

**GREATER AUGUSTA UTILITY DISTRICT**

**Financial Statements**

**For the Year Ended  
December 31, 2022**

**GREATER AUGUSTA UTILITY DISTRICT**  
**Financial Statements**  
**For the Year Ended December 31, 2022**

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## Independent Auditor's Report

Board of Trustees  
Greater Augusta Utility District

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the Greater Augusta Utility District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Greater Augusta Utility District's basic financial statements as listed in the table of contents.

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

#### ***Basis for Opinions***

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

#### ***Change in Accounting Principle***

As described in the notes to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

#### ***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 Greater Augusta Utility District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Greater Augusta Utility District'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 Greater Augusta Utility District'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 discussion and analysis and schedules related to the net pension liability and OPEB liabilities, 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Augusta Utility District's basic financial statements. The comparative exhibits are presented for purposes of additional analysis and are not a required part of the basic financial statements. The comparative exhibits are the responsibility of management and were derived from and relate 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 comparative exhibits are 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 November 22, 2023, on our consideration of the Greater Augusta Utility District'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 Greater Augusta Utility District'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 Greater Augusta Utility District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, reading "Remy Kristen Ouellette".

November 22, 2023  
South Portland, Maine

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis**  
**December 31, 2022**

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Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Greater Augusta Utility District's (District) financial condition and performance for the year ended December 31, 2022. The Water Division is the drinking water and fire protection division of the District. For discussion and analysis purposes, the Sewer and Storm Water Divisions of the District are combined and referred to as the Sanitary Division.

**Financial Highlights - Water Division**

Management believes the Water Division's financial condition is adequate. The Water Division is within the financial policies and guidelines set by the Board and management. Key financial highlights include:

- The Water Division's cash and cash equivalents increased by \$365,000. Net cash provided by operating activities totaled \$1.8 million. Receipts from customers increased by \$510,000, payments to suppliers increased by \$266,000 and payments to employees increased by \$127,000. Net cash used in capital and related financing activities totaled \$1.4 million. Principal and interest on long-term debt totaled \$667,000 down from 2021 by \$13,000. Investment in capital assets totaled \$758,000, an increase of \$434,000.
- The accounts receivable balance was \$737,000 on December 31, 2022. This increase of \$232,000 (or 46%) from the December 31, 2021 balance can be attributed to the timing of customer payments and billings as well as significant grant receivable balances.
- The work in process (WIP) account decreased by \$695,000 due to the completion of several projects. Operating property increased by \$1,430,000 primarily due to the completion of the water mains on Cony street and Evergreen drive; the purchase of a new truck; the purchase of a new trailer; and some smaller equipment purchases and upgrades.
- Accumulated depreciation increased by \$924,000 from 2021.
- The Water Division decreased its long-term financial indebtedness obligation by \$552,000 this year. The required scheduled debt payments were all made on time.
- The Water Division's net position as of December 31, 2022 was \$28.8 million. Net position consists of net investments in capital assets of \$26.5 million and the remaining unrestricted net position of \$2.3 million. The change in net position for the year ended December 31, 2022 was a net increase of \$1.2 million. The increase is the result of operating revenues being higher than operating expenses and a significant amount of non-operating revenues. Operating revenues totaled \$4.3 million, an increase of \$374,000 from the previous fiscal year. Sales to customers totaled \$2.7 million, an increase of 9%. Fire protection revenues totaled \$1.6 million, up 11% from the prior year. Operating expenses totaled \$3.6 million, an increase of \$240,000 from the previous fiscal year. Net non-operating revenue (expense) increased \$312,000 primarily due to an increase in grant related revenues. All metered customers of the Water Division are charged a minimum fee depending on the size of the meter which includes a minimum water allowance of 100 cubic feet of water per month. For usage in excess of 100 cubic feet, the charge is \$2.90 per 100 cubic feet. The Maine Public Utilities Commission approved the Water Division's schedule of rates which became effective July 1, 2022.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

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**Financial Highlights - Sanitary Division**

Management believes the Sanitary Division's financial condition is adequate. The Sanitary Division is within the financial policies and guidelines set by the Board and management. Key financial highlights include:

- The Sanitary Division's cash and cash equivalents balance decreased by \$620,000 as net cash used in capital and related financing activities exceeded net cash provided by operating activities.
- Net capital assets increased by \$1.4 million. The work in process (WIP) account decreased by \$299,000. Operating property increased by \$4.2 million. The increase to operating property is due to the completion of sewer main and/or storm main work on Gilman Street, Western Avenue, and Sturgis Lane, 3<sup>rd</sup>/4<sup>th</sup> Avenue, and Lower Glenwood. Additionally, the new dewatering system was placed into operation as well as the PS5 Wet Wells, the SPS11 Pump replacement, and several other small pieces of equipment, including a new truck with a plow.
- The accounts receivable balance was \$1.9 million on December 31, 2022. This increase of \$757,000 (or 66%) from the December 31, 2021 balance can be attributed to the timing of customer payments and billings as well as significant grant receivable balances.
- Accumulated depreciation increased by \$2.5 million from 2021.
- The Sanitary Division decreased its long-term financial indebtedness obligation by \$905,000 by making all the required scheduled debt payments.
- The Sanitary Division's operating revenues totaled \$8.4 million and operating expenses totaled \$7.1 million. Net non-operating revenues (expenses) totaled \$417,000, resulting in an increase in net position of \$1.6 million.
- The Sanitary Division's net position as of December 31, 2022 was \$53 million. Net position consists of net investment in capital assets of \$53.6 million and the remaining unrestricted net position was at a deficit of \$558,000.
- All customers of the Sanitary Division are charged \$4.00 per 100 cubic feet of metered sewage, \$11.05 for a monthly service charge and \$12.56 per equivalent residential unit for storm water. Hallowell customers are not charged for storm water.

**Overview of Annual Financial Reports**

The financial statements report information about the District using full accrual accounting methods as utilized by similar business activities in the private sector. The basic financial statements include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

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The statement of net position presents the financial position of the District on a full accrual historical cost basis. The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases and decreases in net position are one indicator of whether the financial position of the District is improving or deteriorating. While the statement of net position provides information about the nature and amount of resources and obligations at year-end, the statement of revenues, expenses and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the District's recovery of its costs. Rate setting policies use different methods of cost recovery not fully provided for by generally accepted accounting principles.

The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

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

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any. In addition, there is required supplementary information that is mandated by governmental accounting standards to provide additional insight to users of the financial information.

Lastly, there is other supplementary information, which is not required, that management of the District has chosen to report to give the readers additional data regarding the operations of the District. This supplementary information consists of separate statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows for the water, sewer, and stormwater divisions.

The financial statements were prepared by management from the detailed books and records of the District. The financial statements were audited during the independent external audit process.



**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

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**Summary of Organization and Business**

The Augusta Water District was created under provisions of Private and Special Laws 1903, c 139 enacted during the 1903 Session of the Maine Legislature. The Augusta Sanitary District was created under provisions of Private and Special Laws 1955, c 139 enacted during the 1955 Session of the Maine Legislature. On January 1, 2008, Augusta Water District and Augusta Sanitary District were combined into Greater Augusta Utility District (GAUD). The Water Division is responsible for maintaining the public drinking water system for the City of Augusta, and portions of Chelsea, Vassalboro, Manchester, East Winthrop, and Hallowell. The Sanitary Division owns, operates and maintains a regional wastewater treatment facility, the sewer system for the cities of Augusta and Hallowell, the storm water system for the City of Augusta, and a regional pumping and collection system known as the Intercommunity Trunkline. The Sanitary Division treats sewerage delivered via the Intercommunity Trunkline from three communities (Manchester, Winthrop, and Monmouth). These communities pay for their share of treated flow, related debt and operation and maintenance costs.

