



Building a World Class Utility



For the Fiscal Years Ended September 30, 2021 and 2020
Annual Comprehensive Financial Report of the
Greenville Electric Utility System
A Component Unit of the City of Greenville, Texas



American Public Power Association

Annual Comprehensive Financial Report

Greenville Electric Utility System (GEUS)

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

**For Fiscal Years Ended
September 30, 2021 and 2020**

**Prepared by
Finance Department**

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

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INTRODUCTORY SECTION





March 17, 2022

Mr. Glover George, Chairman and
Members of GEUS Board of Trustees

Dear Board Members:

We are pleased to present the Annual Comprehensive Financial Report of the Greenville Electric Utility System (GEUS) for the fiscal years ended September 30, 2021 and 2020. The Annual Report includes audited financial statements as required by Board Policy PI 12.0 I 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.

Pursuant to the 2019A Utility System Revenue Refunding Bonds Ordinance, 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 in September 30, 2021 and 2020, 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 years ended September 30, 2021 and 2020, 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.

Serving Greenville for over 120 years!
903-457-2800 www.geus.org

GEUS Operations Center
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

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.

Profile of the Utility

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. They dammed the river to provide water for the pumps but never installed generators. 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 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 night time use with a steam engine and two dynamos. In 1908, the City power plant moved to the Sabine River, they added two steam generators and began generating power 24 hours a day. From 1945-1960 the electrical load on the City increased more than eight-fold. Growth in the excess of 1 0% 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 defined 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 17.6% since 2012 and is up 11.7% over the past 5 years. As of September 30, 2021, the system supported 15,666 customers. The increase in customers from the end of fiscal year 2020 to the end of fiscal year 2021 total 448, or 2.94%. In FY 2021, GEUS sold 933,451,027 kilowatt hours (kWh) of electricity, a 9.5% increase compared to FY 2020 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. TMPA retired the Gibbons Creek Plant in 2021 but associated land and transmission assets remain. The City of Greenville has a 10% interest in TMPA and that interest 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 of 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.

Local Economy

GEUS is located in Greenville, Texas. GEUS 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 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 is a global provider of technologically advanced light weighting material solutions used in the aerospace and automotive industries; 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 to cancer care to open imaging. With an enrollment of over 5,400 students, the Greenville Independent School District provides education for the youth of the community.

The City of Greenville is approximately 35 square miles in size and is the county seat for Hunt County. Conveniently located just 45 miles northeast of Dallas, 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 99,956 people with an estimated 28,164 living in the City of Greenville. Reported annual per capita income for Hunt County is \$26,293 with the City of Greenville being slightly lower at \$23,191. The City of Greenville's unemployment rate, not adjusted, was 5.9% in September 2021 and is up compared to the 4.1 % unemployment rate in September 2020.

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 IO 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 have a \$12,500,000 bullet maturity of February 15, 2024 and became callable July 1, 2019. In 2021, following Winter Storm Uri, GEUS issued Series 2021, a \$20,000,000 Short-term Note callable April 1, 2022. GEUS Board of Trustees approved a change in direction for capital funding in September 2020, opting to debt fund capital for FY2021 and FY 2022 instead of following the pay-as-you-go approach. On September 7, 2021 GEUS issued Series 2021 Bonds in the amount of \$13,885,000 for capital improvements with long asset life. As of September 30, 2021, total GEUS debt is \$78,122,418 for Series 2019A, Series 2019B, Series 2021 (Bonds) and \$20,000,000 for Series 2021 Short-Term Note that was used to fund costs associated with Winter Storm Uri.

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 operations.

In September 2021, the GEUS Board approved the change in Unrestricted Cash Reserve Policy increasing the minimum level from 150 days to 175 days. The target cash reserves on hand is a forward looking calculation based on budgeted expenses that include capital less depreciation divided by 365 days then multiplied by 175 days. As of September 30, 2021, unrestricted cash reserve was 150 days. Restricted cash includes cash to fund a portion of GEUS' Employee Paid Time Off(PTO) liability.

Driven by the 2008 and 2010 debt issues in conjunction with increased TMPA fixed costs, GEUS performed a cost of service rate study in 2014 followed by a rate increase that same year. GEUS was able to maintain the rates set in 2014 while lowering TMPA fixed costs. This allowed the Utility to improve its financial health and resume a capital improvement program needed to sustain a reliable system. In 2019, the GEUS Board authorized a new cost of service rate study to review the current rate structure. 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 GEUS met or exceeded industry-recognized best practices in all of these areas. GEUS achieved APPA's Reliable Public Power Provider (RP3) Platinum designation.

GEUS received two Government Finance Officer Awards in FY2021, a Certificate of Achievement for Excellence in Financial Reporting, reflecting the highest form of recognition in governmental accounting and financial reporting, and additionally, a Distinguished Budget Presentation Award, which 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 be 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
General Manager



Erica Contreras
Business Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Greenville Electric Utility System
Texas**

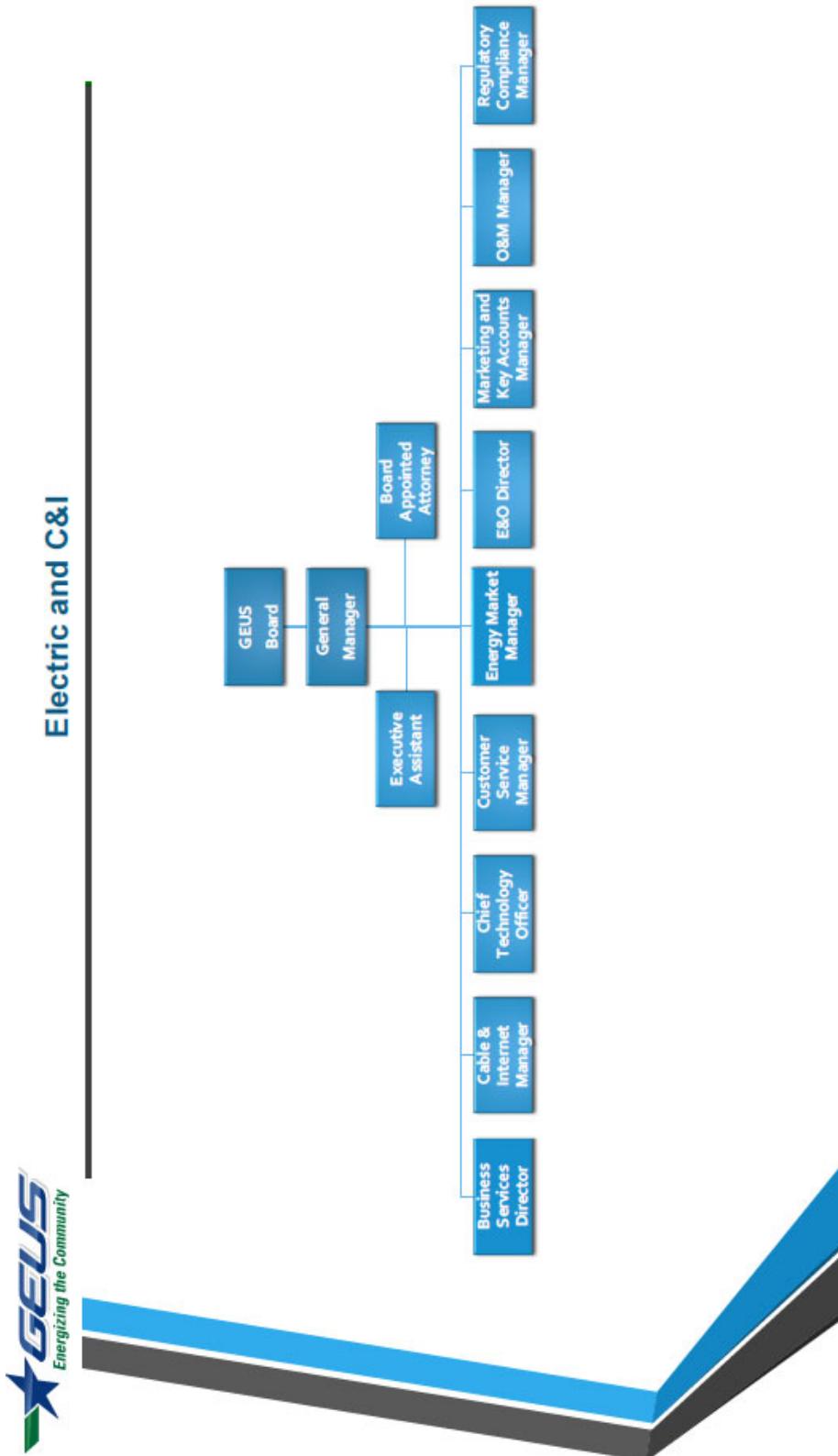
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
ORGANIZATIONAL CHART



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)**PRINCIPAL OFFICIALS****Board of Trustees**

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

Executive Staff and Department Heads

Alicia Hooks.....	General Manager
Erica Contreras.....	Business Services Director
Ashley Cotton.....	Compliance Manager
Brenda Shelby.....	Customer Service Manager
Jimmy Dickey.....	Marketing and Key Accounts Manager
Jason Minter.....	Cable and Internet Manager
Mark Stapp.....	Engineering and Operations Director
Steve Glasscock.....	Operation and Maintenance Manager
Bo Zhao.....	Energy Market Manager



FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Greenville Electric Utility System (GEUS), a component unit of the City of Greenville, Texas, as of and for the years ended September 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise GEUS' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Trustees
of Greenville Electric Utility System

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GEUS as of September 30, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other post-employment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise GEUS' basic financial statements. The introductory section, and the statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Whitley Penn LLP

Dallas, Texas
March 17, 2022

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021 and 2020

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, 2021, by \$49,408,182 (net position). Of this amount, there is a positive unrestricted net position of \$13,173,458 due to the increase in investments as a result of current year operations. The increase in total current assets of \$16,840,192 was partially offset by the \$1,816,646 increase in long-term liabilities.

GEUS' total net position increased by \$102,451 from current year operations. This change in net position is mainly the result of increased energy sales into the Electric Reliability Council of Texas (ERCOT) market, increased fuel adjustment collection, electric consumption, and an increase in electric operating expenses.

GEUS' revenue bond and subordinate lien note liabilities increased by \$31,840,000 during the current fiscal year due to principal payments of \$2,045,000 and issuance of revenue bonds series 2021 as well as taxable notes series 2021 totaling \$33,885,000.

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 credit-worthiness.

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, 2021 and 2020

	September 30,		
	2021	2020	2019
Assets			
Current assets	\$ 58,616,783	\$ 41,776,591	\$ 37,185,114
Restricted assets	2,380,301	2,340,324	2,362,459
Electric plant, net	60,642,719	60,025,344	56,971,264
Cable and Internet equipment, net	5,902,277	6,198,044	6,590,040
Other noncurrent assets	<u>15,145,349</u>	-	-
Total Assets	<u>142,687,429</u>	<u>110,340,303</u>	<u>103,108,877</u>
Deferred Outflow of Resources	<u>1,362,638</u>	<u>12,984,665</u>	<u>15,931,498</u>
Liabilities			
Current liabilities	4,768,529	4,461,805	3,941,442
Current liabilities payable from restricted assets	25,061,871	6,420,608	5,474,229
Long-term liabilities, less current maturities	<u>63,003,300</u>	<u>61,186,654</u>	<u>71,912,272</u>
Total Liabilities	<u>92,833,700</u>	<u>72,069,067</u>	<u>81,327,943</u>
Deferred Inflows of Resources	<u>1,808,185</u>	<u>1,950,170</u>	<u>718,091</u>
Net Position			
Net investment in capital assets	36,234,724	41,715,450	36,111,453
Unrestricted	<u>13,173,458</u>	<u>7,590,281</u>	<u>882,888</u>
Total Net Position	<u>\$ 49,408,182</u>	<u>\$ 49,305,731</u>	<u>\$ 36,994,341</u>

Net Position

Net position increased by \$102,451, or 0.2% of beginning net position, for the year ended September 30, 2021. This increase was primarily due to an increase in investments from operations and an increase in operating revenues offset by an increase in electric operating expenses.

