



AGENDA

Finance/Audit Committee Meeting

March 6, 2024

12:00 noon GUC Board Room

Call to Order and Ascertain Quorum

[Committee Chair Lindsey Griffin]

Safety Brief

[Tony Cannon]

Acceptance of the Agenda

[Committee Chair Lindsey Griffin]

1. Approval of Minutes

[Committee Chair Lindsey Griffin]

October 24, 2023

2. End-of-Year Forecast/Draft Revenues and Expenditures Proposal for Upcoming Fiscal Year

[Tony Cannon]

3. Recommendation to Award Auditing Services Contract

[Jeff McCauley : Amanda Wall]

Adjournment



Agenda Item # 1

Meeting Date: March 6, 2024

Board Committee:	Finance/Audit Committee
Item:	Approval of Minutes
Contact:	Tony Cannon
Explanation:	Finance/Audit Committee Meeting: October 24, 2023
Strategic Plan Elements:	Strategic Themes: <ul style="list-style-type: none">• Exceptional Customer Service• Shaping Our Future Objectives: <ul style="list-style-type: none">• Exceeding customer expectations• Embracing change to ensure organizational alignment and efficiency Core Values: <ul style="list-style-type: none">• Exceed customers' expectations• Support the community• Deliver reliable services
Previous Board Actions:	N/A
Fiscal Note:	N/A
Recommended Action(s):	Approval of minutes as presented or amended

GREENVILLE UTILITIES COMMISSION
FINANCE/AUDIT COMMITTEE
GREENVILLE, NORTH CAROLINA
October 24, 2023

The Finance/Audit Committee of the Greenville Utilities Commission held a virtual meeting on Tuesday, October 24, 2023, at 12:00 p.m. with the following members and others participating, and Committee Chair Lindsey Griffin presiding.

Committee Members Present via Zoom:

Lindsey Griffin, Committee Chair
Ferrell L. Blount III, Committee Vice-Chair
Tommy Stoughton
Dillon Godley

GUC Staff Present via Zoom:

Tony Cannon, General Manager/CEO
Chris Padgett
Jeff McCauley
Phil Dixon
Amy Wade
Steve Hawley
Lou Norris

Committee Chair Griffin called the meeting to order at 12:00 p.m. and ascertained that a quorum was present.

A motion was made by Mr. Blount, seconded by Mr. Godley, to accept the agenda as presented. The motion carried unanimously.

SAFETY BRIEF:

Mr. Tony Cannon, General Manager/CEO reminded all to be aware of their surroundings and exit plan and stated that should there be an emergency during the meeting to inform the group via zoom. Amy Wade has participant's information and can call for assistance if needed.

APPROVAL OF MINUTES (Agenda Item 1)

A motion was made by Mr. Blount, seconded by Mr. Godley, to approve the March 7, 2023 Finance/Audit Committee minutes as presented. The motion carried unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY (Agenda Item 2)

Mr. Jeff McCauley, Chief Financial Officer, stated that it is the policy of GUC to invest public funds in a manner which will provide the highest return with the maximum security while

meeting the daily cash flow demands of GUC and conforming to all state and local statutes governing the investment of public funds. To that end, GUC's Investment Policy requires that a review of the investment policy be conducted on an annual basis by the Finance/Audit Committee. Mr. McCauley gave a brief update on the status of investments and provided information related to the portfolio.

Mr. McCauley stated that staff does not recommend any changes to the existing policy at this time.

ANNUAL FY 2022-2023 AUDIT UPDATE (Agenda Item 3)

Mr. McCauley stated that the fiscal year-end audit has been progressing nicely and it is anticipated that the Commission will receive a clean audit opinion. Based on Generally Accepted Accounting Principles (GAAP) the Commission generated \$650 thousand in net income for fiscal year-ended June 30, 2023. Final status is pending receipt and recordation of results of the OPEB actuarial study and once finalized there may be an adjustment of approximately \$500K. Staff is on track to deliver the audited financial statements to the State Treasurer's Office by November 30, 2023, and to present the full audit report in December.

ADJOURNMENT

With no further business to conduct, a motion was made by Mr. Blount, seconded by Mr. Stoughton, to adjourn the Finance/Audit Committee meeting at 12:14 p.m. The motion carried unanimously.

Respectfully submitted,

Amy Carson Wade
Executive Secretary



Agenda Item # 2

Meeting Date: March 6, 2024

**Board
Committee:**

Finance/Audit Committee

Item:

End-of-Year Projection/Draft Revenues and Expenditures Proposal for Upcoming Fiscal Year

Contact:

Tony Cannon

Explanation:

The Finance/Audit Committee will meet on March 6, 2024, with GUC staff to discuss the end-of-year financial projection and the preliminary revenues and expenditures proposal for FY 2024-25. Attached for your review are a memorandum and supplemental materials.

The presentation will focus on end-of-year performance for FY 2023-24, and the key elements of the proposed FY 2024-25 budget. These areas include current status, capital investment, five-year capital plans, rate models, and the long-term financial forecasts.

**Strategic Plan
Elements:**

Strategic Themes:

- Exceptional Customer Service
- Safety, Reliability & Value
- Shaping Our Future

Objectives:

- Safely providing reliable and innovative utility solutions
- Exceeding customer expectations
- Providing competitive rates, while maintaining the financial stability of the utility
- Developing and enhancing strategic partnerships
- Embracing change to ensure organizational alignment and efficiency

Core Values:

- Exceed Customers' Expectations
- Act with Integrity
- Value Employees
- Deliver Reliable Services
- Prioritize Safety
- Support the Community

**Previous Board
Actions:**

N/A

Fiscal Note:

N/A


**Recommended
Action(s):**

Endorsement for the Board to move forward with appropriate actions related to the current end-of-year financial projection and preparation of the proposed preliminary FY 2024-25 budget as presented.

OFFICE OF THE
GENERAL MANAGER

MEMORANDUM

TO: GUC Board of Commissioners Finance/Audit Committee

FROM: Anthony C. Cannon, General Manager/CEO 

DATE: February 29, 2024

SUBJECT: Updated End-of-Year Projections/Draft Revenues and Expenditures Proposal for Upcoming Fiscal Year

At the Board Finance/Audit Committee meeting on Wednesday, March 6, 2024, staff will review the end-of-year financial projections for FY 2023-24 and the proposed budget for FY 2024-25. In preparation for the meeting, supplemental information is attached for your review, which highlights the items listed below:

- End-of-year Projections for FY 2023-24 (current year)
- Proposed FY 2024-25 Budget
- FY 2025-29 Financial Forecasts
- FY 2025-29 Capital Improvement Plan

Key metrics, such as fund balance and debt-service coverage ratios, are also included in the attached documents.

The remainder of this memorandum provides a historical reference regarding the major influences and highlights of the current budget, status of GUC's FY 2023-24 financial projections, and proposed revenues and expenditures for FY 2024-25.

