



For Fiscal Year Ended September 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT



A component of the City of Greenville, Texas

Annual Comprehensive Financial Report

Greenville Electric Utility System (GEUS)

(A component unit of the City of Greenville, Texas)

**For Fiscal Years Ended
September 30, 2023 and 2022**

**Prepared by
Finance Department**

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

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INTRODUCTORY SECTION





March 21, 2024

Ms. Sue Ann Harting, Chair and
Members of GEUS Board of Trustees

To the Board, Mayor and Citizens of Greenville Electric Utility System and the City of Greenville :

We are pleased to present the Annual Comprehensive Financial Report of the Greenville Electric Utility System (GEUS) for the fiscal year ended September 30, 2023. The Annual Report includes audited financial statements as required by Board Policy P112.01 as well as Texas state law. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America and audited by a firm of licensed certified public accountants, Whitley Penn, LLP.

This report consists of management's representations regarding GEUS finances. Accordingly, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of GEUS has established a comprehensive internal control framework that is designed both to protect GEUS assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of GEUS financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America. Because the cost of internal controls should not outweigh their benefits, GEUS comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

GEUS is required to have an annual audit of the financial statements related to the system and pledge revenues of the system. GEUS has complied with this requirement and the independent auditor's report by Whitley Penn, LLP is included in this report. The goal of the independent audit was to provide reasonable assurance that the financial statements of GEUS for the fiscal years ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that GEUS financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) included in the financial section of this report is required by GAAP to provide a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

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Center
6000 Joe Ramsey Blvd.
Greenville, TX 75402

GEUS Consumer Services Center

David McCalla Building 2810 Wesley St.
Greenville, TX 75401

Steam Plant/Tom Darte Energy

4201 Power Lane
Greenville, Texas 75401

Profile of the Utility System

The history of the Greenville Electric Utility System (GEUS) began in 1888 when the City Council awarded a water and electric system franchise to Greenville Water and Electric Light Company. After the award, the Greenville Water and Electric Light Company building was constructed on the Sabine River where the diesel plant was formerly located. The river was dammed to provide water for the pumps, but generators were never installed. On November 3, 1890, the City of Greenville City Council passed a resolution authorizing the Mayor, R.L. Porter, to let a contract with Wayne Electric Company to build a small power plant on Town Branch between Wesley and St John Street. It became the first municipally owned electric plant in Texas when it began producing power on March 4, 1891. The Power Plant began generating electricity for nighttime use with a steam engine and two dynamos. In 1908, the city power plant moved to the Sabine River. Two steam generators were added and began generating power 24 hours a day. From 1945-1960 the electrical load on the city increased more than eight-fold. Growth of more than 10% per year was the norm for the city. During the mid-1960's, the city built a new steam generation plant containing two steam turbines. In 1977, a third steam turbine was added to the plant. On May 7, 1988, voters approved the separation of the management of the electric utility from the City of Greenville administration. The public voted to amend the City Charter to include Article XI-A which created a separate, fully autonomous Electric Utility Board and define transfers of revenue from the electric utility to the City of Greenville and on this day, the first Electric Utility Board was named. With limited high-speed Internet available in rural areas, the GEUS Board of Trustees elected to bring fiber optic cable to the Greenville community. In June of 2000, GEUS Cable & Internet was formed. In 2010, GEUS added a new generation plant with three modern, quick start engine generators.

GEUS services an area of approximately 35 square miles inside the City of Greenville, Texas with a total service area of 97 square miles within Hunt County. Customer growth has increased 22% since 2014 and is up 12% over the past 5 years. As of September 30, 2023, the system supported 16,678 customers. The increase in customers from the end of fiscal year 2022 to the end of fiscal year 2023 totals 401, or 2.5%. In FY 2023, GEUS sold 528,950,861 kilowatt hours (kWh) of electricity, an increase of .34% over FY2022 kWh sales.

In 1975 the City of Greenville, along with three other cities, formed Texas Municipal Power Agency (TMPA) to build a 462MW coal fired steam generation plant. The energy generated from the TMPA Gibbons Creek plant was split among the member cities based on their pro rata share. The City of Greenville owns a 10% interest in TMPA assets, which currently remains with the Utility. As part of the TMPA arrangement, the member cities are obligated for payment of operating cost and retirement of debt.

Since GEUS operates autonomously from the City, all account, financial and statistical information relating to GEUS are included herein. GEUS, a component unit, is included in the City of Greenville's Annual Comprehensive Financial Report.

Factors Affecting GEUS' Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which GEUS operates.

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Local Economy

GEUS is in Greenville, Texas and serves the City of Greenville, the unincorporated town of Floyd, a portion of Jacobia and Dixon, as well as Greenville Club Lake and other outlying regions in Hunt County. The economy in the GEUS service territory is diversified with major industry segments that include aerospace industry, robotics, retail and services, tourism, hospitality, and manufacturing.

Principal employers in the GEUS service area include industry leaders such as L3Harris Greenville, a leader in next the generation of LSR solutions; Solvay Composite Materials, a global provider of technologically advanced light weighting material solutions used in the aerospace and automotive industries; and Innovation First International, a leader in designing and supplying control systems to the largest educational robotics competitions worldwide. Located in Greenville, Hunt Regional Medical Center is a large regional hospital with an extensive list of outpatient and diagnostic services from surgery and cancer care, to open imaging. With an enrollment of more than 5,477 students, the Greenville Independent School District provides education for the youth of the community.

The City of Greenville is approximately 33 square miles in size and is the county seat for Hunt County. It is conveniently located just 45 miles northeast of Dallas and is intersected by three railroads, and numerous highways, including Interstate Highway 30, US highways 380, 69, and 67, and State Highways 224, 66, and 34. Hunt County is home to approximately 108,282 people with an estimated 31,060 living in the City of Greenville. Reported annual per capita income in 2022 for Hunt County was \$31,362 with the City of Greenville being slightly lower at \$29,342. The unemployment rate, not adjusted, was 4.8% in September 2023 and is up 0.6% from a year ago.

Long-term Financial Planning

In 2008, GEUS Board of Trustees authorized the issuance of \$16,615,000 in revenue bonds to begin construction on a new generation plant. Revenue bonds totaling \$52,410,000 were issued in 2010 and included \$29,415,500 in TMPA related costs. Both the 2008 and 2010 series bonds became callable in September 2018 and were refunded in 2019. In the refunding, GEUS issued two separate bond series. The 2019A refunding bonds were issued in the amount of \$41,610,000 and will be callable on February 15, 2024. The 2019B refunding bonds had a \$12,500,000 bullet maturity for February 15, 2024, and became callable July 1, 2019. In September 2019 and September 2020, GEUS Trustees called a total of \$6,700,000 of the Series 2019B refunding bonds. In September 2022, an additional \$3,200,000 in bonds were called, leaving a balance of \$2,600,000 in outstanding bonds for the Series 2019B refunding issue as of September 30, 2022.

In 2021, following Winter Storm Uri, GEUS issued Series 2021, a \$20,000,000 Short-term Note callable April 1, 2022. In March 2022, a portion of the note was repaid in the amount of \$5,000,000 from cash reserves, and the GEUS Board of Trustees authorized the issuance of Revenue Refunding Bonds, Series 2022 in the amount of \$15,120,000 to refinance the remainder of the debt.

GEUS Board of Trustees approved a change in direction for capital funding in September 2020, opting to debt fund capital for FY 2021 and FY 2022 instead of following the pay-as-you-go approach. On September 7, 2021, GEUS Trustees authorized the issuance of Series 2021 Bonds in the amount of \$13,885,000 for long-term capital improvements. In September 2022, GEUS Trustees authorized the issuance of Series 2022 Bonds in the amount of \$13,085,000. Delivery of those funds did not occur until October 2022 during FY 2023.

As of September 30, 2023, total debt principal is \$76,130,000 for Series 2019A, Series 2021 (CIP Bonds), Series 2022 Refunding Bonds and the Series 2022 Revenue (CIP) Bonds.

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GEUS maintains and updates a 10-year Capital Improvement Plan that is reviewed by the GEUS Board annually. Under the current operating environment, capital construction and improvement of infrastructure, equipment and existing generation plant detailed in the Capital Improvement Plan will be funded through a combination of cash and bond funding.

In May 2023, the GEUS Board approved the change in the Unrestricted Cash Reserve Policy increasing the minimum level from 175 days to 200 days. The target cash reserve on hand is a forward- looking calculation based on budgeted expenses that include capital less depreciation divided by 365 days then multiplied by 200 days. As of September 30, 2023, unrestricted targeted cash reserve was 203 days. Restricted cash includes cash to fund a portion of GEUS Employee Paid Time Off (PTO) liability as well as cash for debt-funded capital projects.

The GEUS Board authorized a cost of service and rate study in 2019 to review the current rate structures and the sufficiency of rates to fund reliable operations of the utility. On September 17, 2020, the GEUS Board approved revisions to lower the electric rate tariffs. The new rates were effective October 1, 2020. The new rates were designed to provide sufficient earnings necessary to meet cash reserve requirements, debt service coverage, maintain a capital program for reliability, and to preserve GEUS' sound financial condition.

Awards

GEUS' established policies, practices and procedures were evaluated by the APPA's Reliable Public Power Provider (RP³) board in the areas of reliability, safety, workforce development and system improvement. The RP³ board confirmed that GEUS met or exceeded industry-recognized best practices in all these areas. GEUS achieved APPA's Reliable Public Power Provider (RP³) Platinum designation in 2022.

GEUS received two Government Finance Officer Awards for the fiscal year ended September 30, 2023. The Certificate of Achievement was received for Excellence in Financial Reporting and reflects the highest form of recognition in governmental accounting and financial reporting. The Distinguished Budget Presentation Award was received and reflects the commitment of staff to meeting the highest principles of governmental budgeting.

Acknowledgments

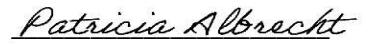
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of GEUS. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Chair and members of the Board of Trustees for their interest and support in planning and conducting the financial operations of GEUS in a responsible and progressive manner.

Respectively submitted,


Alicia Hooks, GEUS
General Manager

Digitally signed by Alicia
Hooks, GEUS General Manager
Date: 2024.03.18 13:42:41
-05'00'

Alicia Hooks
General Manager


Patricia Albrecht

Patricia Albrecht
Interim Business Services Director

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**Greenville Electric Utility System
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrell

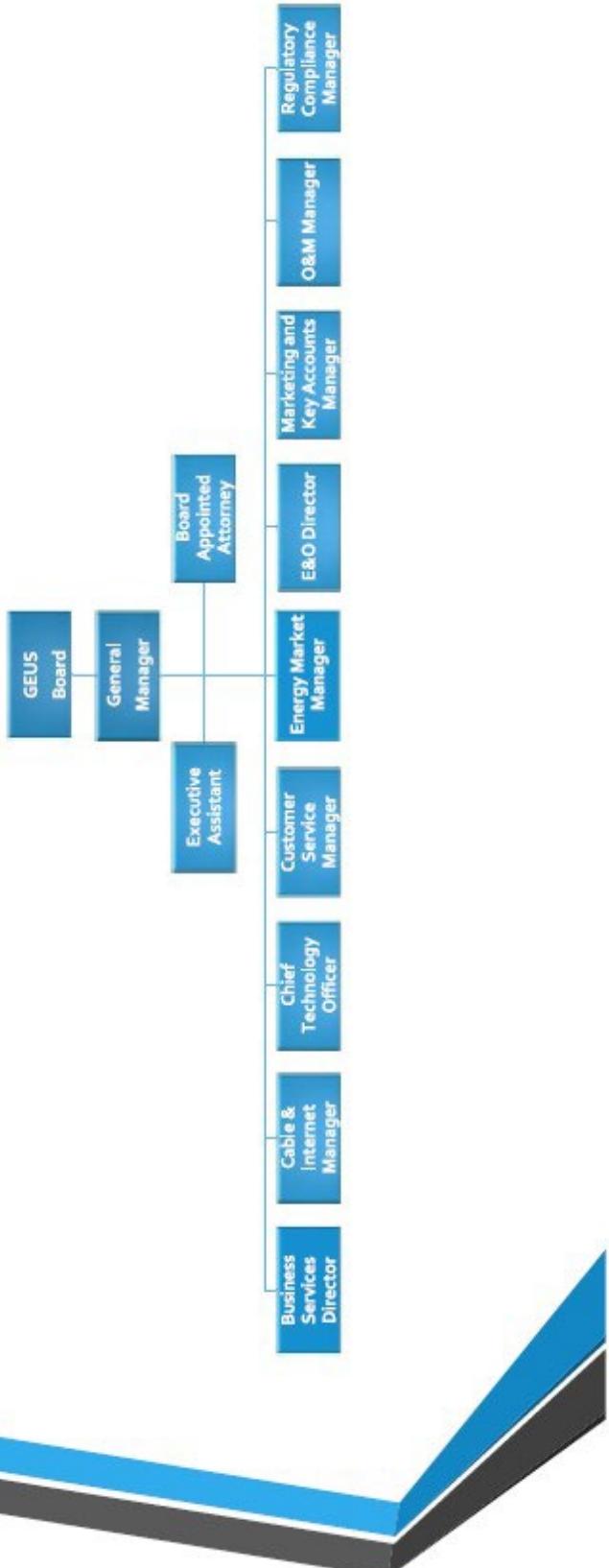
Executive Director/CEO

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

ORGANIZATIONAL CHART

Recommended FY 2023 Electric and C&I

The management of GEUS is performed by a General Manager under Policy Direction of the GEUS Board of Trustees with the aid of his or her staff including a Business Services Director, Cable & Internet Manager, Customer Service Manager, Energy Market Manager, Engineering and Operations Director, Marketing and Key Accounts Manager, O&M Manager, Regulatory Compliance Manager and Executive Assistant. In addition, GEUS' contracted services from the City include accounting (i.e. investments, check issuing, etc.) which is overseen by the Finance and Administrative Services Director and personnel services overseen by the Human Resources Director. The Board appointed Attorney also reports to the General Manager.



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

PRINCIPAL OFFICIALS



Board of Trustees

Sue Ann Harting.....	Chair, Place 5
Karen Bates.....	Vice-Chair, Place 4
Victor Gore.....	Secretary/Treasurer, Place 3
Glover George.....	Board Member, Place 1
Greg Chesney.....	Board Member, Place 2
Jerry Ransom.....	City of Greenville Mayor – Ex Officio Member

Executive Staff and Department Heads

Alicia Hooks.....	General Manager
Patricia Albrecht.....	Interim Business Services Director
Ashley Cotton.....	Regulatory Compliance Manager
Micah Harris.....	Customer Service Manager
Jimmy Dickey.....	Marketing and Key Accounts Manager
Mark Stapp.....	Engineering and Operations Director
Jesse Gatlin.....	Operations and Maintenance Manager
Brandon Kirby.....	Energy Market Manager
Adrian Lall.....	Chief Technology Officer



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Greenville Electric Utility System
Greenville, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Greenville Electric Utility System ("GEUS") a component unit of the City of Greenville, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise GEUS's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of GEUS, as of September 30, 2023, and the respective changes in financial position cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

To the Board of Trustees
of Greenville Electric Utility System
Greenville, Texas

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GEUS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GEUS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension information and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
of Greenville Electric Utility System
Greenville, Texas

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Whitley Penn LLP

Dallas, Texas
March 21, 2024



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023 and 2022

The management of GEUS encourages the readers to consider the following discussion and analysis in combination with the financial statements included in the Financial Section.

The objective of this discussion and analysis is to provide the reader information relevant to assess the financial condition and the results of operations of GEUS as determined by an evaluation of reported financial statement amounts.

Please refer to the accompanying basic financial statements and their related footnotes for more detailed information concerning the financial condition of GEUS. The basic financial statements are comprised of the statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and the related notes which are an integral part of the financial statements.

Financial Highlights

The assets and deferred outflows of resources of GEUS exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2023, by \$71,818,549 (net position). Of this amount, there is a positive unrestricted net position of \$32,553,784. There was an increase in current assets primarily in cash and cash equivalents. Proceeds from revenue bonds issued remain in cash and cash equivalents while the projects are still in planning stages. There is also an increase in customer receivables and inventory accounts. Current liabilities increased due to an increase in accounts payable and accrued salaries due to timing.

