

GREATER AUGUSTA UTILITY DISTRICT

Financial Statements

**For the Year Ended
December 31, 2023**

GREATER AUGUSTA UTILITY DISTRICT
Financial Statements
For the Year Ended December 31, 2023

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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, 2023, 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, 2023, 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.

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 February 21, 2025, 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 dark ink, appearing to read "Remy K. Ouellette". The signature is written in a cursive, flowing style.

February 21, 2025
South Portland, Maine

GREATER AUGUSTA UTILITY DISTRICT
Management's Discussion and Analysis
December 31, 2023

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, 2023. 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 decreased by \$137,000. Net cash provided by operating activities totaled \$2.2 million. Receipts from customers increased by \$270,000, payments to suppliers decreased by \$148,000 and payments to employees decreased by \$10,000. Net cash used in capital and related financing activities totaled \$2.4 million. Principal and interest on long-term debt totaled \$659,000 down from 2022 by \$8,000. Capital spending totaled \$3.6 million, an increase of \$2.9 million over the prior year.
- The accounts receivable balance was \$1.1 million on December 31, 2023. This increase of \$389,000 (or 53%) from the December 31, 2022 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 increased by \$3.4 million due to the initiation of several projects. Operating property increased by \$284,000 primarily due to the purchase of several trucks and other heavy equipment.
- Accumulated depreciation increased by \$818,000 from 2022.
- Overall, the Water Division's long-term financial indebtedness obligation decreased by \$512,000 this year. The required scheduled debt payments were all made on time and outpaced any new borrowing.
- The Water Division's net position as of December 31, 2023 was \$31.3 million. Net position consists of net investments in capital assets of \$28.9 million and the remaining unrestricted net position of \$2.3 million. The change in net position for the year ended December 31, 2023 was a net increase of \$2.4 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 \$4.6 million, an increase of \$284,000 from the previous fiscal year. Sales to customers totaled \$2.9 million, an increase of 5%. Fire protection revenues totaled \$1.7 million, up 9% from the prior year. Operating expenses totaled \$3.6 million, an increase of \$54,000 from the previous fiscal year. Net non-operating revenue (expense) increased \$1 million 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 \$3.19 per 100 cubic feet. The Maine Public Utilities Commission approved the Water Division's schedule of rates which became effective July 1, 2023.

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

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 increased by \$1.1 million as net cash used in capital and related financing activities was lower than the net cash provided by operating activities.
- Net capital assets increased by \$1.7 million. The work in process (WIP) account increased by \$1.9 million. Operating property increased by \$2.1 million. The increase to operating property is due to the completion of sewer main and/or storm main work on Cushnoc Drive, Mayfair, Willow Street, and Lower State Street. Additionally, new pumps, vehicles, and several other small pieces of equipment were added during the year.
- The accounts receivable balance was \$1.9 million on December 31, 2023. This decrease of \$28,000 (or 1%) from the December 31, 2022 balance can be attributed to the timing of customer payments and billings.
- Accumulated depreciation increased by \$2.3 million from 2022.
- Overall the Sanitary Division's long-term financial indebtedness obligation decreased by \$940,000 as the required scheduled debt payments outpaced any new long-term borrowing.
- The Sanitary Division's operating revenues totaled \$9.2 million and operating expenses totaled \$7.3 million. Net non-operating revenues (expenses) totaled \$840,000, resulting in an increase in net position of \$2.7 million.
- The Sanitary Division's net position as of December 31, 2023 was \$55.7 million. Net position consists of net investment in capital assets of \$54.7 million and the remaining unrestricted net position was \$983,000.
- All customers of the Sanitary Division are charged \$5.21 per 100 cubic feet of metered sewage, \$14.37 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

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

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 15th 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, 2023	December 31, 2022
Assets		
Current assets	\$ 3,917,405	\$ 3,582,130
Capital and other assets (net)	33,158,830	30,237,476
Total Assets	<u>37,076,235</u>	<u>33,819,606</u>
Deferred Outflows of Resources		
Related to pensions	123,924	188,883
Related to other postemployment benefits	62,954	93,102
Total Deferred Outflows of Resources	<u>186,878</u>	<u>281,985</u>
Liabilities		
Current liabilities	\$ 1,812,665	\$ 702,395
Long-term liabilities	3,755,316	4,074,404
Total Liabilities	<u>5,567,981</u>	<u>4,776,799</u>
Deferred Inflows of Resources		
Related to pensions	\$ 86,332	\$ 165,932
Related to other postemployment benefits	22,892	2,525
Related to lease receivable	315,175	329,778
Total Deferred Inflow of Resources	<u>424,399</u>	<u>498,235</u>
Net Position		
Net investment in capital assets	28,975,500	26,559,624
Unrestricted	2,295,233	2,266,933
Total Net Position	<u>\$ 31,270,733</u>	<u>\$ 28,826,557</u>