Net position increased by \$12,311,390, or 33.3% of beginning net position, for the year ended September 30, 2020. This increase was primarily due to an increase in cash and investments from operations and a decrease in electric operating expenses. Electric operating expenses decreased due to decrease of fuel and purchased power.

Current Assets

The \$16,840,192 increase in current assets as of September 30, 2021, was mainly attributable to an increase in investments from operations and accounts receivable. The \$4,591,477 increase in current assets as of September 30, 2020, was mainly attributable to an increase in cash and investments from operations and accounts receivable.

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 \$0.32 million from \$66.22 million as of September 30, 2020, to \$66.54 million as of September 30, 2021. The increase was related mostly to substation equipment. Asset purchases totaled \$5.0 million and depreciation expense of \$4.6 million was recorded.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2021 and 2020

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 \$2.7 million from \$63.6 million as of September 30, 2019, to \$66.2 million as of September 30, 2020. The increase was related mostly to substation equipment. Asset purchases totaled \$6.9 million and depreciation expense of \$4.2 million was recorded.

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

Regulatory Asset

A winter storm during the year 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 is expected to be amortized over a period of 30 years.

Current Liabilities

Current liabilities increased by \$19 million from September 30, 2020 to September 30, 2021, primarily due to issuance of subordinate lien taxable floating rate notes series 2021 issued in the current year and maturing in fiscal year 2022 in the amount of \$20 million.

Current liabilities increased by \$1,466,752 from September 30, 2019 to September 30, 2020, primarily due to increase in amounts due to component units of the primary government and to the primary government.

Long-term Liabilities

GEUS' long-term liabilities increased by \$1,816,646 for the year ended September 30, 2021, primarily due to principal payments in the amount of \$2,045,000 and issuance of Revenue Bonds, Series 2021 in the amount of \$13,885,000 as well as net decrease of \$200,951 in pension and OPEB liabilities. There was also a decrease in asset retirement obligation in the amount of \$10,006,560. GEUS' underlying debt has an S&P rating of "A" as of September 30, 2021.

GEUS' long-term liabilities decreased by \$10.7 million for the year ended September 30, 2020, primarily due to early principal payment on 2019B Series Bonds and a decrease in net pension liability. GEUS' underlying debt is rated "A2" and "A+" by Moody's and Standard and Poor's, respectively.

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, 2021 and 2020

Revenues and Expenses

	For the Years Ended		
	September 30,		
	2021	2020	2019
Revenues			
Operating revenues			
Electric	\$ 124,730,252	\$ 62,514,994	\$ 67,767,885
Cable and internet	6,105,300	6,015,096	5,785,728
Nonoperating revenues - other	15,087	412,290	462,231
Total Revenues	<u>130,850,639</u>	<u>68,942,380</u>	<u>74,015,844</u>
Expenses			
Other operating expenses	124,198,502	50,729,307	52,379,291
Depreciation expense	4,561,561	4,220,794	3,826,990
Nonoperating expenses	1,988,125	1,680,889	3,045,924
Total Expenses	<u>130,748,188</u>	<u>56,630,990</u>	<u>59,252,205</u>
Change in Net Position	102,451	12,311,390	14,763,639
Net Position, Beginning of Year	<u>49,305,731</u>	<u>36,994,341</u>	<u>22,230,702</u>
Net Position, End of Year	<u>\$ 49,408,182</u>	<u>\$ 49,305,731</u>	<u>\$ 36,994,341</u>

GEUS' operating revenues increased approximately \$62.3 million for the year ended September 30, 2021, compared to September 30, 2020. The increase was due to a significant increase of approximately \$60 million in energy sales. The increase was a result of market prices during Winter Storm Uri in February 2021. Cable and Internet (C/I) revenues were consistent with the prior year.

GEUS' operating revenues decreased approximately \$5.0 million for the year ended September 30, 2020, compared to September 30, 2019. The decrease was due to a \$4.2 million decrease in off-system sales, metered sales, and fuel adjustment. Cable and Internet (C/I) revenues were consistent with the prior year.

Operating expenses increased by approximately \$73.6 million for the year ended September 30, 2021, compared to September 30, 2020. The increase was a result of market prices attributed to Winter Storm Uri in February 2021.

Operating expenses decreased by approximately \$1.6 million for the year ended September 30, 2020, compared to September 30, 2019. The decrease was primarily due to decreased purchased energy costs through the ERCOT market.

Economic Factors and Next Year's Budget

The preparation for the fiscal year 2021-22 Operating Budget recognizes the need to continue improving system reliability. Reliability is maintained and improved through GEUS' capital improvement program budgeted for \$10.04 million in capital projects. Significant projects in the capital plan to improve reliability are the replacement of substation equipment, and the construction of a Backup Control Center. The Budget reflects a 8.33% increase in revenues and includes a 2.4% increase in metered sales, 2.8% decrease in fuel pass through charges, a decrease in regulatory charges (Transmission Cost of Service recovery) and an increase in market energy sales. Budgeted costs increased 28.82% and are related to increased debt service payments, information technology, transmission cost of service and Administration.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
September 30, 2021 and 2020

Requests for Information

This financial report is designed to provide a general overview of the 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, 2021 and 2020

Page 1 of 2

	2021	2020
Assets		
Current Assets		
Equity in pooled cash	\$ 8,825,090	\$ 15,129,156
Investments	35,872,010	14,847,778
Accounts receivable, net of allowance for uncollectible amounts of \$1,208,952 and \$1,086,236, respectively	9,967,677	8,271,119
Prepaid expense	74,512	75,311
Inventories	3,877,494	3,453,227
Total Current Assets	58,616,783	41,776,591
Noncurrent Assets		
Restricted Assets		
Cash and cash equivalents	2,380,301	2,340,324
Total Restricted Assets	2,380,301	2,340,324
Property, Plant and Equipment:		
Production	53,993,532	53,510,468
Transmission	12,298,240	12,413,492
Distribution	31,356,059	30,854,765
General	11,454,834	11,197,191
Construction in progress	3,254,894	1,358,712
Plant	145,388	-
Cable and internet	17,494,188	17,603,561
Total Property, Plant and Equipment	129,997,135	126,938,189
Less accumulated depreciation	63,452,139	60,714,801
Property, plant and equipment, net	66,544,996	66,223,388
Other Non-current Assets		
Regulatory asset	15,145,349	-
Total Noncurrent Assets	84,070,646	68,563,712
Total Assets	142,687,429	110,340,303
Deferred Outflow of Resources		
Deferred outflows - pension	1,190,331	1,089,945
Deferred outflows - OPEB	172,307	116,390
Unamortized expense on asset retirement obligation	-	11,778,330
Total Deferred Outflow of Resources	1,362,638	12,984,665

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

STATEMENTS OF NET POSITION

September 30, 2021 and 2020

Page 2 of 2

	2021	2020
Liabilities		
Current Liabilities Payable from Unrestricted Assets		
Accounts payable	\$ 1,396,953	\$ 806,116
Accrued liabilities	2,838,805	2,092,536
Due to component units of the primary government	54,491	233,485
Due to primary government	-	848,266
Accrued compensated absences	478,280	481,402
Total Current Liabilities Payable from Unrestricted Assets	<u>4,768,529</u>	<u>4,461,805</u>
Current Liabilities Payable from Restricted Assets		
Revenue bonds - current	2,380,000	2,045,000
Subordinate lien notes	20,000,000	-
Customer deposits	2,380,301	2,340,324
Accrued interest	301,570	263,514
Asset retirement obligation - current	-	1,771,770
Total Current Liabilities Payable from Restricted Assets	<u>25,061,871</u>	<u>6,420,608</u>
Total Current Liabilities	<u>29,830,400</u>	<u>10,882,413</u>
Long-term Liabilities, Less Current Maturities		
Revenue bonds payable, net of bond premium (discount)	59,608,320	47,721,487
Accrued compensated absences	777,023	639,699
Net pension liability	1,621,181	1,919,416
Total OPEB liability	996,776	899,492
Asset retirement obligation	-	10,006,560
Total Long-term Liabilities, Less Current Maturities	<u>63,003,300</u>	<u>61,186,654</u>
Total Liabilities	<u>92,833,700</u>	<u>72,069,067</u>
Deferred Inflows of Resources		
Deferred inflows - pension	1,348,072	1,457,624
Deferred inflows - OPEB	150,263	134,005
Deferred gain on refunding	309,850	358,541
Total Deferred Inflows of Resources	<u>1,808,185</u>	<u>1,950,170</u>
Net Position		
Net investment in capital assets	36,234,724	41,715,450
Unrestricted	13,173,458	7,590,281
Total Net Position	<u>\$ 49,408,182</u>	<u>\$ 49,305,731</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended September 30, 2021 and 2020

	2021	2020
Operating Revenues		
Electric	\$ 124,730,252	\$ 62,514,994
Cable and internet	6,105,300	6,015,096
Total Operating Revenues	<u>130,835,552</u>	<u>68,530,090</u>
Operating Expenses		
Electric	112,929,130	40,238,959
Cable and internet operations	5,091,059	5,000,802
Administrative	522,513	628,632
Insurance	335,581	320,469
City services	795,455	709,267
Pilot	384,105	377,269
General fund	3,323,580	2,735,206
Board of development	817,079	718,703
Total Operating Expenses	<u>124,198,502</u>	<u>50,729,307</u>
Operating Income Before Depreciation	6,637,050	17,800,783
Less Depreciation	<u>4,561,561</u>	<u>4,220,794</u>
Operating Income	<u>2,075,489</u>	<u>13,579,989</u>
Nonoperating Revenue (Expenses)		
Investment earnings	15,087	412,290
Interest expense	(2,466,349)	(2,264,020)
Amortization	573,619	579,868
Other income (expense)	(95,395)	3,263
Total Nonoperating Revenue (Expenses), Net	<u>(1,973,038)</u>	<u>(1,268,599)</u>
Change in Net Position	102,451	12,311,390
Net Position, Beginning of Year	<u>49,305,731</u>	<u>36,994,341</u>
Net Position, End of Year	<u>\$ 49,408,182</u>	<u>\$ 49,305,731</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2021 and 2020

	2021	2020
Operating Activities		
Receipts from customers and users	\$ 129,178,971	\$ 71,365,089
Cash paid to employees	(11,212,419)	(11,036,840)
Cash paid to suppliers	(128,438,683)	(38,688,023)
Net Cash Provided By (Used) In Operating Activities	(10,472,131)	21,640,226
Investing Activities		
Purchases of investments, net	(21,024,232)	(1,428,490)
Interest on investments	15,087	412,290
Net Cash Used In Investing Activities	(21,009,145)	(1,016,200)
Capital and Related Financing Activities		
Proceeds from issuance of revenue bonds, net of premiums	14,791,761	-
Proceeds from issuance of subordinate lien notes	20,000,000	-
Purchase of capital assets	(5,395,649)	(6,882,877)
Proceeds from sale of capital assets	-	3,263
Principal payments	(2,045,000)	(5,435,000)
Interest and fiscal charges	(2,133,925)	(2,562,280)
Net Cash Provided By (Used In) In Capital and Related Financing Activities	25,217,187	(14,876,894)
Change in Cash and Cash Equivalents	(6,264,089)	5,747,132
Cash and Cash Equivalents, Beginning of Year	17,469,480	11,722,348
Cash and Cash Equivalents, End of Year	\$ 11,205,391	\$ 17,469,480
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating income	\$ 2,075,489	\$ 13,579,989
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,561,561	4,220,794
Provision for bad debts	122,717	263,709
Change in:		
Receivables	(1,696,558)	2,857,134
Prepaid assets	799	33,623
Inventories	(424,267)	(284,477)
Regulatory asset	(15,145,349)	-
Due to component units of the primary government	(178,994)	157,510
Due to primary government	(848,266)	848,266
Compensated absences	134,202	102,200
Deposits payable	39,977	(22,135)
Accounts payable and accrued liabilities	1,337,106	(207,299)
Net pension liability, net of changes in deferred resources	(508,173)	75,027
Total OPEB liability, net of changes in deferred resources	57,625	15,885
Net Cash Provided by (Used In) Operating Activities	\$ (10,472,131)	\$ 21,640,226
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position		
Equity in pooled cash	\$ 8,825,090	\$ 15,129,156
Restricted cash	2,380,301	2,340,324
Total Cash and Cash Equivalents	\$ 11,205,391	\$ 17,469,480



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS

September 30, 2021 and 2020

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, 2021 and 2020

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:

	2021	2020
5% General fund transfer to City	\$ 3,323,580	\$ 2,735,206
1% Transfer to the City of BOD	817,079	718,703
Payment in lieu of property taxes	384,105	377,269
General and administrative	795,455	709,267
	<hr/> <u>\$ 5,320,219</u>	<hr/> <u>\$ 4,540,445</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, the 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, 2021 and 2020

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. 71.

