPEB Inflows	(11,367)	(16,366)
Net OPEB Liability	13,558	8,920
Unearned Revenue	(157,431)	330,287
Net Cash Provided by Operating Activities	$ 11,998,803	$ 11,864,932

Supplemental Disclosures		
Noncash investing, capital, and financing activities:		
Developer contribution of systems	$ 7,057,410	$ 5,433,791
Capital asset additions included in accounts payable (see Construction Contracts Payable - Statement of Net Position)	$ 1,380,852	$ 543,398
Capital asset additions included in retainage payable (see Construction Contracts Payable - Statement of Net Position)	$ 2,923,468	$ 2,653,487

The accompanying notes to financial statements are an integral part of this statement.

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies

Organization

The Joint Municipal Water and Sewer Commission (the "Commission") was created with the purpose of establishing regional water and sewer service to the residents and businesses of unincorporated areas of Lexington County. In June of 1993, the Lexington County Council deeded the assets of its public service division to the Commission.

The financial reporting entity is defined as the primary government and its component units, as required by generally accepted accounting principles (GAAP). The primary government, which is the nucleus of the reporting entity, has a separately appointed governing body. A component unit is a legally separate entity for which the oversight body of the component unit is fiscally accountable to the primary government.

An organization other than a primary government may serve as the nucleus for a reporting entity when it issues separate financial statements. As such an organization, the Commission is defined herein as a primary entity.

The Commission operates as a proprietary fund under the control of the Joint Municipal Water and Sewer Commission Board of Commissioners (the "Board"). The Board regulates the rates that the Commission can charge its customers for water and sewer usage. The rates charged to customers are based on the cash required for the Commission's operations, debt service, rate funded capital assets and reserve contributions.

Basis of Presentation

To comply with the external financial reporting requirements of the Board, the accompanying financial statements present the financial position and results of operations and cash flows of the Commission, in conformity with GAAP as applied to regulated utilities (i.e., the full accrual basis of accounting and the economic resources measurement focus).

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

To accommodate the rate-making process, the Commission follows the accounting standards set forth in GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

Governmental Accounting Pronouncements

The GASB has issued the following statements which may have a future impact on the Commission:

Statement No. 103, ***Financial Reporting Model Improvements***, was issued in April 2024 and is effective for the first reporting period beginning after June 15, 2025 (fiscal year ending June 30, 2026). The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

Statement No. 104, ***Disclosure of Certain Capital Assets,*** was issued in September 2024 and is effective for the first reporting period beginning after June 15, 2025 (fiscal year ending June 30, 2026). The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date.

Statement No. 105, ***Subsequent Events***, was issued in December 2025 and is effective for the first reporting period beginning after June 15, 2026 (fiscal year ending June 30, 2027). The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

The Joint Municipal Water and Sewer Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments and Restricted Assets

Certain proceeds of enterprise fund operations, as well as certain resources set aside for the repayment of the outstanding debt service, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. A portion of these restricted items are on deposit with investing agencies such as the local government investment pool (See Note 2). Cash received for customer deposits is also restricted.

Inventories and Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets or inventory. Inventory consists of supplies and is reported at average cost.

Capital Assets

Capital assets used in proprietary type funds are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at cost or acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the relative capital assets.

Major outlays for capital assets and improvements are capitalized in the proprietary fund as projects are constructed. Prior to fiscal year 2018, interest incurred during the construction phase was reflected in the capitalized value of the asset constructed. However, beginning in fiscal year 2018 and pursuant to GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, the Commission no longer capitalizes interest incurred during the construction phase.

It is the policy of the Commission to capitalize items costing $1,000 or greater with a useful life of 1 year or greater.

Depreciation of buildings, equipment and vehicles is computed using the straight-line method. A summary of the estimated useful lives is as follows:

Class of Asset	Life
Vehicles	4 to 7 years
Machinery and Equipment	3 to 20 years
Water and Sewer Systems	5 to 50 years
Buildings and Improvements	10 to 40 years
Water and Sewer Lines	50 years

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will also report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. The Commission had six deferrals at June 30, 2025 that meet the criteria for this category. They are:

1) Deferred charge on the refunding of City of West Columbia, Series 2002
   This charge is pursuant to a water purchase contract dated February 24, 2005, that required the Commission to recognize a portion of the City's bonded debt for water plant expansion (See Note 4).

2) Deferred charge on the advanced refunding of the Commission's Series 2012 Bond issue
   A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt (See Note 4).

3) Deferred charge on the advanced refunding of the Commission's Series 2013 Bond issue
   A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt (See Note 4).

4) Deferred charge on the current refunding of the Commission's Series 2014 Bond issue
   A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price, this amount is deferred and amortized over the shorter of the life of the refunded or refunding debt (See Note 4).

5) Net Pension Deferred Outflows
   This records the differences between expected and actual experience, and contributions made to SCRS subsequent to the measurement date until June 30th of current fiscal year (See Note 5).

6) Net OPEB Deferred Outflows
   This records the net difference between projected and actual earnings on plan investments, and contributions made to SC ORBET subsequent to the measurement date until June 30th of current fiscal year (See Note 11).

In addition to liabilities, the Statement of Net Position will also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

The Commission currently has two deferrals that meet the criteria for this category. They are:

1) Net Pension Deferred Inflows
   This records the net differences between projected and actual earnings on pension plan investments (See Note 5).

2) Net OPEB Deferred Inflows
   This records the net differences between expected and actual experience of the Commission's OPEB plan (See Note 11).

Revenue Billings

Water and sewerage fees are billed to users of the systems on a monthly cycle basis. Revenues are accrued for periods between the termination of billings for the various cycles and the end of the fiscal year. Some adjustments are made at fiscal year-end that may change the actual amount of billings.

Receivables and Payables

Trade accounts receivable is shown net of an allowance for doubtful accounts. Accounts payable are recognized when a good or service is received.

Compensated Absences

Commission employees earn annual leave, based upon years of service, at the rate of 10, 15, or 20 days per year. Maximum accumulations at any fiscal year-end cannot exceed 360 hours. Further, under no circumstances will employees be paid in excess of their maximum authorized accumulation in the case of separation/termination.

Accumulated annual leave of Commission employees is recorded as an expense and a liability as those benefits accrue. Sick leave benefits accumulate but are not paid out upon termination. In accordance with GASB Statement No. 101, the Commission recognizes a liability for unused leave when it is attributable to past service and more likely than not to be used or otherwise settled. Based on historical usage patterns and expected future leave accruals, the Commission has determined that accumulated sick leave is not more likely than not to be used and therefore no liability has been recorded.

Business-Type Activity Accounting

Business-type activity funds distinguish operating revenues 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 sales and services. The Commission also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

Legal Cost of Revenue Bonds

The Commission expenses all debt issuance costs in the period incurred in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Debt issuance costs—including legal fees—are no longer capitalized or amortized. Only prepaid insurance costs, if any, are reported as an asset and recognized as an expense over the life of the related debt using a systematic and rational method.

Risk Management

The Commission pays insurance premiums to an independent insurance agency to cover risks that may occur in normal operations. Once premiums are paid, the insurance company assumes all risk up to the coverage limits. The insurance company does not assume responsibility for the two risks listed below:

1) Unemployment compensation benefits are paid to eligible employees by the South Carolina Department of Employment and Workforce, and are reimbursed by the Commission.
2) Employees' health, dental, group life insurance programs, and other health and dependent care programs.

In addition, the Commission pays premiums to insurance companies to cover the following:

1) Real property buildings and structures with extended peril limits.
2) Real property contents with extended peril limits.
3) Motor vehicles collision/comprehensive and liability coverages.
4) Inland Marine on certain listed equipment and items.
5) General tort liability.
6) Cyber liability.

The Commission also pays premiums to independent insurance agencies for those constitutional officers requiring certain surety bonds and carries a bond on all other employees.

Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Capital

Contributed capital consists of additions and/or upgrades to infrastructure made by customers or developers working within the boundaries of the Commission's service area. Upon completion of the project, and the receipt of a Permit to Operate order issued by the SC Department of Environmental Services (DES), said capital is deeded to the Commission, who then accepts the responsibility for the on-going maintenance of the infrastructure. It is included in the capital assets of the Commission and depreciated accordingly. Also included are those grants restricted for capital purposes.

Note 1. Organization, Basis of Presentation, and Summary of Significant Accounting Policies (cont'd.)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the Commission's net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, the Commission relies on information prepared by the South Carolina Other Retirement Benefits Plan (the "Plan"). The Plan's fiduciary net position and related additions and deductions are measured on the same basis as reported in the Plan's financial statements. Benefit payments are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value, except for money market investments and participating interest-earning investment contracts with a maturity of one year or less at the time of purchase, which are reported at cost.

Note 2. Deposits and Investments

As of June 30, 2025, the Commission had the following deposits:

Deposits	Book Balance	Bank Balance	Rating
TD Bank	$ 250,000	$ 250,000	FDIC Insured
TD Bank	2,326,972	3,632,304	Collateralized – Letter of Credit

*In addition to cash deposits outlined above, the Commission held $300 in petty cash on hand at fiscal year-end.

At June 30, 2025, the Commission's investments at the SC Local Government Investment Pool, US Bank, TD Bank, and Ameris Bank had the following fair value measurements.

Investment Type	Fair Value	Input Level	Rating
SC Local Government Investment Pool	$ 31,739,761	N/A	Unrated
US Government Backed Securities MM	501,226	N/A	Unrated
TD Bank	5,000,000	N/A	Collateralized – Letter of Credit
Ameris Bank	1,000,000	N/A	Collateralized – Pledged Securities

In accordance with GASB No. 72, *Fair Value Measurement and Application*, the Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The following levels of input for measurement of fair value have been defined to assist the user in evaluating the fair value disclosure information:

Level 1: Quoted prices for identical investments in active markets;
Level 2: Observable inputs other than quoted market prices; and,
Level 3: Unobservable inputs

Note 2. Deposits and Investments (cont'd.)

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the investment's risk. Money market mutual funds classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3 are valued based on developed models in which there are few, if any, observable inputs.

The investment pool investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code of Laws. The investment pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GAAP, investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Funds may be deposited by investment pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the investment pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, PO Box 11778, Columbia, South Carolina 29211-1950.

The South Carolina Local Government Investment Pool (SCLGIP) 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 Commission does not disclose investment in the SCLGIP within the fair value hierarchy.

Interest rate risk. In accordance with its investment policy, the Commission manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to short periods of time. SCLGIP's investment policy requires that the weighted average maturity and weighted average duration of the actively managed fixed income portfolio should be consistent with the liquidity requirements of the pool. The average maturity of SCLGIP's investments at fiscal year-end was less than one year.

