



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013



**Greenville Utilities**

Greenville Utilities Commission is an enterprise fund of the City of Greenville, North Carolina



GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
(Enterprise Fund of the City of Greenville, North Carolina)

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*Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013*

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*Prepared by the Finance Department*

This Report Was Prepared By:

Greenville Utilities Commission Finance Department  
401 S. Greene Street  
Greenville, North Carolina 27834

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**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

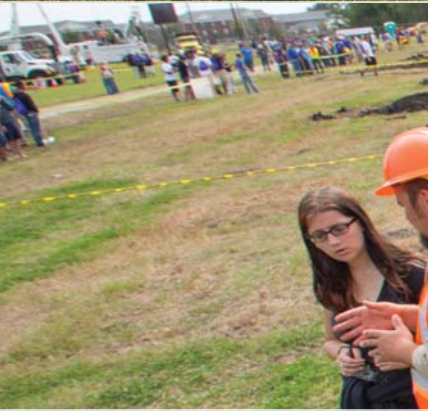
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# INTRODUCTORY SECTION



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2013





**Greenville  
Utilities**

October 23, 2013

To the Board of Commissioners and the Customers of the Greenville Utilities  
Commission of the City of Greenville, NC:

The management and staff of the Greenville Utilities Commission (Utilities Commission) of the City of Greenville are pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control 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.

Martin Starnes & Associates, Certified Public Accountants, has issued an unqualified (“clean”) opinion on the Utilities Commission’s financial statements for the year ended June 30, 2013. The independent auditor’s report is located at the front of the financial section of this report.

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

## Profile of the Greenville Utilities Commission

In 1903, Greenville was a town of just 2,565 governed by a Board of Aldermen. With an eye toward progress, on April 7, 1903, a \$65,000 bond referendum was passed to fund the creation of the water, sewer and electric systems. Two years later, on March 20, 1905, Greenville’s new Water & Light Commission was established with about 72 electric and 30 water customers. The natural gas system was added in 1925.

The Utilities Commission is owned by the citizens of Greenville, and is governed by an eight-member Board of Commissioners responsible for approving rates, development plans, the annual budget and for setting policy that is carried out by our General Manager/CEO. The City Manager of the City of Greenville serves as a full-voting member of the Board, five other Board members are nominated by the City Council and two are nominated by the Pitt County Board of Commissioners. All members are approved by the City Council. Board members serve three-year terms, with a maximum of two terms. Utilities Commission meetings are held the third Thursday of each month.

The Utilities Commission operates under a charter issued by the North Carolina General Assembly (the Utilities Commission Charter). In accordance with the provisions of the Utilities Commission Charter, the Utilities Commission annually transfers to the City of Greenville an amount equal to six percent of the difference between the electric and natural gas systems’ net fixed assets and total

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bonded indebtedness, plus an amount equal to fifty percent of the Utilities Commission's retail cost of service for the City of Greenville's public lighting. The annual transfer amount represents approximately six percent of the City's total annual budget and provides a secondary benefit to the citizens of Greenville in addition to the direct benefit of utility services.

## The Electric System

The Utilities Commission operates an electric distribution system serving the City and approximately seventy-five percent of the rural portion of the County with 64,362 connections. The Utilities Commission's electric system, measured by number of customers served, is the second largest municipal electric system in the State and the forty-third largest in the nation.

The electric system consists of 77 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as 1,138 miles of overhead distribution lines, 1,504 miles of underground distribution lines at 12,470 volts and 78 miles of fiber optic lines. In addition, the electric system consists of 19 distribution substations with a load capacity in excess of 776 MVA (megavolt amps), as well as two point-of-delivery transmission substations and two sub-transmission substations.

230kV Substation  
on Mumford Road



The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for an estimated 40,079 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately twenty-seven percent of the Utilities Commission's residential customers currently participate in this program.

The Utilities Commission and thirty-one other North Carolina municipalities are members of the North Carolina Eastern Municipal Power Agency (Power Agency), a joint agency of the State of North Carolina. The Power Agency has signed contracts with Duke Energy Progress (DEP) for the purchase of undivided ownership interests in two coal-fired and three nuclear powered generating plants to supply primary electric power and energy requirements. The Power Agency purchases from DEP the additional power and energy, in excess of their ownership interests in the generating plants, required to meet the bulk power supply requirements of the members.



# The Water Resources Systems

## WATER TREATMENT AND DISTRIBUTION SYSTEM

The Utilities Commission operates a water treatment and distribution system that serves the City and a portion of the County. The distribution system currently consists of approximately 628 miles of lines with 34,742 connections. Raw water is supplied by the Tar River and eight deep wells. Recently completed river modeling, as a part of the Utilities Commission's ongoing Tar River Available Water Supply Project, indicates the Utilities Commission may be able to realize an average day withdrawal of 128 million gallons per day (MGD) from the Tar River, as compared to the current average day withdrawal of 12.847 MGD. Treatment is accomplished through a modern water treatment plant placed in operation in 1983 and expanded in 2002 with a present capacity of 22.5 million gallons per day (MGD). With the 2.0 MGD peaking capacity of the supplemental supply from the eight deep wells, the total peak day capacity of the water system is 24.5 MGD.

Water  
Treatment  
Plant



Average daily water use in the fiscal year ended June 30, 2013 was approximately 12.008 MGD, with a maximum daily usage of approximately 14.871 MGD. Approximately 84.5% of the water system's 34,742 connections are located within the City limits.

The North Carolina Department of Environment and Natural Resources (NCDENR) regulates the quality of water sold by the Utilities Commission to its customers, and the water treatment plant operates in compliance with NCDENR regulations. The water system meets the current standards of the Federal Safe Drinking Water Act.

NCDENR has implemented rules restricting water use from certain aquifers in areas of eastern North Carolina. Although the Utilities Commission's primary water supply, which is the Tar River, is not affected by these restrictions, several neighboring communities are mandated to reduce their aquifer withdrawals and are seeking supplemental water supplies. Foresight and long range planning in the areas of water treatment and aquifer storage have positioned the Utilities Commission to form partnerships with these neighboring communities to provide water service to areas outside the traditional service area. The Utilities Commission has entered into contracts to deliver water to the neighboring communities of Bethel, Farmville, Stokes, Winterville and Greene County.

Wastewater  
Treatment  
Plant



## WASTEWATER COLLECTION AND TREATMENT SYSTEM

The Utilities Commission operates a wastewater collection and treatment system that serves the City as well as some adjacent areas. Mandatory connection is required by Utilities Commission rules and regulations which are incorporated into the City Code by reference.

The collection system consists of approximately 479 miles of lines with 28,435 connections. The wastewater treatment plant was placed on line in 1985 and expanded in 1995. It is rated to biologically treat a 30 day average of 17.5 million gallons per day (MGD) and a 30 day average of 35 MGD hydraulic capacity. The annual average daily biological flow during fiscal year ended June 30, 2013 was 10.4 million gallons of wastewater with a single day hydraulic maximum of 24.1 MGD. The wastewater treatment plant is regulated by the NCDENR Division of Water Resources which enforces federal standards through the National Pollutant Discharge Elimination System as defined in the Clean Water Act. The Utilities Commission operates an Industrial Pretreatment program, which currently has seven participants: NACCO Materials Handling Group, DSM Pharmaceuticals, Inc., DSM Dyneema, Inc., The Hammocks Source, Karastan Carpets, Fuji Silysia, and Metrics.

## The Natural Gas System

The Utilities Commission operates a natural gas distribution system that serves the City as well as some adjacent areas. The natural gas system consists of 609 miles of pipeline and 434 miles of service lines with 22,434 connections. During the current fiscal year 3,129,973 dekatherms of natural gas were moved through the Utilities Commission's distribution system.

Liquefied  
Natural Gas  
Storage Facility



The Utilities Commission entered a 10-year gas services agreement effective January 5, 2010, with Piedmont Natural Gas (PNG) that provides Firm Transportation, Excess Redelivery and Bundled Sales Peaking Services. The Utilities Commission secures its natural gas supplies through various marketers and transports the natural gas on a daily basis through Transcontinental Gas Pipe Line Corporation's transmission pipeline to PNG's gas system. The Utilities Commission routinely uses marketing firms to buy and sell natural gas contracts on its behalf. A Natural Gas Risk Management Policy, which includes a Hedging Plan and Credit Risk Policy, was developed and adopted by the Utilities Commission to mitigate the risks associated with purchasing natural gas on the New York Mercantile Exchange (NYMEX).

The Utilities Commission entered a 15-year agreement with Patriots Energy Group (PEG), effective February 1, 2007 to purchase 20 percent of the Utilities Commission's firm volumes (2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be between \$0.42 and \$0.47 per dekatherm and pays a fee of \$0.015 per dekatherm to PEG to cover the administrative costs of the agreement.

The Utilities Commission utilizes liquefied natural gas (LNG) as a supply source for peak day natural gas requirements. The utilization of LNG as a natural gas supply for peak day requirements is part of a long range plan to enhance the natural gas system's reliability, control natural gas costs and offer additional services to the Utilities Commission's customers. The Utilities Commission completed a permanent facility that stores and vaporizes LNG into gas in December 1997. An expansion of that facility, which doubled storage capacity, was substantially completed in the fall of 2001 and enhancements to the security features at the site were completed in 2004. A second expansion, completed in December 2006, doubled the send-out capacity and added redundancy and reliability to the operations of the facility.

## Local Economy

The City of Greenville is a commercial, educational, cultural and medical hub for Eastern North Carolina. As a university community with a strong business and manufacturing base, the area is characterized by a multi-skilled labor force, a diversified economic base and a large regional health-care complex. The local economy is well positioned with government, wholesale, retail trade and manufacturing sectors each accounting for approximately 25 percent of total employment. Agriculture is also a strong contributor to the area with tobacco, corn, soybeans, wheat, peanuts, eggs, livestock, poultry and vegetables as the primary local agricultural products.

Locally there are fourteen manufacturing operations that employ 100 or more workers, five that employ 500 or more and several manufacturers that maintain corporate or divisional headquarters in the Utilities Commission's service area. Three non-manufacturing operations located in the area each employ more than 2,500 workers. Major employers include Vidant Medical Center (formerly Pitt County Memorial Hospital), East Carolina University, Pitt County Schools, DSM Pharmaceuticals, NACCO Materials Handling Group, Pitt County Government, Pitt Community College, the City of Greenville, The Roberts Company, and Alliance One International. Unemployment rates since 2003 have ranged from a low of 5.7 percent to a high of 11.0 percent.

The health care community in Greenville is one of the largest in the state of North Carolina. Vidant Medical Center is one of four academic medical centers in North Carolina and serves as the teaching hospital for The Brody School of Medicine. The 909-bed hospital serves as a regional heart center and has the only level one trauma center in the 29 counties of Eastern North Carolina. Vidant Medical Center hosts over 1,700 licensed medical providers and serves over 1.4 million residents of the region.

East Carolina University (ECU), the third largest university in the State, has a student enrollment of approximately 27,000 students and employs more than 5,300 workers. ECU is a member of the 17-campus University of North Carolina system and is accredited by the Southern Association of Colleges and Schools. It offers professional schools of medicine, dentistry, nursing, allied health sciences, health and human performance, business, education, industry and technology, human environmental sciences, social work, music, art and a College of Arts and Sciences.

## Long-term Financial Planning

The Utilities Commission is dedicated to enhancing the quality of life for those we serve by providing safe, reliable utility services at the lowest reasonable cost, with exceptional customer service. At the Board's direction, we developed a strategic management system using the Balanced Scorecard as a framework. Our Balanced Scorecard, branded as "On the Mark," was developed with input from the Board, management, employees and customers. On the Mark is a dynamic roadmap for greater success – for the Utilities Commission, our employees and the communities we serve. The Utilities Commission's Balanced Scorecard helps translate our mission, vision and strategies into action. We have defined three focus areas, or strategic themes: Exceptional Customer Service; Reliability, Safety & Value; and Shaping Our Future. Attaining excellence in these three areas will enable us to achieve our mission, realize our vision and deliver value to our customers.

The Utilities Commission's strategic plan includes a multi-year financial plan to build reserves, fund our capital projects and continue to meet the needs of our customers, while maintaining competitive and stable rates. We are focusing on long-term financial sustainability, establishing key financial reserves to mitigate risk, and meeting customer requests and reliability standards.

Our approach to financial planning supports our long-term strategic goals. The Utilities Commission annually prepares, as part of the budgeting process, a five-year capital and financial plan that outlines major projects and identifies needs for long and short-term financing. This planning process focuses on key financial metrics including operating income, high debt service coverage and reasonable levels of fund balance. Rate modeling is used to assess cash flows and to identify the amount and plan the timing of revenue increases.

## Relevant Financial Policies

A comprehensive set of financial policies is necessary to ensure that the Utilities Commission's assets are effectively managed and to provide benchmarks to measure performance. The Utilities Commission's investment policy objectives are to properly manage idle cash while providing reasonable rates of return and achieving the primary goals of safety and liquidity. Our financial reserves policy is designed to identify prudent cash reserve levels while promoting long-term financial stability. Our capital investment policy provides guidelines for prudent utility capital investment planning to ensure the timely renewal and replacement of the operating system's assets.

## Major Initiatives

During the summer of 2013, the Utilities Commission launched the new fully integrated resource planning (ERP) system. This first phase of the project was approximately \$26 million, which includes a new financial system comprised of core financials, human resources, payroll and budgeting. The

financial system serves as the foundation for other modules such as customer care and billing and work and asset management. The implementation phase of the work and asset management system began during the summer of 2013 and will continue into 2014, when the Utilities Commission will begin implementation of the customer care and billing system.

The Utilities Commission continues to make investments in infrastructure to comply with regulatory requirements, maintain and improve system reliability and safety, be strategically positioned for growth, and improve efficiencies. The Utilities Commission's five year capital improvement plan is in excess of \$151 million and includes: continuation of major upgrades to the electric substations, installation of an outage management system, upgrades to the treatment process at both the Water and Wastewater Treatment Plants, upgrades to our largest wastewater pumping station, installation of two additional liquefied natural gas (LNG) tanks at the LNG Plant, and extension of the natural gas system's high pressure mains. Each of these capital projects will enhance the Utilities Commission's mission of providing safe, reliable services at the lowest reasonable cost, with exceptional customer service.

As part of our continuous quest to improve safety performance, the Lighthouse process was implemented during the spring of 2013. This employee-led program is part of the Utilities Commission's Corporate Safety Initiative to build on our previous successful safety record. Lighthouse is a behavior observation feedback process involving trained employees who observe their peers and identify safe and at-risk behaviors. The process seeks to reduce at-risk behavior and reduce injuries. Another goal of the process is to identify and remove barriers to safe behavior enabling employees to work safely. A Steering Team is guiding the process and implementing training and oversight. The Utilities Commission has worked with BST (Behavioral Science Technology) and has modeled Lighthouse after successful programs throughout the country.

To further enhance the Corporate Safety Initiative, the Utilities Commission adopted the Smith System Driver Enhancement Training program during the winter of 2012, and we're currently in the process of training all drivers using this new system. The program started in the United States in 1952 and teaches techniques that not only reduce vehicle accidents by 50 percent, but also reduce fuel and vehicle maintenance costs. Employees complete an eight-hour course that includes classroom and on-the-road coaching.

## Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utilities Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the fourth consecutive year the Utilities Commission has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

The American Public Power Association awards the Reliable Public Power Provider (RP3) designation to recognize outstanding achievements in providing customers with the highest degree of reliable and safe electric service. Out of more than two thousand community-owned electric utilities

fewer than ten percent attain this recognition. The Utilities Commission has held this designation continuously since May 2007.

ElectriCities, a member organization that includes electric power communities in North Carolina, South Carolina and Virginia and provides management services to the Utilities Commission's power provider annually presents Public Power Awards of Excellence to its members. During the 2013 fiscal year the Utilities Commission received awards for Competitive Business Environment, Energy Efficiency, Financial Stability, Legislative Involvement, and Service Excellence.

During fiscal year 2013 the Utilities Commission received 12 safety awards from the NC Department of Labor and the Pitt-Greenville Chamber of Commerce. This is the sixth consecutive year the Utilities Commission has received these awards.

The Utilities Commission received the Herbert Stout Award, which honors exemplary use of Geographic Information Systems (GIS) by a local government. The award was presented to Utilities Commission staff by the North Carolina Geographic Information Coordinating Council during the annual NC GIS Conference.

The United Way of Pitt County honored the Utilities Commission with the LIVE UNITED award. This award recognizes companies that have shown exemplary commitment to the United Way of Pitt County and the community.

The Joint Greenville Utilities/City of Greenville (COG) Wellness Program was recently presented with the Gold Apple Award as part of the WorkHealthy North Carolina Initiative during the 15th Annual Meeting of the NC Prevention Partners. The Golden Apple Award is presented to organizations who have established a culture of wellness for their employees by providing delicious, affordable and healthy food to all employees all the time.

The Purchasing Section of the Utilities Commission's Finance Department received the 2012 Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing. The Utilities Commission is one of 12 member agencies in North and South Carolina to receive the award. The Utilities Commission recently received the Special Achievement in GIS (SAG) Award, which honors organizations around the world using geography to drive change. The SAG Award acknowledges vision, leadership, hard work and innovative use of Esri's GIS technology. The Utilities Commission was recognized for using Esri ArcGIS technology to develop a mobile GIS system.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Utilities Commission's finances.

Respectfully submitted,



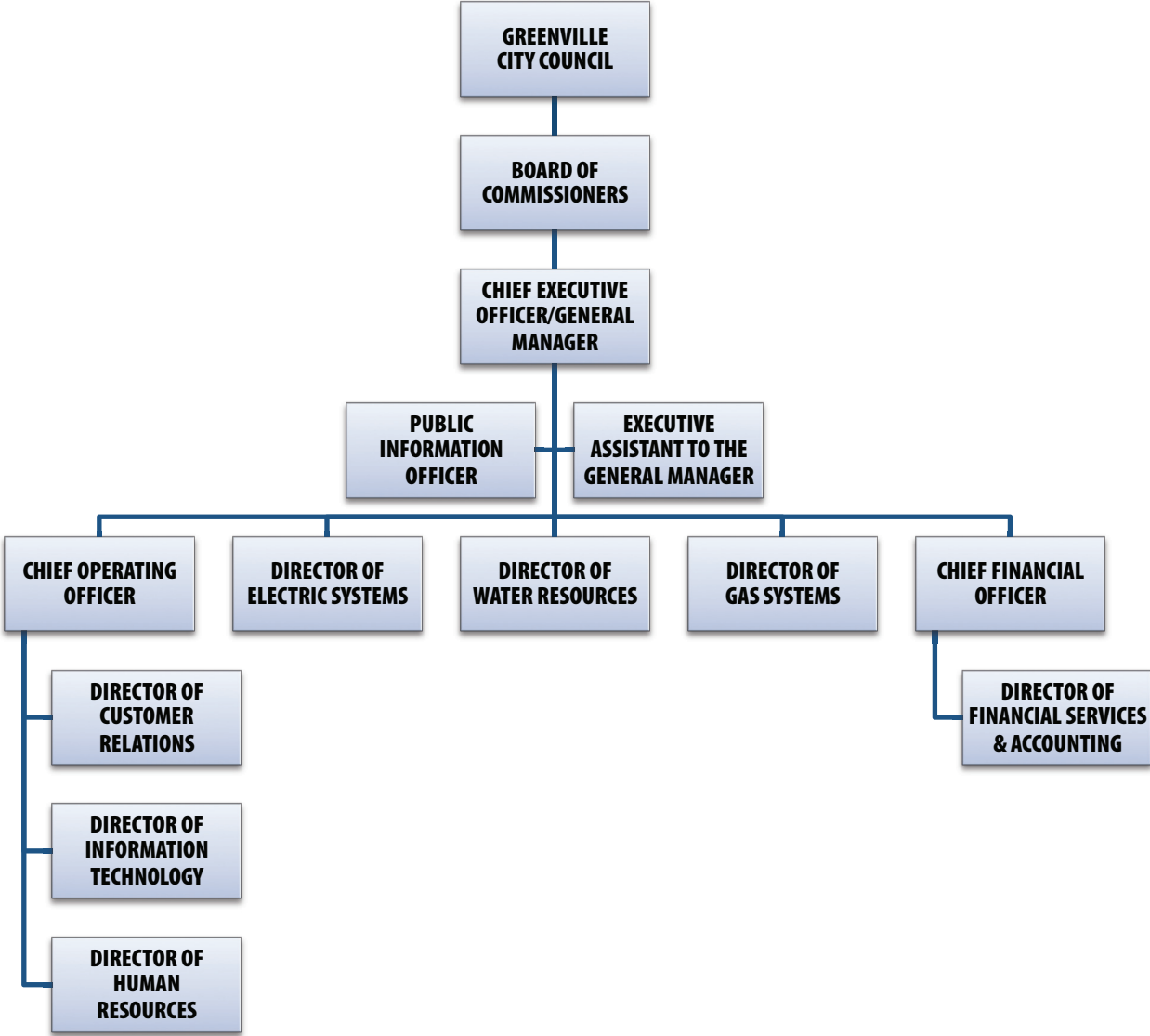
Anthony C. Cannon  
General Manager/CEO



Jeff McCauley  
Chief Financial Officer

Greenville Utilities Commission  
of the City of Greenville, North Carolina

**ORGANIZATIONAL CHART**



# Greenville Utilities Commission of the City of Greenville, North Carolina

## APPOINTED OFFICIALS OCTOBER 23, 2013

### COMMISSIONERS



Virginia Hardy  
Chair



Stan Eakins  
Vice-Chair



John Minges  
Secretary



Barbara Lipscomb  
City Manager



Phil Flowers



Chip Little



Don Mills



Rebecca Blount

### EXECUTIVE MANAGEMENT



Anthony C. Cannon  
General Manager/  
Chief Executive Officer



Todd Rouse  
Chief Operating Officer



Jeff McCauley  
Chief Financial Officer





Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
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Presented to

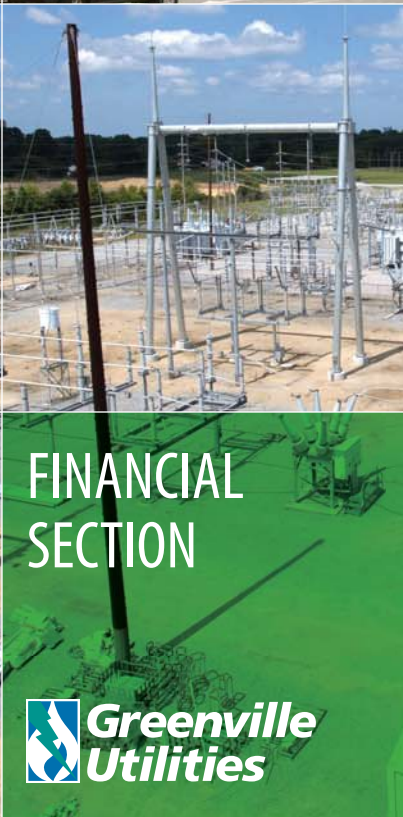
**Greenville Utilities Commission  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

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FINANCIAL  
SECTION



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2013





INDEPENDENT  
AUDITOR'S  
REPORT



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013



# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners  
Greenville Utilities Commission  
Greenville, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission as of June 30, 2013, and the respective changes in financial position and, where applicable, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Greenville Utilities Commission. The introductory section, budgetary schedules, other schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary schedules and other schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2013 on our consideration of the Greenville Utilities Commission 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 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 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 Greenville Utilities Commission's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
October 23, 2013

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MANAGEMENT'S  
DISCUSSION &  
ANALYSIS



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013



## Management's Discussion and Analysis

As management of the Greenville Utilities Commission (Utilities Commission), we offer readers of the Utilities Commission's financial statements this narrative overview and analysis of the financial activities of the Utilities Commission for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information in this report.

### Financial Highlights

- The assets and deferred outflows of resources of the Utilities Commission exceeded its liabilities at the close of the most recent fiscal year by \$325,811,666 (net position). Of this amount, \$79,035,173 (unrestricted net position) may be used to meet the Utilities Commission's ongoing obligations to its customers and creditors.
- Operating revenues increased by \$4,316,794 or 1.7 percent and total revenues increased by \$2,295,975 or 0.9 percent due primarily to increases in customer consumption. An adjustment in the base facilities charge that went into effect on April 1, 2013 accounts for approximately .09 percent of the increase.
- The Utilities Commission's total net position increased by \$7,630,252 primarily due to positive operating income.
- The Utilities Commission's total debt increased by \$6,827,896 (6.2 percent) during the current fiscal year. The key factor in this increase was the addition of \$34,203,355 of new debt, which exceeded the retirement of existing debt totaling \$28,813,797 and the net decrease in discounts and premiums totaling \$58,487.
- The Utilities Commission maintained its A+ bond rating with a stable outlook.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Utilities Commission's basic financial statements. The Utilities Commission's basic financial statements are comprised of three components: (1) commission-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Commission-Wide Financial Statements** – The commission-wide financial statements are designed to provide readers with a broad overview of the Utilities Commission's finances, in a manner similar to a private-sector business. The commission-wide statements provide short and long-term information about the financial status of the Utilities Commission as a whole.

The Statement of Net Position presents the difference between the Utility Commission's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial condition of the Utilities Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Position presents information showing how the Utilities Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected billings and earned but unused vacation leave).

All of the activities of the Utilities Commission are of a business-type (as compared to governmental activities). The Utilities Commission has no component units to report.

**Fund Financial Statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Utilities Commission, like other local governments and special districts, uses fund accounting to ensure and demonstrate

compliance with finance-related legal requirements. All of the funds of the Utilities Commission can be divided into two categories: proprietary funds and fiduciary funds.

**Proprietary Funds** – The Utilities Commission maintains only one type of proprietary fund – the enterprise fund type. Enterprise funds are used to report the same functions presented as business-type activities in the commission-wide financial statements. The Utilities Commission uses enterprise funds to account for its electric, water, sewer and natural gas business operations, all of which are considered major funds.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the Utilities Commission. Fiduciary funds are not reflected in the commission-wide financial statement because the resources of those funds are not available to support the Utilities Commission’s own activities. The accounting used for fiduciary funds is much like that used for proprietary funds. The Utilities Commission has two fiduciary funds, one of which is a pension trust fund and one of which is an agency fund.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the commission-wide and fund financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Utilities Commission’s progress in funding its obligation to provide post-employment benefits to its employees.

#### Commission-Wide Financial Analysis

##### Greenville Utilities Commission Net Position

	<b>2013</b>	<b>2012</b>
Current and other assets	\$ 120,608,505	\$ 119,478,991
Capital assets	356,791,183	345,685,952
Deferred outflows of resources	1,360,672	1,193,056
Total assets and deferred outflows of resources	<u>478,760,360</u>	<u>466,357,999</u>
Current liabilities	36,492,116	36,883,176
Non-current liabilities	116,456,578	111,293,409
Total liabilities	<u>152,948,694</u>	<u>148,176,585</u>
Net position:		
Net investment in capital assets	246,776,493	238,985,629
Unrestricted	79,035,173	79,195,785
Total net position	<u>\$ 325,811,666</u>	<u>\$ 318,181,414</u>

As noted earlier, net position may serve over time as a useful indicator of an enterprise’s financial condition. The assets and deferred outflows of resources of the Utilities Commission exceeded the liabilities and deferred inflows of resources by \$325,811,666 as of June 30, 2013. The Utilities Commission’s net position increased by \$7,630,252 during the fiscal year ended June 30, 2013.