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

	December 31, 2023	December 31, 2022
Operating Revenues		
Metered	\$ 2,901,986	\$ 2,752,786
Fire protection	1,710,093	1,573,991
Other water revenues	-	1,430
Total Operating Revenues	<u>4,612,079</u>	<u>4,328,207</u>
Operating Expenses		
Operating expenses	2,681,393	2,663,566
Depreciation	961,583	925,703
Total Operating Expenses	<u>3,642,976</u>	<u>3,589,269</u>
Nonoperating Revenue	<u>1,475,073</u>	<u>464,855</u>
Change in Net Position	2,444,176	1,203,793
Net Position - Beginning of Year	<u>28,826,557</u>	<u>27,622,764</u>
Net Position - End of Year	<u>\$ 31,270,733</u>	<u>\$ 28,826,557</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, 2023	December 31, 2022
Assets		
Current assets	\$ 4,903,950	\$ 3,837,554
Capital and other assets (net)	74,436,431	72,698,255
Total Assets	<u>79,340,381</u>	<u>76,535,809</u>
Deferred Outflows of Resources		
Related to pensions	\$ 178,330	\$ 271,807
Related to other postemployment benefits	356,737	527,576
Related to pensions	<u>535,067</u>	<u>799,383</u>
Liabilities		
Current liabilities	\$ 4,374,981	\$ 3,171,124
Long-term liabilities	19,262,463	20,547,049
Total Liabilities	<u>23,637,444</u>	<u>23,718,173</u>
Deferred Inflows of Resources		
Deferred credits	\$ 313,550	\$ 358,342
Related to pensions	124,233	238,781
Related to other postemployment benefits	129,723	14,309
Total Deferred Inflow of Resources	<u>567,506</u>	<u>611,432</u>
Net Position		
Net investment in capital assets	54,687,913	53,563,764
Unrestricted	982,585	(558,177)
Total Net Position	<u>\$ 55,670,498</u>	<u>\$ 53,005,587</u>

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

	December 31, 2023	December 31, 2022
Operating Revenues		
Sewer	\$ 3,697,567	\$ 3,014,633
Storm Water	4,066,534	3,988,367
Trunkline	956,908	894,675
Other	444,763	455,994
Total Operating Revenues	<u>9,165,772</u>	<u>8,353,669</u>
Operating Expenses		
Operating expenses	4,956,452	4,591,443
Depreciation	2,384,790	2,548,677
Total Operating Expenses	<u>7,341,242</u>	<u>7,140,120</u>
Nonoperating Revenue (Expense)	<u>840,381</u>	<u>416,804</u>
Change in Net Position	2,664,911	1,630,353
Net Position - Beginning of Year	<u>53,005,587</u>	<u>51,375,234</u>
Net Position - End of Year	<u>\$ 55,670,498</u>	<u>\$ 53,005,587</u>

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

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 initiated this year and will be completed next year. The District invested roughly \$772,000 to replace/repair water mains on Highland Avenue and another \$2.4 million to create redundant water lines under the Kennebec River to improve service. The Water Division also split the cost of purchasing several new trucks with the Sanitary Division.

Several major Sanitary division projects were completed this year. The District completed upgrades to mains on Cushnoc Drive and Mayfair for a total of \$593,000. The District also invested \$2.4 million in new projects to upgrade the Highland Avenue main and to continue the East Side Siphon rehabilitation. Several other pump station upgrade projects were also ongoing during 2023.

Debt Activity

The District made all required 2023 principal and interest payments on existing debt (\$2.6 million). In 2023, there was a new financed purchase obligation (\$137,000) to finance the acquisition of a new excavator. There was another \$1 million issued to assist in financing construction in progress. Additionally, there was \$2.6 million in short-term debt issued to temporarily finance construction of water and sanitary system improvements. This short-term debt is expected to be refunded in future years with long-term obligations to spread the construction costs over the life of the assets constructed.

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, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 4,835,689
Accounts receivable:	
Customer service	744,102
Unbilled	1,247,562
Intercommunity trunkline - operations	48,358
Other	970,914
Lease receivable	338,344
Inventory	489,745
Prepaid expenses	146,641

Total current assets	8,821,355
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Capital assets:

Work in process	9,601,731
Operating property	168,957,531
Less accumulated depreciation	(70,964,001)

Net capital assets	107,595,261
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Total noncurrent assets	107,595,261
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Total assets	116,416,616
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources related to pensions	302,254
Deferred outflows of resources related to other postemployment benefits	419,691

Total deferred outflows of resources	721,945
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LIABILITIES

Current liabilities:

Accounts payable:	
Trade	231,077
Construction/retainage	611,002
Accrued payroll	94,683
Accrued interest	139,564
Unearned revenue	54,608
Short-term debt	2,571,424
Current portion of notes payable and financed purchases	2,485,288

Total current liabilities	6,187,646
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Noncurrent liabilities:

Accrued compensated absences	236,015
OPEB liabilities	2,957,028
Net pension liability	949,600
Notes payable and financed purchases	18,875,136

Total noncurrent liabilities	23,017,779
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Total liabilities	29,205,425
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DEFERRED INFLOWS OF RESOURCES

Deferred credits	313,550
Deferred inflows of resources related to pensions	210,565
Deferred inflows of resources related to other postemployment benefits	152,615
Deferred inflows of resources related to lease receivable	315,175

Total deferred inflows of resources	991,905
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NET POSITION

Net investment in capital assets	83,663,413
Unrestricted	3,277,818

Total net position	\$ 86,941,231
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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, 2023

