NEWBERRY COUNTY WATER AND SEWER AUTHORITY

NEWBERRY, SOUTH CAROLINA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

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COMPLIANCE SECTION

NEWBERRY COUNTY WATER AND SEWER AUTHORITY

Newberry, South Carolina

A Special Purpose District

created by the

South Carolina Legislature

April 11, 1963

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Newberry County Water and Sewer Authority
Newberry, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Newberry County Water and Sewer Authority, South Carolina (the "Authority"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority'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 financial position of the Authority as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Authority'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 Authority'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, other post employment benefits ("OPEB") plan schedules, and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplementary information, as listed in the table of contents, is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
September 3, 2024

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This discussion and analysis of Newberry County Water and Sewer Authority's (the "Authority") financial performance provides an overview of the Authority's financial activities for the years ended June 30, 2024 ("2024") and June 30, 2023 ("2023"). The intent of this discussion and analysis is to look at the Authority's financial performance as a whole; readers should also review the notes to the financial statements and the financial statements to enhance their understanding of the Authority's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 and 2023 are as follows:

- As of June 30, 2024, the Authority's net position totaled $26,797,232. Of this amount, $24,632,359 was its net investment in capital assets, $437,930 was restricted, and $1,726,943 was unrestricted. As of June 30, 2023, the Authority's net position totaled $26,238,736. Of this amount, $23,800,765 was its net investment in capital assets, $403,995 was restricted, and $2,033,976 was unrestricted.
- Prior to accounting for its 2024 net pension and other postemployment benefits ("OPEB") liabilities, the Authority's unrestricted net position was $4,403,064 or approximately 73% of total operating expenses. After accounting for its 2024 net pension and OPEB liabilities, the unrestricted net position of $1,726,943 was approximately 29% of total operating expenses. At the end of 2023, prior to accounting for its net pension and OPEB liabilities, the Authority's unrestricted net position was $4,621,355 or approximately 77% of total operating expenses. After accounting for its 2023 net pension and OPEB liabilities, the unrestricted net position of $2,033,976 was approximately 34% of total operating expenses.
- Operating revenues in 2024 totaled $5,682,719 compared to $5,381,214 in 2023. The increase of $301,505 was primarily due to an increase in water sales of $133,127 which was primarily due to increased rates and an increase in sewer sales of $156,911 which was primarily due to increased rates. During 2023, operating revenues totaled $5,381,214, compared to $5,160,528 in the prior year. The increase of $220,686 was primarily due to an increase in water sales of $228,809 which was primarily due to increased rates and an increase in sewer sales of $129,612 which was primarily due to increased rates, partially offset by a decrease in other water revenue of $179,969 which was primarily due to no water line extensions in the current year.
- Total non-operating revenues in 2024 were $260,738 compared to $429,123 in 2023. Non-operating revenues were primarily composed of investment income ($247,592). Total non-operating revenues, which include capital grants, in 2023 were $429,123 compared to $224,206 in the prior year and were primarily composed of construction reimbursements through the Rural Infrastructure Authority ($52,246), investment income ($156,229), and insurance proceeds ($145,268).
- Total expenses in 2024 of $6,522,774 were $481,883 more than total expenses of $6,040,891 in 2023. The increase was primarily due to an increase in water distribution, water payroll, water plant payroll, and the loss on disposal of capital assets partially offset by decreased expenses in water plant, sewer system, and sewer payroll. 2023 total expenses of $6,040,891 were $1,139,759 more than total expenses of $4,901,132 in the prior year. The increase was primarily due to an increase in water distribution, water payroll, water plant, water plant payroll, sewer system, and sewer payroll.
- The Authority's total debt decreased by $277,809 (10%) during 2024 and decreased by $271,700 (9%) during 2023. The decreases are due to regularly scheduled principal payments.
- The Authority's net capital assets increased $962,092 (4%) during 2024. The increase was due to additions of $2,519,161 (including $1,137,813 in donated capital assets), partially offset by depreciation expense of $1,148,883 and net disposal of $408,186. The Authority's net capital assets increased $843,685 (3%) during 2023. The increase was due to additions of $1,980,351 (including $1,803,674 in donated capital assets), partially offset by depreciation expense of $1,136,666.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *Financial Section,* which includes management's discussion and analysis of the financial statements and the budgetary comparison schedules, and the *Compliance Section*.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

The financial statements report information about the Authority using the full accrual basis of accounting in a manner similar to those used by private sector companies. However, rate-regulated accounting principles applicable to private sector utilities are not used by government utilities. The financial statements include a statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows; and notes to the financial statements.

The Authority accounts for its activities using a *proprietary (enterprise) fund*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The *statement of net position* provides information about the types and amounts of resources and obligations at year-end and distinguishes between current and non-current, or long-term, assets, deferred outflows, liabilities and deferred inflows, with the difference being reported as total net position. Over time, a change in net position is one indicator of whether the financial position of the Authority is improving.

The *statement of revenues, expenses, and changes in net position* presents the results of activities over the course of the fiscal year. Information is provided about how net position changed during the year. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user charges and fees and to determine its profitability and credit worthiness.

The *statement of cash flows* provides information about the Authority's cash receipts, cash payments and changes in cash resulting from operations, investments, and non-capital financing activities as well as capital and related financing activities. From the statement of cash flow, the reader can obtain information on the sources and uses of cash and the change in the cash balance from the beginning of the current fiscal year.

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

The financial statements can be found as listed in the table of contents.

The Authority adopts an annual appropriated budget. A budgetary comparison schedule for each department has been provided in the supplementary information to demonstrate compliance with their budgets. The Authority made no budget amendments during the year, so the original and final budgets are the same. These statements can be found as listed in the table of contents.

Major Features of the Newberry County Water and Sewer Authority's Financial Statements

	Enterprise Fund
Scope	Activities the Authority operates similar to private businesses; in the Authority's case, the water and sewer operations.
Required financial statements	▪ Statement of net position ▪ Statement of revenues, expenses, and changes in net position ▪ Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid

CONDENSED COMPARATIVE FINANCIAL DATA

See below for a summary of the Authority's net position as of June 30, 2024, 2023, and 2022.

Condensed Statement of Net Position

	June 30, 2024	June 30, 2023	June 30, 2022
Assets			
Current Assets	$ 5,196,830	5,385,386	$ 4,909,510
Capital Assets	27,647,293	26,685,201	25,841,516
Total Assets	32,844,123	32,070,587	30,751,026
Deferred Outflow of Resources			
Deferred Pension Charges	594,877	350,477	381,210
Liabilities			
Current Liabilities	1,047,098	637,845	690,613
Long-Term Liabilities	2,323,672	2,606,627	2,884,436
Net Pension Liability	2,397,448	2,054,197	1,938,374
OPEB Liability	810,860	779,371	643,367
Total Liabilities	6,579,078	6,078,040	6,156,790
Deferred Inflow of Resources			
Deferred Pension Credits	62,690	104,288	309,830
Net Position			
Net Investment in Capital Assets	24,632,359	23,800,765	22,685,380
Restricted	437,930	403,995	373,036
Unrestricted	1,726,943	2,033,976	1,607,200
Total Net Position	$ 26,797,232	26,238,736	$ 24,665,616

Financial Position

Total assets increased by $773,536 (2%) during fiscal year 2024 primarily due to an increase in capital assets of $962,092 (additions of $2,519,161 exceeded depreciation expense of $1,148,883 and net disposal of $408,186) and trade receivables of $62,210 partially offset by a decrease cash and cash equivalents of $311,975. Total assets increased by $1,319,561 (4%) during fiscal year 2023 primarily due to an increase in cash and investments of $746,714 and capital assets of $843,685 (additions of $1,980,351 exceeded depreciation expense of $1,136,666) partially offset by a decrease in trade receivables of $260,211 (primarily due to amounts to be reimbursed for various capital projects).

