

**Greenville  
Utilities**

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

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, 2012*

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*Prepared by the Finance Department*

This Report Was Prepared By:

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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, 2012**

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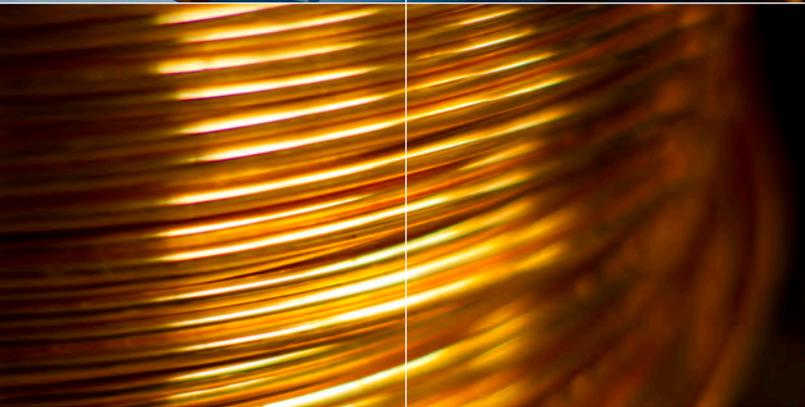
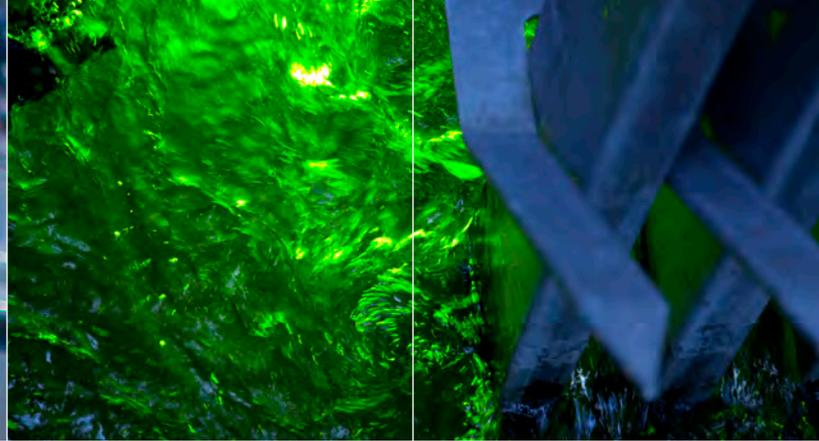
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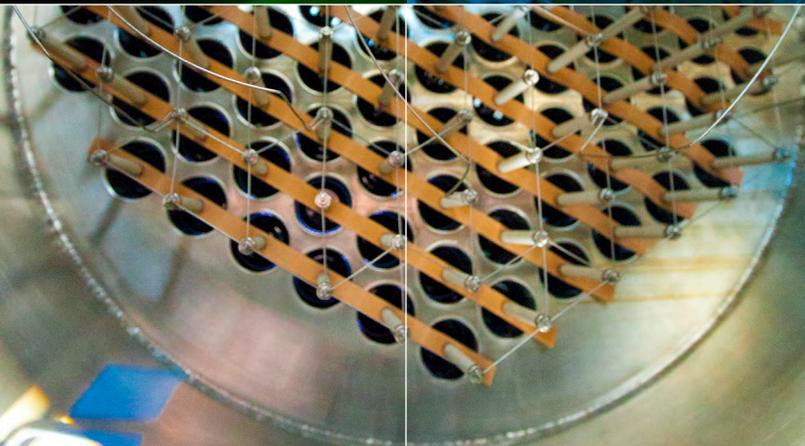
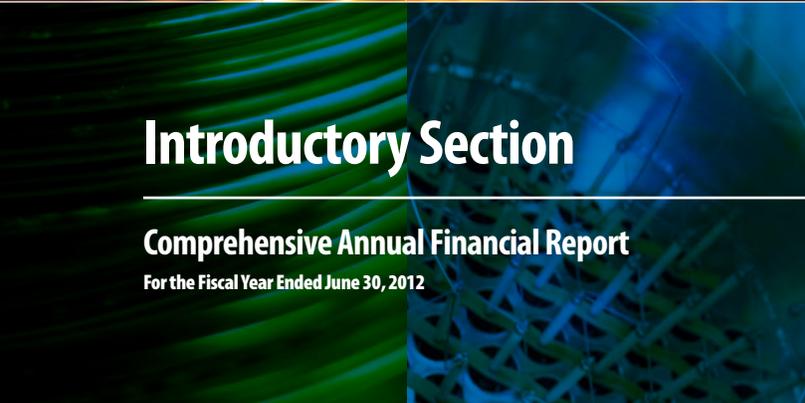


# Introductory Section

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012



Greenville  
Utilities





October 17, 2012

**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, 2012.

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.

McGladrey LLP, Certified Public Accountants, has issued an unqualified (“clean”) opinion on the Utilities Commission’s financial statements for the year ended June 30, 2012. 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.

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*Your Local  
Advantage*

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 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 63,789 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 1,129 miles of overhead distribution lines, 1,508 miles of underground distribution lines at 12,470 volts and 72 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.

### *Electric Substation*



The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for an estimated

42,144 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately thirty 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 Progress Energy Carolinas (PEC) 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 PEC 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 34,514 connections. Raw water is supplied by the Tar River and eight deep wells. Recently completed river modeling, as a part of GUC's ongoing Tar River Available Water Supply Project, indicates GUC 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 11.9 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, 2012 was approximately 11.9 MGD, with a maximum daily usage of approximately 16.3 MGD. Approximately 84.4% of the water system's 34,514 connections are located within the City limits.

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

DENR 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 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 471 miles of lines with 28,157 connections. Capacity of the current treatment plant, placed on line in 1985 and expanded in 1995, is 17.5 MGD, with a permitted maximum daily treatment of approximately 24.1 million gallons. During the fiscal year ended June 30, 2012, 10.3 million gallons of wastewater were treated on an average day.

The wastewater treatment plant is regulated by the DENR Division of Water Quality 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.

### *Wastewater Treatment Plant*



### *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 604 miles of pipeline and 430 miles of service lines with 22,259 connections. 2,797,238 dekatherms of natural gas were moved through the Utilities Commission's distribution system during the current fiscal year.

The Utilities Commission entered a ten-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 fifteen 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 an administrative 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 the 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 as well as adding redundancy and reliability to the operations of the facility.

### *LNG Storage 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, four 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 11.2 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 861-bed hospital serves as a regional heart center and the only level one trauma unit 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 over 27,000 students and employs more than 5,400 workers. ECU is a member of the 16-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 spring of 2012 the Utilities Commission approved the purchase and implementation of a fully integrated resource planning (ERP) system. The first phase of this approximately \$26 million project is a new financial system including core financials, human resources, payroll and budgeting. The financial system will serve as the foundation for other modules such as customer care and billing and enterprise work and asset management, which will be implemented later.

### ***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, 2011. This was the third 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 two 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 member utilities. During the 2012 fiscal year the Utilities Commission received awards for Competitive Business Environment, Energy Efficiency, Financial Stability, Legislative Involvement, and Service Excellence.

The Utilities Commission's Electric Department was recognized recently by ElectriCities for having No Lost Time Accidents during the 2010 calendar year.

During fiscal year 2012 the Utilities Commission received 16 safety awards from the NC Department of Labor and the Pitt-Greenville Chamber of Commerce. For the third year in a row, every department and location at the Utilities Commission was recognized for a low rate of injuries. Some departments/areas have been receiving this recognition for as many as five consecutive years. The Utilities Commission also received an award in recognition of working 2,000,000 consecutive man hours without a lost time injury.

The Utilities Commission surpassed nine other utilities to take home first place in the drinking water taste competition at the 35th Annual North Carolina Rural Water Association (NCRWA) conference in May 2012.

The Utilities Commission received the 2010 Safe Drinking Water Excellence Award. This is a federal award recognizing Greenville Utilities water professionals for providing consistently superior drinking water treatment and safe delivery to citizens.

The Pitt County Health Department recently received an award for its Child Lead Poisoning Prevention program from the North Carolina GlaxoSmithKline Foundation. The Foundation was looking for outstanding collaborative programs that affect the health of children. Emily Robertson, Pitt County Environmental Health Program Specialist, credits the Utilities Commission as their leading partner in this program, which was developed in 2005.

The Purchasing Section of the Utilities Commission's Finance Department received the 2011 Sustained Professional Purchasing Award from the Carolinas Association of Governmental Purchasing. The Utilities Commission is one of 11 member agencies in North and South Carolina to receive the award.

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

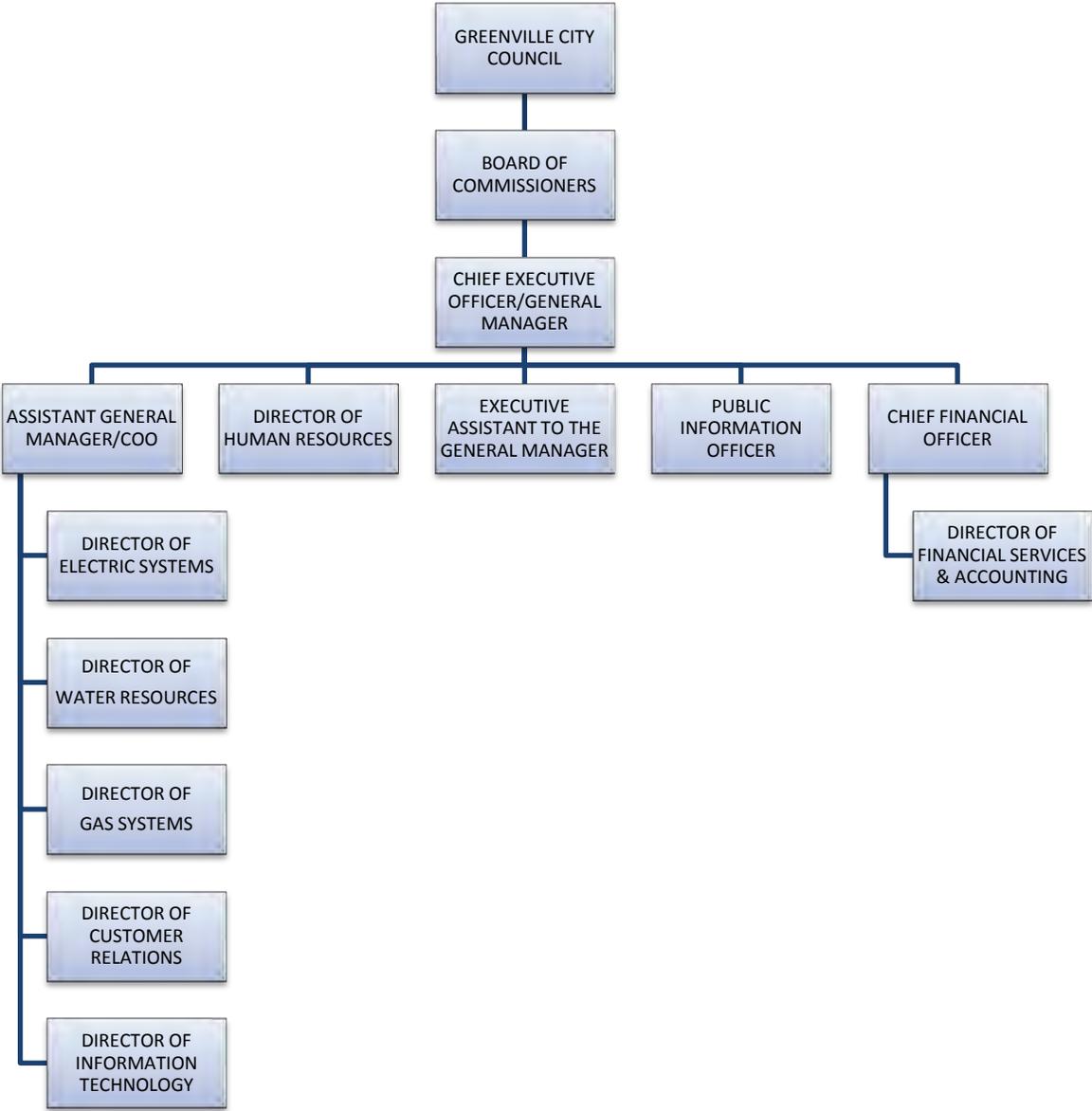


Jeff McCauley  
Chief Financial Officer

# 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 17, 2012**

**Commissioners**



Virginia Hardy  
Chair



Stan G. Eakins  
Vice-Chair



John Minges  
Secretary



Barbara Lipscomb  
City Manager



Don H. Edmonson



Vickie R. Joyner



Phil Flowers



Chip Little

**Executive Management**



Anthony C. Cannon  
General Manager  
Chief Executive Officer



Jeff McCauley  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Greenville Utilities Commission  
North Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Dandson*

President

*Jeffrey R. Eno*

Executive Director

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# Financial Section

## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



**Greenville  
Utilities**





# Independent Auditor's Report

Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2012



**Greenville  
Utilities**





**McGladrey LLP**  
Certified Public Accountants

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of the business –type activities, each major fund and the fiduciary fund information of Greenville Utilities Commission, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Greenville Utilities Commission's management. Our responsibility is to express opinions on these basic 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Greenville Utilities Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the financial statements of Greenville Utilities Commission, North Carolina, are intended to present the financial position, and the changes in financial position and, where applicable, cash flows of only that portion of the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenville, North Carolina that is attributable to the transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the City of Greenville as of June 30, 2012, the changes in financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund and the fiduciary fund information of Greenville Utilities Commission, North Carolina as of June 30, 2012, and the respective changes in financial position and ,where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2012 on our consideration of Greenville Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 the internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Other Post-Employment Benefits Schedule of Funding Progress and Schedule of Employer Contributions on pages 17 – 22 and 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Greenville Utilities Commission, North Carolina. The individual fund financial statements and schedules and additional financial data are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules and additional financial data are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Greenville Utilities Commission, North Carolina. The introductory section and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

*McGladrey LLP*

Morehead City, North Carolina  
October 11, 2012



# Management's Discussion and Analysis

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



**Greenville  
Utilities**



## 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, 2012. We encourage readers to consider the information presented here in conjunction with additional information in this report.

### Financial Highlights

- The assets of the Utilities Commission exceeded its liabilities at the close of the most recent fiscal year by \$318,181,414 (net assets). Of this amount, \$79,195,785 (unrestricted net assets) may be used to meet the Utilities Commission's ongoing obligations to its customers and creditors.
- Operating revenues decreased by \$14,644,744 or 5.4 percent and total revenues decreased by \$12,383,883 or 4.6 percent due to decreases in consumption related to mild winter weather.
- The Utilities Commission's total net assets increased by \$7,178,095 primarily due to positive operating income.
- The Utilities Commission's total debt decreased by \$5,321,464 (4.6 percent) during the current fiscal year. The key factor in this decrease was the retirement of \$8,889,912 of existing debt, which exceeded the addition of new debt totaling \$3,442,788 and the net decrease in discounts and premiums totaling \$125,660.
- 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 Statement of Net Assets presents information on all of the Utilities Commission's assets and liabilities, with the differences between the two reported as "net assets." Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Utilities Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Fund Net Assets presents information showing how the Utilities Commission's net assets changed during the most recent fiscal year. All changes in net assets 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 budgetary compliance and funds available positions.

**Commission-Wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of an enterprise’s financial position. In the case of the Utilities Commission, assets exceed liabilities by \$318,181,414 at the end of the fiscal year. There was an increase of \$3,564,969 in investment in capital assets, net of related debt.

The largest portion of the Utilities Commission’s net assets (75.1 percent) reflects its investment in capital assets (e.g. plants, distribution systems, equipment, land, machinery) less any related debt used to acquire those assets that is still outstanding. Although the Utilities Commission’s investment in its capital assets is reported net of 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 provision of electric, water, sewer and gas services depends on the functioning of the systems.

The remaining balance of unrestricted net assets (\$79,195,785) may be used to meet the Utilities Commission’s ongoing obligations to citizens and creditors. This balance increased \$3,613,126 from fiscal year 2011 due to increases in current assets, long-term investments and capital assets. Interest income decreased \$302,230 in fiscal year 2012 due to falling interest rates available on cash and investments. Operating transfers from the Utilities Commission 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 funds to the City.

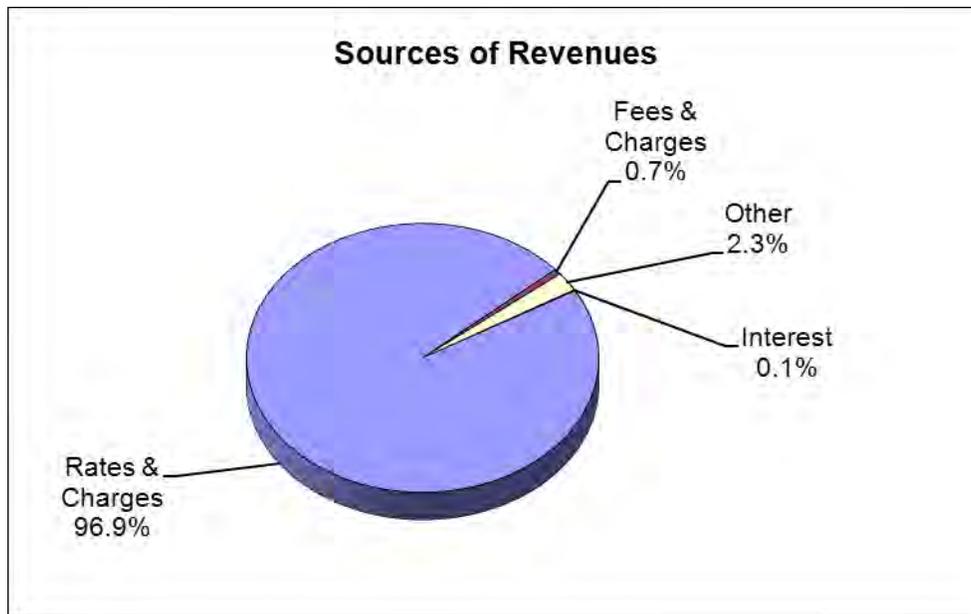
**Greenville Utilities Commission Net Assets**

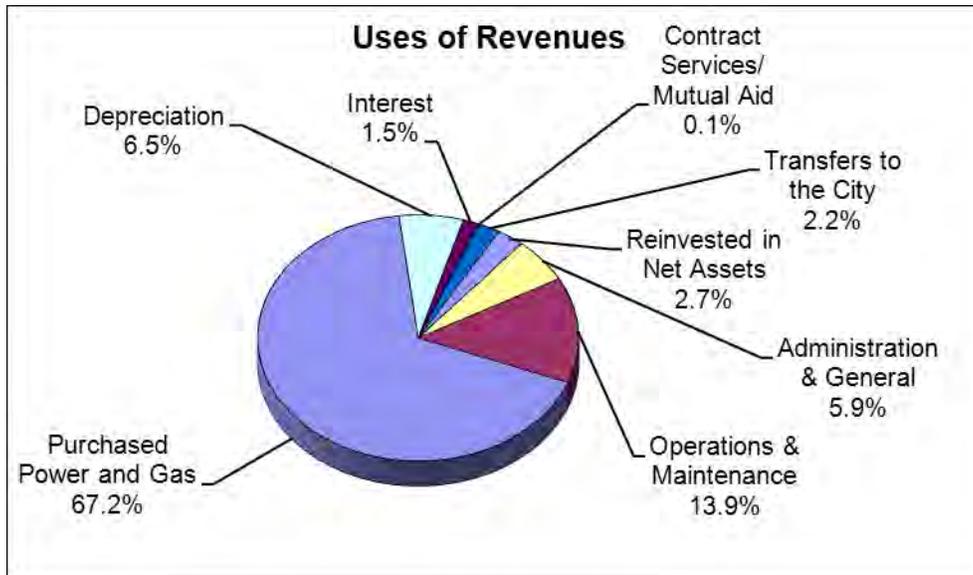
	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 119,478,991	\$ 118,299,719
Capital assets	345,685,952	343,873,275
Total assets	<u>465,164,943</u>	<u>462,172,994</u>
Current liabilities	36,883,176	36,715,496
Non-current liabilities	110,100,353	114,454,179
Total liabilities	<u>146,983,529</u>	<u>151,169,675</u>
Net assets:		
Invested in capital assets, net of related debt	238,985,629	235,420,660
Unrestricted	79,195,785	75,582,659
Total net assets	<u>\$ 318,181,414</u>	<u>\$ 311,003,319</u>

The Utilities Commission's net assets increased by \$7,178,095 during the current fiscal year. A portion of this increase represents the degree to which decreases in customer revenues were offset by corresponding decreases in purchased power and purchased gas costs. . The remainder of this growth largely reflects miscellaneous revenue and investment earnings.

