

GREATER AUGUSTA UTILITY DISTRICT

**Reports Required by *Government*
*Auditing Standards***

For the Year Ended December 31, 2020

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Greater Augusta Utility District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Greater Augusta Utility District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Greater Augusta Utility District's basic financial statements, and have issued our report thereon dated April 15, 2021.

Internal Control over Financial Reporting

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

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

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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, CONTINUED**

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

April 15, 2021
South Portland, Maine

April 15, 2021

Board of Trustees
Greater Augusta Utility District

We have audited the financial statements of the Greater Augusta Utility District for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in conversations with a members of the Board of Trustees on February 26, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated February 26, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of Greater Augusta Utility District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we also performed tests of the Greater Augusta Utility District's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with these provisions was not an objective of our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Greater Augusta Utility District are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Greater Augusta Utility District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were: (1) management's estimate of depreciation expense, which is based on estimated useful lives of assets; (2) management's estimate of the other post employment benefits (OPEB) liabilities, which are based on actuarial calculations and assumptions regarding future plan expenses; and (3) management's estimate of the net pension liability, which is based on actuarial calculations and assumptions regarding future plan expenses. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter dated April 15, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Greater Augusta Utility District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Greater Augusta Utility District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management’s discussion and analysis, and the schedules pertaining to the net pension and OPEB liabilities, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion of provide any assurance on the RSI.

We were engaged to report on the comparative exhibits, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the Greater Augusta Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive, flowing style.

Brian Tarbuck, General Manager
btarbuck@greateraugustautilitydistrict.org

Ken Knight, Board Chair
kknight@greateraugustautilitydistrict.org

Pat Paradis, Clerk
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Bob Corey, Treasurer
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April 15, 2021

Runyon Kersteen Ouellette
20 Long Creek Drive
South Portland, Maine 04106

This representation letter is provided in connection with your audit of the financial statements of Greater Augusta Utility District, as of December 31, 2020, the changes in financial position and cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 15, 2021 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 26, 2021, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 9) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of Board of Trustees or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 17) We have disclosed to you the identity of the District's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

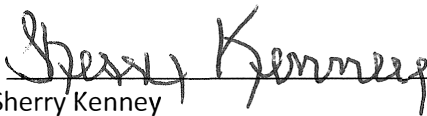
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 26) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds activities in accordance with GASBS No. 34, as amended, and GASBS No. 84.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 31) Investments, land, and other real estate held are properly valued.
- 32) Provisions for uncollectible receivables have been properly identified and recorded.
- 33) Expenses have been appropriately classified in or allocated to functions and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 38) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

39) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

40) With respect to the comparative exhibits:

- a) We acknowledge our responsibility for presenting the comparative exhibits in accordance with accounting principles generally accepted in the United States of America, and we believe the comparative exhibits, including their form and content, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the comparative exhibits have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
- b) If the comparative exhibits are not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: 
Brian Tarbuck
General Manager

Signature: 
Sherry Kenney
Finance Director

GREATER AUGUSTA UTILITY DISTRICT

Financial Statements

**For the Year Ended
December 31, 2020**

GREATER AUGUSTA UTILITY DISTRICT
Financial Statements
For the Year Ended December 31, 2020

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Independent Auditor's Report

Board of Trustees
Greater Augusta Utility District

Report on Financial Statements

We have audited the accompanying financial statements of the Greater Augusta Utility District as of and for the year ended December 31, 2020, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greater Augusta Utility District as of December 31, 2020, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules pertaining to the net pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion 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. Such 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 April 15, 2021, on our consideration of the Greater Augusta Utility District's internal control over financial reporting and 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 black ink, reading "Ryan Kristen Ouellette". The signature is written in a cursive, flowing style.

April 15, 2021
South Portland, Maine

GREATER AUGUSTA UTILITY DISTRICT
Management's Discussion and Analysis
December 31, 2020

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, 2020. 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 \$924,000 thousand. Net cash provided by operating activities totaled \$1.5 million. Receipts from customers increased by \$375,000, payments to suppliers increased by \$63,000 and payments to employees increased by \$101,000. Net cash used in capital and related financing activities totaled \$2.4 million. Principal and interest on long-term debt totaled \$749,000 down from 2019 by \$18,000. Investment in capital assets totaled \$3 million, an increase of \$2.4 million.
- The accounts receivable balance was \$385,000 on December 31, 2020. This decrease of \$273,000 (or 41.54%) from the December 31, 2019 balance can be attributed to the timing of customer payments and billings.
- The work in process (WIP) account increased by \$984,000 due to adding \$2.7 million in new construction, offset by the completion of approximately \$1.7 million in projects from current and previous years. Operating property increased by \$1.7 million due to the completion of water mains on Commercial, Cedar, Prospect, and Howard Streets, the purchase of a vacuum truck, three pickups a dump truck, valve turning equipment, updates to the office building and the conversion to natural gas.
- Accumulated depreciation increased by \$922,000 from 2019.
- The Water Division increased its long-term financial indebtedness obligation by \$762,000 this year. The required schedule debt payments of \$622,000 were made. New debt of \$1.3 million was issued to replace water mains on Cony Street and \$20,000 was financed for the water divisions portion of a new dump truck.
- The Water Division's net position as of December 31, 2020 was \$26.9 million. Net position consists of net investments in capital assets of \$26.4 million and the remaining unrestricted net position of \$494,000. The change in net position for the year ended December 31, 2020 was a net increase of \$163,000. The increase is the result of operating revenues being higher than operating expenses and a small amount of non-operating revenues. Operating revenues totaled \$3.7 million, an increase of \$23,000 from the previous fiscal year. Sales to customers totaled \$2.3 million, a slight increase of less than 1%. Fire protection revenues totaled \$1.3 million, equivalent to the previous fiscal year. Operating expenses totaled \$3.6 million, an increase of \$179,000 from the previous fiscal year. Net non-operating revenue increased \$12,000 primarily due to an increase in non-utility income and a decrease in both interest revenue and expense. All metered customers of the Water Division are charged a minimum fee depending on the size of the meter which includes a minimum water allowance of 100 cubic feet of water per month. For usage in excess of 100 cubic feet, the charge is \$2.40 per 100 cubic feet. The Maine Public Utilities Commission approved the Water Division's schedule of rates which became effective October 3, 2011.

