



## **Greenville Utilities**

**Celebrating One Million  
Consecutive Hours  
Worked Without A Lost  
Workday Injury**

# TRAVELERS AWARD OF MERIT

PRESENTED TO



## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2011**

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)

---

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

---

*Prepared by the Finance Department*

This Report Was Prepared By:

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

**Chief Financial Officer**

Jeff McCauley, CPA

**Director**

Joseph K. Jones, CPA, *Financial Services & Accounting*

**Finance Department Staff**

Louisa Chan, *Financial Analyst*  
Sandy Dail, *Cost Analyst*  
*Linda Morgan, Accounting Supervisor*  
*Margie Taylor, Accountant*

Anita Davis ♦ Meredith Dent ♦ Cleve Haddock ♦  
Cynthia Langley ♦ Laura Whitehurst

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<u>Exhibit</u>		<u>Page</u>
	<b>INTRODUCTORY SECTION</b>	
	Letter of Transmittal	1-10
	Cover Story – Safety Award	11
	Organizational Chart	12
	Appointed Officials – October 7, 2011	13
	GFOA Certificate of Achievement	15
	 <b>FINANCIAL SECTION</b>	
	Independent Auditors' Report	17-18
	Management's Discussion and Analysis	19-24
	<b>Basic Financial Statements:</b>	
	<b>Government-wide Financial Statements:</b>	
1	Statement of Net Assets	25
2	Statement of Net Assets by Fund	26
3	Statement of Revenues, Expenses and Changes in Fund Net Assets	27
4	Statement of Cash Flows	28-29
	<b>Fund Financial Statements:</b>	
5	Statement of Fiduciary Net Assets	30
6	Statement of Changes in Fiduciary Net Assets	31
	Notes to the Financial Statements	33-62
	 <b>Schedule</b>	
	<b>Required Supplementary Information</b>	
1	Other Post Employment Benefits, Required Supplementary Information	63
	<b>Supplementary Information</b>	
2	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) All Operating Funds	65-67
3	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Electric Operating Fund	68-69
4	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Electric Capital Projects Fund	70
5	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Water Operating Fund	71-72
6	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Water Capital Projects Fund	73
7	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Sewer Operating Fund	74-75
8	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Sewer Capital Projects Fund	76

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011**

**TABLE OF CONTENTS**

<b><u>Schedule</u></b>		<b><u>Page</u></b>
9	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Gas Operating Fund	77-78
10	Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP) Gas Capital Projects Fund	79
11	Combining Statement of Fiduciary Net Assets	80
12	Combining Statement of Changes in Fiduciary Assets and Liabilities	81
13	Schedule of 2011-2012 Projected Transfer to the City of Greenville General Fund	82
14	Schedule of Indebtedness	83
15	Schedule of Expenditures of Federal and State Awards	84
<b><u>Table</u></b>		
<b>STATISTICAL SECTION</b>		
	Introduction	85
1	Net Assets by Component	87
2	Changes in Net Assets	88
3	Operating Revenues by Major Source	89
4	Revenue Base by Customer Class – Electric Kilowatt Hours Sold	90
5	Revenue Base by Customer Class – Water Kgallons Sold	91
6	Revenue Base by Customer Class – Wastewater Kgallons Collected	92
7	Revenue Base by Customer Class – Natural Gas CCFs Sold	93
8	Direct Electric Rates	94-95
9	Direct Water Rates	97
10	Direct Wastewater Rates	98-99
11	Direct Natural Gas Rates	100-101
12	Ten Largest Customers	102-103
13	Ratios of Outstanding Debt by Type	104
14	Pledged Revenue Coverage	105
15	Demographic and Economic Statistics	106
16	Principal Employers	107
17	Employees by Function	108
18	Operating Indicators	109
19	Capital Indicators	110
<b>COMPLIANCE SECTION</b>		
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	111-112



## *Certificate of Special Recognition*

# GREENVILLE UTILITIES COMMISSION

One Million Employee Hours

with no injuries or illnesses that resulted in lost workdays

from August 2, 2009 through November 6, 2010.

*Cherie Berry*  
COMMISSIONER OF LABOR



## Introductory Section

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



October 12, 2011

**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, 2011.

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 & Pullen, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the Utilities Commission’s financial statements for the year ended June 30, 2011. 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.

PO Box 1847  
Greenville, NC  
27835-1847  
252 752-7166  
[www.guc.com](http://www.guc.com)

*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 five 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 63,745 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-fifth 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 1,119 miles of overhead distribution lines, 1,476 miles of underground distribution lines at 12,470 volts and 68 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

43,035 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately forty 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 626 miles of line with 34,419 connections. Raw water is supplied by the Tar River and eight deep wells. Based on a Hydrological Study of Flow in the Tar River completed in 2003 the Utilities Commission believes that the raw water sources will be adequate to meet the water needs of the City for the foreseeable future. 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, 2011 was approximately 11.85 MGD, with a maximum daily usage of approximately 17.54 MGD. Approximately 84.5% of the water system's 34,419 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 water supply 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 and there are continuing discussions with other communities.

#### 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 469 miles of line with 28,054 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 24.12 million gallons. During the fiscal year ended June 30, 2011, 9.59 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 600 miles of pipeline and 424 miles of service lines with 22,211 connections. 3,273,835 dekatherms of natural gas were moved through the Utilities Commission's distribution system during the current fiscal year.

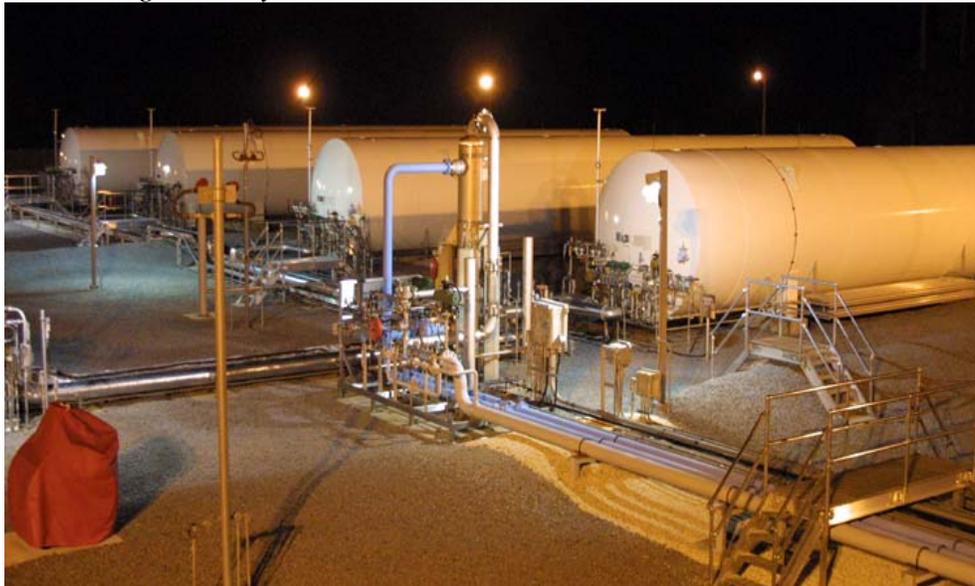
The Utilities Commission entered a ten-year gas services agreement effective January 5, 2010 with Piedmont Natural Gas (PNG) that provides Firm Transportation, Excess Redelivery and Bundled Sales Peaking Services. The Utilities Commission secures its natural gas supplies through various marketers and 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 Pitt County Memorial Hospital, East Carolina University, Pitt County Schools, DSM

Pharmaceuticals, NACCO Materials Handling Group (a major manufacturer of industrial lift trucks), Pitt County Government, Pitt Community College, The City of Greenville, The Roberts Company, and Physicians East. Unemployment rates since 2002 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. Pitt County Memorial Hospital (PCMH) is one of four academic medical centers in North Carolina and serves as the teaching hospital for The Brody School of Medicine. The 700-bed hospital serves as a regional heart center and the only level one trauma unit in the 29 counties of eastern North Carolina. PCMH 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, 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 2011 the Utilities Commission approved construction of a \$3,400,000 electric substation and a \$1,700,000 transmission line to support customer expansion and growth in the Indigreen Industrial Park area. The construction of these facilities should be completed in early 2014.

The Utilities Commission has begun the construction phase of two new regional pump station and force main projects. Completion of these facilities will accommodate current wastewater flows from developing areas and provide for additional growth of the wastewater collection system. These projects are scheduled to be completed during fiscal year 2013 at an estimated total cost over \$27 million.

Our General Manager/CEO has set the tone and cast a vision for safety at the Utilities Commission. The tone "no job is so important that it can't be done safely" and vision "that every employee return home in the same, or better condition as when they arrived at work" frames executive commitment to our most valuable resource, our employees. Upon this framework our CEO challenged staff to set corporate safety goals, to map initiatives for meeting those goals, and to develop a plan to involve all employees. A process to carry out this plan was created and because of its success, it now serves as a model for other corporate objectives. A steering committee oversees progress and directs the work of ad hoc committees that complete development and implement each initiative. There are a total of 19

initiatives all directed towards 4 corporate safety goals. This process has been branded CSI: Corporate Safety Initiative.

### ***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, 2010. This was the second 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, the Utilities Commission was one of only eighty-two to receive the RP3 award in 2011. This represents the fourth consecutive year the Utilities Commission has achieved this designation.

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 2011 fiscal year the Utilities Commission received awards for Economic Development, Communications, Customer Service, Energy Efficiency, Key Accounts and Training Programs. This was the third consecutive year the Utilities Commission received these awards.

The United Way of North Carolina has developed the Spirit of North Carolina Awards for Campaign Excellence to recognize companies and their employees that demonstrate campaign excellence and community commitment. The Utilities Commission, a longtime supporter and partner of United Way of Pitt County, received the Employee Spirit Award during fiscal year 2011. This was the fourth consecutive year the Utilities Commission received this award.

During fiscal year 2011 the Utilities Commission received 16 safety awards from the NC Department of Labor and the Pitt-Greenville Chamber of

Commerce. For the second 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 four consecutive years. The Utilities Commission also received an award in recognition of working 1,000,000 consecutive man hours without a lost time injury (see page 11).

The Utilities Commission was featured in the June 2011 issue of *PublicPower*, the magazine of the American Public Power Association (APPA). The story highlights our #1 priority: providing exceptional customer service. The article includes details about our strategic plan, our business applications master plan (OPTICS) and our in-house training programs. It also highlights our Energy Services office and the E-300 program.

The American Red Cross Mid-Atlantic Region awarded the Utilities Commission and the City of Greenville with the 2009-2010 Corporate Hero Award for our efforts in hosting regular blood drives throughout the year and the high level of employee participation in those blood drives.

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,



Ronald D. Elks  
General Manager/CEO



Jeff McCauley  
Chief Financial Officer



Top: John Herring, the “Safety Preacher” commanding the audience to put their hands up for safety at the Million Hours celebration luncheon held in October 2010. Above: David Boyd, Mark Windham, Lou Jean Manning and Jeff Byrd spell out the word of the day—SAFE. Left is General Manager/CEO Ron Elks.

# We Did It!

*This year’s cover and tabs show how extremely proud we are of our one million consecutive hours worked without a lost workday accomplishment. Our employees’ safety is our number one concern but going home in the same or better condition than when we arrived at work isn’t the only benefit of working safely. It also returns the benefits of a stable workforce and financial savings.*

Greenville Utilities has always made safety a top priority. We achieved a major safety goal this year—one million consecutive man hours without any lost time due to injuries. This important safety accomplishment took GUC’s 435 employees more than 14 months to accomplish.

“This is a huge milestone we’ve had in our sights for quite some time,” said Ron Elks, General Manager/CEO. “Safety is an integral part of GUC’s corporate culture and this milestone is solid proof of our collective effort to maintain the highest safety standards.”

A workday injury is when an employee is injured on the job and cannot come back to work the next day. As a group,

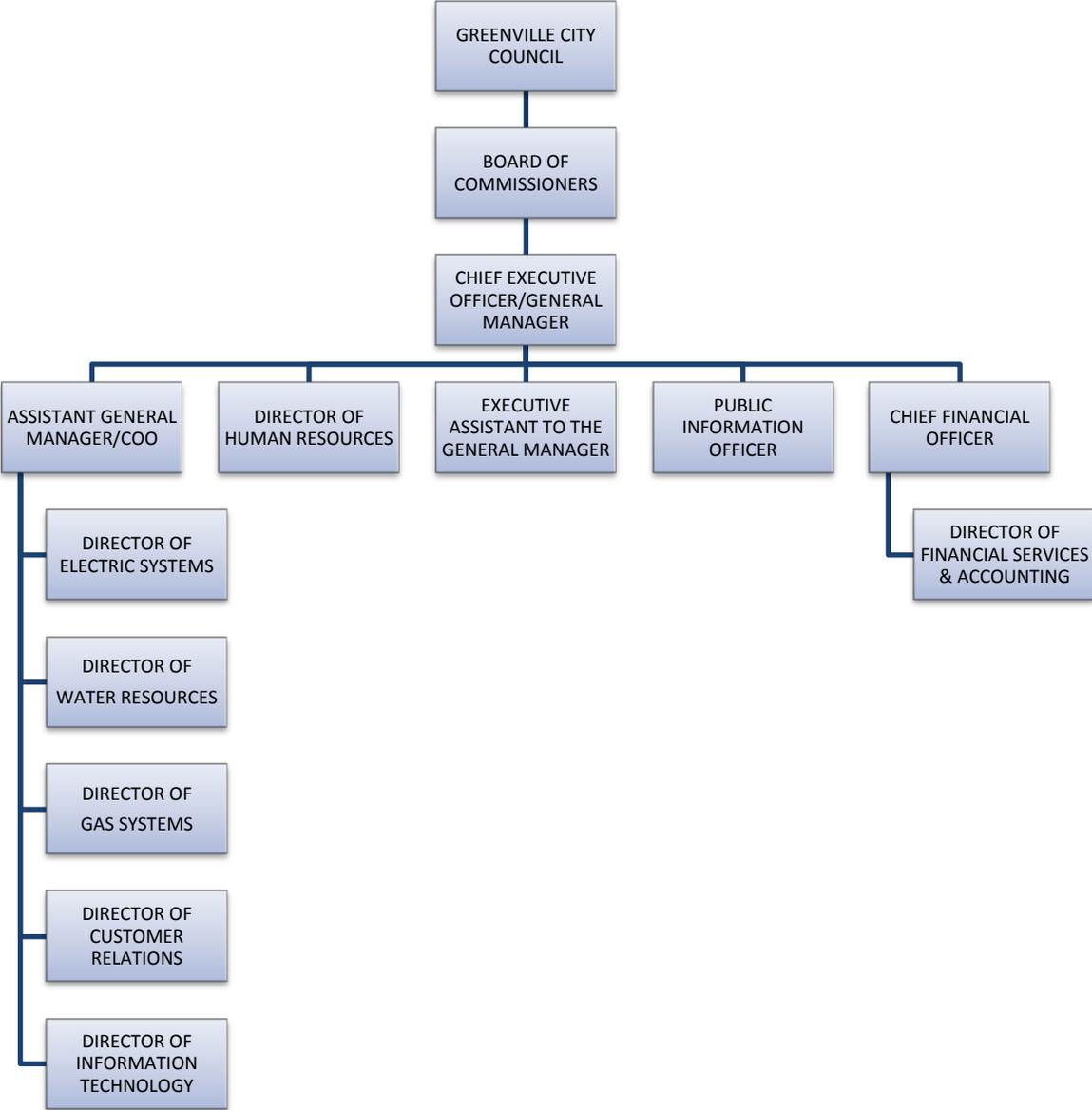
GUC employees work 32,000 man hours per pay period. So, one-million man hours is the equivalent of over 30 pay periods without a lost workday injury. That’s more than 14 months in a row.

GUC’s Corporate Safety Initiative was developed in 2008. At the time, we announced four new corporate safety goals. One of those goals was to reach one million consecutive man hours without a lost time injury. “By no means are we done,” said Kevin Keyzer, Resource Exposure Manager. “There are still improvements to be made and we’re looking forward to achieving more safety milestones through the hard work of all employees.”

# 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 12, 2011**

**Commissioners**



J. Freeman Paylor  
Chair



Virginia Hardy  
Vice-Chair



Don H. Edmonson  
Secretary



Wayne Bowers  
City Manager



Vickie R. Joyner



John Minges



Phil Flowers



Stan G. Eakins

**Executive Management**



Ronald D. Elks  
General Manager  
Chief Executive Officer



Anthony C. Cannon  
Assistant General Manager  
Chief Operating Officer



Jeff McCauley  
Chief Financial Officer

THIS PAGE INTENTIONALLY LEFT BLANK

# 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, 2010

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.



A stylized, handwritten signature in black ink, appearing to be "J. Emer".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Emer".

Executive Director

THIS PAGE INTENTIONALLY LEFT BLANK

# *Occupational Excellence Achievement Award*

2011 Recipient

Greenville Utilities Commission  
Greenville, NC



## Financial Section

---

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



# *Certificate of Safety Achievement*

## *First Year Gold*

In recognition of the outstanding safety and health efforts of

### **GREENVILLE UTILITIES COMMISSION**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## **Independent Auditor's Report**

### **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2011



## 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, 2011, 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, 2011, 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, 2011, and the respective changes in financial position and cash flows, where applicable, 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, 2011 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.

Management's Discussion and Analysis and the Other Post-Employment Benefits Schedule of Funding Progress and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, individual fund financial statements and schedules, additional financial data, and statistical tables, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The individual fund financial statements and schedules and additional financial data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*McGladrey & Pullen, LLP*

Morehead City, North Carolina  
October 11, 2011



# *Certificate of Safety Achievement*

## *Fourth Consecutive Year Gold*

In recognition of the outstanding safety and health efforts of  
**GREENVILLE UTILITIES COMMISSION  
ADMINISTRATION BUILDING**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Management's Discussion and Analysis

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

## 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, 2011. 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 \$311,003,319 (net assets). Of this amount, \$75,582,659 (unrestricted net assets) may be used to meet the Utilities Commission's ongoing obligations to its customers and creditors.
- Operating revenues increased by \$11,461,969 or 4.4 percent and total revenues increased by \$12,356,283 or 4.7 percent due to rate adjustments and increases in consumption.
- The Utilities Commission's total net assets increased by \$11,812,293 primarily due to positive operating income.
- The Utilities Commission's total debt decreased by \$3,773,195 (3.2 percent) during the current fiscal year. The key factor in this decrease was the retirement of \$19,832,826, which exceeded the addition of new debt totaling \$16,649,300 and the net increase in discounts and premiums totaling \$589,669.
- 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 enterprises’ financial position. In the case of the Utilities Commission, assets exceed liabilities by \$311,003,319 at the end of the fiscal year. There was a decrease of \$715,691 in investment in capital assets, net of related debt.

The largest portion of the Utilities Commission’s net assets (75.7 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 (\$75,582,659) may be used to meet the Utilities Commission’s ongoing obligations to citizens and creditors. This balance increased \$12,527,984 from fiscal year 2010 due to increases in current assets and long-term investments. Interest income decreased \$172,226 in fiscal year 2011 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.