Credit risk. The Commission limits its credit risk by limiting its investments to US government-backed securities, collateralized certificates of deposit, and the state investment pool which itself is invested over a broad range of securities.

Custodial credit risk-deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. It is the policy of the Commission to obtain adequate collateralization on all deposits that exceed FDIC insurance coverage. As of June 30, 2025, all deposit amounts were covered by FDIC insurance or collateralized as outlined in the chart above. Therefore, no deposits were exposed to custodial credit risk.

Custodial credit risk-investments. For an investment, this 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 investments or collateral securities that are in possession of an outside party. At June 30, 2025, all of SCLGIP's investments were insured and registered.

Note 3. Capital Assets

Activity in capital assets for the year ended June 30, 2025, was as follows:

Asset Class	June 30, 2024	Increases	Decreases	Transfers	June 30, 2025
Land	$ 7,492,052	$ -	$ -	$ -	$ 7,492,052
Construction In Progress	18,895,534	26,290,509	(209,119)	(5,888,547)	39,088,377
Total Non-depreciable	26,387,587	26,290,509	(209,119)	(5,888,547)	46,580,429
Buildings	5,361,810	-	-	-	5,361,810
Less: Accumulated Depreciation	(1,965,436)	(199,013)	-	-	(2,164,449)
Machinery & Equipment	1,823,347	22,933	(15,223)	-	1,831,057
Less: Accumulated Depreciation	(1,622,417)	(43,527)	6,292	-	(1,659,653)
Furniture & Fixtures	2,164,618	328,988	(17,579)	733,606	3,209,634
Less: Accumulated Depreciation	(1,749,940)	(287,947)	16,785	-	(2,021,102)
Vehicles	1,207,365	85,655	-	-	1,293,020
Less: Accumulated Depreciation	(897,555)	(101,272)	-	-	(998,827)
Water Distribution System	108,198,495	3,578,547	-	171,808	111,948,850
Less: Accumulated Depreciation	(27,956,444)	(2,399,898)	-	-	(30,356,342)
Sewer Collection System	72,989,177	4,580,931	-	4,983,133	82,553,240
Less: Accumulated Depreciation	(18,947,650)	(1,698,924)	-	-	(20,646,574)
Total Depreciable Capital Assets	191,744,812	8,597,054	(32,802)	5,888,547	206,197,612
Total Capital Assets (Before Depreciation)	218,132,399	34,887,563	(241,921)	-	252,778,041
Less: Accumulated Depreciation	(53,139,443)	(4,730,581)	23,077	-	(57,846,947)
Total Capital Assets	$ 164,992,956	$ 30,156,982	(218,844)	-	$ 194,931,094

Of the $15,962,588 shown as contributed capital on Exhibit B, the Statement of Revenues, Expenses and Changes in Net Position, $7,057,410 was for water distribution and sewer collection systems which were contributed to the Commission by developers in fiscal year 2025. The remaining $8,905,178 reported as contributed capital was from capital grants as follows: SC Rural Infrastructure Authority - ARPA/SCIIP ($8,905,178)– Batesburg-Leesville Water Supply & (Oldfield Road) Tank.

Note 4. Notes and Bonds

Notes and Bonds at June 30, 2025 consist of the following:

Series 2005 Junior Lien Bond obligation to the City of West Columbia pursuant to a water purchase contract, dated February 24, 2005, that required that the Commission recognize a portion of the City's bonded debt for water plant expansion, includes capitalized interest of $50,411.	$ 389,090
Series 2020 Junior Lien Bond obligation to the City of Cayce pursuant to a wastewater services agreement, dated September 16, 2009, that required the Commission to recognize a portion of the City's bonded debt for wastewater plant expansion (Refunded Series 2009 Junior Lien obligation)	4,040,279
Total of Junior Lien Bond obligations:	4,429,369
$17,820,000 – Series 2019A Water and Sewer System Improvement and Refunding Revenue Bond due in annual principal payments of $45,000 to $1,100,000 through 2049, Interest Rate at 3.00% to 5.00%.	17,170,000
$4,485,000 – Series 2019B Water and Sewer System Improvement and Refunding Revenue Bond due in annual principal payments of $370,000 to $550,000 through 2029, Interest Rate at 5.00%.	2,035,000
$21,915,000 – Series 2019C Water and Sewer System Improvement and Refunding Revenue Bond due in annual principal payments of $65,000 to $1,915,000 through 2043, Interest Rate varies based on maturity.	18,270,000
$2,520,199 – Series 2021A State Revolving Fund (SRF) Water and Sewer System Revenue Bond for Old Barnwell/Red Bank Creek Gravity Trunk Upgrades, Interest Rate at 1.80%	2,141,875
Total of Senior Bond obligations:	39,616,875
Subtotal:	44,046,244
Less Current Portion:	(2,697,859)
Total Long Term:	41,348,385

Note 4. Notes and Bonds (cont'd.)

Adjustments for Issuance Premiums:	
$ 2,386,511 – Premium on Series 2019A Water and Sewer System Improvement and Refunding Revenue Bond	1,936,099
$ 784,346 – Premium on Series 2019B Water and Sewer System Improvement and Refunding Revenue Bond	327,379
$ 1,087,722 - Premium on City of Cayce Series 2020 (Junior Lien) Refunding Revenue Bonds	634,504
Total of Issuance Premiums:	2,897,982
Adjustments for Deferred Amounts:	
($ 1,340,028) – Deferred Charge on Refunding of Series 2002 Junior Lien Bond obligation to the City of West Columbia	(567,650)
($ 827,167) – Deferred Charge on Refunding of Series 2012 Water and Sewer System Refunding Revenue Bond	(487,166)
($ 1,156,178) – Deferred Charge on Refunding of Series 2013 Water and Sewer System Refunding and Improvement Revenue Bond	(882,454)
($ 458,400) – Deferred Charge on Refunding of Series 2014 Water and Sewer System Refunding Revenue Bond	(191,332)
Total of Deferred Charges on Debt Refundings:	(2,128,602)
Total of Adjustments:	769,380
Total Debt (Net of Issuance Premiums/Discounts and Deferred Charges on Debt Refundings):	$ 44,815,624

Total annual debt service requirements are as follows:

	Bonds		
Year Ended June 30,	Principal	Interest	Total
2026	$ 2,697,859	$ 1,523,866	$ 4,221,725
2027	2,749,481	1,440,729	4,190,210
2028	2,855,772	1,348,805	4,204,577
2029	2,959,067	1,242,614	4,201,682
2030	2,481,315	1,131,308	3,612,623
2031-2035	10,602,552	4,498,427	15,100,980
2036-2040	8,253,212	3,036,893	11,290,105
2041-2045	7,291,986	1,551,550	8,843,535
2046-2049	4,155,000	423,600	4,578,600
Total	$ 44,046,244	$ 16,197,793	$ 60,244,037

Note 4. Notes and Bonds (cont'd.)

Changes in long-term liabilities: Long-term liability activity for the year ended June 30, 2025, was as follows:

	Balance at July 1, 2024	Increases	Decreases	Balance at June 30, 2025	Due Within One Year
Revenue Bonds Payable	$ 41,297,405	-	$ 1,680,530	$ 39,616,875	$ 1,857,533
Junior Lien Obligation Bonds	5,461,240	-	1,031,871	4,429,369	840,326*
Compensated Absences	295,253	320,108	295,253	320,108	96,096
Total liabilities	47,053,898	320,108	3,007,654	44,366,352	2,793,955
Adjusted by:					
Issuance (Discounts)/Premiums	3,151,142	-	253,160	2,897,982	253,159
Total	$ 50,205,040	$ 320,108	$ 3,260,814	$ 47,264,334	$ 3,047,114

*Amount includes "Debt Service Component of Plant Expansion Contracts" under Current Liabilities on Exhibit A.

The Commission does not have any unused line of credit as of June 30, 2025. Additionally, the Commission does not have any assets pledged as collateral for debt. The Commission's debt obligations are secured by a lien, either parity or junior depending on the circumstances, on Pledged Revenues. If there is an Event of Default in connection with any of the debt obligations secured under the terms of the 1997 Indenture, as amended and supplemented, then the Trustee may, if requested by the holders of not less than 25% in principal amount of the Bonds then Outstanding, declare that all unpaid principal and interest on any Bonds then Outstanding is immediately due and payable.

Note 5. Employee Retirement Systems

The employees of the Commission are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all Commission employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws of 1976, as amended. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, and death benefits to eligible employees and retirees.

The SCRS maintains five independent defined benefit plans and issues its own publicly available Annual Comprehensive Financial Report (ACFR), which includes financial statements and required supplementary information. A copy of the separately issued ACFR may be obtained by writing to South Carolina Public Employee Benefit Authority Retirement Benefits, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Currently, there are two classes of memberships in SCRS: Class Two and Class Three. (Class One membership is no longer applicable.) Class Two members are employees who currently have earned service credit in SCRS or a correlated retirement system for a period of service prior to July 1, 2012. Class Three members are those members who do not currently have earned service credit in SCRS or a correlated retirement system for a period of service prior to July 1, 2012. A period of withdrawn service or a period participation in the State ORP does not count toward the earned service credit used to determine whether a member is Class Two or Class Three unless the member has completed a service purchase to establish earned service credit in SCRS for the period of withdrawn service or State ORP participation.

Note 5. Employee Retirement Systems (cont'd.)

The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 1.82 % of an employee's average final compensation multiplied by the number of years of credited service. Retirement benefits are calculated based on two categories:

Normal Retirement (Unreduced Benefit)

Class Two employees are eligible for a normal retirement (unreduced benefit) annuity upon either:

1) Completion of 28 years of credit on the date of retirement, five years of which must be earned service;
2) Reaching age 65 or older on the date of retirement with five years of earned service credit.

Class Three members are eligible for a normal retirement (unreduced benefit) annuity by either:

1) Meeting the "Rule of 90" requirement with at least eight years of earned service credit. This means that your age and years of service credit must add up to 90. For example, a member who is 56 years old and has at least 34 years of service credit, eight years of which must be earned service credit, would be eligible for normal retirement (56 + 34 = 90);
2) Reaching age 65 or older with eight years of earned service credit.

Early Retirement (Reduced Benefit)

Class Two employees are eligible for an early retirement (reduced benefit) annuity upon either:

1) Reaching age 60 with at least five years of earned service credit. Your benefit is permanently reduced 5 percent for each year of age less than 65;
2) Reaching age 55 or older with 25 years of credit, five years of which must be earned service credit. Your benefit is permanently reduced 4 percent for each year of service credit less than 28. Benefit adjustment restrictions apply and are described in the SCRS Member Handbook.