Total liabilities increased by $501,038 (8%) during fiscal year 2024 primarily due to an increase in accounts payable of $415,963 (due to several ongoing construction projects), the net pension liability of $343,251, and OPEB liability of $31,489 partially offset by a decrease in debt of $277,809 (as the Authority had regularly scheduled debt payments). Total liabilities decreased by $78,750 (1%) during fiscal year 2023 primarily due to a decrease in debt of $271,700 (as the Authority had regularly scheduled debt payments) and accounts payable of $92,740, partially offset by an increase in the net pension liability of $115,823 and OPEB liability of $136,004.

CONDENSED COMPARATIVE FINANCIAL DATA (CONTINUED)

Financial Position (Continued)

During 2024, net position increased by $558,496 as total revenues exceeded expenses. The increase in net position was primarily a result of an increase in net investment in capital assets of $831,594 and an increase in restricted net position of $33,935 partially offset by a decrease in unrestricted net position of $307,033. The increase in the net investment in capital assets was attributable to current year additions and principal payments on debt less depreciation. During 2023, net position increased by $1,573,120 as total revenues exceeded expenses. The increase in net position was primarily a result of an increase in unrestricted net position of $426,776 and an increase in net investment in capital assets of $1,115,385.

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

See below for the changes in net position for fiscal years 2024, 2023 and 2022.

Condensed Statement of Changes in Net Position

	2024	2023	2022
Revenues			
Water Revenues	$ 4,058,880	3,881,528	$ 3,784,626
Sewer Revenues	1,623,839	1,499,686	1,375,902
Capital Grants	-	52,246	178,165
Other Revenues	260,738	376,877	46,041
Capital Contributions	1,137,813	1,803,674	-
Total Revenues	7,081,270	7,614,011	5,384,734
Expenses			
Water Distribution Expenses	1,636,600	1,492,638	1,347,250
Water Administration Expenses	316,433	309,676	311,686
Water Payroll Expenses	1,123,431	980,835	698,834
Water Plant Expenses	451,642	573,129	405,995
Water Plant Payroll Expenses	518,195	459,246	375,311
Sewer System Expenses	1,456,902	1,550,060	1,243,684
Sewer Administration Expenses	102,721	101,263	80,570
Sewer Payroll Expenses	437,903	497,944	356,473
Interest	70,761	76,100	81,329
Loss on Disposal of Capital Assets	408,186	-	-
Total Expenses	6,522,774	6,040,891	4,901,132
Change in Net Position	558,496	1,573,120	483,602
Beginning Net Position	26,238,736	24,665,616	24,182,014
Ending Net Position	$ 26,797,232	26,238,736	$ 24,665,616

ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS (CONTINUED)

Operating Results

During fiscal year 2024, the Authority had an operating loss of $361,108, an increase of $222,469 from the prior year loss of $583,577. Operating revenues increased by $301,505 or 6% during 2024. The increase was due primarily to an increase in water sales of $133,127 (primarily due to increased rates) and sewer sales of $156,911 (primarily due to increased rates), partially offset by a decrease in other sewer revenue of $89,232 (primarily due to decreased pretreatment revenue). Operating expenses increased by $79,036 or 1% during 2024. The increase was due primarily to increases in water distribution expense of $143,962 (due to maintenance projects that required additional water purchases), water payroll expenses $142,596 (due to increase pay rates and staffing), and water plant payroll expense $58,949 (due to increase pay rates and staffing), partially offset by a decrease in water plant expense of $121,487 (due to decreased operations as the repair projects resulted in decreased operation of some plants), sewer system expense $93,158 (due to decreased sludge removal), and sewer payroll expense $60,041 (due to lower staffing partially offset by increased pay rates). During fiscal year 2023, the Authority had an operating loss of $583,577, a decrease of $920,302 from the prior year gain of $340,725. Operating revenues increased by $220,686 or 4% during 2023. The increase was due primarily to an increase in water sales of $228,809 (primarily due to increased rates) and sewer sales of $129,612 (primarily due to increased rates), partially offset by a decrease in other water revenue of $179,969 (primarily due to no water line extensions). Operating expenses increased by $1,144,988 or 24% during 2023. The increase was due primarily to increases in water distribution expense of $145,388 (due to maintenance projects that required additional water purchases), water payroll expenses of $282,001 (due to increase pay rates and staffing), water plant expense of $167,134 (due to increased maintenance projects), water plant payroll expense of $83,935 (due to increase pay rates and staffing), sewer system expense of $306,376 (due to increased sludge removal and larger maintenance projects), and sewer payroll expense of $141,471 (due to increase pay rates and staffing).

Non-Operating Revenues

Non-operating revenues, decreased by $168,385 (39%) during fiscal year 2024 primarily due to a decrease in capital grants (the Authority did not receive any capital grants in 2024) and other revenue as the Authority did not receive any SCDOT relocation revenue in 2024, partially offset by an increase in interest income (due to higher rates). Non-operating revenues, which include capital grants, increased by $204,917 (92%) during fiscal year 2023 primarily due to an increase in interest income (due to higher rates), and other revenue (due to an increase in insurance proceeds), partially offset by a decrease in grant revenue (primarily due to the completion of reimbursable based projects).

Capital Contributions

During fiscal year 2024 the Authority had capital contributions of $1,137,813 which were water and sewer lines that were contributed by a developer as part of the Woodside and Rolling Hills projects. During fiscal year 2023 the Authority had capital contributions of $1,803,674 which were water and sewer lines that were contributed by a developer as part of the Stewart Landing project.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024 and 2023, the Authority had $27,647,293 and $26,685,201, respectively, in capital assets, net of depreciation.

In 2024, the net increase in the Authority's capital assets was $962,092 (4%), as additions (including $1,137,813 in donated capital assets), exceeded depreciation expense and loss on disposal of capital assets. In 2023, the net increase in the Authority's capital assets was $843,685 (3%), as additions exceeded depreciation expense.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Continued)

At fiscal year end, the Authority's capital assets consisted of:

Capital Assets	June 30, 2024	June 30, 2023	June 30, 2022
Land	$ 658,586	658,586	$ 658,586
Water and Sewer Infrastructure	47,148,348	46,652,958	44,422,985
Equipment	1,927,131	1,782,618	1,724,130
Office, Buildings, and Improvements	201,970	201,970	201,970
Construction in Progress	1,240,700	19,982	328,092
Less: Accumulated Depreciation	(23,529,442)	(22,630,913)	(21,494,247)
Totals	$ 27,647,293	26,685,201	$ 25,841,516

More detailed information about the Authority's capital assets in included in Note II.B of the Notes to the Financial Statements.

Debt

At fiscal year-end, the Authority's debt consisted of:

Debt	June 30, 2024	June 30, 2023	June 30, 2022
RDA Water Plant Loan	$ 313,350	323,155	$ 332,541
2016 Refunding Revenue Bond	745,000	985,000	1,220,000
2019 USDA Newberry Shores Loan	1,548,277	1,576,281	1,603,595
	$ 2,606,627	2,884,436	$ 3,156,136

The Authority made $277,809 in regularly scheduled principal payments during 2024 and $271,700 in 2023.

More detailed information about the Authority's debt and other long-term liabilities is presented in Note II.D to the financial statements.

ECONOMIC FACTORS

Historically, the Authority's customer base has grown at a rate of 1 to 5%, with the bulk being growth in the number of residential customers. Recently, however, the Authority's service area has seen an increase in business investment. This investment, coupled with an improving housing market, is providing revenue growth across both the residential and commercial/industrial customer classes.