Operating revenues:		
Metered	\$	6,581,350
Flat rate		18,203
Storm water		3,239,542
Catch basins		826,992
Trunkline communities		956,908
Public fire protection		1,032,422
Private fire protection		677,671
Other revenues		444,763
Total operating revenues		13,777,851
Operating expenses:		
Source of supply		147,289
Treatment plant		2,041,977
Transportation and distribution		3,359,843
Customer accounts		557,865
Administrative and general		1,291,626
Trunkline expenses		239,245
Depreciation		3,346,373
Total operating expenses		10,984,218
Operating income		2,793,633
Nonoperating revenues (expenses):		
Interest revenue		101,398
Utility contract income		29,527
Non-utility income		273,606
Grant revenue		2,269,878
Miscellaneous		(7,113)
Interest expense		(434,080)
Gain (loss) on disposal of capital assets		82,238
Total nonoperating revenues (expenses)		2,315,454
Change in net position		5,109,087
Net position, beginning of year		81,832,144
Net position, end of year		\$ 86,941,231

See accompanying notes to financial statements.

GREATER AUGUSTA UTILITY DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash flows from operating activities:		
Receipts from customers and users	\$	14,242,555
Payments to suppliers		(3,550,966)
Payments to employees		(4,087,986)
Net cash provided by operating activities		6,603,603
Cash flows from capital and related financing activities:		
Purchase of capital assets		(8,242,342)
Proceeds from sale of capital assets		82,238
Grant revenue		1,742,401
Proceeds from short-term debt		2,571,424
Proceeds from long-term debt		1,137,145
Principal payments on long-term debt		(2,589,064)
Interest payments on long-term debt		(454,720)
Net cash used in capital and related financing activities		(5,752,918)
Cash flows from investing activities:		
Interest income		101,398
Net cash provided by investing activities		101,398
Net increase (decrease) in cash		952,083
Cash at beginning of year		3,883,606
Cash at end of year	\$	4,835,689
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	2,793,633
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,346,373
Utility, non-utility, jobbing and miscellaneous revenues		296,020
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service		(280,108)
(Increase) decrease in accounts receivable - unbilled		(179,051)
(Increase) decrease in accounts receivable - intercommunity trunkline		44,668
(Increase) decrease in accounts receivable - other		580,183
(Increase) decrease in lease receivable		3,326
(Increase) decrease in inventory		(74,304)
(Increase) decrease in prepaid expenses		(16,825)
(Decrease) increase in accounts payable - trade		7,794
(Decrease) increase in accrued payroll		(1,635)
(Decrease) increase in accrued compensated absences		1,950
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources		(3,421)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources		85,334
(Decrease) increase in unearned revenue		14,269
(Decrease) increase in deferred inflow of resources related to lease receivable		(14,603)
Net cash provided by operating activities		6,603,603
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds		44,792

See accompanying notes to financial statements.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2023, 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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 the Maine Municipal Employees Health Trust (MMEHT) health insurance plan, including additions to/deductions from the respective plan's fiduciary net position have been determined on the same basis as they are reported by each 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.

DEPOSITS

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, 2023, \$282,682 of the District's bank balance of \$4,947,285 was insured by the FDIC and \$4,664,603 was collateralized by a \$4,750,000 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

CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2023:

	Balance <u>12/31/22</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>12/31/23</u>
Capital assets not being depreciated:				
Land	\$ 3,102,748	-	-	3,102,748
Work in process	4,270,057	6,058,941	727,267	9,601,731
Total capital assets not being depreciated	7,372,805	6,058,941	727,267	12,704,479
Capital assets being depreciated:				
Building and structures	36,496,857	82,854	-	36,579,711
Equipment	8,659,750	481,079	-	9,140,829
Transportation	3,527,731	697,981	257,697	3,968,015
Infrastructure	114,753,913	1,412,315	-	116,166,228
Total capital assets being depreciated	163,438,251	2,674,229	257,697	165,854,783
Less accumulated depreciation for:				
Building and structures	10,939,989	505,905	-	11,445,894
Equipment	5,986,873	485,220	-	6,472,093
Transportation	2,585,124	245,742	257,697	2,573,169
Infrastructure	48,363,339	2,109,506	-	50,472,845
Total accumulated depreciation	67,875,325	3,346,373	257,697	70,964,001
Total capital assets being depreciated, net	95,562,926	(672,144)	-	94,890,782
Capital assets, net	\$ 102,935,731	5,386,797	727,267	107,595,261

Depreciation expense was charged as follows:

Sewer division	\$ 1,465,286
Storm water division	919,504
Water division	961,583
Total depreciation expense	\$ 3,346,373

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

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

CONSTRUCTION COMMITMENTS

The District has entered into multiple contracts in connection with various construction projects. The following is a summary of the commitments at December 31, 2023:

	Contract <u>Total</u>	Percentage <u>Complete</u>	Billed <u>to Date</u>	Balance <u>Remaining</u>
Redundant Water Line	\$ 1,252,240	0.00%	-	1,252,240
Highland Ave Water/Sewer ¹	2,294,754	77.87%	1,786,816	507,938

(1) The Highland Ave Water/Sewer project is jointly financed between the District and the City of Augusta. The total contract amount and billed through December 31, 2023 are shown above. The District's portion of the contract amount and billed are \$1,403,514 or 61.2% and \$1,156,545 or 64.7%, respectively.