End-of-Year Projections

The current budget adopted for FY 2023-24 provided appropriations of \$16.9M in capital outlay improvements, more than \$87.4M in operations, and transfers of \$2.2M to the capital projects fund. The FY 2023-24 original budget was 2.3% more than the previous year's budget and provided funding for operating and capital infrastructure improvements while maintaining competitive rates.

Total adjustments of \$8.6M to the original budget are due to a reduction in Rates & Charges and the Transfer from Rate Stabilization as well as reduced Purchased Commodity costs.

In reviewing the end-of-year projection, the financial viability of each fund is considered to ensure that GUC is positioned to meet its mission and future financial obligations. ***Key Performance Indicators such as debt-service coverage ratios, fund balances, and days cash on hand are primary components of the review.*** These factors are also monitored by the NC Local Government Commission (LGC) and credit rating agencies in determining GUC's ability to borrow funds at a favorable interest rate.

GUC's current credit ratings are Aa1 with Moody's and AA- with Fitch. These high ratings enable GUC to borrow funds at lower interest rates, thereby lowering the cost of borrowing for necessary investments in infrastructure to maintain our systems.

- **End-of-Year Projection for Electric Fund After Transfers**
Revenues for the Electric Fund are projected to end the year less than budgeted. It is anticipated the Electric Fund will end the fiscal year with \$7K in fund equity, a debt-service coverage ratio of 3.01x, and a fund balance of 15.0%, or \$28.5M.
- **End-of-Year Projection for Water Fund After Transfers**
It is projected that the Water Fund will end the fiscal year with approximately \$110K in fund equity, a debt-service coverage ratio of 1.76x, and a fund balance of 18.8%, or \$5.1M.
- **End-of-Year Projection for Sewer Fund After Transfers**
It is projected that the Sewer Fund will end the fiscal year with approximately \$163K in fund equity, a debt-service coverage ratio of 1.35x, and a fund balance of 24.7%, or \$6.3M.
- **End-of-Year Projection for Gas Fund After Transfers**
It is projected that the Gas Fund will end the fiscal year with \$98K in fund equity, a debt-service coverage ratio of 7.19x, and a fund balance of 29.7%, or \$12.7M.
- **End-of-Year Projection for the Combined Enterprise Operation After Transfers**
The combined funds are expected to realize revenues of approximately \$286M, a decrease of \$8.6M, or 2.9%, from the original budget. Expenditures, not including transfers, are projected to total approximately \$281M, an \$11.2M, or 3.8%, decrease from the original budget. The combined funds' revenues, after \$2.2M in net transfers, are projected to end the year \$380K higher than expenditures.

Proposed FY 2024-25 Budget

Greenville Utilities Commission (GUC) is pleased to present the proposed FY 2024-25 Budget that was developed using the values and objectives identified in our “Blueprint – GUC’s Strategic Plan.” At the core of everything we do is a focus on facilitating regional growth, safely providing reliable and innovative utility solutions, and providing exceptional customer service.

The Commission’s budget maintains several key financial metrics including debt-service coverage ratios, fund balance (as defined by the NC Local Government Commission), and days cash on hand. These metrics are reviewed for each fund and at the enterprise level. Maintaining these metrics at the fund level ensures the long-term sustainability of GUC to continue meeting its mission and future financial objectives.

Guiding all budgetary decisions is GUC’s Strategic Plan, which emphasizes our commitment to provide exceptional service while maintaining a viable financial position. The Commission utilizes Key Performance Indicators at the corporate level on a consistent basis to monitor our effectiveness in implementing the objectives identified in the Strategic Plan. Therefore, GUC’s budget goals are designed to achieve the following:

- Safely provide reliable utility solutions at the lowest reasonable cost
- Provide exceptional customer service in an environmentally responsible manner
- Position GUC to achieve greater efficiencies
- Continue to meet regulatory requirements
- Minimize rate increases
- Avoid future rate shock
- Maintain Key Performance Indicators for each fund
- Be operationally and financially prepared for emergency situations
- Be prepared for growth and expansion opportunities
- Preserve and/or improve bond ratings
- Support economic development in our community

The balancing process for the proposed budget addressed several areas, including the review and analysis of the following:

- All four funds ability to be self-supporting on a sustained basis
- Continued investment in infrastructure
- Appropriate timing of expenditures for capital projects
- Revenues
- Personnel and staffing
- Cost-saving opportunities

- The updated financial models, with a focus on keeping rates as affordable as possible, while maintaining financial stability

Highlights of the FY 2024-25 proposed budget are listed below:

- Expenditures budgeted for FY 2024-25 have increased by 2.3%, or \$6.6M, when compared to the FY 2023-24 budget. Key points are:
 - \$6.7M increase in operations
 - \$3.9M increase in purchased power
 - \$300K decrease in capital outlay
 - \$7.5M decrease in purchased gas
 - \$1.5M increase in debt service
 - \$1.4M increase in City turnover
 - \$400K increase in transfers to capital projects
 - \$900K increase in transfers to rate stabilization fund
- 3.8% base rate increase for the Electric Fund, a 0.5% increase from last year's forecast
- 0.0% rate increase for the Water Fund, a 3.0% reduction from last year's forecast
- 5.1% rate increase for the Sewer Fund, a 1.4% increase from last year's forecast
- 0.0% rate increase for the Gas Fund, a 5.3% decrease from last year's forecast
- Funding for a 3.5% employee merit/market adjustment
- Continuation of a self-insured health insurance plan which includes a high deductible Health Savings Account option
- Continuation of self-insured dental insurance plan
- Funding to hire replacements prior to the retirement of key personnel to facilitate succession planning, leverage the knowledge and experience of long-term employees for training on critical issues and ensure smooth transitions
- One new permanent position to address workload
- Continuation of investment in the Greenville ENC Alliance to promote economic development in our region
- Transfer to Other Post-Employment Benefits (OPEB) of \$500K
- Transfer of \$150K to City's Energy Efficiency Partnership
- Investment of \$16.6M for capital outlay to maintain system reliability and comply with regulatory requirements
- Annual turnover or transfer of \$8.7M to the City of Greenville in accordance with the Charter issued by the North Carolina General Assembly

Summary

The FY 2024-25 proposed balanced budget was developed with the staff's best effort to control costs, while continuing to provide a high level of service to GUC's customers. Not

only is the proposed budget balanced for the near term, it also includes key components to position GUC for long-term sustainability. This budget supports GUC's vision to provide safe, innovative, and sustainable utility solutions that serve as the foundation of growth for the Greenville region. GUC is dedicated to enhancing the quality of life for those we serve by safely providing reliable utility solutions at the lowest reasonable cost, with exceptional customer service, in an environmentally responsible manner.

We look forward to meeting with the Board Finance/Audit Committee on Wednesday and presenting a more in-depth review of GUC's FY 2023-24 end-of-year projections and the FY 2024-25 proposed balanced budget. If you have questions prior to the meeting, please do not hesitate to contact us.