FISCAL YEAR 2024-2025 BUDGET

The Authority performed a line-item budget analysis of fiscal year 2024 in order to draft the fiscal year 2025 budget. The Authority updated its water and sewer rate model during fiscal year 2024. The updated rate model was used to project revenue for fiscal 2025. Budgeted expenses were analyzed, and accounts were adjusted according to projected changes in operating cost, maintenance activity, and payroll. The final draft of the fiscal 2025 budget was approved by the Board of Directors on May 16, 2024 to be effective July 1, 2024.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brent Richardson, Manager at Newberry County Water & Sewer Authority, 13903 CR Koon Highway, Newberry, South Carolina, 29108.

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BASIC FINANCIAL STATEMENTS

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

STATEMENTS OF NET POSITION

JUNE 30, 2024 AND 2023

ENTERPRISE FUND

	2024	2023
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 4,003,687	$ 4,333,252
Restricted Cash and Cash Equivalents	437,930	403,995
Trade Receivables, Net of Allowance For Doubtful Accounts	376,731	314,521
Unbilled Revenue	378,482	333,618
Total Current Assets	5,196,830	5,385,386
Capital Assets:		
Non-Depreciable	1,899,286	678,568
Depreciable, Net	25,748,007	26,006,633
Total Capital Assets	27,647,293	26,685,201
Total Assets	32,844,123	32,070,587
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Charges	594,877	350,477
LIABILITIES		
Current Liabilities:		
Accounts Payable	528,439	112,476
Accrued Expenses	55,057	55,379
Current Maturities of Long-Term Debt	282,955	277,809
Accrual for Compensated Absences	156,007	167,466
Customer Deposits	24,640	24,715
Total Current Liabilities	1,047,098	637,845
Net Pension Liability	2,397,448	2,054,197
Other Postemployment Benefits ("OPEB") Liability	810,860	779,371
Long-Term Debt, Net of Current Portion	2,323,672	2,606,627
Total Liabilities	6,579,078	6,078,040
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	62,690	104,288
NET POSITION		
Net Investment in Capital Assets	24,632,359	23,800,765
Restricted Under Bond and Loan Requirements for Debt Service	107,010	91,026
Restricted Under Revenue Bond Resolution	330,920	312,969
Unrestricted	1,726,943	2,033,976
Total Net Position	**$ 26,797,232**	**$ 26,238,736**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ENTERPRISE FUND

	2024	2023
OPERATING REVENUES		
Water Sales	$ 3,699,959	$ 3,566,832
Water Connection Fees	201,916	168,848
Water Service Fees & Penalties	143,163	145,398
Water Sales - Fire Protection	-	450
Water Other Revenue	13,842	-
Sewer Sales	1,417,552	1,260,641
Sewer Connection Fees	140,534	84,060
Sewer Other Revenue	65,753	154,985
Total Operating Revenues	**5,682,719**	**5,381,214**
OPERATING EXPENSES		
Water Distribution Expenses	1,636,600	1,492,638
Water Administration Expenses	316,433	309,676
Water Payroll Expenses	1,123,431	980,835
Water Plant Expenses	451,642	573,129
Water Plant Payroll Expenses	518,195	459,246
Sewer System Expenses	1,456,902	1,550,060
Sewer Administration Expenses	102,721	101,263
Sewer Payroll Expenses	437,903	497,944
Total Operating Expenses	6,043,827	5,964,791
OPERATING INCOME/(LOSS)	**(361,108)**	**(583,577)**
NON-OPERATING REVENUES (EXPENSES)		
Restricted RIA Capital Grant Revenue	-	52,246
Loss on Disposal of Capital Assets	(408,186)	-
Investment Income	247,592	156,229
Interest Expense	(70,761)	(76,100)
Other Revenue	13,146	220,648
Total Net Non-Operating Revenues (Expenses)	(218,209)	353,023
CAPITAL CONTRIBUTIONS		
Contributed Capital	1,137,813	1,803,674
Increase in Net Position	**558,496**	**1,573,120**
Net Position, Beginning of Year	26,238,736	24,665,616
Net Position, End Of Year	**$ 26,797,232**	**$ 26,238,736**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ENTERPRISE FUND

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	$ 5,575,570	$ 5,650,830
Cash Paid to Vendors For Goods and Services	(2,819,541)	(2,947,755)
Salaries and Benefits	(1,990,787)	(1,861,007)
Net Cash Provided By Operating Activities	765,242	842,068
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from Other Revenue	13,146	220,648
Total Cash Flows Provided By Noncapital Financing Activities	13,146	220,648
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Grants	-	52,246
Acquisition and Construction of Capital Assets	(973,040)	(176,677)
Principal Paid on Debt	(277,809)	(271,700)
Interest Paid on Debt	(70,761)	(76,100)
Net Cash Used In Capital and Related Financing Activities	(1,321,610)	(472,231)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	247,592	156,229
Net Cash Provided By Investing Activities	247,592	156,229
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(295,630)	746,714
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,737,247	3,990,533
RESTRICTED AND UNRESTRICTED CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 4,441,617	$ 4,737,247
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ (361,108)	$ (583,577)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities:		
Depreciation Expense	1,148,883	1,136,666
Changes In Assets and Liabilities:		
Trade Receivables, Net of Allowance For Doubtful Accounts	(62,210)	260,211
Unbilled Revenue	(44,864)	10,627
Accounts Payable	7,655	(92,740)
Accrued Expenses	(11,781)	35,085
Customer Deposits	(75)	(1,222)
Other Postemployment Benefits Liability	31,489	136,004
Net Pension Liability	343,251	115,823
Changes In Deferred Outflows/Inflows of Resources:		
Deferred Pension Charges	(244,400)	30,733
Deferred Pension Credits	(41,598)	(205,542)
Net Cash Provided By Operating Activities	$ 765,242	$ 842,068
Non-Cash Investing, Capital and Financing Activities:		
Donated Capital Assets	$ 1,137,813	$ 1,803,674
Acquisition of Capital Assets Not Yet Paid For	$ 408,307	$ -

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Newberry County Water and Sewer Authority, South Carolina (the "Authority"), was created under the provisions of Article 2, Act 119 of the 1963 South Carolina General Assembly, as amended in 1964, 1965, 1966, 1969, 1972, and 1973. The Authority's functions include providing water and sewer services within its service area. The service area of the Authority is limited within Newberry County, where services were not previously provided at the time of the Authority's creation. The Authority is governed by a seven-member Board of Directors who are recommended by the Newberry County Council and approved by the governor of the State of South Carolina. The Board of Directors have decision-making abilities such as the ability to increase rates, to issue debt, and for all fiscal matters.

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units ("GAAP"). The Government Accounting Standards Boards ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

All activities for which the Authority's Board of Directors exercises oversight responsibility have been incorporated into the financial statements to form the reporting entity. The Authority's financial statements include the accounts of all Authority operations. The Authority does not have any component units.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The Authority has only one fund, which is listed below.

Proprietary Fund Types are accounted for based on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary 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.

Proprietary Fund types include the following fund:

The ***Enterprise Fund, a major fund,*** is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Authority has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability. The Enterprise Fund is the Authority's only fund and is used to account for the water and sewer operations of the Authority. The principal operating revenues of the Enterprise Fund are charges to customers for water and sewer services. Operating expenses for the Enterprise Fund include the cost of sales, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Enterprise Fund is a budgeted fund.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity

1. Cash, Cash Equivalents, and Investments

The Authority considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and investments in the South Carolina Local Government Investment Pool ("LGIP" or the "Pool") to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) that are not purchased from the Pool are reported as investments.

The Authority's investment policy is designed to operate within existing statutes that authorize the Authority to invest in the following:

(a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.

(b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.

(d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.

(e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.

(f) Repurchase agreements when collateralized by securities as set forth in this section.

(g) No-load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

The Authority's cash investment objectives are preservation of capital, liquidity and yield. The Authority reports its cash, cash equivalents, and investments at fair value which is normally determined by quoted market prices (except as noted).