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

Effective for fiscal year 2021 reporting, GEUS adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. Governments with activities meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. This statement did not have an impact on the financial statements.

Statement No. 90, *Majority Equity Interests*. This statement specifies that a majority equity interest in a legally separate organization should be reported as a component unit. The government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method if the definition of an investment is met. This statement did not have an impact on the financial statements.

Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. GEUS implemented this statement.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 2 - Deposits and Investments

Cash and investments as of September 30, 2021 and 2020, are classified in the accompanying financial statements as follows:

	2021	2020
Equity in pooled cash	\$ 8,825,090	\$ 15,129,156
Restricted cash	2,380,301	2,340,324
Investments	<u>35,872,010</u>	<u>14,847,778</u>
	<u><u>\$ 47,077,401</u></u>	<u><u>\$ 32,317,258</u></u>

Deposits and investments as of September 30, 2021 and 2020, consist of the following:

	2021	2020
Cash on hand	\$ 2,771	\$ 2,771
Demand deposits	5,918,778	9,531,137
Investments***	<u>41,155,852</u>	<u>22,783,350</u>
Total deposits and investments	<u><u>\$ 47,077,401</u></u>	<u><u>\$ 32,317,258</u></u>

*** *Cash equivalents are included.*

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, 2021 and 2020****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, 2021, GEUS had the following investments:

Investment Type	Amount	Days to Maturity
TexPool	\$ 1,227,761	37
Logic	432,066	55
Texas Daily	503,850	2
Texas Term	33,066,900	2
U.S. Treasury Obligations	4,253,414	386
U.S. Agencies Securities	1,271,109	274
Commercial Paper	400,752	114
Total	\$ 41,155,852	
Portfolio weighted-average maturity		53

As of September 30, 2020, GEUS had the following investments:

Investment Type	Amount	Days to Maturity
TexPool	\$ 1,791,839	38
Logic	1,800,385	54
Texas Daily	1,595,749	57
Texas Term	7,966,526	21
U.S. Treasury Obligations	6,483,582	400
U.S. Agencies Securities	3,145,269	328
Total	\$ 22,783,350	
Portfolio weighted-average maturity		178

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, 2021

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
TexPool	\$ 1,227,761	N/A	AAA
Logic	432,066	N/A	AAA
Texas Daily	503,850	N/A	AAAm
Texas Term	33,066,900	N/A	AAAm
U.S. Treasury Obligations	4,253,414	N/A	
U.S. Agencies Securities	1,271,109	N/A	
Commercial Paper	400,752	N/A	
Total	\$ 41,155,852		

September 30, 2020

Investment Type	Amount	Minimum Legal Rating	Rating as of Year End
TexPool	\$ 1,791,839	N/A	AAA
Logic	1,800,385	N/A	AAA
Texas Daily	1,595,749	N/A	AAAm
Texas Term	7,966,526	N/A	AAAm
U.S. Treasury Obligations	6,483,582	N/A	
U.S. Agencies Securities	3,145,269	N/A	
Total	\$ 22,783,350		

Investments' fair value measurements are as follows as of September 30, 2021 and 2020:

September 30, 2021

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Treasury Obligations	\$ 4,253,414	\$ 4,253,414	\$ -	\$ -
Government securities:				
MUFG Bank	200,416	-	200,416	-
Credit Agricole	200,336	-	200,336	-
FNMA	870,310	-	870,310	-
FHLMC	400,799	-	400,799	-
Total	\$ 5,925,275	\$ 4,253,414	\$ 1,671,861	\$ -

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 2 - Deposits and Investments (continued)

Disclosures Relating to Credit Risk (continued)

September 30, 2020

Investments	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
U.S. Treasury Obligations	\$ 6,483,582	\$ 6,483,582	\$ -	\$ -
Government securities:				
Toyota Motor Credit	-	-	-	-
MUFG Bank	292,615	-	292,615	-
Credit Agricole	292,615	-	292,615	-
FNMA	1,289,080	-	1,289,080	-
FHLMC	1,270,959	-	1,270,959	-
Total	\$ 9,628,851	\$ 6,483,582	\$ 3,145,269	\$ -

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, 2021, other than external investment pools, investments that represent 5% or more of GEUS' total are as follows.

Investment	Investment Type	Amount
Treasury Notes	U.S. Treasury Obligations	\$ 4,253,414
Total		<u>\$ 4,253,414</u>

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.

As of September 30, 2021, 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.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk (continued)

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.

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.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 3 - Capital Assets

A summary of GEUS' capital assets at September 30, 2021, are as follows:

	Balance September 30, 2020		Increases	Decreases	Transfers	Balance September 30, 2021	
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	1,358,712	2,275,632	-	(379,449)	-	3,254,895	
Total Capital Assets Not Being Depreciated	1,902,325	2,275,632		(379,449)		3,798,508	
Capital Assets Being Depreciated							
Production	53,349,277	483,064	-	-	-	53,832,341	
Transmission	12,359,991	106,346	(221,598)	-	-	12,244,739	
Distribution	30,636,347	1,591,682	(1,090,388)	-	-	31,137,641	
General	11,086,688	456,023	(198,381)	-	-	11,344,330	
Cable and internet	17,603,561	337,514	(446,887)	-	-	17,494,188	
Plant	-	145,388	-	-	-	145,388	
Total Capital Assets Being Depreciated	125,035,864	3,120,017	(1,957,254)			126,198,627	
Accumulated Depreciation							
Production	22,924,851	1,962,657	-	-	-	24,887,508	
Transmission	6,375,598	323,008	(142,101)	-	-	6,556,505	
Distribution	13,842,550	1,102,330	(1,036,858)	-	-	13,908,022	
General	6,166,285	513,633	(198,379)	-	-	6,481,539	
Cable and internet	11,405,517	633,279	(446,885)	-	-	11,591,911	
Plant	-	26,654	-	-	-	26,654	
Total Accumulated Depreciation	60,714,801	4,561,561	(1,824,223)			63,452,139	
Total Activities Capital Assets, Net	\$ 66,223,388	\$ 834,088	\$ (133,031)	\$ (379,449)		\$ 66,544,996	

Construction in progress and remaining commitments for construction projects at September 30, 2021, are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
DIGITAL METERING (AMI19001)	\$ 3,438,091	\$ 2,113,246	\$ 1,324,845
RTU UPGRADE (SS20002)	156,000	90,873	65,127
CAMERA PROJECT (IT20002)	72,724	72,724	-
OMS & IVR SYSTEMS (IT20004)	240,500	182,173	58,327
TERRELL RD SUBSTATION UPGRADE (SS21001)	2,902,000	588,352	2,313,648
BACKUP CONTROL CENTER (GP21001)	550,000	140,800	409,200
SABERT OH RECLOSER (DL20001)	25,000	9,144	15,856
CEM HARDWARE UPGRADE	90,000	27,003	62,997
EROSION CONTROL STEAM PLANT INTAKES	25,000	5,650	19,350
RUPTURE DISK SPARE	24,930	24,930	-
	\$ 7,524,245	\$ 3,254,895	\$ 4,269,350

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 3 - Capital Assets (continued)

A summary of GEUS' capital assets at September 30, 2020, are as follows:

	Balance September 30, 2019				Balance September 30, 2020		
	Increases	Decreases	Transfers				
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	1,997,332	1,255,117	-	(1,893,737)	1,358,712		
Total Capital Assets Not Being Depreciated	2,540,945	1,255,117	-	(1,893,737)	1,902,325		
Capital Assets Being Depreciated							
Production	51,758,830	1,590,447	-	-	53,349,277		
Transmission	11,380,740	693,785	(91,258)	376,724	12,359,991		
Distribution	27,023,284	2,690,558	(594,508)	1,517,013	30,636,347		
General	10,775,375	387,534	(76,221)	-	11,086,688		
Cable and internet	17,667,282	265,436	(329,157)	-	17,603,561		
Total Capital Assets Being Depreciated	118,605,511	5,627,760	(1,091,144)	1,893,737	125,035,864		
Accumulated Depreciation							
Production	21,167,210	1,757,641	-	-	22,924,851		
Transmission	6,165,553	301,303	(91,258)	-	6,375,598		
Distribution	13,412,475	1,024,583	(594,508)	-	13,842,550		
General	5,762,671	479,834	(76,220)	-	6,166,285		
Cable and internet	11,077,242	657,433	(329,158)	-	11,405,517		
Total Accumulated Depreciation	57,585,151	4,220,794	(1,091,144)	-	60,714,801		
Total Activities Capital Assets, Net	\$ 63,561,305	\$ 2,662,083	\$ -	\$ -	\$ 66,223,388		

Construction in progress and remaining commitments for construction projects at September 30, 2020, are as follows:

Project Description	Authorized Contract	Total in Progress	Remaining Commitment
Digital Metering (AMI19001)	\$ 2,034,442	\$ 706,623	\$ 1,327,819
OPS Center Renovation	190,000	77,241	112,759
Sabert OH Recloser (DL20001)	25,000	9,144	15,856
Fiber Optic Network Multiplexer System	156,820	156,820	-
RTU Upgrade (SS20002)	60,000	46,471	13,529
Camera Project (IT20002)	63,435	63,435	-
OMS & IVR Systems (IT20004)	205,500	153,590	51,910
IRP	150,000	145,388	4,612
	\$ 2,885,197	\$ 1,358,712	\$ 1,526,485

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 4 - Long-term Liabilities

A summary of changes in general long-term liabilities for GEUS for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Deletions	Balance September 30, 2021	Within One Year
Bonds payable					
Revenue refunding bonds	\$ 45,475,000	\$ -	\$ (2,045,000)	\$ 43,430,000	\$ 2,140,000
Revenue bonds	-	13,885,000	-	13,885,000	240,000
Less:					
Issuance premiums	4,387,404	906,761	(552,333)	4,741,832	-
Issuance discounts	(95,917)	-	27,405	(68,512)	-
Total bonds payable	49,766,487	14,791,761	(2,569,928)	61,988,320	2,380,000
Subordinate lien notes	-	20,000,000	-	20,000,000	20,000,000
Net pension liability	1,919,416	-	(298,235)	1,621,181	-
Total OPEB liability	899,492	97,284	-	996,776	-
Compensated absences	1,121,101	509,943	(375,741)	1,255,303	478,280
Total	\$ 53,706,496	\$ 35,398,988	\$ (3,243,904)	\$ 85,861,580	\$ 22,858,280

A summary of changes in general long-term liabilities for GEUS for the year ended September 30, 2020:

	Balance September 30, 2019	Additions	Deletions	Balance September 30, 2020	Within One Year
Bonds payable					
Revenue bonds	\$ 50,910,000	\$ -	\$ (5,435,000)	\$ 45,475,000	\$ 2,045,000
Less:					
Issuance premiums	4,968,173	-	(580,769)	4,387,404	-
Issuance discounts	(153,373)	-	57,456	(95,917)	-
Total bonds payable	55,724,800	-	(5,958,313)	49,766,487	2,045,000
Net pension liability	5,275,445	-	(3,356,029)	1,919,416	-
Total OPEB liability	809,311	-	90,181	899,492	-
Compensated absences	1,018,901	509,655	(407,455)	1,121,101	481,402
Total	\$ 62,828,457	\$ 509,655	\$ (9,631,616)	\$ 53,706,496	\$ 2,526,402