**Greenville Utilities Commission Changes in Net Assets**

	<b>2012</b>	<b>2011</b>
Revenues:		
Operating revenues:		
Charges for service	\$ 255,942,796	\$ 270,572,853
Other operating revenues	785,499	800,186
Non-operating revenues:		
Interest income	334,874	637,104
Other non-operating revenues	4,945,109	2,382,018
Total revenues	<u>262,008,278</u>	<u>274,392,161</u>
Expenses		
Operating expenses	244,842,056	253,869,070
Non-operating expenses	4,252,750	4,329,808
Total expenses	<u>249,094,806</u>	<u>258,198,878</u>
Increase in net assets before contributions and transfers	12,913,472	16,193,283
Contributions	-	1,061,800
Transfers	(5,735,377)	(5,442,790)
Increase in net assets	7,178,095	11,812,293
Net assets, July 1	311,003,319	299,191,026
Net assets, June 30	<u>\$ 318,181,414</u>	<u>\$ 311,003,319</u>





- Charges for services decreased by \$14,630,057 or 5.4 percent. The Electric Fund accounts for 64.1 percent of this decrease, which resulted primarily from decreases in consumption associated with weather conditions.

### 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 growth in net assets for all funds was \$7,178,095. Net assets at the end of the fiscal year for the Electric Fund were \$112,976,234, \$66,689,478 for the Water Fund, \$95,655,863 for the Sewer Fund, and \$42,859,839 for the Gas Fund.

### Capital Asset and Debt Administration

**Capital assets** – The Utilities Commission's investment in capital assets as of June 30, 2012 totals \$345,685,952 (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 0.5 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 \$888,752
- Water main improvements and extensions totaling \$160,700
- Raw water pump station improvements totaling \$953,977
- Continued upgrades to the electrical and SCADA (supervisory control and data acquisition) systems at the Wastewater Treatment Plant of \$139,912
- Construction activities for the Sterling Pointe and Westside pump stations and force mains totaling \$6,649,072
- Facility improvements at the Wastewater Treatment Plant of \$1,459,224
- Sewer main improvements and extensions totaling \$124,794

**Greenville Utilities Commission Capital Assets**

	<b>2012</b>	<b>2011</b>
Land	\$ 3,590,672	\$ 3,602,972
Easements	51,015	51,015
Buildings	62,553,341	65,103,076
Furniture and office equipment	345,059	792,506
Computer software	1,260,163	1,419,442
Vehicles and equipment	10,122,888	10,779,730
Distribution systems	213,957,592	217,644,471
Transmission system	17,395,353	16,216,069
Construction in progress	36,409,869	28,263,994
Total capital assets	<u>\$ 345,685,952</u>	<u>\$ 343,873,275</u>

**Long-term debt** – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$109,844,889. Of this amount, \$2,972,006 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>2012</b>	<b>2011</b>
General obligation bonds	\$ -	\$ 230,000
Revenue bonds	78,258,516	83,976,071
Loans	32,027,308	31,526,877
Unamortized bond discount/premium	(440,935)	(566,595)
Total outstanding debt	<u>\$ 109,844,889</u>	<u>\$ 115,166,353</u>

Of the total debt, \$9,192,251 is the current portion.

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

Using our strategic plan as a guide, the Utilities Commission's 2012-2013 budget was prepared to ensure the long-term success of our mission to provide safe and reliable utility services at the lowest reasonable costs, with exceptional customer service. Like organizations all across the nation, the Utilities Commission is dealing with increased costs as the economy continues to recover from the recession. Rising costs for fuel, energy, supplies, materials, and insurance make it necessary to be judicious with expenditure controls, efficient with staffing and work practices, and to continually strengthen partnerships as the Utilities Commission realizes its vision of being the regional provider of choice. No rate increases were budgeted for any of the funds for the 2012-13 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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**Greenville Utilities**

**Where You Can Make A Difference**

For more than 100 years Greenville Utilities has been in business to provide a public service. Our mission is to enhance the quality of life for those we serve by providing safe, reliable electric, natural gas, water and wastewater services at the lowest reasonable cost, with exceptional customer service.

State Retirement, 401K, 529, competitive wages, excellent health benefits and much more.

Visit us at [www.guc.com](http://www.guc.com) to find out why Greenville Utilities is a great place to work and for a current listing of employment opportunities.



# www.guc.com

## Basic Financial Statements

### Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



**Greenville Utilities**



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
STATEMENT OF NET ASSETS  
June 30, 2012**

	<u>Business Type Activities</u>
<b>ASSETS</b>	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 70,431,334
Accounts receivable, net	25,924,260
Due from other governments	1,298,614
Due from City of Greenville	121,203
Inventories	6,811,572
Prepaid expenses and deposits	62,256
Total current assets	<u>104,649,239</u>
NON-CURRENT ASSETS:	
Restricted cash and cash equivalents:	
Bond proceeds	3,144,566
Capacity fees	1,179,838
Total restricted cash and cash equivalents	<u>4,324,404</u>
Investments	10,000,000
Notes receivable	505,348
Capital assets	
Land, easements and construction in progress	40,051,556
Other capital assets, net of depreciation	305,634,396
Total capital assets	<u>345,685,952</u>
Total non-current assets	<u>360,515,704</u>
TOTAL ASSETS	<u>465,164,943</u>
<b>LIABILITIES</b>	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	20,760,440
Customer deposits	3,402,117
Accrued interest payable	808,894
Due to City of Greenville	814,082
Unearned revenue	556,084
Current portion of compensated absences	1,349,308
Current maturities of long-term debt	9,192,251
Total current liabilities	<u>36,883,176</u>
NON-CURRENT LIABILITIES	
Compensated absences	393,974
Long-term debt, excluding current portion	100,652,638
Other post employment benefits	9,053,741
Total non-current liabilities	<u>110,100,353</u>
TOTAL LIABILITIES	<u>146,983,529</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	238,985,629
Unrestricted	79,195,785
TOTAL NET ASSETS	<u>\$ 318,181,414</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 ASSETS  
June 30, 2012**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Business Type Activities
<b>ASSETS</b>					
<b>CURRENT ASSETS:</b>					
Cash and cash equivalents	\$ 39,446,938	\$ 4,304,153	\$ 5,294,991	\$ 21,385,252	\$ 70,431,334
Accounts receivable, net	20,701,978	1,745,224	1,826,289	1,650,769	25,924,260
Due from other governments	944,264	65,326	271,783	17,241	1,298,614
Due from City of Greenville	121,203	-	-	-	121,203
Inventories	5,572,407	625,653	103,255	510,257	6,811,572
Prepaid expenses and deposits	47,460	490	13,327	979	62,256
Total current assets	<u>66,834,250</u>	<u>6,740,846</u>	<u>7,509,645</u>	<u>23,564,498</u>	<u>104,649,239</u>
<b>NON-CURRENT ASSETS:</b>					
Restricted cash and cash equivalents:					
Bond proceeds	736,374	1,012,459	906,431	489,302	3,144,566
Capacity fees	-	588,047	591,791	-	1,179,838
Total restricted cash and cash equivalents	<u>736,374</u>	<u>1,600,506</u>	<u>1,498,222</u>	<u>489,302</u>	<u>4,324,404</u>
Investments	5,540,971	650,637	822,022	2,986,370	10,000,000
Notes receivable	-	505,348	-	-	505,348
Capital assets:					
Land, easements and construction in progress	3,723,327	7,928,822	28,017,713	381,694	40,051,556
Other capital assets, net of depreciation	85,080,408	86,614,957	106,006,424	27,932,607	305,634,396
Total capital assets	<u>88,803,735</u>	<u>94,543,779</u>	<u>134,024,137</u>	<u>28,314,301</u>	<u>345,685,952</u>
Total non-current assets	<u>95,081,080</u>	<u>97,300,270</u>	<u>136,344,381</u>	<u>31,789,973</u>	<u>360,515,704</u>
<b>TOTAL ASSETS</b>	<u>161,915,330</u>	<u>104,041,116</u>	<u>143,854,026</u>	<u>55,354,471</u>	<u>465,164,943</u>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued expenses	16,352,143	1,210,885	1,978,025	1,219,387	20,760,440
Customer deposits	2,601,181	471,650	775	328,511	3,402,117
Accrued interest payable	195,699	247,222	284,535	81,438	808,894
Due to City of Greenville	814,082	-	-	-	814,082
Unearned revenue	-	190,801	365,283	-	556,084
Current portion of compensated absences	618,094	274,697	257,179	199,338	1,349,308
Current maturities of long-term debt	2,215,522	2,652,095	3,297,344	1,027,290	9,192,251
Total current liabilities	<u>22,796,721</u>	<u>5,047,350</u>	<u>6,183,141</u>	<u>2,855,964</u>	<u>36,883,176</u>
<b>NON-CURRENT LIABILITIES</b>					
Compensated absences	123,528	83,194	104,015	83,237	393,974
Long-term debt, excluding current portion	21,739,829	30,344,359	40,395,903	8,172,547	100,652,638
Other post employment benefits	4,279,018	1,876,735	1,515,104	1,382,884	9,053,741
Total non-current liabilities	<u>26,142,375</u>	<u>32,304,288</u>	<u>42,015,022</u>	<u>9,638,668</u>	<u>110,100,353</u>
<b>TOTAL LIABILITIES</b>	<u>48,939,096</u>	<u>37,351,638</u>	<u>48,198,163</u>	<u>12,494,632</u>	<u>146,983,529</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	65,584,758	62,559,784	91,237,321	19,603,766	238,985,629
Unrestricted	47,391,476	4,129,694	4,418,542	23,256,073	79,195,785
<b>TOTAL NET ASSETS</b>	<u>\$ 112,976,234</u>	<u>\$ 66,689,478</u>	<u>\$ 95,655,863</u>	<u>\$ 42,859,839</u>	<u>\$ 318,181,414</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 REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
For the Year Ended June 30, 2012**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
OPERATING REVENUES:					
Charges for services	\$ 192,141,546	\$ 16,011,867	\$ 17,511,313	\$ 30,278,070	\$ 255,942,796
Other operating revenues	494,829	106,365	90,269	94,036	785,499
Total operating revenues	192,636,375	16,118,232	17,601,582	30,372,106	256,728,295
OPERATING EXPENSES:					
Administration and general	7,714,251	2,422,931	2,638,001	2,680,392	15,455,575
Operations and maintenance	14,888,745	8,950,875	8,041,571	4,551,607	36,432,798
Purchased power and gas	160,322,489	-	-	15,669,233	175,991,722
Depreciation	7,327,825	3,709,586	4,265,475	1,659,075	16,961,961
Total operating expenses	190,253,310	15,083,392	14,945,047	24,560,307	244,842,056
Operating income	2,383,065	1,034,840	2,656,535	5,811,799	11,886,239
NON-OPERATING REVENUES (EXPENSES):					
Interest income	173,237	46,380	35,430	79,827	334,874
Interest expense and service charges	(1,015,327)	(1,319,497)	(1,263,287)	(386,310)	(3,984,421)
Other non-operating revenues	4,163,275	344,327	369,339	68,168	4,945,109
Other non-operating expenses	(268,329)	-	-	-	(268,329)
Net non-operating revenues (expenses)	3,052,856	(928,790)	(858,518)	(238,315)	1,027,233
Income before contributions and transfers	5,435,921	106,050	1,798,017	5,573,484	12,913,472
CONTRIBUTIONS AND TRANSFERS:					
Transfer to City of Greenville, General Fund	(3,898,520)	-	-	(1,140,755)	(5,039,275)
Transfer to City of Greenville, street lighting reimb.	(696,102)	-	-	-	(696,102)
Total contributions and transfers	(4,594,622)	-	-	(1,140,755)	(5,735,377)
CHANGES IN NET ASSETS	841,299	106,050	1,798,017	4,432,729	7,178,095
NET ASSETS, BEGINNING OF YEAR	112,134,935	66,583,428	93,857,846	38,427,110	311,003,319
NET ASSETS, END OF YEAR	\$ 112,976,234	\$ 66,689,478	\$ 95,655,863	\$ 42,859,839	\$ 318,181,414

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, 2012**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 194,661,786	\$ 16,416,667	\$ 17,668,816	\$ 31,041,492	\$ 259,788,761
Other operating receipts	4,083,047	298,249	(120,149)	97,177	4,358,324
Payments for goods and services	(174,743,829)	(6,545,492)	(5,908,798)	(19,794,979)	(206,993,098)
Payments to employees	(9,967,701)	(4,477,746)	(4,450,557)	(3,504,142)	(22,400,146)
Payments received on loans	-	29,017	-	-	29,017
Net cash provided by operating activities	14,033,303	5,720,695	7,189,312	7,839,548	34,782,858
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to City of Greenville, General Fund	(4,591,785)	-	-	(1,140,755)	(5,732,540)
Net cash used by noncapital financing activities	(4,591,785)	-	-	(1,140,755)	(5,732,540)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from issuance of debt	834,344	548,872	2,037,546	22,026	3,442,788
Capital grants/cash capital contributions	-	213,797	-	-	213,797
Capital related receipts from customers	-	124,248	269,039	-	393,287
Principal payments on debt obligations	(1,980,077)	(2,510,625)	(3,418,886)	(980,324)	(8,889,912)
Acquisition and construction of capital assets	(6,321,199)	(2,116,671)	(8,501,988)	(824,381)	(17,764,239)
Payment of interest and service charges on debt obligations	(1,004,215)	(1,307,705)	(1,566,649)	(375,400)	(4,253,969)
Net cash used by capital and related financing activities	(8,471,147)	(5,048,084)	(11,180,938)	(2,158,079)	(26,858,248)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(885,412)	(264,902)	-	(911,471)	(2,061,785)
Proceeds from sale and maturity of investments	-	-	61,785	-	61,785
Interest received on investments	225,229	52,131	45,762	101,962	425,084
Net cash provided (used) by investing activities	(660,183)	(212,771)	107,547	(809,509)	(1,574,916)
Net increase (decrease) in cash and cash equivalents	310,188	459,840	(3,884,079)	3,731,205	617,154
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,873,124	5,444,819	10,677,292	18,143,349	74,138,584
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 40,183,312	\$ 5,904,659	\$ 6,793,213	\$ 21,874,554	\$ 74,755,738
<b>OTHER DISCLOSURES</b>					
Interest incurred	\$ 981,020	\$ 1,302,843	\$ 1,545,984	\$ 359,258	\$ 4,189,105
Interest paid	\$ 997,190	\$ 1,302,048	\$ 1,561,156	\$ 370,073	\$ 4,230,467
Interest capitalized	\$ -	\$ 17,119	\$ 336,727	\$ -	\$ 353,846

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

<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating Income	\$ 2,383,065	\$ 1,034,840	\$ 2,656,535	\$ 5,811,799	\$ 11,886,239
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	7,327,825	3,709,586	4,265,475	1,659,075	16,961,961
Changes in assets and liabilities					
Accounts receivable	2,125,724	278,575	163,383	645,614	3,213,296
Notes receivable	-	29,017	-	-	29,017
Due from other government	(267,541)	81,794	(213,798)	28,776	(370,769)
Due from City of Greenville	22,615	-	-	-	22,615
Inventories	(1,745,047)	(1,641)	(374)	(31,434)	(1,778,496)
Prepaid expenses and deposits	2,458	12,809	(3,410)	6,355	18,212
Accounts payable and accrued expenses	(338,311)	112,495	47,219	(595,477)	(774,074)
Customer deposits	64,385	46,706	275	24,005	135,371
Due to City of Greenville	(58,694)	-	-	-	(58,694)
Compensated absences	18,314	(17,970)	33,192	17,840	51,376
OPEB Payable	603,564	244,875	243,590	204,827	1,296,856
Unearned Revenue	-	(30,470)	(103,075)	-	(133,545)
Miscellaneous income (expense)	3,894,946	220,079	100,300	68,168	4,283,493
Total adjustments	11,650,238	4,685,855	4,532,777	2,027,749	22,896,619
Net cash provided by operating activities	\$ 14,033,303	\$ 5,720,695	\$ 7,189,312	\$ 7,839,548	\$ 34,782,858

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 ASSETS  
FIDUCIARY FUNDS  
June 30, 2012**

	<u>OPEB Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 109,888	\$ -
Accounts receivable	51	1,340,482
Investments at fair value:		
Russell 3000 Alpha Tilts B	252,923	-
Global EX-US Alpha B	67,925	-
NC Long Term Investment Plan	47,211	-
	<u>477,998</u>	<u>1,340,482</u>
Total assets		
<b>LIABILITIES</b>		
Accounts payable	<u>1,043</u>	<u>1,340,482</u>
	1,043	1,340,482
Total liabilities		
<b>NET ASSETS</b>		
Assets held in trust for other postemployment benefits	<u>\$ 476,955</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 ASSETS  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2012**

	<b>OPEB Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 1,140,955
Retiree contributions	203,691
Total contributions	<u>1,344,646</u>
Investment earnings:	
Interest	2,908
Dividends	5,622
Net increase in the fair value of investments	19,804
Total investment earnings	<u>28,334</u>
Less investment expense	
Net investment income	<u>28,334</u>
Total additions	<u>1,372,980</u>
<b>DEDUCTIONS</b>	
Benefits	1,094,646
Administrative Expense	1,379
Total deductions	<u>1,096,025</u>
CHANGE IN NET ASSETS	276,955
NET ASSETS HELD IN TRUST FOR OPEB BENEFITS, BEGINNING OF YEAR	<u>200,000</u>
NET ASSETS HELD IN TRUST FOR OPEB BENEFITS, END OF YEAR	<u><u>\$ 476,955</u></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, 2012



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

**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 assets 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, 2012**

**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.

All enterprise funds of the Utilities Commission follow FASB Statements and Interpretations issued on or before November 30, 1989 unless those pronouncements conflict with GASB pronouncements.