GEUS' total net position increased by \$8,132,656 from current year operations. This change in net position is mainly result of an increase in operating revenues primarily due to an improvement in fuel costs and adjustment as well as an increase in investment income. Operating expenses increased due to an increase in maintenance costs and a significant increase in the TMRS net pension liability and corresponding expense related to the increase.

GEUS' revenue bonds increased by a net of \$6.8 million due to the issuance of \$13.1 million in revenue bonds offset by principal payments and amortization of premium and discount of \$6.5 million.

Overview of the Financial Statements

This annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of GEUS. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

GEUS' financial statements utilize accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about their activities. The statements of net position include all of GEUS' assets, deferred outflows, liabilities, and deferred inflows and provide information about the nature and amounts of investments in resources and the obligations to creditors. It also provides the basis for evaluating the capital structure of GEUS and assessing the liquidity and financial flexibility of GEUS.

All of the current year's revenues and expenses are accounted for in the statements of revenues, expenses and changes in net position. These statements measure the success of GEUS' operations over the past year and can be used to determine whether GEUS has successfully recovered all of its costs through its rates and fees, profitability and creditworthiness.

The final required financial statements are the statements of cash flows. The statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing and financing activities as well as provide answers to such questions as where did cash come from, what was capital and related cash used for, and what was the change in the cash balance during the reporting period.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2023 and 2022

	September 30,		
	2023	2022	2021
Assets			
Current assets	\$ 80,565,464	\$ 56,129,043	\$ 58,616,783
Restricted assets	2,812,672	4,363,615	2,380,301
Electric plant, net	68,436,734	67,608,611	60,642,719
Cable and Internet equipment, net	6,369,564	6,011,352	5,902,277
Other noncurrent assets	14,115,637	14,630,493	15,145,349
Total Assets	<u>172,300,071</u>	<u>148,743,114</u>	<u>142,687,429</u>
 Deferred Outflow of Resources	 <u>4,871,114</u>	 <u>1,075,627</u>	 <u>1,362,638</u>
 Liabilities	 	 	
Current liabilities	8,038,473	3,563,951	4,768,529
Current liabilities payable from restricted assets	7,163,580	7,166,707	25,077,309
Long-term liabilities, less current maturities	89,266,526	71,818,491	64,181,998
Total Liabilities	<u>104,468,579</u>	<u>82,549,149</u>	<u>94,027,836</u>
 Deferred Inflows of Resources	 <u>884,057</u>	 <u>3,583,699</u>	 <u>1,808,185</u>
 Net Position	 	 	
Net investment in capital assets	39,264,765	32,134,744	35,640,903
Restricted for net pension asset	-	1,659,255	-
Unrestricted	32,553,784	29,891,894	12,573,143
Total Net Position	<u>\$ 71,818,549</u>	<u>\$ 63,685,893</u>	<u>\$ 48,214,046</u>

Net Position

Net position increased by \$8,132,656 ,or 12.8% of beginning net position, for the year ended September 30, 2023. This increase is due to the increase in current assets related to investment income and the issuance of revenue bonds. Noncurrent assets increased due to an increase in capital assets. Deferred outflows increased related to deferred pension costs related to TMRS estimates.

Net position increased by \$15,471,847 ,or 32.1% of beginning net position, for the year ended September 30, 2022. This increase was primarily due to a decrease of operating expenses related to Winter Storm Uri in FY 2021.

Current Assets

The \$24,436,421 increase in current assets as of September 30, 2023, was primarily due to the increase in investment income and the issuance of revenue bonds for which a significant amount of cash and cash equivalents remain on hand for projects.

The \$2,487,740 decrease in current assets as of September 30, 2022, was mainly attributable to the payment of debt principal payments and the payment for capital assets and projects in progress which increased.

Property, Plant and Equipment

Property, plant and equipment net of accumulated depreciation, which includes production, transmission, distribution, general, cable and Internet equipment and other items owned by GEUS, increased by \$1.2 million from \$73.6 million as of September 30, 2022, to \$74.8 million as of September 30, 2023. Assets purchased totaled \$6.3 million and depreciation expense equaled \$5.0 million.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2023 and 2022

Property, plant and equipment net of accumulated depreciation, which includes production, transmission, distribution, general, cable and Internet equipment and other items owned by GEUS, increased by \$7.1 million from \$66.5 million as of September 30, 2021, to \$73.6 million as of September 30, 2022. Assets purchased totaled \$11.9 million and depreciation expense equaled \$4.7 million.

Additional information on GEUS' capital assets can be found in Note 3 of this report.

Regulatory Asset

A winter storm during fiscal year ended September 30, 2021 resulted in a historic demand for energy. Due to factors beyond GEUS' control, extraordinary costs in procuring the necessary supply of energy were incurred. As a result, GEUS recorded a regulatory asset in fiscal year 2021 in the amount of \$15.1 million to defer the extraordinary costs incurred. The regulatory asset will be amortized over a period of 30 years.

Current Liabilities

Current liabilities increased by \$4.5 million from September 30, 2022 to September 30, 2023 due to an increase in accounts payable and salaries payable due to timing of invoices and year-end pay period.

Current liabilities decreased by \$19.1 million from September 30, 2021 to September 30, 2022, as a result of the \$20.0 million payment of the subordinate lien from cash and the issuance of new bonds.

Long-term Liabilities

GEUS' long-term liabilities increased in total by \$17.4 million for the year ended September 30, 2023. This is a result of an increase in bonds payable of \$6.8 million (new debt net of principal payments) and an increase in the TMRS estimated net pension liability of \$12.5 million.

GEUS' long-term liabilities increased overall by \$7.6 million for the year ended September 30, 2022. This is a result of an increase in long-term debt due of \$9.0 million (new debt net of principal payments) offset by the net pension liability decrease of \$1.6 million.

Additional information on GEUS' long-term debt can be found in Note 4 of this report.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2023 and 2022

Revenues and Expenses

	For the Years Ended September 30,		
	2023	2022	2021
Revenues			
Operating revenues:			
Electric	\$ 106,923,404	\$ 96,011,334	\$ 124,730,252
Cable and internet	6,346,743	6,369,772	6,105,300
Nonoperating revenues - other	1,796,882	114,713	15,087
Total Revenues	115,067,029	102,495,819	130,850,639
Expenses			
Other operating expenses	97,966,216	86,663,174	124,198,502
Depreciation/amortization expense	5,542,872	5,165,433	5,755,697
Nonoperating expenses	3,425,285	(4,804,635)	1,988,125
Total Expenses	106,934,373	87,023,972	131,942,324
Change in Net Position	8,132,656	15,471,847	(1,091,685)
Net Position, Beginning of Year	63,685,893	48,214,046	49,305,731
Net Position, End of Year	\$ 71,818,549	\$ 63,685,893	\$ 48,214,046

GEUS' operating revenues increased approximately \$10.9 million for the year ended September 30, 2023, compared to September 30, 2022. The increase in FY2022 is due an increase in fuel adjustments. Cable and Internet (C/I) revenues were consistent with the prior year.

GEUS' operating revenues decreased approximately \$28.9 million for the year ended September 30, 2022, compared to September 30, 2021. The increase in FY 2021 was a result of increased market prices and rates in energy sales as a result of Winter Storm Uri. During FY 2022, sales returned a rate consistent with pre-storm rates. Cable and Internet (C/I) revenues were consistent with the prior year.

Operating expenses increased by approximately \$11.3 million for the year ended September 30, 2023, compared to September 30, 2022. Primarily due to the increase in maintenance cost and the pension related expense from the increase in the pension liability.

Operating expenses decreased by approximately \$37.5 million for the year ended September 30, 2022, compared to September 30, 2021. In operating revenues, this is a direct result of some costs returning to pre-storm levels.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2023 and 2022

Economic Factors and Next Year's Budget

The preparation of the fiscal year 2023-24 Operating Budget recognizes the need to continue improving system reliability and support growth. Reliability is maintained and improved through the GEUS capital improvement program. The FY24 budget includes \$19.5 million in capital projects. Significant projects in the capital plan to improve reliability and support growth in its service area are ongoing projects to replace substation equipment, new electric metering project and the upgrade and extension to the Transmission and Distribution Systems. Total budgeted revenue in FY 24 reflects a decrease of 1.34% over the prior year, including a 10.67% increase in metered sales, a decrease of 11.74% in fuel pass through charges, an 8.4% increase in regulatory charges (Transmission Cost of Service recovery) and an increase in market energy sales. Budgeted costs decreased by .46% and are related to administration, billing, cable and internet, customer service and transmission cost of service.

Requests for Information

This financial report is designed to provide a general overview of GEUS' finances for all those with an interest in the utility's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to GEUS, Finance Department, 6000 Joe Ramsey Boulevard, Greenville, Texas 75402.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

STATEMENTS OF NET POSITION

September 30, 2023 and 2022

Page 1 of 2

	2023	2022
Assets		
Current Assets:		
Equity in pooled cash and cash equivalents	\$ 51,747,912	\$ 31,004,099
Investments	5,159,294	7,323,799
Accounts receivable, net of allowance for uncollectible amounts	12,726,797	10,456,094
Prepaid expense	2,916,643	2,647,842
Due from other funds	15,100	15,100
Inventories	7,999,718	4,682,109
Total Current Assets	<u>80,565,464</u>	<u>56,129,043</u>
Restricted Assets:		
Cash and cash equivalents	2,812,672	2,704,360
Net pension asset	-	1,659,255
Total Restricted Assets	<u>2,812,672</u>	<u>4,363,615</u>
Property, Plant and Equipment:		
Production	54,979,414	54,866,526
Transmission	16,088,244	16,286,514
Distribution	39,717,132	37,375,133
General	13,082,329	11,772,362
Construction in progress	4,180,173	2,882,601
Plant	145,388	145,388
Cable and internet	18,641,673	17,612,459
Total Property, Plan and Equipment	<u>146,834,353</u>	<u>140,940,983</u>
Less accumulated depreciation	72,028,055	67,321,020
Property, plant and equipment, net	<u>74,806,298</u>	<u>73,619,963</u>
Other Non-current Assets:		
Regulatory asset	15,145,349	15,145,349
Less accumulated amortization	1,029,712	514,856
Total Assets	<u>172,300,071</u>	<u>148,743,114</u>
Deferred Outflows of Resources		
Deferred outflows - pension	4,705,342	878,654
Deferred outflows - OPEB (SDBF)	87,735	113,213
Deferred outflows - OPEB (RHCP)	78,037	83,760
Total Deferred Outflows of Resources	<u>4,871,114</u>	<u>1,075,627</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 177,171,185</u></u>	<u><u>\$ 149,818,741</u></u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

STATEMENTS OF NET POSITION

September 30, 2023 and 2022

Page 2 of 2

	2023	2022
Liabilities		
Current Liabilities:		
Accounts payable	\$ 3,495,585	608,178
Accrued liabilities	3,035,482	2,009,210
Due to component units of the primary government	251,234	-
Due to primary government	1,256,172	946,563
Total Current Liabilities	<u>8,038,473</u>	<u>3,563,951</u>
Current Liabilities Payable from Restricted Assets:		
Revenue bonds - current	3,670,000	3,590,000
Customer deposits	2,812,672	2,704,360
Accrued interest	397,171	384,615
Accrued compensated absences	283,737	487,732
Total Current Liabilities Payable from Restricted Assets	<u>7,163,580</u>	<u>7,166,707</u>
Total Current Liabilities	<u>15,202,053</u>	<u>10,730,658</u>
Long-term Liabilities, Less Current Maturities:		
Revenue bonds payable, net of bond premium (discount)	75,702,750	68,953,696
Accrued compensated absences	1,084,335	767,571
Net pension liability	10,815,828	-
Total OPEB liability	1,663,613	2,097,224
Total Long-term Liabilities, Less Current Maturities	<u>89,266,526</u>	<u>71,818,491</u>
Total Liabilities	<u>104,468,579</u>	<u>82,549,149</u>
Deferred Inflows of Resources		
Deferred inflows - pension	2,637	3,168,411
Deferred inflows - OPEB (SDBF)	190,764	29,926
Deferred inflows - OPEB (RHCP)	471,199	121,911
Deferred gain on refunding	219,457	263,451
Total Deferred Inflows of Resources	<u>884,057</u>	<u>3,583,699</u>
Net Position		
Net investment in capital assets	39,264,765	32,134,744
Restricted for net pension asset	-	1,659,255
Unrestricted	32,553,784	29,891,894
Total Net Position	<u>\$ 71,818,549</u>	<u>\$ 63,685,893</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended September 30, 2023 and 2022

	2023	2022
Operating Revenues		
Electric	\$ 106,923,404	\$ 96,011,334
Cable and internet	6,346,743	6,369,772
Total Operating Revenues	113,270,147	102,381,106
Operating Expenses		
Electric	79,838,698	76,913,932
Cable and internet operations	4,947,430	4,819,862
Administrative	6,026,331	148,804
Insurance	554,100	418,216
City services	545,519	517,080
Pilot	418,898	380,787
General fund	4,696,033	2,887,078
Board of development	939,207	577,415
Total Operating Expenses	97,966,216	86,663,174
Operating Income Before Depreciation	15,303,931	15,717,932
Less depreciation	5,028,016	4,650,577
Less amortization of regulatory asset	514,856	514,856
Operating Income	9,761,059	10,552,499
Nonoperating Revenue (Expenses)		
Investment earnings	1,796,882	114,713
Interest expense	(3,511,230)	(2,697,875)
Depreciation/Amortization	321,129	576,367
Other income (expense)	(235,184)	6,926,143
Total Nonoperating Revenue (Expenses), Net	(1,628,403)	4,919,348
Change in Net Position	8,132,656	15,471,847
Net Position, Beginning of Year	63,685,893	49,408,182
Prior period adjustment	-	(1,194,136)
Net position beginning of the year, restated	63,685,893	48,214,046
Net Position, End of Year	\$ 71,818,549	\$ 63,685,893

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2023 and 2022

	2023	2022
Operating Activities		
Receipts from customers and users	\$ 111,107,756	\$ 102,216,748
Cash paid to employees	(4,151,853)	(11,716,221)
Cash paid to suppliers	(86,919,797)	(78,711,213)
Net Cash Provided By (Used in) Operating Activities	20,036,106	11,789,314
Investing Activities		
Purchases of investments	-	(1,398,524)
Sale of investments	2,164,505	84,917
Interest on investments	1,796,882	114,713
Net Cash Provided By (Used in) Investing Activities	3,961,387	(1,198,894)
Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds, net of premiums	13,296,191	15,120,000
Purchase of capital assets	(6,313,220)	(11,885,400)
Proceeds from other sales	(235,184)	6,926,143
Principal payments	(6,190,000)	(25,580,000)
Interest and fiscal charges	(3,703,155)	(2,614,830)
Net Cash Provided By (Used in) In Capital and Related Financing Activities	(3,145,368)	(18,034,087)
Change in Cash and Cash Equivalents	20,852,125	(7,443,667)
Cash and Cash Equivalents, Beginning of Year	33,708,459	41,152,126
Cash and Cash Equivalents, End of Year	\$ 54,560,584	\$ 33,708,459
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income	\$ 9,761,059	\$ 10,552,499
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,028,016	4,650,577
Amortization of regulatory asset	514,856	514,856
Provision for bad debts	303,348	74,939
Change in:		
Receivables	(2,270,703)	(488,417)
Prepaid assets	(268,801)	(2,573,330)
Inventories	(3,317,609)	(804,615)
Due to component units of the primary government	251,234	(69,591)
Due to primary government	309,609	946,563
Compensated absences	112,769	-
Deposits payable	108,312	324,059
Accounts payable and accrued liabilities	3,833,340	(1,249,377)
Accrued payroll	80,339	(17,785)
Net pension liability, net of changes in deferred resources	5,482,621	(1,148,420)
Total OPEB liability, net of changes in deferred resources	107,716	1,077,356
Net Cash Provided by (Used in) Operating Activities	\$ 20,036,106	\$ 11,789,314
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Equity in pooled cash and cash equivalents	\$ 51,747,912	\$ 31,004,099
Restricted cash	2,812,672	2,704,360
Total Cash and Cash Equivalents	\$ 54,560,584	\$ 33,708,459



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS

September 30, 2023 and 2022

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

The accounting and reporting policies of GEUS, as reflected in the accompanying financial statements, conform to generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Boards. The following represents the more significant accounting and reporting policies and practices used by the utility.