Attachments



**ALL FUNDS
REVENUES & EXPENDITURES
DRAFT: 2/23/2024**

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:								
1 Rates & Charges	\$ 264,630,965	\$ 278,321,560	\$ 269,309,630	\$ 285,878,775	\$ 291,710,826	\$ 291,350,859	\$ 299,300,193	\$ 306,533,386
2 Fees & Charges	2,655,656	2,342,250	2,300,047	2,569,394	2,620,784	2,673,197	2,726,663	2,781,215
3 U. G. & Temp. Ser. Chgs.	443,695	440,000	1,044,671	672,014	685,454	699,165	713,147	727,410
4 Miscellaneous	4,438,015	2,413,860	4,226,195	4,929,839	3,822,445	3,474,570	3,544,065	3,614,938
5 Interest on Investments	2,021,103	815,000	1,873,708	1,393,634	1,421,417	1,449,847	1,478,841	1,508,419
6 FEMA/Insurance Reimbursement	-	-	47,783	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-
8 Bond Proceeds	375,396	-	-	780,630	-	738,375	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	366,391	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	5,820,000	10,200,000	7,100,000	5,500,000	-	-	800,000	950,000
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-
14	\$ 280,751,221	\$ 294,532,670	\$ 285,902,034	\$ 301,724,286	\$ 300,260,926	\$ 300,386,013	\$ 308,562,909	\$ 316,115,368
EXPENDITURES:								
15 Operations	\$ 84,249,148	\$ 87,406,176	\$ 89,371,459	\$ 94,102,847	\$ 95,786,961	\$ 100,223,978	\$ 104,356,362	\$ 106,453,744
16 Purchased Commodities	151,402,567	165,000,758	151,808,384	161,459,695	152,477,080	149,357,087	153,682,625	158,981,904
17 Capital Outlay	17,642,747	16,873,680	15,798,125	16,608,922	18,680,492	17,495,906	18,020,784	18,561,407
18 Debt Service	12,828,919	14,853,005	14,855,555	16,333,917	19,291,907	19,498,067	21,740,898	21,677,957
19 City Turnover - General	6,059,368	6,180,555	7,204,587	7,564,107	7,715,388	7,869,708	8,027,088	8,187,636
20 Street Light Reimbursement	1,032,061	959,977	1,085,555	1,100,743	1,121,004	1,144,896	1,171,464	1,200,708
21 Transfer to OPEB Trust	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
22 Transfer to Rate Stabilization	1,000,000	-	1,650,000	900,000	2,400,000	2,100,000	425,000	40,000
23 Transfer to Capital Projects	4,595,000	2,200,000	3,250,000	2,600,000	1,750,000	2,050,000	425,000	200,000
24 Transfer to Designated Reserve	-	-	-	-	-	-	-	-
25 Operating Contingencies	-	558,519	-	-	-	-	-	-
26	\$ 279,309,810	\$ 294,532,670	\$ 285,523,665	\$ 301,170,231	\$ 299,722,832	\$ 300,239,642	\$ 308,349,221	\$ 315,803,356
27 Fund Equity / (Deficit)	\$ 1,441,411	\$ -	\$ 378,369	\$ 554,055	\$ 538,094	\$ 146,371	\$ 213,688	\$ 312,012



ALL FUNDS
REVENUES & EXPENDITURES
DRAFT: 2/23/2024

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
28 Projected All Debt Coverage Ratio	3.07	2.11	2.47	2.49	2.63	2.62	2.25	2.25
29 Projected Fund Balance	18.8%	19.0%	18.4%	16.9%	16.9%	16.9%	16.3%	15.7%
30 Projected Days Cash On Hand	123	122	121	115	118	118	114	111
31 Projected Equity/Capitalization	68%	71%	68%	64%	65%	61%	62%	63%
Typical Residential Bills								
32 Electric	\$109.31	\$109.31	\$110.20	\$119.22	\$118.99	\$116.79	\$119.27	\$122.36
33 Water	\$37.77	\$39.30	\$39.30	\$39.30	\$40.15	\$40.93	\$42.16	\$42.82
34 Sewer	\$44.80	\$44.80	\$44.80	\$47.07	\$49.65	\$50.64	\$52.16	\$53.16
35 Gas	\$97.83	\$104.39	\$104.39	\$104.39	\$108.84	\$111.78	\$114.65	\$114.65
36 Total Monthly Bill	\$289.71	\$297.80	\$298.69	\$309.98	\$317.63	\$320.14	\$328.24	\$332.99
Increase on Monthly Bill								
37 Electric	\$0.00	\$0.00	\$0.89	\$9.01	-\$0.23	-\$2.20	\$2.48	\$3.09
38 Water	\$0.00	\$1.53	\$1.53	\$0.00	\$0.85	\$0.78	\$1.23	\$0.66
39 Sewer	\$0.00	\$0.00	\$0.00	\$2.27	\$2.58	\$0.99	\$1.52	\$1.00
40 Gas	\$0.00	\$6.56	\$6.56	\$0.00	\$4.45	\$2.94	\$2.87	\$0.00
41 Total Increase on Monthly Bill	\$0.00	\$8.09	\$8.98	\$11.28	\$7.65	\$2.51	\$8.10	\$4.75
42 Monthly Bill % Increase			3.1%	3.8%	2.5%	0.8%	2.5%	1.4%