**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, 2012, one amendment to the original budget was necessary.

For budgeting purposes, the Utilities Commission adopts project 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 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.

**GREENVILLE UTILITIES COMMISSION  
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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; 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.

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 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

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

supplies inventories are being held for future use and not resale and are expensed when consumed rather than when purchased.

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  
Computer software 3 years  
Vehicles and equipment 3 to 20 years  
Distribution systems 20 to 50 years  
Transmission systems 20 to 25 years

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 assets. Bond premiums and discounts, as well as issuance costs, 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.

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.

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 Assets

Net assets in the government-wide and fund financial statements are classified as invested in capital assets, net of related debt; restricted (if any); and unrestricted.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

**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, 2012, the Utilities Commission's deposits had a carrying amount of \$81,587,728 and a bank balance of \$81,792,176. Of the bank balance, \$1,432,645 was covered by Federal depository insurance, and \$80,359,531 was covered by collateral held under the pooling method. The Utilities Commission's cash on hand at June 30, 2012 consisted of various petty cash funds totaling \$4,300.

Investments

At June 30, 2012, the Utilities Commission had \$3,163,710 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's.

*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.

*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, 2012.

*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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
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*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, 2012 the Utilities Commission OPEB Trust had \$477,947 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 1.5 years at June 30, 2012. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.3 years at June 30, 2012.

*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, 2012, were as follows:

	<u>2012</u>
Billed customer accounts	\$21,044,936
Estimated unbilled customer services	13,012,618
Other receivables	<u>1,851,634</u>
Total accounts receivable	35,909,188
Allowance for uncollectible accounts	<u>(8,686,314)</u>
Net accounts receivable	<u><u>\$27,222,874</u></u>

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 2012 the allowance increased by \$364,253, to a total outstanding amount of \$8,686,314.

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 \$505,348 payable in monthly installments for 15 years at a 5.25% interest rate.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
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For the Year Ended June 30, 2012**

The due from other governments that is owed to the Utilities Commission at June 30, 2012 consists of the following:

	<b>2012</b>
Sales tax refund	\$659,120
FEMA grant	614,494
NCDENR grant	25,000
Total due from other governments	<u>\$1,298,614</u>

Capital Assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Capital assets not being depreciated:					
Land	\$ 3,602,972	\$ 2,100	\$ -	\$ (14,400)	\$ 3,590,672
Easements	51,015	-	-	-	51,015
Construction in progress	28,263,994	10,775,460	-	(2,629,585)	36,409,869
Total capital assets not being depreciated:	<u>31,917,981</u>	<u>10,777,560</u>	<u>-</u>	<u>(2,643,985)</u>	<u>40,051,556</u>
Capital assets being depreciated:					
Land improvements	\$ 404,044	\$ -	\$ -	\$ 14,400	\$ 418,444
Buildings	110,184,862	592,087	-	210,107	110,987,056
Furniture and office equipment	3,243,905	90,669	-	(703,112)	2,631,462
Computer software	6,252,059	5,269	-	703,112	6,960,440
Vehicles and equipment	27,784,119	1,429,938	(701,692)	-	28,512,365
Distribution systems	387,362,140	5,951,667	-	174,795	393,488,602
Transmission systems	33,299,718	63,201	-	2,244,683	35,607,602
Total capital assets being depreciated:	<u>568,530,847</u>	<u>8,132,831</u>	<u>(701,692)</u>	<u>2,643,985</u>	<u>578,605,971</u>
Less accumulated depreciation for:					
Land improvements	\$ 404,044	\$ 14,400	\$ -	\$ -	\$ 418,444
Buildings	45,081,786	3,351,929	-	-	48,433,715
Furniture and office equipment	2,451,399	147,948	-	(2,694,162)	(94,815)
Computer software	4,832,617	490,716	-	2,758,162	8,081,495
Vehicles and equipment	17,004,389	2,015,075	(565,939)	(64,048)	18,389,477
Distribution systems	169,717,669	9,813,293	-	48	179,531,010
Transmission systems	17,083,649	1,128,600	-	-	18,212,249
Total accumulated depreciation	<u>256,575,553</u>	<u>16,961,961</u>	<u>(565,939)</u>	<u>-</u>	<u>272,971,575</u>
Total capital assets being depreciated, net	<u>311,955,294</u>				<u>305,634,396</u>
Net Capital Assets	<u>\$ 343,873,275</u>				<u>\$ 345,685,952</u>

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2012 totaled \$7,327,825, \$3,709,586, \$4,265,475, and \$1,659,075, respectively.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
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Capital asset activity by fund for the year ended June 30, 2012, was as follows:

**Electric Fund**

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Capital assets not being depreciated:					
Land	\$ 1,058,887	\$ 2,100	\$ -	\$ (3,600)	\$ 1,057,387
Easements	20,194	-	-	-	20,194
Construction in progress	1,928,126	717,620	-	-	2,645,746
Total capital assets not being depreciated:	<u>3,007,207</u>	<u>719,720</u>	<u>-</u>	<u>(3,600)</u>	<u>3,723,327</u>
Capital assets being depreciated:					
Land improvements	\$ 198,354	\$ -	\$ -	\$ 3,600	\$ 201,954
Buildings	5,455,924	28,462	-	-	5,484,386
Furniture and office equipment	1,932,290	72,536	-	-	2,004,826
Computer software	3,382,782	4,215	-	-	3,386,997
Vehicles and equipment	10,395,468	856,350	(602,093)	-	10,649,725
Distribution systems	167,726,283	4,473,698	-	(2,244,683)	169,955,298
Transmission systems	33,299,718	63,201	-	2,244,683	35,607,602
Total capital assets being depreciated:	<u>222,390,819</u>	<u>5,498,462</u>	<u>(602,093)</u>	<u>3,600</u>	<u>227,290,788</u>
Less accumulated depreciation for:					
Land improvements	\$ 198,354	\$ 3,600	\$ -	\$ -	\$ 201,954
Buildings	2,705,599	123,983	-	-	2,829,582
Furniture and office equipment	2,723,684	118,480	-	(1,113,384)	1,728,780
Computer software	1,669,166	165,988	-	1,113,384	2,948,538
Vehicles and equipment	7,779,948	816,567	(466,340)	-	8,130,175
Distribution systems	103,188,495	4,970,607	-	-	108,159,102
Transmission systems	17,083,649	1,128,600	-	-	18,212,249
Total accumulated depreciation	<u>135,348,895</u>	<u>7,327,825</u>	<u>(466,340)</u>	<u>-</u>	<u>142,210,380</u>
Total capital assets being depreciated, net	<u>87,041,924</u>				<u>85,080,408</u>
Net Capital Assets	<u>\$ 90,049,131</u>				<u>\$ 88,803,735</u>

**GREENVILLE UTILITIES COMMISSION  
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**Water Fund**

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Capital assets not being depreciated:					
Land	\$ 583,357	\$ -	\$ -	\$ (3,600)	\$ 579,757
Easements	14,665	-	-	-	14,665
Construction in progress	8,173,227	1,212,862	-	(2,051,689)	7,334,400
Total capital assets not being depreciated:	<u>8,771,249</u>	<u>1,212,862</u>	<u>-</u>	<u>(2,055,289)</u>	<u>7,928,822</u>
Capital assets being depreciated:					
Land improvements	\$ 80,399	\$ -	\$ -	\$ 3,600	\$ 83,999
Buildings	45,704,339	200,096	-	210,107	46,114,542
Furniture and office equipment	179,342	4,533	-	-	183,875
Computer software	1,237,884	263	-	-	1,238,147
Vehicles and equipment	7,200,886	227,363	(9,604)	-	7,418,645
Distribution systems	78,594,204	516,403	-	1,841,582	80,952,189
Total capital assets being depreciated:	<u>132,997,054</u>	<u>948,658</u>	<u>(9,604)</u>	<u>2,055,289</u>	<u>135,991,397</u>
Less accumulated depreciation for:					
Land improvements	\$ 80,399	\$ 3,600	\$ -	\$ -	\$ 83,999
Buildings	17,414,188	1,395,201	-	-	18,809,389
Furniture and office equipment	818,692	7,366	-	(659,437)	166,621
Computer software	199,409	105,817	-	723,437	1,028,663
Vehicles and equipment	3,099,591	508,046	(9,604)	(64,000)	3,534,033
Distribution systems	24,064,179	1,689,556	-	-	25,753,735
Total accumulated depreciation	<u>45,676,458</u>	<u>3,709,586</u>	<u>(9,604)</u>	<u>-</u>	<u>49,376,440</u>
Total capital assets being depreciated, net	<u>87,320,596</u>				<u>86,614,957</u>
Net Capital Assets	<u>\$ 96,091,845</u>				<u>\$ 94,543,779</u>

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**Sewer Fund**

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Capital assets not being depreciated:					
Land	\$ 1,668,851	\$ -	\$ -	\$ (3,600)	\$ 1,665,251
Easements	23	-	-	-	23
Construction in progress	17,900,199	8,767,694	-	(315,454)	26,352,439
Total capital assets not being depreciated:	<u>19,569,073</u>	<u>8,767,694</u>	<u>-</u>	<u>(319,054)</u>	<u>28,017,713</u>
Capital assets being depreciated:					
Land improvements	\$ 89,104	\$ -	\$ -	\$ 3,600	\$ 92,704
Buildings	47,763,528	342,464	-	-	48,105,992
Furniture and office equipment	163,906	4,533	-	-	168,439
Computer software	1,002,679	263	-	-	1,002,942
Vehicles and equipment	7,687,702	201,052	(73,615)	-	7,815,139
Distribution systems	108,020,962	390,302	-	315,454	108,726,718
Total capital assets being depreciated:	<u>164,727,881</u>	<u>938,614</u>	<u>(73,615)</u>	<u>319,054</u>	<u>165,911,934</u>
Less accumulated depreciation for:					
Land improvements	\$ 89,104	\$ 3,600	\$ -	\$ -	\$ 92,704
Buildings	21,432,498	1,455,546	-	-	22,888,044
Furniture and office equipment	788,419	7,367	-	(644,600)	151,186
Computer software	190,361	48,205	-	644,600	883,166
Vehicles and equipment	4,139,901	483,196	(73,615)	-	4,549,482
Distribution systems	29,073,367	2,267,561	-	-	31,340,928
Total accumulated depreciation	<u>55,713,650</u>	<u>4,265,475</u>	<u>(73,615)</u>	<u>-</u>	<u>59,905,510</u>
Total capital assets being depreciated, net	<u>109,014,231</u>				<u>106,006,424</u>
Net Capital Assets	<u>\$ 128,583,304</u>				<u>\$ 134,024,137</u>

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**Gas Fund**

	June 30, 2011	Additions	Deletions	Transfers	June 30, 2012
Capital assets not being depreciated:					
Land	\$ 291,877	\$ -	\$ -	\$ (3,600)	\$ 288,277
Easements	16,133	-	-	-	16,133
Construction in progress	262,442	77,284	-	(262,442)	77,284
Total capital assets not being depreciated:	<u>570,452</u>	<u>77,284</u>	<u>-</u>	<u>(266,042)</u>	<u>381,694</u>
Capital assets being depreciated:					
Land improvements	\$ 36,187	\$ -	\$ -	\$ 3,600	\$ 39,787
Buildings	11,261,071	21,065	-	-	11,282,136
Furniture and office equipment	968,367	9,067	-	(703,112)	274,322
Computer software	628,714	528	-	703,112	1,332,354
Vehicles and equipment	2,500,063	145,173	(16,380)	-	2,628,856
Distribution systems	33,020,691	571,264	-	262,442	33,854,397
Total capital assets being depreciated:	<u>48,415,093</u>	<u>747,097</u>	<u>(16,380)</u>	<u>266,042</u>	<u>49,411,852</u>
Less accumulated depreciation for:					
Land improvements	\$ 36,187	\$ 3,600	\$ -	\$ -	\$ 39,787
Buildings	3,529,501	377,199	-	-	3,906,700
Furniture and office equipment	501,822	14,735	-	(276,741)	239,816
Computer software	392,463	170,706	-	276,741	839,910
Vehicles and equipment	1,984,949	207,266	(16,380)	(48)	2,175,787
Distribution systems	13,391,628	885,569	-	48	14,277,245
Total accumulated depreciation	<u>19,836,550</u>	<u>1,659,075</u>	<u>(16,380)</u>	<u>-</u>	<u>21,479,245</u>
Total capital assets being depreciated, net	<u>28,578,543</u>				<u>27,932,607</u>
Net Capital Assets	<u>\$ 29,148,995</u>				<u>\$ 28,314,301</u>

A summary of capital assets, by fund, at June 30, 2012 is as follows:

	Electric	Water	Sewer	Gas	Total
At June 30, 2012					
Land	\$ 1,057,387	\$ 579,757	\$ 1,665,251	\$ 288,277	\$ 3,590,672
Easements	20,194	14,665	23	16,133	51,015
Land improvements	201,954	83,999	92,704	39,787	418,444
Buildings	5,484,386	46,114,542	48,105,992	11,282,136	110,987,056
Furniture and office equipment	2,004,826	183,875	168,439	274,322	2,631,462
Computer software	3,386,997	1,238,147	1,002,942	1,332,354	6,960,440
Vehicles and equipment	10,649,725	7,418,645	7,815,139	2,628,856	28,512,365
Distribution systems	169,955,298	80,952,189	108,726,718	33,854,397	393,488,602
Transmission systems	35,607,602	-	-	-	35,607,602
	<u>228,368,369</u>	<u>136,585,819</u>	<u>167,577,208</u>	<u>49,716,262</u>	<u>582,247,658</u>
Less accumulated depreciation	<u>(142,210,380)</u>	<u>(49,376,440)</u>	<u>(59,905,510)</u>	<u>(21,479,245)</u>	<u>(272,971,575)</u>
	86,157,989	87,209,379	107,671,698	28,237,017	309,276,083
Construction in progress	<u>2,645,746</u>	<u>7,334,400</u>	<u>26,352,439</u>	<u>77,284</u>	<u>36,409,869</u>
Net Capital Assets	<u>\$ 88,803,735</u>	<u>\$ 94,543,779</u>	<u>\$ 134,024,137</u>	<u>\$ 28,314,301</u>	<u>\$ 345,685,952</u>

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Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2012. 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>
Electric distribution system	\$2,645,746	\$536,315
Water treatment and distribution system	7,117,423	788,860
Sewer treatment and collection system	25,569,707	13,469,429
Totals	<u>\$35,332,876</u>	<u>\$14,794,604</u>

**B. Liabilities**

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2012, 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	\$15,195,263	\$1,149,110	\$7,770	\$16,352,143
Water	618,229	589,291	3,365	1,210,885
Sewer	1,678,103	299,922	-	1,978,025
Gas	919,629	299,016	742	1,219,387
Total	<u>\$18,411,224</u>	<u>\$2,337,339</u>	<u>\$11,877</u>	<u>\$20,760,440</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 \$22,320,440 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 18 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 \$29,361,304. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,574,407, \$10,314,455 and \$196,941,184, 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	\$1,558,830
Series 2003B Refunding Revenue Bonds with an original issue amount of \$627,500, issued to refund the Series 1997 Revenue Bonds, due in semi-annual installments with an interest rate of 3.67%, final payment will be made on May 1, 2018	292,624
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	2,001,570

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<u>Description</u>	<u>Amount</u>
Series 2007 Revenue Bonds with an original issue amount of \$7,940,306, due in annual installments with an interest rate of 3.79%, final payment will be made on May 11, 2027	6,225,393
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	863,897
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	505,342
Series 2008A Revenue Bonds with an original issue amount of \$5,225,000, 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	3,120,000
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	3,849,022
	<u>\$22,320,440</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,672,486	\$896,671	\$2,569,157
2014	1,733,886	826,232	2,560,118
2015	1,806,525	751,307	2,557,832
2016	1,873,100	671,734	2,544,834
2017	1,952,946	587,283	2,540,229
2018-2022	7,014,666	1,959,873	8,974,539
2023-2027	4,107,621	966,614	5,074,235
2028-2032	1,464,378	348,911	1,813,289
2033-2034	694,832	32,239	727,071
Total	<u>\$22,320,440</u>	<u>\$7,040,864</u>	<u>\$29,361,304</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:

<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	\$315,785
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	684,074

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<u>Description</u>	<u>Amount</u>
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	834,344
	<u>\$1,834,203</u>

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>
2013	\$543,036	\$32,863	\$575,899
2014	552,640	23,259	575,899
2015	562,426	13,473	575,899
2016	176,101	3,501	179,602
Total	<u>\$1,834,203</u>	<u>\$73,096</u>	<u>\$1,907,299</u>

**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, 2012 was approximately \$352 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 \$25,464,355 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 56 percent of net revenues, or less than 18 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$34,728,140. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,900,261, \$4,989,301 and \$16,385,773, 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 \$1,538,624, 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	\$844,480
Series 2003B Refunding Revenue Bonds with an original issue amount of \$313,750, issued to refund the Series 1997 Revenue Bonds, due in semi-annual installments with an interest rate of 3.67%, final payment will be made on May 1, 2018	146,312

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<u>Description</u>	<u>Amount</u>
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	1,040,752
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	1,894,335
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	9,954,658
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	9,911,264
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	1,672,554
	<u>\$25,464,355</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,818,557	\$1,080,180	\$2,898,737
2014	1,885,521	1,013,385	2,898,906
2015	1,961,234	940,054	2,901,288
2016	2,037,454	859,874	2,897,328
2017	2,130,608	767,543	2,898,151
2018-2022	8,664,607	2,450,336	11,114,943
2023-2027	2,658,197	1,360,039	4,018,236
2028-2032	2,919,970	722,135	3,642,105
2033-2034	1,388,207	70,239	1,458,446
Total	<u>\$25,464,355</u>	<u>\$9,263,785</u>	<u>\$34,728,140</u>

**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>
2.55% State Revolving Fund loan issued in 1997 to partially finance the expansion of the water treatment plant, \$3 million authorized and \$3 million drawn to date, due in annual installments of \$230,769 with a final payment on May 1, 2015	\$692,308

