



FAYETTEVILLE
PUBLIC WORKS
COMMISSION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025

(COMPONENT UNIT
OF THE CITY OF
FAYETTEVILLE, NC)

PWC
Fayetteville's
HOME TOWN UTILITY

FAYETTEVILLE PUBLIC WORKS COMMISSION

COMPONENT UNIT OF
THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

Commissioners

Christopher Davis, Chair
Richard W. King, Vice Chair
Ronna Rowe Garrett, Secretary
Donald L. Porter, Treasurer

Chief Executive Officer

Timothy L. Bryant, P.E.

Chief Financial Officer

Rhonda Graham, MAcc

Prepared by the Finance Division

This Report Was Prepared By:

PWC Finance Division
955 Old Wilmington Road
Fayetteville, North Carolina 28301

Chief Financial Officer

Rhonda Graham

Directors

Jason Briggs, *Controller*
Jason Alban, *Director of Financial Planning*

Finance Division Staff

Marsha Krings, CPA, *Accounting Manager/Payroll Supervisor*

Lisa Buffaloe, *Financial Planning & Analysis Manager*

Anna Gray, *Budget Manager*

Scott Reynolds, *Financial Rates Manager*

Sabrina King, *Financial Reporting Manager*

Ayo Bryant, *Finance & Accounting Analyst*

Kechia Kinsey, *Finance & Accounting Analyst*

Josie Titus, *Financial Rates Analyst*

Alaina Herring, *AP/AR Supervisor*

Lawanna Currie, *Revenue Analyst*

Lakisha Figaro, *Payroll Administrator*

Birgit Sexton, Sr. *Budget Analyst*

Jessica Albertson, *Accounting Analyst*

Aaran Quincey-Boyer, *Accounting Analyst*

Darlisha Warren, *Accountant*

Angelique Abram, *Accountant*

Sarah Leggett, *Accounting Analyst*

Sherry Augustin, *Payroll Administrator*

Franny Gerald ♦ Pam Owens ♦ Joy Haddock

Deborah Williams ♦ Janet Wing ♦ Tina Vince ♦ Toni Ann Gainey

Amy Schmidt ♦ Kristen Kingsley

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Contents

	<u>PAGE</u>
<u>INTRODUCTORY SECTION (UNAUDITED)</u>	
Letter of Transmittal	i-vii
GFOA Certificate of Achievement	viii
Organization Chart	ix
<u>FINANCIAL SECTION</u>	
Report of Independent Auditor	A1-A4
Management's Discussion and Analysis (UNAUDITED)	B1-B15
Basic Financial Statements	
Statement of Net Position	C1–C2
Statement of Revenues, Expenses and Changes in Net Position	C3
Statement of Cash Flows	C4–C5
Notes to the Financial Statements	C6–C43
Required Supplementary Information (UNAUDITED)	
Other Post Employment Benefit - Retiree Healthcare Plan – Schedule of Changes in the Total OPEB Liability and Related Ratios	D1
Proportionate Share of Net Pension Liability (Asset) – Required Supplementary Information	D2
Local Government Employees' Retirement System Contributions – Required Supplementary Information	D3
Supplementary Information	
Combining Schedule of Net Position - Electric Utility	E1
Combining Schedule of Revenues, Expenses and Changes in Net Position - Electric Utility	E2
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) - Electric Fund	E3-E5
Schedule of Changes in the Status of Electric Rate Stabilization Fund	E6
Schedule of Changes in the Status of Substation Rebuild Capital Project Fund	E7
Schedule of Changes in the Status of Transportation Equipment Capital Project Fund	E8
Schedule of Changes in the Series 2021 Electric Revenue Bond Capital Project Fund	E9
Schedule of Changes in the Renewable Resource Development Capital Project Fund	E10
Schedule of Changes in the Series 2023 Electric Revenue Bond Capital Project Fund	E11
Schedule of Changes in the Series 2025 Electric Revenue Bond Capital Project Fund	E12
Schedule of Changes in the 401 N Substation Capital Project Fund	E13
Combining Schedule of Net Position - Water and Wastewater Utility	E14-E15
Combining Schedule of Revenues, Expenses and Changes in Net Position - Water and Wastewater Fund	E16
Schedule Revenues and Expenditures - Budget and Actual (Non-GAAP) - Water and Wastewater Fund	E17-E20

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Contents

	<u>PAGE</u>
<u>FINANCIAL SECTION (continued)</u>	
Supplementary Information (continued)	
Schedule of Changes in the Status of Water and Wastewater Rate Stabilization Fund	E21
Schedule of Changes in the Status of Annexation Phase V Reserve Fund	E22
Schedule of Changes in the Status of North Carolina Department of Transportation - Capital Project Fund	E23
Schedule of Changes in the Status of Hurricane Matthew - Capital Project Fund	E24
Schedule of Changes in the Status of Annexation - Phase V – Areas 32 through 34 Capital Project Fund	E25
Schedule of Changes in the Status of Series 2018 Water and Wastewater Revenue Bond Capital Project Fund	E26
Schedule of Changes in the Status of Rockfish Creek Basin Peak Flow Facilities Capital Project Fund	E27
Schedule of Changes in the Status of Annexation- Phase V- Areas 24 through 25 Capital Project Fund	E28
Schedule of Changes in the Status of Big Rockfish – SS Outfall Capital Project Fund	E29
Schedule of Changes in the Status of Big Rockfish – SS Outfall Lift Station Elimination Capital Project Fund	E30
Schedule of Changes in the Status of Annexation Phase V – Areas 26 through 27 Capital Project Fund	E31
Schedule of Changes in the Status of PO Hoffer and Glenville Water Treatment Facilities Reliability Capital Project Fund	E32
Schedule of Changes in the Status of Annexation Phase V – Areas 28 through 29 Capital Project Fund	E33
Schedule of Changes in the Status of Annexation Phase V – Asphalt Overlay Capital Project Fund	E34
Schedule of Changes in the Status of Series 2021 Water and Wastewater Revenue Bond Capital Project Fund	E35
Schedule of Changes in the Status of Series 2023 Water and Wastewater Bond Capital Project Fund	E36
Schedule of Changes in the Status of Directed Grant Capital Project Fund	E37
Schedule of Changes in the Status of Water Transportation Equipment Capital Project Fund	E38
Schedule of Changes in the Status of AIA Grant Capital Project Fund	E39
Schedule of Changes in the Status of Sanitary Main Rehabilitation ARPA Capital Project Fund	E40
Schedule of Changes in the Status of Annexation Phase V - Areas 30 through 31 Capital Project Fund	E41
Schedule of Changes in the Status of GAC Facility Glenville Lake WTP Capital Project Fund	E42
Schedule of Changes in the Status of GAC Facility PO Hoffer WTP Capital Project Fund	E43

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Contents

	<u>PAGE</u>
<u>FINANCIAL SECTION (continued)</u>	
Supplementary Information (continued)	
Schedule of Changes in the Status of Series 2025 Water and Wastewater Capital Project Fund	E44
Schedule of Changes in the Status of Grays Creek Water Main Extension	E45
Schedule of Changes in the Status of High Pressure Zone Transmission Water Main	E46
Schedule of Changes in the Status of Lead & Copper Service Line Inventory	E47
Schedule of Changes in the Status of GAC Facilities Pilot Study	E48
Schedule of Changes in the Status of Rockfish Creek Water Expansion Phase 3	E49
Schedule of Bonded Indebtedness	E50-E52
 <u>STATISTICAL SECTION (UNAUDITED)</u>	
Statistical Section Table of Contents	F1
Net Position by Component	F2
Change in Net Position	F3
Revenue Base by Customer Class Charges for Services -Electric KWH Sold	F4
Revenue Base by Customer Class Charges for Services -Water MGALS Sold	F5
Revenue Base by Customer Class Charges for Services -Wastewater MGALS Treated	F6
Standard Electric Rates	F7
Water Rates	F8-F10
Wastewater Rates	F11-F13
Ten Largest Customers	F14
Ratios of Outstanding Debt by Type	F15
Pledged-Revenue Coverage	F16
Demographic and Economic Statistics	F17
Principal Employers	F18
Full Time Employees by Identifiable Activity	F19
Operating Indicators	F20-F21
Capital Indicators	F22-F23
 <u>COMPLIANCE SECTION</u>	
Report of Independent Auditor on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	G1-G2
Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance as Required by the Uniform Guidance	G3-G5
Independent Auditor's Report Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the State Single Audit Implementation Act	G6-G8
Schedule of Findings and Questioned Costs	G9-G11
Summary Schedule of Prior Year Audit Findings	G12
Schedule of Expenditures of State and Federal Awards	G13
Notes to Schedule of Expenditures of State and Federal Awards	G14

INTRODUCTORY SECTION

RONNA ROWE GARRETT, COMMISSIONER
DONALD L. PORTER, COMMISSIONER
CHRISTOPHER G. DAVIS, COMMISSIONER
RICHARD W. KING, COMMISSIONER
TIMOTHY L. BRYANT, CEO/GENERAL MANAGER



FAYETTEVILLE PUBLIC WORKS COMMISSION
955 OLD WILMINGTON RD
P.O. BOX 1089
FAYETTEVILLE, NORTH CAROLINA 28302-1089
TELEPHONE (910) 483-1401
WWW.FAYPWC.COM

December 18, 2025

To the Board of Commissioners and the Customers of the Fayetteville Public Works Commission:

The management and staff of the Fayetteville Public Works Commission (PWC) are pleased to present the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

PBMares, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the PWC's financial statements for the year ended June 30, 2025. The independent auditor's report is at the front of the financial section.

Management's Discussion and Analysis (MD&A) immediately follow the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Public Works Commission

The PWC was created on March 4, 1905, through an act of the North Carolina Legislature to manage, operate and supervise the electric, water, and wastewater utilities in the City of Fayetteville. That legislation was incorporated into the Charter of the City of Fayetteville and has had several legislative modifications throughout the years.

On June 29, 2016, the North Carolina Legislature repealed the portion of the City of Fayetteville Charter that specifically and exclusively dealt with PWC and replaced it with an updated version that more clearly defined the roles and responsibilities of the Commission and the City of Fayetteville in the operation of the electric, water, and wastewater utilities. Most notably, the Legislature defined PWC as a Public Authority in its operation, control, and management of its systems and is subject to the Local Government Budget and Fiscal Control Act as a Public Authority.

The Commission consists of four members, appointed by Fayetteville's City Council to each serve a four-year staggered term. The Commissioners elect a Chairperson, Vice

Chairperson, Secretary, and Treasurer; they meet on the second and fourth Wednesdays of each month.

PWC offers three utility services – electric, water and wastewater – to the citizens of Cumberland County and is a component unit of the City of Fayetteville, North Carolina. PWC is the largest municipal electric utility in North Carolina and the 38th largest in the nation, based on electric customers served. PWC's electric rates are among the lowest in the state of all electric utilities, and its water and wastewater rates are in line with other major North Carolina cities.

PWC's electric system involves the transmission and distribution of electric energy, which is purchased from Duke Energy Progress (DEP) and the Southeastern Power Administration (SEPA). In June 2009, PWC and DEP entered into a 20-year full requirements agreement effective July 1, 2012. Subsequent amendments extended the term to 30 years. In November 2019, PWC and DEP amended the contract with the option to run through 2042. PWC has the option to end the contract in 2032 with a three-year notice. In a separate agreement, DEP agreed to extend its contract to PWC's Butler Warner Generation Plant. Thus, PWC will be able to achieve additional performance credits annually if operational requirements are met. PWC provides electrical service to approximately 60 percent of the Fayetteville/Cumberland County area. During fiscal year 2025, electric service was provided to more than 86,000 customers.

PWC is committed to supplying safe water that meets or surpasses state and federal standards and achieves the highest standards of customer satisfaction. PWC's two water treatment facilities – PO Hoffer and Glenville Lake – draw water from two independent water sources, the Cape Fear River and Glenville Lake. The water treatment facilities have a combined nominal treatment capacity of 50.0 million gallons a day (MGD) with an additional high-rated capacity of 7.5 MGD for 57.5 MGD. PWC currently provides water service to more than 100,000 customers. PWC also, under wholesale contracts, furnishes water to Fort Bragg Army Installation and Pope Army Airfield (Fort Bragg), the Town of Spring Lake, the Town of Stedman, Eastover Sanitary District, Hoke County and Aqua North Carolina, Inc.

PWC works to accommodate wastewater utility needs because of residential expansion, annexation, and economic development. PWC's Cross Creek and Rockfish Creek Water Reclamation Facilities have a combined capacity to treat up to 46 million gallons of wastewater daily. PWC currently services more than 93,000 wastewater customers throughout the Fayetteville/Cumberland County area. PWC also provides wastewater treatment and collection services under wholesale contracts to the Town of Stedman, Eastover Sanitary District, Kelly Hills Sanitary District, Hoke County, and the NORCRESS system, which is comprised of the Towns of Wade, Godwin, and Falcon.

Local Economy

The Fort Bragg Army Base, the largest US Army base by population, undoubtedly impacts the local economy. Approximately 52,280 active-duty soldiers, 12, 624 Reserve Components and Temporary Duty students, 8,757 civilian employees, 3,516 contractors and 62,962 active-duty family members. There are 98,507 Army retirees and family

members. According to Kirkland and Company Report, the total direct and indirect economic impact on the Cape Fear Region was \$8.1 billion a year. The North Carolina Military Business Center (NCMBC) mission is to leverage military and other federal business opportunities to expand the economy, increase jobs, and improve quality of life in North Carolina. Another area where the impact of the military can be seen is in the technology industry. Aside from the largest floating solar plant in the Southeast at Fort Bragg, the military's impact can be seen on the sector in transferable skills.

Industry employment data from the North Carolina Department of Commerce shows that aside from the military, the Fayetteville Metropolitan Statistical Area, which consists of Cumberland and Hoke Counties, has a high concentration of public sector jobs including health care, public administration or government services, and education, which together account for over 50% of non-military wages in the study region. Retail trade and manufacturing are the largest private sector industries in the region, each accounting for about 11% of total regional wages.

Major non-governmental employers in the area include the Goodyear Tire & Rubber Company, which is one of the largest tire producing factories in the world and Wal-Mart Distribution Center and stores. Substantial employment opportunities are also offered in the government sector through the local health system, school system, universities, city, county, state, and federal governments.

During the past five years annual unemployment rates for Cumberland County have ranged from a low of 4.7% to a high of 8.1%, the current rate is 5.0%. The lowest unemployment rate for our County in a decade (US. Bureau of Labor Statistics) was 4.7% in 2023. Additionally, approximately 144,970 citizens are currently employed, which represents a 1.1% decrease from June of 2024. The Fayetteville Metro area also has one of the youngest workforces in the Carolinas, with a median age of 31.2 years.

The City of Fayetteville is a major regional trade center in eastern North Carolina, with a substantial number and variety of shopping plazas, centers, and independent retailers. Evidence of the strong retail sector is reflected in one of the largest shopping areas of the Carolinas, a two-square-mile area located within the city. Cross Creek Mall, with more than one million square feet of floor space and three major department stores, is one of the largest indoor malls between Washington, D.C., and Florida.

Overall, Fayetteville's economy is expected to remain stable, and the City Council has adopted a fiscal year 2026 budget based on moderate growth. According to the 2024-2025 Consolidated Annual Performance and Evaluation Report, The City has addressed its goals and objectives through implementation of programs and projects designed to meet its priorities.

Long-term Financial Planning

PWC's long-term goal has been to provide reliable services at reasonable rates while maintaining excellent operations and customer service. Utilizing recent technology and addressing aging infrastructure are essential to that long-term goal and to helping PWC continue to meet our community's growth opportunities.

During FY25, PWC accomplished or continued to work on several financial, operational, and economic development initiatives including:

- Responding to persistent inflation, supply chain, and increased building and material costs, PWC adjusted both electric and water/wastewater rates to fund essential work to keep services reliable, plan for growth and prepare for new environmental rules.
- Utilizing its newly adopted economic development rate for customers who bring 1,000 kW loads to the PWC system or 750 kW through expansion, PWC worked with community partners to attract a new industry to Fayetteville/Cumberland County that will invest more than \$867 million in buildings and equipment and create over 300 jobs.
- Preparing for new EPA regulations for 6 common PFAS (forever chemicals) in drinking water, PWC completed a pilot treatment study for the removal of emerging contaminants. The proposed treatment process to address these and other contaminants using Granulated Activated Carbon, is expected to cost \$116+ million to install and an additional \$12 million to operate and maintain.
- PWC is continuing its initiative-taking measures to protect customers from lead exposure and working to comply with the revised EPA Safe Drinking Water Act-Lead and Copper Rule, by conducting an inventory of all water service lines maintained by PWC, as well as service lines connected to PWC lines. PWC has provided an interactive online public resource for identifying properties with suspected lead lines and plumbing. By October 2024, PWC will provide an initial inventory of our 100,000 water service laterals to NCDEQ.
- In its first full year of its renewable energy program to support customer roof-top solar, PWC added 374 customers to its Renewable Energy Buy Back Program.
- The Butler-Warner Generation Plant is a key factor in the long-term PWC Power Supply Plan and PWC is continuing its upgrades to the plant and its gas turbines to continue to meet our wholesale power supply agreement with Duke Energy. PWC has completed the upgrade to three of its eight turbines and is working to upgrade two per year through FY26.
- PWC continued its annual efforts to lower bad debt and reduce lost revenue. PWC's annual bad debt ratio for FY25 was .45%, lower than the industry of .50%. PWC recovered over \$697,000 of an estimated \$2.3 million in bad debt. PWC continued its work on improving customer satisfaction and benchmarking its performance against top performing utilities across the U.S. PWC aspires to reach the 1st quartile in overall satisfaction and the survey identified areas where improvement can be made to reach that goal. PWC's overall residential satisfaction increased to 78% and PWC ranked in the top quartile in 20 of 35 specific customer satisfaction benchmark metrics and number one overall in three categories.
- The implementation of a new after-hour call service improved and enhanced PWC customer service and emergency response.
- PWC continued using innovative approaches and community partnerships to grow its work force. Through the Skillsbridge internship program, PWC employed Fort Bragg soldiers who are transitioning out of the military service and prepared them to become certified water treatment plant operators once they leave the service.

PWC continued its partnership with Fayetteville Technical Community College and developed its second utility course to prepare potential employees with the skills to succeed in utility roles. Following in the footsteps of its line worker course created in 2019, PWC and FTCC created a basic utility course for water construction and maintenance skills.

- PWC customer conservation incentive programs continued to encourage efficiency and increase customer awareness of their utility usage. PWC offers 14 incentive programs that help customers understand and manage their utility use, including Smart Wi-Fi thermostat program that helps customers manage with Time-of-Use electric rates and PWC reduces peak energy demand. Since 2015, the conservation incentive programs have saved over 17 million kWh and 13 million gallons of water.
- PWC continued its partnership with fiber optic service provider, MetroNet, who is investing \$70 million in infrastructure in the Fayetteville/Cumberland County Community. MetroNet is attaching to over 13,000 of PWC's electric system distribution poles.
- Members of PWC Electric Construction Department participated in Light Up Navajo V, a mutual aid effort to provide power to homes in the Navajo Nation that do not have electricity. Within the Navajo Tribe Utility Authority (NTUA), a four-state, 27,000 square miles of territory, there are over 13,000 families that still do not have basic access to electricity, as well as water and broadband. Since 2019, public power crews from across the US have assisted in Light Up Navajo. Forty-eight utility teams from 16 different states worked alongside NTUA electric to connect 170 homes to the electric grid for the very first time. On average, 13 homes were connected each week with 4.2 miles of new powerline built. The PWC crews were responsible for installing over three miles of lines, 66 poles, which connected 10 families.
- PWC's employee support of community organizations in FY25 included employees contributing over \$118,000 to local United Way partner agencies, packing over 35,000 meals that were distributed to local non-profits, and donating over 1,300 items in clothing, toys, fans, and other charitable drives.
- Progress continued on wastewater service installation as part of the City of Fayetteville's Annexation Phase V utility retrofitting project. More than 6,000 services have been installed since 2007.

Awards and Acknowledgements

Government Finance Officers Associations of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fayetteville Public Works Commission for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the eighteenth consecutive year that PWC achieved this prestigious award. To be awarded a Certificate of Achievement, an entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, PWC received the GFOA's Distinguished Budget Presentation Award for its 2025 annual budget. PWC has received this award for the past 30 years. To qualify for the Distinguished Budget Presentation Award, PWC's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

During FY25, PWC was also recognized with several other awards and special honors to include but not limited to the following:

- The American Public Power Association (APPA) recognized PWC as a Reliable Public Power Provider (RP₃)[®] Diamond designation for providing reliable and safe electric service. Although more than 275 public power utilities nationwide hold the RP₃ designation, only PWC earned the award's highest designation - Diamond Level - for the seventh time in the award's history and is one of only two utilities that have earned the Diamond Level designation seven or more times.
- For the third time, PWC was awarded the American Public Power Association (APPA) Smart Energy Provider Award for demonstrating commitment to and proficiency in energy efficiency, distributed generation and environmental initiatives that support the goal of providing low cost, quality, safe, and reliable electric service.
- PWC also earned the APPA's annual Certificate of Excellence in Reliability for providing exceptionally reliable service and power to their communities. The association tracks power outage and restoration data and then compares the data to national statistics tracked by the U.S. Energy Information Administration for all types of electric utilities. A utilities System Average Interruption on Duration Index (SAIDI) must fall in the top quartile of all utilities' SAIDI numbers averaged from the past 5 years.
- PWC has maintained the standards of the national Director's Award from the Partnership for Safe Water Program for 24 consecutive years, an accomplishment achieved by less than one percent of water utilities in the country. The award recognizes utilities that have completed the highest level of operations for providing drinking water quality that surpasses the required federal standards.
- PWC's Fleet Maintenance has been recognized for outstanding operations by the NAFA Fleet Management Association. PWC was named #8 Best Fleet operations of the Top 100 in America. The program identifies and encourages the ever-increasing levels of performance improvement and innovation within the fleet industry.
- Inaugural winner of the Greater Fayetteville Chamber of Commerce "Excellence in Innovation Award in 2024."
- ElectriCities of NC recognized PWC with four prestigious Public Power Awards of Excellence, celebrating its achievements in Superior Power, Strengthening Public Power, Customer-Centered Innovation and People. These accolades reflect PWC's commitment to enhancing its systems, effectively communicating the

benefits of public power, nurturing talent, and continuously improving every facet of its operations.


- PWC's Procurement Department was recognized for receiving the 2024 Sustained Professional Purchasing Award from the NC Association of Governmental Purchasing. It is the third consecutive year that PWC has been honored with the award.
- The United Way of North Carolina presented the PWC 2023 Spirit of North Carolina Award for Impactful and Engaging Campaign Event or Activity – a Meal Packing Event that officially kicked off its 2024 pledge campaign. Eighty employees helped pack over 35,000 meals in just under an hour that were used by three local food pantries. It is the 19th Spirit Award PWC has earned since 2003. PWC has earned more Spirit Awards than any other organization in the state.

The preparation of this ACFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance Division. We wish to express our appreciation to all members of the PWC Divisions who assisted and contributed to the preparation of this report. Credit is also given to the Board of Commissioners for their unfailing support of the highest standards of professionalism in conducting the financial affairs of PWC.

Respectfully submitted,



Timothy L. Bryant, PE
CEO/General Manager



Rhonda Graham, MAcc
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fayetteville Public Works Commission
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FAYETTEVILLE PUBLIC WORKS COMMISSION

FAYETTEVILLE, NORTH CAROLINA

FAYETTEVILLE CITY COUNCIL

PWC BOARD OF COMMISSIONERS



Tim Bryant

Chief Executive Officer/General Manager



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Fayetteville Public Works Commission
Fayetteville, NC

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of the Fayetteville Public Works Commission (the Commission), a component unit of the City of Fayetteville, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the Commission as of June 30, 2025, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The accompanying financial statements represent the financial position of the Commission, a component unit of the City of Fayetteville, North Carolina. These financial statements are not intended to be a complete presentation of the financial position of the City of Fayetteville, North Carolina taken as a whole. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages B1 through B15, the Other Postemployment Benefits Schedules of Changes in the Total OPEB Liability and Related Ratios, and the Local Governments Employees' Retirement System Contributions, Schedules of the Commission's Proportionate Share of Net Pension Liability (Asset) and Contributions, on pages D1 through D3, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Fayetteville Public Works Commission as of and for the year ended June 30, 2025 (not presented herein), and have issued our report thereon dated December 18, 2025, which contained unmodified opinions on the respective financial statements of the business-type activities and each major fund. The combining fund financial statements, individual comparative information, and other financial data listed in the table of contents as "Supplementary Information" and the Schedule of Expenditures of Federal and State Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical tables of the Annual Comprehensive Financial Report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Commission's internal control over financial reporting and compliance.

PBMares, LLP

Morehead City, NC
December 18, 2025

**Management's Discussion and Analysis
(UNAUDITED)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of Fayetteville Public Works Commission (PWC) offers readers this narrative overview and analysis of the financial performance for the fiscal year ended June 30, 2025 (FY25). We encourage readers to read the information presented here in conjunction with the financial statements and accompanying notes to the financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- PWC's net position at year end was \$1,295.7 million, an increase of \$94.2 million, or 7.8%, up from \$1,201.5 million in FY24.
- Total unrestricted and undesignated operating reserves were 180 days at June 30, 2025, up from 151 days in the prior year.
- Income before Capital Contributions and Transfers was \$74.0 million compared to \$44.3 million in FY24, up \$29.7 million in prior year.
- Water/Wastewater rate adjustments went into effect May 1, 2024 and May 1, 2025. Electric rate adjustments went into effect May 1, 2024 and May 1, 2025.
- The Electric Rate Stabilization Fund net position was \$22.4 million at June 30, 2025, down from \$25.3 million in the prior year.
- The Water and Wastewater Rate Stabilization Fund net position was \$2.6 million at June 30, 2025, up from \$2.2 million in the prior year.
- Power Supply and Generation Expenses decreased by \$30.5 million to \$126.1 million in FY25, down from \$156.6 million in FY24.
- Coal Ash Charges decreased by \$2.4 million to \$4.0 million in FY25, down from \$6.4 million in FY24. The FY25 Coal Ash Reserve balance is \$3.6 million, a \$1.4 million decrease from \$5.0 in FY24.
- During FY25, PWC maintained its Aa2/AA/AA rating from Moody's, Standard and Poor's, and Fitch, respectively.
- PWC's senior lien debt coverage ratio is 5.37, exceeding the minimum requirement of 1.10.
- In February of 2025, the Fayetteville City Council approved assessments totaling \$695 thousand for sanitary sewer improvements made in the Annexation Phase V utility installation plan.
- Capital contributions were \$11.4 million at June 30, 2025, up from \$10.7 million in the prior year. The number of developer agreements increased by 0.9% and FEMA reimbursement increased by \$0.4 million
- PWC has recorded Right to Use Assets for various software and office equipment in the amount of \$7.1 million net of amortization as a result of the implementation of GASB 87 Leases and GASB 96 Subscription-Based Information Technology Arrangements (see Note 8). The liabilities related to these assets totaled \$6.5 million. The lease receivable balance for office space and fiber as of June 30, 2025, was \$3.4 million.
- To reflect the estimated market value of PWC's investments as of June 30, 2025, a positive mark to market adjustment has been recorded in the amount of \$4.2 million; \$2.9 million in the Electric Fund and \$1.3 million in the Water and Wastewater Fund. This adjustment reflects the estimated reduction in negative market value that PWC would have incurred if the investments were sold as of June 30, 2025. This improvement to unrealized loss is due to portfolio maturities and shorter remaining duration of investments having lower interest rates, as some of these maturities were reinvested at higher interest rates, though overall yield curve was lower. PWC's approach remains as a buy and hold investor.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual statement consists of four parts: Management's Discussion and Analysis (MD&A), financial statements, required supplementary information and supplementary information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

FINANCIAL STATEMENTS

The financial statements of PWC report information about PWC using accounting methods like those used by private sector companies. These statements offer short and long-term financial information about PWC's activities. The Statement of Net Position includes all PWC's assets, deferred outflows, liabilities and deferred inflows and provides information about the nature and amount of investments in resources (assets) and the obligations to PWC creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of PWC and assessing the liquidity and financial flexibility of PWC. All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of PWC's operations over the past year and can be used to determine profitability, credit worthiness and whether PWC has successfully recovered all its costs through its user fees and other charges. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about PWC's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

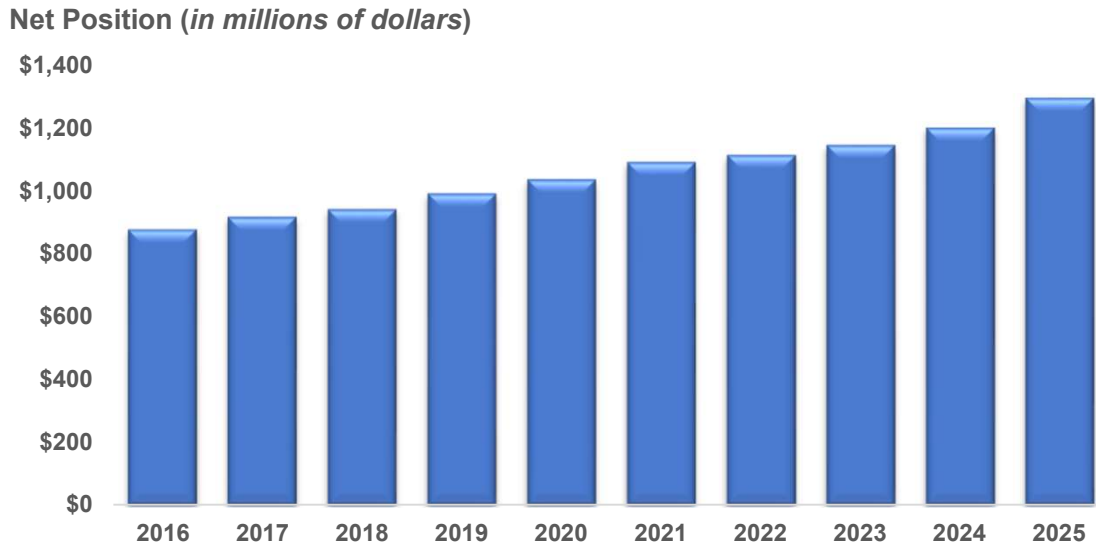
PWC is recognized as a Public Authority and is a discretely presented component unit of the City of Fayetteville, North Carolina. PWC's financial statements consist of two Enterprise Funds which account for PWC utility services.

FINANCIAL ANALYSIS OF PWC

Our analysis of PWC begins in the Financial Statements Section. As a review is made of PWC's finances, one should consider whether PWC is better off or negatively impacted as a result of the year's activities. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about PWC's activities in a way that will help answer this question. These two statements report the net position, the difference between assets/deferred outflows and liabilities/deferred inflows, as one way to measure financial health or financial position. Over time, increases or decreases in PWC's net position is one indicator of whether its financial health is improving or deteriorating as indicated in Figure A-1. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, annexation and new or changed government legislation.

The remainder of this page was intentionally left blank.

FIGURE A-1
Net Position Trend Analysis - Enterprise Funds



NET POSITION

PWC continues to report a positive net position at the end of FY25. A summary of PWC's Statement of Net Position is presented in Figure A-2. Net position increased \$94.2 million to \$1,295.7 million in FY25, up from \$1,201.5 million in FY24. By far, the largest portion of PWC's net position, \$920.4 million (71.0%) reflects the investment in capital assets less any related debt still outstanding that was issued to acquire those assets.

PWC's total assets and deferred outflows of resources exceeded \$2.0 billion in FY25. PWC's total assets increased by 5.6%, primarily due to the increase in capital assets of \$138.0 million or 10.9% over prior year and the decrease in current and other assets of \$31.7 million or 5.1% from prior year. The decrease in current and other assets is the result of a decrease in restricted cash and cash equivalents. The increase in capital assets, net of accumulated depreciation, is the result of an increase in additions to capital assets of \$189.2 million, offset by an increase in accumulated depreciation and amortization of \$45.4 million (see Figure A-10). Operating cash reserves increased from 132 days to 180 days. PWC's operating cash reserves policy is to have a minimum of 90 days and a target of not less than 120 days cash in reserve.

The remainder of this page was intentionally left blank

FIGURE A-2
Statement of Net Position-Enterprise Funds
(Dollars in Millions)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>Total Dollar Change</u>	<u>Total Percentage Change</u>
Current and Other Assets	\$ 615.7	\$ 584.0	\$ (31.7)	(5.1%)
Capital Assets	1,269.4	1,407.4	138.0	10.9%
Total Assets	1,885.1	1,991.4	106.3	5.6%
Deferred Charge on Refunding	0.5	0.5	-	0.0%
OPEB Deferrals	3.2	3.8	0.6	18.8%
Pension Deferrals	26.7	24.0	(2.7)	(10.1%)
Deferred Outflows of Resources	30.4	28.3	(2.1)	(6.9%)
Long-term Liabilities Outstanding	613.7	623.1	9.4	1.5%
Other Liabilities	93.6	96.9	3.3	3.5%
Total Liabilities	707.3	720.0	12.7	1.8%
OPEB Deferrals	2.8	0.6	(2.2)	(78.6%)
Pension Deferrals	0.2	0.4	0.2	100.0%
Lease Deferrals	3.7	3.2	(0.5)	(13.5%)
Deferred Inflows of Resources	6.7	4.2	(2.5)	(37.3%)
Net Investment in Capital Assets	836.9	920.4	83.5	10.0%
Restricted	196.4	213.6	17.2	8.8%
Unrestricted	168.2	161.7	(6.5)	(3.9%)
Total Net Position	\$ 1,201.5	\$ 1,295.7	\$ 94.2	7.8%

Deferred Outflows of Resources and Deferred Inflows of Resources decreased by \$2.0 million and 2.5 million respectively. This is primarily due to a decrease in Resources Related to OPEB and Pensions.

Restricted Net Position of \$213.6 million includes externally restricted net position of \$54.3 million (those established by debt covenants, enabling legislation, or other legal requirements) that represent a small portion of the PWC's net position and are comprised of funds set aside for the payment of debt service on outstanding bonds as required by the Bond Order. The remaining \$146.1 million of Restricted Net Position is internally restricted by the Commission through enabling legislation and is set aside for various earmarked operations of PWC (see Note 6). The \$161.7 million in Unrestricted Net Position may be used to meet the PWC's ongoing operations including the repayment of its outstanding debt.

INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS

While the Statement of Net Position shows the change in financial position, the Statement of Revenues, Expenses, and Changes in Net Position provides answers as to the nature and source of these changes. (Figure A-3) shows total revenues increased by \$6.1 million (1.5%) to \$420.7 million in FY 2025, driven primarily by a \$5.8 million increase in Charges for Utility Services and a \$2.0 million increase in Interest on Investments. Other Operating Revenue decreased by \$0.8 million, and Intergovernmental Revenue declined by \$0.5 million. Total expenses decreased by \$23.6 million (6.4%) to \$346.7 million, mainly due to a \$30.5 million reduction in Power Supply and Generation Expense due to contract modifications and a \$4.3 million decrease in Depreciation and Amortization Expense, partially offset by increases of \$5.2 million in General & Administrative, \$2.9 million in Electric Operating, \$2.8 million in Water/Wastewater Operating, and \$2.5 million in Interest Expense. Income before Capital Contributions and Transfers rose to \$74.0 million, up \$29.7 million from the prior year. The change in net position for FY 2025 was \$94.4 million, resulting in an ending net position of \$1,295.9 million. Each utility will be discussed individually on the following pages.

Prior years' annual rate increases coupled with any use of the Electric Rate Stabilization Fund (ERSF) was planned by management to protect the customers from the impacts of a one-time sizable rate adjustment when the purchased power contract became effective in July 1, 2012 (see Note 14D to the financial statements). The ERSF has a net position of \$22.4 million, of which approximately \$9.8 million will be used over the next year to supplement the Electric Fund as rates are adjusted to meet its ongoing obligations. The remaining \$12.6 million represents PWC's target to maintain an on-going balance in this fund of at least 10% of power supply cost. The minimum annual transfer into this fund is \$250,000 and \$7.8 million was transferred in FY25. The transfer of \$7.6 million over the minimum was comprised of a \$2.3 million transfer for DEP true-up adjustment and a \$5.5 million transfer to pay for estimated FY26 catch-up energy costs.

In addition to the ERSF, PWC has a coal ash reserve for the purposes of paying coal ash cost from its purchased power provider, DEP. In anticipation of Duke Energy's coal ash recovery, the PWC's governing board took proactive measures to ensure that any FERC-approved recovery would not have a material adverse impact on the PWC's financial position. This reserve fund coupled with funds from the existing ERSF will be used to pay coal ash costs. The remaining costs will continue to be passed on to customers through a fixed charge that became effective with May 1, 2018 customer billings. In FY25 Coal Ash expenses totaled \$4 million. (see Note 14-E for more details).

The Water and Wastewater Fund also maintains a Water/Wastewater Rate Stabilization Fund (WRSF) to stabilize water and wastewater rates and mitigate large, one-time rate hikes. Like the ERSF, the minimum annual transfer into this fund is \$250,000 and this amount was transferred in FY25, leaving an accumulated balance of \$2.6 million at June 30, 2025.