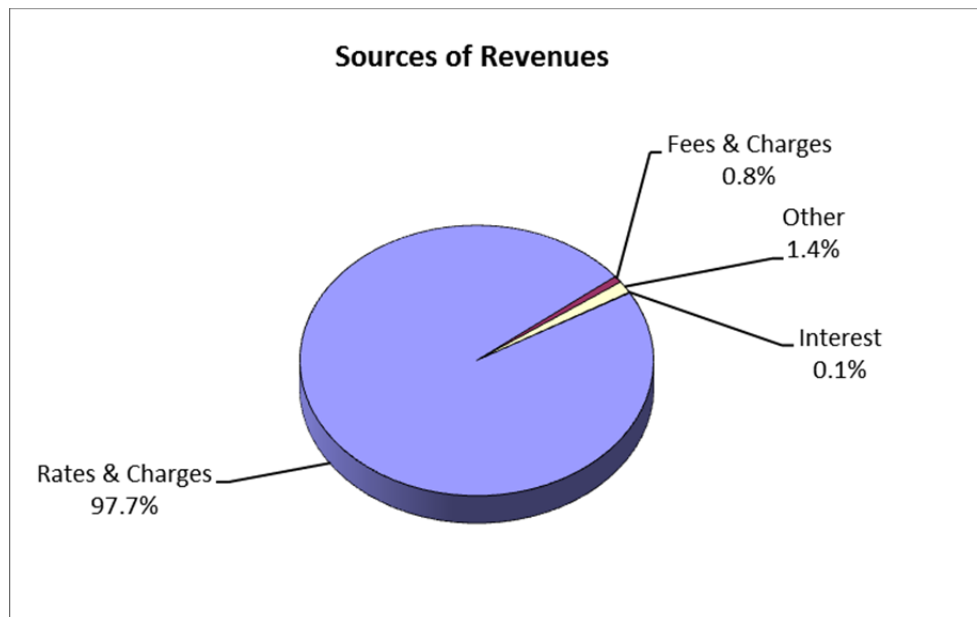
The largest portion of the Utilities Commission’s net position (75.7 percent) reflects its net investment in capital assets (e.g. plants, distribution systems, equipment, land, machinery). The Utilities Commission uses these capital assets to provide electric, water, sewer and gas services to customers, consequently these assets are not available for future spending. Although the Utilities Commission’s net investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot practically be used to liquidate these liabilities.

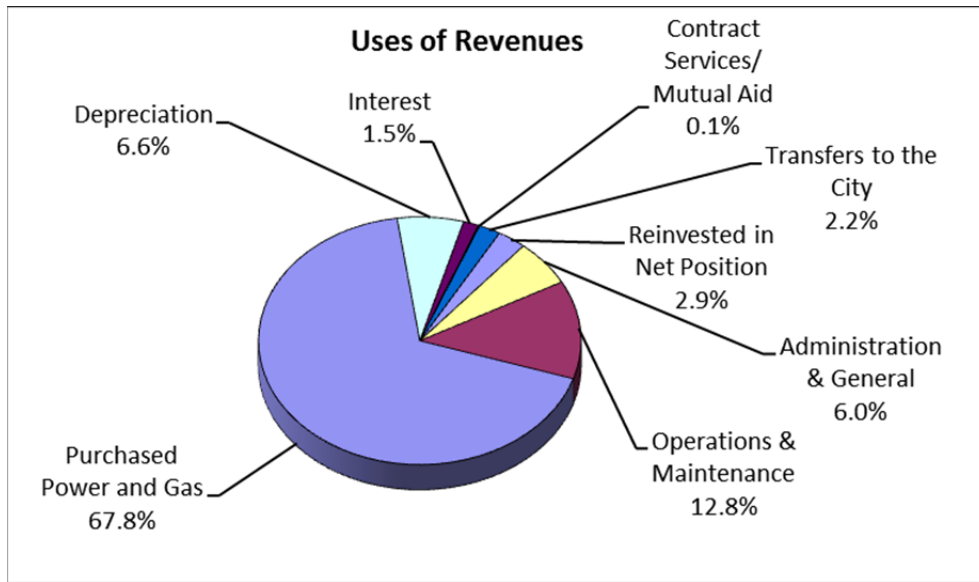
The remaining balance of unrestricted net position (\$79,035,173) may be used to meet the Utilities Commission's ongoing obligations to citizens and creditors. This balance decreased \$160,612 from fiscal year 2012 due to decreases in cash. Operating transfers from the Utilities Commission Electric and Gas operations to the City of Greenville are authorized and defined by the charter, as amended, which established the Utilities Commission in 1905. There are no transfers from the Water or Sewer operations to the City.

The \$7,630,252 increase in net position represents the degree to which increases in operating expenses were offset by corresponding increases in operating revenue.

**Greenville Utilities Commission Changes in Net Position**

	<b>2013</b>	<b>2012</b>
Revenues:		
Operating revenues:		
Charges for service	\$ 260,272,010	\$ 255,942,796
Other operating revenues	773,079	785,499
Non-operating revenues:		
Interest income	226,385	334,874
Other non-operating revenues	3,032,779	4,945,109
Total revenues	<u>264,304,253</u>	<u>262,008,278</u>
Expenses		
Operating expenses	246,537,972	244,842,056
Non-operating expenses	4,402,553	4,252,750
Total expenses	<u>250,940,525</u>	<u>249,094,806</u>
Increase in net position before transfers	13,363,728	12,913,472
Transfers	<u>(5,733,476)</u>	<u>(5,735,377)</u>
Increase in net position	7,630,252	7,178,095
Net position, July 1	<u>318,181,414</u>	<u>311,003,319</u>
Net position, June 30	<u>\$ 325,811,666</u>	<u>\$ 318,181,414</u>





Charges for services increased by \$4,329,214 or 1.7 percent. The Electric Fund accounts for 73.9 percent of this increase, which resulted primarily from an increase in customer consumption.

#### Financial Analysis of the Utilities Commission’s Funds

As noted earlier, the Utilities Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Proprietary Funds** – The Utilities Commission has a separate fund for the Electric, Water, Sewer and Gas operations. The total increase in net position for all funds was \$7,630,252. Net position at the end of the fiscal year for the Electric Fund was \$114,118,512, \$67,193,375 for the Water Fund, \$97,092,338 for the Sewer Fund, and \$47,407,441 for the Gas Fund.

#### Capital Assets and Debt Administration

**Capital assets** – The Utilities Commission’s investment in capital assets as of June 30, 2013 totals \$356,791,183 (net of accumulated depreciation). This investment in capital assets includes plants, distribution and collection systems, land, buildings, improvements, machinery and equipment. The total change in the Utilities Commission’s investment in capital assets for the current fiscal year was a 3.2 percent increase. Additional information on the Utilities Commission’s capital assets can be found in note 2.A of this report.

Major capital asset events during the current fiscal year include the following additions (there were no significant demolitions):

- Distribution substations improvements totaling \$716,737
- Electric distribution line improvements and extensions totaling \$3,602,953
- Water main improvements and extensions totaling \$156,310
- Raw water pump station improvements totaling \$501,335
- Continued upgrades to the electrical and SCADA (supervisory control and data acquisition) systems at the Wastewater Treatment Plant of \$105,336
- Construction activities for the Sterling Pointe and Westside wastewater pump stations and force mains totaling \$10,657,593
- Sewer main improvements and extensions totaling \$997,472
- Natural gas main improvements and extensions totaling \$442,452

**Greenville Utilities Commission Capital Assets**

	<b>2013</b>	<b>2012</b>
Land	\$ 3,501,273	\$ 3,590,672
Easements	67,815	51,015
Land improvements	91,040	-
Buildings	73,392,438	62,553,341
Furniture and office equipment	489,911	345,059
Computer software	866,391	1,260,163
Vehicles and equipment	10,300,446	10,122,888
Distribution systems	210,911,271	213,957,592
Transmission system	16,346,618	17,395,353
Construction in progress	40,823,980	36,409,869
Total capital assets	<u>\$ 356,791,183</u>	<u>\$ 345,685,952</u>

**Long-term debt** – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$116,672,785. Of this amount, \$3,447,913 is secured by the equipment financed and the remaining debt is secured by the Utilities Commission’s net revenues. Additional information on the Utilities Commission’s long-term debt can be found in note 2.B of this report.

**Greenville Utilities Commission Outstanding Debt**

	<b>2013</b>	<b>2012</b>
Revenue bonds	\$ 79,645,700	\$ 78,258,516
Loans	36,029,680	32,027,308
Unamortized bond discount/premium	997,405	752,122
Total outstanding debt	<u>\$ 116,672,785</u>	<u>\$ 111,037,946</u>

Of the total debt, \$10,595,134 is the current portion.

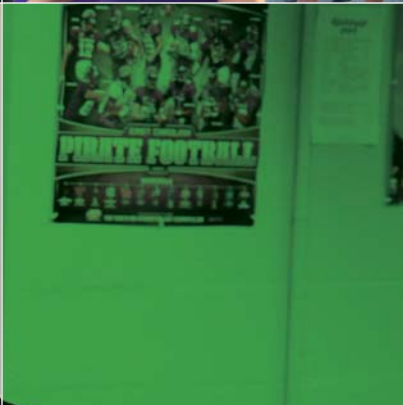
**Economic Factors and Next Year’s Budgets and Rates**

The Utilities Commission is dealing with rising costs for fuel, energy, supplies, materials, and insurance, making it necessary to closely manage expenses, and take a more conservative approach to staffing and work practices. To that end; the budget was developed to control costs and position the Utilities Commission for long-term sustainability, while continuing to provide the high level of service expected by its customers. Focusing on these fundamentals will provide the foundation for providing safe and reliable services to its customers for the future. No rate increases were budgeted for any of the funds for the 2013-14 fiscal year.

**Requests for Information**

This financial report is designed to provide a general overview of the Utilities Commission’s finances for all those with an interest in the Utilities Commission’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, Greenville Utilities Commission, P.O. Box 1847, Greenville, NC 27835.

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# BASIC FINANCIAL STATEMENTS



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2013





**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Net Position  
June 30, 2013**

	<b>Total Business Type Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 71,606,755
Accounts receivable, net	26,731,923
Due from other governments	2,117,564
Due from City of Greenville	196,474
Inventories	6,462,769
Prepaid expenses and deposits	37,983
Restricted cash and cash equivalents	3,514,426
Total current assets	<u>110,667,894</u>
Non-current assets:	
Restricted cash and cash equivalents:	
Bond proceeds	5,297,423
Capacity fees	1,666,702
Total restricted cash and cash equivalents	<u>6,964,125</u>
Investments	2,500,000
Notes receivable	476,486
Capital assets:	
Land, easements and construction in progress	44,393,068
Other capital assets, net of depreciation	312,398,115
Total capital assets	<u>356,791,183</u>
Total non-current assets	<u>366,731,794</u>
Total Assets	<u>477,399,688</u>
<b>Deferred Outflows of Resources</b>	
Unamortized bond refunding charges	1,360,672
Total deferred outflows of resources	<u>1,360,672</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued expenses	19,492,560
Customer deposits	3,514,426
Accrued interest payable	807,654
Due to City of Greenville	281,032
Unearned revenue	377,951
Current portion of compensated absences	1,423,359
Current maturities of long-term debt	10,595,134
Total current liabilities	<u>36,492,116</u>
Non-current liabilities:	
Compensated absences	419,232
Long-term debt, excluding current portion	106,077,651
Other post employment benefits	9,959,695
Total non-current liabilities	<u>116,456,578</u>
Total liabilities	<u>152,948,694</u>
<b>Net Position</b>	
Net investment in capital assets	246,776,493
Unrestricted	79,035,173
Total net position	<u>\$ 325,811,666</u>

The notes to the financial statements are an integral part of this statement.

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Net Position  
June 30, 2013**

	Major Funds				Total Business Type Activities
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 37,257,001	\$ 3,044,950	\$ 5,244,274	\$ 26,060,530	\$ 71,606,755
Accounts receivable, net	21,330,435	1,737,184	1,899,025	1,765,279	26,731,923
Due from other governments	1,208,202	120,427	731,421	57,514	2,117,564
Due from City of Greenville	196,474	-	-	-	196,474
Inventories	5,241,519	598,374	124,178	498,698	6,462,769
Prepaid expenses and deposits	21,610	6,012	5,774	4,587	37,983
Restricted cash and cash equivalents	2,678,225	494,065	1,125	341,011	3,514,426
Total current assets	67,933,466	6,001,012	8,005,797	28,727,619	110,667,894
Non-current assets:					
Restricted cash and cash equivalents:					
Bond proceeds	1,476,755	2,029,242	1,254,454	536,972	5,297,423
Capacity fees	-	810,376	856,326	-	1,666,702
Total restricted cash and cash equivalents	1,476,755	2,839,618	2,110,780	536,972	6,964,125
Investments	1,191,614	173,495	230,968	903,923	2,500,000
Notes receivable	-	476,486	-	-	476,486
Capital assets:					
Land, easements and construction in progress	7,653,490	9,534,913	25,500,590	1,704,075	44,393,068
Other capital assets, net of depreciation	83,735,425	84,034,079	117,164,648	27,463,963	312,398,115
Total capital assets	91,388,915	93,568,992	142,665,238	29,168,038	356,791,183
Total non-current assets	94,057,284	97,058,591	145,006,986	30,608,933	366,731,794
Total Assets	161,990,750	103,059,603	153,012,783	59,336,552	477,399,688
<b>Deferred Outflows of Resources</b>					
Unamortized bond refunding charges	394,752	484,945	239,439	241,536	1,360,672
Total deferred outflows of resources	394,752	484,945	239,439	241,536	1,360,672
<b>Liabilities</b>					
Current liabilities:					
Accounts payable and accrued expenses	16,444,023	552,270	1,200,502	1,295,765	19,492,560
Customer deposits	2,678,225	494,065	1,125	341,011	3,514,426
Accrued interest payable	166,351	287,047	287,984	66,272	807,654
Due to City of Greenville	281,032	-	-	-	281,032
Unearned revenue	-	157,931	220,020	-	377,951
Current portion of compensated absences	652,818	256,389	289,158	224,994	1,423,359
Current maturities of long-term debt	2,663,883	2,829,610	3,964,299	1,137,342	10,595,134
Total current liabilities	22,886,332	4,577,312	5,963,088	3,065,384	36,492,116
Non-current liabilities:					
Compensated absences	112,331	128,477	95,340	83,084	419,232
Long-term debt, excluding current portion	20,567,975	29,601,357	48,412,388	7,495,931	106,077,651
Other post employment benefits	4,700,352	2,044,027	1,689,068	1,526,248	9,959,695
Total non-current liabilities	25,380,658	31,773,861	50,196,796	9,105,263	116,456,578
Total liabilities	48,266,990	36,351,173	56,159,884	12,170,647	152,948,694
<b>Net Position</b>					
Net investment in capital assets	70,028,564	63,652,212	91,782,444	21,313,273	246,776,493
Unrestricted	44,089,948	3,541,163	5,309,894	26,094,168	79,035,173
Total net position	\$ 114,118,512	\$ 67,193,375	\$ 97,092,338	\$ 47,407,441	\$ 325,811,666

The notes to the financial statements are an integral part of this statement.

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Year Ended June 30, 2013**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
Operating revenues:					
Charges for services	\$ 195,341,808	\$ 15,793,743	\$ 17,487,780	\$ 31,648,679	\$ 260,272,010
Other operating revenues	504,564	90,114	90,648	87,753	773,079
Total operating revenues	195,846,372	15,883,857	17,578,428	31,736,432	261,045,089
Operating expenses:					
Administration and general	7,620,912	2,768,934	2,766,380	2,759,426	15,915,652
Operations and maintenance	13,586,768	7,917,640	8,018,518	4,393,427	33,916,353
Purchased power and gas	162,173,347	-	-	16,967,248	179,140,595
Depreciation	7,361,238	3,750,841	4,758,787	1,694,506	17,565,372
Total operating expenses	190,742,265	14,437,415	15,543,685	25,814,607	246,537,972
Operating income	5,104,107	1,446,442	2,034,743	5,921,825	14,507,117
Non-operating revenues (expenses):					
Interest income	106,792	39,462	16,956	63,175	226,385
Interest expense and service charges	(1,003,966)	(1,419,283)	(1,293,893)	(373,976)	(4,091,118)
Other non-operating revenues	1,833,388	437,276	678,669	83,446	3,032,779
Other non-operating expenses	(311,435)	-	-	-	(311,435)
Net non-operating revenues (expenses)	624,779	(942,545)	(598,268)	(227,355)	(1,143,389)
Income before contributions and transfers	5,728,886	503,897	1,436,475	5,694,470	13,363,728
Contributions and transfers:					
Transfer to City of Greenville, General Func	(3,890,903)	-	-	(1,146,868)	(5,037,771)
Transfer to City of Greenville, street lighting reimb	(695,705)	-	-	-	(695,705)
Total contributions and transfers	(4,586,608)	-	-	(1,146,868)	(5,733,476)
Changes in net position	1,142,278	503,897	1,436,475	4,547,602	7,630,252
Net position, beginning of year	112,976,234	66,689,478	95,655,863	42,859,839	318,181,414
Net position, end of year	\$ 114,118,512	\$ 67,193,375	\$ 97,092,338	\$ 47,407,441	\$ 325,811,666

The notes to the financial statements are an integral part of this statement

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Cash Flows  
For the Year Ended June 30, 2013**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
Cash flows from operating activities:					
Receipts from customers and users	\$ 195,015,496	\$ 15,864,683	\$ 17,352,988	\$ 31,634,501	\$ 259,867,668
Other operating receipts	1,764,781	175,628	(382,101)	38,812	1,597,120
Payments for goods and services	(173,317,565)	(6,531,580)	(6,560,117)	(20,220,259)	(206,629,521)
Payments to employees	(9,935,594)	(4,465,636)	(4,605,931)	(3,646,646)	(22,653,807)
Payments received on loans	-	28,862	-	-	28,862
Net cash provided by operating activities	13,527,118	5,071,957	5,804,839	7,806,408	32,210,322
Cash flows from noncapital financing activities:					
Transfers to City of Greenville, General Fund	(4,645,427)	-	-	(1,146,868)	(5,792,295)
Net cash used by noncapital financing activities	(4,645,427)	-	-	(1,146,868)	(5,792,295)
Cash flows from capital and related financing activities:					
Proceeds from issuance of debt	7,411,955	3,440,654	20,596,606	2,754,140	34,203,355
Capital grants/cash capital contributions	-	-	123,272	-	123,272
Capital related receipts from customers	-	222,329	484,439	-	706,768
Principal payments on debt obligations	(8,433,607)	(4,682,532)	(12,153,245)	(3,544,414)	(28,813,798)
Redemption premium on refunded bonds	(183,999)	(4,060)	(63,919)	(74,438)	(326,416)
Acquisition and construction of capital assets	(9,966,474)	(2,890,523)	(13,289,448)	(2,548,243)	(28,694,688)
Payment of interest and service charges on debt obligations	(945,907)	(1,201,432)	(1,548,800)	(332,530)	(4,028,669)
Net cash used by capital and related financing activities	(12,118,032)	(5,115,564)	(5,851,095)	(3,745,485)	(26,830,176)
Cash flows from investing activities:					
Proceeds from sale and maturity of investments	4,349,357	477,142	591,054	2,082,447	7,500,000
Interest received on investments	115,653	40,439	18,168	67,457	241,717
Net cash provided (used) by investing activities	4,465,010	517,581	609,222	2,149,904	7,741,717
Net increase (decrease) in cash and cash equivalents	1,228,669	473,974	562,966	5,063,959	7,329,568
Cash and cash equivalents, beginning of year	40,183,312	5,904,659	6,793,213	21,874,554	74,755,738
Cash and cash equivalents, end of year	\$ 41,411,981	\$ 6,378,633	\$ 7,356,179	\$ 26,938,513	\$ 82,085,306
Other disclosures:					
Interest incurred	\$ 916,559	\$ 1,241,257	\$ 1,552,249	\$ 317,364	\$ 4,027,429
Interest paid	\$ 945,907	\$ 1,201,432	\$ 1,548,800	\$ 332,530	\$ 4,028,669
Interest capitalized	\$ -	\$ 17,479	\$ 322,916	\$ -	\$ 340,395
Reconciliation of operating income to net cash provided by operating activities:					
Operating Income	\$ 5,104,107	\$ 1,446,442	\$ 2,034,743	\$ 5,921,825	\$ 14,507,117
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	7,361,238	3,750,841	4,758,787	1,694,506	17,565,372
Changes in assets and liabilities					
Accounts receivable	(637,318)	7,063	(73,948)	(118,792)	(822,995)
Notes receivable	-	28,862	-	-	28,862
Due from other government	(263,938)	(55,101)	(582,910)	(40,273)	(942,222)
Due from City of Greenville	(75,271)	-	-	-	(75,271)
Inventories	330,888	27,279	(20,923)	11,559	348,803
Prepaid expenses and deposits	25,850	(5,522)	7,553	(3,608)	24,273
Accounts payable and accrued expenses	111,936	(526,667)	(565,047)	76,378	(903,400)
Customer deposits	77,044	22,415	350	12,500	112,309
Due to City of Greenville	(474,231)	-	-	-	(474,231)
Compensated absences	23,527	26,975	23,304	25,503	99,309
OPEB Payable	421,334	167,292	173,964	143,364	905,954
Unearned Revenue	-	(32,870)	(145,263)	-	(178,133)
Miscellaneous income (expense)	1,521,952	214,948	194,229	83,446	2,014,575
Total adjustments	8,423,011	3,625,515	3,770,096	1,884,583	17,703,205
Net cash provided by operating activities	\$ 13,527,118	\$ 5,071,957	\$ 5,804,839	\$ 7,806,408	\$ 32,210,322

The notes to the financial statements are an integral part of this statement.

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013**

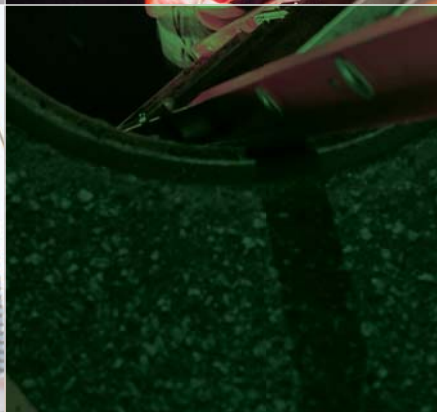
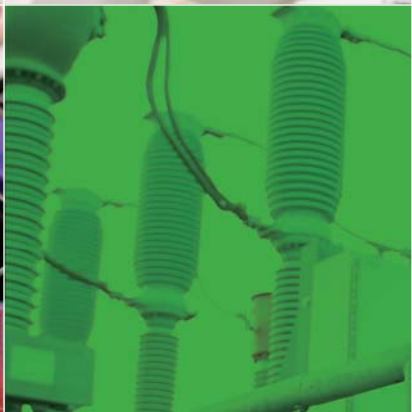
	<b>OPEB Trust Fund</b>	<b>Agency Fund</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and cash equivalents	\$ 198,264	\$ -
Accounts receivable	64	1,494,309
Investments at fair value:		
Russell 3000 Alpha Tilts B	452,092	-
Global EX-US Alpha B	143,561	-
NC Long Term Investment Plan	<u>76,368</u>	<u>-</u>
Total assets	<u>870,349</u>	<u>1,494,309</u>
<b>Liabilities</b>		
Accounts payable	<u>2,269</u>	<u>1,494,309</u>
Total liabilities	<u>2,269</u>	<u>1,494,309</u>
<b>Net Position</b>		
Assets held in trust for other postemployment benefits	<u>\$ 868,080</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2013**

	<u>OPEB Trust Fund</u>
<b>Additions</b>	
Contributions:	
Employer contributions	\$ 1,000,888
Retiree contributions	<u>196,502</u>
Total contributions	<u>1,197,391</u>
Investment earnings:	
Interest	4,287
Dividends	11,831
Net increase in the fair value of investments	<u>78,675</u>
Total investment earnings	94,793
Less investment expense	
Net investment income	<u>94,793</u>
Total additions	<u>1,292,184</u>
<b>Deductions</b>	
Benefits	897,391
Administrative Expense	<u>3,668</u>
Total deductions	<u>901,059</u>
Change in net position	391,125
Net position held in trust for OPEB benefits, beginning of year	<u>476,955</u>
Net position held in trust for OPEB benefits, end of year	<u>\$ 868,080</u>

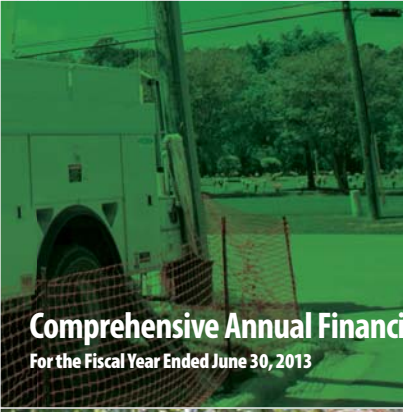
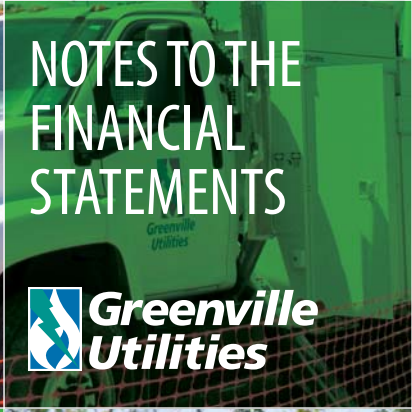
The notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

**Note 1 - Summary of Significant Accounting and Reporting Policies**

The accounting policies of the Greenville Utilities Commission (Utilities Commission) conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The Utilities Commission, which is governed by an eight-member board of commissioners, was established in 1905 to operate and administer the utility enterprise funds of the City of Greenville, North Carolina.

The Utilities Commission's financial data is incorporated into the Comprehensive Annual Financial Report of the City of Greenville and is an integral part of the City's financial statements.

The Utilities Commission provides electric, water, sewer, and natural gas utilities to the City and residents of surrounding areas. The Electric and Gas Funds are distribution systems. Electricity is purchased from North Carolina Eastern Municipal Power Agency and gas is purchased from Piedmont Natural Gas Corporation and gas marketers.

**B. Basis of Presentation**

Government-wide Statements: The statement of net position displays information about the primary government (Utilities Commission). This statement includes the financial activities of the overall government, except fiduciary activities. Business-type activities are financed in whole or in part by fees charged to external parties.

Fund Financial Statements: The fund financial statements provide information about the Utilities Commission's funds, including its fiduciary funds. Separate statements for each fund category – proprietary and fiduciary – are presented.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Utilities Commission reports the following major enterprise funds:

**Electric, Water, Sewer and Gas.** These funds account for those operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Utilities Commission reports the following fund types:

**Pension Trust Fund.** The Utilities Commission maintains one Pension Trust Fund – the Other Postemployment Benefits (OPEB) Trust Fund. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefits plans. The OPEB Trust Fund accounts for the Utilities Commission's contributions for healthcare benefits provided to qualified retirees.