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 4 - Long-term Liabilities (continued)

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

	2021	2020
Electric system revenue refunding bonds, Series 2019A, \$41,610,000 originally issued with interest rate of 5% matures in February 2035	\$ 37,630,000	\$ 39,675,000
Electric system revenue refunding bonds, Series 2019B \$12,500,000 originally issued with interest rate of 5% matures in February 2024	5,800,000	5,800,000
Electric System Revenue Bonds, Series 2021, \$13,885,000 originally issued with interest rate of 2.99%, matures in February 2051	13,885,000	-
Electric System Revenue Subordinate Lien Taxable Floating Rate Notes, Series 2021, \$20,000,000 originally issued in fiscal year 2021, callable in whole or in part after 9-months at par plus accrued interest	<u>20,000,000</u>	<u>-</u>
Current maturities	<u>77,315,000</u>	<u>45,475,000</u>
Total long-term debt	<u><u>\$ 54,935,000</u></u>	<u><u>\$ 43,430,000</u></u>

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 August 2021, GEUS issued \$13,885,000 in Electric System Revenue Bonds, Series 2021 (the Bonds). Proceeds will be used for improvements and extensions to the electric system, including capital improvements to distribution and transmission lines and substations. The Bonds were issued as serial bonds maturing February 15 in the years 2022 through 2037, and as Term Bonds maturing on February 15 in the years 2041, 2046, and 2051. The Bonds carry an interest rate ranging from 4.0% to 5.0% and interest payments are due on February 15 and August 15 until maturity.

On April 2021, GEUS issued \$20,000,000 in Electric System Subordinate Lien Taxable Floating Rate Notes, Series 202 (the Subordinate Lien Notes). The subordinate Lien Notes mature on April 1, 2022 and accrue interest at a variable interest rate equal to the sum of (i) the Secured Overnight Financing Rate for each "Effective Date" as determined in accordance with the ordinance authorizing the Subordinate Lien Notes and (ii) the Applicable Spread, from time to time in effect, based on the lowest long term unenhanced debt rating assigned by Moody's Fitch or S&P to Bonds Similarly Secured. The Subordinate Lien Notes are subject to redemption by GEUS, in whole or in part, on or after January 1, 2022. The Subordinate Lien Bonds are secured by a lien on and pledge of the net revenues of the electric system being in all things subordinate to the lien on and pledge of the net revenues for the Bonds Similarly Secured, including the Bonds. GEUS is authorized to issue additional subordinate lien bonds or contractual obligations on a parity with the Subordinate Lien Notes.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 4 - Long-term Liabilities (continued)

The debt service requirements on the aforementioned debt as of September 30, 2021, are as follows:

Fiscal Year	Bonds		Subordinate Lien Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,380,000	\$ 2,424,944	\$ 20,000,000	\$ 88,334	\$ 22,380,000	\$ 2,513,278
2023	2,920,000	2,324,119	-	-	2,920,000	2,324,119
2024	8,425,000	2,105,744	-	-	8,425,000	2,105,744
2025	2,760,000	1,891,369	-	-	2,760,000	1,891,369
2026	2,895,000	1,749,994	-	-	2,895,000	1,749,994
2027-2031	16,875,000	6,363,469	-	-	16,875,000	6,363,469
2032-2036	12,580,000	2,161,369	-	-	12,580,000	2,161,369
2037-2041	2,470,000	925,944	-	-	2,470,000	925,944
2042-2046	2,825,000	568,947	-	-	2,825,000	568,947
2047-2051	3,185,000	203,188	-	-	3,185,000	203,188
	<u>\$ 57,315,000</u>	<u>\$ 20,719,087</u>	<u>\$ 20,000,000</u>	<u>\$ 88,334</u>	<u>\$ 77,315,000</u>	<u>\$ 20,807,421</u>

Note 5 - Commitments and Contingencies

Agreement with TMPA

In 1975, the City, along with the cities of Bryan, Denton and Garland, Texas (Cities), entered into a Power Sales Contract with the TMPA. GEUS provided a portion of the electric services for the City under this contract. 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.

The Cities are obligated to cover operating cost and retirement of debt. In the event that 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, 2021 and 2020, payments to TMPA totaled \$3,372,642 and \$1,617,437, respectively.

As of September 30, 2021 and 2020, total TMPA outstanding debt was approximately \$206,713,000 and \$220,348,000 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 Gibbons Creek Steam Electric Station (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 discounted 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 February 10, 2021, TMPA sold GCSES and all decommissioning/environmental remediation liability was transferred to the new owner. The transaction resulted in the removal of GEUS' GASB Statement No. 62 Regulatory Asset as of September 30, 2021.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 5 - Commitments and Contingencies (continued)

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 \$817,079 and \$718,703 related to the Board of Development portion during the years ended September 30, 2021 and 2020, 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 or TMPA's Gibbons Creek Steam Electric Station will remain subject to the regulations currently in effect, will always be in compliance 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.

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, in order to obtain sufficient time to adequately investigate and test mercury control technologies under different operating scenarios. Testing was successfully completed and TMPA is in compliance 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 (NO_x) 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.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, which for Greenville is the Board. Under the legislation, the Board will determine if and when the electric system will be open to competition at retail.

If GEUS is open to competition, then provisions are included for GEUS to collect its stranded costs through non-by passable wire charges. The 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.

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.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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

Benefits Provided (continued)

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, 2020 valuation and measurement date (the most current available), the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	317
Inactive employees entitled to but not receiving benefits	176
Active employees	<u>330</u>
	<u>823</u>

There are seven retirees for GEUS.

Contributions

Employees for GEUS were required to contribute 7% of their annual gross earnings during 2021 and 2020. Employer contributions are actuarially determined. For the fiscal years ended September 30, 2021 and 2020, GEUS contributed \$934,093 and \$878,341, respectively, which equaled its required contributions.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2020, 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 40% based on retirement contributions.

Actuarial Assumptions

The total pension liability of the City and Components Units in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation:	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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

Actuarial Assumptions (continued)

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, 2021 and 2020

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.

Changes in the Net Pension Liability

	Increase (Decrease)		Net Pension Liability (A) - (B)
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	
Changes for the plan year:			
Service cost	\$ 1,158,971	\$ -	\$ 1,158,971
Interest (on the Total Pension Liability)	3,338,651	-	3,338,651
Difference between expected and actual experience	235,239	-	235,239
Changes of assumptions	-	-	-
Contributions - employer	-	891,316	(891,316)
Contributions - employee	-	567,672	(567,672)
Net investment income	-	3,596,310	(3,596,310)
Benefit payments, including refunds of employee contributions	(2,638,069)	(2,638,069)	-
Administrative expense	-	(23,293)	23,293
Other changes	-	(909)	909
Net Changes	2,094,792	2,393,027	(298,235)
Balance at December 31, 2019	49,033,085	47,113,669	1,919,416
Balance at December 31, 2020	\$ 51,127,877	\$ 49,506,696	\$ 1,621,181

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, 2021, 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% Increase	1% Decrease (5.75%)
GEUS' proportionate share of the net pension liability	Assumption (6.75%)	(7.75%)	\$ 7,996,160
			\$ 1,621,181
			\$ (3,698,476)

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, 2021 and 2020, GEUS reported a liability of \$1,621,181 and \$1,919,416, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, 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, 2020 and 2019, GEUS' proportion was 40% and 39%, respectively.

For the years ended September 30, 2021 and 2020, GEUS recognized pension expense of \$388,216 and \$1,041,429, respectively.

At September 30, 2021 and 2020, GEUS reported deferred outflow/inflows of resources related to pensions from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 324,038	\$ -	\$ 286,549	\$ 31,645
Changes of assumptions	42,077	-	69,539	-
Net differences between projected and actual investment earnings	-	1,348,072	-	1,425,979
Contributions subsequent to the measurement date through year-end	824,216	-	733,857	-
Total	<u>\$ 1,190,331</u>	<u>\$ 1,348,072</u>	<u>\$ 1,089,945</u>	<u>\$ 1,457,624</u>

Deferred outflows of resources at September 30, 2021, related to pensions resulting from contributions subsequent to the measurement date of \$824,216 will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. 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	
	2022	\$ (297,478)
2023		176,464
2024		(781,914)
2025		(79,029)
Total		<u>\$ (981,957)</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, 2021, 2020, and 2019, were \$23,216, \$19,828 and \$22,698, 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, 2020 was as follows:

Inactive employees currently receiving benefits	212
Inactive employees entitled to but not yet receiving benefits	36
Active employees	<u>330</u>
Total plan members	<u>578</u>

The GEUS' total OPEB liability of \$652,830 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2020. GEUS' proportion was 40%.

The GEUS' total OPEB liability of \$544,338 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2019. GEUS' proportion was 39%.

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 2.75% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2020.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, 2020 and was determined by an actuarial valuation as of that date using the following actuarial assumptions:

Valuation Date: December 31, 2020

Methods and Assumptions:

Inflation:	2.50%
Salary Increases:	3.50% to 11.50%, including inflation
Discount rate:	2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.
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, 2020 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	\$ 23,379
Interest on the total OPEB liability	29,566
Difference between expected and actual experience of the total OPEB liability	(21,560)
Changes of assumptions	81,944
Benefit payments	<u>(4,837)</u>
Net change in total OPEB liability	108,492
Total OPEB liability - beginning	<u>544,338</u>
Total OPEB liability - ending	<u>\$ 652,830</u>
Covered payroll	\$ 8,061,728
Total OPEB liability as a percentage of covered payroll	8.10%

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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

Sensitivity Analysis

The following presents proportionate share of GEUS for the Total OPEB Liability of the employer, calculated using the discount rate of 2.00%, 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 (1.00%) or 1 percentage point higher (3.00%) 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.

	1% Decrease to 1.00%	Current Discount Rate 2.00%	1% Increase to 3.00%
	\$ 788,414	\$ 652,830	\$ 546,667

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

For the years ended September 30, 2021 and 2020, the GEUS recognized OPEB expense of \$66,002 and \$48,986, respectively, relating to the SDBF plan and OPEB expense of \$21,085 and \$19,461, respectively, relating to the retiree healthcare plan for a total OPEB expense of \$87,087 and \$68,447, respectively.

As of September 30, 2021 and 2020, the GEUS reported deferred outflows of resources related to OPEBs from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 30,364	\$ -	\$ 16,683
Changes assumptions	110,578	-	62,347	-
Contributions subsequent to the measurement date	10,654	-	14,182	-
Total	\$ 121,232	\$ 30,364	\$ 76,529	\$ 16,683

GEUS contributions made subsequent to the measurement date of the total OPEB liability (December 31, 2020) and prior to year-end (September 30, 2021) 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
2022	\$ 27,015
2023	20,256
2024	22,257
2025	10,686
Total	\$ 80,214

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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

Retirees and Beneficiaries	12
Inactive, Nonretired Members	0
Active Members	<u>370</u>
Total	<u>382</u>

Total OPEB Liability

The proportionate share of GEUS for the total OPEB liability of \$343,946 was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2020. GEUS proportion is 33.00% based on health insurance contribution.

The proportionate share of GEUS for the total OPEB liability of \$355,154 was measured as of December 31, 2019, and was determined by an actuarial valuation as of December 31, 2018. GEUS proportion is 33.00% based on health insurance contribution.

Actuarial assumptions and methods

The total OPEB liability at the December 31, 2020 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, 2020

Methods and Assumptions:

Actuarial Cost Method:	Individual Entry-Age
Discount Rate:	2.00% as of December 31, 2020
Inflation:	2.50%
Salary Increases:	3.75% to 8.25%, including inflation

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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

Retiree Health Care Plan (RHCP) (continued)

Actuarial assumptions and methods (continued)

Demographic Assumptions:

Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). For the OPEB valuation, the standard TMRS retirement rates were adjusted to reflect the impact of the City's retiree medical plan design.