The Authority is required to maintain debt service funds under the terms of the USDA Rural Development notes and provisions outlined in the revenue bond. These debt service funds are shown as restricted cash and cash equivalents in the Statements of Net Position.

The Authority currently or in the past year has used the following investments:

- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72 "*Fair Value Measurement and Application*", investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of $1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

- Money market funds which invest in short term obligations of the United States government and related agencies.

2. Capital Assets

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated acquisition values as of the date received. The Authority maintains a capitalization threshold of $5,000. The Authority also capitalizes similar assets purchased with a group total of $50,000 or more even if the individual items are under $5,000. All land will be capitalized regardless of cost.

The Authority's infrastructure assets have been reported separately under the caption Water and Sewer Infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital asset category.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

2. Capital Assets (Continued)

Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

ASSET CATEGORY	USEFUL LIFE RANGE
Land	Not Depreciated
Office, Buildings, and Improvements	10–40 Years
Equipment	3–10 Years
Construction in Progress	Not Depreciated
Water and Sewer Infrastructure	5-50 Years

3. Unbilled Revenue

The Authority renders bills to residential and commercial customer on billing cycles that end on various days throughout the month. Unbilled revenue represents the portion of residential and commercial bills rendered during the month of July for services that were provided in June.

4. Allowance for Doubtful Accounts

An allowance for possible credit losses is recorded and reduces the carrying value of trade receivables to its net realizable value. The amount of the reserve is based upon management's estimates of currently uncollectible accounts, historical trends, current economic trends and other factors. Provisions to increase the allowance are charged to operations. The allowance for accounts receivable at June 30, 2024 and 2023 totaled $91,950 and $104,832, respectively.

5. Compensated Absences

Authority employees accumulate paid vacation and sick leave in varying amounts based on their years of service. Employees are allowed to exchange up to two weeks (80 hours) of vacation time for cash during each fiscal year. If the employee is terminated without cause or resigns with proper notice, the employee is paid for accumulated vacation not to exceed two weeks. Upon retirement, the employee is paid for accumulated vacation not to exceed forty-five (45) days. Unused sick leave is not reimbursed and therefore not reported in the financial statements.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations payable from the Authority are reported in the Statements of Net Position.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

7. Deferred Outflows/Inflows of Resources

In addition to assets, the Statements of Net Position will sometimes 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority currently has one type of deferred outflows of resources. The Authority reports *deferred pension charges* in its Statements of Net Position in connection with its participation in the South Carolina Retirement System. These *deferred pension charges* are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statements of Net Position will sometimes 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently has one type of deferred inflows of resources. The Authority reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. These *deferred pension credits* are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

8. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows in the statement of net position. Net position is classified as net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

While not restricted, the Authority has set aside unrestricted net position for the following purposes:

	2024	2023
OPEB Reserve	$ 293,089	$ 277,191
Water & Sewer Capacity Improvements	$ 1,255,364	$ 976,733

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

9. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note III.A and Note III.C and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Authority recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the Authority's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Authority's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

10. Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Authority can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Equity (Continued)

10. Fair Value (Continued)

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Authority believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

11. Use of Accounting Estimates

The preparation of the financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or expenses during the reporting period. Actual results could differ from those estimates.

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits might not be recovered. The Authority does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, none of the Authority's bank balances of $243,022 (which had a carrying value of $81,778) were exposed to custodial credit risk. As of June 30, 2023, none of the Authority's bank balances of $465,206 (which had a carrying value of $431,631) were exposed to custodial credit risk.

Investments

As of June 30, 2024, the Authority had the following non-security investments:

Investment Type	Fair Value Level (1)	Credit Rating ^	Fair Value	Weighted Average Maturity
LGIP	N/A	NR	$ 4,254,478	< 1 yr
Money Market Mutual Funds	Level 1	AAAm, Aaamf	105,361	< 1 yr
Total			$ 4,359,839	

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.
(1) See Note I.B.10 for details of the Authority's fair value hierarchy.
NR – Not rated.
N/A - Not Applicable.

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

As of June 30, 2023, the Authority had the following non-security investments:

Investment Type	Fair Value Level (1)	Credit Rating ^	Fair Value	Weighted Average Maturity
LGIP	N/A	NR	$ 4,216,600	< 1 yr
Money Market Mutual Funds	Level 1	AAAm, Aaamf	89,017	< 1 yr
Total			$ 4,305,617	

^ If available, credit ratings are for Standard & Poor's and Moody's Investors Service.
(1) See Note I.B.10 for details of the Authority's fair value hierarchy.
NR – Not rated.
N/A - Not Applicable.

Interest Rate Risk: The Authority does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. However, the Authority primarily uses the Pool for its investments. The balance invested in the Pool is subject to withdrawal on a daily basis.

Credit Risk for Investments: The Pool is an unrated non-security investment. Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Authority does not have an investment policy for credit risk but follows the investment statutes of the State of South Carolina.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024 and 2023, none of the Authority's investments were exposed to custodial credit risk.

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Capital Assets

Capital asset activity for the Authority for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 658,586	-	-	-	$ 658,586
Construction in Progress	19,982	1,220,718	-	-	1,240,700
Total Capital Assets, Not Being Depreciated	678,568	1,220,718	-	-	1,899,286
Capital Assets, Being Depreciated:					
Water and Sewer Infrastructure	46,652,958	1,153,930	658,540	-	47,148,348
Equipment	1,782,618	144,513	-	-	1,927,131
Office, Buildings, and Improvements	201,970	-	-	-	201,970
Total Capital Assets, Being Depreciated	48,637,546	1,298,443	658,540	-	49,277,449
Less: Accumulated Depreciation	22,630,913	1,148,883	250,354	-	23,529,442
Total Capital Assets, Being Depreciated, Net	26,006,633	149,560	408,186	-	25,748,007
Capital Assets, Net	$ 26,685,201	1,370,278	408,186	-	$ 27,647,293

Capital asset activity for the Authority for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 658,586	-	-	-	$ 658,586
Construction in Progress	328,092	118,189	-	(426,299)	19,982
Total Capital Assets, Not Being Depreciated	986,678	118,189	-	(426,299)	678,568
Capital Assets, Being Depreciated:					
Water and Sewer Infrastructure	44,422,985	1,803,674	-	426,299	46,652,958
Equipment	1,724,130	58,488	-	-	1,782,618
Office, Buildings, and Improvements	201,970	-	-	-	201,970
Total Capital Assets, Being Depreciated	46,349,085	1,862,162	-	426,299	48,637,546
Less: Accumulated Depreciation	21,494,247	1,136,666	-	-	22,630,913
Total Capital Assets, Being Depreciated, Net	24,854,838	725,496	-	426,299	26,006,633
Capital Assets, Net	$ 25,841,516	843,685	-	-	$ 26,685,201

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Accrued Expenses

Accrued expenses consist primarily of employee related withholdings.

D. Long Term Obligations

A summary of long-term debt payable at June 30, 2024 is as follows:

2004 USDA Water Plant Loan - Direct Borrowing/Placement Interest at 4.375% with monthly principal and interest payments of $1,979 through April 2044. Proceeds were used to construct the Lake Murray Water Treatment Plant. The original amount of the debt incurred was $3,339,400. A portion of this debt was refunded with the 2016 Refunding Revenue Bond.	$ 313,350
2016 Refunding Revenue Bond - Direct Borrowing/Placement Interest at 1.80% with annual payments ranging from $106,000 to $329,000 through 2027. Principal payments are made annually on June 1st and interest payments are made semi-annually on June 1st and December 1st. Proceeds were used to refund a portion of the RDA Water Plant Loans and all of the Five US Department of Agriculture Rural Development Notes. The original amount of the debt incurred was $2,770,000.	745,000
2019 USDA Newberry Shores Loan - Direct Borrowing/Placement Interest at 2.50% with monthly principal and interest payments of $5,591 through December 2058. Proceeds were used to construct the Newberry Shores Infrastructure Project. The original amount of the debt incurred was $1,694,000. This debt refunded the 2018 Revenue Bond BAN.	1,548,277
Total Outstanding Principal	2,606,627
Less: Current Portion	282,955
Total Long- Term Debt Payable	$ 2,323,672

The long-term debt obligations of the Authority, all of which are direct borrowings, are generally collateralized/secured by the property underlying the obligation and are payable from the general revenues of the Authority and are subject to acceleration clauses in an event of default (as defined).