**Agency Funds.** Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the Utilities Commission holds on behalf of others. The Utilities Commission maintains two agency funds: the Refuse Collection Fund and the Stormwater Fund, which account for refuse and stormwater fees that are billed and collected by the Utilities Commission for the City of Greenville.



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

**C. Measurement Focus, Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the Utilities Commission are maintained during the year using the modified accrual basis of accounting.

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus, except for the agency funds which have no measurement focus. 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 Utilities Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utilities Commission enterprise funds are charges to customers for sales and services. The Utilities Commission also recognizes as operating revenues tap fees which are intended to recover the cost of connecting new customers to the water or sewer systems. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Budgetary Data**

The Utilities Commission's budgets are adopted as required by the North Carolina General Statutes. The Utilities Commission operates under an annual budget ordinance that provides for revenues and appropriations of the electric operation, water operation, sewer operation, and gas operation. All annual appropriations lapse at the fiscal year-end. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Budgetary control is exercised at the fund level. The budgets are prepared on the modified accrual basis as required by North Carolina law, except that bad debt expense and changes in accrued vacation are also budgeted. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the Board of Commissioners and the Greenville City Council. During the fiscal year ended June 30, 2013, one amendment to the original budget was necessary.

For budgeting purposes, the Utilities Commission adopts ordinances for capital projects funds in the enterprise funds to segregate monies used for the construction of capital assets, if funding is from external sources (debt proceeds, federal and State grants), or if the project construction period will extend over multiple fiscal years. The capital projects funds are consolidated with the enterprise operating funds for reporting purposes.

**E. Assets, Liabilities Deferred Outflows/Inflows of Resources and Fund Equity**

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Utilities Commission to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies;

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC-registered money market mutual fund. The Utilities Commission's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT- Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT- Term Portfolio's securities are valued at fair value.

General Statute 159-30.1 authorizes the Utilities Commission to establish an Other Postemployment Benefit (OPEB) Trust and G.S. 159-30(g) authorizes the Utilities Commission to make contributions to the Trust. G.S. 159-30.1 stipulates that the assets of the Utilities Commission's OPEB Trust Fund may be invested as provided in G.S. 159-30(c) or deposited with the State Treasurer for investment pursuant to G.S. 147-69.2(b)(1-6) and (8). Funds submitted to the State Treasurer are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1; the long-term investment fund (LTIF) consisting of investment grade corporate securities, treasuries, and agencies; and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B authorized under G.S. 147-69.2(b)(8).

Cash and Cash Equivalents

Cash and cash equivalents and investments of the individual funds are combined to form several pools of cash and investments. All cash equivalents are accounted for at cost, which approximates market. Investments are reported at fair value. Interest earned as a result of pooling is distributed to the appropriate funds based on their equity in the pool.

For purposes of the statements of cash flows, the Utilities Commission considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Investments, as presented in the financial statements, consist of securities authorized by State law with an original maturity greater than three months.

Restricted Assets

The Utilities Commission requires customers to pay deposits on utility accounts as security against nonpayment. These deposits are restricted to the service for which the deposit was collected.

The Utilities Commission issues Revenue Bonds to fund capital projects. The proceeds from these issuances are placed with a trustee for safekeeping and dispersion as needed. The amount of unspent bond proceeds, including interest earnings, is shown as a restricted asset because their use is completely restricted to the purpose for which the bonds were originally issued.

The Utilities Commission charges customers requesting water and/or sewer service a one-time Capacity Fee, which is intended to recover a proportional share of the cost of capital facilities constructed to provide service capacity for new development, or new customers connecting to the water/sewer system. The amount of unspent Capacity Fee revenue is shown as a restricted asset because its use is completely restricted to capacity related capital investment and/or debt service on capacity related capital financing.

Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The Utilities Commission provides allowances for uncollectible utility receivables for all balances outstanding more than 150 days.

Inventories and Prepaid Expenses

Inventories of materials, supplies and natural gas stored for future resale are reported at the lower of cost (weighted-average) or market, which approximates the first-in, first-out (FIFO) method. The materials and supplies inventories are being held for future use and not resale and are expensed when consumed rather than when purchased.

**GREENVILLE UTILITIES COMMISSION  
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Notes to the Financial Statements  
For the Year Ended June 30, 2013**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

Capital Assets

Capital assets are defined by the Utilities Commission as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of at least two years. Capital assets purchased or constructed are recorded at cost. Contributed capital assets are recorded at estimated fair market value at the time the asset is received. Maintenance and repairs are charged to expense as incurred and renewals and betterments are capitalized at cost as incurred. Capital assets are depreciated over their estimated useful lives unless they are inexhaustible or are intangible assets with indefinite useful lives. Capital assets are depreciated using a method which approximates the straight-line method. Interest expense is capitalized on construction in progress to the extent that it exceeds interest income. Capitalized assets of the Utilities Commission are depreciated over the following estimated useful lives:

Land improvements 10 years  
Buildings 33 years  
Furniture and office equipment 10 years  
Enterprise Resource Planning software 15 years  
Other computer software 3 years  
Vehicles and equipment 3 to 20 years  
Distribution systems 20 to 50 years  
Transmission systems 20 to 25 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Utilities Commission has one item that meets this criterion, unamortized losses on bond defeasance for refunding bonds. 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 position that applies to a future period and so will not be recognized as revenue until then. The Utilities Commission had no items that meet the criterion for this category at June 30, 2013.

Long-Term Obligations

In the government-wide financial statements and the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. 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.

Compensated Absences

The vacation policy of the Utilities Commission provides for accumulation of earned vacation leave to full-time and designated part-time employees based upon the number of years of service with such leave being fully vested when earned. The cost of vacation leave is recorded when earned. Compensated absences are accounted for on a first-in, first-out (FIFO) basis and are liquidated in the enterprise funds. The portion of the vacation leave that is estimated to be used in the next fiscal year has been designated as a current liability.

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The Utilities Commission's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Utilities Commission has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Position

Net position in the government-wide and fund financial statements are classified as net investment in capital assets; restricted (if any); and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

**Note 2 – Detail Notes on All Funds**

**A. Assets**

Deposits

All the deposits of the Utilities Commission are either insured or collateralized under the pooling method. The pooling method is a collateral pool under which 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 Utilities Commission, these deposits are considered to be held by the Utilities Commission's agent in the Utilities 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 Utilities Commission or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Utilities Commission under the pooling method, the potential exists for undercollateralization, 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 depository that collateralizes public deposits under the pooling method. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions and monitors them for compliance. The Utilities Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Utilities Commission's investment policy specifies that deposit-type securities (i.e. certificates of deposit and checking accounts) are 100% collateralized as required by North Carolina General Statutes.

At June 30, 2013, the Utilities Commission's deposits had a carrying amount of \$79,568,329 and a bank balance of \$79,997,415. Of the bank balance, \$1,233,104 was covered by Federal depository insurance, and \$78,764,311 was covered by collateral held under the pooling method. The Utilities Commission's cash on hand at June 30, 2013 consisted of various petty cash funds totaling \$4,300.

Investments

At June 30, 2013, the Utilities Commission had \$4,916,882 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's and \$100,095 invested with the North Carolina Capital Management Trust's Term Portfolio which is not rated.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the Utilities Commission's investment policy limits investments with maturities exceeding three years to US Treasuries, US Agencies and Instrumentalities. Also, the Utilities Commission's investment policy advocates purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
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*Credit Risk.* The Utilities Commission's investment policy limits the securities available for purchase to the following: US Treasuries; US Agencies; NC Capital Management Trust; Money Market Accounts; Certificates of Deposit; Banker's Acceptances; Commercial Paper; and NC and Local Government Securities with AAA rating or better. The Utilities Commission's investment policy expressly prohibits investment in: repurchase agreements; commingled investment pools established by GS 160-A-464; participating shares in a mutual fund for local government; and evidences of ownership of future interest and principal payments of direct obligations of the US government. The Utilities Commission's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2013. The Utilities Commission's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

*Custodial Credit Risk.* For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the Utilities 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 Utilities Commission's investment policy does not allow investment in any security that would not be held in the Utilities Commission's name.

*Concentration of Credit Risk.* The Utilities Commission's investment policy limits the amount of the total portfolio that can be invested in any one type of investment to the following percentages: US Treasuries – 100%; US Agencies – 100%; Capital Management Trust – 100%; Money Market Accounts – 100%; Certificates of Deposit – 70%; Banker's Acceptances – 45%; Commercial Paper – 50%; NC and Local Government Securities with AAA rating or better – 20%. In addition, the Utilities Commission's investment policy limits the total amount that can be invested in any one agency, institution, or entity.

At June 30, 2013 the Utilities Commission OPEB Trust had \$870,285 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Utilities Commission's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 23%, which is reported as cash and cash equivalents; State Treasurer's Long Term Investment Fund (LTIF) 10% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 67% (the equities were split with 75% in domestic securities and 25% in international securities).

*Interest Rate Risk.* The Utilities Commission does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.6 years at June 30, 2013. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 15.9 years at June 30, 2013.

*Credit Risk.* The Utilities Commission does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The LTIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's LTIF is invested in treasuries, agencies and corporate bonds with longer term maturities.

Receivables

Receivables at the government-wide level for the business type activities at June 30, 2013, were as follows:

	<b>2013</b>
Billed customer accounts	\$23,104,580
Estimated unbilled customer services	12,461,846
Other receivables	2,370,542
Total accounts receivable and due from other governments	37,936,968
Allowance for uncollectible accounts	(9,087,481)
Net accounts receivable and due from other governments	<u>\$28,849,487</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

The allowance for uncollectible accounts is a cumulative amount of all utility balances outstanding more than 150 days regardless of the original billing date. During fiscal year 2013 the allowance increased by \$401,167, to a total outstanding amount of \$9,087,481.

The due from other governments that is owed to the Utilities Commission at June 30, 2013 consists of the following:

	<b>2013</b>
Sales tax refund	\$1,994,292
Environmental Protection Agency grant	123,272
Total due from other governments	<u>\$2,117,564</u>

The Commission has entered into an agreement to supply supplemental water to Stokes Regional Water Corporation (SRWC). The agreement required the Commission to construct a water transmission main to connect with SRWC and to finance a portion of the project's cost. At the end of the fiscal year the note receivable due from SRWC was \$476,386 payable in monthly installments for 15 years at a 5.25% interest rate.

Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 3,590,672	\$ -	\$ -	\$ (89,399)	\$ 3,501,273
Easements	51,015	18,441	-	(1,641)	67,815
Construction in progress	36,409,869	19,412,283	-	(14,998,172)	40,823,980
Total capital assets not being depreciated:	<u>40,051,556</u>	<u>19,430,724</u>	<u>-</u>	<u>(15,089,212)</u>	<u>44,393,068</u>
Capital assets being depreciated:					
Land improvements	\$ 418,444	\$ -	\$ -	\$ 91,040	\$ 509,484
Buildings	110,987,056	463,278	-	14,171,155	125,621,489
Furniture and office equipment	2,631,462	340,139	-	-	2,971,601
Computer software	6,960,440	98,180	-	-	7,058,620
Vehicles and equipment	28,512,365	2,258,840	(420,530)	-	30,350,675
Distribution systems	393,488,602	6,024,814	-	813,072	400,326,488
Transmission systems	35,607,602	73,297	-	-	35,680,899
Total capital assets being depreciated:	<u>578,605,971</u>	<u>9,258,548</u>	<u>(420,530)</u>	<u>15,075,267</u>	<u>602,519,256</u>
Less accumulated depreciation for:					
Land improvements	\$ 418,444	\$ -	\$ -	\$ -	\$ 418,444
Buildings	48,433,715	3,795,336	-	-	52,229,051
Furniture and office equipment	2,286,403	195,287	-	-	2,481,690
Computer software	5,700,277	491,952	-	-	6,192,229
Vehicles and equipment	18,389,477	2,076,558	(415,806)	-	20,050,229
Distribution systems	179,531,010	9,884,207	-	-	189,415,217
Transmission systems	18,212,249	1,122,032	-	-	19,334,281
Total accumulated depreciation	<u>272,971,575</u>	<u>17,565,372</u>	<u>(415,806)</u>	<u>-</u>	<u>290,121,141</u>
Total capital assets being depreciated, net	<u>305,634,396</u>				<u>312,398,115</u>
Net Capital Assets	<u>\$ 345,685,952</u>				<u>\$ 356,791,183</u>

**GREENVILLE UTILITIES COMMISSION  
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Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2013 totaled \$7,361,238, \$3,750,841, \$4,758,787, and \$1,694,506, respectively.

Capital asset activity by fund for the year ended June 30, 2013, was as follows:

**Electric Fund**

	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 1,057,387	\$ -	\$ -	\$ (11,262)	\$ 1,046,125
Easements	20,194	18,441	-	-	38,635
Construction in progress	2,645,746	3,922,984	-	-	6,568,730
Total capital assets not being depreciated:	<u>3,723,327</u>	<u>3,941,425</u>	<u>-</u>	<u>(11,262)</u>	<u>7,653,490</u>
Capital assets being depreciated:					
Land improvements	\$ 201,954	\$ -	\$ -	\$ 11,262	\$ 213,216
Buildings	5,484,386	2,615	-	-	5,487,001
Furniture and office equipment	2,004,826	282,519	-	-	2,287,345
Computer software	3,386,997	98,180	-	-	3,485,177
Vehicles and equipment	10,649,725	1,313,613	(235,048)	-	11,728,290
Distribution systems	169,955,298	4,234,771	-	-	174,190,069
Transmission systems	35,607,602	73,297	-	-	35,680,899
Total capital assets being depreciated:	<u>227,290,788</u>	<u>6,004,995</u>	<u>(235,048)</u>	<u>11,262</u>	<u>233,071,997</u>
Less accumulated depreciation for:					
Land improvements	\$ 201,954	\$ -	\$ -	\$ -	\$ 201,954
Buildings	2,829,582	124,010	-	-	2,953,592
Furniture and office equipment	1,728,780	158,310	-	-	1,887,090
Computer software	2,948,538	173,524	-	-	3,122,062
Vehicles and equipment	8,130,175	785,667	(235,046)	-	8,680,796
Distribution systems	108,159,102	4,997,695	-	-	113,156,797
Transmission systems	18,212,249	1,122,032	-	-	19,334,281
Total accumulated depreciation	<u>142,210,380</u>	<u>7,361,238</u>	<u>(235,046)</u>	<u>-</u>	<u>149,336,572</u>
Total capital assets being depreciated, net	<u>85,080,408</u>				<u>83,735,425</u>
Net Capital Assets	<u>\$ 88,803,735</u>				<u>\$ 91,388,915</u>

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**Water Fund**

	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 579,757	\$ -	\$ -	\$ (31,381)	\$ 548,376
Easements	14,665	-	-	(75)	14,590
Construction in progress	7,334,400	1,708,119	-	(70,572)	8,971,947
Total capital assets not being depreciated:	<u>7,928,822</u>	<u>1,708,119</u>	<u>-</u>	<u>(102,028)</u>	<u>9,534,913</u>
Capital assets being depreciated:					
Land improvements	\$ 83,999	\$ -	\$ -	\$ 31,456	\$ 115,455
Buildings	46,114,542	390,785	-	-	46,505,327
Furniture and office equipment	183,875	14,405	-	-	198,280
Computer software	1,238,147	-	-	-	1,238,147
Vehicles and equipment	7,418,645	236,261	(72,643)	-	7,582,263
Distribution systems	80,952,189	426,484	-	70,572	81,449,245
Total capital assets being depreciated:	<u>135,991,397</u>	<u>1,067,935</u>	<u>(72,643)</u>	<u>102,028</u>	<u>137,088,717</u>
Less accumulated depreciation for:					
Land improvements	\$ 83,999	\$ -	\$ -	\$ -	\$ 83,999
Buildings	18,809,389	1,407,042	-	-	20,216,431
Furniture and office equipment	166,621	9,245	-	-	175,866
Computer software	1,028,663	104,241	-	-	1,132,904
Vehicles and equipment	3,534,033	533,692	(72,643)	-	3,995,082
Distribution systems	25,753,735	1,696,621	-	-	27,450,356
Total accumulated depreciation	<u>49,376,440</u>	<u>3,750,841</u>	<u>(72,643)</u>	<u>-</u>	<u>53,054,638</u>
Total capital assets being depreciated, net	<u>86,614,957</u>				<u>84,034,079</u>
Net Capital Assets	<u>\$ 94,543,779</u>				<u>\$ 93,568,992</u>



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**Sewer Fund**

	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 1,665,251	\$ -	\$ -	\$ (31,433)	\$ 1,633,818
Easements	23	-	-	14,567	14,590
Construction in progress	26,352,439	12,427,343	-	(14,927,600)	23,852,182
Total capital assets not being depreciated:	<u>28,017,713</u>	<u>12,427,343</u>	<u>-</u>	<u>(14,944,466)</u>	<u>25,500,590</u>
Capital assets being depreciated:					
Land improvements	\$ 92,704	\$ -	\$ -	\$ 16,866	\$ 109,570
Buildings	48,105,992	7,303	-	14,171,155	62,284,450
Furniture and office equipment	168,439	14,405	-	-	182,844
Computer software	1,002,942	-	-	-	1,002,942
Vehicles and equipment	7,815,139	398,325	(79,356)	-	8,134,108
Distribution systems	108,726,718	571,179	-	742,500	110,040,397
Total capital assets being depreciated:	<u>165,911,934</u>	<u>991,212</u>	<u>(79,356)</u>	<u>14,930,521</u>	<u>181,754,311</u>
Less accumulated depreciation for:					
Land improvements	\$ 92,704	\$ -	\$ -	\$ -	\$ 92,704
Buildings	22,888,044	1,885,195	-	-	24,773,239
Furniture and office equipment	151,186	9,244	-	-	160,430
Computer software	883,166	46,630	-	-	929,796
Vehicles and equipment	4,549,482	526,765	(74,634)	-	5,001,613
Distribution systems	31,340,928	2,290,953	-	-	33,631,881
Total accumulated depreciation	<u>59,905,510</u>	<u>4,758,787</u>	<u>(74,634)</u>	<u>-</u>	<u>64,589,663</u>
Total capital assets being depreciated, net	<u>106,006,424</u>				<u>117,164,648</u>
Net Capital Assets	<u>\$ 134,024,137</u>				<u>\$ 142,665,238</u>

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**Gas Fund**

	June 30, 2012	Additions	Deletions	Transfers	June 30, 2013
Capital assets not being depreciated:					
Land	\$ 288,277	\$ -	\$ -	\$ (15,323)	\$ 272,954
Easements	16,133	-	-	(16,133)	-
Construction in progress	77,284	1,353,837	-	-	1,431,121
Total capital assets not being depreciated:	<u>381,694</u>	<u>1,353,837</u>	<u>-</u>	<u>(31,456)</u>	<u>1,704,075</u>
Capital assets being depreciated:					
Land improvements	\$ 39,787	\$ -	\$ -	\$ 31,456	\$ 71,243
Buildings	11,282,136	62,575	-	-	11,344,711
Furniture and office equipment	274,322	28,810	-	-	303,132
Computer software	1,332,354	-	-	-	1,332,354
Vehicles and equipment	2,628,856	310,641	(33,483)	-	2,906,014
Distribution systems	33,854,397	792,380	-	-	34,646,777
Total capital assets being depreciated:	<u>49,411,852</u>	<u>1,194,406</u>	<u>(33,483)</u>	<u>31,456</u>	<u>50,604,231</u>
Less accumulated depreciation for:					
Land improvements	\$ 39,787	\$ -	\$ -	\$ -	\$ 39,787
Buildings	3,906,700	379,089	-	-	4,285,789
Furniture and office equipment	239,816	18,488	-	-	258,304
Computer software	839,910	167,557	-	-	1,007,467
Vehicles and equipment	2,175,787	230,434	(33,483)	-	2,372,738
Distribution systems	14,277,245	898,938	-	-	15,176,183
Total accumulated depreciation	<u>21,479,245</u>	<u>1,694,506</u>	<u>(33,483)</u>	<u>-</u>	<u>23,140,268</u>
Total capital assets being depreciated, net	<u>27,932,607</u>				<u>27,463,963</u>
Net Capital Assets	<u>\$ 28,314,301</u>				<u>\$ 29,168,038</u>

A summary of capital assets, by fund, at June 30, 2013 is as follows:

	Electric	Water	Sewer	Gas	Total
At June 30, 2013					
Land	\$ 1,046,125	\$ 548,376	\$ 1,633,818	\$ 272,954	\$ 3,501,273
Easements	38,635	14,590	14,590	-	67,815
Land improvements	213,216	115,455	109,570	71,243	509,484
Buildings	5,487,001	46,505,327	62,284,450	11,344,711	125,621,489
Furniture and office equipment	2,287,345	198,280	182,844	303,132	2,971,601
Computer software	3,485,177	1,238,147	1,002,942	1,332,354	7,058,620
Vehicles and equipment	11,728,290	7,582,263	8,134,108	2,906,014	30,350,675
Distribution systems	174,190,069	81,449,245	110,040,397	34,646,777	400,326,488
Transmission systems	35,680,899	-	-	-	35,680,899
	<u>234,156,757</u>	<u>137,651,683</u>	<u>183,402,719</u>	<u>50,877,185</u>	<u>606,088,344</u>
Less accumulated depreciation	<u>(149,336,572)</u>	<u>(53,054,638)</u>	<u>(64,589,663)</u>	<u>(23,140,268)</u>	<u>(290,121,141)</u>
	<u>84,820,185</u>	<u>84,597,045</u>	<u>118,813,056</u>	<u>27,736,917</u>	<u>315,967,203</u>
Construction in progress	<u>6,568,730</u>	<u>8,971,947</u>	<u>23,852,182</u>	<u>1,431,121</u>	<u>40,823,980</u>
Net Capital Assets	<u>\$ 91,388,915</u>	<u>\$ 93,568,992</u>	<u>\$ 142,665,238</u>	<u>\$ 29,168,038</u>	<u>\$ 356,791,183</u>

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Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2013. At year-end, the Utilities Commission's commitments with contractors are as follows:

<u>Project Name</u>	<u>Spent-to-date</u>	<u>Remaining Commitments</u>
Water treatment and distribution system	\$6,079,976	\$228,487
Sewer treatment and collection system	21,674,965	7,452,365
Natural gas distribution system	-	1,511,268
Totals	<u>\$27,754,941</u>	<u>\$9,192,120</u>

**B. Liabilities**

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2013, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b><i>Business type activities:</i></b>				
Electric	\$15,408,021	1,015,219	20,782	\$16,444,023
Water	68,210	483,139	921	552,270
Sewer	987,990	210,800	1,711	1,200,502
Gas	1,061,538	233,939	288	1,295,765
Total	<u>\$17,525,759</u>	<u>\$1,943,098</u>	<u>\$23,703</u>	<u>\$19,492,560</u>

Long-term Obligations

**Debt serviced by the Electric Fund:**

**Revenue Bonds**

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Electric Fund. The Utilities Commission has pledged future electric customer revenues and other unrestricted revenues including revenues of the Water, Sewer and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$20,896,760 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 17 percent of net revenues, or less than 2 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,138,337. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,307,579, \$12,886,679 and \$198,300,601, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,840,154, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$1,281,324
Series 2005 Revenue Bonds with an original issue amount of \$2,607,909, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025	1,887,474

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<u>Description</u>	<u>Amount</u>
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,084,583, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	754,466
Series 2008A Refunding Revenue Bonds with an original issue amount of \$605,347, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2020	458,238
Series 2008A Revenue Bonds with an original issue amount of \$3,903,762, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on November 1, 2033	3,903,762
Series 2008B Taxable Revenue Bonds with an original issue amount of \$4,130,000, due in annual installments with varying interest rates from 5.3% to 5.78%, final payment will be made on November 1, 2018	2,745,000
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,902,210, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	3,506,847
Series 2013 Refunding Revenue Bonds with an original issue amount of \$283,932, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	257,302
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,182,959, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027	6,102,347
	<u>\$20,896,760</u>

Annual debt service requirements to maturity for the Utilities Commission's Electric Fund revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$1,798,978	\$712,361	\$2,511,339
2015	1,868,062	644,304	2,512,366
2016	1,926,492	571,821	2,498,313
2017	1,998,344	494,807	2,493,151
2018	1,699,088	423,946	2,123,034
2019-2023	6,243,073	1,401,284	7,644,357
2024-2028	3,468,745	709,231	4,177,976
2029-2033	1,539,091	274,951	1,814,042
2034	354,887	8,872	363,759
Total	<u>\$20,896,760</u>	<u>\$5,241,577</u>	<u>\$26,138,337</u>

**Other Types of Debt**

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Electric Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

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<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$514,460 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$213,173
Series 2011 installment purchase contract with an original loan amount of \$848,231 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016	518,071
Series 2012 installment purchase contract with an original loan amount of \$834,344 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	559,923
Series 2013 installment purchase contract with an original loan amount of \$945,064 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	945,064
	\$2,236,231

Annual debt service requirements to maturity for the Utilities Commission's Electric Fund installment purchase contracts are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$864,905	\$31,576	\$896,481
2015	877,440	19,041	896,481
2016	493,886	6,297	500,183
Total	\$2,236,231	\$56,914	\$2,293,145

**Take or Pay Contract** – The Utilities Commission has a long-term take or pay all requirements contract with the North Carolina Eastern Municipal Power Agency (NCEMPA) for the delivery of wholesale electric power. NCEMPA is a joint agency formed by 32 municipal entities, including the Utilities Commission, which has ownership interests in two coal-fired and three nuclear-fueled generation plants (initial project). The Utilities Commission, through its agreement with NCEMPA, has the right to 16.13% of initial project output and is obligated to pay its relative share of operating costs and debt service for the initial project. The Utilities Commission is obligated to pay its share of the operating costs and debt service regardless of the ability of NCEMPA to provide electricity or to meet the Utilities Commission's need for electricity. This contract constitutes an obligation of the Electric Enterprise Fund to make payments from operating revenues. The Electric Enterprise Fund's share of this obligation is not recorded as a liability on the accompanying basic financial statements; however, it is included as a component of its power supply expenses. The Utilities Commission's share of initial project's debt obligations at June 30, 2013 was approximately \$327 million. As of the date of this report, NCEMPA is satisfying its obligations from its own operations and accordingly, no provision for contingent liability is reported in the Utilities Commission's financial statements.