Class Three members are eligible for an early retirement (reduced benefit) annuity:

1) Upon reaching age 60 with eight years of earned service credit. Your benefit is permanently reduced 5 percent for each year of age less than 65.

The Commission's total covered payroll for the fiscal year was $2,894,050. Since July 1, 2017, employees participating in the SCRS are required to contribute 9.00% of all compensation, excluding bonuses. Contributions are prescribed (stated as a percentage of covered payroll) in Title 9 of the South Carolina Code of Laws. The employer contribution rate for fiscal year 2025 is 18.41%. The contributions made for the year ended June 30, 2025, were $532,795 from the employer and $260,465 from employees. The contributions made for the two prior fiscal years from the employer were $478,820 for 2024 and $411,264 for 2023. The contributions made for the two prior fiscal years from the employee were $234,078 for 2024 and $212,600 for 2023. The Commission's fiscal year 2025 contributions, for both employee and employer portions, are 100% of the Commission's required contributions for the period and represented less than one percent of total contributions required of all participating entities. Also, the Commission paid employer group-life insurance/incidental death benefits contributions of approximately $4,341 for the year ended June 30, 2025, at the rate of 0.15% of compensation.

Note 5. Employee Retirement Systems (cont'd.)

Article X, Section 16 of the South Carolina Constitution requires that all state-operated retirement systems be funded on a sound actuarial basis, and Title 9 of the South Carolina Code of Laws prescribes membership, benefits, and employee/employer contribution requirements. Employee and employer contribution rates are actuarially determined.

PEBA does not maintain separate plan assets for individual employers; however, in accordance with GASB Statement No. 68, each participating employer is required to recognize its proportionate share of the collective net pension liability, deferred outflows/inflows of resources, and pension expense. The Commission's proportionate share is based on its share of the plan's covered payroll.

Although the Commission is not legally responsible for the unfunded liabilities of the plan beyond its statutorily required contributions, GASB 68 requires recognition of the Commission's proportionate share of the collective net pension liability in these financial statements.

At June 30, 2025, the Commission reported $4,254,473 for its proportionate share of the net pension liability (NPL) of SCRS. The NPL of the SCRS defined benefit pension plan was determined based on an actuarial valuation performed as of July 1, 2024. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2025, using generally accepted actuarial principles. The Commission's employer allocated percentage of the NPL was based on the Commission's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2025, the Commission's SCRS employer allocated percentage was 0.019688%, which is a slight increase from its employer allocated percentage of the NPL measured as of June 30, 2024. For the year ended June 30, 2025, the Commission recognized pension expenses of $807,088 for SCRS.

At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability experience	$ 199,610	$ -
Assumption changes	50,282	-
Investment experience	-	273,153
Changes in proportion and differences between employer contributions and share of total plan contributions	169,834	-
Contributions made to SCRS from measurement date to June 30, 2025*	-	-
Total	$ 419,726	$ 273,153

*Because PEBA issued its FY 2025 audit report prior to the Commission's FY 2025 ACFR being available, the Commission adjusted its Net Pension Liability balance and associated deferred outflows and deferred inflows to PEBA's FY 2025 audit report instead of PEBA's FY 2024 audit report which would normally be the case. Therefore, there were no Contributions made to SCRS from the measurement date to June 30,2025 for the Commission to record as Deferred Outflows of Resources.

Note 5. Employee Retirement Systems (cont'd.)

The Commission reported $0 as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date which will be recognized as a reduction of the NPL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year ended June 30,	SCRS
2025	$ 236,408
2026	40,255
2027	(67,116)
2028	(62,974)
	$ 146,573

The following table provides a summary of the actuarial assumptions and methods used to calculate the Total Pension Liability (TPL) as of June 30, 2025:

	SCRS
Actuarial cost method	Entry age normal
Investment rate of return[1]	7%
Projected salary increases	3.0% to 11.25% (varies by service)[1]
Benefit adjustments	Lesser of 1% or $500 annually

[1] Includes inflation at 2.25%

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2023, for first use in the July 1, 2024 actuarial valuation. The June 30, 2025 TPL, NPL and sensitivity information shown in this report were determined by consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2024. The TPL was rolled forward from the valuation date to the plan's fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2024 & 2025 legislative sessions that had a material change in the benefit provisions for any of the systems.

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 (PRSC) Mortality table, was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2025, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Note 5. Employee Retirement Systems (cont'd.)

The long-term expected rate of return on pension plan investments is based upon 30-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 below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and 2.25% inflation component.

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
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%
Expected Real Return	100.0%		5.50%
Inflation for Actuarial Purposes			2.25%
Expected Rate of Return			7.75%

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

The following table presents the Commission's proportionate share of the net SCRS pension liabilities calculated using the discount rate of 7.00 percent, as well as what the Commission's respective net pension liabilities would be if it were calculated using a discount rate of 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Plan	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
SCRS	$ 5,749,251	$ 4,254,473	$ 3,010,593

Note 6. Unearned Revenue

Unearned revenue represents that portion of hard costs of meter set revenue received but not earned until meters are set.

Note 7. Deferred Compensation Plans

Two optional deferred compensation plans are available to Commission employees. Certain employees of the Commission have elected to participate. Employees may withdraw the current value of their contributions when they terminate employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

Compensation deferred under the Section 401(k) and 457(b) plans is placed in trust for the contributing employee. The Commission has no liability for losses under the plans. Under each of the plans, all deferred compensation plan amounts including earnings remain assets of the employees.

Note 8. Comparative Data

Comparative data for the prior year has been presented in the accompanying financial statements to facilitate financial analysis.

Note 9. Commitments and Contingencies

Funds received from federal and state grants programs are subject to audit by various federal and state agencies. The Commission can be required to replace any funds not used in compliance with grant requirements. At June 30, 2025, the Commission had active construction projects with commitments to contractors/engineers of $53,873,496, of which $35,232,039 has been expended or recorded as a liability.

Note 10. Subsequent Events

The Commission has evaluated all events subsequent to the basic financial statements for the year ended June 30, 2025, through July 24, 2026, which is the date the financial statements were available to be issued and determined that there were no additional subsequent events requiring note disclosure.

Note 11. Other Post-Employment Benefits (OPEB)

Plan Description

The Commission's defined benefit post-employment healthcare plan (the Plan), which the Commission initiated November 2007, provides subsidized medical and dental insurance to eligible retirees. When the retiree reaches the age to qualify for Medicare, the Commission will no longer fund the benefit. Currently, that age is sixty-five (65).

Employees hired before September 9, 2015 become eligible when the employee qualifies for retirement benefits under the SCRS and has a minimum of five (5) years of service with the Commission and was employed with the Commission at the time of retirement. Effective September 9, 2015, the minimum amount of service for employees hired on or after this date is ten (10) years. SC PEBA determines eligibility for retirement and retiree group insurance.

Under the original 2007 plan, once an employee reaches certain length of employment milestones, the employee is eligible for the Commission to pay a percentage of the employer portion of premiums (based on "Employee Only" premium). Those length of employment milestones and corresponding percentages of the employer portion of premiums are listed below:

5 years (minimum)	25%
10 years	50%
15 years	75%
20 years	100%

Under the September 9, 2015 plan, once an employee reaches certain length of employment milestones, the employee is eligible for the Commission to pay a percentage of the employer portion of premiums (based on "Employee Only" premium). Those length of employment milestones and corresponding percentages of the employer portion of premiums are listed below:

10 years (minimum)	25%
15 years	50%
20 years	75%
25 years	100%

At June 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Active employees	38
	40

Note 11. Other Post-Employment Benefits (cont'd.)

The Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust (SC ORBET), an agent multiple-employer irrevocable trust administered by the Municipal Association of South Carolina. Each participating employer is responsible for determining the appropriate amount of contributions to remit to the Trust. SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the Plan. A copy of the report may be obtained by writing to: Chief Financial Officer or Director of Risk Management Services, Municipal Association of SC, P.O. Box 12109, Columbia, South Carolina 29211.

Net OPEB Liability

The Commission's net OPEB liability was measured as of December 31, 2024, and the Total OPEB Liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial assumptions

The TOL in the December 31, 2022 actuarial valuation was determined using the following key actuarial assumptions and other inputs:

Inflation	2.25%
Real wage growth	
SCRS	0.75%
Wage inflation	
SCRS	3.00%
Salary increases, including wage inflation	
SCRS	3.00% - 9.65%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	4.75%
Municipal Bond Index Rate	
Prior Measurement Date	3.26%
Measurement Date	4.08%
Year Fiduciary Net Position is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	4.75%
Measurement Date	4.75%
Health Care Cost Rates	
Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033

Mortality rates were based on the PUB-2010 Below Median Mortality Table for Employees with a 100% multiplier to better reflect anticipated experience and provide margin for future improvements. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the December 31, 2022 valuation were based on the results of the 2024 actuarial experience study adopted by SCRS.

Note 11. Other Post-Employment Benefits (cont'd.)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The long-term expected rate of return assumption is 4.75%. The target allocation for each major asset class is summarized in the following table:

Asset Class	Target Allocation	Expected Arithmetic Real Rate of Return
US Government Agency	58.00%	4.40%
US Govt MBS/CMO/CMBS	40.00%	4.90%
Cash and Short Duration (Net)	2.00%	3.85%
Total	100.00%	

Discount Rate

The discount rate used to measure the TOL as of the measurement date was 4.75 percent. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of December 31, 2022. In addition to the actuarial methods and assumptions of the December 31, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all future years, the employer is assumed to contribute the average of the last 5 years of contributions to the plan through deposit to the Trust and direct payment of benefits to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make contributions to the Trust and benefits payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's Fiduciary Net Position was projected to not be depleted.

Note 11. Other Post-Employment Benefits (cont'd.)

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plant Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2024	$ 772,529	$ 664,857	$ 107,672
Changes for the year:			
Service cost	22,134	-	22,134
Interest on TOL and cash flows	36,062	-	36,062
Difference between expected and actual experience	(5,659)	-	(5,659)
Changes of assumptions or other inputs	16,415	-	16,415
Contributions - employer	-	47,948	(47,948)
Net investment income	-	8,446	(8,446)
Benefit payments and implicit subsidy credit	(26,971)	(26,971)	-
Plan administrative expenses	-	(1,000)	1,000
Net changes	41,981	28,423	13,558
Balance at June 30, 2025	$ 814,510	$ 693,280	$ 121,230

Sensitivity of the Net OPEB Liability to changes in the discount rate

The following table presents the net OPEB liability of the Plan, calculated using the discount rate of 4.75 percent, as well as what the Plan's net OPEB liability would be if it were calculated using a Discount Rate that is 1.00 percent lower (3.75 percent) or 1.00 percent higher (5.75 percent) than the current rate.