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<u>Description</u>	<u>Amount</u>
2.87% State Revolving Fund loan issued in 1998 to partially finance the expansion of the water treatment plant, \$3 million authorized and \$3 million drawn to date, due in annual installments of \$200,000 with a final payment on May 1, 2018	1,200,000
2.205% 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	3,496,422
2.5% 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 \$342,103 drawn to date, due in annual installments of \$17,105 with a final payment on May 1, 2032	342,103
2.50% 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	242,543
	<u>\$5,973,376</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$655,595	\$159,505	\$815,100
2014	655,595	127,134	782,729
2015	655,595	110,462	766,057
2016	424,825	93,789	518,614
2017	424,825	83,002	507,827
2018-2022	1,324,127	287,635	1,611,762
2023-2027	1,124,127	155,705	1,279,832
2028-2030	708,687	34,134	742,821
Total	<u>\$5,973,376</u>	<u>\$1,051,366</u>	<u>\$7,024,742</u>

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:

<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	\$1,323,968
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	21,271
	<u>\$1,345,239</u>

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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
2013	\$74,673	\$0	\$74,673
2014	74,673	0	74,673
2015	74,673	0	74,673
2016	74,673	0	74,673
2017	74,673	0	74,673
2018-2022	373,367	0	373,367
2023-2027	373,367	0	373,367
2028-2031	225,140	0	225,140
Total	<u>\$1,345,239</u>	<u>\$0</u>	<u>\$1,345,239</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	\$77,009
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	79,052
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	179,575
	<u>\$335,636</u>

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
2013	\$103,270	\$5,949	\$109,219
2014	105,084	4,136	109,220
2015	106,932	2,288	109,220
2016	20,350	405	20,755
Total	<u>\$335,636</u>	<u>\$12,778</u>	<u>\$348,414</u>

**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 \$21,484,979 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 33 percent of net revenues, or less than 14 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$29,717,111. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,404,950, \$7,165,600 and \$17,734,761, 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 \$1,667,119, 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	\$915,005
Series 2003B Refunding Revenue Bonds with an original issue amount of \$4,940,000, issued to refund the Series 1997 Revenue Bonds, due in semi-annual installments with an interest rate of 3.67%, final payment will be made on May 1, 2018	2,303,686
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	3,097,678
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	3,361,304
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	9,664,276
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	2,143,030
	<u>\$21,484,979</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$1,533,507	\$870,981	\$2,404,488
2014	1,588,755	814,125	2,402,880
2015	1,649,847	753,289	2,403,136
2016	1,714,229	688,335	2,402,564
2017	1,784,343	616,404	2,400,747
2018-2022	5,480,968	2,240,529	7,721,497
2023-2027	3,375,450	1,432,083	4,807,533
2028-2032	2,955,156	742,526	3,697,682
2033-2034	1,402,724	73,860	1,476,584
Total	<u>\$21,484,979</u>	<u>\$8,232,132</u>	<u>\$29,717,111</u>

**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:

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<u>Description</u>	<u>Amount</u>
2.57% State Revolving Fund loan issued in 2001 to finance improvements to the sanitary sewer system, \$11,694,486 authorized and \$11,629,783 drawn to date, due in annual installments of \$775,319 with a final payment on May 1, 2020	\$6,202,551
2.48% 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	11,932,445
2.455% State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$9,241,586 authorized and \$1,936,491 drawn to date, due in annual installments of \$96,825 with a final payment on May 1, 2032	1,936,491
	<u>\$20,071,487</u>

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
2013	\$1,484,617	\$462,703	\$1,947,320
2014	1,538,024	465,379	2,003,403
2015	1,538,024	426,562	1,964,586
2016	1,538,024	387,746	1,925,770
2017	1,538,024	348,929	1,886,953
2018-2022	6,139,483	1,182,323	7,321,806
2023-2027	3,813,526	590,497	4,404,023
2028-2032	2,481,765	134,739	2,616,504
Total	<u>\$20,071,487</u>	<u>\$3,998,878</u>	<u>\$24,070,365</u>

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, 2012, \$1,665,198 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 \$151,381 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
2013	\$151,382	\$106,455	\$257,837
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
2018-2022	756,906	403,054	1,159,960
2023	151,382	69,535	220,917
Total	<u>\$1,665,198</u>	<u>\$967,944</u>	<u>\$2,633,142</u>

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:

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<u>Description</u>	<u>Amount</u>
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	\$182,325
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	145,692
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	101,055
	<u>\$429,072</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$127,838	\$8,917	\$136,755
2014	130,503	6,252	136,755
2015	133,226	3,529	136,755
2016	37,505	746	38,251
Total	<u>\$429,072</u>	<u>\$19,444</u>	<u>\$448,516</u>

**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 \$8,988,742 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 5 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$10,948,222. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,240,140, \$7,675,701 and \$30,520,035, 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	\$1,231,685
Series 2003B Refunding Revenue Bonds with an original issue amount of \$2,483,750, issued to refund the Series 1997 Revenue Bonds, due in semi-annual installments with an interest rate of 3.67%, final payment will be made on May 1, 2018	1,158,255
Series 2007 Revenue Bonds with an original issue amount of \$1,909,694, due in annual installments with an interest rate of 3.79%, final payment will be made on May 11, 2027	1,497,246
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	985,464

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<u>Description</u>	<u>Amount</u>
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	925,699
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	3,190,393
	<u>\$8,988,742</u>

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

Year Ending June 30	Principal	Interest	Total
2013	\$917,942	\$322,604	\$1,240,546
2014	949,802	287,224	1,237,026
2015	986,804	249,998	1,236,802
2016	1,021,907	210,892	1,232,799
2017	1,062,456	168,841	1,231,297
2018-2022	2,887,111	459,180	3,346,291
2023-2027	762,987	186,952	949,939
2028-2032	270,496	67,252	337,748
2033-2034	129,237	6,537	135,774
Total	<u>\$8,988,742</u>	<u>\$1,959,480</u>	<u>\$10,948,222</u>

**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	\$205,524
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	145,547
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	22,026
	<u>\$373,097</u>

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
2013	\$109,348	\$8,450	\$117,798
2014	111,857	5,941	117,798
2015	114,424	3,373	117,797
2016	37,468	745	38,213
Total	<u>\$373,097</u>	<u>\$18,509</u>	<u>\$391,606</u>

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**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, 2012 is as follows:

Operating revenues	\$256,728,294
Operating expenses <sup>1</sup>	(226,583,237)
Operating income	<u>30,145,057</u>
Non-operating revenues (expenses)	
Interest income <sup>2</sup>	334,728
Miscellaneous revenue <sup>2</sup>	4,518,731
Non-operating expenses	<u>(291,831)</u>
Income available for debt service	\$34,706,685
Parity debt service (principal and interest paid)	\$9,119,759
Parity debt service coverage ratio	381%
Subordinate and other debt service (principal and interest paid)	\$4,000,620
Subordinate and other debt service coverage ratio	640%

<sup>1</sup>Excludes depreciation expense of \$16,961,961 and unfunded OPEB expense of \$1,296,856 in accordance with rate covenants.

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

**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, 2012, the Utilities Commission had no arbitrage liabilities.

**Unearned Revenue:**

Unearned revenue in the Water Fund totaling \$190,801 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.

Unearned revenue in the Sewer Fund totaling \$365,283 includes a portion of the \$2,000,000 tapping fee received from the Town of Bethel and connection fees that were paid in advance for services that have not yet been installed. The agreement between the Utilities Commission and the Town of Bethel stipulates that \$1,000,000 of the tapping fee be refunded over a period of 10 years through a discounted utility rate. The discounts given to the Town of Bethel in this manner will be recognized as revenue by the Utilities Commission at the time the discount is given. The connection fees paid in advance will be recognized as revenue by the Utilities Commission at the time the service is installed.

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**Changes in Long-term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2012:

<i><b>Business type activities:</b></i>	<b>June 30, 2011</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2012</b>	<b>Current Portion</b>
Revenue bonds	\$83,976,071	\$0	(\$5,717,555)	\$78,258,516	\$5,942,492
General obligation bonds	230,000	-	(230,000)	-	-
Other types of debt	31,526,877	3,442,788	(2,942,357)	32,027,308	3,249,759
Discounts and premiums	(566,595)	-	125,660	(440,935)	-
Compensated absences	1,691,906	1,342,582	(1,291,206)	1,743,282	1,349,308
Other postemployment benefits	7,756,885	1,296,856	-	9,053,741	-
Unearned revenue	689,629	-	(133,545)	556,084	556,084
<b><i>Total long-term liabilities</i></b>	<b>\$125,304,773</b>	<b>\$6,082,226</b>	<b>(\$10,189,003)</b>	<b>\$121,197,996</b>	<b>\$11,097,643</b>

Changes in long-term liabilities by fund for the year ended June 30, 2012 are as follows:

<i><b>Electric Fund:</b></i>	<b>June 30, 2011</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2012</b>	<b>Current Portion</b>
Revenue bonds	\$23,926,746	\$0	(\$1,606,306)	\$22,320,440	\$1,672,486
Other types of debt	1,373,630	834,344	(373,771)	1,834,203	543,036
Discounts and premiums	(226,574)	-	27,282	(199,292)	-
Compensated absences	723,308	609,792	(591,478)	741,622	618,094
Other postemployment benefits	3,675,454	603,564	-	4,279,018	-
<b><i>Electric Fund long-term liabilities:</i></b>	<b>\$29,472,564</b>	<b>\$2,047,700</b>	<b>(\$2,544,273)</b>	<b>\$28,975,991</b>	<b>\$2,833,616</b>

<i><b>Water Fund</b></i>	<b>June 30, 2011</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2012</b>	<b>Current Portion</b>
Revenue bonds	\$27,218,448	\$0	(\$1,754,093)	\$25,464,355	\$1,818,557
Other types of debt	7,861,911	548,872	(756,532)	7,654,251	833,538
Discounts and premiums	(150,268)	-	28,116	(122,152)	-
Compensated absences	375,861	244,898	(262,868)	357,891	274,697
Other postemployment benefits	1,631,860	244,875	-	1,876,735	-
Unearned revenue	221,271	-	(30,470)	190,801	190,801
<b><i>Water Fund long-term liabilities:</i></b>	<b>\$37,159,083</b>	<b>\$1,038,645</b>	<b>(\$2,775,847)</b>	<b>\$35,421,881</b>	<b>\$3,117,593</b>

<i><b>Sewer Fund</b></i>	<b>June 30, 2011</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2012</b>	<b>Current Portion</b>
Revenue bonds	\$22,961,854	\$0	(\$1,476,875)	\$21,484,979	\$1,533,507
General obligation bonds	230,000	-	(230,000)	-	-
Other types of debt	21,840,222	2,037,546	(1,712,011)	22,165,757	1,763,837
Discounts and premiums	(6,026)	-	48,537	42,511	-
Compensated absences	328,002	279,297	(246,105)	361,194	257,179
Other postemployment benefits	1,271,514	243,590	-	1,515,104	-
Unearned revenue	468,358	-	(103,075)	365,283	365,283
<b><i>Sewer Fund long-term liabilities:</i></b>	<b>\$47,093,924</b>	<b>\$2,560,433</b>	<b>(\$3,719,529)</b>	<b>\$45,934,828</b>	<b>\$3,919,806</b>

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<i>Gas Fund</i>	June 30, 2011	Additions	Retirements	June 30, 2012	Current Portion
Revenue bonds	\$9,869,023	\$0	(\$880,281)	\$8,988,742	\$917,942
Other types of debt	451,114	22,026	(100,043)	373,097	109,348
Discounts and premiums	(183,727)	-	21,725	(162,002)	-
Compensated absences	264,735	208,595	(190,755)	282,575	199,338
Other postemployment benefits	1,178,057	204,827	-	1,382,884	-
<b><i>Gas Fund long-term liabilities:</i></b>	<b>\$11,579,202</b>	<b>\$435,448</b>	<b>(\$1,149,354)</b>	<b>\$10,865,296</b>	<b>\$1,226,628</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 6.88% of annual covered payroll. The contribution requirements of members and of the Utilities Commission are established and may be amended by the North Carolina General Assembly. The Utilities Commission's contributions to LGERS for the years ended June 30, 2012, 2011 and 2010 were \$1,568,583, \$1,511,899 and \$1,124,247, 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, 2012, 2011 and 2010 were \$451,600, \$435,040 and \$432,120, respectively. These contributions represent 1.9%, 1.9% and 1.9%, respectively, of covered payroll.

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**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, 2011, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	132
Active members	431
	<u>563</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. 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 9.99% of annual covered payroll. For fiscal year 2012, the Utilities Commission contributed \$1,140,955, or 4.9% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2012 were \$203,691 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.

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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	\$2,395,223
Interest on net OPEB obligation	310,275
Adjustment to annual required contribution	<u>(267,687)</u>
Annual OPEB cost (expense)	2,437,811
Contributions made	<u>(1,140,955)</u>
Increase (decrease) in net OPEB obligation	1,296,856
Net OPEB obligation, beginning of year	<u>7,756,885</u>
Net OPEB obligation, end of year	<u><u>\$9,053,741</u></u>

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, 2010, 2011 and 2012 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$2,539,238	28.143%	\$6,734,083
2011	\$2,345,621	56.395%	\$7,756,885
2012	\$2,437,811	46.802%	\$9,053,741

Funded Status and Funding Progress

As of December 31, 2011, 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 \$20,478,087. The covered payroll (annual payroll of active employees covered by the plan) was \$24,081,113, and the ratio of the UAAL to the covered payroll was 85.0%. 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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

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, 2011 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 9.50% - 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, 2011 was 30 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.

**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, 2012 consist of the following:

Refuse fees collected	\$438,749
Stormwater fees collected	239,665
Street lighting reimbursement	117,534
Street repairs	8,206
Refuse collection	3,902
Parking lot sweeping (overpayment from June)	(300)
M/WBE Program	6,326
Total	\$814,082

Balances due from the City of Greenville at June 30, 2012 consist of the following:

Street light service	\$114,351
Electrical replacements/repairs	6,852
Total	\$121,203

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

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

Transfers to the City of Greenville's General Fund during fiscal year 2012 consist of the following:

Electric Fund general transfer	\$3,898,520
Gas Fund general transfer	1,140,755
Electric Fund street lighting reimbursement	696,102
Total	<u>\$5,735,377</u>

The transfers to the City's General Fund of \$5,735,377 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, with a combined maximum stop loss limit of \$14,709,829. 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.

Changes in the balances of medical claims liabilities during the fiscal years ended June 30, 2012 and 2011 are as follows:

	2012	2011
Unpaid claims, beginning	\$ 710,000	550,000
Incurred claims	5,320,577	5,127,513
Claim payments	(5,364,577)	(4,967,513)
Unpaid claims, ending	<u>\$ 666,000</u>	<u>\$ 710,000</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:

	2012	2011
Unpaid claims, beginning	\$ 20,902	\$ -
Incurred claims	386,489	158,418
Claim payments	(291,391)	(137,516)
Unpaid claims, ending	<u>\$ 116,000</u>	<u>\$ 20,902</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

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, 2012, 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 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 – Pronouncements Issued But Not Yet Effective**

The GASB has issued several pronouncements prior to June 30, 2012 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 60, "Service Concession Arrangements" will be effective for the Commission beginning with its year ending June 30, 2013.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2012**

GASB Statement Number 61, "The Financial Reporting Entity: Omnibus" will be effective for the Commission beginning with its year ending June 30, 2013.

GASB Statement Number 62, "Governmental Accounting Standards Series" will be effective for the Commission beginning with its year ending June 30, 2013.

GASB Statement Number 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" will be effective for the Commission beginning with its year ending June 30, 2013.

GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities" will be effective for the Commission beginning with its year ending June 30, 2014.

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.



# Required Supplementary Information

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



**Greenville  
Utilities**



**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
OTHER POST EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2012**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
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%

**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%

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	12/31/2011	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, closed	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	7.00%	* Includes inflation at 3.00%
Medical cost trend rate:		
Pre-Medicare trend rate	9.50% - 5.00%	
Post-Medicare trend rate	7.00% - 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, 2012



Greenville  
Utilities



**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, 2012 (With Comparative Actual Totals For June 30, 2011)**

	2012			2011
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Electric Revenues				
Rates and charges	\$ 193,719,448	\$ 191,029,354	\$ (2,690,094)	\$ 200,357,626
Fees and charges	983,872	1,016,062	32,190	1,054,095
U.G. and temporary service charges	90,275	96,130	5,855	111,168
Miscellaneous	1,520,187	2,240,885	720,698	2,162,589
Interest on investments	173,489	174,625	1,136	382,884
FEMA/Insurance Reimbursements	2,450,000	2,417,060	(32,940)	-
Total Electric Revenues	198,937,271	196,974,116	(1,963,155)	204,068,362
Water Revenues				
Rates and charges	15,643,302	15,719,715	76,413	14,568,726
Fees and charges	238,097	292,152	54,055	321,294
Miscellaneous	165,874	323,468	157,594	221,394
Interest on investments	44,698	47,463	2,765	63,086
FEMA/Insurance Reimbursements	-	2,976	2,976	-
Total Water Revenues	16,091,971	16,385,774	293,803	15,174,500
Sewer Revenues				
Rates and charges	16,902,041	17,247,740	345,699	16,251,177
Fees and charges	247,930	263,573	15,643	319,025
Pitt County	-	-	-	65,219
Miscellaneous	116,163	141,047	24,884	137,136
Interest on temporary investments	28,907	32,879	3,972	65,280
FEMA/Insurance Reimbursements	-	49,522	49,522	-
Total Sewer Revenues	17,295,041	17,734,761	439,720	16,837,837
Gas Revenues				
Rates and charges	32,785,690	30,150,678	(2,635,012)	37,440,126
Fees and charges	139,500	127,392	(12,108)	149,616
Miscellaneous	137,906	155,236	17,330	148,842
Interest on temporary investments	69,339	79,761	10,422	132,716
FEMA/Insurance Reimbursements	-	6,968	6,968	-
Total Gas Revenues	33,132,435	30,520,035	(2,612,400)	37,871,300
Total Revenues	265,456,718	261,614,686	(3,842,032)	273,951,999
<b>Expenditures</b>				
Electric Fund				
Maintenance and repairs		3,587,679		3,401,238
Other operating expenses		183,597,193		187,610,148
Capital Outlay		5,500,564		5,103,069
Debt Service		2,984,292		3,079,015
Total	199,771,748	195,669,728	4,102,020	199,193,470
Water Fund				
Maintenance and repairs		995,645		1,123,229
Other operating expenses		10,133,286		8,790,980
Capital Outlay		948,658		1,221,658
Debt Service		3,818,330		4,097,058
Total	16,021,535	15,895,919	125,616	15,232,925