FIGURE A-3
Condensed Statement of Revenues, Expenses and Changes in Net Position-
Enterprise Funds
(Dollars in Millions)

	FY 2024	FY 2025	Total Dollar Change	Total Percentage Change
Operating Revenues				
Charges for Utility Services	\$ 330.7	\$ 336.5	\$ 5.8	1.8%
Other Operating Revenue	62.4	61.6	(0.8)	-1.3%
Nonoperating Revenues				
Intergovernmental	1.4	0.9	(0.5)	(35.7%)
Interest on Investments	15.5	17.5	2.0	12.9%
Interest Market Adjustment	4.6	4.2	(0.4)	(08.7%)
Total Revenues	<u>414.6</u>	<u>420.7</u>	<u>6.1</u>	<u>1.5%</u>
Power Supply and Generation Expense	156.6	126.1	(30.5)	(19.5%)
Electric Operating Expense	27.9	30.8	2.9	10.4%
Water/Wastewater Operating Expense	48.3	51.1	2.8	5.8%
General & Administrative	52.4	57.6	5.2	9.9%
Depreciation and Amortization Expense	54.4	50.1	(4.3)	(7.9%)
Non-Operating Expense				
Loss on Sale of Assets	0.5	0.6	0.1	20.0%
Payment in lieu of taxes	12.2	12.0	(0.2)	(1.6%)
Interest Expense	15.8	18.3	2.5	15.8%
Amortization Expense	2.2	0.1	(2.1)	(95.5%)
Total Expenses	<u>370.3</u>	<u>346.7</u>	<u>(23.6)</u>	<u>(6.4%)</u>
Income before Capital Contributions and Transfers	<u>44.3</u>	<u>74.0</u>	<u>29.7</u>	<u>67.0%</u>
Capital Contributions	10.7	11.4	0.7	6.5%
Special Item - PFSA Settlement	-	9.0	9.0	-
Change in Net Position	<u>55.1</u>	<u>94.4</u>	<u>39.3</u>	<u>71.3%</u>
Beginning Net Position	<u>1,146.4</u>	<u>1,201.5</u>	<u>55.1</u>	<u>4.8%</u>
Ending Net Position	<u><u>\$ 1,201.5</u></u>	<u><u>\$ 1,295.9</u></u>	<u><u>\$ 94.4</u></u>	<u><u>7.9%</u></u>

Electric operating revenues decreased \$3.5 million, or 1.5%, to \$235.1 million for FY25. Electric rates increased 2.0% May 2024 and 2.0% in May 2025. A 2.3%, or \$4.5 million, net increase to residential, commercial, and industrial sales revenue was realized. Residential kWh sold increased by 4.1% and commercial customers kWh sold increased by 3.7%. The residential class represents 54.8% of electric sales revenue with a increase of \$3.5 million (a 3.3% increase to the residential sales revenue). The commercial and industrial classes had a combined increase of \$1.0 million in sales revenue. Large users saw a 5.3% increase in customers primarily due to the reclassification of some customers to large power. Large user customers represent less than 0.03% of all customers. FY25 was a milder year for weather as compared to FY24, as there was a decrease in both heating and cooling degree days. Overall, sales increased 44,534 MWh from 1,944,296 to 1,988,830 MWh. Figure A-4 below illustrates the percentage changes by major customer classes.

FIGURE A-4
Percent Change in Sales by Major Customer Class
Electric

	Customers	Average kWh/cust	kWh Sold	Sales Revenue
Residential	0.1%	3.9%	4.1%	3.3%
Commercial	0.2%	3.5%	3.7%	3.6%
Large Users	5.3%	(9.3%)	(4.5%)	(5.8%)

Water and wastewater operating revenues collectively increased \$10.8 million, or 7.5%, to \$155.4 million, which includes increases in water and wastewater sales revenues of \$10.5 million. Although the Water and Wastewater Systems are accounted for in the same fund, we will discuss them individually.

Water System: Water sales revenue increased for all customer classes by \$4.3 million, or 7.0%, to \$66.1 million. The residential class represents 64.7% of total water sales revenue. The majority of the revenue increase is due to rate adjustments in May 2024 and May 2025, of 6.6% and 5.1%, respectively. Gallon sales per customer for the residential and commercial classes increased slightly while the large users decreased in gallons sold by 6.1%. The rate adjustments incorporated a Basic Facility Charge (BFC) increase and rate per gallon changes for all customer classes except residential, as well as the rate differential for customers outside the City corporate limits remaining at 175%. Rate changes caused the irrigation sales revenue to increase by 9.0%, while both the gallons sales per customer and gallons sold decreased slightly. Large users gallons sold decreased 6.1% and wholesale gallons increased 9.7%. The large users decrease can be partly attributed to the closure of a large customer and decreases in usage for others. Total annual rainfall for FY25 was 47.7", an increase of 10.1" from prior year. Figure A-5-A illustrates the percentage changes by major customer classes.

FIGURE A-5-A
Percent Change by Major Customer Class
Water

	Customers	Average gal/cust	Gallons Sold	Sales Revenue
Residential	0.5%	0.7%	1.1%	4.3%
Commercial	0.7%	1.9%	2.6%	9.6%
Large Users	(5.3%)	(0.8%)	(6.1%)	0.0%
Wholesale	0.0%	9.7%	9.7%	22.3%
Irrigation	(1.6%)	(0.3%)	(1.9%)	9.0%

Wastewater System: Wastewater sales revenue for all classes increased \$6.1 million, or 8.7%, to \$77 million. The revenue increase is largely due to rate adjustments in May 2024 and May 2025, of 10.2% and 5.8%, respectively. The residential class represents 69.5% of wastewater sales revenue in total. Wastewater BFC and volume rates changed simultaneously with the water rates. Wastewater sales trend closely to water with residential and commercial gallons increasing slightly and a decrease in the large user class. Wholesale gallons sold decreased by 15.9%, and sales revenue decreased by 30.6%; however, wholesale revenues are a small percentage of total revenues. The wholesale decrease was primarily driven by a faulty meter for one wholesale customer. Figure A-5-B illustrates the percentage changes by major customer classes.

FIGURE A-5-B
Percent Change by Major Customer Class
Wastewater

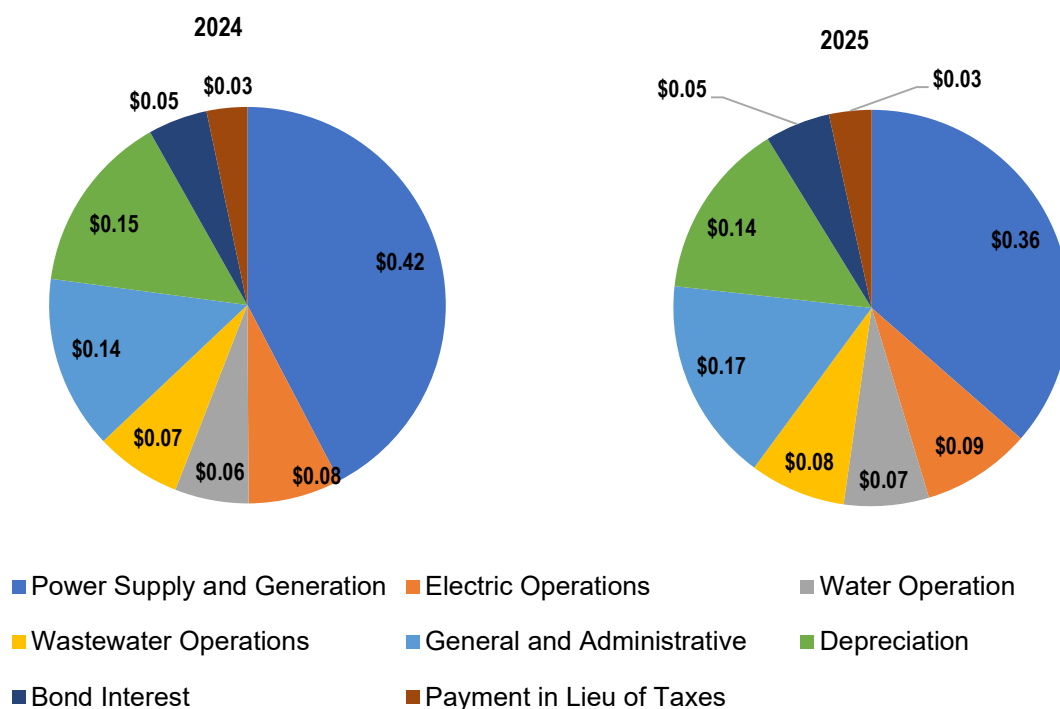
	Customers	Average gal/cust	Gallons Sold	Sales Revenue
Residential	0.5%	0.8%	1.3%	8.0%
Commercial	0.6%	2.1%	2.7%	13.5%
Large Users	(5.9%)	(0.7%)	(6.5%)	8.0%
Wholesale	0.0%	(15.9%)	(15.9%)	(30.6%)

The remainder of this page was intentionally left blank

Electric Operating Expenses, excluding Power Supply and Generation Expenses, increased by \$2.9 million or 10.4% and Water and Wastewater Operating Expenses increased by \$2.8 million or 5.8%. The Electric increase is due to the retirement of Renewable Energy Certificates, which shows our commitment to reducing the carbon footprint and demonstrates compliance, which is offset by decreases in expenses related to the Metronet project. Water and wastewater increases are for personnel costs, increased pricing for chemicals, and contractual services for various maintenance projects.

Figure A-6 provides the dollar breakdown of expenses in 2024 and 2025 to better illustrate the changes.

FIGURE A-6
Dollar Breakdown of Expenses



PWC has an annual system load of approximately 2.2 million megawatt hours. Over 99% of this system load is provided by Duke Energy Progress (DEP) under the terms of a full-requirements contract that began July 1, 2012. PWC pays fixed annual capacity and energy charges, with a annual true-up based on DEP's system average costs. Below are the FY25 highlights:

- Capacity charges decreased \$25.3 million largely due to a new capacity credit from DEP
- Energy costs increased \$2.8 million due to higher pricing and increased consumption
- Contractual true-up resulted in an additional \$8.0 million in costs
- Coal ash costs (including adjustments and true-ups) decreased \$2.6 million
- Other Generation Expenses (Fuel) increased \$1.8 million under the new Power Purchase Agreement with DEP

The items above were key parts in an overall decrease of \$30.4 million, or a total of \$126.2 million. Total power purchased was 2.07 billion kWh, a 0.7% increase from the prior year. PWC's system peak demand for FY25 of 421 MW occurred in January and was significantly lower than the all-time system peak of 499 MW recorded in February 2015 (see Note 14D of the financial statements for more information on the purchase power contract with DEP).

Figure A-7 details the financial statement and cash flow impacts of the Power Supply and Generation Expenses.

FIGURE A-7
Power Supply & Generation Expenses
(Dollars in Millions)

	FY 2024	FY 2025	Total Dollar Change	Total Percent Change
Purchased Power - DEP	\$ 117.6	\$ 95.0	\$ (22.6)	(19.2%)
Purchased Power-True-up	6.6	2.3	(4.3)	(65.2%)
Purchased Power-Adjustment	4.8	5.7	0.9	18.8%
Purchased Power-SEPA	0.7	0.8	0.1	14.3%
Purchased Power - Regulatory Asset	6.0	1.2	(4.8)	(80.0%)
Transmission	8.5	9.6	1.1	12.9%
Coal Ash	6.4	4.0	(2.4)	(37.5%)
Coal Ash-True-up	(0.5)	(0.7)	(0.2)	40.0%
Other Generation Expenses	6.5	8.3	1.8	27.7%
Total	\$ 156.6	\$ 126.2	\$ 30.4	19.4%

CAPITAL CONTRIBUTIONS

Capital contributions include cash and non-cash contributions and grants from various sources such as developers, system development fees (SDF), and state and federal agencies. Figure A-8 details the changes in capital contributions.

FIGURE A-8
Changes in Capital Contributions
(Dollars in Millions)

	FY 2024	FY 2025	Total Dollar Change	Total Percent Change
Developers	\$ 7.4	\$ 8.3	\$ 0.9	12.2%
NCDOT	-	-	-	-
Federal & State- FEMA	-	0.4	0.4	100%
SDF Fees	3.2	2.7	(0.5)	(15.6%)
Total	\$ 10.6	\$ 11.4	\$ 0.8	7.5%

Capital contributions were \$11.4 million, up \$0.8 million from FY24. There were increases in contributions from developers of \$0.9 million, Federal and State - FEMA of \$0.4 million, offset by a decrease in SDF Fees of \$0.5 million.

PAYMENTS IN LIEU OF TAXES AND INTERGOVERNMENTAL ACTIVITY

PWC annually transfers from its Electric Fund to the City's General Fund a Payment in Lieu of Taxes (PILOT). The PILOT formula, as defined in PWC's Charter, is 2.45% of the total Net Position of the Electric Fund as reported on the Statement of Net Position of PWC's most recent audited financial report. In addition to the PILOT, there are additional intergovernmental revenues and expenses pursuant to reporting requirements between the City and PWC discussed below. The net PILOT and Intergovernmental Activity to the City increased for FY25 by \$0.1 million.

FIGURE A-9
PILOT and Intergovernmental Activity – Enterprise Funds
(Dollars in Millions)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>Total Dollar Change</u>	<u>Total Percent Change</u>
Payment in lieu of taxes (PILOT)	\$ 12.2	\$ 11.9	\$ (0.3)	(2.5%)
Intergovernmental Expense				
Total Transfers to the City	<u>12.2</u>	<u>11.9</u>	<u>(0.3)</u>	<u>(2.5%)</u>
Intergovernmental Revenues				
Additional -				
Assessments	1.0	0.7	(0.3)	(30.0%)
Assessment Interest	<u>0.3</u>	<u>0.2</u>	<u>(0.1)</u>	<u>(33.3%)</u>
Total Intergovernmental Revenue	<u>1.3</u>	<u>0.9</u>	<u>(0.4)</u>	<u>(30.8%)</u>
Net PILOT and Intergovernmental Activity	<u><u>\$ 10.9</u></u>	<u><u>\$ 11.0</u></u>	<u><u>\$ 0.1</u></u>	<u><u>0.9%</u></u>

Additional intergovernmental activities are only allowable under certain specific limited instances defined by the Charter. The following were approved by mutual agreement between PWC and the City.

- Assessments – The City's assessments and the interest related to those assessments are submitted to PWC to assist in the costs of providing utility services to the assessed properties. PWC administers the complete assessment collection program on behalf of the City.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following is a summary of some of the major improvements to the system during FY25:

Major capital asset expenditures include:

\$	28.6 million	Plant Improvements - W/WW
\$	24.4 million	Annexation
\$	22.3 million	Butler Warner Generation
\$	21 million	Rehabilitation/Replacements - W/WW
\$	16 million	Other W/WW System Improvements
\$	13 million	Electric System Improvements
\$	11 million	Outfall Rehabilitation/Replacement
\$	8.2 million	Substation rebuild
\$	6.3 million	Computer systems
\$	5.3 million	NCDOT water and wastewater relocations
\$	4.8 million	Transportation equipment
\$	3.8 million	New Services

Capital spending for the Electric System was \$55.1 million, an increase of \$8.0 million from FY24. The increase is primarily attributable to an increase of \$8.5 million increase in Butler Warner Generation equipment, \$5.2 million for the solar compliance projects and a \$ 3.8 million increase in substation rebuild projects, offset by a \$8.6 million decrease in overhead and padmount transformers.

Capital spending for the Water and Wastewater System was \$128.2 million, an increase of \$69.0 million from FY24. The increase is primarily attributable to an increase of \$14.6 million for the PO Hoffer/Glenville Lake Reliability Improvement project, \$4.0 million increase on the Rockfish Creek WRF projects, \$9.0 million increase on water and sewer main rehabilitation projects, \$16.9 million increase on bond funded projects nearing , \$10.2 million increase for installation of water and wastewater mains and laterals in annexed areas, \$3.2 million for NCDOT projects, and \$3.7 million increase for Hoffer/Glenville GAC projects.

The remainder of this page was intentionally left blank.

At June 30, 2025, PWC has a net investment of \$1.4 billion in a broad range of infrastructure as shown in Figure A-10.

FIGURE A-10
Capital Assets - Enterprise Funds
(Dollars in Millions)

	FY 2024	FY 2025	Total Dollar Change	Total Percent Change
Land and land rights	\$ 24.2	\$ 25.1	\$ 0.9	3.7%
Buildings	71.0	71.7	0.7	1.0%
Machinery, Equipment and Vehicles	66.0	69.9	3.9	5.9%
Electric System	570.7	596.8	26.1	4.6%
Water System	477.6	494.3	16.7	3.5%
Wastewater System	726.0	763.9	37.9	5.2%
Office Equipment and Intangibles	62.3	62.1	(0.2)	(0.3%)
Construction in Progress	226.8	319.0	92.2	40.7%
Right of use assets	7.0	12.5	5.5	78.6%
Subtotal	2,231.6	2,415.3	183.7	8.2%
Accumulated Depreciation and Ammortization	(962.4)	(1,007.9)	(45.5)	(4.7%)
Net Property, Plant and Equipment	\$ 1,269.2	\$ 1,407.4	\$ 138.2	10.9%

Additional information on the Commission's capital assets can be found in Note 7 in the financial statements.

The largest increases in capital assets are \$42.0 million in the Wastewater System, \$26.1 million in the Electric System and \$15.5 million in the Water System. The \$26.1 million increase in the Electric System is the result of completion of several projects which include \$8.4 million for Rockfish and Sandy Hill Solar Compliance Resources, \$7.1 million for Major Overhaul on two gas turbines, \$4.8 million on Substation Rebuild, and \$2.1 million on EBS & Hyperion Cloud Upgrade. A combination of the the following projects are attributed to the increase in Water and Wastewater Systems, Rockfish Creek Basin Peak Flow Facility, Series 2021 and 2023, and Annexation Phase V, Areas 24 - 27. The 40.7% increase or \$92.2 million increase in Construction in Progress is primarily attributed to the increased activity on existing projects to include Glenville-PO Hoffer Reliability Improvement, Series 2021, 2023 and 2025 Water and Wastewater projects, and the Annexation V, Areas 24-25.

LONG TERM DEBT

PWC's outstanding revenue bonds carry an Aa2 (stable outlook), AA (stable outlook), and AA (stable outlook) credit rating from Moody's, Standard and Poor's, and Fitch, respectively. This high level of credit quality enables PWC to lower its overall borrowing cost by obtaining more favorable interest rates and eliminating the need to purchase insurance. PWC continues to meet all debt covenants and continuing disclosure requirements.

At year-end, PWC had \$538.4 million in long-term debt (before loss on defeasance and reacquired debt, premiums, and discounts (see Note 10D in the financial statements). This is a increase of \$10.8 million or 1.95% from \$527.2 million in FY24 which is attributed to the addition of State Loan Glenville-PO Hoffer Reliability Improvement.

As can be seen in Figure A-11, the PWC's total weighted average coupon rate and true interest cost on its outstanding debt is 3.70% and 3.12%, respectively, as of June 30, 2025. The Commission constantly monitors market conditions and opportunities to lower its borrowing costs. Over the past several years, the PWC has continued to monitor refunding opportunities and has taken advantage of low interest bonds and NC State Revolving Loans (NCSRL) to achieve the best possible interest rates on its outstanding debt.

FIGURE A-11
Average Coupon Rate and True Interest Cost
(Dollars in Millions)

Issue Name	Principal Outstanding	Weighted Average Coupon Rate	Weighted Average True Interest Cost
Revenue Refunding Bonds, Series 2024	\$ 72.8	5.00%	2.95%
Revenue Bonds, Series 2023	169.4	4.71%	4.68%
Revenue Bonds, Series 2021	92.3	2.99%	2.28%
Revenue Bonds, Series 2018	61.4	4.19%	3.51%
Revenue Refunding Bonds, Series 2016	70.6	3.14%	2.47%
NCSRL - Lead & Copper Service Line Inventory	0.3	0.00%	0.00%
NCSRL - Glenville - PO Hoffer Reliability Improvement	16.4	1.02%	1.02%
NCSRL - BRCO	22.6	1.06%	1.06%
NCSRL - BRCO-LSE	2.1	0.00%	0.00%
NCSRL - Rockfish Peak Flow	12.4	1.11%	1.11%
2014 NCSRL - Person Street Sanitary Sewer	1.1	2.00%	2.00%
2013 NCSRL - Hoffer Construction Phase 1	8.7	0.00%	0.00%
2013 NCSRL - Outfall Rehab (Large Diameter Rehab)	1.8	2.00%	2.00%
2012 NCSRL - Clearwell/Ferric Conversion	2.1	0.00%	0.00%
2012 NCSRL - Edgewater Project	0.2	2.00%	2.00%
Total	\$ 534.2	3.70%	3.12%

The remainder of this page was intentionally left blank.

One area that demonstrates PWC's financial strength is its ability to maintain strong debt coverage ratios, with its revenue bond coverage at 5.37 exceeding the minimum requirement of 1.10 and the additional bonds test minimum of 1.25. Figure A-12 demonstrates PWC's coverage ratio.

FIGURE A-12
Debt Coverage Ratio
(Dollars in Millions)

	<u>FY 2024</u>	<u>FY 2025</u>	<u>Percent Change</u>
Change in Net Position (Figure A-3)	\$ 55.1	\$ 94.5	41.7%
Adjustments			
Bond Interest Expense	15.8	18.2	13.2%
Depreciation and Amortization	54.4	50.1	(8.6%)
Payment in Lieu of Taxes	12.2	11.9	(2.5%)
Intergovernmental Revenue	(0.9)	(0.7)	(28.6%)
Capital Contributions	(10.9)	(11.4)	4.4%
(Gain)/Loss on Sale of Assets	0.5	0.6	16.7%
System Development Fee (SDF)	3.2	2.6	(23.1%)
(Gain)/Loss on Investment Valuation	(4.6)	(4.3)	(7.0%)
Special Item - PFAS Settlement	0.0	(9.0)	100.0%
Income Available for Debt Service	\$ <u>124.8</u>	\$ <u>152.5</u>	<u>18.2%</u>
<u>Senior Lien Debt Coverage</u>			
Revenue Bond Debt Service ¹	<u>24.4</u>	<u>28.4</u>	<u>14.1%</u>
Senior Lien Debt Service Coverage	<u>5.11</u>	<u>5.37</u>	<u>4.8%</u>
<u>Total System Debt Coverage</u>			
Total System Debt Service	<u>26.9</u>	<u>30.8</u>	<u>12.7%</u>
Total System Debt Service Coverage	<u>4.63</u>	<u>4.95</u>	<u>6.5%</u>

In addition to long-term debt, PWC's long-term obligations include the total OPEB Liability of \$20.7 million and the total Net Pension Liability of \$42.6 million. Additional information on PWC's long-term liabilities can be found in Note 10 of the financial statements.

CONTACTING THE PWC'S CHIEF FINANCIAL OFFICER

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the PWC's finances and to demonstrate the PWC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Public Works Commission's Chief Financial Officer, P.O. Box 1089, Fayetteville, NC 28302.

Basic Financial Statements

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Statement of Net Position

June 30, 2025

	Electric Utility Major Fund	Water and Wastewater Utility Major Fund	Total Business-Type Activities PWC
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ 25,920,511	\$ 49,826,539	\$ 75,747,050
Investments	66,898,584	42,470,604	109,369,188
Receivables	33,095,554	25,076,188	58,171,742
Lease receivable	768,984	-	768,984
Less allowance for doubtful accounts	(157,738)	(169,897)	(327,635)
Net receivables	33,706,800	24,906,291	58,613,091
Inventories	20,815,172	3,923,901	24,739,073
Other current assets	3,353,162	1,472,394	4,825,556
Total current unrestricted assets	150,694,229	122,599,729	273,293,958
Current restricted assets			
Cash and cash equivalents	108,781,528	155,669,079	264,450,607
Investments	7,315,008	20,972,058	28,287,066
Collateral pledged in lieu of deposits	491,204	210,516	701,720
Receivables	177,842	14,484,916	14,662,758
Total current restricted assets	116,765,582	191,336,569	308,102,151
Total current assets	267,459,811	313,936,298	581,396,109
Noncurrent assets			
Lease receivable noncurrent	2,597,962	-	2,597,962
Total noncurrent assets	2,597,962	-	2,597,962
Capital assets, net:			
Land and land rights	9,996,823	15,099,961	25,096,784
Construction in process	83,435,290	235,551,291	318,986,581
Electric utility system	267,427,187	-	267,427,187
Water system	-	271,987,106	271,987,106
Wastewater system	-	457,086,756	457,086,756
Buildings	22,474,402	8,063,626	30,538,028
Equipment and machinery	7,424,764	4,585,566	12,010,330
Computer equipment	414,251	458,130	872,381
Intangibles	929,545	899,325	1,828,870
Vehicles	5,655,919	8,873,920	14,529,839
Office equipment	8,342	-	8,342
Capital assets, net	397,766,523	1,002,605,681	1,400,372,204
Right to use assets, net	3,443,250	3,621,119	7,064,369
Total capital assets & right to use assets, net	401,209,773	1,006,226,800	1,407,436,573
Total assets	671,267,546	1,320,163,098	1,991,430,644
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond refunding charges	-	480,389	480,389
OPEB deferrals	1,745,969	2,026,202	3,772,171
Pension deferrals	10,909,114	13,124,442	24,033,556
Total deferred outflows of resources	\$ 12,655,083	\$ 15,631,033	\$ 28,286,116

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Statement of Net Position

June 30, 2025

	Electric Utility Major Fund	Water and Wastewater Utility Major Fund	Total Business-Type Activities PWC
LIABILITIES			
Current liabilities to be paid from unrestricted current assets			
Current portion of long-term liabilities	\$ 6,696,005	\$ 19,868,730	\$ 26,564,735
Accounts payable and accrued expenses	19,324,626	15,250,506	34,575,132
Total current liabilities to be paid from unrestricted current assets	<u>26,020,631</u>	<u>35,119,236</u>	<u>61,139,867</u>
Current liabilities to be paid from restricted current assets			
Accounts payable and accrued expenses	12,291,213	23,425,095	35,716,308
Total current liabilities to be paid from restricted current assets	<u>12,291,213</u>	<u>23,425,095</u>	<u>35,716,308</u>
Total current liabilities	<u>38,311,844</u>	<u>58,544,331</u>	<u>96,856,175</u>
Noncurrent liabilities			
Long-term liabilities	92,287,850	461,986,115	554,273,965
Total OPEB liability	9,576,881	11,102,940	20,679,821
Net pension liability	19,284,245	23,310,392	42,594,637
Subscription lease liability	2,064,852	2,115,756	4,180,608
Other liabilities	335,820	300,765	636,585
Unearned deposits - Metronet	659,171	-	659,171
Unearned deposits	8,380	20,966	29,346
Total noncurrent liabilities	<u>124,217,199</u>	<u>498,836,934</u>	<u>623,054,133</u>
Total liabilities	<u>162,529,043</u>	<u>557,381,265</u>	<u>719,910,308</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	253,220	332,231	585,451
Pension deferrals	162,037	196,951	358,988
Lease deferrals	3,167,296	-	3,167,296
Total deferred inflows of resources	<u>3,582,553</u>	<u>529,182</u>	<u>4,111,735</u>
NET POSITION			
Net investment in capital assets	343,268,247	577,173,895	920,442,142
Restricted for -			
Capital projects	5,191,158	39,190,164	44,381,322
Renewable energy	9,929,172	-	9,929,172
Other internal restrictions	50,557,879	108,710,462	159,268,341
Unrestricted Net Position	108,864,577	52,809,163	161,673,740
Total Net Position	<u>\$ 517,811,033</u>	<u>\$ 777,883,684</u>	<u>\$ 1,295,694,717</u>

Note: Internal restrictions are restrictions through enabling legislation via the Commission's regulatory authority.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2025

	Electric Utility Major Fund	Water and Wastewater Utility Major Fund	Total Business-Type Activities PWC
Operating revenues			
Residential, commercial and industrial sales	\$ 201,474,044	\$ 135,076,741	\$ 336,550,785
Other charges for services	41,251,640	20,360,416	61,612,056
Total operating revenues	<u>242,725,684</u>	<u>155,437,157</u>	<u>398,162,841</u>
Operating expenses			
Power supply and generation	126,176,907	-	126,176,907
Electric operation	30,853,410	-	30,853,410
Water operations	-	23,969,721	23,969,721
Wastewater operations	-	27,168,220	27,168,220
General and administrative	28,031,939	29,679,189	57,711,128
Depreciation and Amortization	20,499,359	29,638,717	50,138,076
Total operating expenses	<u>205,561,615</u>	<u>110,455,847</u>	<u>316,017,462</u>
Operating income	<u>37,164,069</u>	<u>44,981,310</u>	<u>82,145,379</u>
Nonoperating revenue (expense)			
Intergovernmental revenue	-	918,988	918,988
Payment in lieu of taxes	(11,968,928)	-	(11,968,928)
Interest earned on investments	6,473,470	10,989,883	17,463,353
Gain on investment	2,896,104	1,291,271	4,187,375
Gain (loss) on disposal of assets	(556,278)	(1,140)	(557,418)
Interest expense	(4,001,787)	(14,160,802)	(18,162,589)
Interest - Leases	(63,207)	(64,075)	(127,282)
Finance costs	(25,584)	(82,805)	(108,389)
Total nonoperating expense, net	<u>(7,246,210)</u>	<u>(1,108,680)</u>	<u>(8,354,890)</u>
Income before transfers and contributions	<u>29,917,859</u>	<u>43,872,630</u>	<u>73,790,489</u>
Contributions	150,227	11,272,703	11,422,930
Special Item - PFAS Settlement	-	9,011,372	9,011,372
Transfers in	-	4,699,946	4,699,946
Transfers out	(4,699,946)	-	(4,699,946)
Change in Net Position	<u>25,368,140</u>	<u>68,856,651</u>	<u>94,224,791</u>
Total Net Position - beginning	<u>492,442,893</u>	<u>709,027,033</u>	<u>1,201,469,926</u>
Total Net Position - ending	<u><u>\$ 517,811,033</u></u>	<u><u>\$ 777,883,684</u></u>	<u><u>\$ 1,295,694,717</u></u>

Note: The transfers within funds have been eliminated for FY 25.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Statement of Cash Flows

Year Ended June 30, 2025

	Electric Utility Major Fund	Water and Wastewater Utility Major Fund	Total Business-Type Activities PWC
Cash flows from operating activities			
Cash received from customers	\$ 243,658,992	\$ 153,870,766	\$ 397,529,758
Cash paid for goods and services	(34,647,295)	(47,828,800)	(82,476,095)
Cash paid to or on behalf of employees for services	(28,433,155)	(29,656,983)	(58,090,138)
Cash paid for power supply and generation	(126,176,907)	-	(126,176,907)
Net cash provided by operating activities	<u>54,401,635</u>	<u>76,384,983</u>	<u>130,786,618</u>
Cash flows from noncapital financing activities			
Cash (paid) received from intergovernmental agreements	(11,968,928)	918,988	(11,049,940)
Transfers in	-	4,699,946	4,699,946
Transfers out	(4,699,946)	-	(4,699,946)
Net cash provided (used) by noncapital financing activities	<u>(16,668,874)</u>	<u>5,618,934</u>	<u>(11,049,940)</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	553,138	241,471	794,609
Proceeds from debt issuance	(25,584)	21,042,969	21,017,385
Payment of finance cost on long-term debt	-	(82,805)	(82,805)
Contributed capital received	150,227	2,922,646	3,072,873
Special Item - PFAS Settlement	-	9,011,372	9,011,372
Acquisition and construction of capital assets	(56,036,516)	(125,947,675)	(181,984,191)
Principal payments on long-term debt	(1,253,846)	(13,569,937)	(14,823,783)
Other capital asset transactions	(576,420)	11,285,659	10,709,239
Interest payments	(4,064,994)	(14,224,877)	(18,289,871)
Net cash provided by capital and related financing activities	<u>(61,253,995)</u>	<u>(109,321,177)</u>	<u>(170,575,172)</u>
Cash flows from investing activities			
Interest earned on investments	9,369,574	12,281,154	21,650,728
Gross change in investments	9,040,070	(13,138,304)	(4,098,234)
Net cash provided by investing activities	<u>18,409,644</u>	<u>(857,150)</u>	<u>17,552,494</u>
Net increase in cash and cash equivalents	<u>(5,111,590)</u>	<u>(28,174,410)</u>	<u>(33,286,000)</u>
Cash and cash equivalents Beginning of year	<u>139,813,629</u>	<u>233,670,028</u>	<u>373,483,657</u>
End of year	<u><u>\$ 134,702,039</u></u>	<u><u>\$ 205,495,618</u></u>	<u><u>\$ 340,197,657</u></u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Statement of Cash Flows

Year Ended June 30, 2025

	Electric Utility Major Fund	Water and Wastewater Utility Major Fund	Total Business-Type Activities PWC
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 37,164,069	\$ 44,981,310	\$ 82,145,379
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and Amortization	20,499,359	29,638,717	50,138,076
Allowance for uncollectible accounts	13,888	56,904	70,792
 Change in assets, liabilities and deferred inflows/outflows			
(Increase) decrease in receivables	803,484	(1,618,106)	(814,622)
(increase) decrease in inventories	(733,468)	(340,235)	(1,073,703)
(Increase) decrease in deferred outflows - other	-	49,696	49,696
(Increase) decrease in deferred outflows -OPEB	(248,198)	(307,251)	(555,449)
(Increase) decrease in deferred outflows - pension related	1,158,221	1,415,603	2,573,824
(Increase) decrease in other current assets	3,117,862	68,975	3,186,837
(Increase) decrease in other assets	1,388,622	192,661	1,581,283
Increase (decrease) in OPEB liability	(422,122)	(522,559)	(944,681)
(Increase) decrease in net pension liability	-	1,936,408	1,936,408
Increase (decrease) in inflows - pension	1,584,333	-	1,584,333
Increase (decrease) in accounts payable and accrued expenses	(10,493,852)	13,327	(10,480,525)
Increase (decrease) in deferred revenues	128,043	-	128,043
Increase (decrease) in unearned deposits	-	(8,805)	(8,805)
Increase (decrease) in leases	1,359,271	1,444,328	2,803,599
Increase (decrease) in deferred inflows-OPEB	(1,463,075)	(1,126,942)	(2,590,017)
Increase (decrease) in accrued sick leave / vacation	545,198	510,952	1,056,150
Total adjustments	17,237,566	31,403,673	48,641,239
 Net cash provided by operating activities	 \$ 54,401,635	 \$ 76,384,983	 \$ 130,786,618
 Noncash investing, capital, and financing activities:			
Contributed capital assets	\$ -	\$ 8,350,057	\$ 8,350,057
SDF credits applied	\$ -	\$ -	\$ -
Adjustment to market for long term investments	\$ (7,508,326)	\$ (3,217,854)	\$ (10,726,180)
 Reconciliation to cash and cash equivalents			
Unrestricted	\$ 25,920,511	\$ 49,826,539	\$ 75,747,050
Restricted	108,781,528	155,669,079	264,450,607
Total	\$ 134,702,039	\$ 205,495,618	\$ 340,197,657

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements

June 30, 2025

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Fayetteville Public Works Commission (the "Commission" or "PWC") have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. The more significant of the Commission's accounting policies are described below.

Reporting Entity

The Commission is a discretely presented component unit of the City of Fayetteville, North Carolina (the "City"). The Commission is comprised of two enterprise funds, the Electric Utility Fund and the Water and Wastewater Utility Fund. The Commission's financial statements presented herein include the financial position and operations of the Electric Utility Fund and the Water and Wastewater Utility Fund, and accordingly, are not intended to present the financial position or results of operations of the City of Fayetteville, North Carolina.

Basis of Presentation

The Commission reports the following major enterprise funds:

Electric Utility: This fund accounts for the operation and maintenance of the Butler-Warner Generation Plant and the transmission and distribution of electricity to customers within the City of Fayetteville and surrounding areas.

Water and Wastewater Utility: This fund accounts for the operations and transmission and distribution of water and wastewater for customers within the City of Fayetteville and surrounding areas.

The Commission has no fiduciary funds to report.

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. On the full accrual basis, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Commission's funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the funds' principal ongoing operations.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The principal operating revenues of the Commission's funds are charges to customers for sales and services. Operating expenses for the Commission's funds include the costs of sales and services, general and administrative services and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets 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.

Cash and Investments

Cash and investments include amounts in demand deposits and investments in U.S. government agencies, North Carolina Capital Management Trust (NCCMT).

Investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost. The NCCMT Government Portfolio, an SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with maturity of less than 6 months.

Receivables

Receivables consist primarily of customer receivables for utility services. The Commission provides allowances for uncollectible receivables equal to the estimated collection losses to be incurred. The estimated losses are computed using the experience method. The Commission grants credit to residential, business and industrial customers, substantially all of whom are local to the City of Fayetteville area.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Lease Receivable

The Commission's lease receivable is measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the Commission may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

The remainder of this page was intentionally left blank.

**Fayetteville Public Works Commission
Component Unit of the City of Fayetteville, North Carolina**

(This page intentionally left blank)

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Leases Receivable (continued)

Deferred inflow of resources are recorded at the initiation of the leases in an amount equal to the initial recording of the related lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the term of the lease.