Reporting Entity

GEUS provides electric, cable and internet services to customers in an approximately 96-square- mile area, which includes the City of Greenville (City). Until 1989, the electric system was owned and operated by the City. Pursuant to Article XI-A of the *Charter of the City* (adopted at an election held on May 8, 1988) and Article 1115a, *Vernon's Texas Civil Statutes*, the City transferred management control and operation of the electric system to the newly created five- member Board of Trustees (Board) of GEUS. Among the powers delegated to the Board is the power to establish rates and charges for services supplied by the electric system, the power of condemnation for electrical use, as well as the power to issue revenue obligations. The Board has the primary responsibility for the payment of all obligations which are payable from the revenues of the electric system. In fiscal year 1989, obligations of the City relating to its electric system were transferred to GEUS. Although the City Council appoints all GEUS Board members, the Board members may only be removed by a vote of the citizens of the City. The City Charter was amended in May 2010, to include the Mayor as nonvoting, ex-officio sixth member of the Board of Trustees. GEUS' operating and capital expenditures, including debt service, are financed entirely through electric rates. Financial transactions between GEUS and the City, reported in GEUS' financial statements, reflect contractual agreements between the parties for the provision of special services by the City to GEUS and by GEUS to the City. GEUS is included as a discretely presented component unit in the City's basic financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus, Basis of Accounting and Basis of Presentation

GEUS maintains an enterprise fund to account for its operations. An enterprise fund is a proprietary fund, which is accounted using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Enterprise funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of management is to finance the costs of providing services to the public primarily through user charges.

Accounting and Financial Reporting

GASB Statement No. 34 (GASB 34), *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, establishes financial reporting standards for state and local governments, including public utilities. GASB 34 establishes the basic financial statements and required supplementary information for general and special purpose governments. The management's discussion and analysis is included as GEUS' required supplementary information and precedes the basic financial statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (continued)

Unbilled Revenues and Fuel Recovery

Customers are billed monthly on a cycle basis, with revenues being recorded when billed. At the end of the accounting period, an accrual is made for unbilled revenues, which consists of electric utility services provided, but not billed. Unbilled revenues are included in accounts receivable.

GEUS is allowed to recover fuel and purchased energy costs through fuel charges. GEUS defers or accrues any over recognized or under recovered fuel and purchased power costs in excess of the fuel charges until such costs are reflected in billings to customers. This fuel recovery allows for the pass-through of fuel costs to the customers and has no impact on net position. This deferral is included in accounts receivable.

Property, Plant and Equipment

Property, plant and equipment are stated at historical cost or acquisition value for assets contributed by developers. Expenditures for improvements and those that extend the lives of assets are capitalized. Maintenance and repairs are charged to expense. GEUS utilizes the straight-line depreciation method for all plant and equipment. The following is a summary of the useful lives assigned to the major classes of depreciable capital assets:

Buildings	30 - 50 years
Improvements other than buildings	5 - 50 years
Machinery and equipment	5 - 35 years
Motor vehicles	5 - 10 years

Services Provided by the City of Greenville

GEUS contracts with the City of Greenville for certain administrative and operating services. GEUS' employees are on the payroll of the City and participate in City pension and employee benefit plans. Contributions were made by GEUS and its employees to the Texas Municipal Retirement System (TMRS), the deferred compensation plan, the medical self-insurance plan and the workers' compensation self-insurance plan of the City.

Specific expenses of GEUS are processed and paid by the City and charged to GEUS. In addition, GEUS made the following payments to the City:

	2023	2022
5% General fund transfer to City	\$ 4,696,033	\$ 2,887,078
1% Transfer to the City of BOD	939,207	577,415
Payment in lieu of property taxes	418,898	380,787
General and administrative	<u>545,519</u>	<u>517,080</u>
	<u><u>\$ 6,599,657</u></u>	<u><u>\$ 4,362,360</u></u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

GEUS considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. The City maintains a cash and investment pool in which GEUS participates. GEUS' portion of this pool is displayed on the statement of net position as "Equity in pooled cash".

In accordance with GASB Statement No.31, GEUS general policy is to report short-term treasury securities, U.S. government backed securities which have a remaining term of one year or less at time of purchase, and money market mutual funds at amortized costs.

Investments

Investments consist of local government investment pools, United States (U.S.) treasury obligations, and U.S. agency securities with original maturities greater than three months from the date of acquisition. GEUS reports all investments at fair value, except for investment pools. GEUS' investment pools are valued and reported at amortized cost, which approximates fair value.

GEUS categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

Inventories

Inventories, which are expensed as they are consumed, are stated at weighted-average cost.

Bond Discounts (Premium)

Bond discounts (premium) are deferred and amortized over the term of the bonds using the effective interest method. Bond discounts (premium) are presented as a reduction of (addition to) the face amount of bonds payable.

Deferred Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. GEUS reports deferred amounts related to its net pension liability, total OPEB liability, and unamortized expense on asset retirement obligation in the statement of net position.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. GEUS reports deferred amounts related to its fuel adjustments, deferred gain on refunding, net pension liability and total OPEB liability in the statement of net position.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 1 - Nature of Operations and Summary of Significant Accounting Policies (continued)

Pension

For purposes of measuring the net pension liability, deferred outflow/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75.

Other Post-employment Benefits (OPEB)

The City provides postemployment medical care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. Employees separating employment with the City who have had at least five years of service with the City and who are eligible for Texas Municipal Retirement System retirement benefits at the date of separation may purchase retiree health insurance through the City. An employee must participate in Health Compare Exchange Market Place to receive OPEB subsidies for health care. All medical care benefits are provided through a selected health care provider in Exchange Market Place. Retirees may remain covered until age 65 or eligibility for Medicare. Information regarding the City's total OPEB liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

Net Position Flow Assumption

Sometimes GEUS will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is GEUS' policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Implementation of New Accounting Standards

GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA), was issued in May 2020 and was effective for periods beginning after June 15, 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GEUS has evaluated the effects of this standard and has determined that this Statement does not impact the financial statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments

Cash and investments as of September 30, 2023 and 2022, are classified in the accompanying financial statements as follows:

	2023	2022
Equity in pooled cash and cash equivalents	\$ 51,747,912	\$ 31,004,099
Restricted cash	2,812,672	2,704,360
Investments	5,159,294	7,323,799
	<u>\$ 59,719,878</u>	<u>\$ 41,032,258</u>

Deposits and investments as of September 30, 2023 and 2022, consist of the following:

	2023	2022
Cash on hand	\$ 2,500	\$ 2,614
Demand deposits	14,526,163	15,537,077
Local Government Investment Pools	40,031,921	18,168,768
Investments	5,159,294	7,323,799
Total Deposits and Investments	<u>\$ 59,719,878</u>	<u>\$ 41,032,258</u>

The table below identifies the investment types that are authorized for GEUS by the *Texas Public Funds Investment Act* (Act) (Government Code Chapter 2256). The table also identifies certain provisions of GEUS' investment policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Investment Policy		
	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligation	5 years	None	None
U.S. Agencies Securities	5 years	None	None
State of Texas Treasury Obligations	5 years	None	None
State of Texas Securities	5 years	None	None
Certificates of deposits	5 years	None	None
Money market	90 days	None	None
Repurchase agreements	90 days	30%	None
Mutual funds	2 years	None	None
Investment pools	90 days	None	None
Banker's acceptance	270 days	30%	None
Commercial paper	270 days	30%	None
Collateralized mortgage obligations	5 years	None	None

GEUS' investment policy limits the maximum maturity of investments and the weighted average of the portfolio based on four major fund types which are general operating funds, debt service funds, reserve funds and capital improvement funds. The details relating to these limits may be obtained from the City of Greenville's Finance Department.

The Act also requires GEUS to have independent auditors perform test procedures related to investment practices as provided by the Act. GEUS is in substantial compliance with the requirements of the Act and with local policies.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that GEUS manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter-term investments with an average maturity of less than 60 days thus reducing the interest rate risk. GEUS monitors the interest rate risk inherent in its portfolio by measuring the weighted- average maturity of its portfolio. GEUS has no specific limitations with respect to this metric.

As of September 30, 2023, GEUS had the following investments:

Investment Type	Amount	Days to Maturity
TexPool	\$ 1,793,090	19
Logic	632,787	51
Texas TERM	8,333,154	100
Texas Range	24,298,717	26
Texas CLASS	4,366,612	70
TexSTAR	607,561	36
U.S. Treasury Obligations	3,388,026	224
U.S. Agencies Securities	1,771,268	6
Total	\$ 45,191,215	
Portfolio weighted-average maturity		58

As of September 30, 2022, GEUS had the following investments:

Investment Type	Amount	Days to Maturity
TexPool	\$ 1,765,617	37
Logic	621,815	55
Texas TERM	10,250,570	2
Texas CLASS	4,932,472	2
TexSTAR	598,294	35
U.S. Treasury Obligations	6,184,347	386
U.S. Agencies Securities	571,517	274
Commercial Paper	567,935	114
Total	\$ 25,492,567	
Portfolio weighted-average maturity		53

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments (continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the *Public Funds Investment Act*, GEUS' investment policy, or debt agreements and the actual rating as of year-end for each investment type.

September 30, 2023

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
TexPool	\$ 1,793,090	N/A	AAA
Logic	632,787	N/A	AAA
Texas TERM	8,333,154	N/A	AAAm
Texas Range	24,298,717	N/A	AAAm
Texas CLASS	4,366,612	N/A	AAAm
TexSTAR	607,561	N/A	AAAm
U.S. Treasury Obligations	3,388,026	N/A	
U.S. Agencies Securities	<u>1,771,268</u>	N/A	
Total	<u><u>\$ 45,191,215</u></u>		

September 30, 2022

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
TexPool	\$ 1,765,617	N/A	AAA
Logic	621,815	N/A	AAA
Texas TERM	10,250,570	N/A	AAAm
Texas CLASS	4,932,472	N/A	AAAm
TexSTAR	598,294	N/A	AAAm
U.S. Treasury Obligations	6,184,347	N/A	
U.S. Agencies Securities	571,517	N/A	
Commercial Paper	<u>567,935</u>	N/A	AA+
Total	<u><u>\$ 25,492,567</u></u>		

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments (continued)

Disclosures Relating to Credit Risk (continued)

Investments' fair value measurements are as follows as of September 30, 2023 and 2022:

September 30, 2023					
Investments	Fair Value	Fair Value Measurements Using			Level 3 Inputs
		Level 1 Inputs	Level 2 Inputs		
U.S. Treasury Obligations	\$ 3,388,026	\$ 3,388,026	\$ -	\$ -	\$ -
Government securities:					
FHLB	1,771,268	-	1,771,268	-	-
Total	\$ 5,159,294	\$ 3,388,026	\$ 1,771,268	\$ -	\$ -

September 30, 2022					
Investments	Fair Value	Fair Value Measurements Using			Level 3 Inputs
		Level 1 Inputs	Level 2 Inputs		
U.S. Treasury Obligations	\$ 6,184,347	\$ 6,184,347	\$ -	\$ -	\$ -
Government securities:					
FHLB	571,517		571,517		-
Commercial paper	567,935	567,935			-
Total	\$ 7,323,799	\$ 6,752,282	\$ 571,517	\$ -	\$ -

Concentration of Credit Risk

The investment policy of GEUS contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2023, other than external investment pools, investments that represent 5% or more of GEUS' total are as follows.

Investment	Investment Type	Amount
Government securities	U.S. Treasury Obligations	\$ 3,388,026

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Texas *Public Funds Investment Act* and GEUS' investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk (continued)

As of September 30, 2023, GEUS' deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

GEUS is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool uses amortized cost rather than the market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the net asset value of TexPool shares.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment carried at amortized cost have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

GEUS invested in the Texas Local Government Investment Cooperative (LOGIC) Liquid Asset Portfolio. LOGIC is a public funds investment pool managed by Southwest Securities Group, Inc. LOGIC investments are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the City has not issued securities, but rather it owns an individual beneficial interest in the assets of the related investment pools. LOGIC uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in LOGIC is the same as the net asset value of LOGIC shares.

GEUS is invested in Texas Daily and TexasTERM, two portfolios within the TexasTERM Local Government Investment Pool (Pool) which was created by Texas local governments to provide investment programs tailored to the needs of Texas cities, counties, school districts and other public investors. The Pool is directed by an Advisory Board of experienced local government finance directors and treasurers. The Advisory Board contracts for services with professional service providers who are industry leaders in their field. TexasTERM portfolios seek to provide investors with safety, flexibility and competitive yields.

TexasDAILY is a money market portfolio with daily liquidity. TexasTERM is a fixed-rate, fixed- term portfolio, that enables investors to lock in a fixed rate for a term of 60 days to 365 days. Both portfolios pool the funds of investors to invest in money-market instruments of larger denominations than possible for a single local government entity, which may result in higher yields. The fair value of both pools is the same as the net asset value of their shares.

GEUS is invested in Texas CLASS. The Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS) was created as a local government investment pool (LGIP) pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code (PFIA). Per state code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds, and maximize yield. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust (the Participants), Public Trust Advisors, LLC (Public Trust) as Program Administrator, and UMB Bank, N.A. as Custodian.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk (continued)

GEUS invests in TexSTAR. TexSTAR offers Texas cities, counties, school districts and other public entities with an investment option that provides security, liquidity and efficiency for this management of public funds.

TexSTAR is a conservatively managed fund operated in full compliance with the PFIA, rated AAA by Standard & Poors run by administrators with a proven track record. Our marketing and customer service staff is Texas-based with leading edge systems to handle the needs of our customers.

TexSTAR has been tailored to provide investment solutions to any local government investment plan, whether as a liquidity component, a comprehensive investment strategy or as a method to diversify an investment program based upon traditional banking services. Regardless of the need or objective, TexSTAR offers unparalleled security in an investment scenario laden with risk.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. These pools do not impose any liquidity fees or redemption gates.