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long Term Obligations (Continued)

The following is a summary of changes in the Authority's long-term obligations for the year ended June 30, 2024:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowing Debt:					
2004 USDA Water Plant Loan	$ 323,155	-	9,805	313,350	$ 10,243
2016 Refunding Revenue Bond	985,000	-	240,000	745,000	244,000
2019 USDA Newberry Shores Loan	1,576,281	-	28,004	1,548,277	28,712
Total Debt	2,884,436	-	277,809	2,606,627	282,955
Compensated Absences	167,466	80,054	91,513	156,007	156,007
Total	$ 3,051,902	80,054	369,322	2,762,634	$ 438,962

The annual debt service requirements to maturity for bonds and notes payable were as follows:

Year Ending June 30	Direct Borrowing/Placement Debt Principal	Direct Borrowing/Placement Debt Interest	Total
2025	$ 282,955	65,295	$ 348,250
2026	288,109	59,719	347,828
2027	294,361	54,033	348,394
2028	42,623	48,218	90,841
2029	43,927	46,913	90,840
2030 - 2034	240,751	213,449	454,200
2035 - 2039	280,507	173,694	454,201
2040 - 2044	320,700	126,797	447,497
2045 - 2049	248,843	86,618	335,461
2050 - 2054	281,940	53,520	335,460
2055 - 2059	281,911	16,245	298,156
Total	$ 2,606,627	944,501	$ 3,551,128

II. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long Term Obligations (Continued)

The following is a summary of changes in Authority long-term obligations for the year ended June 30, 2023:

Long-Term Obligation	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowing Debt:					
2004 USDA Water Plant Loan	$ 332,541	-	9,386	323,155	$ 9,805
2016 Refunding Revenue Bond	1,220,000	-	235,000	985,000	240,000
2019 USDA Newberry Shores Loan	1,603,595	-	27,314	1,576,281	28,004
Total Debt	3,156,136	-	271,700	2,884,436	277,809
Compensated Absences	150,759	91,919	75,212	167,466	167,466
Total	$ 3,306,895	91,919	346,912	3,051,902	$ 445,275

III. OTHER INFORMATION

A. Retirement Plan

State Retirement Plan

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

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

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

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Plan Description

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

Plan Membership

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

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

Plan Benefits

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

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

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

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, the SCRS ("Plan") contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for the SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for the SCRS until reaching 18.56 percent. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

As noted earlier, both employees and the Authority are required to contribute to the Plans at rates established and as amended by the PEBA. The Authority's contributions are actuarially determined but are communicated to and paid by the Authority as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past two years are as follows:

	SCRS Rates	
	2023	2024
Employer Contribution Rate: ^		
Retirement	17.41%	18.41%
Incidental Death Benefit	0.15%	0.15%
Accidental Death Contributions	0.00%	0.00%
	17.56%	18.56%
Employee Contribution Rate ^	9.00%	9.00%

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

The actual and required contributions to the SCRS were $251,147 and $220,153 for the years ended June 30, 2024 and June 30, 2023, respectively.

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Actuarial Assumptions and Methods

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

The June 30, 2023 and 2022 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2022 and July 1, 2021. The TPL was rolled-forward from the valuation date to the Plan's' fiscal year end, June 30th, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems. In 2021, the PEBA Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in the South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 and 2022 (measurement date) for the SCRS.

	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by serivce)	3.0% to 11.0% (varies by serivce)
Benefit Adjustments	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

* Includes inflation at 2.25%.

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

Former Job Class	Males	Females
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%

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Long-Term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 and 2022 fiscal years. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For the June 30, 2023 and 2022 measurement dates, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	**46.0%**	6.62%	3.04%
Bonds	**26.0%**	0.31%	0.08%
Private Equity	**9.0%**	10.91%	0.98%
Private Debt	**7.0%**	6.16%	0.43%
Real Assets	**12.0%**		
Real Estate	9.0%	4.12%	0.58%
Infrastructure	3.0%	5.88%	0.20%
Total Expected Real Rate of Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

The NPL is calculated separately for each System and represents that particular System's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of the June 30, 2023 measurement date and the June 30, 2022 measurement date, for the SCRS are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2023	$ 58,464,402,454	34,286,961,942	$ 24,177,440,512	58.6%
June 30, 2022	$ 56,454,779,872	32,212,626,932	$ 24,242,152,940	57.1%

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans' funding requirements.

At June 30, 2024 and 2023, the Authority reported liabilities of $2,397,448 and $2,054,197 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2023 and June 30, 2022, and the TPL for the Plan used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, of the preceding year that was projected forward to the measurement date. The Authority's proportion of the NPL were based on a projection of the Authority's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2023 measurement date, the Authority's SCRS proportion was 0.009916 percent, which was an increase of 0.001442 from its proportion measured as of June 30, 2022. At the June 30, 2022 measurement date, the Authority's SCRS proportion was 0.008474 percent, which was a decrease of 0.000483 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2024, the Authority recognized pension expense of $308,401 for the SCRS. At June 30, 2024, the Authority reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	$ 41,624	$ 6,648
Change in Assumptions	36,732	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,282
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	265,374	52,760
Employer Contributions Subsequent to the Measurement Date	251,147	-
Total SCRS	$ 594,877	$ 62,690

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2023, the Authority recognized pension expense of $161,166 for the SCRS. At June 30, 2023, the Authority reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	$ 17,847	$ 8,952
Change in Assumptions	65,883	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,168	-
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	43,426	95,336
Employer Contributions Subsequent to the Measurement Date	220,153	-
Total SCRS	$ 350,477	$ 104,288

For the year ended June 30, 2024 $251,147 that were reported as deferred outflows of resources related to the Authority's contributions subsequent to the measurement date to the SCRS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2025. For the year ended June 30, 2023 $220,153 that were reported as deferred outflows of resources related to the Authority's contributions subsequent to the measurement date to the SCRS, respectively, was recognized as a reduction of the NPL in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	2024	2023
2024	$ -	$ 25,908
2025	126,213	18,030
2026	23,796	(71,474)
2027	132,437	53,572
2028	(1,406)	-
Total	$ 281,040	$ 26,036

III. OTHER INFORMATION (CONTINUED)

A. Retirement Plan (Continued)

Discount Rate

For the year ended June 30, 2024 and 2023, the discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the sensitivity of the Authority's proportionate share of the NPL of the Plan to changes in the discount rate for the year ended June 30, 2024 (measurement date of June 30, 2023), calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability of the SCRS	$ 3,097,732	2,397,448	$ 1,815,397

The following table presents the sensitivity of the Authority's proportionate share of the NPL of the Plan to changes in the discount rate for the year ended June 30, 2023 (measurement date of June 30, 2022), calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability of the SCRS	$ 2,633,734	2,054,197	$ 1,572,387

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plan administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS. The ACFR is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

B. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The Authority continues to carry commercial insurance for property and casualty insurance.

III. OTHER INFORMATION (CONTINUED)

B. Risk Management (Continued)

The Authority maintains a fully insured program for health insurance coverage for all employees. The authority is required to pay monthly premiums; all claims are paid by the insurance company.