	1% Decrease (3.75%)	Current Dscount Rate (4.75%)	1% Increase (5.75%)
Net OPEB liability	$ 208,930	$ 121,230	$ 42,649

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rates

The following table presents the net OPEB liability of the Plan, calculated using current healthcare cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using health care cost trend rates that are 1.00 percent lower or 1.00 percent higher than the current rates.

	1% Decrease	Current	1% Increase
Net OPEB liability	$ 15,265	$ 121,230	$ 247,110

Note 11. Other Post-Employment Benefits (cont'd.)

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

For the year ended June 30, 2025, the Commission recognized OPEB expense of $54,997. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 35,839	$ 69,392
Changes of assumptions or other inputs	50,166	16,383
Net difference between projected and actual earnings on OPEB plan investments	90,160	-
Contributions subsequent to measurement date	4,889	-
Total	$ 181,054	$ 85,775

The $4,889 reported as a deferred outflow of resources related to OPEB resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2026	$ 41,449
2027	30,431
2028	3,327
2029	534
2030	(5,874)
Thereafter	20,523
	$ 90,390

JOINT MUNICIPAL WATER AND SEWER COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

South Carolina Retirement System
Schedule of Contributions

Last 10 fiscal years	Contractually required contributions	Contributions in relation to the contractually required contribution	Contribution deficiency/(excess)	Covered payroll	Contributions as a percentage of covered payroll
2016	$ 187,267	(187,267)	$ -	$ 1,716,473	10.91%
2017	$ 195,297	(195,297)	$ -	$ 1,711,633	11.41%
2018	$ 248,410	(248,410)	$ -	$ 1,852,425	13.41%
2019	$ 261,025	(261,025)	$ -	$ 1,811,415	14.41%
2020	$ 309,241	(309,241)	$ -	$ 2,006,757	15.41%
2021	$ 326,658	(326,658)	$ -	$ 2,119,781	15.41%
2022	$ 356,046	(356,046)	$ -	$ 2,169,688	16.41%
2023	$ 411,264	(411,264)	$ -	$ 2,362,227	17.41%
2024	$ 478,820	(478,820)	$ -	$ 2,600,870	18.41%
2025	$ 532,795	(532,795)	$ -	$ 2,894,050	18.41%

South Carolina Retirement System
Schedule of the Proportionate Share of the Net Pension Liability

Last 10 fiscal years	Commission's proportion of the 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 its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.0176%	$ 3,338,115	$ 1,650,281	202.28%	56.99%
2017	0.0177%	$ 3,786,034	$ 1,716,473	220.57%	52.91%
2018	0.0170%	$ 3,818,869	$ 1,711,633	223.11%	53.34%
2019	0.0179%	$ 4,005,387	$ 1,852,425	216.22%	54.10%
2020	0.0172%	$ 3,916,968	$ 1,811,415	216.24%	54.40%
2021	0.0180%	$ 4,596,142	$ 2,006,757	229.03%	50.71%
2022	0.0188%	$ 4,058,249	$ 2,119,781	191.45%	60.75%
2023	0.0182%	$ 4,417,151	$ 2,169,688	203.58%	57.06%
2024	0.0187%	$ 4,517,224	$ 2,362,227	191.23%	58.65%
2025	0.0197%	$ 4,254,473	$ 2,894,050	147.01%	66.21%

*Fiscal Year 2025 values are based on the South Carolina Retirement System's (SCRS) fiscal year 2025 reported amounts because they were published in advance of the Commission's FY25 ACFR being issued. All previous years presented are based on SCRS's prior fiscal year reported amounts.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Other Post-Employment Benefits

Schedule of Changes in the Net OPEB Liability

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost at end of year	$22,134	$21,499	$20,873	$23,320	$22,641	$22,319	$21,669	$21,038
Interest on the Total OPEB Liability	36,062	31,523	29,687	34,496	32,521	29,178	27,597	25,604
Difference between expected and actual experience	(5,659)	38,271	8,776	(112,014)	(797)	(1,718)	(3,550)	-
Changes in assumptions or other inputs	16,415	28,901	-	(29,567)	-	33,779	-	-
Benefit payments*	(26,971)	(22,341)	(19,075)	(15,926)	(9,721)	(16,545)	(8,431)	(1,000)
Net change in Total OPEB Liability	41,981	97,853	40,261	(99,691)	44,644	67,013	37,285	45,642
Total OPEB Liability - beginning	$772,529	$674,676	$634,415	$734,106	$689,462	$622,449	$585,164	$539,522
Total OPEB Liability - ending (a)	$814,510	$772,529	$674,676	$634,415	$734,106	$689,462	$622,449	$585,164
Plan Fiduciary Net Position								
Contributions - employer**	$47,948	$96,587	$19,075	$15,926	$31,178	$96,766	$28,967	$198,353
Net investment income	8,446	18,922	(103,232)	(21,645)	33,284	23,989	824	8,346
Benefit payments*	(26,971)	(22,341)	(19,075)	(15,926)	(9,721)	(16,545)	(8,431)	(1,000)
Administrative expense	(1,000)	(4,235)	(1,250)	(4,485)	(1,000)	(3,191)	-	(11,717)
Net Change in Plan Fiduciary Net Position	$28,423	$88,933	($104,482)	($26,130)	$53,741	$101,019	$21,360	$193,982
Plan Fiduciary Net Position - beginning	$664,857	$575,924	$680,406	$706,536	$652,795	$551,776	$530,416	$336,434
Plan Fiduciary Net Position - ending (b)	$693,280	$664,857	$575,924	$680,406	$706,536	$652,795	$551,776	$530,416
Net OPEB (Asset)/Liability - ending (a) - (b)	$121,230	$107,672	$98,752	($45,991)	$27,570	$36,667	$70,673	$54,748

*Benefit payments are net of participant contributions, include an amount for the implicit subsidy, if applicable, and includes amounts paid outside an OPEB trust, if applicable.

**The employer contribution includes amounts for the implicit subsidy, if applicable, and benefit payments paid outside the Trust, if applicable.

***This data is presented for those years which information is available. Each year the Commission will add an additional year of data until a total of ten years is presented.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Other Post-Employment Benefits
Schedule of the Net OPEB Liability

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability	$814,510	$772,529	$674,676	$634,415	$734,106	$689,462	$622,449	$585,164	$539,522
Plan Fiduciary Net Position	693,280	664,857	575,924	680,406	706,536	652,795	551,776	530,416	336,434
Net OPEB (Asset)/Liability	$121,230	$107,672	$98,752	($45,991)	$27,570	$36,667	$70,673	$54,748	$203,088
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	85.12%	86.06%	85.36%	107.25%	96.24%	94.68%	88.65%	90.64%	62.36%
Covered Payroll*	$2,136,727	$2,136,727	$2,065,735	$2,065,735	$1,660,796	$1,660,796	$1,679,466	$1,679,466	$1,679,466
Net OPEB (Asset)/Liability as a percentage of covered payroll	5.67%	5.04%	4.78%	(2.23%)	1.66%	2.21%	4.21%	3.26%	12.09%

*For years following the valuation date (when no new valuation is performed), covered payroll has been set to equal the covered payroll from the most recent valuation.

**This data is presented for those years which information is available. Each year, the Commission will add an additional year of data until a total of ten years is presented.

Other Post-Employment Benefits
Schedule of Employer Contributions

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Employer Contribution (ADEC)	$47,612	$37,123	$ -	$10,729	$50,839	$50,379	$108,945	$127,240
Contributions in relation to the ADEC	47,948	96,587	19,075	15,926	31,178	96,766	28,967	198,353
Annual contribution deficiency (excess)	(336)	(59,464)	(19,075)	(5,197)	19,661	(46,387)	79,978	(71,113)
Covered payroll*	$2,136,727	$2,136,727	$2,065,735	$2,065,735	$1,660,796	$1,660,796	$1,679,466	$1,679,466
Actual contributions as a percentage of covered payroll	2.24%	4.52%	0.92%	0.77%	1.88%	5.83%	1.72%	11.81%

*For years following the valuation date (when no new valuation is performed), covered payroll has been set equal to the covered payroll from the most recent valuation.

**This data is presented for those years which information is available. Each year the Commission will add an additional year of data until a total of ten years is presented.

SCHEDULE 1

JOINT MUNICIPAL WATER AND SEWER COMMISSION
SCHEDULE OF OTHER GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2024)

	JUNE 30	
	2025	2024
Payroll Fringes	$ 1,535,116	$ 1,205,390
Online Utility Expenses	9,177	9,022
Contracted Services and Maintenance	978,493	915,248
Professional Services	936,182	821,298
Franchise Fees	31,398	29,972
Pelion Lease	1,000	1,000
Right of Way Clearing	1,825	3,825
Grounds Maintenance	25,150	22,920
Advertising	53	616
Provision for Uncollectible Accounts	33,003	33,952
Bank Charges	302,777	227,741
Office Supplies	17,404	10,858
Backflow Devices	83,054	37,275
Duplicating	14,245	17,809
Operating and Engineering Supplies	162,780	160,812
Chemicals	148,360	185,852
Equipment Repairs and Maintenance	251,245	304,217
Vehicle Repairs and Maintenance	39,581	62,745
Building Repairs	23,430	10,607
Equipment Rental	-	1,287
Building Insurance	103,225	89,333
Vehicle Insurance	26,375	24,414
General Tort Liability Insurance and Surety Bond	35,354	30,780
Telephone and Internet	54,768	45,245
Postage	11,851	11,425
Meetings, Training and Subscriptions	117,032	90,523
Utilities	708,820	706,691
Gas, Fuel and Oil	77,176	76,574
Uniforms	21,979	16,428
Licenses and Permits	40,651	39,651
Operating Agreement - Swansea	144,162	-
Miscellaneous	105,823	104,331
Taps/Meters/AMR	317,447	321,544
Hydrants	28,193	1,900
Total Other General and Administrative Expenses	$ 6,387,129	$ 5,621,285

Statistical Section

Statistical Section

The purpose of the statistical section is to provide additional information useful in assessing a government's financial condition. The statistical section provides information on financial trends, revenue capacity, debt capacity, operating information as well as demographic and economic information.