Note 3 - Capital Assets

A summary of GEUS' capital assets at September 30, 2023, are as follows:

	Balance			Balance	
	September 30, 2022		Increases	Decreases	September 30, 2023
Capital Assets Not Being Depreciated					
Production land	\$ 161,191	\$ -	\$ -	\$ -	\$ 161,191
Transmission land	53,501	-	-	-	53,501
Distribution land	218,418	-	-	-	218,418
General land	110,503	-	-	-	110,503
Construction in progress	2,882,601	1,314,605	-	(17,033)	4,180,173
Total Capital Assets Not Being Depreciated	3,426,214	1,314,605	-	(17,033)	4,723,786
Capital Assets Being Depreciated					
Production	54,705,335	46,260	-	66,628	54,818,223
Transmission	16,233,013	24,474	(224,028)	1,284	16,034,743
Distribution	37,156,715	2,610,435	(305,231)	36,795	39,498,714
General	11,661,859	1,288,232	-	21,735	12,971,826
Cable and internet	17,612,459	1,029,214	-	-	18,641,673
Plant	145,388	-	-	-	145,388
Total Capital Assets Being Depreciated	137,514,769	4,998,615	(529,259)	126,442	142,110,567
Accumulated Depreciation					
Production	26,876,032	2,032,556	-	40,519	28,949,107
Transmission	6,749,458	422,510	-	-	7,171,968
Distribution	15,057,200	1,307,533	(305,231)	-	16,059,502
General	6,981,491	563,900	(54,831)	-	7,490,560
Cable and internet	11,601,107	672,440	(1,438)	-	12,272,109
Plant	55,732	29,077	-	-	84,809
Total Accumulated Depreciation	67,321,020	5,028,016	(361,500)	40,519	72,028,055
Total Activities Capital Assets, Net	\$ 73,619,963	\$ 1,285,204	\$ (167,759)	\$ 68,890	\$ 74,806,298

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 3 - Capital Assets (continued)

Construction in progress and remaining commitments for construction projects at September 30, 2023, are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
DIGITAL METERING (AMI19001)	\$ 3,438,091	\$ 2,545,341	\$ 892,750
OMS & IVR SYSTEMS (IT20004)	240,500	182,173	58,327
BACKUP CONTROL CENTER (GP21001)	2,647,173	140,800	2,506,373
SABERT OH RECLOSE (DL20001)	26,177	26,177	-
EROSION CONTROL STEAM PLANT INTAKES	50,000	5,650	44,350
RUPTURE DISK SPARE	24,930	24,930	-
DELANO PHASE 2 TRANSMISSION RELOCATION (TRANS22001)	50,000	11,947	38,053
SCR BRICK REPLACEMENT	375,000	130,208	244,792
CONFIDENTIAL PROJECT	46,635	46,635	-
BLEACH SYSTEM	60,000	9,711	50,289
INDUSTRIAL PARTL (SS22001)	8,500,000	227,813	8,272,187
WELD MACHINE/MACHINE SHOP UPGRADE	31,037	31,037	-
CHLORINE SYSTEM	5,531	5,531	-
69kV BREAKERS	45,000	9,000	36,000
FORTINET FIREWALL	62,500	30,876	31,624
CONFIDENTIAL PROJECT 2	50,882	50,882	-
TRANSMISSION LINES UPGRADE (TRANS23001)	1,503,470	701,462	802,008
	<u>\$ 17,156,926</u>	<u>\$ 4,180,173</u>	<u>\$ 12,976,753</u>

A summary of GEUS' capital assets at September 30, 2022, are as follows:

	Balance September 30,			Balance September 30, 2022
	2021	Increases	Decreases	
Capital Assets Not Being Depreciated				
Production land	\$ 161,191	\$ -	\$ -	\$ 161,191
Transmission land	53,501	-	-	53,501
Distribution land	218,418	-	-	218,418
General land	110,503	-	-	110,503
Construction in progress	3,254,895	406,658	-	(778,952) 2,882,601
Total Capital Assets Not Being Depreciated	3,798,508	406,658	-	(778,952) 3,426,214
Capital Assets Being Depreciated				
Production	53,832,341	845,993	-	27,001 54,705,335
Transmission	12,244,739	3,967,777	(291,361)	311,858 16,233,013
Distribution	31,137,641	5,651,705	-	367,369 37,156,715
General	11,344,330	265,194	(20,389)	72,724 11,661,859
Cable and internet	17,494,188	748,073	(629,802)	- 17,612,459
Plant	145,388	-	-	- 145,388
Total Capital Assets Being Depreciated	126,198,627	11,478,742	(941,552)	778,952 137,514,769
Accumulated Depreciation				
Production	24,887,508	1,988,524	-	- 26,876,032
Transmission	6,556,505	326,873	(133,920)	- 6,749,458
Distribution	13,908,022	1,149,178	-	- 15,057,200
General	6,481,539	520,342	(20,390)	- 6,981,491
Cable and internet	11,591,911	636,582	(627,386)	- 11,601,107
Plant	26,654	29,078	-	- 55,732
Total Accumulated Depreciation	63,452,139	4,650,577	(781,696)	- 67,321,020
Total Activities Capital Assets, Net	\$ 66,544,996	\$ 7,234,823	\$ (159,856)	\$ 73,619,963

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 3 - Capital Assets (continued)

Construction in progress and remaining commitments for construction projects at September 30, 2022, are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
DIGITAL METERING (AMI19001)	\$ 3,438,091	\$ 2,320,617	\$ 1,117,474
OMS & IVR SYSTEMS (IT20004)	240,500	182,173	58,327
BACKUP CONTROL CENTER (GP21001)	2,647,173	140,800	2,506,373
SABERT OH RECLOSER (DL20001)	25,000	26,177	(1,177)
EROSION CONTROL STEAM PLANT INTAKES	25,000	5,650	19,350
RUPTURE DISK SPARE	24,930	24,930	-
DELANO PHASE 2 TRANSMISSION RELOCATION (TRANS22001)	50,000	5,973	44,027
SCR BRICK REPLACEMENT	375,000	130,208	244,792
CONFIDENTIAL PROJECT	-	36,363	(36,363)
BLEACH SYSTEM	20,000	9,710	10,290
	<u>\$ 6,845,694</u>	<u>\$ 2,882,601</u>	<u>\$ 3,963,093</u>

Note 4 - Long-term Liabilities

A summary of changes in general long-term liabilities for GEUS for the year ended September 30, 2023:

	Balance		Balance		Within One Year
	September 30, 2022 (as restated)	Additions	Deletions	September 30, 2023	
Bonds payable					
Revenue refunding bonds	\$ 53,210,000	\$ -	\$ (5,520,000)	\$ 47,690,000	\$ 3,415,000
Revenue bonds	13,645,000	13,085,000	(670,000)	26,060,000	255,000
Less:					
Issuance premiums	5,729,802	211,191	(304,541)	5,636,452	-
Issuance discounts	(41,106)	-	27,404	(13,702)	-
Total bonds payable	<u>72,543,696</u>	<u>13,296,191</u>	<u>(6,467,137)</u>	<u>79,372,750</u>	<u>3,670,000</u>
Net pension liability (asset)	(1,659,255)	-	12,475,083	10,815,828	-
Total OPEB liability	2,097,224	(433,611)	-	1,663,613	-
Compensated absences	1,255,303	363,830	(251,061)	1,368,072	283,737
Total	<u>\$ 74,236,968</u>	<u>\$ 13,226,410</u>	<u>\$ 5,756,885</u>	<u>\$ 93,220,263</u>	<u>\$ 3,953,737</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 4 - Long-term Liabilities (continued)

A summary of changes in general long-term liabilities for GEUS for the year ended September 30, 2022:

	Balance		Balance		Within One
	September 30, 2021 (as restated)	Additions	Deletions	September 30, 2022 (as restated)	
Bonds payable					
Revenue refunding bonds	\$ 43,430,000	\$ 15,120,000	\$ (5,340,000)	\$ 53,210,000	\$ 2,920,000
Revenue bonds	13,885,000	-	(240,000)	13,645,000	670,000
Less:					
Issuance premiums	5,920,530	-	(190,728)	5,729,802	-
Issuance discounts	(68,512)	-	27,406	(41,106)	-
Total bonds payable	<u>63,167,018</u>	<u>15,120,000</u>	<u>(5,743,322)</u>	<u>72,543,696</u>	<u>3,590,000</u>
Subordinate lien notes	20,000,000	-	(20,000,000)	-	-
Net pension liability	1,621,181	-	(3,280,436)	(1,659,255)	-
Total OPEB liability	996,776	1,100,448	-	2,097,224	-
Compensated absences	1,255,303	-	-	1,255,303	487,732
Total	<u>\$ 87,040,278</u>	<u>\$ 16,220,448</u>	<u>\$ (29,023,758)</u>	<u>\$ 74,236,968</u>	<u>\$ 4,077,732</u>

A summary of GEUS' long-term debt is as follows:

	2023	2022
Electric system revenue refunding bonds, Series 2019A, \$41,610,000 originally issued with interest rate of 5% matures in February 2035	\$ 33,240,000	\$ 35,490,000
Electric system revenue refunding bonds, Series 2019B \$12,500,000 originally issued with interest rate of 5% matures in February 2024	-	2,600,000
Electric System Revenue Bonds, Series 2021, \$13,885,000 originally issued with interest rate of 2.99%, matures in February 2051	12,975,000	13,645,000
Electric System Revenue Refunding Bonds, Series 2022, \$15,120,000 originally issued with interest rate of 2.85%, matures in February 2037	14,450,000	15,120,000
Electric System Revenue Bonds, Series 2022, \$13,085,000 originally issued with interest rate of 5.00% - 6.00%, matures in February 2052	13,085,000 73,750,000 (3,670,000)	-
Current maturities	(3,590,000)	(3,590,000)
Total Long-Term Debt	<u>\$ 70,080,000</u>	<u>\$ 63,265,000</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 4 - Long-term Liabilities (continued)

The City ordinances authorizing the electric revenue refunding bonds and subsequent ordinances assigning the bonds to GEUS stipulate that in addition to principal and interest requirements, GEUS will deposit the lesser of 10% of the outstanding principal or the average annual requirements for the payment of principal and interest or a surety bond with coverage sufficient to meet debt requirements.

On October 24, 2022, GEUS issued \$13,085,000 in Electric System Revenue Bonds, Series 2022 (the Bonds). Proceeds from the bonds will be used for improvements and extensions to the System. The Bonds were issued as serial bonds maturing February 15 in the years 2024 through 2033 and term bonds maturing February 15 in the years 2036 through 2052. The Bonds carry an interest rate of 5.00% and interest payments are due on February 15 and August 15 until maturity.

The debt service requirements on the aforementioned debt as of September 30, 2023, are as follows:

Fiscal Year	Bonds	
	Principal	Interest
2024	\$ 3,670,000	\$ 3,093,781
2025	3,845,000	2,922,425
2026	4,015,000	2,742,856
2027	4,210,000	2,555,804
2028	4,400,000	2,360,818
2029 - 2033	25,285,000	8,540,003
2034 - 2038	12,090,000	4,051,214
2039 - 2043	5,045,000	2,680,937
2044 - 2048	6,090,000	1,621,841
2049 - 2052	5,100,000	398,376
	<u>\$ 73,750,000</u>	<u>\$ 30,968,055</u>

Note 5 - Commitments and Contingencies

Agreement with TMPA

TMPA was created through concurrent ordinances of the Cities and is governed by a Board of Directors consisting of eight members, two appointed by the governing body of each city. Under the terms of the agreement, TMPA agreed to construct or acquire electric generating plants to supply energy and power to the Cities. In 1975, the City, along with the cities of Bryan, Denton and Garland, Texas (Cities), entered a Power Sales Contract with the TMPA. GEUS was entitled to a portion of the energy produced by the Gibbons Creek Steam Electric Station (GCSES).

The Cities are obligated to cover operating costs and retirement of debt for TMPA assets. If TMPA revenues are insufficient to cover all costs and retire the outstanding debt, each of the Cities has guaranteed a portion of the unpaid debt, based generally upon its pro-rata share of interest in TMPA assets. Should TMPA be dissolved, the TMPA Board of Directors would be responsible for the disposal of assets.

Under the Power Sales Contract, as amended, each City had the right to terminate the Power Sales Contract beyond September 1, 2018, if notice was sent to TMPA by September 30, 2016. GEUS provided such notice to TMPA in September 2016 and, as a result, GEUS discontinued purchasing power from TMPA effective September 1, 2018.

For the years ended September 30, 2023 and 2022, payments to TMPA totaled \$413,457 and \$284,608, respectively.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 5 - Commitments and Contingencies (continued)

Agreement with TMPA (continued)

As of September 30, 2023 and 2022, total TMPA outstanding debt was approximately \$174,765,000 and \$212,538,000 respectively, and GEUS' guaranteed percentage is approximately 10%.

In the opinion of management, the possibility of a material payment under this guarantee is remote, in that TMPA's Transmission Revenues produce enough income to cover operating expenses and debt service obligations.

On June 6, 2019, the TMPA Board of Directors voted to retire the GCSES. On October 30, 2019, GCSES transitioned into decommissioning status in the ERCOT system. Under GASB Statement No. 83 (GASB 83), TMPA was required to record a decommissioning liability and a corresponding discount receivable from the Cities, who are ultimately responsible for funding this TMPA liability. As of September 30, 2020, GEUS recognized its allocation of \$11,778,330, as a deferred outflow of resources.

On December 21, 2021, approximately 11,000 acres of TMPA mine property were sold. GEUS received a distribution of proceeds from the sale in December 2022 for \$7,081,242 which represented a 10% share of proceeds from that sale. TMPA entered into an Escrow Holdback Agreement which permitted TMPA to request the release of escrow funds when acreage is released from reclamation bonding by the Railroad Commission of Texas. On September 20, 2022, the Railroad Commission adopted an order approving bond release on 17.04 acres that were included in the sale, the result of which generated an additional payment due to GEUS in the amount of \$11,602 that was subsequently received in December 2022

Board of Development Payment

Under GEUS' charter, 6% of adjusted revenues are to be transferred annually to the City of which 1% of adjusted revenues is for the benefit of the Board of Development. GEUS reflected expenses totaling \$939,207 and \$577,415 related to the Board of Development portion during the years ended September 30, 2023 and 2022, respectively.

Note 6 - Environmental Regulation

Electric utilities are subject to numerous environmental statutes, regulations, and other rules administered at the federal, state, and local level. These environmental rules are subject to change and tend to increase and become more stringent over time. These changes may arise from continuing legislative, regulatory and judicial action regarding the promulgation and implementation of such standards and procedures. Consequently, there is no assurance that GEUS Steam Plant and Engine Plant electric generating units will remain subject to the regulations currently in effect, will always be compliant with present or future regulations, or will always be able to obtain all required operating permits. In addition, more stringent environmental requirements may require significant upgrades in environmental controls, reduced operating levels or where the necessary upgrades are not economical, the complete shutdown of individual electric generating units.

The *Clean Air Act* (CAA), originating in 1967 with the *Air Quality Act*, has imposed increasingly stringent controls on air emissions from industrial facilities, including electric power generation facilities like GEUS plants.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 6 - Environmental Regulation (continued)

In February 2012, new standards were issued under the new name of Mercury and Air Toxics Standards (MATS), with a compliance deadline of April 16, 2015. TMPA requested and obtained the extension to April 15, 2016, to obtain sufficient time to adequately investigate and test mercury control technologies under different operating scenarios. Testing was successfully completed and TMPA is compliant with the MATS rule.

On September 7, 2016, the EPA finalized an update to the Cross-State Air Pollution Rule (CSAPR) for the 2008 ozone National Ambient Air Quality Standards (NAAQS) by issuing the final CSAPR Update. Starting in May 2017, this rule will reduce summertime (May - September) nitrogen oxides (NOx) emissions from power plants in 22 states in the eastern U.S. The rule will reduce air quality impacts of ozone pollution that crosses state lines and will help downwind areas meet and maintain the 2008 ozone air quality standard. GEUS is compliant with the new CSAPR cap and trade.

Note 7 - Electric Restructuring

The Texas Legislature enacted *Senate Bill 7* in 1999, which was a comprehensive electric deregulation and restructuring bill. This bill applies to GEUS and other municipal utilities in the state. Financial control of GEUS remains with the governing body, GEUS Board of Trustees. Under the legislation, the Board will determine if, and when, the electric system will be open to retail competition.

If GEUS is open to competition, then provisions are included for GEUS to collect its stranded costs through non-by passable wire charges. GEUS Board will retain authority to set electric rates that are sufficient to meet the financial obligations of the utility as specified in the Electric Utility Bond Ordinance.

The wholesale market, which is under the control of an independent system operator, the Electric Reliability Council of Texas (ERCOT), transitioned from a Zonal Market to a Nodal Market in December 2010. GEUS qualifies to receive PCRRs for GEUS local generation, which was operational in 1999 (and excludes the Engine Plant) which adequately mitigates GEUS congestion charge risk in the Nodal Market

Note 8 - Employee Retirement Systems and Pension Plans

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.tmrs.com.

All eligible employees of GEUS are required to participate in TMRS.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 8 - Employee Retirement Systems and Pension Plans (continued)

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. A summary of plan provisions for the City are as follows:

Employee deposit rate:	7%
Matching ratio (City to employee):	2 to 1
Years required for vesting:	5
Service retirement eligibility:	20 years at any age, 5 years at age 60 and above
Updated service credit:	100% repeating transfers
Annuity increase to retirees:	0% of CPI repeating
Supplemental death benefit – active employees and retirees	Yes

At the December 31, 2022 valuation and measurement date (the most current available), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	346
Inactive employees entitled to but not receiving benefits	211
Active employees	<u>342</u>
	<u>899</u>

There are 112 retirees for GEUS.