Mortality:

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 to account for future mortality improvements.

Health Care Trend Rates:

Increases to the City's retiree medical subsidy 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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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 2.00% (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 2.75% 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, 2021 and 2020

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

Retiree Health Care Plan (RHCP) (continued)

Changes in the Total OPEB Liability

Service cost	\$ 24,630
Interest on the total OPEB liability	(12,196)
Difference between expected and actual experience of the total OPEB liability	(30,246)
Changes of assumptions	20,091
Benefit payments	(13,487)
Net change in total OPEB liability	<u>(11,208)</u>
Total OPEB liability - beginning	355,154
Total OPEB liability - ending	<u><u>\$ 343,946</u></u>
 Covered payroll	 \$ 7,915,136
Total OPEB liability as a percentage of covered payroll	4.35%

The ending balance of the Total OPEB Liability was \$343,946 as of December 31, 2020. Changes of assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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 2.00%, 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 1.00%	Assumption 2.00%	1% Increase to 3.00%
\$ 372,247	\$ 343,946	\$ 317,354

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 343,946	Trend Rate Assumption 343,946	1% Increase 343,946
\$ 343,946	\$ 343,946	\$ 343,946

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, 2021 and 2020

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, 2021 and 2020, GEUS recognized proportionate share in OPEB expense of \$21,085 and \$19,461, respectively, relating to the retiree healthcare plan and OPEB expense of \$66,002 and \$48,986, respectively, relating to the SDBF plan, for a total OPEB expense of \$87,087 and \$68,447, respectively. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 102,510	\$ -	\$ 95,443
Changes assumptions	40,384	17,389	28,423	21,879
Contributions subsequent to the measurement date	10,691	-	11,438	-
Total	<u>\$ 51,075</u>	<u>\$ 119,899</u>	<u>\$ 39,861</u>	<u>\$ 117,322</u>

GEUS contributions made subsequent to the measurement date of the total OPEB liability (December 31, 2020) and prior to year-end (September 30, 2021) 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	
2022	\$	(14,152)
2023		(14,152)
2024		(14,152)
2025		(14,152)
2026		(14,768)
Thereafter		(8,139)
Total	<u>\$</u>	<u>(79,515)</u>

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

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, 2021:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level					
Federal agency securities	\$ 1,271,109	\$ -		\$ 1,271,109	\$ -
U.S. Treasury obligations	4,253,414	4,253,414		-	-
Commercial paper	400,752	-		400,752	-
Total investments by fair value level	<u>5,925,275</u>	<u>\$ 4,253,414</u>		<u>\$ 1,671,861</u>	<u>\$ -</u>
Investments measured at net asset value					
LOGIC	432,066				
Texas DAILY	503,850				
Texas TERM	33,066,900				
	<u>34,002,816</u>				
Investment measured at amortized cost	1,227,761				
Total investments	<u>\$ 41,155,852</u>				

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, 2021, no investments held by GEUS met the Level 3 hierarchy classification.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

NOTES TO FINANCIAL STATEMENTS (continued)

September 30, 2021 and 2020

Note 11 - Asset Retirement Obligation - Decommissioning/Environmental Remediation Liability

GASB Statement No. 83 ("GASB 83"), *Certain Asset Retirement Obligations*, establishes uniform criteria for governments to recognize and measure certain asset retirement obligations (AROs). An ARO is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. An ARO is recognized when the liability is incurred, which is manifested by the occurrence of both an external obligating event and an internal obligating event. A government also recognizes a deferred outflow of resources when it recognizes an ARO liability. The ARO is measured at the best estimate of the current value of outlays expected to be incurred.

On June 6, 2019, the Board of Directors of TMPA approved the cessation of the production of power and energy from the Gibbons Creek Steam Electric Station ("GCSES"). On June 28, 2019, a notification to Electric Reliability Council of Texas ("ERCOT") was made to remove GCSES from the ERCOT system, effective October 23, 2019. The unit was actually removed from the ERCOT system on October 30, 2019. These actions triggered TMPA to record a decommissioning/environmental remediation liability and a corresponding discounted receivable from the Member Cities, as they are obligated to pay all associated costs. As of September 30, 2020, the asset retirement obligation was \$11,778,330 based on 10.01% allocated to the City of Greenville. During fiscal year 2021, TMPA sold GCSES and all decommissioning/environmental remediation liability was transferred to the new owner. The transaction resulted in the removal of the liability as of September 30, 2021.

Note 12 - 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 13 - 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 the GEUS legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of GEUS.

Note 14 - 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, the GEUS Board approved a regulatory asset of \$15,445,681 for Winter Storm Uri costs that would otherwise be required to be expensed in the current period. The regulatory asset is expected to be amortized over a period of 30 years.

Note 15 - Subsequent Event

In preparing the accompanying financial statements, management has reviewed all known events that have occurred after September 30, 2021, and through March 17, 2022, the date on which the financial statements were available to be issued, for inclusion in the financial statements and footnotes.



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 SEVEN MEASUREMENT YEARS
(UNAUDITED)

	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
Total Pension Liability:				
Service cost	\$ 1,158,971	\$ 1,082,829	\$ 1,098,257	\$ 1,037,143
Interest (on the Total Pension Liability)	3,338,651	2,799,639	3,112,844	2,916,644
Difference between expected and actual experience	235,239	307,542	164,743	(182,255)
Change in assumptions	-	98,155	-	-
Benefit payments, including refunds of employee contributions	(2,638,069)	(2,501,376)	(2,454,460)	(2,275,181)
Net change in total pension liability	2,094,792	1,786,789	1,921,384	1,496,351
Total pension liability - beginning	49,033,085	47,246,296	45,324,912	43,828,561
Total Pension Liability - Ending (a)	\$ 51,127,877	\$ 49,033,085	\$ 47,246,296	\$ 45,324,912
Plan Fiduciary Net Position:				
Contributions - employer	\$ 891,316	\$ 819,519	\$ 866,123	\$ 782,680
Contributions - employee	567,672	531,170	533,116	500,345
Net investment income	3,596,310	6,330,378	(1,363,109)	5,529,771
Benefit payments, including refunds of employee contributions	(2,638,069)	(2,501,376)	(2,454,460)	(2,275,181)
Administrative expense	(23,293)	(35,798)	(26,357)	(28,666)
Other	(909)	(1,075)	(1,378)	(1,452)
Net change in plan fiduciary net position	2,393,027	5,142,818	(2,446,065)	4,507,497
Plan fiduciary net position - beginning	47,113,669	41,970,851	44,416,916	39,909,420
Plan Fiduciary Net Position - Ending (b)	\$ 49,506,696	47,113,669	41,970,851	44,416,917
Net Pension Liability - Ending (a) - (b)	\$ 1,621,181	\$ 1,919,416	\$ 5,275,445	\$ 907,995
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.83%	96.09%	88.83%	98.00%
Covered Payroll	\$ 8,082,087	\$ 7,588,140	\$ 7,610,929	\$ 7,147,780
Net Pension Liability as a Percentage of Covered Payroll	20.06%	25.29%	69.31%	12.70%

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).

	Measurement	Measurement	Measurement
	Year 2016	Year 2015	Year 2014
Total Pension Liability:			
Service cost	\$ 1,007,771	\$ 955,582	\$ 871,454
Interest (on the Total Pension Liability)	2,821,116	2,748,004	2,643,356
Difference between expected and actual experience	(287,976)	62,453	6,172
Change in assumptions	-	873,886	-
Benefit payments, including refunds of employee contributions	(2,005,553)	(2,252,263)	(1,883,874)
Net change in total pension liability	1,535,358	2,387,661	1,637,107
Total pension liability - beginning	42,293,203	39,905,541	38,268,434
Total Pension Liability - Ending (a)	\$ 43,828,561	\$ 42,293,203	\$ 39,905,541
Plan Fiduciary Net Position:			
Contributions - employer	\$ 711,450	\$ 719,233	\$ 766,358
Contributions - employee	483,509	475,414	487,314
Net investment income	2,579,004	57,852	2,156,762
Benefit payments, including refunds of employee contributions	(2,005,553)	(2,252,263)	(1,883,874)
Administrative expense	(29,135)	(35,239)	(22,520)
Other	(1,570)	(1,740)	(1,852)
Net change in plan fiduciary net position	1,737,705	(1,036,744)	1,502,188
Plan fiduciary net position - beginning	38,171,715	39,208,459	37,706,272
Plan Fiduciary Net Position - Ending (b)	\$ 39,909,420	\$ 38,171,715	\$ 39,208,460
Net Pension Liability - Ending (a) - (b)	\$ 3,919,141	\$ 4,121,488	\$ 697,082
Plan Fiduciary Net Position as a Percentage of Total Pension Liability			
	91.06%	90.25%	98.25%
Covered Payroll	\$ 6,907,272	\$ 6,875,419	\$ 6,929,197
Net Pension Liability as a Percentage of Covered Payroll			
	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 SEVEN FISCAL YEARS

(UNAUDITED)

	Fiscal Year			
	2021	2020	2019	2018
Actuarially determined contributions	\$ 958,670	\$ 878,341	\$ 995,591	\$ 848,263
Contribution in relation to the actuarially determined contribution	<u>958,670</u>	<u>878,341</u>	<u>995,591</u>	<u>848,263</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
GEUS' covered payroll	\$ 8,531,762	\$ 7,844,143	\$ 8,893,885	\$ 7,376,983
Contributions as a percentage of covered payroll	11.24%	11.20%	11.19%	11.50%
	2017	2016	2015	
Actuarially determined contributions	\$ 775,827	\$ 761,630	\$ 739,684	
Contribution in relation to the actuarially determined contribution	<u>775,827</u>	<u>761,630</u>	<u>739,684</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
GEUS' covered payroll	\$ 6,935,676	\$ 7,187,526	\$ 7,187,526	
Contributions as a percentage of covered payroll	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	25 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:

There were no benefit changes during the year.

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 Four Measurement Years

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 23,379	\$ 5,323	\$ 20,550	\$ 16,440
Interest on the total OPEB liability	29,566	5,844	27,302	15,209
Difference between expected and actual experience				
of the total OPEB liability	(21,560)	(30,273)	12,886	-
Changes of assumptions	81,944	84,341	(31,883)	34,615
Benefit payments	(4,837)	(4,553)	(3,806)	(3,574)
Net change in total OPEB liability	108,492	60,682	25,049	62,690
Total OPEB Liability - Beginning	544,338	483,656	458,607	395,917
Total OPEB Liability - Ending	\$ 652,830	\$ 544,338	\$ 483,656	\$ 458,607
Covered-employee payroll	\$ 8,061,728	\$ 7,588,149	\$ 7,610,929	\$ 7,147,780
Total OPEB liability as a percentage of covered-employee payroll	8.10%	7.17%	6.35%	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 Four Measurement Years

	2020	2019	2018	2017
Total OPEB Liability				
Service cost	\$ 24,630	\$ 21,347	\$ 24,207	\$ 20,142
Interest on the total OPEB liability	(12,196)	2,328	17,502	16,099
Difference between expected and actual experience of the total OPEB liability	(30,246)	(2,280)	(122,241)	(4,294)
Changes of assumptions	20,091	19,781	(29,484)	17,317
Benefit payments	(13,487)	(11,677)	(16,942)	(20,929)
Net change in total OPEB liability	(11,208)	29,499	(126,958)	28,335
Total OPEB Liability - Beginning	355,154	325,655	452,613	424,278
Total OPEB Liability - Ending	\$ 343,946	\$ 355,154	\$ 325,655	\$ 452,613
Covered-employee payroll	\$ 7,915,136	\$ 6,253,917	\$ 6,075,613	\$ 6,197,147
Total OPEB liability as a percentage of covered-employee payroll	4.35%	5.68%	5.36%	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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	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how GEUS' financial performance and well-being have changed over time.	52
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.	56
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.	76

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

	2021	2020	2019	2018	2017
Net Investment in capital assets	\$ 36,234,724	\$ 41,715,450	\$ 36,111,453	\$ 28,436,832	\$ 26,814,332
Restricted	-	-	-	4,536,273	5,152,752
Unrestricted	13,173,458	7,590,281	882,888	(10,742,403)	(13,317,583)
Total Fund Net Position	\$ 49,408,182	\$ 49,305,731	\$ 36,994,341	\$ 22,230,702	\$ 18,649,501

Source: Greenville Electric Utility System, Audited Financial Statements.