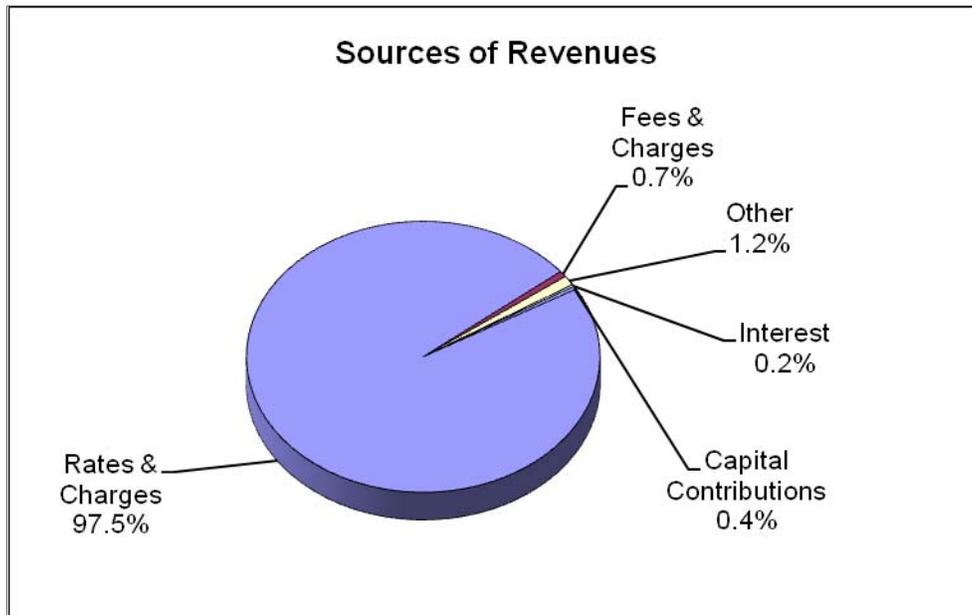
**Greenville Utilities Commission Net Assets**

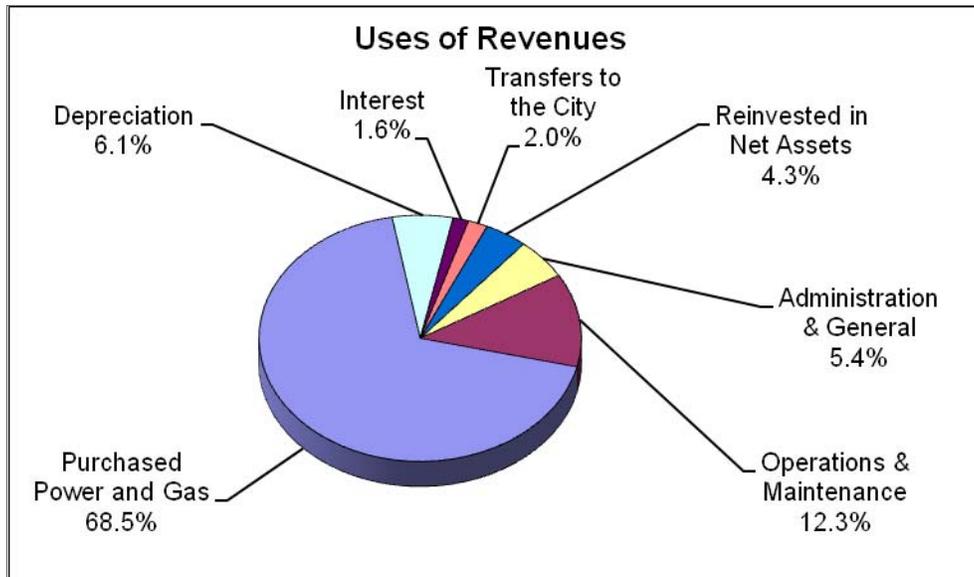
	<b>2011</b>	<b>2010</b>
Current assets	\$ 102,140,559	\$ 96,316,007
Non-current assets	360,032,435	358,620,005
Total assets	<u>462,172,994</u>	<u>454,936,012</u>
Current liabilities	36,715,496	38,694,430
Non-current liabilities	114,454,179	117,050,556
Total liabilities	<u>151,169,675</u>	<u>155,744,986</u>
Net assets:		
Invested in capital assets, net of related debt	235,420,660	236,136,351
Unrestricted	75,582,659	63,054,675
Total net assets	<u>\$ 311,003,319</u>	<u>\$ 299,191,026</u>

The Utilities Commission's net assets increased by \$11,812,293 during the current fiscal year. A portion of this increase represents the degree to which increases in ongoing revenues have exceeded similar increases in ongoing expenses. The remainder of this growth largely reflects miscellaneous revenue, capital contributions and investment earnings.

**Greenville Utilities Commission Changes in Net Assets**

	<b>2011</b>	<b>2010</b>
<b>Revenues</b>		
Operating Revenues	\$ 271,373,039	\$ 259,911,070
Non-operating Revenues	3,019,122	2,124,808
Total Revenues	<u>274,392,161</u>	<u>262,035,878</u>
<b>Expenses</b>		
Operating Expenses	253,869,070	246,011,192
Non-operating Expenses	4,329,808	3,972,577
Total Expenses	<u>258,198,878</u>	<u>249,983,769</u>
Increase in net assets before contributions and transfers	16,193,283	12,052,109
Contributions	1,061,800	3,501,261
Transfers	<u>(5,442,790)</u>	<u>(5,224,780)</u>
Increase in net assets	11,812,293	10,328,590
Net assets, July 1	299,191,026	288,862,436
Net assets, June 30	<u>\$ 311,003,319</u>	<u>\$ 299,191,026</u>





- Charges for services increased by \$11,391,380 or 4.4 percent. The Electric Fund accounts for 67.3 percent of this increase, which resulted primarily from increases in consumption associated with weather conditions.
- Capital contributions for the Water Fund included the following grant awards:
  - \$58,295 from the American Recovery and Reinvestment Act (ARRA) of 2009 to assist in funding the raw water pump station improvements project
  - \$22,391 from the American Recovery and Reinvestment Act (ARRA) of 2009 to assist in funding the Eastside water tank rehabilitation project
  - \$184,243 from the North Carolina Rural Economic Development Center to help fund the aquifer storage and recovery project

### 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 \$11,812,293. Net assets at the end of the fiscal year for the Electric Fund were \$112,134,935, \$66,583,428 for the Water Fund, \$93,857,846 for the Sewer Fund, and \$38,427,110 for the Gas Fund.

### Capital Asset and Debt Administration

**Capital assets** – The Utilities Commission's investment in capital assets as of June 30, 2011 totals \$343,873,275 (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 0.1 percent decrease. 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 modernizations totaling \$1,705,849
- Water main improvements and extensions totaling \$802,749
- Raw water pump station improvements totaling \$415,245

- Continued upgrades to the electrical and SCADA (supervisory control and data acquisition) systems at the Wastewater Treatment Plant of \$964,365
- Sanitary sewer outfall rehabilitations totaling \$767,416
- Preliminary construction activities for the Sterling Point and Westside pump stations and force mains totaling \$1,008,667

#### Greenville Utilities Commission Capital Assets

	2011	2010
Land	\$ 3,602,972	\$ 3,603,148
Easements	51,015	36,425
Land improvements	-	-
Buildings	65,103,076	67,775,373
Furniture and office equipment	792,506	169,481
Computer software	1,419,442	1,535,282
Vehicles and equipment	10,779,730	4,134,050
Distribution system	217,644,471	214,663,321
Transmission system	16,216,069	14,592,039
Construction in progress	28,263,994	37,856,374
Total capital assets	<u>\$ 343,873,275</u>	<u>\$ 344,365,493</u>

**Long-term debt** – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$115,166,353. Of this amount, \$230,000 comprises debt backed by the full faith and credit of the City of Greenville and \$2,444,918 is secured by the equipment financed. 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

	2011	2010
General obligation bonds	\$ 230,000	\$ 1,280,000
Revenue bonds	83,976,071	89,072,122
Loans	31,526,877	28,564,352
Unamortized bond discount/premium	(566,595)	23,074
Total outstanding debt	<u>\$ 115,166,353</u>	<u>\$ 118,939,548</u>

Of the total debt, \$8,833,787 is the current portion.

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

Just like organizations all across the nation, the Utilities Commission is dealing with increased costs as the country begins to emerge from the worst economic recession in 50 years. 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. Although a due diligence effort was made in adjusting projections based on sound business practices, customer expectations, and system reliability, it became apparent that the Water and Sewer Funds were projected to end the current fiscal year 2010-11 with a deficit. Consequently, at its March 15, 2011 meeting, the Board adopted moderate rate adjustments for the Water and Sewer Funds which became effective April 1, 2011. Taking the proactive measure of enacting the proposed rate adjustments for the Water and Sewer Funds enabled both funds to achieve positive results for the current fiscal year and maintain key performance indicators such as end-of-year performance, debt service coverage, and fund balances. This action also eliminated the need for rate adjustments in the Water and Sewer Funds which had been included

in the Utilities Commission's five-year financial plan for implementation in the 2011-12 fiscal year. No rate increases were budgeted for any of the funds for the 2011-12 fiscal year and the Utilities Commission is continuing to absorb a portion (\$696,000 per year) of the rate adjustment received February 1, 2009 from the Utilities Commission's wholesale power provider. The Utilities Commission has placed an administrative cap on full time staffing levels and continues to sustain operations with an equivalent 5-8% reduction in the full time workforce.

### **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.



# *Certificate of Safety Achievement*

*First Year Gold*

In recognition of the outstanding safety and health efforts of  
**GREENVILLE UTILITIES COMMISSION  
ELECTRIC DEPARTMENT**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Basic Financial Statements

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
STATEMENT OF NET ASSETS  
June 30, 2011**

	<u>Business Type Activities</u>
<b>ASSETS</b>	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 66,513,789
Accounts receivable, net	29,227,766
Due from other governments	1,141,642
Due from City of Greenville	143,818
Inventories	5,033,076
Prepaid expenses and deposits	80,468
Total current assets	<u>102,140,559</u>
NON-CURRENT ASSETS:	
Restricted cash and cash equivalents:	
Bond proceeds	6,713,738
Capacity fees	911,057
Total restricted cash and cash equivalents	<u>7,624,795</u>
Investments	8,000,000
Notes receivable	534,365
Capital assets	
Land, easements and construction in progress	31,917,981
Other capital assets, net of depreciation	311,955,294
Total capital assets	<u>343,873,275</u>
Total non-current assets	<u>360,032,435</u>
TOTAL ASSETS	<u>462,172,994</u>
<b>LIABILITIES</b>	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	20,877,961
Customer deposits	3,266,746
Accrued interest payable	850,256
Due to City of Greenville	869,939
Unearned revenue	580,002
Current portion of compensated absences	1,436,805
Current maturities of long-term debt	8,833,787
Total current liabilities	<u>36,715,496</u>
NON-CURRENT LIABILITIES	
Compensated absences	255,101
Unearned revenue	109,627
Long-term debt, excluding current portion	106,332,566
Other post employment benefits	7,756,885
Total non-current liabilities	<u>114,454,179</u>
TOTAL LIABILITIES	<u>151,169,675</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	235,420,660
Unrestricted	75,582,659
TOTAL NET ASSETS	<u>\$ 311,003,319</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, 2011**

	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	\$ 39,235,219	\$ 2,846,051	\$ 6,945,357	\$ 17,487,162	\$ 66,513,789
Accounts receivable, net	22,879,694	2,029,550	2,000,004	2,318,518	29,227,766
Due from other governments	676,723	360,917	57,985	46,017	1,141,642
Due from City of Greenville	143,818	-	-	-	143,818
Inventories	3,827,360	624,012	102,881	478,823	5,033,076
Prepaid expenses and deposits	49,918	13,299	9,917	7,334	80,468
Total current assets	66,812,732	5,873,829	9,116,144	20,337,854	102,140,559
<b>NON-CURRENT ASSETS:</b>					
Restricted cash and cash equivalents:					
Bond proceeds	637,905	2,155,851	3,263,795	656,187	6,713,738
Capacity fees	-	442,917	468,140	-	911,057
Total restricted cash and cash equivalents	637,905	2,598,768	3,731,935	656,187	7,624,795
Investments	4,655,559	385,735	883,807	2,074,899	8,000,000
Notes receivable	-	534,365	-	-	534,365
Capital assets:					
Land, easements and construction in progress	3,007,207	8,771,249	19,569,073	570,452	31,917,981
Other capital assets, net of depreciation	87,041,924	87,320,596	109,014,231	28,578,543	311,955,294
Total capital assets	90,049,131	96,091,845	128,583,304	29,148,995	343,873,275
Total non-current assets	95,342,595	99,610,713	133,199,046	31,880,081	360,032,435
<b>TOTAL ASSETS</b>	<b>162,155,327</b>	<b>105,484,542</b>	<b>142,315,190</b>	<b>52,217,935</b>	<b>462,172,994</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES:</b>					
Accounts payable and accrued expenses	16,929,224	1,070,660	1,063,213	1,814,864	20,877,961
Customer deposits	2,536,796	424,944	500	304,506	3,266,746
Accrued interest payable	211,869	246,427	299,707	92,253	850,256
Due to City of Greenville	869,939	-	-	-	869,939
Unearned revenue	-	221,271	358,731	-	580,002
Current portion of compensated absences	635,707	290,568	286,139	224,391	1,436,805
Current maturities of long-term debt	1,980,078	2,507,905	3,365,480	980,324	8,833,787
Total current liabilities	23,163,613	4,761,775	5,373,770	3,416,338	36,715,496
<b>NON-CURRENT LIABILITIES</b>					
Compensated absences	87,601	85,293	41,863	40,344	255,101
Unearned revenue	-	-	109,627	-	109,627
Long-term debt, excluding current portion	23,093,724	32,422,186	41,660,570	9,156,086	106,332,566
Other post employment benefits	3,675,454	1,631,860	1,271,514	1,178,057	7,756,885
Total non-current liabilities	26,856,779	34,139,339	43,083,574	10,374,487	114,454,179
<b>TOTAL LIABILITIES</b>	<b>50,020,392</b>	<b>38,901,114</b>	<b>48,457,344</b>	<b>13,790,825</b>	<b>151,169,675</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	65,613,234	63,317,605	86,821,049	19,668,772	235,420,660
Unrestricted	46,521,701	3,265,823	7,036,797	18,758,338	75,582,659
<b>TOTAL NET ASSETS</b>	<b>\$ 112,134,935</b>	<b>\$ 66,583,428</b>	<b>\$ 93,857,846</b>	<b>\$ 38,427,110</b>	<b>\$ 311,003,319</b>

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, 2011**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
OPERATING REVENUES:					
Charges for services	\$ 201,522,889	\$ 14,890,020	\$ 16,570,202	\$ 37,589,742	\$ 270,572,853
Other operating revenues	536,485	85,994	85,329	92,378	800,186
Total operating revenues	202,059,374	14,976,014	16,655,531	37,682,120	271,373,039
OPERATING EXPENSES:					
Administration and general	7,504,180	2,321,346	2,461,882	2,468,459	14,755,867
Operations and maintenance	13,737,070	7,780,055	7,539,579	4,726,932	33,783,636
Purchased power and gas	165,875,060	-	-	22,710,093	188,585,153
Depreciation	7,257,515	3,616,981	4,245,776	1,624,142	16,744,414
Total operating expenses	194,373,825	13,718,382	14,247,237	31,529,626	253,869,070
Operating income	7,685,549	1,257,632	2,408,294	6,152,494	17,503,969
NON-OPERATING REVENUES (EXPENSES):					
Interest income	380,865	52,442	70,132	133,665	637,104
Interest expense and service charges	(1,136,016)	(1,325,373)	(1,425,900)	(442,519)	(4,329,808)
Other, net	1,626,745	313,117	385,692	56,464	2,382,018
Net non-operating revenues (expenses)	871,594	(959,814)	(970,076)	(252,390)	(1,310,686)
Income before contributions and transfers	8,557,143	297,818	1,438,218	5,900,104	16,193,283
CONTRIBUTIONS AND TRANSFERS:					
Capital Contributions	-	494,960	566,840	-	1,061,800
Transfer to City of Greenville, General Fund	(3,694,777)	-	-	(1,070,081)	(4,764,858)
Transfer to City of Greenville, street lighting reimb.	(677,932)	-	-	-	(677,932)
Total contributions and transfers	(4,372,709)	494,960	566,840	(1,070,081)	(4,380,990)
CHANGES IN NET ASSETS	4,184,434	792,778	2,005,058	4,830,023	11,812,293
NET ASSETS, BEGINNING OF YEAR	107,950,501	65,790,650	91,852,788	33,597,087	299,191,026
NET ASSETS, END OF YEAR	\$ 112,134,935	\$ 66,583,428	\$ 93,857,846	\$ 38,427,110	\$ 311,003,319

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, 2011**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 202,960,828	\$ 14,596,418	\$ 16,141,274	\$ 37,421,847	\$ 271,120,367
Other operating receipts	1,196,889	346,527	262,609	113,319	1,919,344
Payments for goods and services	(178,957,775)	(5,452,222)	(5,310,840)	(25,777,016)	(215,497,853)
Payments to employees	(9,165,548)	(4,377,897)	(4,288,811)	(3,564,377)	(21,396,633)
Loans made	-	(2,099)	-	-	(2,099)
Net cash provided by operating activities	16,034,394	5,110,727	6,804,232	8,193,773	36,143,126
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to City of Greenville, General Fund	(4,370,420)	-	-	(1,070,081)	(5,440,501)
Net cash used by noncapital financing activities	(4,370,420)	-	-	(1,070,081)	(5,440,501)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from issuance of debt	4,750,441	3,596,504	4,887,401	3,414,954	16,649,300
Capital grants/cash capital contributions	-	2,196,993	202,561	-	2,399,554
Capital related receipts from customers	-	177,705	268,666	-	446,371
Interfund transfers on capital assets	(1,321,238)	961,133	990,362	(630,257)	-
Principal payments on debt obligations	(5,603,584)	(4,005,745)	(6,280,356)	(3,943,141)	(19,832,826)
Acquisition and construction of capital assets	(6,865,998)	(3,512,273)	(4,706,952)	(1,137,266)	(16,222,489)
Payment of interest and service charges on debt obligations	(1,411,208)	(1,782,464)	(1,818,073)	(667,683)	(5,679,428)
Net cash used by capital and related financing activities	(10,451,587)	(2,368,147)	(6,456,391)	(2,963,393)	(22,239,518)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(2,723,264)	(372,098)	(538,779)	(1,365,859)	(5,000,000)
Interest received on investments	332,279	45,488	60,648	110,838	549,253
Net cash used by investing activities	(2,390,985)	(326,610)	(478,131)	(1,255,021)	(4,450,747)
Net increase (decrease) in cash and cash equivalents	(1,178,598)	2,415,970	(130,290)	2,905,278	4,012,360
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	41,051,722	3,028,849	10,807,582	15,238,071	70,126,224
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 39,873,124	\$ 5,444,819	\$ 10,677,292	\$ 18,143,349	\$ 74,138,584
<b>OTHER DISCLOSURES</b>					
Interest incurred	\$ 1,336,746	\$ 1,448,023	\$ 1,709,134	\$ 618,915	\$ 5,112,818
Interest paid	\$ 1,391,930	\$ 1,773,663	\$ 1,808,121	\$ 657,730	\$ 5,631,444
Interest capitalized	\$ -	\$ 52,590	\$ 188,734	\$ -	\$ 241,324
Contributions of capital assets	\$ -	\$ 225,313	\$ 364,279	\$ -	\$ 589,592

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, 2011**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating Income	\$ 7,685,549	\$ 1,257,632	\$ 2,408,294	\$ 6,152,494	\$ 17,503,969
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	7,257,515	3,616,981	4,245,776	1,624,142	16,744,414
Changes in assets and liabilities					
Accounts receivable	418,225	(373,162)	(330,464)	(275,777)	(561,178)
Notes receivable	-	(2,099)	-	-	(2,099)
Due from other government	(152,530)	212,136	158,002	14,228	231,836
Due from City of Greenville	142,817	-	-	44,361	187,178
Inventories	(446,516)	(45,391)	(9,043)	(7,291)	(508,241)
Prepaid expenses and deposits	8,664	22,872	23,421	41,212	96,169
Accounts payable and accrued expenses	(1,055,028)	143,072	204,589	366,139	(341,228)
Customer deposits	63,086	39,185	250	13,770	116,291
Due to City of Greenville	25,627	-	-	-	25,627
Compensated absences	(17,392)	(36,464)	(15,321)	4,217	(64,960)
OPEB Payable	477,633	187,193	198,164	159,812	1,022,802
Unearned Revenue	-	(46,640)	(196,462)	-	(243,102)
Miscellaneous income (expense)	1,626,744	135,412	117,026	56,466	1,935,648
Total adjustments	8,348,845	3,853,095	4,395,938	2,041,279	18,639,157
Net cash provided by operating activities	\$ 16,034,394	\$ 5,110,727	\$ 6,804,232	\$ 8,193,773	\$ 36,143,126

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, 2011**

	<u>OPEB Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 200,000	\$ -
Accounts receivables	<u>-</u>	<u>1,255,864</u>
Total assets	<u>200,000</u>	<u>1,255,864</u>
<b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>1,255,864</u>
Total liabilities	<u>-</u>	<u>1,255,864</u>
<b>NET ASSETS</b>		
Assets held in trust	<u>\$ 200,000</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, 2011**

	<b>OPEB Trust Fund</b>
ADDITIONS:	
Employer contributions	\$ 1,322,819
Retiree contributions	178,683
Total contributions	<u>1,501,502</u>
Total additions	<u>1,501,502</u>
DEDUCTIONS:	
Benefits	<u>1,301,502</u>
Total deductions	<u>1,301,502</u>
CHANGE IN NET ASSETS	200,000
NET ASSETS, BEGINNING OF YEAR	<u>-</u>
NET ASSETS, END OF YEAR	<u><u>\$ 200,000</u></u>

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

THIS PAGE INTENTIONALLY LEFT BLANK



# *Certificate of Safety Achievement*

## *First Year Gold*

In recognition of the outstanding safety and health efforts of  
**GREENVILLE UTILITIES COMMISSION  
WATER RESOURCES DEPARTMENT**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Notes to the Financial Statements

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

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

The accounting policies of 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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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.

**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 over aggregated funds at the department 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 department. All amendments must be approved by the Board of Commissioners and the Greenville City Council. During the fiscal year ended June 30, 2011, 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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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.

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.

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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

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.

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 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 if costs are greater than \$5,000 and the useful life is at least 2 years. 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; and unrestricted.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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, 2011, the Utilities Commission's deposits had a carrying amount of \$75,460,521 and a bank balance of \$75,681,140. Of the bank balance, \$1,450,130 was covered by Federal depository insurance, and \$74,231,010 was covered by collateral held under the pooling method. The Utilities Commission's cash on hand at June 30, 2011 consisted of various petty cash funds totaling \$3,300.

Investments

At June 30, 2011, the Utilities Commission had \$6,874,763 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; 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, 2011.

*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  
For the Year Ended June 30, 2011**

*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%; NC Capital Management Trust - 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.

