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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, 2014

Prepared by the Finance Department

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GREENVILLE UTILITIES COMMISSION OF THE CITY OF GREENVILLE, NORTH CAROLINA Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

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GREENVILLE UTILITIES COMMISSION

OF THE CITY OF GREENVILLE, NORTH CAROLINA

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

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INTRODUCTORY SECTION



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014





October 29, 2014

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, 2014.

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

Martin Starnes & Associates, Certified Public Accountants, has issued an unqualified ("clean") opinion on the Utilities Commission's financial statements for the year ended June 30, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Greenville Utilities Commission

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

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

PO Box 1847 Greenville, NC 27835-1847 252 752-7166 www.guc.com

Your Local Advantage 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 64,673 connections. The Utilities Commission's electric system, measured by number of customers served, is the second largest municipal electric system in the State and the forty-third largest in the nation.

The electric system consists of 77 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as 1,151 miles of overhead distribution lines, 1,553 miles of underground distribution lines at 12,470 volts and 81 miles of fiber optic lines. In addition, the electric system consists of 19 distribution substations with a load capacity in excess of 776 MVA (megavolt amps), as well as two point-of-delivery transmission substations and two sub-transmission substations.

230kV Substation on Mumford Road



The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for an estimated 40,160 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately twenty-seven percent of the Utilities Commission's residential customers currently participate in this program.

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

The Water Resources Systems

WATER TREATMENT AND DISTRIBUTION SYSTEM

The Utilities Commission operates a water treatment and distribution system that serves the City and a portion of the County. The distribution system currently consists of approximately 627 miles of lines with 34,959 connections. Raw water is supplied by the Tar River and eight deep wells. Recently completed river modeling, as a part of the Utilities Commission's ongoing Tar River Available Water Supply Project, indicates the Utilities Commission may be able to realize an average day withdrawal of 128 million gallons per day (MGD) from the Tar River, as compared to the current average day withdrawal of 12.723 MGD. Treatment is accomplished through a modern water treatment plant placed in operation in 1983 and expanded in 2002 with a present capacity of 22.5 million gallons per day (MGD). With the 2.0 MGD peaking capacity of the supplemental supply from the eight deep wells, the total peak day capacity of the water system is 24.5 MGD.

Water Treatment Plant



Average daily water use in the fiscal year ended June 30, 2014 was approximately 12.394 MGD, with a maximum daily usage of approximately 16.070 MGD. Approximately 84.5% of the water system's 34,959 connections are located within the City limits.

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

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

WASTEWATER COLLECTION AND TREATMENT SYSTEM

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

The collection system consists of approximately 471 miles of lines with 28,640 connections. The wastewater treatment plant was placed on line in 1985 and expanded in 1995. It is rated to biologically treat a 30 day average of 17.5 million gallons per day (MGD) and a 30 day average of 35 MGD hydraulic capacity. The annual average daily biological flow during fiscal year ended June 30, 2014 was 10.53 million gallons of wastewater with a single day hydraulic maximum of 20.04 MGD. The wastewater treatment plant is regulated by the NCDENR Division of Water Resources which enforces federal standards through the National Pollutant Discharge Elimination System as defined in the Clean Water Act. The Utilities Commission operates an Industrial Pretreatment program, which currently has seven participants: NACCO Materials Handling Group, Patheon (formerly DSM Pharmaceuticals, Inc.), DSM Dyneema, Inc., The Hammock Source, Karastan Carpets, Fuji Silysia, and Metrics.

The Natural Gas System

The Utilities Commission operates a natural gas distribution system that serves the City as well as some adjacent areas. The natural gas system consists of 612 miles of pipeline and 437 miles of service lines with 22,554 connections. During the current fiscal year 3,267,655 dekatherms of natural gas were moved through the Utilities Commission's distribution system.

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

Liquefied Natural Gas Storage Facility



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

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

Local Economy

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

Locally there are fourteen manufacturing operations that employ 100 or more workers, five that employ 500 or more and several manufacturers that maintain corporate or divisional headquarters in the Utilities Commission's service area. Three non-manufacturing operations located in the area each employ more than 2,500 workers. Major employers include Vidant Medical Center (formerly Pitt County Memorial Hospital), East Carolina University, Pitt County Schools, NACCO Materials Handling Group, Pitt Community College, Pitt County Government, Patheon (formerly DSM Pharmaceuticals), Alliance One International, the City of Greenville and The Roberts Company. Unemployment rates since 2005 have ranged from a low of 5.7 percent to a high of 10.9 percent.

The health care community in Greenville is one of the largest in the state of North Carolina. Vidant Medical Center is one of four academic medical centers in North Carolina and serves as the teaching hospital for The Brody School of Medicine. The 909-bed hospital serves as a regional heart center and has the only level one trauma center in the 29 counties of Eastern North Carolina. Vidant Medical Center hosts over 1,700 licensed medical providers and serves over 1.4 million residents of the region. East Carolina University (ECU), the third largest university in the State, has a student enrollment of approximately 27,000 students and employs more than 5,500 workers. ECU is a member of the 17-campus University of North Carolina system and is accredited by the Southern Association of Colleges and Schools. It offers professional schools of medicine, dentistry, nursing, allied health sciences, health and human performance, business, education, industry and technology, human environmental sciences, social work, music, art and a College of Arts and Sciences.

Long-term Financial Planning

The Utilities Commission is dedicated to enhancing the quality of life for those we serve by providing safe, reliable utility services at the lowest reasonable cost, with exceptional customer service. At the Board's direction, we developed a strategic management system using the Balanced Scorecard as a framework. Our Balanced Scorecard, branded as "On the Mark," was developed with input from

the Board, management, employees and customers. On the Mark is a dynamic roadmap for greater success – for the Utilities Commission, our employees and the communities we serve. The Utilities Commission's Balanced Scorecard helps translate our mission, vision and strategies into action. We have defined three focus areas, or strategic themes: Exceptional Customer Service; Reliability, Safety & Value; and Shaping Our Future. Attaining excellence in these three areas will enable us to achieve our mission, realize our vision and deliver value to our customers.