Inventories

Inventories of supplies are carried at cost and inventories held for resale are carried at the lower of average cost or net realizable value using the weighted average method.

Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items.

Capital Assets

Capital assets purchased or constructed since 1958 are recorded at cost. Assets acquired prior to 1958 are carried on an estimated cost basis. The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Gains and losses on dispositions of capital assets are credited or charged to operations.

Minimum capitalization costs are: \$5,000 for all classes of assets.

Utility plant systems are depreciated over estimated useful lives ranging from 20 to 45 years. Other property and equipment are depreciated over estimated useful lives ranging from 5 to 15 years. All capital assets are depreciated using the straight-line method.

Donated capital assets received prior to June 30, 2015, are recorded at estimated fair market value at the date of donation. Donated capital assets received after June 30, 2015, are recorded at acquisition value.

Right to Use Assets

The Commission has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease plus any lease payments made prior to the lease term, less lease incentives, plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease with terms ranging from 2 - 10 years.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Right to Use Assets (continued)

The right to use IT subscription assets, as a result of implementing GASB 96, are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation cost at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation cost made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments and incentives are reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets are amortized on a straight-line basis over the subscription term.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Commission has three items that meet this criterion, Pension Deferrals (see note 11), Other Post-Employment Benefits (OPEB) deferrals (see note 16); and unamortized bond refunding charges for Electric, Water and Wastewater Refunding bonds (see note 12). In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Commission has three items that meet the criterion for this category, deferrals of pension expense that result from the implementation of GASB 68, Accounting and Financial Reporting for Pensions, deferrals of OPEB expense that result from the implementation of GASB 75, Accounting and Financial Reporting for Other Post-Employment Benefits, and deferrals of lease and subscription revenues that result from the implementation of GASB 87 and 96.

Long-Term Obligations

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt. Lease liabilities are recognized at the present value of future minimum lease payments and amortized over the life of the related lease.

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported to LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Commission's employer contributions are recognized when due and the Commission has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Compensated Absences

In accordance with the provisions of Government Accounting Standards Board Statement No. 101, "Compensated Absences," liabilities are recognized and recorded for leave attributed to services already rendered and likely to be used or paid using a Last in First Out calculation. The Commission's sick leave policy allows 25% of accumulated sick leave to be paid at the time of retirement. Paid Sick Leave at retirement will be phasing out 5% per year until it sunsets on December 1, 2029.

Unearned Deposits

System Development fee credits are given on a dollar per dollar basis for off-site water and wastewater approach mains necessary to serve Commission-approved projects. The System Development fee credit, if not utilized in the initial development, will be available to the developer for use in other Commission approved projects for a period not to exceed 5 years from the original contract date, unless otherwise stated in the contract or through extension approved by the PWC.

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Commission considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

Other Post-Employment Benefits

Post-employment expenses are made from the Electric and the Water & Wastewater Resources Funds, which are maintained on the full accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenses are paid as they come due. The Total OPEB Liability is recorded in accordance with GASB Statement Number 75.

Net Position

Net Position is classified as net investment in capital assets, restricted, and unrestricted (see note 10E). Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through state statute or internally imposed by the Commission as qualifying enabling legislation, reduced by liabilities and deferred inflows of resources related to those assets.

At June 30, 2025, the Electric Fund had restricted assets of \$116,765,582 related to debt service, renewable energy and other internally restricted assets offset by \$12,291,213 of other internally restricted liabilities related to those assets (see note 6), less items associated with capital project funds, resulting in restricted net position of \$65,678,209. The Water/Wastewater Fund had restricted assets of \$191,336,569 related to debt service, capital projects and other internally restricted assets offset by debt of \$50,275,032 related to unspent bond proceeds and \$23,425,095 of internally restricted liabilities related to those assets (see note 6), less items associated with capital project funds, resulting in restricted net position of \$147,900,626.

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 1 – Summary of Significant Accounting Policies (continued)

Implementation Pronouncements

GASB issued Statement No. 101, “Compensated Absences.” The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. However, there was no material impact during fiscal year 2025.

GASB issued Statement No. 102, “Certain Risk Disclosures.” The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a subsequent impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. However, there was no material impact during fiscal year 2025.

Upcoming Pronouncements

The Commission has not yet determined what, if any, impact implementation of the following standards may have on the financial statements.

GASB issued Statement No. 103, “Financial Reporting Model Improvements.” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

GASB issued Statement No. 104, “Disclosure of Certain Capital Assets.” The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 2 - Business of the Commission

The Fayetteville Public Works Commission, a discretely presented component of the City of Fayetteville, North Carolina, provides utility services, including electric, water, and wastewater, within Cumberland County and surrounding areas.

Note 3 - Legal Compliance - Budgets

The Commission operates under its annual budget ordinance. The ordinance provides for revenues and appropriations for the electric, water and wastewater funds. All annual appropriations lapse at the end of the fiscal year. The capital project and special funds budgets are prepared under project ordinances. The budget is prepared on a budgetary non-GAAP basis as required by North Carolina state law.

Note 4 - Cash and Investments

A - Deposits

All deposits of the Commission are made in board-designated official depositories and are secured as required by North Carolina General Statute 159-31. The Commission may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. Also, the Commission may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All of the Commission's deposits are either insured or collateralized by the depositories, which use one of two methods. Under the dedicated method, all deposits over the federal depository insurance coverage are collateralized with securities held by the Commission's agent in the Commission's name. Under the pooling method, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Commission, these deposits are considered to be held by the Commission's agent in the Commission's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Commission or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Commission under the pooling method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each pooling method depository.

At June 30, 2025, the Commission had deposits in pooling method banks with a carrying amount of \$63,216,310 and a bank balance of \$59,314,489. Of the total bank balance, \$758,853 was covered by federal depository insurance and \$58,555,636 was covered by collateral under the pooling method.

At June 30, 2025, the Commission had \$4,350 in petty cash.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 4 - Cash and Investments (continued)

B - Investments

At June 30, 2025, the Commission had the following investments and maturities.

Investment Type	Valuation Measurement Method	Reported Value	Less than 6 Months	6 Mos - 1 Yr	1-5 Years	6-10 Years
U.S. Government agencies	Fair Value-Level 2	\$137,656,255	\$10,658,036	\$11,765,800	\$84,918,141	\$30,314,278
NC Capital Management Trust - Government Portfolio	Fair Value-Level 1	\$276,976,997	\$276,976,231	-	-	-
Total		<u>\$414,633,252</u>	<u>\$287,634,267</u>	<u>\$ 11,765,800</u>	<u>\$ 84,918,141</u>	<u>\$ 30,314,278</u>

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Commission's investment policy requires that only purchases of treasuries and agency securities to be laddered with staggered maturity dates and limits these securities to a final maturity of no more than ten years. All other investment types are limited to a final maturity of no more than three years.

Credit Risk. The Commission limits investments to the provisions of the G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The investment in the Federal Home Loan Bank is rated AAA by Standard and Poor's and AAA by Moody's Investors Service. The Commission's investment in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm-mf by Standard and Poor's and AAAm-mf by Moody's Investment Services as of June 30, 2025.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 4 - Cash and Investments (continued)

B-Investments (continued)

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission has no policy on custodial credit risk, but management procedures are that the Commission shall utilize a third-party custodial agent for book entry transactions, all of which shall be held in the Commission's name.

Concentration of Credit Risk. The Commission limits investments to avoid over-concentration in securities from a specific issuer or business sector. More than 5% of the Commission's investments are in Federal Home Loan Bank, Federal Farm Credit Bank and Freddie Mac. These investments are 55%, 37%, and 8% respectively, of the Commission's total investments in U.S. Governmental Agencies.

Reconciliation to cash and cash equivalents:

Total per Footnote:

	Reported
Total investments	\$ 414,633,252
Cash	63,216,310
Plus Certificates of Deposit	-
Petty cash	4,349
Total cash and investments	<u>477,853,911</u>
Less: Investments with maturities of more than 3 months	<u>(137,656,254)</u>
Total cash and cash equivalents	<u><u>\$ 340,197,657</u></u>

Total per Statement of Net Position:

Cash and cash equivalents - unrestricted	75,747,050
Cash and cash equivalents - restricted	264,450,607
Total cash and cash equivalents	<u><u>\$ 340,197,657</u></u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 5 – Accounts Receivable

A - Unrestricted Receivables

At June 30, 2025, the Commission's unrestricted receivable balances were as follows:

Unrestricted	Electric Fund	Water and Wastewater Fund	Total
Accounts	\$ 25,766,721	\$ 18,829,608	\$ 44,596,329
Sales taxes	3,674,159	81,656	3,755,815
Due from City-Assessments	-	4,268,874	4,268,874
Due from City-Assessments Interest	-	503,795	503,795
Accrued Interest	379,846	361,689	741,535
Other	3,274,828	1,030,566	4,305,394
Total	<u>\$ 33,095,554</u>	<u>\$ 25,076,188</u>	<u>\$ 58,171,742</u>
Lease Receivable - Current	\$ 768,984	\$ -	\$ 768,984

B – Leases

The Commission leases office space to others in the Robert C. Williams Business Center at Lafayette Plaza and leases fiber and land at various sites. These lease agreements provide for minimum rental, have terms of 2 to 9 years and are due to expire at various dates from 2027 to 2033. Minimum lease provisions at June 30, 2025, will result in rental income for future years as follows:

Years Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 768,984	\$ 51,591	\$ 820,575
2027	709,041	38,913	747,954
2028	685,719	27,023	712,742
2029	580,379	15,801	596,180
2030	471,708	6,499	478,207
2031-2033	151,115	2,276	153,391
	<u>\$ 3,366,946</u>	<u>\$ 142,103</u>	<u>\$ 3,509,049</u>

In fiscal year 2025, the Commission recognized \$705,466 of lease revenue and \$59,824 of interest revenue under the leases.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 6 - Restricted Assets and Restricted Liabilities

The Commission has classified as restricted the assets representing deposits, reserves, capital project appropriations and unexpended bond proceeds, because their use is completely restricted to the purpose for which the bonds were issued or the purpose for which the Commission has enacted enabling legislation as a regulatory body. Liabilities due to be paid from restricted assets are classified as restricted liabilities.

	Internally Restricted		Externally Restricted	
	Electric	Water	Electric	Water
Restricted Assets and Restricted Liabilities				
Cash and Cash Equivalents				
Annexation Phase V Fund Cash	\$ -	\$ 37,094,453	\$ -	\$ -
Rate Stabilization Fund Cash	19,449,974	2,090,573	-	-
NC Renewable Rider	-	-	9,929,172	-
Customer Deposits	10,189,765	4,367,042	-	-
Debt Service	2,531,799	12,549,260	3,013	14,023
TPA - Cash	512,743	242,343	-	-
Health Insurance Reserve	1,500,000	1,500,000	-	-
Coal Ash Reserve	3,571,156	-	-	-
Budget Carryovers	4,215,200	1,572,700	-	-
CPF - Cash	10,580,490	39,745,604	-	2,081,688
Construction Fund	-	-	40,461,832	50,275,032
PFSA	-	-	-	1,802,261
Meter Reserve	3,700,000	1,300,000	-	-
BWGP Start Cost Reserve	664,749	-	-	-
Legal Reserve	729,700	694,300	-	-
Foundation Reserve	339,800	339,800	-	-
Metronet	-	-	402,135	-
Total restricted cash and cash equivalents	<u>\$ 57,985,376</u>	<u>\$ 101,496,075</u>	<u>\$ 50,796,152</u>	<u>\$ 54,173,004</u>
Investments	<u>\$ 7,315,008</u>	<u>\$ 20,972,058</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral pledges in lieu of deposits	<u>\$ 491,204</u>	<u>\$ 210,516</u>	<u>\$ -</u>	<u>\$ -</u>
Receivables				
Grants	\$ 166,506	\$ 2,428,072	\$ -	\$ -
Sales Taxes	6,807	3,821,588	-	-
Other	-	919,537	-	-
Accrued Interest	4,529	7,315,719	-	-
Total restricted receivables	<u>\$ 177,842</u>	<u>\$ 14,484,916</u>	<u>\$ -</u>	<u>\$ -</u>
Accounts payable and accrued expenses				
Trade	\$ -	\$ 9,445,870	\$ -	\$ -
NC DOT Projects	-	3,374,757	-	-
Meter Deposits	10,680,880	4,668,267	-	-
Other	1,610,333	5,936,201	-	-
Total restricted accounts payable and accrued expenses	<u>\$ 12,291,213</u>	<u>\$ 23,425,095</u>	<u>\$ -</u>	<u>\$ -</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Notes to the Financial Statements (continued)

June 30, 2025

Note 7 – Capital Assets

The following is a summary of changes in capital assets:

<u>Description</u>	Balance June 30, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Electric Fund:					
Capital assets not being depreciated:					
Land & land rights	\$ 9,996,827	\$ -	\$ (4)	\$ -	\$ 9,996,823
Construction in progress	58,489,264	51,895,505	(533,186)	(26,416,293)	83,435,290
Capital assets being depreciated:					
Electric utility system	570,731,603	1,548,292	(1,588,095)	26,106,160	596,797,960
Buildings	56,830,936	168,980	(3,574)	-	56,996,342
Equipment and machinery	22,969,437	156,970	(144,108)	310,771	23,293,070
Intangibles	26,056,353	5,832	(57,387)	-	26,004,798
Computer equipment	7,048,359	-	(73,512)	-	6,974,847
Vehicles	12,709,829	1,370,466	(440,012)	(110,298)	13,529,985
Office equipment	1,190,141	-	(422)	(819)	1,188,900
Total capital assets being depreciated	697,536,658	3,250,540	(2,307,110)	26,305,814	724,785,902
Less accumulated depreciation for:					
Electric utility system	(315,507,037)	(15,190,201)	1,326,466	-	(329,370,772)
Buildings	(33,088,020)	(1,437,494)	3,574	-	(34,521,940)
Equipment and machinery	(15,190,411)	(819,627)	142,080	(348)	(15,868,306)
Intangibles	(24,441,968)	(633,285)	-	-	(25,075,253)
Computer equipment	(6,385,976)	(248,132)	73,512	-	(6,560,596)
Vehicles	(7,537,503)	(862,065)	427,760	97,742	(7,874,066)
Office equipment	(1,177,188)	(4,610)	420	819	(1,180,559)
Total accumulated depreciation for:	(403,328,103)	(19,195,414)	1,973,812	98,213	(420,451,492)
Total capital assets being depreciated, net	294,208,555	(15,944,874)	(333,298)	26,404,027	304,334,410

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Description	Balance June 30, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets being amortized:					
Right to use assets:					
Leased equipment	24,316	-	-	-	24,316
Subscription software	3,469,851	2,809,514	(149,491)	-	6,129,874
Total capital assets being amortized	3,494,167	2,809,514	(149,491)	-	6,154,190
Less accumulated amortization for:					
Right to use assets:					
Leased equipment	(10,793)	(4,863)	-	-	(15,656)
Subscription software	(1,545,693)	(1,299,082)	149,491	-	(2,695,284)
Total accumulated amortization	(1,556,486)	(1,303,945)	149,491	-	(2,710,940)
Total capital assets being amortized, net	\$ 1,937,681	\$ 1,505,569	\$ -	\$ -	3,443,250
Total capital assets, net	\$ 364,632,327	\$ 37,456,200	\$ (866,488)	\$ (12,266)	\$ 401,209,773

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Notes to the Financial Statements (continued)

June 30, 2025

Note 7 – Capital Assets (continued)

<u>Description</u>	<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Balance June 30, 2025</u>
Water and Waste Water Fund:					
Capital assets not being depreciated:					
Land and land rights	\$ 14,185,472	\$ -	\$ (298)	\$ 914,787	\$ 15,099,961
Construction in progress	168,318,612	123,873,602	(6,648)	(56,634,275)	235,551,291
Capital assets being depreciated:					
Water system	477,628,354	64,464	(544,595)	17,126,322	494,274,545
Sewer system	726,009,965	155,049	-	37,694,405	763,859,419
Buildings	14,184,830	129,511	(3,574)	406,878	14,717,645
Equipment and machinery	15,758,184	1,177,028	(414,382)	491,535	17,012,365
Intangibles	21,194,036	7,857	(57,387)	-	21,144,506
Computer equipment	6,365,124	26,277	(80,462)	-	6,310,939
Vehicles	14,586,037	2,812,557	(1,440,827)	110,008	16,067,775
Office equipment	488,041	-	(3,206)	819	485,654
Total capital assets being depreciated	1,276,214,571	4,372,743	(2,544,433)	55,829,967	1,333,872,848
Less accumulated depreciation for:					
Water system	(212,521,642)	(10,285,130)	519,332	-	(222,287,440)
Sewer system	(291,557,192)	(15,215,471)	-	-	(306,772,663)
Buildings	(6,311,910)	(345,683)	3,574	-	(6,654,019)
Equipment and machinery	(12,219,196)	(622,332)	414,382	348	(12,426,798)
Intangibles	(19,664,425)	(580,756)	-	-	(20,245,181)
Computer equipment	(5,691,812)	(241,459)	80,462	-	(5,852,809)
Vehicles	(7,478,755)	(1,033,386)	1,416,028	(97,742)	(7,193,855)
Office equipment	(488,041)	-	3,206	(819)	(485,654)
Total accumulated depreciation for:	(555,932,973)	(28,324,217)	2,436,984	(98,213)	(581,918,419)
Total capital assets being depreciated, net	720,281,598	(23,951,474)	(107,449)	55,731,754	751,954,429

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Description	Balance June 30, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets being amortized:					
Right to use assets					
Leased equipment	24,316	-	-	-	24,316
Subscription software	3,469,851	2,997,938	(149,490)	-	6,318,299
Total capital assets being amortized	<u>\$ 3,494,167</u>	<u>\$ 2,997,938</u>	<u>\$ (149,490)</u>	<u>\$ -</u>	<u>\$ 6,342,615</u>
Less accumulated amortization for:					
Right to use assets					
Leased equipment	(10,793)	(4,863)	-	-	(15,656)
Subscription software	(1,545,693)	(1,309,637)	149,490	-	(2,705,840)
Total accumulated amortization	<u>\$ (1,556,486)</u>	<u>\$ (1,314,500)</u>	<u>\$ 149,490</u>	<u>\$ -</u>	<u>\$ (2,721,496)</u>
Total capital assets being amortized	<u>\$ 1,937,681</u>	<u>\$ 1,683,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,621,119</u>
Total capital assets, net	<u><u>\$ 904,723,363</u></u>	<u><u>\$ 101,605,566</u></u>	<u><u>\$ (114,097)</u></u>	<u><u>\$ 12,266</u></u>	<u><u>\$ 1,006,226,800</u></u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 8 - Right to Use Assets

equipment and subscription contracts covering the subscription of software services (SaaS). The related liabilities are discussed in the Lease and Subscription subsection of the Liabilities section of this note. The right of use assets are amortized on a straight-line basis over the terms of the related leases.

equipment and subscription contracts covering the subscription of software services (SaaS). The Right to use asset activity for the Commission for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Right to use assets				
Leased equipment	\$ 48,632	\$ -	\$ -	\$ 48,632
Subscription software	6,939,702	5,807,452	298,981	12,448,173
Total right to use assets	\$ 6,988,334	\$ 5,807,452	\$ 298,981	\$ 12,496,805
 Less accumulated amortization for:				
Leased equipment	\$ 21,586	\$ 9,726	\$ -	\$ 31,312
Subscription software	3,091,386	2,608,719	298,981	5,401,124
Total accumulated amortization	3,112,972	2,618,445	298,981	5,432,436
Right to use asset, net	\$ 3,875,362	\$ 3,189,007	\$ -	\$ 7,064,369

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 9 – Accounts Payable and Accrued Expenses

At June 30, 2025, the Commission's unrestricted accounts payable and accrued expenses balances were as follows:

Unrestricted:	Electric Fund	Water and Wastewater Fund	Total
Trade	\$ 4,515,774	\$ 5,062,662	\$ 9,578,436
Purchased power	9,151,784	-	9,151,784
Power supply true up adjustment	2,697,448	-	2,697,448
Payroll related	1,479,698	1,442,651	2,922,349
Interest	1,406,866	5,024,826	6,431,692
Incurred but not reported claims	1,987,985	1,987,984	3,975,969
Other	(1,914,929)	1,732,383	(182,546)
	<u>\$ 19,324,626</u>	<u>\$ 15,250,506</u>	<u>\$ 34,575,132</u>

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 – Long-Term Debt

A - Revenue Bonds

The Commission has issued revenue bonds which have been used to finance the construction of facilities utilized in the operations of the Electric and Water and Wastewater Systems. Revenue Bonds outstanding for the year ended June 30, 2025, were as follows:

	<u>June 30, 2025</u>
\$114,405,000 Series 2016 Revenue Refunding Bonds due in various annual installments through March 1, 2041; interest at various rates between 3.0% and 5.0%.	\$ 70,620,000
\$83,645,000 Series 2018 Revenue and Refunding Bonds due in various annual installments through March 1, 2044; interest at various rates between 4.0% and 5.0%.	61,345,000
\$94,790,000 Series 2021 Revenue Bonds due in various annual installments through March 1, 2051; interest at various rates between 2.0% and 5.0%.	92,315,000
\$169,420,000 Series 2023 Revenue Bonds due in various annual installments through March 1, 2053; interest at various rates between 4.0% and 5.0%.	169,420,000
\$76,400,000 Series 2024 Refunding Bonds due in various annual installments through March 1, 2039; interest at various rates between 4.0% and 5.0%.	<u>72,820,000</u>
Total Revenue Bonds	466,520,000
Add: Unamortized Premium	<u>33,479,050</u>
Total	<u><u>\$ 499,999,050</u></u>

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

A - Revenue Bonds (continued)

Maturities of bonds payable are as follows:

Electric Fund

Years ending June 30	Revenue Bonds	
	Principal	Interest
2026	2,487,215	4,220,598
2027	2,570,210	4,096,238
2028	2,673,652	3,985,707
2029	2,803,889	3,856,180
2030	2,929,998	3,720,205
2031-2035	16,853,305	16,358,522
2036-2040	16,628,554	12,320,953
2041-2043	7,873,488	5,652,344
2044-2054	34,985,272	9,431,455
	<u>89,805,583</u>	<u>63,642,202</u>
Add: Unamortized premium	4,622,198	
Total Electric	<u>\$ 94,427,781</u>	<u>\$ 63,642,202</u>

Water/Wastewater Fund

Years ending June 30	Revenue Bonds	
	Principal	Interest
2026	13,617,785	14,975,520
2027	13,444,790	14,294,631
2028	13,891,347	13,772,312
2029	14,436,111	13,163,089
2030-2034	80,959,609	55,974,405
2035-2039	93,648,241	38,578,543
2040-2042	42,166,810	14,997,386
2043-2053	104,549,724	22,525,038
	<u>376,714,417</u>	<u>188,280,924</u>
Add: Unamortized premium	28,856,852	
Total Water/Wastewater	<u>\$ 405,571,269</u>	<u>\$ 188,280,924</u>
Total Electric & Water/Wastewater	<u>\$ 499,999,050</u>	<u>\$ 251,923,126</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

A - Revenue Bonds (continued)

The Commission has pledged future electric, water and wastewater customer revenues, net of specified operating expenses to repay \$538,660,000 in revenue and revenue refunding bonds issued at various times from 2014 through 2024. Proceeds from the bonds provided financing for extensions, additions and capital improvements to or the renewal and replacement of capital assets, or purchasing and installing new equipment for, the electric, water, and wastewater systems. The bonds are payable solely from electric, water and wastewater customer net revenues and are payable through 2053. The total principal and interest remaining to be paid on the bonds is \$718,443,126. Principal and interest paid for the current year and total customer revenues were \$32,478,012 and \$398,162,841.

Interest expense related to the revenue bonds totaled \$19,848,011 for the year ended June 30, 2025.

PWC's revenue bonds are payable from and secured by a pledge of and lien upon the Net Revenues of the System. The Bond Order governing the revenue bonds contains various events of default including nonpayment of principal or interest, unreasonable delays in the reconstruction of any essential part of the System which is destroyed or damaged and is not promptly repaired or replaced or the failure to observe or perform particular covenants, conditions or agreements for a specific period of time after receiving notice of such failure. In the event one of these defaults occurs, the trustee under the Bond Order may, and upon the written request of the owners of not less than 25% of the principal amount of revenue bonds outstanding, declare the principal of all bonds outstanding to be due and payable immediately.

The revenue bond order contains significant covenants regarding annual debt service requirements, use of the system, and minimum revenue bond coverage. The Commission is in compliance with all such significant covenants at June 30, 2025.

B – Direct Placement Notes Payable

The Commission has entered into revolving loan agreements with the State of North Carolina for various water and wastewater capital projects. These direct placement loans are payable solely from the revenues of the project or benefited systems, or other available funds.

These notes payable are junior, inferior and subordinate in all respects to the Revenue Bonds of the Commission and the City of Fayetteville. Notes payables outstanding for the year ended June 30, 2025, were as follows:

	<u>June 30, 2025</u>
\$382,788 Direct Placement State Revolving Loan due in annual installments through May 1, 2033; interest at 2.0% paid semi-annually on May 1 and November 1.	\$ 153,115
\$5,299,942 Direct Placement State Revolving Loan due in annual installments through May 1, 2033; no interest.	2,121,743

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

B – Direct Placement Notes Payable (continued)

\$3,901,648 Direct Placement State Revolving Loan due in annual installments through May 1, 2034; interest at 2.0% paid semi-annually on May 1 and November 1.	\$ 1,755,742
\$15,890,541 Direct Placement State Revolving Loan due in annual installments through May 1, 2036; no interest.	8,739,798
\$2,243,830 Direct Placement State Revolving Loan due in annual installments through May 1, 2035; interest at 2.0% paid semi-annually on May 1 and November 1.	1,121,915
\$14,888,450 Direct Placement State Revolving Loan due in annual installments beginning May 1, 2023; interest at 1.11% paid semi-annually on May 1 and November 1; construction draws not yet complete.	12,369,625
\$31,187,999 Direct Placement State Revolving Loan due in annual installments beginning May 1, 2023; interest at 1.06% paid semi-annually on May 1 and November 1; construction draws not yet complete.	22,569,137
\$18,380,176 Direct Placement State Revolving Loan due in annual installments beginning May 1, 2023; no interest; construction draws not yet complete.	2,046,646
\$400,000 Direct Placement State Revolving Loan due in annual installments beginning May 1, 2023; \$600,000 Principal Forgiveness; no interest.	320,000
\$17,219,230 Direct Placement State Revolving Loan due in annual installments beginning May 1, 2023; interest at 1.02% paid semi-annually on May 1 and November 1.	16,426,550
	<hr/>
	\$ 67,624,271
	<hr/> <hr/>

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

B – Direct Placement Notes Payable (continued)

Maturities of the \$382,788, \$5,299,942, \$3,901,648, \$15,890,541, \$2,243,830, \$14,488,450 and \$400,000 notes payable are as follows:

<u>Years Ending</u>	<u>Water/Wastewater</u>	
	Principal	Interest
2026	\$ 2,193,783	\$ 197,828
2027	2,193,783	183,313
2028	2,193,783	168,708
2029	2,193,783	154,104
2030	2,113,783	139,499
2031-2034	8,170,775	411,946
2035-2039	5,339,371	244,543
2040-2042	2,182,877	48,460
	<u>\$ 26,581,938</u>	<u>\$ 1,548,401</u>

Total interest expense related to the notes payable obligations totaled \$221,276 for the year ended June 30, 2025.

The Commission expects the estimated schedule of maturity for the \$31,187,999, \$18,380,176 and \$17,291,230 notes payable to be as follows:

<u>Years Ending</u>	<u>Water/Wastewater</u>	
	Principal	Interest
2026	\$ 2,052,117	\$ 210,641
2027	2,052,117	392,687
2028	2,052,117	372,019
2029	2,052,117	351,351
2030	2,052,117	330,683
2031-2034	8,208,465	1,116,057
2035-2039	10,260,584	930,047
2040-2042	12,312,699	434,022
	<u>\$ 41,042,333</u>	<u>\$ 4,137,507</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

C - Leases and Subscriptions

The Commission has entered into agreements to lease certain equipment and subscriptions for certain software. These agreements qualify as other than short-term leases and subscription-based information technology arrangements under GASB 87 and GASB 96 and, therefore, have been recorded at the present value of the future minimum lease and subscription payments as of the date of their inception. There are no variable payment components of the agreements. The terms of these agreements range from two to ten years and are paid on a monthly, quarterly or annual basis according to the terms of the contract. The lease liability and subscription is measured at discount rates ranging from 1.1% to 3.2% based on the Commission's imputed borrowing rate. As a result of the lease, the Commission has recorded right to use assets totaling \$12,496,805 at June 30, 2025.

The future minimum lease and subscription obligations and the net present value of these minimum lease and subscription payments as of June 30, 2025, were as follows:

Years Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 2,364,044	\$ 149,119	\$ 2,513,163
2027	2,118,434	92,886	2,211,320
2028	989,214	46,929	1,036,143
2029	789,955	19,934	809,889
2030	154,330	4,090	158,420
2031-2035	128,675	3,606	132,281
	<u>\$ 6,544,652</u>	<u>\$ 316,564</u>	<u>\$ 6,861,216</u>

In fiscal year 2025, the Commission paid \$3,003,850 in principal and \$127,282 in interest payments related to leases.

The remainder of this page was intentionally left blank

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

D – Changes in Long-Term Liabilities

	Balance 6/30/2024	Increases	Decreases	Balance 6/30/2025	Current Portion
Electric Fund					
Revenue Bonds	\$ 91,059,429	\$ -	\$ 1,253,846	\$ 89,805,583	\$ 2,487,215
Unearned deposits	539,508	797,277	669,234	667,551	-
Compensated					
Absences	2,845,931	3,391,129	2,845,931	3,391,129	3,043,845
Lease and Subscription Liability	1,870,524	2,809,514	1,450,241	3,229,797	1,164,945
Total OPEB liability	9,999,003	803,250	1,225,372	9,576,881	-
Net pension liability (LGERS)	17,699,912	1,584,333	-	19,284,245	-
	124,014,307	<u>\$ 9,385,503</u>	<u>\$ 7,444,624</u>	125,955,186	6,696,005
Add: Unamortized premium	4,882,805			4,622,198	-
Total Electric long-term liabilities	<u>\$ 128,897,112</u>			<u>\$ 130,577,384</u>	<u>\$ 6,696,005</u>

	Balance 6/30/2024	Increases	Decreases	Balance 6/30/2025	Current Portion
Water & Wastewater Fund					
Revenue Bonds	\$ 388,090,571	\$ -	\$ 11,376,154	\$ 376,714,417	\$ 13,617,785
Notes Payable	48,395,044	21,423,010	2,193,783	67,624,271	2,193,783
Grants related to capital assets	-	4,265,781	-	4,265,781	-
Unearned deposits	29,770	-	8,804	20,966	-
Compensated					
Absences	2,683,473	3,194,425	2,683,473	3,194,425	2,858,063
Lease and Subscription Liability	1,870,526	2,997,938	1,553,609	3,314,855	1,199,099
Total OPEB liability	11,625,499	994,368	1,516,927	11,102,940	-
Net pension liability (LGERS)	21,373,984	1,936,408	-	23,310,392	-
	474,068,867	<u>\$ 34,811,930</u>	<u>\$ 19,332,750</u>	489,548,047	19,868,730
Add: Unamortized premium	30,321,746			28,856,852	-
Total Water/Wastewater long-term liabilities	<u>\$ 504,390,613</u>			<u>\$ 518,404,899</u>	<u>\$ 19,868,730</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 10 - Long-Term Debt (continued)

E – Net Investment in Capital Assets

	<u>Electric Fund</u>	<u>Water & Waste Water Fund</u>
Capital Assets, Net	\$ 397,766,523	\$ 1,002,605,681
Add: Right to use asset	3,443,250	3,621,119
Less: Outstanding debt related to capital assets	(89,805,583)	(444,338,688)
Less: Premium on outstanding debt	(4,622,198)	(28,856,852)
Less: Deferred loss related to unspent bond proceeds	-	(133,035)
Less: Retainage, grants and payables related to capital asset	(745,780)	(3,164,896)
Add: Deferred loss on bond refunding	-	480,389
Less: Lease and subscription liability	(3,229,797)	(3,314,855)
Add: Outstanding unspent bond proceeds	40,461,832	50,275,032
Net Investment in Capital Assets	<u><u>\$ 343,268,247</u></u>	<u><u>\$ 577,173,895</u></u>

The remainder of this page was intentionally left blank

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 11 - Retirement Plans

Local Governmental Employees' Retirement System

Plan Description. The Commission is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 11 – Retirement Plans: Local Governmental Employees' Retirement System (continued)

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. The Commission's employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Commission's contractually required contribution rate for the year ended June 30, 2025, was 13.60% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Commission were \$8,457,866 for the year ended June 30, 2025.

Refunds of Contributions. Commission employees, who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2025, the Commission reported a liability of \$42,594,637 for its proportionate share of the net pension liability. The net pension liability is presented in other long-term liabilities in the accompanying financial statements. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers actuarially determined. At June 30, 2024, the Commission's proportion was 0.631%, which was an increase of 0.042% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Commission recognized pension expense of \$14,736,445. At June 30, 2025, the Commission reported deferred outflows of resources and deferred, inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 7,464,193	\$ 50,186
Changes of assumptions	-	-
Net Difference between projected and actual earning on pension plans investments	5,790,716	-
Changes in proportion and differences between Commission contributions and proportionate share of contributions	2,320,781	-
Commission contributions subsequent to the measurement date	8,457,866	308,802
	<u>\$ 24,033,556</u>	<u>\$ 358,988</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 11 – Retirement Plans: Local Governmental Employees' Retirement System (continued)

The \$8,457,866 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2026. Other amounts reported as outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2026	\$ 5,187,318
2027	8,864,655
2028	1,819,493
2029	(654,764)
	<u>\$ 15,216,702</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). Mortality rates are based on the Pub-2010 Mortality tables with adjustments for mortality improvements based on the generational improvement Scale MP-2019. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022, valuation were based on the results of an actuarial experience investigation prepared as of December 31, 2019. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, are summarized in the following table:

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 11 – Retirement Plans: Local Governmental Employees' Retirement System (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan 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.

Sensitivity of the Commission's proportionate share of the net pension asset to changes in the discount rate. The following presents the Commission's proportionate share of the net pension asset calculated using the discount rate of 6.5 percent, as well as what the Commission's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.5 percent) or one percentage point higher (7.5 percent) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Commission's proportionate share of the net pension liability	\$75,478,942	\$42,594,637	\$15,542,772

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 12 – Deferred Outflows and Inflows of Resources – Unamortized Bond Refunding Charges

Gains and losses from debt refunding must be deferred and amortized over the lesser of the original remaining life of the old debt or the life of the new debt. In addition, gains and losses related to debt refunding are to be used in determining the carrying value of the new debt issued to finance debt refunding. The carrying values of the 2016 Revenue Refunding Bonds and the 2018 Revenue Refunding Bonds have been adjusted for the net loss from defeasance (net amortization) of \$480,389. These deferred inflows and outflows of resources are included as unamortized bond refunding charges in the statement of net position.

Note 13 - Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

A – Property and Casualty

The Commission is self-insured with respect to workers' compensation (up to approximately \$1,000,000) and self-insured with respect to health insurance claims (up to approximately \$2,000,000). In addition, the Commission is self-insured with respect to certain policy deductible amounts as follows: up to \$200,000 per occurrence on public officials' liability, up to \$1,000,000 per occurrence on liability claims, and up to \$500,000 per occurrence on property claims. In addition, the Commission maintains excess liability insurance (\$25,000,000) to cover catastrophic losses and auto liability coverage with a \$1,000,000 deductible per occurrence. The Commission maintains an investment account amounting to \$3,500,000 to cover possible workers' compensation and other claims. This investment is classified under restricted assets in the financial statements. No accrual for possible losses attributable to incidents that may have occurred but that have not been identified under the incident reporting system has been made, because the amount is not reasonably estimated.

B – Health Insurance Claims

The Commission uses a third-party administrator to process health insurance claims. At June 30, 2025, and 2024, a liability for incurred but not reported claims of \$3,975,969 is included in accounts payable and accrued expenses on the accompanying financial statements. An analysis of claims for the Commission is presented below:

	<u>2025</u>	<u>2024</u>
Liability as of beginning of the year	\$ 2,901,704	\$ 3,002,452
Current year claims and changes in estimates	14,469,110	10,732,068
Actual claim payments	<u>(13,394,845)</u>	<u>(10,832,816)</u>
Liability as of end of the year	<u><u>\$ 3,975,969</u></u>	<u><u>\$ 2,901,704</u></u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 13 - Risk Management (continued)

C – Commercial Crime Policy Insurance

All Employees including the Chief Financial Officer, Controller and Director of Financial Planning and Capital Projects are insured under the Commission's Commercial Crime Policy in accordance with G.S. 159-29. The Crime policy provides coverage for losses related to employee dishonesty, fraud, forgery/alteration and theft of money or securities up to \$1,000,000. The Crime policy has a \$2,500 deductible per loss.

D – Commercial Performance and Surety Bond (Chief Financial Officer Specific)

The Chief Financial Officer is also insured under an individual Commercial Performance and Surety Bond Policy in accordance with Section 6A.8 of Chapter VI of the Charter of the City of Fayetteville and North Carolina General Statute 159 Article 3. It provides coverage for duties related to finance, accounting and faithful performance up to \$1,000,000 with no deductible.