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 decreased by \$3.3 million as net cash used in capital and related financing activities exceeded net cash provided by operating activities.
- Net capital assets increased by \$5.3 million. The work in process (WIP) account increased by \$47,000. Operating property increased by \$7.6 million. The increase to operating property is due to the completion of sewer main and/or storm main work on Commercial, Cedar, Prospect and Howard Street, Riverside Drive, Brooklawn Avenue and Noyes Place. Relining pipes on Trask, Page, Cony, Jefferson, Washington and Prince Street, Northern and Mt. Vernon Avenue and New England Road. Replacing a primary clarifier, rake arms, the main flow and grit pumps, auto sampler and chopper pumps at the Wastewater Treatment Plant, along with the construction of a 1-million-gallon storm water storage tank. The purchase of a vacuum truck, three pickups a dump truck, updates to the office building and the conversion to natural gas. The purchase of property located at 261 State Street. Also, The replacement of pumps at the Manchester Trunkline pump station.
- The accounts receivable balance at December 31, 2020 of \$1.1 million is a decrease of \$191,000 or 14.31% from 2019. This decrease can be attributed to the timing of customer payments and billings.
- Accumulated depreciation increased by \$2.4 million from 2019.
- The Sanitary Division decreased its long-term financial indebtedness obligation by \$2.3 by making all the required scheduled debt payment and financing \$40,000 for the sewer and storm water portion of a new dump truck.
- The Sanitary Division's operating revenues totaled \$7.9 million and operating expenses totaled \$6.3 million. Net non-operating revenues (expenses) totaled (\$179,000), resulting in an increase in net position of \$1.4 million.
- The Sanitary Division's net position as of December 31, 2020 was \$50.2 million. Net position consists of net investment in capital assets of \$50.3 million and the remaining unrestricted net position totaled (\$110,000).
- All customers of the Sanitary Division are charged \$3.08 per 100 cubic feet of metered sewage, \$8.50 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.

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.

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

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.

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.

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

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.

CONDENSED STATEMENTS OF NET POSITION - WATER DIVISION

	December 31, 2020	December 31, 2019
Assets		
Current assets	\$ 1,675,777	\$ 2,852,741
Capital and other assets (net)	31,151,758	29,348,388
Total Assets	32,827,535	32,201,129
Deferred Outflows of Resources		
Related to pensions	125,074	115,909
Related to other post employment benefits	33,251	18,760
Total Deferred Outflows of Resources	158,325	134,669
Liabilities		
Current liabilities	\$ 767,359	\$ 1,108,051
Long-term liabilities	5,332,655	4,368,911
Total Liabilities	6,100,014	5,476,962
Deferred Inflows of Resources		
Deferred credits	\$ -	\$ 1,992
Related to pensions	-	120,940
Related to other post employment benefits	21,704	34,615
Total Deferred Inflow of Resources	21,704	157,547
Net Position		
Net investment in capital assets	26,370,080	25,263,984
Unrestricted	494,062	1,437,305
Total Net Position	\$ 26,864,142	\$ 26,701,289

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

	December 31, 2020	December 31, 2019
Operating Revenues		
Metered	\$ 2,322,600	\$ 2,303,792
Fire protection	1,346,695	1,342,772
Other water revenues	6,755	6,163
Total Operating Revenues	3,676,050	3,652,727
Operating Expenses		
Operating expenses	2,670,008	2,529,699
Depreciation	921,540	882,615
Total Operating Expenses	3,591,548	3,412,314
Nonoperating Revenue	78,351	65,980
Change in Net Position	162,853	306,393
Net Position- Beginning of Year	26,701,289	26,394,896
Net Position - End of Year	\$ 26,864,142	\$ 26,701,289

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, 2020	December 31, 2019
Assets		
Current assets	\$ 4,252,610	\$ 7,707,157
Capital and other assets (net)	72,459,577	70,391,469
Total Assets	76,712,187	78,098,626
Deferred Outflows of Resources		
Related to Pensions	\$ 179,984	166,796
Related to Other Post Employment Benefits	188,465	106,308
Related to Pensions	368,449	273,104
Liabilities		
Current liabilities	\$ 2,838,813	\$ 3,241,750
Long-term liabilities	23,441,752	25,481,453
Total Liabilities	26,280,565	28,723,203
Deferred Inflows of Resources		
Deferred credits	\$ 447,928	\$ 492,721
Related to Pensions	-	174,036
Related to Other Post Employment Benefits	123,032	196,153
Total Deferred Inflow of Resources	570,960	862,910
Net Position		
Net investment in capital assets	50,339,602	47,419,972
Unrestricted	(110,491)	1,365,645
Total Net Position	\$ 50,229,111	\$ 48,785,617

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

	December 31, 2020	December 31, 2019
Operating Revenues		
Sewer	\$ 2,538,923	\$ 2,807,745
Storm Water	3,996,313	3,876,323
Trunkline	837,027	797,973
Other	514,678	448,823
Total Operating Revenues	7,886,941	7,930,864
Operating Expenses		
Operating expenses	3,864,972	3,882,316
Depreciation	2,399,632	2,293,692
Total Operating Expenses	6,264,604	6,176,008
Nonoperating Revenue (Expense)	(178,843)	1,331,180
Change in Net Position	1,443,494	3,086,036
Net Position- Beginning of Year	48,785,617	45,699,581
Net Position - End of Year	\$ 50,229,111	\$ 48,785,617

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 completed this year. The District invested roughly \$1.2 million to replace/repair water mains on Commercial Street, Cedar Street, Prospect Street and Howard Street. The District purchased new valve turning equipment for \$20,000. The Water Division also split the cost of purchasing a vacuum truck, three pickup trucks, a generator, building upgrades and the conversion to natural gas with the sanitary division. Several water main replacement projects are in process on Columbia Street, Cony Street, Highland Avenue and Murray Street. Also in process is the placement of a redundant water line under the Kennebec River and an upgrade to the Hospital Street Pump Station.