**ELECTRIC FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024**

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:								
1 Rates & Charges	\$ 169,332,514	\$ 182,903,800	\$ 176,410,747	\$ 192,291,177	\$ 194,604,965	\$ 192,089,975	\$ 197,355,231	\$ 203,400,139
2 Fees & Charges	1,458,346	1,310,000	1,219,950	1,476,802	1,506,341	1,536,466	1,567,197	1,598,541
3 U. G. & Temp. Ser. Chgs.	423,395	420,000	993,660	642,099	654,941	668,041	681,401	695,029
4 Miscellaneous	2,887,073	2,007,564	3,581,740	4,458,472	3,341,648	2,984,160	3,043,846	3,104,721
5 Interest on Investments	1,235,557	530,000	1,136,437	839,892	856,600	873,732	891,206	909,030
6 FEMA/Insurance Reimbursement	-	-	47,783	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-
8 Bond Proceeds	287,613	-	-	295,380	-	513,375	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	3,323	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	5,820,000	7,800,000	7,100,000	5,500,000	-	-	800,000	950,000
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-
14	\$ 181,447,821	\$ 194,971,364	\$ 190,490,317	\$ 205,503,822	\$ 200,964,495	\$ 198,665,749	\$ 204,338,881	\$ 210,657,460
EXPENDITURES:								
15 Operations	\$ 34,414,049	\$ 36,393,624	\$ 36,997,900	\$ 39,995,378	\$ 39,515,193	\$ 41,371,094	\$ 43,111,037	\$ 43,977,655
16 Purchased Power	123,403,756	136,930,058	131,509,826	140,868,151	131,690,551	128,174,827	132,096,720	136,984,281
17 Capital Outlay	13,150,742	10,926,900	10,547,593	12,236,818	13,348,130	12,812,510	13,196,885	13,592,792
18 Debt Service	4,776,459	4,782,256	4,782,500	5,520,685	6,681,618	7,067,210	8,618,778	8,625,124
19 City Turnover - General	4,356,852	4,443,989	5,285,203	5,488,749	5,598,528	5,710,500	5,824,704	5,941,200
20 Street Light Reimbursement	1,032,061	959,977	1,085,555	1,100,743	1,121,004	1,144,896	1,171,464	1,200,708
21 Transfer to OPEB Trust	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000
22 Transfer to Rate Stabilization	-	-	-	-	1,800,000	1,500,000	-	-
23 Transfer to Capital Projects	-	-	-	-	900,000	600,000	-	-
24 Transfer to Designated Reserve	-	-	-	-	-	-	-	-
25 Operating Contingencies	-	259,560	-	-	-	-	-	-
26	\$ 181,408,919	\$ 194,971,364	\$ 190,483,577	\$ 205,485,524	\$ 200,930,024	\$ 198,656,037	\$ 204,294,588	\$ 210,596,760
27 Fund Equity / (Deficit)	\$ 38,902	\$ -	\$ 6,740	\$ 18,298	\$ 34,471	\$ 9,712	\$ 44,293	\$ 60,700



ELECTRIC FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast	
28	Projected All Debt Coverage Ratio	3.97	2.82	3.01	3.46	4.33	4.30	3.24	3.28
29	Projected Fund Balance	16.0%	16.9%	15.0%	13.0%	13.2%	13.5%	12.8%	12.1%
30	Projected Days Cash On Hand	114	112	107	100	106	107	103	100
31	Projected Equity/Capitalization	67%	67%	66%	60%	62%	55%	55%	56%
32	Annualized Residential Bill @ 1,000 kWh *	\$109.31	\$109.31	\$110.20	\$119.22	\$118.99	\$116.79	\$119.27	\$122.36
33	Annualized Residential Bill Increase (\$)	0	\$0.00	\$0.89	\$9.01	-\$0.23	-\$2.20	\$2.48	\$3.09
34	Annualized Residential Bill Increase (%)	0	0.0%	0.8%	8.2%	-0.2%	-1.9%	2.1%	2.6%
	<i>*Includes Load Management Credits</i>								
35	Last Year's Forecast				3.3%	0.0%	2.0%	2.2%	
36	Rider No. 1 Impact		\$109.31	\$117.21	\$119.89	\$118.80	\$119.27	\$122.36	
37	Rider No. 1 Impact (\$)								
38	Rider No. 1 Impact (%)								
39	PPA/Base Rate Impact (\$)				\$4.31		\$2.50	\$3.15	\$3.09
40	PPA/Base Rate Impact (%)				3.8%		2.1%	2.7%	2.6%
41	Rider No. 1 Impact		\$109.31	\$119.89	\$119.89	\$116.12	\$119.27	\$122.36	
42	Rider No. 1 Impact (\$)				\$2.68		-\$2.68		
43	Rider No. 1 Impact (%)				2.3%		-2.3%		
44	PPA/Base Rate Impact (\$)								
45	PPA/Base Rate Impact (%)								
46	Rider No. 1 Impact		\$109.31	\$119.89	\$119.89	\$116.12	\$119.27	\$122.36	
47	Rider No. 1 Impact (\$)								
48	Rider No. 1 Impact (%)								
49	PPA/Base Rate Impact (\$)								
50	PPA/Base Rate Impact (%)								
51	Rider No. 1 Impact		\$112.90	\$119.89	\$116.30	\$116.12	\$119.27	\$122.36	
52	Rider No. 1 Impact (\$)			\$3.59		-\$3.59			
53	Rider No. 1 Impact (%)			3.3%		-3.0%			
54	PPA/Base Rate Impact (\$)								
55	PPA/Base Rate Impact (%)								
56	RSF Balance \$	19,414,448 \$	19,881,045 \$	12,745,892 \$	7,529,141 \$	9,496,460 \$	11,207,498 \$	10,656,560 \$	9,943,379



WATER FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:								
1 Rates & Charges	\$ 24,649,560	\$ 26,171,128	\$ 26,318,962	\$ 26,433,136	\$ 27,090,326	\$ 27,683,897	\$ 28,552,299	\$ 29,026,751
2 Fees & Charges	462,660	430,000	485,926	473,408	482,875	492,533	502,384	512,450
3 U. G. & Temp. Ser. Chgs.	20,300	20,000	51,011	29,915	30,513	31,124	31,746	32,381
4 Miscellaneous	869,106	239,000	248,833	220,696	225,112	229,613	234,206	238,892
5 Interest on Investments	215,102	100,000	197,136	151,270	154,296	157,382	160,530	163,740
6 FEMA/Insurance Reimbursement	-	-	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-
8 Bond Proceeds	18,635	-	-	58,725	-	87,000	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	113,464	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	-	-	-	-	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-
14	\$ 26,348,827	\$ 26,960,128	\$ 27,301,868	\$ 27,367,150	\$ 27,983,122	\$ 28,681,549	\$ 29,481,165	\$ 29,974,214
EXPENDITURES:								
15 Operations	\$ 19,202,002	\$ 18,779,372	\$ 19,396,030	\$ 19,777,059	\$ 20,568,141	\$ 21,494,675	\$ 22,345,804	\$ 22,794,750
16 Capital Outlay	1,130,177	1,966,250	1,733,775	1,631,979	1,697,258	1,748,175	1,800,621	1,854,639
17 Debt Service	2,249,711	4,405,043	4,386,615	4,639,167	4,845,723	4,826,739	5,134,266	5,110,097
18 Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
19 Transfer to Rate Stabilization	-	-	-	-	-	-	-	-
20 Transfer to Capital Projects	2,860,000	1,600,000	1,600,000	1,150,000	750,000	450,000	100,000	50,000
21 Transfer to Designated Reserve	-	-	-	-	-	-	-	-
22 Operating Contingencies	-	134,463	-	-	-	-	-	-
23	\$ 25,516,890	\$ 26,960,128	\$ 27,191,420	\$ 27,273,205	\$ 27,936,122	\$ 28,594,589	\$ 29,455,691	\$ 29,884,486
24 Fund Equity / (Deficit)	\$ 831,937	\$ -	\$ 110,448	\$ 93,945	\$ 47,000	\$ 86,960	\$ 25,474	\$ 89,728