There has been no reduction in insurance coverage compared to the prior year. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

C. Other Postemployment Benefit Plan

Plan Description

The Authority administers a defined benefit postemployment healthcare plan, a single-employer defined benefit other postemployment benefit plan ("OPEB Plan"). This plan provides healthcare insurance for eligible retirees and their spouses under the Medicare eligible age through the Authority's group health insurance plan which covers both active and retired members. The OPEB Plan is approved each year by the Authority's Board of Directors; the benefit and contribution requirements of the Authority and plan members are established and amended by the Board of Directors. These contributions are neither guaranteed nor mandatory. The Board of Directors has retained the right to unilaterally modify its payments toward retiree health care benefits and amend the contributions requirement at any time. No assets are accumulated in a trust as defined by GAAP. The OPEB Plan does not issue a stand-alone financial report.

Plan Membership

For the year ended June 30, 2024 and 2023, the following employees were covered by the OPEB Plan's benefit terms:

Year Ended	June 30, 2024	June 30, 2023
Inactive Members or Beneficiaries Currently Receiving Benefit Payments	1	1
Active Members	17	17
Total Membership	18	18

Plan Benefits and Contributions

Benefit terms are established and amended by the Board of Directors and are based on years of service. Full-time employees who retire under a state retirement system (the SCRS) after 15 years of service with the Authority are eligible to continue health benefits for themselves and their spouses. The years of service requirement is waived for eligible members who become disabled. The Authority pays a portion of the medical or dental premiums on behalf of eligible members as reflected below:

NCWSA Premiums Paid:

100%	Retiree Premiums
78%	Spouse Premiums
100%	Spouse Premiums for 12 months upon retiree death

III. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method

Actuarial valuations of the OPEB Plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

GASB 75 allows for entities with fewer than 100 participants in its OPEB Plan to complete the Alternative Measurement Method (“AMM”). The Authority uses the AMM since they have less than 100 participants. The AMM calculates the OPEB liability and related expense without a traditional or full actuarial valuation. The AMM calculation process is similar to an actuarial valuation, but with simplifications of several assumptions as permitted by the GASB guidelines.

III. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	June 30, 2024
Age Adjustment Factor	1.914731
Average Retirement Age	59
Employer Future Premium Contribution	Remain a level % of the total cost over time
Actuarial Cost Method	Entry Age normal
Amortization Method	Level Percentage of Payroll
Assets Backing OPEB Liability	$0
Plan Asset Return	0.00%
Bond Yield	4.24%
Discount Rate	4.24%
Measurement Date	June 30, 2024
Prior Measurement Date	June 30, 2023
Prior Year Discount Rate	4.13%
Projected Salary Increases	3.00%
Amortization Period	20
Percentage Participation	68.00%
OPEB Liability and Actuarially Determined Contribution	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
Health Care Trend Rate	Initial trend starting at 4.70% and gradually decreasing to an ultimate trend rate of 4.20% over a period of ten years.
Turnover Assumption	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

III. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

The following table provides a summary of the significant actuarial assumptions and methods used in the June 30, 2023 actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	June 30, 2023
Age Adjustment Factor	1.903841
Average Retirement Age	59
Employer Future Premium Contribution	Remain a level % of the total cost over time
Actuarial Cost Method	Entry Age normal
Amortization Method	Level Percentage of Payroll
Assets Backing OPEB Liability	$0
Plan Asset Return	0.00%
Bond Yield	4.13%
Discount Rate^	4.13%
Measurement Date	June 30, 2023
Prior Measurement Date	June 30, 2022
Prior Year Discount Rate	3.98%
Projected Salary Increases	3.00%
Amortization Period	20
Percentage Participation	68.00%
OPEB Liability and Actuarially Determined Contribution	Calculated using the Alternative Measurement Method in accordance with GASB methodology.
Mortality Table	Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
Health Care Trend Rate	Initial trend starting at 4.70% and gradually decreasing to an ultimate trend rate of 4.20% over a period of ten years.
Turnover Assumption	Derived from data maintained by the U.S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB Plan investments was 4.24% and 4.13% at June 30, 2024 and June 30, 2023, respectively, which is the municipal bond rate at the applicable valuation dates as the OPEB Plan does not have any investments in an irrevocable trust, as defined by GASB 75. However, in 2015 the Authority began setting money aside to pay for its OPEB liability. This money is being held in a separate bank account under the control of the Authority, but these funds are not in an irrevocable trust. The amount in this separate bank account was $293,089 and $277,191 as of June 30, 2024 and June 2023, respectively.

III. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

The Authority's net OPEB liability was measured as of June 30, 2024.

	OPEB Liability
Balances as of June 30, 2023	$ 779,371
Changes for the year:	
Service Cost	47
Interest	40,602
Economic/Demographic Losses	(72,058)
Assumptions Changes	75,141
Contributions - Employer	(12,243)
Net Changes	31,489
Balances as of June 30, 2024	$ 810,860

For the year ended June 30, 2024, the Authority recognized OPEB expense of $31,489. At June 30, 2024, the Authority did not report any deferred outflows of resources or deferred inflows of resources related to OPEB Plan as of June 30, 2024 as they were not considered to be material to the Authority's financial statements.

The Authority's net OPEB liability was measured as of June 30, 2023.

	OPEB Liability
Balances as of June 30, 2022	$ 643,367
Changes for the year:	
Service Cost	47
Interest	14,021
Economic/Demographic Losses	311,499
Assumptions Changes	(177,320)
Contributions - Employer	(12,243)
Net Changes	136,004
Balances as of June 30, 2023	$ 779,371

For the year ended June 30, 2023, the Authority recognized OPEB expense of $136,004. At June 30, 2023, the Authority did not report any deferred outflows of resources or deferred inflows of resources related to OPEB Plan as of June 30, 2023 as they were not considered to be material to the Authority's financial statements.

Discount Rate

The discount rate (long-term expected rate of return on OPEB Plan investments) used to measure the OPEB liability was 4.24% and 4.13% at June 30, 2024 and June 30, 2023 respectively, which was the municipal bond rate at the applicable measurement dates as the OPEB Plan does not have any investments in an irrevocable trust as defined by GASB 75.

III. OTHER INFORMATION (CONTINUED)

C. Other Postemployment Benefit Plan (Continued)

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

The following table presents the sensitivity of the Authority's net OPEB liability to changes in the discount rate, calculated using the discount rate of 4.24%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.24%) or 1% point higher (5.24%) than the current rate:

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
OPEB Liability	$ 897,807	810,860	$ 736,409

The following table presents the sensitivity of the Authority's net OPEB liability to changes in the discount rate, calculated using the discount rate of 4.13%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.13%) or 1% point higher (5.13%) than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
OPEB Liability	$ 864,176	779,371	$ 706,809

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following table presents the sensitivity of the Authority's OPEB liability to changes in the medical cost trend rate, calculated using the medical cost trend rate of 4.70% decreasing to 4.20%, as well as what it would be if it were calculated using a medical cost trend rate that is 1% point lower (4.70%) or 1% point higher (5.70%) than the current rate:

	1% Decrease (3.70%)	Current Medical Cost Trend Rate (4.70%)	1% Increase (5.70%)
OPEB Liability	$ 699,449	810,860	$ 944,719

The following table presents the sensitivity of the Authority's OPEB liability to changes in the medical cost trend rate, calculated using the medical cost trend rate of 4.70% decreasing to 4.20%, as well as what it would be if it were calculated using a medical cost trend rate that is 1% point lower (3.70%) or 1% point higher (5.70%) than the current rate:

	1% Decrease (3.70%)	Current Medical Cost Trend Rate (4.70%)	1% Increase (5.70%)
OPEB Liability	$ 677,991	779,371	$ 900,436

III. OTHER INFORMATION (CONTINUED)

D. Commitments and Contingencies

In November 2022, Newberry County passed a resolution to provide up to $5,154,560 for the Cannons Creek wastewater treatment plant upgrade and expansion project. As of June 30, 2024, the project is in the engineering phase and the Authority has not received any funding.