GAUD has a Board of nine trustees. Seven are appointed by the Mayor of the City of Augusta for a three-year term and the remaining two are appointed by the Mayor of the City of Hallowell. All trustees must be residents of either the City of Augusta or the City of Hallowell.

The Water Division charges sales and use tax on its billings to non-residential customers who are not tax-exempt, as well as partial tax for combination business/personal residence. Sales tax payments are made to Maine Revenue Services on or before the 15<sup>th</sup> day of the month following the particular month of operation. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded by contributed capital, contributions from customers (cash and meter services), bonds payable, and customer revenues.

The Sanitary Division has no taxing power. Operational and maintenance costs are funded from customer fees and charges. The acquisition and construction of capital assets are funded by contributed capital, contributions from customers (cash and sewer systems), bonds payable, and customer revenues.

**Financial Analysis - Water Division**

The following condensed financial statements serve as the key financial data and indicators for management's monitoring and planning. Any significant items noted by management are described in comments in each section under the applicable statement.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

**CONDENSED STATEMENTS OF NET POSITION - WATER DIVISION**

	December 31, 2022	December 31, 2021 (restated)
<b>Assets</b>		
Current assets	\$ 3,582,130	\$ 2,830,227
Capital and other assets (net)	30,237,476	30,470,336
<b>Total Assets</b>	<u>33,819,606</u>	<u>33,300,563</u>
<b>Deferred Outflows of Resources</b>		
Related to pensions	188,883	226,090
Related to other post employment benefits	93,102	45,166
<b>Total Deferred Outflows of Resources</b>	<u>281,985</u>	<u>271,256</u>
<b>Liabilities</b>		
Current liabilities	\$ 702,395	\$ 762,013
Long-term liabilities	4,074,404	4,224,045
<b>Total Liabilities</b>	<u>4,776,799</u>	<u>4,986,058</u>
<b>Deferred Inflows of Resources</b>		
Related to pensions	\$ 165,932	\$ 607,307
Related to other post employment benefits	2,525	11,309
Related to lease receivable	329,778	344,381
<b>Total Deferred Inflow of Resources</b>	<u>498,235</u>	<u>962,997</u>
<b>Net Position</b>		
Net investment in capital assets	26,559,624	26,196,071
Unrestricted	2,266,933	1,426,693
<b>Total Net Position</b>	<u>\$ 28,826,557</u>	<u>\$ 27,622,764</u>

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**WATER DIVISION**

	December 31, 2022	December 31, 2021
<b>Operating Revenues</b>		
Metered	\$ 2,752,786	\$ 2,533,826
Fire protection	1,573,991	1,419,571
Other water revenues	1,430	1,290
<b>Total Operating Revenues</b>	<u>4,328,207</u>	<u>3,954,687</u>
<b>Operating Expenses</b>		
Operating expenses	2,663,566	2,401,436
Depreciation	925,703	947,849
<b>Total Operating Expenses</b>	<u>3,589,269</u>	<u>3,349,285</u>
<b>Nonoperating Revenue</b>	<u>464,855</u>	<u>153,220</u>
<b>Change in Net Position</b>	1,203,793	758,622
<b>Net Position- Beginning of Year</b>	<u>27,622,764</u>	<u>26,864,142</u>
<b>Net Position - End of Year</b>	<u>\$ 28,826,557</u>	<u>\$ 27,622,764</u>

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

**Financial Analysis - Sanitary Division**

The following condensed financial statements serve as the key financial data and indicators for management's monitoring and planning. Any significant items noted by management are described in comments, in each section, under the applicable statement.

**CONDENSED STATEMENTS OF NET POSITION - SANITARY DIVISION**

	December 31, 2022	December 31, 2021
<b>Assets</b>		
Current assets	\$ 3,837,554	\$ 3,655,292
Capital and other assets (net)	72,698,255	71,449,334
<b>Total Assets</b>	<b>76,535,809</b>	<b>75,104,626</b>
<b>Deferred Outflows of Resources</b>		
Related to Pensions	\$ 271,807	\$ 325,350
Related to Other Post Employment Benefits	527,576	255,938
Related to Pensions	799,383	581,288
<b>Liabilities</b>		
Current liabilities	\$ 3,171,124	\$ 2,212,403
Long-term liabilities	20,547,049	20,757,130
<b>Total Liabilities</b>	<b>23,718,173</b>	<b>22,969,533</b>
<b>Deferred Inflows of Resources</b>		
Deferred credits	\$ 358,342	\$ 403,135
Related to Pensions	238,781	873,930
Related to Other Post Employment Benefits	14,309	64,082
<b>Total Deferred Inflow of Resources</b>	<b>611,432</b>	<b>1,341,147</b>
<b>Net Position</b>		
Net investment in capital assets	53,563,764	51,345,575
Unrestricted	(558,177)	29,659
<b>Total Net Position</b>	<b>\$ 53,005,587</b>	<b>\$ 51,375,234</b>

**CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**SANITARY DIVISION**

	December 31, 2022	December 31, 2021
<b>Operating Revenues</b>		
Sewer	\$ 3,014,633	\$ 2,597,805
Storm Water	3,988,367	4,068,583
Trunkline	894,675	799,761
Other	455,994	420,343
<b>Total Operating Revenues</b>	<b>8,353,669</b>	<b>7,886,492</b>
<b>Operating Expenses</b>		
Operating expenses	4,591,443	3,867,024
Depreciation	2,548,677	2,547,628
<b>Total Operating Expenses</b>	<b>7,140,120</b>	<b>6,414,652</b>
<b>Nonoperating Revenue (Expense)</b>	<b>416,804</b>	<b>(325,717)</b>
<b>Change in Net Position</b>	<b>1,630,353</b>	<b>1,146,123</b>
<b>Net Position- Beginning of Year</b>	<b>51,375,234</b>	<b>50,229,111</b>
<b>Net Position - End of Year</b>	<b>\$ 53,005,587</b>	<b>\$ 51,375,234</b>

**GREATER AUGUSTA UTILITY DISTRICT**  
**Management's Discussion and Analysis, Continued**

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**Capital Asset Activity**

During the year, the District continued to carry out plans to upgrade vital components of both the Water and Sanitary systems. These projects are expected to improve efficiencies within the District and reduce future maintenance costs.

Several Water division projects were completed this year. The District invested roughly \$1.3 million to replace/repair water mains on Cony Street and Evergreen Drive. The Water Division also split the cost of purchasing a new truck with a plow and a few smaller pieces of equipment with the sanitary division. A main replacement project is in process on Highland Avenue. Also in process is the placement of a redundant water line under the Kennebec River.

Several major Sanitary division projects were completed this year. The District invested roughly \$1.2 million to upgrade sewer and storm mains on Sturgis Lane, Western Avenue, Gilman Street, 3<sup>rd</sup>/4<sup>th</sup> Avenue, and Lower Glenwood. Several pump station pumps, sensors, and other pieces of small equipment were also upgraded or replaced. The cost for a new truck with a plow and a few smaller pieces of equipment that were placed into service were split with the water division. Significant ongoing projects at year-end included sewer and or storm main replacements or repairs on Highland Avenue, Cushnoc Drive, Front Street, Mayfair, and Ballard/Stone Street. Ongoing projects from the previous year include replacing a siphon under the Kennebec River and the 2020 LTCP Update.

**Debt Activity**

The District made all required 2022 principal and interest payments on existing debt (\$2.9 million). In 2022, there was one new issuance of a \$1 million revenue obligation bond to finance capital projects in the sanitary division.