SHORT-TERM DEBT

During the year, the District had two short-term financing agreements for water and sanitary system improvements that will be refunded in future years by the issuance of long-term debt. A total of \$3,441,800 was made available by Maine Municipal Bond Bank and was drawn down as needed throughout the year. The outstanding balance accrues interest at an annual rate of 1%. The following is a summary of the short-term debt payable at December 31, 2023:

	Beginning <u>balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>balance</u>
DWSRF - Water	\$ -	1,017,136	-	1,017,136
CWSRF – Sanitary ¹	-	1,554,288	-	1,554,288
Total	\$ -	2,571,424	-	2,571,424

(1) The short-term debt for CWSRF – Sanitary is apportioned between the sewer and storm water funds. At December 31, 2023, the portions for sewer and storm water are \$917,031 or 59% and \$637,257 or 41%, respectively.

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2023:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	Ending <u>balance</u>	Due within <u>one year</u>
Notes payable	\$ 22,812,343	1,000,000	2,550,726	21,261,617	2,464,557
Financed purchases	-	137,145	38,338	98,807	20,731
Accrued compensated absences	234,065	1,950	-	236,015	-
Other postemployment benefits	3,297,217	-	340,189	2,957,028	-
Net pension liability	828,554	121,046	-	949,600	-
Total long-term liabilities	\$ 27,172,179	1,260,141	2,929,253	25,503,067	2,485,288

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The following is a summary of the long-term debt payable at December 31, 2022 and 2023:

<u>Issue</u>	<u>Amount issued</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Balance 12/31/22</u>	<u>Balance 12/31/23</u>
2009 MMBB SRF	\$ 190,000	2027	0.00%	22,852	17,627
2011 MMBB	700,000	2031	2.12-5.62%	315,000	280,000
2013 TD Bank	2,000,000	2023	2.79%	200,000	-
2014 MMBB	2,400,000	2034	0.43-3.78%	1,440,000	1,320,000
2014 MMBB	1,100,000	2034	0.43-3.78%	660,000	605,000
2020 TD Bank	1,300,000	2030	2.07%	1,040,000	910,000
Subtotal Water Division				3,677,852	3,132,627
2005 MMBB	1,500,000	2025	1.53%	225,000	150,000
2006 MMBB	1,250,000	2026	1.42%	250,000	187,500
2008 Taxable Sewer	2,000,000	2028	1.27%	653,775	548,272
2009 CWSRF	6,500,000	2029	1.00%	2,343,285	2,018,439
2010 CWSRF - SR	1,750,000	2030	1.17%	749,180	659,301
2010 CWSRF - FFR	1,610,000	2030	1.00%	715,151	628,839
2011 CWSRF	14,520,000	2030	1.00%	6,071,711	5,338,861
2017 MMBB	1,600,000	2037	1.26-3.92%	1,200,000	1,120,000
2019 CWSRF - FFR	2,000,000	2039	1.00%	1,700,000	1,600,000
2019 CWSRF - SR	3,000,000	2039	1.00%	2,738,889	2,577,778
2019 MMBB	1,750,000	2039	1.61-3.35%	1,487,500	1,400,000
2022 Revenue Obligation	1,000,000	2032	2.23%	1,000,000	900,000
2023 Revenue Obligation	1,000,000	2033	4.46%	-	1,000,000
Subtotal Sanitary Division				19,134,491	18,128,990
Total debt				22,812,343	21,261,617
Less current portion				2,550,726	2,464,557
Total long-term portion				\$ 20,261,617	18,797,060

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

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2024	\$ 2,464,557	460,048	2,924,605
2025	2,478,533	423,307	2,901,840
2026	2,417,654	382,078	2,799,732
2027	2,366,149	341,872	2,708,021
2028	2,378,611	305,267	2,683,878
2029-2033	6,569,446	789,719	7,359,165
2034-2038	2,238,057	214,510	2,452,567
2039	348,610	18,731	367,341
Totals	\$ 21,261,617	2,935,532	24,197,149

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

FINANCED PURCHASES

During the year ended December 31, 2023, the District was obligated under a financed purchase agreement for an excavator. The following is a schedule of future minimum lease payments under the financed purchase agreements together with the present value of the net minimum payments as of December 31, 2023:

2024	\$ 27,115
2025	27,115
2026	27,115
2027	27,115
2028	8,474
Total minimum lease payments	116,934
Less: Amount representing interest	(18,127)
Present value of net minimum lease payments	<u>\$ 98,807</u>

JOINT PROJECT – WMMHA TRUNKLINE PROJECT

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 (\$3,179,301 and \$3,463,680 at December 31, 2023 and 2022, 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.

LEASE RECEIVABLE

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 \$3,085 in lease revenue and \$15,165 in related interest revenue during 2022. As of December 31, 2023, the District's receivable for lease payments was \$338,344. 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, 2023, the balance of the deferred inflow of resources was \$315,175.

NET POSITION

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, 2023:

Capital assets	\$ 178,559,262
Accumulated depreciation	(70,964,001)
Short-term debt	(2,571,424)
Notes payable	(21,261,617)
Finance purchases payable	(98,807)
Net investment in capital assets	<u>\$ 83,663,413</u>

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY

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.

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, 2023 and 2022 were as follows:

	Employee		Employer	
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>
January to June	7.8%/7.05%	7.6%/6.85%	10.3%	10.2%
July to December	7.6%/6.85%	7.7%/6.95%	10.2%	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 \$261,461 for the year ended December 31, 2023.