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

	2016	2015	2014	2013	2012
Net Investment in capital assets	\$ 28,004,217	\$ 29,311,545	\$ 30,438,242	\$ 29,718,020	\$ 30,475,340
Restricted	5,173,144	5,162,133	4,966,778	4,959,453	987,483
Unrestricted	23,693,043	24,711,704	20,911,033	20,226,789	24,811,850
Total Fund Net Position	\$ 56,870,404	\$ 59,185,382	\$ 56,316,053	\$ 54,904,262	\$ 56,274,673

Source: Greenville Electric Utility System, Audited Financial Statements.

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

	2021	2020	2019	2018	2017
Operating Revenues					
Electric	\$ 124,730,252	\$ 62,514,994	\$ 67,767,885	\$ 60,348,437	\$ 56,332,151
Cable & Internet	6,105,300	6,015,096	5,785,728	6,110,792	6,039,392
Total Operating Revenues	130,835,552	68,530,090	73,553,613	66,459,229	62,371,543
Operating Expenses					
Electric	112,929,130	40,238,959	41,871,642	45,144,618	48,954,429
Cable & Internet	5,091,059	5,000,802	4,893,587	5,147,590	4,983,896
Administrative	522,513	628,632	613,523	493,963	1,174,141
Insurance	335,581	320,469	285,436	238,625	229,442
City Services	795,455	709,267	625,495	572,225	695,621
Pilot	384,105	377,269	368,274	360,593	356,100
General Fund	3,323,580	2,735,206	3,037,799	2,849,244	2,446,730
Board of Development	817,079	718,703	683,535	569,849	489,346
Total Operating Expenses	124,198,502	50,729,307	52,379,291	55,376,707	59,329,705
Net (Expense) Revenue	6,637,050	17,800,783	21,174,322	11,082,522	3,041,838
Non-operating Revenues and Expenses					
Non-operating Revenues:					
Investment earnings	15,087	412,290	462,231	139,611	29,683
Amortization	573,619	579,868	65,388	42,051	41,662
Insurance recoveries	-	-	-	-	-
Intergovernmental grants	-	-	-	-	-
Other income	-	3,263	18,520	27,991	-
Non-operating Expenses:					
Depreciation	4,561,561	4,220,794	3,826,990	3,634,614	3,977,782
Interest expense	2,466,349	2,264,020	3,129,832	3,271,906	3,263,258
Bond issuance costs	-	-	-	-	-
Amortization	-	-	-	-	-
Market value adjustment	-	-	-	-	-
Other expense	95,395	-	-	-	-
Income Before Impairment	102,451	12,311,390	14,763,639	4,385,655	(4,127,857)
Impairment of Prepaid Electric Costs ¹	-	-	-	-	(34,093,046)
Change in Net Position	102,451	12,311,390	14,763,639	4,385,655	(38,220,903)
Net Position, Beginning of Year	49,305,731	36,994,341	22,230,702	18,649,501	56,870,404
Change in Accounting Principle ²	-	-	-	(804,454)	-
Net Position, End of Year	\$ 49,408,182	\$ 49,305,731	\$ 36,994,341	\$ 22,230,702	\$ 18,649,501

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 and changes in net position.

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

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

	2016	2015	2014	2013	2012
Operating Revenues					
Electric	\$ 52,993,461	\$ 58,167,459	\$ 59,813,332	\$ 54,576,496	\$ 49,655,678
Cable & Internet	6,050,648	6,021,775	5,620,376	5,239,826	5,143,745
Total Operating Revenues	59,044,109	64,189,234	65,433,708	59,816,322	54,799,423
Operating Expenses					
Electric	43,884,348	45,250,943	50,177,109	44,802,901	35,973,563
Cable & Internet	4,832,073	4,722,986	4,549,820	4,175,756	3,965,543
Administrative	1,155,099	234,909	311,705	139,203	436,887
Insurance	230,415	234,816	245,118	621,871	541,756
City Services	685,369	647,480	773,273	231,883	698,272
Pilot	355,678	350,000	350,000	350,000	350,000
General Fund	2,627,770	2,698,026	2,448,772	2,419,687	2,442,075
Board of Development	525,554	539,605	489,755	483,936	492,559
Total Operating Expenses	54,296,306	54,678,765	59,345,552	53,225,237	44,900,655
Net (Expense) Revenue	4,747,803	9,510,469	6,088,156	6,591,085	9,898,768
Non-operating Revenues and Expenses					
Non-operating Revenues:					
Investment earnings	74,877	78,011	35,176	39,342	75,101
Amortization	41,285	40,925	40,580	42,319	-
Insurance recoveries	-	506,550	2,500,000	-	-
Intergovernmental grants	-	-	-	-	-
Other income	33,255	20,876	-	-	-
Non-operating Expenses:					
Depreciation	3,863,263	3,911,061	3,797,529	3,811,878	3,529,617
Interest expense	3,348,935	3,310,403	3,325,365	3,303,682	3,401,754
Bond issuance costs	-	62,530	-	-	-
Amortization	-	-	-	-	152,470
Market value adjustment	-	-	-	-	-
Other expense	-	-	129,227	6,017	156,305
Income Before Impairment	(2,314,978)	2,872,837	1,411,791	(448,831)	2,733,723
Impairment of Prepaid Electric Costs ¹	-	-	-	-	-
Change in Net Position	(2,314,978)	2,872,837	1,411,791	(448,831)	2,733,723
Net Position, Beginning of Year	59,185,382	56,316,053	54,904,262	56,274,673	53,540,950
Change in Accounting Principle ²	-	(3,508)	-	(921,580)	-
Net Position, End of Year	\$ 56,870,404	\$ 59,185,382	\$ 56,316,053	\$ 54,904,262	\$ 56,274,673

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 and changes in net position.

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

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

Page 1 of 2

	2021	2020	2019	2018	2017
Operating Revenues					
Charges for services	\$ 130,835,552	\$ 68,530,090	\$ 73,553,613	\$ 66,459,229	\$ 62,371,543
Interest Revenue	15,087	412,290	462,231	139,611	29,683
Total Operating Revenues	130,850,639	68,942,380	74,015,844	66,598,840	62,401,226
Operating Expenses (1):					
Fuel and Purchased Power,					
Operations and maintenance (2)	118,020,189	45,218,233	46,765,229	50,292,208	53,938,325
Administrative expenses	858,094	970,629	898,959	732,588	1,403,583
Intergovernmental	5,320,219	4,540,445	4,715,103	4,351,911	3,987,797
Total Operating Expenses	124,198,502	50,729,307	52,379,291	55,376,707	59,329,705
Net Available for Debt Services	6,652,137	18,213,073	21,636,553	11,222,133	3,071,521
Debt Service Requirements	6,370,632	4,548,338	4,528,613	5,450,334	3,807,879
Coverage of Debt Service Requirements by Net Revenues Available for Debt Service	1.04	4.00	4.78	2.06	0.81 ⁽³⁾
Total Revenue Bond Debt Outstanding	77,315,000	45,475,000	50,910,000	66,100,203	69,875,255
Unamortized Premium & Discount	3,766,559	4,291,486	4,814,800	510,203	552,255
Total Outstanding Revenue Debt	\$ 81,081,559	\$ 49,766,486	\$ 55,724,800	\$ 66,610,406	\$ 70,427,510
Debt Per Capita	5,176	3,270	3,848	4,476	4,887
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 2012 Amortized PEC - \$948,887

FY 2017 Amortized PEC - \$1,549,897

FY 2014 Amortized PEC - \$1,333,742

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

FY 2013 Amortized PEC - \$1,137,816

(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)
HISTORICAL STATEMENTS OF REVENUES, EXPENSES, DEBT SERVICE, AND DEBT
SERVICE COVERAGE
Last Ten Fiscal Years
Page 2 of 2

	2016	2015	2014	2013	2012
Operating Revenues					
Charges for services	\$ 59,044,109	\$ 64,189,234	\$ 65,433,708	\$ 59,816,322	\$ 54,799,423
Interest Revenue	74,877	78,011	35,176	39,342	75,101
Total Operating Revenues	59,118,986	64,267,245	65,468,884	59,855,664	54,874,524
Operating Expenses (1):					
Fuel and Purchased Power,					
Operations and maintenance (2)	48,716,421	49,973,929	54,726,929	49,293,957	39,939,106
Administrative expenses	1,385,514	469,725	311,705	371,086	1,135,159
Intergovernmental	4,194,371	4,235,111	4,306,918	3,560,194	3,826,390
Total Operating Expenses	54,296,306	54,678,765	59,345,552	53,225,237	44,900,655
Net Available for Debt Services	4,822,680	9,588,480	6,123,332	6,630,427	9,973,869
Debt Service Requirements	3,812,179	3,803,935	3,747,503	3,749,003	3,744,803
Coverage of Debt Service Requirements by Net Revenues Available for Debt Service	1.27	2.52	1.63	1.77	2.66
Total Revenue Bond Debt Outstanding	70,391,916	70,888,202	68,121,127	68,581,707	69,029,026
Unamortized Premium & Discount	593,916	635,202	676,127	716,707	759,026
Total Outstanding Revenue Debt	\$ 70,985,832	\$ 71,523,404	\$ 68,797,254	\$ 69,298,414	\$ 69,788,052
Debt Per Capita	5,018	5,186	4,995	5,060	5,183
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 2012 Amortized PEC - \$948,887

FY 2017 Amortized PEC - \$1,549,897

FY 2014 Amortized PEC - \$1,333,742

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

FY 2013 Amortized PEC - \$1,137,816

(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 3

ELECTRIC SYSTEM REVENUE BONDS

For the Fiscal Year Ended September 30, 2021

Year Ending	The Series 2019A Bonds		
	9/30	Principal	Interest
2022	\$ 2,140,000	\$ 1,828,000	\$ 3,968,000
2023	2,250,000	1,718,250	3,968,250
2024	2,370,000	1,602,750	3,972,750
2025	2,490,000	1,481,250	3,971,250
2026	2,615,000	1,353,625	3,968,625
2027	2,750,000	1,219,500	3,969,500
2028	2,890,000	1,078,500	3,968,500
2029	3,040,000	930,250	3,970,250
2030	3,200,000	774,250	3,974,250
2031	3,360,000	610,250	3,970,250
2032	3,535,000	437,875	3,972,875
2033	3,710,000	256,750	3,966,750
2034	2,365,000	104,875	2,469,875
2035	915,000	22,875	937,875
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	-	-	-
	\$ 37,630,000	\$ 13,419,000	\$ 51,049,000

⁽¹⁾ Represents actual final maturity.

⁽²⁾ On September 25, 2019, the District prepaid \$3,200,000 in principal and \$9,778 of accrued interest on the Series 2019B Bonds.

⁽³⁾ On September 25, 2020, the City prepaid \$3,500,000 in principal and \$10,694 of accrued interest on the Series 2019B Bonds.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 2 of 3

ELECTRIC SYSTEM REVENUE BONDS

For the Fiscal Year Ended September 30, 2021

Year Ending	The Series 2019B Bonds ⁽¹⁾⁽²⁾⁽³⁾		
	9/30	Principal	Interest
2022	\$ -	\$ 159,500	\$ 159,500
2023	-	159,500	159,500
2024	5,800,000	79,750	5,879,750
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
2033	-	-	-
2034	-	-	-
2035	-	-	-
2036	-	-	-
2037	-	-	-
2038	-	-	-
2039	-	-	-
2040	-	-	-
2041	-	-	-
2042	-	-	-
2043	-	-	-
2044	-	-	-
2045	-	-	-
2046	-	-	-
2047	-	-	-
2048	-	-	-
2049	-	-	-
2050	-	-	-
2051	<u>\$ 5,800,000</u>	<u>\$ 398,750</u>	<u>\$ 6,198,750</u>

⁽¹⁾ Represents actual final maturity.