**Debt serviced by Water Fund:**

**Revenue Bonds**

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Water Fund. The Utilities Commission has pledged future water customer revenues and other unrestricted revenues including revenues of the Electric, Sewer and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$25,102,261 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 59 percent of net revenues, or less than 21 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$33,347,236. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,353,944, \$5,364,574 and \$16,228,072, respectively. Revenue bonds outstanding at year end are as follows:

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<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,538,624, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$694,144
Series 2005 Revenue Bonds with an original issue amount of \$1,356,029, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025	981,426
Series 2008A Refunding Revenue Bonds with an original issue amount of \$2,378,250, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	1,654,377
Series 2008A Refunding Revenue Bonds with an original issue amount of \$11,924,653, issued to refund a portion of the Series 2000A Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2020	9,026,762
Series 2008A Revenue Bonds with an original issue amount of \$10,641,133, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	9,641,136
Series 2010 Refunding Revenue Bonds with an original issue amount of \$1,695,666, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	1,523,865
Series 2013 Refunding Revenue Bonds with an original issue amount of \$141,966, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	128,651
Series 2013 Refunding Revenue Bonds with an original issue amount of \$696,400, issued to refund the 2.55% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2015	459,600
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,204,100, issued to refund the 2.87% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	992,300
	<u>\$25,102,261</u>

Annual debt service requirements to maturity for the Utilities Commission's Water Fund revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$2,320,429	\$1,038,120	\$3,358,549
2015	2,392,151	957,217	3,349,368
2016	2,236,867	869,547	3,106,414
2017	2,327,560	774,015	3,101,575
2018	2,230,679	671,347	2,902,026
2019-2023	7,129,942	2,102,003	9,231,945
2024-2028	2,685,074	1,239,364	3,924,438
2029-2033	3,068,878	575,595	3,644,473
2034	710,681	17,767	728,448
Total	<u>\$25,102,261</u>	<u>\$8,244,975</u>	<u>\$33,347,236</u>

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**Other Types of Debt**

The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and resources, rivers, lakes, reservoirs, springs, and ground water wells. Congress established the Drinking Water State Revolving Fund loan program in the 1996 amendments to provide financial assistance to public water systems to comply with the SDWA. The states are required to provide 20 percent matching funds. To fund drinking water capital projects that protect public health, the State of North Carolina makes loans at one-half of the market rate for a period of up to 20 years. The Utilities Commission's drinking water loans outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
2.205% Drinking Water State Revolving Fund loan issued in 2004 to finance an inter-basin transfer analysis and the construction of a major water main, \$4,014,597 authorized and \$3,884,913 drawn to date, due in annual installments of \$194,246 with a final payment on May 1, 2030	3,302,176
2.50% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$460,425 authorized and \$460,425 drawn to date, due in annual installments of \$23,021 with a final payment on May 1, 2033	460,425
2.50% Drinking Water State Revolving Fund loan issued in 2010 to finance the construction of a new water main, \$300,055 authorized and \$269,492 drawn to date, due in annual installments of \$13,475 with a final payment on May 1, 2030	229,068
2.01% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$1,442,000 authorized and \$1,156,160 drawn to date, due in annual installments of \$57,808 with a final payment on May 1, 2033	1,156,160
	\$5,147,829

Annual debt service requirements to maturity for the Utilities Commission's Water Fund Drinking Water State Revolving Fund loans are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$288,550	\$161,543	\$450,093
2015	288,550	106,932	395,482
2016	288,550	100,574	389,124
2017	288,550	94,217	382,767
2018	288,550	87,859	376,409
2019-2023	1,442,746	343,935	1,786,681
2024-2028	1,442,746	184,998	1,627,744
2029-2033	819,587	39,922	859,509
Total	\$5,147,829	\$1,119,980	\$6,627,809

The American Recovery and Reinvestment Act of 2009 (ARRA) was passed by Congress to create and save jobs, spur economic activity and invest in long-term economic growth, and to foster unprecedented levels of accountability and transparency in government spending. A portion of the Recovery funds were distributed to states based on funding formulas. The North Carolina Department of Environment and Natural Resources received over \$65 million to fund drinking water capital projects that protect public health. The State of North Carolina has made these funds available to local governments in the form of principal forgiveness loans and zero percent interest loans through the State Revolving Fund program. The Utilities Commission's ARRA loans outstanding at year end are as follows:

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<u>Description</u>	<u>Amount</u>
ARRA loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$2,942,152 authorized and \$2,942,152 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$73,554 with a final payment on May 1, 2030	\$1,250,415
ARRA loan issued in 2009 to partially finance improvements to a water storage tank, \$48,982 authorized and \$44,782 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$1,120 with a final payment on May 1, 2031	20,151
	<u>\$1,270,566</u>

Annual debt service requirements to maturity for the Utilities Commission's Water Fund ARRA loans are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$74,673	\$0	\$74,673
2015	74,673	0	74,673
2016	74,673	0	74,673
2017	74,673	0	74,673
2018	74,673	0	74,673
2019-2023	373,367	0	373,367
2024-2028	373,367	0	373,367
2029-2031	150,467	0	150,467
Total	<u>\$1,270,566</u>	<u>\$0</u>	<u>\$1,270,566</u>

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Water Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$125,459 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$51,985
Series 2011 installment purchase contract with an original loan amount of \$98,022 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016	59,869
Series 2012 installment purchase contract with an original loan amount of \$179,575 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	120,512
Series 2013 installment purchase contract with an original loan amount of \$123,706 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	123,706
	<u>\$356,072</u>



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Annual debt service requirements to maturity for the Utilities Commission's Water Fund installment purchase contract are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$145,958	\$5,225	\$151,183
2015	148,166	3,017	151,183
2016	61,948	771	62,719
Total	\$356,072	\$9,013	\$365,085

**Debt serviced by Sewer Fund:**

**Revenue Bonds**

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Sewer Fund. The Utilities Commission has pledged future sewer customer revenues and other unrestricted revenues including revenues of the Electric, Water and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$25,482,114 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 46 percent of net revenues, or less than 19 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$33,152,539. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,281,520, \$6,967,493 and \$17,760,728, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$752,114
Series 2005 Revenue Bonds with an original issue amount of \$4,036,062, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025	2,921,100
Series 2008A Refunding Revenue Bonds with an original issue amount of \$4,219,963, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	2,935,523
Series 2008A Revenue Bonds with an original issue amount of \$10,300,362, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	9,436,453
Series 2010 Refunding Revenue Bonds with an original issue amount of \$2,172,644, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	1,952,517
Series 2013 Refunding Revenue Bonds with an original issue amount of \$2,235,254, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	2,025,607
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,292,200, issued to refund the 2.57% Clean Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2020	5,458,800
	\$25,482,114

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Annual debt service requirements to maturity for the Utilities Commission's Sewer Fund revenue bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$2,411,741	\$883,402	\$3,295,143
2015	2,463,051	814,186	3,277,237
2016	2,514,104	741,179	3,255,283
2017	2,573,023	661,905	3,234,928
2018	2,419,068	582,353	3,001,421
2019-2023	6,039,317	2,084,546	8,123,863
2024-2028	3,236,992	1,289,962	4,526,954
2029-2033	3,106,508	594,934	3,701,442
2034	718,310	17,958	736,268
Total	\$25,482,114	\$7,670,425	\$33,152,539

**Other Types of Debt**

The 1987 amendments to the Federal Clean Water Act replaced the Construction Grants program with the Clean Water State Revolving Fund Program (CWSRF). Under the CWSRF, Congress provides the states with grant funds to establish revolving loan programs to assist in the funding of wastewater treatment facilities and projects associated with estuary and nonpoint source programs. The states are required to provide 20 percent matching funds. In North Carolina, these funds are made available to units of local government at one-half of the market rate for a period of up to twenty years. The Utilities Commission's CWSRF loans outstanding at year end are as follows:

Description	Amount
2.48% Clean Water State Revolving Fund loan issued in 2008 to finance upgrades to the electrical and SCADA systems at the wastewater treatment plant, \$13,851,680 authorized and \$13,317,613 drawn to date, due in annual installments of \$665,881 with a final payment on May 1, 2030	\$11,697,385
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$9,241,586 authorized and \$6,505,279 drawn to date, due in annual installments of \$325,264 with a final payment on May 1, 2032	6,043,200
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$13,987,369 authorized and \$6,908,971 drawn to date, due in annual installments of \$345,448 with a final payment on May 1, 2033	6,908,971
	\$24,649,556

Annual debt service requirements to maturity for the Utilities Commission's Sewer Fund Clean Water State Revolving Fund loans are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$1,221,978	\$504,309	\$1,726,287
2015	1,358,794	577,899	1,936,693
2016	1,358,794	544,369	1,903,163
2017	1,358,794	510,839	1,869,633
2018	1,358,794	477,308	1,836,102
2019-2023	6,793,970	1,883,584	8,677,554
2024-2028	6,793,970	1,045,324	7,839,294
2029-2033	4,404,462	258,257	4,662,719
Total	\$24,649,556	\$5,801,889	\$30,451,445

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The Utilities Commission entered into an inter-local agreement with the Town of Bethel to provide wastewater treatment services for the town, which has its own wastewater collection system. The Utilities Commission and the Town of Bethel each financed portions of the infrastructure constructed to connect the Town of Bethel's collection system to the Utilities Commission's system. Under the terms of the inter-local agreement, ownership of the portion of the infrastructure financed by the Town of Bethel was transferred to the Utilities Commission at the time the treatment service began and the Utilities Commission is paying the Town of Bethel for the asset over a term of 20 years. At June 30, 2013, \$1,513,816 of the inter-local agreement remained outstanding. The inter-local agreement carries an effective interest rate of 5.53% and is payable in annual installments of \$151,382 with a final principal payment on May 1, 2023.

Annual debt service requirements to maturity for the Utilities Commission's Sewer Fund inter-local agreement are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$151,382	\$102,763	\$254,145
2015	151,382	99,071	250,453
2016	151,382	95,379	246,761
2017	151,382	91,687	243,069
2018	151,382	87,995	239,377
2019-2024	756,906	406,588	1,163,494
Total	\$1,513,816	\$883,483	\$2,397,299

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Sewer Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

Description	Amount
Series 2010 installment purchase contract with an original loan amount of \$297,034 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$123,079
Series 2011 installment purchase contract with an original loan amount of \$180,653 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016	110,337
Series 2012 installment purchase contract with an original loan amount of \$101,055 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	67,817
Series 2013 installment purchase contract with an original loan amount of \$147,377 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	147,377
	\$448,610

Annual debt service requirements to maturity for the Utilities Commission's Sewer Fund installment purchase contract are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$179,198	\$7,550	\$186,748
2015	182,350	4,398	186,748
2016	87,062	1,182	88,244
Total	\$448,610	\$13,130	\$461,740

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**Debt serviced by Gas Fund:**

**Revenue Bonds**

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Gas Fund. The Utilities Commission has pledged future gas customer revenues and other unrestricted revenues including revenues of the Electric, Water and Sewer Funds, net of specified operating expenses, to repay revenue bonds, of which \$8,164,565 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 16 percent of net revenues, or less than 4 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$9,542,021. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,190,645, \$7,759,697 and \$31,961,847, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,244,103, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$1,012,418
Series 2008A Refunding Revenue Bonds with an original issue amount of \$1,237,204, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	860,634
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	898,649
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,234,480, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	2,906,770
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,123,849, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	1,018,441
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,487,041, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027	1,467,653
	<u>\$8,164,565</u>

Annual debt service requirements to maturity for the Utilities Commission's Gas Fund revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$978,153	\$245,120	\$1,223,273
2015	1,012,136	212,506	1,224,642
2016	1,041,536	178,175	1,219,711
2017	1,077,473	141,270	1,218,743
2018	819,965	110,333	930,298
2019-2023	2,239,468	301,705	2,541,173
2024-2028	644,189	133,061	777,250
2029-2033	285,524	53,633	339,157
2034	66,121	1,653	67,774
Total	<u>\$8,164,565</u>	<u>\$1,377,456</u>	<u>\$9,542,021</u>

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**Other Types of Debt**

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Gas Fund. Installment purchase contracts are secured by the equipment financed. Installment purchase contracts outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$334,828 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$138,740
Series 2011 installment purchase contract with an original loan amount of \$180,474 and an interest rate of 1.97%, due in annual installments with a final payment due on April 18, 2016	110,227
Series 2012 installment purchase contract with an original loan amount of \$22,026 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	14,782
Series 2013 installment purchase contract with an original loan amount of \$143,251 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	143,251
	\$407,000

Annual debt service requirements to maturity for the Utilities Commission's Gas Fund installment purchase contract are as follows:

Year Ending June 30	Principal	Interest	Total
2014	\$159,189	\$7,202	\$166,391
2015	162,174	4,217	166,391
2016	85,637	1,169	86,806
Total	\$407,000	\$12,588	\$419,588

**Rate Covenants:**

The Utilities Commission's debt issuances are authorized and secured by the Bond Order adopted on August 11, 1994, and amended and restated as of April 13, 2000. Section 501 of the Bond Order contains covenants as to rates, fees and charges and requires the debt service coverage ratio to be no less than 125% for parity indebtedness (revenue bonds) and no less than 100% for other types of debt. The Utilities Commission has been in compliance with the covenants contained in Section 501 of the Bond Order since its adoption. The debt service coverage ratio calculation for the fiscal year ended June 30, 2013 is as follows:

Operating revenues	\$261,045,089
Operating expenses <sup>1</sup>	(228,066,646)
Operating income	32,978,443
Non-operating revenues (expenses)	
Miscellaneous revenue <sup>2</sup>	2,975,818
Interest income <sup>2</sup>	230,341
Non-operating expenses	(311,435)
Income available for debt service	\$35,873,167
Parity debt service (principal and interest paid)	\$10,133,688
Parity debt service coverage ratio	354%
Subordinate and other debt service (principal and interest paid)	\$3,283,412
Subordinate and other debt service coverage ratio	784%

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<sup>1</sup>Excludes depreciation expense of \$17,565,372 and unfunded OPEB expense of \$905,954 in accordance with rate covenants.

<sup>2</sup>Excludes restricted revenues and revenues received in the capital projects funds in accordance with rate covenants.

**Current Refunding:**

In March of 2013 the Commission issued revenue bonds in the amount of \$19,647,700 as current refunding of the 2003B revenue bonds, the 2007 revenue bonds, and 3 separate notes issued under the State of North Carolina Revolving Fund Loan Program. The refunding reduced future debt service payments and achieved total savings of \$1,039,905.

**Arbitrage:**

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Utilities Commission must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2013, the Utilities Commission had no arbitrage liabilities.

**Unearned Revenue:**

Unearned revenue totaling \$157,931 in the Water Fund and \$220,020 in the Sewer Fund consists of connection fees that were paid in advance for services that have not yet been installed. The fees paid in advance will be recognized as revenue by the Utilities Commission at the time the service is installed.

**Changes in Long-term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2013:

<b><i>Business type activities:</i></b>	<b>June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2013</b>	<b>Current Portion</b>
Revenue bonds	\$78,258,516	\$19,647,700	(\$18,260,516)	\$79,645,700	\$7,509,301
Other types of debt	32,027,308	14,555,655	(10,553,283)	36,029,680	3,085,833
Discounts and premiums	752,122	-	245,283	997,405	-
Compensated absences	1,743,281	1,461,377	(1,362,067)	1,842,591	1,423,359
Other postemployment benefits	9,053,741	905,954	-	9,959,695	-
Unearned revenue	556,085	-	(178,134)	377,951	377,951
<b><i>Total long-term liabilities</i></b>	<b>\$122,391,053</b>	<b>\$36,570,686</b>	<b>(\$30,108,717)</b>	<b>\$128,853,022</b>	<b>\$12,396,444</b>

Changes in long-term liabilities by fund for the year ended June 30, 2013 are as follows:

<b><i>Electric Fund:</i></b>	<b>June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2013</b>	<b>Current Portion</b>
Revenue bonds	\$22,320,440	\$6,466,891	(\$7,890,571)	\$20,896,760	\$1,798,978
Other types of debt	1,834,203	945,064	(543,036)	2,236,231	864,905
Discounts and premiums	46,783	-	52,084	98,867	-
Compensated absences	741,622	648,233	(624,706)	765,149	652,818
Other postemployment benefits	4,279,018	421,334	-	4,700,352	-
<b><i>Electric Fund long-term liabilities:</i></b>	<b>\$29,222,066</b>	<b>\$8,481,522</b>	<b>(\$9,006,229)</b>	<b>\$28,697,359</b>	<b>\$3,316,701</b>

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<b><i>Water Fund</i></b>	<b>June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2013</b>	<b>Current Portion</b>
Revenue bonds	\$25,464,355	\$2,042,466	(\$2,404,560)	\$25,102,261	\$2,320,429
Other types of debt	7,654,251	1,398,188	(2,277,972)	6,774,467	509,181
Discounts and premiums	428,700	-	125,539	554,239	-
Compensated absences	357,891	272,324	(245,349)	384,866	256,389
Other postemployment benefits	1,876,735	167,292	-	2,044,027	-
Unearned revenue	190,801	-	(32,870)	157,931	157,931
<b><i>Water Fund long-term liabilities:</i></b>	<b>\$35,972,733</b>	<b>\$3,880,270</b>	<b>(\$4,835,212)</b>	<b>\$35,017,791</b>	<b>\$3,243,930</b>

<b><i>Sewer Fund</i></b>	<b>June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2013</b>	<b>Current Portion</b>
Revenue bonds	\$21,484,979	\$8,527,454	(\$4,530,319)	\$25,482,114	\$2,411,741
Other types of debt	22,165,757	12,069,152	(7,622,927)	26,611,982	1,552,558
Discounts and premiums	246,085	-	36,506	282,591	-
Compensated absences	361,194	300,011	(276,707)	384,498	289,158
Other postemployment benefits	1,515,104	173,964	-	1,689,068	-
Unearned revenue	365,284	-	(145,264)	220,020	220,020
<b><i>Sewer Fund long-term liabilities:</i></b>	<b>\$46,138,403</b>	<b>\$21,070,581</b>	<b>(\$12,538,711)</b>	<b>\$54,670,273</b>	<b>\$4,473,477</b>

<b><i>Gas Fund</i></b>	<b>June 30, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2013</b>	<b>Current Portion</b>
Revenue bonds	\$8,988,742	\$2,610,889	(\$3,435,066)	\$8,164,565	\$978,153
Other types of debt	373,097	143,251	(109,348)	407,000	159,189
Discounts and premiums	30,554	-	31,154	61,708	-
Compensated absences	282,574	240,809	(215,305)	308,078	224,994
Other postemployment benefits	1,382,884	143,364	-	1,526,248	-
<b><i>Gas Fund long-term liabilities:</i></b>	<b>\$11,057,851</b>	<b>\$3,138,313</b>	<b>(\$3,728,565)</b>	<b>\$10,467,599</b>	<b>\$1,362,336</b>

The City of Greenville issues any debt required by the Utilities Commission. The legal debt margin is disclosed in the City's Comprehensive Annual Financial Report.

**Note 3 – Pension Plan Obligations**

Local Government Employees Retirement System

All permanent, full-time and designated part-time Utilities Commission employees participate 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to North Carolina General Assembly. LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR 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, or by calling (919) 981-5454.

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The Utilities Commission is required to contribute at an actuarially determined rate. For the Utilities Commission, the current rate for all employees is 7.07% of annual covered payroll. The contribution requirements of members and of the Utilities Commission are established and

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may be amended by the North Carolina General Assembly. The Utilities Commission's contributions to LGERS for the years ended June 30, 2013, 2012 and 2011 were \$1,772,873, \$1,568,583 and \$1,511,899, respectively. The contributions made by the Utilities Commission equaled the required contributions for the year.

**Note 4 – Supplemental retirement income plan**

All permanent, full-time and certain designated part-time employees of the Utilities Commission are eligible to participate in the Supplemental Retirement Income Plan, a defined contribution pension plan authorized by Article 5 of G.S. Chapter 135. The Supplemental Retirement Income Plan is administered by the Department of the State Treasurer and a Board of Trustees. The Supplemental Retirement Income Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Participation begins at the date of employment. In a defined contribution plan, benefits depend solely on the amounts contributed to the plan plus investment earnings. Employer contributions are established and may be amended by the Board of Commissioners.

The Utilities Commission's contributions for the years ended June 30, 2013, 2012 and 2011 were \$440,920, \$451,600 and \$435,040, respectively. These contributions represent 1.8%, 1.9% and 1.9%, respectively, of covered payroll.

**Note 5 - Other postemployment benefits**

Plan Description

The Utilities Commission administers a single-employer defined benefit plan for post retirement health care and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed 5 years of service. Also, an employee is eligible for disability retirement when he/she has completed 5 years of service. Upon service, early or disability retirement as approved by the North Carolina Local Government Employees' Retirement System and upon meeting the criteria established by the Utilities Commission, employees with a minimum of 5 continuous years of service with the Utilities Commission if hired before July 1, 2011 or with a minimum of 20 continuous years of service with the Utilities Commission if hired on or after July 1, 2011 are eligible to continue insurance coverage. Health care and prescription drugs are provided in the Utilities Commission's retiree health care plan. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975. The Utilities Commission obtains post-65 health care coverage and life insurance coverage through a private insurer and self-funds the health care coverage for pre-65 retirees up to \$200,000 per person per year. A separate report was not issued for the plan.

Membership of the post retirement benefit plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	138
Active members	427
	<u>565</u>

Funding Policy

The Utilities Commission's obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 health care coverage for the retiree. Members hired prior to July 1, 2011 who retire with less than 20 years of service contribute 100% of the estimated cost for pre-65 health care coverage for the retiree.



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Retirees who elect to have dependent health care coverage contribute 100% of the estimated cost of coverage. Participating retired employees hired prior to July 1, 2011 with a minimum of 20 years of service shall have their coverage transferred to a Medicare Supplemental plan after qualifying for Medicare, with the Utilities Commission continuing to pay the same dollars toward the premium cost as it pays for retirees under the base plan. For retired employees hired on or after July 1, 2011 with a minimum of 20 years of service the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The Utilities Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit. Members hired on or after July 1, 2011 who retire with less than 20 years of service will not be eligible for post-retirement coverage. The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member’s age at retirement and their length of service as detailed below:

		Age at Retirement	
		55 – 59	60+
Years of Service	20 – 24	50%	65%
	25+	75%	95%

The current annual required contribution rate (ARC) is 7.35% of annual covered payroll. For fiscal year 2013, the Utilities Commission contributed \$1,000,888, or 4.2% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2013 were \$196,502 and included dependent coverage and a portion of member coverage. The Utilities Commission is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

Summary of Significant Accounting Policies

The plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price. Administration costs of the plan are financed through investment earnings.

Annual OPEB Cost and Net OPEB Obligation

The Utilities Commission’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Utilities Commission’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Utilities Commission’s net OPEB obligation for the post-retirement benefits:

Annual required contribution	\$1,769,981
Interest on net OPEB obligation	633,762
Adjustment to annual required contribution	<u>(496,901)</u>
Annual OPEB cost (expense)	1,906,842
Contributions made	<u>(1,000,888)</u>
Increase (decrease) in net OPEB obligation	905,954
Net OPEB obligation, beginning of year	<u>9,053,741</u>
Net OPEB obligation, end of year	<u><u>\$9,959,695</u></u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

The Utilities Commission’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2011, 2012 and 2013 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2011	\$2,345,621	56.395%	\$7,756,885
2012	\$2,437,811	46.802%	\$9,053,741
2013	\$1,906,842	52.489%	\$9,959,695

Funded Status and Funding Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was partially funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$20,365,228. The covered payroll (annual payroll of active employees covered by the plan) was \$23,730,460, and the ratio of the UAAL to the covered payroll was 85.8%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) 7.00% investment rate of return, which included an inflation component of 3.00% and (b) a 8.50% - 5.00% medical cost trend rate with 2018 the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 29 years.

**Note 6 - Other employment benefits**

The Utilities Commission has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System ("Death Benefit Plan"), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death, are eligible for death benefits.

Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to his/her death, but the benefit is no less than \$25,000 but no more than \$50,000. All death benefit payments are made from the Death Benefit Plan. The Utilities Commission has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. The Utilities Commission considers these contributions to be immaterial.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

**Note 7 - Transfer activity with the City of Greenville**

**Balances due to/from the City of Greenville**

Balances due to the City of Greenville at June 30, 2013 consist of the following:

Stormwater fees collected	\$222,317
Street lighting reimbursement	58,715
Total	<u>\$281,032</u>

Balances due from the City of Greenville at June 30, 2013 consist of the following:

Street light service	\$112,406
Electrical relocations and repairs	84,068
Total	<u>\$196,474</u>

**Transfers to/from the City of Greenville**

Transfers to the City of Greenville’s General Fund during fiscal year 2013 consist of the following:

Electric Fund general transfer	\$3,890,903
Gas Fund general transfer	1,146,868
Electric Fund street lighting reimbursement	695,705
Total	<u>\$5,733,476</u>

The transfers to the City’s General Fund of \$5,733,476 included the general and street lighting reimbursement transfers. The general transfers were computed based on 6% of the Electric and Gas Funds’ capital assets, net of related debt. The street lighting reimbursement represents 50% of current fiscal year street lighting revenues. The computation of the transfers is consistent with the method specified in Chapter 861 of Senate Bill 1069, An Act to Amend and Restate the Charter of the Greenville Utilities Commission of the City of Greenville.

**Note 8 – Risk Management**

The Utilities Commission is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Management of these risks is maintained through a combination of self-insurance and commercial insurance coverage.

The Utilities Commission is self-insured with respect to workers’ compensation up to \$100,000 per claim and carries commercial coverage for claims in excess of \$100,000.

The Utilities Commission and the City of Greenville self-fund a joint medical benefit plan up to \$200,000 per person per year. The Utilities Commission and the City of Greenville contracted with CIGNA Healthcare of North Carolina, Inc. to administer the benefits of the plan, including denials. The medical benefit plan is a Point of Service Open Access (POSOA) product. The Open Access (OA) feature allows covered employees and their covered dependents to seek care directly from any provider, so there is no referral authorization needed from Primary Care Physicians (PCP) to access care from Specialists.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

Changes in the balances of medical claims liabilities during the fiscal years ended June 30, 2013 and 2011 are as follows:

	2013	2012
Unpaid claims, beginning	\$ 666,000	710,000
Incurred claims	5,103,734	5,320,577
Claim payments	(5,003,734)	(5,364,577)
Unpaid claims, ending	<u>\$ 766,000</u>	<u>\$ 666,000</u>

The City of Greenville and the Utilities Commission self-fund a dental benefit plan for eligible employees with a maximum benefit of \$1,000 per calendar year in addition to a lifetime maximum of \$2,000 for orthodontia. The dental benefit plan is a preferred provider organization and the City of Greenville and the Utilities Commission contracted with CIGNA Healthcare of North Carolina, Inc. to administer the benefits of the plan, including denials.

Changes in the balances of dental claims liabilities during the past fiscal year are as follows:

	2013	2012
Unpaid claims, beginning	\$ 116,000	\$ 116,000
Incurred claims	302,508	386,489
Claim payments	(302,508)	(291,391)
Unpaid claims, ending	<u>\$ 116,000</u>	<u>\$ 116,000</u>

The Utilities Commission carries flood insurance on certain properties considered to be at risk for loss due to flooding. This coverage is underwritten by the National Flood Insurance Program.

In accordance with G.S. 159-29, the Utilities Commission's affected employees (those having access to \$100 or more at any given time of the Utilities Commission's funds) are bonded under a blanket bond for \$500,000. The Chief Financial Officer is individually bonded for \$50,000.