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

At December 31, 2023, the District reported a liability of \$949,600 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the District's proportion was 0.2976%.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

For the year ended December 31, 2023, the District recognized a pension expense of \$346,797. At December 31, 2023, 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	\$ 176,295	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	161,142
Changes in proportion and differences between District contributions and proportionate share of contributions	-	49,423
District contributions subsequent to the measurement date	125,959	-
Total	\$ 302,254	210,565

\$125,959 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, 2024. 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:

2024	\$ (48,240)
2025	(156,963)
2026	163,442
2027	7,491

Actuarial Assumptions - The total pension liability in the June 30, 2023 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, 2023 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

NET PENSION LIABILITY, CONTINUED

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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
US Government	10.0%	2.6%
Private equity	12.5%	7.6%
Real Assets:		
Real Estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.0%

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:

	<u>1% Decrease (5.50%)</u>	<u>Current Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
District's proportionate share of the net pension liability (asset)	\$ 2,601,977	\$ 949,600	\$ (413,474)

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, 2023.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER DEFERRED COMPENSATION PLAN

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. Beginning in January 2023, the District contributed 10.2% of compensation of electing union and non-union participants for 2023. Total District contributions were \$26,700 and \$22,377 in 2023 and 2022, respectively.

SANITARY DIVISION EXPENSE ALLOCATIONS

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.

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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, 2023 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 \$2,913,470 was measured as of January 1, 2023 and was determined by applying roll forward procedures to an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00% per year
Salary increases	2.75% per year
Discount rate	3.72%
Healthcare cost trend rates	7.95% for 2023, decreasing to 4.55% for 2043
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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 3,243,711
Changes for the year:	
Service cost	16,026
Interest	65,586
Changed in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(259,164)
Benefit payments	(152,689)
Net change	<u>(330,241)</u>
Balance at December 31, 2023	<u>\$ 2,913,470</u>

Change in assumptions reflects a change in the discount rate from 2.06% to 3.72%.

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

For the year ended December 31, 2023, the District recognized an OPEB expense of \$2,174. At December 31, 2023, 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	\$ 292,101	-
Changes of assumption or other inputs	-	135,891
District contributions subsequent to the measurement date	<u>124,275</u>	<u>-</u>
Total	<u>\$ 416,376</u>	<u>135,891</u>

\$124,275 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$ 84,263
2025	55,753
2026	29,694
2027	29,694
2028	(43,194)

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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 3.72%, 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 (2.72%) or 1 percentage-point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB liability	\$ 3,220,918	2,913,470	2,653,969

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	\$ 2,626,626	2,913,470	3,249,996

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

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.

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 postemployment retirement period. Contributions to the OPEB plan from the District were \$2,469 for the year ended December 31, 2023. 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, 2023, the District reported a liability of \$43,559 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the District's proportion was 0.3192%.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

For the year ended December 31, 2023, the District recognized OPEB gain of \$3,125. At December 31, 2023, 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	\$ 433	-
Changes of assumptions	-	7,496
Net difference between projected and actual earnings on OPEB plan investments	1,402	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	9,228
Districts contributions subsequent to the measurement date	1,481	-
Total	\$ 3,316	16,724

\$1,481 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2024	\$ (5,272)
2025	(4,820)
2026	(161)
2027	(2,980)
2028	(1,656)

Actuarial Assumptions - The total OPEB liability in the June 30, 2023 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, 2023 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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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	3.2%
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	\$ 60,417	43,559	30,009

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.2976%	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)	\$ 949,601	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	2,686,689	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	35.34%	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)	92.34%	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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 261,461	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	(261,461)	(258,931)	(236,235)	(231,453)	(213,365)	(193,975)	(179,618)	(176,082)	(163,431)	(138,965)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 2,563,352	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	10.20%	10.25%	10.20%	10.05%	10.00%	9.80%	9.55%	9.21%	8.35%	7.16%

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>2023</u>	<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	0.3192%	0.3694%	0.3794%	0.4208%	0.3588%	0.3897%	0.4369%
District's proportionate share of the net OPEB liability	\$ 43,559	53,506	39,173	55,513	76,769	78,726	73,048
District's covered payroll	2,686,689	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	1.62%	2.25%	1.72%	2.47%	3.65%	4.09%	3.77%
Plan fiduciary net position as a percentage of the total OPEB liability	59.72%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,469	2,149	2,438	2,810	2,305	2,099	2,169
Contributions in relation to the contractually required contribution	(2,469)	(2,149)	(2,438)	(2,810)	(2,305)	(2,099)	(2,169)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
District's covered-employee payroll	\$ 2,563,352	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	0.10%	0.09%	0.11%	0.12%	0.11%	0.11%	0.12%

** Only seven 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*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 16,026	15,089	12,984	13,307	15,125	16,581
Interest	65,586	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	(259,164)	(20,579)	130,303	208,386	(191,663)	88,068
Benefit payments	(152,689)	(169,874)	(163,340)	(181,558)	(174,575)	(167,546)
Net change in total OPEB Liability	(330,241)	342,576	56,036	21,008	(247,894)	(170,369)
Total OPEB liability - beginning	3,243,711	2,901,135	2,845,099	2,824,091	3,071,985	3,242,354
Total OPEB liability - ending	\$ 2,913,470	3,243,711	2,901,135	2,845,099	2,824,091	3,071,985
Covered-employee payroll	\$ 1,379,633	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	211.18%	235.11%	212.93%	208.82%	212.33%	230.96%