E – Flood Insurance

The Commission carries flood insurance through the commercial insurance market. The current policy limit is \$300,000,000. The Federal Emergency Management Agency (FEMA) defines Zone A as an area close to a river, lake, or stream. For assets in Flood Zones A, V and B, a sublimit of \$30,000,000 applies to the loss event. The Commission's standard deductible is \$250,000 with the exception of a \$500,000 deductible set for combustion steam generators.

F – Other Commercial Coverage Insurance

The Commission carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage since the prior year and settled claims have not exceeded coverage in any of the last three fiscal years.

Note 14 - Commitments and Contingencies

A – Arbitrage

During the year ended June 30, 2025, the following bonds were subject to arbitrage regulations:

- 2021 Electric, Water and Wastewater Revenue
- 2023 Electric, Water and Wastewater Revenue

The arbitrage rebate payments are due on the fifth anniversary of the bond issue date. It is management's belief that the Commission's future rebate liability is material. The Commission reviewed its potential liability, and the estimated arbitrage rebate payable of \$1,557,465 has been accrued in the June 30, 2025 financial statements.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 14 - Commitments and Contingencies (continued)

B – Capital Expenditures

The Commission has authorized expenditures totaling approximately \$920 million for capital additions and construction of various electric, water and wastewater projects. At June 30, 2025, cumulative expenditures to date totaled approximately \$351.3 million leaving an unexpended balance of \$568.7 million for projects that are expected to be completed at various dates through the year ending June 30, 2035.

C – Litigation

The Commission is involved in a few lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statement.

D – Power Supply Contracts

In June 2009, the Commission executed a 20-year full requirements Power Supply and Coordination Agreement (PSCA) with Duke Energy Progress (DEP) formerly named Progress Energy Carolina, Inc. effective July 1, 2012. Subsequent amendments extended the term to 30 years. Under the PSCA, DEP provides PWC's full power supply requirements at an annually determined capacity and energy price based on DEP's average system cost. PWC will continue to utilize its SEPA allocation as permitted in the SEPA contract and the PSCA. In November 2019, PWC and DEP amended the contract, with the modifications expected to save PWC \$313 million (net present value saving) compared to the current agreement, including \$33 million savings prior to 2024 when the terms of the current agreement end. The terms of the amended agreement run through 2042 and PWC has the option to end the contract in 2032 with a three-year notice. DEP and PWC entered into a separate agreement beginning July 1, 2024, where PWC generates and delivers energy pursuant to scheduled energy requests from DEP. For each month of service under this agreement, PWC receives an estimated demand credit for a specified amount of BWGP capacity.

Either party may challenge the correctness of any bill pursuant to the PSCA no later than 24 months after the payment date such bill was due. DEP provides PWC estimated energy and capacity rates each calendar year and calculates a true-up charge or credit, with interest, following the completion of DEP's calendar year period once the actual costs are known. Calendar year 2023 is open for challenges and is currently under review. As of the date of these financial statements, any known adjustments not yet billed or credited have been recorded.

In addition to the purchased power contract, PWC pays power transmission costs to its power supply provider, DEP. The transmission rates are established by the Federal Energy Regulatory Commission (FERC).

During the year ended June 30, 2025, the purchased power cost from DEP was \$109,552,463 including transmission costs and coal ash costs (see Note 14E).

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 14 - Commitments and Contingencies (continued)

E – Coal Ash

In September 2014, the Coal Ash Management Act (CAMA) became law in North Carolina. Subsequent to its passage, the Environmental Protection Agency (EPA) issued its own regulations and together with CAMA, requires DEP to take remedial actions to its plants producing Coal Combustion Residuals (CCRs). On April 26, 2017, DEP and PWC executed an amendment to the PSCA incorporating the recovery of CCR costs and in May 2017, DEP filed the amended contract with the Federal Energy Regulatory Commission (FERC). As of July 20, 2017, FERC accepted the contract with a July 1, 2017, effective date. Based on this acceptance and the terms of the contract, DEP began billing PWC for prior CCR costs (CCRCs) dating back to January 2015 in fixed monthly installments over a period of 24 months in January 2018. Another component of the charges related to coal ash recovery is Beneficial Reuse Costs (BRCs) and PWC was billed accordingly for DEP's cost incurred from January 2017. In January 2018, current and future costs going forward is estimated in the energy and demand rates of the PSCA for BRCs and CCRCs, respectively, and are subject to true-up provisions of the PSCA. The prior BRCs and CCRCs for 2015, 2016 and 2017 were previously recorded as a liability and have been fully recovered. DEP has shared with PWC the estimated cost to be recovered from PWC over the next 20 years, with the majority being due in the first 10 years. For this purpose, PWC collected approximately \$27.3 million through fiscal year 2017 restricted for this purpose and intends to fund the remaining costs through a combination of Electric Rate Stabilization funds and a pass-through charge to all customers through customer billings. Fiscal year 2025 coal ash costs of \$4,044,408 are included in the purchased power costs above. This amount was \$6,419,843 in fiscal year 2024.

The remainder of this pages was intentionally left blank

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 15 - Related Party Transactions/Transfers Out

The Commission operates as a component unit of the City of Fayetteville, North Carolina. As such, the Commission provides electric and water/wastewater services to the City. Services, which are billed and paid monthly, totaled \$2,414,963 in 2025. In addition, intergovernmental transactions are made in amounts as determined by the respective governing Boards. Net intergovernmental transactions to/from the City amounted to \$11,049,940 in 2025. Balances due to/from the Commission were as follows:

	June 30, 2025
Receivables (due from the City of Fayetteville)	\$ 54,573
Assessments (due from the City of Fayetteville)	4,268,874
Assessments interest (due from the City of Fayetteville)	503,795
	<u>\$ 4,827,242</u>
 Payables (due to the City of Fayetteville)	 <u>\$ 29,367</u>

Note 16 - Other Post-Employment Benefits

Healthcare Benefits

Plan Description. The Commission has a single-employer defined benefit healthcare plan. The Commission has the authority to establish and amend the benefit terms and financing requirements. The Commission has chosen to fund the health care benefits on a pay as you go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided. This plan provides post-employment healthcare benefits to retirees and their dependents up to the age of 65. The Commission and the qualified retirees share in the cost of the coverage. Employees who retire with a minimum of 20 years of creditable service have the option of sharing in the cost of coverage for themselves and purchasing coverage for dependents at the Commission's group rate. The Commission may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the health benefits plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

	Employees:
Retirees and dependents receiving benefits	158
Active plan members and covered spouses	308
Total	<u>466</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 16 - Other Post-Employment Benefits (continued)

Total OPEB Liability

The Commission's total OPEB liability of \$20,679,821 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2025, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.00 percent, average
Discount rate	3.97 percent
Healthcare cost trend rates	Composite - Medical & Rx – 4.50 - 6.50% Admin Rate – 3.00%

The discount rate is based on the yield of the Bond Buyer GO-20 Bond Index as of the measurement date.

Changes in the Total OPEB Liability	Total OPEB Liability
Balance at July 1, 2024	\$ 21,624,502
Changes for the year	
Service Cost	173,507
Interest	800,549
Changes of benefit terms	
Differences between expected and actual experience	823,563
Changes in assumptions or other inputs	(148,935)
Benefit payments	(2,593,365)
Current liability Electric (\$1,158,823)	
Current liability Water (\$1,434,542)	
Net changes	(944,681)
Balance at June 30, 2025	\$ 20,679,821

Changes in assumptions and other inputs reflect a change in the discount rate from 3.86% to 3.97%.

Mortality rates were based on the PUB-2010 General Classification headcount-weighted table projected generationally with Scale MP-2021.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97 percent) or 1-percentage-point higher (4.97 percent) than the current discount rate:

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 16 - Other Post-Employment Benefits (continued)

Total OPEB Liability (continued)

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	\$22,164,817	\$20,679,821	\$19,340,864

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.50% decreasing to 3.5% ultimate)	Trend Rate (6.50% decreasing to 4.5% ultimate)	1% Increase (7.5% decreasing to 5.5% ultimate)
Total OPEB liability	\$19,287,985	\$20,679,821	\$22,242,904

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

For the year ended June 30, 2025, the Commission recognized OPEB expense of \$236,142. At June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 716,420	\$ -
Changes of Assumptions	-	486,153
Commission contributions subsequent to the measurement date	3,055,751	-
Retiree contributions subsequent to the measurement date	-	99,298
Total	<u>\$ 3,772,171</u>	<u>\$ 585,451</u>

\$3,055,751 reported as deferred outflows of resources related to OPEB resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ending June 30, 2026. \$99,298 reported as Deferred Inflows of Resources related to OPEB resulting from retiree benefit payments subsequent to measurement date will be recognized as an increase of the total pension liability in the year-ended June 30, 2025. Other amounts reported as deferred inflows/outflows of resources related to OPEB will be recognized in OPEB expense as follows:

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Year ended June 30:

2026	\$	37,515
2027		192,752
2028		-
2029		-
Thereafter		-
		<hr/>
	\$	230,267
		<hr/>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 17 – Interfund Activity

	DUE FROM/(TO)			
	ELECTRIC	WATER	CAPITAL PROJECT FUNDS	TOTAL
ELECTRIC FUND:				
Substation Rebuild CPF	\$ 2,399,185	\$ -	\$ (2,399,185)	\$ -
Rate Stabilization Fund	(21,450)	-	21,450	-
Renewable Resource Development CPF	1,112,677	-	(1,112,677)	-
Series 2023 Electric CPF	344,094	-	(344,094)	-
Series 2025 Electric CPF	612,068	-	(612,068)	-
WATER FUND:				
Annex NCDOT CPF	-	(7,150)	7,150	-
Hurricane Matthew CPF	-	6,047,110	(6,047,110)	-
Annex V, 32 -34 CPF	-	(159,425)	159,425	-
Series 2018 W/WW CPF	-	(213)	213	-
Rockfish Creek Basin Peak Flow CPF	-	2,511	(2,511)	-
Annex V, 24-25 CPF	-	(1,486,311)	1,486,311	-
Big Rockfish - SS Outfall	-	1,663,392	(1,663,392)	-
Big Rockfish - SS Outfall Lift Station Elim CPF	-	280,525	(280,525)	-
Annex V, 26 - 27	-	(967,393)	967,393	-
Glenville-PO Hoffer Reliability Improvements	-	2,419,872	(2,419,872)	-
Annex V, 28 -29	-	46,928	(46,928)	-
Series 2021 W/WW CPF	-	102,778	(102,778)	-
Series 2023 W/WW CPF	-	209,198	(209,198)	-
Sewer Main Rehab - AARP Grant Project	-	145,364	(145,364)	-
Annex V, 30 - 31 Fund	-	6,918	(6,918)	-
GAC Facility Glenville Lake WTP	-	1,251,747	(1,251,747)	-
GAC Facility PO Hoffer WTP	-	2,175,328	(2,175,328)	-
Gray's Creek Wtr Main Extension	-	10,185,959	(10,185,959)	-
Series 2025 W/WW CPF	-	789,486	(789,486)	-
Transporation Equipment Water	-	2,632	(2,632)	-
TOTAL PER FUNDS	\$ 4,446,574	\$ 22,709,256	\$ (27,155,830)	\$ -
LESS ELIMINATIONS	(4,446,574)	(22,709,256)	27,155,830	-
TOTAL AFTER ELIMINATIONS	\$ -	\$ -	\$ -	\$ -

The remainder of this page was intentionally left blank.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 17 – Interfund Activity (continued)

Transfers are primarily related to the transfer of capital assets between funds, which usually occur at the onset of a capital project and as the project draws to an end. Those transfers that are not capital related are made between the Rate Stabilization funds, various capital project funds, and the respective Electric Operating or Water and Wastewater Operating funds. These types of transfers are used to finance the programs/projects that the PWC must account for in other funds in accordance with budgetary authorizations.

	TRANSFER (TO)/FROM			
	ELECTRIC	WATER	ANNEX V RESERVE	CAPITAL PROJECT FUNDS
ELECTRIC FUND:				
transfer to Annexation Ph V Reserve Fund	\$ (4,699,946)	\$ -	\$ 4,699,946	\$ -
transfer to Electric Rate Stabilization Fund	(9,669,552)	-	-	9,669,552
transfer to Transportation Equipment CPF	(731,000)	-	-	731,000
transfer to Series 2023 Bonds	1,066,509	-	-	(1,066,509)
transfer to Electric (from Electric Rate Stabilization)	13,630,060	-	-	(13,630,060)
WATER FUND:				
transfer to Water Rate Stabilization Fund	-	(250,000)	-	250,000
transfer to Annexation V Reserve Fund	-	(3,652,789)	3,652,789	-
transfer to Transportation Equipment CPF	-	(1,321,300)	-	1,321,300
transfer to Series 2023 W/WW Bond Proceeds	-	(3,588)	-	3,588
transfer to Series 2023 Annexation, Area 24-25 Fund	-	(2,732)	-	2,732
transfer to Series 2023 Annexation, Area 26 Fund	-	(1,144)	-	1,144
transfer to Series 2023 Annexation, Area 32-34 Fund	-	(1,707)	-	1,707
transfer to AIA Grant	-	(600,001)	-	600,001
transfer to NCDOT Project Fund	-	(11,112,889)	-	11,112,889
transfer to Water (from Annexation V Reserve Fund)	-	8,097,867	(8,097,867)	-
transfer to Water (from Transportation Equip CPF)	-	1,820,199	-	(1,820,199)
transfer to Water (from Series 21 W/WW CPF)	-	9,993,851	-	(9,993,851)
transfer to Water (from Series 23 W/WW CPF)	-	9,085,315	-	(9,085,315)
transfer to Water (Rockfish CR Basin Peak Flow CPF)	-	14,481,879	-	(14,481,879)
transfer to Water (Annex V, Areas 24 - 25 CPF)	-	358,716	-	(358,716)
transfer to Water (Annex V Areas 26 - 27 CPF)	-	84,101	-	(84,100)
transfer to Annex V Res Asphalt Overlay (from Annex V Res	-	-	(655,883)	655,883
transfer from Annex V Reserve 24-25 (from Annex V Reserv	-	-	(9,246)	9,246
transfer to Annex V Reserve 26-27 (from Annex V Reserve)	-	-	(2,465,366)	2,465,366
transfer to Annex V Reserve 28-29 (from Annex V Reserve)	-	-	(545,923)	545,924
transfer to Annex V Reserve 30-31 (from Annex V Reserve)	-	-	(1,090,832)	1,090,832
transfer from Annex V Reserve 32-34 (from Annex V Reserv	-	-	(928,367)	928,367
TOTAL PER FUNDS	\$ (403,929)	\$ 26,975,778	\$ (5,440,749)	\$ (21,131,098)
LESS ELIMINATIONS	4,296,017	(26,975,778)	10,140,695	21,131,098
TOTAL AFTER ELIMINATIONS	\$ (4,699,946)	\$ -	\$ 4,699,946	\$ -

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Notes to the Financial Statements (continued)

June 30, 2025

Note 18 - Special Item

The Commission was awarded \$9,011,306 from the 3M PFAS drinking water settlement. These funds will be received in installments with the first payment of \$1,802,261 being received on June 12, 2025. The second installment, of \$4,390,196 was received on September 29, 2025, and the remaining balance will be received in annual payments through 2033.

The remainder of this page was intentionally left blank.

**Required Supplementary Information
(UNAUDITED)**

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Other Post Employment Benefit Retiree Healthcare Plan
Required Supplementary Information
(Unaudited)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Eight Fiscal Years*

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability				
Service Cost	\$ 173,507	\$ 347,879	\$ 457,798	\$ 680,802
Interest	800,549	803,810	554,640	758,247
Changes of benefit terms		-	-	-
Differences between expected and actual experience	823,563	47,517	1,213,879	(1,277,854)
Changes in assumptions	(148,935)	(206,571)	(2,319,733)	(5,852,037)
Benefit payments	(2,593,365)	(3,005,249)	(2,963,147)	(2,475,440)
Net change in total OPEB liability	(944,682)	(2,012,614)	(3,056,563)	(8,166,282)
Total OPEB liability - beginning	21,624,502	23,637,116	26,693,679	34,859,961
Total OPEB liability - ending	\$ 20,679,821	\$ 21,624,502	\$ 23,637,116	\$ 26,693,679
 Covered-employee payroll	 \$ 60,733,006	 \$ 56,619,675	 \$ 48,092,376	 \$ 46,721,898
Total OPEB liability as a percentage of covered- employee payroll	 36.52%	 38.19%	 49.15%	 57.13%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Discount Rate	3.97%	3.86%	3.54%	2.16%

The Commission has elected not to accumulate assets in a qualifying trust as allowed by Governmental Accounting Standards Board Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

*Information is not available for years prior to 2018.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Other Post Employment Benefit Retiree Healthcare Plan
Required Supplementary Information
(Unaudited)

Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Seven Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 591,679	\$ 522,127	\$ 533,802	\$ 565,873
Interest	1,261,273	1,066,552	996,634	836,244
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(385,318)	1,885,481	1,283,176	1,346,521
Changes in assumptions	(1,127,566)	6,872,914	(380,720)	(1,715,410)
Benefit payments	<u>(1,630,150)</u>	<u>(2,445,562)</u>	<u>(2,953,023)</u>	<u>(2,066,658)</u>
OPEB liability	(1,290,082)	7,901,512	(520,131)	(1,033,430)
Total OPEB liability - beginning	36,150,043	28,248,531	28,768,662	29,802,092
Total OPEB liability - ending	<u>\$ 34,859,961</u>	<u>\$ 36,150,043</u>	<u>\$ 28,248,531</u>	<u>\$ 28,768,662</u>
 Covered-employee payroll	 \$ 44,357,862	 \$ 42,079,777	 \$ 38,860,875	 \$ 38,396,209
Total OPEB liability as a percentage of covered-employee payroll	78.59%	85.91%	72.69%	74.93%

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount Rate	2.21%	3.51%	3.87%	2.85%

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Local Government Employees' Retirement System
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
(Unaudited)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
PWC's proportion of the net pension liability (asset) (%)	0.6318%	0.5899%	0.6071%	0.6163%	0.5726%
PWC's proportion of the net pension liability (asset) (\$)	\$ 42,594,637	\$ 39,073,895	\$ 34,249,109	\$ 9,451,408	\$ 20,462,876
PWC's covered payroll	\$ 60,773,006	\$ 56,619,675	\$ 48,092,376	\$ 46,721,898	\$ 44,357,862
PWC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	70.01%	69.01%	71.22%	20.23%	46.13%
Plan fiduciary net position as a percentage of the total pension liability **	86.9%%	88.20%	90.70%	95.51%	91.63%

** This will be the same percentage for all participant employers in the LGERS plan.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Local Government Employees' Retirement System
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
PWC's proportion of the net pension liability (asset) (%)	0.5720%	0.5575%	0.5727%	0.5647%	0.5617%
PWC's proportion of the net pension liability (asset) (\$)	\$ 15,621,420	\$ 13,227,467	\$ 8,749,736	\$ 11,984,401	\$ 2,521,055
PWC's covered payroll	\$ 42,079,777	\$ 38,860,875	\$ 38,396,209	\$ 36,757,085	\$ 36,012,022
PWC's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.12%	34.04%	22.79%	32.60%	7.00%
Plan fiduciary net position as a percentage of the total pension liability **	94.18%	91.47%	98.09%	99.07%	102.64%

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Local Government Employees' Retirement System
Required Supplementary Information
(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 8,457,866	\$ 7,804,191	\$ 7,136,059	\$ 7,973,717	\$ 7,185,803
Contributions in relation to the contractually required contribution	<u>8,457,866</u>	<u>7,804,191</u>	<u>7,136,059</u>	<u>7,973,717</u>	<u>7,185,803</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PWC's covered payroll	\$ 62,190,196	\$ 60,733,006	\$ 56,619,675	\$ 48,092,376	\$ 46,721,733
Contributions as a percentage of covered payroll	13.60%	12.85%	12.60%	16.58%	15.38%

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Local Government Employees' Retirement System
Required Supplementary Information
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 6,289,945	\$ 5,461,958	\$ 4,946,988	\$ 4,791,848	\$ 4,374,095
Contributions in relation to the contractually required contribution	<u>6,289,945</u>	<u>5,461,958</u>	<u>4,946,988</u>	<u>4,791,848</u>	<u>4,374,095</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PWC's covered payroll	\$ 44,357,862	\$ 42,079,777	\$ 38,860,875	\$ 38,396,209	\$ 36,757,085
Contributions as a percentage of covered payroll	14.18%	12.98%	12.73%	12.48%	11.90%

Supplementary Information

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Electric Fund	Electric Rate Stabilization Fund	Substation Rebuild Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ 25,920,511	\$ -	\$ -
Investments	66,898,584	-	-
Receivables	33,095,554	-	-
Lease receivable current	768,984	-	-
Internal Balances	4,446,574	21,450	(2,399,185)
Less allowance for doubtful accounts	(157,738)	-	-
Inventories	20,815,172	-	-
Other current assets	3,353,162	-	-
Regulatory Asset-DEP Energy&Demand true up	-	-	-
Total current unrestricted assets	<u>155,140,803</u>	<u>21,450</u>	<u>(2,399,185)</u>
Current restricted assets			
Cash and cash equivalents	38,289,232	19,449,974	5,392,344
Investments	4,414,684	2,900,324	-
Collateral	491,204	-	-
Receivables	166,507	4,529	-
Total current restricted assets	<u>43,361,627</u>	<u>22,354,827</u>	<u>5,392,344</u>
Total current assets	<u>198,502,430</u>	<u>22,376,277</u>	<u>2,993,159</u>
Noncurrent assets			
Lease receivable noncurrent	2,597,962	-	-
Total noncurrent assets	<u>2,597,962</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land and land rights	9,996,823	-	-
Construction in process	53,350,758	-	3,822,972
Electric utility systems	257,222,778	-	-
Buildings	22,474,402	-	-
Equipment and machinery	7,424,764	-	-
Computer programs	414,251	-	-
Intangibles	929,545	-	-
Vehicles	5,633,233	-	-
Office equipment	8,342	-	-
Capital assets, net	<u>357,454,896</u>	<u>-</u>	<u>3,822,972</u>
Right to use assets, net	<u>3,443,250</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>363,496,108</u>	<u>-</u>	<u>3,822,972</u>
Total assets	<u>561,998,538</u>	<u>22,376,277</u>	<u>6,816,131</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge in refunding	-	-	-
OPEB deferrals	1,745,969	-	-
Pension deferrals	10,909,114	-	-
Total deferred outflows of resources	<u>12,655,083</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Transportation Equipment Capital Project Fund	Series 2021 Electric Capital Project Fund	Renewable Resource Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Lease receivable current	-	-	-
Internal Balances	-	-	(1,112,677)
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Regulatory Asset-DEP Energy&Demand true up	-	-	-
Total current unrestricted assets	<u>-</u>	<u>-</u>	<u>(1,112,677)</u>
Current restricted assets			
Cash and cash equivalents	4,598,179	486,971	-
Investments	-	-	-
Collateral	-	-	-
Receivables	-	-	-
Total current restricted assets	<u>4,598,179</u>	<u>486,971</u>	<u>-</u>
Total current assets	<u>4,598,179</u>	<u>486,971</u>	<u>(1,112,677)</u>
Noncurrent assets			
Lease receivable noncurrent	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land and land rights	-	-	-
Construction in process	-	3,557,502	1,112,677
Electric utility systems	-	-	-
Buildings	-	-	-
Equipment and machinery	-	-	-
Computer programs	-	-	-
Intangibles	-	-	-
Vehicles	22,686	-	-
Office equipment	-	-	-
Capital assets, net	<u>22,686</u>	<u>3,557,502</u>	<u>1,112,677</u>
Right to use assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>22,686</u>	<u>3,557,502</u>	<u>1,112,677</u>
Total assets	<u>4,620,865</u>	<u>4,044,473</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge in refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Series 2023 Electric Capital Project Fund	Series 2025 Electric Capital Project Fund	401 N Substation Electric Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Lease receivable current	-	-	-
Internal Balances	(344,094)	(612,068)	-
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Regulatory Asset-DEP Energy&Demand true up	-	-	-
Total current unrestricted assets	<u>(344,094)</u>	<u>(612,068)</u>	<u>-</u>
Current restricted assets			
Cash and cash equivalents	39,974,861	-	589,967
Investments	-	-	-
Collateral	-	-	-
Receivables	6,806	-	-
Total current restricted assets	<u>39,981,667</u>	<u>-</u>	<u>589,967</u>
Total current assets	<u>39,637,573</u>	<u>(612,068)</u>	<u>589,967</u>
Noncurrent assets			
Lease receivable noncurrent	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:			
Land and land rights	-	-	-
Construction in process	20,971,585	619,796	-
Electric utility systems	10,204,409	-	-
Buildings	-	-	-
Equipment and machinery	-	-	-
Computer programs	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Office equipment	-	-	-
Capital assets, net	<u>31,175,994</u>	<u>619,796</u>	<u>-</u>
Right to use assets, net	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>31,175,994</u>	<u>619,796</u>	<u>-</u>
Total assets	<u>70,813,567</u>	<u>7,728</u>	<u>589,967</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge n refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net position
Electric Utility**

June 30, 2025

	<u>Total</u>
ASSETS	
Current unrestricted assets	
Cash and cash equivalents	\$ 25,920,511
Investments	66,898,584
Receivables	33,095,554
Lease receivable current	768,984
Internal Balances	-
Less allowance for doubtful accounts	(157,738)
Inventories	20,815,172
Other current assets	3,353,162
Regulatory Asset-DEP Energy&Demand true up	-
Total current unrestricted assets	<u>150,694,229</u>
Current restricted assets	
Cash and cash equivalents	108,781,528
Investments	7,315,008
Collateral	491,204
Receivables	177,842
Total current restricted assets	<u>116,765,582</u>
Total current assets	<u>267,459,811</u>
Noncurrent assets	
Lease receivable noncurrent	2,597,962
Total noncurrent assets	<u>2,597,962</u>
Capital assets:	
Land and land rights	9,996,823
Construction in process	83,435,290
Electric utility systems	267,427,187
Buildings	22,474,402
Equipment and machinery	7,424,764
Computer programs	414,251
Intangibles	929,545
Vehicles	5,655,919
Office equipment	8,342
Capital assets, net	<u>397,766,523</u>
Right to use assets, net	<u>3,443,250</u>
Total noncurrent assets	<u>403,807,735</u>
Total assets	<u>671,267,546</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge n refunding	-
OPEB deferrals	1,745,969
Pension deferrals	10,909,114
Total deferred outflows of resources	<u>12,655,083</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Electric Fund	Electric Rate Stabilization Fund	Substation Rebuild Capital Project Fund
LIABILITIES			
Current liabilities to be paid from unrestricted current assets			
Current portion of long-term liabilities	6,696,005	-	-
Accounts payable and accrued expenses	19,324,626	-	-
Total current liabilities to be paid from unrestricted current assets	26,020,631	-	-
Current liabilities to be paid from restricted current assets			
Accounts payable and accrued expenses	10,618,734	-	-
Total current liabilities to be paid from restricted current assets	10,618,734	-	-
Total current liabilities	36,639,365	-	-
Noncurrent liabilities			
Long-term liabilities	92,287,850	-	-
Total OPEB liability	9,576,881	-	-
Net pension liability	19,284,245	-	-
Subscription lease liability	2,064,852	-	-
Unearned deposits - metronet	659,171	-	-
Other liability	335,820	-	-
Unearned deposits	8,380	-	-
Total noncurrent liabilities	124,217,199	-	-
Total liabilities	160,856,564	-	-
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	253,220	-	-
Pension deferrals	162,037	-	-
Lease deferrals	3,167,296	-	-
Total deferred inflows of resources	3,582,553	-	-
Net Position			
Net investment in capital assets	303,655,721	-	3,822,972
Restricted for -			
Capital Projects	3,012	-	-
Renewable energy	9,929,172	-	-
Other internal restrictions	22,810,708	22,354,827	5,392,344
Unrestricted Net Position	73,815,891	21,450	(2,399,185)
Total Net Position	<u>\$ 410,214,504</u>	<u>\$ 22,376,277</u>	<u>\$ 6,816,131</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Transportation Equipment Capital Project Fund	Series 2021 Electric Capital Project Fund	Renewable Resource Capital Project Fund
LIABILITIES			
Current liabilities to be paid from unrestricted current assets			
Current portion of long-term liabilities	-	-	-
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from restricted current assets			
Accounts payable and accrued expenses	6	48,023	-
Total current liabilities to be paid from restricted current assets	6	48,023	-
Total current liabilities	6	48,023	-
Noncurrent liabilities			
Long-term liabilities	-	-	-
Total OPEB liability	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Unearned deposits - metronet	-	-	-
Other liability	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	6	48,023	-
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Lease deferrals	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Net investment in capital assets	22,680	3,557,502	1,112,677
Restricted for -			
Capital Projects	4,598,179	-	-
Renewable energy	-	-	-
Other internal restrictions	-	-	-
Unrestricted Net Position	-	438,948	(1,112,677)
Total Net Position	<u>\$ 4,620,859</u>	<u>\$ 3,996,450</u>	<u>\$ -</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net position
Electric Utility

June 30, 2025

	Series 2023 Electric Capital Project Fund	Series 2025 Electric Capital Project Fund	401 N Substation Electric Capital Project Fund
LIABILITIES			
Current liabilities to be paid from unrestricted current assets			
Current portion of long-term liabilities	-	-	-
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from restricted current assets			
Accounts payable and accrued expenses	1,026,755	7,728	589,967
Total current liabilities to be paid from restricted current assets	1,026,755	7,728	589,967
Total current liabilities	1,026,755	7,728	589,967
Noncurrent liabilities			
Long-term liabilities	-	-	-
Total OPEB liability	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Unearned deposits - metronet	-	-	-
Other liability	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	1,026,755	7,728	589,967
DEFERRED INFLOWS OF RESOURCES			
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Lease deferrals	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Net investment in capital assets	30,484,627	612,068	-
Restricted for -			
Capital Projects	-	-	589,967
Renewable energy	-	-	-
Other internal restrictions	-	-	-
Unrestricted Net Position	39,302,185	(612,068)	(589,967)
Total Net Position	<u>\$ 69,786,812</u>	<u>\$ -</u>	<u>\$ -</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net position
Electric Utility**

June 30, 2025

	<u>Total</u>
LIABILITIES	
Current liabilities to be paid from unrestricted current assets	
Current portion of long-term liabilities	6,696,005
Accounts payable and accrued expenses	19,324,626
Total current liabilities to be paid from unrestricted current assets	<u>26,020,631</u>
Current liabilities to be paid from restricted current assets	
Accounts payable and accrued expenses	12,291,213
Total current liabilities to be paid from restricted current assets	<u>12,291,213</u>
Total current liabilities	<u>38,311,844</u>
Noncurrent liabilities	
Long-term liabilities	92,287,850
Total OPEB liability	9,576,881
Net pension liability	19,284,245
Subscription lease liability	2,064,852
Unearned deposits - Metronet	659,171
Other liability	335,820
Unearned deposits	8,380
Total noncurrent liabilities	<u>124,217,199</u>
Total liabilities	<u>162,529,043</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB deferrals	253,220
Pension deferrals	162,037
Lease deferrals	3,167,296
Total deferred inflows of resources	<u>3,582,553</u>
Net Position	
Net investment in capital assets	343,268,247
Restricted for -	
Capital Projects	5,191,158
Renewable energy	9,929,172
Other internal restrictions	50,557,879
Unrestricted Net Position	108,864,577
Total Net Position	<u><u>\$ 517,811,033</u></u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Electric Utility

Year ended June 30, 2025

	Electric Fund	Electric Rate Stabilization Fund	Substation Rebuild Capital Project Fund
Operating Revenues			
Residential, commercial, and industrial sales	\$ 201,474,044	\$ -	\$ -
Other charges for services	41,251,640	-	-
Total operating revenues	<u>242,725,684</u>	<u>-</u>	<u>-</u>
Operating Expenses			
Power supply and generation	126,176,907	-	-
Electric operation	30,853,410	-	-
General and administrative	27,648,526	-	-
Depreciation and amortization	20,499,359	-	-
Total operating expenses	<u>205,178,202</u>	<u>-</u>	<u>-</u>
Operating Income	<u>37,547,482</u>	<u>-</u>	<u>-</u>
Nonoperating revenue (expense)			
Payment in lieu of taxes	(11,968,928)	-	-
Interest earned on investments	3,026,730	942,180	240,227
Interest - Market Adjustment	2,766,590	129,514	-
Gain (loss) on disposal of assets	(556,278)	-	-
Interest Expense	(4,001,787)	-	-
Interest Leases	(63,207)	-	-
Finance costs	(25,584)	-	-
Total nonoperating revenue (expense)	<u>(10,822,464)</u>	<u>1,071,694</u>	<u>240,227</u>
Income loss before transfers and contributions	<u>26,725,018</u>	<u>1,071,694</u>	<u>240,227</u>
Contributions	150,227	-	-
Transfer In (Out)	(403,930)	(3,960,508)	-
Change in Net Position	26,471,315	(2,888,814)	240,227
Total Net Position - beginning	<u>383,743,189</u>	<u>25,265,091</u>	<u>6,575,905</u>
Total Net Position - ending	<u>\$ 410,214,504</u>	<u>\$ 22,376,277</u>	<u>\$ 6,816,132</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Electric Utility

Year ended June 30, 2025

	Transportation Equipment Capital Project Fund	Series 2021 Electric Capital Project Fund	Renewable Resource Capital Project Fund
Operating Revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating Expenses			
Power supply and generation	-	-	-
Electric operation	-	-	-
General and administrative	-	48,024	-
Depreciation and amortization	-	-	-
Total operating expenses	-	48,024	-
Operating Income	-	(48,024)	-
Nonoperating revenue (expense)			
Payment in lieu of taxes	-	-	-
Interest earned on investments	-	22,171	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest Expense	-	-	-
Interest Leases	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	22,171	-
Income loss before transfers and contributions	-	(25,853)	-
Contributions	-	-	-
Transfer In (Out)	(341,576)	-	-
Change in Net Position	(341,576)	(25,853)	-
Total Net Position - beginning	4,962,435	4,022,302	-
Total Net Position - ending	\$ 4,620,859	\$ 3,996,449	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Electric Utility

Year ended June 30, 2025

	Series 2023 Electric Capital Project Fund	Series 2025 Electric Capital Project Fund	401 N Substation Electric Capital Project Fund
Operating Revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating Expenses			
Power supply and generation	-	-	-
Electric operation	-	-	-
General and administrative	335,389	-	-
Depreciation and amortization	-	-	-
Total operating expenses	335,389	-	-
Operating Income	(335,389)	-	-
Nonoperating revenue (expense)			
Payment in lieu of taxes	-	-	-
Interest earned on investments	2,242,162	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest Expense	-	-	-
Interest Leases	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	2,242,162	-	-
Income loss before transfers and contributions	1,906,773	-	-
Contributions	-	-	-
Transfer In (Out)	6,068	-	-
Change in Net Position	1,912,841	-	-
Total Net Position - beginning	67,873,971	-	-
Total Net Position - ending	\$ 69,786,812	\$ -	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Electric Utility

Year ended June 30, 2025

	<u>Total</u>
Operating Revenues	
Residential, commercial, and industrial sales	\$ 201,474,044
Other charges for services	41,251,640
Total operating revenues	<u>242,725,684</u>
Operating Expenses	
Power supply and generation	126,176,907
Electric operation	30,853,410
General and administrative	28,031,939
Depreciation and amortization	20,499,359
Total operating expenses	<u>205,561,615</u>
Operating Income	<u>37,164,069</u>
Nonoperating revenue (expense)	
Payment in lieu of taxes	(11,968,928)
Interest earned on investments	6,473,470
Interest - Market Adjustment	2,896,104
Gain (loss) on disposal of assets	(556,278)
Interest Expense	(4,001,787)
Interest Leases	(63,207)
Finance costs	(25,584)
Total nonoperating revenue (expense)	<u>(7,246,210)</u>
Income loss before transfers and contributions	<u>29,917,859</u>
Contributions	150,227
Transfer In (Out)	(4,699,946)
Change in Net Position	25,368,140
Total Net Position - beginning	<u>492,442,893</u>
Total Net Position - ending	<u><u>\$ 517,811,033</u></u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP) -
Electric Fund**