**Request for Information**

This financial report is intended to provide readers with a general overview of the Greater Augusta Utility District's finances and show accountability for expenditures related to its business-type activity. If you have questions regarding this report or need additional information, please contact the General Manager of the Greater Augusta Utility District.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Statement of Net Position**  
**December 31, 2022**

<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$	3,883,606
Accounts receivable:		
Customer service		463,994
Unbilled		1,068,511
Intercommunity trunkline - operations		93,026
Other		1,023,620
Lease receivable		341,670
Inventory		415,441
Prepaid expenses		129,816
<b>Total current assets</b>		<b>7,419,684</b>
Capital assets:		
Work in process		4,270,057
Operating property		166,540,999
Less accumulated depreciation		(67,875,325)
<b>Net capital assets</b>		<b>102,935,731</b>
<b>Total noncurrent assets</b>		<b>102,935,731</b>
<b>Total assets</b>		<b>110,355,415</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions		460,690
Deferred outflows of resources related to other postemployment benefits		620,678
<b>Total deferred outflows of resources</b>		<b>1,081,368</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable:		
Trade		223,283
Construction/retainage		847,441
Accrued payroll		96,318
Accrued interest		115,412
Unearned revenue		40,339
Current portion of notes payable		2,550,726
<b>Total current liabilities</b>		<b>3,873,519</b>
Noncurrent liabilities:		
Accrued compensated absences		234,065
OPEB liabilities		3,297,217
Net pension liability		828,554
Notes payable		20,261,617
<b>Total noncurrent liabilities</b>		<b>24,621,453</b>
<b>Total liabilities</b>		<b>28,494,972</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred credits		358,342
Deferred inflows of resources related to pensions		404,713
Deferred inflows of resources related to other postemployment benefits		16,834
Deferred inflows of resources related to lease receivable		329,778
<b>Total deferred inflows of resources</b>		<b>1,109,667</b>
<b>NET POSITION</b>		
Net investment in capital assets		80,123,388
Unrestricted		1,708,756
<b>Total net position</b>	<b>\$</b>	<b>81,832,144</b>

*See accompanying notes to financial statements.*

**GREATER AUGUSTA UTILITY DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2022**

Operating revenues:		
Metered	\$	5,753,749
Flat rate		13,670
Storm water		3,214,963
Catch basins		773,404
Trunkline communities		894,675
Public fire protection		953,393
Private fire protection		620,598
Other revenues		457,424
Total operating revenues		12,681,876
Operating expenses:		
Source of supply		155,453
Treatment plant		1,844,753
Transportation and distribution		3,393,939
Customer accounts		522,011
Administrative and general		1,062,217
Trunkline expenses		276,636
Depreciation		3,474,380
Total operating expenses		10,729,389
Operating income		1,952,487
Nonoperating revenues (expenses):		
Interest revenue		11,163
Utility contract income		28,622
Non-utility income		204,752
Grant revenue		1,018,415
Miscellaneous		49,639
Interest expense		(433,077)
Gain (loss) on disposal of capital assets		2,145
Total nonoperating revenues (expenses)		881,659
Change in net position		2,834,146
Net position, beginning of year		78,997,998
<b>Net position, end of year</b>	<b>\$</b>	<b>81,832,144</b>

*See accompanying notes to financial statements.*

**GREATER AUGUSTA UTILITY DISTRICT**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2022**

Cash flows from operating activities:		
Receipts from customers and users	\$	12,970,146
Payments to suppliers		(3,477,469)
Payments to employees		(4,048,031)
Net cash provided by operating activities		5,444,646
Cash flows from capital and related financing activities:		
Purchase of capital assets		(3,873,190)
Proceeds from sale of capital assets		9,000
Proceeds from long-term debt		1,075,759
Principal payments on long-term debt		(2,457,345)
Interest payments on long-term debt		(465,922)
Net cash used in capital and related financing activities		(5,711,698)
Cash flows from investing activities:		
Interest income		11,163
Net cash provided by investing activities		11,163
Net increase (decrease) in cash		(255,889)
Cash at beginning of year		4,139,495
<b>Cash at end of year</b>	<b>\$</b>	<b>3,883,606</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	1,952,487
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,474,380
Utility, non-utility, jobbing and miscellaneous revenues		283,013
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service		125,353
(Increase) decrease in accounts receivable - unbilled		(28,620)
(Increase) decrease in accounts receivable - intercommunity trunkline		(114,398)
(Increase) decrease in accounts receivable - other		25,704
(Increase) decrease in lease receivable		2,711
(Increase) decrease in inventory		(195,645)
(Increase) decrease in prepaid expenses		(8,116)
(Decrease) increase in accounts payable - trade		(11,521)
(Decrease) increase in accrued payroll		9,355
(Decrease) increase in accrued compensated absences		5,542
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources		(21,222)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources		(48,884)
(Decrease) increase in unearned revenue		9,110
(Decrease) increase in deferred inflow of resources related to lease receivable		(14,603)
Net cash provided by operating activities		5,444,646
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds		44,793

*See accompanying notes to financial statements.*

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**Organization** - The Greater Augusta Utility District is a quasi-municipal corporation established in 2007. The District is a special purpose governmental entity engaged in business-type activities. Effective January 1, 2008, the Augusta Water District, Augusta Sanitary District, and the sanitary division of the Hallowell Water District officially merged to create one entity. The District supplies public drinking water and fire protection services to the City of Augusta, Maine and parts of several surrounding cities and towns. The District owns a water filtration plant, which is not in use, as well as several gravel packed wells. The District also operates sewerage and surface drainage collection systems as well as a treatment plant. The regional Waste Water Plant treats sewerage from the Towns of Winthrop, Manchester, Monmouth, and the Cities of Hallowell and Augusta.

**Basis of Accounting** - The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The financial statements of the District are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to the customers for sales and services. The District also recognizes as operating revenue late fees and connection fees intended to cover the cost of connecting new customers to the District's system. Operating expenses for the District include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash and Cash Equivalents** - The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Accounts Receivable** - The District provides credit to customers in the District. The District uses the allowance method to account for uncollectible accounts receivable. The allowance for doubtful accounts is based on prior years' experience and management's analysis of possible bad debts. At December 31, 2021, there was no allowance for uncollectible accounts receivable recorded as the District estimated 100% of receivables were collectible. The District also accrues revenue for estimated water, sanitary, and storm water services, which were not yet billed as of the balance sheet dates.

**Inventory** - Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of various repair parts and supplies.

**Prepaid Expenses** - Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid expenses in the financial statements.



**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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**Capital Assets** - Capital assets with an initial individual cost of more than \$5,000 and an estimated useful life of 3 years are stated at the cost to acquire or construct the asset. Capital assets acquired through contributions or donations are capitalized at their estimated acquisition value. Routine maintenance and repairs are charged to expense. Expenses which materially increase values, change capacities or extend useful lives are capitalized. The provision for depreciation has been computed by the use of the straight-line method at rates intended to amortize the cost of the related assets over their estimated useful lives, ranging from 3-75 years.

**Leases** - The Greater Augusta Utility District is the lessor for a non-cancellable lease of land to another entity. The District has recognized a lease receivable and the related deferred inflows of resources in the financial statements. At the commencement of the lease, the District initially measures the lease receivable at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments, from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**Accrued Compensated Absences** - Under terms of personnel policies, the District grants vacation and sick time benefits. These benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered.

**Deferred Inflows and Outflows of Resources** - In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represents a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The District has deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the District's contributions subsequent to the measurement date, which is recognized as a reduction of the respective liability in the subsequent year. They include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between the District's contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between the projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

The District also reports deferred inflows of resources from deferred credits, which reflect the difference between the value of new bond proceeds received from the Maine Municipal Bond Bank and the carrying value of the refunded bonds. Deferred credits are being amortized and recognized as inflows of resources over the remaining terms of the refinanced bonds using the straight-line method.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

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The District also has lease related deferred inflows of resources that qualify for reporting in this category of resources.