Several major Sanitary division projects were completed this year. The District invested roughly \$4.6 million to construct a million-gallon Combined Sewer Overflow (CSO) tank and a new pump station on its property at 12 Williams Street. Sewer and or storm mains were upgraded on Brooklawn Avenue, Cedar Street, Commercial Street, Howard Street, Noyes Place and Prospect Street for a combined cost of \$1.3 million. Sewer pipes were relined on Cony Street, Jefferson Street, Mount Vernon Avenue, New England Road, Northern Avenue, Page Street, Prince Street, Trask Street and Washington Street for a combined cost of \$320,000. The Waste Water Treatment Plant replaced a main flow pump, a grit pump, an auto sampler, a primary clarifier plus rehabbed two other clarifiers for a combined cost of \$770,000. Pumps at the Trunkline Two Pump Station were replaced for \$60,000 and a section of the Trunkline force main was repaired for \$51,000. Land located at 261 State Street was purchased for \$82,000. The sanitary division also split the cost of purchasing a vacuum truck, three pickup trucks, a generator, building upgrades and the conversion to natural gas with the water division. Significant ongoing projects at year end included sewer and or storm main replacements or repairs on Columbia Street, Highland Avenue, Gage Street and Murray Street. The pump station located on Wildwood Road is being rehabbed. Ongoing projects from the previous year include replacing a portion of the force main on Route 202, replacing the dewatering system at the Waste Water Treatment Plant and replacing a siphon under the Kennebec River.

Debt Activity

The District made all required 2020 principal and interest payments on existing debt. In 2020, new Water Division debt was issued in the amount of \$1.3 million for the Cony Street water main project. This issuance has a term of ten years with an interest rate of 2.07%.

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, 2020

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 4,061,040
Accounts receivable:	
Customer service	492,151
Unbilled	945,619
Intercommunity trunkline - operations	73,366
Other	20,173
Inventory	163,132
Prepaid expenses	172,906
Total current assets	5,928,387
Noncurrent assets:	
Other assets:	
Cash held by Maine Municipal Bond Bank	431,094
Total other assets	431,094
Capital assets:	
Work in process	7,168,568
Operating property	157,012,976
Less accumulated depreciation	(61,001,303)
Net capital assets	103,180,241
Total noncurrent assets	103,611,335
Total assets	109,539,722
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	305,058
Deferred outflows of resources related to other postemployment benefits	221,716
Total deferred outflows of resources	526,774
LIABILITIES	
Current liabilities:	
Accounts payable:	
Trade	171,746
Construction/retainage	338,869
Accrued payroll	73,051
Accrued interest	118,058
Unearned revenue	12,253
Current portion of notes payable	2,892,195
Total current liabilities	3,606,172
Noncurrent liabilities:	
Accrued compensated absences	232,229
OPEB liabilities	2,900,612
Net pension liability	1,371,878
Notes payable	24,269,688
Total noncurrent liabilities	28,774,407
Total liabilities	32,380,579
DEFERRED INFLOWS OF RESOURCES	
Deferred credits	447,928
Deferred inflows of resources related to other postemployment benefits	144,736
Total deferred inflows of resources	592,664
NET POSITION	
Net investment in capital assets	76,709,682
Unrestricted	383,571
Total net position	\$ 77,093,253

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, 2020

Operating revenues:		
Metered	\$	4,849,549
Flat rate		11,974
Storm water		2,165,056
Catch basins		1,831,257
Trunkline communities		837,027
Public fire protection		819,135
Private fire protection		527,560
Other revenues		521,433
Total operating revenues		11,562,991
Operating expenses:		
Source of supply		271,415
Treatment plant		1,456,324
Transportation and distribution		3,072,216
Customer accounts		506,207
Administrative and general		980,826
Trunkline expenses		247,992
Depreciation		3,321,172
Total operating expenses		9,856,152
Operating income		1,706,839
Nonoperating revenues (expenses):		
Interest revenue		13,997
Utility contract income		18,251
Non-utility income		172,050
Grant revenue		100,000
Miscellaneous		94,963
Interest expense		(498,876)
Amortization expense		(877)
Total nonoperating revenues (expenses)		(100,492)
Change in net position		1,606,347
Net position, beginning of year		75,486,906
Net position, end of year	\$	77,093,253

See accompanying notes to financial statements.

GREATER AUGUSTA UTILITY DISTRICT
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flows from operating activities:		
Receipts from customers and users	\$	12,318,644
Payments to suppliers		(3,599,893)
Payments to employees		(3,479,993)
Net cash provided by operating activities		5,238,758
Cash flows from capital and related financing activities:		
Purchase of capital assets		(10,636,938)
Grant revenue		100,000
Proceeds from long-term debt		4,552,904
Principal payments on long-term debt		(2,949,777)
Interest payments on long-term debt		(545,857)
Net cash used in capital and related financing activities		(9,479,668)
Cash flows from investing activities:		
Interest income		13,997
Net cash provided by investing activities		13,997
Net increase (decrease) in cash		(4,226,913)
Cash at beginning of year		8,287,953
Cash at end of year	\$	4,061,040
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	1,706,839
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		3,321,172
Utility, non-utility, jobbing and miscellaneous revenues		285,264
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service		245,214
(Increase) decrease in accounts receivable - unbilled		35,262
(Increase) decrease in accounts receivable - intercommunity trunkline		6,438
(Increase) decrease in accounts receivable - other		177,961
(Increase) decrease in inventory		20,057
(Increase) decrease in prepaid expenses		(80,334)
(Decrease) increase in accounts payable - trade		(422,887)
(Decrease) increase in accrued payroll		(37,844)
(Decrease) increase in accrued compensated absences		111,969
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources		(182,928)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources		47,061
(Decrease) increase in unearned revenue		5,514
Net cash provided by operating activities		5,238,758
Noncash capital and related financing activities:		
Amortized debt discount		(877)
Amortized deferred credits from bond refinancing proceeds		46,785

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, 2020, 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.