*Only six 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 2016, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2016 using Scale AA. Between 2017 and 2021, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Starting 2022, Mortality rates were based on the 2010 Public Plan General Healthy Retiree Mortality Table, 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:

In 2016, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2016 using Scale AA. Between 2017 and 2021, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table. Starting 2022, Mortality rates were based on the 2010 Public Plan General Healthy Retiree Mortality Table, 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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	3.72%	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:

In 2017 through 2021, mortality rates were based on the RP2014 total data set healthy annuitant mortality table. In 2022, mortality rates were based on the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, 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, 2023
(with comparative totals for December 31, 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,003,300	2,140,034
Accounts receivable:		
Customer	249,265	156,154
Unbilled	316,375	276,141
Other	561,035	305,053
Lease receivable	338,344	341,670
Inventory	374,165	298,808
Prepaid expenses	74,921	64,270
Total current assets	3,917,405	3,582,130
Capital assets:		
Work in process	4,031,448	576,131
Operating property	51,229,180	50,945,590
Less accumulated depreciation	(22,101,798)	(21,284,245)
Net capital assets	33,158,830	30,237,476
Total noncurrent assets	33,158,830	30,237,476
Total assets	37,076,235	33,819,606
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	123,924	188,883
Deferred outflows of resources related to other postemployment benefits	62,954	93,102
Total deferred outflows of resources	186,878	281,985
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	78,268	61,956
Construction/retainage	269,572	-
Accrued payroll	37,322	38,708
Accrued interest	24,130	29,718
Unearned revenue	34,102	26,788
Short-term debt	1,017,136	-
Current portion of notes payable and financed purchases	352,135	545,225
Total current liabilities	1,812,665	702,395
Noncurrent liabilities:		
Accrued compensated absences	108,367	107,487
OPEB liabilities	443,554	494,583
Net pension liability	389,336	339,707
Notes payable and financed purchases	2,814,059	3,132,627
Total noncurrent liabilities	3,755,316	4,074,404
Total liabilities	5,567,981	4,776,799
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	86,332	165,932
Deferred inflows of resources related to other postemployment benefits	22,892	2,525
Deferred inflows of resources related to lease	315,175	329,778
Total deferred inflows of resources	424,399	498,235
NET POSITION		
Net investment in capital assets	28,975,500	26,559,624
Unrestricted	2,295,233	2,266,933
Total net position	\$ 31,270,733	28,826,557

GREATER AUGUSTA UTILITY DISTRICT
WATER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
Operating revenues:		
Metered:		
Residential	\$ 1,713,690	1,617,536
Commercial	892,939	838,395
Governmental	295,357	296,855
Public fire protection	1,032,422	953,393
Private fire protection	677,671	620,598
Other water revenues	-	1,430
Total operating revenues	4,612,079	4,328,207
Operating expenses:		
Source of supply	147,289	155,453
Treatment plant	141,720	148,663
Transportation and distribution	1,437,497	1,507,580
Customer accounts	318,661	295,664
Administrative and general	636,226	556,206
Depreciation	961,583	925,703
Total operating expenses	3,642,976	3,589,269
Operating income	969,103	738,938
Nonoperating revenues (expenses):		
Federal Capital Grants	1,195,945	304,848
Interest revenue	33,812	3,721
Miscellaneous	(39,021)	-
Lease Rental Income	29,527	28,622
Non-utility income	273,606	204,752
Merchandising and jobbing revenue	34,514	32,516
Interest expense	(96,429)	(110,319)
Gain (loss) on disposal of capital assets	43,119	715
Total nonoperating revenues (expenses)	1,475,073	464,855
Change in net position	2,444,176	1,203,793
Net position, beginning of year	28,826,557	27,622,764
Net position, end of year	\$ 31,270,733	28,826,557

**GREATER AUGUSTA UTILITY DISTRICT
WATER DIVISION**

**Statements of Cash Flows
For the Year Ended December 31, 2023**

(with comparative totals for the year ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,928,102	4,658,491
Payments to suppliers	(1,126,881)	(1,274,830)
Payments to employees	(1,590,240)	(1,600,536)
Net cash provided by operating activities	2,210,981	1,783,125
Cash flows from capital and related financing activities:		
Purchase of capital assets	(3,613,365)	(758,346)
Proceeds from sale of capital assets	43,119	3,000
Grant revenue	785,258	-
Proceeds from short-term debt	1,017,136	-
Proceeds from long-term debt	45,715	-
Principal payments on long-term debt	(557,373)	(551,995)
Interest payments on long-term debt	(102,017)	(114,959)
Net cash used in capital and related financing activities	(2,381,527)	(1,422,300)
Cash flows from investing activities:		
Interest revenue	33,812	3,721
Net cash provided by investing activities	33,812	3,721
Net increase (decrease) in cash	(136,734)	364,546
Cash at beginning of year	2,140,034	1,775,488
Cash at end of year	\$ 2,003,300	2,140,034
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 969,103	738,938
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	961,583	925,703
Utility, non-utility, jobbing and miscellaneous revenues	298,626	265,890
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customers	(93,111)	46,602
(Increase) decrease in accounts receivable - unbilled	(40,234)	(3,964)
(Increase) decrease in accounts receivable - other	154,705	30,704
(Increase) decrease in lease receivable	3,326	2,711
(Increase) decrease in inventory	(75,357)	(157,660)
(Increase) decrease in prepaid expenses	(10,651)	(902)
(Decrease) increase in accounts payable - trade	16,312	(36,058)
(Decrease) increase in accrued payroll	(1,386)	3,706
(Decrease) increase in accrued compensated absences	880	2,340
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(514)	(3,183)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	34,988	(20,043)
(Decrease) increase in unearned revenue	7,314	2,944
(Decrease) increase in deferred inflow of resources related to lease receivable	(14,603)	(14,603)
Net cash provided by operating activities	2,210,981	1,783,125