Receivables

Receivables at the government-wide level for the business type activities at June 30, 2011, were as follows:

	<u>2011</u>
Billed customer accounts	\$24,117,946
Estimated unbilled customer services	12,627,604
Other receivables	<u>804,277</u>
Total accounts receivable	37,549,827
Allowance for uncollectible accounts	<u>(8,322,061)</u>
Net accounts receivable	<u>\$29,227,766</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 2011 the allowance increased by \$630,765, to a total outstanding amount of \$8,322,061.

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 \$534,365 payable in monthly installments for 15 years at a 5.25% interest rate.

The due from other governments that is owed to the Utilities Commission at June 30, 2011 consists of the following:

	<u>2011</u>
Sales tax refund	\$927,846
EDA grant	186,603
American Recovery and Reinvestment Act of 2009 grant	<u>27,193</u>
Total due from other governments	<u>\$1,141,642</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	June 30, 2010	Additions	Deletions	Transfers	June 30, 2011
Capital assets not being depreciated:					
Land	\$ 3,603,148	\$ -	\$ -	\$ (176)	\$ 3,602,972
Easements	36,425	14,590	-	-	51,015
Construction in progress	37,856,374	7,636,358	-	(17,228,738)	28,263,994
Total capital assets not being depreciated:	<u>41,495,947</u>	<u>7,650,948</u>	<u>-</u>	<u>(17,228,914)</u>	<u>31,917,981</u>
Capital assets being depreciated:					
Land improvements	\$ 403,868	\$ -	\$ -	\$ 176	\$ 404,044
Buildings	109,500,025	684,837	-	-	110,184,862
Furniture and office equipment	2,169,521	371,272	-	703,112	3,243,905
Computer software	6,252,059	-	-	-	6,252,059
Vehicles and equipment	19,726,169	1,794,459	(576,256)	6,839,747	27,784,119
Distribution systems	374,676,078	5,609,249	-	7,076,813	387,362,140
Transmission systems	30,549,221	141,431	-	2,609,066	33,299,718
Total capital assets being depreciated:	<u>543,276,941</u>	<u>8,601,248</u>	<u>(576,256)</u>	<u>17,228,914</u>	<u>568,530,847</u>
Less accumulated depreciation for:					
Land improvements	\$ 403,868	\$ 176	\$ -	\$ -	\$ 404,044
Buildings	41,724,652	3,357,134	-	-	45,081,786
Furniture and office equipment	2,000,040	451,359	-	-	2,451,399
Computer software	4,716,777	115,840	-	-	4,832,617
Vehicles and equipment	15,592,119	1,988,526	(576,256)	-	17,004,389
Distribution systems	160,012,757	9,704,912	-	-	169,717,669
Transmission systems	15,957,182	1,126,467	-	-	17,083,649
Total accumulated depreciation	<u>240,407,395</u>	<u>16,744,414</u>	<u>(576,256)</u>	<u>-</u>	<u>256,575,553</u>
Total capital assets being depreciated, net	<u>302,869,546</u>				<u>311,955,294</u>
Net Capital Assets	<u>\$ 344,365,493</u>				<u>\$ 343,873,275</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, 2011 totaled \$7,257,515, \$3,616,981, \$4,245,776, and \$1,624,142, respectively.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Capital asset activity by fund for the year ended June 30, 2011, was as follows:

**Electric Fund**

	June 30, 2010	Additions	Deletions	Transfers	June 30, 2011
Capital assets not being depreciated:					
Land	\$ 1,058,931	\$ -	\$ -	\$ (44)	\$ 1,058,887
Easements	20,194	-	-	-	20,194
Construction in progress	4,778,745	2,003,130	-	(4,853,749)	1,928,126
Total capital assets not being depreciated:	<u>5,857,870</u>	<u>2,003,130</u>	<u>-</u>	<u>(4,853,793)</u>	<u>3,007,207</u>
Capital assets being depreciated:					
Land improvements	\$ 198,310	\$ -	\$ -	\$ 44	\$ 198,354
Buildings	5,415,816	40,108	-	-	5,455,924
Furniture and office equipment	1,635,273	297,017	-	-	1,932,290
Computer software	3,382,782	-	-	-	3,382,782
Vehicles and equipment	9,429,634	1,209,873	(244,039)	-	10,395,468
Distribution systems	162,056,959	3,424,641	-	2,244,683	167,726,283
Transmission systems	30,549,221	141,431	-	2,609,066	33,299,718
Total capital assets being depreciated:	<u>212,667,995</u>	<u>5,113,070</u>	<u>(244,039)</u>	<u>4,853,793</u>	<u>222,390,819</u>
Less accumulated depreciation for:					
Land improvements	\$ 198,310	\$ 44	\$ -	\$ -	\$ 198,354
Buildings	2,559,579	146,020	-	-	2,705,599
Furniture and office equipment	1,499,976	108,777	-	-	1,608,753
Computer software	2,614,907	169,190	-	-	2,784,097
Vehicles and equipment	7,254,680	769,307	(244,039)	-	7,779,948
Distribution systems	98,250,785	4,937,710	-	-	103,188,495
Transmission systems	15,957,182	1,126,467	-	-	17,083,649
Total accumulated depreciation	<u>128,335,419</u>	<u>7,257,515</u>	<u>(244,039)</u>	<u>-</u>	<u>135,348,895</u>
Total capital assets being depreciated, net	<u>84,332,576</u>				<u>87,041,924</u>
Net Capital Assets	<u>\$ 90,190,446</u>				<u>\$ 90,049,131</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**Water Fund**

	June 30, 2010	Additions	Deletions	Transfers	June 30, 2011
Capital assets not being depreciated:					
Land	\$ 583,401	\$ -	\$ -	\$ (44)	\$ 583,357
Easements	75	14,590	-	-	14,665
Construction in progress	12,519,543	1,962,390	-	(6,308,706)	8,173,227
Total capital assets not being depreciated:	<u>13,103,019</u>	<u>1,976,980</u>	<u>-</u>	<u>(6,308,750)</u>	<u>8,771,249</u>
Capital assets being depreciated:					
Land improvements	\$ 80,355	\$ -	\$ -	\$ 44	\$ 80,399
Buildings	45,164,956	539,383	-	-	45,704,339
Furniture and office equipment	160,778	18,564	-	-	179,342
Computer software	1,237,884	-	-	-	1,237,884
Vehicles and equipment	3,201,973	261,303	(24,251)	3,761,861	7,200,886
Distribution systems	75,434,226	613,133	-	2,546,845	78,594,204
Total capital assets being depreciated:	<u>125,280,172</u>	<u>1,432,383</u>	<u>(24,251)</u>	<u>6,308,750</u>	<u>132,997,054</u>
Less accumulated depreciation for:					
Land improvements	\$ 80,355	\$ 44	\$ -	\$ -	\$ 80,399
Buildings	16,029,765	1,384,423	-	-	17,414,188
Furniture and office equipment	816,926	1,766	-	-	818,692
Computer software	152,172	47,237	-	-	199,409
Vehicles and equipment	2,583,384	540,458	(24,251)	-	3,099,591
Distribution systems	22,421,126	1,643,053	-	-	24,064,179
Total accumulated depreciation	<u>42,083,728</u>	<u>3,616,981</u>	<u>(24,251)</u>	<u>-</u>	<u>45,676,458</u>
Total capital assets being depreciated, net	<u>83,196,444</u>				<u>87,320,596</u>
Net Capital Assets	<u>\$ 96,299,463</u>				<u>\$ 96,091,845</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**Sewer Fund**

	June 30, 2010	Additions	Deletions	Transfers	June 30, 2011
Capital assets not being depreciated:					
Land	\$ 1,668,895	\$ -	\$ -	\$ (44)	\$ 1,668,851
Easements	23	-	-	-	23
Construction in progress	19,672,262	3,591,108	-	(5,363,171)	17,900,199
Total capital assets not being depreciated:	<u>21,341,180</u>	<u>3,591,108</u>	<u>-</u>	<u>(5,363,215)</u>	<u>19,569,073</u>
Capital assets being depreciated:					
Land improvements	\$ 89,060	\$ -	\$ -	\$ 44	\$ 89,104
Buildings	47,742,577	20,951	-	-	47,763,528
Furniture and office equipment	145,342	18,564	-	-	163,906
Computer software	1,002,679	-	-	-	1,002,679
Vehicles and equipment	4,572,001	214,358	(176,543)	3,077,886	7,687,702
Distribution systems	104,967,348	768,329	-	2,285,285	108,020,962
Total capital assets being depreciated:	<u>158,519,007</u>	<u>1,022,202</u>	<u>(176,543)</u>	<u>5,363,215</u>	<u>164,727,881</u>
Less accumulated depreciation for:					
Land improvements	\$ 89,060	\$ 44	\$ -	\$ -	\$ 89,104
Buildings	19,985,675	1,446,823	-	-	21,432,498
Furniture and office equipment	786,653	1,766	-	-	788,419
Computer software	136,736	53,625	-	-	190,361
Vehicles and equipment	3,826,885	489,559	(176,543)	-	4,139,901
Distribution systems	26,819,408	2,253,959	-	-	29,073,367
Total accumulated depreciation	<u>51,644,417</u>	<u>4,245,776</u>	<u>(176,543)</u>	<u>-</u>	<u>55,713,650</u>
Total capital assets being depreciated, net	<u>106,874,590</u>				<u>109,014,231</u>
Net Capital Assets	<u>\$ 128,215,770</u>				<u>\$ 128,583,304</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**Gas Fund**

	June 30, 2010	Additions	Deletions	Transfers	June 30, 2011
Capital assets not being depreciated:					
Land	\$ 291,921	\$ -	\$ -	\$ (44)	\$ 291,877
Easements	16,133	-	-	-	16,133
Construction in progress	885,824	79,730	-	(703,112)	262,442
Total capital assets not being depreciated:	<u>1,193,878</u>	<u>79,730</u>	<u>-</u>	<u>(703,156)</u>	<u>570,452</u>
Capital assets being depreciated:					
Land improvements	\$ 36,143	\$ -	\$ -	\$ 44	\$ 36,187
Buildings	11,176,676	84,395	-	-	11,261,071
Furniture and office equipment	228,128	37,127	-	703,112	968,367
Computer software	628,714	-	-	-	628,714
Vehicles and equipment	2,522,561	108,925	(131,423)	-	2,500,063
Distribution systems	32,217,545	803,146	-	-	33,020,691
Total capital assets being depreciated:	<u>46,809,767</u>	<u>1,033,593</u>	<u>(131,423)</u>	<u>703,156</u>	<u>48,415,093</u>
Less accumulated depreciation for:					
Land improvements	\$ 36,143	\$ 44	\$ -	\$ -	\$ 36,187
Buildings	3,149,633	379,868	-	-	3,529,501
Furniture and office equipment	498,291	3,531	-	-	501,822
Computer software	211,156	181,307	-	-	392,463
Vehicles and equipment	1,927,170	189,202	(131,423)	-	1,984,949
Distribution systems	12,521,438	870,190	-	-	13,391,628
Total accumulated depreciation	<u>18,343,831</u>	<u>1,624,142</u>	<u>(131,423)</u>	<u>-</u>	<u>19,836,550</u>
Total capital assets being depreciated, net	<u>28,465,936</u>				<u>28,578,543</u>
Net Capital Assets	<u>\$ 29,659,814</u>				<u>\$ 29,148,995</u>

A summary of capital assets, by fund, at June 30, 2011 is as follows:

	Electric	Water	Sewer	Gas	Total
At June 30, 2011					
Land	\$ 1,058,887	\$ 583,357	\$ 1,668,851	\$ 291,877	\$ 3,602,972
Easements	20,194	14,665	23	16,133	51,015
Land improvements	198,354	80,399	89,104	36,187	404,044
Buildings	5,455,924	45,704,339	47,763,528	11,261,071	110,184,862
Furniture and office equipment	1,932,290	179,342	163,906	968,367	3,243,905
Computer software	3,382,782	1,237,884	1,002,679	628,714	6,252,059
Vehicles and equipment	10,395,468	7,200,886	7,687,702	2,500,063	27,784,119
Distribution systems	167,726,283	78,594,204	108,020,962	33,020,691	387,362,140
Transmission systems	33,299,718	-	-	-	33,299,718
	<u>223,469,900</u>	<u>133,595,076</u>	<u>166,396,755</u>	<u>48,723,103</u>	<u>572,184,834</u>
Less accumulated depreciation	<u>(135,348,895)</u>	<u>(45,676,458)</u>	<u>(55,713,650)</u>	<u>(19,836,550)</u>	<u>(256,575,553)</u>
	88,121,005	87,918,618	110,683,105	28,886,553	315,609,281
Construction in progress	<u>1,928,126</u>	<u>8,173,227</u>	<u>17,900,199</u>	<u>262,442</u>	<u>28,263,994</u>
Net Capital Assets	<u>\$ 90,049,131</u>	<u>\$ 96,091,845</u>	<u>\$ 128,583,304</u>	<u>\$ 29,148,995</u>	<u>\$ 343,873,275</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2011. 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	\$1,928,126	\$846,831
Water treatment and distribution system	7,468,102	1,096,489
Sewer treatment and collection system	18,738,555	2,886,126
Natural gas distribution system	252,584	-
Totals	<u>\$28,387,367</u>	<u>\$4,829,446</u>

**B. Liabilities**

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2011, 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	\$15,974,184	\$952,538	\$2,502	\$16,929,224
Water	428,021	639,924	2,715	1,070,660
Sewer	628,075	435,138	-	1,063,213
Gas	1,442,810	371,664	390	1,814,864
Total	<u>\$18,473,090</u>	<u>\$2,399,264</u>	<u>\$5,607</u>	<u>\$20,877,961</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 \$23,926,746 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 15 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 \$31,935,708. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,836,478, \$15,420,697 and \$204,058,362, 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	\$1,820,919
Series 2001 Revenue Bonds with an original issue amount of \$6,758,308, due in annual installments with varying interest rates from 4.25% to 5.5%, partially refunded during fiscal year 2011, final payment will be made on September 1, 2011	276,576

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

<u>Description</u>	<u>Amount</u>
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	335,455
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	2,110,776
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	6,581,372
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	969,680
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	550,996
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	3,475,000
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	3,902,210
	<u>\$23,926,746</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>
2012	\$1,606,307	\$968,098	\$2,574,405
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
2017-2021	7,752,504	2,251,223	10,003,727
2022-2026	4,596,947	1,135,376	5,732,323
2027-2031	1,868,892	436,027	2,304,919
2032-2034	1,016,099	72,294	1,088,393
Total	<u>\$23,926,746</u>	<u>\$8,008,962</u>	<u>\$31,935,708</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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 outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2009 installment purchase contract with an original loan amount of \$320,000 and an interest rate of 2.74%, secured by a lien against the equipment financed, due in annual installments with a final payment due on June 15, 2012.	\$109,563
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.	415,836
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.	848,231
	<u>\$1,373,630</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>
2012	\$373,771	\$29,091	\$402,862
2013	268,615	21,683	290,298
2014	274,542	15,756	290,298
2015	280,601	9,697	290,298
2016	176,101	3,501	179,602
Total	<u>\$1,373,630</u>	<u>\$79,728</u>	<u>\$1,453,358</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, 2011 was approximately \$363.7 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 \$27,218,448 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 20 percent of total revenues. The total

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

principal and interest remaining to be paid on the bonds is \$37,628,402. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,881,872, \$5,061,806 and \$15,174,500, 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	\$986,464
Series 2001 Revenue Bonds with an original issue amount of \$1,766,834, due in annual installments with varying interest rates from 4.25% to 5.5%, partially refunded during fiscal year 2011, final payment will be made on September 1, 2011	120,184
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	167,727
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	1,097,536
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	2,126,295
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	10,854,003
Series 2008A Revenue Bonds with an original issue amount of \$10,641,133, due in annual installments with varying interest rates from 4.125% to 5.0%, final payment will be made on November 1, 2033	10,170,572
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	1,695,667
	<u>\$27,218,448</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>
2012	\$1,754,093	\$1,146,169	\$2,900,262
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
2017-2021	10,125,980	2,874,282	13,000,262
2022-2026	2,820,684	1,480,771	4,301,455
2027-2031	2,782,348	859,480	3,641,828
2032-2034	2,032,577	155,759	2,188,336
Total	<u>\$27,218,448</u>	<u>\$10,409,954</u>	<u>\$37,628,402</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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	\$923,077
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	1,400,000
2.305% 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	3,690,667
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	256,017
	<u>\$6,269,761</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>
2012	\$638,489	\$151,498	\$789,987
2013	638,489	135,254	773,743
2014	638,489	119,009	757,498
2015	638,489	102,764	741,253
2016	407,720	86,520	494,240
2017-2021	1,438,602	294,419	1,733,021
2022-2026	1,038,602	161,699	1,200,301
2027-2030	830,881	46,200	877,081
Total	<u>\$6,269,761</u>	<u>\$1,097,363</u>	<u>\$7,367,124</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:

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

<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 \$2,887,765 drawn to date, one-half of the principal will be forgiven and the remainder will be due in annual installments of \$73,554 with a final payment on May 1, 2030	\$1,370,329
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	22,391
	<u>\$1,392,720</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$71,954	\$0	\$71,954
2013	73,314	0	73,314
2014	73,314	0	73,314
2015	73,314	0	73,314
2016	73,314	0	73,314
2017-2021	366,568	0	366,568
2022-2026	366,568	0	366,568
2027-2031	294,374	0	294,374
Total	<u>\$1,392,720</u>	<u>\$0</u>	<u>\$1,392,720</u>

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the Water Fund. 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.	\$101,408
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.	98,022
	<u>\$199,430</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$43,369	\$4,381	\$47,750
2013	44,207	3,543	47,750
2014	45,229	2,521	47,750
2015	46,275	1,475	47,750
2016	20,350	405	20,755
Total	<u>\$199,430</u>	<u>\$12,325</u>	<u>\$211,755</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**Debt serviced by Sewer Fund:**

**General Obligation Indebtedness**

In 1993 general obligation bonds in the amount of \$13,500,000 were issued to provide funding for the expansion of the wastewater treatment plant. The outstanding balance of the bonds, \$9,355,000, was refunded in 2003. The 2003 general obligation refunding bonds are due in annual installments with varying interest rates from 3.25% to 3.4% with a final payment due on March 1, 2012. At June 30, 2011, \$230,000 of the 2003 general obligation refunding bonds remained outstanding. All general obligation bonds serviced by the Utilities Commission are collateralized by the full faith, credit, and taxing power of the City of Greenville.

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

Year Ending June 30	Principal	Interest	Total
2012	\$230,000	\$7,820	\$237,820
Total	\$230,000	\$7,820	\$237,820

**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 \$22,961,854 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 35 percent of net revenues, or less than 15 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$32,122,062. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,411,266, \$6,852,234 and \$16,837,837, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 5.5% to 6.0%, final payment will be made on September 1, 2016	\$1,068,846
Series 2001 Revenue Bonds with an original issue amount of \$4,561,522, due in annual installments with varying interest rates from 4.25% to 5.5%, partially refunded during fiscal year 2011, final payment will be made on September 1, 2011	153,990
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	2,640,870
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	3,266,688
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	3,772,893
Series 2008A Revenue Bonds with an original issue amount of \$10,300,362, due in annual installments with varying interest rates from 4.125% to 5.0%, final payment will be made on November 1, 2033	9,885,923

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

<u>Description</u>	<u>Amount</u>
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	2,172,644
	<u>\$22,961,854</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>
2012	\$1,476,874	\$928,077	\$2,404,951
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
2017-2021	6,379,867	2,481,057	8,860,924
2022-2026	3,749,756	1,580,568	5,330,324
2027-2031	2,817,042	880,830	3,697,872
2032-2034	2,051,977	162,946	2,214,923
Total	<u>\$22,961,854</u>	<u>\$9,160,208</u>	<u>\$32,122,062</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:

<u>Description</u>	<u>Amount</u>
2.57% State Revolving Fund loan, \$11,694,486 authorized and \$11,629,783 drawn to date, annual installments of \$775,319, issued in 2001 with a final payment on May 1, 2020	\$6,977,870
2.47% State Revolving Fund loan, \$13,851,680 authorized and \$13,317,613 drawn to date, annual installments of \$665,881, issued in 2008 with a final payment on May 1, 2030	12,625,029
	<u>\$19,602,899</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$1,414,496	\$642,239	\$2,056,735
2013	1,441,200	456,655	1,897,855
2014	1,441,200	420,215	1,861,415
2015	1,441,200	383,776	1,824,976
2016	1,441,200	347,336	1,788,536
2017-2021	6,430,680	1,190,087	7,620,767
2022-2026	3,329,405	577,984	3,907,389

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Year Ending June 30	Principal	Interest	Total
2027-2030	2,663,518	165,138	2,828,656
Total	\$19,602,899	\$4,183,430	\$23,786,329

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, 2011, \$1,816,579 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
2012	\$151,382	\$110,147	\$261,529
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
2017-2021	756,907	421,515	1,178,422
2022-2023	302,762	164,755	467,517
Total	\$1,816,579	\$1,100,085	\$2,916,664

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

Description	Amount
Series 2010 installment purchase contract with an original loan amount of \$297,034 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015.	\$240,091
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.	180,653
	<u>\$420,744</u>

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

Year Ending June 30	Principal	Interest	Total
2012	\$92,728	\$9,436	\$102,164
2013	94,600	7,564	102,164
2014	96,819	5,345	102,164
2015	99,092	3,072	102,164
2016	37,505	746	38,251
Total	\$420,744	\$26,163	\$446,907

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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 \$9,869,023 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 16 percent of net revenues, or less than 4 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$12,188,363. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,266,520, \$7,936,448 and \$37,865,300, 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 5.5% to 6.0%, final payment will be made on September 1, 2016	\$1,438,770
Series 2001 Revenue Bonds with an original issue amount of \$3,708,336, due in annual installments with varying interest rates from 5.0% to 5.5%, partially refunded during fiscal year 2011, final payment will be made on September 1, 2011	229,250
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	1,327,786
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	1,582,862
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	1,106,132
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 4.125% to 5.0%, final payment will be made on November 1, 2033	949,743
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	3,234,480
	<u>\$9,869,023</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$880,280	\$359,859	\$1,240,139
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
2017-2021	3,451,569	568,411	4,019,980

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Year Ending June 30	Principal	Interest	Total
2022-2026	1,099,437	221,569	1,321,006
2027-2031	371,935	84,281	456,216
2032-2034	189,347	14,502	203,849
Total	<u>\$9,869,023</u>	<u>\$2,319,340</u>	<u>\$12,188,363</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 outstanding at year end are as follows:

Description	Amount
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.	\$270,640
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.	180,474
	<u>\$451,114</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
2012	\$100,044	\$10,214	\$110,258
2013	102,103	8,155	110,258
2014	104,515	5,743	110,258
2015	106,984	3,274	110,258
2016	37,468	745	38,213
Total	<u>\$451,114</u>	<u>\$28,131</u>	<u>\$479,245</u>

**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, 2011 is as follows:

Operating revenues	\$271,373,039
Operating expenses <sup>1</sup>	236,101,854
Operating income	<u>35,271,185</u>
Non-operating revenues (expenses)	
Interest income <sup>2</sup>	643,966
Miscellaneous revenue <sup>2</sup>	1,918,994
Bond service charges	<u>(47,984)</u>
Income available for debt service	\$37,786,161
Parity debt service (principal and interest paid)	\$9,396,136
Parity debt service coverage ratio	402%
Subordinate and other debt service (principal and interest paid)	\$4,968,467
Subordinate and other debt service coverage ratio	571%

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

<sup>1</sup>Excludes depreciation expense of \$16,744,414 and unfunded OPEB expense of \$1,022,802 in accordance with rate covenants.