Unamortized Debt Discount - Debt discounts reflect additional funds surrendered at the time of debt issuance due to variances between the stated interest rate on debt and the going market rate. Debt discounts are amortized over the life of each bond issued.

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.

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.

In addition, 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.

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

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

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

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

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

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, 2020, \$474,502 the District's bank balance of \$4,179,731 was insured by the FDIC and \$3,705,229 was collateralized by a \$4,000,000 irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh. In accordance with its investment policy, the District's funds must be made in financial institutions that are insured by FDIC or FSLIC. Any funds deposited or invested above those insurance limits must be collateralized by the financial institution, or any excess funds over that limit must be placed with other insured (FDIC or FSLIC) financial institutions.

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

CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2020:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Dispositions</u>	Balance <u>12/31/20</u>
Capital assets not being depreciated:				
Land	\$ 3,020,620	82,128	-	3,102,748
Work in process	6,137,749	10,385,494	9,354,675	7,168,568
Total capital assets not being depreciated	9,158,369	10,467,622	9,354,675	10,271,316
Capital assets being depreciated:				
Building and structures	33,281,183	1,134,423	-	34,415,606
Equipment	6,617,598	847,045	-	7,464,643
Transportation	2,757,241	652,316	23,775	3,385,782
Infrastructure	102,005,433	6,638,764	-	108,644,197
Total capital assets being depreciated	144,661,455	9,272,548	23,775	153,910,228
Less accumulated depreciation for:				
Building and structures	9,268,110	538,904	-	9,807,014
Equipment	4,581,235	418,904	-	5,000,139
Transportation	2,026,732	219,417	23,775	2,222,374
Infrastructure	41,827,829	2,143,947	-	43,971,776
Total accumulated depreciation	57,703,906	3,321,172	23,775	61,001,303
Total capital assets being depreciated, net	86,957,549	5,951,376	-	92,908,925
Capital assets, net	\$ 96,115,918	16,418,998	9,354,675	103,180,241

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Depreciation expense was charged as follows:

Sewer division	\$ 1,461,381
Storm water division	938,251
Water division	921,540
Total depreciation expense	\$ 3,321,172

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

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, 2020:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Retainage</u>	<u>Balance Remaining</u>
Columbia St Water / Sewer Mains	\$ 603,062	92.45%	557,560	27,878	45,502
Cony St Water Mains	1,138,591	98.35%	1,119,792	18,799	18,799
Equipment – Muffin Monster	25,797	90.00%	23,217	2,580	2,580
Murray Street Water / Sewer Mains	786,331	92.06%	723,912	36,109	62,419
Wildwood Pump Station	98,754	0.00%	-	-	98,754
WWTF Dewatering System	149,300	0.00%	-	-	149,300
WWTF Dewatering System	539,219	90.00%	485,297	53,922	53,922
WWTF Dewatering System	970,581	93.70%	909,413	47,864	61,168

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the District for the year ended December 31, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>
Notes payable	\$ 28,750,724	1,300,000	2,928,967	27,121,757	2,872,377
Financed purchases	-	60,935	20,809	40,126	19,818
Accrued compensated absences	120,260	111,969	-	232,229	-
Other postemployment benefits	2,900,860	-	248	2,900,612	-
Net pension liability	1,007,488	364,390	-	1,371,878	-
Total long-term liabilities	\$ 32,779,332	1,837,294	2,950,024	31,666,602	2,892,195

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, 2020 and 2019:

<u>Issue</u>	<u>Amount issued</u>	<u>Maturity date</u>	<u>Interest rate</u>	<u>Balance 12/31/19</u>	<u>Balance 12/31/20</u>
1990 MMBB	\$ 6,000,000	2020	7.10-7.20%	200,000	-
2009 MMBB SRF	190,000	2027	0.00%	38,527	33,302
2011 MMBB	700,000	2031	2.12-5.62%	420,000	385,000
2013 TD Bank	2,000,000	2023	2.79%	800,000	600,000
2014 MMBB	2,400,000	2034	0.43-3.78%	1,800,000	1,680,000
2014 MMBB	1,100,000	2034	0.43-3.78%	825,000	770,000
2020 TD Bank	1,300,000	2030	2.07%	-	1,300,000
Subtotal Water Division				4,083,527	4,768,302
2002 MMBB	10,750,000	2021	2.34%	1,120,000	560,000
2005 MMBB	1,500,000	2025	1.53%	450,000	375,000
2006 MMBB	1,250,000	2026	1.42%	437,500	375,000
2008 Taxable Sewer	2,000,000	2028	1.27%	962,650	861,008
2009 CWSRF	6,500,000	2029	1.00%	3,298,651	2,983,359
2010 CWSRF - SR	1,750,000	2030	1.17%	1,012,630	925,833
2010 CWSRF - FFR	1,610,000	2030	1.00%	968,993	885,220
2011 CWSRF	14,520,000	2030	1.00%	8,226,773	7,515,535
2017 MMBB	1,600,000	2037	1.26-3.92%	1,440,000	1,360,000
2019 CWSRF - FFR	2,000,000	2039	1.00%	2,000,000	1,900,000
2019 CWSRF - SR	3,000,000	2039	1.00%	3,000,000	2,950,000
2019 MMBB	1,750,000	2039	1.61-3.35%	1,750,000	1,662,500
Subtotal Sanitary Division				24,667,197	22,353,455
Less current portion				2,928,968	2,872,377
Total long-term portion				\$ 25,821,756	24,249,380

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

	<u>Principal</u>	<u>Interest</u>	<u>Total debt service</u>
2021	\$ 2,872,377	507,950	3,380,327
2022	2,437,037	465,433	2,902,470
2023	2,450,725	430,582	2,881,307
2024	2,264,557	395,378	2,659,935
2025	2,278,533	365,327	2,643,860
2026-2030	10,386,026	1,312,351	11,698,377
2031-2035	2,878,055	399,001	3,277,056
2036-2039	1,554,447	117,781	1,672,228
Totals	\$ 27,121,757	3,993,803	31,115,560

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

FINANCED PURCHASES

During the year ended December 31, 2020, the District was obligated under a financed purchase agreement for a vehicle. 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, 2021:

2021	\$ 20,809
<u>2022</u>	<u>20,809</u>
Total minimum lease payments	41,618
Less: Amount representing interest	(1,492)

<u>Present value of net minimum lease payments</u>	<u>\$ 40,126</u>
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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 (\$3,948,333 and \$4,202,630 at December 31, 2020 and 2019, 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.