The Utilities Commission carries commercial coverage for all other risks of loss. Through this coverage, the Utilities Commission obtains general liability coverage of \$1 million per occurrence with a general aggregate of \$2 million, auto liability coverage of \$1 million per occurrence, property coverage up to \$218 million for real and personal property, and umbrella liability of \$20 million. No accrual for possible losses attributable to incidents that may have occurred but that have not been identified has been made because the amount is not reasonably estimated. Further, a liability for outstanding claims at June 30, 2013, other than the medical and dental benefit programs, has not been accrued as the amount of outstanding claims is not material to the financial statements.

There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

**Note 9 - Summary disclosure of significant commitments and contingencies**

Federal and State Assisted Programs

The Utilities Commission has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Natural Gas Contracts

On November 1, 2005, the Utilities Commission entered into an agreement with Piedmont Natural Gas (PNG) that allows the Utilities Commission to purchase all its natural gas requirements on the open market. The terms of the contract require

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2013**

PNG to transport natural gas through its pipeline to the Utilities Commission in exchange for annual payments of \$2,987,328. The contract was renewed effective January 5, 2010 for a period of 10 years with an increased Maximum Daily Quantity (MDQ) and an annual payment of \$3,698,544. The Utilities Commission may be allowed to exceed its MDQ to accommodate interruptible demand as capacity is available, and the Utilities Commission has the option to purchase firm peaking services during times when demand for natural gas is high.

Litigation

The Utilities Commission is presently involved in certain litigation matters that have arisen in the normal course of conducting its operations. Management of the Utilities Commission believes these cases are not expected to result in a material adverse financial impact to the Utilities Commission.

**Note 10 – Change in Accounting Principles/Restatement**

The Utilities Commission implemented Governmental Accounting Standards Board (GASB) Statement 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and Statement 65, Items Previously reported as Assets and Liabilities, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

**Note 11 – Pronouncements Issued But Not Yet Effective**

The GASB has issued several pronouncements prior to June 30, 2013 that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Utilities Commission.

GASB Statement Number 66, “Technical Corrections – 2012 – An Amendment of GASB Statement No. 10 and No. 62” will be effective for the Commission beginning with its year ending June 30, 2014.

GASB Statement Number 67, “Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25” will be effective for the Commission beginning with its year ending June 30, 2014.

GASB Statement Number 68, “Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27” will be effective for the Commission beginning with its year ending June 30, 2014.

GASB Statement Number 69, “Government Combination and Disposals of Government Operations” will be effective for the Commission beginning with its year ending June 30, 2015.

GASB Statement Number 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees” will be effective for the Commission beginning with its year ending June 30, 2014.



REQUIRED  
SUPPLEMENTARY  
INFORMATION



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013



**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Other Post Employment Benefits  
Required Supplementary Information  
For the Year Ended June 30, 2013**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit		Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
		Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)				
12/31/2005	\$ -	\$ 35,860,373	\$ 35,860,373	0.0%	\$ 19,489,354	184.0%	
12/31/2008	\$ -	\$ 31,995,113	\$ 31,995,113	0.0%	\$ 22,345,440	143.2%	
12/31/2009	\$ -	\$ 30,330,748	\$ 30,330,748	0.0%	\$ 23,104,504	131.3%	
12/31/2011	\$ 446,178	\$ 20,924,265	\$ 20,478,087	2.1%	\$ 24,081,113	85.0%	
12/31/2012	\$ 815,597	\$ 21,180,825	\$ 20,365,228	3.9%	\$ 23,730,460	85.8%	

**Schedule of Employer Contributions**

Year Ending June 30,	Annual Required Contribution	Percentage Contributed
2008	\$3,229,052	12.715%
2009	\$2,512,284	17.386%
2010	\$2,512,284	28.445%
2011	\$2,308,649	57.298%
2012	\$2,395,223	47.635%
2013	\$1,769,981	56.55%

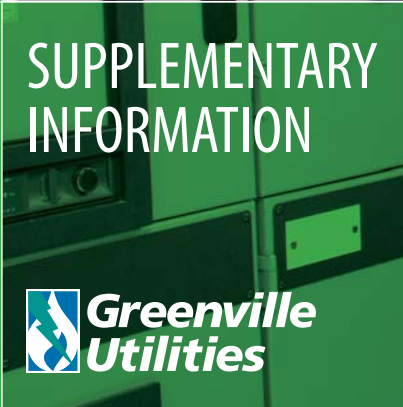
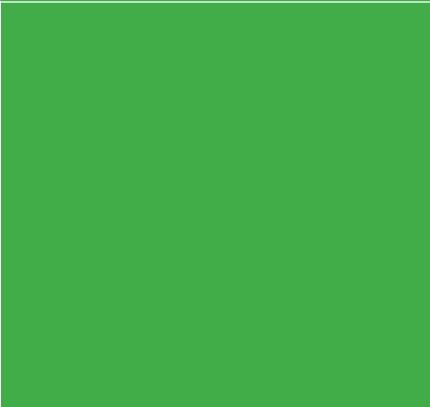
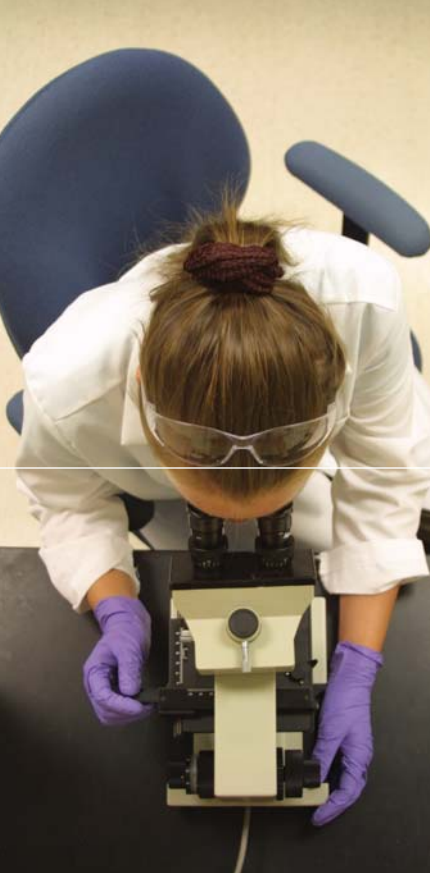
Notes to the Required Schedules:

The information presented above was determined as part of the actuarial valuation at the dates indicated. Additional information as of the latest valuation follows.

Valuation date	12/31/2012	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, closed	
Remaining amortization period	29 years	
Amortization factor	17.8892	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	7.00%	* Includes inflation at 3.00%
Medical trend assumptions:		
Pre-Medicare trend rate	8.50% - 5.00%	
Post-Medicare trend rate	6.25% - 5.00%	
Year of ultimate trend rate	2018	

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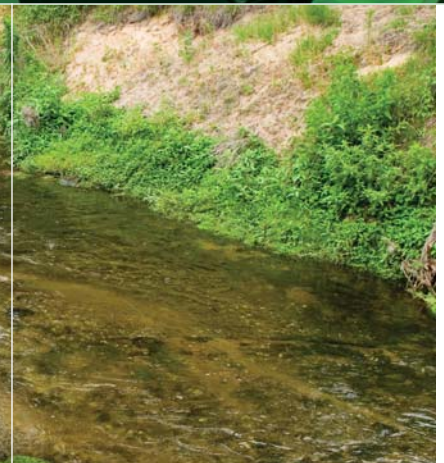




# SUPPLEMENTARY INFORMATION



## Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2013



**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)**  
**All Operating funds**  
**Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Electric Revenues				
Rates and charges	\$ 196,043,026	\$ 194,108,566	\$ (1,934,460)	\$ 191,029,354
Fees and charges	1,001,025	1,130,987	129,962	1,016,062
U.G. and temporary service charges	95,160	102,255	7,095	96,130
Miscellaneous	2,373,493	2,337,952	(35,541)	2,240,885
Interest on investments	135,000	116,277	(18,723)	174,625
FEMA/Insurance Reimbursements	-	-	-	2,417,060
Total Electric Revenues	199,647,704	197,796,037	(1,851,667)	196,974,116
Water Revenues				
Rates and charges	15,482,648	15,410,078	(72,570)	15,719,715
Fees and charges	346,645	383,665	37,020	292,152
Miscellaneous	304,249	305,061	812	323,468
Interest on investments	40,843	39,154	(1,689)	47,463
FEMA/Insurance Reimbursements	-	-	-	2,976
Total Water Revenues	16,174,385	16,137,958	(36,427)	16,385,774
Sewer Revenues				
Rates and charges	16,981,217	17,124,153	142,936	17,247,740
Fees and charges	315,184	363,627	48,443	263,573
Miscellaneous	119,217	161,606	42,389	141,047
Interest on temporary investments	22,500	20,694	(1,806)	32,879
FEMA/Insurance Reimbursements	-	-	-	49,522
Total Sewer Revenues	17,438,118	17,670,080	231,962	17,734,761
Gas Revenues				
Rates and charges	31,254,244	31,513,234	258,990	30,150,678
Fees and charges	130,833	135,445	4,612	127,392
Miscellaneous	136,194	171,199	35,005	155,236
Interest on temporary investments	57,000	54,216	(2,784)	79,761
FEMA/Insurance Reimbursements	-	-	-	6,968
Total Gas Revenues	31,578,271	31,874,094	295,823	30,520,035
Total Revenues	264,838,478	263,478,169	(1,360,309)	261,614,686
<b>Expenditures</b>				
Electric Fund				
Maintenance and repairs		4,022,220		3,587,679
Other operating expenses		183,835,516		183,597,193
Capital Outlay		6,023,435		5,500,564
Debt Service		2,944,957		2,984,292
Total	200,575,697	196,826,128	3,749,569	195,669,728
Water Fund				
Maintenance and repairs		997,583		995,645
Other operating expenses		9,521,700		10,133,286
Capital Outlay		1,067,936		948,658
Debt Service		4,061,237		3,818,330
Total	16,424,211	15,648,456	775,755	15,895,919

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)  
All Operating funds  
Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Sewer Fund</b>				
Maintenance and repairs		987,916		896,019
Other operating expenses		9,623,018		9,539,963
Capital Outlay		977,268		938,615
Debt Service		5,429,025		4,985,535
<b>Total</b>	<b>18,082,442</b>	<b>17,017,227</b>	<b>1,065,215</b>	<b>16,360,132</b>
<b>Gas Fund</b>				
Maintenance and repairs		552,911		903,354
Other operating expenses		24,570,694		22,933,806
Capital Outlay		1,194,407		747,097
Debt Service		1,344,461		1,355,724
<b>Total</b>	<b>31,723,298</b>	<b>27,662,473</b>	<b>4,060,825</b>	<b>25,939,981</b>
<b>Total expenditures</b>	<b>266,805,648</b>	<b>257,154,284</b>	<b>9,651,364</b>	<b>253,865,760</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,967,170)</b>	<b>6,323,885</b>	<b>8,291,055</b>	<b>7,748,926</b>
<b>Other Financing Sources (Uses)</b>				
Installment purchase	1,357,300	1,359,398	2,098	1,137,000
Intra-fund transfers	-	(6,399,939)	(6,399,939)	(5,300,000)
Appropriated fund balance	609,870	-	(609,870)	-
<b>Total other financing sources (uses)</b>	<b>1,967,170</b>	<b>(5,040,541)</b>	<b>(7,007,711)</b>	<b>(4,163,000)</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 1,283,344</b>	<b>\$ 1,283,344</b>	<b>\$ 3,585,926</b>

	2013	2012
<b>Reconciliation to full accrual basis from modified accrual basis:</b>		
Revenues over expenditures	\$ 1,283,344	\$ 3,585,926
Budgetary appropriations - capital	9,263,046	8,134,934
Budgetary appropriations - debt principal	9,388,431	8,889,912
Depreciation	(17,565,372)	(16,961,961)
Debt issued	(1,359,398)	(1,137,000)
Amortization of bond premium and discount	(58,487)	(125,660)
Capitalization of bond interest	340,395	353,846
Changes in accrued interest payable	18,224	41,362
Intra-fund transfers	6,399,939	5,300,000
Changes in OPEB liability	(905,954)	(1,296,856)
Revenue recognized in Capital Projects	826,084	393,592
<b>Total reconciling items</b>	<b>6,346,908</b>	<b>3,592,169</b>
<b>Changes in net position</b>	<b>\$ 7,630,252</b>	<b>\$ 7,178,095</b>

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)  
Electric Operating Fund  
Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 196,043,026	\$ 194,108,566	\$ (1,934,460)	\$ 191,029,354
Fees and charges	1,001,025	1,130,987	129,962	1,016,062
U.G. and temporary service charges	95,160	102,255	7,095	96,130
Miscellaneous	484,836	504,564	19,728	494,829
	<u>197,624,047</u>	<u>195,846,372</u>	<u>(1,777,675)</u>	<u>192,636,375</u>
Non-Operating Revenues				
Interest on investments	135,000	116,277	(18,723)	174,625
FEMA/Insurance reimbursements	-	-	-	2,417,060
Miscellaneous	1,888,657	1,833,388	(55,269)	1,746,056
	<u>2,023,657</u>	<u>1,949,665</u>	<u>(73,992)</u>	<u>4,337,741</u>
<b>Total Revenues</b>	<u>199,647,704</u>	<u>197,796,037</u>	<u>(1,851,667)</u>	<u>196,974,116</u>
<b>Expenditures</b>				
Electric Fund				
Maintenance and repairs		4,022,220		3,587,679
Other operating expenses		183,835,516		183,597,193
Capital Outlay		6,023,435		5,500,564
Debt Service		2,944,957		2,984,292
Total expenditures	<u>200,575,697</u>	<u>196,826,128</u>	<u>3,749,569</u>	<u>195,669,728</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(927,993)</u>	<u>969,909</u>	<u>1,897,902</u>	<u>1,304,388</u>
<b>Other Financing Sources (Uses)</b>				
Installment purchase	927,993	945,064	17,071	834,344
Intra-fund transfers	-	(1,466,366)	(1,466,366)	(500,000)
<b>Total other financing sources (uses)</b>	<u>927,993</u>	<u>(521,302)</u>	<u>(1,449,295)</u>	<u>334,344</u>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<u>\$ -</u>	<u>\$ 448,607</u>	<u>\$ 448,607</u>	<u>\$ 1,638,732</u>

Reconciliation to full accrual basis from modified accrual basis:

Revenues over expenditures	\$ 448,607	\$ 1,638,732
Budgetary appropriations - capital	6,023,435	5,500,564
Budgetary appropriations - debt principal	1,937,570	1,980,077
Depreciation	(7,361,238)	(7,327,825)
Debt issued	(945,064)	(834,344)
Amortization of bond premium and discount	(25,927)	(27,282)
Changes in accrued interest payable	29,348	16,170
Intra-fund transfers	1,466,366	500,000
Changes in OPEB liability	(421,334)	(603,564)
Revenue recognized in Capital Projects	<u>(9,485)</u>	<u>(1,229)</u>
<b>Total reconciling items</b>	<u>693,671</u>	<u>(797,433)</u>
<b>Changes in net position</b>	<u>\$ 1,142,278</u>	<u>\$ 841,299</u>

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)  
Electric Capital Projects Fund  
From Inception and for the Year Ended June 30, 2013**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Interest and misc income	\$ 227,108	\$ 378,312	\$ (9,485)	\$ 368,827	\$ 141,719
<b>Total revenues</b>	<b>227,108</b>	<b>378,312</b>	<b>(9,485)</b>	<b>368,827</b>	<b>141,719</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	683,123	193,208	153,882	347,090	336,033
ECP-132 Substation Modernization	3,000,000	2,411,068	255,950	2,667,018	332,982
ECP-133 Sugg Parkway Transmission Line	1,700,000	-	-	-	1,700,000
ECP-134 Sugg Parkway Substation	3,400,000	4,737	(4,737)	-	3,400,000
ECP-135 Frog Level Substation Improvements	1,500,000	36,733	292,293	329,026	1,170,974
ECP-136 OPTICS Phase 3A	5,636,000	-	2,982,705	2,982,705	2,653,295
ECP-137 Generator EPA CO Emission Reduction	450,000	-	-	-	450,000
ECP-138 Greenville 230 kV South POD Substation	300,000	-	98,687	98,687	201,313
ECP-139 Telephone System Replacement	137,500	-	124,704	124,704	12,796
ECP-140 Outage Management System	400,000	-	19,500	19,500	380,500
ECP-141 OPTICS Phase 3B	7,202,500	-	-	-	7,202,500
ECP-142 Bells Fork to Hollywood Substation Upgrade	2,370,000	-	-	-	2,370,000
<b>Total expenditures</b>	<b>26,779,123</b>	<b>2,645,746</b>	<b>3,922,984</b>	<b>6,568,730</b>	<b>20,210,393</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(26,552,015)</b>	<b>(2,267,434)</b>	<b>(3,932,469)</b>	<b>(6,199,903)</b>	<b>20,352,112</b>
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	137,500	242,112	-	242,112	104,612
Refunding bonds issued	-	-	6,466,891	6,466,891	6,466,891
Payment to refunded bond escrow agent	-	-	(6,150,956)	(6,150,956)	(6,150,956)
Payment to redeem refunded bond	-	-	(282,301)	(282,301)	(282,301)
Long-term financing	22,791,623	-	-	-	(22,791,623)
Intra-fund transfers	3,622,892	2,000,000	1,466,366	3,466,366	(156,526)
<b>Total other financing sources (uses)</b>	<b>26,552,015</b>	<b>2,242,112</b>	<b>1,500,000</b>	<b>3,742,112</b>	<b>(22,809,903)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ (25,322)</b>	<b>\$ (2,432,469)</b>	<b>\$ (2,457,791)</b>	<b>\$ (2,457,791)</b>

\* Project(s) already closed.

**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)**  
**Water Operating Fund**  
**Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 15,482,648	\$ 15,410,078	\$ (72,570)	\$ 15,719,715
Fees and charges	346,645	383,665	37,020	292,152
Miscellaneous	88,436	90,114	1,678	106,365
	<u>15,917,729</u>	<u>15,883,857</u>	<u>(33,872)</u>	<u>16,118,232</u>
Non-Operating Revenues				
Interest on investments	40,843	39,154	(1,689)	47,463
FEMA/Insurance reimbursements	-	-	-	2,976
Miscellaneous	215,813	214,947	(866)	217,103
	<u>256,656</u>	<u>254,101</u>	<u>(2,555)</u>	<u>267,542</u>
Total Revenues	<u>16,174,385</u>	<u>16,137,958</u>	<u>(36,427)</u>	<u>16,385,774</u>
<b>Expenditures</b>				
Water Fund				
Maintenance and repairs		997,583		995,645
Other operating expenses		9,521,700		10,133,286
Capital Outlay		1,067,936		948,658
Debt Service		4,061,237		3,818,330
Total expenditures	<u>16,424,211</u>	<u>15,648,456</u>	<u>775,755</u>	<u>15,895,919</u>
Excess of Revenues Over (Under) Expenditures	<u>(249,826)</u>	<u>489,502</u>	<u>739,328</u>	<u>489,855</u>
Other Financing Sources (Uses)				
Installment Purchase	135,176	123,706	(11,470)	179,575
Intra-fund transfers	-	(492,562)	(492,562)	(300,000)
Appropriated fund balance	114,650	-	(114,650)	-
Total other financing sources (uses)	<u>249,826</u>	<u>(368,856)</u>	<u>(618,682)</u>	<u>(120,425)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 120,646</u>	<u>\$ 120,646</u>	<u>\$ 369,430</u>

Reconciliation to full accrual basis from modified accrual basis:

Revenues over expenditures	\$	120,646	\$	369,430
Budgetary appropriations - capital		1,067,936		948,658
Budgetary appropriations - debt principal		2,654,902		2,510,625
Depreciation		(3,750,841)		(3,709,586)
Debt issued		(123,706)		(179,575)
Amortization of bond premium and discount		(7,585)		(28,116)
Capitalization of bond interest		17,479		17,119
Changes in accrued interest payable		(22,841)		(795)
Intra-fund transfers		492,562		300,000
Changes in OPEB liability		(167,292)		(244,875)
Revenue recognized in Capital Projects		<u>222,637</u>		<u>123,165</u>
Total reconciling items		<u>383,251</u>		<u>(263,380)</u>
Changes in net position	\$	<u>503,897</u>	\$	<u>106,050</u>

**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)**  
**Water Capital Projects Fund**  
**From Inception and for the Year Ended June 30, 2013**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ 128,214	\$ 115,466	\$ 308	\$ 115,774	\$ (12,440)
Local contributions	-	267,359	-	267,359	267,359
Capacity fees	-	588,047	222,329	810,376	810,376
<b>Total revenues</b>	<b>128,214</b>	<b>970,872</b>	<b>222,637</b>	<b>1,193,509</b>	<b>1,065,295</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	204,937	57,962	65,999	123,961	80,976
ECP-136 OPTICS Phase 3A	1,690,800	-	894,811	894,811	795,989
ECP-139 Telephone System Replacement	137,500	-	124,704	124,704	12,796
ECP-141 OPTICS Phase 3B	2,160,750	-	-	-	2,160,750
WCP-99 WTP Raw Water Pump Station Improve.	4,844,577	4,193,524	501,335	4,694,859	149,718
WCP-104 Tar River Available Water Supply	1,270,000	1,123,321	63,250	1,186,571	83,429
WCP-105 Aquifer Storage & Recovery Wellhead	1,572,000	1,629,591	(57,591)	1,572,000	-
* WCP-110 Portertown Road Bridge Replacement	90,000	70,572	-	70,572	19,428
WCP-113 NC Hwy 43 Water Improvements Phase II	352,000	100,415	98,132	198,547	153,453
WCP-115 WTP Impoundment Dredging Project	350,000	-	-	-	350,000
WCP-116 WTP Sedimentation Basin Upgrade	355,000	-	-	-	355,000
<b>Total expenditures</b>	<b>13,027,564</b>	<b>7,175,385</b>	<b>1,690,640</b>	<b>8,866,025</b>	<b>4,161,539</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(12,899,350)</b>	<b>(6,204,513)</b>	<b>(1,468,003)</b>	<b>(7,672,516)</b>	<b>5,226,834</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	440,786	-	-	-	(440,786)
Revenue bonds issued	1,649,500	1,922,105	-	1,922,105	272,605
Refunding bonds issued	-	-	2,042,466	2,042,466	2,042,466
Payments to redeem refunded bonds and notes	-	-	(2,035,028)	(2,035,028)	(2,035,028)
State loans	1,902,425	342,103	1,274,482	1,616,585	(285,840)
State grants	500,000	500,000	-	500,000	-
ARRA loans	2,942,152	2,942,152	-	2,942,152	-
EDA grant	703,000	703,000	-	703,000	-
Long-term financing	4,311,487	-	-	-	(4,311,487)
Intra-fund transfers	450,000	300,000	492,562	792,562	342,562
<b>Total other financing sources (uses)</b>	<b>12,899,350</b>	<b>6,709,360</b>	<b>1,774,482</b>	<b>8,483,842</b>	<b>(4,415,508)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 504,847</b>	<b>\$ 306,479</b>	<b>\$ 811,326</b>	<b>\$ 811,326</b>

\* Project(s) already closed.

**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)**  
**Sewer Operating Fund**  
**Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 16,981,217	\$ 17,124,153	\$ 142,936	\$ 17,247,740
Fees and charges	315,184	363,627	48,443	263,573
Miscellaneous	88,436	90,648	2,212	90,269
	<u>17,384,837</u>	<u>17,578,428</u>	<u>193,591</u>	<u>17,601,582</u>
Non-Operating Revenues				
Interest on investments	22,500	20,694	(1,806)	32,879
FEMA/Insurance reimbursements	-	-	-	49,522
Miscellaneous	30,781	70,958	40,177	50,778
	<u>53,281</u>	<u>91,652</u>	<u>38,371</u>	<u>133,179</u>
Total Revenues	<u>17,438,118</u>	<u>17,670,080</u>	<u>231,962</u>	<u>17,734,761</u>
<b>Expenditures</b>				
Sewer Fund				
Maintenance and repairs		987,916		896,019
Other operating expenses		9,623,018		9,539,963
Capital Outlay		977,268		938,615
Debt Service		5,429,025		4,985,535
Total expenditures	<u>18,082,442</u>	<u>17,017,227</u>	<u>1,065,215</u>	<u>16,360,132</u>
Excess of Revenues Over (Under) Expenditures	<u>(644,324)</u>	<u>652,853</u>	<u>1,297,177</u>	<u>1,374,629</u>
Other Financing Sources (Uses)				
Installment Purchase	149,104	147,377	(1,727)	101,055
Intra-fund transfers	-	(455,162)	(455,162)	(1,000,000)
Appropriated fund balance	495,220	-	(495,220)	-
Total other financing sources (uses)	<u>644,324</u>	<u>(307,785)</u>	<u>(952,109)</u>	<u>(898,945)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 345,068</u>	<u>\$ 345,068</u>	<u>\$ 475,684</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 345,068		\$ 475,684
Budgetary appropriations - capital		977,268		938,615
Budgetary appropriations - debt principal		3,820,046		3,418,886
Depreciation		(4,758,787)		(4,265,475)
Debt issued		(147,377)		(101,055)
Amortization of bond premium and discount		(4,381)		(48,537)
Capitalization of bond interest		322,916		336,727
Changes in accrued interest payable		(3,449)		15,172
Intra-fund transfers		455,162		1,000,000
Changes in OPEB liability		(173,964)		(243,590)
Revenue recognized in Capital Projects		603,973		271,590
Total reconciling items		<u>1,091,407</u>		<u>1,322,333</u>
Changes in net position		<u>\$ 1,436,475</u>		<u>\$ 1,798,017</u>



**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)  
Sewer Capital Projects Fund  
From Inception and for the Year Ended June 30, 2013**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ 204,946	\$ 213,400	\$ (3,738)	\$ 209,662	\$ 4,716
Capacity fees	-	709,767	264,535	974,302	974,302
Outfall acreage fee	580,000	1,061,255	219,904	1,281,159	701,159
EPA Grant	291,000	-	123,272	123,272	(167,728)
Local contributions	202,942	202,562	-	202,562	(380)
<b>Total revenues</b>	<b>1,278,888</b>	<b>2,186,984</b>	<b>603,973</b>	<b>2,790,957</b>	<b>1,512,069</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	204,937	57,962	65,999	123,961	80,976
ECP-136 OPTICS Phase 3A	1,690,800	-	894,811	894,811	795,989
ECP-139 Telephone System Replacement	137,500	-	124,704	124,704	12,796
ECP-141 OPTICS Phase 3B	2,160,750	-	-	-	2,160,750
* SCP-93 WWTP Electrical and SCADA Upgrade	14,374,134	14,065,819	105,336	14,171,155	202,979
* SCP-97 River Hills Annexation Sewer Extension	600,000	567,190	32,810	600,000	-
SCP-99 Sterling Pointe Pump Station & Force Main	9,900,000	4,322,989	4,458,057	8,781,046	1,118,954
SCP-100 Westside Pump Station & Force Main	15,287,369	4,516,913	6,199,536	10,716,449	4,570,920
* SCP-110 Portertown Road Bridge Replacement	145,000	142,500	-	142,500	2,500
SCP-111 WWTP Headworks Improvements	1,980,000	1,829,502	56,754	1,886,256	93,744
SCP-113 NC Hwy 43 Sewer Improvements Phase II	266,000	100,089	98,132	198,221	67,779
SCP-114 Chicod School Project	480,000	5,680	-	5,680	474,320
SCP-115 Southwest Commercial Park Sewer Ext.	300,000	-	-	-	300,000
SCP-116 Sanitary Sewer Outfall Rehab. Phase III	1,950,000	19,025	68,135	87,160	1,862,840
SCP-117 WWTP Ultraviolet Disinfection Equipment	3,360,000	-	153	153	3,359,847
SCP-118 Southside Pump Station Upgrade	3,450,000	-	-	-	3,450,000
<b>Total expenditures</b>	<b>56,286,490</b>	<b>25,627,669</b>	<b>12,104,427</b>	<b>37,732,096</b>	<b>18,554,394</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(55,007,602)</b>	<b>(23,440,685)</b>	<b>(11,500,454)</b>	<b>(34,941,139)</b>	<b>(17,042,325)</b>
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	5,130,661	5,170,490	-	5,170,490	39,829
Refunding bonds issued	-	-	8,527,454	8,527,454	8,527,454
Payment to redeem refunded bonds and notes	-	-	(8,482,616)	(8,482,616)	(8,482,616)
State loans	36,414,049	15,254,104	11,921,775	27,175,879	(9,238,170)
Long-term financing	10,682,487	-	-	-	(10,682,487)
Intra-fund transfers	2,780,405	1,230,100	455,162	1,685,262	(1,095,143)
<b>Total other financing sources (uses)</b>	<b>55,007,602</b>	<b>21,654,694</b>	<b>12,421,775</b>	<b>34,076,469</b>	<b>(20,931,133)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ (1,785,991)</b>	<b>\$ 921,321</b>	<b>\$ (864,670)</b>	<b>\$ (37,973,458)</b>

\* Project(s) already closed.