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

**Advance Refunding:**

On November 12, 2010, the Utilities Commission issued \$11,005,000 of revenue advanced refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for the redemption of \$10,415,000 of revenue bonds which are callable on September 1, 2011. As a result, the refunded bonds are considered defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$585,354. This amount is being netted against the new debt and amortized over the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next eleven years by \$1,222,721 and resulted in an economic gain of \$1,062,210.

**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, 2011, the Utilities Commission had no arbitrage liabilities.

**Unearned Revenue:**

Unearned revenue in the Water Fund totaling \$221,271 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 \$468,358 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.

**Changes in Long-term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	<b>June 30, 2010</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2011</b>	<b>Current Portion</b>
<b><i>Business type activities:</i></b>					
Revenue bonds	\$89,072,122	\$11,005,000	(\$16,101,051)	\$83,976,071	\$5,717,554
General obligation bonds	1,280,000	-	(1,050,000)	230,000	230,000
Other types of debt	28,564,352	5,644,300	(2,681,775)	31,526,877	2,886,233
Discounts and premiums	23,074	(684,665)	94,996	(566,595)	-
Compensated absences	1,756,866	1,312,972	(1,377,932)	1,691,906	1,436,805
Other postemployment benefits	6,734,083	1,022,802	-	7,756,885	-
Unearned revenue	932,731	-	(243,102)	689,629	580,002
<b>Total</b>	<b>\$128,363,228</b>	<b>\$18,300,409</b>	<b>(\$21,358,864)</b>	<b>\$125,304,773</b>	<b>\$10,850,594</b>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Changes in long-term liabilities by fund for the year ended June 30, 2011 are as follows:

	June 30, 2010	Additions	Retirements	June 30, 2011	Current Portion
<b><i>Electric Fund:</i></b>					
Revenue bonds	\$26,744,094	\$3,902,210	(\$6,719,558)	\$23,926,746	\$1,606,307
Other types of debt	730,663	848,231	(205,264)	1,373,630	373,771
Discounts and premiums	(6,565)	(242,773)	22,764	(226,574)	-
Compensated absences	740,700	590,940	(608,332)	723,308	635,707
Other postemployment benefits	3,197,821	477,633	-	3,675,454	-
<b><i>Electric Fund long-term liabilities</i></b>	<b>\$31,406,713</b>	<b>\$5,576,241</b>	<b>(\$7,510,390)</b>	<b>\$29,472,564</b>	<b>\$2,615,785</b>

	June 30, 2010	Additions	Retirements	June 30, 2011	Current Portion
<b><i>Water Fund:</i></b>					
Revenue bonds	\$27,831,299	\$1,695,666	(\$2,308,517)	\$27,218,448	\$1,754,093
Other types of debt	6,697,168	1,900,838	(736,095)	7,861,911	753,812
Discounts and premiums	(71,407)	(105,494)	26,633	(150,268)	-
Compensated absences	412,325	241,591	(278,055)	375,861	290,568
Other postemployment benefits	1,444,667	187,193	-	1,631,860	-
Unearned revenue	267,911	-	(46,640)	221,271	221,271
<b><i>Water Fund long-term liabilities</i></b>	<b>\$36,581,963</b>	<b>\$3,919,794</b>	<b>(\$3,342,674)</b>	<b>\$37,159,083</b>	<b>\$3,019,744</b>

	June 30, 2010	Additions	Retirements	June 30, 2011	Current Portion
<b><i>Sewer Fund:</i></b>					
Revenue bonds	\$23,352,976	\$2,172,644	(\$2,563,766)	\$22,961,854	\$1,476,874
General obligation bonds	1,280,000	-	(1,050,000)	230,000	230,000
Other types of debt	20,801,693	2,714,757	(1,676,228)	21,840,222	1,658,606
Discounts and premiums	98,426	(135,169)	30,717	(6,026)	-
Compensated absences	343,323	258,496	(273,817)	328,002	286,139
Other postemployment benefits	1,073,350	198,164	-	1,271,514	-
Unearned revenue	664,820	-	(196,462)	468,358	358,731
<b><i>Sewer Fund long-term liabilities</i></b>	<b>\$47,614,588</b>	<b>\$5,208,892</b>	<b>(\$5,729,556)</b>	<b>\$47,093,924</b>	<b>\$4,010,350</b>

	June 30, 2010	Additions	Retirements	June 30, 2011	Current Portion
<b><i>Gas Fund:</i></b>					
Revenue bonds	\$11,143,753	\$3,234,480	(\$4,509,210)	\$9,869,023	\$880,280
Other types of debt	334,828	180,474	(64,188)	451,114	100,044
Discounts and premiums	2,620	(201,229)	14,882	(183,727)	-
Compensated absences	260,518	221,945	(217,728)	264,735	224,391
Other postemployment benefits	1,018,245	159,812	-	1,178,057	-
<b><i>Gas Fund long-term liabilities</i></b>	<b>\$12,759,964</b>	<b>\$3,595,482</b>	<b>(\$4,776,244)</b>	<b>\$11,579,202</b>	<b>\$1,204,715</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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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 6.41% 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, 2011, 2010 and 2009 were \$1,511,899, \$1,124,247 and \$1,137,461, 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. 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 must be approved by the Board of Commissioners.

The Utilities Commission's contributions for the years ended June 30, 2011, 2010 and 2009 were \$435,040, \$432,120 and \$436,160, respectively. These contributions represent 1.9%, 1.9% and 1.9%, respectively, of covered payroll.

**Note 5 - Other postemployment benefits**

Plan Description

The Utilities Commission administers a single-employer defined benefit plan for post retirement health care and life insurance benefits for retired or disabled employees. An employee is eligible for retirement when he/she reaches 50 years of age and has completed 20 years of service or reaches age 60 and has completed 5 years of service. Also, an employee is eligible for disability retirement when he/she has completed 5 years of service. Upon service, early or disability retirement as approved by the North Carolina Local Government Employees' Retirement System and upon meeting the criteria established by the Utilities Commission, employees with a minimum of 5 continuous years of service with the Utilities Commission 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.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

Membership of the post retirement benefit plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	117
Active members	<u>423</u>
	<u><u>540</u></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. As of June 30, 2011, members that retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 health care coverage for the retiree. For members that retire with less than 20 years of service, the retiree contributes 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 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. The Utilities Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit. During June 2011, the Board adopted a resolution amending the Utilities Commission’s obligation to contribute to the post retirement benefit plan, which is effective for employees hired after June 30, 2011. Under the terms of the resolution, employees who retire with less than 20 years of service will not be eligible for post retirement coverage and the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The contribution rates for pre-65 benefits for employees will be based on the employee’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 2011, the Utilities Commission contributed \$1,322,819, or 5.7% of annual covered payroll. Contributions by employees for the fiscal year ended June 30, 2011 were \$178,683 and included dependent coverage and a portion of employee coverage. The Utilities Commission is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net OPEB Obligation

The Utilities Commission’s annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

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	\$2,308,649
Interest on net OPEB obligation	269,363
Adjustment to annual required contribution	(232,391)
Annual OPEB cost (expense)	<u>2,345,621</u>
Contributions made	<u>(1,322,819)</u>
Increase (decrease) in net OPEB obligation	1,022,802
Net OPEB obligation, beginning of year	<u>6,734,083</u>
Net OPEB obligation, end of year	<u><u>\$7,756,885</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, 2009, 2010 and 2011 were as follows:

For Year Ended June 30	3 Year Trend Information		Net OPEB Obligation
	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	
2009	\$2,527,759	17.279%	\$4,909,457
2010	\$2,539,238	28.143%	\$6,734,083
2011	\$2,345,621	56.395%	\$7,756,885

Funded Status and Funding Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$30,330,748. The covered payroll (annual payroll of active employees covered by the plan) was \$23,104,504, and the ratio of the UAAL to the covered payroll was 131.3%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations. In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) 4.00% investment rate of return, which included an inflation component of 3.75% and (b) a 10.50% - 5.00% medical cost trend rate with 2017 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 an open basis. The remaining amortization period at December 31, 2009 was 30 years.

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

**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, 2011 consist of the following:

Refuse fees collected	\$452,477
Stormwater fees collected	247,447
Street lighting reimbursement	114,697
Street repairs	29,034
Refuse collection	2,250
Landfill user fees	1,681
Parking lot sweeping	200
Consultant services for pay and benefits study	3,924
Consultant services for self-funded health insurance	10,800
M/WBE Program	7,429
Total	<u>\$869,939</u>

Balances due from the City of Greenville at June 30, 2011 consist of the following:

Street light service	\$110,363
Street light installation	23,767
Electrical and gas replacements/repairs	9,688
Total	<u>\$143,818</u>

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

Transfers to the City of Greenville's General Fund during fiscal year 2011 consist of the following:

Electric Fund general transfer	\$3,694,777
Gas Fund general transfer	1,070,081
Electric Fund street lighting reimbursement	677,932
Total	<u>\$5,442,790</u>

The transfers to the City's General Fund of \$5,442,790 included the general and street lighting reimbursement transfers. The general transfers were computed based on 6% of the Electric and Gas Funds' fixed assets, net of related debt. The street lighting reimbursement represents 50% of current fiscal year street lighting revenues. The

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
Notes to the Financial Statements  
For the Year Ended June 30, 2011**

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 loss. The Utilities Commission carries commercial coverage for these 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, workers' compensation coverage up to the statutory limits, and umbrella liability of \$20 million.

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 employees that have 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 City of Greenville and the Utilities Commission self-fund the medical benefit plan up to \$200,000 per person per year, with a combined maximum stop loss limit of \$14,709,829. 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. 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 past fiscal year are as follows:

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

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.

Effective January 1, 2011 the City of Greenville and the Utilities Commission are self-funding 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:

	<u>2011</u>
Unpaid claims, beginning	\$ -
Incurred claims	158,418
Claim payments	<u>(137,516)</u>
Unpaid claims, ending	<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, 2011**

**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, 2011 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 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans" will be effective for the Commission beginning with its year ending June 30, 2012.

GASB Statement Number 60, "Service Concession Arrangements" will be effective for the Commission beginning with its year ending June 30, 2013.

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 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions" – an amendment of GASB Statement Number 53 will be effective for the Commission beginning with its year ending June 30, 2012.



# *Certificate of Safety Achievement*

## *Third Consecutive Year Silver*

In recognition of the outstanding safety and health efforts of

### **GREENVILLE UTILITIES COMMISSION GAS DEPARTMENT & UTILITY LOCATING SERVICE**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Required Supplementary Information

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
OTHER POST EMPLOYMENT BENEFITS  
REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2011**

**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%

**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%

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	12/31/2009	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, open	
Remaining amortization period	30 years	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	4.00%	* Includes inflation at 3.75%
Medical cost trend rate:		
Pre-Medicare trend rate	10.50% - 5.00%	
Post-Medicare trend rate	9.00% - 5.00%	
Year of ultimate trend rate	2017	

THIS PAGE INTENTIONALLY LEFT BLANK



# *Certificate of Safety Achievement*

## *Fourth Consecutive Year Gold*

In recognition of the outstanding safety and health efforts of

### **GREENVILLE UTILITIES COMMISSION CUSTOMER RELATIONS DEPARTMENT**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Supplementary Information

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011			2010
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
<b>Revenues</b>				
Electric Revenues				
Rates and charges	\$ 201,563,955	\$ 200,357,626	\$ (1,206,329)	\$ 192,716,425
Fees and charges	1,058,397	1,054,095	(4,302)	1,004,252
U.G. and temporary service charges	106,319	111,168	4,849	140,140
Miscellaneous	1,347,442	2,162,589	815,147	669,813
Interest on investments	420,000	382,884	(37,116)	519,435
Total Electric Revenues	204,496,113	204,068,362	(427,751)	195,050,065
Water Revenues				
Rates and charges	14,026,527	14,568,726	542,199	12,921,434
Fees and charges	323,660	321,294	(2,366)	398,169
Capacity fees	165,000	-	(165,000)	-
Miscellaneous	221,478	221,394	(84)	299,245
Interest on investments	60,235	63,086	2,851	56,706
Total Water Revenues	14,796,900	15,174,500	377,600	13,675,554
Sewer Revenues				
Rates and charges	15,733,490	16,251,177	517,687	13,982,944
Fees and charges	313,920	319,025	5,105	366,945
Acreage fees	-	-	-	103,753
Pitt County	65,219	65,219	-	130,438
Miscellaneous	152,532	137,136	(15,396)	118,838
Interest on temporary investments	70,000	65,280	(4,720)	95,480
Total Sewer Revenues	16,335,161	16,837,837	502,676	14,798,398
Gas Revenues				
Rates and charges	36,328,312	37,440,126	1,111,814	37,491,825
Fees and charges	145,500	149,616	4,116	159,339
Miscellaneous	142,473	148,842	6,369	311,038
Interest on temporary investments	130,000	132,716	2,716	137,904
Total Gas Revenues	36,746,285	37,871,300	1,125,015	38,100,106
Total Revenues	272,374,459	273,951,999	1,577,540	261,624,123
<b>Expenditures</b>				
Governing Body department	3,958,603	3,917,158	41,445	3,616,911
Finance department				
Operating expenses		2,616,936		2,315,281
Debt Service		14,431,685		13,085,408
Total	17,377,151	17,048,621	328,530	15,400,689
Human Resources department	3,716,095	3,703,917	12,178	3,282,795
IT department	4,580,624	4,285,056	295,568	2,988,044
Customer Relations department	4,497,129	4,301,922	195,207	4,076,029

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011		Variance Positive (Negative)	2010
	Budget	Actual		Actual
Electric department				
Maintenance and repairs		3,401,238		3,707,384
Other operating expenses		175,989,543		170,315,910
Capital outlay		4,673,147		4,355,363
Total	187,856,973	184,063,928	3,793,045	178,378,657
Meter department	2,419,101	2,226,297	192,804	2,230,140
Water department				
Maintenance and repairs		1,123,229		1,030,098
Other operating expenses		5,877,047		5,969,729
Capital outlay		1,157,780		707,764
Total	8,291,328	8,158,056	133,272	7,707,591
Sewer department				
Maintenance and repairs		953,425		1,115,957
Other operating expenses		5,802,635		5,536,486
Capital outlay		595,285		1,071,179
Total	7,423,307	7,351,345	71,962	7,723,622
Gas department				
Maintenance and repairs		387,100		384,923
Other operating expenses		27,156,969		27,118,292
Capital outlay		952,743		1,164,882
Total	32,097,603	28,496,812	3,600,791	28,668,097
Utility Locating Services	467,925	433,462	34,463	481,003
Total expenditures	272,685,839	263,986,574	8,699,265	254,553,578
Excess of Revenues Over (Under) Expenditures	(311,380)	9,965,425	10,276,805	7,070,545
Other Financing Sources (Uses)				
Contributed capital	-	589,592	589,592	1,300,235
Installment purchase	1,307,380	1,307,380	-	1,271,781
Intra-fund transfers in	504,000	504,000	-	449,245
Intra-fund transfers out	(1,500,000)	(1,500,000)	-	-
Total other financing sources (uses)	311,380	900,972	589,592	3,021,261
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 10,866,397	\$ 10,866,397	\$ 10,091,806

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	<u>2011</u>	<u>2010</u>
Reconciliation to full accrual basis from modified accrual basis:		
Revenues over expenditures	\$ 10,866,397	\$ 10,091,806
Budgetary appropriations - capital	8,010,243	7,705,815
Budgetary appropriations - debt principal	9,417,822	8,406,320
Depreciation	(16,744,414)	(15,648,994)
Debt issued	(1,307,380)	(1,271,781)
Amortization of bond premium/discount/issue costs	(94,996)	(68,578)
Capitalization of bond interest	260,425	899,726
Changes in accrued interest payable	518,626	(124,634)
Intra-fund transfers	996,000	(449,245)
Changes in OPEB liability	(1,022,802)	(1,824,626)
Revenue recognized in Capital Projects	<u>912,372</u>	<u>2,612,781</u>
Total reconciling items	<u>945,896</u>	<u>236,784</u>
 CHANGES IN NET ASSETS	 <u>\$ 11,812,293</u>	 <u>\$ 10,328,590</u>

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 201,563,955	\$ 200,357,626	\$ (1,206,329)	\$ 192,716,425
Fees and charges	1,058,397	1,054,095	(4,302)	1,004,252
U.G. and temporary service charges	106,319	111,168	4,849	140,140
Miscellaneous	473,728	536,485	62,757	483,335
	<u>203,202,399</u>	<u>202,059,374</u>	<u>(1,143,025)</u>	<u>194,344,152</u>
Non-Operating Revenues				
Interest on investments	420,000	382,884	(37,116)	519,435
Miscellaneous	873,714	1,626,104	752,390	186,478
	<u>1,293,714</u>	<u>2,008,988</u>	<u>715,274</u>	<u>705,913</u>
Total Revenues	<u>204,496,113</u>	<u>204,068,362</u>	<u>(427,751)</u>	<u>195,050,065</u>
<b>Expenditures</b>				
Governing Body department	2,101,376	2,087,137	14,239	1,687,736
Finance department				
Operating expenses		1,156,468		1,012,963
Debt Service		3,079,015		3,254,305
Total	<u>4,314,946</u>	<u>4,235,483</u>	<u>79,463</u>	<u>4,267,268</u>
Human Resources department	1,615,672	1,592,343	23,329	1,382,488
IT department	2,689,025	2,359,259	329,766	1,431,412
Customer Relations department	3,699,703	3,521,339	178,364	3,336,484
Electric department				
Maintenance and repairs		3,401,238		3,707,384
Other operating expenses		175,989,543		170,315,910
Capital outlay		4,673,147		4,355,363
Total	<u>187,856,973</u>	<u>184,063,928</u>	<u>3,793,045</u>	<u>178,378,657</u>
Meter department	1,443,782	1,225,117	218,665	1,316,750
Utility Locating Services	116,981	108,864	8,117	120,148
Total expenditures	<u>203,838,458</u>	<u>199,193,470</u>	<u>4,644,988</u>	<u>191,920,943</u>
Excess of Revenues Over Expenditures	<u>657,655</u>	<u>4,874,892</u>	<u>4,217,237</u>	<u>3,129,122</u>
Other Financing Sources (Uses)				
Installment purchase	842,345	848,231	5,886	514,460
Intra-fund transfers out	(1,500,000)	(1,500,000)	-	
Total other financing sources (uses)	<u>(657,655)</u>	<u>(651,769)</u>	<u>5,886</u>	<u>514,460</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 4,223,123</u>	<u>\$ 4,223,123</u>	<u>\$ 3,643,582</u>