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

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

Relevant Financial Policies

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

Major Initiatives

The Commission began work on the implementation of a new Enterprise Resource Planning (ERP) system in 2012. The first phase of this project that included core financials, human resources and payroll has been completed. The next phase, scheduled to be implemented in the upcoming fiscal year includes a budgeting module, a mobile supply chain module to increase efficiency in the receipts and disbursements of inventory and a work and asset management system to record, track and maintain utility infrastructure assets.

The Gas Department is beginning the construction of a new compressed natural gas facility (CNG) to serve commercial and retail vehicles. This \$2.5 million project will feature a fast-fill capability with full equipment redundancy able to serve several hundred customers weekly.

Other major projects include upgrades to the Wastewater Treatment Plant's bio-solids processing facility totaling more than \$6.8 million and improvements to the Water Treatment Plant of more than \$3 million.

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, 2013. This was the fifth consecutive year the Utilities Commission has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized

comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The American Public Power Association awards the Reliable Public Power Provider (RP3) designation to recognize outstanding achievements in providing customers with the highest degree of reliable and safe electric service. Out of more than two thousand community-owned electric utilities fewer than ten percent attain this recognition. The Utilities Commission has held this designation continuously since May 2007.

ElectriCities, a member organization that includes electric power communities in North Carolina, South Carolina and Virginia and provides management services to the Utilities Commission's power provider annually presents Public Power Awards of Excellence to its members. During the 2014 fiscal year the Utilities Commission received awards for Competitive Business Environment, Energy Efficiency, Financial Stability, Legislative Involvement, and Service Excellence.

During fiscal year 2014 the Utilities Commission was honored with 16 safety awards from the NC Department of Labor. For several Utilities Commission departments this was the seventh consecutive year these awards have been earned. The Utilities Commission also received the Million-Hour Award for achieving 1,000,000 hours with no lost time accidents from June 2012 to October 2013.

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

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

Respectfully submitted,

Anthony C. Cannon

General Manager/CEO

Chilly C Camum

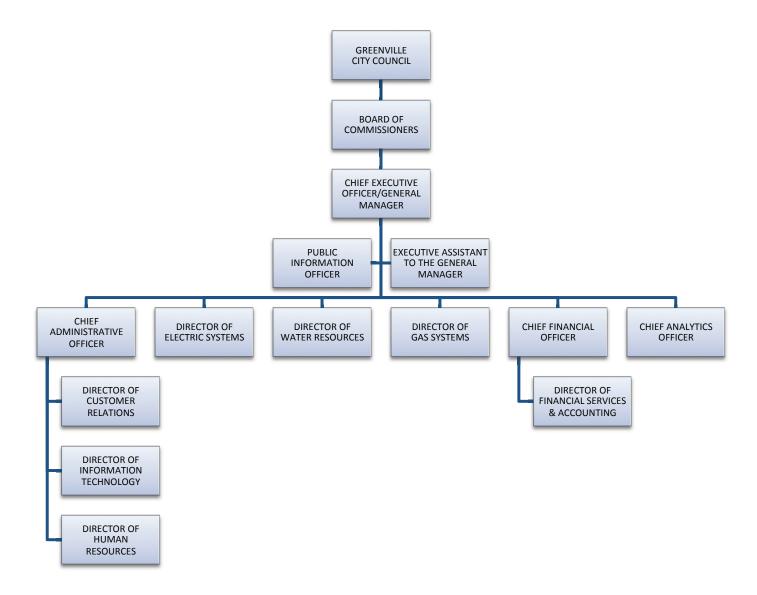
Jeff McCauley

Chief Financial Officer

- Jun Maulee

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 29, 2014

COMMISSIONERS



John Minges Chair



Chip Little Chair-Elect



Don Mills Secretary



Barbara Lipscomb City Manager



Virginia Hardy



Rebecca Blount



Joel Butler



Dennis Mitchell

EXECUTIVE MANAGEMENT



Anthony C. Cannon General Manager/ Chief Executive Officer



George Reel Interim Chief Administrative Officer



Jeff McCauley Chief Financial Officer

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Government Finance Officers Association

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, 2013

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014



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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2014 on our consideration of the Greenville Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Greenville Utilities Commission's internal control over financial reporting and compliance.

Martin Starnes & associates, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina October 29, 2014 THIS PAGE INTENTIONALLY LEFT BLANK





Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014

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, 2014. We encourage readers to consider the information presented here in conjunction with additional information in this report.

Financial Highlights

- The assets and deferred outflows of resources of the Utilities Commission exceeded its liabilities at
 the close of the most recent fiscal year by \$331,766,866 (net position). Of this amount, \$77,924,256
 (unrestricted net position) may be used to meet the Utilities Commission's ongoing obligations to its
 customers and creditors.
- Operating revenues increased by \$9,726,847 or 3.7 percent and total revenues increased by \$8,436,949 or 3.2 percent due primarily to increases in customer consumption.
- The Utilities Commission's total net position increased by \$5,955,200 primarily due to positive operating income.
- The Utilities Commission's total debt decreased by \$5,158,749 (4.4 percent) during the current fiscal year. The key factor in this decrease was the retirement of \$11,229,452 of existing debt, which exceeded the addition of new debt totaling \$6,179,392 and the net decrease in discounts and premiums totaling \$108,689.
- The Utilities Commission's bond rating was upgraded by Moody's Investors Services to Aa3 with a stable outlook.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Commission-Wide Financial Analysis

Greenville	l Itilities	Commission	Net Position
Greenvine	Ounces	COHIIIIISSIOH	MEL POSITION