**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)**  
**Gas Operating Fund**  
**Year Ended June 30, 2013 (With Comparative Actual Totals For June 30, 2012)**

	2013			2012
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Operating Revenues</b>				
Rates and charges	\$ 31,254,244	\$ 31,513,234	\$ 258,990	\$ 30,150,678
Fees and charges	130,833	135,445	4,612	127,392
Miscellaneous	84,118	87,753	3,635	94,036
	<u>31,469,195</u>	<u>31,736,432</u>	<u>267,237</u>	<u>30,372,106</u>
<b>Non-Operating Revenues</b>				
Interest on investments	57,000	54,216	(2,784)	79,761
FEMA/Insurance reimbursements	-	-	-	6,968
Miscellaneous	52,076	83,446	31,370	61,200
	<u>109,076</u>	<u>137,662</u>	<u>28,586</u>	<u>147,929</u>
<b>Total Revenues</b>	<u>31,578,271</u>	<u>31,874,094</u>	<u>295,823</u>	<u>30,520,035</u>
<b>Expenditures</b>				
Gas Fund				
Maintenance and repairs		552,911		903,354
Other operating expenses		24,570,694		22,933,806
Capital Outlay		1,194,407		747,097
Debt Service		1,344,461		1,355,724
Total expenditures	<u>31,723,298</u>	<u>27,662,473</u>	<u>4,060,825</u>	<u>25,939,981</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(145,027)</u>	<u>4,211,621</u>	<u>4,356,648</u>	<u>4,580,054</u>
<b>Other Financing Sources (Uses)</b>				
Installment Purchase	145,027	143,251	(1,776)	22,026
Intra-fund transfers	-	(3,985,849)	(3,985,849)	(3,500,000)
<b>Total other financing sources (uses)</b>	<u>145,027</u>	<u>(3,842,598)</u>	<u>(3,987,625)</u>	<u>(3,477,974)</u>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<u>\$ -</u>	<u>\$ 369,023</u>	<u>\$ 369,023</u>	<u>\$ 1,102,080</u>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
Revenues over expenditures		\$ 369,023		\$ 1,102,080
Budgetary appropriations - capital		1,194,407		747,097
Budgetary appropriations - debt principal		975,913		980,324
Depreciation		(1,694,506)		(1,659,075)
Debt issued		(143,251)		(22,026)
Amortization of bond premium and discount		(20,594)		(21,725)
Changes in accrued interest payable		15,166		10,815
Intra-fund transfers		3,985,849		3,500,000
Changes in OPEB liability		(143,364)		(204,827)
Revenue recognized in Capital Projects		8,959		66
<b>Total reconciling items</b>		<u>4,178,579</u>		<u>3,330,649</u>
<b>Changes in net position</b>		<u>\$ 4,547,602</u>		<u>\$ 4,432,729</u>

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)  
Gas Capital Projects Fund  
From Inception and for the Year Ended June 30, 2013**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ 42,216	\$ 8,001	\$ 8,959	\$ 16,960	\$ (25,256)
<b>Total revenues</b>	<b>42,216</b>	<b>8,001</b>	<b>8,959</b>	<b>16,960</b>	<b>(25,256)</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	273,249	77,283	36,052	113,335	159,914
ECP-136 OPTICS Phase 3A	2,254,400	-	1,193,082	1,193,082	1,061,318
ECP-139 Telephone System Replacement	137,500	-	124,704	124,704	12,796
ECP-141 OPTICS Phase 3B	2,881,000	-	-	-	2,881,000
GCP-87 NC33 Main Ext. & Old River Rd. Main Repl.	1,300,000	-	-	-	1,300,000
GCP-88 GUC-PNG Multiple Gas Facilities Upgrade	2,650,000	-	-	-	2,650,000
GCP-89 Western Loop High Pressure Gas Main Ext.	2,850,000	-	-	-	2,850,000
GCP-90 LNG Plant Tank Additions	4,000,000	-	-	-	4,000,000
<b>Total expenditures</b>	<b>16,346,149</b>	<b>77,283</b>	<b>1,353,838</b>	<b>1,431,121</b>	<b>14,915,028</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(16,303,933)</b>	<b>(69,282)</b>	<b>(1,344,879)</b>	<b>(1,414,161)</b>	<b>14,889,772</b>
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	59,432	59,432	-	59,432	-
Refunding bonds issued	-	-	2,610,889	2,610,889	2,610,889
Payment to refunded bond escrow agent	-	-	(1,479,344)	(1,479,344)	(1,479,344)
Payment to redeem refunded bond	-	-	(1,117,394)	(1,117,394)	(1,117,394)
Long-term financing	15,644,501	-	-	-	(15,644,501)
Intra-fund transfers	600,000	3,545,857	3,985,849	7,531,706	6,931,706
<b>Total other financing sources (uses)</b>	<b>16,303,933</b>	<b>3,605,289</b>	<b>4,000,000</b>	<b>7,605,289</b>	<b>(8,698,644)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 3,536,007</b>	<b>\$ 2,655,121</b>	<b>\$ 6,191,128</b>	<b>\$ 6,191,128</b>

\* Project(s) already closed.

\*\*Project cancelled.

**Greenville Utilities Commission**  
**of the City of Greenville, North Carolina**  
**Combining Statement of Fiduciary Net Position**  
**Agency Funds**  
**June 30, 2013**

	<u>Refuse Collection Agency Fund</u>	<u>Stormwater Collection Agency Fund</u>	<u>Total</u>
<b>Assets</b>			
Accounts receivables	\$ 965,538	\$ 528,771	\$ 1,494,309
Total assets	<u>965,538</u>	<u>528,771</u>	<u>1,494,309</u>
<b>Liabilities</b>			
Accounts payable	965,538	528,771	1,494,309
Total liabilities	<u>965,538</u>	<u>528,771</u>	<u>1,494,309</u>
<b>Net Position</b>			
Assets held in trust	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Refuse Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 6,343,733	\$ (6,343,733)	\$ -
Accounts receivable	854,629	6,458,878	(6,347,969)	965,538
Total assets	<u>\$ 854,629</u>	<u>\$ 12,802,611</u>	<u>\$ (12,691,702)</u>	<u>\$ 965,538</u>
<b>Liabilities:</b>				
Accounts payable	\$ 854,629	\$ 6,454,186	\$ (6,343,277)	\$ 965,538
	<u>\$ 854,629</u>	<u>\$ 6,454,186</u>	<u>\$ (6,343,277)</u>	<u>\$ 965,538</u>
<b>Stormwater Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 3,111,075	\$ (3,111,075)	\$ -
Accounts receivable	485,853	3,176,080	(3,133,162)	528,771
Total assets	<u>\$ 485,853</u>	<u>\$ 6,287,155</u>	<u>\$ (6,244,237)</u>	<u>\$ 528,771</u>
<b>Liabilities:</b>				
Accounts payable	\$ 485,853	\$ 3,173,548	\$ (3,130,630)	\$ 528,771
	<u>\$ 485,853</u>	<u>\$ 3,173,548</u>	<u>\$ (3,130,630)</u>	<u>\$ 528,771</u>

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of 2013-2014 Projected Transfer to the City of Greenville General Fund**

	<u>Electric Fund</u>	<u>Gas Fund</u>	<u>Total</u>
<b>General Transfer</b>			
Capital assets, net of depreciation	\$ 91,388,915	\$ 29,168,038	\$ 120,556,953
Less long-term debt	<u>23,231,858</u>	<u>8,633,273</u>	<u>31,865,131</u>
Net transfer base	68,157,057	20,534,765	88,691,822
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	<u>4,089,423</u>	<u>1,232,086</u>	<u>5,321,509</u>
<b>Street Lighting Reimbursement</b>			
Street lighting projected revenue	1,319,502		1,319,502
Transfer Rate	50%		50%
Projected street lighting reimbursement	<u>659,751</u>	<u></u>	<u>659,751</u>
Total projected transfer to City of Greenville General Fund	<u>\$ 4,749,174</u>	<u>\$ 1,232,086</u>	<u>\$ 5,981,260</u>

**Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Indebtedness  
June 30, 2013**

	Date of Issue	Date of Maturity	Outstanding June 30, 2012	Added During Year	Retired During Year		Outstanding June 30, 2013	Discount/Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2013
					Principal	Interest				Principal	Interest	
<b>Electric Fund:</b>												
\$2,840,154 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,558,830	-	277,506	82,524	1,281,324	(19,322)	1,262,002	292,923	66,124	24,848
\$627,500 Refunding RB, 2003B	5/1/2003	5/1/2018	292,624	-	292,624	8,951	-	-	-	-	-	-
\$2,607,909 RB, 2005	7/13/2005	9/1/2025	2,001,570	-	114,096	66,697	1,887,474	-	1,887,474	117,356	62,728	21,580
\$7,940,306 RB, 2007	5/11/2007	5/11/2027	6,225,393	-	6,225,393	237,253	-	-	-	-	-	-
\$1,084,583 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	863,897	-	109,431	35,547	754,466	7,830	762,296	113,079	31,653	5,605
\$605,347 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	505,342	-	47,104	21,299	458,238	(2,705)	455,533	48,795	19,621	3,412
\$3,903,762 RB, 2008A New Money	6/25/2008	11/1/2033	3,903,762	-	-	185,304	3,903,762	55,707	3,959,469	-	185,304	30,884
\$4,130,000 RB, 2008B Taxable	6/25/2008	11/1/2018	3,120,000	-	375,000	166,703	2,745,000	-	2,745,000	395,000	146,298	26,128
\$3,902,210 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,849,022	-	342,175	92,316	3,506,847	(157,065)	3,349,782	351,039	83,616	29,341
\$283,932 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	-	283,932	26,630	726	257,302	(8,230)	249,072	49,510	4,734	789
\$6,182,959 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	-	6,182,959	80,612	15,801	6,102,347	(172,100)	5,930,247	431,276	112,283	18,714
\$320,000 Installment Purchase 2009	6/15/2009	6/15/2012	-	-	-	-	-	-	-	-	-	-
\$514,460 Installment Purchase 2010	5/26/2010	4/26/2015	315,785	-	102,612	8,084	213,173	-	213,173	105,239	5,457	987
\$848,231 Installment Purchase 2011	5/18/2011	4/18/2016	684,074	-	166,003	13,599	518,071	-	518,071	169,303	10,299	2,085
\$834,344 Installment Purchase 2012	5/16/2012	5/16/2015	834,344	-	274,421	11,180	559,923	-	559,923	278,098	7,503	938
\$945,064 Installment Purchase 2013	5/16/2013	5/16/2016	-	945,064	-	-	945,064	-	945,064	312,265	8,317	1,040
			24,154,643	7,411,955	8,433,607	945,984	23,132,991	(295,885)	22,837,106	2,663,883	743,937	166,351
<b>Water Fund:</b>												
\$1,538,624 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	844,480	-	150,336	44,706	694,144	(10,356)	683,788	158,688	35,822	13,461
\$313,750 Refunding RB, 2003B	5/1/2003	5/1/2018	146,312	-	146,312	4,476	-	-	-	-	-	-
\$1,356,029 RB, 2005	7/13/2005	9/1/2025	1,040,752	-	59,326	34,680	981,426	-	981,426	61,021	32,616	11,221
\$2,378,250 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,894,335	-	239,958	77,946	1,654,377	17,170	1,671,547	247,957	69,408	12,291
\$11,924,653 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	9,954,658	-	927,896	419,564	9,026,762	(48,087)	8,978,675	961,205	386,504	67,221
\$10,641,133 RB, 2008A New Money	6/25/2008	11/1/2033	9,911,264	-	270,128	457,999	9,641,136	182,933	9,824,609	281,062	448,353	75,545
\$1,695,666 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,672,554	-	148,689	40,115	1,523,865	(68,251)	1,455,614	152,541	36,335	12,750
\$141,966 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	-	141,966	13,315	363	128,651	(4,115)	124,536	24,755	2,367	395
\$696,400 RB, 2013 Refunding SRF Loan #1	3/11/2013	5/1/2015	-	696,400	236,800	1,780	459,600	-	459,600	230,600	8,457	1,409
\$1,204,100 RB, 2013 Refunding SRF Loan #2	3/11/2013	5/1/2018	-	1,204,100	211,800	3,077	992,300	-	992,300	202,600	18,258	3,043
\$3,000,000 SRF Loan #1, 1997	2/22/2002	5/1/2015	692,308	-	692,308	532	-	-	-	-	-	5,756
\$3,000,000 SRF Loan #2, 1998	8/20/2003	5/1/2018	1,200,000	-	1,200,000	1,038	-	-	-	-	-	11,228
\$4,014,597 SRF Loan #4, 2004	11/18/2010	5/1/2030	3,496,422	-	194,246	77,096	3,302,176	-	3,302,176	194,246	72,813	12,135
\$460,425 SRF Loan #7	*	*	342,103	118,322	-	-	460,425	-	460,425	23,021	44,198	34,598
\$269,492 SRF Loan #9	6/21/2010	5/1/2030	242,543	-	13,475	6,064	229,068	-	229,068	13,475	5,727	954
\$1,442,000 SRF Loan #12	*	*	-	1,156,160	-	-	1,156,160	-	1,156,160	57,808	38,805	24,220
\$2,942,152 SRF Loan #6 (ARRA)	5/1/2011	5/2/1930	1,323,968	-	73,553	-	1,250,415	-	1,250,415	73,554	-	-
\$44,782 SRF Loan #8 (ARRA)	1/28/2011	5/2/2031	21,271	-	1,120	-	20,151	-	20,151	1,119	-	-
\$125,459 Installment Purchase 2010	5/26/2010	4/26/2015	77,009	-	25,024	1,971	51,985	-	51,985	25,664	1,331	241
\$98,022 Installment Purchase 2011	5/18/2011	4/18/2016	79,052	-	19,183	1,571	59,869	-	59,869	19,565	1,190	241
\$179,575 Installment Purchase 2012	5/16/2012	5/16/2015	179,575	-	59,063	2,406	120,512	-	120,512	59,855	1,615	202
\$123,706 Installment Purchase 2013	5/16/2013	5/16/2016	-	123,706	-	-	123,706	-	123,706	40,874	1,089	136
			33,118,606	3,440,654	4,682,532	1,175,384	31,876,728	69,294	31,946,022	2,829,610	1,204,888	287,047
<b>Sewer Fund:</b>												
\$1,667,119 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	915,005	-	162,891	48,440	752,114	(11,222)	740,892	171,940	38,814	14,586
\$4,940,000 Refunding RB, 2003B	5/1/2003	5/1/2018	2,303,686	-	2,303,686	70,470	-	-	-	-	-	-
\$4,036,062 RB, 2005	7/13/2005	9/1/2025	3,097,678	-	176,578	103,222	2,921,100	-	2,921,100	181,623	97,079	33,398
\$4,219,963 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	3,361,304	-	425,781	138,308	2,935,523	30,466	2,965,989	439,974	123,157	21,809
\$10,300,362 RB, 2008A New Money	6/25/2008	11/1/2033	9,664,276	-	227,823	448,216	9,436,453	176,150	9,612,603	236,888	440,084	74,038
\$2,172,644 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	2,143,030	-	190,513	51,399	1,952,517	(87,450)	1,865,067	195,449	46,555	16,336
\$2,235,254 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	-	2,235,254	209,647	5,712	2,025,607	(64,792)	1,960,815	389,767	37,271	6,212
\$6,292,200 RB, 2013 Refunding SRF Loan #3	3/11/2013	5/1/2020	-	6,292,200	833,400	16,080	5,458,800	-	5,458,800	796,100	100,442	16,740
\$11,629,783 SRF Loan #3, 2001	4/26/2005	5/1/2020	6,202,551	-	6,202,551	57,648	-	-	-	-	-	-
\$13,761,629 SRF Loan #5, 2008	11/1/2010	5/1/1930	11,932,445	444,016	679,076	302,341	11,697,385	-	11,697,385	688,081	290,095	48,349
\$9,241,586 SRF Loan #10 2011	*	*	1,936,491	4,568,788	462,079	111,886	6,043,200	-	6,043,200	188,449	115,233	35,923
\$13,987,369 SRF Loan #11 2011	*	*	-	6,908,971	-	-	6,908,971	-	6,908,971	345,448	98,981	-
\$2,895,724 Bethel Inter-Local Agreement	1/6/2003	5/1/2023	1,665,198	-	151,382	62,467	1,513,816	-	1,513,816	151,382	102,763	19,303
\$297,034 Installment Purchase 2010	5/26/2010	4/26/2015	182,325	-	59,246	4,668	123,079	-	123,079	60,762	3,151	570
\$180,653 Installment Purchase 2011	5/18/2011	4/18/2016	145,692	-	35,355	2,896	110,337	-	110,337	36,057	2,193	444
\$101,055 Installment Purchase 2012	5/16/2012	5/16/2015	101,055	-	33,238	1,354	67,817	-	67,817	33,683	909	114
\$147,377 Installment Purchase 2013	5/16/2013	5/16/2016	-	147,377	-	-	147,377	-	147,377	48,696	1,297	162
			43,650,736	20,596,606	12,153,246	1,425,107	52,094,096	43,152	52,137,248	3,964,299	1,498,024	287,984
<b>Gas Fund:</b>												
\$2,244,103 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,231,685	-	219,267	65,205	1,012,418	(15,105)	997,313	231,449	52,247	19,634
\$2,483,750 Refunding RB, 2003B	5/1/2003	5/1/2018	1,158,255	-	1,158,255	35,431	-	-	-	-	-	-
\$1,909,693 RB, 2007	5/11/2007	5/11/2027	1,497,246	-	1,497,246	57,061	-	-	-	-	-	-
\$1,237,204 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	985,464	-	124,830	40,549	860,634	8,931	869,565	128,991	36,107	6,394
\$1,029,743 RB, 2008A New Money	6/25/2008	11/1/2033	925,699	-	27,050	42,660	898,649	30,502	929,151	27,050	41,714	7,031
\$3,234,480 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,190,393	-	283,623	76,519	2,906,770	(130,189)	2,776,581	290,971	69,308	24,320
\$1,123,849 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	-	1,123,848	105,407	2,872	1,018,441	(32,576)	985,865	195,968	18,739	3,123
\$1,487,041 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	-	1,487,041	19,388	3,800	1,467,653	(41,391)	1,426,262	103,724	27,005	4,501
\$334,828 Installment Purchase 2010	5/26/2010	4/26/2015	205,524	-	66,784	5,261	138,740	-	138,740	68,493	3,552	642
\$180,474 Installment Purchase 2011	5/18/2011	4/18/2016	145,547	-	35,320	2,893	110,227	-	110,227	36,022	2,191	444
\$22,026 Installment Purchase 2012	5/16/2012	5/16/2015	22,026	-	7,244	295	14,782	-	14,782	7,342	198	25
\$143,251 Installment Purchase 2013	5/16/2013	5/16/2016	-	143,251	-	-	143,251	-	143,251	47,332	1,261	158
			9,361,839	2,754,140	3,544,414	332,546	8,571,565	(179,828)	8,391			

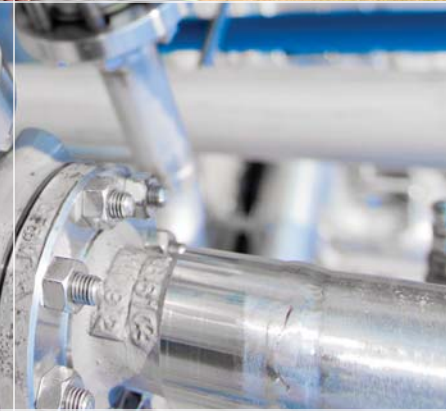
Greenville Utilities Commission  
of the City of Greenville, North Carolina  
Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2013

Grantor/Pass Through Grantor/Program Title	Federal CDFA Number	Grant Number	Federal (Direct and Pass Through)	State Expenditures	Local Expenditures	Total
<b>U. S. Environmental Protection Agency</b>						
Pass-through: NC Department of Environment and Natural Resources						
Public Water Supply Division						
Drinking Water State Revolving Fund	66.468	DEH-1074	638,985	(137,649)	-	501,336
Division of Water Quality						
Clean Water State Revolving Fund	66.458	E-SRF-T-08-01080	(21,725)	(5,431)	132,492	105,336
Clean Water State Revolving Fund	66.458	E-SRF-T-10-0261	3,566,446	891,611	-	4,458,057
Clean Water State Revolving Fund	66.458	E-SRL-T-10-0260	5,016,707	1,181,427	-	6,198,134
Total Pass-through NC Department of Environment and Natural Resources			9,200,413	1,929,958	132,492	11,262,863
<b>Total U. S. Environmental Protection Agency</b>			9,200,413	1,929,958	132,492	11,262,863
<b>Total Federal Assistance</b>			<b>\$ 9,200,413</b>	<b>\$ 1,929,958</b>	<b>\$ 132,492</b>	<b>\$ 11,262,863</b>

The accompanying Schedule of expenditures of federal and State awards includes the federal and State grant and loan activity of the Greenville Utilities Commission. The information in this schedule is presented for informational purposes only. The activity in this schedule is also presented in the schedule of expenditures of federal and State awards for the City of Greenville, North Carolina.



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# STATISTICAL SECTION



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Statistical Section  
(Unaudited)**

This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, required supplementary information, and supplementary information says about the Utility Commission's overall financial health.

**Contents Pages**

**Financial Trends Information**

These schedules contain trend information intended to help the reader understand how the Utilities Commission's financial position has changed over time.

**Revenue Capacity Information**

These schedules contain information intended to help the reader assess the Utilities Commission's most significant revenue sources.

**Debt Capacity Information**

These schedules present information intended to assist users in understanding and assessing the Utilities Commission's current levels of outstanding debt and the ability to issue additional debt.

**Demographic and Economic Information**

These schedules provide demographic and economic indicators intended to help the reader understand the socioeconomic environment within which the Utilities Commission's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Utilities Commission's financial report relates to the services the Utilities Commission provides and the activities it performs.

Sources: Unless otherwise noted, the information contained in these schedules is derived from the audited financial statements for the relevant year and the historical files and records of the Utilities Commission.