**Pensions and OPEB Liabilities** - For purposes of measuring the net pension and net OPEB liabilities, the related deferred outflows of resources and deferred inflows of resources, and the related expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Income Taxes** - The District qualifies as a tax-exempt organization under the provisions of the Internal Revenue Code and, accordingly, its income is not subject to any state or federal income taxes.

**Comparative Data Reclassifications** - Comparative data for the prior year has been presented for certain divisions in the exhibits in order to provide an understanding of the changes in financial position and the operations of these funds. In some instances, prior year data has been reclassified to be consistent with current year presentation.

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**DEPOSITS**

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*Custodial credit risk- deposits* - In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of December 31, 2022, \$472,725 of the District's bank balance of \$3,898,099 was insured by the FDIC and \$3,425,374 was collateralized by a \$4,000,000 irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh. In accordance with its investment policy, the District's funds must be made in financial institutions that are insured by FDIC or FSLIC. Any funds deposited or invested above those insurance limits must be collateralized by the financial institution, or any excess funds over that limit must be placed with other insured (FDIC or FSLIC) financial institutions.

*Interest rate risk* - In accordance with its investment policy, the maturity date of new investments shall not be further than the time that the District reasonably anticipates the funds will be needed. It invests primarily in certificates of deposit, savings accounts, and repurchase agreements. Any other type of investment must be approved by the Board of Trustees.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**CAPITAL ASSETS**

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The following is a summary of the changes in capital assets for the year ended December 31, 2022:

	Balance <u>12/31/21</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>12/31/22</u>
Capital assets not being depreciated:				
Land	\$ 3,102,748	-	-	3,102,748
Work in process	5,263,176	3,402,010	4,395,129	4,270,057
Total capital assets not being depreciated	8,365,924	3,402,010	4,395,129	7,372,805
Capital assets being depreciated:				
Building and structures	34,415,606	2,081,251	-	36,496,857
Equipment	7,705,212	954,538	-	8,659,750
Transportation	3,416,062	123,421	11,752	3,527,731
Infrastructure	112,238,613	2,515,300	-	114,753,913
Total capital assets being depreciated	157,775,493	5,674,510	11,752	163,438,251
Less accumulated depreciation for:				
Building and structures	10,371,614	568,375	-	10,939,989
Equipment	5,467,170	519,703	-	5,986,873
Transportation	2,366,914	223,107	4,897	2,585,124
Infrastructure	46,200,144	2,163,195	-	48,363,339
Total accumulated depreciation	64,405,842	3,474,380	4,897	67,875,325
Total capital assets being depreciated, net	93,369,651	2,200,130	6,855	95,562,926
<b>Capital assets, net</b>	<b>\$ 101,735,575</b>	<b>5,602,140</b>	<b>4,401,984</b>	<b>102,935,731</b>

Depreciation expense was charged as follows:

Sewer division	\$ 1,566,537
Storm water division	982,140
Water division	925,703
<b>Total depreciation expense</b>	<b>\$ 3,474,380</b>

**Idle Assets** - \$1,275,000 of the District's total buildings and structures are currently not in service.

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**CONSTRUCTION COMMITMENTS**

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The District has entered into multiple contracts in connection with various construction projects. The following is a summary of the commitments at December 31, 2022:

	Contract <u>Total</u>	Percentage <u>Complete</u>	Billed <u>to Date</u>	Balance <u>Remaining</u>
Kennebec River Utility Crossing	\$ 2,296,000	77.97%	1,790,080	505,920
Railroad Utility Crossing	1,439,850	15.90%	228,900	1,210,950
Redundant Water Line	2,421,151	0.00%	-	2,421,151
Cushnoc Drive Storm Mains	363,385	82.50%	299,801	63,584

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**LONG-TERM DEBT**

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The following is a summary of long-term liability transactions of the District for the year ended December 31, 2022:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Notes payable	\$ 24,249,380	1,000,000	2,437,037	22,812,343	2,550,726
Financed purchases	20,308	-	20,308	-	-
Accrued compensated absences	228,523	5,542	-	234,065	-
Other postemployment benefits	2,940,308	356,909	-	3,297,217	-
Net pension liability (asset)	(108,336)	936,890	-	828,554	-
<b>Total long-term liabilities</b>	<b>\$ 27,330,183</b>	<b>2,299,341</b>	<b>2,457,345</b>	<b>27,172,179</b>	<b>2,550,726</b>

The following is a summary of the long-term debt payable at December 31, 2021 and 2022:

<u>Issue</u>	<u>Amount issued</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Balance 12/31/21</u>	<u>Balance 12/31/22</u>
2009 MMBB SRF	\$ 190,000	2027	0.00%	28,077	22,852
2011 MMBB	700,000	2031	2.12-5.62%	350,000	315,000
2013 TD Bank	2,000,000	2023	2.79%	400,000	200,000
2014 MMBB	2,400,000	2034	0.43-3.78%	1,560,000	1,440,000
2014 MMBB	1,100,000	2034	0.43-3.78%	715,000	660,000
2020 TD Bank	1,300,000	2030	2.07%	1,170,000	1,040,000
Subtotal Water Division				4,223,077	3,677,852
2005 MMBB	1,500,000	2025	1.53%	300,000	225,000
2006 MMBB	1,250,000	2026	1.42%	312,500	250,000
2008 Taxable Sewer	2,000,000	2028	1.27%	758,015	653,775
2009 CWSRF	6,500,000	2029	1.00%	2,664,914	2,343,285
2010 CWSRF - SR	1,750,000	2030	1.17%	838,020	749,180
2010 CWSRF - FFR	1,610,000	2030	1.00%	800,608	715,151
2011 CWSRF	14,520,000	2030	1.00%	6,797,246	6,071,711
2017 MMBB	1,600,000	2037	1.26-3.92%	1,280,000	1,200,000
2019 CWSRF - FFR	2,000,000	2039	1.00%	1,800,000	1,700,000
2019 CWSRF - SR	3,000,000	2039	1.00%	2,900,000	2,738,889
2019 MMBB	1,750,000	2039	1.61-3.35%	1,575,000	1,487,500
2022 Revenue Obligation	1,000,000	2032	2.23%	-	1,000,000
Subtotal Sanitary Division				20,026,303	19,134,491
Total debt				24,249,380	22,812,343
Less current portion				2,437,036	2,550,726
<b>Total long-term portion</b>				<b>\$ 21,812,344</b>	<b>20,261,617</b>

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**LONG-TERM DEBT, CONTINUED**

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Requirements for the repayment of the outstanding debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2023	\$ 2,550,726	452,882	3,003,608
2024	2,364,557	415,448	2,780,005
2025	2,378,533	383,167	2,761,700
2026	2,317,654	346,398	2,664,052
2027	2,266,149	310,652	2,576,801
2028-2032	7,744,447	921,286	8,665,733
2033-2037	2,493,056	270,157	2,763,213
2038-2039	697,221	43,085	740,306
<b>Totals</b>	<b>\$ 22,812,343</b>	<b>3,143,075</b>	<b>25,955,418</b>

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**JOINT PROJECT – WMMHA TRUNKLINE PROJECT**

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The participants in the Joint Project, WMMA Trunkline, are Winthrop Utility District, Manchester Sanitary District, and Monmouth Sanitary District. These participants have entered into an agreement whereby they are liable for bonds payable (\$3,436,680 and \$3,693,020 at December 31, 2022 and 2021, respectively) issued to fund the construction of said Joint Project. The participants also pay for all operating expenses of the trunkline and operations and maintenance costs of the treatment plant based on a percentage of their flow.