2014		2013		
\$ 118,219,809	\$	120,608,505		
359,582,633		356,791,183		
1,166,979		1,360,672		
478,969,421		478,760,360		
35,571,638		36,492,116		
111,630,917		116,456,578		
 147,202,555		152,948,694		
253,842,610		246,776,493		
77,924,256		79,035,173		
\$ 331,766,866	\$	325,811,666		
\$	\$ 118,219,809 359,582,633 1,166,979 478,969,421 35,571,638 111,630,917 147,202,555 253,842,610 77,924,256	\$ 118,219,809 \$ 359,582,633		

As noted earlier, net position may serve over time as a useful indicator of an enterprise's financial condition. The assets and deferred outflows of resources of the Utilities Commission exceeded the liabilities and deferred inflows of resources by \$331,766,866 as of June 30, 2014. The Utilities Commission's net position increased by \$5,955,200 during the fiscal year ended June 30, 2014.

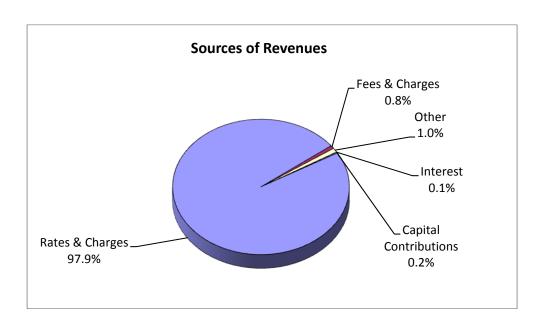
The largest portion of the Utilities Commission's net position (76.5 percent) reflects its net investment in capital assets (e.g. plants, distribution systems, equipment, land, machinery). The Utilities Commission uses these capital assets to provide electric, water, sewer and gas services to customers, consequently these assets are not available for future spending. Although the Utilities Commission's net investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot practically be used to liquidate these liabilities.

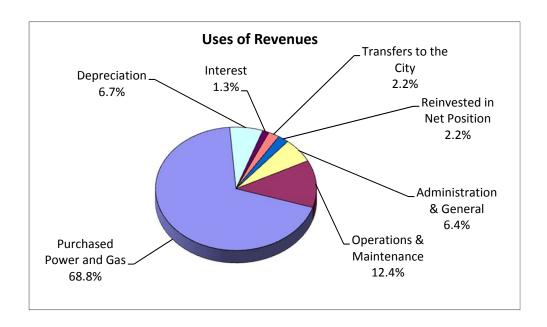
The remaining balance of unrestricted net position (\$77,924,256) may be used to meet the Utilities Commission's ongoing obligations to citizens and creditors. This balance decreased \$1,110,917 from fiscal year 2013 due to decreases in cash. Operating transfers from the Utilities Commission Electric and Gas operations to the City of Greenville are authorized and defined by the charter, as amended, which established the Utilities Commission in 1905. There are no transfers from the Water or Sewer operations to the City.

The \$5,955,200 increase in net position represents the degree to which increases in operating expenses were offset by corresponding increases in operating revenue.

Greenville Utilities Co	mmission Chang	es in Net Position
-------------------------	----------------	--------------------

Greenville Othities Commission Changes in Net Position	ition			
		2014		2013
Revenues:				
Operating revenues:				
Charges for service	\$	269,776,171	\$	260,272,010
Other operating revenues		995,765		773,079
Non-operating revenues:				
Interest income		208,075		226,385
Other non-operating revenues		1,761,191		3,032,779
Total revenues		272,741,202		264,304,253
Expenses				
Operating expenses		257,699,930		246,537,972
Non-operating expenses		3,573,520		4,402,553
Total expenses		261,273,450		250,940,525
Increase in net position before contributions and transfers		11,467,752		13,363,728
Contributions		567,728		-
Transfers		(6,080,280)		(5,733,476)
Increase in net position		5,955,200		7,630,252
Net position, July 1		325,811,666		318,181,414
Net position, June 30	\$	331,766,866	\$	325,811,666





Charges for services increased by \$9,504,161 or 3.7 percent. The Electric Fund accounts for 53.4 percent of this increase, which resulted primarily from an increase in customer consumption.

Financial Analysis of the Utilities Commission's Funds

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

Proprietary Funds – The Utilities Commission has a separate fund for the Electric, Water, Sewer and Gas operations. The total increase in net position for all funds was \$5,955,200. Net position at the end of the fiscal year for the Electric Fund was \$116,905,026, \$67,518,830 for the Water Fund, \$98,156,649 for the Sewer Fund, and \$49,186,361 for the Gas Fund.

Capital Assets and Debt Administration

Capital assets – The Utilities Commission's investment in capital assets as of June 30, 2014 totals \$359,582,633 (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 0.8 percent increase. Additional information on the Utilities Commission's capital assets can be found in note 2.A of this report.

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

- Distribution substations improvements totaling \$973,811
- Electric distribution line improvements and extensions totaling \$5,174,422
- Water main improvements and extensions totaling \$346,961
- Construction activities for the Sterling Pointe and Westside wastewater pump stations and force mains totaling \$3,704,198
- Sewer main improvements and extensions totaling \$2,260,916
- Wastewater treatment plant improvements totaling \$181,615
- Natural gas main improvements and extensions totaling \$945,398
- Construction activities at the liquefied natural gas plant totaling \$517,295

Greenville Utilities Commission Capital Assets

	2014			2013*		
Land	\$	3,595,641	\$	3,595,641		
Easements		51,382		47,621		
Land improvements	1,754,016			1,765,558		
General plant		6,802,061		7,131,656		
Utility plant		73,725,250		68,883,027		
Computer software	187,477			866,391		
Vehicles and equipment		3,063,890		3,622,381		
Distribution systems		209,527,321		214,311,361		
Transmission system		13,065,228		14,050,638		
Computer hardware		322,830		486,662		
Fiber optics		1,157,298		1,206,267		
Construction in progress		46,330,239		40,823,980		
Total capital assets	\$	359,582,633	\$	356,791,183		

^{*}Balances for fiscal year ending June 30, 2013 have been restated to reflect changes in reporting categories implemented during the fiscal year ending June 30, 2014.