OPERATING LEASE

On July 30, 2001, the District entered into a five-year non-cancelable lease with Global Tower (formerly Mesa Communications) for the use of the District's land to place communication facilities. Base rental payments are \$1,000 per month and the agreement automatically renews for seven additional terms of five years, with rental payments increasing 15% each renewal term. The lease was renewed at \$1,150 per month beginning in February of 2010, \$1,322 per month beginning in February of 2015, and \$1,521 beginning in February 2020. Future minimum rentals at December 31, 2020 are as follows:

2021	\$ 18,250
2022	18,250
2023	18,250
2024	18,250
<u>2025</u>	<u>1,521</u>
<u>Total</u>	<u>\$ 74,521</u>

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

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, 2020:

Capital assets	\$ 164,181,544
Accumulated depreciation	(61,001,303)
Notes payable	(27,121,757)
Financed purchases payable	(40,126)
Cash held by Maine Municipal Bond Bank	431,094
<u>Unspent note proceeds</u>	<u>260,230</u>
 <u>Net investment in capital assets</u>	 <u>\$ 76,709,682</u>

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 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; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.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 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. MEPERS also provides disability and death benefits, which are established by contract under applicable 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, 2020 and 2019 were as follows:

	Employee		Employer	
	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>
January to June	8.0%	8.1%/7.35%	10.0%	10.0%
July to December	8.1%/7.35%	8.1%/7.35%	10.0%	10.1%

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

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 \$231,453 for the year ended December 31, 2020.

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

At December 31, 2020, the District reported a liability of \$1,371,878 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the District's proportion was 0.3453%.

For the year ended December 31, 2020, the District recognized pension expense of \$278,514. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 67,240	-
Net difference between projected and actual earnings on pension plan investments	89,270	-
Changes in proportion and differences between District contributions and proportionate share of contributions	29,202	-
District contributions subsequent to the measurement date	119,346	-
Total	\$ 305,058	-

\$119,346 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, 2021. 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:

2021	\$ (31,180)
2022	65,074
2023	75,825
2024	75,993

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75% plus merit based on employees years of service
Investment return	6.75% per annum, compounded annually
Cost of living benefit increases	1.91%

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

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, 2020 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	7.5%	2.3%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	7.5%	3.0%
Alternative credit	5.0%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. 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 to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.75%, 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
District's proportionate share of the net pension liability	\$ 2,883,134	\$ 1,371,878	\$ 134,804

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, 2020.

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 it contributed 5.00% of compensation of electing union and non-union participants for 2020, 2019, and 2018, respectively. Total District contributions were \$9,149, \$8,265, and \$7,710 in 2020, 2019, and 2018, 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*.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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.

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, 2020 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employee entitled to but not yet receiving benefits	-
Active employees	26
Total	<u>47</u>

Total OPEB Liability

The District's total Health OPEB liability of \$2,845,099 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00% per year
Salary increases	2.75% per year
Discount rate	2.74%
Healthcare cost trend rates	8.50% for 2020, decreasing to 3.53% for 2040
Retirees' share of the benefit related costs	10% of projected health insurance premiums

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

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 RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the period June 30, 2012 through June 30, 2015.

Changes in the Total OPEB Liability

Balance at December 31, 2019	\$ 2,824,091
Changes for the year:	
Service Cost	13,307
Interest	112,649
Changed in benefit terms	(65,918)
Differences between expected and actual experience	(65,858)
Changes in assumptions or other inputs	208,386
Benefit payments	(181,558)
Net change	<u>21,008</u>
Balance at December 31, 2020	<u>\$ 2,845,099</u>

Change in benefits includes any updates in plan provisions and also includes in this year the change related to the excise tax on “Cadillac” plans being repealed. Change in assumptions reflects a change in the discount rate from 4.10% to 2.74%.

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

For the year ended December 31, 2020, the District recognized OPEB expense of \$5,763. At December 31, 2020, 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	\$ -	109,565
Changes of assumption or other inputs	92,895	-
District contributions subsequent to the measurement date	117,506	-
Total	<u>\$ 210,401</u>	<u>109,565</u>

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE, CONTINUED

\$117,506 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, 2021. 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:	
2021	\$ (54,273)
2022	(19,410)
2023	28,505
2024	28,508

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the District's total OPEB liability calculated using the discount rate of 2.74%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

	1% Decrease (1.74%)	Discount Rate (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 3,172,344	2,845,099	2,571,623

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	\$ 2,572,267	2,845,099	3,166,123

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 \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the OPEB plan from the District were \$2,810 for the year ended December 31, 2020. Employees are not required to contribute to the OPEB plan.

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

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

At December 31, 2020, the District reported a liability of \$55,513 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2020, the District's proportion was 0.4208%.

For the year ended December 31, 2020, the District recognized OPEB expense (gain) of (\$5,702). At December 31, 2020, 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	\$ 6,854	-
Changes of assumptions	-	33,784
Net difference between projected and actual earnings on OPEB plan investments	-	1,387
Changes in proportion and differences between District contributions and proportionate share of contributions	3,223	-
Districts contributions subsequent to the measurement date	1,238	-
Total	\$ 11,315	35,171

\$1,238 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, 2021. 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:	
2021	\$ (7,675)
2022	(6,833)
2023	(3,234)
2024	(3,793)
2025	(3,559)

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 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% - 9.00%
Investment rate of return	6.75%

GREATER AUGUSTA UTILITY DISTRICT
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

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	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
US Government Securities	10.0%	2.3%

Discount Rate - The discount rate used to measure the collective total OPEB liability was 6.75%. 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 6.75%, 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 74,766	55,513	40,039

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
Maine Public Employees Retirement System Consolidated Plan
Last 10 Fiscal Years*