SEWER DIVISION

GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Net Position
December 31, 2023
(with comparative totals for December 31, 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 921,797	552,226
Accounts receivable:		
Customer service	226,155	157,681
Unbilled	480,220	366,576
Intercommunity trunkline - operations	48,358	93,026
Other	242,044	426,004
Inventory	86,007	87,060
Prepaid expenses	35,860	32,773
Total current assets	2,040,441	1,715,346
Capital assets:		
Work in process	3,373,301	1,966,244
Operating property	69,710,709	68,562,076
Less accumulated depreciation	(30,299,062)	(28,905,386)
Net capital assets	42,784,948	41,622,934
Total noncurrent assets	42,784,948	41,622,934
Total assets	44,825,389	43,338,280
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	111,834	170,455
Deferred outflows of resources related to other postemployment benefits	222,436	328,959
Total deferred outflows of resources	334,270	499,414
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	113,700	108,988
Construction/retainage	207,507	324,056
Accrued payroll	33,843	33,990
Accrued interest	99,969	68,344
Unearned revenue	17,756	12,701
Short-term debt	917,031	-
Current portion of notes payable and financed purchases	1,446,656	1,331,088
Total current liabilities	2,836,462	1,879,167
Noncurrent liabilities:		
Accrued compensated absences	75,312	74,681
OPEB liabilities	1,567,225	1,747,525
Net pension liability	351,352	306,565
Notes payable and financed purchases	11,505,989	11,963,775
Total noncurrent liabilities	13,499,878	14,092,546
Total liabilities	16,336,340	15,971,713
DEFERRED INFLOWS OF RESOURCES		
Deferred credits	124,897	146,472
Deferred inflows of resources related to pensions	77,909	149,744
Deferred inflows of resources related to other postemployment benefits	80,886	8,922
Total deferred inflows of resources	283,692	305,138
NET POSITION		
Net investment in capital assets	28,915,272	28,328,071
Unrestricted	(375,645)	(767,228)
Total net position	\$ 28,539,627	27,560,843

GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
Operating revenues:		
Metered	\$ 3,679,364	3,000,963
Flat rate	18,203	13,670
Trunkline communities	956,908	894,675
Late fees	5,770	1,346
Connection fees	73,301	77,698
Togus debt	365,692	365,692
Total operating revenues	5,099,238	4,354,044
Operating expenses:		
Treatment plant	1,294,671	1,148,882
Transportation and distribution	1,071,599	1,008,471
Customer accounts	119,701	113,149
Administrative and general	344,857	256,760
Trunkline	239,245	276,636
Depreciation	1,465,286	1,566,537
Total operating expenses	4,535,359	4,370,435
Operating income	563,879	(16,391)
Nonoperating revenues (expenses):		
Federal Capital Grants	621,015	421,004
Interest revenue	33,776	3,721
Miscellaneous	7,006	17,123
Interest expense	(268,287)	(257,704)
Gain (loss) on disposal of capital assets	21,395	715
Total nonoperating revenues (expenses)	414,905	184,859
Change in net position	978,784	168,468
Net position, beginning of year	27,560,843	27,392,375
Net position, end of year	\$ 28,539,627	27,560,843

GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Cash Flows
For the Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Receipts from customers and users	\$ 5,399,327	4,151,409
Payments to suppliers	(1,623,289)	(1,472,573)
Payments to employees	(1,413,862)	(1,390,697)
Net cash provided by operating activities	2,362,176	1,288,139
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,743,849)	(1,597,868)
Proceeds from sale of capital assets	21,395	3,000
Grant revenue	379,497	-
Proceeds from short-term debt	917,031	-
Proceeds from long-term debt	1,045,715	1,062,423
Principal payments on long-term debt	(1,387,933)	(1,273,038)
Interest payments on long-term debt	(258,237)	(270,376)
Net cash provided by (used in) capital and related financing activities	(2,026,381)	(2,075,859)
Cash flows from investing activities:		
Interest income	33,776	3,721
Net cash provided by investing activities	33,776	3,721
Net increase (decrease) in cash	369,571	(783,999)
Cash at beginning of year	552,226	1,336,225
Cash at end of year	\$ 921,797	552,226
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 563,879	(16,391)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,465,286	1,566,537
Miscellaneous and utility contract income	7,006	17,123
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	(68,474)	(31,296)
(Increase) decrease in accounts receivable - unbilled	(113,644)	(74,380)
(Increase) decrease in accounts receivable - intercommunity trunkline	44,668	(114,398)
(Increase) decrease in accounts receivable - other	425,478	(5,000)
(Increase) decrease in inventory	1,053	(37,985)
(Increase) decrease in prepaid expenses	(3,087)	(3,607)
(Decrease) increase in accounts payable - trade	4,712	6,332
(Decrease) increase in accrued payroll	(147)	3,333
(Decrease) increase in accrued compensated absences	631	1,889
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(1,813)	(11,247)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	31,573	(18,087)
(Decrease) increase in unearned revenue	5,055	5,316
Net cash provided by operating activities	2,362,176	1,288,139
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds	21,575	30,907