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**LEASE RECEIVABLE**

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The District leases land to another entity. The lease is for a forty-year term and the District will receive monthly payments of \$1,521, adjusted for a 15% increase every five-years.

The District recognized \$14,603 in lease revenue and \$14,019 in related interest revenue during 2022. As of December 31, 2022, the District's receivable for lease payments was \$341,670. In addition, the District has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$329,778.

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**NET POSITION**

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Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of notes payable and financed purchases and adding back any unspent note proceeds. Net position is reported as restricted when there are limitations imposed on the use of funds either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's net investment in capital assets was calculated as follows at December 31, 2022:

Capital assets	\$ 170,811,056
Accumulated depreciation	(67,875,325)
Notes payable	(22,812,343)
<b>Net investment in capital assets</b>	<b>\$ 80,123,388</b>

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**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**NET PENSION LIABILITY**

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**General Information about the Pension Plan**

**Plan Description** - Employees of the District are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at [www.mainebers.org](http://www.mainebers.org).

**Benefits Provided** - The PLD plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

**Contributions** - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan which an employee is covered. Employer contributions are determined by actuarial valuations. Required contributions for the years ended December 31, 2021 and 2022 were as follows:

	Employee		Employer	
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>
January to June	8.1%/7.35%	7.8%/7.05%	10.1%	10.3%
July to December	7.8%/7.05%	7.6%/6.85%	10.3%	10.2%

The employer contributions, combined with the employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were \$258,931 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a liability of \$828,554 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2022, the District's proportion was 0.3117%.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**NET PENSION LIABILITY, CONTINUED**

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For the year ended December 31, 2022, the District recognized a pension expense of \$210,046. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 153,982	-
Changes in assumptions	168,168	-
Net difference between projected and actual earnings on pension plan investments	-	347,749
Changes in proportion and differences between District contributions and proportionate share of contributions	-	56,964
District contributions subsequent to the measurement date	138,540	-
<b>Total</b>	<b>\$ 460,690</b>	<b>404,713</b>

\$138,540 is reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	\$ 71,194
2024	(101,050)
2025	(216,041)
2026	163,334

**Actuarial Assumptions** - The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75%-11.48%
Investment return	6.50% per annum, compounded annually
Cost of living benefit increases	1.91%

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**NET PENSION LIABILITY, CONTINUED**

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The long-term expected rate of return on pension plan investments was determined using building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	6.0%
US Government	2.3%
Private equity	7.6%
Real Assets:	
Real Estate	5.2%
Infrastructure	5.3%
Natural resources	5.0%
Traditional credit	3.2%
Alternative credit	7.4%
Diversifiers	5.9%

**Discount Rate** - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** -The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
District's proportionate share of the net pension liability (asset)	\$ 2,447,781	\$ 828,554	\$ (509,797)

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

**Payables to the Pension Plan** - None as of December 31, 2022.



**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER DEFERRED COMPENSATION PLAN**

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The Greater Augusta Utility District offers all its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liabilities for the compensation deferred by plan participants, including earnings on plan assets, are not included in the District's financial statements.

The District also sponsors an employee money purchase plan to which, prior to October 2021, it contributed 5.00% of compensation of electing union and non-union participants for 2021 and 2020. Beginning in October 2021, the District contributed 10.3% of compensation of electing union and non-union participants for 2022 and 2021. Total District contributions were \$22,377, \$12,092, and \$9,149 in 2022, 2021, and 2020, respectively.

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**SANITARY DIVISION EXPENSE ALLOCATIONS**

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During 2011, the District decided to display financial information for the Sanitary Division by each of its subdivisions, sewer and storm water, in its individual fund financial statements located in Exhibits 4 through 9 following the notes to the financial statements. On September 17, 2018 the Board approved changing the ratios to allocate expenses between sewer and storm water by the following: operations and maintenance expenses on the treatment plant, pump stations, and sanitary pipes changed from 63% sewer and 37% storm water to 59% sewer and 41% storm water; catch basin and storm pipe expenses stayed at 100% storm water; sewer pipe expenses stayed at 100% sewer; the administration and general expenses allocation changed from 58% sewer and 42% storm water to 50% sewer and 50% storm water. On October 15, 2018, the Board approved changing the allocation for customer service from 84% sewer and 16% storm water to 50% sewer and 50% storm water. All allocation changes are effective as of January 1, 2019. The previous Board approval to allocate debt and interest expenses separately based on the related projects and the purpose for bond issuances did not change.

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE**

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**General Information about the OPEB Plan**

**Plan Descriptions** - The District sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Benefits Provided** - MMEHT provides healthcare and life insurance benefits for retirees and their dependents. For District employees hired before January 1, 2005 the District will pay towards a retired employee's health insurance an amount equal to ninety percent of the cost of the employee only health insurance coverage for any employee that is at least sixty years of age and unable to access similar insurance coverage with another employer. The premium expense to the District for retirees' health insurance shall not increase more than five percent in any year and any excess costs will be borne by the retiree.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED**

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This benefit shall be made available to employees conditioned on their years of service with the District as follows:

Years of Service	Maximum Years of Benefit
More than 15 but less than 20	2
More than 20 but less than 25	3
More than 25 but less than 30	4
Over 30 years	5

For District employees hired on or after January 1, 2005, the District will not contribute to the cost of retiree health insurance.

**Employees Covered by Benefit Terms** - At December 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	18
Inactive employee entitled to but not yet receiving benefits	-
Active employees	26
Total	44

**Total OPEB Liability**

The District's total Health OPEB liability of \$3,243,711 was measured as of January 1, 2022 and was determined by an actuarial valuation as of the same date.

**Actuarial Assumptions and Other Inputs** - The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40% per year
Salary increases	2.75% per year
Discount rate	2.06%
Healthcare cost trend rates	7.67% for 2022, decreasing to 3.53% for 2042
Retirees' share of the benefit related costs	0% to 100% of projected health insurance premiums, based on age and years of service

The discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period June 30, 2016 through June 30, 2020.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED**

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***Changes in the Total OPEB Liability***

Balance at December 31, 2021	\$ 2,901,135
Changes for the year:	
Service cost	15,089
Interest	60,033
Changed in benefit terms	-
Differences between expected and actual experience	457,907
Changes in assumptions or other inputs	(20,579)
Benefit payments	(169,874)
Net change	<u>342,576</u>
Balance at December 31, 2022	<u>\$ 3,243,711</u>

Change in assumptions reflects a change in the discount rate from 2.12% to 2.06%.

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

For the year ended December 31, 2022, the District recognized an OPEB gain of \$14,401. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 355,247	-
Changes of assumption or other inputs	144,387	-
District contributions subsequent to the measurement date	<u>113,266</u>	<u>-</u>
Total	<u>\$ 612,900</u>	<u>-</u>

\$113,266 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ 127,454
2024	127,457
2025	98,947
2026	72,888
2027	72,888

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED**

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**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** - The following presents the District's total OPEB liability calculated using the discount rate of 2.06%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB liability	\$ 3,623,828	3,243,711	2,926,361

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the District's total OPEB liability calculated using the healthcare cost trend rates, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,925,945	3,243,711	3,618,861

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE**

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**Plan Description** - The District sponsors a post-retirement benefit plan providing group term life insurance to retiring employees. The plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements. MPERS issues a publicly available financial report that is available at [www.maineopers.org](http://www.maineopers.org).