		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	\$	0.3453%	0.3296%	0.3332%	0.3582%	0.3579%	0.3755%	0.3495%
District's proportionate share of the net pension liability		1,371,878	1,007,488	911,892	1,466,649	1,901,605	1,198,107	537,862
District's covered payroll		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 as a percentage of its covered payroll		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		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*

		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$	231,453	213,365	193,975	179,618	176,082	163,431	138,965
Contributions in relation to the contractually required contribution		(231,453)	(213,365)	(193,975)	(179,618)	(176,082)	(163,431)	(138,965)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-
District's covered payroll	\$	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		10.05%	10.00%	9.80%	9.55%	9.21%	8.35%	7.16%

** Only seven years of information available.*

GREATER AUGUSTA UTILITY DISTRICT
Required Supplementary Information, Continued

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	\$ 0.4208%	0.3588%	0.3897%	0.4369%
District's proportionate share of the net OPEB liability	55,513	76,769	78,726	73,048
District's covered payroll	2,242,959	2,104,541	1,926,738	1,935,746
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	2.47%	3.65%	4.09%	3.77%
Plan fiduciary net position as a percentage of the total OPEB liability	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,810	2,305	2,099	2,169
Contributions in relation to the contractually required contribution	(2,810)	(2,305)	(2,099)	(2,169)
Contribution deficiency (excess)	\$ -	-	-	-
District's covered-employee payroll	\$ 2,302,719	2,133,646	1,978,973	1,880,749
Contributions as a percentage of covered-employee payroll	0.12%	0.11%	0.11%	0.12%

* Only four years of information available.

GREATER AUGUSTA UTILITY DISTRICT
Required Supplementary Information, Continued

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 13,307	15,125	16,581
Interest	112,649	103,219	120,050
Changes of benefit terms	(65,918)	-	-
Differences between expected and actual experience	(65,858)	-	(227,522)
Changes of assumptions or other inputs	208,386	(191,663)	88,068
Benefit payments	<u>(181,558)</u>	<u>(174,575)</u>	<u>(167,546)</u>
Net change in total OPEB Liability	21,008	(247,894)	(170,369)
Total OPEB liability - beginning	\$ <u>2,824,091</u>	<u>3,071,985</u>	<u>3,242,354</u>
Total OPEB liability - ending	\$ <u>2,845,099</u>	<u>2,824,091</u>	<u>3,071,985</u>
Covered-employee payroll	\$ 1,362,452	1,330,077	1,330,077
Total OPEB liability as a percent of covered-employee payroll	208.82%	212.33%	230.96%

*Only three 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>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate	6.75%	6.75%	6.875%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%
Salary increases	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%	2.20%	2.55%	3.12%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	6.75%	4.98%	5.13%	5.41%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	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.

** 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, 2020
(with comparative totals for December 31, 2019)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,113,349	2,037,426
Accounts receivable:		
Customer	137,448	230,806
Unbilled	228,128	234,399
Other	19,188	192,994
Inventory	91,002	112,636
Prepaid expenses	86,662	44,480
Total current assets	1,675,777	2,852,741
Noncurrent assets:		
Other assets:		
Unamortized debt discount	-	877
Total other assets	-	877
Capital assets:		
Work in process	1,977,352	993,442
Operating property	48,602,991	46,861,114
Less accumulated depreciation	(19,428,585)	(18,507,045)
Net capital assets	31,151,758	29,347,511
Total noncurrent assets	31,151,758	29,348,388
Total assets	32,827,535	32,201,129
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	125,074	115,909
Deferred outflows of resources related to other postemployment benefits	33,251	18,760
Total deferred outflows of resources	158,325	134,669
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	42,117	65,863
Construction/retainage	101,217	350,044
Accrued payroll	27,420	44,056
Accrued interest	39,692	28,552
Unearned revenue	5,082	4,311
Current portion of notes payable	551,831	615,225
Total current liabilities	767,359	1,108,051
Noncurrent liabilities:		
Accrued compensated absences	105,246	52,410
OPEB liabilities	435,092	435,129
Net pension liability	562,470	413,070
Notes payable	4,229,847	3,468,302
Total noncurrent liabilities	5,332,655	4,368,911
Total liabilities	6,100,014	5,476,962
DEFERRED INFLOWS OF RESOURCES		
Deferred credits	-	1,992
Deferred inflows of resources related to pensions	-	120,940
Deferred inflows of resources related to other postemployment benefits	21,704	34,615
Total deferred inflows of resources	21,704	157,547
NET POSITION		
Net investment in capital assets	26,370,080	25,263,984
Unrestricted	494,062	1,437,305
Total net position	\$ 26,864,142	26,701,289

GREATER AUGUSTA UTILITY DISTRICT
WATER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020	2019
Operating revenues:		
Metered:		
Residential	\$ 1,418,330	1,315,015
Commercial	664,649	733,555
Governmental	239,621	255,222
Public fire protection	819,135	818,999
Private fire protection	527,560	523,773
Other water revenues	6,755	6,163
Total operating revenues	3,676,050	3,652,727
Operating expenses:		
Source of supply	271,415	241,199
Treatment plant	107,953	128,323
Transportation and distribution	1,451,918	1,306,453
Customer accounts	287,083	275,693
Administrative and general	551,639	578,031
Depreciation	921,540	882,615
Total operating expenses	3,591,548	3,412,314
Operating income	84,502	240,413
Nonoperating revenues (expenses):		
Interest revenue	4,349	12,882
Utility contract income	18,251	15,870
Non-utility income	172,050	150,342
Merchandising and jobbing revenue	20,146	26,915
Interest expense	(135,568)	(139,126)
Amortization expense	(877)	(903)
Total nonoperating revenues (expenses)	78,351	65,980
Change in net position	162,853	306,393
Net position, beginning of year	26,701,289	26,394,896
Net position, end of year	\$ 26,864,142	26,701,289

**GREATER AUGUSTA UTILITY DISTRICT
WATER DIVISION**

Statements of Cash Flows

For the Year Ended December 31, 2020

(with comparative totals for the year ended December 31, 2019)