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	<u>2011</u>	<u>2010</u>
Reconciliation to full accrual basis from modified accrual basis:		
Revenues over expenditures	\$ 4,223,123	\$ 3,643,582
Budgetary appropriations - capital	5,103,069	4,573,413
Budgetary appropriations - debt principal	1,910,579	1,961,105
Depreciation	(7,257,515)	(6,892,378)
Debt issued	(848,231)	(514,460)
Amortization of bond premium/discount/issue costs	(22,764)	(15,464)
Capitalization of bond interest	-	244,748
Changes in accrued interest payable	55,184	15,645
Intra-fund transfers	1,500,000	-
Changes in OPEB liability	(477,633)	(850,933)
Revenue recognized in Capital Projects	<u>(1,378)</u>	<u>3,148</u>
Total reconciling items	<u>(38,689)</u>	<u>(1,475,176)</u>
 CHANGES IN NET ASSETS	 <u>\$ 4,184,434</u>	 <u>\$ 2,168,406</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, 2011**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Interest and misc income	\$ 107,417	\$ 258,027	\$ (1,378)	\$ 256,649	\$ 149,232
Total revenues	107,417	258,027	(1,378)	256,649	149,232
Expenditures					
* ECP-124 Dickinson Avenue Substation	2,900,000	2,391,526	66,362	2,457,888	442,112
* ECP-125 Dickinson Avenue Transmission Line	3,300,000	1,957,091	25,176	1,982,267	1,317,733
ECP-128 Information Technology Appl. Master Plan	1,366,246	2,570	205,744	208,314	1,157,932
ECP-132 Substation Modernization	3,000,000	13,963	1,705,849	1,719,812	1,280,188
ECP-133 Sugg Parkway Transmission Line	1,700,000	-	-	-	1,700,000
ECP-134 Sugg Parkway Substation	3,400,000	-	-	-	3,400,000
Total expenditures	15,666,246	4,365,150	2,003,131	6,368,281	9,297,965
Excess of Revenues Over (Under) Expenditures	(15,558,829)	(4,107,123)	(2,004,509)	(6,111,632)	9,447,197
Other Financing Sources (Uses)					
Appropriated fund balance	92,583	-	-	-	(92,583)
Revenue bonds issued	6,000,000	6,003,505	(1,321,238)	4,682,267	(1,317,733)
Refunding bonds issued	3,935,896	-	3,902,210	3,902,210	(33,686)
Payment to refunded bond escrow agent	(3,935,896)	-	(3,912,309)	(3,912,309)	23,587
Long-term financing	9,466,246	-	-	-	(9,466,246)
Intra-fund transfers in	-	-	1,510,099	1,510,099	1,510,099
Total other financing sources (uses)	15,558,829	6,003,505	178,762	6,182,267	(9,376,562)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 1,896,382	\$ (1,825,747)	\$ 70,635	\$ 70,635

\* 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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 14,026,527	\$ 14,568,726	\$ 542,199	\$ 12,921,434
Fees and charges	323,660	321,294	(2,366)	398,169
Miscellaneous	107,400	85,994	(21,406)	79,354
	<u>14,457,587</u>	<u>14,976,014</u>	<u>518,427</u>	<u>13,398,957</u>
Non-Operating Revenues				
Interest on investments	60,235	63,086	2,851	56,706
Capacity fees	165,000	-	(165,000)	-
Miscellaneous	114,078	135,400	21,322	219,891
	<u>339,313</u>	<u>198,486</u>	<u>(140,827)</u>	<u>276,597</u>
Total Revenues	<u>14,796,900</u>	<u>15,174,500</u>	<u>377,600</u>	<u>13,675,554</u>
<b>Expenditures</b>				
Governing Body department	613,557	618,169	(4,612)	626,229
Finance department				
Operating expenses		531,040		464,487
Debt Service		4,097,058		3,382,020
Total	<u>4,670,320</u>	<u>4,628,098</u>	<u>42,222</u>	<u>3,846,507</u>
Human Resources department	769,468	777,294	(7,826)	701,239
IT department	509,958	522,868	(12,910)	534,705
Customer Relations department	113,106	117,234	(4,128)	214,186
Meter department	316,327	303,590	12,737	397,030
Water department				
Maintenance and repairs		1,123,229		1,030,098
Other operating expenses		5,877,047		5,969,729
Capital outlay		1,157,780		707,764
Total	<u>8,291,328</u>	<u>8,158,056</u>	<u>133,272</u>	<u>7,707,591</u>
Utility Locating Services	116,981	107,616	9,365	120,282
Total expenditures	<u>15,401,045</u>	<u>15,232,925</u>	<u>168,120</u>	<u>14,147,769</u>
Excess of Revenues Over (Under) Expenditures	<u>(604,145)</u>	<u>(58,425)</u>	<u>545,720</u>	<u>(472,215)</u>
Other Financing Sources (Uses)				
Contributed capital	-	225,313	225,313	370,783
Installment Purchase	100,145	98,022	(2,123)	125,459
Intra-fund transfers in	504,000	504,000	-	172,998
Total other financing sources (uses)	<u>604,145</u>	<u>827,335</u>	<u>223,190</u>	<u>669,240</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 768,910</u>	<u>\$ 768,910</u>	<u>\$ 197,025</u>

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	<u>2011</u>	<u>2010</u>
Reconciliation to full accrual basis from modified accrual basis:		
Revenues over expenditures	\$ 768,910	\$ 197,025
Budgetary appropriations - capital	1,221,658	772,806
Budgetary appropriations - debt principal	2,400,987	2,010,962
Depreciation	(3,616,981)	(3,231,417)
Debt issued	(98,022)	(125,459)
Amortization of bond premium/discount/issue costs	(26,633)	(22,054)
Capitalization of bond interest	71,691	286,621
Changes in accrued interest payable	325,640	(68,975)
Intra-fund transfers	(504,000)	(172,998)
Changes in OPEB liability	(187,193)	(378,522)
Revenue recognized in Capital Projects	<u>436,721</u>	<u>2,394,486</u>
Total reconciling items	<u>23,868</u>	<u>1,465,450</u>
 CHANGES IN NET ASSETS	 <u>\$ 792,778</u>	 <u>\$ 1,662,475</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, 2011**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues</b>					
Interest and misc income	\$ 162,989	\$ 142,525	\$ (10,631)	\$ 131,894	\$ (31,095)
Local contributions	225,000	302,773	4,000	306,773	81,773
Capacity fees	-	286,094	177,705	463,799	463,799
<b>Total revenues</b>	<b>387,989</b>	<b>731,392</b>	<b>171,074</b>	<b>902,466</b>	<b>514,477</b>
<b>Expenditures</b>					
WCP-94 Fire Tower Road Improvements	1,139,000	625,385	588,200	1,213,585	(74,585)
* WCP-95 Inter-Basin Transfer Analysis	400,000	242,082	67,050	309,132	90,868
WCP-96 Frog Level Road Water Main Ext	507,000	387,453	83,202	470,655	36,345
* WCP-97 Stokes Water Interconnection	796,285	836,311	(736,606)	99,705	696,580
* WCP-98 Automated Meter Reading (AMR)	3,480,116	3,407,916	60,851	3,468,767	11,349
WCP-99 WTP Raw Water Pump Station Improve.	3,402,577	2,824,302	415,245	3,239,547	163,030
* WCP-100 Elevated Storage Tank Painting	525,000	456,776	-	456,776	68,224
* WCP-102 Fire Flow Improvements	720,000	679,341	2,379	681,720	38,280
WCP-104 Tar River Available Water Supply	1,160,000	548,631	379,440	928,071	231,929
WCP-105 Aquifer Storage & Recovery Wellhead	1,572,000	1,387,757	144,970	1,532,727	39,273
* WCP-106 Eastside Water Tank Rehabilitation	623,000	481,736	68,812	550,548	72,452
WCP-107 Tar River Temporary Dam	220,000	192,690	5,906	198,596	21,404
* WCP-108 Northwest Acres Water Main Ext.	190,846	109,964	(115)	109,849	80,997
WCP-109 NC Highway 43 West Water Improv.	200,000	16,866	122,487	139,353	60,647
WCP-110 Portertown Road Bridge Replacement	90,000	3,806	5,165	8,971	81,029
* WCP-111 Thomas Langston Rd. Water Main Ext.	300,055	239,824	(21,892)	217,932	82,123
WCP-112 Water Distribution System Master Plan	425,000	22,780	183,156	205,936	219,064
WCP-113 NC Hwy 43 Water Improvements Phase II	352,000	-	1,316	1,316	350,684
<b>Total expenditures</b>	<b>16,102,879</b>	<b>12,463,620</b>	<b>1,369,566</b>	<b>13,833,186</b>	<b>2,269,693</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(15,714,890)</b>	<b>(11,732,228)</b>	<b>(1,198,492)</b>	<b>(12,930,720)</b>	<b>2,784,170</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	459,000	-	-	-	(459,000)
Revenue bonds issued	9,866,665	8,464,628	961,133	9,425,761	(440,904)
Refunding bonds issued	1,710,304	-	1,695,666	1,695,666	(14,638)
Payment to refunded bond escrow agent	(1,710,304)	-	(1,700,055)	(1,700,055)	10,249
State loans	1,095,480	179,200	336,542	515,742	(579,738)
State grants	690,846	425,606	184,331	609,937	(80,909)
ARRA loans	1,495,557	-	1,466,274	1,466,274	(29,283)
ARRA grants	1,495,557	1,412,151	81,316	1,493,467	(2,090)
EDA grant	703,000	703,000	-	703,000	-
Long-term financing	352,000	-	-	-	(352,000)
Intra-fund transfers in	60,785	-	4,389	4,389	(56,396)
Intra-fund transfers out	(504,000)	-	(504,000)	(504,000)	-
<b>Total other financing sources (uses)</b>	<b>15,714,890</b>	<b>11,184,585</b>	<b>2,525,596</b>	<b>13,710,181</b>	<b>(2,004,709)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ (547,643)</b>	<b>\$ 1,327,104</b>	<b>\$ 779,461</b>	<b>\$ 779,461</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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
Operating Revenues				
Rates and charges	\$ 15,733,490	\$ 16,251,177	\$ 517,687	\$ 13,982,944
Fees and charges	313,920	319,025	5,105	366,945
Miscellaneous	107,400	85,329	(22,071)	77,579
	<u>16,154,810</u>	<u>16,655,531</u>	<u>500,721</u>	<u>14,427,468</u>
Non-Operating Revenues				
Interest on investments	70,000	65,280	(4,720)	95,480
Acreage fees	-	-	-	103,753
Pitt County	65,219	65,219	-	130,438
Miscellaneous	45,132	51,807	6,675	41,259
	<u>180,351</u>	<u>182,306</u>	<u>1,955</u>	<u>370,930</u>
Total Revenues	<u>16,335,161</u>	<u>16,837,837</u>	<u>502,676</u>	<u>14,798,398</u>
<b>Expenditures</b>				
Governing Body department	574,146	565,464	8,682	623,839
Finance department				
Operating expenses		501,413		449,697
Debt Service		5,907,094		5,055,825
Total	<u>6,493,097</u>	<u>6,408,507</u>	<u>84,590</u>	<u>5,505,522</u>
Human Resources department	741,929	742,036	(107)	671,241
IT department	624,039	637,926	(13,887)	420,898
Customer Relations department	228,107	252,404	(24,297)	114,016
Meter department	316,327	303,019	13,308	137,313
Sewer department	7,423,307			
Maintenance and repairs		953,425		1,115,957
Other operating expenses		5,802,635		5,536,486
Capital outlay		595,285		1,071,179
Total	<u>7,423,307</u>	<u>7,351,345</u>	<u>71,962</u>	<u>7,723,622</u>
Utility Locating Services	116,981	107,614	9,367	120,273
Total expenditures	<u>16,517,933</u>	<u>16,368,315</u>	<u>149,618</u>	<u>15,316,724</u>
Excess of Revenues Over (Under) Expenditures	<u>(182,772)</u>	<u>469,522</u>	<u>652,294</u>	<u>(518,326)</u>
Other Financing Sources (Uses)				
Contributed capital	-	364,279	364,279	929,452
Installment Purchase	182,772	180,653	(2,119)	297,034
Intra-fund transfers in	-	-	-	276,247
Total other financing sources (uses)	<u>182,772</u>	<u>544,932</u>	<u>362,160</u>	<u>1,502,733</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 1,014,454</u>	<u>\$ 1,014,454</u>	<u>\$ 984,407</u>

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	<u>2011</u>	<u>2010</u>
Reconciliation to full accrual basis from modified accrual basis:		
Revenues over expenditures	\$ 1,014,454	\$ 984,407
Budgetary appropriations - capital	657,923	1,134,197
Budgetary appropriations - debt principal	4,224,190	3,587,504
Depreciation	(4,245,776)	(4,068,592)
Debt issued	(180,653)	(297,034)
Amortization of bond premium/discount/issue costs	(30,717)	(27,084)
Capitalization of bond interest	188,734	335,105
Changes in accrued interest payable	98,987	(79,670)
Intra-fund transfers	-	(276,247)
Changes in OPEB liability	(198,164)	(340,494)
Revenue recognized in Capital Projects	<u>476,080</u>	<u>213,647</u>
Total reconciling items	<u>990,604</u>	<u>181,332</u>
 CHANGES IN NET ASSETS	 <u>\$ 2,005,058</u>	 <u>\$ 1,165,739</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, 2011**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ 105,000	\$ 219,089	\$ 4,852	\$ 223,941	\$ 118,941
Capacity fees	325,000	278,894	189,246	468,140	143,140
Outfall acreage fee	100,000	1,040,974	79,420	1,120,394	1,020,394
Local contributions	1,952,942	235,000	202,562	437,562	(1,515,380)
<b>Total revenues</b>	<b>2,482,942</b>	<b>1,773,957</b>	<b>476,080</b>	<b>2,250,037</b>	<b>(232,905)</b>
<b>Expenditures</b>					
* WCP-98 Automated Meter Reading (AMR)	2,847,367	2,788,295	49,787	2,838,082	9,285
SCP-93 WWTP Electrical and SCADA Upgrade	14,374,134	12,961,542	964,365	13,925,907	448,227
SCP-94 Fire Tower Road Improvements	319,500	170,434	100,782	271,216	48,284
* SCP-95 Sanitary Sewer Outfall Rehab. - Phase II	1,931,479	1,035,018	767,416	1,802,434	129,045
* SCP-96 Stokes and Pactolus Schools Sewer Ext.	1,850,000	235,635	85,916	321,551	1,528,449
SCP-97 River Hills Annexation Sewer Extension	600,000	496,331	70,859	567,190	32,810
SCP-99 Sterling Pointe Pump Station & Force Main	1,359,000	858,411	469,001	1,327,412	31,588
SCP-100 Westside Pump Station & Force Main	1,300,000	323,752	539,666	863,418	436,582
SCP-109 NC Highway 43 West Sewer Improv.	66,000	84	31,106	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	46,800	323,478	370,278	1,609,722
SCP-113 NC Hwy 43 Sewer Improvements Phae II	266,000	-	-	-	266,000
<b>Total expenditures</b>	<b>27,038,480</b>	<b>19,058,802</b>	<b>3,402,376</b>	<b>22,461,178</b>	<b>4,577,302</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(24,555,538)</b>	<b>(17,284,845)</b>	<b>(2,926,296)</b>	<b>(20,211,141)</b>	<b>(4,810,207)</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	106,000	-	-	-	(106,000)
Revenue bonds issued	10,092,446	6,244,493	999,647	7,244,140	(2,848,306)
Refunding bonds issued	2,191,399	-	2,172,644	2,172,644	(18,755)
Payment to refunded bond escrow agent	(2,191,399)	-	(2,178,267)	(2,178,267)	13,132
State loans	13,851,680	10,783,509	2,534,104	13,317,613	(534,067)
Long-term financing	266,000	-	-	-	(266,000)
Intra-fund transfers in	239,412	3,067,582	5,623	3,073,205	2,833,793
<b>Total other financing sources (uses)</b>	<b>24,555,538</b>	<b>20,095,584</b>	<b>3,533,751</b>	<b>23,629,335</b>	<b>(926,203)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 2,810,739</b>	<b>\$ 607,455</b>	<b>\$ 3,418,194</b>	<b>\$ (5,736,410)</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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	2011			2010
	Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues				
Rates and charges	\$ 36,328,312	\$ 37,440,126	\$ 1,111,814	\$ 37,491,825
Fees and charges	145,500	149,616	4,116	159,339
Miscellaneous	104,803	92,378	(12,425)	89,329
	<u>36,578,615</u>	<u>37,682,120</u>	<u>1,103,505</u>	<u>37,740,493</u>
Non-Operating Revenues				
Interest on investments	130,000	132,716	2,716	137,904
Miscellaneous	37,670	56,464	18,794	221,709
	<u>167,670</u>	<u>189,180</u>	<u>21,510</u>	<u>359,613</u>
Total Revenues	<u>36,746,285</u>	<u>37,871,300</u>	<u>1,125,015</u>	<u>38,100,106</u>
Expenditures				
Governing Body department	669,524	646,388	23,136	679,107
Finance department				
Operating expenses		428,015		388,134
Debt Service		1,348,518		1,393,258
Total	<u>1,898,788</u>	<u>1,776,533</u>	<u>122,255</u>	<u>1,781,392</u>
Human Resources department	589,026	592,244	(3,218)	527,827
IT department	757,602	765,003	(7,401)	601,029
Customer Relations department	456,213	410,945	45,268	411,343
Meter department	342,665	394,571	(51,906)	379,047
Gas department				
Maintenance and repairs		387,100		384,923
Other operating expenses		27,156,969		27,118,292
Capital outlay		952,743		1,164,882
Total	<u>32,097,603</u>	<u>28,496,812</u>	<u>3,600,791</u>	<u>28,668,097</u>
Utility Locating Services	116,982	109,368	7,614	120,300
Total expenditures	<u>36,928,403</u>	<u>33,191,864</u>	<u>3,736,539</u>	<u>33,168,142</u>
Excess of Revenues Over (Under) Expenditures	<u>(182,118)</u>	<u>4,679,436</u>	<u>4,861,554</u>	<u>4,931,964</u>
Other Financing Sources (Uses)				
Installment Purchase	182,118	180,474	(1,644)	334,828
Total other financing sources (uses)	<u>182,118</u>	<u>180,474</u>	<u>(1,644)</u>	<u>334,828</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 4,859,910</u>	<u>\$ 4,859,910</u>	<u>\$ 5,266,792</u>

**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, 2011 (With Comparative Actual Totals For June 30, 2010)**

	<u>2011</u>	<u>2010</u>
Reconciliation to full accrual basis from modified accrual basis:		
Revenues over expenditures	\$ 4,859,910	\$ 5,266,792
Budgetary appropriations - capital	1,027,593	1,225,399
Budgetary appropriations - debt principal	882,066	846,749
Depreciation	(1,624,142)	(1,456,607)
Debt issued	(180,474)	(334,828)
Amortization of bond premium/discount/issue costs	(14,882)	(3,976)
Capitalization of bond interest	-	33,252
Changes in accrued interest payable	38,815	8,366
Changes in OPEB liability	(159,812)	(254,677)
Revenue recognized in Capital Projects	949	1,500
Total reconciling items	<u>(29,887)</u>	<u>65,178</u>
 CHANGES IN NET ASSETS	 <u>\$ 4,830,023</u>	 <u>\$ 5,331,970</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, 2011**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Interest and misc income	\$ -	\$ 6,996	\$ 949	\$ 7,945	\$ 7,945
Total revenues	-	6,996	949	7,945	7,945
<b>Expenditures</b>					
GCP-83 Fire Tower Road NCDOT Reloc.	300,000	172,854	79,730	252,584	47,416
* GCP-84 Gas Distribution System SCADA Upgrade	640,000	639,564	-	639,564	436
Total expenditures	940,000	812,418	79,730	892,148	47,852
Excess of Revenues Over (Under) Expenditures	(940,000)	(805,422)	(78,781)	(884,203)	55,797
<b>Other Financing Sources (Uses)</b>					
Revenue bonds issued	940,000	1,581,838	(630,257)	951,581	11,581
Refunding bonds issued	3,262,401	-	3,234,480	3,234,480	(27,921)
Payment to refunded bond escrow agent	(3,262,401)	-	(3,242,851)	(3,242,851)	19,550
Intra-fund transfers in	-	-	8,371	8,371	8,371
Total other financing sources (uses)	940,000	1,581,838	(630,257)	951,581	11,581
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 776,416	\$ (709,038)	\$ 67,378	\$ 67,378

\* 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, 2011**

	<u>Refuse Collection Agency Fund</u>	<u>Stormwater Collection Agency Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Accounts receivables	\$ 798,000	\$ 457,864	\$ 1,255,864
Total assets	<u>798,000</u>	<u>457,864</u>	<u>1,255,864</u>
<b>LIABILITIES</b>			
Accounts payable	798,000	457,864	1,255,864
Total liabilities	<u>798,000</u>	<u>457,864</u>	<u>1,255,864</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, 2011**