**Benefits Provided** - MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

**Contributions** - Premium rates are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The District is required to remit a premium of \$0.48 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the OPEB plan from the District were \$2,149 for the year ended December 31, 2022. Employees are not required to contribute to the OPEB plan.

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

At December 31, 2022, the District reported a liability of \$53,506 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the District's proportion was 0.3694%.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

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For the year ended December 31, 2022, the District recognized OPEB gain of \$4,671. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,130	-
Changes of assumptions	-	12,259
Net difference between projected and actual earnings on OPEB plan investments	4,625	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	4,575
Districts contributions subsequent to the measurement date	1,023	-
Total	\$ 7,778	16,834

\$1,023 is reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2023	\$ (3,580)
2024	(3,859)
2025	(3,515)
2026	2,234
2027	(1,029)
Thereafter	(330)

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 11.48%
Investment rate of return	6.50%

Mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study conducted for the period July 1, 2016 to June 30, 2020.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Basic Financial Statements, Continued**

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**OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED**

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

Asset Class	Long-term Expected Real Rate of Return
Public equities	6.0%
Real estate	5.2%
Traditional credit	3.0%
US Government Securities	2.3%

**Discount Rate** - The discount rate used to measure the collective total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 6.50%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$ 72,621	53,506	38,159

**OPEB Plan Fiduciary Net Position** - Detailed information about the OPEB plan's fiduciary net position is available in a separately issued MPERS financial report.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Required Supplementary Information**

**Schedule of District's Proportionate Share of the Net Pension Liability (Asset)**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
District's proportion of the net pension liability (asset)	0.3117%	0.3371%	0.3453%	0.3296%	0.3332%	0.3582%	0.3579%	0.3755%	0.3495%
District's proportionate share of the net pension liability (asset) \$	828,554	(108,336)	1,371,878	1,007,488	911,892	1,466,649	1,901,605	1,198,107	537,862
District's covered payroll	2,381,854	2,283,577	2,242,959	2,104,541	1,926,738	1,935,746	1,886,980	1,967,972	1,864,159
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	34.79%	-4.74%	61.16%	47.87%	47.33%	75.77%	100.78%	60.88%	28.85%
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%

*The amounts presented for each fiscal year were determined as of June 30 of that year.*

**Schedule of District Contributions - Pension**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution \$	258,931	236,235	231,453	213,365	193,975	179,618	176,082	163,431	138,965
Contributions in relation to the contractually required contribution	(258,931)	(236,235)	(231,453)	(213,365)	(193,975)	(179,618)	(176,082)	(163,431)	(138,965)
<b>Contribution deficiency (excess) \$</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
District's covered payroll \$	2,527,074	2,314,942	2,302,719	2,133,646	1,978,973	1,880,749	1,910,960	1,957,474	1,940,354
Contributions as a percentage of covered payroll	10.25%	10.20%	10.05%	10.00%	9.80%	9.55%	9.21%	8.35%	7.16%

*\* Only nine years of information available.*

**GREATER AUGUSTA UTILITY DISTRICT**  
**Required Supplementary Information, Continued**

**Schedule of District's Proportionate Share of the Net OPEB Liability**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.3694%	0.3794%	0.4208%	0.3588%	0.3897%	0.4369%
District's proportionate share of the net OPEB liability	\$ 53,506	39,173	55,513	76,769	78,726	73,048
District's covered payroll	2,381,854	2,283,577	2,242,959	2,104,541	1,926,738	1,935,746
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.25%	1.72%	2.47%	3.65%	4.09%	3.77%
Plan fiduciary net position as a percentage of the total OPEB liability	55.88%	67.26%	55.40%	43.18%	43.92%	47.42%

*The amounts presented for each fiscal year were determined as of the prior fiscal year.*

**Schedule of District Contributions - OPEB**  
**Maine Public Employees Retirement System Consolidated Plan**  
Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,149	2,438	2,810	2,305	2,099	2,169
Contributions in relation to the contractually required contribution	(2,149)	(2,438)	(2,810)	(2,305)	(2,099)	(2,169)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
District's covered-employee payroll	\$ 2,527,074	2,314,942	2,302,719	2,133,646	1,978,973	1,880,749
Contributions as a percentage of covered-employee payroll	0.09%	0.11%	0.12%	0.11%	0.11%	0.12%

\* Only six years of information available.



**GREATER AUGUSTA UTILITY DISTRICT**  
**Required Supplementary Information, Continued**

**Schedule of Changes in the District's Total OPEB Liability and Related Ratios**  
Last 10 Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 15,089	12,984	13,307	15,125	16,581
Interest	60,033	76,089	112,649	103,219	120,050
Changes of benefit terms	-	-	(65,918)	-	-
Differences between expected and actual experience	457,907	-	(65,858)	-	(227,522)
Changes of assumptions or other inputs	(20,579)	130,303	208,386	(191,663)	88,068
Benefit payments	<u>(169,874)</u>	<u>(163,340)</u>	<u>(181,558)</u>	<u>(174,575)</u>	<u>(167,546)</u>
Net change in total OPEB Liability	342,576	56,036	21,008	(247,894)	(170,369)
Total OPEB liability - beginning	<u>2,901,135</u>	<u>2,845,099</u>	<u>2,824,091</u>	<u>3,071,985</u>	<u>3,242,354</u>
<b>Total OPEB liability - ending</b>	<b>\$ <u>3,243,711</u></b>	<b><u>2,901,135</u></b>	<b><u>2,845,099</u></b>	<b><u>2,824,091</u></b>	<b><u>3,071,985</u></b>
Covered-employee payroll	\$ 1,379,633	1,362,452	1,362,452	1,330,077	1,330,077
Total OPEB liability as a percent of covered-employee payroll	235.11%	212.93%	208.82%	212.33%	230.96%

\*Only five years of information available.

**GREATER AUGUSTA UTILITY DISTRICT**  
**Notes to Required Supplementary Information**

**Net Pension Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the valuations:

	<u>2021</u>	<u>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.50%	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	2.75%-11.48%	2.75% + merit	2.75% - 9.0%	2.75% - 9.0%	3.5% - 13.5%	3.5% - 13.5%
Cost of living increases	1.91%	1.91%	1.91%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. 2016 through 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. In 2021 and forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Tables, for males and females, projected generationally using the RPEC 2020 model.

**Net OPEB Liability**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	6.50%	6.75%	4.98%	5.13%	5.41%
Inflation rate	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	2.75%-11.48%	2.75% + merit	2.75% - 9.0%	2.75% - 9.0%	2.75% - 9.0%
Cost of living increases	1.91%	1.91%	1.91%	2.20%	2.20%

Mortality rates:

2017 through 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. In 2021 and forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Tables, for males and females, projected generationally using the RPEC 2020 model.

**Total OPEB Liability**

**Changes of Benefit Terms** - In 2020, changes in benefits includes any updates in plan provisions and also includes the change related to the excise tax on "Cadillac" plans being repealed.

**Changes of Assumptions** - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2017 to the Entry Age Normal funding method in 2018.

Mortality rates:

2017 through 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. In 2022 and forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Tables, for males and females, projected generationally using the RPEC 2020 model.