⁽²⁾ On September 25, 2019, the District prepaid \$3,200,000 in principal and \$9,778 of accrued interest on the Series 2019B Bonds.

⁽³⁾ On September 25, 2020, the City prepaid \$3,500,000 in principal and \$10,694 of accrued interest on the Series 2019B Bonds.

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

ELECTRIC SYSTEM REVENUE BONDS

For the Fiscal Year Ended September 30, 2021

Page 3 of 3

Year Ending 9/30	The Series 2021 Bonds			Grand Total Requirements
	Principal	Interest	Total	
2022	\$ 240,000	\$ 437,444	\$ 677,444	\$ 4,804,944
2023	670,000	446,369	1,116,369	5,244,119
2024	255,000	423,244	678,244	10,530,744
2025	270,000	410,119	680,119	4,651,369
2026	280,000	396,369	676,369	4,644,994
2027	295,000	381,994	676,994	4,646,494
2028	310,000	366,869	676,869	4,645,369
2029	325,000	350,994	675,994	4,646,244
2030	345,000	334,244	679,244	4,653,494
2031	360,000	316,619	676,619	4,646,869
2032	380,000	300,019	680,019	4,652,894
2033	395,000	284,519	679,519	4,646,269
2034	410,000	268,419	678,419	3,148,294
2035	425,000	251,719	676,719	1,614,594
2036	445,000	234,319	679,319	679,319
2037	460,000	216,219	676,219	676,219
2038	480,000	199,819	679,819	679,819
2039	495,000	185,194	680,194	680,194
2040	510,000	170,119	680,119	680,119
2041	525,000	154,594	679,594	679,594
2042	540,000	140,306	680,306	680,306
2043	550,000	127,363	677,363	677,363
2044	565,000	114,122	679,122	679,122
2045	580,000	100,525	680,525	680,525
2046	590,000	86,631	676,631	676,631
2047	605,000	72,063	677,063	677,063
2048	620,000	56,750	676,750	676,750
2049	635,000	41,063	676,063	676,063
2050	655,000	24,938	679,938	679,938
2051	670,000	8,375	678,375	678,375
	\$ 13,885,000	\$ 6,901,335	\$ 20,786,335	\$ 78,034,085

⁽¹⁾ Represents actual final maturity.

⁽²⁾ On September 25, 2019, the District prepaid \$3,200,000 in principal and \$9,778 of accrued interest on the Series 2019B Bonds.

⁽³⁾ On September 25, 2020, the City prepaid \$3,500,000 in principal and \$10,694 of accrued interest on the Series 2019B Bonds.

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

Description	2021	2020	2019	2018	2017
Residential	\$ 17,724,449	\$ 19,295,474	\$ 19,113,503	\$ 19,035,430	\$ 16,497,193
Commercial	26,570,212	30,339,952	32,591,568	31,684,764	30,624,462
Wholesale	78,648,024	11,138,654	13,970,011	6,692,021	7,438,673
Cable & Internet	6,105,300	6,015,095	6,105,300	6,110,792	6,039,392
Interest revenue	15,087	412,290	15,087	139,611	29,683
Miscellaneous	1,787,567	1,740,915	2,092,803	2,936,222	1,771,823
Total Revenue	\$ 130,850,639	\$ 68,942,380	\$ 73,888,272	\$ 66,598,840	\$ 62,401,226

Source: Greenville Electric Utility System, Audited Financial Statements.

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

Description	2016	2015	2014	2013	2012
Residential	\$ 16,366,985	\$ 17,375,894	\$ 15,340,932	\$ 15,169,517	\$ 13,561,174
Commercial	29,839,218	31,920,738	28,438,844	28,721,858	27,198,986
Wholesale	4,766,015	6,627,222	14,011,634	8,535,041	6,820,025
Cable & Internet	6,050,648	6,021,775	5,620,376	5,239,826	5,143,745
Interest revenue	74,877	78,011	35,176	39,342	75,101
Miscellaneous	2,021,243	2,243,605	2,021,922	2,150,080	2,075,493
Total Revenue	\$ 59,118,986	\$ 64,267,245	\$ 65,468,884	\$ 59,855,664	\$ 54,874,524

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		School Enrollment	Unemployment Rate
			Personal Income			
2012	25,624	n/a	\$ 18,915		5,068	7.6%
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%

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	2021		Customer	2012	
	Rank	% of Revenue Base		Rank	% of Revenue Base
L3 Harris Technologies	1	4.73%	L3 Harris Technologies	1	16.78%
CYTEC Industries Inc.	2	1.10%	Rubbermaid	2	5.00%
FSTI Inc.	3	0.94%	CYTEC Industries Inc.	3	2.98%
Hunt Regional Medical Center	4	0.69%	Hunt Regional Medical Center	4	2.35%
Rock Tenn Corp	5	0.41%	FSTI Inc.	5	2.10%
International Grains & Cereal LLC	6	0.38%	Weatherford ArtificialLift#224	6	1.31%
Weatherford ArtificialLift#224	7	0.45%	Rock Tenn Corp	7	0.94%
City Sewer Disposal Plant	8	0.25%	Fritz Industries Inc.	8	1.01%
Wal-Mart	9	0.27%	Wal-Mart	9	0.80%
Fritz Industries Inc.	10	0.24%	Brookshire Foods	10	0.77%
Totals		9.44%			34.05%

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

	2021	2020	2019	2018	2017
Electric					
Number	15,666	15,218	14,873	14,769	14,297
% Change	2.94%	2.32%	0.70%	3.30%	1.92%
Cable Only					
Number	823	925	1,155	3,270	3,604
% Change	-11.03%	-19.91%	-64.68%	-9.27%	-4.28%
Internet Only					
Number	2,868	2,619	2,247	2,160	1,967
% Change	9.51%	16.56%	4.03%	9.81%	9.22%
Cable and Internet					
Number	1,620	1,691	1,802	4,185	4,103
% Change	-4.20%	-6.16%	-56.94%	2.00%	4.46%

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**

	2016	2015	2014	2013	2012
Electric					
Number	14,028	13,669	13,637	13,553	13,319
% Change	2.87%	0.23%	0.62%	1.76%	0.17%
Cable Only					
Number	3,765	3,887	4,111	4,475	4,543
% Change	-8.42%	-5.45%	-8.13%	-1.50%	0.71%
Internet Only					
Number	1,801	1,657	1,503	1,218	1,098
% Change	19.83%	10.25%	23.40%	10.93%	15.70%
Cable and Internet					
Number	3,928	3,686	3,610	3,415	3,232
% Change	8.81%	2.11%	5.71%	5.66%	7.02%

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

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 1 of 4

TEN YEAR RATE ANALYSIS

Last Ten Fiscal Years

Electric	2021	2020	2019	2018	2017
Residential					
Consumer Charge	\$ 11.25	\$ 10.79	\$ 10.79	\$ 10.79	\$ 10.79
Energy Charge: June - October billing months (Per kWh)	0.0653	0.0745	0.0745	0.0745	0.0745
Energy Charge: November - May billing months (First 1200 kWh)	0.0653	0.0664	0.0664	0.0664	0.0664
Energy Charge: November - May billing months (Over 1200 kWh)	0.048	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)*	0.029	0.0300	0.0327	0.0310	0.0270
Regulatory Charge (Per kWh)*	0.002	\$ 0.0020	\$ 0.0020	\$ 0.0020	\$ 0.0010
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%
General Service - Demand (GSD-Small)					
Consumer Charge	\$ 22.00	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	12.20	N/A	N/A	N/A	N/A
Energy Charge: (First 600 kWh)	0.021	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	0.029	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	0.500	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	5%	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	1%	N/A	N/A	N/A	N/A
General Service - Demand (GSD-Medium)					
Consumer Charge	\$ 24.00	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	13.00	N/A	N/A	N/A	N/A
Energy Charge: (First 6,000 kWh)	0.0244	N/A	N/A	N/A	N/A
Energy Charge: (all additional kWh)	0.012	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	0.029	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	0.500	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	5%	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	1%	N/A	N/A	N/A	N/A
General Service - Demand (GSD-Large)					
Consumer Charge	\$ 30.00	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	14.00	N/A	N/A	N/A	N/A
Energy Charge: (First 6,000 kWh)	0.0179	N/A	N/A	N/A	N/A
Energy Charge: (all additional kWh)	0.012	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	0.029	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	0.500	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	5%	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	1%	N/A	N/A	N/A	N/A
General Service - Non-Demand					
Consumer Charge	\$ 18.50	\$ 17.93	\$ 17.93	\$ 17.93	\$ 17.93
Energy Charge:	0.0617	0.0691	0.0691	0.0691	0.0691
Fuel Adjustment Factor (Per kWh)*	0.029	0.0300	0.0327	0.0310	0.0270
Regulatory Charge (Per kWh)*	0.002	\$ 0.0020	\$ 0.0020	\$ 0.0020	\$ 0.0010
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%

* Rate at end of fiscal year

** Cable & Internet rates based on per month fee

*** In Fiscal Year 2021, new rate classes were implemented for General Service - Demand

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

Page 2 of 4

TEN YEAR RATE ANALYSIS

Last Ten Fiscal Years

Electric	2016	2015	2014	2013	2012
Residential					
Consumer Charge	\$ 10.79	\$ 10.79	\$ 10.79	\$ 7.50	\$ 7.50
Energy Charge: June - October billing months (Per kWh)	0.0745	0.0745	0.0745	0.0630	0.0630
Energy Charge: November - May billing months (First 1200 kWh)	0.0664	0.0664	0.0664	N/A	N/A
Energy Charge: November - May billing months (Over 1200 kWh)	0.0475	0.0475	0.0475	N/A	N/A
Energy Charge: November - May billing months (First 600 kWh)	N/A	N/A	N/A	0.0580	0.0580
Energy Charge: November - May billing months (Next 600 kWh)	N/A	N/A	N/A	0.0430	0.0430
Energy Charge: November - May billing months (Remainder kWh)	N/A	N/A	N/A	0.0320	0.0320
Fuel Adjustment Factor (Per kWh)*	0.0230	0.0300	0.3400	0.0280	0.0280
Regulatory Charge (Per kWh)*	\$ 0.0008	\$ 0.0006	N/A	N/A	N/A
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%
General Service - Demand (GSD-Small)					
Consumer Charge	N/A	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	N/A	N/A	N/A	N/A	N/A
Energy Charge: (First 600 kWh)	N/A	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	N/A	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	N/A	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	N/A	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	N/A	N/A	N/A	N/A	N/A
General Service - Demand (GSD-Medium)					
Consumer Charge	N/A	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	N/A	N/A	N/A	N/A	N/A
Energy Charge: (First 6,000 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: (all additional kWh)	N/A	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	N/A	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	N/A	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	N/A	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	N/A	N/A	N/A	N/A	N/A
General Service - Demand (GSD-Large)					
Consumer Charge	N/A	N/A	N/A	N/A	N/A
Demand Charge: (per kWh of billing demand)	N/A	N/A	N/A	N/A	N/A
Energy Charge: (First 6,000 kWh)	N/A	N/A	N/A	N/A	N/A
Energy Charge: (all additional kWh)	N/A	N/A	N/A	N/A	N/A
Fuel Adjustment Factor (Per kWh)*	N/A	N/A	N/A	N/A	N/A
Regulatory Charge (Per kw)*	N/A	N/A	N/A	N/A	N/A
Greenville General Fund Transfer Fee	N/A	N/A	N/A	N/A	N/A
Greenville Board of Development Transfer Fee	N/A	N/A	N/A	N/A	N/A
General Service - Non-Demand					
Consumer Charge	\$ 17.93	\$ 17.93	\$ 17.93	\$ 14.25	\$ 14.25
Energy Charge:	0.0691	0.0691	0.0691	0.0620	0.0620
Fuel Adjustment Factor (Per kWh)*	0.0230	0.0300	0.3400	0.0280	0.0280
Regulatory Charge (Per kWh)*	\$ 0.0008	\$ 0.0006	N/A	N/A	N/A
Greenville General Fund Transfer Fee	5%	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	1%	1%	1%	1%	1%