Contributions

Employees for GEUS were required to contribute 7% of their annual gross earnings during 2023 and 2022. Employer contributions are actuarially determined. For the fiscal years ended September 30, 2023 and 2022, GEUS contributed \$1,455,718 and \$981,162, respectively, which equaled its required contributions.

Net Pension Liability

The City's net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. GEUS proportion is approximately 39% based on retirement contributions.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 8 - Employee Retirement Systems and Pension Plans (continued)

Actuarial Assumptions

The total pension liability (asset) of the City and Components Units in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Minimum %	Target %	Maximum %
Core fixed income	5.0%	10.00%	15.00%
Non-core fixed income	15.0%	20.00%	25.00%
Global public equity	20.0%	30.00%	40.00%
Real estate	5.0%	10.00%	15.00%
Real return	5.0%	10.00%	15.00%
Absolute return	5.0%	10.00%	15.00%
Private equity	5.0%	10.00%	15.00%
Cash equivalents	0.0%	0.00%	10.00%

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 8 - Employee Retirement Systems and Pension Plans (continued)

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 Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

Changes in the Net Pension Liability

	Increase (Decrease)			Net Pension Liability (Asset) (A) - (B)
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)		
Changes for the plan year:				
Service cost	\$ 1,341,356	\$ -		\$ 1,341,356
Interest (on the Total Pension Liability)	3,705,574	-		3,705,574
Change in benefit terms	4,845,356			4,845,356
Difference between expected and actual experience	355,099	-		355,099
Changes of assumptions	-	-		-
Contributions - employer	-	998,217		(998,217)
Contributions - employee	-	606,556		(606,556)
Net investment income	-	(3,838,904)		3,838,904
Benefit payments, including refunds of employee contributions	(3,229,884)	(3,229,884)		-
Administrative expense	-	(33,275)		33,275
Other changes	-	39,707		(39,707)
Net Changes	7,017,501	(5,457,582)		12,475,083
Balance at December 31, 2021	52,692,819	54,352,074		(1,659,255)
Balance at December 31, 2022	\$ 59,710,320	\$ 48,894,492		\$ 10,815,828

Sensitivity of GEUS' Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability (asset) of GEUS as of September 30, 2023, calculated using the discount rate of 6.75%, as well as what 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:

	Current Single Discount Rate		
	1% Decrease (5.75%)	Assumption (6.75%)	1% Increase (7.75%)
GEUS' proportionate share of the net pension liability	\$ 18,261,784	\$ 10,815,828	\$ 4,640,888

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 8 - Employee Retirement Systems and Pension Plans (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TMRS final report. That report may be obtained on the Internet at www.tmrs.com.

Pension Liabilities, Pension Expense and Deferred Outflows of Recourses Related to Pensions

At September 30, 2023 GEUS reported a net liability of \$10,815,828 and an asset of \$1,659,255 at September 30, 2022 for its proportionate share of the net pension liability or asset. The net pension liability and asset was measured as of December 31, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. GEUS' proportion of the net pension liability was based on GEUS' actual contributions relative to the City's actual contributions for the respective fiscal years. At December 31, 2022 and 2021, GEUS' proportion was 39% and 38%, respectively.

For the years ended September 30, 2023 and 2022, GEUS recognized pension expense and negative pension expense of \$6,891,450 and (\$206,599), respectively.

At September 30, 2023 and 2022, GEUS reported deferred outflow/inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 276,657	\$ 2,637	\$ 131,030	\$ 4,492
Changes of assumptions	-	-	12,004	-
Net differences between projected and actual investment earnings	3,263,444	-	-	3,163,919
Contributions subsequent to the measurement date through year-end	1,165,241	-	735,620	-
Total	\$ 4,705,342	\$ 2,637	\$ 878,654	\$ 3,168,411

Deferred outflows of resources at September 30, 2023, related to pensions resulting from contributions subsequent to the measurement date of \$1,165,241 will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year <u>September 30,</u>	Net deferred outflows (inflows) of resources	
	2024	\$ 232,941
2025		911,256
2026		911,309
2027		1,481,958
Total		\$ 3,537,464

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB)

TMRS Supplemental Death Benefits Fund

The City and Component Units contribute to a single employer defined benefit group term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a separate trust administered by the TMRS Board of Trustees and is a voluntary program in which the City elected, by ordinance, to provide group term life insurance coverage to active and retired members. The City may terminate coverage and discontinue participation in the SDBF by adopting an ordinance before November 1, of any year to be effective the following January 1.

Contributions are made monthly based on the covered payroll of employee members of the City. The contractually required contribution rate is determined annually, and the rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The contributions to the SDBF are pooled for investment purposes with those of the pension trust fund described above. The TMRS Act requires the pension trust fund to allocate investment income to the SDBF on an annual basis.

The funding policy of the plan is to assure adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. As such, contributions are utilized to fund active member deaths on a pay-as-you go basis; any excess contributions and investment income over payments then become net position available for postemployment benefits other than pension benefits (OPEB). GEUS' contributions to SDBF for the fiscal years ended September 30, 2023 and 2022, were \$21,498, \$19,157 respectively which equaled the required contributions each year.

Payments from this fund are similar to group term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary. The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. The obligations of this plan are payable only from the SDBF.

Membership for the City and Component Units in the plan as of the measurement date of December 31, 2022 was as follows:

Inactive employees currently receiving benefits	232
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>342</u>
Total Plan Members	<u>618</u>

GEUS' total OPEB liability related to the SDBF of \$479,774 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022. GEUS' proportion was 39%. GEUS' OPEB liability for both the SDBF and the retiree healthcare plan was \$1,663,613 .

GEUS' total OPEB liability related to the SDBF of \$666,431 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021. GEUS' proportion was 38%. GEUS' OPEB liability for both the SDBF and the retiree healthcare plan was \$1,663,613 .

Discount Rate

The TMRS SDBF program is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB No. 75, the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 4.05% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2022.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

TMRS Supplemental Death Benefits Fund (continued)

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Actuarial Assumptions

The City's Total OPEB Liability was measured at December 31, 2022 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Valuation Date: December 31, 2022

Methods and Assumptions:

Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Discount rate:	4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.
Retirees' share of benefit related costs:	\$0
Administrative expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Other Information:

Notes: The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the Total OPEB Liability

Service cost	\$ 28,805
Interest on the total OPEB liability	11,938
Difference between expected	
and actual experience of the total OPEB liability	(2,920)
Changes of assumptions	(210,489)
Benefit payments	(13,991)
Net change in Total OPEB liability	(186,657)
Total OPEB Liability - Beginning	666,431
Total OPEB Liability - Ending	\$ 479,774
 Covered Payroll	 \$ 8,682,849
 Total OPEB Liability as a Percentage of Covered Payroll	 5.53%

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

TMRS Supplemental Death Benefits Fund (continued)

Sensitivity Analysis

The following presents proportionate share of GEUS for the Total OPEB Liability of the employer, calculated using the discount rate of 4.05%, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.05%) or 1 percentage point higher (5.05%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

Current Discount		
1% Decrease to	Rate	1% Increase to
3.05%	4.05%	5.05%
\$ 565,668	\$ 479,774	\$ 411,624

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

For the years ended September 30, 2023 and 2022, GEUS recognized OPEB expense of \$18,293 and \$69,882, respectively, relating to the SDBF plan and OPEB expense of \$114,363 and \$988,363, respectively, relating to the retiree healthcare plan for a total OPEB expense of \$132,656 and \$1,058,245, respectively.

As of September 30, 2023 and 2022, GEUS reported deferred outflows of resources related to OPEBs from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
	\$ 48	\$ 16,127	\$ 2,429	\$ 23,915
Differences between expected and actual experience	\$ 56,673	174,637	92,904	6,011
Changes assumptions				
Contributions subsequent to the measurement date	31,014	-	17,880	-
Total	\$ 87,735	\$ 190,764	\$ 113,213	\$ 29,926

Total deferred outflows for both OPEB plans as of September 30, 2023 and 2022 was \$165,772 and \$196,973 respectively. Total deferred inflows for both OPEB plans as of September 30, 2023 and 2022 was \$661,963 and \$151,837 respectively.

GEUS contributions made subsequent to the measurement date of the total OPEB liability (December 31, 2022) and prior to year-end (September 30, 2023) will be recognized in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred outflows (inflows) of resources
2024	\$ (22,760)
2025	(33,935)
2026	(45,048)
2027	(32,300)
Total	\$ (134,043)

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retiree Health Care Plan (RHCP)

The City's and Component Units' defined benefit OPEB plan, Retiree Health Care Plan (RHCP), provides OPEB through an implicit healthcare premium for retirees for all permanent full-time employees of the City. RHCP is a single employer defined benefit OPEB plan administered by the City. At this time, no assets are accumulated in a trust to fund the future requirements of the RHCP.

Benefits provided

RHCP provides access to post retirement employees by offering a "blended premium" structure, that is, the overall health care premiums for active employees and non-Medicare retirees, are stated in terms of a single "blended premium". The difference between the underlying retiree claims and the blended overall health care premium is referred to as an "implicit" subsidy. Because the underlying claims costs for a non-Medicare retiree are on average higher than the blended premium, there is a positive implicit subsidy for the non-Medicare retirees.

Employees covered by benefit terms. At December 31, 2022, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	11
Inactive, Nonretired Members	0
Active Members	<u>394</u>
Total	<u>405</u>

Total OPEB Liability

The proportionate share of GEUS for the total OPEB liability related to the RHCP of \$1,183,839 was measured as of December 31, 2022, and was determined by an actuarial valuation as of December 31, 2022. GEUS proportion is 39% based on health insurance contribution. GEUS' OPEB liability for both the SDBF and the retiree healthcare plan was \$1,663,613 .

The proportionate share of GEUS for the total OPEB liability of \$1,430,793 was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021. GEUS proportion is 38% based on health insurance contribution. GEUS' OPEB liability for both the SDBF and the retiree healthcare plan was \$2,097,224 .

Actuarial assumptions and methods

The total OPEB liability at the December 31, 2022 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date: December 31, 2022

Methods and Assumptions:

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	4.05% as of December 31, 2021
Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation and 2.10% to 7.50% for Firefighters, Including inflation.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retiree Health Care Plan (RHCP) (continued)

Actuarial assumptions and methods (continued)

Demographic Assumptions:

TMRS: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). Firefighters: The demographic assumptions are based on the assumptions used to value the Greenville Firemen's Relief and Retirement Fund.

Mortality:

TMRS: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Firefighters: For healthy retirees, the gender distinct RP2000 Combined Healthy Mortality Tables projected to the year 2024 using scale AA are used.

Health Care Trend Rates:

Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years. Increases to the City's retiree medical contributions are assumed to be in-line with general inflation.

Participation Rates:

It was assumed that 30% of retirees would receive a retiree healthcare subsidy from the City.

Other Information:

Notes:

The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Discount Rate

For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The discount rate was 1.84% as of the prior measurement date.

Plan Assets

There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retiree Health Care Plan (RHCP) (continued)

Changes in the Total OPEB Liability

Service cost	\$ 137,706
Interest on the total OPEB liability	25,595
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	(216,422)
Changes of assumptions	(170,706)
Benefit payments	(23,127)
Net change in Total OPEB liability	(246,954)
Total OPEB Liability - Beginning	<u>1,430,793</u>
Total OPEB Liability - Ending	<u>\$ 1,183,839</u>
 Covered payroll	 \$ 11,016,096
 Total OPEB liability as a percentage of covered payroll	 10.75%

The ending balance of the Total OPEB Liability was \$1,183,839 as of December 31, 2022. Changes of assumptions reflect a change in the discount rate from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the plan's total OPEB liability, calculated using a discount rate of 4.05%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Current Discount Rate		
1% Decrease to	Assumption	1% Increase to 5.05%
3.05%	4.05%	
\$ 1,205,471	\$ 1,183,839	\$ 980,008

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Current Healthcare Cost		
1% Decrease	Trend Rate Assumption	1% Increase
\$ 943,148	\$ 1,183,839	\$ 1,258,920

The City's retiree medical benefit is a set dollar amount that is not impacted by future medical trend.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 9 - Postemployment Benefits Other Than Pensions (OPEB) (continued)

Retiree Health Care Plan (RHCP) (continued)

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

For the years ended September 30, 2023 and 2022 and 2022, GEUS recognized proportionate share in OPEB expense of \$114,363 and \$988,363 , respectively, relating to the retiree healthcare plan and OPEB expense of \$18,293 and \$69,882 ,respectively, relating to the SDBF plan, for a total OPEB expense of \$132,656 and \$1,058,245 , respectively. On September 30, 2023 and 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 49	\$ 292,930	\$ 56	\$ 104,446
Changes assumptions	52,362	178,269	62,157	17,465
Contributions subsequent to the measurement date	25,626	-	21,547	-
Total	\$ 78,037	\$ 471,199	\$ 83,760	\$ 121,911

Total deferred outflows for both OPEB plans as of September 30, 2023 and 2022 was \$165,772 and \$196,973 respectively.

Total deferred inflows for both OPEB plans as of September 30, 2023 and 2022 was \$661,963 and \$151,837 respectively.

GEUS contributions made subsequent to the measurement date of the total OPEB liability (December 31, 2022) and prior to year-end (September 30, 2023) will be recognized in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred Outflows (Inflows) of Resources	
2024	\$	(63,519)
2025		(63,519)
2026		(64,287)
2027		(54,998)
2028		(46,184)
2029		(126,281)
Total	\$	(418,788)

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 10 - Disclosures about fair value of assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Fair Value			
Investments by Fair Value Level				
Federal agency securities	\$ 1,771,268	\$ -	\$ 1,771,268	\$ -
U.S. Treasury obligations	3,388,026	3,388,026	-	-
Total Investments by Fair Value Level	5,159,294	\$ 3,388,026	\$ 1,771,268	\$ -
 Investments measured at net asset value				
TexPool	1,793,090			
Logic	632,787			
Texas TERM	8,333,154			
Texas Range	24,298,717			
Texas CLASS	4,366,612			
TexSTAR	607,561			
Investment measured at amortized cost	40,031,921			
Total Investments	\$ 45,191,215			

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for all related external investment pool balances. Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market- based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. At September 30, 2023, no investments held by GEUS met the Level 3 hierarchy classification.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 11 - Net Investment in Capital Assets

In 1975, GEUS, along with the cities of Bryan, Denton and Garland, Texas (Cities), entered into a Power Sales Contract with the TMPA. GEUS provides electric services for the City under this contract. Under the Power Sales Contract, as amended, each City had the right to terminate the Power Sales Contract beyond September 1, 2018, if notice was sent to TMPA by September 30, 2016. GEUS provided such notice to TMPA in September 2016 and, as a result, GEUS discontinued purchasing power from TMPA effective September 1, 2018. Due to the significant decline in the service utility of the prepaid electric cost asset, such assets were deemed impaired during 2017 and GEUS recognized a \$34,093,046 impairment loss in the accompanying statement of revenues, expenses and changes in net position. The impaired assets were debt funded through GEUS in fiscal year 2010 and fiscal year 2015. Because of the impairment loss, GEUS' does not include these in the net investment in capital assets calculation.

Note 12 - Litigation and Contingencies

Various claims and lawsuits are pending in which GEUS is involved. Included among the various actions are those for which the discovery process is currently underway, or which have yet to proceed to trial. In the opinion of GEUS legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of GEUS.

Note 13 - Regulatory Asset for Winter Storm Uri Liability

GASB Statement 62, Codification of Accounting and Financial Reporting Guidance governs the recording of regulatory assets. A regulatory asset is a specific cost of service recovery that a regulatory agency permits a public utility to defer to its balance sheet. Regulatory assets are created when certain expenses are recognized as deferrals instead of period expenses. Amounts allowed as regulatory assets must be amortized over an expected period. On September 16, 2021, GEUS Board approved a regulatory asset of \$15,145,349 for Winter Storm Uri costs that would otherwise have been expensed in that period. As of September 30, 2023, accumulated amortization expense amounted to \$1,029,712, leaving a balance of \$14,115,637 to be amortized over the remaining period of 28 years.