Long-term debt – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$111,514,036. Of this amount, \$2,098,661 is secured by the equipment financed and the remaining debt is secured by the Utilities Commission's net revenues. Additional information on the Utilities Commission's long-term debt can be found in note 2.B of this report.

Greenville Utilities Commission Outstanding Debt

	2014			2013		
Revenue bonds	\$	72,136,399	\$	79,645,700		
Loans		38,488,921		36,029,680		
Unamortized bond discount/premium		888,716		997,405		
Total outstanding debt	\$	111,514,036	\$	116,672,785		

Of the total debt, \$11,014,845 is the current portion.

Economic Factors and Next Year's Budgets and Rates

The Utilities Commission experienced nominal growth in customer connections during the year, revenues generated by providing utility services were higher than the original budget and operating expenses were less than expected. The Utilities Commission continues to invest in infrastructure and growth projects and to support that investment rates were raised for both the Water and Sewer funds. The diverse local economy continues to improve with a modest rebound in manufacturing and retail sectors. The Utilities Commission's budget for fiscal year 2015 was developed to provide rate payers with the lowest reasonable rates and still provide excellent customer service.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014



Greenville Utilities Commission of the City of Greenville, North Carolina Statement of Net Position June 30, 2014	Total Business Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 61,715,565
Accounts receivable, net	27,998,089
Due from other governments	1,466,723
Due from City of Greenville	118,162
Inventories	6,137,484
Restricted cash and cash equivalents Total current assets	3,588,516 101,024,539
Total current assets	101,024,333
Non-current assets:	
Restricted cash and cash equivalents:	
Bond proceeds	4,607,034
Capacity fees	2,130,471
Total restricted cash and cash equivalents	6,737,505
la contra anta	10.011.603
Investments Notes receivable	10,011,693
Notes receivable	446,072
Capital assets:	
Land, easements and construction in progress	49,977,262
Other capital assets, net of depreciation	309,605,371
Total capital assets	359,582,633
Total non-current assets	376,777,903
Total Assets	477,802,442
Deferred Outflows of Resources	
Unamortized bond refunding charges	1,166,979
Total deferred outflows of resources	1,166,979
Liabilities	
Current liabilities:	40.040.000
Accounts payable and accrued expenses	18,210,690
Customer deposits payable from restricted assets Accrued interest payable	3,588,516 730,002
Due to City of Greenville	108,862
Unearned revenue	306,361
Current portion of compensated absences	1,612,362
Current maturities of long-term debt	11,014,845
Total current liabilities	35,571,638
Non-current liabilities:	
Compensated absences	281,701
Long-term debt, excluding current portion	100,499,191
Other post employment benefits Total non-current liabilities	10,850,025 111,630,917
rotarnon-current habilities	111,030,91/
Total liabilities	147,202,555
Net Position	
Net investment in capital assets	253,842,610
Unrestricted	77,924,256
Total net position	\$ 331,766,866

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

Greenville Utilities Commission of the City of Greenville, North Carolina Statement of Net Position

Total Business Type

June 30, 2014		Activities			
	Electric	Water	Sewer	Gas	
Assets	Fund	Fund	Fund	Fund	
Current assets:					
Cash and cash equivalents	\$ 31,629,117	2,766,323	\$ 3,932,365	\$ 23,387,760	\$ 61,715,565
Accounts receivable, net	22,266,494	1,873,438	2,032,874	1,825,283	27,998,089
Due from other governments	905,701	136,686	317,509	106,827	1,466,723
Due from City of Greenville	118,162	-	-	-	118,162
Inventories	4,688,312	629,916	201,884	617,372	6,137,484
Restricted cash and cash equivalents	2,734,118	509,507	1,648	343,243	3,588,516
Total current assets	62,341,904	5,915,870	6,486,280	26,280,485	101,024,539
Non-current assets:					
Restricted cash and cash equivalents:					
Bond proceeds	927,923	1,965,787	1,186,123	527,201	4,607,034
Capacity fees	, -	979,091	1,151,380	, -	2,130,471
Total restricted cash and cash equivalents	927,923	2,944,878	2,337,503	527,201	6,737,505
Investments	5,100,213	627,134	751,400	3,532,946	10,011,693
Notes receivable	-	446,072	-	-	446,072
Capital assets:					
Land, easements and construction in progress	11,969,848	4,148,539	30,367,240	3,491,635	49,977,262
Other capital assets, net of depreciation	81,350,448	86,789,494	114,989,398	26,476,031	309,605,371
Total capital assets	93,320,296	90,938,033	145,356,638	29,967,666	359,582,633
Total non-current assets	99,348,432	94,956,117	148,445,541	34,027,813	376,777,903
Total Assets	161,690,336	100,871,987	154,931,821	60,308,298	477,802,442
Deferred Outflows of Resources					
Unamortized bond refunding charges	348,968	414,073	197,115	206,823	1,166,979
Total deferred outflows of resources	348,968	414,073	197,115	206,823	1,166,979
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	15,723,601	621,620	415,619	1,449,850	18,210,690
Customer deposits payable from restricted assets	2,734,118	509,507	1,648	343,243	3,588,516
Accrued interest payable	148,572	217,938	306,446	57,046	730,002
Due to City of Greenville	73,864	17,499	17,499	-	108,862
Unearned revenue	-	120,181	186,180	-	306,361
Current portion of compensated absences	710,219	313,622	324,279	264,242	1,612,362
Current maturities of long-term debt	2,745,501	2,910,306	4,184,728	1,174,310	11,014,845
Total current liabilities	22,135,875	4,710,673	5,436,399	3,288,691	35,571,638
Non-current liabilities:					
Compensated absences	52,860	97,142	69,316	62,383	281,701
Long-term debt, excluding current portion	17,812,450	26,756,925	49,615,545	6,314,271	100,499,191
Other post employment benefits	5,133,093	2,202,490	1,851,027	1,663,415	10,850,025
Total non-current liabilities	22,998,403	29,056,557	51,535,888	8,040,069	111,630,917
Total liabilities	45,134,278	33,767,230	56,972,287	11,328,760	147,202,555
Net Position					
Net investment in capital assets	74,039,236	63,650,662	92,939,603	23,213,109	253,842,610
Unrestricted	42,865,790	3,868,168	5,217,046	25,973,252	77,924,256
Total net position		67,518,830	\$ 98,156,649	\$ 49,186,361	\$ 331,766,866