Year ended June 30, 2025

(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Revenues				
Operating Revenues				
Electric operations				
Residential, commercial, and industrial sales	\$ 205,863,900	\$ (4,389,856)	\$ 201,474,044	\$ 196,950,472
Other sales of electric	12,052,100	330,158	12,382,258	12,003,078
Power Supply Adjustment	7,631,400	21,889	7,653,289	9,763,758
City services	1,545,000	25,437	1,570,437	1,519,611
Non-utility charges	2,863,500	2,002,553	4,866,053	3,934,216
Service charges	6,854,800	(229,717)	6,625,083	6,394,303
Miscellaneous	5,861,200	2,293,320	8,154,520	17,770,007
Total Operating Revenues	<u>242,671,900</u>	<u>53,784</u>	<u>242,725,684</u>	<u>248,335,445</u>
Non-operating revenues				
Gain (loss) on asset disposal	-	-	-	-
Interest earned on investments	2,555,000	471,730	3,026,730	3,440,678
Investment gain/ (loss)	-	2,766,590	2,766,590	2,810,244
Total non-operating revenues	<u>2,555,000</u>	<u>3,238,319</u>	<u>5,793,319</u>	<u>6,250,922</u>
Contributions				
Contributions	10,539,500	(10,389,273)	150,227	64,311
Total contributions	<u>10,539,500</u>	<u>(10,389,273)</u>	<u>150,227</u>	<u>64,311</u>
Transfers in				
Transfer from Electric Rate Stabilization Fund	12,357,500	1,272,560	13,630,060	22,074,465
Total transfer in	<u>12,357,500</u>	<u>1,272,560</u>	<u>13,630,060</u>	<u>22,074,465</u>
Intergovernmental Revenue				
Transfer from City - Relief Fund Repayment	-	-	-	-
Total contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary appropriations				
Appropriated net position	6,816,100	(6,816,100)	-	-
Accounts Receivable - City	-	-	-	2,666,937
Transfer from Capitalized Interest Fund	1,635,000	41	1,635,041	(1,703,880)
Reserve for REPS	1,768,800	(998,562)	770,238	1,179,150
Series 2021 COI	-	-	-	356,952
Series 2021 Interest	-	-	-	259,950
Transfer from Budget Carryover	2,406,600	(663,714)	1,742,886	466,106
Transfer from Generation Fuel Reserve	5,800,000	255,858	6,055,858	-
Transfer from Coal Ash reserve	3,708,000	505,596	4,213,596	6,646,447
Total budgetary appropriations	<u>22,134,500</u>	<u>(7,716,881)</u>	<u>14,417,619</u>	<u>9,871,662</u>
Total Revenues	<u>\$ 290,258,400</u>	<u>\$ (13,541,491)</u>	<u>\$ 276,716,909</u>	<u>\$ 286,596,805</u>
Expenditures				
Administration	\$ 723,200	\$ (11,390)	\$ 734,590	\$ 815,238
Apparatus repair shop	688,600	116,283	572,317	591,495
Compliance	3,915,600	91,823	3,823,777	409,770
Construction and maintenance	19,907,600	3,980,409	15,927,191	17,014,970
CT metering crews	504,000	46,653	457,347	456,772
Electric meter shop	50,000	47,639	2,361	(56,320)
Engineering	5,134,000	283,100	4,850,900	3,793,694
Fiber	385,700	103,941	281,759	434,311
Pole make ready project	715,000	333,284	381,716	827,400
Power supply and generation	127,056,900	1,021,125	126,035,775	156,523,320
Renewable resource energy	259,100	117,968	141,132	83,936
Substation construction	3,877,500	56,046	3,821,454	3,630,856
Total electric operations	<u>163,217,200</u>	<u>6,186,881</u>	<u>157,030,319</u>	<u>184,525,442</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP) -
Electric Fund**

Year ended June 30, 2025
(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Expenditures (continued)				
General and administrative				
Accounting	\$ 813,400	\$ (1,358)	\$ 814,758	\$ 871,904
Accounts Receivable	205,650	5,219	200,431	190,254
Budget	130,150	(2,838)	132,988	124,928
Communications and community relations	1,314,500	126,487	1,188,013	944,733
Customer accounts call and service center	1,963,750	149,462	1,814,288	1,960,318
Customer administration	553,550	(265)	553,815	632,672
Customer billing and collection support	1,126,800	217,457	909,343	876,963
Development and marketing	718,450	109,356	609,094	467,320
Economic Inclusion Programs	149,400	(1,762)	151,162	-
Executive	1,438,750	12,456	1,426,294	1,352,666
Facilities maintenance	427,300	893	426,407	394,379
Financial administration	378,500	123,128	255,372	192,788
Financial planning administration	412,500	(7,984)	420,484	399,658
Fleet maintenance	1,906,730	310,514	1,596,216	1,665,555
Human resources	1,296,650	28,918	1,267,732	1,220,007
Information Technology	4,944,300	949,314	3,994,986	4,122,084
Information technology infrastructure	2,716,300	354,834	2,361,466	2,007,602
Internal audit	118,900	14,834	104,066	171,349
Legal	1,099,000	235,102	863,898	583,468
Meter data management	346,000	28,091	317,909	362,821
Payroll	105,200	(589)	105,789	88,159
Procurement	294,900	41,399	253,501	328,909
Project Management	1,625,150	143,497	1,481,653	1,831,324
Rates	210,200	(512)	210,712	240,170
Risk management	1,364,150	104,405	1,259,745	1,318,505
Support Services Administration	46,900	13,782	33,118	188,594
Utility field services	1,048,700	165,054	883,646	873,442
Warehouse	650,450	74,529	575,921	636,026
Medical Insurance	5,664,400	321,735	5,342,665	3,865,835
Other	10,946,570	6,811,087	4,135,483	3,886,159
Allocated rent and fiber clearing	(2,193,100)	35,251	(2,228,351)	(2,028,177)
Overhead clearing	(7,800,500)	(353,959)	(7,446,541)	(7,487,249)
Total general and administrative	34,023,600	10,007,537	24,016,063	22,283,166
Total operating expenditures	197,240,800	16,194,418	181,046,382	206,808,608
Non-operating expenditures				
Payment in lieu of taxes	11,969,000	72	11,968,928	12,243,713
Loss on asset disposal	-	(556,278)	556,278	442,669
Interest Expense	4,276,500	14,107	4,262,393	3,046,292
Interest Lease	-	(292)	292	410
Interest Subscription Lease	45,300	(17,615)	62,915	26,792
Finance costs	25,500	(84)	25,584	440,580
Total non-operating expenditures	16,316,300	(560,090)	16,876,390	16,200,456

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP) -
Electric Fund**

Year ended June 30, 2025

(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Transfers out				
Transfer to Electric Rate Stabilization Fund	\$ 160,900	\$ (9,508,652)	\$ 9,669,552	\$ 8,995,800
Transfer to Transporation Equipment Fund	731,000	-	731,000	2,568,500
Transfer to Annexation V Reserve Fund	4,700,000	54	4,699,946	5,166,474
Total transfers out	5,591,900	(9,508,598)	15,100,498	16,730,774
Budgetary appropriations				
Inventory increase (decrease)	2,000,000	1,112,197	887,803	(283,791)
Vehicle and equipment increase (decrease)	-	1,211,763	(1,211,763)	(1,093,656)
Debt principal payments	1,253,900	53	1,253,847	1,154,493
Principal payments - Leases	-	(4,882)	4,882	4,763
Principal payments - Subscription Leases	1,596,500	159,211	1,437,289	754,239
Transfer to REPS Reserve	2,380,800	74,241	2,306,559	2,314,442
BWGP Start Up cost reserve	150,000	150,000	-	-
Transfer to Legal Reserve Fund	-	-	-	250,000
Transfer to ERS - PSA	8,201,000	(1,218,552)	9,419,552	-
Capital Outlay	48,514,800	11,185,192	37,329,608	30,848,779
Budget Carryover Reserve	4,215,200	932,308	3,282,892	2,406,600
Transfer to PWC Foundation Reserve	-	-	-	339,800
Transfer to Capitalized Interest	-	-	-	259,995
Transfer to Coal Ash Reserve	2,797,200	24,306	2,772,894	4,669,397
Total budgetary appropriations	71,109,400	13,625,837	57,483,562	41,625,061
Total expenditures	\$ 290,258,400	\$ 19,751,568	\$ 270,506,832	\$ 281,364,899
Reconciliation of change in Net Position				
Total Revenues		\$ (13,541,491)	\$ 276,716,909	\$ 286,596,805
Total Expenditures		19,751,568	270,506,832	281,364,899
Subtotal		\$ 6,210,077	6,210,078	5,231,906
Reconciling items:				
Budgetary appropriations			43,065,943	31,753,398
Depreciation			(19,195,415)	(22,389,712)
Accumulated Amortization - Leases			(4,863)	(4,863)
Accumulated Amortization - Subscription Leases			(1,299,081)	(759,138)
Amortization for refunding			260,606	210,480
OPEB expense			(143,796)	(880,993)
LGERS expense			(2,814,914)	(2,642,219)
Transfer of assets (to)/from the Transportation and Equipment Capital Project Fund			1,072,577	410,441
Series 2023 Electric Bond Proceeds			(6,068)	(65,834,466)
Total reconciling (to) / from			20,261,237	(60,137,072)
Change in Net Position			\$ 26,471,315	\$ (54,905,166)

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Electric Rate Stabilization Fund

From Inception and for the Period Ended June 30, 2025

	Budget	Total Prior	Current	
	Authorization	Years	Year	Total
Revenues				
Rate stabilization transfer	\$ 4,169,725	\$ 4,169,725	\$ -	\$ 4,169,725
Interest earned on investments	11,328,300	10,466,149	1,071,694	11,537,843
Total Revenues	<u>15,498,025</u>	<u>14,635,874</u>	<u>1,071,694</u>	<u>15,707,568</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Over Expenditures	<u>15,498,025</u>	<u>14,635,874</u>	<u>1,071,694</u>	<u>15,707,568</u>
Other Financing Sources				
Transfer from Electric fund	88,704,226	88,454,227	250,000	88,704,227
Transfer from Electric Fund - PSA	20,794,944	12,607,415	9,419,552	22,026,967
Transfer from Electric fund - True-Up Credits	14,947,753	14,947,752	-	14,947,752
Transfer to Electric Fund	(101,839,920)	(79,512,688)	(8,024,398)	(87,537,086)
Transfer to Electric fund - Duke Energy True-Up	(20,196,911)	(21,867,489)	(5,605,662)	(27,473,151)
Transfer to Electric-City Interlocal Agreement- COVID19	(4,000,000)	(4,000,000)	-	(4,000,000)
Loan to Electric & W/WW General Fund	-	-	-	-
Appropriated net assets	(17,138,817)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, net	<u>(18,728,725)</u>	<u>10,629,217</u>	<u>(3,960,508)</u>	<u>6,668,709</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (3,230,700)</u>	<u>\$ 25,265,091</u>	<u>(2,888,814)</u>	<u>\$ 22,376,277</u>

Reconciling Items:

Change in Net Position

\$ (2,888,814)

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Substation Rebuild
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned on other investments	\$ 420,000	\$ 561,413	\$ 240,227	\$ 801,640
Total Revenues	<u>420,000</u>	<u>561,413</u>	<u>240,227</u>	<u>801,640</u>
Expenditures				
Construction	-	6,537,704	-	6,537,704
Engineering	-	1,469,085	-	1,469,085
Right of Way	-	3,868,764	-	3,868,764
Other	-	35,887	-	35,887
Total Expenditures	<u>-</u>	<u>11,911,440</u>	<u>-</u>	<u>11,911,440</u>
Revenues Under Expenditures	<u>420,000</u>	<u>(11,350,027)</u>	<u>240,227</u>	<u>(11,109,800)</u>
Other Financing Sources				
Transfer (to) from Electric Fund	17,137,000	14,102,960	-	14,102,960
Total Other Financing Sources	<u>17,137,000</u>	<u>14,102,960</u>	<u>-</u>	<u>14,102,960</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ 17,557,000</u>	<u>\$ 2,752,933</u>	240,227	<u>\$ 2,993,160</u>
Reconciling Items:				
Change in Net Position			<u>\$ 240,227</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in the Status of Transportation Equipment
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Closed Projects	Current Year	Total
Revenues					
Total Revenues	\$ -	\$ -	\$ -	\$ 1	\$ -
Expenditures					
Equipment Purchases	4,322,600	-	(1,095,263)	1,095,263	-
Total Expenditures	4,322,600	-	(1,095,263)	1,095,263	-
Revenues Under Expenditures	(4,322,600)	-	1,095,263	(1,095,262)	-
Other Financing Sources					
Transfer from Electric Fund	4,322,600	4,962,435	(1,095,263)	731,000	4,598,172
Total Other Financing Sources	4,322,600	4,962,435	(1,095,263)	731,000	4,598,172
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 4,962,435</u>	<u>\$ -</u>	(364,262)	<u>\$ 4,598,172</u>
Reconciling Items:					
Capital Outlay				1,095,263	
Transfer of assets to Electric Fund				(1,072,577)	
Change in Net Position				<u>\$ (341,576)</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Series 2021 Electric Revenue Bond
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned	\$ 72,057	\$ 61,304	\$ 22,171	\$ 83,475
Total Revenues	<u>72,057</u>	<u>61,304</u>	<u>22,171</u>	<u>83,475</u>
Expenditures				
Construction	-	6,443,779	-	6,443,779
Engineering	-	183,743	-	183,743
ROW	-	213,210	-	213,210
Arbitrage	-	-	48,024	48,024
Total Expenditures	<u>7,316,287</u>	<u>6,840,732</u>	<u>48,024</u>	<u>6,888,756</u>
Revenues Under Expenditures	<u>(7,244,230)</u>	<u>(6,779,428)</u>	<u>(25,853)</u>	<u>(6,805,281)</u>
Other Financing Sources				
Bond Proceeds	7,244,230	7,244,230	-	7,244,230
Total Other Financing Sources	<u>7,244,230</u>	<u>7,244,230</u>	<u>-</u>	<u>7,244,230</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 464,802</u>	<u>(25,853)</u>	<u>\$ 438,949</u>
Reconciling Items:				
Change in net position			<u>\$ (25,853)</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Renewable Resource Development
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Construction	-	75,000	-	75,000
Engineering	-	818,466	24,683	843,149
Other	-	194,527	-	194,527
Total Expenditures	<u>20,500,000</u>	<u>1,087,993</u>	<u>24,683</u>	<u>1,112,676</u>
Revenues Under Expenditures	<u>(20,500,000)</u>	<u>(1,087,993)</u>	<u>(24,683)</u>	<u>1,112,676</u>
Other Financing Sources				
Bond Proceeds	20,500,000	-	-	-
Total Other Financing Sources	<u>20,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1,087,993)</u>	<u>(24,683)</u>	<u>\$ (1,112,676)</u>
Reconciling Items:				
Capital Outlay			<u>24,683</u>	
Change in net position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in Series 2023 Electrical Revenue Bond
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Total Revenues	<u>\$ 2,099,038</u>	<u>\$ 2,039,505</u>	<u>\$ 2,242,161</u>	<u>\$ 4,281,666</u>
Expenditures				
Construction	-	2,595,986	16,606,865	19,202,851
Engineering	-	1,800,550	269,784	2,070,334
ROW	-	349	453	802
Other	-	346,559	-	346,559
Total Expenditures	<u>67,933,504</u>	<u>4,743,444</u>	<u>16,877,102</u>	<u>21,620,546</u>
Revenues Under Expenditures	<u>(65,834,466)</u>	<u>(2,703,939)</u>	<u>(14,634,941)</u>	<u>(17,338,880)</u>
Other Financing Sources				
General and administrative	-	-	(335,388)	(335,388)
Bond Proceeds	65,834,466	65,834,466	6,068	65,840,534
Total Other Financing Sources	<u>65,834,466</u>	<u>65,834,466</u>	<u>(329,320)</u>	<u>65,505,146</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 63,130,527</u>	<u>(14,964,261)</u>	<u>\$ 48,166,266</u>
Reconciling Items:				
Capital Outlay			16,877,102	
Transfer of assets to the Electric Fund			-	
Change in net position			<u>\$ 1,912,841</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in Series 2025 Electric
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Construction	-	-	-	-
Engineering	-	-	619,796	619,796
ROW	-	-	-	-
Other	-	-	-	-
Total Expenditures	<u>66,079,800</u>	<u>-</u>	<u>619,796</u>	<u>619,796</u>
Revenues Under Expenditures	<u>(66,079,800)</u>	<u>-</u>	<u>(619,796)</u>	<u>(619,796)</u>
Other Financing Sources				
Bond Proceeds	66,079,800	-	-	-
Total Other Financing Sources	<u>66,079,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(619,796)</u>	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			619,796	
Change in net position			<u>\$ -</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in 401 N Substation
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Construction	-	-	-	-
Engineering	-	-	-	-
ROW	-	-	-	-
Other	-	-	-	-
Total Expenditures	<u>11,340,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues Under Expenditures	<u>(11,340,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources				
401 N Substation Customer Contribution	11,340,000	-	589,967	-
Total Other Financing Sources	<u>11,340,000</u>	<u>-</u>	<u>589,967</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	589,967	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			-	
Customer Contributions Received			(589,967)	
Change in net position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Water and Wastewater Fund	Water and Wastewater Rate Stabilization Fund	Annexation Phase V Reserve Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ 49,826,539	\$ -	\$ -
Investments	42,470,604	-	-
Receivables	25,076,188	-	-
Internal balances	22,709,256	-	-
Less allowance for doubtful accounts	(169,897)	-	-
Inventories	3,923,901	-	-
Other current assets	1,472,394	-	-
Total current unrestricted assets	145,308,985	-	-
Current restricted assets			
Cash and cash equivalents	24,381,730	2,090,573	37,094,453
Investments	5,523,261	479,781	6,974,622
Collateral	210,516	-	-
Receivables	9,637,117	1,991	43,001
Total current restricted assets	39,752,624	2,572,345	44,112,076
Total current assets	185,061,609	2,572,345	44,112,076
Noncurrent assets			
Capital Assets:			
Land and land rights	15,099,961	-	-
Construction in process	60,901,858	-	-
Water system	271,987,106	-	-
Sewer system	457,086,756	-	-
Building	8,063,626	-	-
Equipment and machinery	4,585,566	-	-
Computer equipment	458,130	-	-
Intangibles	899,325	-	-
Vehicles	8,871,288	-	-
Capital assets, net	827,953,616	-	-
Right to use leased assets, net	3,621,119	-	-
Total capital assets, net	831,574,735	-	-
Total assets	1,016,636,344	2,572,345	44,112,076
Deferred Outflows of Resources			
Deferred charge on refunding	480,389	-	-
OPEB deferrals	2,026,202	-	-
Pension deferrals	13,124,442	-	-
Total deferred outflows of resources	15,631,033	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	NCDOT Capital Project Fund	Hurricane Matthew Capital Project Fund	Annexation Phase V Areas 32/33/34 Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	7,150	(6,047,110)	159,425
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>7,150</u>	<u>(6,047,110)</u>	<u>159,425</u>
Current restricted assets			
Cash and cash equivalents	39,745,604	-	2,022,210
Investments	7,994,394	-	-
Collateral	-	-	-
Receivables	63,673	919,539	-
Total current restricted assets	<u>47,803,671</u>	<u>919,539</u>	<u>2,022,210</u>
Total current assets	<u>47,810,821</u>	<u>(5,127,571)</u>	<u>2,181,635</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	3,374,757	1,544,290	23,163,559
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>3,374,757</u>	<u>1,544,290</u>	<u>23,163,559</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>3,374,757</u>	<u>1,544,290</u>	<u>23,163,559</u>
Total assets	<u>51,185,578</u>	<u>(3,583,281)</u>	<u>25,345,194</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Series 2018 Water/Wastewater Capital Project Fund	Rockfish Creek Basin Peak Flow Facilities Capital Project Fund	Annexation Phase V Areas 24/25 Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	213	(2,511)	1,486,311
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>213</u>	<u>(2,511)</u>	<u>1,486,311</u>
Current restricted assets			
Cash and cash equivalents	-	-	7,252,046
Investments	-	-	-
Collateral	-	-	-
Receivables	-	-	176,976
Total current restricted assets	<u>-</u>	<u>-</u>	<u>7,429,022</u>
Total current assets	<u>213</u>	<u>(2,511)</u>	<u>8,915,333</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	42,815	-	18,454,894
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>42,815</u>	<u>-</u>	<u>18,454,894</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>42,815</u>	<u>-</u>	<u>18,454,894</u>
Total assets	<u>43,028</u>	<u>(2,511)</u>	<u>27,370,227</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Big Rockfish SS Outfall Capital Project Fund	Big Rockfish SS Outfall Lift Station Elim Capital Project Fund	Annexation Phase V Areas 26/27 Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(1,663,392)	(280,525)	967,393
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>(1,663,392)</u>	<u>(280,525)</u>	<u>967,393</u>
Current restricted assets			
Cash and cash equivalents	-	-	1,645,808
Investments	-	-	-
Collateral	-	-	-
Receivables	891,743	-	72,650
Total current restricted assets	<u>891,743</u>	<u>-</u>	<u>1,718,458</u>
Total current assets	<u>(771,649)</u>	<u>(280,525)</u>	<u>2,685,851</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	24,467,843	2,369,681	15,672,677
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>24,467,843</u>	<u>2,369,681</u>	<u>15,672,677</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>24,467,843</u>	<u>2,369,681</u>	<u>15,672,677</u>
Total assets	<u>23,696,194</u>	<u>2,089,156</u>	<u>18,358,528</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Glenville-PO Hoffer Reliability Capital Project Fund	Annexation Phase V Areas 28/29 Capital Project Fund	Annexation Phase V Asphalt Overlay Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(2,419,872)	(46,928)	-
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>(2,419,872)</u>	<u>(46,928)</u>	<u>-</u>
Current restricted assets			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Collateral	-	-	-
Receivables	382,915	-	-
Total current restricted assets	<u>382,915</u>	<u>-</u>	<u>-</u>
Total current assets	<u>(2,036,957)</u>	<u>(46,928)</u>	<u>-</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	21,184,547	2,237,782	1,375,774
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>21,184,547</u>	<u>2,237,782</u>	<u>1,375,774</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>21,184,547</u>	<u>2,237,782</u>	<u>1,375,774</u>
Total assets	<u>19,147,590</u>	<u>2,190,854</u>	<u>1,375,774</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Series 2021 Water/Wastewater Capital Project Fund	Series 2023 Water/Wastewater Capital Project Fund	Direct Grant Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(102,778)	(209,198)	-
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>(102,778)</u>	<u>(209,198)</u>	<u>-</u>
Current restricted assets			
Cash and cash equivalents	18,455,693	20,904,774	261,671
Investments	-	-	-
Collateral	-	-	-
Receivables	158,311	98,693	-
Total current restricted assets	<u>18,614,004</u>	<u>21,003,467</u>	<u>261,671</u>
Total current assets	<u>18,511,226</u>	<u>20,794,269</u>	<u>261,671</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	27,547,296	12,842,789	-
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>27,547,296</u>	<u>12,842,789</u>	<u>-</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>27,547,296</u>	<u>12,842,789</u>	<u>-</u>
Total assets	<u>46,058,522</u>	<u>33,637,058</u>	<u>261,671</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Transportation Equipment Capital Project Fund	AIA Grant Capital Project Fund	Sewer Main Rehab ARPA Grants Capital Project Fund
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(2,632)	-	(145,364)
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>(2,632)</u>	<u>-</u>	<u>(145,364)</u>
Current restricted assets			
Cash and cash equivalents	1,794,167	20,350	-
Investments	-	-	-
Collateral	-	-	-
Receivables	-	400,000	145,364
Total current restricted assets	<u>1,794,167</u>	<u>420,350</u>	<u>145,364</u>
Total current assets	<u>1,791,535</u>	<u>420,350</u>	<u>-</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	-	-	2,772,838
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	2,632	-	-
Capital assets, net	<u>2,632</u>	<u>-</u>	<u>2,772,838</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>2,632</u>	<u>-</u>	<u>2,772,838</u>
Total assets	<u>1,794,167</u>	<u>420,350</u>	<u>2,772,838</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Annexation Phase V Areas 30-31 Capital Project Fund	GAC Facility Glenville Lake Water Treatment Plant	GAC Facility PO Hoffer Water Treatment Plant
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(6,918)	(1,251,747)	(2,175,328)
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	<u>(6,918)</u>	<u>(1,251,747)</u>	<u>(2,175,328)</u>
Current restricted assets			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Collateral	-	-	-
Receivables	-	-	-
Total current restricted assets	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>(6,918)</u>	<u>(1,251,747)</u>	<u>(2,175,328)</u>
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	1,606,918	1,549,842	2,705,274
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	<u>1,606,918</u>	<u>1,549,842</u>	<u>2,705,274</u>
Right to use leased assets, net	-	-	-
Total capital assets, net	<u>1,606,918</u>	<u>1,549,842</u>	<u>2,705,274</u>
Total assets	<u>1,600,000</u>	<u>298,095</u>	<u>529,946</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Series 2025 Water/Wastewater Capital Project Fund	Grays Creek Water Main Extension	High Pressure Zone Transmission Water Main
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	(10,185,959)	(789,486)	-
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	(10,185,959)	(789,486)	-
Current restricted assets			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Collateral	-	-	-
Receivables	-	799,643	-
Total current restricted assets	-	799,643	-
Total current assets	(10,185,959)	10,157	-
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	10,889,054	799,643	-
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	10,889,054	799,643	-
Right to use leased assets, net	-	-	-
Total capital assets, net	10,889,054	799,643	-
Total assets	703,095	809,800	-
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Lead & Copper Service Line Inventory	GAC Facilities Pilot Study	Rockfish Creek Water Expansion Phase 3
ASSETS			
Current unrestricted assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Investments	-	-	-
Receivables	-	-	-
Internal balances	-	-	-
Less allowance for doubtful accounts	-	-	-
Inventories	-	-	-
Other current assets	-	-	-
Total current unrestricted assets	-	-	-
Current restricted assets			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Collateral	-	-	-
Receivables	693,300	-	-
Total current restricted assets	693,300	-	-
Total current assets	693,300	-	-
Noncurrent assets			
Capital Assets:			
Land and land rights	-	-	-
Construction in process	-	-	47,160
Water system	-	-	-
Sewer system	-	-	-
Building	-	-	-
Equipment and machinery	-	-	-
Computer equipment	-	-	-
Intangibles	-	-	-
Vehicles	-	-	-
Capital assets, net	-	-	47,160
Right to use leased assets, net	-	-	-
Total capital assets, net	-	-	47,160
Total assets	693,300	-	47,160
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	-
OPEB deferrals	-	-	-
Pension deferrals	-	-	-
Total deferred outflows of resources	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	<u>Total</u>
ASSETS	
Current unrestricted assets	
Cash and cash equivalents	\$ 49,826,539
Investments	42,470,604
Receivables	25,076,188
Internal balances	-
Less allowance for doubtful accounts	(169,897)
Inventories	3,923,901
Other current assets	1,472,394
Total current unrestricted assets	<u>122,599,729</u>
Current restricted assets	
Cash and cash equivalents	155,669,079
Investments	20,972,058
Collateral	210,516
Receivables	14,484,916
Total current restricted assets	<u>191,336,569</u>
Total current assets	<u>313,936,298</u>
Noncurrent assets	
Capital Assets:	
Land and land rights	15,099,961
Construction in process	235,551,291
Water system	271,987,106
Sewer system	457,086,756
Building	8,063,626
Equipment and machinery	4,585,566
Computer equipment	458,130
Intangibles	899,325
Vehicles	8,873,920
Capital assets, net	<u>1,002,605,681</u>
Right to use leased assets, net	3,621,119
Total capital assets, net	<u>1,006,226,800</u>
Total assets	<u>1,320,163,098</u>
Deferred Outflows of Resources	
Deferred charge on refunding	480,389
OPEB deferrals	2,026,202
Pension deferrals	13,124,442
Total deferred outflows of resources	<u>15,631,033</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Water and Wastewater Fund	Water and Wastewater Rate Stabilization Fund	Annexation Phase V Reserve Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ 19,868,730	\$ -	\$ -
Accounts payable and accrued expenses	15,250,506	-	-
Total current liabilities to be paid from unrestricted current assets	35,119,236	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	4,816,649	-	-
Total current liabilities to be paid from restricted current assets	4,816,649	-	-
Total current liabilities	39,935,885	-	-
Noncurrent liabilities			
Long-term liabilities	401,389,550	-	-
Total OPEB liabilities	11,102,940	-	-
Net pension liability	23,310,392	-	-
Subscription lease liability	2,115,756	-	-
Other liabilities	300,765	-	-
Unearned deposits	20,966	-	-
Total noncurrent liabilities	438,240,369	-	-
Total liabilities	478,176,254	-	-
Deferred Inflows of resources			
OPEB deferral	332,231	-	-
Pension deferral	196,951	-	-
Total deferred inflows of resources	529,182	-	-
NET POSITION			
Net Investment in capital assets	461,788,045	-	-
Restricted for -			
Capital Projects	14,023	-	37,094,453
Other internal restrictions	34,921,952	5,144,690	7,017,623
Unrestricted Net Position	56,837,921	(2,572,345)	-
Total Net Position	\$ 553,561,941	\$ 2,572,345	\$ 44,112,076

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net Position
Water and Wastewater Utility**

June 30, 2025

	NCDOT Capital Project Fund	Hurricane Matthew Capital Project Fund	Annexation Phase V Area 32/33/34 Capital Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	3,374,757	-	117,473
Total current liabilities to be paid from restricted current assets	3,374,757	-	117,473
Total current liabilities	3,374,757	-	117,473
Noncurrent liabilities			
Long-term liabilities	-	-	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	3,374,757	-	117,473
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	-	1,544,290	23,139,342
Restricted for -			
Capital Projects	-	-	5,500
Other internal restrictions	51,178,428	919,539	(5,500)
Unrestricted Net Position	(3,367,607)	(6,047,110)	2,088,379
Total Net Position	\$ 47,810,821	\$ (3,583,281)	\$ 25,227,721

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Series 2018 Water/Wastewater Capital Project Fund	Rockfish Creek Basin Peak Flow Facilities Capital Project Fund	Annexation Phase V Area 24/25 Capital Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	-	-	1,958,447
Total current liabilities to be paid from restricted current assets	-	-	1,958,447
Total current liabilities	-	-	1,958,447
Noncurrent liabilities			
Long-term liabilities	-	14,888,450	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	14,888,450	-
Total liabilities	-	14,888,450	1,958,447
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	42,815	-	16,645,741
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	-	-	7,252,047
Unrestricted Net Position	213	(14,890,961)	1,513,992
Total Net Position	\$ 43,028	\$ (14,890,961)	\$ 25,411,780

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net Position
Water and Wastewater Utility**

June 30, 2025

	Big Rockfish SS Outfall Capital Project Fund	Big Rockfish SS Outfall Lift Station Elim Capital Project Fund	Annexation Phase V Areas 26/27 Capital Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	1,127,057	42,510	1,392,659
Total current liabilities to be paid from restricted current assets	1,127,057	42,510	1,392,659
Total current liabilities	1,127,057	42,510	1,392,659
Noncurrent liabilities			
Long-term liabilities	22,569,137	2,046,646	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	22,569,137	2,046,646	-
Total liabilities	23,696,194	2,089,156	1,392,659
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	771,649	280,525	14,342,495
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	204,179	-	-
Unrestricted Net Position	(975,828)	(280,525)	2,623,374
Total Net Position	\$ -	\$ -	\$ 16,965,869

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Glenville - PO Hoffer Reliability Capital Project Fund	Annexation Phase V Areas 28/29 Capital Project Fund	Annexation Phase V Asphalt Overlay Capital Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	2,721,039	26,436	-
Total current liabilities to be paid from restricted current assets	2,721,039	26,436	-
Total current liabilities	2,721,039	26,436	-
Noncurrent liabilities			
Long-term liabilities	16,426,551	-	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	16,426,551	-	-
Total liabilities	19,147,590	26,436	-
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	2,036,956	2,211,345	1,375,774
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	-	-	-
Unrestricted Net Position	(2,036,956)	(46,927)	-
Total Net Position	\$ -	\$ 2,164,418	\$ 1,375,774

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Series 2021 Water/Wastewater Capital Project Fund	Series 2023 Water/Wastewater Capital Project Fund	Direct Grant Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	4,242,376	1,966,928	-
Total current liabilities to be paid from restricted current assets	4,242,376	1,966,928	-
Total current liabilities	4,242,376	1,966,928	-
Noncurrent liabilities			
Long-term liabilities	-	-	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	4,242,376	1,966,928	-
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	23,977,982	11,071,825	-
Restricted for -			
Capital Projects	-	-	261,671
Other internal restrictions	-	39,196	-
Unrestricted Net Position	17,838,164	20,559,109	-
Total Net Position	\$ 41,816,146	\$ 31,670,130	\$ 261,671

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net Position
Water and Wastewater Utility**

June 30, 2025

	Transportation Equipment Capital Project Fund	AIA Grant Capital Project Fund	Sewer Main Rehab ARPA Capital Project Fund
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from restricted current assets	-	-	-
Total current liabilities	-	-	-
Noncurrent liabilities			
Long-term liabilities	-	400,000	2,772,838
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	400,000	2,772,838
Total liabilities	-	400,000	2,772,838
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	2,632	-	2,772,838
Restricted for -			
Capital Projects	1,794,167	20,350	-
Other internal restrictions	-	400,000	145,365
Unrestricted Net Position	(2,632)	(400,000)	(2,918,203)
Total Net Position	\$ 1,794,167	\$ 20,350	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Annexation Phase V Aareas 30-31 Capital Project Fund	GAC Facility Glenville Lake Water Treatment Plant	GAC Facility PO Hoffer Water Treatment Plant
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	50,311	298,095	529,946
Total current liabilities to be paid from restricted current assets	50,311	298,095	529,946
Total current liabilities	50,311	298,095	529,946
Noncurrent liabilities			
Long-term liabilities	-	-	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	50,311	298,095	529,946
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	1,556,607	1,251,747	2,175,328
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	-	-	-
Unrestricted Net Position	(6,918)	(1,251,747)	(2,175,328)
Total Net Position	\$ 1,549,689	\$ -	\$ -

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net Position
Water and Wastewater Utility**

June 30, 2025

	Series 2025 Water/Wastewater Capital Project Fund	Grays Creek Water Main Extension	High Pressure Zone Transmission Water Main
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	703,095	10,157	-
Total current liabilities to be paid from restricted current assets	703,095	10,157	-
Total current liabilities	703,095	10,157	-
Noncurrent liabilities			
Long-term liabilities	-	799,643	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	-	799,643	-
Total liabilities	703,095	809,800	-
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	10,185,959	-	-
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	-	799,643	-
Unrestricted Net Position	(10,185,959)	(799,643)	-
Total Net Position	\$ -	\$ -	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Net Position
Water and Wastewater Utility

June 30, 2025

	Lead & Copper Service Line Inventory	GAC Facilities Pilot Study	Rockfish Creek Water Expansion Phase 3
LIABILITIES			
Current liabilities to be paid from			
unrestricted current assets			
Current portion of long-term liabilities	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	-	-	-
Total current liabilities to be paid from unrestricted current assets	-	-	-
Current liabilities to be paid from			
restricted current assets			
Accounts payable and accrued expenses	-	-	47,160
Total current liabilities to be paid from restricted current assets	-	-	47,160
Total current liabilities	-	-	47,160
Noncurrent liabilities			
Long-term liabilities	693,300	-	-
Total OPEB liabilities	-	-	-
Net pension liability	-	-	-
Subscription lease liability	-	-	-
Other liabilities	-	-	-
Unearned deposits	-	-	-
Total noncurrent liabilities	693,300	-	-
Total liabilities	693,300	-	47,160
Deferred Inflows of resources			
OPEB deferral	-	-	-
Pension deferral	-	-	-
Total deferred inflows of resources	-	-	-
NET POSITION			
Net Investment in capital assets	-	-	-
Restricted for -			
Capital Projects	-	-	-
Other internal restrictions	693,300	-	-
Unrestricted Net Position	(693,300)	-	-
Total Net Position	\$ -	\$ -	\$ -

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Net Position
Water and Wastewater Utility**