Statistical Section Table of Contents

Financial Trends (Tables I-III)

These tables contain trend information to help the reader understand how the Commission's financial performance and position have changed over time.

Revenue Capacity (Tables IV-IX)

These schedules contain information identifying the factors affecting the Commission's ability to generate revenue.

Debt Capacity (Tables X-XIII)

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

Demographic and Economic Information (Tables XIV-XV)

These schedules offer demographic and economic indicators showing the environment in which the Commission operates.

Operating and Capital Information (Tables XVI – XVIII)

These schedules contain operational, capital, and service information to convey how the Commission's financial reports relate to its service.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE I

Net Position by Component
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017[3]	2016[1][2]
Net Investment in Capital Assets:	$ 145,811,150	$ 118,662,841	$ 99,939,059	$ 91,536,217	$ 88,892,401	$ 83,799,549	$ 78,126,258	$ 62,304,930	$ 54,747,304	$ 53,091,400
Restricted for Debt Service:	599,708	491,544	426,066	369,914	1,159,357	1,159,614	1,672,060	1,687,523	1,683,385	1,920,575
Restricted for Capital/Const. Projects:	8,933,678	5,227,174	7,817,200	10,157,330	13,473,443	20,126,234	28,500	28,500	28,500	1,559,128
Unrestricted:	45,416,619	47,046,201	44,437,972	34,773,709	23,415,407	14,047,484	28,790,315	33,452,668	32,028,754	25,384,536
Total Net Position:	$ 200,761,155	$ 171,427,760	$ 152,620,297	$ 136,837,170	$ 126,940,608	$ 119,132,881	$ 108,617,133	$ 97,473,621	$ 88,487,943	$ 81,955,639

[1] Prior Period Restatement to FY 2016 Capital Contributions ($711,337) resulted in a restatement of FY 2016 Total Net Position. See FY 2017 ACFR - Note 12.

[2] Restatement of FY 2016 Net Position ($333,333). See FY 2017 ACFR - Note 12.

[3] Restatement of FY 2017 Net Position ($203,088). See FY 2018 ACFR - Note 12.

Source: Commission's Audited Financial Statements

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE II

Changes in Net Position
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017[2]	2016[1]
Revenues:										
Water Service Revenues	$ 12,397,257	$ 11,807,996	$ 10,866,433	$ 10,115,853	$ 9,523,154	$ 9,540,763	$ 8,620,339	$ 7,948,591	$ 7,930,855	$ 7,407,447
Wastewater Service Revenues	4,934,991	4,294,681	3,873,224	3,524,590	3,277,185	3,196,547	3,013,992	2,666,433	2,565,525	2,395,267
Other Revenues	8,870,670	7,667,820	6,691,596	6,366,286	5,849,410	5,749,635	5,388,811	5,134,261	4,747,310	4,944,149
Total Operating Revenues:	26,202,918	23,770,497	21,431,253	20,006,729	18,649,749	18,486,945	17,023,142	15,749,285	15,243,690	14,746,863
Operating Expenses:										
Salaries and Wages	3,133,547	2,766,028	2,420,457	2,276,631	2,185,582	2,163,927	1,894,384	1,918,769	1,801,302	1,807,613
Wholesale W&S Costs	4,548,170	4,237,101	4,218,910	3,205,897	3,052,909	2,708,314	2,451,092	2,540,746	2,462,856	2,108,483
General & Admin Exp	6,387,129	5,621,285	4,883,743	4,332,272	4,254,655	4,031,995	3,835,709	3,721,039	3,885,534	3,326,094
Depreciation	4,730,580	4,206,919	3,876,524	3,593,004	3,332,219	3,146,096	2,922,762	2,690,707	2,673,654	2,549,423
Total Operating Expenses	18,799,426	16,831,333	15,399,634	13,407,804	12,825,365	12,050,332	11,103,947	10,871,261	10,823,346	9,791,613
Operating Income	7,403,492	6,939,164	6,031,619	6,598,925	5,824,384	6,436,613	5,919,195	4,878,024	4,420,344	4,955,250
Non-operating revenue (expenses), net	5,967,315	5,208,687	2,659,169	1,018,445	96,798	1,544,097	774,657	258,680	(498,227)	747,190
Income before Capital Contributions	13,370,807	12,147,851	8,690,788	7,617,370	5,921,182	7,980,710	6,693,852	5,136,704	3,922,117	5,702,440
Capital Contributions	15,962,588	6,659,612	7,092,339	2,279,192	1,886,545	2,535,038	4,449,660	3,848,974	2,610,187	2,053,323
Change in Net Position	$ 29,333,395	$ 18,807,463	$ 15,783,127	$ 9,896,562	$ 7,807,727	$ 10,515,748	$ 11,143,512	$ 8,985,678	$ 6,532,304	$ 7,755,763

[1] Prior Period Restatement to FY 2016 Capital Contributions (additional $711,337) resulted in a restatement of FY 2016 Capital Contributions and Change in Net Position. See FY 2017 ACFR - Note 12.

[2] Change in Net Position for fiscal year 2017 includes restatement of ($203,088) to record beginning net OPEB liability and OPEB expense pursuant to the implementation of GASB Statement No. 75.

Source: Commission's Audited Financial Statements

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE III

Revenues and Expenses (Rate Basis)
Actual versus Budget - FY 2025

	Actual[1]	Budget[2]	Variance	% of Budget Recognized/Spent
General Revenues				
Water Sales & Service	$ 12,404,927	$ 12,465,884	$ (60,957)	99.51%
Wastewater Sales & Service	4,877,329	4,842,867	34,462	100.71%
Backflow Fees	1,107,721	1,110,520	(2,799)	99.75%
Hydrant Fees	1,332,558	1,299,420	33,138	102.55%
Other Operating Revenues	601,778	449,401	152,377	133.91%
Account Maintenance Fees	4,598,695	4,546,937	51,758	101.14%
Total General Revenues	24,923,008	24,715,029	207,979	100.84%
Tap Fee Connections Cost Recovery				
Tap Fee Connection Costs	695,300	-	695,300	0.00%
Hard costs of Meter Sets	18,650	-	18,650	0.00%
Tap Installation Fee	4,644	-	4,644	0.00%
Total Tap Fee Connections Cost Recovery	718,594	-	718,594	0.00%
Total Operating Revenues	25,641,602	24,715,029	926,573	103.75%
Non-operating Revenues				
Capital Facility Charges	3,930,453	-	3,930,453	0.00%
Interest income	2,404,983	2,052,000	352,983	117.20%
Miscellaneous Income	19,650	-	19,650	0.00%
Total Non-operating Revenues	6,355,086	2,052,000	4,303,086	309.70%
Total Revenues	31,996,688	26,767,029	5,229,658	119.54%
Direct Operating Expenses				
Salaries and Wages	3,032,321	3,137,927	(105,606)	96.63%
Wholesale Water and Sewer Costs	4,786,222	5,201,000	(414,778)	92.03%
Other General and Administrative Expenses	6,150,268	7,007,391	(857,123)	87.77%
Total Direct Operating Expenses	13,968,811	15,346,318	(1,377,507)	91.02%
Indirect Operating Expenses				
Debt Service[3]	4,362,940	4,375,353	(12,413)	99.72%
Capital Outlay	512,004	750,989	(238,985)	68.18%
Regional WTP & WWTF Charges (Depreciation & Capital Charge)	120,333	252,560	(132,227)	47.65%
Total Indirect Operating Expenses	4,995,277	5,378,902	(383,625)	92.87%
Total Direct and Indirect Operating Expenses	18,964,088	20,725,220	(1,761,132)	91.50%
Net	$ 13,032,600	$ 6,041,809	$ 6,990,790	215.71%

[1] Prior to year end accruals and adjustments.
[2] Final amended budget at fiscal year end.
[3] Presented net of original issuance discount and premiums.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE IV

Distribution of Customers by Account Type
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

	2025				2024				2023				2022				2021			
	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth
Total Water Customers:	**20,960**		**573**	2.81%	**20,387**		**688**	3.49%	**19,699**		**599**	3.14%	**19,100**		**537**	2.89%	**18,563**		**608**	3.39%
Residential	20,090	98.5%	555	2.84%	19,535	95.8%	672	3.56%	18,863	95.8%	558	3.05%	18,305	95.8%	516	2.90%	17,789	95.8%	582	3.38%
Commercial	860	4.2%	18	2.14%	842	4.1%	17	2.06%	825	4.2%	41	5.23%	784	4.1%	21	2.75%	763	4.1%	26	3.53%
Industrial	10	0.0%	-	0.00%	10	0.0%	(1)	-9.09%	11	0.1%	-	0.00%	11	0.1%	-	0.00%	11	0.1%	-	0.00%
Total Sewer Customers:	**7,250**		**462**	6.81%	**6,788**		**403**	6.31%	**6,385**		**453**	7.64%	**5,932**		**282**	4.99%	**5,650**		**294**	5.49%
Residential	6,991	103.0%	465	7.13%	6,526	96.1%	402	6.56%	6,124	95.9%	419	7.34%	5,705	96.2%	273	5.03%	5,432	96.1%	286	5.56%
Commercial	245	3.6%	(3)	-1.21%	248	3.7%	1	0.40%	247	3.9%	34	15.96%	213	3.6%	9	4.41%	204	3.6%	8	4.08%
Industrial	14	0.2%	-	0.00%	14	0.2%	-	0.00%	14	0.2%	-	0.00%	14	0.2%	-	0.00%	14	0.2%	-	0.00%

	2020				2019				2018				2017				2016			
	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth	# of Accts	% of Total Accts	# of New Accts	% Growth
Total Water Customers:	**17,955**		**659**	3.81%	**17,296**		**713**	4.30%	**16,583**		**681**	4.28%	**15,902**		**790**	5.23%	**15,112**		**873**	6.13%
Residential[1]	17,207	95.8%	638	3.85%	16,569	95.8%	691	4.35%	15,878	95.7%	674	4.43%	15,204	95.6%	772	5.35%	14,432	95.5%	860	6.34%
Commercial	737	4.1%	21	2.93%	716	4.1%	22	3.17%	694	4.2%	8	1.17%	686	4.3%	18	2.69%	668	4.4%	13	1.98%
Industrial	11	0.1%	-	0.00%	11	0.1%	-	0.00%	11	0.1%	(1)	-8.33%	12	0.1%	-	0.00%	12	0.1%	-	0.00%
Total Sewer Customers:	**5,356**		**296**	5.85%	**5,060**		**247**	5.13%	**4,813**		**246**	5.39%	**4,567**		**259**	6.01%	**4,308**		**335**	8.43%
Residential	5,146	96.1%	291	5.99%	4,855	95.9%	237	5.13%	4,618	95.9%	241	5.51%	4,377	95.8%	251	6.08%	4,126	95.8%	327	8.61%
Commercial	196	3.7%	5	2.62%	191	3.8%	10	5.52%	181	3.8%	5	2.84%	176	3.9%	8	4.76%	168	3.9%	8	5.00%
Industrial	14	0.3%	-	0.00%	14	0.3%	-	0.00%	14	0.3%	-	0.00%	14	0.3%	-	0.00%	14	0.3%	-	0.00%

Source: Utility Billing Software, SpryCIS or iCIS

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE V-1

Monthly Charges to Commission
Residential Customers with ¾" Meter and
7,000 Gallons Usage

FYE June 30,	Water Charges	Sewer Charges	Total
2025	$ 53.84	$ 70.63	$ 124.47
2024	52.00	66.04	118.04
2023	49.86	63.26	113.12
2022	48.39	61.43	109.82
2021	46.23	59.67	105.90
2020	46.23	59.67	105.90
2019	45.54	57.98	103.52
2018	44.85	56.37	101.22
2017	44.85	54.77	99.62
2016	44.16	53.24	97.40

*Note: Charges above do not include fire protection/hydrant fee or backflow charges.