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

Greenville Utilities Commission of the City of Greenville, North Carolina Statement of Revenues, Expenses and Changes in Fund Net Position For the Year Ended June 30, 2014

For the Year Ended June 30, 2014	Major Funds						Total
	Electric Water Sewer			Gas			
		Fund	Fund	Fund	Fund		
Operating revenues:							
Charges for services	\$	200,421,499 \$	16,168,008 \$	17,868,959 \$	35,317,705	\$	269,776,171
Other operating revenues		699,404	98,063	101,204	97,094		995,765
Total operating revenues		201,120,903	16,266,071	17,970,163	35,414,799		270,771,936
Operating expenses:							
Administration and general		8,639,044	2,958,365	2,916,171	2,979,650		17,493,230
Operations and maintenance		13,276,819	8,186,959	8,031,633	4,419,533		33,914,944
Purchased power and gas		164,909,937	-	-	23,200,393		188,110,330
Depreciation		7,596,737	3,943,050	4,992,943	1,648,696		18,181,426
Total operating expenses		194,422,537	15,088,374	15,940,747	32,248,272		257,699,930
Operating income		6,698,366	1,177,697	2,029,416	3,166,527		13,072,006
Non-operating revenues (expenses):							
Interest income		96,737	36,009	11,886	63,443		208,075
Interest expense and service charges		(761,918)	(1,148,344)	(1,392,801)	(270,457)		(3,573,520)
Other non-operating revenues		1,187,031	260,093	248,082	65,985		1,761,191
Net non-operating revenues (expenses)		521,850	(852,242)	(1,132,833)	(141,029)		(1,604,254)
Income before contributions and transfers		7,220,216	325,455	896,583	3,025,498		11,467,752
Contributions and transfers:							
Capital Contributions		400,000	-	167,728	-		567,728
Transfer to City of Greenville, General Fund		(4,113,109)	-	-	(1,246,578)		(5,359,687)
Transfer to City of Greenville, street lighting reimb		(720,593)	-	-	<u>-</u>		(720,593)
Total contributions and transfers		(4,433,702)	-	167,728	(1,246,578)		(5,512,552)
Changes in net position		2,786,514	325,455	1,064,311	1,778,920		5,955,200
Net position, beginning of year		114,118,512	67,193,375	97,092,338	47,407,441		325,811,666
Net position, end of year	\$	116,905,026 \$	67,518,830 \$	98,156,649 \$	49,186,361	\$	331,766,866