**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, 2012 (With Comparative Actual Totals For June 30, 2011)**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 193,719,448	\$ 191,029,354	\$ (2,690,094)	\$ 200,357,626
Fees and charges	983,872	1,016,062	32,190	1,054,095
U.G. and temporary service charges	90,275	96,130	5,855	111,168
Miscellaneous	499,903	494,829	(5,074)	536,485
	<u>195,293,498</u>	<u>192,636,375</u>	<u>(2,657,123)</u>	<u>202,059,374</u>
Non-Operating Revenues				
Interest on investments	173,489	174,625	1,136	382,884
FEMA/Insurance reimbursements	2,450,000	2,417,060	(32,940)	-
Miscellaneous	1,020,284	1,746,056	725,772	1,626,104
	<u>3,643,773</u>	<u>4,337,741</u>	<u>693,968</u>	<u>2,008,988</u>
Total Revenues	<u>198,937,271</u>	<u>196,974,116</u>	<u>(1,963,155)</u>	<u>204,068,362</u>
<b>Expenditures</b>				
Electric Fund				
Maintenance and repairs		3,587,679		3,401,238
Other operating expenses		183,597,193		187,610,148
Capital Outlay		5,500,564		5,103,069
Debt Service		2,984,292		3,079,015
Total expenditures	<u>199,771,748</u>	<u>195,669,728</u>	<u>4,102,020</u>	<u>199,193,470</u>
Excess of Revenues Over Expenditures	<u>(834,477)</u>	<u>1,304,388</u>	<u>2,138,865</u>	<u>4,874,892</u>
Other Financing Sources (Uses)				
Installment purchase	834,477	834,344	(133)	848,231
Intra-fund transfers out	-	(500,000)	(500,000)	(1,500,000)
Total other financing sources (uses)	<u>834,477</u>	<u>334,344</u>	<u>(500,133)</u>	<u>(651,769)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 1,638,732</u>	<u>\$ 1,638,732</u>	<u>\$ 4,223,123</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 1,638,732		\$ 4,223,123
Budgetary appropriations - capital		5,500,564		5,103,069
Budgetary appropriations - debt principal		1,980,077		1,910,579
Depreciation		(7,327,825)		(7,257,515)
Debt issued		(834,344)		(848,231)
Amortization of bond premium/discount/issue costs		(27,282)		(22,764)
Capitalization of bond interest		-		-
Changes in accrued interest payable		16,170		55,184
Intra-fund transfers		500,000		1,500,000
Changes in OPEB liability		(603,564)		(477,633)
Revenue recognized in Capital Projects		(1,229)		(1,378)
Total reconciling items		<u>(797,433)</u>		<u>(38,689)</u>
CHANGES IN NET ASSETS		<u>\$ 841,299</u>		<u>\$ 4,184,434</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, 2012**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Interest and misc income	\$ -	\$ 379,543	\$ (1,229)	\$ 378,314	\$ 378,314
<b>Total revenues</b>	<b>-</b>	<b>379,543</b>	<b>(1,229)</b>	<b>378,314</b>	<b>378,314</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	683,123	208,314	(15,106)	193,208	489,915
ECP-132 Substation Modernization	3,000,000	1,719,812	691,256	2,411,068	588,932
ECP-133 Sugg Parkway Transmission Line	1,700,000	-	-	-	1,700,000
ECP-134 Sugg Parkway Substation	3,400,000	-	4,737	4,737	3,395,263
ECP-135 Frog Level Substation Improvements	1,500,000	-	36,733	36,733	1,463,267
ECP-136 OPTICS Phase 3A	5,636,000	-	-	-	5,636,000
<b>Total expenditures</b>	<b>15,919,123</b>	<b>1,928,126</b>	<b>717,620</b>	<b>2,645,746</b>	<b>13,273,377</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(15,919,123)</b>	<b>(1,548,583)</b>	<b>(718,849)</b>	<b>(2,267,432)</b>	<b>13,651,691</b>
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	-	242,112	-	242,112	242,112
Long-term financing	12,919,123	-	-	-	(12,919,123)
Intra-fund transfers in	3,000,000	1,500,000	500,000	2,000,000	(1,000,000)
<b>Total other financing sources (uses)</b>	<b>15,919,123</b>	<b>1,742,112</b>	<b>500,000</b>	<b>2,242,112</b>	<b>(13,677,011)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 193,529</b>	<b>\$ (218,849)</b>	<b>\$ (25,320)</b>	<b>\$ (25,320)</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, 2012 (With Comparative Actual Totals For June 30, 2011)**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 15,643,302	\$ 15,719,715	\$ 76,413	\$ 14,568,726
Fees and charges	238,097	292,152	54,055	321,294
Miscellaneous	90,048	106,365	16,317	85,994
	<u>15,971,447</u>	<u>16,118,232</u>	<u>146,785</u>	<u>14,976,014</u>
Non-Operating Revenues				
Interest on investments	44,698	47,463	2,765	63,086
FEMA/Insurance reimbursements	-	2,976	2,976	-
Miscellaneous	75,826	217,103	141,277	135,400
	<u>120,524</u>	<u>267,542</u>	<u>147,018</u>	<u>198,486</u>
Total Revenues	<u>16,091,971</u>	<u>16,385,774</u>	<u>293,803</u>	<u>15,174,500</u>
<b>Expenditures</b>				
Water Fund				
Maintenance and repairs		995,645		1,123,229
Other operating expenses		10,133,286		8,790,980
Capital Outlay		948,658		1,221,658
Debt Service		3,818,330		4,097,058
Total expenditures	<u>16,021,535</u>	<u>15,895,919</u>	<u>125,616</u>	<u>15,232,925</u>
Excess of Revenues Over (Under) Expenditures	<u>70,436</u>	<u>489,855</u>	<u>419,419</u>	<u>(58,425)</u>
Other Financing Sources (Uses)				
Contributed capital	-	-	-	225,313
Installment Purchase	179,564	179,575	11	98,022
Intra-fund transfers in	-	-	-	504,000
Intra-fund transfers out	(250,000)	(300,000)	(50,000)	-
Total other financing sources (uses)	<u>(70,436)</u>	<u>(120,425)</u>	<u>(49,989)</u>	<u>827,335</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 369,430</u>	<u>\$ 369,430</u>	<u>\$ 768,910</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 369,430		\$ 768,910
Budgetary appropriations - capital		948,658		1,221,658
Budgetary appropriations - debt principal		2,510,625		2,400,987
Depreciation		(3,709,586)		(3,616,981)
Debt issued		(179,575)		(98,022)
Amortization of bond premium/discount/issue costs		(28,116)		(26,633)
Capitalization of bond interest		17,119		71,691
Changes in accrued interest payable		(795)		325,640
Intra-fund transfers		300,000		(504,000)
Changes in OPEB liability		(244,875)		(187,193)
Revenue recognized in Capital Projects		123,165		436,721
Total reconciling items		<u>(263,380)</u>		<u>23,868</u>
CHANGES IN NET ASSETS		<u>\$ 106,050</u>		<u>\$ 792,778</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, 2012**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Interest and misc income	\$ 201,203	\$ 131,894	\$ (1,083)	\$ 130,811	\$ (70,392)
Local contributions	-	267,359	-	267,359	267,359
Capacity fees	-	463,799	124,248	588,047	588,047
<b>Total revenues</b>	<b>201,203</b>	<b>863,052</b>	<b>123,165</b>	<b>986,217</b>	<b>785,014</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	204,937	-	57,962	57,962	146,975
ECP-136 OPTICS Phase 3A	1,690,800	-	-	-	1,690,800
* WCP-94 Fire Tower Road Improvements	1,139,000	1,213,585	(74,585)	1,139,000	-
* WCP-96 Frog Level Road Water Main Ext	507,000	470,655	-	470,655	36,345
WCP-99 WTP Raw Water Pump Station Improve.	4,844,577	3,239,547	953,977	4,193,524	651,053
WCP-104 Tar River Available Water Supply	1,160,000	928,071	195,250	1,123,321	36,679
WCP-105 Aquifer Storage & Recovery Wellhead	1,572,000	1,532,727	96,864	1,629,591	(57,591)
* WCP-107 Tar River Temporary Dam	220,000	198,596	11,511	210,107	9,893
* WCP-109 NC Highway 43 West Water Improv.	200,000	139,353	-	139,353	60,647
WCP-110 Portertown Road Bridge Replacement	90,000	8,971	61,601	70,572	19,428
WCP-112 Water Distribution System Master Plan	425,000	205,936	(205,936)	-	425,000
WCP-113 NC Hwy 43 Water Improvements Phase II	352,000	1,316	99,099	100,415	251,585
<b>Total expenditures</b>	<b>12,405,314</b>	<b>7,938,757</b>	<b>1,195,743</b>	<b>9,134,500</b>	<b>3,270,814</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(12,204,111)</b>	<b>(7,075,705)</b>	<b>(1,072,578)</b>	<b>(8,148,283)</b>	<b>4,055,828</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	355,786	-	-	-	(355,786)
Revenue bonds issued	3,553,011	3,798,338	-	3,798,338	245,327
State loans	1,902,425	-	342,103	342,103	(1,560,322)
State grants	500,000	500,000	-	500,000	-
ARRA loans	1,471,076	1,443,883	27,193	1,471,076	-
ARRA grants	1,471,076	1,471,076	-	1,471,076	-
EDA grant	703,000	703,000	-	703,000	-
Long-term financing	1,797,737	-	-	-	(1,797,737)
Intra-fund transfers in	450,000	-	300,000	300,000	(150,000)
<b>Total other financing sources (uses)</b>	<b>12,204,111</b>	<b>7,916,297</b>	<b>669,296</b>	<b>8,585,593</b>	<b>(3,618,518)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 840,592</b>	<b>\$ (403,282)</b>	<b>\$ 437,310</b>	<b>\$ 437,310</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, 2012 (With Comparative Actual Totals For June 30, 2011)**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 16,902,041	\$ 17,247,740	\$ 345,699	\$ 16,251,177
Fees and charges	247,930	263,573	15,643	319,025
Miscellaneous	86,313	90,269	3,956	85,329
	<u>17,236,284</u>	<u>17,601,582</u>	<u>365,298</u>	<u>16,655,531</u>
Non-Operating Revenues				
Interest on investments	28,907	32,879	3,972	65,280
Pitt County	-	-	-	65,219
FEMA/Insurance reimbursements	-	49,522	49,522	-
Miscellaneous	29,850	50,778	20,928	51,807
	<u>58,757</u>	<u>133,179</u>	<u>74,422</u>	<u>182,306</u>
Total Revenues	<u>17,295,041</u>	<u>17,734,761</u>	<u>439,720</u>	<u>16,837,837</u>
<b>Expenditures</b>				
Sewer Fund				
Maintenance and repairs		896,019		953,425
Other operating expenses		9,539,963		8,849,873
Capital Outlay		938,615		657,923
Debt Service		4,985,535		5,907,094
Total expenditures	<u>16,896,138</u>	<u>16,360,132</u>	<u>536,006</u>	<u>16,368,315</u>
Excess of Revenues Over (Under) Expenditures	<u>398,903</u>	<u>1,374,629</u>	<u>975,726</u>	<u>469,522</u>
Other Financing Sources (Uses)				
Contributed capital	-	-	-	364,279
Installment Purchase	101,097	101,055	(42)	180,653
Intra-fund transfers out	(500,000)	(1,000,000)	(500,000)	-
Total other financing sources (uses)	<u>(398,903)</u>	<u>(898,945)</u>	<u>(500,042)</u>	<u>544,932</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 475,684</u>	<u>\$ 475,684</u>	<u>\$ 1,014,454</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 475,684		\$ 1,014,454
Budgetary appropriations - capital		938,615		657,923
Budgetary appropriations - debt principal		3,418,886		4,224,190
Depreciation		(4,265,475)		(4,245,776)
Debt issued		(101,055)		(180,653)
Amortization of bond premium/discount/issue costs		(48,537)		(30,717)
Capitalization of bond interest		336,727		188,734
Changes in accrued interest payable		15,172		98,987
Intra-fund transfers		1,000,000		-
Changes in OPEB liability		(243,590)		(198,164)
Revenue recognized in Capital Projects		271,590		476,080
Total reconciling items		<u>1,322,333</u>		<u>990,604</u>
CHANGES IN NET ASSETS		<u>\$ 1,798,017</u>		<u>\$ 2,005,058</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, 2012**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Interest and misc income	\$ 105,000	\$ 224,035	\$ 2,551	\$ 226,586	\$ 121,586
Capacity fees	-	468,140	241,627	709,767	709,767
Outfall acreage fee	580,000	1,033,843	27,412	1,061,255	481,255
Local contributions	202,942	202,562	-	202,562	(380)
<b>Total revenues</b>	<b>887,942</b>	<b>1,928,580</b>	<b>271,590</b>	<b>2,200,170</b>	<b>1,312,228</b>
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	204,937	-	57,962	57,962	146,975
ECP-136 OPTICS Phase 3A	1,690,800	-	-	-	1,690,800
SCP-93 WWTP Electrical and SCADA Upgrade	14,374,134	13,925,907	139,912	14,065,819	308,315
* SCP-94 Fire Tower Road Improvements	319,500	271,216	-	271,216	48,284
SCP-97 River Hills Annexation Sewer Extension	600,000	567,190	-	567,190	32,810
SCP-99 Sterling Pointe Pump Station & Force Main	9,900,000	1,327,412	2,995,577	4,322,989	5,577,011
SCP-100 Westside Pump Station & Force Main	15,287,369	863,418	3,653,495	4,516,913	10,770,456
* SCP-109 NC Highway 43 West Sewer Improv.	66,000	31,190	-	31,190	34,810
SCP-110 Portertown Road Bridge Replacement	145,000	142,500	-	142,500	2,500
SCP-111 WWTP Headworks Improvements	1,980,000	370,278	1,459,224	1,829,502	150,498
SCP-113 NC Hwy 43 Sewer Improvements Phase II	266,000	-	100,089	100,089	165,911
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	84,053	-	19,025	19,025	65,028
<b>Total expenditures</b>	<b>45,697,793</b>	<b>17,499,111</b>	<b>8,430,964</b>	<b>25,930,075</b>	<b>19,767,718</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(44,809,851)</b>	<b>(15,570,531)</b>	<b>(8,159,374)</b>	<b>(23,729,905)</b>	<b>(18,455,490)</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	390,053	-	-	-	(390,053)
Revenue bonds issued	5,313,600	5,441,706	-	5,441,706	128,106
State loans	36,705,049	13,317,613	1,936,491	15,254,104	(21,450,945)
Long-term financing	1,711,737	-	-	-	(1,711,737)
Intra-fund transfers in	689,412	248,104	1,000,000	1,248,104	558,692
<b>Total other financing sources (uses)</b>	<b>44,809,851</b>	<b>19,007,423</b>	<b>2,936,491</b>	<b>21,943,914</b>	<b>(22,865,937)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 3,436,892</b>	<b>\$ (5,222,883)</b>	<b>\$ (1,785,991)</b>	<b>\$ (41,321,427)</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, 2012 (With Comparative Actual Totals For June 30, 2011)**

	2012			2011
	Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues				
Rates and charges	\$ 32,785,690	\$ 30,150,678	\$ (2,635,012)	\$ 37,440,126
Fees and charges	139,500	127,392	(12,108)	149,616
Miscellaneous	95,150	94,036	(1,114)	92,378
	<u>33,020,340</u>	<u>30,372,106</u>	<u>(2,648,234)</u>	<u>37,682,120</u>
Non-Operating Revenues				
Interest on investments	69,339	79,761	10,422	132,716
FEMA/Insurance reimbursements	-	6,968	6,968	-
Miscellaneous	42,756	61,200	18,444	56,464
	<u>112,095</u>	<u>147,929</u>	<u>35,834</u>	<u>189,180</u>
Total Revenues	<u>33,132,435</u>	<u>30,520,035</u>	<u>(2,612,400)</u>	<u>37,871,300</u>
Expenditures				
Gas Fund				
Maintenance and repairs		903,354		387,100
Other operating expenses		22,933,806		30,428,653
Capital Outlay		747,097		1,027,593
Debt Service		1,355,724		1,348,518
Total expenditures	<u>33,154,497</u>	<u>25,939,981</u>	<u>7,214,516</u>	<u>33,191,864</u>
Excess of Revenues Over (Under) Expenditures	<u>(22,062)</u>	<u>4,580,054</u>	<u>4,602,116</u>	<u>4,679,436</u>
Other Financing Sources (Uses)				
Installment Purchase	22,062	22,026	(36)	180,474
Intra-fund transfers out	-	(3,500,000)	(3,500,000)	-
Total other financing sources (uses)	<u>22,062</u>	<u>(3,477,974)</u>	<u>(3,500,036)</u>	<u>180,474</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 1,102,080</u>	<u>\$ 1,102,080</u>	<u>\$ 4,859,910</u>
Reconciliation to full accrual basis from modified accrual basis:				
Revenues over expenditures		\$ 1,102,080		\$ 4,859,910
Budgetary appropriations - capital		747,097		1,027,593
Budgetary appropriations - debt principal		980,324		882,066
Depreciation		(1,659,075)		(1,624,142)
Debt issued		(22,026)		(180,474)
Amortization of bond premium/discount/issue costs		(21,725)		(14,882)
Changes in accrued interest payable		10,815		38,815
Intra-fund transfers		3,500,000		-
Changes in OPEB liability		(204,827)		(159,812)
Revenue recognized in Capital Projects		66		949
Total reconciling items		<u>3,330,649</u>		<u>(29,887)</u>
CHANGES IN NET ASSETS		<u>\$ 4,432,729</u>		<u>\$ 4,830,023</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, 2012**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Interest and misc income	\$ -	\$ 7,935	\$ 66	\$ 8,001	\$ 8,001
Total revenues	-	7,935	66	8,001	8,001
<b>Expenditures</b>					
ECP-128 Information Technology Appl. Master Plan	273,249	-	77,283	77,283	195,966
ECP-136 OPTICS Phase 3A	2,254,400	-	-	-	2,254,400
* GCP-83 Fire Tower Road NCDOT Reloc.	300,000	252,584	-	252,584	47,416
GCP-87 NC33 Main Ext. & Old River Rd. Main Repl.	1,300,000	-	-	-	1,300,000
Total expenditures	4,127,649	252,584	77,283	329,867	3,797,782
Excess of Revenues Over (Under) Expenditures	(4,127,649)	(244,649)	(77,217)	(321,866)	3,805,783
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	300,000	312,016	-	312,016	12,016
Long-term financing	3,227,649	-	-	-	(3,227,649)
Intra-fund transfers in	600,000	45,857	3,500,000	3,545,857	2,945,857
Total other financing sources (uses)	4,127,649	357,873	3,500,000	3,857,873	(269,776)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 113,224	\$ 3,422,783	\$ 3,536,007	\$ 3,536,007

\* Project(s) already closed.