In February 2023, the Authority entered into a contract with Summit Engineering Group for the Cannons Creek Wastewater Treatment Plant Upgrade and Expansion Project. The total cost of the project is $680,125. As of June 30, 2024, the Authority has expended $226,608 leaving $453,517 committed as of June 30, 2024.

In May 2023, the Authority was awarded a Rural Infrastructure Authority grant for $10,000,000 in federal funding and $500,000 in state funding for the Newberry County Water and Sewer Authority water system improvements project. The grant period is from April 2023 through June 2026. As of June 30, 2024, the Authority has not issued any claims for the funds.

In March 2024, the Authority passed a resolution to issue debt up to $4,750,000 to defray various project costs. The Authority has not issued any bonds as of the report date.

In May 2024, the Authority was awarded a $771,375 RIA grant with a matching portion of $417,125 for the Hollands Landing sewer pump station upgrade project. To date the Authority has only entered into engineering contracts for the project.

In July 2023, The Authority entered into an Engineering with Weston & Sampson Engineers, Inc for the water system improvement project. The projected cost of this agreement is $663,400. To date the Authority has spent $334,250 leaving $329,150 committed as of June 30, 2024.

E. Subsequent Events

Effective July 1, 2024, the Authority increased water and sewer rates by approximately 5 percent.

REQUIRED SUPPLEMENTARY INFORMATION

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFIT PLAN SCHEDULE

SCHEDULE OF CHANGES IN THE AUTHORITY'S OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	Year Ended June 30,						
	2024	2023	2022	2021	2020	2019	2018
OPEB Liability:							
Service Cost	$ 47	47	47	47	47	4,528	$ 4,575
Interest	40,602	14,021	15,238	18,173	13,993	938	9,159
Economic/Demographic Losses	(72,058)	311,499	78,585	(34,013)	139,256	-	-
Changes of Assumptions	75,141	(177,320)	(137,729)	35,963	9,851	-	-
Employer Contributions	(12,243)	(12,243)	(10,737)	(10,698)	(21,270)	-	-
Net Change in Total OPEB Liability	31,489	136,004	(54,596)	9,472	141,877	5,466	13,734
OPEB Liability - Beginning of Year	779,371	643,367	697,963	688,491	546,614	541,148	527,414
OPEB Liability - End of Year (a)	$ 810,860	779,371	643,367	697,963	688,491	546,614	$ 541,148
Covered-Employee Payroll	$ 1,378,124	1,316,810	1,090,484	1,034,603	1,007,732	977,392	$ 935,759
OPEB Liability as a Percentage of Covered-Employee Payroll	58.84%	59.19%	59.00%	67.46%	68.32%	55.93%	57.83%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30, 2024 (measurement date).
The Authority adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's Proportion of the Net Pension Liability	0.009916%	0.008474%	0.008957%	0.008578%	0.008809%	0.008651%	0.008484%	0.009287%	0.008861%	0.009253%
Authority's Proportionate Share of the Net Pension Liability	$ 2,397,448	2,054,197	1,938,374	2,191,911	2,011,411	1,938,490	1,909,885	1,983,689	1,680,531	$ 1,593,060
Authority's Covered Payroll	$ 1,253,717	1,009,014	1,012,488	957,028	930,184	896,520	856,039	900,008	831,536	$ 840,039
Authority's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.23%	203.58%	191.45%	229.03%	216.24%	216.22%	223.11%	220.41%	202.10%	189.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.6%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 251,147	220,153	167,093	157,543	148,914	135,435	121,568	98,958	99,541	$ 90,637
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the Authority	$ 251,147	220,153	167,093	157,543	148,914	135,435	112,394	98,958	99,541	$ 90,637
Contributions from the State	-	-	-	-	-	-	9,174	-	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
Authority's Covered Payroll	$ 1,353,161	$ 1,253,717	1,009,014	1,012,488	957,028	930,184	896,520	856,039	900,008	$ 831,536
Contributions as a Percentage of Covered Payroll:	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	12.54%	11.56%	11.06%	10.90%

SUPPLEMENTARY INFORMATION

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF WATER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
OPERATING REVENUES			
Water Sales	$ 3,425,900	3,699,959	$ 274,059
Water Connection Fees	30,000	201,916	171,916
Water Service Fees & Penalties	115,000	143,163	28,163
Water Sales - Fire Protection	5,000	-	(5,000)
Water Other Revenue	-	13,842	13,842
Total Operating Revenues	**3,575,900**	**4,058,880**	**482,980**
OPERATING EXPENSES			
Water Distribution Expenses:			
Operations	260,600	360,274	(99,674)
Maintenance	266,000	296,328	(30,328)
Utilities	77,200	69,895	7,305
Vehicle Expense	67,000	67,213	(213)
Water Purchases	245,000	338,946	(93,946)
Depreciation	145,000	503,944	(358,944)
Total Water Distribution Expenses	1,060,800	1,636,600	(575,800)
Water Administration Expenses:			
Insurance	42,800	54,355	(11,555)
Licenses and Fees	26,000	17,091	8,909
Office Operations	126,600	126,226	374
Bad Debt Expense	-	(12,882)	12,882
Professional Services	59,500	39,681	19,819
Computer and IT Services	50,300	66,301	(16,001)
Training and Meeting Expenses	24,800	25,661	(861)
Total Water Administration Expenses	330,000	316,433	13,567
Water Payroll Expenses:			
Salaries	698,400	689,312	9,088
Overtime	36,000	37,253	(1,253)
FICA	56,200	52,530	3,670
Benefits	279,200	289,631	(10,431)
Other Postemployment Benefit Expense	20,000	23,617	(3,617)
Pension Expense	-	31,088	(31,088)
Total Water Payroll Expenses	1,089,800	1,123,431	(33,631)
Water Plant Expenses:			
Operations	205,500	222,574	(17,074)
Maintenance	51,500	38,790	12,710
Utilities	86,000	63,603	22,397
Depreciation	-	126,675	(126,675)
Total Water Plant Expenses	$ 343,000	451,642	$ (108,642)

(continued)

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF WATER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
OPERATING EXPENSES (CONTINUED)			
Water Plant Payroll Expenses:			
Salaries	$ 360,300	312,719	$ 47,581
Overtime	48,500	43,599	4,901
FICA	31,300	25,711	5,589
Benefits	149,100	122,246	26,854
Pension Expense	-	13,920	(13,920)
Total Water Plant Payroll Expenses	589,200	518,195	71,005
Total Operating Expenses	**3,412,800**	**4,046,301**	**(633,501)**
OPERATING INCOME	**$ 163,100**	**12,579**	**$ (150,521)**

Note: Although aware actual expenses exceeded budgeted expenses the Board of Directors chose not to amend the budget.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF WATER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance
OPERATING REVENUES			
Water Sales	$ 3,425,900	3,566,832	$ 140,932
Water Connection Fees	30,000	168,848	138,848
Water Service Fees & Penalties	115,000	145,398	30,398
Water Sales - Fire Protection	5,000	450	(4,550)
Total Operating Revenues	**3,575,900**	**3,881,528**	**305,628**
OPERATING EXPENSES			
Water Distribution Expenses:			
Operations	234,300	259,418	(25,118)
Maintenance	266,000	307,577	(41,577)
Utilities	76,600	73,518	3,082
Vehicle Expense	62,000	69,306	(7,306)
Water Purchases	225,000	282,933	(57,933)
Depreciation	136,000	499,886	(363,886)
Total Water Distribution Expenses	999,900	1,492,638	(492,738)
Water Administration Expenses:			
Insurance	42,800	48,708	(5,908)
Licenses and Fees	26,000	18,777	7,223
Office Operations	121,500	126,634	(5,134)
Bad Debt Expense	-	(8,724)	8,724
Professional Services	55,800	52,375	3,425
Computer and IT Services	50,300	48,441	1,859
Training and Meeting Expenses	24,800	23,465	1,335
Total Water Administration Expenses	321,200	309,676	11,524
Water Payroll Expenses:			
Salaries	524,900	603,800	(78,900)
Overtime	36,000	32,342	3,658
FICA	42,900	45,044	(2,144)
Benefits	215,100	227,178	(12,078)
Other Postemployment Benefit Expense	20,000	102,003	(82,003)
Pension Expense	-	(29,532)	29,532
Total Water Payroll Expenses	838,900	980,835	(141,935)
Water Plant Expenses:			
Operations	302,000	305,741	(3,741)
Maintenance	46,500	67,896	(21,396)
Utilities	86,000	72,817	13,183
Depreciation	-	126,675	(126,675)
Total Water Plant Expenses	$ 434,500	573,129	$ (138,629)