WATER FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast	
25	Projected All Debt Coverage Ratio	2.99	1.83	1.76	1.61	1.50	1.46	1.36	1.37
26	Projected Fund Balance	20.2%	17.0%	18.8%	19.0%	18.6%	18.2%	17.5%	17.4%
27	Projected Days Cash On Hand	140	146	142	141	137	132	128	127
28	Projected Equity/Capitalization	59%	72%	60%	60%	60%	59%	60%	60%
29	3/4 " Residential @ 6,000 gallons	\$37.77	\$39.30	\$39.30	\$39.30	\$40.15	\$40.93	\$42.16	\$42.82
30	Typical Residential Bill Increase	\$0.00	\$1.53	\$1.53	\$0.00	\$0.85	\$0.78	\$1.23	\$0.66
31	Typical Residential Bill % Increase	0.0%	4.1%	4.1%	0.0%	2.2%	1.9%	3.0%	1.6%
32	Last Year's Forecast				3.0%	3.0%	0.0%	3.0%	



**SEWER FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024**

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:								
1 Rates & Charges	\$ 24,237,206	\$ 24,729,081	\$ 24,518,881	\$ 25,806,395	\$ 27,282,014	\$ 27,890,429	\$ 28,770,698	\$ 29,382,928
2 Fees & Charges	564,459	420,250	418,469	443,161	452,025	461,065	470,286	479,691
3 U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-
4 Miscellaneous	263,425	92,250	212,605	136,278	139,003	141,783	144,619	147,501
5 Interest on Investments	204,009	85,000	180,000	145,578	148,490	151,460	154,488	157,579
6 FEMA/Insurance Reimbursement	-	-	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-
8 Bond Proceeds	69,148	-	-	210,975	-	78,000	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	142,007	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	-	-	-	-	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-
14	\$ 25,480,254	\$ 25,326,581	\$ 25,329,955	\$ 26,742,387	\$ 28,021,532	\$ 28,722,737	\$ 29,540,091	\$ 30,167,699
EXPENDITURES:								
15 Operations	\$ 17,956,079	\$ 18,645,956	\$ 19,096,097	\$ 19,857,331	\$ 20,651,625	\$ 21,574,163	\$ 22,418,037	\$ 22,868,385
16 Capital Outlay	1,958,980	1,434,130	1,482,832	1,268,582	1,739,700	1,358,905	1,399,672	1,441,662
17 Debt Service	4,601,404	4,492,110	4,512,903	4,779,511	5,543,427	5,312,043	5,563,537	5,516,841
18 Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
19 Transfer to Rate Stabilization	-	-	-	-	-	-	-	-
20 Transfer to Capital Projects	735,000	600,000	-	550,000	-	400,000	-	150,000
21 Transfer to Designated Reserve	-	-	-	-	-	-	-	-
22 Operating Contingencies	-	79,385	-	-	-	-	-	-
23	\$ 25,326,463	\$ 25,326,581	\$ 25,166,832	\$ 26,530,424	\$ 28,009,752	\$ 28,720,111	\$ 29,456,246	\$ 30,051,888
24 Fund Equity / (Deficit)	\$ 153,791	\$ -	\$ 163,123	\$ 211,963	\$ 11,780	\$ 2,626	\$ 83,845	\$ 115,811



SEWER FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast	
25	Projected All Debt Coverage Ratio	1.59	1.47	1.35	1.44	1.31	1.33	1.26	1.31
26	Projected Fund Balance	24.0%	25.1%	24.7%	23.9%	22.5%	21.8%	21.3%	21.2%
27	Projected Days Cash On Hand	152	160	148	146	141	135	131	130
28	Projected Equity/Capitalization	74%	74%	74%	69%	70%	68%	69%	69%
29	3/4 " Residential @ 5,610 gallons	\$44.80	\$44.80	\$44.80	\$47.07	\$49.65	\$50.64	\$52.16	\$53.16
30	Typical Residential Bill Increase	\$0.00	\$0.00	\$0.00	\$2.27	\$2.58	\$0.99	\$1.52	\$1.00
31	Typical Residential Bill % Increase	0.0%	0.0%	0.0%	5.1%	5.5%	2.0%	3.0%	1.9%
32	Last Year's Forecast				3.7%	3.7%	0.0%	3.0%	



**GAS FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024**

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast
REVENUE:								
1 Rates & Charges	\$ 46,411,685	\$ 44,517,551	\$ 42,061,040	\$ 41,348,067	\$ 42,733,521	\$ 43,686,558	\$ 44,621,965	\$ 44,723,568
2 Fees & Charges	170,191	182,000	175,702	176,023	179,543	183,133	186,796	190,533
3 U. G. & Temp. Ser. Chgs.	-	-	-	-	-	-	-	-
4 Miscellaneous	418,411	75,046	183,017	114,393	116,682	119,014	121,394	123,824
5 Interest on Investments	366,435	100,000	360,135	256,894	262,031	267,273	272,617	278,070
6 FEMA/Insurance Reimbursement	-	-	-	-	-	-	-	-
7 Contributed Capital	-	-	-	-	-	-	-	-
8 Bond Proceeds	-	-	-	215,550	-	60,000	-	-
9 Installment Purchases	-	-	-	-	-	-	-	-
10 Transfer from Cap Projects	107,597	-	-	-	-	-	-	-
11 Transfer from Rate Stabilization	-	2,400,000	-	-	-	-	-	-
12 Transfer from Capital Reserves	-	-	-	-	-	-	-	-
13 Appropriated Fund Balance	-	-	-	-	-	-	-	-
14	\$ 47,474,319	\$ 47,274,597	\$ 42,779,894	\$ 42,110,927	\$ 43,291,777	\$ 44,315,978	\$ 45,202,772	\$ 45,315,995
EXPENDITURES:								
15 Operations	\$ 12,677,018	\$ 13,587,224	\$ 13,881,432	\$ 14,473,079	\$ 15,052,002	\$ 15,784,046	\$ 16,481,484	\$ 16,812,954
16 Purchased Gas	27,998,811	28,070,700	20,298,558	20,591,544	20,786,529	21,182,260	21,585,905	21,997,623
17 Capital Outlay	1,402,848	2,546,400	2,033,925	1,471,543	1,895,404	1,576,316	1,623,606	1,672,314
18 Debt Service	1,201,345	1,173,596	1,173,537	1,394,554	2,221,139	2,292,075	2,424,317	2,425,895
19 City Turnover - General	1,702,516	1,736,566	1,919,384	2,075,358	2,116,860	2,159,208	2,202,384	2,246,436
20 Transfer to OPEB Trust	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
21 Transfer to Rate Stabilization	1,000,000	-	1,650,000	900,000	600,000	600,000	425,000	40,000
22 Transfer to Capital Projects	1,000,000	-	1,650,000	900,000	100,000	600,000	325,000	-
23 Transfer to Designated Reserve	-	-	-	-	-	-	-	-
24 Operating Contingencies	-	85,111	-	-	-	-	-	-
25	\$ 47,057,538	\$ 47,274,597	\$ 42,681,836	\$ 41,881,078	\$ 42,846,934	\$ 44,268,905	\$ 45,142,696	\$ 45,270,222
26 Fund Equity / (Deficit)	\$ 416,781	\$ -	\$ 98,058	\$ 229,849	\$ 444,843	\$ 47,073	\$ 60,076	\$ 45,773