*\* This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

## **WATER DIVISION**

GREATER AUGUSTA UTILITY DISTRICT  
WATER DIVISION  
Statements of Net Position  
December 31, 2022  
(with comparative totals for December 31, 2021)

	2022	2021 (restated)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,140,034	1,775,488
Accounts receivable:		
Customer	156,154	202,756
Unbilled	276,141	272,177
Other	305,053	30,909
Lease receivable	341,670	344,381
Inventory	298,808	141,148
Prepaid expenses	64,270	63,368
Total current assets	3,582,130	2,830,227
Noncurrent assets:		
Other assets:		
Net pension asset	-	44,418
Total other assets	-	44,418
Capital assets:		
Work in process	576,131	1,270,679
Operating property	50,945,590	49,515,413
Less accumulated depreciation	(21,284,245)	(20,360,174)
Net capital assets	30,237,476	30,425,918
Total noncurrent assets	30,237,476	30,470,336
Total assets	33,819,606	33,300,563
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	188,883	226,090
Deferred outflows of resources related to other postemployment benefits	93,102	45,166
Total deferred outflows of resources	281,985	271,256
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable:		
Trade	61,956	98,014
Construction/retainage	-	18,800
Accrued payroll	38,708	35,002
Accrued interest	29,718	34,358
Unearned revenue	26,788	23,844
Current portion of notes payable	545,225	551,995
Total current liabilities	702,395	762,013
Noncurrent liabilities:		
Accrued compensated absences	107,487	105,147
OPEB liabilities	494,583	441,046
Net pension liability	339,707	-
Notes payable	3,132,627	3,677,852
Total noncurrent liabilities	4,074,404	4,224,045
Total liabilities	4,776,799	4,986,058
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	165,932	607,307
Deferred inflows of resources related to other postemployment benefits	2,525	11,309
Deferred inflows of resources related to lease	329,778	344,381
Total deferred inflows of resources	498,235	962,997
<b>NET POSITION</b>		
Net investment in capital assets	26,559,624	26,196,071
Unrestricted	2,266,933	1,426,693
Total net position	\$ 28,826,557	27,622,764

**GREATER AUGUSTA UTILITY DISTRICT**  
**WATER DIVISION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	2022	2021
Operating revenues:		
Metered:		
Residential	\$ 1,617,536	1,477,691
Commercial	838,395	780,780
Governmental	296,855	275,355
Public fire protection	953,393	860,107
Private fire protection	620,598	559,464
Other water revenues	1,430	1,290
Total operating revenues	4,328,207	3,954,687
Operating expenses:		
Source of supply	155,453	135,339
Treatment plant	148,663	140,548
Transportation and distribution	1,507,580	1,416,879
Customer accounts	295,664	273,086
Administrative and general	556,206	435,584
Depreciation	925,703	947,849
Total operating expenses	3,589,269	3,349,285
Operating income	738,938	605,402
Nonoperating revenues (expenses):		
Federal Capital Grants	304,848	-
Interest revenue	3,721	266
Lease Rental Income	28,622	18,251
Non-utility income	204,752	224,059
Merchandising and jobbing revenue	32,516	53,698
Interest expense	(110,319)	(122,729)
Gain (loss) on disposal of capital assets	715	(20,325)
Total nonoperating revenues (expenses)	464,855	153,220
Change in net position	1,203,793	758,622
Net position, beginning of year	27,622,764	26,864,142
<b>Net position, end of year</b>	<b>\$ 28,826,557</b>	<b>27,622,764</b>

**GREATER AUGUSTA UTILITY DISTRICT**  
**WATER DIVISION**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,658,491	4,148,379
Payments to suppliers	(1,274,830)	(1,008,755)
Payments to employees	(1,600,536)	(1,473,106)
Net cash provided by operating activities	1,783,125	1,666,518
Cash flows from capital and related financing activities:		
Purchase of capital assets	(758,346)	(324,751)
Proceeds from sale of capital assets	3,000	-
Principal payments on long-term debt	(551,995)	(551,831)
Interest payments on long-term debt	(114,959)	(128,063)
Net cash used in capital and related financing activities	(1,422,300)	(1,004,645)
Cash flows from investing activities:		
Interest revenue	3,721	266
Net cash provided by investing activities	3,721	266
Net increase (decrease) in cash	364,546	662,139
Cash at beginning of year	1,775,488	1,113,349
<b>Cash at end of year</b>	<b>\$ 2,140,034</b>	<b>1,775,488</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 738,938	605,402
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	925,703	947,849
Utility, non-utility, jobbing and miscellaneous revenues	265,890	296,008
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customers	46,602	(65,308)
(Increase) decrease in accounts receivable - unbilled	(3,964)	(44,049)
(Increase) decrease in accounts receivable - other	30,704	(11,721)
(Increase) decrease in lease receivable	2,711	-
(Increase) decrease in inventory	(157,660)	(50,146)
(Increase) decrease in prepaid expenses	(902)	23,294
(Decrease) increase in accounts payable - trade	(36,058)	55,897
(Decrease) increase in accrued payroll	3,706	7,582
(Decrease) increase in accrued compensated absences	2,340	(99)
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(3,183)	(16,356)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	(20,043)	(100,597)
(Decrease) increase in unearned revenue	2,944	18,762
(Decrease) increase in deferred inflow of resources related to lease receivable	(14,603)	-
Net cash provided by operating activities	1,783,125	1,666,518

## **SEWER DIVISION**

**GREATER AUGUSTA UTILITY DISTRICT**  
**SEWER DIVISION**  
**Statements of Net Position**  
**December 31, 2022**  
**(with comparative totals for December 31, 2021)**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 552,226	1,336,225
Accounts receivable:		
Customer service	157,681	126,385
Unbilled	366,576	292,196
Intercommunity trunkline - operations	93,026	-
Other	426,004	-
Inventory	87,060	49,075
Prepaid expenses	32,773	29,166
Total current assets	1,715,346	1,833,047
Noncurrent assets:		
Other assets:		
Cash held by Maine Municipal Bond Bank	-	62,423
Net pension asset	-	40,084
Total other assets	-	102,507
Capital assets:		
Work in process	1,966,244	3,201,151
Operating property	68,562,076	65,422,605
Less accumulated depreciation	(28,905,386)	(27,340,483)
Net capital assets	41,622,934	41,283,273
Total noncurrent assets	41,622,934	41,385,780
Total assets	43,338,280	43,218,827
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	170,455	204,033
Deferred outflows of resources related to other postemployment benefits	328,959	159,585
Total deferred outflows of resources	499,414	363,618
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable:		
Trade	108,988	102,656
Construction/retainage	324,056	13,441
Intercommunity trunkline - operations	-	21,372
Accrued payroll	33,990	30,657
Accrued interest	68,344	50,109
Unearned revenue	12,701	7,385
Current portion of notes payable	1,331,088	1,229,288
Total current liabilities	1,879,167	1,454,908
Noncurrent liabilities:		
Accrued compensated absences	74,681	72,792
OPEB liabilities	1,747,525	1,558,363
Net pension liability	306,565	-
Notes payable	11,963,775	12,338,613
Total noncurrent liabilities	14,092,546	13,969,768
Total liabilities	15,971,713	15,424,676
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred credits	146,472	177,379
Deferred inflows of resources related to pensions	149,744	548,058
Deferred inflows of resources related to other postemployment benefits	8,922	39,957
Total deferred inflows of resources	305,138	765,394
<b>NET POSITION</b>		
Net investment in capital assets	28,328,071	27,777,795
Unrestricted	(767,228)	(385,420)
Total net position	\$ 27,560,843	27,392,375



**GREATER AUGUSTA UTILITY DISTRICT**  
**SEWER DIVISION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	<b>2022</b>	<b>2021</b>
Operating revenues:		
Metered	\$ 3,000,963	2,585,765
Flat rate	13,670	12,040
Trunkline communities	894,675	799,761
Late fees	1,346	1,407
Connection fees	77,698	31,644
Togus debt	365,692	365,692
Total operating revenues	4,354,044	3,796,309
Operating expenses:		
Treatment plant	1,148,882	930,565
Transportation and distribution	1,008,471	907,485
Customer accounts	113,149	106,366
Administrative and general	256,760	123,267
Trunkline	276,636	235,912
Depreciation	1,566,537	1,528,264
Total operating expenses	4,370,435	3,831,859
Operating income	(16,391)	(35,550)
Nonoperating revenues (expenses):		
Federal Capital Grants	421,004	-
Interest revenue	3,721	266
Miscellaneous	17,123	31,081
Interest expense	(257,704)	(242,661)
Gain (loss) on disposal of capital assets	715	(19,309)
Total nonoperating revenues (expenses)	184,859	(230,623)
Change in net position	168,468	(266,173)
Net position, beginning of year	27,392,375	27,658,548
<b>Net position, end of year</b>	<b>\$ 27,560,843</b>	<b>27,392,375</b>