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**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Net Position by Component  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2004	2005	2006	2007	2008
Business-type activities					
Net investment in capital assets	\$ 181,185	\$ 194,175	\$ 203,328	\$ 211,689	\$ 221,178
Unrestricted	54,684	48,190	51,057	54,448	57,730
Total business-type activities net position	<u>\$ 235,869</u>	<u>\$ 242,365</u>	<u>\$ 254,385</u>	<u>\$ 266,137</u>	<u>\$ 278,908</u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Business-type activities					
Net investment in capital assets	\$ 231,890	\$ 236,136	\$ 235,421	\$ 238,986	\$ 246,776
Unrestricted	56,973	63,055	75,583	79,196	79,035
Total business-type activities net position	<u>\$ 288,863</u>	<u>\$ 299,191</u>	<u>\$ 311,004</u>	<u>\$ 318,182</u>	<u>\$ 325,811</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA**  
Changes in Net Position  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Operating revenues:										
Charges for services	\$ 181,870	\$ 189,623	\$ 214,077	\$ 224,297	\$ 235,850	\$ 257,795	\$ 259,181	\$ 270,573	\$ 255,943	\$ 260,272
Other operating revenues	1,022	1,022	687	1,193	668	718	730	800	785	773
Total operating revenues	182,893	190,646	214,764	225,490	236,517	258,513	259,911	271,373	256,728	261,045
Operating expenses:										
Administration and general	15,071	16,433	16,495	17,544	13,796	13,466	13,963	14,756	15,456	15,916
Operations and maintenance	17,778	19,676	20,735	22,062	31,030	32,428	32,536	33,784	36,433	33,916
Purchased power and gas	124,846	131,551	152,760	160,824	164,060	185,204	183,863	188,585	175,992	179,141
Depreciation	13,564	14,060	14,577	14,555	14,810	15,324	15,649	16,744	16,962	17,565
Total operating expenses	171,259	181,720	204,568	214,985	223,695	246,422	246,011	253,869	244,842	246,538
Operating income (loss)	11,634	8,926	10,196	10,505	12,822	12,091	13,900	17,504	11,886	14,507
Non-operating revenues (expenses):										
Interest income	500	1,330	2,037	2,912	2,212	1,426	809	637	335	226
Interest expense and service charges	(2,343)	(3,570)	(3,880)	(3,870)	(3,713)	(4,170)	(3,973)	(4,330)	(3,984)	(4,091)
Other, net	1,404	1,283	1,423	2,747	1,410	1,433	1,315	2,382	4,677	2,721
Net non-operating revenues	(439)	(957)	(421)	1,788	(91)	(1,312)	(1,848)	(1,311)	1,027	(1,143)
Income before contributions and transfers	11,194	7,968	9,776	12,293	12,731	10,779	12,052	16,193	12,913	13,364
Contributions and transfers:										
Capital Contributions	372	3,112	7,043	4,448	5,055	4,462	3,501	1,062	-	-
Transfer to City of Greenville, General Fund	(3,986)	(4,092)	(4,287)	(4,454)	(4,444)	(4,659)	(4,563)	(4,765)	(5,039)	(5,038)
Transfer to City of Greenville, street lighting reimb.	(478)	(492)	(510)	(535)	(570)	(628)	(662)	(678)	(696)	(696)
Total contributions and transfers	(4,091)	(1,472)	2,245	(542)	40	(825)	(1,724)	(4,381)	(5,735)	(5,733)
Changes in net position	\$ 7,104	\$ 6,496	\$ 12,021	\$ 11,751	\$ 12,771	\$ 9,954	\$ 10,329	\$ 11,812	\$ 7,178	\$ 7,630

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Operating Revenues by Major Source  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Electric Fund</b>			<b>Water Fund</b>		
	<b>Rates &amp; Charges</b>	<b>Fees &amp; Charges</b>	<b>Other Operating Revenue</b>	<b>Rates &amp; Charges</b>	<b>Fees &amp; Charges</b>	<b>Other Operating Revenue</b>
2004	135,549,138	957,236	493,663	9,253,692	416,585	195,545
2005	136,339,149	1,084,130	348,077	9,620,951	475,413	174,868
2006	152,459,360	1,107,154	329,027	10,439,411	668,543	240,136
2007	160,742,873	1,067,950	391,053	10,852,530	871,821	199,610
2008	166,967,883	1,214,369	432,762	12,646,586	909,860	72,586
2009	185,301,475	1,046,817	472,514	12,934,404	526,328	78,685
2010	192,716,425	1,144,392	483,335	12,921,434	398,169	79,354
2011	200,357,626	1,165,263	536,485	14,568,726	321,294	85,994
2012	191,029,354	1,112,192	494,829	15,719,715	292,152	106,365
2013	194,108,566	1,233,242	504,564	15,410,078	383,665	90,114

<b>Fiscal Year</b>	<b>Sewer Fund</b>			<b>Gas Fund</b>		
	<b>Rates &amp; Charges</b>	<b>Fees &amp; Charges</b>	<b>Other Operating Revenue</b>	<b>Rates &amp; Charges</b>	<b>Fees &amp; Charges</b>	<b>Other Operating Revenue</b>
2004	10,157,629	1,328,052	227,058	24,058,443	149,525	106,122
2005	10,882,171	440,702	435,613	30,611,326	169,409	63,871
2006	11,061,575	1,240,548	49,004	36,938,809	161,320	69,322
2007	11,802,583	822,008	534,374	37,965,531	172,035	67,746
2008	12,458,883	686,020	77,379	40,751,828	214,223	85,080
2009	13,282,500	388,926	73,490	44,176,441	138,363	93,095
2010	13,982,944	366,945	77,579	37,491,825	159,339	89,329
2011	16,251,177	319,025	85,329	37,440,126	149,616	92,378
2012	17,247,740	263,573	90,269	30,150,678	127,392	94,036
2013	17,124,153	363,627	90,648	31,513,234	135,445	87,753

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Revenue Base by Customer Class  
Electric Kilowatt Hours Sold  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Small General Service</b>	<b>Medium General Service</b>	<b>Large General Service</b>	<b>Lighting</b>	<b>Seasonal</b>	<b>Total</b>	<b>Effective Rate (per kWh)<sup>1</sup></b>
2004	605,165,310	108,397,966	321,156,448	463,838,288	14,339,067	5,367,980	1,518,265,059	\$ 0.08928
2005	600,001,241	109,279,284	320,664,684	448,876,448	14,720,891	6,643,973	1,500,186,521	\$ 0.09088
2006	626,475,047	115,895,767	333,679,739	440,898,440	15,229,953	5,076,592	1,537,255,538	\$ 0.09918
2007	632,461,374	115,569,492	335,868,527	457,237,248	15,865,478	4,874,324	1,561,876,443	\$ 0.10292
2008	660,765,253	120,108,448	349,929,722	476,845,992	16,667,538	5,303,297	1,629,620,250	\$ 0.10246
2009	688,061,414	119,860,338	347,356,181	456,366,784	17,231,719	4,600,280	1,633,476,716	\$ 0.11344
2010	701,375,321	119,505,611	338,255,635	468,568,472	17,551,533	4,869,163	1,650,125,735	\$ 0.11679
2011	735,045,523	121,941,172	347,635,077	486,112,644	17,779,021	3,496,959	1,712,010,396	\$ 0.11703
2012	659,675,766	117,140,900	338,546,911	497,654,640	17,919,207	1,928,168	1,632,865,592	\$ 0.11699
2013	695,864,293	117,071,188	332,957,674	489,990,456	18,064,409	2,718,765	1,656,666,785	\$ 0.11717

<sup>1</sup>Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct electric rates for all customer classes are shown on Table 8.



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Revenue Base by Customer Class  
Water Kgallons Sold<sup>1</sup>  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Wholesale</b>	<b>Total</b>	<b>Effective Rate (per kgallon)<sup>2</sup></b>
2004	1,849,412	973,732	394,434	-	3,217,578	\$ 2.87598
2005	1,877,758	939,601	340,663	-	3,158,022	\$ 3.04651
2006	1,959,878	975,773	327,772	-	3,263,423	\$ 3.19891
2007	2,018,787	951,826	326,876	33,546	3,331,035	\$ 3.25801
2008	2,154,763	1,022,484	344,144	74,253	3,595,644	\$ 3.51720
2009	2,133,699	997,478	306,968	106,488	3,544,633	\$ 3.64901
2010	2,101,457	1,001,757	265,183	76,595	3,444,992	\$ 3.75079
2011	2,189,035	1,045,699	314,924	156,231	3,705,889	\$ 3.93124
2012	2,099,783	976,209	333,569	376,064	3,785,625	\$ 4.15248
2013	2,030,472	940,852	369,971	516,267	3,857,562	\$ 3.99477

<sup>1</sup>One Kgallon equals one thousand gallons.

<sup>2</sup>Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct water rates for all customer classes are shown on Table 9.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Revenue Base by Customer Class  
Wastewater Kgallons Collected<sup>1</sup>  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial &amp; Industrial</u>	<u>Wholesale</u>	<u>Total</u>	<u>Effective Rate (per kgallon)<sup>2</sup></u>
2004	1,410,302	1,023,878	56,022	2,490,202	\$ 4.07904
2005	1,422,792	1,026,670	104,387	2,553,849	\$ 4.26109
2006	1,462,306	1,032,950	89,685	2,584,941	\$ 4.27924
2007	1,516,407	1,022,201	110,985	2,649,593	\$ 4.45449
2008	1,595,457	1,047,692	85,478	2,728,627	\$ 4.56599
2009	1,592,987	1,008,308	92,379	2,693,674	\$ 4.93100
2010	1,590,458	983,386	85,282	2,659,126	\$ 5.25847
2011	1,658,057	1,030,383	106,435	2,794,875	\$ 5.81463
2012	1,623,172	1,015,532	108,011	2,746,715	\$ 6.27941
2013	1,599,305	1,023,339	106,849	2,729,493	\$ 6.27375

<sup>1</sup>One Kgallon equals one thousand gallons.

<sup>2</sup>Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct wastewater rates for all customer classes are shown on Table 10.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Revenue Base by Customer Class  
Natural Gas CCFs Sold<sup>1</sup>  
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Interruptible</u>	<u>Seasonal</u>	<u>Total</u>	<u>Effective Rate (per CCF)<sup>2</sup></u>
2004	8,189,959	5,680,326	1,330,550	5,788,301	18,910	21,008,046	\$ 1.14520
2005	7,907,363	6,401,071	1,282,072	7,229,069	34,677	22,854,252	\$ 1.33941
2006	7,017,145	5,677,810	1,101,064	8,273,734	17,785	22,087,538	\$ 1.67238
2007	7,483,501	5,545,379	1,119,080	12,129,008	7,022	26,283,990	\$ 1.44444
2008	7,052,603	5,233,201	1,436,740	13,044,444	853	26,767,841	\$ 1.52242
2009	8,544,675	5,742,073	1,331,757	13,155,716	15,699	28,789,920	\$ 1.53444
2010	9,071,756	6,026,915	1,320,226	14,809,280	15,439	31,243,616	\$ 1.19998
2011	9,204,734	6,202,471	1,452,745	15,535,877	9,415	32,405,242	\$ 1.15537
2012	6,446,047	5,060,450	1,286,999	15,440,944	11,791	28,246,231	\$ 1.06742
2013	8,770,015	6,052,098	1,305,580	15,267,893	24,568	31,420,154	\$ 1.00296

<sup>1</sup>One ccf equals one hundred cubic feet.

<sup>2</sup>Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct natural gas rates for all customer classes are shown on Table 11.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Electric Rates (as of June 30)  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Effective Rate (per kWh)</b>	\$ 0.08928	\$ 0.09088	\$ 0.09918	\$ 0.10292	\$ 0.10246	\$ 0.11344	\$ 0.11679	\$ 0.11703	\$ 0.11699	\$ 0.11717
<b>Residential</b>										
Basic customer charge (per month)	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.99	\$ 8.99	\$ 8.99	\$ 10.99
Energy (per kWh) Summer	\$ 0.09979	\$ 0.10455	\$ 0.11195	\$ 0.11074	\$ 0.11074	\$ 0.12257	\$ 0.12600	\$ 0.12600	\$ 0.12600	\$ 0.12600
Winter	\$ 0.08922	\$ 0.09400	\$ 0.10138	\$ 0.10017	\$ 0.10017	\$ 0.11200	\$ 0.11514	\$ 0.11514	\$ 0.11514	\$ 0.11514
<b>Small General Service<sup>1</sup></b>										
Basic customer charge (per month)	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.89	\$ 12.89	\$ 12.89	\$ 15.76
Energy (per kWh) a. first 1,000 kWh	\$ 0.10540	\$ 0.11016	\$ 0.11756	\$ 0.11635	\$ 0.11635	\$ 0.12818	\$ 0.13177	\$ 0.13177	\$ 0.13177	\$ 0.13177
b. next 5,000 kWh	\$ 0.09938	\$ 0.10414	\$ 0.11154	\$ 0.11033	\$ 0.11033	\$ 0.12216	\$ 0.12558	\$ 0.12558	\$ 0.12558	\$ 0.12558
c. all additional kWh	\$ 0.08127	\$ 0.08603	\$ 0.09343	\$ 0.09222	\$ 0.09222	\$ 0.10405	\$ 0.10696	\$ 0.10696	\$ 0.10696	\$ 0.10696
<b>Medium General Service<sup>2</sup></b>										
Basic customer charge (per month)	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 13.33	\$ 13.33	\$ 13.33	\$ 16.30
Demand (per kW) a. first 35 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. all additional kW	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17
Energy (per kWh) a. first 12,500 kWh	\$ 0.09709	\$ 0.10185	\$ 0.10925	\$ 0.10804	\$ 0.10804	\$ 0.11987	\$ 0.12323	\$ 0.12323	\$ 0.12323	\$ 0.12323
b. all additional kWh	\$ 0.06704	\$ 0.07180	\$ 0.07920	\$ 0.07799	\$ 0.07799	\$ 0.08982	\$ 0.09233	\$ 0.09233	\$ 0.09233	\$ 0.09233
<b>Large General Service<sup>3</sup></b>										
Basic customer charge (per month)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Demand (per kW) a. base allocated peak demand	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42
b. all additional demand	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
c. all coincident peak demand <sup>4</sup>	\$ 12.71		\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71
d. all rKVA demand <sup>5</sup>	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Energy (per kWh) all kWh per month	\$ 0.02687	\$ 0.03169	\$ 0.03917	\$ 0.03795	\$ 0.03795	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928

<sup>1</sup> Small general service customers are typically less than 35 kW.

<sup>2</sup> Medium general service customers are typically greater than 35 kW but less than 750 kW.

<sup>3</sup> Large general service coincident peak customers are typically greater than 750 kW.

<sup>4</sup> Charge for customer's portion (in kW) of the Utilities Commission's 60 minute peak demand during each billing cycle.

<sup>5</sup> RkVA is a charge by the Utilities Commission to certain large customers based upon a measurement of the amount of electric energy flowing alternatively to the customer and away from the customer.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Electric Rates (as of June 30)  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Seasonal General Service</b>										
Basic customer charge (per month)	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.84	\$ 14.84	\$ 14.84	\$ 18.14
Energy (per kWh)										
Summer										
a. first 750 kWh	\$ 0.11638	\$ 0.12114	\$ 0.12854	\$ 0.12733	\$ 0.12733	\$ 0.13916	\$ 0.14306	\$ 0.14306	\$ 0.14306	\$ 0.14306
b. next 2,250 kWh plus 150 kWh per kW of billing demand in excess of 10 kW per billing month	\$ 0.10547	\$ 0.11023	\$ 0.11763	\$ 0.11642	\$ 0.11642	\$ 0.12825	\$ 0.13184	\$ 0.13184	\$ 0.13184	\$ 0.13184
c. all additional kWh	\$ 0.08079	\$ 0.08555	\$ 0.92950	\$ 0.09174	\$ 0.09174	\$ 0.10357	\$ 0.10647	\$ 0.10647	\$ 0.10647	\$ 0.10647
Winter										
a. first 750 kWh	\$ 0.96240	\$ 0.10100	\$ 0.10840	\$ 0.10719	\$ 0.10719	\$ 0.11902	\$ 0.12235	\$ 0.12235	\$ 0.12235	\$ 0.12235
b. all additional kWh	\$ 0.06848	\$ 0.07324	\$ 0.08064	\$ 0.07943	\$ 0.07943	\$ 0.09126	\$ 0.09382	\$ 0.09382	\$ 0.09382	\$ 0.09382
<b>Outdoor Lighting Service (rate per unit per month)</b>										
General Customers										
175W (7,000 lumens) mercury vapor	\$ 11.00	\$ 11.33	\$ 11.85	\$ 11.77	\$ 11.77	\$ 12.59	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.85
250W (11,000 lumens) mercury vapor	\$ 13.83	\$ 14.31	\$ 15.05	\$ 14.93	\$ 14.93	\$ 16.11	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.47
400W (20,000 lumens) mercury vapor	\$ 18.81	\$ 19.52	\$ 20.63	\$ 20.45	\$ 20.45	\$ 22.23	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.77
150W (14,000 lumens) sodium vapor	\$ 14.07	\$ 14.40	\$ 14.92	\$ 14.84	\$ 14.84	\$ 15.66	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92
250W (23,000 lumens) sodium vapor	\$ 18.47	\$ 18.97	\$ 19.75	\$ 19.62	\$ 19.62	\$ 20.86	\$ 21.24	\$ 21.24	\$ 21.24	\$ 21.24
400W (45,000 lumens) sodium vapor	\$ 27.99	\$ 28.75	\$ 29.94	\$ 29.74	\$ 29.74	\$ 31.64	\$ 32.21	\$ 32.21	\$ 32.21	\$ 32.21
400W-F (45,000 lumens) sodium vapor	\$ 29.07	\$ 29.83	\$ 31.02	\$ 30.82	\$ 30.82	\$ 32.72	\$ 33.29	\$ 33.29	\$ 33.29	\$ 33.29
400W (40,000 lumens) metal halide	\$ 30.62	\$ 31.38	\$ 32.57	\$ 32.37	\$ 32.37	\$ 34.27	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.84
County, Municipal or Housing Authority										
175W (7,000 lumens) mercury vapor	\$ 9.99	\$ 10.32	\$ 10.84	\$ 10.76	\$ 10.76	\$ 11.58	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.84
250W (11,000 lumens) mercury vapor	\$ 13.12	\$ 13.60	\$ 14.34	\$ 14.22	\$ 14.22	\$ 15.40	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.76
400W (20,000 lumens) mercury vapor	\$ 17.87	\$ 18.58	\$ 19.69	\$ 19.51	\$ 19.51	\$ 21.29	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83
400W-T (20,000 lumens) mercury vapor	\$ 15.53	\$ 15.86	\$ 16.38	\$ 16.35	\$ 16.35	\$ 17.23	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
1000W (53,000 lumens) mercury vapor	\$ 36.23	\$ 36.73	\$ 37.51	n/a	n/a	n/a	n/a	n/a	n/a	n/a
150W (14,000 lumens) sodium vapor	\$ 12.56	\$ 13.32	\$ 14.51	\$ 13.43	\$ 13.43	\$ 14.26	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.51
250W (23,000 lumens) sodium vapor	\$ 16.49	\$ 17.25	\$ 18.44	\$ 17.70	\$ 17.70	\$ 18.95	\$ 19.32	\$ 19.32	\$ 19.32	\$ 19.32
400W (45,000 lumens) sodium vapor	\$ 24.99	\$ 25.75	\$ 26.94	\$ 26.74	\$ 26.74	\$ 28.64	\$ 29.21	\$ 29.21	\$ 29.21	\$ 29.21
400W-F (45,000 lumens) sodium vapor	\$ 26.08	\$ 26.84	\$ 28.03	\$ 27.83	\$ 27.83	\$ 29.73	\$ 30.30	\$ 30.30	\$ 30.30	\$ 30.30
400W (40,000 lumens) metal halide	\$ 27.63	\$ 28.39	\$ 29.58	\$ 29.38	\$ 29.38	\$ 31.28	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85
<b>Sports Field Lighting Service</b>										
Demand (per kW)	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27
Energy (per kWh)	\$ 0.07913	\$ 0.08389	\$ 0.09129	\$ 0.09008	\$ 0.09008	\$ 0.10191	\$ 0.10476	\$ 0.10476	\$ 0.10476	\$ 0.10476

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**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Water Rates (as of June 30)  
Last Ten Fiscal Years**

Table 9

		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Effective rate (per kgallon)</b>		\$ 2.87598	\$ 3.04651	\$ 3.19891	\$ 3.25801	\$ 3.51720	\$ 3.64901	\$ 3.75079	\$ 3.93124	\$ 4.15248	\$ 3.99477
<b>Basic meter charge (based on meter size)</b>											
Inside City	3/4"	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	\$ 5.79	\$ 5.79	\$ 5.79	\$ 6.61	\$ 6.61	\$ 6.61
	1"	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	\$ 9.30	\$ 9.30	\$ 9.30	\$ 10.77	\$ 10.77	\$ 10.77
	1-1/2"	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	\$ 17.32	\$ 17.32	\$ 17.32	\$ 20.28	\$ 20.28	\$ 20.28
	2"	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	\$ 27.34	\$ 27.34	\$ 27.34	\$ 32.16	\$ 32.16	\$ 32.16
	3"	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	\$ 59.40	\$ 59.40	\$ 59.40	\$ 70.17	\$ 70.17	\$ 70.17
	4"	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	\$ 100.98	\$ 100.98	\$ 100.98	\$ 119.47	\$ 119.47	\$ 119.47
	6"	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	\$ 209.70	\$ 209.70	\$ 209.70	\$ 248.37	\$ 248.37	\$ 248.37
	8"	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	\$ 301.38	\$ 301.38	\$ 301.38	\$ 357.07	\$ 357.07	\$ 357.07
	10"	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	\$ 485.25	\$ 485.25	\$ 485.25	\$ 575.07	\$ 575.07	\$ 575.07
	12"	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	\$ 718.72	\$ 718.72	\$ 718.72	\$ 851.88	\$ 851.88	\$ 851.88
Outside City	3/4"	\$ 3.02	\$ 3.14	\$ 3.30	\$ 3.30	\$ 6.54	\$ 6.54	\$ 6.54	\$ 7.50	\$ 7.50	\$ 7.50
	1"	\$ 8.76	\$ 9.11	\$ 9.57	\$ 9.57	\$ 10.58	\$ 10.58	\$ 10.58	\$ 12.29	\$ 12.29	\$ 12.29
	1-1/2"	\$ 17.51	\$ 18.21	\$ 19.12	\$ 19.12	\$ 19.80	\$ 19.80	\$ 19.80	\$ 23.22	\$ 23.22	\$ 23.22
	2"	\$ 33.42	\$ 34.76	\$ 36.50	\$ 36.50	\$ 31.32	\$ 31.32	\$ 31.32	\$ 36.88	\$ 36.88	\$ 36.88
	3"	\$ 40.78	\$ 42.41	\$ 44.53	\$ 44.53	\$ 68.19	\$ 68.19	\$ 68.19	\$ 80.60	\$ 80.60	\$ 80.60
	4"	\$ 66.66	\$ 69.33	\$ 72.80	\$ 72.80	\$ 116.01	\$ 116.01	\$ 116.01	\$ 137.29	\$ 137.29	\$ 137.29
	6"	\$ 164.69	\$ 171.28	\$ 179.84	\$ 179.84	\$ 241.04	\$ 241.04	\$ 241.04	\$ 285.53	\$ 285.53	\$ 285.53
	8"	\$ 189.82	\$ 197.41	\$ 207.28	\$ 207.28	\$ 346.47	\$ 346.47	\$ 346.47	\$ 410.53	\$ 410.53	\$ 410.53
	10"	\$ 264.67	\$ 275.26	\$ 289.02	\$ 289.02	\$ 557.92	\$ 557.92	\$ 557.92	\$ 661.23	\$ 661.23	\$ 661.23
	12"	\$ 288.24	\$ 299.77	\$ 314.76	\$ 314.76	\$ 826.41	\$ 826.41	\$ 826.41	\$ 979.56	\$ 979.56	\$ 979.56
Industrial	3/4"	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	*	*	*	*	*	*
	1"	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	*	*	*	*	*	*
	1-1/2"	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	*	*	*	*	*	*
	2"	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	*	*	*	*	*	*
	3"	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	*	*	*	*	*	*
	4"	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	*	*	*	*	*	*
	6"	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	*	*	*	*	*	*
	8"	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	*	*	*	*	*	*
	10"	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	*	*	*	*	*	*
	12"	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	*	*	*	*	*	*
<b>Volume Charge (per kgal)</b>											
Inside City	Residential	\$ 2.240	\$ 2.330	\$ 2.450	\$ 2.450	\$ 2.950	\$ 2.950	\$ 2.950	\$ 3.350	\$ 3.350	\$ 3.350
	Commercial	\$ 1.820	\$ 1.890	\$ 1.980	\$ 1.980	\$ 2.390	\$ 2.390	\$ 2.390	\$ 2.710	\$ 2.710	\$ 2.710
	Industrial	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	\$ 2.530
	Irrigation	**	**	**	**	**	**	**	\$ 5.030	\$ 5.030	\$ 5.030
Outside City	Residential	\$ 3.490	\$ 3.630	\$ 3.810	\$ 3.810	\$ 4.580	\$ 4.580	\$ 4.580	\$ 5.200	\$ 5.200	\$ 5.200
	Commercial	\$ 2.790	\$ 2.900	\$ 3.050	\$ 3.050	\$ 3.700	\$ 3.700	\$ 3.700	\$ 4.200	\$ 4.200	\$ 4.200
	Industrial	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	\$ 2.530
	Irrigation	**	**	**	**	**	**	**	\$ 7.80	\$ 7.80	\$ 7.80
	Irrigation	**	**	**	**	**	**	**	\$ 7.80	\$ 7.80	\$ 7.80
	Irrigation	**	**	**	**	**	**	**	\$ 5.03	\$ 5.03	\$ 5.03

\* Through April 30, 2008 industrial customers were charged the inside city basic meter charge regardless of their actual location. Effective May 1, 2008 industrial customers are charged the basic meter charge applicable to their location (inside city or outside city).

\*\* Through March 31, 2011 water consumed through an irrigation meter was billed at the customer's standard rate. Effective April 1, 2011 a separate rate was implemented for irrigation usage to promote conservation.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Wastewater Rates (as of June 30)  
Last Ten Fiscal Years**

Table 10

		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Effective rate (per kgallon)</b>		\$ 4.07904	\$ 4.26109	\$ 4.27924	\$ 4.45449	\$ 4.56599	\$ 4.93100	\$ 5.25847	\$ 5.81463	\$ 6.27941	\$ 6.27375
<b>Basic meter charge (based on water/wastewater meter size)</b>											
Residential	3/4"	\$ 5.98	\$ 6.22	\$ 6.22	\$ 7.22	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24	\$ 10.24
	1"	\$ 14.74	\$ 15.33	\$ 15.33	\$ 17.79	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78	\$ 16.78
	1-1/2"	\$ 30.25	\$ 31.46	\$ 31.46	\$ 36.52	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	\$ 31.73
	2"	\$ 59.58	\$ 61.96	\$ 61.96	\$ 71.92	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	\$ 50.41
	3"	\$ 68.34	\$ 71.07	\$ 71.07	\$ 82.50	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	\$ 110.18
	4"	\$ 110.61	\$ 115.03	\$ 115.03	\$ 133.52	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	\$ 187.70
	6"	\$ 266.33	\$ 276.98	\$ 276.98	\$ 321.51	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	\$ 390.38
	8"	\$ 319.29	\$ 332.06	\$ 332.06	\$ 385.45	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	\$ 561.30
	10"	\$ 446.82	\$ 464.69	\$ 464.69	\$ 539.40	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	\$ 904.08
	12"	\$ 625.23	\$ 650.24	\$ 650.24	\$ 754.78	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	\$ 1,339.33
Commercial/Industrial	3/4"	\$ 4.34	\$ 4.51	\$ 4.51	\$ 5.24	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24	\$ 10.24
	1"	\$ 12.66	\$ 13.17	\$ 13.17	\$ 15.29	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78	\$ 16.78
	1-1/2"	\$ 25.31	\$ 26.32	\$ 26.32	\$ 30.55	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	\$ 31.73
	2"	\$ 48.28	\$ 50.21	\$ 50.21	\$ 58.28	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	\$ 50.41
	3"	\$ 58.89	\$ 61.28	\$ 61.28	\$ 71.10	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	\$ 110.18
	4"	\$ 96.27	\$ 100.12	\$ 100.12	\$ 116.22	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	\$ 187.70
	6"	\$ 237.76	\$ 247.27	\$ 247.27	\$ 287.02	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	\$ 390.38
	8"	\$ 274.07	\$ 285.03	\$ 285.03	\$ 330.85	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	\$ 561.30
	10"	\$ 382.12	\$ 397.40	\$ 397.40	\$ 461.29	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	\$ 904.08
	12"	\$ 416.07	\$ 432.71	\$ 432.71	\$ 502.28	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	\$ 1,339.33
<b>Sewer Only Customers</b>											
<b>Basic meter charge (based on water/wastewater meter size)</b>											
Residential	3/4"	\$ 8.96	\$ 8.96	\$ 8.96	\$ 9.96	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36	\$ 15.36
	1"	\$ 23.26	\$ 23.26	\$ 23.26	\$ 25.86	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17	\$ 25.17
	1-1/2"	\$ 47.36	\$ 47.36	\$ 47.36	\$ 52.65	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60	\$ 47.60
	2"	\$ 92.29	\$ 92.29	\$ 92.29	\$ 102.59	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62	\$ 75.62
	3"	\$ 108.06	\$ 108.06	\$ 108.06	\$ 120.12	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27	\$ 165.27
	4"	\$ 175.50	\$ 175.50	\$ 175.50	\$ 195.09	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55	\$ 281.55
	6"	\$ 426.38	\$ 426.38	\$ 426.38	\$ 473.97	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57	\$ 585.57
	8"	\$ 504.25	\$ 504.25	\$ 504.25	\$ 560.53	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95	\$ 841.95
	10"	\$ 704.77	\$ 704.77	\$ 704.77	\$ 783.43	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	\$ 1,356.12
	12"	\$ 911.68	\$ 911.68	\$ 911.68	\$ 1,013.43	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00	\$ 2,009.00	\$ 2,009.00



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Wastewater Rates (as of June 30)  
Last Ten Fiscal Years**