June 30, 2025

	<u>Total</u>
LIABILITIES	
Current liabilities to be paid from	
unrestricted current assets	
Current portion of long-term liabilities	\$ 19,868,730
Accounts payable and accrued expenses	<u>15,250,506</u>
Total current liabilities to be paid from unrestricted current assets	<u>35,119,236</u>
Current liabilities to be paid from	
restricted current assets	
Accounts payable and accrued expenses	<u>23,425,095</u>
Total current liabilities to be paid from restricted current assets	<u>23,425,095</u>
 Total current liabilities	 <u>58,544,331</u>
Noncurrent liabilities	
Long-term liabilities	461,986,115
Total OPEB liabilities	11,102,940
Net pension liability	23,310,392
Subscription lease liability	2,115,756
Other liabilities	300,765
Unearned deposits	<u>20,966</u>
Total noncurrent liabilities	<u>498,836,934</u>
 Total liabilities	 <u>557,381,265</u>
Deferred Inflows of resources	
OPEB deferral	332,231
Pension deferral	<u>196,951</u>
Total deferred inflows of resources	<u>529,182</u>
NET POSITION	
Net Investment in capital assets	577,173,895
Restricted for -	
Capital Projects	39,190,164
Other internal restrictions	108,710,462
Unrestricted Net Position	<u>52,809,163</u>
Total Net Position	<u><u>\$ 777,883,684</u></u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Water and Wastewater Fund	Water and Wastewater Rate Stabilization Fund	Annexation Phase V Reserve Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ 135,076,741	\$ -	\$ -
Other charges for services	20,360,416	-	-
Total operating revenues	<u>155,437,157</u>	<u>-</u>	<u>-</u>
Operating expenses			
Water Operations	23,969,721	-	-
Wastewater Operations	27,168,220	-	-
General and administrative	27,897,758	-	-
Depreciation	29,638,717	-	-
Total operating expenses	<u>108,674,416</u>	<u>-</u>	<u>-</u>
Operating Income	<u>46,762,741</u>	<u>-</u>	<u>-</u>
Nonoperating revenue (expense)			
Intergovernmental revenue	918,988	-	-
Interest earned on investments	3,618,492	110,119	2,157,311
Interest - Market Adjustment	1,185,682	(20,219)	50,395
Gain (loss) on disposal of assets	(1,140)	-	-
Interest expense	(14,160,802)	-	-
Interest - Lease	(64,075)	-	-
Finance costs	(82,805)	-	-
Total nonoperating revenue (expense)	<u>(8,585,660)</u>	<u>89,900</u>	<u>2,207,706</u>
Income before transfer and contributions	<u>38,177,081</u>	<u>89,900</u>	<u>2,207,706</u>
Capital Contributions	11,136,546	-	-
Special Item - PFAS Settlement	9,011,372	-	-
Transfers in (out)	<u>26,975,775</u>	<u>250,000</u>	<u>(5,440,748)</u>
Change in Net Position	85,300,774	339,900	(3,233,042)
Total Net Position - beginning	<u>468,261,167</u>	<u>2,232,445</u>	<u>47,345,118</u>
Total Net Position - ending	<u>\$ 553,561,941</u>	<u>\$ 2,572,345</u>	<u>\$ 44,112,076</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	NCDOT Capital Project Fund	Hurricane Matthew Capital Project Fund	Annexation Phase V Area 32/33/34 Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	93,256
Depreciation	-	-	-
Total operating expenses	-	-	93,256
Operating Income	-	-	(93,256)
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	1,844,955	-	93,159
Interest - Market Adjustment	75,413	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	1,920,368	-	93,159
Income before transfer and contributions	1,920,368	-	(97)
Capital Contributions	-	136,157	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	11,112,889	-	930,074
Change in Net Position	13,033,257	136,157	929,977
Total Net Position - beginning	34,777,564	(3,719,438)	24,297,744
Total Net Position - ending	\$ 47,810,821	\$ (3,583,281)	\$ 25,227,721

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Series 2018 Water/Wastewater Capital Project Fund	Rockfish Creek Basin Creek Flow Facilities Capital Project Fund	Annexation Phase V Area 24/25 Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	149,294
Depreciation	-	-	-
Total operating expenses	-	-	149,294
Operating Income	-	-	(149,294)
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	713,910
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	713,910
Income before transfer and contributions	-	-	564,616
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	-	(14,481,879)	(346,738)
Change in Net Position	-	(14,481,879)	217,878
Total Net Position - beginning	43,028	(409,082)	25,193,902
Total Net Position - ending	\$ 43,028	\$ (14,890,961)	\$ 25,411,780

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Big Rockfish SS Outfall Capital Project Fund	Big Rockfish SS Outfall Lift Station Elim Capital Project Fund	Annexation Phase V Areas 26/27 Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	62,477
Depreciation	-	-	-
Total operating expenses	-	-	62,477
Operating Income	-	-	(62,477)
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	148,649
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	148,649
Income before transfer and contributions	-	-	86,172
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	-	-	2,382,410
Change in Net Position	-	-	2,468,582
Total Net Position - beginning	-	-	14,497,287
Total Net Position - ending	\$ -	\$ -	\$ 16,965,869

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Glenville - PO Hoffer Reliability Capital Project Fund	Annexation Phase V Areas 28/29 Capital Project Fund	Annexation Phase V Asphalt Overlay Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	-
Depreciation	-	-	-
Total operating expenses	-	-	-
Operating Income	-	-	-
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	-
Income before transfer and contributions	-	-	-
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	-	545,924	655,883
Change in Net Position	-	545,924	655,883
Total Net Position - beginning	-	1,618,494	719,891
Total Net Position - ending	\$ -	\$ 2,164,418	\$ 1,375,774

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Series 2021 Water/Wastewater Capital Project Fund	Series 2023 Water/Wastewater Capital Project Fund	Direct Grant Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	673,062	195,965	27,709
Depreciation	-	-	-
Total operating expenses	673,062	195,965	27,709
Operating Income (loss)	(673,062)	(195,965)	(27,709)
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	1,005,426	1,297,862	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	1,005,426	1,297,862	-
Income before transfer and contributions	332,364	1,101,897	(27,709)
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	(9,993,851)	(9,081,727)	-
Change in Net Position	(9,661,487)	(7,979,830)	(27,709)
Total Net Position - beginning	51,477,633	39,649,960	289,380
Total Net Position - ending	\$ 41,816,146	\$ 31,670,130	\$ 261,671

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Transportation Equipment Capital Project Fund	AIA Grant Capital Project Fund	ARPA Grants Capital Project Fund
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	579,668	-
Depreciation	-	-	-
Total operating expenses	-	579,668	-
Operating Income (loss)	-	(579,668)	-
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	-
Income before transfer and contributions	-	(579,668)	-
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	(498,899)	600,001	-
Change in Net Position	(498,899)	20,333	-
Total Net Position - beginning	2,293,066	17	-
Total Net Position - ending	\$ 1,794,167	\$ 20,350	\$ -

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility**

Year ended June 30, 2025

	Annexation Phase V Areas 30-31 Capital Project Fund	GAC Facility Glenville Lake Water Treatment Plant	GAC Facility PO Hoffer Water Treatment Plant
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	-
Depreciation	-	-	-
Total operating expenses	-	-	-
Operating Income	-	-	-
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	-
Income before transfer and contributions	-	-	-
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	1,090,832	-	-
Change in Net Position	1,090,832	-	-
Total Net Position - beginning	458,857		
Total Net Position - ending	\$ 1,549,689	\$ -	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	Series 2025 Water/Wastewater Capital Project Fund	Grays Creek Water Main Extension	High Pressure Zone Transmission Water Main
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	-
Depreciation	-	-	-
Total operating expenses	-	-	-
Operating Income	-	-	-
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	-
Income before transfer and contributions	-	-	-
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	-	-	-
Change in Net Position	-	-	-
Total Net Position - beginning	-	-	-
Total Net Position - ending	\$ -	\$ -	\$ -

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility**

Year ended June 30, 2025

	Lead & Copper Service Line Inventory	GAC Facilities Pilot Study	Rockfish Creek Water Expansion Phase 3
Operating revenues			
Residential, commercial, and industrial sales	\$ -	\$ -	\$ -
Other charges for services	-	-	-
Total operating revenues	-	-	-
Operating expenses			
Water Operations	-	-	-
Wastewater Operations	-	-	-
General and administrative	-	-	-
Depreciation	-	-	-
Total operating expenses	-	-	-
Operating Income	-	-	-
Nonoperating revenue (expense)			
Intergovernmental revenue	-	-	-
Interest earned on investments	-	-	-
Interest - Market Adjustment	-	-	-
Gain (loss) on disposal of assets	-	-	-
Interest expense	-	-	-
Interest - Lease	-	-	-
Finance costs	-	-	-
Total nonoperating revenue (expense)	-	-	-
Income before transfer and contributions	-	-	-
Capital Contributions	-	-	-
Special Item - PFAS Settlement	-	-	-
Transfers in (out)	-	-	-
Change in Net Position	-	-	-
Total Net Position - beginning	-	-	-
Total Net Position - ending	\$ -	\$ -	\$ -

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Combining Schedule of Revenues, Expenses and Changes in Net Position
Water and Wastewater Utility

Year ended June 30, 2025

	<u>Total</u>
Operating revenues	
Residential, commercial, and industrial sales	\$ 135,076,741
Other charges for services	20,360,416
Total operating revenues	<u>155,437,157</u>
Operating expenses	
Water Operations	23,969,721
Wastewater Operations	27,168,220
General and administrative	29,679,189
Depreciation	29,638,717
Total operating expenses	<u>110,455,847</u>
Operating Income	<u>44,981,310</u>
Nonoperating revenue (expense)	
Intergovernmental revenue	918,988
Interest earned on investments	10,989,883
Interest - Market Adjustment	1,291,271
Gain (loss) on disposal of assets	(1,140)
Interest expense	(14,160,802)
Interest - Lease	(64,075)
Finance costs	(82,805)
Total nonoperating revenue (expense)	<u>(1,108,680)</u>
Income before transfer and contributions	<u>43,872,630</u>
Capital Contributions	11,272,703
Special Item - PFAS Settlement	9,011,372
Transfers in (out)	4,699,946
Change in Net Position	68,856,651
Total Net Position - beginning	<u>709,027,033</u>
Total Net Position - ending	<u>\$ 777,883,684</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)
Water and Wastewater Fund

Year ended June 30, 2025

(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Revenues				
Operating Revenues				
Water Operations				
Residential, commercial, and industrial sales	\$ 60,493,700	\$ (1,152,550)	\$ 59,341,150	\$ 56,190,329
Other sales of water	5,383,500	580,509	5,964,009	4,874,814
Connection fees	630,000	4,459	634,459	734,583
City services	575,500	(73,026)	502,474	500,485
Total water operations	67,082,700	(640,608)	66,442,092	62,300,211
Wastewater operations				
Residential, commercial, and industrial sales	73,950,300	1,785,291	75,735,591	69,302,336
Other Sales of wastewater	983,800	(343,081)	640,719	1,130,959
Connection fees	360,000	362,437	722,437	296,895
City services	258,400	83,652	342,052	298,432
Total wastewater operations	75,552,500	1,888,299	77,440,799	71,028,622
Other operating revenues				
Non-utility charges	1,457,400	443,892	1,901,292	1,936,402
Service charges	9,428,900	163,696	9,592,596	9,364,426
Miscellaneous	40,400	19,978	60,378	68,970
Total other operating revenues	10,926,700	627,566	11,554,266	11,369,798
Total operating revenues	153,561,900	1,875,257	155,437,157	144,698,631
Non-operating revenues				
Intergovernmental revenue	225,000	693,988	918,988	1,220,198
Interest earned on investments	2,407,000	1,211,492	3,618,492	1,608,922
Investment loss	-	1,185,682	1,185,682	1,204,390
Total non-operating revenues	2,632,000	3,091,162	5,723,162	4,033,510
Contributions				
Contributions	3,597,400	7,539,146	11,136,546	10,635,928
Special Item - PFAS Settlement	-	-	9,011,372	9,011,372
Total Contributions	3,597,400	7,539,146	20,147,918	19,647,300
Transfers in				
Transfer from Annexation Phase V Reserve Fund	8,097,800	67	8,097,867	5,071,043
Total transfers in	8,097,800	67	8,097,867	5,071,043
Budgetary appropriations				
Transfer from Budget Carryover Reserve	2,912,500	(294,838)	2,617,662	439,557
Transfer from Capitalized Interest	2,441,900	(3)	2,441,897	-
Series 2023 bond proceeds	-	-	-	533,100
Reserve for W/WW Capital Reserve	60,300	(60,300)	-	-
Series 2021 Interest	-	-	-	1,985,363
Series 2021 Interest - Annex	-	-	-	637,881
Total budgetary appropriations	5,414,700	(355,141)	5,059,559	3,595,901
Total revenues	\$ 173,303,800	\$ 21,161,862	\$ 194,465,662	\$ 177,046,385
Expenditures				
Operating expenditures				
Water operations				
Administration and engineering	\$ 3,224,450	\$ 263,331	\$ 2,961,119	\$ 2,527,915
Contract system maintenance	211,020	276	210,744	184,846
Environmental	130,400	520	129,880	124,319

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)
Water and Wastewater Fund**

Environmental system protection	420,950	296	420,654	343,792
Glenville Lake water treatment plant	4,348,700	80,457	4,268,243	3,535,258
Laboratory	443,200	6,608	436,592	408,018
P.O. Hoffer water treatment plant	8,084,300	217,601	7,866,699	8,167,098
Water maintenance and repair	7,597,600	176,852	7,420,748	6,806,807
Water meter shop	32,900	339,695	(306,795)	(235,518)
Watershead	560,800	(1,037)	561,837	430,102
Total water operations	<u>\$ 25,054,320</u>	<u>\$ 1,084,599</u>	<u>\$ 23,969,721</u>	<u>\$ 22,292,637</u>

The remainder of this pages was intentionally left blank

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)
Water and Wastewater Fund

Year ended June 30, 2025

(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Expenditures (continued)				
Operating expenditures (continued)				
Wastewater operations				
Administration and engineering	\$ 3,224,450	\$ 263,331	\$ 2,961,119	\$ 2,527,915
Contract system maintenance	140,680	184	140,496	123,230
Cross Creek WW treatment plant	5,363,000	517,480	4,845,520	4,602,341
Environmental	130,400	520	129,880	124,320
Environmental system protection	420,950	296	420,654	343,792
Laboratory	443,200	6,608	436,592	408,018
Residuals management	437,900	91,419	346,481	388,363
Rockfish Creek WW treatment plant	5,342,700	438,294	4,904,406	4,895,905
Sewer maintenance and repair	13,355,700	372,628	12,983,072	12,611,623
Total wastewater operations	28,858,980	1,690,760	27,168,220	26,025,507
General and administrative				
Accounting	814,400	(1,348)	815,748	856,125
Accounts Receivable	205,650	6,911	198,739	204,212
Budget	131,250	(2,846)	134,096	124,010
Communications and community relations	1,304,300	130,314	1,173,986	932,963
Corporate development	1,625,150	218,401	1,406,749	1,802,434
Corporate service administration	46,900	13,781	33,119	188,437
Customer Accounts	1,967,350	168,086	1,799,264	1,951,511
Customer billing and collections	1,126,800	220,478	906,322	876,240
Customer programs admin and call center	544,050	(207)	544,257	625,005
Development and marketing	649,450	159,414	490,036	338,911
Economic Inclusion Program	148,900	(1,864)	150,764	338,911
Executive	787,350	(6,609)	793,959	726,728
Facilities maintenance	424,900	5,590	419,310	384,565
Financial Administration	378,500	123,063	255,437	192,959
Financial Planning	413,100	(8,002)	421,102	400,159
Fleet maintenance	2,865,070	504,844	2,360,226	2,500,469
Human resources	1,296,650	33,284	1,263,366	1,224,296
Internal audit	116,200	12,151	104,049	171,354
Legal	1,037,400	326,413	710,987	573,592
Meter data management	346,000	43,536	302,464	348,678
Payroll	105,200	(310)	105,510	87,931
Purchasing	295,100	41,646	253,454	327,926
Rates	270,000	(433)	270,433	167,583
Risk management	1,419,250	163,992	1,255,258	1,347,400
Utility field service	1,048,700	120,256	928,444	1,163,374
Warehouse	643,050	64,478	578,572	642,255

Operating expenditures (continued)

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)
Water and Wastewater Fund

Year ended June 30, 2025
(with comparative actual amounts for the year ended June 30, 2024)

	2025			2024
	Budget	Variance Positive (Negative)	Actual	Actual
Expenditures (continued)				
Operating expenditures (continued)				
General and administrative (continued)				
Telecommunications systems	\$ 2,716,300	\$ 331,845	\$ 2,384,455	\$ 2,055,209
Information systems and admin	4,944,300	1,075,778	3,868,522	4,094,428
Medical Insurance	6,068,500	512,175	5,556,325	4,147,799
Other	9,897,130	6,427,229	3,469,901	2,458,566
Overhead clearing	(9,219,000)	(956,268)	(8,262,732)	(8,579,164)
Total general and administrative	34,417,900	9,725,778	24,692,122	22,674,866
Total operating expenditures	88,331,200	12,501,137	75,830,063	70,993,010
Non-operating expenditures				
Interest expense	15,642,400	66,398	15,576,002	14,136,493
Interest - Lease	-	(292)	292	410
Interest - Subscription Lease	46,400	(17,383)	63,783	26,853
Loss on asset disposal	-	(1,140)	1,140	27,626
Finance costs	628,700	545,690	83,010	1,696,088
Total non-operating expenditures	16,317,500	593,273	15,724,227	15,887,470
Transfers out				
Transfer to W/WW Rate Stabilization Fund	250,000	-	250,000	250,000
Transfer to Annexation Phase V Reserve Fund	3,900,900	248,111	3,652,789	4,070,921
Transfer to NCDOT Fund	11,064,400	(48,489)	11,112,889	9,070,631
Transfer to Participation Reserve	270,000	270,000	-	-
Transfer to Transportation Eq CPR - Water	1,321,300	-	1,321,300	1,602,500
Transfer to Direct Grant Project	-	-	-	-
Total transfers out	16,806,600	469,622	16,336,978	14,994,052
Budgetary appropriations				
Inventory increase (decrease)	-	122,592	(122,592)	(178,548)
Vehicle and equipment increase (decrease)	-	1,385,827	(1,385,827)	(1,113,926)
Debt related payments	15,342,000	290,383	15,051,617	14,928,156
Transfer to Legal Reserve	-	-	-	-
Appro to Water/Wastewater Retained Earnings	4,978,900	4,978,900	-	-
Capital outlay	29,354,900	4,428,078	24,926,822	17,735,861
Transfer to PWC Foundation Reserve	-	-	-	339,800
Transfer to AIA Grant Project Fund	600,000	(1)	600,001	237,900
Transfer to Legal Reserve	-	-	-	250,000
Transfer to Budget Carryover	1,572,700	1,289,253	283,447	2,532,800
Total Budgetary appropriations	51,848,500	12,495,032	39,353,468	34,732,043
Total expenditures	\$ 173,303,800	\$ 26,059,064	\$ 147,244,736	\$ 136,606,575

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)
Water and Wastewater Fund

Year ended June 30, 2025
(with comparative actual amounts for the year ended June 30, 2024)

	2025		
	Variance		2024
	Positive	Actual	Actual
	(Negative)		
Budget			
Reconciliation of change in Net Position			
Total revenue	21,161,862	194,465,662	168,035,014
Total expenditures	26,059,064	147,244,736	136,267,664
Subtotal	47,220,926	47,220,926	31,767,350
Reconciling items:			
Budgetary appropriations		34,293,909	31,136,142
Depreciation		(28,324,217)	(30,465,844)
Amortization - Lease		(4,863)	(4,863)
Amortization - Subscription Lease		(1,309,637)	(775,206)
Amortization for refunding		1,415,199	1,207,351
OPEB expenses		235,018	(758,272)
LGERS expenses		(3,440,450)	(3,229,379)
Series 2023 W/WW Bond Proceeds		(3,588)	(38,465,132)
Series 2023 Annex Area 24-25 Proceeds		(2,732)	(29,287,191)
Series 2023 Annex Area 32 Proceeds		(1,707)	(18,305,681)
Series 2023 Annex Area 26 Proceeds		(1,144)	(12,264,317)
Transfer to AIA Grant		(600,001)	(237,900)
Transfer of assets from Rockfish Creek Basin Creek Flow		14,481,879	-
Transfer of assets from Annexation Phase V, Areas 24-25		358,716	-
Transfer of assets from Series 2023 Waterwastewater CPF		9,085,315	-
Transfer of assets from Annex V Phase 26 & 27		84,101	-
Transfer of assets from Transportation Equipment Capital Project Fund		1,820,199	1,152,984
Transfer of assets (to) / from Series 2021 W/WW CPF		9,993,851	-
Total (to) / from reconciling items		38,079,848	(100,297,308)
Change in Net Position		\$ 85,300,774	\$ (68,529,958)

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Schedule of Changes in the Status of Water and Wastewater Rate Stabilization Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on investments	\$ 617,900	\$ 567,445	\$ 89,900	\$ 657,345
Total Revenues	<u>617,900</u>	<u>567,445</u>	<u>89,900</u>	<u>657,345</u>
Other Financing Sources				
Transfer from Water and Wastewater fund	9,000,000	8,750,000	250,000	9,000,000
Transfer to Water and Wastewater fund	(7,085,000)	(7,085,000)	-	(7,085,000)
Appropriated net position	(2,532,000)	-	-	-
Total Other Financing Sources	<u>(617,000)</u>	<u>1,665,000</u>	<u>250,000</u>	<u>1,915,000</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ 900</u>	<u>\$ 2,232,445</u>	<u>339,900</u>	<u>\$ 2,572,345</u>

Reconciling Items:

Total reconciling items

Change in Net Position

-
<u>\$ 339,900</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V Reserve Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on investments	\$ 6,415,600	\$ 4,654,271	\$ 2,207,709	\$ 6,861,980
Total Revenues	<u>6,415,600</u>	<u>4,654,271</u>	<u>2,207,709</u>	<u>6,861,980</u>
Expenditures				
Interest expense	79,356	79,356	-	79,356
Total Expenditures	<u>79,356</u>	<u>79,356</u>	<u>-</u>	<u>79,356</u>
Revenues Over Expenditures	<u>6,336,244</u>	<u>4,574,915</u>	<u>2,207,709</u>	<u>6,782,624</u>
Other Financing Sources				
Transfer from Electric Fund	45,428,799	36,027,682	4,699,943	40,727,625
Assessments transfer	29,214,200	24,195,914	1,315,957	25,511,871
Transfer from Water and Wastewater Fund	40,564,365	35,820,154	2,336,832	38,156,986
Transfer (to) Water and Wastewater Fund-Debt Svc	(57,389,901)	(40,847,177)	(8,097,866)	(48,945,043)
Transfer (to) Water and Wastewater Fund	(811,600)	-	-	-
Transfer from City	11,261,179	11,242,372	-	11,242,372
Transfer from Annex V, Project 1 Fund	727,903	727,903	-	727,903
Transfer to Annexation Phase V, Areas 8-13 Fund	(729,548)	(729,549)	-	(729,549)
Transfer to Annexation Phase V, Areas 14-15 Fund	(198,512)	(198,512)	-	(198,512)
Transfer to Annexation Phase V, Areas 16-17 Fund	(1,212,013)	(1,212,013)	-	(1,212,013)
Transfer to Annexation Phase V, Areas 18-19 Fund	(11,098,122)	(11,098,122)	-	(11,098,122)
Transfer to Annexation Phase V, Areas 20-21 Fund	(552,096)	(552,096)	-	(552,096)
Transfer to Annexation Phase V, Areas 22-23 Fund	(614,659)	(614,658)	-	(614,658)
Transfer to Annexation Phase V, Areas 24-25 Fund	(500,000)	(2,321,849)	(9,246)	(2,331,095)
Transfer to Annexation Phase V, Areas 26-27 Fund	(500,000)	(1,927,568)	(2,465,366)	(4,392,934)
Transfer to Annexation Phase V, Areas 28-29 Fund	(500,000)	(1,618,494)	(545,923)	(2,164,417)
Transfer to Annexation Phase V, Areas 30-31 Fund	(500,000)	(458,857)	(1,090,832)	(1,549,689)
Transfer to Annexation Phase V, Areas 32-34 Fund	(8,000,000)	(2,687,124)	(928,367)	(3,615,491)
Transfer to Annexation Phase V, Asphalt Overlay CPF	(8,582,138)	(977,804)	(655,883)	(1,633,687)
Future Project Funding Accumulations	(42,344,101)	-	-	-
Total Other Financing Sources (Uses)	<u>(6,336,244)</u>	<u>42,770,202</u>	<u>(5,440,751)</u>	<u>37,329,451</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 47,345,117</u>	<u>(3,233,042)</u>	<u>\$ 44,112,075</u>
Change in Net Position			<u>\$ (3,233,042)</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of North Carolina Department of Transportation
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned	\$ 3,800,600	\$ 2,198,205	\$ 1,920,368	\$ 4,118,573
Total Revenues	<u>3,800,600</u>	<u>2,198,205</u>	<u>1,920,368</u>	<u>4,118,573</u>
Expenditures				
Construction	181,228,000	703,948	3,159,949	3,863,897
Total Expenditures	<u>181,228,000</u>	<u>703,948</u>	<u>3,159,949</u>	<u>3,863,897</u>
Revenues Over (Under) Expenditures	<u>(177,427,400)</u>	<u>1,494,257</u>	<u>(1,239,581)</u>	<u>254,676</u>
Other Financing Sources				
Transfer from Water/Wastewater Fund	177,427,400	33,068,501	11,112,889	44,181,391
Total Other Financing Sources	<u>177,427,400</u>	<u>33,068,501</u>	<u>11,112,889</u>	<u>44,181,391</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 34,562,758</u>	<u>9,873,308</u>	<u>\$ 44,436,067</u>
Reconciling Items:				
Capital Outlay			3,159,949	
Transfer of assets (to)/from the Water/Wastewater Fund			-	
Change in Net Position			<u>\$ 13,033,257</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

Schedule of Changes in the Status of Hurricane Matthew Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	11,010,366	136,381	11,146,747
Engineering	-	1,010,988	-	1,010,988
Right of Way	-	11,750	-	11,750
Other	-	52,583	-	52,583
Total Expenditures	11,887,301	12,085,687	136,381	12,222,068
Revenues Under Expenditures	(11,887,301)	(12,085,687)	(136,381)	(12,222,068)
Other Financing Sources				
Insurance Proceeds	4,594,936	4,594,936	-	4,594,936
FEMA Proceeds	7,104,665	2,176,783	136,157	2,312,940
Transfer from W/WW Fund	187,700	186,622	-	186,622
Total Other Financing Sources	11,887,301	6,958,341	136,157	7,094,498
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (5,127,346)</u>	(224)	<u>\$ (5,127,570)</u>
Reconciling Items:				
Capital Outlay			136,381	
Change in Net Position			<u>\$ 136,157</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V - Areas 32 through 34
Capital Project Fund

From Inception and for the Period Ending June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned	\$ 1,200	\$ 8	\$ -	\$ 8
Expenditures				
Construction	-	14,250,332	223,295	14,473,627
Engineering	-	5,704,318	534,023	6,238,341
Right of Way	-	1,578,225	-	1,578,225
Other	-	800,319	73,055	873,374
Total Expenditures	<u>79,865,900</u>	<u>22,333,194</u>	<u>830,373</u>	<u>23,163,567</u>
Revenues Under Expenditures	<u>(79,864,700)</u>	<u>(22,333,186)</u>	<u>(830,373)</u>	<u>(23,163,559)</u>
Other Financing Sources				
General and Administrative	-	-	(93,159)	(93,159)
Series 2016 Bond Proceeds	1,070,481	1,070,481	-	1,070,481
Series 2018 Bond Proceeds	1,355,273	1,355,274	-	1,355,274
Series 2021 Bond Proceeds	800,647	800,647	-	800,647
Series 2023 Bond Proceeds	18,305,681	18,305,681	1,707	18,307,388
Bond Proceeds	50,332,618	78,539	-	78,539
Income loss from contributions	-	-	(97)	(97)
Transfer from Annexation Reserve	8,000,000	2,687,124	928,366	3,615,490
Total Other Financing Sources	<u>79,864,700</u>	<u>24,297,746</u>	<u>836,817</u>	<u>25,227,722</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,964,560</u>	6,444	<u>\$ 2,064,163</u>
Reconciling Items:				
Capital Outlay			923,533	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ 929,977</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of Series 2018 Water/Wastewater Revenue Bond
Capital Project Fund**

From Inception and the Period Ending June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on invested bond proceeds	\$ 1,363,916	\$ 1,364,030	\$ -	\$ 1,364,030
Total Revenues	<u>1,363,916</u>	<u>1,364,030</u>	<u>-</u>	<u>1,364,030</u>
Expenditures				
Construction	-	54,091,719	-	54,091,719
Engineering	-	2,995,713	-	2,995,713
Right of Way	-	324,396	-	324,396
Other	-	1,914,208	-	1,914,208
Total Expenditures	<u>59,325,136</u>	<u>59,326,036</u>	<u>-</u>	<u>59,326,036</u>
Revenues Under Expenditures	<u>(57,961,220)</u>	<u>(57,962,006)</u>	<u>-</u>	<u>(57,962,006)</u>
Other Financing Sources				
2018 Revenue Bond Proceeds	<u>57,961,220</u>	<u>57,961,220</u>	<u>-</u>	<u>57,961,220</u>
Total Other Financing Sources	<u>57,961,220</u>	<u>57,961,220</u>	<u>-</u>	<u>57,961,220</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (786)</u>	<u>-</u>	<u>\$ (786)</u>

Reconciling Items:

Capital Outlay	-
Transfer of assets to the Water/Wastewater Fund	-
Change in net position	<u>\$ -</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Rockfish Creek Basin Peak Flow Facilities
Capital Project Fund

From Inception and for the Year Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned on invested bond proceeds	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Construction	-	11,048,008	-	11,048,008
Engineering	-	3,354,904	-	3,354,904
Right of Way	-	409,082	-	409,082
Other	-	78,968	-	78,968
Total Expenditures	<u>14,888,450</u>	<u>14,890,962</u>	<u>-</u>	<u>14,890,962</u>
Revenues Under Expenditures	<u>(14,888,450)</u>	<u>(14,890,962)</u>	<u>-</u>	<u>(14,890,962)</u>
Other Financing Sources				
State Loan Proceeds	<u>14,888,450</u>	<u>14,888,684</u>	<u>(234)</u>	<u>14,888,450</u>
Total Other Financing Sources	<u>14,888,450</u>	<u>14,888,684</u>	<u>(234)</u>	<u>14,888,450</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (2,278)</u>	<u>(234)</u>	<u>\$ (2,512)</u>
Reconciling Items:				
Capital Outlay			-	
Loan Proceeds			234	
Transfer of assets to the Water/Wastewater Fund			(14,481,879)	
Change in net position			<u>\$ (14,481,879)</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V - Areas 24 through 25
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on invested bond proceeds	\$ -	\$ 705,094	\$ 713,909	\$ 1,419,003
Total Revenues	<u>-</u>	<u>705,094</u>	<u>713,909</u>	<u>1,419,003</u>
Expenditures				
Construction	-	12,346,105	13,713,988	26,060,093
Engineering	-	2,506,869	570,559	3,077,428
Right of Way	-	1,646,416	(192,326)	1,454,090
General and Administrative	-	-	149,294	149,294
City Reimbursement	-	(60,453)	61,649	1,196
Other	-	930,474	(479,672)	450,802
Total Expenditures	<u>34,896,957</u>	<u>17,369,411</u>	<u>13,823,492</u>	<u>31,192,903</u>
Revenues Under Expenditures	<u>(34,896,957)</u>	<u>(16,664,317)</u>	<u>(13,109,583)</u>	<u>(29,773,900)</u>
Other Financing Sources				
Transfer from (to) Annexation Reserve Fund	500,000	2,321,848	9,246	2,331,094
Series 2021 bond proceeds	5,109,766	5,109,766	-	5,109,766
Series 2023 bond proceeds	-	29,287,191	2,732	29,289,923
Bond Proceeds	<u>29,287,191</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>34,896,957</u>	<u>36,718,805</u>	<u>11,978</u>	<u>36,730,783</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 20,054,488</u>	<u>(13,097,605)</u>	<u>\$ 6,956,883</u>

Reconciling Items:

Capital Outlay	13,674,199
Transfer of assets to the Water/Wastewater Fund	(358,716)
Change in net position	<u>\$ 217,878</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of Big Rockfish - SS Outfall
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned on invested bond proceeds	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Construction	-	11,835,070	8,263,856	20,098,926
Engineering	-	2,637,581	363,542	3,001,123
Right of Way	-	1,258,031	4,203	1,262,234
Other	-	96,481	9,079	105,560
Total Expenditures	<u>41,512,046</u>	<u>15,827,163</u>	<u>8,640,680</u>	<u>24,467,843</u>
Revenues Under Expenditures	<u>(41,512,046)</u>	<u>(15,827,163)</u>	<u>(8,640,680)</u>	<u>(24,467,843)</u>
Other Financing Sources				
Bond Proceeds	10,324,047	-	-	10,324,047
State Loan Proceeds	31,187,999	14,993,568	7,575,568	22,569,136
Total Other Financing Sources	<u>41,512,046</u>	<u>14,993,568</u>	<u>7,575,568</u>	<u>32,893,183</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (833,595)</u>	<u>(1,065,112)</u>	<u>\$ 8,425,340</u>
Reconciling Items:				
Capital Outlay			8,640,680	
Loan proceeds			(7,575,568)	
Change in net position			<u>\$ -</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of Big Rockfish - SS Outfall Lift Station Elimination
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Total Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Construction	-	743,427	150,036	893,463
Engineering	-	1,124,247	23,211	1,147,458
Right of Way	-	270,341	2,975	273,316
Other	-	55,429	15	55,444
Total Expenditures	18,380,176	2,193,444	176,237	2,369,681
Revenues Under Expenditures	(18,380,176)	(2,193,444)	(176,237)	(2,369,681)
Other Financing Sources				
State Loan Proceeds	6,255,105	1,922,750	123,896	2,046,646
Total Other Financing Sources	6,255,105	1,922,750	123,896	2,046,646
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (12,125,071)</u>	<u>\$ (270,694)</u>	(52,341)	<u>\$ (323,035)</u>

Reconciling Items:

Capital Outlay	176,237
Loan proceeds	(123,896)
Transfer of assets to the Water/Wastewater Fund	-
Change in net position	<u>\$ -</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Phase V - Areas 26 through 27
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on invested bond proceeds	\$ -	\$ 305,402	\$ (156,752)	\$ 148,650
Total Revenues	-	305,402	(156,752)	148,650
Expenditures				
Construction	-	6,734,192	6,926,384	13,660,576
Engineering	-	1,628,430	177,226	1,805,656
Right of Way	-	141,063	-	141,063
General and Administrative	-	-	62,478	62,478
Other	-	107,321	38,363	145,684
Total Expenditures	20,700,000	8,611,006	7,204,451	15,815,457
Revenues Under Expenditures	(20,700,000)	(8,305,604)	(7,361,203)	(15,666,807)
Other Financing Sources				
Transfer from Annexation Reserve Fund	500,000	1,927,568	2,465,366	4,392,934
Series 2023 Bond Proceeds	12,264,317	12,264,317	244,069	12,508,386
Bond Proceeds	7,935,683	-	-	-
Total Other Financing Sources	20,700,000	14,191,885	2,709,435	16,901,320
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 5,886,281	(4,651,768)	\$ 1,234,513

Reconciling Items:

Capital Outlay	7,204,451
Transfer of assets to the Water/Wastewater Fund	(84,101)
Change in net position	<u>\$ 2,468,582</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of PO Hoffer and Glenville Water Treatment Facilities
Reliability Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures				
Construction	-	2,837,207	16,922,529	19,759,736
Engineering	-	603,891	820,800	1,424,691
Right of Way	-	-	-	-
Other	-	120	-	120
Total Expenditures	<u>26,283,230</u>	<u>3,441,218</u>	<u>17,743,329</u>	<u>21,184,547</u>
Revenues Under Expenditures	<u>(26,283,230)</u>	<u>(3,441,218)</u>	<u>(17,743,329)</u>	<u>(21,184,547)</u>
Other Financing Sources				
State Loan Proceeds	<u>26,283,230</u>	<u>3,102,772</u>	<u>13,323,780</u>	<u>16,426,552</u>
Total Other Financing Sources	<u>26,283,230</u>	<u>3,102,772</u>	<u>13,323,780</u>	<u>16,426,552</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (338,446)</u>	<u>(4,419,549)</u>	<u>\$ (4,757,995)</u>

Reconciling Items:

Capital Outlay	17,743,329
Loan Proceeds	(13,323,780)
Change in net position	<u>\$ -</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V - Areas 28 through 29
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on invested bond proceeds	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Engineering	-	1,601,678	579,086	2,180,764
Other	-	57,018	-	57,018
Total Expenditures	21,150,000	1,658,696	579,086	2,237,782
Revenues Under Expenditures	(21,150,000)	(1,658,696)	(579,086)	(2,237,782)
Other Financing Sources				
Transfer from Annexation Reserve Fund	500,000	1,618,493	545,924	2,164,417
Bond Proceeds	20,650,000	-	-	-
Total Other Financing Sources	21,150,000	1,618,493	545,924	2,164,417
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (40,203)</u>	(33,162)	<u>\$ (73,365)</u>
Reconciling Items:				
Capital Outlay			579,086	
Transfer of assets to the Water/Wastewater Fund			-	
Change in net position			<u>\$ 545,924</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V - Asphalt Overlay
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Closed Projects	Current Year	Total
Revenues					
Interest earned on invested bond proceeds	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures					
Construction	-	257,913	(257,913)	397,970	397,970
Other	-	-	-	-	-
Total Expenditures	8,582,138	257,913	(257,913)	397,970	397,970
Revenues Under Expenditures	(8,582,138)	(257,913)	257,913	(397,970)	(397,970)
Other Financing Sources					
Transfer from Annexation Reserve Fund	8,582,138	257,913	(257,913)	655,883	655,883
Total Other Financing Sources	8,582,138	257,913	(257,913)	655,883	655,883
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	257,913	<u>\$ 257,913</u>

Reconciling Items:

Capital Outlay	397,970
Transfer of assets to the Water/Wastewater Fund	-
Change in net position	<u>\$ 655,883</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in the Status of Series 2021 Water and Wastewater Revenue Bond
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues				
Interest earned on invested bond proceeds	\$ 2,384,859	\$ 2,674,368	\$ 1,005,426	\$ 3,679,794
Total Revenues	<u>2,384,859</u>	<u>2,674,368</u>	<u>1,005,426</u>	<u>3,679,794</u>
Expenditures				
Construction	-	30,555,991	8,169,457	38,725,448
Engineering	-	9,863,470	723,095	10,586,565
Right of Way	-	56,786	23,074	79,860
Other	-	1,178,336	-	1,178,336
Total Expenditures	<u>64,217,188</u>	<u>41,654,583</u>	<u>8,915,626</u>	<u>50,570,209</u>
Revenues Under Expenditures	<u>(61,832,329)</u>	<u>(38,980,215)</u>	<u>(7,910,200)</u>	<u>(46,890,415)</u>
Other Financing Sources				
General and administrative	-	-	(673,062)	(673,062)
Bond Proceeds	61,832,329	61,832,329	-	61,832,329
Total Other Financing Sources	<u>61,832,329</u>	<u>61,832,329</u>	<u>(673,062)</u>	<u>61,159,267</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 22,852,114</u>	<u>(8,583,262)</u>	<u>\$ 14,268,852</u>
Reconciling Items:				
Capital Outlay			8,915,626	
Transfer of assets to the Water/Wastewater Fund			(9,993,851)	
Change in net position			<u>\$ (9,661,487)</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in the Status of Series 2023 Water and Wastewater Revenue Bond
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues				
Interest earned on bond proceeds	\$ 2,327,245	\$ -	\$ 1,297,861	\$ 1,297,861
Total Revenues	<u>2,327,245</u>	<u>-</u>	<u>1,297,861</u>	<u>1,297,861</u>
Expenditures				
Construction	-	7,686,972	13,808,028	21,495,000
Engineering	-	8,069	370,726	378,795
Right of Way	-	-	54,309.00	54,309
Miscellaneous Expense (pilot project-remediation)	-	153,855	(153,855)	-
Total Expenditures	<u>19,261,490</u>	<u>7,848,896</u>	<u>14,079,208</u>	<u>21,928,104</u>
Revenues Under Expenditures	<u>(16,934,245)</u>	<u>(7,848,896)</u>	<u>(12,781,347)</u>	<u>(20,630,243)</u>
Other Financing Sources				
Bond Proceeds	16,934,245	38,465,132	3,588	38,468,720
General and administrative	-	-	(195,964)	(195,964)
Total Other Financing Sources	<u>16,934,245</u>	<u>38,465,132</u>	<u>(192,376)</u>	<u>38,272,756</u>
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 30,616,236</u>	<u>(12,973,723)</u>	<u>\$ 17,642,513</u>
Reconciling Items:				
Capital Outlay			14,079,208	
Transfer of assets to the Water and Wastewater fund			(9,085,315)	
Change in Net Position			<u>\$ (7,979,830)</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of Directed Grant
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	-	-
Right of Way	-	-	-	-
Miscellaneous Expense (pilot project-remediation)	-	130,619	27,709	158,328
Total Expenditures	475,000	130,619	27,709	158,328
Revenues Under Expenditures	(475,000)	(130,619)	(27,709)	(158,328)
Other Financing Sources				
Directed grant proceeds	220,000	220,000	-	220,000
Transfer from W/WW Fund	255,000	200,000	-	200,000
Total Other Financing Sources	475,000	420,000	-	420,000
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 289,381</u>	(27,709)	<u>\$ 261,672</u>
Reconciling Items:				
Capital Outlay			-	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ (27,709)</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Water Transportation Equipment
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Closed Projects	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-
Expenditures					
Equipment Purchases	1,866,300	1,630,614	(1,443,864)	1,612,219	1,798,969
Total Expenditures	1,866,300	1,630,614	(1,443,864)	1,612,219	1,798,969
Revenues Under Expenditures	(1,866,300)	(1,630,614)	1,443,864	(1,612,219)	(1,798,969)
Other Financing Sources (Uses)					
Directed grant proceeds					
Transfer from Water/Wastewater Fund	1,866,300	3,715,700	(1,443,864)	1,321,300	3,593,136
Total Other Financing Sources	1,866,300	3,715,700	(1,443,864)	1,321,300	3,593,136
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 2,085,086</u>	<u>\$ -</u>	<u>\$ (290,919)</u>	<u>\$ 1,794,167</u>

Reconciling Items:

Capital Outlay	1,612,219
Transfer of assets to the Water/Wastewater Fund	(1,820,199)
Change in Net Position	<u>\$ (498,899)</u>

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of AIA Grant
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	-	-
Right of Way	-	-	-	-
Miscellaneous Expense (location on water meters utilizing GNSS)	-	237,883	579,668	817,551
Total Expenditures	1,233,000	237,883	579,668	817,551
Revenues Under Expenditures	(1,233,000)	(237,883)	(579,668)	(817,551)
Other Financing Sources				
Directed grant proceeds	400,000	-	-	400,000
Transfer from W/WW Fund	833,000	237,900	600,001	837,901
Total Other Financing Sources	1,233,000	237,900	600,001	1,237,901
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 17</u>	20,333	<u>\$ 420,350</u>
Reconciling Items:				
Capital Outlay			-	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ 20,333</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in the Status of Sanitary Sewer Main Rehabilitation ARPA Grant
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	2,772,838	2,772,838
Engineering	-	-	-	-
Right of Way	-	-	-	-
Total Expenditures	2,772,838	-	2,772,838	2,772,838
Revenues Under Expenditures	(2,772,838)	-	(2,772,838)	(2,772,838)
Other Financing Sources				
ARPA grant	2,772,838	-	2,772,838	2,772,838
Total Other Financing Sources	2,772,838	-	2,772,838	2,772,838
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			2,772,838	
ARPA Grant Proceeds			(2,772,838)	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Annexation Phase V - Areas 30-31
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	522,459	1,084,459	1,606,918
Right of Way	-	1,763	(1,763)	-
Total Expenditures	61,389,891	524,222	1,082,696	1,606,918
Revenues Under Expenditures	(61,389,891)	(524,222)	(1,082,696)	(1,606,918)
Other Financing Sources				
Transfer from Annexation Reserve Fund	500,000	458,857	1,090,832	1,549,689
Bond Proceeds	60,889,891	-	-	-
Total Other Financing Sources	61,389,891	458,857	1,090,832	1,549,689
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (65,365)</u>	8,136	<u>\$ (57,229)</u>
Reconciling Items:				
Capital Outlay			1,082,696	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ 1,090,832</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Sanitary GAC Facility Glenville Lake WTP
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	103,989	1,445,853	1,549,842
Right of Way	-	-	-	-
Total Expenditures	49,763,000	103,989	1,445,853	1,549,842
Revenues Under Expenditures	(49,763,000)	(103,989)	(1,445,853)	(1,549,842)
Other Financing Sources				
Transfer from W/WW Fund	49,763,000	-	-	-
Total Other Financing Sources	49,763,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (103,989)</u>	<u>(1,445,853)</u>	<u>\$ (1,549,842)</u>
Reconciling Items:				
Capital Outlay			1,445,853	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of GAC Facility PO Hoffer WTP
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	175,747	2,529,527	2,705,274
Right of Way	-	-	-	-
Total Expenditures	66,129,000	175,747	2,529,527	2,705,274
Revenues Under Expenditures	(66,129,000)	(175,747)	(2,529,527)	(2,705,274)
Other Financing Sources				
State Loan Proceeds	30,000,000	-	-	-
Future State Revolving SLP	36,129,000	-	-	-
Total Other Financing Sources	66,129,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (175,747)</u>	(2,529,527)	<u>\$ (2,705,274)</u>
Reconciling Items:				
Capital Outlay			2,529,527	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Series 2025 Water/Wastewater
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	Budget Authorization	Total Prior Years	Current Year	Total
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	10,889,054	10,889,054
Engineering	-	-	-	-
Right of Way	-	-	-	-
Total Expenditures	125,388,000	-	10,889,054	10,889,054
Revenues Under Expenditures	(125,388,000)	-	(10,889,054)	(10,889,054)
Other Financing Sources				
State Loan Proceeds	-	-	-	-
Transfer from W/WW Fund	-	-	-	-
Total Other Financing Sources	-	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (125,388,000)</u>	<u>\$ -</u>	<u>(10,889,054)</u>	<u>\$ (10,889,054)</u>
Reconciling Items:				
Capital Outlay			10,889,054	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Grays Creek Water Main Extension
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	799,643	799,643
Right of Way	-	-	-	-
Total Expenditures	9,709,000	-	799,643	799,643
Revenues Under Expenditures	(9,709,000)	-	(799,643)	(799,643)
Other Financing Sources				
State Reserve Earmark	9,709,000	-	-	-
Total Other Financing Sources	9,709,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(799,643)	<u>\$ (799,643)</u>
Reconciling Items:				
Capital Outlay			799,643	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

**Schedule of Changes in the Status of High Pressure Zone Transmission Water Main
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	-	-
Right of Way	-	-	-	-
Total Expenditures	23,235,000	-	-	-
Revenues Under Expenditures	(23,235,000)	-	-	-
Other Financing Sources				
State Reserve Earmark	2,111,000	-	-	-
Future Bond Proceeds	21,124,000	-	-	-
Total Other Financing Sources	23,235,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			-	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Schedule of Changes in the Status of Lead & Copper Service Line Inventory
Capital Project Fund**

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	693,300	693,300
Right of Way	-	-	-	-
Total Expenditures	1,000,000	-	693,300	693,300
Revenues Under Expenditures	(1,000,000)	-	(693,300)	(693,300)
Other Financing Sources				
State Loan Proceeds	1,000,000	-	693,300	693,300
Total Other Financing Sources	1,000,000	-	693,300	693,300
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			693,300	
Loan Proceeds			(693,300)	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of GAC Facilities Pilot Study
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	-	-
Right of Way	-	-	-	-
Total Expenditures	603,000	-	-	-
Revenues Under Expenditures	(603,000)	-	-	-
Other Financing Sources				
State Loan Proceeds	500,000	-	-	-
Transfer from W/WW Fund	103,000	-	-	-
Total Other Financing Sources	603,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Reconciling Items:				
Capital Outlay			-	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Changes in the Status of Rockfish Creek Water Expansion Phase 3
Capital Project Fund

From Inception and for the Period Ended June 30, 2025

	<u>Budget Authorization</u>	<u>Total Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
Expenditures				
Construction	-	-	-	-
Engineering	-	-	47,160	47,160
Right of Way	-	-	-	-
Total Expenditures	31,000,000	-	47,160	47,160
Revenues Under Expenditures	(31,000,000)	-	(47,160)	(47,160)
Other Financing Sources				
State Loan Proceeds	31,000,000	-	-	-
Total Other Financing Sources	31,000,000	-	-	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	(47,160)	<u>\$ (47,160)</u>
Reconciling Items:				
Capital Outlay			47,160	
Transfer of assets to the Water and Wastewater fund			-	
Change in Net Position			<u>\$ -</u>	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Bond Indebtedness
June 30, 2025

Issue Date	Fund	Original Issue	Interest Rate	Year of Maturity	Balance Due			Balance Due	
					June 30,		Current Portion		
					2024	Additions		Retirements	2025
6/29/16	2016	114,405,000	5.00%	2025	\$ 4,920,000	\$ -	\$ 4,920,000	\$ -	\$ -
	Electric &		5.00%	2026	5,060,000	-	-	5,060,000	5,060,000
	Water &		3.00%	2027	4,425,000	-	-	4,425,000	-
	Wastewater		3.00%	2028	4,475,000	-	-	4,475,000	-
			3.00%	2029	4,545,000	-	-	4,545,000	-
			3.00%	2030	4,615,000	-	-	4,615,000	-
			3.00%	2031	4,675,000	-	-	4,675,000	-
			3.00%	2032	4,735,000	-	-	4,735,000	-
			3.00%	2033	4,800,000	-	-	4,800,000	-
			3.00%	2034	4,870,000	-	-	4,870,000	-
			3.00%	2035	4,925,000	-	-	4,925,000	-
			3.00%	2036	3,635,000	-	-	3,635,000	-
			3.00%	2037	3,740,000	-	-	3,740,000	-
			3.00%	2038	3,855,000	-	-	3,855,000	-
			3.00%	2039	3,970,000	-	-	3,970,000	-
			3.00%	2040	4,085,000	-	-	4,085,000	-
			3.00%	2041	4,210,000	-	-	4,210,000	-
					75,540,000	-	4,920,000	70,620,000	5,060,000
12/13/19	2018	83,645,000	5.00%	2025	\$ 2,025,000	\$ -	\$ 2,025,000	\$ -	\$ -
	Electric &		5.00%	2026	2,125,000	-	-	2,125,000	2,125,000
	Water &		5.00%	2027	2,230,000	-	-	2,230,000	-
	Wastewater		5.00%	2028	2,345,000	-	-	2,345,000	-
			5.00%	2029	2,460,000	-	-	2,460,000	-
			5.00%	2030	2,585,000	-	-	2,585,000	-
			4.00%	2031	2,710,000	-	-	2,710,000	-
			4.00%	2032	2,820,000	-	-	2,820,000	-
			4.00%	2033	2,935,000	-	-	2,935,000	-
			4.00%	2034	3,050,000	-	-	3,050,000	-
			4.00%	2035	3,170,000	-	-	3,170,000	-
			4.00%	2036	3,300,000	-	-	3,300,000	-
			4.00%	2037	3,430,000	-	-	3,430,000	-
			4.00%	2038	3,570,000	-	-	3,570,000	-
			4.00%	2039	3,710,000	-	-	3,710,000	-
			4.00%	2040	3,860,000	-	-	3,860,000	-
			4.00%	2041	4,015,000	-	-	4,015,000	-
			4.00%	2042	4,175,000	-	-	4,175,000	-
			4.00%	2043	4,340,000	-	-	4,340,000	-
			4.00%	2044	4,515,000	-	-	4,515,000	-
					63,370,000	-	2,025,000	61,345,000	2,125,000

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Bond Indebtedness
June 30, 2025

Issue Date	Fund	Original Issue	Interest Rate	Year of Maturity	Balance Due		Additions	Retirements	Balance	Current Portion
					June 30, 2023				June 30, 2024	
11/4/21	2021	94,790,000	5.00%	2025	\$ 2,105,000		\$ -	\$ 2,105,000	\$ -	\$ -
	Electric &		5.00%	2026	2,215,000		-	-	2,215,000	2,215,000
	Water &		5.00%	2027	2,320,000		-	-	2,320,000	-
	Wastewater		5.00%	2028	2,435,000		-	-	2,435,000	-
			5.00%	2029	2,555,000		-	-	2,555,000	-
			5.00%	2030	2,680,000		-	-	2,680,000	-
			5.00%	2031	2,820,000		-	-	2,820,000	-
			4.00%	2032	2,960,000		-	-	2,960,000	-
			4.00%	2033	3,080,000		-	-	3,080,000	-
			4.00%	2034	3,200,000		-	-	3,200,000	-
			2.00%	2035	3,330,000		-	-	3,330,000	-
			2.00%	2036	3,395,000		-	-	3,395,000	-
			2.00%	2037	3,465,000		-	-	3,465,000	-
			2.00%	2038	3,535,000		-	-	3,535,000	-
			2.13%	2039	3,605,000		-	-	3,605,000	-
			2.13%	2040	3,680,000		-	-	3,680,000	-
			2.25%	2041	3,760,000		-	-	3,760,000	-
			2.25%	2042	3,845,000		-	-	3,845,000	-
			2.25%	2043	3,930,000		-	-	3,930,000	-
			3.00%	2044	4,020,000		-	-	4,020,000	-
			3.00%	2045	4,140,000		-	-	4,140,000	-
			3.00%	2046	4,265,000		-	-	4,265,000	-
			2.50%	2047	4,390,000		-	-	4,390,000	-
			2.50%	2048	4,500,000		-	-	4,500,000	-
			2.50%	2049	4,615,000		-	-	4,615,000	-
			2.50%	2050	4,730,000		-	-	4,730,000	-
			2.50%	2051	4,845,000		-	-	4,845,000	-
					<u>94,420,000</u>		<u>-</u>	<u>2,105,000</u>	<u>92,315,000</u>	<u>2,215,000</u>
11/16/23	2023	169,420,000	5.00%	2026	\$ 2,920,000		\$ -	\$ -	\$ 2,920,000	\$2,920,000
	Electric &		5.00%	2027	3,070,000		-	-	3,070,000	-
	Water &		5.00%	2028	3,220,000		-	-	3,220,000	-
	Wastewater		5.00%	2029	3,385,000		-	-	3,385,000	-
			5.00%	2030	3,550,000		-	-	3,550,000	-
			5.00%	2031	3,730,000		-	-	3,730,000	-
			5.00%	2032	3,910,000		-	-	3,910,000	-
			5.00%	2033	4,115,000		-	-	4,115,000	-
			5.00%	2034	4,315,000		-	-	4,315,000	-
			5.00%	2035	4,525,000		-	-	4,525,000	-
			5.00%	2036	4,760,000		-	-	4,760,000	-
			5.00%	2037	4,995,000		-	-	4,995,000	-
			5.00%	2038	5,250,000		-	-	5,250,000	-
			5.00%	2039	5,510,000		-	-	5,510,000	-
			5.00%	2040	5,785,000		-	-	5,785,000	-
			5.00%	2041	6,075,000		-	-	6,075,000	-
			5.00%	2042	6,375,000		-	-	6,375,000	-
			5.00%	2043	6,695,000		-	-	6,695,000	-
			5.00%	2044	7,030,000		-	-	7,030,000	-
			5.00%	2045	7,380,000		-	-	7,380,000	-
			5.00%	2046	7,750,000		-	-	7,750,000	-
			4.50%	2049	25,535,000		-	-	25,535,000	-
			4.00%	2051	18,945,000		-	-	18,945,000	-
			5.00%	2053	20,595,000		-	-	20,595,000	-
					<u>169,420,000</u>		<u>-</u>	<u>-</u>	<u>169,420,000</u>	<u>2,920,000</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Schedule of Bond Indebtedness
June 30, 2025

Issue Date	Fund	Original Issue	Interest Rate	Year of Maturity	Balance Due		Retirements	Balance	Current Portion
					June 30, 2024	Additions		June 30, 2025	
2/29/24	2024	76,400,000	5.00%	2025	\$ 3,580,000	\$ -	\$ 3,580,000	\$ -	\$ -
	Electric &		5.00%	2026	3,785,000	-	-	3,785,000	3,785,000
	Water &		5.00%	2027	3,970,000	-	-	3,970,000	-
	Wastewater		5.00%	2028	4,090,000	-	-	4,090,000	-
			5.00%	2029	4,295,000	-	-	4,295,000	-
			5.00%	2030	4,505,000	-	-	4,505,000	-
			5.00%	2031	4,730,000	-	-	4,730,000	-
			5.00%	2032	4,975,000	-	-	4,975,000	-
			5.00%	2033	5,220,000	-	-	5,220,000	-
			5.00%	2034	5,480,000	-	-	5,480,000	-
			5.00%	2035	5,750,000	-	-	5,750,000	-
			5.00%	2036	6,040,000	-	-	6,040,000	-
			5.00%	2037	6,335,000	-	-	6,335,000	-
			5.00%	2038	6,660,000	-	-	6,660,000	-
			4.00%	2039	6,985,000	-	-	6,985,000	-
					<u>76,400,000</u>	<u>-</u>	<u>3,580,000</u>	<u>72,820,000</u>	<u>3,785,000</u>
Total bond indebtedness					<u>\$ 479,150,000</u>	<u>\$ -</u>	<u>\$ 12,630,000</u>	<u>\$466,520,000</u>	<u>\$ 16,105,000</u>

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

This part of the Fayetteville Public Works Commission'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 Commission's overall financial health.

CONTENTS	PAGE
Financial Trends These schedules contain trend information to help the reader understand how the Commission's financial performance has changed over time.	F2-F13
Revenue Capacity These schedules contain trend information to help the reader assess the Commission's most significant local revenue source.	F14
Debt Capacity These schedules contain trend information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.	F15-F16
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.	F17-F18
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	F19-F23

Sources: Unless otherwise noted, the information in these schedules is derived from the audited financial statements for the relevant year.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2016	2017	2018	2019	2020
Business-type activities					
Net investment in capital assets	\$ 535,997,739	\$ 586,162,269	\$ 663,345,767	\$ 709,101,507	\$ 762,751,285
Restricted for:					
Renewable Energy	-	6,593,822	9,365,765	8,081,798	5,688,332
Capital projects	7,050	1,151,800	1,476,402	9,564,920	16,229,194
Debt service	2,642,117	1,995,312	6,456	3,437,495	-
Other internal restrictions	-	-	138,363,342	123,889,917	118,981,006
Other purposes					
Unrestricted	338,366,487	320,888,601	128,670,749	137,136,488	132,425,951
Total primary government net positions	\$ 877,013,393	\$ 916,791,804	\$ 941,228,481	\$ 991,212,125	\$ 1,036,075,768

	2016	2017	2018	2019	2020
Primary government					
Net investment in capital assets	\$ 535,997,739	\$ 586,162,269	\$ 663,345,767	\$ 709,101,507	\$ 762,751,285
Restricted for:					
Renewable Energy	-	6,593,822	9,365,765	8,081,798	5,688,332
Capital projects	7,050	1,151,800	1,476,402	9,564,920	16,229,194
Debt service	2,642,117	1,995,312	6,456	3,437,495	-
Other internal restrictions	-	-	138,363,342	123,889,917	118,981,006
Other purposes					
Unrestricted	338,366,487	320,888,601	128,670,749	137,136,488	132,425,951
Total primary government net positions	\$ 877,013,393	\$ 916,791,804	\$ 941,228,481	\$ 991,212,125	\$ 1,036,075,768

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Net Position by Component
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Business-type activities					
Net investment in capital assets	\$ 809,969,118	\$ 797,810,238	\$ 835,691,038	\$ 836,627,749	\$ 920,442,142
Restricted for:					
Renewable Energy	6,670,557	7,413,145	7,257,559	8,392,851	9,929,172
Capital projects	7,403,077	12,163,496	26,404,814	103,376,668	44,381,322
Debt service	-	-	-	-	-
Other internal restrictions	118,270,725	158,860,491	126,973,013	138,265,036	159,268,341
Other purposes					
Unrestricted	148,793,832	137,907,708	150,102,462	114,807,623	161,673,740
Total primary government net positions	\$ 1,091,107,309	\$ 1,114,155,078	\$ 1,146,428,886	\$ 1,201,469,927	\$ 1,295,694,717

	2021	2022	2023	2024	2025
Primary government					
Net investment in capital assets	\$ 809,969,118	\$ 797,810,238	\$ 835,691,038	\$ 836,627,749	\$ 920,442,142
Restricted for:					
Renewable Energy	6,670,557	7,413,145	7,257,559	8,392,851	9,929,172
Capital projects	7,403,077	12,163,496	26,404,814	103,376,668	44,381,322
Debt service	-	-	-	-	-
Other internal restrictions	118,270,725	158,860,491	126,973,013	138,265,036	159,268,341
Other purposes					
Unrestricted	148,793,832	137,907,708	150,102,462	114,807,623	161,673,740
Total primary government net positions	\$ 1,091,107,309	\$ 1,114,155,078	\$ 1,146,428,886	\$ 1,201,469,927	\$ 1,295,694,717

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Change in Net Position
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Business type activities					
Operating revenue					
Charges for services	\$ 311,122,241	\$ 322,721,879	\$ 334,079,581	\$ 290,193,185	\$ 283,663,003
Misc operating revenue	-	-	-	71,794	45
Operating revenues	-	-	-	56,450,477	58,823,972
Total operating revenue	<u>311,122,241</u>	<u>322,721,879</u>	<u>334,079,581</u>	<u>346,715,456</u>	<u>342,487,020</u>
Operating expenses					
Power supply and generation	141,085,995	141,770,054	155,562,287	163,256,607	149,893,550
Electric operations	15,378,277	15,148,402	15,933,526	19,397,355	20,002,168
Water operations	14,225,334	14,898,419	14,724,197	16,845,418	18,346,817
Miscellaneous operating expense-water	-	-	-	-	-
Sanitary sewer operations	15,071,362	16,007,573	16,214,709	19,315,810	19,947,339
General and administrative	35,088,657	33,384,126	30,837,790	35,684,220	45,346,071
Depreciation	37,091,903	39,073,770	40,633,549	42,085,858	43,575,972
Fleet maintenance	8,528,872	8,993,274	8,745,869	8,381,602	3,965,808
Total operating expenses	<u>266,470,400</u>	<u>269,275,618</u>	<u>282,651,927</u>	<u>304,966,870</u>	<u>301,077,725</u>
Operating income	<u>44,651,841</u>	<u>53,446,261</u>	<u>51,427,654</u>	<u>41,748,586</u>	<u>41,409,295</u>
Nonoperating revenue (expense)					
Intergovernmental revenue	117,531	1,463,287	4,456,255	2,897,079	1,676,853
Intergovernmental expense	-	(1,200,000)	(1,200,000)	(1,200,000)	(2,200,000)
Payment in lieu of taxes	(9,547,800)	(9,966,765)	(10,428,117)	(10,938,256)	(11,098,087)
Interest earned on investments	2,125,856	1,739,044	2,632,993	7,233,761	5,991,103
Gain on Investments	-	-	-	-	-
Gain (loss) on disposal of assets	(8,877,903)	(4,719,440)	(1,044,718)	(1,054,780)	(1,503,448)
Interest expense	(7,989,038)	(8,950,190)	(9,211,341)	(9,738,164)	(10,304,772)
Amortization	(677,796)	(677,796)	-	-	-
Interest-Lease	-	-	-	-	-
Interest-Subscription Lease	-	-	-	-	-
Finance costs	(745,198)	(71,880)	(35,580)	(403,585)	(47,286)
Total nonoperating revenue (expense)	<u>(25,594,348)</u>	<u>(22,383,740)</u>	<u>(14,830,508)</u>	<u>(13,203,945)</u>	<u>(17,485,637)</u>
Income before transfers and contributions	<u>19,057,493</u>	<u>31,062,521</u>	<u>36,597,146</u>	<u>28,544,641</u>	<u>23,923,658</u>
Capital contributions	10,396,313	7,121,955	6,432,684	21,439,003	20,939,985
Special Item- Hope Mills	(7,148,131)	1,593,935	-	-	-
Special Item-DEP CCR Settlement	-	-	-	-	-
Special Item-PFAS Settlement	-	-	-	-	-
Transfers in	3,156,186	2,786,080	2,508,654	5,098,064	5,752,717
Transfers out	(3,156,186)	(2,786,080)	(2,508,654)	(5,098,064)	(5,752,717)
Transfers in -City of Fayetteville	-	-	-	-	-
Transfers out -City of Fayetteville	-	-	-	-	-
Change in net position	<u>\$ 22,305,675</u>	<u>\$ 39,778,411</u>	<u>\$ 43,029,830</u>	<u>\$ 49,983,644</u>	<u>\$ 44,863,643</u>

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Change in Net Position
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Business type activities					
Operating revenue					
Charges for services	\$ 285,874,685	\$ 293,229,660	\$ 297,991,016	\$ 322,443,137	\$ 336,550,785
Misc operating revenue	-	-	-	-	-
Operating revenues	51,186,075	53,959,014	55,073,726	70,590,940	61,612,056
Total operating revenue	337,060,760	347,188,674	353,064,742	393,034,077	398,162,841
Operating expenses					
Power supply and generation	148,346,794	141,331,267	150,685,987	156,607,257	126,176,907
Electric operations	21,375,149	31,137,387	25,697,905	27,918,185	30,853,410
Water operations	18,171,514	18,833,481	23,277,283	22,292,636	23,969,721
Miscellaneous operating expense-water	-	-	-	-	-
Sanitary sewer operations	21,571,683	21,739,450	24,406,886	26,025,507	27,168,220
General and administrative	46,194,309	41,153,640	48,560,763	52,380,587	57,711,128
Depreciation	46,781,741	49,777,447	52,136,083	54,399,626	50,138,076
Fleet maintenance	-	-	-	-	-
Total operating expenses	302,441,190	303,972,672	324,764,907	339,623,798	316,017,462
Operating income (loss)	34,619,570	43,216,002	28,299,836	53,410,279	82,145,379
Nonoperating revenue (expense)					
Intergovernmental revenue	2,029,564	1,358,022	5,249,725	1,467,039	918,988
Intergovernmental expense	(4,200,000)	-	-	-	-
Payment in lieu of taxes	(11,450,867)	(11,853,127)	(12,405,712)	(12,243,713)	(11,968,928)
Interest earned on investments	504,726	(7,713,415)	4,895,970	15,536,898	17,463,353
Gain on Investments	-	-	-	4,596,681	4,187,375
Gain (loss) on disposal of assets	(1,303,792)	(306,916)	(676,157)	(470,295)	(557,418)
Interest expense	(9,980,406)	(11,103,479)	(11,419,598)	(15,764,954)	(18,162,589)
Amortization	-	-	-	-	-
Interest-Lease	-	(212)	(76,106)	(54,465)	(127,282)
Interest-Subscription Lease	-	(21,205)	-	-	-
Finance costs	(576,654)	(825,390)	(52,650)	(2,136,668)	(108,389)
Total nonoperating revenue (expense)	(24,977,429)	(30,465,722)	(14,484,528)	(9,069,477)	(8,354,890)
Income (loss) before transfers and contributions	9,642,141	12,750,280	13,815,308	44,340,802	73,790,488
Capital contributions	23,158,880	10,297,489	18,458,499	10,700,239	11,422,930
Special Item- Hope Mills	-	-	-	-	-
Special Item-DEP CCR Settlement	22,230,520	-	-	-	-
Special Item-PFAS Settlement	-	-	-	-	9,011,372
Transfers in	4,107,291	4,903,183	5,487,705	5,166,474	4,699,946
Transfers out	(4,107,291)	(4,903,183)	(5,487,705)	(5,166,474)	(4,699,946)
Transfers in -City of Fayetteville	-	-	-	-	-
Transfers out -City of Fayetteville	-	-	-	-	-
Change in net position	\$ 55,031,541	\$ 23,047,769	\$ 32,273,807	\$ 55,041,041	\$ 94,224,791

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Electric Kilowatt Hours Sold
Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Lighting	Other
2025	\$ 918,654,934	\$ 667,052,094	\$ 319,608,947	\$ 17,714,073	\$ 65,800,395
2024	881,509,360	643,185,052	334,578,937	20,201,137	64,821,286
2023	857,187,209	620,276,450	356,773,836	22,606,292	63,343,803
2022	915,570,019	644,015,842	363,203,198	22,685,014	61,407,471
2021	918,708,050	621,854,933	353,217,595	21,329,410	61,088,282
2020	877,632,568	652,150,477	333,679,175	22,013,726	59,633,202
2019	904,232,137	653,345,453	351,432,824	23,049,017	60,463,224
2018	913,765,977	652,143,703	397,416,709	23,924,437	65,120,505
2017	871,261,877	639,983,403	395,652,590	29,345,656	61,090,581
2016	870,089,226	647,621,655	416,245,591	33,878,389	63,597,174

Notes:

^a Rate shown is for Residential Service- basic facilities charge. See Schedule 6 for additional customer category rates.

^b Rate shown is for Residential Service-energy charge per kWh. See Schedule 6 for additional customer category

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Electric Kilowatt Hours Sold
Last Ten Fiscal Years

Fiscal Year			Total Direct Rate		
			Electric		
	Total	Base Rate ^a	Usage Rate ^b		
			first 500 kWh	ea kWh > 500	
2025	\$ 1,988,830,443	\$ 24.00	\$ 0.1413	\$ 0.1413	
2024	1,944,295,772	22.00	0.1385	0.1385	
2023	1,920,187,590	22.00	0.1385	0.1385	
2022	2,006,881,544	20.00	0.1300	0.1300	
2021	1,976,198,270	20.00	0.1300	0.1300	
2020	1,945,109,148	20.00	0.1300	0.1300	
2019	1,992,522,655	20.00	0.1300	0.1300	
2018	2,052,371,331	17.50	0.1010	0.1010	
2017	1,997,334,107	15.00	0.1004	0.1004	
2016	2,031,432,035	13.50	0.0990	0.0990	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Water Mgals Sold
Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Wholesale	Other	Total
2025	\$ 3,737,096	\$ 1,865,407	\$ 890,695	\$ 1,397,914	\$ 504,904	\$ 8,396,016
2024	3,695,047	1,817,310	948,138	1,274,235	490,611	8,225,341
2023	3,681,662	1,852,055	995,124	1,273,143	529,780	8,331,764
2022	3,722,557	1,811,500	909,908	1,135,604	562,333	8,141,902
2021	3,738,387	1,672,231	916,629	1,197,177	434,844	7,959,268
2020	3,670,402	1,683,616	928,701	1,187,772	552,518	8,023,009
2019	3,544,544	1,743,063	994,892	1,224,276	773,277	8,280,052
2018	3,573,103	1,735,985	976,535	1,228,020	854,158	8,367,801
2017	3,596,178	1,709,864	1,006,967	1,241,483	816,849	8,371,341
2016	3,679,770	1,657,998	985,208	1,278,857	835,982	8,437,815

Notes: Mgal = 1,000 gallons

^a Rate shown is for 5/8" meter size - inside city. See Schedule 7 for additional meter size rates.

^b Rate shown is for Residential - inside city customer category. See Schedule 7 for additional customer category rates.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Water Mgals Sold
Last Ten Fiscal Years

Fiscal Year	Total Direct Rate						
	Water						
	Usage Rate ^b						
	Base Rate ^a	first 6 Mgals	ea Mgal > 6	first 2 Mgals	next 3-5Mgals	next 6-10Mgals	ea add'l Mgals
2025	\$ 23.75	\$ -	\$ -	\$ 2.26	\$ 2.69	\$ 3.65	\$ 4.37
2024	21.25	-	-	2.18	2.60	3.53	4.22
2023	20.00	-	-	2.11	2.51	3.41	4.08
2022	18.00	-	-	2.40	2.86	3.88	4.64
2021	16.00	-	-	2.68	3.19	4.33	5.18
2020	14.50	-	-	2.58	3.07	4.17	4.99
2019	14.50	-	-	2.58	3.07	4.17	4.99
2018	13.00	-	-	2.45	2.91	3.96	4.73
2017	11.50	-	-	2.36	2.81	3.82	4.56
2016	10.00	-	-	2.34	2.78	3.78	4.52

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Wastewater MGALS Treated
Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Wholesale	Other
2025	\$ 3,331,466	\$ 1,743,033	\$ 551,318	\$ 150,226	\$ 476,578
2024	3,285,095	1,697,306	589,614	178,584	469,776
2023	3,285,419	1,704,450	628,092	148,229	462,197
2022	3,328,005	1,667,563	598,637	107,063	451,451
2021	3,347,571	1,544,659	636,263	168,838	441,127
2020	3,276,441	1,585,272	663,070	138,145	432,326
2019	3,154,180	1,704,928	690,129	168,757	450,789
2018	3,166,639	1,623,932	650,239	123,128	439,535
2017	3,179,056	1,587,572	694,893	144,252	472,606
2016	3,245,044	1,533,267	694,225	176,163	488,497

Notes: Mgal = 1,000 gallons

^a Rate shown is for 5/8" meter size - inside city. See Schedule 8 for additional meter size rates.