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, 2014

For the Year Ended June 30, 2014	Major Funds						Total
		Electric	Water	Sewer	Gas		Total
Cash flows from operating activities:		Fund	Fund	Fund	Fund		
Receipts from customers and users	\$	200,251,420 \$	16,113,654 \$	17,787,614 \$	35,343,806	\$	269,496,494
Other operating receipts		1,565,678	69,970	465,481	35,645		2,136,774
Payments for goods and services		(177,009,531)	(5,811,935)	(5,769,115)	(25,698,062)		(214,288,643)
Payments to employees		(9,744,303)	(5,124,946)	(4,997,257)	(4,710,479)		(24,576,985)
Payments received on loans		-	30,414	-			30,414
Net cash provided by operating activities		15,063,264	5,277,157	7,486,723	4,970,910		32,798,054
Cash flows from noncapital financing activities:							
Transfers to City of Greenville, General Fund		(4,829,460)	-	-	(1,246,578)		(6,076,038)
Net cash used by noncapital financing activities		(4,829,460)	-	-	(1,246,578)		(6,076,038)
Cash flows from capital and related financing activities:							
Proceeds from issuance of debt		-	135,336	6,044,056	-		6,179,392
Capital grants/cash capital contributions		400,000	-	167,728	-		567,728
Capital related receipts from customers		-	168,715	213,046	-		381,761
Principal payments on debt obligations		(2,663,883)	(2,836,377)	(4,591,850)	(1,137,342)		(11,229,452)
Acquisition and construction of capital assets		(9,526,428)	(1,274,854)	(8,194,934)	(2,443,646)		(21,439,862)
Payment of interest and service charges on debt obligations		(743,936)	(1,209,276)	(1,699,736)	(252,321)		(3,905,269)
Net cash used by capital and related financing activities		(12 524 247)	(E 016 4E6)	(9.061.600)	(2 822 200)		(20 445 702)
inialicing activities		(12,534,247)	(5,016,456)	(8,061,690)	(3,833,309)		(29,445,702)
Cash flows from investing activities:		(2.002.054)	(452.050)	(540,646)	(2.525.405)		(7.500.024)
Purchase of investments		(3,903,061)	(452,958)	(519,616)	(2,625,186)		(7,500,821)
Interest received on investments		82,681	34,332	9,920	53,854		180,787
Net cash provided (used) by investing activities		(3,820,380)	(418,626)	(509,696)	(2,571,332)		(7,320,034)
Net increase (decrease) in cash and cash equivalents		(6,120,823)	(157,925)	(1,084,663)	(2,680,309)		(10,043,720)
Cash and cash equivalents, beginning of year		41,411,981	6,378,633	7,356,179	26,938,513		82,085,306
Cash and cash equivalents, end of year	\$	35,291,158 \$	6,220,708 \$	6,271,516 \$	24,258,204	\$	72,041,586
Other disclosures: Interest incurred	ċ	726,157 \$	1 140 167	1 710 100 6	243,095	ć	2 027 617
	<u>\$</u>		1,140,167 \$	1,718,198 \$		\$	3,827,617
Interest paid	\$	743,936 \$	1,209,276 \$	1,699,736 \$	252,321	\$	3,905,269
Interest capitalized	\$	- \$	- \$	339,101 \$		\$	339,101
Reconciliation of operating income to net cash provided by operating activi		6 600 300 6	1 177 607 6	2.020.446	3.166.527	,	12.072.006
Operating Income Adjustments to reconcile operating income to net cash	\$	6,698,366 \$	1,177,697 \$	2,029,416 \$	3,166,527	\$	13,072,006
provided by operating activities							
Depreciation		7,596,737	3,943,050	4,992,943	1,648,696		18,181,426
Changes in assets and liabilities		(027.542)	(425.250)	(122.500)	/F 4 3F3\		(4 240 754)
Accounts receivable		(927,542)	(135,258)	(132,699)	(54,252)		(1,249,751)
Notes receivable		202 501	30,414	412.012	- (40.212)		30,414
Due from other government Due from City of Greenville		302,501	(16,259)	413,912	(49,313)		650,841
Inventories		78,312 553,207	(31,542)	- (77,706)	(118,674)		78,312 325,285
Prepaid expenses and deposits		21,610	6,012	5,774	4,587		37,983
Accounts payable and accrued expenses		(722,112)	32,113	64,809	149,407		(475,783)
Customer deposits		55,893	15,442	523	2,232		74,090
Due to City of Greenville		(211,410)	17,499	17,499	-,232		(176,412)
Compensated absences		(2,070)	25,898	9,097	18,547		51,472
OPEB Payable		432,741	158,463	161,959	137,167		890,330
Unearned Revenue		-	(37,750)	(33,840)	, -		(71,590)
Miscellaneous income (expense)		1,187,031	91,378	35,036	65,986		1,379,431
Total adjustments		8,364,898	4,099,460	5,457,307	1,804,383		19,726,048
Net cash provided by operating activities	\$	15,063,264 \$	5,277,157 \$	7,486,723 \$	4,970,910	\$	32,798,054

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

Greenville Utilities Commission of the City of Greenville, North Carolina Statement of Fiduciary Net Position Fiduciary Funds June 30, 2014

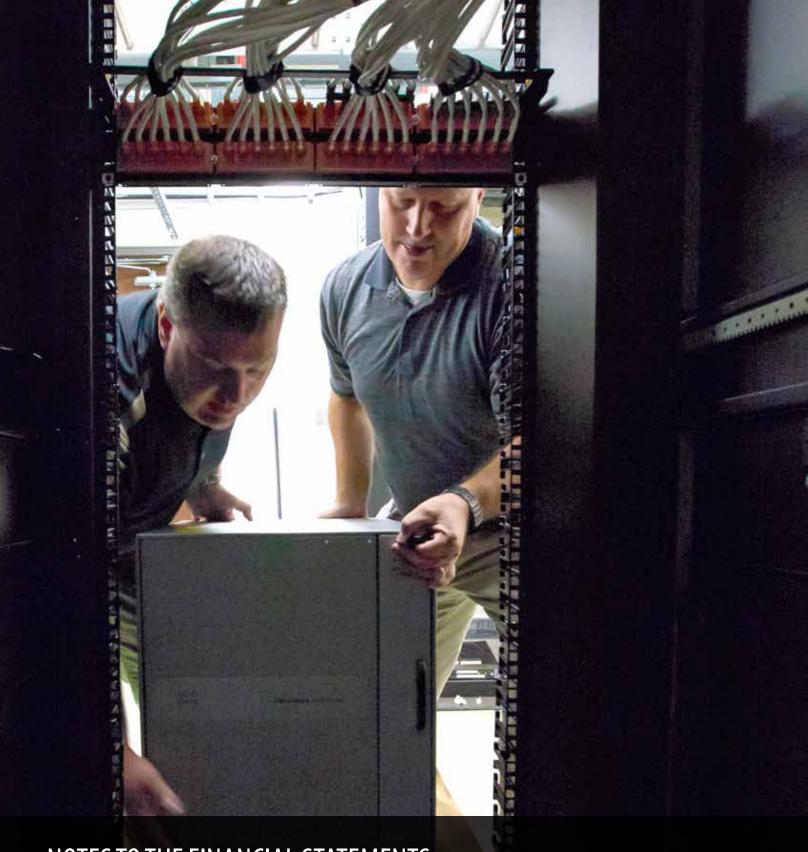
		PEB Trust Fund	A	gency Fund	
Assets					
Cash and cash equivalents	\$	313,184	\$	842,711	
Accounts receivable	Ψ	115	*	1,651,235	
Investments at fair value:		110		1,001,200	
Russell 3000 Alpha Tilts B		733,183		-	
Global EX-US Alpha B		239,114		_	
NC Long Term Investment Plan		133,110			
Total assets		1,418,706		2,493,946	
Liabilities					
Accounts payable		5,619		2,493,946	
Total liabilities		5,619		2,493,946	
Net Position					
Assets held in trust for other postemployment benefits	\$	1,413,087	\$		

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

Greenville Utilities Commission of the City of Greenville, North Carolina Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Year Ended June 30, 2014