Monthly Charge Comparison
with Other Regional Municipal Utility Systems[1]
for Residential Customers with ¾" Meter and 7,000 Gallons Usage
June 2025

Utility System	Water Charges	Sewer Charges	Total
Batesburg-Leesville[2]	$ 89.65	$ 99.24	$ 188.89
Cayce	80.56	60.12	140.68
Commission	53.84	70.63	124.47
Gilbert-Summit[3]	57.75	N/A	57.75
Lexington	81.67	95.39	177.06
Pelion[3]	53.84	N/A	53.84
Swansea	71.63	66.14	137.77
West Columbia	56.60	54.80	111.40

(1) Based on outside city rate schedules as of June 2025 for each of the utilities, but does not assume future rate increases.

(2) Batesburg-Leesville "Base Rate" of $31.90 included in both water charges and sewer charges. However, Base Rate is only applied once if customer has both water and sewer service.

(3) Pelion and Gilbert-Summit do not provide sewer service.

Source: Published Utility Rate Schedules

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE V-2

Monthly Charge Comparison
with Other Regional Municipal Utility Systems[1]
for Industrial Customer with 4" Meter and 400,000 Gallons Usage
June 2025

Utility System	Water Charges	Sewer Charges	Total
Batesburg-Leesville[2] [3]	$ 2,362.00	$ 2,726.00	$ 5,088.00
Cayce	5,195.36	3,797.90	8,993.26
Commission	2,542.34	3,388.59	5,930.93
Gilbert-Summit[4]	2,598.50	N/A	2,598.50
Lexington	3,863.54	4,536.29	8,399.83
Pelion[4]	2,542.34	N/A	2,542.34
Swansea [5]	N/A	N/A	N/A
West Columbia	3,538.00	3,897.00	7,435.00

(1) Based on outside city rate schedules as of June 2025 of the utilities, but does not assume future rate increases.

(2) Batesburg-Leesville industrial customers are charged in town rates according to a town ordinance.

(3) Batesburg-Leesville "Base Rate" of $162.00 included in both water charges and sewer charges. However, Base Rate is only applied once if customer has both water and sewer service.

(4) Gilbert-Summit and Pelion do not provide sewer service.

(5) Swansea does not provide service to industrial customers.

Source: Published Utility Rate Schedules

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE VI

Residential Water and Sewer Rates
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

Fiscal Year	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Effective Date	7/1/2024	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017	7/1/2016	7/1/2015
Water Maintenance Fee [1]	$ 10.86	$ 10.49	$ 9.54	$ 9.26	$ 8.99	$ 8.99	$ 8.86	$ 8.73	$ 8.73	$ 8.60
Water Usage Rate (per kgal) [2]	$ 6.14	$ 5.93	$ 5.76	$ 5.59	$ 5.32	$ 5.32	$ 5.24	$ 5.16	$ 5.16	$ 5.08
Sewer Maintenance Fee [1]	$ 14.56	$ 13.61	$ 12.37	$ 12.01	$ 11.72	$ 11.72	$ 11.43	$ 11.15	$ 10.88	$ 10.61
Sewer Usage Rate (per kgal) [2] [3]	$ 8.01	$ 7.49	$ 7.27	$ 7.06	$ 6.85	$ 6.85	$ 6.65	$ 6.46	$ 6.27	$ 6.09
Backflow Protection Fee	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50	$ 5.50
Hydrant Fee	$ 5.00	$ 4.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00

[1] Water and Sewer Maintenance Fees reflect monthly rate charged to customer utilizing a 3/4" meter. Monthly charge increases for larger meters.

[2] Water and Sewer Usage Rates reflect "Residential" customer rates.

[3] Sewer usage capped at 10,000 gallons per month for Residential customers.

Source: Commission's Schedules of Rates

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE VII

Top Ten Largest Water Users [1]
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Michelin Tire Corp.	$ 753,050	$ 755,234	$ 759,700	$ 688,284	$ 659,951	$ 711,315	$ 765,252	$ 699,137	$ 666,245	$ 599,503
Blue Granite	$ 283,214	$ 289,752	$ 280,691	$ 245,675	$ 241,970	$ 205,148	$ 140,045	$ 136,341	$ 141,632	$ 154,341
Lexington County School District #1	$ 149,307	$ 148,436	$ 146,679	$ 142,251	$ 92,061	$ 112,497	$ 130,860	$ 125,050	$ 133,429	$ 137,393
Boing US Holdco (was Franks Express)	$ 89,138	$ 97,666	$ 84,510	$ 81,047	$ 75,793	$ 46,576				
Prysmian Cables & Systems	$ 76,644	$ 82,502	$ 79,050	$ 79,601	$ 73,326	$ 57,403	$ 69,242	$ 60,481	$ 62,745	$ 65,708
Lexington Medical Center Extended Care	$ 69,677	$ 59,565	$ 58,729	$ 59,774	$ 52,571	$ 56,865	$ 64,316	$ 51,567	$ 60,830	$ 55,981
U. S. Foods	$ 40,158	$ 39,694	$ 42,539	$ 39,973	$ 34,492	$ 43,869	$ 47,295	$ 41,701	$ 42,349	$ 37,626
Modwash, LLC	$ 39,470									
Sparkle Express Car Wash	$ 35,601									
Love's Travel Stops & Country Store	$ 29,887	$ 25,907	$ 22,894		$ 17,947		$ 18,414	$ 17,319	$ 20,964	$ 28,686
Ben-In Properties LLC								$ 12,268	$ 13,675	
Capital Concrete Co.				$ 24,167	$ 25,582	$ 20,563	$ 19,601	$ 24,551	$ 24,540	$ 20,168
CMC Lexington			$ 20,344	$ 18,996						
Cooper's Corner										$ 14,901
Persimmon Grove HOA, Inc.		$ 41,661		$ 23,738		$ 24,040	$ 32,623	$ 46,769	$ 44,753	$ 36,715
Publix Alabama		$ 22,222	$ 26,853		$ 17,173	$ 21,942				
Taylor Sr. Rentals										
Thomas Concrete of South Carolina							$ 20,025			
Total	$ 1,566,145	$ 1,562,639	$ 1,521,988	$ 1,403,505	$ 1,290,865	$ 1,300,218	$ 1,307,672	$ 1,215,183	$ 1,211,163	$ 1,151,022
% of Total Operating Revenue	5.98%	6.57%	7.10%	7.02%	6.92%	7.03%	7.68%	7.72%	7.95%	7.81%

[1] This chart represents top ten users for each fiscal year, ranked based on annual usage revenues. List includes retail customers and excludes wholesale customers.

Top Ten Largest Sewer Users [1]
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Michelin Tire Corp.	$ 584,901	$ 545,675	$ 509,604	$ 506,037	$ 492,657	$ 529,310	$ 527,178	$ 476,950	$ 441,061	$ 396,207
Lexington County School District #1	$ 118,091	$ 106,740	$ 113,230	$ 111,943	$ 63,006	$ 76,775	$ 91,564	$ 74,025	$ 76,795	$ 74,828
Prysmian Cables & Systems	$ 115,659	$ 101,227	$ 85,089	$ 78,648	$ 55,105	$ 39,958	$ 70,145	$ 67,991	$ 74,671	$ 97,373
Boing US Holdco (was Franks Express)	$ 54,156									
U. S. Foods	$ 44,877	$ 33,757	$ 34,889	$ 31,195	$ 23,494	$ 37,959	$ 42,837	$ 36,398	$ 32,076	$ 22,538
Sparkle Express Car Wash	$ 39,786									
Love's Travel Stops & Country Store	$ 30,686	$ 25,511	$ 25,118	$ 22,239	$ 20,701	$ 19,324	$ 19,172	$ 18,114	$ 18,152	$ 17,685
Diamond Pet Food Processors	$ 25,209		$ 26,030	$ 16,013	$ 22,230	$ 18,927	$ 19,740	$ 22,570	$ 15,756	$ 20,962
The Martin-Brower Company	$ 22,492	$ 23,751	$ 19,796	$ 16,484	$ 17,775	$ 16,907	$ 19,740	$ 13,765	$ 14,665	$ 12,107
Sandhills Elementary/Intermediate	$ 19,937	$ 18,201	$ 17,579	$ 18,257	$ 11,597	$ 15,063	$ 21,147	$ 17,481	$ 17,763	$ 18,666
International Paper		$ 16,199	$ 15,654	$ 14,012		$ 15,382	$ 11,287			
Cooper's Corner		$ 13,250	$ 16,648	$ 14,508	$ 10,782	$ 12,138	$ 14,344	$ 13,624	$ 14,854	$ 17,417
San Jose		$ 12,673								
Sudz Car Wash					$ 11,707				$ 12,289	
Wal-Mart								$ 10,892		
Lexington Dry Cleaning										$ 12,978
Apex Tool Group / Cooper Power Tools										
Total	$ 1,055,794	$ 896,983	$ 863,638	$ 829,338	$ 729,053	$ 781,743	$ 837,153	$ 751,809	$ 718,082	$ 690,762
% of Total Operating Revenue	4.03%	3.77%	4.03%	4.15%	3.91%	4.23%	4.92%	4.77%	4.71%	4.68%

[1] This chart represents top ten users for each fiscal year, ranked based on annual usage revenues. List includes retail customers and excludes wholesale customers.