	2020	2019
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,160,703	3,786,034
Payments to suppliers	(1,278,244)	(1,215,284)
Payments to employees	(1,408,002)	(1,307,409)
Net cash provided by operating activities	1,474,457	1,263,341
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,974,614)	(600,517)
Proceeds from long-term debt	1,320,312	-
Principal payments on long-term debt	(622,161)	(615,225)
Interest payments on long-term debt	(126,420)	(151,118)
Net cash used in capital and related financing activities	(2,402,883)	(1,366,860)
Cash flows from investing activities:		
Interest revenue	4,349	12,882
Net cash provided by investing activities	4,349	12,882
Net increase (decrease) in cash	(924,077)	(90,637)
Cash at beginning of year	2,037,426	2,128,063
Cash at end of year	\$ 1,113,349	2,037,426
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 84,502	240,413
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	921,540	882,615
Utility, non-utility, jobbing and miscellaneous revenues	210,447	193,127
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customers	93,358	11,231
(Increase) decrease in accounts receivable - unbilled	6,271	32,728
(Increase) decrease in accounts receivable - other	173,806	(108,090)
(Increase) decrease in inventory	21,634	(5,270)
(Increase) decrease in prepaid expenses	(42,182)	(13,167)
(Decrease) increase in accounts payable - trade	(23,746)	11,325
(Decrease) increase in accrued payroll	(16,636)	11,910
(Decrease) increase in accrued compensated absences	52,836	8,033
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(27,439)	(23,112)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	19,295	17,287
(Decrease) increase in unearned revenue	771	4,311
Net cash provided by operating activities	1,474,457	1,263,341
Noncash capital and related financing activities:		
Amortized debt discount	(877)	(903)
Amortized deferred credits from bond refinancing proceeds	1,992	3,988

SEWER DIVISION

**GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Net Position
December 31, 2020**

(with comparative totals for December 31, 2019)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,468,591	5,541,458
Accounts receivable:		
Customer service	183,399	195,195
Unbilled	270,396	284,867
Intercommunity trunkline - operations	73,366	79,804
Other	462	4,605
Inventory	42,557	41,626
Prepaid expenses	43,122	24,046
Total current assets	3,081,893	6,171,601
Noncurrent assets:		
Other assets:		
Cash held by Maine Municipal Bond Bank	417,758	2,268,727
Total other assets	417,758	2,268,727
Capital assets:		
Work in process	4,535,243	1,799,404
Operating property	62,810,082	60,038,489
Less accumulated depreciation	(25,859,347)	(24,412,944)
Net capital assets	41,485,978	37,424,949
Total noncurrent assets	41,903,736	39,693,676
Total assets	44,985,629	45,865,277
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	112,871	104,601
Deferred outflows of resources related to other postemployment benefits	117,514	66,286
Total deferred outflows of resources	230,385	170,887
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	62,521	73,724
Construction/retainage	227,440	137,787
Accrued payroll	26,466	38,489
Accrued interest	50,311	53,972
Unearned revenue	7,171	2,428
Current portion of notes payable	1,218,783	1,203,784
Total current liabilities	1,592,692	1,510,184
Noncurrent liabilities:		
Accrued compensated absences	73,650	38,798
OPEB liabilities	1,537,324	1,537,456
Net pension liability	507,595	372,771
Notes payable	13,572,402	14,512,309
Total noncurrent liabilities	15,690,971	16,461,334
Total liabilities	17,283,663	17,971,518
DEFERRED INFLOWS OF RESOURCES		
Deferred credits	197,088	216,797
Deferred inflows of resources related to pensions	-	109,141
Deferred inflows of resources related to other postemployment benefits	76,715	122,307
Total deferred inflows of resources	273,803	448,245
NET POSITION		
Net investment in capital assets	27,372,781	25,673,283
Unrestricted	285,767	1,943,118
Total net position	\$ 27,658,548	27,616,401

GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020	2019
Operating revenues:		
Metered	\$ 2,526,949	2,794,305
Flat rate	11,974	13,440
Trunkline communities	837,027	797,973
Late fees	6,765	8,639
Connection fees	126,199	53,656
Togus debt	365,692	365,692
Total operating revenues	3,874,606	4,033,705
Operating expenses:		
Treatment plant	905,519	881,529
Transportation and distribution	823,314	883,991
Customer accounts	109,562	110,065
Administrative and general	208,426	230,875
Trunkline	247,992	256,337
Depreciation	1,461,381	1,403,924
Total operating expenses	3,756,194	3,766,721
Operating income	118,412	266,984
Nonoperating revenues (expenses):		
Interest revenue	4,640	12,206
Grant revenue	100,000	316,000
Miscellaneous	74,817	61,107
Interest expense	(255,722)	(204,341)
Gain (loss) on disposal of capital assets	-	435,000
Total nonoperating revenues (expenses)	(76,265)	619,972
Change in net position	42,147	886,956
Net position, beginning of year	27,616,401	26,729,445
Net position, end of year	\$ 27,658,548	27,616,401

GREATER AUGUSTA UTILITY DISTRICT
SEWER DIVISION
Statements of Cash Flows
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020	2019
Cash flows from operating activities:		
Receipts from customers and users	\$ 3,991,014	4,347,969
Payments to suppliers	(1,226,307)	(1,282,436)
Payments to employees	(1,156,426)	(1,166,623)
Net cash provided by operating activities	1,608,281	1,898,910
Cash flows from capital and related financing activities:		
Purchase of capital assets	(5,432,757)	(1,528,674)
Proceeds from sale of capital assets	-	435,000
Grant revenue	100,000	316,000
Proceeds from long-term debt	1,871,281	2,321,273
Principal payments on long-term debt	(945,220)	(993,976)
Interest payments on long-term debt	(279,092)	(208,201)
Net cash provided by (used in) capital and related financing activities	(4,685,788)	341,422
Cash flows from investing activities:		
Interest income	4,640	12,206
Net cash provided by investing activities	4,640	12,206
Net increase (decrease) in cash	(3,072,867)	2,252,538
Cash at beginning of year	5,541,458	3,288,920
Cash at end of year	\$ 2,468,591	5,541,458
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 118,412	266,984
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,461,381	1,403,924
Miscellaneous and utility contract income	74,817	61,107
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	11,796	112,088
(Increase) decrease in accounts receivable - unbilled	14,471	142,638
(Increase) decrease in accounts receivable - intercommunity trunkline	6,438	1,117
(Increase) decrease in accounts receivable - other	4,143	(2,065)
(Increase) decrease in inventory	(931)	2,113
(Increase) decrease in prepaid expenses	(19,076)	(4,367)
(Decrease) increase in accounts payable - trade	(11,203)	163
(Decrease) increase in accrued payroll	(12,023)	(16,115)
(Decrease) increase in accrued compensated absences	34,852	(1,998)
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(96,952)	(81,660)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	17,413	15,602
(Decrease) increase in unearned revenue	4,743	(621)
Net cash provided by operating activities	1,608,281	1,898,910
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds	19,709	19,709