STORM WATER DIVISION

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Net Position
December 31, 2023
(with comparative totals for December 31, 2022)

	2023	2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,910,592	1,191,346
Accounts receivable:		
Customer service	268,682	150,159
Unbilled	450,967	425,794
Other	167,835	292,563
Inventory	29,573	29,573
Prepaid expenses	35,860	32,773
Total current assets	2,863,509	2,122,208
Capital assets:		
Work in process	2,196,982	1,727,682
Operating property	48,017,642	47,033,333
Less accumulated depreciation	(18,563,141)	(17,685,694)
Net capital assets	31,651,483	31,075,321
Total noncurrent assets	31,651,483	31,075,321
Total assets	34,514,992	33,197,529
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	66,496	101,352
Deferred outflows of resources related to other postemployment benefits	134,301	198,617
Total deferred outflows of resources	200,797	299,969
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	39,109	52,339
Construction/retainage	133,923	523,385
Accrued payroll	23,518	23,620
Accrued interest	15,465	17,350
Unearned revenue	2,750	850
Short-term debt	637,257	-
Current portion of notes payable and financed purchases	686,497	674,413
Total current liabilities	1,538,519	1,291,957
Noncurrent liabilities:		
Accrued compensated absences	52,336	51,897
OPEB liabilities	946,249	1,055,109
Net pension liability	208,912	182,282
Notes payable and financed purchases	4,555,088	5,165,215
Total noncurrent liabilities	5,762,585	6,454,503
Total liabilities	7,301,104	7,746,460
DEFERRED INFLOWS OF RESOURCES		
Deferred credits	188,653	211,870
Deferred inflows of resources related to pensions	46,324	89,037
Deferred inflows of resources related to other postemployment benefits	48,837	5,387
Total deferred inflows of resources	283,814	306,294
NET POSITION		
Net investment in capital assets	25,772,641	25,235,693
Unrestricted	1,358,230	209,051
Total net position	\$ 27,130,871	25,444,744

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
Operating revenues:		
Storm water	\$ 3,239,542	3,214,963
Catch basins	826,992	773,404
Other	-	11,258
Total operating revenues	4,066,534	3,999,625
Operating expenses:		
Treatment plant	605,586	547,208
Transportation and distribution	850,747	877,888
Customer accounts	119,503	113,198
Administrative and general	310,543	249,251
Depreciation	919,504	982,140
Total operating expenses	2,805,883	2,769,685
Operating income	1,260,651	1,229,940
Nonoperating revenues (expenses):		
Federal Capital Grants	452,918	292,563
Interest revenue	33,810	3,721
Miscellaneous	(9,612)	-
Interest expense	(69,364)	(65,054)
Gain (loss) on disposal of capital assets	17,724	715
Total nonoperating revenues (expenses)	425,476	231,945
Change in net position	1,686,127	1,461,885
Net position, beginning of year	25,444,744	23,982,859
Net position, end of year	\$ 27,130,871	25,444,744

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Cash Flows
For the Year Ended December 31, 2023
(with comparative totals for the year ended December 31, 2022)

	2023	2022
Cash flows from operating activities:		
Receipts from customers and users	\$ 3,915,126	4,160,246
Payments to suppliers	(800,796)	(730,066)
Payments to employees	(1,083,884)	(1,056,798)
Net cash provided by operating activities	2,030,446	2,373,382
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,885,128)	(1,516,976)
Proceeds from sale of capital assets	17,724	3,000
Grant revenue	577,646	-
Proceeds from short-term debt	637,257	-
Proceeds from long-term debt	45,715	13,336
Principal payments on long-term debt	(643,758)	(632,312)
Interest payments on long-term debt	(94,466)	(80,587)
Net cash used in capital and related financing activities	(1,345,010)	(2,213,539)
Cash flows from investing activities:		
Interest income	33,810	3,721
Net cash provided by investing activities	33,810	3,721
Net increase (decrease) in cash	719,246	163,564
Cash at beginning of year	1,191,346	1,027,782
Cash at end of year	\$ 1,910,592	1,191,346
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,260,651	1,229,940
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	919,504	982,140
Miscellaneous and utility contract income (expense)	(9,612)	-
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	(118,523)	110,047
(Increase) decrease in accounts receivable - unbilled	(25,173)	49,724
(Increase) decrease in prepaid expenses	(3,087)	(3,607)
(Decrease) increase in accounts payable - trade	(13,230)	18,205
(Decrease) increase in accrued payroll	(102)	2,316
(Decrease) increase in accrued compensated absences	439	1,313
(Decrease) increase in unearned revenue	1,900	850
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(1,094)	(6,792)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	18,773	(10,754)
Net cash provided by operating activities	2,030,446	2,373,382
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds	23,217	13,886