Source: Impresa & SpryCIS Utility Billing Software

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE VIII

Billings and Collections
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

Year	Billings [1]	Collections [1]	Collection Rate
2025 [2]	$ 24,217,484	$ 24,364,225	100.61%
2024	22,185,433	22,031,355	99.31%
2023	20,273,218	20,291,394	100.09%
2022	18,714,774	18,679,159	99.81%
2021	17,681,990	17,614,736	99.62%
2020	17,124,610	17,403,737	101.63%
2019	16,097,699	15,840,316	98.40%
2018	14,752,688	14,717,107	99.76%
2017	14,609,491	14,654,356	100.31%
2016	13,445,891	13,349,558	99.28%

[1] Billings and Collections represent Retail customer billings and collections.

[2] Implementation of new billing system: SpryCIS

Source: Impresa Utility Billing Software, iCIS, SpryPoint

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE IX

Water Purchased vs. Water Billed
Last Ten Fiscal Years Summary (Fiscal Year Ended June 30)

Year	Water Purchased [1]	Water Billed [2]	% Accounted For (before system maintenance)	% Loss (before system maintenance)	% Accounted For (after system maintenance)	% Loss (after system maintenance)
2025	6.40	5.72	89.36%	10.64%	93.29%	6.71%
2024	6.86	5.58	81.41%	18.59%	84.79%	15.21%
2023	6.70	5.41	80.81%	19.19%	86.47%	13.53%
2022	5.80	5.08	87.49%	12.51%	92.17%	7.83%
2021	6.04	5.13	84.85%	15.15%	89.93%	10.07%
2020	5.81	5.12	88.08%	11.92%	90.02%	9.98%
2019	5.19	4.79	92.34%	7.66%	94.90%	5.10%
2018	4.81	4.46	92.79%	7.21%	94.38%	5.62%
2017	4.73	4.52	95.62%	4.38%	97.65%	2.35%
2016	4.57	4.18	91.51%	8.49%	92.69%	7.31%

[1] Water purchased from City of West Columbia in millions of gallons per day (MGD).

[2] Water billed represents billed charges, in MGD, which does not include leakage or system maintenance.

Source: Commission's Consumption Revenue Analysis Report.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE X

Summary of Financial Indebtedness of the System
Fiscal Year 2025

June 30,	2019A Bond P & I	2019B Bond P & I	2019C Bond P & I	2021A SRF Loan P & I	Parity Bond Totals	Contractual Obligations	Grand Totals
2026	$ 875,050	$ 571,750	$ 1,625,176	$ 150,330	$ 3,222,306	$ 999,419	$ 4,221,725
2027	1,144,500	568,250	1,629,190	150,330	3,492,270	697,940	4,190,210
2028	1,145,700	578,750	1,631,336	150,330	3,506,116	698,461	4,204,577
2029	1,141,950	577,500	1,622,160	150,330	3,491,940	709,742	4,201,682
2030	1,142,200	-	1,621,892	150,330	2,914,422	698,201	3,612,623
2031	1,146,400	-	1,624,408	150,330	2,921,138	697,854	3,618,992
2032	1,144,600	-	1,624,742	150,330	2,919,672	514,825	3,434,497
2033	1,147,000	-	2,232,823	150,330	3,530,153	-	3,530,153
2034	1,143,400	-	965,239	150,330	2,258,969	-	2,258,969
2035	1,144,000	-	964,039	150,330	2,258,369	-	2,258,369
2036	1,143,600	-	962,239	150,330	2,256,169	-	2,256,169
2037	1,142,200	-	963,443	150,330	2,255,973	-	2,255,973
2038	1,144,800	-	963,850	150,330	2,258,980	-	2,258,980
2039	1,146,200	-	963,457	150,330	2,259,987	-	2,259,987
2040	1,146,400	-	962,266	150,330	2,258,996	-	2,258,996
2041	1,145,400	-	964,432	150,330	2,260,162	-	2,260,162
2042	1,143,200	-	965,610	75,165	2,183,974	-	2,183,974
2043	1,144,800	-	965,799	-	2,110,599	-	2,110,599
2044	1,145,000	-	-	-	1,145,000	-	1,145,000
2045	1,143,800	-	-	-	1,143,800	-	1,143,800
2046	1,146,200	-	-	-	1,146,200	-	1,146,200
2047	1,142,000	-	-	-	1,142,000	-	1,142,000
2048	1,146,400	-	-	-	1,146,400	-	1,146,400
2049	1,144,000	-	-	-	1,144,000	-	1,144,000
Totals	$ 27,198,800	$ 2,296,250	$ 23,252,099	$ 2,480,445	$ 55,227,594	$ 5,016,442	$ 60,244,037

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XI

Description of Debt Instruments

Bonds					
Issue Date	Original Principal Amount	Description	Annual Payments	Pymt Start Date	Pymt End Date
12/2019	$ 17,820,000	Series 2019A - Water and Sewer System Improvement and Refunding Revenue Bonds	Varies*	6/2020	6/2049
12/2019	$ 4,485,000	Series 2019B - Water and Sewer System Improvement and Refunding Revenue Bonds	Varies*	6/2020	6/2029
12/2019	$ 21,915,000	Series 2019C - Water and Sewer System Improvement and Refunding Revenue Bonds	Varies*	6/2020	6/2043
3/2021	$ 2,520,199	Series 2021A - State Revolving Fund Loan - Old Barnwell/Red Bank Creek Gravity Trunk Upgrades	$ 150,330	1/2022	10/2041

*Note: The payment amounts vary annually for these Water And Sewer System Revenue Bonds. See Table 10.

Contractual Obligations					
Contract Date	Original Principal Amount [1]	Description	Annual Payments	Pymt Start Date	Pymt End Date
3/2005	$ 6,687,886	Series 2005 Jr. Lien - City of West Columbia Junior Lien Bond for Lake Murray Water Treatment Plant Expansion	$ 523,454	3/2006	2/2026
7/2020 [2]	$ 10,199,853	Series 2020 Jr. Lien - City of Cayce Junior Lien Bond for Regional Wastewater Treatment Facility Upgrade and Expansion	Varies*	3/2012	12/2031

[1] Original Principal Amount listed for City of West Columbia Junior Lien Bond and City of Cayce Junior Lien Bond is based on Commission's proportionate percentage of each obligation. Commission's proportionate percentage of City of West Columbia Junior Lien Bond is 53.718%. Commission's proportionate percentage of City of Cayce Junior Lien Bond is 30.183%.

[2] On July 21, 2020, the City of Cayce refunded the remaing oustanding maturities of its original debt (i.e., Series 2009 SRF Loan) with publicly issued bonds. The gross par value of the City of Cayce's refunding bonds was $18,056,000. The Commission's proportionate percentage (30.183%) is $5,449,842.48. These refunding bonds maintain junior lien status to the Commission.

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XII

Debt and Debt Service per Customer
Last Ten Fiscal Years Summary

Year	Parity Debt[1]	Non-Parity Debt / Contractual Obligations[1]	Total Debt (See Note 4)	Total Annual Debt Service[2] [4]	Customers (Water)	Per Customer Total Debt ($)	Per Customer Debt Service ($)	Total Personal Income ($000's)[3]	Debt per Personal Income
2025	41,880,352	5,063,873	46,944,226	4,338,116	20,960	2,240	207	18,782,696	0.22%
2024	43,723,398	6,186,388	49,909,787	4,226,151	20,387	2,448	207	18,782,696	0.23%
2023	45,519,476	7,278,823	52,798,300	4,213,648	19,699	2,680	214	18,782,696	0.24%
2022	47,260,250	8,344,237	55,604,487	4,258,427	19,100	2,911	223	17,464,540	0.27%
2021	47,229,313	9,381,634	56,610,947	4,136,606	18,563	3,050	223	16,889,069	0.28%
2020	48,853,489	10,415,736	59,269,226	4,009,467	17,955	3,301	223	15,362,973	0.32%
2019	29,540,472	11,459,446	40,999,918	3,581,936	17,296	2,370	207	14,225,336	0.21%
2018	30,808,552	12,484,434	43,292,986	3,671,687	16,583	2,611	221	13,384,054	0.23%
2017	32,040,618	13,586,324	45,626,943	3,625,906	15,902	2,869	228	13,014,154	0.25%
2016	33,231,694	14,575,106	47,806,800	3,819,025	15,112	3,163	253	12,328,338	0.27%

[1] Presented net of related issuance premiums/discounts.

[2] Total annual debt service includes principal, interest and debt service coverage component of Junior Lien debt.

[3] For years in which updated personal income data is not available, the most recently available personal income data is used.

[4] FY 2022 Total Annual Debt Service in this chart excludes $759,418 early redemption payments to payoff Series 2009A ($403,465) and Series 2009B ($355,953) SRF Loans.

Source: Commission's Financial Statements; US Bureau of Economic Analysis

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XIII

Pledged Revenue Coverage
Last Ten Fiscal Years Summary

	2025	2024	2023	2022 [2]	2021	2020	2019	2018	2017 [1]	2016
Operating Revenue	$ 26,202,918	$ 23,770,497	$ 21,431,253	$ 20,006,729	$ 18,649,749	$ 18,486,945	$ 17,023,142	$ 15,749,285	$ 15,243,690	$ 14,746,863
Interest and Other Income	2,265,112	2,731,675	1,825,351	33,140	60,102	477,725	645,938	221,897	139,261	81,366
Gross Revenue	28,468,030	26,502,172	23,256,604	20,039,869	18,709,851	18,964,670	17,669,080	15,971,182	15,382,951	14,828,229
(Operating Expenses) [3]	(14,068,846)	(12,624,414)	(11,523,110)	(9,814,800)	(9,493,146)	(8,904,236)	(8,181,184)	(8,180,554)	(8,149,692)	(7,242,190)
Net Revenues	14,399,184	13,877,758	11,733,494	10,225,069	9,216,705	10,060,434	9,487,896	7,790,628	7,233,259	7,586,039
Capital Facilities Charges	5,497,153	3,879,250	2,795,375	2,861,950	1,653,525	2,317,746	1,820,766	1,857,285	1,159,204	2,202,475
Net Revenues and Capital Facilities Charges	19,896,337	17,757,008	14,528,869	13,087,019	10,870,230	12,378,180	11,308,662	9,647,913	8,392,463	9,788,514
Total Parity Debt Service	3,207,456	3,096,170	3,082,233	3,128,069	3,043,175	2,851,286	2,423,755	2,418,297	2,418,798	2,661,173
Parity Debt Service Coverage @ 110% (Net Revenues) [4]	-	-	-	-	-	-	3.915	3.222	2.990	2.851
Parity Debt Service Coverage @ 120% (Net Revenues and Capital Facilities Charges)	6.203	5.735	4.714	4.184	3.572	4.341	4.666	3.990	3.470	3.678

[1] Change in Debt Service Coverage ratios for fiscal year 2017 includes restatement of ($203,088) to adjust Operating Expenses pursuant to the implementation of GASB Statement No. 75.