	 PEB Trust Fund
Additions	
Contributions:	
Employer contributions	\$ 1,030,101
Retiree contributions	 204,064
Total contributions	 1,234,165
Investment earnings:	
Interest	6,810
Dividends	18,231
Net increase in the fair value of investments	 174,980
Total investment earnings	200,021
Less investment expense	 1,666
Net investment income	198,355
Total additions	 1,432,520
Deductions	
Benefits	884,164
Administrative Expense	 3,349
Total deductions	 887,513
Change in net position	545,007
Net position held in trust for OPEB benefits, beginning of year	 868,080
Net position held in trust for OPEB benefits, end of year	\$ 1,413,087

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



NOTES TO THE FINANCIAL STATEMENTS



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

Note 1 - Summary of Significant Accounting and Reporting Policies

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

A. Reporting Entity

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

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

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

B. Basis of Presentation

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

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

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

The Utilities Commission reports the following major enterprise funds:

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

The Utilities Commission reports the following fund types:

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

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

C. Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting and the economic resources measurement focus, except for the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Utilities Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

D. Budgetary Data

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

Budgetary control is exercised at the fund level. The budgets are prepared on the modified accrual basis as required by North Carolina law, except that bad debt expense and changes in accrued vacation are also budgeted. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the Board of Commissioners and the Greenville City Council. During the fiscal year ended June 30, 2014, one amendment to the original budget was necessary.

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

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

Deposits and Investments

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

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

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

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

Cash and Cash Equivalents

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

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

Restricted Assets

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

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

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

Utilities Commission Restricted Cash

Customer deposits	\$3,588,516
Unexpended bond proceeds	4,607,034
Unexpended capacity fees	2,130,471
	\$10,326,021

Allowance for Doubtful Accounts

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

Inventories and Prepaid Expenses

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

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

Capital Assets

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Utilities Commission has one item that meets this criterion, unamortized losses on bond defeasance for refunding bonds. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Utilities Commission had no items that meet the criterion for this category at June 30, 2014.

Long-Term Obligations

In the government-wide financial statements and the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance

costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

Compensated Absences

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

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

Net Position

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

Note 2 - Detail Notes on All Funds

A. Assets

Deposits

All the deposits of the Utilities Commission are either insured or collateralized under the pooling method. The pooling method is a collateral pool under which all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Utilities Commission, these deposits are considered to be held by the Utilities Commission's agent in the Utilities Commission's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the pooling method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Utilities Commission or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Utilities Commission under the pooling method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the pooling method. The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions and monitors them for compliance. The Utilities Commission complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Utilities Commission's investment policy specifies that deposit-type securities (i.e. certificates of deposit and checking accounts) are 100% collateralized as required by North Carolina General Statutes.

At June 30, 2014, the Utilities Commission's deposits had a carrying amount of \$70,587,386 and a bank balance of \$70,741,349. Of the bank balance, \$1,099,760 was covered by Federal depository insurance, and \$69,641,589 was covered by collateral held under the pooling method. The Utilities Commission's deposits include checking accounts, money market accounts and \$3,000,000 in certificates of deposit which are reported as long-term investments on the statement of net position. The Utilities Commission's cash on hand at June 30, 2014 consisted of various petty cash funds totaling \$4,300.

<u>Investments</u>

At June 30, 2014, the Utilities Commission had the following investments and maturities.

		Less Than 6		
Investment Type	Fair Value	Months	6 - 12 Months	1 – 5 Years
Bank Certificates of Deposit	\$3,000,000	\$2,500,000	-	\$500,000
US Government Agencies	7,011,692	-	-	7,011,692
NC Capital Management Trust – Cash Portfolio	5,192,415	5,192,415	-	-
NC Capital Management Trust – Term Portfolio	100,197	100,197	-	-
Total	\$15,304,304	\$7,792,612	-	\$7,511,692

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

Credit Risk. The Utilities Commission's investment policy limits the securities available for purchase to the following: US Treasuries; US Agencies; NC Capital Management Trust; Money Market Accounts; Certificates of Deposit; Banker's Acceptances; Commercial Paper; and NC and Local Government Securities with AAA rating or better. The Utilities Commission's investment policy expressly prohibits investment in: repurchase agreements; commingled investment pools established by GS 160-A-464; participating shares in a mutual fund for local government; and evidences of ownership of future interest and principal payments of direct obligations of the US government. The Utilities Commission's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2014. The Utilities Commission's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the U.S. government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. For an investment, the custodial credit risk is the risk that in the event of the failure of the counterparty, the Utilities Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Utilities Commission's investment policy does not allow investment in any security that would not be held in the Utilities Commission's name.

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

At June 30, 2014 the Utilities Commission OPEB Trust had \$1,418,591 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Utilities Commission's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 22%, which is reported as cash and cash equivalents; State Treasurer's Long Term Investment Fund (LTIF) 9% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 69% (the equities were split with 75% in domestic securities and 25% in international securities).

Interest Rate Risk. The Utilities Commission does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.3 years at June 30, 2014. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 16.3 years at June 30, 2014.

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

Receivables

Receivables at the government-wide level for the business type activities at June 30, 2014, were as follows:

	2014
Billed customer accounts	\$23,912,869
Estimated unbilled customer services	13,143,119
Other receivables	258,545
Total accounts receivable	37,314,533
Allowance for uncollectible accounts	(9,316,444)
Net accounts receivable	\$27,998,089

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 2014 the allowance increased by \$228,963, to a total outstanding amount of \$9,316,444.

The due from other governments that is owed to the Utilities Commission at June 30, 2014 consists of the following:

	2014
Sales tax refund	\$898,995
NC Department of Transportation capital contribution	400,000
Environmental Protection Agency grant	167,728
Total due from other governments	\$1,466,723

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 \$446,072 payable in monthly installments for 15 years at a 5.25% interest rate.