**GREATER AUGUSTA UTILITY DISTRICT**  
**SEWER DIVISION**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,151,409	3,958,018
Payments to suppliers	(1,472,573)	(1,127,123)
Payments to employees	(1,390,697)	(1,274,139)
Net cash provided by operating activities	1,288,139	1,556,756
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,597,868)	(1,558,867)
Proceeds from sale of capital assets	3,000	-
Proceeds from long-term debt	1,062,423	355,335
Principal payments on long-term debt	(1,273,038)	(1,223,284)
Interest payments on long-term debt	(270,376)	(262,572)
Net cash provided by (used in) capital and related financing activities	(2,075,859)	(2,689,388)
Cash flows from investing activities:		
Interest income	3,721	266
Net cash provided by investing activities	3,721	266
Net increase (decrease) in cash	(783,999)	(1,132,366)
Cash at beginning of year	1,336,225	2,468,591
<b>Cash at end of year</b>	<b>\$ 552,226</b>	<b>1,336,225</b>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (16,391)	(35,550)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,566,537	1,528,264
Miscellaneous and utility contract income	17,123	31,081
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	(31,296)	57,014
(Increase) decrease in accounts receivable - unbilled	(74,380)	(21,800)
(Increase) decrease in accounts receivable - intercommunity trunkline	(114,398)	94,738
(Increase) decrease in accounts receivable - other	(5,000)	462
(Increase) decrease in inventory	(37,985)	(6,518)
(Increase) decrease in prepaid expenses	(3,607)	13,956
(Decrease) increase in accounts payable - trade	6,332	40,135
(Decrease) increase in accrued payroll	3,333	4,191
(Decrease) increase in accrued compensated absences	1,889	(858)
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(11,247)	(57,790)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	(18,087)	(90,783)
(Decrease) increase in unearned revenue	5,316	214
Net cash provided by operating activities	1,288,139	1,556,756
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds	30,907	19,709

# **STORM WATER DIVISION**

**GREATER AUGUSTA UTILITY DISTRICT**  
**STORM WATER DIVISION**  
**Statements of Net Position**  
**December 31, 2022**  
**(with comparative totals for December 31, 2021)**

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,191,346	1,027,782
Accounts receivable:		
Customer service	150,159	260,206
Unbilled	425,794	475,518
Other	292,563	-
Inventory	29,573	29,573
Prepaid expenses	32,773	29,166
Total current assets	2,122,208	1,822,245
Noncurrent assets:		
Other assets:		
Cash held by Maine Municipal Bond Bank	-	13,336
Net pension asset	-	23,834
Total other assets	-	37,170
Capital assets:		
Work in process	1,727,682	791,346
Operating property	47,033,333	45,940,224
Less accumulated depreciation	(17,685,694)	(16,705,186)
Net capital assets	31,075,321	30,026,384
Total noncurrent assets	31,075,321	30,063,554
Total assets	33,197,529	31,885,799
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	101,352	121,317
Deferred outflows of resources related to other postemployment benefits	198,617	96,353
Total deferred outflows of resources	299,969	217,670
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable:		
Trade	52,339	34,134
Construction/retainage	523,385	6,999
Accrued payroll	23,620	21,304
Accrued interest	17,350	18,997
Unearned revenue	850	-
Current portion of notes payable	674,413	676,061
Total current liabilities	1,291,957	757,495
Noncurrent liabilities:		
Accrued compensated absences	51,897	50,584
OPEB liabilities	1,055,109	940,899
Net pension liability	182,282	-
Notes payable	5,165,215	5,795,879
Total noncurrent liabilities	6,454,503	6,787,362
Total liabilities	7,746,460	7,544,857
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred credits	211,870	225,756
Deferred inflows of resources related to pensions	89,037	325,872
Deferred inflows of resources related to other postemployment benefits	5,387	24,125
Total deferred inflows of resources	306,294	575,753
<b>NET POSITION</b>		
Net investment in capital assets	25,235,693	23,567,780
Unrestricted	209,051	415,079
Total net position	\$ 25,444,744	23,982,859

**GREATER AUGUSTA UTILITY DISTRICT**  
**STORM WATER DIVISION**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	<b>2022</b>	<b>2021</b>
Operating revenues:		
Storm water	\$ 3,214,963	2,195,712
Catch basins	773,404	1,872,871
Other	11,258	21,600
Total operating revenues	3,999,625	4,090,183
Operating expenses:		
Treatment plant	547,208	474,211
Transportation and distribution	877,888	822,754
Customer accounts	113,198	107,646
Administrative and general	249,251	158,818
Depreciation	982,140	1,019,364
Total operating expenses	2,769,685	2,582,793
Operating income	1,229,940	1,507,390
Nonoperating revenues (expenses):		
Federal Capital Grants	292,563	-
Interest revenue	3,721	266
Interest expense	(65,054)	(84,181)
Gain (loss) on disposal of capital assets	715	(11,179)
Total nonoperating revenues (expenses)	231,945	(95,094)
Change in net position	1,461,885	1,412,296
Net position, beginning of year	23,982,859	22,570,563
<b>Net position, end of year</b>	<b>\$ 25,444,744</b>	<b>23,982,859</b>

**GREATER AUGUSTA UTILITY DISTRICT**  
**STORM WATER DIVISION**  
**Statements of Cash Flows**  
**For the Year Ended December 31, 2022**  
**(with comparative totals for the year ended December 31, 2021)**

	<b>2022</b>	<b>2021</b>
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,160,246	3,973,381
Payments to suppliers	(730,066)	(672,719)
Payments to employees	(1,056,798)	(999,208)
Net cash provided by operating activities	2,373,382	2,301,454
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,516,976)	(517,635)
Proceeds from sale of capital assets	3,000	-
Proceeds from long-term debt	13,336	-
Principal payments on long-term debt	(632,312)	(1,117,080)
Interest payments on long-term debt	(80,587)	(118,323)
Net cash used in capital and related financing activities	(2,213,539)	(1,753,038)
Cash flows from investing activities:		
Interest income	3,721	266
Net cash provided by investing activities	3,721	266
Net increase (decrease) in cash	163,564	548,682
Cash at beginning of year	1,027,782	479,100
<b>Cash at end of year</b>	<b>\$ 1,191,346</b>	<b>1,027,782</b>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,229,940	1,507,390
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	982,140	1,019,364
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	110,047	(88,902)
(Increase) decrease in accounts receivable - unbilled	49,724	(28,423)
(Increase) decrease in accounts receivable - other	-	523
(Increase) decrease in prepaid expenses	(3,607)	13,956
(Decrease) increase in accounts payable - trade	18,205	(32,974)
(Decrease) increase in accrued payroll	2,316	2,139
(Decrease) increase in accrued compensated absences	1,313	(2,749)
(Decrease) increase in unearned revenue	850	-
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(6,792)	(34,891)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	(10,754)	(53,979)
Net cash provided by operating activities	2,373,382	2,301,454
<b>Noncash capital and related financing activities:</b>		
Amortized deferred credits from bond refinancing proceeds	13,886	25,084