STORM WATER DIVISION

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Net Position
December 31, 2020
(with comparative totals for December 31, 2019)

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 479,100	709,069
Accounts receivable:		
Customer service	171,304	311,364
Unbilled	447,095	461,615
Other	523	535
Inventory	29,573	28,927
Prepaid expenses	43,122	24,046
Total current assets	1,170,717	1,535,556
Noncurrent assets:		
Other assets:		
Cash held by Maine Municipal Bond Bank	13,336	1,354,335
Total other assets	13,336	1,354,335
Capital assets:		
Work in process	655,973	3,344,903
Operating property	45,599,903	40,782,472
Less accumulated depreciation	(15,713,371)	(14,783,917)
Net capital assets	30,542,505	29,343,458
Total noncurrent assets	30,555,841	30,697,793
Total assets	31,726,558	32,233,349
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	67,113	62,195
Deferred outflows of resources related to other postemployment benefits	70,951	40,022
Total deferred outflows of resources	138,064	102,217
LIABILITIES		
Current liabilities:		
Accounts payable:		
Trade	67,108	455,046
Construction/retainage	10,212	102,481
Accrued payroll	19,165	28,350
Accrued interest	28,055	35,730
Current portion of notes payable	1,121,581	1,109,959
Total current liabilities	1,246,121	1,731,566
Noncurrent liabilities:		
Accrued compensated absences	53,333	29,052
OPEB liabilities	928,196	928,275
Net pension liability	301,813	221,647
Notes payable	6,467,439	7,841,145
Total noncurrent liabilities	7,750,781	9,020,119
Total liabilities	8,996,902	10,751,685
DEFERRED INFLOWS OF RESOURCES		
Deferred credits	250,840	275,924
Deferred inflows of resources related to pensions	-	64,895
Deferred inflows of resources related to other postemployment benefits	46,317	73,846
Total deferred inflows of resources	297,157	414,665
NET POSITION		
Net investment in capital assets	22,966,821	21,746,689
Unrestricted	(396,258)	(577,473)
Total net position	\$ 22,570,563	21,169,216

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2020
(with comparative totals for the year ended December 31, 2019)

	2020	2019
Operating revenues:		
Storm water	\$ 2,165,056	1,824,153
Catch basins	1,831,257	2,052,170
Other	16,022	20,836
Total operating revenues	4,012,335	3,897,159
Operating expenses:		
Treatment plant	442,852	425,943
Transportation and distribution	796,984	746,291
Customer accounts	109,562	110,065
Administrative and general	220,761	237,220
Depreciation	938,251	889,768
Total operating expenses	2,508,410	2,409,287
Operating income	1,503,925	1,487,872
Nonoperating revenues (expenses):		
Interest revenue	5,008	9,744
Grant revenue	-	814,000
Interest expense	(107,586)	(112,536)
Total nonoperating revenues (expenses)	(102,578)	711,208
Change in net position	1,401,347	2,199,080
Net position, beginning of year	21,169,216	18,970,136
Net position, end of year	\$ 22,570,563	21,169,216

GREATER AUGUSTA UTILITY DISTRICT
STORM WATER DIVISION
Statements of Cash Flows
For the Year Ended December 31, 2020

(with comparative totals for the year ended December 31, 2019)

	2020	2019
Cash flows from operating activities:		
Receipts from customers and users	\$ 4,166,927	3,850,523
Payments to suppliers	(1,095,342)	(336,154)
Payments to employees	(915,565)	(866,015)
Net cash provided by operating activities	2,156,020	2,648,354
Cash flows from capital and related financing activities:		
Purchase of capital assets	(2,229,567)	(3,021,847)
Grant revenue	-	814,000
Proceeds from long-term debt	1,361,311	805,665
Principal payments on long-term debt	(1,382,396)	(1,068,995)
Interest payments on long-term debt	(140,345)	(134,385)
Net cash used in capital and related financing activities	(2,390,997)	(2,605,562)
Cash flows from investing activities:		
Interest income	5,008	9,744
Net cash provided by investing activities	5,008	9,744
Net increase (decrease) in cash	(229,969)	52,536
Cash at beginning of year	709,069	656,533
Cash at end of year	\$ 479,100	709,069
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,503,925	1,487,872
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	938,251	889,768
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - customer service	140,060	(9,787)
(Increase) decrease in accounts receivable - unbilled	14,520	(36,314)
(Increase) decrease in accounts receivable - other	12	(535)
(Increase) decrease in inventory	(646)	(3,239)
(Increase) decrease in prepaid expenses	(19,076)	(9,795)
(Decrease) increase in accounts payable - trade	(387,938)	366,470
(Decrease) increase in accrued payroll	(9,185)	(1,556)
(Decrease) increase in accrued compensated absences	24,281	5,497
(Decrease) increase in OPEB liability and related deferred outflows and inflows of resources	(58,537)	(49,304)
(Decrease) increase in net pension liability and related deferred outflows and inflows of resources	10,353	9,277
Net cash provided by operating activities	2,156,020	2,648,354
Noncash capital and related financing activities:		
Amortized deferred credits from bond refinancing proceeds	25,084	25,084