**GAS FUND
REVENUES & EXPENDITURES
DRAFT: 2/23/2024**

	FY 2023	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	
	Actuals	Original Budget	Year-End Projection	Working Budget	Forecast	Forecast	Forecast	Forecast	
27	Projected All Debt Coverage Ratio	5.58	2.67	7.19	5.68	3.30	3.21	2.89	2.63
28	Projected Fund Balance	26.0%	25.4%	29.7%	30.3%	29.3%	28.5%	27.8%	27.7%
29	Projected Days Cash On Hand	136	137	162	158	155	150	146	143
30	Projected Equity/Capitalization	75%	80%	79%	68%	71%	70%	73%	76%
31	Typical Residential @ 66 CCF*	\$97.83	\$104.39	\$104.39	\$104.39	\$108.84	\$111.78	\$114.65	\$114.65
32	Typical Residential Bill Increase	\$0.00	\$6.56	\$6.56	\$0.00	\$4.45	\$2.94	\$2.87	\$0.00
33	Typical Residential Bill % Increase	0.0%	6.7%	6.7%	0.0%	4.3%	2.7%	2.6%	0.0%
	<i>*Calculated with February 2024 PGA</i>								
34	Last Year's Forecast				5.3%	3.9%	2.0%	2.1%	
35	RSF Balance \$	4,808,139 \$	703,574 \$	6,571,813 \$	7,627,183 \$	8,407,505 \$	9,206,275 \$	9,848,929 \$	10,121,777

CAPITAL SPENDING PLAN

ELECTRIC

CAPITAL PROJECTS		2025	2026	2027	2028	2029	5-Year Spending
1	Distribution Substation Transformer Replacement(s)		\$2,000,000	\$2,000,000	\$2,000,000		\$6,000,000
2	ECP10168 - POD #3 to Simpson Substation 1	\$3,000,000	\$5,000,000	\$4,654,459			\$12,654,459
3	ECP10219 - Peak Shaving Generator(s) Replacement(s)	\$5,000,000					\$5,000,000
4	ECP10220 - Transmission Structure Replacement	\$1,000,000					\$1,000,000
5	Hollywood Substation- 115 kV Conversion			\$3,000,000			\$3,000,000
6	Radial Substation Conversion	\$400,000	\$300,000	\$400,000			\$1,100,000
7	ECP10244 - Hudson's Crossroads Substation	\$3,700,000					\$3,700,000
8	ECP10248 - POD Transformer Replacement	\$4,250,000		\$4,250,000			\$8,500,000
9	ECP10261 - Community Solar Project	\$1,500,000					\$1,500,000
10	10 MW Peak Shaving Generator Plant	\$1,500,000	\$1,800,000	\$10,075,000			\$13,375,000
TOTAL CAPITAL PROJECTS		\$20,350,000	\$9,100,000	\$24,379,459	\$2,000,000		\$55,829,459
CAPITAL OUTLAY		\$11,468,424	\$11,640,200	\$11,989,406	\$12,349,088	\$12,719,561	\$60,166,679
TOTAL CAPITAL		\$31,818,424	\$20,740,200	\$36,368,865	\$14,349,088	\$12,719,561	\$115,996,138

CAPITAL SPENDING PLAN

ELECTRIC

FUNDING SOURCE		2025	2026	2027	2028	2029	5-Year Spending
	<i>Pay Go</i>	\$11,468,424	\$11,640,200	\$11,989,406	\$12,349,088	\$12,719,561	\$60,166,679
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$2,500,000					\$2,500,000
	<i>Revenue Bonds</i>	\$17,850,000	\$9,100,000	\$24,379,459	\$2,000,000		\$53,329,459
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$31,818,424	\$20,740,200	\$36,368,865	\$14,349,088	\$12,719,561	\$115,996,138

% Paid Pay Go/Operating Transfers	43.90%	56.12%	32.97%	86.06%	100.00%	54.02%
% Paid from Bonds and Loans	56.10%	43.88%	67.03%	13.94%		45.98%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WATER

CAPITAL PROJECTS		2025	2026	2027	2028	2029	5-Year Spending
1	WCP10030 - Water Distribution System Improvements	\$3,900,000	\$3,000,000	\$8,000,000	\$8,000,000	\$6,750,000	\$29,650,000
2	WCP10033 - WTP Riverbank Stabilization	\$757,000					\$757,000
3	WCP10035 - Bethel Water System Improvements	\$40,000					\$40,000
4	WCP10036 - Elm Street Water Main Relocations			\$575,000			\$575,000
5	WCP10037 - NCDOT Memorial Dr. Bridge Water Main Relocation		\$300,000				\$300,000
6	WCP10039 - Water Main Rehab Phase III	\$3,000,000	\$1,700,000				\$4,700,000
7	WCP-117 - Water Treatment Plant Upgrade Phase 1	\$500,000					\$500,000
8	WCP10040 - WTP Lab Upgrades	\$750,000	\$200,000				\$950,000
9	WTP Lagoon and Impoundment Improvements	\$750,000	\$750,000				\$1,500,000
10	WTR: COG BUILD Grant - 5th St		\$2,650,000				\$2,650,000
11	WTR: NCDOT 14th Street	\$45,000					\$45,000
12	WTR: NCDOT Allen Road	\$10,000					\$10,000
13	WTR: NCDOT Corey and Worthington	\$150,000					\$150,000
14	WTR: NCDOT Evans St		\$125,000				\$125,000

CAPITAL SPENDING PLAN

WATER

15	WTR: NCDOT Firetower Portertown	\$65,000					\$65,000
16	Whitehurst Station Water Main Extension		\$1,300,000				\$1,300,000
TOTAL CAPITAL PROJECTS		\$9,967,000	\$10,025,000	\$8,575,000	\$8,000,000	\$6,750,000	\$43,317,000
CAPITAL OUTLAY		\$1,208,500	\$1,256,840	\$1,294,545	\$1,333,382	\$1,373,383	\$6,466,650
TOTAL CAPITAL		\$11,175,500	\$11,281,840	\$9,869,545	\$9,333,382	\$8,123,383	\$49,783,650