Note 14 - Subsequent Event

In preparing the accompanying financial statements, management has reviewed all known events that have occurred after September 30, 2023, and through March 13, 2024, the date on which the financial statements were available to be issued, for inclusion in the financial statements and footnotes.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2023 and 2022

Note 15 – Prior Period Adjustment

A prior period adjustment was made for the following amounts:

	Statement of Net Position
	Business-Type Activity
Net position at October 1, 2021, as previously reported	\$ 49,408,182
Error correction for premium amortization and payroll accrual from prior year	<u>(1,194,136)</u>
Net position at October 1, 2021, as restated	<u>\$ 48,214,046</u>

A correction to net position was made due to a previous year payroll accrual not being reversed which led to the accrual amount affecting net position in two periods. Premium on bonds was over amortized which reduced net position more than it should have been in previous years.

REQUIRED SUPPLEMENTARY INFORMATION

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 1 of 2
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF GEUS' PROPORTIONATE SHARE OF THE CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT YEARS
(UNAUDITED)

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018
Total Pension Liability:					
Service cost	\$ 1,341,356	\$ 1,180,328	\$ 1,158,971	\$ 1,082,829	\$ 1,098,257
Interest (on the Total Pension Liability)	3,705,574	3,320,653	3,338,651	2,799,639	3,112,844
Changes of benefit terms	4,845,356	-	-	-	-
Difference between expected and actual experience	355,099	(6,553)	235,239	307,542	164,743
Change in assumptions	-	-	-	98,155	-
Benefit payments, including refunds of employee contributions	(3,229,884)	(2,929,485)	(2,638,069)	(2,501,376)	(2,454,460)
Net change in total pension liability	7,017,501	1,564,943	2,094,792	1,786,789	1,921,384
Total Pension Liability - Beginning	52,692,820	51,127,877	49,033,085	47,246,296	45,324,912
Total Pension Liability - Ending (a)	\$ 59,710,321	\$ 52,692,820	\$ 51,127,877	\$ 49,033,085	\$ 47,246,296
Plan Fiduciary Net Position:					
Contributions - employer	\$ 998,217	\$ 920,201	\$ 891,316	\$ 819,519	\$ 866,123
Contributions - employee	606,556	569,029	567,672	531,170	533,116
Net investment income	(3,838,904)	6,314,683	3,596,310	6,330,378	(1,363,109)
Benefit payments, including refunds of employee contributions	(3,229,884)	(2,929,485)	(2,638,069)	(2,501,376)	(2,454,460)
Administrative expense	(33,275)	(29,250)	(23,293)	(35,798)	(26,357)
Other	39,707	200	(909)	(1,075)	(1,378)
Net change in plan fiduciary net position	(5,457,582)	4,845,378	2,393,027	5,142,818	(2,446,065)
Plan Fiduciary Net Position - Beginning	54,352,075	49,506,697	47,113,670	41,970,852	44,416,917
Plan Fiduciary Net Position - Ending (b)	\$ 48,894,493	\$ 54,352,075	\$ 49,506,697	\$ 47,113,670	\$ 41,970,852
Net Pension Liability - Ending (a) - (b)	\$ 10,815,828	\$ (1,659,255)	\$ 1,621,180	\$ 1,919,415	\$ 5,275,444
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.89%	103.15%	96.83%	96.09%	88.83%
Covered Payroll	\$ 8,682,849	\$ 7,922,890	\$ 8,082,087	\$ 7,588,140	\$ 7,610,929
Net Pension Liability as a Percentage of Covered Payroll	124.57%	-20.94%	20.06%	25.29%	69.31%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, GEUS will present information for only years which information is available. Information has been determined as of GEUS' measurement date (December 31).

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 2 of 2

TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF GEUS' PROPORTIONATE SHARE OF THE CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE MEASUREMENT YEARS
(UNAUDITED)

	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
Total Pension Liability:				
Service cost	\$ 1,037,143	\$ 1,007,771	\$ 955,582	\$ 871,454
Interest (on the Total Pension Liability)	2,916,644	2,821,116	2,748,004	2,643,356
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(182,255)	(287,976)	62,453	6,172
Change in assumptions	-	-	873,886	-
Benefit payments, including refunds of employee contributions	(2,275,181)	(2,005,553)	(2,252,263)	(1,883,874)
Net change in total pension liability	1,496,351	1,535,358	2,387,661	1,637,107
Total Pension Liability - Beginning	43,828,561	42,293,203	39,905,541	38,268,434
Total Pension Liability - Ending (a)	\$ 45,324,912	\$ 43,828,561	\$ 42,293,203	\$ 39,905,541
 Plan Fiduciary Net Position:				
Contributions - employer	\$ 782,680	\$ 711,450	\$ 719,233	\$ 766,358
Contributions - employee	500,345	483,509	475,414	487,314
Net investment income	5,529,771	2,579,004	57,852	2,156,762
Benefit payments, including refunds of employee contributions	(2,275,181)	(2,005,553)	(2,252,263)	(1,883,874)
Administrative expense	(28,666)	(29,135)	(35,239)	(22,520)
Other	(1,452)	(1,570)	(1,740)	(1,852)
Net change in plan fiduciary net position	4,507,497	1,737,705	(1,036,744)	1,502,188
Plan Fiduciary Net Position - Beginning	39,909,420	38,171,715	39,208,459	37,706,271
Plan Fiduciary Net Position - Ending (b)	\$ 44,416,917	\$ 39,909,420	\$ 38,171,715	\$ 39,208,459
 Net Pension Liability - Ending (a) - (b)	\$ 907,995	\$ 3,919,141	\$ 4,121,488	\$ 697,083
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	98.00%	91.06%	90.25%	98.25%
 Covered Payroll	\$ 7,147,780	\$ 6,907,272	\$ 6,875,419	\$ 6,929,197
 Net Pension Liability as a Percentage of Covered Payroll	12.70%	56.74%	59.95%	10.06%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, GEUS will present information for only years which information is available. Information has been determined as of GEUS' measurement date (December 31).

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

TEXAS MUNICIPAL RETIREMENT SYSTEM

SCHEDULE OF GEUS' CONTRIBUTIONS

LAST NINE FISCAL YEARS

(UNAUDITED)

	Fiscal Year				
	2023	2022	2021	2020	2019
Actuarially determined contributions	\$ 1,455,718	\$ 981,162	\$ 958,670	\$ 878,341	\$ 995,591
Contribution in relation to the actuarially determined contribution	<u>1,455,718</u>	<u>981,162</u>	<u>958,670</u>	<u>878,341</u>	<u>995,591</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GEUS' covered payroll	\$ 9,563,525	\$ 8,348,190	\$ 7,844,143	\$ 8,893,885	\$ 8,893,885
Contributions as a percentage of covered payroll	15.22%	11.75%	12.22%	9.88%	11.19%
	2018	2017	2016	2015	
Actuarially determined contributions	\$ 848,263	\$ 775,827	\$ 761,630	\$ 739,684	
Contribution in relation to the actuarially determined contribution	<u>848,263</u>	<u>775,827</u>	<u>761,630</u>	<u>739,684</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
GEUS' covered payroll	\$ 7,376,983	\$ 6,935,676	\$ 7,187,526	\$ 7,187,526	
Contributions as a percentage of covered payroll	11.50%	11.19%	10.60%	10.29%	

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, GEUS will present information for only years which information is available. Information has been determined as of GEUS' most recent fiscal year-end (September 30).

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
TEXAS MUNICIPAL RETIREMENT SYSTEM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

The City and GEUS adopted a 30% repeating cost of living adjustment (COLA).

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

GEUS PROPORTIONATE SHARE

TMRS SUPPLEMENTAL DEATH BENEFITS FUND

For the Last Six Measurement Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 28,805	\$ 8,284	\$ 23,379	\$ 5,323	\$ 20,550
Interest on the total OPEB liability	11,938	3,752	29,566	5,844	27,302
Difference between expected and actual experience of the total OPEB liability	(2,920)	(192)	(21,560)	(30,273)	12,886
Changes of assumptions	(210,489)	5,780	81,944	84,341	(31,883)
Benefit payments	(13,991)	(4,023)	(4,837)	(4,553)	(3,806)
Net change in total OPEB liability	(186,657)	13,601	108,492	60,682	25,049
Total OPEB Liability - Beginning	<u>666,431</u>	<u>652,830</u>	<u>544,338</u>	<u>483,656</u>	<u>458,607</u>
Total OPEB Liability - Ending	<u><u>\$ 479,774</u></u>	<u><u>\$ 666,431</u></u>	<u><u>\$ 652,830</u></u>	<u><u>\$ 544,338</u></u>	<u><u>\$ 483,656</u></u>
 Covered-Employee Payroll	 \$ 8,682,849	 \$ 7,922,884	 \$ 7,588,149	 \$ 7,610,929	 \$ 7,147,780
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 5.53%	 8.41%	 8.60%	 7.15%	 6.77%
 2017					
Total OPEB Liability					
Service cost	\$ 16,440				
Interest on the total OPEB liability	15,209				
Changes of assumptions	34,615				
Benefit payments	(3,574)				
Net change in total OPEB liability	62,690				
Total OPEB Liability - Beginning	<u>395,917</u>				
Total OPEB Liability - Ending	<u><u>\$ 458,607</u></u>				
 Covered-Employee Payroll	 \$ 7,147,780				
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 6.42%				

Notes to the Required Supplementary Information

Amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end.

Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

Ten years of data should be presented in this schedule but data was unavailable.

There are no assets accumulated in trust to pay related benefits for the OPEB Plan.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

GEUS PROPORTIONATE SHARE

RETIREE HEALTH CARE PLAN

For the Last Six Measurement Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 137,706	\$ 35,988	\$ 24,630	\$ 21,347	\$ 24,207
Interest on the total OPEB liability	25,595	9,267	(12,196)	2,328	17,502
Changes of benefit terms	-	1,035,446	-	-	-
Difference between expected and actual experience of the total OPEB liability	(216,422)	68	(30,246)	(2,280)	(122,241)
Changes of assumptions	(170,706)	24,996	20,091	19,781	(29,484)
Benefit payments	(23,127)	(18,918)	(13,487)	(11,677)	(16,942)
Net change in total OPEB liability	(246,954)	1,086,847	(11,208)	29,499	(126,958)
Total OPEB Liability - Beginning	<u>1,430,793</u>	<u>343,946</u>	<u>355,154</u>	<u>325,655</u>	<u>452,613</u>
Total OPEB Liability - Ending	<u><u>\$ 1,183,839</u></u>	<u><u>\$ 1,430,793</u></u>	<u><u>\$ 343,946</u></u>	<u><u>\$ 355,154</u></u>	<u><u>\$ 325,655</u></u>
 Covered-employee payroll	 \$ 11,016,096	 \$ 9,930,859	 \$ 7,915,136	 \$ 6,253,917	 \$ 6,075,613
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 10.75%	 14.41%	 4.35%	 5.68%	 5.36%
 2017					
Total OPEB Liability					
Service cost	\$ 20,142				
Interest on the total OPEB liability	16,099				
Changes of benefit terms	-				
Difference between expected and actual experience of the total OPEB liability	(4,294)				
Changes of assumptions	17,317				
Benefit payments	(20,929)				
Net change in total OPEB liability	28,335				
Total OPEB Liability - Beginning	<u>424,278</u>				
Total OPEB Liability - Ending	<u><u>\$ 452,613</u></u>				
 Covered-employee payroll	 \$ 6,197,147				
 Total OPEB Liability as a Percentage of Covered-Employee Payroll	 7.30%				

Notes to the Required Supplementary Information

Amounts presented are for each measurement year, which end the preceding December 31 of the City's fiscal year end.

Total OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

Ten years of data should be presented in this schedule but data was unavailable.

There are no assets accumulated in trust to pay related benefits for the OPEB Plan.



Statistical Section (Unaudited)

This part of Greenville Electric Utility System's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the utility's overall financial health. The tables herein, are unaudited.

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Financial Trends These schedules contain trend information to help the reader understand how GEUS' financial performance and well-being have changed over time.	54
Debt Capacity These schedules contain trend information to help the reader assess the affordability of GEUS' current levels of outstanding debt and GEUS' ability to issue additional debt in the future.	58
Revenue Capacity These schedules contains information to help the reader assess GEUS' revenue sources, the sale of electricity and cable and internet.	62
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the utility's financial activities take place.	64
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the utility's financial report relates to the services the utility provides and the activities it performs.	74

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**SCHEDULE OF FUND NET POSITION BY COMPONENT***Last Ten Fiscal Years**Page 1 of 2*

	2023	2022	2021	2020	2019
Net Investment in capital assets	\$ 39,264,765	\$ 32,134,744	\$ 35,640,903	\$ 41,715,450	\$ 36,111,453
Restricted	-	1,659,255	-	-	-
Unrestricted	32,553,784	29,891,894	12,573,143	7,590,281	882,888
Total Fund Net Position	\$ 71,818,549	\$ 63,685,893	\$ 48,214,046	\$ 49,305,731	\$ 36,994,341

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**SCHEDULE OF FUND NET POSITION BY COMPONENT***Last Ten Fiscal Years**Page 2 of 2*

	2018	2017	2016	2015	2014
Net Investment in capital assets	\$ 28,436,832	\$ 26,814,332	\$ 28,004,217	\$ 29,311,545	\$ 30,438,242
Restricted	4,536,273	5,152,752	5,173,144	5,162,133	4,966,778
Unrestricted	(10,742,403)	(13,317,583)	23,693,043	24,711,704	20,911,033
Total Fund Net Position	\$ 22,230,702	\$ 18,649,501	\$ 56,870,404	\$ 59,185,382	\$ 56,316,053

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 1 of 2
SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Operating Revenues					
Electric	\$ 106,923,404	\$ 96,011,334	\$ 124,730,252	\$ 62,514,994	\$ 67,767,885
Cable & Internet	6,346,743	6,369,772	6,105,300	6,015,096	5,785,728
Total Operating Revenues	113,270,147	102,381,106	130,835,552	68,530,090	73,553,613
Operating Expenses					
Electric	79,838,698	76,913,932	112,929,130	40,238,959	41,871,642
Cable & Internet	4,947,430	4,819,862	5,091,059	5,000,802	4,893,587
Administrative	6,026,331	148,804	522,513	628,632	613,523
Insurance	554,100	418,216	335,581	320,469	285,436
City Services	545,519	517,080	795,455	709,267	625,495
Pilot	418,898	380,787	384,105	377,269	368,274
General Fund	4,696,033	2,887,078	3,323,580	2,735,206	3,037,799
Board of Development	939,207	577,415	817,079	718,703	683,535
Total Operating Expenses	97,966,216	86,663,174	124,198,502	50,729,307	52,379,291
Net (Expense) Revenue	15,303,931	15,717,932	6,637,050	17,800,783	21,174,322
Non-operating Revenues and Expenses					
Non-operating Revenues:					
Investment earnings	1,796,882	114,713	15,087	412,290	462,231
Amortization	321,129	576,367	573,619	579,868	65,388
Insurance recoveries	-	-	-	-	-
Other income	(235,184)	6,926,143	-	3,263	18,520
Non-operating Expenses:					
Depreciation/amortization	5,542,872	5,165,433	4,561,561	4,220,794	3,826,990
Interest expense	3,511,230	2,697,875	2,466,349	2,264,020	3,129,832
Bond issuance costs	-	-	-	-	-
Other expense	-	-	95,395	-	-
Income Before Impairment	8,132,656	15,471,847	102,451	12,311,390	14,763,639
Impairment of Prepaid Electric Costs ¹	-	-	-	-	-
Change in Net Position	8,132,656	15,471,847	102,451	12,311,390	14,763,639
Net Position, Beginning of Year	63,685,893	49,408,182	49,305,731	36,994,341	22,230,702
Change in Accounting Principle ²	-	(1,194,136)	-	-	-
Net Position, End of Year	\$ 71,818,549	\$ 63,685,893	\$ 49,408,182	\$ 49,305,731	\$ 36,994,341