* Rate at end of fiscal year

** Cable & Internet rates based on per month fee

*** In Fiscal Year 2021, new rate classes were implemented for General Service - Demand

GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)
Page 3 of 4
TEN YEAR RATE ANALYSIS
Last Ten Fiscal Years

Electric	2021	2020	2018	2017	2016
General Service - Demand***					
Consumer Charge	N/A	\$ 20.55	\$ 20.55	\$ 20.55	\$ 20.55
Demand Charge: (per kWh of billing demand)	N/A	12.33	12.33	12.33	12.33
Energy Charge: (First 600 kWh)	N/A	0.0323	0.0323	0.0323	0.0323
Energy Charge: (Per kWh over 6000 kWh)	N/A	0.0104	0.0104	0.0104	0.0104
Fuel Adjustment Factor (Per kWh)*	N/A	0.0300	0.0327	0.0310	0.0270
Regulatory Charge (Per kw)*	N/A	\$ 0.5000	\$ 0.5000	\$ 0.5000	\$ 0.3500
Greenville General Fund Transfer Fee	N/A	5%	5%	5%	5%
Greenville Board of Development Transfer Fee	N/A	1%	1%	1%	1%
Cable & Internet**					
Cable					
Economy	\$ 39.95	\$ 36.95	\$ 29.95	\$ 21.95	\$ 21.95
Economy Plus	104.95	89.95	72.95	67.95	57.95
Digital	121.95	106.95	87.95	75.95	67.95
Residential Internet					
GEUS 10	\$ 29.95	\$ 29.95	N/A	N/A	N/A
GEUS 250	52.95	52.95	N/A	N/A	N/A
GEUS 450	89.95	89.95	N/A	N/A	N/A
Copper-R 5 Mbps	N/A	N/A	\$ 14.95	\$ 14.95	\$ 14.95
Bronze-R 10 Mbps	N/A	N/A	24.95	24.95	24.95
Silver-R 20 Mbps	N/A	N/A	41.95	41.95	41.95
Residential - 30 Mbps	N/A	N/A	N/A	N/A	N/A
Gold -R 50 Mbps	N/A	N/A	61.95	61.95	61.95
Residential - 60 Mbps	N/A	N/A	N/A	N/A	N/A
Platinum-R 100 Mbps	N/A	N/A	95.95	95.95	95.95
Commercial Internet					
GEUS 250	\$ 69.95	\$ 59.95	N/A	N/A	N/A
GEUS 450	114.95	109.95	N/A	N/A	N/A
Swift-C 10 Mbps	N/A	N/A	N/A	N/A	\$ 75.95
Quick-C 20 Mbps	N/A	N/A	N/A	N/A	129.95
Rapid-C 30 Mbps	N/A	N/A	\$ 69.95	\$ 69.95	171.95
Express-C 60 Mbps	N/A	N/A	89.95	89.95	225.95
Top Fuel-C 100 Mbps	N/A	N/A	149.95	149.95	325.95
Streaming Internet					
Gold Streaming Package	N/A	N/A	\$ 102.95	\$ 102.95	\$ 102.95
Silver Streaming	N/A	N/A	79.95	79.95	N/A

Electric	2015	2014	2013	2012	2011
General Service - Demand***					
Consumer Charge	\$ 20.55	\$ 20.55	\$ 20.55	\$ 16.00	\$ 16.00
Demand Charge: (per kWh of billing demand)	12.33	12.33	12.33	8.00	8.00
Energy Charge: (First 600 kWh)	0.0323	0.0323	0.0323	0.0310	0.0310
Energy Charge: (Per kWh over 6000 kWh)	0.0104	0.0104	0.0104	0.0100	0.0100
Fuel Adjustment Factor (Per kWh)*	0.0230	0.0300	0.3400	0.0280	0.0280
Regulatory Charge (Per kw)*	\$ 0.2000	\$ 0.1500	N/A	N/A	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	\$ 21.95	\$ 21.95	\$ 15.95	\$ 15.95	\$ 15.95
Economy Plus	57.95	57.95	45.95	46.95	45.95
Digital	67.95	67.95	55.95	60.95	57.95
Residential Internet					
GEUS 10	N/A	N/A	N/A	N/A	N/A
GEUS 250	N/A	N/A	N/A	N/A	N/A
GEUS 450	N/A	N/A	N/A	N/A	N/A
Copper-R 5 Mbps	\$ 14.95	N/A	N/A	N/A	N/A
Bronze-R 10 Mbps	24.95	N/A	N/A	N/A	N/A
Silver-R 20 Mbps	41.95	41.95	41.95	41.95	41.95
Residential - 30 Mbps	N/A	61.95	61.95	61.95	61.95
Gold -R 50 Mbps	61.95	N/A	N/A	N/A	N/A
Residential - 60 Mbps	N/A	99.95	99.95	99.95	99.95
Platinum-R 100 Mbps	95.95	N/A	N/A	N/A	N/A
Commercial Internet					
GEUS 250	N/A	N/A	N/A	N/A	N/A
GEUS 450	N/A	N/A	N/A	N/A	N/A
Swift-C 10 Mbps	\$ 75.95	\$ 75.95	\$ 75.95	\$ 75.95	\$ 75.95
Quick-C 20 Mbps	129.95	N/A	N/A	N/A	N/A
Rapid-C 30 Mbps	171.95	171.95	171.95	171.95	171.95
Express-C 60 Mbps	225.95	275.95	275.95	275.95	275.95
Top Fuel-C 100 Mbps	325.95	N/A	N/A	N/A	N/A
Streaming Internet					
Gold Streaming Package	N/A	N/A	N/A	N/A	N/A
Silver Streaming	N/A	N/A	N/A	N/A	N/A



GREENVILLE ELECTRIC UTILITY SYSTEM (GEUS)

PRINCIPAL EMPLOYERS

For the Current Year and Nine Years Ago

Name of Employer	2021			2012			
	No. of Employees	Rank	Percentage of Total City Employment	Name of Employer	No. of Employees	Rank	Percentage of Total City Employment
L-3 Harris	6,500	1	47.03%	L-3 Communications	5,000	1	42.72%
McKesson	500	2	3.62%	Hunt Regional Medical Center	900	2	7.69%
Solvay	350	3	2.53%	Greenville ISD	825	3	7.05%
Masonite Int'l Corp	250	4	1.81%	Newell/Rubbermaid	650	4	5.55%
Weatherford International	225	5	1.63%	McKesson	500	5	4.27%
Innovation First	225	6	1.63%	Hunt County	402	6	3.44%
Raytheon	200	7	1.45%	Wal-Mart Supercenter	365	7	3.12%
WestRock	130	8	0.94%	Cytec	350	8	2.99%
OmniSYS	115	9	0.83%	City of Greenville	289	9	2.47%
CNH Global	90	10	0.65%	Weatherford Artificial Lift	225	10	1.92%
Total	8,585		62.12%	Total	9,506		81.23%
Total employment within the City	13,820				11,703		

Source: Greenville Economic Development Corporation

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

Page 1 of 2

	2021	2020	2019	2018	2017
Administrative & General	44	47	43	40	40
Engineering & Operations	40	40	38	41	40
Production	19	19	28	28	28
Cable & Internet	13	15	17	17	17
Total	116	121	126	126	125

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

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	2016	2015	2014	2013	2012
Administrative & General	36	36	39	36	37
Engineering & Operations	42	42	42	39	42
Production	28	28	30	31	31
Cable & Internet	17	17	17	15	15
Total	123	123	128	121	125

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

	2021	2020	2019	2018	2017
Wholesale electric energy:					
Wholesale (kWh)	437,792,690	343,698,123	154,257,596	108,572,851	197,420,131
Wholesale Power Cost per kWh	\$ 0.17964673	\$ 0.03240825	\$ 0.09056287	\$ 0.06163623	\$ 0.03767940
Energy sales:					
Residential					
kWh sales	168,479,498	166,972,901	160,135,849	164,173,285	143,973,588
Average kWh/customer	12,495	12,790	12,607	13,048	11,737
Average energy revenue per kWh	\$ 0.10520241	\$ 0.11556051	\$ 0.11935805	\$ 0.11594718	\$ 0.11458486
Average annual billing/customer	1,314.50	1,478.01	1,504.76	1,512.91	1,344.84
Customers, end of year	13,484	13,055	12,702	12,582	12,267
Customer increase (decrease) net	429	353	120	315	291
Commercial					
kWh sales	327,178,839	341,639,471	354,495,931	359,476,351	361,656,032
Average kWh/customer	149,994	157,947	163,287	164,370	178,156
Average energy revenue per kWh	\$ 0.08121006	\$ 0.08880693	\$ 0.09193778	\$ 0.08814144	\$ 0.08467842
Customers, end of year	2,182	2,163	2,171	2,187	2,030
Customer increase (decrease) net	19	(8)	(16)	157	(22)
Totals					
Retail Sales kWh	495,658,337	508,612,372	514,631,780	523,649,636	505,629,620
Average energy revenue per kWh	\$ 0.08936531	\$ 0.09758989	\$ 0.10047003	\$ 0.09685903	\$ 0.09319402
Customers, end of year	15,666	15,218	14,873	14,769	14,297
Annual load factor	51.0%	52.8%	52.5%	52.0%	52.5%
Peak demand (MW)	111	110	112	115	110

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

	2016	2015	2014	2013	2012
Wholesale electric energy:					
Wholesale (kWh)	129,565,699	141,099,209	308,375,907	207,592,597	118,298,663
Wholesale Power Cost per kWh	\$ 0.03678454	\$ 0.04696853	\$ 0.04543686	\$ 0.04111438	\$ 0.05765091
Energy sales:					
Residential					
kWh sales	148,211,427	147,741,108	152,308,394	147,662,193	142,920,827
Average kWh/customer	12,376	12,558	13,137	12,914	12,502
Average energy revenue per kWh	\$ 0.11042998	\$ 0.11761042	\$ 0.10072283	\$ 0.10273122	\$ 0.09488592
Average annual billing/customer	1,366.65	1,476.91	1,323.18	1,326.70	1,186.25
Customers, end of year	11,976	11,765	11,594	11,434	11,432
Customer increase (decrease) net	382	171	160	2	11,432
Commercial					
kWh sales	368,205,022	359,904,781	351,652,747	359,011,355	369,246,607
Average kWh/customer	179,437	189,026	172,126	169,425	195,679
Average energy revenue per kWh	\$ 0.08103968	\$ 0.08869218	\$ 0.08087195	\$ 0.08000265	\$ 0.07366076
Customers, end of year	2,052	1,904	2,043	2,119	1,887
Customer increase (decrease) net	9	(139)	(76)	232	1,887
Totals					
Retail Sales kWh	516,416,449	507,645,889	503,961,141	506,673,548	512,167,434
Average energy revenue per kWh	\$ 0.08947469	\$ 0.09710831	\$ 0.08687133	\$ 0.08662654	\$ 0.07958366
Customers, end of year	14,028	13,669	13,637	13,553	13,319
Annual load factor	51.3%	50.8%	54.8%	52.6%	53.6%
Peak demand (MW)	115	114	105	110	109

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*

	2021	2020	2019	2018	2017
Electric Distribution:					
Number of Substations	9	9	9	9	9
Miles of Distribution Lines	743	726	703	703	703
System Capacity	303.2	303.2	247.2	247.2	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*

	2016	2015	2014	2013	2012
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.