CAPITAL SPENDING PLAN

WATER

FUNDING SOURCE		2025	2026	2027	2028	2029	5-Year Spending
	<i>Pay Go</i>	\$1,208,500	\$1,256,840	\$1,294,545	\$1,333,382	\$1,373,383	\$6,466,650
	<i>Transfers</i>						
	<i>System Development Fees</i>				\$2,000,000		\$2,000,000
	<i>Fund Balance</i>	\$2,531,790	\$2,400,000	\$2,651,247			\$7,583,037
	<i>Revenue Bonds</i>	\$3,620,000	\$4,925,000	\$5,923,753	\$6,000,000	\$6,750,000	\$27,218,753
	<i>SRF/Installment Loans</i>						
	<i>Grants/Contributions</i>	\$3,815,210	\$2,700,000				\$6,515,210
TOTAL		\$11,175,500	\$11,281,840	\$9,869,545	\$9,333,382	\$8,123,383	\$49,783,650

% Paid Pay Go/Operating Transfers	33.47%	32.41%	39.98%	35.71%	16.91%	32.24%
% Paid from Bonds and Loans	32.39%	43.65%	60.02%	64.29%	83.09%	54.67%
% Paid from Grants	34.14%	23.93%				13.09%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

WASTEWATER

CAPITAL PROJECTS		2025	2026	2027	2028	2029	5-Year Spending
1	SCP10238 - WWTP Clarifier Replacement Project	\$12,000,000	\$6,550,000				\$18,550,000
2	SCP10241 - Bethel Wastewater System Improvements	\$4,479,815					\$4,479,815
3	Improvements for Industry & Commercial	\$131,585					\$131,585
4	SCP10243 - Elm Street Sewer Pipeline Relocations			\$550,000			\$550,000
5	SCP10244 - Sewer System Extensions Phase I	\$2,150,000	\$1,024,478				\$3,174,478
6	SCP10245 - Frog Level Pump Station Improvements	\$1,250,000					\$1,250,000
7	SCP10235 - Duplex Pump Station Improvements	\$507,159					\$507,159
8	SWR: COG BUILD Grant - 5th St		\$1,750,000				\$1,750,000
9	SWR: NCDOT Allen Road	\$10,000					\$10,000
10	SWR: NCDOT Firetower Portertown	\$125,000					\$125,000
11	SWR: NCDOT 14th Street	\$25,000					\$25,000
12	SWR: NCDOT Corey and Worthington	\$10,000					\$10,000
13	SWR: NCDOT Evans St		\$50,000				\$50,000

CAPITAL SPENDING PLAN

WASTEWATER

14	Sewer Outfall Rehabilitation Phase 5			\$2,500,000			\$2,500,000
TOTAL CAPITAL PROJECTS		\$20,688,559	\$9,374,478	\$3,050,000			\$33,113,037
CAPITAL OUTLAY		\$965,441	\$1,004,059	\$1,034,180	\$1,065,206	\$1,097,162	\$5,166,048
TOTAL CAPITAL		\$21,654,000	\$10,378,537	\$4,084,180	\$1,065,206	\$1,097,162	\$38,279,085

FUNDING SOURCE		2025	2026	2027	2028	2029	5-Year Spending
	<i>Pay Go</i>	\$965,441	\$1,004,059	\$1,034,180	\$1,065,206	\$1,097,162	\$5,166,048
	<i>Transfers</i>						
	<i>Acreage/Capacity/System Development Fees</i>	\$1,007,159	\$1,186,261				\$2,193,420
	<i>Fund Balance</i>	\$2,648,088	\$1,574,478	\$550,000			\$4,772,566
	<i>Revenue Bonds</i>	\$10,266,255	\$6,613,739	\$2,500,000			\$19,379,994
	<i>SRF/Installment Loans</i>						
	<i>Grants or Contributions</i>	\$6,767,057					\$6,767,057
TOTAL		\$21,654,000	\$10,378,537	\$4,084,180	\$1,065,206	\$1,097,162	\$38,279,085

% Paid Pay Go/Operating Transfers	21.34%	36.27%	38.79%	100.00%	100.00%	31.69%
% Paid from Bonds and Loans	47.41%	63.73%	61.21%			50.63%
% Paid from Grants	31.25%					17.68%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

GAS

CAPITAL PROJECTS		2025	2026	2027	2028	2029	5-Year Spending
1	GCP10108 - Allen Rd Widening (NCDOT U-58)	\$600,000	\$400,000				\$1,000,000
2	GCP10113 - Evans St Widening (NCDOT U-28)	\$136,000	\$2,766,667	\$2,766,667	\$2,766,667		\$8,436,000
3	GCP10114 - 14th St Widening (NCDOT U-591)		\$70,000	\$355,000	\$355,000		\$780,000
4	GCP-92 - LNG Liquefaction Additions	\$4,082,752					\$4,082,752
5	LNG Expansion Project Phase II				\$6,400,000	\$3,400,000	\$9,800,000
6	GCP10124 - Gas System Improvements for Industry and Commercial	\$1,000,000					\$1,000,000
7	GCP10099 - High-Pressure Multiple Gas Facilities Relocation Project	\$200,000					\$200,000
8	GCP10101 - Firetower Rd Widening (NCDOT)		\$60,000	\$400,000	\$400,000	\$440,000	\$1,300,000
9	GCP10123 - Integrity Management Replacement Project Phase II	\$779,000	\$779,000	\$779,000			\$2,337,000
10	Mobley's Bridge Rd Interconnect					\$700,000	\$700,000
11	NC-43 Gas Main Relocation (NCDOT U-5991)					\$125,000	\$125,000
TOTAL CAPITAL PROJECTS		\$6,797,752	\$4,075,667	\$4,300,667	\$9,921,667	\$4,665,000	\$29,760,752
CAPITAL OUTLAY		\$987,790	\$1,027,302	\$1,058,121	\$1,089,864	\$1,122,560	\$5,285,637
TOTAL CAPITAL		\$7,785,542	\$5,102,968	\$5,358,787	\$11,011,531	\$5,787,560	\$35,046,389

CAPITAL SPENDING PLAN

GAS

FUNDING SOURCE		2025	2026	2027	2028	2029	5-Year Spending
	<i>Pay Go</i>	\$987,790	\$1,027,302	\$1,058,121	\$1,089,864	\$1,122,560	\$5,285,637
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$2,579,000	\$1,179,000	\$779,000			\$4,537,000
	<i>Revenue Bonds</i>	\$4,218,752	\$2,896,667	\$3,521,667	\$9,921,667	\$4,665,000	\$25,223,753
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$7,785,542	\$5,102,969	\$5,358,788	\$11,011,531	\$5,787,560	\$35,046,390

% Paid Pay Go/Operating Transfers	45.81%	43.24%	34.28%	9.90%	19.40%	28.03%
% Paid from Bonds and Loans	54.19%	56.76%	65.72%	90.10%	80.60%	71.97%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