¹ In 1975, GEUS, along with the cities of Bryan, Denton and Garland, Texas (Cities), entered into a Power Sales Contract with the TMPA. GEUS provides electric services for the City under this contract. Under the Power Sales Contract, as amended, each City had the right to terminate the Power Sales Contract beyond September 1, 2018,

if notice was sent to TMPA by September 30, 2016. GEUS provided such notice to TMPA in September 2016 and, as a result, GEUS discontinued purchasing power from TMPA effective September 1, 2018. Due to the significant

decline in the service utility of the prepaid electric cost asset, such assets were deemed impaired during 2017 and GEUS recognized a \$34,093,046 impairment loss in the accompanying statement of revenues, expenses

² 2018 – GASB 75, 2015 – GASB 68, 2013 – GASB 63

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 2 of 2
SCHEDULE OF CHANGES IN NET POSITION
Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Operating Revenues					
Electric	\$ 60,348,437	\$ 56,332,151	\$ 52,993,461	\$ 58,167,459	\$ 59,813,332
Cable & Internet	6,110,792	6,039,392	6,050,648	6,021,775	5,620,376
Total Operating Revenues	66,459,229	62,371,543	59,044,109	64,189,234	65,433,708
Operating Expenses					
Electric	45,144,618	48,954,429	43,884,348	45,250,943	50,177,109
Cable & Internet	5,147,590	4,983,896	4,832,073	4,722,986	4,549,820
Administrative	493,963	1,174,141	1,155,099	234,909	311,705
Insurance	238,625	229,442	230,415	234,816	245,118
City Services	572,225	695,621	685,369	647,480	773,273
Pilot	360,593	356,100	355,678	350,000	350,000
General Fund	2,849,244	2,446,730	2,627,770	2,698,026	2,448,772
Board of Development	569,849	489,346	525,554	539,605	489,755
Total Operating Expenses	55,376,707	59,329,705	54,296,306	54,678,765	59,345,552
Net (Expense) Revenue	11,082,522	3,041,838	4,747,803	9,510,469	6,088,156
Non-operating Revenues and Expenses					
Non-operating Revenues:					
Investment earnings	139,611	29,683	74,877	78,011	35,176
Amortization	42,051	41,662	41,285	40,925	40,580
Insurance recoveries	-	-	-	506,550	2,500,000
Other income	27,991	-	33,255	20,876	-
Non-operating Expenses:					
Depreciation	3,634,614	3,977,782	3,863,263	3,911,061	3,797,529
Interest expense	3,271,906	3,263,258	3,348,935	3,310,403	3,325,365
Bond issuance costs	-	-	-	62,530	-
Other expense	-	-	-	-	129,227
Income Before Impairment	4,385,655	(4,127,857)	(2,314,978)	2,872,837	1,411,791
Impairment of Prepaid Electric Costs ¹	-	(34,093,046)	-	-	-
Change in Net Position	4,385,655	(38,220,903)	(2,314,978)	2,872,837	1,411,791
Net Position, Beginning of Year	18,649,501	56,870,404	59,185,382	56,316,053	54,904,262
Change in Accounting Principle ²	(804,454)	-	-	(3,508)	-
Net Position, End of Year	\$ 22,230,702	\$ 18,649,501	\$ 56,870,404	\$ 59,185,382	\$ 56,316,053

¹ In 1975, GEUS, along with the cities of Bryan, Denton and Garland, Texas (Cities), entered into a Power Sales Contract with the TMPA. GEUS provides electric services for the City under this contract. Under the Power Sales Contract, as amended, each City had the right to terminate the Power Sales Contract beyond September 1, 2018,

if notice was sent to TMPA by September 30, 2016. GEUS provided such notice to TMPA in September 2016 and, as a result, GEUS discontinued purchasing power from TMPA effective September 1, 2018. Due to the significant

decline in the service utility of the prepaid electric cost asset, such assets were deemed impaired during 2017 and GEUS recognized a \$34,093,046 impairment loss in the accompanying statement of revenues, expenses

² 2018 – GASB 75, 2015 – GASB 68, 2013 – GASB 63

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 1 of 2
**HISTORICAL STATEMENTS OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT
SERVICE COVERAGE
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019
Operating Revenues					
Charges for services	\$ 106,611,837	\$ 100,475,012	\$ 130,835,552	\$ 68,530,090	\$ 73,553,613
Interest Revenue	1,796,882	114,713	15,087	412,290	462,231
Total Operating Revenues	108,408,719	100,589,725	130,850,639	68,942,380	74,015,844
Operating Expenses (1):					
Fuel and Purchased Power,					
Operations and maintenance (2)	84,786,128	81,733,794	118,020,189	45,218,233	46,765,229
Administrative expenses	6,580,431	(491,641)	858,094	970,629	898,959
Intergovernmental	6,599,657	4,362,360	5,320,219	4,540,445	4,715,103
Total Operating Expenses	97,966,216	85,604,513	124,198,502	50,729,307	52,379,291
Net Available for Debt Services	10,442,503	14,985,212	6,652,137	18,213,073	21,636,553
Debt Service Requirements	6,763,782	5,165,614	6,370,632	4,548,338	4,528,613
Coverage of Debt Service Requirements					
by Net Revenues Available for Debt Service	1.54	2.90	1.04	4.00	4.78
Total Revenue Bond Debt Outstanding	66,855,000	66,855,000	57,315,000	45,475,000	50,910,000
Unamortized Premium & Discount	5,636,452	5,729,802	5,920,530	4,291,486	4,814,800
Total Outstanding Revenue Debt	\$ 72,491,452	\$ 72,584,802	\$ 63,235,530	\$ 49,766,486	\$ 55,724,800
Debt Per Capita	2,334	2,400	5,176	3,270	3,848
Rate Covenant per Bond Ordinance	1.25	1.25	1.25	1.25	1.25

(1) Excludes Depreciation.

(2) Includes Amortization of Prepaid Electric Costs (PEC)

FY 2018 Amortized PEC - \$1,549,897 FY 2015 Amortized PEC - \$1,434,549

FY 2017 Amortized PEC - \$1,549,897 FY 2014 Amortized PEC - \$1,333,742

FY 2016 Amortized PEC - \$1,549,896

(3) GEUS made additional payments to TMPA in the approximate amount of \$3,043,000 from operating income during FY 2017 for debt associated with electric generation instead of making the payment in FY 2016. If the payment had been made by GEUS from unrestricted cash in FY 2016 as intended, the cost of Fuel and Purchased Power, Operations in FY 2017 would have been reduced by approximately \$3,043,000 and the Coverage of Debt Service Requirements by Net Revenues Available for Debt Service would have been approximately 1.61x instead of .81x in FY 2017.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 2 of 2
**HISTORICAL STATEMENTS OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT
SERVICE COVERAGE
Last Ten Fiscal Years**

	2018	2017	2016	2015	2014
Operating Revenues					
Charges for services	\$ 66,459,229	\$ 62,371,543	\$ 59,044,109	\$ 64,189,234	\$ 65,433,708
Interest Revenue	139,611	29,683	74,877	78,011	35,176
Total Operating Revenues	66,598,840	62,401,226	59,118,986	64,267,245	65,468,884
Operating Expenses (1):					
Fuel and Purchased Power,					
Operations and maintenance (2)	50,292,208	53,938,325	48,716,421	49,973,929	54,726,929
Administrative expenses	732,588	1,403,583	1,385,514	469,725	311,705
Intergovernmental	4,351,911	3,987,797	4,194,371	4,235,111	4,306,918
Total Operating Expenses	55,376,707	59,329,705	54,296,306	54,678,765	59,345,552
Net Available for Debt Services	11,222,133	3,071,521	4,822,680	9,588,480	6,123,332
Debt Service Requirements	5,450,334	3,807,879	3,812,179	3,803,935	3,747,503
Coverage of Debt Service Requirements					
by Net Revenues Available for Debt Service	2.06	0.81(3)	1.27	2.52	1.63
Total Revenue Bond Debt Outstanding	66,100,203	70,391,916	70,888,202	68,121,127	68,581,707
Unamortized Premium & Discount	510,203	593,916	635,202	676,127	716,707
Total Outstanding Revenue Debt	\$ 66,610,406	\$ 70,985,832	\$ 71,523,404	\$ 68,797,254	\$ 69,298,414
Debt Per Capita	4,476	4,887	5,018	5,186	4,995
Rate Covenant per Bond Ordinance	1.25	1.25	1.25	1.25	1.25

(1) Excludes Depreciation.

(2) Includes Amortization of Prepaid Electric Costs (PEC)

FY 2018 Amortized PEC - \$1,549,897 FY 2015 Amortized PEC - \$1,434,549

FY 2017 Amortized PEC - \$1,549,897 FY 2014 Amortized PEC - \$1,333,742

FY 2016 Amortized PEC - \$1,549,896

(3) GEUS made additional payments to TMPA in the approximate amount of \$3,043,000 from operating income during FY 2017 for debt associated with electric generation instead of making the payment in FY 2016. If the payment had been made by GEUS from unrestricted cash in FY 2016 as intended, the cost of Fuel and Purchased Power, Operations in FY 2017 would have been reduced by approximately \$3,043,000 and the Coverage of Debt Service Requirements by Net Revenues Available for Debt Service would have been approximately 1.61x instead of .81x in FY 2017.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 1 of 2

ELECTRIC SYSTEM REVENUE BONDS

For the Fiscal Year Ended September 30, 2023

Year Ending 9/30	The Series 2019A Bonds			The Series 2021 Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,370,000	\$ 1,602,750	\$ 3,972,750	\$ 255,000	\$ 423,244	\$ 678,244
2025	2,490,000	1,481,250	3,971,250	270,000	410,119	680,119
2026	2,615,000	1,353,625	3,968,625	280,000	396,369	676,369
2027	2,750,000	1,219,500	3,969,500	295,000	381,994	676,994
2028	2,890,000	1,078,500	3,968,500	310,000	366,869	676,869
2029	3,040,000	930,250	3,970,250	325,000	350,994	675,994
2030	3,200,000	774,250	3,974,250	345,000	334,244	679,244
2031	3,360,000	610,250	3,970,250	360,000	316,619	676,619
2032	3,535,000	437,875	3,972,875	380,000	300,019	680,019
2033	3,710,000	256,750	3,966,750	395,000	284,519	679,519
2034	2,365,000	104,875	2,469,875	410,000	268,419	678,419
2035	915,000	22,875	937,875	425,000	251,719	676,719
2036	-	-	-	445,000	234,319	679,319
2037	-	-	-	460,000	216,219	676,219
2038	-	-	-	480,000	199,819	679,819
2039	-	-	-	495,000	185,194	680,194
2040	-	-	-	510,000	170,119	680,119
2041	-	-	-	525,000	154,594	679,594
2042	-	-	-	540,000	140,306	680,306
2043	-	-	-	550,000	127,363	677,363
2044	-	-	-	565,000	114,122	679,122
2045	-	-	-	580,000	100,525	680,525
2046	-	-	-	590,000	86,631	676,631
2047	-	-	-	605,000	72,062	677,062
2048	-	-	-	620,000	56,750	676,750
2049	-	-	-	635,000	41,062	676,062
2050	-	-	-	655,000	24,938	679,938
2051	-	-	-	670,000	8,375	678,375
2052	-	-	-	-	-	-
	\$ 33,240,000	\$ 9,872,750	\$ 43,112,750	\$ 12,975,000	\$ 6,017,526	\$ 18,992,526

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

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ELECTRIC SYSTEM REVENUE BONDS

For the Fiscal Year Ended September 30, 2023

Year Ending 9/30	The Series 2022 Bonds			The Series 2022 Bonds			Grand Total Requirements
	Principal	Interest	Total	Principal	Interest	Total	
2024	\$ 850,000	\$399,712.00	\$ 1,249,712	\$ 195,000	\$ 668,076	\$ 863,076	\$ 6,763,782
2025	875,000	375,131	1,250,131	210,000	655,926	865,926	6,767,426
2026	900,000	349,838	1,249,838	220,000	643,025	863,025	6,757,857
2027	930,000	323,760	1,253,760	235,000	630,550	865,550	6,765,804
2028	955,000	296,899	1,251,899	245,000	618,550	863,550	6,760,818
2029	985,000	269,254	1,254,254	260,000	605,925	865,925	6,766,423
2030	1,010,000	240,825	1,250,825	270,000	592,675	862,675	6,766,994
2031	1,040,000	211,612	1,251,612	285,000	578,800	863,800	6,762,281
2032	1,070,000	181,545	1,251,545	300,000	564,175	864,175	6,768,614
2033	1,100,000	150,622	1,250,622	315,000	548,800	863,800	6,760,691
2034	1,135,000	118,774	1,253,774	335,000	532,550	867,550	5,269,618
2035	1,165,000	85,999	1,250,999	350,000	515,425	865,425	3,731,018
2036	1,200,000	52,298	1,252,298	370,000	497,425	867,425	2,799,042
2037	1,235,000	17,599	1,252,599	390,000	477,450	867,450	2,796,268
2038	-	-	-	410,000	455,450	865,450	1,545,269
2039	-	-	-	435,000	432,213	867,213	1,547,407
2040	-	-	-	455,000	407,738	862,738	1,542,857
2041	-	-	-	485,000	381,888	866,888	1,546,482
2042	-	-	-	510,000	354,525	864,525	1,544,831
2043	-	-	-	540,000	327,000	867,000	1,544,363
2044	-	-	-	565,000	299,375	864,375	1,543,497
2045	-	-	-	595,000	270,375	865,375	1,545,900
2046	-	-	-	625,000	239,875	864,875	1,541,506
2047	-	-	-	655,000	207,875	862,875	1,539,937
2048	-	-	-	690,000	174,250	864,250	1,541,000
2049	-	-	-	725,000	138,875	863,875	1,539,937
2050	-	-	-	765,000	101,625	866,625	1,546,563
2051	-	-	-	805,000	62,375	867,375	1,545,750
2052	-	-	-	845,000	21,125	866,125	866,125
	\$ 14,450,000	\$ 3,073,868	\$ 17,523,868	\$ 13,085,000	\$ 12,003,916	\$ 25,088,916	\$ 104,718,060

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**Page 1 of 2****SCHEDULE OF REVENUE BY SOURCES****Last Ten Fiscal Years**

Description	2023	2022	2021	2020	2019
Residential	\$ 25,182,937	\$ 21,970,831	\$ 17,724,449	\$ 19,295,474	\$ 19,113,503
Commercial	39,440,213	33,102,668	26,570,212	30,339,952	32,591,568
Wholesale	35,641,944	36,417,119	78,648,024	11,138,654	13,970,011
Cable & Internet	6,346,743	6,315,466	6,105,300	6,015,095	6,315,466
Interest revenue	1,796,882	114,713	15,087	412,290	-
Miscellaneous	6,608,309	9,595,071	1,787,567	1,740,915	2,092,803
Total Revenue	<u>\$ 115,017,028</u>	<u>\$ 107,515,868</u>	<u>\$130,850,639</u>	<u>\$ 68,942,380</u>	<u>\$ 74,083,351</u>

Source: Greenville Electric Utility System, Audited Financial Statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**Page 2 of 2****SCHEDULE OF REVENUE BY SOURCES****Last Ten Fiscal Years**

Description	2018	2017	2016	2015	2014
Residential	\$ 19,035,430	\$ 16,497,193	\$ 16,366,985	\$ 17,375,894	\$ 15,340,932
Commercial	31,684,764	30,624,462	29,839,218	31,920,738	28,438,844
Wholesale	6,692,021	7,438,673	4,766,015	6,627,222	14,011,634
Cable & Internet	6,110,792	6,039,392	6,050,648	6,021,775	5,620,376
Interest revenue	139,611	29,683	74,877	78,011	35,176
Miscellaneous	2,936,222	1,771,823	2,021,243	2,243,605	2,021,922
Total Revenue	<u>\$ 66,598,840</u>	<u>\$ 62,401,226</u>	<u>\$ 59,118,986</u>	<u>\$ 64,267,245</u>	<u>\$ 65,468,884</u>