\*\* Project cancelled.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
June 30, 2012**

	<u>Refuse Collection Agency Fund</u>	<u>Stormwater Collection Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Accounts receivables	\$ 854,629	\$ 485,853	\$ 1,340,482
Total assets	<u>854,629</u>	<u>485,853</u>	<u>1,340,482</u>
<b>LIABILITIES</b>			
Accounts payable	854,629	485,853	1,340,482
Total liabilities	<u>854,629</u>	<u>485,853</u>	<u>1,340,482</u>
<b>NET ASSETS</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, 2012**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Refuse Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 5,405,561	\$ (5,405,561)	\$ -
Accounts receivable	798,000	5,446,601	(5,389,972)	854,629
Total assets	<u>\$ 798,000</u>	<u>\$ 10,852,162</u>	<u>\$ (10,795,533)</u>	<u>\$ 854,629</u>
<b>Liabilities:</b>				
Accounts payable	\$ 798,000	\$ 5,394,289	\$ (5,337,660)	\$ 854,629
	<u>\$ 798,000</u>	<u>\$ 5,394,289</u>	<u>\$ (5,337,660)</u>	<u>\$ 854,629</u>
<b>Stormwater Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 3,161,142	\$ (3,161,142)	\$ -
Accounts receivable	457,864	3,189,031	(3,161,042)	485,853
Total assets	<u>\$ 457,864</u>	<u>\$ 6,350,173</u>	<u>\$ (6,322,184)</u>	<u>\$ 485,853</u>
<b>Liabilities:</b>				
Accounts payable	\$ 457,864	\$ 3,199,165	\$ (3,171,176)	\$ 485,853
	<u>\$ 457,864</u>	<u>\$ 3,199,165</u>	<u>\$ (3,171,176)</u>	<u>\$ 485,853</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
SCHEDULE OF 2012-2013 PROJECTED TRANSFER  
TO THE CITY OF GREENVILLE GENERAL FUND**

	<u>Electric Fund</u>	<u>Gas Fund</u>	<u>Total</u>
<b>General Transfer</b>			
Net property, plant and equipment	\$ 88,803,735	\$ 28,314,301	\$ 117,118,036
Less long-term debt	<u>23,955,351</u>	<u>9,199,837</u>	<u>33,155,188</u>
Net transfer base	64,848,384	19,114,464	83,962,848
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	<u>3,890,903</u>	<u>1,146,868</u>	<u>5,037,771</u>
<b>Street Lighting Reimbursement</b>			
Street lighting projected revenue	1,417,212		1,417,212
Transfer Rate	50%		50%
Projected street lighting reimbursement	<u>708,606</u>		<u>708,606</u>
Total projected transfer to City of Greenville General Fund	<u>\$ 4,599,509</u>	<u>\$ 1,146,868</u>	<u>\$ 5,746,377</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
SCHEDULE OF INDEBTEDNESS  
June 30, 2012**

Schedule 14

	Date of Issue	Date of Maturity	Outstanding June 30, 2011	Added During Year	Retired During Year		Outstanding June 30, 2012	Discount/ Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2012
					Principal	Interest				Principal	Interest	
<b>Electric Fund:</b>												
\$2,840,154 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,820,919	-	262,089	97,710	1,558,830	(25,418)	1,533,412	277,506	82,524	30,167
\$6,758,308 RB, 2001 New Money	5/1/2001	9/1/2021	276,576	-	276,576	7,606	-	-	-	-	-	-
\$627,500 Refunding RB, 2003B	5/1/2003	5/1/2018	335,455	-	42,831	11,957	292,624	(628)	291,996	44,449	10,339	1,805
\$2,607,909 RB, 2005	7/13/2005	9/1/2025	2,110,776	-	109,206	70,527	2,001,570	-	2,001,570	114,096	66,697	22,885
\$7,940,306 RB, 2007	5/11/2007	5/11/2027	6,581,372	-	355,979	249,434	6,225,393	(21,239)	6,204,154	362,725	235,942	32,770
\$1,084,583 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	969,680	-	105,783	39,313	863,897	(3,433)	860,464	109,431	35,547	6,244
\$605,347 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	550,996	-	45,654	22,922	505,342	(10,827)	494,515	47,104	21,299	3,687
\$5,225,000 RB, 2008A New Money	6/25/2008	11/1/2033	3,903,762	-	-	185,304	3,903,762	58,446	3,962,208	-	185,304	30,884
\$4,130,000 RB, 2008B Taxable	6/25/2008	11/1/2018	3,475,000	-	355,000	186,048	3,120,000	-	3,120,000	375,000	166,703	29,440
\$3,902,210 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,902,210	-	53,188	97,278	3,849,022	(196,193)	3,652,829	342,175	92,316	32,203
\$320,000 Installment Purchase 2009	6/15/2009	6/15/2012	109,563	-	109,563	3,002	-	-	-	-	-	-
\$514,460 Installment Purchase 2010	5/26/2010	4/26/2015	415,836	-	100,051	10,645	315,785	-	315,785	102,612	8,084	1,462
\$848,231 Installment Purchase 2011	5/18/2011	4/18/2016	848,231	-	164,157	15,444	684,074	-	684,074	166,003	13,599	2,754
\$834,344 Installment Purchase 2012	5/16/2012	5/16/2015	-	834,344	-	-	834,344	-	834,344	274,421	11,180	1,398
			25,300,376	834,344	1,980,077	997,190	24,154,643	(199,292)	23,955,351	2,215,522	929,534	195,699
<b>Water Fund:</b>												
\$1,538,624 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	986,464	-	141,984	52,933	844,480	(13,623)	830,857	150,336	44,706	16,343
\$1,766,834 RB, 2001 New Money	5/1/2001	9/1/2021	120,184	-	120,184	3,305	-	-	-	-	-	-
\$313,750 Refunding RB, 2003B	5/1/2003	5/1/2018	167,727	-	21,415	5,979	146,312	(314)	145,998	22,224	5,170	902
\$1,356,029 RB, 2005	7/13/2005	9/1/2025	1,097,536	-	56,784	36,672	1,040,752	-	1,040,752	59,326	34,680	11,899
\$2,378,250 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	2,126,295	-	231,960	86,205	1,894,335	(7,529)	1,886,806	239,958	77,946	13,691
\$11,924,653 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	10,854,003	-	899,345	451,540	9,954,658	(207,363)	9,747,295	927,896	419,564	72,634
\$9,680,000 RB, 2008A New Money	6/25/2008	11/1/2033	10,170,572	-	259,308	467,264	9,911,264	191,930	10,103,194	270,128	457,999	77,121
\$1,695,666 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,695,667	-	23,113	42,271	1,672,554	(85,253)	1,587,301	148,689	40,115	13,994
\$3,000,000 SRF Loan #1, 1997	2/22/2002	5/1/2015	923,077	-	230,769	23,538	692,308	-	692,308	230,769	17,654	2,942
\$3,000,000 SRF Loan #2, 1998	8/20/2003	5/1/2018	1,400,000	-	200,000	40,180	1,200,000	-	1,200,000	200,000	34,440	5,740
\$4,014,597 SRF Loan #4, 2004	11/18/2010	5/1/2030	3,690,667	-	194,246	81,379	3,496,422	-	3,496,422	194,246	77,095	12,850
\$460,425 SRF Loan #7	*	*	-	342,103	-	-	342,103	-	342,103	17,105	24,252	17,119
\$269,492 SRF Loan #9	6/21/2010	5/1/2030	256,017	-	13,474	6,401	242,543	-	242,543	13,475	6,064	1,011
\$2,942,152 ARRA Loan #6	*	*	1,370,329	27,194	73,554	-	1,323,968	-	1,323,968	73,554	-	-
\$44,782 ARRA Loan #8	1/28/2011	5/2/2031	22,391	-	1,120	-	21,271	-	21,271	1,119	-	-
\$125,459 Installment Purchase 2010	5/26/2010	4/26/2015	101,408	-	24,399	2,596	77,009	-	77,009	25,024	1,971	357
\$98,022 Installment Purchase 2011	5/18/2011	4/18/2016	98,022	-	18,970	1,785	79,052	-	79,052	19,183	1,572	318
\$179,575 Installment Purchase 2012	5/16/2012	5/16/2015	-	179,575	-	-	179,575	-	179,575	59,063	2,406	301
			35,080,359	548,872	2,510,625	1,302,048	33,118,606	(122,152)	32,996,454	2,652,095	1,245,634	247,222
<b>Sewer Fund:</b>												
\$9,355,000 Ref. G.O. Bonds, 2003	4/1/2003	3/1/2012	230,000	-	230,000	7,820	-	-	-	-	-	-
\$1,667,119 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,068,846	-	153,841	57,354	915,005	(14,762)	900,243	162,891	48,440	17,708
\$4,561,522 RB, 2001 New Money	5/1/2001	9/1/2021	153,990	-	153,990	4,235	-	-	-	-	-	-
\$4,940,000 Refunding RB, 2003B	5/1/2003	5/1/2018	2,640,870	-	337,184	94,133	2,303,686	(4,947)	2,298,739	349,921	81,396	14,207
\$4,036,062 RB, 2005	7/13/2005	9/1/2025	3,266,688	-	169,010	109,149	3,097,678	-	3,097,678	176,578	103,222	35,417
\$4,219,963 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	3,772,893	-	411,589	152,962	3,361,304	(13,357)	3,347,947	425,781	138,308	24,293
\$9,310,000 RB, 2008A New Money	6/25/2008	11/1/2033	9,885,923	-	221,647	456,082	9,664,276	184,813	9,849,089	227,823	448,216	75,367
\$2,172,644 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	2,172,644	-	29,614	54,162	2,143,030	(109,236)	2,033,794	190,513	51,399	17,930
\$11,629,783 SRF Loan #3, 2001	4/26/2005	5/1/2020	6,977,870	-	775,319	179,331	6,202,551	-	6,202,551	775,319	159,406	26,568
\$13,851,680 SRF Loan #5, 2008	*	*	12,625,029	-	692,584	326,346	11,932,445	-	11,932,445	612,474	267,348	51,528
\$10,703,136 SRF Loan #10 2011	*	*	-	1,936,491	-	-	1,936,491	-	1,936,491	96,824	35,949	-
\$2,895,724 Bethel Inter-Local Agreement	1/6/2003	5/1/2023	1,816,579	-	151,381	110,147	1,665,198	-	1,665,198	151,382	106,455	19,918
\$297,034 Installment Purchase 2010	5/26/2010	4/26/2015	240,091	-	57,766	6,146	182,325	-	182,325	59,245	4,667	844
\$180,653 Installment Purchase 2011	5/18/2011	4/18/2016	180,653	-	34,961	3,289	145,692	-	145,692	35,355	2,896	586
\$101,055 Installment Purchase 2012	5/16/2012	5/16/2015	-	101,055	-	-	101,055	-	101,055	33,238	1,354	169
			45,032,076	2,037,546	3,418,886	1,561,156	43,650,736	42,511	43,693,247	3,297,344	1,449,056	284,535
<b>Gas Fund:</b>												
\$2,244,103 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,438,770	-	207,085	77,204	1,231,685	(19,870)	1,211,815	219,267	65,205	23,836
\$3,708,336 RB, 2001 New Money	5/1/2001	9/1/2021	229,250	-	229,250	6,304	-	-	-	-	-	-
\$2,483,750 Refunding RB, 2003B	5/1/2003	5/1/2018	1,327,786	-	169,531	47,329	1,158,255	(2,487)	1,155,768	175,934	40,925	7,143
\$1,909,693 RB, 2007	5/11/2007	5/11/2027	1,582,862	-	85,616	59,990	1,497,246	(5,109)	1,492,137	87,238	56,746	7,881
\$1,237,204 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,106,132	-	120,668	44,845	985,464	(3,916)	981,548	124,830	40,549	7,122
\$1,660,000 RB, 2008A New Money	6/25/2008	11/1/2033	949,743	-	24,044	43,555	925,699	32,002	957,701	27,050	42,660	7,189
\$3,234,480 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,234,480	-	44,087	80,632	3,190,393	(162,622)	3,027,771	283,623	76,519	26,693
\$334,828 Installment Purchase 2010	5/26/2010	4/26/2015	270,640	-	65,116	6,928	205,524	-	205,524	66,784	5,262	951
\$180,474 Installment Purchase 2011	5/18/2011	4/18/2016	180,474	-	34,927	3,286	145,547	-	145,547	35,320	2,893	586
\$22,026 Installment Purchase 2012	5/16/2012	5/16/2015	-	22,026	-	-	22,026	-	22,026	7,244	295	37
			10,320,137	22,026	980,324	370,073	9,361,839	(162,002)	9,199,837	1,027,290	331,054	81,438
<b>Total All Funds</b>			<b>115,732,948</b>	<b>3,442,788</b>	<b>8,889,912</b>	<b>4,230,467</b>	<b>110,285,824</b>	<b>(440,935)</b>	<b>109,844,889</b>	<b>9,192,251</b>	<b>3,955,278</b>	<b>808,894</b>

\* Loan Schedule to be determined upon completion of project.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2012**

<b>Grantor/Pass Through Grantor/Program Title</b>	<b>Federal CDFA Number</b>	<b>Grant Number</b>	<b>Federal (Direct and Pass Through)</b>	<b>State Expenditures</b>	<b>Local Expenditures</b>	<b>Total</b>
<b>U.S. Department of Homeland Security</b>						
<b>Federal Emergency Management Agency</b>						
Passed through the NC Department of Crime Control and Public Safety						
Disaster Assistance	97.036	FEMA-4019-DR-NC	1,857,395	619,132	-	2,476,527
Total Passed through the NC Department of Crime Control and Public Safety			1,857,395	619,132	-	2,476,527
<b>Total U.S. Department of Homeland Security</b>			<b>1,857,395</b>	<b>619,132</b>	<b>-</b>	<b>2,476,527</b>
<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	763,181	190,795	-	953,976
Division of Water Quality						
Clean Water State Revolving Fund	66.458	E-SRF-T-08-01080	111,930	27,982	-	139,912
Clean Water State Revolving Fund	66.458	E-SRF-T-10-0261	2,631,191	657,798	(293,412)	2,995,577
Clean Water State Revolving Fund	66.458	E-SRL-T-10-0260	2,574,652	643,663	436,582	3,654,897
Total Pass-through NC Department of Environment and Natural Resources			6,080,954	1,520,238	143,170	7,744,362
<b>Total U. S. Environmental Protection Agency</b>			<b>6,080,954</b>	<b>1,520,238</b>	<b>143,170</b>	<b>7,744,362</b>
<b>Total Federal Assistance</b>			<b>\$ 7,938,349</b>	<b>\$ 1,520,238</b>	<b>\$ 143,170</b>	<b>\$ 7,744,362</b>

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# Statistical Section

**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2012



**Greenville  
Utilities**



# **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 Assets by Component  
Last Ten Fiscal Years  
(amounts expressed in thousands)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Business-type activities					
Invested in capital assets, net of related debt	\$ 179,252	\$ 181,185	\$ 194,175	\$ 203,328	\$ 211,689
Unrestricted	49,513	54,684	48,190	51,057	54,448
Total business-type activities net assets	<u>\$ 228,765</u>	<u>\$ 235,869</u>	<u>\$ 242,365</u>	<u>\$ 254,385</u>	<u>\$ 266,137</u>

	Fiscal Year				
	2008	2009	2010	2011	2012
Business-type activities					
Invested in capital assets, net of related debt	\$ 221,178	\$ 231,890	\$ 236,136	\$ 235,421	\$ 238,986
Unrestricted	57,730	56,973	63,055	75,583	79,196
Total business-type activities net assets	<u>\$ 278,908</u>	<u>\$ 288,863</u>	<u>\$ 299,191</u>	<u>\$ 311,004</u>	<u>\$ 318,182</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>OPERATING REVENUES:</b>										
Charges for services	\$ 173,484	\$ 181,870	\$ 189,623	\$ 214,077	\$ 224,297	\$ 235,850	\$ 257,795	\$ 259,181	\$ 270,573	\$ 255,943
Other operating revenues	1,020	1,022	1,022	687	1,193	668	718	730	800	785
Total operating revenues	174,504	182,893	190,646	214,764	225,490	236,517	258,513	259,911	271,373	256,728
<b>OPERATING EXPENSES:</b>										
Administration and general	13,593	15,071	16,433	16,495	17,544	13,796	13,466	13,963	14,756	15,456
Operations and maintenance	17,696	17,778	19,676	20,735	22,062	31,030	32,428	32,536	33,784	36,433
Purchased power and gas	119,354	124,846	131,551	152,760	160,824	164,060	185,204	183,863	188,585	175,992
Depreciation	11,506	13,564	14,060	14,577	14,555	14,810	15,324	15,649	16,744	16,962
Total operating expenses	162,149	171,259	181,720	204,568	214,985	223,695	246,422	246,011	253,869	244,842
Operating income (loss)	12,355	11,634	8,926	10,196	10,505	12,822	12,091	13,900	17,504	11,886
<b>NON-OPERATING REVENUES (EXPENSES):</b>										
Interest income	1,328	500	1,330	2,037	2,912	2,212	1,426	809	637	335
Interest expense and service charges	(2,409)	(2,343)	(3,570)	(3,880)	(3,870)	(3,713)	(4,170)	(3,973)	(4,330)	(3,984)
Other, net	2,137	1,404	1,283	1,423	2,747	1,410	1,433	1,315	2,382	4,677
Net non-operating revenues	1,057	(439)	(957)	(421)	1,788	(91)	(1,312)	(1,848)	(1,311)	1,027
Income before contributions and transfers	13,412	11,194	7,968	9,776	12,293	12,731	10,779	12,052	16,193	12,913
<b>CONTRIBUTIONS AND TRANSFERS:</b>										
Capital Contributions	1,720	372	3,112	7,043	4,448	5,055	4,462	3,501	1,062	-
Transfer to City of Greenville, General Fund	(3,503)	(3,986)	(4,092)	(4,287)	(4,454)	(4,444)	(4,659)	(4,563)	(4,765)	(5,039)
Transfer to City of Greenville, street lighting reimb.	(440)	(478)	(492)	(510)	(535)	(570)	(628)	(662)	(678)	(696)
Total contributions and transfers	(2,223)	(4,091)	(1,472)	2,245	(542)	40	(825)	(1,724)	(4,381)	(5,735)
<b>CHANGES IN NET ASSETS</b>	<b>\$ 11,189</b>	<b>\$ 7,104</b>	<b>\$ 6,496</b>	<b>\$ 12,021</b>	<b>\$ 11,751</b>	<b>\$ 12,771</b>	<b>\$ 9,954</b>	<b>\$ 10,329</b>	<b>\$ 11,812</b>	<b>\$ 7,178</b>

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

Fiscal Year	Electric Fund			Water Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
2003	130,811,229	1,089,169	222,446	9,112,265	385,721	125,692
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

Fiscal Year	Sewer Fund			Gas Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
2003	9,731,352	373,310	648,760	21,811,640	169,606	22,787
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