CAPITAL SPENDING PLAN

FACILITIES & OTHER SUPPORT GROUPS

CAPITAL PROJECTS		2025	2026	2027	2028	2029	5-Year Spending
1	FCP10210 - NOC Building 1					\$10,000,000	\$10,000,000
2	Admin HVAC Upgrades	\$400,000	\$1,300,000				\$1,700,000
TOTAL CAPITAL PROJECTS		\$400,000	\$1,300,000			\$10,000,000	\$11,700,000
CAPITAL OUTLAY		\$1,978,766	\$3,752,092	\$2,119,654	\$2,183,244	\$2,248,741	\$12,282,497
TOTAL CAPITAL		\$2,378,766	\$5,052,092	\$2,119,654	\$2,183,244	\$12,248,741	\$23,982,497

FUNDING SOURCE		2025	2026	2027	2028	2029	5-Year Spending
	<i>Pay Go</i>	\$1,978,766	\$3,752,092	\$2,119,654	\$2,183,244	\$2,248,741	\$12,282,497
	<i>Transfers</i>						
	<i>Fund Balance</i>	\$400,000	\$1,300,000				\$1,700,000
	<i>Revenue Bonds</i>					\$10,000,000	\$10,000,000
	<i>SRF/Installment Loans</i>						
	<i>Grants</i>						
TOTAL		\$2,378,766	\$5,052,092	\$2,119,654	\$2,183,244	\$12,248,741	\$23,982,497

% Paid Pay Go/Operating Transfers	100.00%	100.00%	100.00%	100.00%	18.36%	58.30%
% Paid from Bonds and Loans					81.64%	41.70%
% Paid from Grants						
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Capital Improvements Funding Plan

GUC TOTAL	2025	2026	2027	2028	2029	5-Year Total
Capital Projects	\$58,203,311	\$33,875,145	\$40,305,126	\$19,921,667	\$21,415,000	\$173,720,248
Capital Outlays	16,608,921	18,680,492	17,495,906	18,020,784	18,561,407	89,367,510
	<u>\$74,812,232</u>	<u>\$52,555,636</u>	<u>\$57,801,032</u>	<u>\$37,942,450</u>	<u>\$39,976,407</u>	<u>\$263,087,758</u>
Funding - Debt Financing						
Revenue Bonds	\$35,955,007	\$23,535,406	\$36,324,879	\$17,921,667	\$21,415,000	\$135,151,959
SRF/Installment Loans	-	-	-	-	-	-
	<u>\$35,955,007</u>	<u>\$23,535,406</u>	<u>\$36,324,879</u>	<u>\$17,921,667</u>	<u>\$21,415,000</u>	<u>\$135,151,959</u>
% to Total Capital	48.1%	44.8%	62.8%	47.2%	53.6%	51.4%
Funding - Cash						
Pay Go	\$16,608,921	\$18,680,492	\$17,495,906	\$18,020,784	\$18,561,407	\$89,367,510
Capital Project Transfer	-	-	-	-	-	-
Acreage & Capacity Fees	1,007,159	1,186,261	-	2,000,000	-	4,193,420
Fund Balance	10,658,878	6,453,478	3,980,247	-	-	21,092,603
Grants and Contributions	10,582,267	2,700,000	-	-	-	13,282,267
	<u>\$38,857,225</u>	<u>\$29,020,231</u>	<u>\$21,476,153</u>	<u>\$20,020,784</u>	<u>\$18,561,407</u>	<u>\$127,935,800</u>
% to Total Capital	51.9%	55.2%	37.2%	52.8%	46.4%	48.6%
Total Funding	<u>\$74,812,232</u>	<u>\$52,555,637</u>	<u>\$57,801,032</u>	<u>\$37,942,451</u>	<u>\$39,976,407</u>	<u>\$263,087,759</u>



Agenda Item # 3

Meeting Date: March 6, 2024

**Board
Committee:**

Finance/Audit Committee

Item:

Recommendation to Award Auditing Services Contract

Contact:

Jeff McCauley : Amanda Wall

Explanation:

In accordance with the Commission's charter, a single auditing firm must be used to perform the City's and the Commission's financial statement audits. Costs associated with the audits are based on the number of hours expended for each organization's audit engagement.

In 2015, a five-year (fiscal years 2015–2019) engagement contract for auditing services was awarded to Cherry Bekaert, LLP, subject to the approval of a contract on an annual basis. Subsequently, after the five-year initial contract period ended, the City and Commission staff recommended extending the audit engagement with Cherry Bekaert, LLP each year for an additional four years (fiscal years 2020–2023).

After the close of fiscal year 2023, the City and Commission desired to reassess whether they were receiving the most value for the auditing services being provided in this post-COVID financial climate; the decision was made to issue a Request for Proposals (RFP) for auditing services.

On January 23, 2024, an RFP for auditing services was issued requesting proposals for a five-year engagement. The five firms listed below responded to the RFP:

- Cherry Bekaert, LLP
- PBMares, LLP
- Mauldin & Jenkins, LLC
- FORVIS
- Thompson, Price, Scott, Adams & Co., P.A.

The City and Commission staff evaluated the responses received based on the following factors:

Quality of approach and methodology – demonstration of an understanding of the requirements; quality, extent, and relevance of firm's staff/experience; response time for services; overall cost;

current licenses/certifications; detailed work plans; firm location; and quality of references.

The outcome of the evaluations performed by the City and Commission staff is listed below for your review:

<i>Summary Rating Matrix</i>			
Firm Name	City	GUC	Average
Cherry Bekaert	38.00	39.00	38.50
PBMares	35.67	37.00	36.33
Mauldin & Jenkins	38.00	32.00	35.00
FORVIS	35.00	35.00	35.00
TPSA	28.00	31.00	29.50

The City and Commission staff are in agreement on requesting to negotiate another five-year engagement contract with Cherry Bekaert, LLP for auditing services, subject to approval of a contract on an annual basis.

**Strategic Plan
Elements:**

Strategic Themes:

- Exceptional Customer Service
- Safety, Reliability & Value
- Shaping Our Future

Objectives:

- Safely providing reliable and innovative utility solutions
- Exceeding customer expectations
- Providing competitive rates, while maintaining the financial stability of the utility
- Developing and enhancing strategic partnerships
- Embracing change to ensure organizational alignment and efficiency

Core Values:

- Exceed Customers' Expectations
- Act with Integrity
- Value Employees
- Deliver Reliable Services
- Support the Community

**Previous Board
Actions:**

February 2015 – March 2023 – Received as information and recommended that the Board execute contract with Cherry Bekaert, LLP for auditing services.

Fiscal Note:

Cherry Bekaert			
Fiscal Year	Greenville Util	Hourly Rate	No. of Hours
2024	\$ 59,415*	\$ 208	285
2025	\$ 62,840	\$ 220	285
2026	\$ 66,840	\$ 235	285
2027	\$ 70,835	\$ 249	285
2028	\$ 74,835	\$ 263	285
Total	\$ 334,765	\$ 235	1,425

**Fiscal year 2023 auditing services fee was \$56,200*

**Recommended
Action(s):**

It is recommended by the Finance/Audit Committee that the Board proceed with executing the fiscal year 2024 auditing services contract with Cherry Bekaert, LLP.