Source: Greenville Electric Utility System, Audited Financial Statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Estimated Population	Median Household Income	Per Capita Personal Income	School Enrollment	Unemployment Rate
2013	25,834	n/a	\$ 19,999	5,711	6.3%
2014	25,834	n/a	18,022	5,711	6.3%
2015	25,917	n/a	18,439	5,824	6.2%
2016	26,800	n/a	19,201	5,408	5.5%
2017	26,180	n/a	19,779	5,628	4.7%
2018	27,443	\$ 37,304	21,188	5,354	4.5%
2019	28,263	41,978	22,249	5,360	4.1%
2020	28,827	40,950	23,519	5,359	4.1%
2021	29,980	44,622	21,188	5,400	5.1%
2022	29,578	48,979	26,049	5,390	5.9%
2023	31,060	56,858	29,342	5,320	4.8%

Sources: Provided by The City of Greenville, Texas

<https://worldpopulationreview.com/us-cities/greenville-tx-population>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

PRINCIPAL CUSTOMERS

Current Year and Nine Years Ago

Customer	2023		Customer	2014	
	Rank	% of Revenue Base		Rank	% of Revenue Base
L3 Harris Technologies	1	14.56%	L3 Harris Technologies	1	11.99%
FSTI Inc.	2	3.50%	FSTI Inc.	2	2.62%
CYTEC Industries Inc.	3	3.21%	CYTEC Industries Inc.	3	2.38%
Hunt Regional Medical Center	4	1.85%	Weatherford Artificial Lift#224	4	1.92%
Sabert Corporation	5	1.55%	Hunt Regional Medical Center	5	1.29%
International Grains & Cereal LLC	6	1.16%	Fritz Industries Inc.	6	0.89%
Rock Tenn Corp	7	1.03%	Rock Tenn Corp	7	0.73%
Weatherford Artificial Lift#224	8	0.99%	Wal-Mart	8	0.65%
Fritz Industries Inc.	9	0.70%	City Sewer Disposal Plant	9	0.52%
Wal-Mart	10	0.81%	A B Mauri Fleischmann's	10	0.45%
Totals		29.36%			23.44%

Source: Greenville Electric Utility System, Billing Register

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NUMBER OF CUSTOMER ACCOUNTS AT YEAR-END

Last Ten Fiscal Years

Page 1 of 2

	2023	2022	2021	2020	2019
Electric					
Number	16,678	16,277	15,666	15,218	14,873
% Change	2.46%	3.90%	2.32%	2.32%	0.70%
Cable Only					
Number	657	722	823	925	1,155
% Change	-9.00%	-12.27%	-19.91%	-19.91%	-64.68%
Internet Only					
Number	3,343	3,155	2,868	2,619	2,247
% Change	5.96%	10.01%	16.56%	16.56%	4.03%
Cable and Internet					
Number	1,297	1,432	1,620	1,691	1,802
% Change	-9.43%	-11.60%	-6.16%	-6.16%	-56.94%

Source: Greenville Electric Utility System, Retail Sales Report and Cable and Internet Monthly Report

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NUMBER OF CUSTOMER ACCOUNTS AT YEAR-END

Last Ten Fiscal Years

Page 2 of 2

	2018	2017	2016	2015	2014
Electric					
Number	14,769	14,297	14,028	13,669	13,637
% Change	1.92%	4.59%	2.63%	0.23%	0.62%
Cable Only					
Number	3,270	3,604	3,765	3,887	4,111
% Change	-4.28%	-7.28%	-3.14%	-5.45%	-8.13%
Internet Only					
Number	2,160	1,967	1,801	1,657	1,503
% Change	9.22%	18.71%	8.69%	10.25%	23.40%
Cable and Internet					
Number	4,185	4,103	3,928	3,686	3,610
% Change	4.46%	11.31%	6.57%	2.11%	5.71%

Source: Greenville Electric Utility System, Retail Sales Report and Cable and Internet Monthly Report

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 1 of 2

TEN YEAR RATE ANALYSIS

Last Ten Fiscal Years

Electric	2023	2022	2021	2020	2019
Residential					
Consumer Charge	\$ 11.25	\$ 11.25	\$ 11.25	\$ 10.79	\$ 10.79
Energy Charge: June - October billing months (Per kWh)	0.0653	0.0653	0.0653	0.0745	0.0745
Energy Charge: November - May billing months (First 1200 kWh)	0.0653	0.0653	0.0653	0.0664	0.0664
Energy Charge: November - May billing months (Over 1200 kWh)	0.048	0.048	0.0480	0.0475	0.0475
Energy Charge: November - May billing months (First 600 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: November - May billing months (Next 600 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: November - May billing months (Remainder kWh)	N/A	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	0.0475	0.0450	0.0290	0.0300	0.0327
Regulatory Charge (Per kWh)*	0.0020	0.0020	0.0020	0.0020	0.0020
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%
Cable & Internet**					
Cable					
Economy	\$ 44.95	\$ 39.95	\$ 39.95	\$ 36.95	\$ 29.95
Economy Plus	129.95	104.95	104.95	89.95	72.95
Digital	146.95	121.95	121.95	106.95	87.95
Residential Internet					
GEUS 10	N/A	29.95	29.95	29.95	N/A
GEUS 50	29.95	N/A	N/A	N/A	N/A
GEUS 250	52.95	52.95	52.95	N/A	N/A
GEUS 320	64.95	N/A	N/A	N/A	N/A
GEUS 450	N/A	89.95	89.95	89.95	N/A
GEUS 500	94.95	N/A	N/A	N/A	N/A
Copper-R 5 Mbps	N/A	N/A	N/A	N/A	14.95
Bronze-R 10 Mbps	N/A	N/A	N/A	N/A	24.95
Silver-R 20 Mbps	N/A	N/A	N/A	N/A	41.95
Residential - 30 Mbps	N/A	N/A	N/A	N/A	N/A
Gold -R 50 Mbps	N/A	N/A	N/A	N/A	61.95
Residential - 60 Mbps	N/A	N/A	N/A	N/A	N/A
Platinum-R 100 Mbps	N/A	N/A	N/A	N/A	95.95
Commercial Internet					
GEUS 250	N/A	69.95	69.95	59.95	N/A
GEUS 320	69.95	N/A	N/A	N/A	N/A
GEUS 450	N/A	114.95	114.95	109.95	N/A
GEUS 500	114.95	N/A	N/A	N/A	N/A
Swift-C 10 Mbps	N/A	N/A	N/A	N/A	N/A
Quick-C 20 Mbps	N/A	N/A	N/A	N/A	N/A
Rapid-C 30 Mbps	N/A	N/A	N/A	N/A	69.95
Express-C 60 Mbps	N/A	N/A	N/A	N/A	89.95
Top Fuel-C 100 Mbps	N/A	N/A	N/A	N/A	149.95
Streaming Internet					
Gold Streaming Package	N/A	N/A	N/A	N/A	102.95
Silver Streaming	N/A	N/A	N/A	N/A	79.95

* Rate at end of fiscal year

** Cable & Internet rates based on per month fee

Electric	2018	2017	2016	2015	2014
Residential					
Consumer Charge	\$ 10.79	\$ 10.79	\$ 10.79	\$ 10.79	\$ 10.79
Energy Charge: June - October billing months (Per kWh)	0.0745	0.0745	0.0745	0.0745	0.0745
Energy Charge: November - May billing months (First 1200 kWh)	0.0664	0.0664	0.0664	0.0664	0.0664
Energy Charge: November - May billing months (Over 1200 kWh)	0.0475	0.0475	0.0475	0.0475	0.0475
Energy Charge: November - May billing months (First 600 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: November - May billing months (Next 600 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: November - May billing months (Remainder kWh)	N/A	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	0.0310	0.0270	0.0230	0.0300	0.3400
Regulatory Charge (Per kWh)*	0.0020	0.0010	0.0008	0.0006	N/A
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%
Cable & Internet**					
Cable					
Economy	\$ 29.95	\$ 21.95	\$ 21.95	\$ 21.95	\$ 21.95
Economy Plus	72.95	67.95	57.95	57.95	57.95
Digital	87.95	75.95	67.95	67.95	67.95
Residential Internet					
GEUS 10	N/A	N/A	N/A	N/A	N/A
GEUS 50	N/A	N/A	N/A	N/A	N/A
GEUS 250	N/A	N/A	N/A	N/A	N/A
GEUS 320	N/A	N/A	N/A	N/A	N/A
GEUS 450	N/A	N/A	N/A	N/A	N/A
GEUS 500	N/A	N/A	N/A	N/A	N/A
Copper-R 5 Mbps	14.95	14.95	14.95	14.95	N/A
Bronze-R 10 Mbps	24.95	24.95	24.95	24.95	N/A
Silver-R 20 Mbps	41.95	41.95	41.95	41.95	41.95
Residential - 30 Mbps	N/A	N/A	N/A	N/A	61.95
Gold -R 50 Mbps	61.95	61.95	61.95	61.95	N/A
Residential - 60 Mbps	N/A	N/A	N/A	N/A	99.95
Platinum-R 100 Mbps	95.95	95.95	95.95	95.95	N/A
Commercial Internet					
GEUS 250	N/A	N/A	N/A	N/A	N/A
GEUS 320	N/A	N/A	N/A	N/A	N/A
GEUS 450	N/A	N/A	N/A	N/A	N/A
GEUS 500	N/A	N/A	N/A	N/A	N/A
Swift-C 10 Mbps	N/A	N/A	75.95	75.95	75.95
Quick-C 20 Mbps	N/A	N/A	129.95	129.95	N/A
Rapid-C 30 Mbps	69.95	69.95	171.95	171.95	171.95
Express-C 60 Mbps	89.95	89.95	225.95	225.95	275.95
Top Fuel-C 100 Mbps	149.95	149.95	325.95	325.95	N/A
Streaming Internet					
Gold Streaming Package	102.95	102.95	102.95	N/A	N/A
Silver Streaming	79.95	79.95	N/A	N/A	N/A

* Rate at end of fiscal year

** Cable & Internet rates based on per month fee



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

PRINCIPAL EMPLOYERS

For the Current Year and Nine Years Ago

Name of Employer	2023			2014			
	No. of Employees	Rank	Percentage of Total City Employment	No. of Employees	Rank	Percentage of Total City Employment	
L-3 Harris*	6,500	1	43.98%	L-3 Communications	5,700	1	47.44%
Greenville ISD**	862	2	5.83%	Greenville ISD	702	2	5.84%
McKesson*	500	3	3.38%	Hunt Regional Medical Center	600	3	4.99%
Solvay*	350	4	2.37%	McKesson	500	4	4.16%
Masonite Int'l Corp*	250	5	1.69%	Hunt County	400	5	3.33%
Innovation First*	225	6	1.52%	Cytec Engineered Materials	350	6	2.91%
Weatherford International*	225	7	1.52%	Wal-Mart Supercenter	300	7	2.50%
Raytheon*	200	8	1.35%	Weatherford International	225	8	1.87%
WestRock*	130	9	0.88%	Raytheon	200	9	1.66%
OmniSys*	115	10	0.78%	Masonite Corp	195	10	1.62%
Total	9,357		63.30%	Total	9,172		76.32%
Total employment within the City	14,780					12,015	

*Source: Greenville Economic Development Corporation

**Source: Texas Education Agency

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
SCHEDULE OF FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Page 1 of 2

	2023	2022	2021	2020	2019
Administrative & General	51	48	44	47	43
Engineering & Operations	50	46	40	40	38
Production	20	20	19	19	28
Cable & Internet	9	8	13	15	17
Total	130	122	116	121	126

Source: Greenville Electric Utility System, Personnel Department Records.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
SCHEDULE OF FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Page 2 of 2

	2018	2017	2016	2015	2014
Administrative & General	40	40	36	36	39
Engineering & Operations	41	40	42	42	42
Production	28	28	28	28	30
Cable & Internet	17	17	17	17	17
Total	126	125	123	123	128

Source: Greenville Electric Utility System, Personnel Department Records.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
SCHEDULE OF OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Page 1 of 2

	2023	2022	2021	2020	2019
Wholesale electric energy:					
Wholesale (kWh)	473,476,726	493,214,547	437,792,690	343,698,123	154,257,596
Wholesale Power Cost per kWh	\$ 0.07527708	\$ 0.17964673	\$ 0.03240825	\$ 0.03240825	\$ 0.09056287
Energy sales:					
Residential					
kWh sales	181,057,613	179,958,692	168,479,498	166,972,901	160,135,849
Average kWh/customer	12,751	12,495	12,790	12,790	12,607
Average energy revenue per kWh	\$ 0.13770585	\$ 0.11805329	\$ 0.10520241	\$ 0.11556051	\$ 0.11935805
Average annual billing/customer	1,755.89	1,475.08	1,345.53	1,478.01	1,504.76
Customers, end of year	14,200	13,687	13,484	13,055	12,702
Customer increase (decrease) net	513	203	429	353	120
Commercial					
kWh sales	347,893,248	347,225,952	327,178,839	341,639,471	354,495,931
Average kWh/customer	156,850	149,994	157,947	157,947	163,287
Average energy revenue per kWh	\$ -	\$ -	\$ 0.08121006	\$ 0.08880693	\$ 0.09193778
Customers, end of year	2,218	2,199	2,182	2,163	2,171
Customer increase (decrease) net	19	17	19	(8)	(16)
Totals					
Retail Sales kWh	528,950,861	527,184,644	495,658,337	508,612,372	514,631,780
Average energy revenue per kWh	\$ 0.12217231	\$ 0.10446719	\$ 0.08936531	\$ 0.09758989	\$ 0.10047003
Customers, end of year	16,678	16,277	15,666	15,218	14,873
Annual load factor	48.7%	48.5%	51.0%	52.8%	52.5%
Peak demand (MW)	124	124	111	110	112

Source: Greenville Electric Utility System, Audited Financial Statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
SCHEDULE OF OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Page 2 of 2

	2018	2017	2016	2015	2014
Wholesale electric energy:					
Wholesale (kWh)	108,572,851	197,420,131	129,565,699	141,099,209	308,375,907
Wholesale Power Cost per kWh	\$ 0.06163623	\$ 0.03767940	\$ 0.03678454	\$ 0.04696853	\$ 0.04543686
Energy sales:					
Residential					
kWh sales	164,173,285	143,973,588	148,211,427	147,741,108	152,308,394
Average kWh/customer	13,048	11,737	12,376	12,558	13,137
Average energy revenue per kWh	\$ 0.11594718	\$ 0.11458486	\$ 0.11042998	\$ 0.11761042	\$ 0.10072283
Average annual billing/customer	1,512.91	1,344.84	1,366.65	1,476.91	1,323.18
Customers, end of year	12,582	12,267	11,976	11,765	11,594
Customer increase (decrease) net	315	291	211	171	11,594
Commercial					
kWh sales	359,476,351	361,656,032	368,205,022	359,904,781	351,652,747
Average kWh/customer	164,370	178,156	179,437	189,026	172,126
Average energy revenue per kWh	\$ 0.08814144	\$ 0.08467842	\$ 0.08103968	\$ 0.08869218	\$ 0.08087195
Customers, end of year	2,187	2,030	2,052	1,904	2,043
Customer increase (decrease) net	157	(22)	148	(139)	(76)
Totals					
Retail Sales kWh	523,649,636	505,629,620	516,416,449	507,645,889	503,961,141
Average energy revenue per kWh	\$ 0.09685903	\$ 0.09319402	\$ 0.08947469	\$ 0.09710831	\$ 0.08687133
Customers, end of year	14,769	14,297	14,028	13,669	13,637
Annual load factor	52.0%	52.5%	51.3%	50.8%	54.8%
Peak demand (MW)	115	110	115	114	105

Source: Greenville Electric Utility System, Audited Financial Statements.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM***Last Ten Fiscal Years***Page 1 of 2**

	2023	2022	2021	2020	2019
Electric Distribution:					
Number of Substations	9	9	9	9	9
Miles of Distribution Lines	755	755	743	726	703
System Capacity	300.5	300.5	303.2	303.2	247.2

Source: Greenville Electric Utility System, Engineering Records.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM***Last Ten Fiscal Years***Page 2 of 2**

	2018	2017	2016	2015	2014
Electric Distribution:					
Number of Substations	9	9	9	9	9
Miles of Distribution Lines	703	703	703	703	703
System Capacity	247.2	247.2	247.2	247.2	247.2

Source: Greenville Electric Utility System, Engineering Records.