**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>Resale</b>	<b>Seasonal</b>	<b>Total</b>	<b>Effective Rate (per kWh)<sup>1</sup></b>
2003	592,984,144	102,837,832	318,889,089	434,703,456	13,693,256	36,216,900	6,302,913	1,505,627,590	\$ 0.08688
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

<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>
2003	1,833,556	967,817	375,549	-	3,176,922	\$ 2.86827
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

<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**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Wholesale</b>	<b>Total</b>	<b>Effective Rate (per kgallon)<sup>2</sup></b>
2003	1,381,764	1,018,790	-	2,400,554	\$ 4.05379
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

<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**

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Interruptible</b>	<b>Seasonal</b>	<b>Total</b>	<b>Effective Rate (per CCF)<sup>2</sup></b>
2003	8,524,065	5,680,864	1,188,601	7,953,796	55,694	23,403,020	\$ 0.93200
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

<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>2003</u>	<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>
<b>Effective Rate (per kWh)</b>	\$0.08688	\$0.08928	\$0.09088	\$0.09918	\$0.10292	\$0.10246	\$0.11344	\$ 0.11679	\$ 0.11703	\$ 0.11699
<b>Residential</b>										
Basic customer charge (per month)	\$ 8.45	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.99	\$ 8.99	\$ 8.99
Energy (per kWh) Summer	\$0.09651	\$0.09979	\$0.10455	\$0.11195	\$0.11074	\$0.11074	\$0.12257	\$ 0.12600	\$ 0.12600	\$ 0.12600
Winter	\$0.08629	\$0.08922	\$0.09400	\$0.10138	\$0.10017	\$0.10017	\$0.11200	\$ 0.11514	\$ 0.11514	\$ 0.11514
<b>Small General Service<sup>1</sup></b>										
Basic customer charge (per month)	\$ 12.13	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.89	\$ 12.89	\$ 12.89
Energy (per kWh) a. first 1,000 kWh	\$0.10193	\$0.10540	\$0.11016	\$0.11756	\$0.11635	\$0.11635	\$0.12818	\$ 0.13177	\$ 0.13177	\$ 0.13177
b. next 5,000 kWh	\$0.09611	\$0.09938	\$0.10414	\$0.11154	\$0.11033	\$0.11033	\$0.12216	\$ 0.12558	\$ 0.12558	\$ 0.12558
c. all additional kWh	\$0.07860	\$0.08127	\$0.08603	\$0.09343	\$0.09222	\$0.09222	\$0.10405	\$ 0.10696	\$ 0.10696	\$ 0.10696
<b>Medium General Service<sup>2</sup></b>										
Basic customer charge (per month)	\$ 12.54	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 13.33	\$ 13.33	\$ 13.33
Demand (per kW) a. first 35 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. all additional kW	\$ 3.93	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.17	\$ 4.17	\$ 4.17
Energy (per kWh) a. first 12,500 kWh	\$0.09390	\$0.09709	\$0.10185	\$0.10925	\$0.10804	\$0.10804	\$0.11987	\$ 0.12323	\$ 0.12323	\$ 0.12323
b. all additional kWh	\$0.06484	\$0.06704	\$0.07180	\$0.07920	\$0.07799	\$0.07799	\$0.08982	\$ 0.09233	\$ 0.09233	\$ 0.09233
<b>Large General Service<sup>3</sup></b>										
Basic customer charge (per month)	n/a									
Demand (per kW) a. base allocated peak demand	\$ 15.26	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 17.42	\$ 17.42	\$ 17.42
b. all additional demand	\$ 4.37	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 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	\$0.02530	\$0.02687	\$0.03169	\$0.03917	\$0.03795	\$0.03795	\$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>2003</u>	<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>
<b>Seasonal General Service</b>										
Basic customer charge (per month)	\$ 13.97	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.84	\$ 14.84	\$ 14.84
Energy (per kWh)										
Summer										
a. first 750 kWh	\$0.11255	\$0.11638	\$0.12114	\$0.12854	\$0.12733	\$0.12733	\$0.13916	\$ 0.14306	\$ 0.14306	\$ 0.14306
b. next 2,250 kWh plus 150 kWh per kWh of billing demand in excess of 10 kWh per billing month	\$0.10200	\$0.10547	\$0.11023	\$0.11763	\$0.11642	\$0.11642	\$0.12825	\$ 0.13184	\$ 0.13184	\$ 0.13184
c. all additional kWh	\$0.07813	\$0.08079	\$0.08555	\$0.92950	\$0.09174	\$0.09174	\$0.10357	\$ 0.10647	\$ 0.10647	\$ 0.10647
Winter										
a. first 750 kWh	\$0.09308	\$0.96240	\$0.10100	\$0.10840	\$0.10719	\$0.10719	\$0.11902	\$ 0.12235	\$ 0.12235	\$ 0.12235
b. all additional kWh	\$0.06623	\$0.06848	\$0.07324	\$0.08064	\$0.07943	\$0.07943	\$0.09126	\$ 0.09382	\$ 0.09382	\$ 0.09382
<b>Outdoor Lighting Service (rate per unit per month)</b>										
General Customers										
175W (7,000 lumens) mercury vapor	\$ 10.64	\$ 11.00	\$ 11.33	\$ 11.85	\$ 11.77	\$ 11.77	\$ 12.59	\$ 12.85	\$ 12.85	\$ 12.85
250W (11,000 lumens) mercury vapor	\$ 13.38	\$ 13.83	\$ 14.31	\$ 15.05	\$ 14.93	\$ 14.93	\$ 16.11	\$ 16.47	\$ 16.47	\$ 16.47
400W (20,000 lumens) mercury vapor	\$ 18.19	\$ 18.81	\$ 19.52	\$ 20.63	\$ 20.45	\$ 20.45	\$ 22.23	\$ 22.77	\$ 22.77	\$ 22.77
150W (14,000 lumens) sodium vapor	\$ 13.61	\$ 14.07	\$ 14.40	\$ 14.92	\$ 14.84	\$ 14.84	\$ 15.66	\$ 15.92	\$ 15.92	\$ 15.92
250W (23,000 lumens) sodium vapor	\$ 17.86	\$ 18.47	\$ 18.97	\$ 19.75	\$ 19.62	\$ 19.62	\$ 20.86	\$ 21.24	\$ 21.24	\$ 21.24
400W (45,000 lumens) sodium vapor	\$ 27.07	\$ 27.99	\$ 28.75	\$ 29.94	\$ 29.74	\$ 29.74	\$ 31.64	\$ 32.21	\$ 32.21	\$ 32.21
400W-F (45,000 lumens) sodium vapor	\$ 28.11	\$ 29.07	\$ 29.83	\$ 31.02	\$ 30.82	\$ 30.82	\$ 32.72	\$ 33.29	\$ 33.29	\$ 33.29
400W (40,000 lumens) metal halide	\$ 29.61	\$ 30.62	\$ 31.38	\$ 32.57	\$ 32.37	\$ 32.37	\$ 34.27	\$ 34.84	\$ 34.84	\$ 34.84
County, Municipal or Housing Authority										
175W (7,000 lumens) mercury vapor	\$ 9.66	\$ 9.99	\$ 10.32	\$ 10.84	\$ 10.76	\$ 10.76	\$ 11.58	\$ 11.84	\$ 11.84	\$ 11.84
250W (11,000 lumens) mercury vapor	\$ 12.69	\$ 13.12	\$ 13.60	\$ 14.34	\$ 14.22	\$ 14.22	\$ 15.40	\$ 15.76	\$ 15.76	\$ 15.76
400W (20,000 lumens) mercury vapor	\$ 17.28	\$ 17.87	\$ 18.58	\$ 19.69	\$ 19.51	\$ 19.51	\$ 21.29	\$ 21.83	\$ 21.83	\$ 21.83
400W-T (20,000 lumens) mercury vapor	\$ 15.02	\$ 15.53	\$ 15.86	\$ 16.38	\$ 16.35	\$ 16.35	\$ 17.23	\$ 17.50	\$ 17.50	\$ 17.50
1000W (53,000 lumens) mercury vapor	\$ 35.04	\$ 36.23	\$ 36.73	\$ 37.51	n/a	n/a	n/a	n/a	n/a	n/a
150W (14,000 lumens) sodium vapor	\$ 12.15	\$ 12.56	\$ 13.32	\$ 14.51	\$ 13.43	\$ 13.43	\$ 14.26	\$ 14.51	\$ 14.51	\$ 14.51
250W (23,000 lumens) sodium vapor	\$ 15.95	\$ 16.49	\$ 17.25	\$ 18.44	\$ 17.70	\$ 17.70	\$ 18.95	\$ 19.32	\$ 19.32	\$ 19.32
400W (45,000 lumens) sodium vapor	\$ 24.17	\$ 24.99	\$ 25.75	\$ 26.94	\$ 26.74	\$ 26.74	\$ 28.64	\$ 29.21	\$ 29.21	\$ 29.21
400W-F (45,000 lumens) sodium vapor	\$ 25.22	\$ 26.08	\$ 26.84	\$ 28.03	\$ 27.83	\$ 27.83	\$ 29.73	\$ 30.30	\$ 30.30	\$ 30.30
400W (40,000 lumens) metal halide	\$ 26.72	\$ 27.63	\$ 28.39	\$ 29.58	\$ 29.38	\$ 29.38	\$ 31.28	\$ 31.85	\$ 31.85	\$ 31.85
<b>Sports Field Lighting Service</b>										
Demand (per kW)	\$ 2.14	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.27	\$ 2.27	\$ 2.27
Energy (per kWh)	\$0.07653	\$0.07913	\$0.08389	\$0.09129	\$0.09008	\$0.09008	\$0.10191	\$ 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>2003</u>	<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>	
<b>Effective rate (per kgallon)</b>		\$ 2.86827	\$ 2.87598	\$ 3.04651	\$ 3.19891	\$ 3.25801	\$ 3.51720	\$ 3.64901	\$ 3.75079	\$ 3.93124	\$ 4.15248	
<b>Basic meter charge (based on meter size)</b>												
Inside City	3/4"	\$ 2.64	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	\$ 5.79	\$ 5.79	\$ 5.79	\$ 6.61	\$ 6.61	
	1"	\$ 7.63	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	\$ 9.30	\$ 9.30	\$ 9.30	\$ 10.77	\$ 10.77	
	1-1/2"	\$ 15.29	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	\$ 17.32	\$ 17.32	\$ 17.32	\$ 20.28	\$ 20.28	
	2"	\$ 29.15	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	\$ 27.34	\$ 27.34	\$ 27.34	\$ 32.16	\$ 32.16	
	3"	\$ 35.56	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	\$ 59.40	\$ 59.40	\$ 59.40	\$ 70.17	\$ 70.17	
	4"	\$ 58.14	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	\$ 100.98	\$ 100.98	\$ 100.98	\$ 119.47	\$ 119.47	
	6"	\$ 143.65	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	\$ 209.70	\$ 209.70	\$ 209.70	\$ 248.37	\$ 248.37	
	8"	\$ 165.57	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	\$ 301.38	\$ 301.38	\$ 301.38	\$ 357.07	\$ 357.07	
	10"	\$ 230.84	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	\$ 485.25	\$ 485.25	\$ 485.25	\$ 575.07	\$ 575.07	
	12"	\$ 251.39	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	\$ 718.72	\$ 718.72	\$ 718.72	\$ 851.88	\$ 851.88	
	Outside City	3/4"	\$ 3.02	\$ 3.02	\$ 3.14	\$ 3.30	\$ 3.30	\$ 6.54	\$ 6.54	\$ 6.54	\$ 7.50	\$ 7.50
		1"	\$ 8.76	\$ 8.76	\$ 9.11	\$ 9.57	\$ 9.57	\$ 10.58	\$ 10.58	\$ 10.58	\$ 12.29	\$ 12.29
1-1/2"		\$ 17.51	\$ 17.51	\$ 18.21	\$ 19.12	\$ 19.12	\$ 19.80	\$ 19.80	\$ 19.80	\$ 23.22	\$ 23.22	
2"		\$ 33.42	\$ 33.42	\$ 34.76	\$ 36.50	\$ 36.50	\$ 31.32	\$ 31.32	\$ 31.32	\$ 36.88	\$ 36.88	
3"		\$ 40.78	\$ 40.78	\$ 42.41	\$ 44.53	\$ 44.53	\$ 68.19	\$ 68.19	\$ 68.19	\$ 80.60	\$ 80.60	
4"		\$ 66.66	\$ 66.66	\$ 69.33	\$ 72.80	\$ 72.80	\$ 116.01	\$ 116.01	\$ 116.01	\$ 137.29	\$ 137.29	
6"		\$ 164.69	\$ 164.69	\$ 171.28	\$ 179.84	\$ 179.84	\$ 241.04	\$ 241.04	\$ 241.04	\$ 285.53	\$ 285.53	
8"		\$ 189.82	\$ 189.82	\$ 197.41	\$ 207.28	\$ 207.28	\$ 346.47	\$ 346.47	\$ 346.47	\$ 410.53	\$ 410.53	
10"		\$ 264.67	\$ 264.67	\$ 275.26	\$ 289.02	\$ 289.02	\$ 557.92	\$ 557.92	\$ 557.92	\$ 661.23	\$ 661.23	
12"		\$ 288.24	\$ 288.24	\$ 299.77	\$ 314.76	\$ 314.76	\$ 826.41	\$ 826.41	\$ 826.41	\$ 979.56	\$ 979.56	
Industrial		3/4"	\$ 2.64	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	*	*	*	*	*
		1"	\$ 7.63	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	*	*	*	*	*
	1-1/2"	\$ 15.29	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	*	*	*	*	*	
	2"	\$ 29.15	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	*	*	*	*	*	
	3"	\$ 35.56	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	*	*	*	*	*	
	4"	\$ 58.14	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	*	*	*	*	*	
	6"	\$ 143.65	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	*	*	*	*	*	
	8"	\$ 165.57	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	*	*	*	*	*	
	10"	\$ 230.84	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	*	*	*	*	*	
	12"	\$ 251.39	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	*	*	*	*	*	
	<b>Volume Charge (per kgal)</b>											
	Inside City	Residential	\$ 2.240	\$ 2.240	\$ 2.330	\$ 2.450	\$ 2.450	\$ 2.950	\$ 2.950	\$ 2.950	\$ 3.350	\$ 3.350
Commercial		\$ 1.820	\$ 1.820	\$ 1.890	\$ 1.980	\$ 1.980	\$ 2.390	\$ 2.390	\$ 2.390	\$ 2.710	\$ 2.710	
Industrial		\$ 1.690	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	
Outside City	Irrigation All Customers	**	**	**	**	**	**	**	**	\$ 5.030	\$ 5.030	
	Residential	\$ 3.490	\$ 3.490	\$ 3.630	\$ 3.810	\$ 3.810	\$ 4.580	\$ 4.580	\$ 4.580	\$ 5.200	\$ 5.200	
	Commercial	\$ 2.790	\$ 2.790	\$ 2.900	\$ 3.050	\$ 3.050	\$ 3.700	\$ 3.700	\$ 3.700	\$ 4.200	\$ 4.200	
	Industrial	\$ 1.690	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	
	Irrigation Residential	**	**	**	**	**	**	**	**	\$ 7.80	\$ 7.80	
	Irrigation Commercial	**	**	**	**	**	**	**	**	\$ 7.80	\$ 7.80	
Irrigation Industrial	**	**	**	**	**	**	**	**	\$ 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  
Continued

		<u>2003</u>	<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>	
<b>Effective rate (per kgallon)</b>		\$ 4.05379	\$ 4.07904	\$ 4.26109	\$ 4.27924	\$ 4.45449	\$ 4.56599	\$ 4.93100	\$ 5.25847	\$ 5.81463	\$ 6.27941	
<b>Basic meter charge (based on water/wastewater meter size)</b>												
Residential	3/4"	\$ 5.98	\$ 5.98	\$ 6.22	\$ 6.22	\$ 7.22	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24	
	1"	\$ 14.74	\$ 14.74	\$ 15.33	\$ 15.33	\$ 17.79	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78	
	1-1/2"	\$ 30.25	\$ 30.25	\$ 31.46	\$ 31.46	\$ 36.52	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	
	2"	\$ 59.58	\$ 59.58	\$ 61.96	\$ 61.96	\$ 71.92	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	
	3"	\$ 68.34	\$ 68.34	\$ 71.07	\$ 71.07	\$ 82.50	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	
	4"	\$ 110.61	\$ 110.61	\$ 115.03	\$ 115.03	\$ 133.52	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	
	6"	\$ 266.33	\$ 266.33	\$ 276.98	\$ 276.98	\$ 321.51	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	
	8"	\$ 319.29	\$ 319.29	\$ 332.06	\$ 332.06	\$ 385.45	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	
	10"	\$ 446.82	\$ 446.82	\$ 464.69	\$ 464.69	\$ 539.40	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	
	12"	\$ 625.23	\$ 625.23	\$ 650.24	\$ 650.24	\$ 754.78	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	
	Commercial/Industrial	3/4"	\$ 4.34	\$ 4.34	\$ 4.51	\$ 4.51	\$ 5.24	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24
		1"	\$ 12.66	\$ 12.66	\$ 13.17	\$ 13.17	\$ 15.29	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78
1-1/2"		\$ 25.31	\$ 25.31	\$ 26.32	\$ 26.32	\$ 30.55	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	
2"		\$ 48.28	\$ 48.28	\$ 50.21	\$ 50.21	\$ 58.28	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	
3"		\$ 58.89	\$ 58.89	\$ 61.28	\$ 61.28	\$ 71.10	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	
4"		\$ 96.27	\$ 96.27	\$ 100.12	\$ 100.12	\$ 116.22	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	
6"		\$ 237.76	\$ 237.76	\$ 247.27	\$ 247.27	\$ 287.02	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	
8"		\$ 274.07	\$ 274.07	\$ 285.03	\$ 285.03	\$ 330.85	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	
10"		\$ 382.12	\$ 382.12	\$ 397.40	\$ 397.40	\$ 461.29	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	
12"		\$ 416.07	\$ 416.07	\$ 432.71	\$ 432.71	\$ 502.28	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 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"	\$ 8.62	\$ 8.96	\$ 8.96	\$ 8.96	\$ 9.96	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36	
	1"	\$ 22.37	\$ 23.26	\$ 23.26	\$ 23.26	\$ 25.86	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17	
	1-1/2"	\$ 45.54	\$ 47.36	\$ 47.36	\$ 47.36	\$ 52.65	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60	
	2"	\$ 88.74	\$ 92.29	\$ 92.29	\$ 92.29	\$ 102.59	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62	
	3"	\$ 103.90	\$ 108.06	\$ 108.06	\$ 108.06	\$ 120.12	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27	
	4"	\$ 168.75	\$ 175.50	\$ 175.50	\$ 175.50	\$ 195.09	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55	
	6"	\$ 409.98	\$ 426.38	\$ 426.38	\$ 426.38	\$ 473.97	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57	
	8"	\$ 484.86	\$ 504.25	\$ 504.25	\$ 504.25	\$ 560.53	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95	
	10"	\$ 677.66	\$ 704.77	\$ 704.77	\$ 704.77	\$ 783.43	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	
	12"	\$ 876.62	\$ 911.68	\$ 911.68	\$ 911.68	\$ 1,013.43	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 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>2003</u>	<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>
<b>Sewer Only Customers</b>										
<b>Basic meter charge (based on water/wastewater meter size)</b>										
Commercial/Industrial 3/4"	\$ 6.98	\$ 7.26	\$ 7.26	\$ 7.26	\$ 8.07	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36
1"	\$ 20.29	\$ 21.20	\$ 21.20	\$ 21.20	\$ 23.45	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17
1-1/2"	\$ 40.60	\$ 42.22	\$ 42.22	\$ 42.22	\$ 46.93	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60
2"	\$ 77.44	\$ 80.54	\$ 80.54	\$ 80.54	\$ 89.53	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62
3"	\$ 94.45	\$ 98.23	\$ 98.23	\$ 98.23	\$ 109.19	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27
4"	\$ 154.41	\$ 160.59	\$ 160.59	\$ 160.59	\$ 178.51	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55
6"	\$ 381.41	\$ 396.67	\$ 396.67	\$ 396.67	\$ 440.94	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57
8"	\$ 439.64	\$ 457.23	\$ 457.23	\$ 457.23	\$ 508.26	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95
10"	\$ 612.96	\$ 637.48	\$ 637.48	\$ 637.48	\$ 708.63	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12
12"	\$ 667.46	\$ 694.16	\$ 694.16	\$ 694.16	\$ 771.63	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 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	\$ 3.000	\$ 3.120	\$ 3.120	\$ 3.120	\$ 3.500	\$ 3.500	\$ 3.670	\$ 4.450	\$ 4.450
Commercial/Industrial	\$ 3.320	\$ 3.320	\$ 3.450	\$ 3.450	\$ 3.450	\$ 3.880	\$ 3.880	\$ 4.070	\$ 4.930	\$ 4.930
Metered wastewater (100%)	\$ 3.650	\$ 3.650	\$ 3.800	\$ 3.800	\$ 3.800	\$ 4.270	\$ 4.270	\$ 4.480	\$ 5.430	\$ 5.430
Municipalities**	\$ 3.760	\$ 3.760	\$ 3.910	\$ 3.910	\$ 3.910	\$ 4.400	\$ 4.400	\$ 4.620	\$ 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  
Continued