^b Rate shown is for Sanitary Sewer Service category. See Schedule 8 for additional sewer and waste service category rates.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA
Revenue Base by Customer Class
Charges for Services
Wastewater MGALS Treated
Last Ten Fiscal Years

Fiscal Year	Total	Total Direct Rate Wastewater				
		Base Rate ^a	Usage Rate			
			per Mgal ^b	Sewer Only Flat Rate		
				Inside	Outside	
2025	\$ 6,252,621	\$ 26.50	\$ 6.18	\$ 51.22	\$ 89.64	
2024	6,220,375	22.25	5.75	45.25	79.19	
2023	6,228,387	20.00	5.45	41.80	73.15	
2022	6,152,719	18.00	5.35	39.40	68.95	
2021	6,138,458	16.00	5.28	37.12	64.94	
2020	6,095,255	14.50	5.28	35.62	62.34	
2019	6,168,783	14.50	5.28	35.62	62.34	
2018	6,003,473	13.00	5.25	35.05	61.34	
2017	6,078,379	11.50	5.25	34.60	58.82	
2016	6,137,196	10.00	5.00	34.50	56.93	

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Standard Electric Rates
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Residential					
Basic	\$ 13.50	\$ 15.00	\$ 17.50	\$ 20.00	\$ 20.00
Energy, first 500 kWh	0.0990	0.1004	0.1010	0.1300	0.1300
all additional kWh	-	-	-	-	-
General service					
Basic	\$ 21.00	\$ 23.00	\$ 27.00	\$ 30.00	\$ 30.00
Demand, first 10 kW	0.0990	0.0990	0.1050	0.1350	0.1350
all additional kW	-	-	-	-	-
Energy, first 2,000 kWh	-	-	-	-	-
all additional kW	-	-	-	-	-
Lg General service					
Basic	\$ 275.00	\$ 290.00	\$ 290.00	\$ 290.00	\$ 290.00
Demand, all kW	15.25	17.00	17.25	19.63	21.09
Energy (1000kW and greater)	0.0515	0.0515	0.0525	0.0520	0.0455
Small industrial service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Demand, first 10 kW	-	-	-	-	-
all additional kW	-	-	-	-	-
Energy, first 2,000 kWh	-	-	-	-	-
all additional kW	-	-	-	-	-
Medium industrial service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Demand, kW	-	-	-	-	-
Energy, first 200 kWh/kW	-	-	-	-	-
Next 150 kWh/kW	-	-	-	-	-
Next 150 kWh/kW	-	-	-	-	-
All above 500 kWh/kW	-	-	-	-	-
Lg Industrial service					
Basic	\$ 675.00	\$ 700.00	\$ 700.00	\$ -	\$ -
Demand, first 5,000 kW	-	-	-	-	-
next 5,000 kW	-	-	-	-	-
All additional kW	-	-	-	-	-
Energy, all kWh	0.0515	0.0515	0.0525	0.0290	0.0255
Traffic signal service					
Basic	\$ 21.00	\$ 23.00	\$ 27.00	\$ -	\$ -
Energy, all kWh	0.07250	0.07250	0.07250	-	-
Church service					
Basic	\$ 21.00	\$ 23.00	\$ 27.00	\$ -	\$ -
Energy, first 500 kWh	-	-	-	-	-
NEXT 2,000 kWh	-	-	-	-	-
all additional kWh	0.09900	0.10040	0.10500	-	-
Sports field lighting service					
Basic	\$ 27.00	\$ 30.00	\$ 35.00	\$ 37.00	\$ 37.00
Energy, all kWh	0.06790	0.06790	0.10500	0.13500	0.13500
Minimum, all kW	-	-	-	-	-

Note: Increases in electric rates must be approved by the Fayetteville Public Works Commission.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Standard Electric Rates
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Residential					
Basic	\$ 20.00	\$ 20.00	\$ 22.00	\$ 22.00	\$ 24.00
Energy, first 500 kWh	0.1300	0.1300	0.1385	0.1385	0.1413
All additional kWh	-	-	-	-	-
General service					
Basic	\$ 30.00	\$ 30.00	\$ 33.00	\$ 33.00	\$ 36.00
Demand, first 10 kW	0.1350	0.1350	0.1438	0.1438	0.1473
all additional kW	-	-	-	-	-
Energy, first 2,000 kWh	-	-	-	-	-
all additional kW	-	-	-	-	-
Lg General service					
Basic	\$ 290.00	\$ 290.00	\$ 319.00	\$ 319.00	\$ 348.00
Demand, all kW	19.90	20.30	17.14	18.43	15.67
Energy (1000kW and greater)	0.0455	0.0455	0.0484	0.0000	0.0000
Small industrial service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Demand, first 10 kW	-	-	-	-	-
all additional kW	-	-	-	-	-
Energy, first 2,000 kWh	-	-	-	-	-
all additional kW	-	-	-	-	-
Medium industrial service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Demand, kW	-	-	-	-	-
Energy, first 200 kWh/kW	-	-	-	-	-
Next 150 kWh/kW	-	-	-	-	-
Next 150 kWh/kW	-	-	-	-	-
All above 500 kWh/kW	-	-	-	-	-
Lg Industrial service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Demand, first 5,000 kW	-	-	-	-	-
next 5,000 kW	-	-	-	-	-
All additional kW	-	-	-	-	-
Energy, all kWh	0.0242	0.0242	0.0273	0.0290	0.0297
Traffic signal service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Energy, all kWh	-	-	-	-	-
Church service					
Basic	\$ -	\$ -	\$ -	\$ -	\$ -
Energy, first 500 kWh	-	-	-	-	-
NEXT 2,000 kWh	-	-	-	-	-
all additional kWh	-	-	-	-	-
Sports field lighting service					
Basic	\$ 37.00	\$ 37.00	\$ 40.70	\$ 40.70	\$ -
Energy, all kWh	0.13500	0.13500	0.14378	0.14378	-
Minimum, all kW	-	-	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Water Rates
Last Ten Fiscal Years

	2016		2017		2018	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)						
5/8"	\$ 10.00	\$ 16.50	\$ 10.00	\$ 16.50	\$ -	\$ -
3/4"	10.00	16.50	10.00	16.50	13.00	22.75
1"	16.00	26.40	18.40	31.30	20.80	36.40
1.5"	27.00	44.55	31.05	52.80	35.10	61.45
2"	45.00	74.25	51.75	88.00	58.50	102.40
3"	80.00	132.00	92.00	156.40	104.00	182.00
4"	130.00	214.50	149.50	254.15	169.00	295.75
6"	255.00	420.75	293.25	498.55	331.50	580.15
8"	400.00	660.00	460.00	782.00	520.00	910.00
Usage rate						
1,000						
gallons Residential						
first 5,000 gallons=5Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
next 5,000 gallons=(6-10Mgals)	-	-	-	-	-	-
first 6,000 gallons = 6 Mgal	-	-	-	-	-	-
each additional 1,000 gallons	-	-	-	-	-	-
first 2,000 gallons=2Mgal	2.34	3.86	2.36	4.01	2.45	4.29
next 3,000 gallons (3-5Mgals)	2.78	4.59	2.81	4.78	2.91	5.09
next 5,000 gallons=(6-10Mgals)	3.78	6.24	3.82	6.49	3.96	6.93
each additional gallon	4.52	7.46	4.56	7.75	4.73	8.28
Water irrigation						
per 1,000 gallons = 1 Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
first 30,000 gallons=30Mgal	4.86	8.02	4.90	8.33	5.09	8.91
next 30,000 gallons=(31-60Mgals)	5.96	9.83	6.01	10.22	6.24	10.92
each additional gallon	9.25	15.26	9.33	15.86	9.69	16.96
Backflow Prevention Assembly Inspection Charge	0.90	0.90	1.60	1.60	1.60	1.60
Commercial water service						
per 1,000 gallons = 1 Mgal	\$ 2.81	\$ 4.64	\$ 2.83	\$ 4.81	\$ 2.94	\$ 5.15
Large water usage						
per 1,000 gallons = 1 Mgal	\$ 2.18	\$ 2.18	\$ 2.34	\$ 2.34	\$ 2.43	\$ 2.43
Fire hydrant delivery						
Basic Facilities per Meter Set	\$ 25.00	\$ 25.00	\$ 51.75	\$ 51.75	\$ 58.50	\$ 58.50
per 1,000 gallons = 1 Mgal	2.81	2.81	2.83	2.83	2.94	2.94
Bulk water delivery						
Basic Facilities per Truckload	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	-	-	-	-	-	-
Yearly permit fee	300	300	315	315	330	330
Temporary Permit=1 Month	-	-	-	-	-	-
each additional month <3 months	-	-	-	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Water Rates
Last Ten Fiscal Years

	2019		2020		2021	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)						
5/8"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4"	14.50	25.40	14.50	25.40	16.00	28.00
1"	23.10	40.40	23.10	40.40	25.40	44.50
1.5"	38.30	67.00	38.30	67.00	41.50	72.60
2"	63.70	111.50	63.70	111.50	68.90	120.60
3"	149.10	260.90	149.10	260.90	194.20	339.90
4"	248.70	435.20	248.70	435.20	328.40	574.70
6"	444.00	777.00	444.00	777.00	556.50	973.90
8"	732.10	1281.20	732.10	1281.20	944.20	1652.40
Usage rate						
1,000						
gallons Residential						
first 5,000 gallons=5Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
next 5,000 gallons=(6-10Mgals)	-	-	-	-	-	-
first 6,000 gallons = 6 Mgal	-	-	-	-	-	-
each additional 1,000 gallons	-	-	-	-	-	-
first 2,000 gallons=2Mgal	2.58	4.52	2.58	4.52	2.68	4.69
next 3,000 gallons (3-5Mgals)	3.07	5.37	3.07	5.37	3.19	5.58
next 5,000 gallons=(6-10Mgals)	4.17	7.30	4.17	7.30	4.33	7.58
each additional gallon	4.99	8.73	4.99	8.73	5.18	9.07
Water irrigation						
per 1,000 gallons = 1 Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
first 30,000 gallons=30Mgal	5.36	9.38	5.36	9.38	5.57	9.75
next 30,000 gallons=(31-60Mgals)	6.57	11.50	6.57	11.50	6.82	11.90
each additional gallon	10.2	17.85	10.20	17.85	10.6	18.55
Backflow Prevention Assembly Inspection Charge	1.97	1.97	1.97	1.97	2.20	2.20
Commercial water service						
per 1,000 gallons = 1 Mgal	\$ 3.10	\$ 5.43	\$ 3.10	\$ 5.43	\$ 3.22	\$ 5.64
Large water usage						
per 1,000 gallons = 1 Mgal	\$ 2.59	\$ 2.59	\$ 2.59	\$ 2.59	\$ 2.69	\$ 2.69
Fire hydrant delivery						
Basic Facilities per Meter Set	\$ 63.70	\$ 63.70	\$ 63.70	\$ 63.70	\$ 68.90	\$ 68.90
per 1,000 gallons = 1 Mgal	3.10	3.10	3.10	3.10	3.22	3.22
Bulk water delivery						
Basic Facilities per Truckload	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	-	-	-	-	-	-
Yearly permit fee	350	350	350	350	362	362
Temporary Permit=1 Month	-	-	-	-	-	-
each additional month <3 months	-	-	-	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Water Rates
Last Ten Fiscal Years

	2022		2023		2024		2025	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)								
5/8"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4"	18.00	31.50	21.25	37.20	22.50	39.40	23.75	41.55
1"	28.60	50.10	33.80	59.15	35.80	62.65	37.80	66.15
1.5"	46.70	81.80	55.15	96.50	58.40	102.20	61.65	107.90
2"	77.60	135.80	91.60	160.30	97.00	169.75	102.40	179.20
3"	218.50	382.40	258.00	451.50	273.20	478.10	288.15	504.25
4"	369.50	646.70	436.15	763.25	461.80	808.15	487.45	853.05
6"	626.10	1095.70	739.20	1293.60	782.70	1369.75	826.20	1445.85
8"	1062.30	1859.10	1254.05	2194.60	1327.80	2323.65	1401.55	2452.70
Usage rate								
1,000								
<i>gallons</i> Residential								
first 5,000 gallons=5Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
next 5,000 gallons=(6-10Mgals)	-	-	-	-	-	-	-	-
first 6,000 gallons = 6 Mgal	-	-	-	-	-	-	-	-
each additional 1,000 gallons	-	-	-	-	-	-	-	-
first 2,000 gallons=2Mgal	2.40	4.20	2.18	3.82	2.26	3.96	2.26	3.96
next 3,000 gallons (3-5Mgals)	2.86	5.01	2.60	4.55	2.69	4.71	2.69	4.71
next 5,000 gallons=(6-10Mgals)	3.88	6.79	3.53	6.18	3.65	6.39	3.65	6.39
each additional gallon	4.64	8.12	4.22	7.39	4.37	7.65	4.37	7.65
Water irrigation								
per 1,000 gallons = 1 Mgal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
first 30,000 gallons=30Mgal	5.85	10.24	6.94	12.15	7.95	13.92	8.75	15.30
next 30,000 gallons=(31-60Mgals)	7.16	12.53	8.50	14.87	9.74	17.04	10.71	18.75
each additional gallon	11.13	19.48	13.21	23.12	15.14	26.49	16.65	29.14
Backflow Prevention Assembly Inspection Charge	2.25	2.25	2.25	2.25	3.65	3.65	3.90	3.90
Commercial water service								
per 1,000 gallons = 1 Mgal	\$ 3.17	\$ 5.55	\$ 3.35	\$ 5.86	\$ 3.70	\$ 6.48	\$ 3.91	\$ 6.83
Large water usage								
per 1,000 gallons = 1 Mgal	\$ 2.90	\$ 2.90	\$ 3.48	\$ 3.48	\$ 3.84	\$ 3.84	\$ 4.23	\$ 4.23
Fire hydrant delivery								
<i>Basic Facilities per Meter Set</i>	\$ 77.60	\$ 77.60	\$ 91.60	\$ 91.60	\$ 97.00	\$ 97.00	\$ 102.40	\$ 102.40
per 1,000 gallons = 1 Mgal	3.17	3.17	3.35	3.35	3.70	3.70	3.91	3.91
Bulk water delivery								
<i>Basic Facilities per Truckload</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	-	-	-	-	-	-	-	-
Yearly permit fee	390	390	390	390	390	390	390	390
Temporary Permit=1 Month	-	-	-	-	-	-	-	-
each additional month <3 months	-	-	-	-	-	-	-	-

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Wastewater Rates
Last Ten Fiscal Years

	2016		2017		2018	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)						
5/8"	\$ 10.00	\$ 10.00	\$ 11.50	\$ 19.55	\$ -	\$ -
3/4"	10.00	10.00	11.50	19.55	13.00	22.75
1"	16.00	26.40	18.40	31.30	20.80	36.40
1.5"	27.00	44.55	31.05	52.80	35.10	61.45
2"	45.00	74.25	51.75	88.00	58.50	102.40
3"	80.00	132.00	92.00	156.40	104.00	182.00
4"	130.00	214.50	149.50	254.15	169.00	295.75
6"	255.00	420.75	293.25	498.55	331.50	580.15
8"	400.00	660.00	460.00	782.00	520.00	910.00
Usage rate						
Sanitary sewer service						
<i>Basic Facilities</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.00	8.25	5.25	8.93	5.25	9.19
<i>Commercial wastewater service</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.00	8.25	5.25	8.93	5.25	9.19
Sewer only						
Flat monthly	\$ 34.50	\$ 56.93	\$ 34.60	\$ 58.82	\$ 35.05	\$ 61.34
Large user sanitary sewer service						
per 1,000 gallons = 1 Mgal	\$ 3.94	\$ 3.94	\$ 3.94	\$ 3.94	\$ 3.94	\$ 3.94
Bulk liquid waste service						
<i>Basic Facilities</i>	\$ 16.00	\$ 16.00	\$ 18.40	\$ 18.40	\$ 20.80	\$ 20.80
per 1,000 gallons = 1 Mgal	35.00	57.00	35.00	58.82	35.10	61.34

Note: Increases in wastewater rates must be approved by the Fayetteville Public Works Commi

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Wastewater Rates
Last Ten Fiscal Years

	2019		2020		2021	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)						
5/8"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4"	14.50	25.40	14.50	25.40	16.00	28.00
1"	23.10	40.40	23.10	40.40	25.40	44.50
1.5"	38.30	67.00	38.30	67.00	41.50	72.60
2"	63.70	111.50	63.70	111.50	68.90	120.60
3"	149.10	260.90	149.10	260.90	194.20	339.90
4"	248.70	435.20	248.70	435.20	328.40	574.70
6"	444.00	777.00	444.00	777.00	556.50	973.90
8"	732.10	1,281.20	732.10	1,281.20	944.20	1,652.40
Usage rate						
Sanitary sewer service						
<i>Basic Facilities</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.28	9.24	5.28	9.24	5.28	9.24
<i>Commercial wastewater service</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.28	9.24	5.28	9.24	5.28	9.24
Sewer only						
Flat monthly	\$ 35.62	\$ 62.34	\$ 35.62	\$ 62.34	\$ 37.12	\$ 64.94
Large user sanitary sewer service						
per 1,000 gallons = 1 Mgal	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96	\$ 3.96
Bulk liquid waste service						
<i>Basic Facilities</i>	\$ 23.10	\$ 23.10	\$ 23.10	\$ 23.10	\$ 25.40	\$ 25.40
per 1,000 gallons = 1 Mgal	35.62	62.34	35.62	62.34	37.12	64.96

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Wastewater Rates
Last Ten Fiscal Years

	2022		2023		2024		2025	
	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>	<u>inside</u>	<u>outside</u>
	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>	<u>city</u>
Base rate (<i>meter size</i>)								
5/8"	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3/4"	18.00	31.50	22.25	38.95	24.50	24.50	26.50	46.40
1"	28.60	50.10	35.40	61.95	38.95	68.15	42.15	73.75
1.5"	46.70	81.80	57.75	101.05	63.60	111.30	68.80	120.40
2"	77.60	135.80	95.90	167.85	105.60	184.80	114.20	199.85
3"	218.50	382.40	270.10	472.70	297.45	520.55	321.75	563.05
4"	369.50	646.70	456.70	799.25	502.85	880.00	543.90	951.80
6"	626.10	1,095.70	773.95	1,354.40	852.25	1,494.45	921.80	1,613.15
8"	1,062.30	1,859.10	1,313.10	2,297.95	1,445.85	2,530.25	1,563.90	2,736.85
Usage rate								
Sanitary sewer service								
Basic Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.35	9.36	5.75	10.06	6.18	10.82	6.18	10.82
Commercial wastewater service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
per 1,000 gallons = 1 Mgal	5.76	10.08	7.16	12.53	8.15	14.26	8.75	15.32
Sewer only								
Flat monthly	\$ 39.40	\$ 68.95	\$ 45.25	\$ 79.19	\$ 49.22	\$ 86.14	\$ 51.22	\$ 89.64
Large user sanitary sewer service								
per 1,000 gallons = 1 Mgal	\$ 4.34	\$ 4.34	\$ 5.53	\$ 5.53	\$ 6.41	\$ 6.41	\$ 7.43	\$ 7.43
Bulk liquid waste service								
Basic Facilities	\$ 28.60	\$ 28.60	\$ 35.40	\$ 35.40	\$ 38.95	\$ 38.95	\$ 42.15	\$ 42.15
per 1,000 gallons = 1 Mgal	39.40	68.95	45.25	79.19	49.22	86.14	51.22	89.64

Note: Increases in wastewater rates must be approved by the Fayetteville Public Works Commission.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Ten Largest Customers
Current Year and Nine Years Ago

Electric Revenue

Fiscal Year 2016	Fiscal Year 2025
Goodyear Tire	Cape Fear Valley
Cape Fear Valley	Cargill
Cargill	Fayetteville State University
Mann+Hummel (Purolator)	Fayetteville Technical Community College
Walmart	Food Lion
Fayetteville State University	Goodyear Tire
Momentive Specialty Chemicals	Hexion
VA Hospital	Mann+Hummel (Purolator)
Fayetteville Technical Community College	VA Hospital
CBL Associates	Walmart

These customers represented kWh sales for 2016 and 2025 400,990,743 and 410,241,227 respectively; and revenue of \$27,806,958 and \$31,458,053. The aggregate sum of the ten largest electric customers' revenue received compared to the total electric sales revenue is 13.76% and 14.87%. No individual customer comprised more than 5.02% and 4.8% of total electric sales revenue.

Water Revenue

Fiscal Year 2016	Fiscal Year 2025
Carolina By Products	Cape Fear Valley
Cape Fear Valley	Cargill
Nitta Gelatin	Carolina By Products
Cargill	Dak Resins
Goodyear Tire	Fayetteville State University
Norcross	Fort Bragg
Town of Stedman	Goodyear Tire
Momentive Specialty Chemicals	Hexion
Hoke County	Norcross
Mann+Hummel (Purolator)	Town of Spring Lake

These customers represented sales for 2016 and 2025 of 2,023,982,659 and 2,253,807 gallons, respectively; and revenues of \$4,752,030 and \$9,504,147. The aggregate sum of the ten largest water customers' revenue received compared to the overall total water sales revenue is 12.46% and 14.4%. No individual customer comprised more than 4.53% and 2.9% of total water sales revenue.

Wastewater Revenue

Fiscal Year 2016	Fiscal Year 2025
Carolina By Products	Cape Fear Valley
Cape Fear Valley	Cargill
Nitta Gelatin	Carolina By Products
Cargill	CCSO Detention Center
Goodyear Tire	Eastover Sanitary District
Norcross	Fayetteville State University
Town of Stedman	Goodyear Tire
Momentive Specialty Chemicals	Hexion
Hoke County	Norcross
Mann+Hummel (Purolator)	Town of Stedman

These customers represented sales for 2016 and 2025 of 689,108,401 and 680,322 gallons, respectively; and revenues of \$2,823,218 and \$4,798,804. The aggregate sum of the ten largest wastewater customers' revenue is 6.7% and 6.24%. No individual customer comprised more than 1.77% and 1.8% of total wastewater sales revenue.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes	Total		
				Amount	Per Capita ⁽¹⁾	As a Share of Personal Income
2025	\$ -	\$ 499,999,050	\$ 67,624,271	\$ 567,623,321	\$ 1,660.89	5.32%
2024	-	501,668,747	45,071,582	546,740,329	1,618.10	5.45%
2023	-	357,057,022	42,745,344	399,802,366	1,198.09	4.45%
2022	-	372,782,593	37,369,863	410,152,456	1,222.48	4.77%
2021	-	286,452,200	23,011,005	309,463,205	920.02	3.69%
2020	182,873	301,284,350	20,823,103	322,290,326	960.60	3.95%
2019	371,730	318,971,707	22,209,261	341,552,698	1,027.75	4.35%
2018	565,206	266,932,257	23,704,287	291,201,750	893.69	3.97%
2017	758,682	286,712,408	25,036,011	312,507,101	978.32	4.10%
2016	1,162,500	305,949,298	25,241,350	332,353,148	1,026.29	4.38%

Note: Details regarding FPWC's outstanding debt can be found in the notes to the financial statements.

(1) See schedule 12 for per capita personal income and population data.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Utility Service Charges	Less: Operating Expenses ⁽¹⁾	Net Available Revenues	Debt Service ⁽⁴⁾		Total	Coverage Ratio ⁽³⁾
				Principal	Interest ⁽²⁾		
2025	\$ 398,162,841	\$ 265,879,386	\$ 132,283,455	\$ 8,331,158	\$ 5,088,606	\$ 13,419,764	9.86
2024	393,057,352	285,224,172	107,809,905	14,041,158	7,778,384	21,819,542	4.94
2023	353,064,742	272,628,824	80,435,918	15,696,158	9,545,662	25,241,820	3.19
2022	347,188,674	254,195,225	92,993,449	15,136,158	10,249,024	25,385,182	3.66
2021	337,060,760	233,428,929	103,631,831	15,071,158	10,898,019	25,969,177	3.99
2020	342,481,407	255,759,866	86,721,541	17,856,158	11,660,197	29,516,355	2.94
2019	346,715,456	262,881,012	83,834,444	18,275,026	9,216,917	27,491,943	3.05
2018	334,079,581	244,545,630	89,533,951	19,096,724	10,491,337	29,588,061	3.03
2017	322,721,879	230,201,848	92,520,031	18,540,882	10,228,444	28,769,326	3.22
2016	302,408,510	220,849,625	81,558,885	15,470,721	8,805,529	24,276,250	3.36

(1) "Operating expenses" include operating expenses exclusive of depreciation and all other amortization.

(2) 'Interest' represents accrual based interest excluding capitalized interest.

(3) 'Coverage ratios' do not represent coverage calculations as defined in the bond order.

(4) 'Debt service' includes revenue bonds and notes and excludes G.O. bonds.

Note: Details regarding the Commission's outstanding debt can be found in the notes to the financial statements.

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population ¹	Personal Income	Per Capita Personal Income ²	Unemployment Rate ³ County
2025	341,758	\$ 10,664,900,148	\$ 31,206	5.10%
2024	337,890	10,028,913,090	29,681	5.40%
2023	333,699	8,976,169,401	26,899	5.00%
2022	335,508	8,605,109,184	25,648	5.90%
2021	336,364	8,387,572,704	24,936	6.90%
2020	335,509	8,153,204,209	24,301	10.10%
2019	332,330	7,851,960,910	23,627	5.80%
2018	325,841	7,325,892,978	22,483	4.70%
2017	319,431	7,616,193,333	23,843	5.30%
2016	323,838	7,582,019,094	23,413	5.10%

Sources:

1. Census Quick Facts - Population and Per capita income for Cumberland County.
2. Ycharts Cumberland County Indicators

**FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA**

**Principal Employers
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2025</u>			<u>2016</u>		
	<u>Percentage</u>			<u>Percentage</u>		
	<u>of Total County</u>			<u>of Total County</u>		
	<u>Employees</u>	<u>Employment</u>	<u>Rank</u>	<u>Employees</u>	<u>Employment</u>	<u>Rank</u>
U.S. Dept. of Defense (Civil Service) ⁽¹⁾	12,419	8.68%	1	8,750 +	6.29%	1
Cape Fear Valley Health System	7,100 +	4.97%	2	5,900	4.24%	3
Cumberland County Schools	6,800	4.76%	3	6,453	4.64%	2
Wal-Mart Associates, Inc.	4,000 +	2.80%	4	2,850 +	2.05%	4
Goodyear Tire & Rubber Inc	2,340 +	1.64%	5	2,500 +	1.80%	5
Veterans Administration	2,254 +	1.58%	6	2,362	1.70%	9
Cumberland County Government	2,186	1.53%	7	1,000 +	0.72%	6
City of Fayetteville	2,000 +	1.40%	8	2,120	1.52%	7
Amazon	1,400	0.98%	9	-	-	-
Fayetteville Technical Community College	1,300 +	0.91%	10	1,057	0.76%	8
Non-Appropriated Fund Activity Army	-	-	-	900 +	0.65%	10
Total Employment						
(Ten Largest Civilian Employers)	<u>41,799</u>	<u>29.23%</u>		<u>33,892</u>	<u>24.37%</u>	

(1) Civilian employment only. Excludes military personnel in excess of 52,000.

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Full Time Employees by Identifiable Activity
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Electric:										
Electric Substation	13	14	14	12	15	13	14	13	14	14
Electric Power Supply	2	2	1	1	3	3	3	3	3	3
Electric Generation	27	28	30	27	29	30	29	25	25	25
Electric Engineering	21	23	22	22	23	22	21	22	22	21
Electric Construction	82	84	81	71	82	81	79	74	73	76
Water/Wastewater:										
Water Plant Operations	20	18	17	19	17	17	16	15	15	15
Wastewater Plant Operations	21	20	20	21	19	19	18	16	16	17
Water/Wastewater Systems Maintenance	26	23	25	25	25	25	25	21	22	21
Water Resources Engineering	39	39	39	36	36	34	32	34	34	33
Water Resources Construction	100	97	101	100	105	99	99	97	93	100
Residual Management	2	2	2	2	2	2	2	2	2	2
Environmental Services	1	1	1	1	1	1	1	1	1	1
Laboratory	6	6	6	6	6	6	6	6	6	6
Environmental System Protection	4	4	4	4	4	4	4	4	4	4
Watersheds	3	3	3	2	2	2	1	1	1	1
Administration:										
Billing/Customer Service	54	61	64	58	62	64	63	56	57	55
Meter Reading	6	6	6	6	9	8	4	5	5	5
Utility Field Services	20	18	18	16	15	18	17	19	18	21
Human Resources	9	10	11	11	9	9	9	8	7	7
Finance and Accounting	49	31	42	43	41	39	28	30	30	33
Management Information Systems	52	42	36	34	31	34	16	13	13	11
Executive Administration	91	128	111	106	117	119	143	141	148	147
Total Employees:	<u>648</u>	<u>660</u>	<u>654</u>	<u>623</u>	<u>653</u>	<u>649</u>	<u>630</u>	<u>606</u>	<u>609</u>	<u>618</u>

Source: Fayetteville Public Works Commission Human Resource Department

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Operating Indicators
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Water System:					
Water main breaks	110	115	174	98	92
Average daily consumption (Mgals) (1)	24,908	24,592	25,738	23,747	23,551
Peaks (MGD) (2) (3)	35.1	34.8	33.0	34.7	33.5
Total sold (Mgals) (1)	8,161,023	8,095,333	8,053,788	8,000,383	8,023,008
Sewer System:					
Main breaks	141	97	168	144	96
Average daily consumption (Mgals) (1)	27,800	27,400	23,700	31,800	30,000
Peaks (MGD) (3)	32.6	41.4	24.8	46.4	56.6
Total sold (Mgals) (1)	6,137,196	6,078,380	6,003,473	6,168,784	6,095,255
Electric System:					
Electric outages (minutes)	8,624,299	1,622,358	1,313,228	19,433,184	10,062,025
Peaks (MW) (4)	424.0	453.0	461.4	404.0	424.0
Total kWh sold (5)	2,025,935,664	1,991,911,083	2,047,248,575	1,987,145,590	1,939,893,315
Average daily consumption (kWh)	5,550,509	5,457,291	5,608,900	5,444,235	5,314,776

(1) Mgals = 1,000 gallons

(2) Reflects highest monthly average

(3) MGD = 1,000,000 gallons per day

(4) MW = megawatts

(5) kWh = kilowatt hours

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Operating Indicators
Last Ten Fiscal Years

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Water System:					
Water main breaks	123	126	111	100	118
Average daily consumption (Mgals) (1)	25,033	23,581	24,399	26,107	25,070
Peaks (MGD) (2) (3)	38.0	33.7	42.1	45.2	33.0
Total sold (Mgals) (1)	7,959,268	8,141,902	8,331,763	8,225,341	8,396,016
Sewer System:					
Main breaks	150	168	185	193	164
Average daily consumption (Mgals) (1)	31,700	26,200	25,200	24,900	26,100
Peaks (MGD) (3)	55.5	28.6	42.1	27.3	29.9
Total sold (Mgals) (1)	6,138,459	6,152,720	6,228,387	6,220,374	6,252,621
Electric System:					
Electric outages (minutes)	8,638,836	5,211,977	8,952,305	8,527,532	6,877,380
Peaks (MW) (4)	427.0	416.9	427.6	407.6	420.5
Total kWh sold (5)	1,970,727,350	2,001,319	1,914,173	1,033,685	1,988,830
Average daily consumption (kWh)	5,399,253	5,483,066	5,244,309	2,832,014	5,432,074

(1) Mgals = 1,000 gallons

(2) Reflects highest monthly average

(3) MGD = 1,000,000 gallons per day

(4) MW = megawatts

(5) kWh = kilowatt hours

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Capital Indicators
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
Water System:					
Miles of water main	1,375.0	1,385.0	1,383.2	1,395.0	1,398.6
Number of new service connections	1,128	222	425	180	992
Maximum daily capacity of treatment plant (MGD) ⁽¹⁾	57.5	57.5	57.5	57.5	57.5
Storage capacity (MGD) ⁽¹⁾	36.1	36.1	36.1	36.1	36.6
Sewer System:					
Number of new service connections	1,072	262	899	737	1,189
Miles of sanitary sewer mains	1,318.0	1,333.0	1,345.0	1,333.0	1,339.9
Maximum daily capacity of treatment plant (MGD) ⁽¹⁾	46.0	46.0	46.0	46.0	46.0
Electric System:					
Number of new service connections	965	388	352	546	542
Distribution line circuit miles	1,337.16	1,339.41	1,349.19	1,346.62	1,347.77

(1) MGD = 1,000,000 gallons per day

FAYETTEVILLE PUBLIC WORKS COMMISSION
COMPONENT UNIT OF THE CITY OF FAYETTEVILLE, NORTH CAROLINA

Capital Indicators
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
Water System:					
Miles of water main	1,408.5	1,414.2	1,423.0	1,432.0	1,438.0
Number of new service connections	807	37	1,538	365	292
Maximum daily capacity of treatment plant (MGD) ⁽¹⁾	50.0	57.5	50.0	50.0	50.0
Storage capacity (MGD) ⁽¹⁾	36.5	36.5	36.5	36.5	36.5
Sewer System:					
Number of new service connections	1,275	305	1,591	567	382
Miles of sanitary sewer mains	1,350.5	1,366.5	1,373.4	1,322.0	1,326.0
Maximum daily capacity of treatment plant (MGD) ⁽¹⁾	46.0	46.0	46.0	46.0	46.0
Electric System:					
Number of new service connections	674	169	1,317	230	95
Distribution line circuit miles	1,351.70	1,356.90	1,359.71	1,360.53	1,364.07

(1) MGD = 1,000,000 gallons per day

COMPLIANCE SECTION



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

Board Commissioners
Fayetteville Public Works Commission
Fayetteville, NC

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Fayetteville Public Works Commission (the "Commission"), a component unit of the City of Fayetteville, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PBMares, LLP

Morehead City, North Carolina

December 18, 2025



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE, WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT
IMPLEMENTATION ACT**

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Fayetteville Public Works Commission
Fayetteville, NC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Fayetteville Public Works Commission's (the "Commission"), a component unit of the City of Fayetteville, North Carolina, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Commission's major federal programs for the year ended June 30, 2025. The Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
December 18, 2025



REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; WITH OMB UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

INDEPENDENT AUDITOR'S REPORT

Board Commissioners
Fayetteville Public Works Commission
Fayetteville, NC

Report on Compliance for the Major State Program

Opinion on the Major State Program

We have audited Fayetteville Public Works Commission's (the "Commission"), a component unit of the City of Fayetteville, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on the Commission's major State program for the year ended June 30, 2025. The Commission's major State program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major State program for the year ended June 30, 2025.

Basis for Opinion on the Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major State program. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Commission's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
December 18, 2025

Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- | | | | | |
|---|-------------------|-----|----------------------|------|
| • Material weakness(es) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | None |

Noncompliance material to financial statements noted?

<u> </u>	Yes	<u> X </u>	No
-------------------	-----	----------------------	----

Federal Awards

Internal control over major federal programs:

- | | | | | |
|---|-------------------|-----|----------------------|------|
| • Material weakness(es) identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency(ies) identified? | <u> </u> | Yes | <u> X </u> | None |

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

<u> </u>	Yes	<u> X </u>	No
-------------------	-----	----------------------	----

Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

Section I. Summary of Auditor's Results (Continued)

Identification of major federal programs:

Federal Assistance Listing #	Program Name
21.027	COVID-19 Coronavirus State Local Fiscal Recovery Relief Funds
66.468	Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish
between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with
The State Single Audit Act?

_____ Yes X No

Identification of major State programs:

Drinking Water State Revolving Fund

Auditee qualified as low-risk auditee?

_____ Yes X No

**Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025**

Section II. Financial Statement Findings

None reported.

Section III. Federal Awards Findings and Questioned Costs

None reported.

Section IV. State Awards Findings and Questioned Costs

None reported.

Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2025

Section II. Financial Statement Findings

Finding: 2024-001

Material Weakness in Internal Control – Identification of Federal and State Awards and Recognition of State Revolving Loans and Receivables

Status: Corrected

Finding: 2024-002

Significant Deficiency in Internal Control – Tracking of Renewable Energy Certificate Inventory

Status: Corrected

Section III. Findings and Questioned Costs for Federal Awards

There were no findings reported during the year ended June 30, 2024.

Section IV. Findings and Questioned Costs for State Awards

There were no findings reported during the year ended June 30, 2024.

Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2025

GRANTOR/PASS-THROUGH Grantor/Program or Cluster Title	Federal Assistance Listing Number	State/ Pass-through Identification Grant Number	Federal Expenditures	State Expenditures	Total Expenditures
<u>FEDERAL GRANTS</u>					
<u>US ENVIRONMENTAL PROTECTION AGENCY</u>					
Passed-through NC Department of Environmental Quality					
Division of Water Infrastructure					
Capitalization Grants for Clean Water State Revolving Fund					
Clean Water State Revolving Funds	66.458	CS370434-15	-	123,897	123,897
Clean Water State Revolving Funds	66.458	CS370434-16	7,575,568	-	7,575,568
Total Capitalization Grants for Clean Water State Revolving Fund			7,575,568	123,897	7,699,465
Capitalization Grants for Drinking Water State Revolving Fund					
Drinking Water State Revolving Funds	66.468	SRF-D-LSL-0022	554,640	138,660	693,300
Drinking Water State Revolving Funds	66.468	H-SRF-F-21-1998	10,659,024	2,664,756	13,323,780
State Reserve Earmark Grays Creek Water Main	N/A	SRP-D-134-0174	-	799,643	799,643
Total Capitalization Grants for Drinking Water State Revolving Fund			11,213,664	3,603,059	14,816,723
Total US Environmental Protection Agency			18,789,232	3,726,956	22,516,188
<u>US DEPARTMENT OF TREASURY</u>					
Passed-through NC Department of Environmental Quality					
Division of Water Infrastructure					
COVID-19 Coronavirus State Local Fiscal Recovery Funds					
COVID-19 ARPA Asset Inventory & Assessment Grant (AIA)	21.027	AIA--ARP-0050	400,000	-	400,000
COVID-19 ARPA Sanitary Sewer Main Rehabilitation Grant	21.027	SRP-W-ARP-0152	2,772,838	-	2,772,838
Total COVID-19 SLFRF Grants			3,172,838	-	3,172,838
Total US Department of Treasury			3,172,838	-	3,172,838
Total Expenditures			\$ 21,962,070	\$ 3,726,956	\$ 25,689,026

Fayetteville Public Works Commission
(A Component Unit of the City of Fayetteville, North Carolina)
Notes to Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2025

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the Federal and State grant activity of the Fayetteville Public Works Commission (the Commission) under the programs of the federal government and the State and the State of North Carolina. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the Commission, it is not intended and does not present the financial position, changes in net position or cash flows of the Commission.

Note 2 - Summary of Significant Accounting Policies

Expenditures are reported on the full accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The Commission has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Loans Outstanding

The Commission has outstanding loan balances from Federal and State funding sources that are not required to be presented in the SEFSA as there are no continuing compliance requirements beyond repayment of the loan balances in accordance with the provisions of the loan agreements.

	Federal Assistance Listing Number	Amount Outstanding
All Loans Outstanding		
Clean Water State Revolving Fund	66.458	40,016,180
Drinking Water State Revolving Fund	66.468	28,087,734
COVID-19 Sewer Main Rehab ARPA	21.027	2,772,838
Current Loans Outstanding		
Clean Water State Revolving Fund	66.458	36,985,408
Drinking Water State Revolving Fund	66.468	17,226,194
COVID-19 Sewer Main Rehab ARPA	21.027	2,772,838
Past Loans Outstanding		
Clean Water State Revolving Fund	66.458	3,030,772
Drinking Water State Revolving Fund	66.468	10,861,540



PWC
Fayetteville's
HOME TOWN UTILITY

FayPWC.com