	Beginning Balance	Additions	Deductions	Ending Balance
<b>Refuse Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ -	\$ 5,400,172	\$ (5,400,172)	\$ -
Accounts receivable	797,507	5,420,742	(5,420,249)	798,000
Total assets	<u>\$ 797,507</u>	<u>\$ 10,820,914</u>	<u>\$ (10,820,421)</u>	<u>\$ 798,000</u>
<b>Liabilities:</b>				
Accounts payable	\$ 777,394	\$ 5,383,847	\$ (5,363,241)	\$ 798,000
	<u>\$ 777,394</u>	<u>\$ 5,383,847</u>	<u>\$ (5,363,241)</u>	<u>\$ 798,000</u>
<b>Stormwater Collection Fund:</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 888	\$ 3,331,076	\$ (3,331,964)	\$ -
Accounts receivable	388,602	3,380,202	(3,310,940)	457,864
Total assets	<u>\$ 389,490</u>	<u>\$ 6,711,278</u>	<u>\$ (6,642,904)</u>	<u>\$ 457,864</u>
<b>Liabilities:</b>				
Accounts payable	\$ 409,603	\$ 3,130,089	\$ (3,081,828)	\$ 457,864
	<u>\$ 409,603</u>	<u>\$ 3,130,089</u>	<u>\$ (3,081,828)</u>	<u>\$ 457,864</u>

**GREENVILLE UTILITIES COMMISSION  
OF THE CITY OF GREENVILLE, NORTH CAROLINA  
SCHEDULE OF 2011-2012 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	\$ 90,049,131	\$ 29,148,995	\$ 119,198,126
Less long-term debt	<u>25,073,802</u>	<u>10,136,410</u>	<u>35,210,212</u>
Net transfer base	64,975,329	19,012,585	83,987,914
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	<u>3,898,520</u>	<u>1,140,755</u>	<u>5,039,275</u>
<b>Street Lighting Reimbursement</b>			
Street lighting projected revenue	1,405,080		1,405,080
Transfer Rate	50%		50%
Projected street lighting reimbursement	<u>702,540</u>	<u>                    </u>	<u>702,540</u>
<b>Total projected transfer to City of Greenville General Fund</b>	<u><u>\$ 4,601,060</u></u>	<u><u>\$ 1,140,755</u></u>	<u><u>\$ 5,741,815</u></u>

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

Schedule 14

June 30, 2011

	Date of Issue	Date of Maturity	Outstanding June 30, 2010	Retired During Year		Added During Year	Outstanding June 30, 2011	Discount/Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2011
				Principal	Interest					Principal	Interest	
<b>Electric Fund:</b>												
\$2,840,154 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	2,069,304	248,385	111,748	-	1,820,919	(31,513)	1,789,406	262,089	97,709	34,972
\$6,758,308 RB, 2001 New Money	5/1/2001	9/1/2021	4,231,974	3,955,398	116,391	-	276,576	509	277,085	276,576	7,606	5,071
\$2,940,941 Refunding RB, 2003A	5/14/2003	11/14/2010	216,801	216,801	3,224	-	-	-	-	-	-	-
\$627,500 Refunding RB, 2003B	5/1/2003	5/1/2018	376,786	41,331	13,456	-	335,455	(736)	334,719	42,831	11,957	2,069
\$2,607,909 RB, 2005	7/13/2005	9/1/2025	2,216,722	105,946	74,217	-	2,110,776	-	2,110,776	109,206	70,527	24,133
\$7,940,306 RB, 2007	5/11/2007	5/11/2027	6,930,731	349,359	262,675	-	6,581,372	(22,578)	6,558,794	355,979	249,434	34,643
\$1,084,583 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,071,816	102,136	42,952	-	969,680	(3,801)	965,879	105,783	39,313	6,861
\$605,347 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	594,960	43,964	24,490	-	550,996	(12,078)	538,918	45,655	22,922	3,954
\$5,225,000 RB, 2008A New Money	6/25/2008	11/1/2033	5,225,000	-	248,021	(1,321,238)	3,903,762	61,186	3,964,948	-	185,304	30,884
\$4,130,000 RB, 2008B Taxable	6/25/2008	11/1/2018	3,810,000	335,000	204,333	-	3,475,000	-	3,475,000	355,000	186,048	32,576
\$3,902,210 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	-	-	29,656	3,902,210	3,902,210	(217,563)	3,684,647	53,188	97,278	32,648
\$320,000 Installment Purchase 2009	6/15/2009	6/15/2012	216,203	106,640	5,924	-	109,563	-	109,563	109,563	3,002	125
\$514,460 Installment Purchase 2010	5/26/2010	4/26/2015	514,460	98,624	12,073	-	415,836	-	415,836	100,051	10,645	1,925
\$848,231 Installment Purchase 2011	5/18/2011	4/18/2016	-	-	-	848,231	848,231	-	848,231	164,157	15,444	2,008
			<b>27,474,757</b>	<b>5,603,584</b>	<b>1,149,160</b>	<b>3,429,203</b>	<b>25,300,376</b>	<b>(226,574)</b>	<b>25,073,802</b>	<b>1,980,078</b>	<b>997,189</b>	<b>211,869</b>
<b>Water Fund:</b>												
\$1,538,624 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,121,024	134,560	60,538	-	986,464	(16,890)	969,574	141,984	52,933	18,946
\$1,766,834 RB, 2001 New Money	5/1/2001	9/1/2021	1,838,962	1,718,778	50,576	-	120,184	221	120,405	120,184	3,305	2,203
\$313,750 Refunding RB, 2003B	5/1/2003	5/1/2018	188,393	20,666	6,728	-	167,727	(368)	167,359	21,415	5,979	1,034
\$1,356,029 RB, 2005	7/13/2005	9/1/2025	1,152,625	55,089	38,590	-	1,097,536	-	1,097,536	56,784	36,672	12,548
\$2,378,250 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	2,350,255	223,960	94,184	-	2,126,295	(8,335)	2,117,960	231,960	86,205	15,044
\$11,924,653 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	11,720,040	866,037	482,435	-	10,854,003	(231,283)	10,622,720	899,345	451,540	77,880
\$9,680,000 RB, 2008A New Money	6/25/2008	11/1/2033	9,460,000	250,560	471,041	961,132	10,170,572	200,926	10,371,498	259,309	467,264	78,634
\$1,695,666 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	-	-	12,887	1,695,667	1,695,667	(94,539)	1,601,128	23,112	42,271	14,187
\$3,000,000 SRF Loan #1, 1997	2/22/2002	5/1/2015	1,153,846	230,769	29,423	-	923,077	-	923,077	230,769	23,538	3,923
\$3,000,000 SRF Loan #2, 1998	8/20/2003	5/1/2018	1,600,000	200,000	45,920	-	1,400,000	-	1,400,000	200,000	40,180	6,697
\$4,014,597 SRF Loan #4, 2004	11/18/2010	5/1/2030	3,817,863	194,246	367,292	67,050	3,690,667	-	3,690,667	194,245	81,380	13,563
\$2,942,152 ARRA SRF Loan #6	*	*	-	73,554	-	1,443,883	1,370,329	-	1,370,329	70,834	-	-
\$44,782 ARRA SRF Loan #8	1/28/2011	5/2/2031	-	-	-	22,391	22,391	-	22,391	1,120	-	-
\$269,492 SRF Loan #9	6/21/2010	5/1/2030	-	13,475	5,611	269,492	256,017	-	256,017	13,475	6,400	1,067
\$125,459 Installment Purchase 2010	5/26/2010	4/26/2015	125,459	24,051	2,944	-	101,408	-	101,408	24,399	2,596	469
\$98,022 Installment Purchase 2011	5/18/2011	4/18/2016	-	-	-	98,022	98,022	-	98,022	18,970	1,785	232
			<b>34,528,467</b>	<b>4,005,745</b>	<b>1,668,169</b>	<b>4,557,637</b>	<b>35,080,359</b>	<b>(150,268)</b>	<b>34,930,091</b>	<b>2,507,905</b>	<b>1,302,048</b>	<b>246,427</b>
<b>Sewer Fund:</b>												
\$9,355,000 Ref. G.O. Bonds, 2003	4/1/2003	3/1/2012	1,280,000	1,050,000	41,945	-	230,000	(39,765)	190,235	230,000	7,820	2,607
\$1,667,119 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,214,644	145,798	65,594	-	1,068,846	(18,301)	1,050,545	153,841	57,354	20,528
\$4,561,522 RB, 2001 New Money	5/1/2001	9/1/2021	2,356,248	2,202,258	64,803	-	153,990	283	154,273	153,990	4,235	2,823
\$1,626,340 Refunding RB, 2003A	5/14/2003	11/14/2010	119,891	119,891	1,783	-	-	-	-	-	-	-
\$4,940,000 Refunding RB, 2003B	5/1/2003	5/1/2018	2,966,252	325,382	105,935	-	2,640,870	(5,795)	2,635,075	337,184	94,133	16,286
\$4,036,062 RB, 2005	7/13/2005	9/1/2025	3,430,653	163,965	114,859	-	3,266,688	-	3,266,688	169,010	109,149	37,349
\$4,219,963 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	4,170,288	397,395	167,119	-	3,772,893	(14,790)	3,758,103	411,588	152,962	26,694
\$9,310,000 RB, 2008A New Money	6/25/2008	11/1/2033	9,095,000	199,439	376,698	990,362	9,885,923	193,476	10,079,399	221,647	456,082	76,660
\$2,172,644 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	-	-	16,511	2,172,644	2,172,644	(121,134)	2,051,510	29,614	54,162	18,178
\$11,629,783 SRF Loan #3, 2001 Program	4/26/2005	5/1/2020	7,753,189	775,319	199,257	-	6,977,870	-	6,977,870	775,319	179,331	29,889
\$13,851,680 SRF Loan #5, 2008	*	*	10,783,509	692,584	397,638	2,534,104	12,625,029	-	12,625,029	639,177	462,908	46,621
\$2,895,724 Bethel Inter-Local Agreement	1/6/2003	5/1/2023	1,967,961	151,382	113,839	-	1,816,579	-	1,816,579	151,382	110,147	20,533
\$297,034 Installment Purchase 2010	5/26/2010	4/26/2015	297,034	56,943	6,970	-	240,091	-	240,091	57,766	6,147	1,111
\$180,653 Installment Purchase 2011	5/18/2011	4/18/2016	-	-	-	180,653	180,653	-	180,653	34,962	3,289	428
			<b>45,434,669</b>	<b>6,280,356</b>	<b>1,672,951</b>	<b>5,877,763</b>	<b>45,032,076</b>	<b>(6,026)</b>	<b>45,026,050</b>	<b>3,365,480</b>	<b>1,697,719</b>	<b>299,707</b>
<b>Gas Fund:</b>												
\$2,244,103 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,635,028	196,258	88,296	-	1,438,770	(24,635)	1,414,135	207,085	77,204	27,633
\$3,708,336 RB, 2001 New Money	5/1/2001	9/1/2021	3,507,816	3,278,566	96,474	-	229,250	422	229,672	229,250	6,304	4,203
\$2,483,750 Refunding RB, 2003B	5/1/2003	5/1/2018	1,491,383	163,597	53,262	-	1,327,786	(2,914)	1,324,872	169,531	47,329	8,188
\$1,909,693 RB, 2007	5/11/2007	5/11/2027	1,666,885	84,023	63,175	-	1,582,862	(5,431)	1,577,431	85,615	59,991	8,332
\$1,237,204 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,222,641	116,509	48,996	-	1,106,132	(4,336)	1,101,796	120,669	44,845	7,826
\$1,660,000 RB, 2008A New Money	6/25/2008	11/1/2033	1,620,000	40,000	73,858	(630,257)	949,743	33,502	983,245	24,044	43,554	7,329
\$3,234,480RB, 2010 Refunding 2001	11/12/2010	9/1/2021	-	-	24,581	3,234,480	3,234,480	(180,335)	3,054,145	44,086	80,632	27,062
\$334,828 Installment Purchase 2010	5/26/2010	4/26/2015	334,828	64,188	7,857	-	270,640	-	270,640	65,117	6,928	1,253
\$180,474 Installment Purchase 2011	5/18/2011	4/18/2016	-	-	-	180,474	180,474	-	180,474	34,927	3,286	427
			<b>11,478,581</b>	<b>3,943,141</b>	<b>456,499</b>	<b>2,784,697</b>	<b>10,320,137</b>	<b>(183,727)</b>	<b>10,136,410</b>	<b>980,324</b>	<b>370,073</b>	<b>92,253</b>
<b>Total All Funds</b>			<b>118,916,474</b>	<b>19,832,826</b>	<b>4,946,779</b>	<b>16,649,300</b>	<b>115,732,948</b>	<b>(566,595)</b>	<b>115,166,353</b>	<b>8,833,787</b>	<b>4,367,029</b>	<b>850,256</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, 2011**

<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. Environmental Protection Agency</b>						
Pass-through: NC Department of Environment and Natural Resources						
Public Water Supply Division						
Drinking Water State Revolving Fund	66.468	H-LRX-F-04-0991	\$ 15,654	\$ (24,086)	\$ 75,482	\$ 67,050
Drinking Water State Revolving Fund	66.468	DEH-1074	237,916	59,479	-	297,395
Drinking Water State Revolving Fund	66.468	DEH-1108	174,346	43,586	(239,824)	(21,892)
Drinking Water State Revolving Fund (ARRA)	66.468	DEH-1074	1,237,079	-	(1,119,229)	117,850
Drinking Water State Revolving Fund (ARRA)	66.468	H-ARRA-09-1318	44,782	-	24,030	68,812
Division of Water Quality						
Clean Water State Revolving Fund	66.458	E-SRF-T-08-01080	7,778,586	(6,869,377)	55,156	964,365
Total Pass-through NC Department of Environment and Natural Resources			9,488,363	(6,790,398)	(1,204,385)	1,493,580
<b>Total U. S. Environmental Protection Agency</b>			<b>9,488,363</b>	<b>(6,790,398)</b>	<b>(1,204,385)</b>	<b>1,493,580</b>
<b>Total Federal Assistance</b>			<b>\$ 9,488,363</b>	<b>\$ (6,790,398)</b>	<b>\$ (1,204,385)</b>	<b>\$ 1,493,580</b>
<b>State Grants (all direct):</b>						
N. C. Rural Economic Development Center						
N. C. Economic Infrastructure Program						
Supplemental Grant		2008-052-40401-107	-	184,243	(39,273)	144,970
<b>Total N. C. Rural Economic Development Center</b>			<b>-</b>	<b>184,243</b>	<b>(39,273)</b>	<b>144,970</b>
<b>Total State Grants</b>			<b>\$ -</b>	<b>\$ 184,243</b>	<b>\$ (39,273)</b>	<b>\$ 144,970</b>
<b>Total Federal and State Expenditures</b>			<b>\$ 9,488,363</b>	<b>\$ (6,606,155)</b>	<b>\$ (1,243,658)</b>	<b>\$ 1,638,550</b>



# *Certificate of Safety Achievement*

## *Fourth Consecutive Year Gold*

In recognition of the outstanding safety and health efforts of

### **GREENVILLE UTILITIES COMMISSION HUMAN RESOURCES DEPARTMENT**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Statistical Section

### Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011

# **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.

THIS PAGE INTENTIONALLY LEFT BLANK

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

	Fiscal Year				
	2002	2003	2004	2005	2006
Business-type activities					
Invested in capital assets, net of related debt	\$ 165,876	\$ 179,252	\$ 181,185	\$ 194,175	\$ 203,328
Unrestricted	51,701	49,513	54,684	48,190	51,057
Total business-type activities net assets	<u>\$ 217,577</u>	<u>\$ 228,765</u>	<u>\$ 235,869</u>	<u>\$ 242,365</u>	<u>\$ 254,385</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
Business-type activities					
Invested in capital assets, net of related debt	\$ 211,689	\$ 221,178	\$ 231,890	\$ 236,136	\$ 235,421
Unrestricted	54,448	57,730	56,973	63,055	75,583
Total business-type activities net assets	<u>\$ 266,137</u>	<u>\$ 278,908</u>	<u>\$ 288,863</u>	<u>\$ 299,191</u>	<u>\$ 311,004</u>

Note: Net asset information is not available prior to implementation of GASB Statement 34 in fiscal year 2002.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>OPERATING REVENUES:</b>										
Charges for services	\$ 160,341	\$ 173,484	\$ 181,870	\$ 189,623	\$ 214,077	\$ 224,297	\$ 235,850	\$ 257,795	\$ 259,181	\$ 270,573
Other operating revenues	738	1,020	1,022	1,022	687	1,193	668	718	730	800
Total operating revenues	161,079	174,504	182,893	190,646	214,764	225,490	236,517	258,513	259,911	271,373
<b>OPERATING EXPENSES:</b>										
Administration and general	12,902	13,593	15,071	16,433	16,495	17,544	13,796	13,466	13,963	14,756
Operations and maintenance	17,334	17,696	17,778	19,676	20,735	22,062	31,030	32,428	32,536	33,784
Purchased power and gas	106,843	119,354	124,846	131,551	152,760	160,824	164,060	185,204	183,863	188,585
Depreciation	10,892	11,506	13,564	14,060	14,577	14,555	14,810	15,324	15,649	16,744
Total operating expenses	147,972	162,149	171,259	181,720	204,568	214,985	223,695	246,422	246,011	253,869
Operating income (loss)	13,108	12,355	11,634	8,926	10,196	10,505	12,822	12,091	13,900	17,504
<b>NON-OPERATING REVENUES (EXPENSES):</b>										
Interest income	2,999	1,328	500	1,330	2,037	2,912	2,212	1,426	809	637
Interest expense and service charges	(2,734)	(2,409)	(2,343)	(3,570)	(3,880)	(3,870)	(3,713)	(4,170)	(3,973)	(4,330)
Other, net	1,787	2,137	1,404	1,283	1,423	2,747	1,410	1,433	1,315	2,382
Net non-operating revenues	2,051	1,057	(439)	(957)	(421)	1,788	(91)	(1,312)	(1,848)	(1,311)
Income before contributions and transfers	15,159	13,412	11,194	7,968	9,776	12,293	12,731	10,779	12,052	16,193
<b>CONTRIBUTIONS AND TRANSFERS:</b>										
Capital Contributions	2,125	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)	(3,503)	(3,986)	(4,092)	(4,287)	(4,454)	(4,444)	(4,659)	(4,563)	(4,765)
Transfer to City of Greenville, street lighting reimb.	(421)	(440)	(478)	(492)	(510)	(535)	(570)	(628)	(662)	(678)
Total contributions and transfers	(1,799)	(2,223)	(4,091)	(1,472)	2,245	(542)	40	(825)	(1,724)	(4,381)
<b>CHANGES IN NET ASSETS</b>	<b>\$ 13,360</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>

Note: Net asset information is not available prior to implementation of GASB Statement 34 in fiscal year 2002.