		<u>2003</u>	<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>
<b>Effective rate (per CCF)</b>		\$ 0.93200	\$ 1.14520	\$ 1.33941	\$ 1.67238	\$ 1.44444	\$ 1.52242	\$ 1.53444	\$ 1.19998	\$ 1.15537	\$ 1.06742
<b>Residential Service</b>											
Basic facilities charge		\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*	*
Commodity	Summer	first 50 ccf	\$ 1.2482	\$ 1.2284	\$ 1.4270	\$ 1.8723	*	*	*	*	*
		all additional ccf	\$ 1.1802	\$ 1.1604	\$ 1.3590	\$ 1.8043	*	*	*	*	*
	Winter	first 50 ccf	\$ 1.2470	\$ 1.2335	\$ 1.4673	\$ 1.9359	*	*	*	*	*
		all additional ccf	\$ 1.1790	\$ 1.1655	\$ 1.3993	\$ 1.8679	*	*	*	*	*
Basic facilities charge		*	*	*	*	\$ 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
	all additional ccf	*	*	*	*	\$ 1.6238	\$ 2.0514	\$ 1.3261	\$ 1.1986	\$ 1.2510	\$ 0.9633
<b>Residential Service - Heat Only</b>											
Summer	Basic facilities charge	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.2522	\$ 1.2324	\$ 1.4310	\$ 1.8763	*	*	*	*	*
		all additional ccf	\$ 1.1862	\$ 1.1664	\$ 1.3650	\$ 1.8103	*	*	*	*	*
Winter	Basic facilities charge	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.2510	\$ 1.2375	\$ 1.4713	\$ 1.9399	*	*	*	*	*
		all additional ccf	\$ 1.1850	\$ 1.1715	\$ 1.4053	\$ 1.8739	*	*	*	*	*
Basic facilities charge		*	*	*	*	\$ 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
	all additional ccf	*	*	*	*	\$ 1.7003	\$ 2.1279	\$ 1.4026	\$ 1.2751	\$ 1.3275	\$ 1.0398
<b>Commercial Service</b>											
Basic facilities charge		\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	*	*	*	*	*	*
Commodity	Summer	first 100 ccf	\$ 1.1952	\$ 1.1754	\$ 1.3740	\$ 1.8193	*	*	*	*	*
		all additional ccf	\$ 1.1332	\$ 1.1134	\$ 1.3120	\$ 1.7573	*	*	*	*	*
	Winter	first 100 ccf	\$ 1.1940	\$ 1.1805	\$ 1.4143	\$ 1.8829	*	*	*	*	*
		all additional ccf	\$ 1.1320	\$ 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

\* 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.

**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>2003</u>	<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>
<b>Industrial Service</b>										
Basic facilities charge	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	*	*	*	*	*	*
Commodity Summer first 100 ccf	\$ 1.1357	\$ 1.1159	\$ 1.3145	\$ 1.7598	*	*	*	*	*	*
all additional ccf	\$ 1.1065	\$ 1.0867	\$ 1.2853	\$ 1.7306	*	*	*	*	*	*
Winter first 100 ccf	\$ 1.1345	\$ 1.1210	\$ 1.3548	\$ 1.8234	*	*	*	*	*	*
all additional ccf	\$ 1.1053	\$ 1.0918	\$ 1.3256	\$ 1.7942	*	*	*	*	*	*
Basic facilities charge	*	*	*	*	\$ 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
all additional ccf	*	*	*	*	\$ 1.3823	\$ 1.8099	\$ 1.0846	\$ 0.9571	\$ 1.0095	\$ 0.7218
<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									
<b>Seasonal Service</b>										
Basic facilities charge	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	*	*	*	*	*	*
Commodity Summer first 100 ccf	\$ 1.1392	\$ 1.1194	\$ 1.3180	\$ 1.7633	*	*	*	*	*	*
all additional ccf	\$ 1.1008	\$ 1.0810	\$ 1.2796	\$ 1.7249	*	*	*	*	*	*
Winter first 100 ccf	\$ 1.2070	\$ 1.1935	\$ 1.4273	\$ 1.8959	*	*	*	*	*	*
all additional ccf	\$ 1.1463	\$ 1.1328	\$ 1.3666	\$ 1.8352	*	*	*	*	*	*
Basic facilities charge	*	*	*	*	\$ 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
all additional ccf	*	*	*	*	\$ 1.3600	\$ 1.7876	\$ 1.0623	\$ 0.9348	\$ 0.9872	\$ 0.6995
<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	\$ 3.3774	\$ 7.015	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
Commodity charge	\$ 4.2108	\$ 4.2108	\$ 11.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.04	\$ 14.00	\$ 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.

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

Table 12  
Continued

**Electric Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2003</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	\$ 7,132,498	3.87%	\$ 6,637,325	5.22%
Vidant Medical Center <sup>1</sup>	Health Care	5,251,920	2.85%	3,590,523	2.82%
East Carolina University	Education	4,755,901	2.58%	2,442,092	1.92%
DSM Dyneema, LLC	High Performance Fibers	4,230,124	2.30%		
Attends Healthcare Products <sup>2</sup>	Medical Products	3,244,638	1.76%	1,547,060	1.22%
East Carolina University	Education	3,202,908	1.74%	1,715,656	1.32%
East Carolina University	Education	2,141,605	1.16%	2,061,508	1.62%
Vidant Medical Center <sup>1</sup>	Health Care	1,571,822	0.85%		
ASMO of Greenville	Motors	1,339,332	0.73%		
NACCO Material Handling	Fork Lift Trucks	1,251,654	0.68%		
Robert Bosch Tool Corp. <sup>3</sup>	Drill Bits			1,204,538	0.95%
TRW	Steering Components			1,085,157	0.85%
Town of Winterville	Government			914,177	0.72%
Rubbermaid Cleaning Products	Cleaning Products			842,784	0.66%
<b>Totals</b>		<b>\$ 34,122,402</b>	<b>18.52%</b>	<b>\$ 22,040,820</b>	<b>17.30%</b>

**Water Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2003</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	\$ 551,482	3.62%	\$ 451,263	4.90%
Vidant Medical Center <sup>1</sup>	Health Care	238,719	1.57%	216,388	2.35%
Town of Winterville	Government	173,462	1.14%		
DSM Dyneema, LLC	High Performance Fibers	100,245	0.66%		
East Carolina University	Education	86,979	0.57%	37,449	0.41%
Fuji Silysia Chemical USA, LTD	Silica Gel	66,928	0.44%		
Vidant Medical Center <sup>1</sup>	Health Care	65,689	0.43%		
Vidant Medical Center <sup>1</sup>	Health Care	63,274	0.42%		
Greenville Housing Authority	Apartments	53,269	0.35%	30,922	0.34%
DSM Dyneema, LLC	High Performance Fibers	47,779	0.31%		
Karastan Bigelow	Carpet Yarn			76,967	0.84%
East Carolina University	Education			38,129	0.41%
Greenville Housing Authority	Apartments			34,428	0.37%
Greystone MHP	Mobile Home Park			26,076	0.28%
East Carolina University	Education			25,957	0.28%
Pitt County	Government			25,651	0.28%
<b>Totals</b>		<b>\$ 1,447,826</b>	<b>9.51%</b>	<b>\$ 963,230</b>	<b>10.46%</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 2012</u>		<u>Fiscal Year 2003</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	\$ 771,664	4.51%	\$	
Town of Bethel	Government	478,695	2.80%		
Vidant Medical Center <sup>1</sup>	Health Care	405,662	2.37%	369,613	3.79%
DSM Dyneema, LLC	High Performance Fibers	240,978	1.41%		
East Carolina University	Education	147,712	0.86%	63,100	0.65%
Fuji Silysia Chemical USA, LTD	Silica Gel	119,700	0.70%	40,614	0.42%
Vidant Medical Center <sup>1</sup>	Health Care	107,473	0.63%		
Vidant Medical Center <sup>1</sup>	Health Care	107,438	0.63%		
Town of Grimesland	Government	68,257	0.40%		
Greenville Housing Authority	Apartments	53,663	0.31%	39,312	0.40%
Karastan Bigelow	Carpet Yarn			139,520	1.43%
East Carolina University	Education			64,223	0.66%
Greenville Housing Authority	Apartments			43,869	0.45%
Pitt County	Government			42,940	0.44%
East Carolina University	Education			38,421	0.39%
Greystone Mobile Home Park	Mobile Home Park			32,932	0.34%
<b>Totals</b>		<b>\$ 2,501,242</b>	<b>14.62%</b>	<b>\$ 874,544</b>	<b>8.97%</b>

**Gas Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2012</u>		<u>Fiscal Year 2003</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	\$ 3,569,113	11.78%	\$ 1,154,613	5.27%
East Carolina University	Education	3,213,749	10.60%	1,455,046	6.64%
Vidant Medical Center <sup>1</sup>	Health Care	1,614,906	5.33%	651,476	2.97%
East Carolina University	Education	1,123,580	3.71%	533,860	2.44%
DSM Dyneema, LLC	High Performance Fibers	1,039,454	3.43%		
DSM Dyneema, LLC	High Performance Fibers	781,798	2.58%		
Vidant Medical Center <sup>1</sup>	Health Care	592,448	1.95%		
Fuji Silysia Chemical USA, LTD	Silica Gel	448,585	1.48%	289,332	1.32%
Metrics, Inc.	Pharmaceuticals Manufacturing	404,957	1.34%	179,972	0.82%
Greenville Paving & Contracting, Inc.	Highway and Street Paving	398,848	1.32%		
TRW	Steering Components			295,924	1.35%
DSM Pharmaceuticals, Inc.	Pharmaceuticals			246,402	1.13%
Karastan Bigelow	Carpet Yarn			230,866	1.05%
Greenville Housing Authority	Apartments			192,589	0.88%
<b>Totals</b>		<b>\$ 13,187,438</b>	<b>43.52%</b>	<b>\$ 5,230,080</b>	<b>23.87%</b>

<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>
2003	9,355,000	73,422,283	13,995,591	96,772,874	686	2.60%
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	*
2012	-	78,258,516	32,027,308	110,285,824	619	*

\*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	
2003	175,453,275	150,663,888	24,789,387	5,356,447	4,432,052	9,788,499	2.53
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

<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, and miscellaneous non-operating expenses.

<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>
2003	141,029	3,723,447	26,402	7.4%
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	7.2%
2009	164,602	5,186,454	31,509	11.2%
2010	168,148	5,400,169	32,116	10.4%
2011	173,735	*	*	10.8%
2012	178,093	*	*	10.6%

\*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>2012</u>			<u>2003</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>	6,483	1	8.59%	4,500	1	6.69%
East Carolina University	5,386	2	7.14%	4,070	2	6.05%
Pitt County Public Schools	2,754	3	3.65%	3,200	3	4.76%
DSM Pharmaceuticals	1,500	4	1.99%	1,300	4	1.93%
TRC, Inc	1,100	5	1.46%			
NACCO Materials Handling Group	1,000	6	1.33%	1,100	5	1.64%
Pitt Community College	953	7	1.26%	650	9	0.97%
County of Pitt	930	8	1.23%	925	7	1.37%
Alliance One International <sup>2</sup>	825	9	1.09%	550	10	0.82%
City of Greenville	743	10	0.98%	675	8	1.00%
Collins & Aikman				1,000	6	1.49%
ASMO Greenville				550	10	0.82%
<b>Total</b>	<b>21,674</b>		<b>28.73%</b>	<b>18,520</b>		<b>27.53%</b>

**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>2003</u></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>
Electric:										
Management	4	4	4	3	4	4	4	4	4	3
Engineering	7	10	10	10	10	9	14	13	12	12
Substation/Control	6	4	11	9	9	10	8	3	7	7
Load Management	4	4	4	4	5	4	3	4	3	6
Dispatching	7	6	7	7	7	7	7	7	7	7
Electric System Maintenance	67	69	59	64	64	69	70	68	72	70
Water/Wastewater:										
Management	4	4	4	4	4	4	4	4	3	4
Engineering	11	12	12	12	11	12	14	11	11	9
Water Plant	20	22	24	24	23	24	25	24	25	27
Wastewater Plant	24	24	25	23	25	23	25	26	25	25
Water/Wastewater Systems Maintenance	47	45	47	49	47	49	47	48	47	46
Natural Gas:										
Management	4	5	6	5	6	5	5	5	4	4
Engineering	7	6	5	6	5	8	8	6	8	7
Natural Gas System Maintenance	29	31	30	30	32	29	30	31	29	25
Administration:										
Executive Administration	7	7	7	7	8	8	7	7	8	8
Finance and Accounting	9	8	8	8	10	11	10	11	10	11
Human Resources	16	15	15	15	14	15	15	16	17	16
Information Technology	17	20	18	19	19	19	18	19	20	26
Customer Relations	48	46	48	48	49	51	52	52	52	48
Garage	13	13	13	13	13	13	13	13	13	13
Warehouse	9	9	9	8	7	7	8	8	7	8
Meter Services	33	36	36	35	36	32	36	32	32	33
Utility Locating Services	7	5	6	6	6	7	6	5	5	5
<b>Total Employees:</b>	<b>400</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>

**Source:**  
Various Utilities Commission Departments

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

	<u>2003</u>	<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>
<b>Electric System:</b>										
Peaks (MW)	314.4	310.7	301.1	324.6	342.1	358.8	344.8	345.8	348.8	355.2
Average daily purchase (MWH)	4,266	4,279	4,227	4,333	4,406	4,625	4,610	4,644	4,822	4,609
Total MWH sold	1,505,628	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
<b>Water System:</b>										
Peaks (MGD)	15.557	13.671	13.597	14.708	15.714	16.125	16.204	15.605	17.536	16.340
Average daily treatment (Mgals)	9.766	9.476	9.845	9.927	10.264	10.797	10.785	10.977	11.850	11.896
Total kgals sold	3,176,922	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
<b>Wastewater System:</b>										
Peaks (MGD)	15.880	19.630	14.750	18.180	24.120	14.090	12.680	22.830	24.240	21.240
Average daily treatment (Mgals)	9.492	9.944	8.895	9.345	10.587	9.152	8.879	10.120	9.593	10.301
Total kgals collected	2,400,554	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
<b>Natural Gas System</b>										
Peaks (MCFs)	22,700	17,621	20,635	16,540	20,324	20,643	22,733	23,845	24,176	19,608
Average daily purchase (MCFs)	6,176	5,989	6,378	6,172	7,761	7,662	8,232	8,920	9,360	7,959
Total MCFs sold	2,340,302	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

**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>2003</u>	<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>
<b>Electric System:</b>										
Miles of lines	2,359	2,444	2,507	2,534	2,572	2,638	2,638	2,638	2,672	2,714
Substations	20	21	21	21	21	22	22	23	23	23
Customer connections	52,415	54,062	55,883	58,299	60,200	61,868	62,363	63,136	63,745	63,789
Maximum capacity transmission (MW)	760	760	760	760	760	760	760	760	760	760
Maximum capacity distribution (MW)	610	610	642	642	642	673	706	737	737	737
<b>Water System:</b>										
Miles of lines	538	550	565	580	593	615	618	626	626	628
Customer connections	27,991	28,538	29,540	30,829	32,065	33,051	33,733	34,336	34,419	34,514
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	389	404	423	435	448	464	466	468	469	471
Customer connections	22,094	22,658	23,629	24,601	25,708	26,595	27,240	27,805	28,054	28,157
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	844	868	905	943	956	1,002	1,016	1,019	1,024	1,034
Customer connections	17,256	17,951	18,802	19,568	20,898	21,522	21,661	22,004	22,211	22,259
Maximum capacity (MCF)	24,637	26,570	26,570	26,570	38,164	38,164	38,164	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

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## Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

**Greenville  
Utilities**





**Independent Auditor's Report  
on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based  
on an Audit of Basic Financial Statements Performed  
in Accordance With *Government Auditing Standards***

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

We have audited the accompanying basic financial statements of the business-type activities, each major fund and the fiduciary fund information of Greenville Utilities Commission, North Carolina, as of and for the year ended June 30, 2012, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 11, 2012. 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.

***Internal Control Over Financial Reporting***

Management of Greenville Utilities Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Greenville Utilities Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greenville Utilities Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Greenville Utilities Commission's financial statements are free of 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*.

This report is intended solely for the information and use of Board of Commissioners, management, and the North Carolina Department of State Treasurer and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey LLP*

Morehead City, North Carolina  
October 11, 2012



# **Greenville Utilities**

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

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

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