[2] FY 2022 Total Parity Debt Service in this chart excludes $759,418 early redemption payments to payoff Series 2009A ($403,465) and Series 2009B ($355,953) SRF Loans.

[3] Depreciation is excluded from Operating Expenses for the purposes of this chart.

[4] Due to the Commission's amendment to its Rate Covenant as part of the Series 2019 Bonds issuance, "Debt Service Coverage (excluding Capital Facilities Charges)" is no longer an applicable ratio for Rate Covenant purposes, and therefore, will no longer be presented for fiscal years after 2019.

Source: Commission's Secondary Market Disclosure Annual Report

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XIV

Demographic and Economic Statistics (County of Lexington)
Last Ten Fiscal Years Summary

Year	Estimated Population	Total Personal Income ($000's)	Per Capita Personal Income	Unemployment Rate
2025	318,864	N/A	N/A	3.7%
2024	314,161	N/A	N/A	2.7%
2023	309,528	18,782,696	60,682	2.7%
2022	305,105	17,464,540	57,241	2.8%
2021	300,650	16,889,069	56,175	3.9%
2020	295,047	15,362,973	52,070	3.3%
2019	291,129	14,225,336	48,863	2.8%
2018	287,370	13,384,054	46,574	3.5%
2017	284,011	13,014,154	45,823	3.6%
2016	280,917	12,328,338	43,886	4.5%

Source: Lexington County 2025 Annual Report

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XV

Principal Employers (County of Lexington)

	Fiscal Year 2025			Fiscal Year 2016		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Lexington Medical Center	8,700	1	5.57%	6,300	1	4.28%
Lexington School District 1	4,480	2	2.87%	3,700	2	2.64%
Amazon	3,300	5	2.11%	2,500	4	1.59%
State Government	3,240	4	2.07%	2,988	3	1.64%
Michelin Tire	2,800	3	1.79%	2,300	6	0.86%
Walmart	2,360	6	1.51%	2,145	7	1.53%
County of Lexington	1,973	7	1.26%	1,609	9	1.11%
Dominion Energy (fka SCANA)	1,579	8	1.01%	1,869	8	1.41%
Lexington School District 2	1,385	9	0.89%			
Lexington School District 5	1,252	10	0.80%	2,354	5	
Spectrum (fka Time Warner)				1,227	10	0.82%
	31,069		19.88%	26,992		15.88%

Source: Lexington County, SC 2025 Annual Report

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XVI

Departmental Breakdown of Commission Employees
Last Ten Fiscal Years Summary

Department	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administrative	1	1	1	2	2	3	2	2	2	2
Finance	3	4	4	3	3	4	3	3	3	3
Customer Service	7	7	6	7	7	7	7	6	6	6
Water	14	13	12	11	11	8	9	10	10	10
Sewer	5	4	4	4	4	4	3	4	4	3
Engineering/Cross Connection	8	8	7	7	6	6	6	5	5	5
Total	38	37	34	34	33	32	30	30	30	29

Source: Commission's Payroll Records

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XVII

Operating Indicators
Last Ten Fiscal Years Summary

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Water										
Metered Customers Served										
End of Year	20,960	20,387	19,699	19,100	18,563	17,955	17,296	16,583	15,902	15,112
Annual Average	20,686	20,072	19,425	18,825	18,276	17,634	16,956	16,263	15,533	14,705
Water Purchased										
Total Gallons	2,334,441,000	2,509,107,000	2,445,374,000	2,117,776,000	2,205,435,000	2,125,958,000	1,895,156,000	1,754,856,000	1,726,417,000	1,668,677,000
Daily Average	6,395,729	6,855,484	6,699,655	5,802,126	6,042,288	5,808,628	5,192,208	4,807,825	4,729,910	4,571,718
Elevated/Ground Storage (in millions)	8.50	8.50	6.50	6.50	6.50	6.50	6.50	4.50	4.50	4.50
Sewer										
Customers Connected										
End of Year	7,250	6,788	6,385	5,932	5,650	5,356	5,060	4,813	4,567	4,308
Annual Average	7,022	6,596	6,197	5,771	5,521	5,200	4,928	4,696	4,456	4,151
Wastewater Treated										
Total Gallons	605,987,000	548,917,000	534,262,000	495,756,000	478,549,000	447,835,000	442,559,000	412,472,000	390,324,000	343,810,000
Daily Average	1,660,238	1,499,773	1,463,732	1,358,236	1,311,093	1,223,593	1,212,490	1,130,060	1,069,381	941,945

Source: Commission's Secondary Market Disclosure Annual Report; Commission's Monthly Customer Count Records; Consumption Revenue Analysis Report

JOINT MUNICIPAL WATER AND SEWER COMMISSION
STATISTICAL INFORMATION
TABLE XVIII

Capital Assets of the Commission
Fiscal Year 2025

Water Distribution System

Appurtenances	
Hydrants	2558
Elevated Tanks	7
Ground Storage Tanks	2
Pressure Reducing Stations	16
Booster Pump Stations	9
Chlorine Booster Stations	1
Capacity @ City of West Columbia Surface Water Plant	12.07 MGD

Water Mains	
Total Linear Feet	2,025,713
Total Linear Miles	384

Sewer Collection System

Appurtenances	
Manholes	2,173
Sewer Pump Stations	30
Capacity @ City of Cayce Regional Wastewater Treatment Plant	4.626 MGD

Sewer Pipes	
Total Linear Feet	765,616
Total Linear Miles	145

Capital Assets

Category	Net Book Value
Non-Depreciable Assets:	
Land	$ 7,492,052
Construction in Progress	39,088,377
	46,580,429
Depreciable Assets:	
Buildings	5,361,810
Machinery & Equipment	1,831,057
Furniture	3,209,634
Vehicles	1,293,020
Water Distribution System	111,948,850
Sewer Collection System	82,553,240
	206,197,612
Total Capital Assets	252,778,041
Less: Accumulated Depreciation	(57,846,947)
Net Total of Capital Assets	$ 194,931,094

Compliance Section

JOINT MUNICIPAL WATER AND SEWER COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Pass Through Identifying Number	Federal Expenditures June 30, 2025
U.S. Department of Treasury			
Passed through South Carolina Rural Infrastructure Authority			
COVID 19: South Carolina Infrastructure Investment Program			
Water System Expansion to Batesburg-Leesville	21.027	A-23-C106	$ 8,905,178
Total U.S. Department of Treasury			8,905,178
Total Expenditures of Federal Awards			$ 8,905,178

JOINT MUNICIPAL WATER AND SEWER COMMISSION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Commission under programs of the federal government for the fiscal year ended June 30, 2025. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in net position or cash flows of the Commission.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles obtained in the Uniform Guidance and/or OMB Circular A-122, Cost Principles for Non-profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Indirect Costs

The Commission has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

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INDEPENDENT AUDITORS' 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 Commissioners of the
Joint Municipal Water and Sewer Commission
Post Office Box 2555
Lexington, South Carolina 29071-2555

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 business-type activities of Joint Municipal Water and Sewer Commission (the Commission) as of and for the year ended June 30, 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 July 24, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

The Brittingham Group LLP

West Columbia, South Carolina
July 24, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Commissioners of the
Joint Municipal Water and Sewer Commission
Post Office Box 2555
Lexington, South Carolina 29071-2555

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Joint Municipal Water and Sewer Commission's (the "Commission") compliance with the types of compliance requirements identified as subject to audit 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 June 30, 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 June 30, 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; the standards applicable to the financial audit 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* 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 Responsibilities 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 generally accepted auditing standards, *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 judgement 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement 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.

Other Matters
The results of our auditing procedures disclosed one instance of noncompliance which is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Commission's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 a 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 and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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 in internal control over compliance may exist that were not 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.

The Brittingham Group LLP

West Columbia, South Carolina
July 24, 2026

JOINT MUNICIPAL WATER AND SEWER COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

JUNE 30, 2025

Part I - Summary of Auditors' Results:

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Joint Municipal Water and Sewer Commission.

2. No material weaknesses or significant deficiencies relating to the financial statements are reported in the 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*.

3. No instances of noncompliance material to the financial statements of the Joint Municipal Water and Sewer Commission was disclosed during the audit.

4. No material weaknesses or significant deficiencies relating to the audit of major federal awards are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the Joint Municipal Water and Sewer Commission expresses an unmodified opinion.

6. One instance of noncompliance was reported relative to the major federal award programs for the Joint Municipal Water and Sewer Commission as depicted below in this schedule.

7. Major federal programs:

   Coronavirus State and Local Fiscal Recovery Funds AL #21.027

8. The threshold for distinguishing between Type A and Type B Programs was $750,000.

9. Joint Municipal Water and Sewer Commission did not qualify as a low-risk auditee.

Part II - Financial Statement Findings:

None

Part III - Federal Awards Findings and Questioned Costs:

Instance of non-compliance

Finding 2025-001: The Commission has not met the Single Audit requirement.

Condition: The Commission did not submit its Single Audit reporting package for the year ended June 30, 2025 within the timeframe required by Uniform Guidance. The reporting package was required to be submitted to the Federal Audit Clearinghouse by March 31, 2026.

Criteria: Uniform Guidance requires auditees to submit the data collection form and reporting package to the Federal Audit Clearinghouse within 30 calendar days after receipt of the auditor's reports, or nine months after the end of the audit period, whichever is earlier. The Commission should have internal controls and procedures in place to ensure that the annual Single Audit is completed and submitted within the required timeframe.

Cause: The Commission did not submit audit reports in the required time frame.

Effect: The Commission was not in compliance with the Single Audit reporting requirements of Uniform Guidance. Because the reporting package was not submitted by the required deadline, the Commission is delinquent in filing its Single Audit. The late submission may also affect the Commission's ability to qualify as a low-risk auditee in future audit periods.

Auditors' Recommendation: The Commission should implement procedures and oversight controls to ensure Single Audit reports are completed and submitted in a timely manner.

Management's Response: The Commission agrees with the finding and the accompanying corrective action plan details the Commission's plans for improvement.

Status of Prior Year Findings:

None were reported.

PROGRESS THROUGH COOPERATION

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