**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
2002	120,396,636	1,062,965	136,999	8,870,864	527,550	121,066
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

Fiscal Year	Sewer Fund			Gas Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
2002	9,775,914	395,267	478,748	19,137,914	174,346	1,093
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

**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>
2002	536,391,466	95,532,396	309,293,615	428,293,128	13,243,196	41,471,400	5,899,150	1,430,124,351	\$ 0.08419
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

<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>
2002	1,852,476	974,622	379,147	-	3,206,245	\$ 2.76675
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

<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>
2002	1,428,903	1,005,252	-	2,434,155	\$ 4.01614
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

<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>
2002	6,348,872	4,680,138	1,443,647	8,275,490	-	20,748,147	\$ 0.92239
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

<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>2002</u>	<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>
<b>Effective Rate (per kWh)</b>	\$ 0.08419	\$ 0.08688	\$ 0.08928	\$ 0.09088	\$ 0.09918	\$ 0.10292	\$ 0.10246	\$ 0.11344	\$ 0.11679	\$ 0.11703
<b>Residential</b>										
Basic customer charge (per month)	\$ 8.45	\$ 8.45	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.99	\$ 8.99
Energy (per kWh) Summer	\$ 0.09651	\$ 0.09651	\$ 0.09979	\$ 0.10455	\$ 0.11195	\$ 0.11074	\$ 0.11074	\$ 0.12257	\$ 0.12600	\$ 0.12600
Winter	\$ 0.08629	\$ 0.08629	\$ 0.08922	\$ 0.09400	\$ 0.10138	\$ 0.10017	\$ 0.10017	\$ 0.11200	\$ 0.11514	\$ 0.11514
<b>Small General Service<sup>1</sup></b>										
Basic customer charge (per month)	\$ 12.13	\$ 12.13	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.89	\$ 12.89
Energy (per kWh) a. first 1,000 kWh	\$ 0.10193	\$ 0.10193	\$ 0.10540	\$ 0.11016	\$ 0.11756	\$ 0.11635	\$ 0.11635	\$ 0.12818	\$ 0.13177	\$ 0.13177
b. next 5,000 kWh	\$ 0.09611	\$ 0.09611	\$ 0.09938	\$ 0.10414	\$ 0.11154	\$ 0.11033	\$ 0.11033	\$ 0.12216	\$ 0.12558	\$ 0.12558
c. all additional kWh	\$ 0.07860	\$ 0.07860	\$ 0.08127	\$ 0.08603	\$ 0.09343	\$ 0.09222	\$ 0.09222	\$ 0.10405	\$ 0.10696	\$ 0.10696
<b>Medium General Service<sup>2</sup></b>										
Basic customer charge (per month)	\$ 12.54	\$ 12.54	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 13.33	\$ 13.33
Demand (per kW) a. first 35 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. all additional kW	\$ 3.93	\$ 3.93	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.17	\$ 4.17
Energy (per kWh) a. first 12,500 kWh	\$ 0.09390	\$ 0.09390	\$ 0.09709	\$ 0.10185	\$ 0.10925	\$ 0.10804	\$ 0.10804	\$ 0.11987	\$ 0.12323	\$ 0.12323
b. all additional kWh	\$ 0.06484	\$ 0.06484	\$ 0.06704	\$ 0.07180	\$ 0.07920	\$ 0.07799	\$ 0.07799	\$ 0.08982	\$ 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	\$ 15.26	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 17.42	\$ 17.42
b. all additional demand	\$ 4.37	\$ 4.37	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 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	\$ 0.02530	\$ 0.02687	\$ 0.03169	\$ 0.03917	\$ 0.03795	\$ 0.03795	\$ 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>2002</u>	<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>
<b>Seasonal General Service</b>										
Basic customer charge (per month)	\$ 13.97	\$ 13.97	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.84	\$ 14.84
Energy (per kWh)										
Summer										
a. first 750 kWh	\$ 0.11255	\$ 0.11255	\$ 0.11638	\$ 0.12114	\$ 0.12854	\$ 0.12733	\$ 0.12733	\$ 0.13916	\$ 0.14306	\$ 0.14306
b. next 2,250 kWh plus 150 kWh per kW of billing demand in excess of 10 kW per billing month	\$ 0.10200	\$ 0.10200	\$ 0.10547	\$ 0.11023	\$ 0.11763	\$ 0.11642	\$ 0.11642	\$ 0.12825	\$ 0.13184	\$ 0.13184
c. all additional kWh	\$ 0.07813	\$ 0.07813	\$ 0.08079	\$ 0.08555	\$ 0.92950	\$ 0.09174	\$ 0.09174	\$ 0.10357	\$ 0.10647	\$ 0.10647
Winter										
a. first 750 kWh	\$ 0.09308	\$ 0.09308	\$ 0.96240	\$ 0.10100	\$ 0.10840	\$ 0.10719	\$ 0.10719	\$ 0.11902	\$ 0.12235	\$ 0.12235
b. all additional kWh	\$ 0.06623	\$ 0.06623	\$ 0.06848	\$ 0.07324	\$ 0.08064	\$ 0.07943	\$ 0.07943	\$ 0.09126	\$ 0.09382	\$ 0.09382
<b>Outdoor Lighting Service (rate per unit per month)</b>										
General Customers										
175W (7,000 lumens) mercury vapor	\$ 10.64	\$ 10.64	\$ 11.00	\$ 11.33	\$ 11.85	\$ 11.77	\$ 11.77	\$ 12.59	\$ 12.85	\$ 12.85
250W (11,000 lumens) mercury vapor	\$ 13.38	\$ 13.38	\$ 13.83	\$ 14.31	\$ 15.05	\$ 14.93	\$ 14.93	\$ 16.11	\$ 16.47	\$ 16.47
400W (20,000 lumens) mercury vapor	\$ 18.19	\$ 18.19	\$ 18.81	\$ 19.52	\$ 20.63	\$ 20.45	\$ 20.45	\$ 22.23	\$ 22.77	\$ 22.77
150W (14,000 lumens) sodium vapor	\$ 13.61	\$ 13.61	\$ 14.07	\$ 14.40	\$ 14.92	\$ 14.84	\$ 14.84	\$ 15.66	\$ 15.92	\$ 15.92
250W (23,000 lumens) sodium vapor	\$ 17.86	\$ 17.86	\$ 18.47	\$ 18.97	\$ 19.75	\$ 19.62	\$ 19.62	\$ 20.86	\$ 21.24	\$ 21.24
400W (45,000 lumens) sodium vapor	\$ 27.07	\$ 27.07	\$ 27.99	\$ 28.75	\$ 29.94	\$ 29.74	\$ 29.74	\$ 31.64	\$ 32.21	\$ 32.21
400W-F (45,000 lumens) sodium vapor	\$ 28.11	\$ 28.11	\$ 29.07	\$ 29.83	\$ 31.02	\$ 30.82	\$ 30.82	\$ 32.72	\$ 33.29	\$ 33.29
400W (40,000 lumens) metal halide	\$ 29.61	\$ 29.61	\$ 30.62	\$ 31.38	\$ 32.57	\$ 32.37	\$ 32.37	\$ 34.27	\$ 34.84	\$ 34.84
County, Municipal or Housing Authority										
175W (7,000 lumens) mercury vapor	\$ 9.66	\$ 9.66	\$ 9.99	\$ 10.32	\$ 10.84	\$ 10.76	\$ 10.76	\$ 11.58	\$ 11.84	\$ 11.84
250W (11,000 lumens) mercury vapor	\$ 12.69	\$ 12.69	\$ 13.12	\$ 13.60	\$ 14.34	\$ 14.22	\$ 14.22	\$ 15.40	\$ 15.76	\$ 15.76
400W (20,000 lumens) mercury vapor	\$ 17.28	\$ 17.28	\$ 17.87	\$ 18.58	\$ 19.69	\$ 19.51	\$ 19.51	\$ 21.29	\$ 21.83	\$ 21.83
400W-T (20,000 lumens) mercury vapor	\$ 15.02	\$ 15.02	\$ 15.53	\$ 15.86	\$ 16.38	\$ 16.35	\$ 16.35	\$ 17.23	\$ 17.50	\$ 17.50
1000W (53,000 lumens) mercury vapor	\$ 35.04	\$ 35.04	\$ 36.23	\$ 36.73	\$ 37.51	n/a	n/a	n/a	n/a	n/a
150W (14,000 lumens) sodium vapor	\$ 12.15	\$ 12.15	\$ 12.56	\$ 13.32	\$ 14.51	\$ 13.43	\$ 13.43	\$ 14.26	\$ 14.51	\$ 14.51
250W (23,000 lumens) sodium vapor	\$ 15.95	\$ 15.95	\$ 16.49	\$ 17.25	\$ 18.44	\$ 17.70	\$ 17.70	\$ 18.95	\$ 19.32	\$ 19.32
400W (45,000 lumens) sodium vapor	\$ 24.17	\$ 24.17	\$ 24.99	\$ 25.75	\$ 26.94	\$ 26.74	\$ 26.74	\$ 28.64	\$ 29.21	\$ 29.21
400W-F (45,000 lumens) sodium vapor	\$ 25.22	\$ 25.22	\$ 26.08	\$ 26.84	\$ 28.03	\$ 27.83	\$ 27.83	\$ 29.73	\$ 30.30	\$ 30.30
400W (40,000 lumens) metal halide	\$ 26.72	\$ 26.72	\$ 27.63	\$ 28.39	\$ 29.58	\$ 29.38	\$ 29.38	\$ 31.28	\$ 31.85	\$ 31.85
<b>Sports Field Lighting Service</b>										
Demand (per kW)	\$ 2.14	\$ 2.14	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.27	\$ 2.27
Energy (per kWh)	\$ 0.07653	\$ 0.07653	\$ 0.07913	\$ 0.08389	\$ 0.09129	\$ 0.09008	\$ 0.09008	\$ 0.10191	\$ 0.10476	\$ 0.10476

THIS PAGE INTENTIONALLY LEFT BLANK

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

Table 9

		<u>2002</u>	<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>	
<b>Effective rate (per kgallon)</b>		\$ 2.76675	\$ 2.86827	\$ 2.87598	\$ 3.04651	\$ 3.19891	\$ 3.25801	\$ 3.51720	\$ 3.64901	\$ 3.75079	\$ 3.93124	
<b>Basic meter charge (based on meter size)</b>												
Inside City	3/4"	\$ 2.51	\$ 2.64	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	\$ 5.79	\$ 5.79	\$ 5.79	\$ 6.61	
	1"	\$ 7.27	\$ 7.63	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	\$ 9.30	\$ 9.30	\$ 9.30	\$ 10.77	
	1-1/2"	\$ 14.56	\$ 15.29	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	\$ 17.32	\$ 17.32	\$ 17.32	\$ 20.28	
	2"	\$ 27.77	\$ 29.15	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	\$ 27.34	\$ 27.34	\$ 27.34	\$ 32.16	
	3"	\$ 33.87	\$ 35.56	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	\$ 59.40	\$ 59.40	\$ 59.40	\$ 70.17	
	4"	\$ 55.37	\$ 58.14	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	\$ 100.98	\$ 100.98	\$ 100.98	\$ 119.47	
	6"	\$ 136.81	\$ 143.65	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	\$ 209.70	\$ 209.70	\$ 209.70	\$ 248.37	
	8"	\$ 157.69	\$ 165.57	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	\$ 301.38	\$ 301.38	\$ 301.38	\$ 357.07	
	10"	\$ 219.85	\$ 230.84	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	\$ 485.25	\$ 485.25	\$ 485.25	\$ 575.07	
	12"	\$ 239.42	\$ 251.39	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	\$ 718.72	\$ 718.72	\$ 718.72	\$ 851.88	
	Outside City	3/4"	\$ 2.88	\$ 3.02	\$ 3.02	\$ 3.14	\$ 3.30	\$ 3.30	\$ 6.54	\$ 6.54	\$ 6.54	\$ 7.50
		1"	\$ 8.34	\$ 8.76	\$ 8.76	\$ 9.11	\$ 9.57	\$ 9.57	\$ 10.58	\$ 10.58	\$ 10.58	\$ 12.29
1-1/2"		\$ 16.68	\$ 17.51	\$ 17.51	\$ 18.21	\$ 19.12	\$ 19.12	\$ 19.80	\$ 19.80	\$ 19.80	\$ 23.22	
2"		\$ 31.83	\$ 33.42	\$ 33.42	\$ 34.76	\$ 36.50	\$ 36.50	\$ 31.32	\$ 31.32	\$ 31.32	\$ 36.88	
3"		\$ 38.84	\$ 40.78	\$ 40.78	\$ 42.41	\$ 44.53	\$ 44.53	\$ 68.19	\$ 68.19	\$ 68.19	\$ 80.60	
4"		\$ 63.49	\$ 66.66	\$ 66.66	\$ 69.33	\$ 72.80	\$ 72.80	\$ 116.01	\$ 116.01	\$ 116.01	\$ 137.29	
6"		\$ 156.85	\$ 164.69	\$ 164.69	\$ 171.28	\$ 179.84	\$ 179.84	\$ 241.04	\$ 241.04	\$ 241.04	\$ 285.53	
8"		\$ 180.78	\$ 189.82	\$ 189.82	\$ 197.41	\$ 207.28	\$ 207.28	\$ 346.47	\$ 346.47	\$ 346.47	\$ 410.53	
10"		\$ 252.07	\$ 264.67	\$ 264.67	\$ 275.26	\$ 289.02	\$ 289.02	\$ 557.92	\$ 557.92	\$ 557.92	\$ 661.23	
12"		\$ 274.51	\$ 288.24	\$ 288.24	\$ 299.77	\$ 314.76	\$ 314.76	\$ 826.41	\$ 826.41	\$ 826.41	\$ 979.56	
Industrial		3/4"	\$ 2.64	\$ 2.64	\$ 2.64	\$ 2.75	\$ 2.89	\$ 2.89	*	*	*	*
		1"	\$ 7.63	\$ 7.63	\$ 7.63	\$ 7.94	\$ 8.34	\$ 8.34	*	*	*	*
	1-1/2"	\$ 15.29	\$ 15.29	\$ 15.29	\$ 15.90	\$ 16.70	\$ 16.70	*	*	*	*	
	2"	\$ 29.15	\$ 29.15	\$ 29.15	\$ 30.33	\$ 31.85	\$ 31.85	*	*	*	*	
	3"	\$ 35.56	\$ 35.56	\$ 35.56	\$ 36.98	\$ 38.83	\$ 38.83	*	*	*	*	
	4"	\$ 58.14	\$ 58.14	\$ 58.14	\$ 60.47	\$ 63.49	\$ 63.49	*	*	*	*	
	6"	\$ 143.65	\$ 143.65	\$ 143.65	\$ 149.40	\$ 156.87	\$ 156.87	*	*	*	*	
	8"	\$ 165.57	\$ 165.57	\$ 165.57	\$ 172.19	\$ 180.80	\$ 180.80	*	*	*	*	
	10"	\$ 230.84	\$ 230.84	\$ 230.84	\$ 240.07	\$ 252.07	\$ 252.07	*	*	*	*	
	12"	\$ 251.39	\$ 251.39	\$ 251.39	\$ 261.45	\$ 274.52	\$ 274.52	*	*	*	*	
	<b>Volume Charge (per kgal)</b>											
	Inside City	Residential	\$ 2.240	\$ 2.240	\$ 2.240	\$ 2.330	\$ 2.450	\$ 2.450	\$ 2.950	\$ 2.950	\$ 2.950	\$ 3.350
Commercial		\$ 1.820	\$ 1.820	\$ 1.820	\$ 1.890	\$ 1.980	\$ 1.980	\$ 2.390	\$ 2.390	\$ 2.390	\$ 2.710	
Industrial		\$ 1.690	\$ 1.690	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	
Irrigation All Customers		**	**	**	**	**	**	**	**	**	\$ 5.030	
Outside City	Residential	\$ 3.490	\$ 3.490	\$ 3.490	\$ 3.630	\$ 3.810	\$ 3.810	\$ 4.580	\$ 4.580	\$ 4.580	\$ 5.200	
	Commercial	\$ 2.790	\$ 2.790	\$ 2.790	\$ 2.900	\$ 3.050	\$ 3.050	\$ 3.700	\$ 3.700	\$ 3.700	\$ 4.200	
	Industrial	\$ 1.690	\$ 1.690	\$ 1.690	\$ 1.760	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	
	Irrigation Residential	**	**	**	**	**	**	**	**	**	\$ 7.80	
	Irrigation Commercial	**	**	**	**	**	**	**	**	**	\$ 7.80	
	Irrigation Industrial	**	**	**	**	**	**	**	**	**	\$ 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**

		<u>2002</u>	<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>
<b>Effective rate (per kgallon)</b>		\$ 4.01614	\$ 4.05379	\$ 4.07904	\$ 4.26109	\$ 4.27924	\$ 4.45449	\$ 4.56599	\$ 4.93100	\$ 5.25847	\$ 5.81463
<b>Basic meter charge (based on water/wastewater meter size)</b>											
Residential	3/4"	\$ 5.98	\$ 5.98	\$ 5.98	\$ 6.22	\$ 6.22	\$ 7.22	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24
	1"	\$ 14.74	\$ 14.74	\$ 14.74	\$ 15.33	\$ 15.33	\$ 17.79	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78
	1-1/2"	\$ 30.25	\$ 30.25	\$ 30.25	\$ 31.46	\$ 31.46	\$ 36.52	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73
	2"	\$ 59.58	\$ 59.58	\$ 59.58	\$ 61.96	\$ 61.96	\$ 71.92	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41
	3"	\$ 68.34	\$ 68.34	\$ 68.34	\$ 71.07	\$ 71.07	\$ 82.50	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18
	4"	\$ 110.61	\$ 110.61	\$ 110.61	\$ 115.03	\$ 115.03	\$ 133.52	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70
	6"	\$ 266.33	\$ 266.33	\$ 266.33	\$ 276.98	\$ 276.98	\$ 321.51	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38
	8"	\$ 319.29	\$ 319.29	\$ 319.29	\$ 332.06	\$ 332.06	\$ 385.45	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30
	10"	\$ 446.82	\$ 446.82	\$ 446.82	\$ 464.69	\$ 464.69	\$ 539.40	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08
	12"	\$ 625.23	\$ 625.23	\$ 625.23	\$ 650.24	\$ 650.24	\$ 754.78	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33
Commercial/Industrial	3/4"	\$ 4.34	\$ 4.34	\$ 4.34	\$ 4.51	\$ 4.51	\$ 5.24	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24
	1"	\$ 12.66	\$ 12.66	\$ 12.66	\$ 13.17	\$ 13.17	\$ 15.29	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78
	1-1/2"	\$ 25.31	\$ 25.31	\$ 25.31	\$ 26.32	\$ 26.32	\$ 30.55	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73
	2"	\$ 48.28	\$ 48.28	\$ 48.28	\$ 50.21	\$ 50.21	\$ 58.28	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41
	3"	\$ 58.89	\$ 58.89	\$ 58.89	\$ 61.28	\$ 61.28	\$ 71.10	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18
	4"	\$ 96.27	\$ 96.27	\$ 96.27	\$ 100.12	\$ 100.12	\$ 116.22	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70
	6"	\$ 237.76	\$ 237.76	\$ 237.76	\$ 247.27	\$ 247.27	\$ 287.02	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38
	8"	\$ 274.07	\$ 274.07	\$ 274.07	\$ 285.03	\$ 285.03	\$ 330.85	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30
	10"	\$ 382.12	\$ 382.12	\$ 382.12	\$ 397.40	\$ 397.40	\$ 461.29	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08
	12"	\$ 416.07	\$ 416.07	\$ 416.07	\$ 432.71	\$ 432.71	\$ 502.28	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33

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

		<u>2002</u>	<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>
<b>Sewer Only Customers</b>											
<b>Basic meter charge (based on water/wastewater meter size)</b>											
Residential	3/4"	n/a	\$ 8.62	\$ 8.96	\$ 8.96	\$ 8.96	\$ 9.96	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36
	1"	n/a	\$ 22.37	\$ 23.26	\$ 23.26	\$ 23.26	\$ 25.86	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17
	1-1/2"	n/a	\$ 45.54	\$ 47.36	\$ 47.36	\$ 47.36	\$ 52.65	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60
	2"	n/a	\$ 88.74	\$ 92.29	\$ 92.29	\$ 92.29	\$ 102.59	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62
	3"	n/a	\$ 103.90	\$ 108.06	\$ 108.06	\$ 108.06	\$ 120.12	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27
	4"	n/a	\$ 168.75	\$ 175.50	\$ 175.50	\$ 175.50	\$ 195.09	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55
	6"	n/a	\$ 409.98	\$ 426.38	\$ 426.38	\$ 426.38	\$ 473.97	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57
	8"	n/a	\$ 484.86	\$ 504.25	\$ 504.25	\$ 504.25	\$ 560.53	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95
	10"	n/a	\$ 677.66	\$ 704.77	\$ 704.77	\$ 704.77	\$ 783.43	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12
	12"	n/a	\$ 876.62	\$ 911.68	\$ 911.68	\$ 911.68	\$ 1,013.43	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00
Commercial/Industrial	3/4"	n/a	\$ 6.98	\$ 7.26	\$ 7.26	\$ 7.26	\$ 8.07	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36
	1"	n/a	\$ 20.29	\$ 21.20	\$ 21.20	\$ 21.20	\$ 23.45	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17
	1-1/2"	n/a	\$ 40.60	\$ 42.22	\$ 42.22	\$ 42.22	\$ 46.93	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60
	2"	n/a	\$ 77.44	\$ 80.54	\$ 80.54	\$ 80.54	\$ 89.53	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62
	3"	n/a	\$ 94.45	\$ 98.23	\$ 98.23	\$ 98.23	\$ 109.19	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27
	4"	n/a	\$ 154.41	\$ 160.59	\$ 160.59	\$ 160.59	\$ 178.51	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55
	6"	n/a	\$ 381.41	\$ 396.67	\$ 396.67	\$ 396.67	\$ 440.94	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57
	8"	n/a	\$ 439.64	\$ 457.23	\$ 457.23	\$ 457.23	\$ 508.26	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95
	10"	n/a	\$ 612.96	\$ 637.48	\$ 637.48	\$ 637.48	\$ 708.63	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12
	12"	n/a	\$ 667.46	\$ 694.16	\$ 694.16	\$ 694.16	\$ 771.63	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00
<b>Volume Charge (per kgal, based on 93.5% of water usage unless separately metered)</b>											
Residential		\$ 3.000	\$ 3.000	\$ 3.000	\$ 3.120	\$ 3.120	\$ 3.120	\$ 3.500	\$ 3.500	\$ 3.670	\$ 4.450
Commercial/Industrial		\$ 3.320	\$ 3.320	\$ 3.320	\$ 3.450	\$ 3.450	\$ 3.450	\$ 3.880	\$ 3.880	\$ 4.070	\$ 4.930
Metered wastewater (100%)		\$ 3.650	\$ 3.650	\$ 3.650	\$ 3.800	\$ 3.800	\$ 3.800	\$ 4.270	\$ 4.270	\$ 4.480	\$ 5.430
Municipalities**		\$ 3.760	\$ 3.760	\$ 3.760	\$ 3.910	\$ 3.910	\$ 3.910	\$ 4.400	\$ 4.400	\$ 4.620	\$ 5.600