Table 10  
Continued

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Sewer Only Customers</b>										
<b>Basic meter charge (based on water/wastewater meter size)</b>										
Commercial/Industrial 3/4"	\$ 7.26	\$ 7.26	\$ 7.26	\$ 8.07	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36	\$ 15.36
1"	\$ 21.20	\$ 21.20	\$ 21.20	\$ 23.45	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17	\$ 25.17
1-1/2"	\$ 42.22	\$ 42.22	\$ 42.22	\$ 46.93	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60	\$ 47.60
2"	\$ 80.54	\$ 80.54	\$ 80.54	\$ 89.53	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62	\$ 75.62
3"	\$ 98.23	\$ 98.23	\$ 98.23	\$ 109.19	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27	\$ 165.27
4"	\$ 160.59	\$ 160.59	\$ 160.59	\$ 178.51	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55	\$ 281.55
6"	\$ 396.67	\$ 396.67	\$ 396.67	\$ 440.94	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57	\$ 585.57
8"	\$ 457.23	\$ 457.23	\$ 457.23	\$ 508.26	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95	\$ 841.95
10"	\$ 637.48	\$ 637.48	\$ 637.48	\$ 708.63	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	\$ 1,356.12
12"	\$ 694.16	\$ 694.16	\$ 694.16	\$ 771.63	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00	\$ 2,009.00	\$ 2,009.00
<b>Volume Charge (per kgal, based on 93.5% of water usage unless separately metered)</b>										
Residential	\$ 3.000	\$ 3.120	\$ 3.120	\$ 3.120	\$ 3.500	\$ 3.500	\$ 3.670	\$ 4.450	\$ 4.450	\$ 4.450
Commercial/Industrial	\$ 3.320	\$ 3.450	\$ 3.450	\$ 3.450	\$ 3.880	\$ 3.880	\$ 4.070	\$ 4.930	\$ 4.930	\$ 4.930
Metered wastewater (100%)	\$ 3.650	\$ 3.800	\$ 3.800	\$ 3.800	\$ 4.270	\$ 4.270	\$ 4.480	\$ 5.430	\$ 5.430	\$ 5.430
Municipalities**	\$ 3.760	\$ 3.910	\$ 3.910	\$ 3.910	\$ 4.400	\$ 4.400	\$ 4.620	\$ 5.600	\$ 5.600	\$ 5.600

\*\* Monthly billings will include any other applicable charges included in the Interlocal Agreement, other Sewer Charge Schedules or the Commission's Utility Regulations.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Natural Gas Rates (as of June 30)  
Last Ten Fiscal Years**

Table 11

			<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Effective rate (per CCF)</b>			\$ 1.14520	\$ 1.33941	\$ 1.67238	\$ 1.44444	\$ 1.52242	\$ 1.53444	\$ 1.19998	\$ 1.15537	\$ 1.06742	\$ 1.00296
<b>Residential Service</b>												
Basic facilities charge			\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*	*	*
Commodity	Summer	first 50 ccf	\$ 1.2284	\$ 1.4270	\$ 1.8723	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1604	\$ 1.3590	\$ 1.8043	*	*	*	*	*	*	*
	Winter	first 50 ccf	\$ 1.2335	\$ 1.4673	\$ 1.9359	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1655	\$ 1.3993	\$ 1.8679	*	*	*	*	*	*	*
Basic facilities charge			*	*	*	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Commodity	first 10 ccf		*	*	*	\$ 1.7378	\$ 2.1654	\$ 1.4401	\$ 1.3126	\$ 1.3650	\$ 1.0773	\$ 1.1800
	all additional ccf		*	*	*	\$ 1.6238	\$ 2.0514	\$ 1.3261	\$ 1.1986	\$ 1.2510	\$ 0.9633	\$ 1.0440
<b>Residential Service - Heat Only</b>												
Summer	Basic facilities charge		\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.2324	\$ 1.4310	\$ 1.8763	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1664	\$ 1.3650	\$ 1.8103	*	*	*	*	*	*	*
Winter	Basic facilities charge		\$ 11.00	\$ 11.00	\$ 11.00	*	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.2375	\$ 1.4713	\$ 1.9399	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1715	\$ 1.4053	\$ 1.8739	*	*	*	*	*	*	*
Basic facilities charge			*	*	*	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Commodity	first 10 ccf		*	*	*	\$ 1.8188	\$ 2.2464	\$ 1.5211	\$ 1.3936	\$ 1.4460	\$ 1.1583	\$ 1.2610
	all additional ccf		*	*	*	\$ 1.7003	\$ 2.1279	\$ 1.4026	\$ 1.2751	\$ 1.3275	\$ 1.0398	\$ 1.1233
<b>Commercial Service</b>												
Basic facilities charge			\$ 20.00	\$ 20.00	\$ 20.00	*	*	*	*	*	*	*
Commodity	Summer	first 100 ccf	\$ 1.1754	\$ 1.3740	\$ 1.8193	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1134	\$ 1.3120	\$ 1.7573	*	*	*	*	*	*	*
	Winter	first 100 ccf	\$ 1.1805	\$ 1.4143	\$ 1.8829	*	*	*	*	*	*	*
		all additional ccf	\$ 1.1185	\$ 1.3523	\$ 1.8209	*	*	*	*	*	*	*
Basic facilities charge			*	*	*	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	**
Commodity	first 50 ccf		*	*	*	\$ 1.7169	\$ 2.1445	\$ 1.4192	\$ 1.2917	\$ 1.3441	\$ 1.0564	**
	51 to 300 ccf		*	*	*	\$ 1.6432	\$ 2.0708	\$ 1.3455	\$ 1.2180	\$ 1.2704	\$ 0.9827	**
	301 to 500 ccf		*	*	*	\$ 1.5932	\$ 2.0208	\$ 1.2995	\$ 1.1680	\$ 1.2204	\$ 0.9327	**
	all additional ccf		*	*	*	\$ 1.4427	\$ 1.8703	\$ 1.1450	\$ 1.0175	\$ 1.0699	\$ 0.7822	**
Basic facilities charge			**	**	**	**	**	**	**	**	**	\$ 22.0000
Commodity	first 50 ccf		**	**	**	**	**	**	**	**	**	\$ 1.1591
	51 to 500 ccf		**	**	**	**	**	**	**	**	**	\$ 1.0695
	all additional ccf		**	**	**	**	**	**	**	**	**	\$ 0.8849

\* During fiscal year 2007 the rate structure for natural gas services was changed to eliminate seasonal rates and adjust the volume steps. These changes resulted from a comprehensive rate study conducted by an outside consultant.

\*\* During fiscal year 2013 the rate structure for natural gas services was changed to adjust the volume steps. These changes resulted from a comprehensive rate study conducted by an outside consultant.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Direct Natural Gas Rates (as of June 30)  
Last Ten Fiscal Years**

Table 11  
Continued

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Industrial Service</b>										
Basic facilities charge	\$ 110.00	\$ 110.00	\$ 110.00	*	*	*	*	*	*	*
Commodity Summer first 100 ccf	\$ 1.1159	\$ 1.3145	\$ 1.7598	*	*	*	*	*	*	*
all additional ccf	\$ 1.0867	\$ 1.2853	\$ 1.7306	*	*	*	*	*	*	*
Winter first 100 ccf	\$ 1.1210	\$ 1.3548	\$ 1.8234	*	*	*	*	*	*	*
all additional ccf	\$ 1.0918	\$ 1.3256	\$ 1.7942	*	*	*	*	*	*	*
Basic facilities charge	*	*	*	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
Commodity first 500 ccf	*	*	*	\$ 1.4465	\$ 1.8741	\$ 1.1488	\$ 1.0213	\$ 1.0737	\$ 0.7860	\$ 0.8887
all additional ccf	*	*	*	\$ 1.3823	\$ 1.8099	\$ 1.0846	\$ 0.9571	\$ 1.0095	\$ 0.7218	\$ 0.8245
<b>Interruptible Service</b>										
Basic facilities charge	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00
Commodity	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated
<b>Seasonal Service</b>										
Basic facilities charge	\$ 36.00	\$ 36.00	\$ 36.00	*	*	*	*	*	*	*
Commodity Summer first 100 ccf	\$ 1.1194	\$ 1.3180	\$ 1.7633	*	*	*	*	*	*	*
all additional ccf	\$ 1.0810	\$ 1.2796	\$ 1.7249	*	*	*	*	*	*	*
Winter first 100 ccf	\$ 1.1935	\$ 1.4273	\$ 1.8959	*	*	*	*	*	*	*
all additional ccf	\$ 1.1328	\$ 1.3666	\$ 1.8352	*	*	*	*	*	*	*
Basic facilities charge	*	*	*	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00
Commodity first 100 ccf	*	*	*	\$ 1.7672	\$ 2.1948	\$ 1.4695	\$ 1.3420	\$ 1.3944	\$ 1.1067	\$ 1.2094
all additional ccf	*	*	*	\$ 1.3600	\$ 1.7876	\$ 1.0623	\$ 0.9348	\$ 0.9872	\$ 0.6995	\$ 0.8022
<b>LNG Storage Service (per mcf)</b>										
Reservation charge	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62
Daily demand charge	\$ 3.3774	\$ 7.015	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
Commodity charge	\$ 4.2108	\$ 11.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.04	\$ 14.00	\$ 12.55	\$ 12.55	\$ 12.55

\* During fiscal year 2007 the rate structure for natural gas services was changed to eliminate seasonal rates and adjust the volume steps. These changes resulted from a comprehensive rate study conducted by an outside consultant.

\*\* During fiscal year 2013 the rate structure for natural gas services was changed to adjust the volume steps. These changes resulted from a comprehensive rate study conducted by an outside consultant.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Ten Largest Customers  
Current Year and Nine Years Ago**

Table 12

**Electric Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2004</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 6,898,675	3.68%	\$ 6,801,462	5.17%
Vidant Medical Center <sup>1</sup>	Health Care	5,248,948	2.80%	3,805,360	2.89%
East Carolina University	Education	4,722,671	2.52%	2,634,288	2.00%
DSM Dyneema, LLC	High Performance Fibers	4,004,949	2.13%		
East Carolina University	Education	3,309,054	1.76%	2,283,828	1.73%
Attends Healthcare Products <sup>2</sup>	Medical Products	3,122,023	1.66%	1,674,402	1.27%
East Carolina University	Education	2,102,771	1.12%	1,752,632	1.33%
Vidant Medical Center <sup>1</sup>	Health Care	1,777,981	0.95%		
ASMO of Greenville	Motors	1,511,554	0.81%		
NACCO Material Handling	Fork Lift Trucks	1,262,624	0.67%	853,046	0.65%
Robert Bosch Tool Corp. <sup>3</sup>	Drill Bits			1,105,655	0.84%
TRW	Steering Components			1,048,816	0.80%
Rubbermaid Cleaning Products	Cleaning Products			792,540	0.60%
<b>Totals</b>		<b>\$ 33,961,250</b>	<b>18.10%</b>	<b>\$ 22,752,029</b>	<b>17.28%</b>

**Water Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2004</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
Town of Farmville	Government	\$ 682,978	4.41%	\$	
DSM Pharmaceuticals, Inc.	Pharmaceuticals	657,614	4.24%	452,918	4.83%
Vidant Medical Center <sup>1</sup>	Health Care	238,997	1.54%	198,396	2.12%
DSM Dyneema, LLC	High Performance Fibers	108,053	0.70%		
Town of Winterville	Government	96,517	0.62%		
Fuji Silysia Chemical USA, LTD	Silica Gel	72,869	0.47%	55,029	0.59%
East Carolina University	Education	71,905	0.46%	47,526	0.51%
Vidant Medical Center <sup>1</sup>	Health Care	67,912	0.44%		
Vidant Medical Center <sup>1</sup>	Health Care	65,106	0.42%		
Greenville Housing Authority	Apartments	52,335	0.34%	53,680	0.57%
Karastan Bigelow	Carpet Yarn			76,581	0.82%
East Carolina University	Education			29,319	0.31%
Greenville Housing Authority	Apartments			39,401	0.42%
Greystone MHP	Mobile Home Park			26,908	0.29%
Pitt County	Government			29,242	0.31%
<b>Totals</b>		<b>\$ 2,114,286</b>	<b>13.64%</b>	<b>\$ 1,009,000</b>	<b>10.77%</b>

<sup>1</sup> Formerly Pitt County Memorial Hospital

<sup>2</sup> Formerly Paper Pak Products, Inc.

<sup>3</sup> Formerly Vermont American Corp.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Ten Largest Customers  
Current Year and Nine Years Ago**

Table 12  
Continued

**Sewer Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2004</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 756,068	4.43%	\$ 558,694	5.56%
Town of Bethel	Government	445,843	2.62%	82,110	0.82%
Vidant Medical Center <sup>1</sup>	Health Care	406,135	2.38%	336,323	3.35%
DSM Dyneema, LLC	High Performance Fibers	287,639	1.69%		
Fuji Silysia Chemical USA, LTD	Silica Gel	130,523	0.77%	98,353	0.98%
East Carolina University	Education	122,076	0.72%	80,213	0.80%
Vidant Medical Center <sup>1</sup>	Health Care	112,175	0.66%		
Vidant Medical Center <sup>1</sup>	Health Care	110,555	0.65%		
Pitt County	Government	57,777	0.34%	49,019	0.49%
Town of Grimesland	Government	55,143	0.32%		
Greenville Housing Authority	Apartments			67,647	0.67%
Karastan Bigelow	Carpet Yarn			138,224	1.38%
East Carolina University	Education			49,159	0.49%
Greenville Housing Authority	Apartments			49,766	0.50%
Totals		<u>\$ 2,483,934</u>	<u>14.58%</u>	<u>\$ 1,509,508</u>	<u>15.04%</u>

**Gas Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2013</u>		<u>Fiscal Year 2004</u>	
		<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>	<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 3,022,635	9.63%	\$ 352,678	1.47%
East Carolina University	Education	2,889,629	9.21%	1,268,801	5.30%
Vidant Medical Center <sup>1</sup>	Health Care	1,780,473	5.68%	778,408	3.25%
DSM Dyneema, LLC	High Performance Fibers	1,027,759	3.28%		
East Carolina University	Education	910,058	2.90%	406,894	1.70%
DSM Dyneema, LLC	High Performance Fibers	732,396	2.33%		
Vidant Medical Center <sup>1</sup>	Health Care	598,668	1.91%		
Fuji Silysia Chemical USA, LTD	Silica Gel	393,416	1.25%	391,215	1.64%
Metrics, Inc.	Pharmaceuticals Manufacturing	354,926	1.13%	225,083	0.94%
NACCO Material Handling	Fork Lift Trucks	302,919	0.97%	473,007	1.98%
TRW	Steering Components			292,520	1.22%
Karastan Bigelow	Carpet Yarn			301,191	1.26%
Greenville Housing Authority	Apartments			227,155	0.95%
Totals		<u>\$ 12,012,879</u>	<u>38.29%</u>	<u>\$ 4,716,952</u>	<u>19.71%</u>

<sup>1</sup> Formerly Pitt County Memorial Hospital

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Revenue Bonds</b>	<b>Notes</b>	<b>Total</b>	<b>Per Capita</b>	<b>Percentage of Per Capita Personal Income</b>
2004	8,090,000	69,218,591	17,757,054	95,065,645	659	2.41%
2005	6,885,000	64,846,526	18,201,338	89,932,864	672	2.12%
2006	5,710,000	68,271,143	19,668,855	93,649,998	619	2.05%
2007	4,565,000	74,136,332	20,287,105	98,988,437	634	2.02%
2008	3,450,000	99,842,087	19,004,601	122,296,688	761	2.31%
2009	2,355,000	94,882,553	19,971,437	117,208,990	712	2.26%
2010	1,280,000	89,072,122	28,564,352	118,916,474	707	2.20%
2011	230,000	83,976,071	31,526,877	115,732,948	666	2.06%
2012	-	78,258,516	32,027,308	110,285,824	619	*
2013	-	79,645,700	36,029,680	115,675,380	634	*

\*Information unavailable at time of report.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Pledged Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Utility Fund Revenues <sup>1</sup>	Utility Fund Expenses <sup>2</sup>	Net Revenues Available for Debt Service	Debt Service Requirement <sup>3</sup>			Coverage Ratio
				Principal	Interest	Total	
2004	183,608,793	157,715,805	25,892,988	6,034,662	4,045,822	10,080,484	2.57
2005	192,271,697	167,680,248	24,591,449	6,278,913	3,662,464	9,941,377	2.47
2006	217,706,269	190,011,445	27,694,824	7,224,521	4,194,037	11,418,558	2.43
2007	229,213,073	200,454,508	28,758,565	6,536,671	3,786,998	10,323,669	2.79
2008	239,416,633	206,091,230	33,325,403	7,087,322	3,939,780	11,027,102	3.02
2009	260,504,717	229,042,677	31,462,040	7,469,584	3,471,466	10,941,050	2.88
2010	261,517,870	228,575,039	32,942,831	8,406,320	4,641,621	13,047,941	2.52
2011	273,935,999	236,149,838	37,786,161	9,417,822	4,946,781	14,364,603	2.63
2012	261,581,753	226,875,068	34,706,685	8,889,912	4,230,467	13,120,379	2.65
2013	264,251,248	228,066,646	36,184,602	9,388,432	4,061,308	13,449,740	2.69

<sup>1</sup>Total revenues including interest and exclusive of any restricted revenue. Includes revenues for the electric, water, sewer and gas funds.

<sup>2</sup>Includes total operating expenses, exclusive of depreciation and unfunded OPEB expense.

<sup>3</sup>Includes principal and interest of revenue bonds, general obligation bonds and other subordinate debt exclusive of capitalized interest paid from proceeds of the bonds.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Demographic and Economic Statistics  
Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (\$000)<sup>1</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>June 30 Unemployment Rate<sup>2</sup></b>
2004	144,223	3,951,692	27,400	6.3%
2005	133,759	4,239,765	31,697	6.6%
2006	151,356	4,557,580	30,112	5.8%
2007	156,049	4,899,925	31,400	5.7%
2008	160,674	5,299,302	32,982	7.3%
2009	164,602	5,186,454	31,509	10.8%
2010	168,148	5,400,169	32,116	10.7%
2011	173,735	5,620,218	32,349	11.0%
2012	178,093	*	*	10.0%
2013	182,451	*	*	9.6%

\*Information unavailable at time of report.

Note: Information reported is for Pitt County.

**Sources:**

<sup>1</sup>North Carolina Office of State Budget and Management.

<sup>2</sup>Bureau of Labor Statistics, United States Department of Labor.



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Vidant Medical Center <sup>1</sup>	6,857	1	8.46%	4,500	1	6.62%
East Carolina University	5,392	2	6.65%	4,397	2	6.47%
Pitt County Public Schools	2,754	3	3.40%	3,200	3	4.71%
DSM Pharmaceuticals	1,500	4	1.85%	1,300	4	1.91%
TRC, Inc	1,100	5	1.36%			
NACCO Materials Handling Group	1,000	6	1.23%	1,100	5	1.62%
Pitt Community College	953	7	1.18%	650	9	0.96%
County of Pitt	914	8	1.13%	925	7	1.36%
Alliance One International <sup>2</sup>	825	9	1.02%	550	10	0.81%
City of Greenville	764	10	0.94%	675	8	0.99%
Collins & Aikman				1,000	6	1.47%
ASMO Greenville				550	10	0.81%
Total	<u>22,059</u>		<u>27.22%</u>	<u>18,847</u>		<u>27.72%</u>

**Source:**

Pitt County Development Commission

<sup>1</sup> Formerly Pitt County Memorial Hospital

<sup>2</sup> Formerly Dimon International

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Employees by Function  
Last Ten Fiscal Years**

Table 17

<b>Function</b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
<b>Electric:</b>										
Management	4	4	3	4	4	4	4	4	3	3
Engineering	10	10	10	10	9	14	13	12	12	14
Substation/Control	4	11	9	9	10	8	3	7	7	10
Load Management	4	4	4	5	4	3	4	3	6	5
Dispatching	6	7	7	7	7	7	7	7	7	7
Electric System Maintenance	69	59	64	64	69	70	68	72	70	61
<b>Water/Wastewater:</b>										
Management	4	4	4	4	4	4	4	3	4	4
Engineering	12	12	12	11	12	14	11	11	9	10
Water Plant	22	24	24	23	24	25	24	25	27	27
Wastewater Plant	24	25	23	25	23	25	26	25	25	25
Water/Wastewater Systems Maintenance	45	47	49	47	49	47	48	47	46	45
<b>Natural Gas:</b>										
Management	5	6	5	6	5	5	5	4	4	5
Engineering	6	5	6	5	8	8	6	8	7	8
Natural Gas System Maintenance	31	30	30	32	29	30	31	29	25	25
<b>Administration:</b>										
Executive Administration	7	7	7	8	8	7	7	8	8	12
Finance and Accounting	8	8	8	10	11	10	11	10	11	31
Human Resources	15	15	15	14	15	15	16	17	16	9
Information Technology	20	18	19	19	19	18	19	20	26	26
Customer Relations	46	48	48	49	51	52	52	52	48	38
Garage	13	13	13	13	13	13	13	13	13	13
Warehouse	9	9	8	7	7	8	8	7	8	7
Meter Services	36	36	35	36	32	36	32	32	33	32
Utility Locating Services	5	6	6	6	7	6	5	5	5	5
<b>Total Employees:</b>	<b>405</b>	<b>408</b>	<b>409</b>	<b>414</b>	<b>420</b>	<b>429</b>	<b>417</b>	<b>421</b>	<b>420</b>	<b>422</b>

**Source:**  
Various Utilities Commission Departments

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Operating Indicators  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Electric System:</b>										
Peaks (MW)	310.7	301.1	324.6	342.1	358.8	344.8	345.8	348.8	355.2	353.6
Average daily purchase (MWH)	4,279	4,227	4,333	4,406	4,625	4,610	4,644	4,822	4,609	4,671
Total MWH sold	1,518,265	1,500,187	1,537,256	1,561,876	1,629,620	1,633,477	1,650,126	1,712,010	1,632,866	1,656,667
<b>Water System:</b>										
Peaks (MGD)	13.671	13.597	14.708	15.714	16.125	16.204	15.605	17.536	16.340	14.871
Average daily treatment (Mgals)	9.476	9.845	9.927	10.264	10.797	10.785	10.977	11.850	11.896	12.008
Total kgals sold	3,217,578	3,158,022	3,263,423	3,331,035	3,595,644	3,544,633	3,444,992	3,705,889	3,785,625	3,857,562
<b>Wastewater System:</b>										
Peaks (MGD)	19.630	14.750	18.180	24.120	14.090	12.680	22.830	24.240	21.240	14.810
Average daily treatment (Mgals)	9.944	8.895	9.345	10.587	9.152	8.879	10.120	9.593	10.301	10.426
Total kgals collected	2,490,202	2,553,849	2,584,941	2,649,593	2,728,627	2,693,674	2,659,126	2,794,875	2,746,715	2,729,493
<b>Natural Gas System</b>										
Peaks (MCFs)	17,621	20,635	16,540	20,324	20,643	22,733	23,845	24,176	21,465	20,537
Average daily purchase (MCFs)	5,989	6,378	6,172	7,761	7,662	8,232	8,920	9,360	7,959	8,870
Total MCFs sold	2,100,805	2,285,425	2,208,754	2,628,399	2,676,784	2,878,992	3,124,362	3,240,524	2,824,623	3,142,015

**Notes:**

MW = megawatt = 1,000,000 watts

MGD = million gallons per day

Mgal = million gallons = 1,000,000 gallons

kgal = kilo gallon = 1,000 gallons

MCF = thousand cubic feet = 1,000 cubic feet

**Source:**

Various Utilities Commission Departments.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Capital Indicators  
Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Electric System:</b>										
Miles of lines	2,444	2,507	2,534	2,572	2,638	2,638	2,638	2,672	2,714	2,719
Substations	21	21	21	21	22	22	23	23	23	23
Customer connections	54,062	55,883	58,299	60,200	61,868	62,363	63,136	63,745	63,789	64,362
Maximum capacity transmission (MW)	760	760	760	760	760	760	760	760	760	760
Maximum capacity distribution (MW)	610	642	642	642	673	706	737	737	737	737
<b>Water System:</b>										
Miles of lines	550	565	580	593	615	618	626	626	628	628
Customer connections	28,538	29,540	30,829	32,065	33,051	33,733	34,336	34,419	34,514	34,742
Maximum capacity (MGD)	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
<b>Wastewater System:</b>										
Miles of lines	404	423	435	448	464	466	468	469	471	479
Customer connections	22,658	23,629	24,601	25,708	26,595	27,240	27,805	28,054	28,157	28,435
Maximum capacity (MGD)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
<b>Natural Gas System</b>										
Miles of lines	868	905	943	956	1,002	1,016	1,019	1,024	1,034	1,043
Customer connections	17,951	18,802	19,568	20,898	21,522	21,661	22,004	22,211	22,259	22,434
Maximum capacity (MCF)	26,570	26,570	26,570	38,164	38,164	38,164	42,512	42,512	42,512	42,512

**Notes:**

MW = megawatt = 1,000,000 watts

MGD = million gallons per day

MCF = thousand cubic feet = 1,000 cubic feet

**Source:**

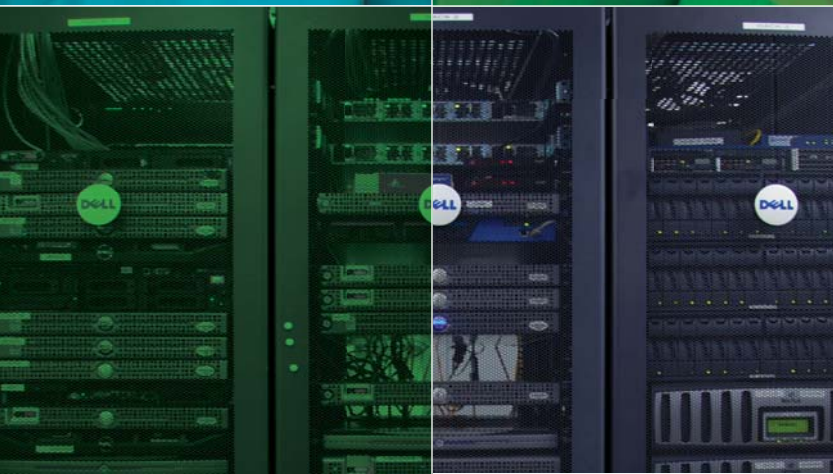
Various Utilities Commission Departments.



# COMPLIANCE SECTION



**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2013



# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

## **Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance With *Government Auditing Standards***

### Independent Auditor's Report

To the Board of Commissioners  
Greenville Utilities Commission  
Greenville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Greenville Utilities Commission's basic financial statements, and have issued our report thereon dated October 23, 2013.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Greenville Utilities Commission's internal control over financial reporting (internal control) to determine the 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 Greenville Utilities 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 control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

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13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085  
Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Greenville Utilities 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 determination of financial statement amounts. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 23, 2013



## ***Greenville Utilities***

### **Office of the General Manager/CEO**

Greenville Utilities  
Post Office Box 1847  
Greenville, North Carolina 27835  
(252) 551-1500

### **Office of the Chief Financial Officer**

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