(continued)

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF WATER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance
OPERATING EXPENSES (CONTINUED)			
Water Plant Payroll Expenses:			
Salaries	$ 293,500	279,419	$ 14,081
Overtime	41,700	49,607	(7,907)
FICA	25,600	23,309	2,291
Benefits	115,600	120,543	(4,943)
Pension Expense	-	(13,632)	13,632
Total Water Plant Payroll Expenses	476,400	459,246	17,154
Total Operating Expenses	**3,070,900**	**3,815,524**	**(744,624)**
OPERATING INCOME	**$ 505,000**	**66,004**	**$ (438,996)**

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF SEWER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2024

	Budget	Actual	Variance
OPERATING REVENUES			
Sewer Sales	$ 1,195,400	1,417,552	$ 222,152
Sewer Connection Fees	25,000	140,534	115,534
Sewer Other Revenue	20,000	65,753	45,753
Total Operating Revenues	**1,240,400**	**1,623,839**	**383,439**
OPERATING EXPENSES			
Sewer System Expenses:			
Operations	394,100	394,354	(254)
Maintenance	253,200	268,728	(15,528)
Utilities	156,000	159,996	(3,996)
Vehicle Expense	20,000	20,743	(743)
Sewer Purchased	80,000	94,817	(14,817)
Depreciation	61,400	518,264	(456,864)
Total Sewer System Expenses	964,700	1,456,902	(492,202)
Sewer Administrative Expenses:			
Insurance	14,200	18,118	(3,918)
Licenses and Fees	4,000	2,144	1,856
Office Operations	37,300	39,135	(1,835)
Professional Services	33,500	11,847	21,653
Computer and IT Services	16,800	22,092	(5,292)
Training and Meeting Expenses	8,300	9,385	(1,085)
Total Sewer Administrative Expenses	114,100	102,721	11,379
Sewer Payroll Expenses:			
Salaries	256,200	263,011	(6,811)
Overtime	25,700	32,231	(6,531)
FICA	21,600	21,064	536
Benefits	98,800	101,480	(2,680)
Other Postemployment Benefit Expense	6,500	7,872	(1,372)
Pension Expense	-	12,245	(12,245)
Total Sewer Payroll Expenses	408,800	437,903	(29,103)
Total Operating Expenses	**1,487,600**	**1,997,526**	**(509,926)**
OPERATING LOSS	**$ (247,200)**	**(373,687)**	**$ (126,487)**

Note: Although aware actual expenses exceeded budgeted expenses the Board of Directors chose not to amend the budget.

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF SEWER SYSTEM REVENUES AND EXPENSES - BUDGET AND ACTUAL

FOR YEAR ENDED JUNE 30, 2023

	Budget	Actual	Variance
OPERATING REVENUES			
Sewer Sales	$ 1,195,400	1,260,641	$ 65,241
Sewer Connection Fees	25,000	84,060	59,060
Sewer Other Revenue	20,000	154,985	134,985
Total Operating Revenues	**1,240,400**	**1,499,686**	**259,286**
OPERATING EXPENSES			
Sewer System Expenses:			
Operations	292,000	408,594	(116,594)
Maintenance	255,200	365,733	(110,533)
Utilities	147,300	161,538	(14,238)
Vehicle Expense	20,000	23,283	(3,283)
Sewer Purchased	78,000	80,807	(2,807)
Depreciation	59,400	510,105	(450,705)
Total Sewer System Expenses	851,900	1,550,060	(698,160)
Sewer Administrative Expenses:			
Insurance	14,300	16,236	(1,936)
Licenses and Fees	4,000	2,670	1,330
Office Operations	35,700	36,472	(772)
Professional Services	32,300	20,493	11,807
Computer and IT Services	16,800	16,254	546
Training and Meeting Expenses	8,300	9,138	(838)
Total Sewer Administrative Expenses	111,400	101,263	10,137
Sewer Payroll Expenses:			
Salaries	293,200	323,513	(30,313)
Overtime	26,200	28,128	(1,928)
FICA	25,300	24,412	888
Benefits	108,700	103,712	4,988
Other Postemployment Benefit Expense	6,500	34,001	(27,501)
Pension Expense	-	(15,822)	15,822
Total Sewer Payroll Expenses	459,900	497,944	(38,044)
Total Operating Expenses	**1,423,200**	**2,149,267**	**(726,067)**
OPERATING LOSS	**$ (182,800)**	**(649,581)**	**$ (466,781)**

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF NET REVENUES
(AS DEFINED BY THE SERIES 2016 REFUNDING BONDS)

FOR YEAR ENDED JUNE 30, 2024

NET INCOME (INCREASE IN NET POSITION)		$	558,496
ADJUSTMENTS			
Add Back:	Depreciation Expense		1,148,883
	Change in OPEB Liability		31,489
	Change in Net Pension Liability and related deferred outflows / inflows of resources		57,253
	Amounts Paid as Interest on Bonds and liens		70,761
	Loss on Disposal of Capital Assets		408,186
Subtract:	Contributed Capital		(1,137,813)
NET REVENUE			1,137,255
Current Annual Principal and Interest Payments for all Bonds and Liens Outstanding at 6/30/24			348,250
Required Bond Coverage Ratio			120.0%
REQUIRED NET REVENUE TO MEET BOND COVERAGE RATIO			417,900
EXCESS IN NET REVENUE		$	719,355
Actual Bond Coverage Ratio			326.6%

NEWBERRY COUNTY WATER AND SEWER AUTHORITY
NEWBERRY, SOUTH CAROLINA

SCHEDULE OF NET REVENUES
(AS DEFINED BY THE SERIES 2016 REFUNDING BONDS)

FOR YEAR ENDED JUNE 30, 2023

NET INCOME (INCREASE IN NET POSITION)		$ 1,573,120
ADJUSTMENTS		
Add Back:	Depreciation Expense	1,136,666
	Change in OPEB Liability	136,004
	Change in Net Pension Liability and related deferred outflows / inflows of resources	(58,986)
	Amounts Paid as Interest on Bonds and liens	76,100
Subtract:	Amounts Received from Grants	(52,246)
	Contributed Capital	(1,803,674)
NET REVENUE		1,006,984
Current Annual Principal and Interest Payments for all Bonds and Liens Outstanding at 6/30/23		348,570
Required Bond Coverage Ratio		120.0%
REQUIRED NET REVENUE TO MEET BOND COVERAGE RATIO		418,284
EXCESS IN NET REVENUE		$ 588,700
Actual Bond Coverage Ratio		288.9%

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COMPLIANCE SECTION

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Greene Finney Cauley, LLP
Certified Public Accountants & Advisors

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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Newberry County Water and Sewer Authority
Newberry, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Newberry County Water and Sewer Authority, South Carolina (the "Authority") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 3, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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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.

Greene Finney Cauley, LLP

Greene Finney Cauley, LLP
Mauldin, South Carolina
September 3, 2024