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

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

Table 11

		<u>2002</u>	<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>
<b>Effective rate (per CCF)</b>		\$ 0.92239	\$ 0.93200	\$ 1.14520	\$ 1.33941	\$ 1.67238	\$ 1.44444	\$ 1.52242	\$ 1.53444	\$ 1.19998	\$ 1.15537
<b>Residential Service</b>											
Basic facilities charge		\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*
Commodity	Summer	first 50 ccf	\$ 1.1701	\$ 1.2482	\$ 1.2284	\$ 1.4270	\$ 1.8723	*	*	*	*
		all additional ccf	\$ 1.1021	\$ 1.1802	\$ 1.1604	\$ 1.3590	\$ 1.8043	*	*	*	*
	Winter	first 50 ccf	\$ 1.1334	\$ 1.2470	\$ 1.2335	\$ 1.4673	\$ 1.9359	*	*	*	*
		all additional ccf	\$ 1.0654	\$ 1.1790	\$ 1.1655	\$ 1.3993	\$ 1.8679	*	*	*	*
Basic facilities charge		*	*	*	*	*	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Commodity	first 10 ccf	*	*	*	*	*	\$ 1.7378	\$ 2.1654	\$ 1.4401	\$ 1.3126	\$ 1.3650
	all additional ccf	*	*	*	*	*	\$ 1.6238	\$ 2.0514	\$ 1.3261	\$ 1.1986	\$ 1.2510
<b>Residential Service - Heat Only</b>											
Summer	Basic facilities charge	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.1741	\$ 1.2522	\$ 1.2324	\$ 1.4310	\$ 1.8763	*	*	*	*
		all additional ccf	\$ 1.1081	\$ 1.1862	\$ 1.1664	\$ 1.3650	\$ 1.8103	*	*	*	*
Winter	Basic facilities charge	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	\$ 11.00	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.1374	\$ 1.2510	\$ 1.2375	\$ 1.4713	\$ 1.9399	*	*	*	*
		all additional ccf	\$ 1.0714	\$ 1.1850	\$ 1.1715	\$ 1.4053	\$ 1.8739	*	*	*	*
Basic facilities charge		*	*	*	*	*	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Commodity	first 10 ccf	*	*	*	*	*	\$ 1.8188	\$ 2.2464	\$ 1.5211	\$ 1.3936	\$ 1.4460
	all additional ccf	*	*	*	*	*	\$ 1.7003	\$ 2.1279	\$ 1.4026	\$ 1.2751	\$ 1.3275
<b>Commercial Service</b>											
Basic facilities charge		\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	*	*	*	*	*
Commodity	Summer	first 100 ccf	\$ 1.1171	\$ 1.1952	\$ 1.1754	\$ 1.3740	\$ 1.8193	*	*	*	*
		all additional ccf	\$ 1.0551	\$ 1.1332	\$ 1.1134	\$ 1.3120	\$ 1.7573	*	*	*	*
	Winter	first 100 ccf	\$ 1.0804	\$ 1.1940	\$ 1.1805	\$ 1.4143	\$ 1.8829	*	*	*	*
		all additional ccf	\$ 1.0184	\$ 1.1320	\$ 1.1185	\$ 1.3523	\$ 1.8209	*	*	*	*
Basic facilities charge		*	*	*	*	*	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Commodity	first 50 ccf	*	*	*	*	*	\$ 1.7169	\$ 2.1445	\$ 1.4192	\$ 1.2917	\$ 1.3441
	51 to 300 ccf	*	*	*	*	*	\$ 1.6432	\$ 2.0708	\$ 1.3455	\$ 1.2180	\$ 1.2704
	301 to 500 ccf	*	*	*	*	*	\$ 1.5932	\$ 2.0208	\$ 1.2995	\$ 1.1680	\$ 1.2204
	all additional ccf	*	*	*	*	*	\$ 1.4427	\$ 1.8703	\$ 1.1450	\$ 1.0175	\$ 1.0699

\* 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>2002</u>	<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>
<b>Industrial Service</b>											
Basic facilities charge		\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	*	*	*	*	*
Commodity	Summer	first 100 ccf	\$ 1.0576	\$ 1.1357	\$ 1.1159	\$ 1.3145	\$ 1.7598	*	*	*	*
		all additional ccf	\$ 1.0284	\$ 1.1065	\$ 1.0867	\$ 1.2853	\$ 1.7306	*	*	*	*
	Winter	first 100 ccf	\$ 1.0209	\$ 1.1345	\$ 1.1210	\$ 1.3548	\$ 1.8234	*	*	*	*
		all additional ccf	\$ 0.9917	\$ 1.1053	\$ 1.0918	\$ 1.3256	\$ 1.7942	*	*	*	*
Basic facilities charge		*	*	*	*	*	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
Commodity	first 500 ccf	*	*	*	*	*	\$ 1.4465	\$ 1.8741	\$ 1.1488	\$ 1.0213	\$ 1.0737
	all additional ccf	*	*	*	*	*	\$ 1.3823	\$ 1.8099	\$ 1.0846	\$ 0.9571	\$ 1.0095
<b>Interruptible Service</b>											
Basic facilities charge		\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00
Commodity		negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated
<b>Seasonal Service</b>											
Basic facilities charge		\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	*	*	*	*	*
Commodity	Summer	first 100 ccf	\$ 1.0611	\$ 1.1392	\$ 1.1194	\$ 1.3180	\$ 1.7633	*	*	*	*
		all additional ccf	\$ 1.0227	\$ 1.1008	\$ 1.0810	\$ 1.2796	\$ 1.7249	*	*	*	*
	Winter	first 100 ccf	\$ 1.0934	\$ 1.2070	\$ 1.1935	\$ 1.4273	\$ 1.8959	*	*	*	*
		all additional ccf	\$ 1.0327	\$ 1.1463	\$ 1.1328	\$ 1.3666	\$ 1.8352	*	*	*	*
Basic facilities charge		*	*	*	*	*	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00
Commodity	first 100 ccf	*	*	*	*	*	\$ 1.7672	\$ 2.1948	\$ 1.4695	\$ 1.3420	\$ 1.3944
	all additional ccf	*	*	*	*	*	\$ 1.3600	\$ 1.7876	\$ 1.0623	\$ 0.9348	\$ 0.9872
<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		\$ 2.72	\$ 3.3774	\$ 3.3774	\$ 7.015	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
Commodity charge		\$ 7.76	\$ 4.2108	\$ 4.2108	\$ 11.50	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.04	\$ 14.00	\$ 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

**Electric Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2011</u>		<u>Fiscal Year 2002</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Bill</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc. <sup>1</sup>	Pharmaceuticals	\$ 7,149,961	3.68%	\$ 6,261,289	5.35%
Pitt County Memorial Hospital	Health Care	5,255,268	2.70%	3,489,374	2.98%
East Carolina University	Education	4,651,127	2.39%	2,397,863	2.05%
DSM Dyneema, LLC	High Performance Fibers	4,126,972	2.12%	-	0.00%
Attends Healthcare Products <sup>2</sup>	Medical Products	3,236,970	1.67%	1,539,058	1.31%
East Carolina University	Education	3,126,809	1.61%	1,595,805	1.36%
East Carolina University	Education	2,297,192	1.18%	1,847,166	1.58%
Pitt County Memorial Hospital	Health Care	1,493,186	0.77%	-	0.00%
ASMO of Greenville	Motors	1,212,182	0.62%	1,016,284	0.87%
NACCO Material Handling	Fork Lift Trucks	1,159,043	0.60%	-	0.00%
Robert Bosch Tool Corp. <sup>3</sup>	Drill Bits	-	0.00%	1,265,442	1.08%
Town of Winterville	Government	-	0.00%	1,192,757	1.02%
TRW	Steering Components	-	0.00%	1,157,655	0.99%
Totals		<u>\$ 33,708,710</u>	<u>17.34%</u>	<u>\$ 21,762,693</u>	<u>18.59%</u>

**Water Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2011</u>		<u>Fiscal Year 2002</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc. <sup>1</sup>	Pharmaceuticals	\$ 203,306	5.66%	\$ 392,519	4.40%
Pitt County Memorial Hospital	Health Care	89,052	2.48%	174,028	1.95%
Town of Winterville	Government	53,728	1.50%	-	0.00%
DSM Dyneema, LLC	High Performance Fibers	28,849	0.80%	-	0.00%
East Carolina University	Education	28,619	0.80%	33,182	0.37%
Pitt County Memorial Hospital	Health Care	28,288	0.79%	-	0.00%
DSM Dyneema, LLC	High Performance Fibers	24,187	0.67%	-	0.00%
Pitt County Memorial Hospital	Health Care	23,720	0.66%	-	0.00%
Fuji Silysia Chemical USA, LTD	Silica Gel	22,958	0.64%	27,060	0.30%
Pitt County	Government	13,605	0.38%	25,552	0.29%
Karastan Bigelow	Carpet Yarn	-	0.00%	70,839	0.79%
Greenville Housing Authority	Apartments	-	0.00%	53,017	0.59%
Greenville Housing Authority	Apartments	-	0.00%	38,829	0.44%
East Carolina University	Education	-	0.00%	37,642	0.42%
East Carolina University	Education	-	0.00%	28,250	0.32%
Totals		<u>\$ 516,312</u>	<u>14.38%</u>	<u>\$ 880,918</u>	<u>9.87%</u>

<sup>1</sup> Formerly Catalytica Pharmaceuticals, Inc.

<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 2011</u>		<u>Fiscal Year 2002</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc. <sup>1</sup>	Pharmaceuticals	\$ 138,118	4.95%	\$ -	0.00%
Town of Bethel	Government	96,626	3.46%	-	0.00%
Pitt County Memorial Hospital	Health Care	83,264	2.98%	308,608	3.18%
DSM Dyneema, LLC	High Performance Fibers	32,343	1.16%	-	0.00%
East Carolina University	Education	26,759	0.96%	58,634	0.61%
Pitt County Memorial Hospital	Health Care	26,450	0.95%	-	0.00%
Pitt County Memorial Hospital	Health Care	21,607	0.77%	-	0.00%
Fuji Silysia Chemical USA, LTD	Silica Gel	21,465	0.77%	49,141	0.51%
Pitt County	Government	12,721	0.46%	-	0.00%
Town of Grimesland	Government	9,810	0.35%	-	0.00%
Karastan Bigelow	Carpet Yarn	-	0.00%	133,633	1.38%
Greenville Housing Authority	Apartments	-	0.00%	69,988	0.72%
East Carolina University	Education	-	0.00%	66,650	0.69%
Greenville Housing Authority	Apartments	-	0.00%	51,348	0.53%
East Carolina University	Education	-	0.00%	43,948	0.45%
Robert Bosch Tool Corp. <sup>2</sup>	Drill Bits	-	0.00%	34,705	0.36%
Greystone Mobile Home Park	Mobile Home Park	-	0.00%	32,574	0.34%
<b>Totals</b>		<b>\$ 469,163</b>	<b>16.81%</b>	<b>\$ 849,229</b>	<b>8.77%</b>

**Gas Fund**

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2011</u>		<u>Fiscal Year 2002</u>	
		<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>	<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc. <sup>1</sup>	Pharmaceuticals	\$ 3,972,332	12.27%	\$ 1,681,959	8.77%
East Carolina University	Education	3,648,969	11.27%	655,169	3.42%
Pitt County Memorial Hospital	Health Care	1,962,676	6.06%	537,488	2.80%
East Carolina University	Education	1,191,434	3.68%	290,694	1.52%
DSM Dyneema, LLC	High Performance Fibers	1,112,719	3.44%	-	0.00%
DSM Dyneema, LLC	High Performance Fibers	1,013,063	3.13%	-	0.00%
Pitt County Memorial Hospital	Health Care	725,388	2.24%	-	0.00%
Fuji Silysia Chemical USA, LTD	Silica Gel	517,358	1.60%	-	0.00%
Greenville Paving & Contracting, Inc.	Highway and Street Paving	480,083	1.48%	-	0.00%
Metrics, Inc.	Pharmaceuticals Manufacturing	476,617	1.47%	175,084	0.91%
TRW	Steering Components	-	0.00%	386,599	2.02%
DSM Pharmaceuticals, Inc. <sup>1</sup>	Pharmaceuticals	-	0.00%	219,482	1.14%
Prince Manufacturing Corp.	Metal Finishing	-	0.00%	204,966	1.07%
Karastan Bigelow	Carpet Yarn	-	0.00%	198,501	1.04%
Greenville Housing Authority	Apartments	-	0.00%	169,438	0.88%
<b>Totals</b>		<b>\$ 15,100,639</b>	<b>46.64%</b>	<b>\$ 4,519,380</b>	<b>23.57%</b>

<sup>1</sup> Formerly Catalytica Pharmaceuticals, Inc.

<sup>2</sup> Formerly Vermont American Corp.

**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>
2002	10,200,000	77,392,284	8,337,315	95,929,599	697	2.68%
2003	9,355,000	73,422,283	13,995,591	96,772,874	694	2.60%
2004	8,090,000	69,218,591	17,757,054	95,065,645	672	2.41%
2005	6,885,000	64,846,526	18,201,338	89,932,864	624	2.12%
2006	5,710,000	68,271,143	19,668,855	93,649,998	631	2.05%
2007	4,565,000	74,136,332	20,287,105	98,988,437	651	2.02%
2008	3,450,000	99,842,087	19,004,601	122,296,688	784	2.34%
2009	2,355,000	94,882,553	19,971,437	117,208,990	737	2.23%
2010	1,280,000	89,072,122	28,564,352	118,916,474	707	*
2011	230,000	83,976,071	31,526,877	115,732,948	666	*

\*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>	Operating Expenses <sup>2</sup>	Net Revenues Available for Debt Service	Debt Service Requirement <sup>3</sup>			Coverage Ratio
				Principal	Interest	Total	
2002	163,023,911	137,079,593	25,944,318	2,939,368	3,733,345	6,672,713	3.89
2003	175,453,275	150,643,509	24,809,766	4,256,443	3,934,153	8,190,596	3.03
2004	183,608,793	157,694,563	25,914,230	4,769,662	3,829,219	8,598,881	3.01
2005	192,271,697	167,660,460	24,611,237	5,073,908	3,451,475	8,525,383	2.89
2006	217,706,269	189,990,721	27,715,548	6,049,521	4,007,142	10,056,663	2.76
2007	229,213,073	200,430,305	28,782,768	5,391,671	3,623,603	9,015,274	3.19
2008	239,416,633	208,885,466	30,531,167	3,153,850	3,799,288	6,953,138	4.39
2009	260,504,717	229,042,677	31,462,040	6,374,584	3,364,422	9,739,006	3.23
2010	261,517,870	228,537,572	32,980,298	7,331,231	4,567,425	11,898,656	2.77
2011	274,670,966	236,101,855	38,569,111	8,367,822	4,904,832	13,272,654	2.91

<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>Total operating expenses exclusive of depreciation and unfunded OPEB expense.

<sup>3</sup>Includes principal and interest of revenue bonds and subordinate debt exclusive of the general obligation bonds reported in the sewer fund and 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>
2002	137,693	3,577,145	25,979	7.1%
2003	139,406	3,723,447	26,709	7.4%
2004	141,544	3,951,692	27,918	6.3%
2005	144,176	4,239,765	29,407	6.6%
2006	148,341	4,557,580	30,724	5.8%
2007	152,148	4,899,925	32,205	5.7%
2008	155,935	5,229,974	33,539	7.2%
2009	159,057	5,263,078	33,089	11.2%
2010	168,148	*	*	10.4%
2011	173,735	*	*	10.8%

\*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>2011</u>			<u>2002</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>
Pitt County Memorial Hospital	7,868	1	10.67%	4,150	1	6.38%
East Carolina University	5,455	2	7.40%	4,176	2	6.42%
Pitt County Public Schools	3,111	3	4.22%	3,200	3	4.92%
DSM Pharmaceuticals (formerly Catalytica)	1,100	4	1.49%	1,300	4	2.00%
NACCO Materials Handling Group	1,000	5	1.36%	1,100	5	1.69%
Pitt County Government	968	6	1.31%	925	7	1.42%
Pitt Community College	861	7	1.17%	650	9	1.00%
City of Greenville	743	8	1.01%	675	8	1.04%
The Roberts Company	500	9	0.68%			
Physicians East	500	10	0.68%			
Collins & Aikman				1,000	6	1.54%
ASMO Greenville				550	10	0.84%
Total	<u>22,106</u>		<u>29.99%</u>	<u>17,726</u>		<u>27.23%</u>

**Source:**

Pitt County Development Commission

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

Table 17

<b>Function</b>	<b><u>2002</u></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>
Electric:										
Management	4	4	4	4	3	4	4	4	4	4
Engineering	9	7	10	10	10	10	9	14	13	12
Substation/Control	9	6	4	11	9	9	10	8	3	7
Load Management	6	4	4	4	4	5	4	3	4	3
Dispatching	6	7	6	7	7	7	7	7	7	7
Electric System Maintenance	67	67	69	59	64	64	69	70	68	72
Water/Wastewater:										
Management	5	4	4	4	4	4	4	4	4	3
Engineering	12	11	12	12	12	11	12	14	11	11
Water Plant	22	20	22	24	24	23	24	25	24	25
Wastewater Plant	24	24	24	25	23	25	23	25	26	25
Water/Wastewater Systems Maintenance	48	47	45	47	49	47	49	47	48	47
Natural Gas:										
Management	3	4	5	6	5	6	5	5	5	4
Engineering	8	7	6	5	6	5	8	8	6	8
Natural Gas System Maintenance	28	29	31	30	30	32	29	30	31	29
Administration:										
Executive Administration	6	7	7	7	7	8	8	7	7	8
Finance and Accounting	10	9	8	8	8	10	11	10	11	10
Human Resources	16	16	15	15	15	14	15	15	16	17
Information Technology	21	17	20	18	19	19	19	18	19	20
Customer Relations	48	48	46	48	48	49	51	52	52	52
Garage	12	13	13	13	13	13	13	13	13	13
Warehouse	9	9	9	9	8	7	7	8	8	7
Meter Services	33	33	36	36	35	36	32	36	32	32
Utility Locating Services	4	7	5	6	6	6	7	6	5	5
<b>Total Employees:</b>	<b>410</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>

**Source:**  
Various Utilities Commission Departments

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

	<u>2002</u>	<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>
<b>Electric System:</b>										
Peaks (MW)	301.0	314.4	310.7	301.1	324.6	342.1	358.8	344.8	345.8	348.8
Average daily purchase (MWH)	4,056	4,266	4,279	4,227	4,333	4,406	4,625	4,610	4,644	4,822
Total MWH sold	1,430,124	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
<b>Water System:</b>										
Peaks (MGD)	14.573	15.557	13.671	13.597	14.708	15.714	16.125	16.204	15.605	17.536
Average daily treatment (Mgals)	10.579	9.766	9.476	9.845	9.927	10.264	10.797	10.785	10.977	11.850
Total kgals sold	3,206,245	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
<b>Wastewater System:</b>										
Peaks (MGD)	10.800	15.880	19.630	14.750	18.180	24.120	14.090	12.680	22.830	24.240
Average daily treatment (Mgals)	8.299	9.492	9.944	8.895	9.345	10.587	9.152	8.879	10.120	9.593
Total kgals collected	2,434,155	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
<b>Natural Gas System</b>										
Peaks (MCFs)	16,149	22,700	17,621	20,635	16,540	20,324	20,643	22,733	23,845	22,080
Average daily purchase (MCFs)	5,752	6,176	5,989	6,378	6,172	7,761	7,662	8,232	8,920	9,358
Total MCFs sold	2,074,815	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

**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>2002</u>	<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>
<b>Electric System:</b>										
Miles of lines	2,359	2,359	2,444	2,507	2,534	2,572	2,638	2,638	2,638	2,672
Substations	20	20	21	21	21	21	22	22	23	23
Customer connections	51,393	52,415	54,062	55,883	58,299	60,200	61,868	62,363	63,136	63,745
Maximum capacity transmission (MW)	570	760	760	760	760	760	760	760	760	760
Maximum capacity distribution (MW)	610	610	610	642	642	642	673	706	737	737
<b>Water System:</b>										
Miles of lines	531	538	550	565	580	593	615	618	626	626
Customer connections	27,426	27,991	28,538	29,540	30,829	32,065	33,051	33,733	34,336	34,419
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	364	389	404	423	435	448	464	466	468	469
Customer connections	21,481	22,094	22,658	23,629	24,601	25,708	26,595	27,240	27,805	28,054
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	816	844	868	905	943	956	1,002	1,016	1,019	1,024
Customer connections	16,687	17,256	17,951	18,802	19,568	20,898	21,522	21,661	22,004	22,211
Maximum capacity (MCF)	24,637	24,637	26,570	26,570	26,570	38,164	38,164	38,164	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.



# *Certificate of Safety Achievement*

## *Fourth Consecutive Year Gold*

In recognition of the outstanding safety and health efforts of

### **GREENVILLE UTILITIES COMMISSION EXPRESS OFFICE**

that resulted in a substantial reduction of injuries and illnesses  
and the promotion of safer working conditions in 2010.



*Cherie Berry*  
COMMISSIONER OF LABOR



## Compliance Section

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



**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, 2011, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 11, 2011. 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***

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 above.

***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 & Pullen, LLP*

Morehead City, North Carolina  
October 11, 2011



# ***Greenville Utilities***

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

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

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

Greenville Utilities  
Post Office Box 1847  
Greenville, North Carolina 27835  
(252) 329-2159