Capital Assets

Capital asset activity for the year ended June 30, 2014, was as follows:

		June 30, 2013		Additions		Deletions		Transfers		June 30, 2014
Capital assets not being depreciated:										
Land	\$	3,501,273	\$	-	\$	-	\$	94,368	\$	3,595,641
Easements	·	67,815	·	3,761	·	-		(20,194)		51,382
Construction in progress		40,823,980		14,047,860		_		(8,541,601)		46,330,239
Total capital assets not being depreciated:		44,393,068		14,051,621		-		(8,467,427)		49,977,262
Capital assets being depreciated:										
Land improvements	\$	509,484	Ś	-	Ś	-	Ś	2,211,246	Ś	2,720,730
Buildings	,	125,621,489	•	-	•	_	т	(125,621,489)		-,,
General plant				_		_		12,690,606		12,690,606
Utility plant		_		19,957		_		124,890,972		124,910,929
Furniture and office equipment		2,971,601				_		(2,971,601)		-
Computer software		7,058,620		420		_		(2,3,1,001)		7,059,040
Vehicles and equipment		30,350,675		888,269		(275,607)		(8,853,145)		22,110,192
Distribution systems		400,326,488		5,922,686		(273,007)		3,859,753		410,108,927
Transmission systems		35,680,899		25,223		_		(2,609,067)		33,097,055
Computer hardware		33,080,833		10,280				2,856,754		2,867,034
•		-				-				
Fiber optics				54,419		/275 (07)		2,013,399		2,067,818
Total capital assets being depreciated:		602,519,256		6,921,254		(275,607)		8,467,428		617,632,331
Less accumulated depreciation for:										
Land improvements	\$	418,444	\$	11,543	\$	-	\$	536,727	\$	966,714
Buildings		52,229,051		-		-		(52,229,051)		-
General plant		-		329,594		-		5,558,951		5,888,545
Utility plant		-		3,719,334		-		47,466,345		51,185,679
Furniture and office equipment Computer software		2,481,690 6,192,229		679,334		-		(2,481,690)		- 6,871,563
Vehicles and equipment		20,050,229		1,446,759		(275,606)		(2,175,080)		19,046,302
Distribution systems		189,415,217		10,706,727		(273,000)		459,662		200,581,606
Transmission systems		19,334,281		1,010,634		-		(313,088)		20,031,827
Computer hardware		-		174,111		-		2,370,093		2,544,204
Fiber optics		-		103,390		-		807,130		910,520
Total accumulated depreciation		290,121,141	_	18,181,426		(275,606)		(1)		308,026,960
Total capital assets being depreciated, net		312,398,115	•					_		309,605,371
Net Capital Assets	\$	356,791,183	=					<u> </u>	\$	359,582,633

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2014 totaled \$7,596,737, \$3,943,050, \$4,992,943, and \$1,648,696, respectively.

Capital asset activity by fund for the year ended June 30, 2014, was as follows:

Electric Fund

		June 30, 2013		Additions		Deletions	Transfers	June 30, 2014
Capital assets not being depreciated:								
Land	\$	1,046,125	\$	-	\$	- \$	31,456 \$	1,077,581
Easements		38,635		2,450		-	(20,194)	20,891
Construction in progress		6,568,730		4,302,646		-	-	10,871,376
Total capital assets not being depreciated:		7,653,490		4,305,096		-	11,262	11,969,848
Capital assets being depreciated:								
Land improvements	\$	213,216	\$	-	\$	- \$	(11,262) \$	201,954
Buildings		5,487,001		-		-	(5,487,001)	-
General plant		-		-		-	5,552,193	5,552,193
Furniture and office equipment		2,287,345		-		-	(2,287,345)	-
Computer software		3,485,177		420		-	(5,654)	3,479,943
Vehicles and equipment		11,728,290		369,688		(158,351)	(1,553,728)	10,385,899
Distribution systems		174,190,069		4,703,867		-	2,609,067	181,503,003
Transmission systems		35,680,899		25,223		-	(2,609,067)	33,097,055
Computer hardware		-		5,654		-	2,222,153	2,227,807
Fiber optics		-		54,419		-	1,623,132	1,677,551
Total capital assets being depreciated:		233,071,997		5,159,271		(158,351)	52,488	238,125,405
Less accumulated depreciation for:								
Land improvements	\$	201,954	Ś	_	\$	- \$	- \$	201,954
Buildings	•	2,953,592	7	-	,	-	(2,953,592)	-
General plant		-		123,918		-	3,016,184	3,140,102
Furniture and office equipment		1,887,090		-		-	(1,887,090)	-
Computer software		3,122,062		311,166		-	-	3,433,228
Vehicles and equipment		8,680,796		772,605		(158,352)	(626,960)	8,668,089
Distribution systems		113,156,797		5,153,679		-	313,088	118,623,564
Transmission systems		19,334,281		1,010,634		-	(313,088)	20,031,827
Computer hardware		-		140,857		-	1,824,498	1,965,355
Fiber optics Total accumulated depreciation		149,336,572		83,878 7,596,737		(158,352)	626,960	710,838
rotar accumurateu depreciation		149,550,572	_	7,390,737		(130,332)		130,774,937
Total capital assets being depreciated, net		83,735,425	-					81,350,448
Net Capital Assets	\$	91,388,915	=				\$	93,320,296

Water Fund

		June 30, 2013		Additions	Deletions	Transfers	June 30, 2014
Capital assets not being depreciated:							
Land	\$	548,376	\$	-	\$ -	\$ 31,456 \$	579,832
Easements		14,590		-	-	-	14,590
Construction in progress		8,971,947		882,841	-	(6,300,671)	3,554,117
Total capital assets not being depreciated:	_	9,534,913		882,841	-	(6,269,215)	4,148,539
Capital assets being depreciated:							
Land improvements	\$	115,455	\$	-	\$ -	\$ 2,253,964 \$	2,369,419
Buildings		46,505,327		-	-	(46,505,327)	-
General plant		-		-	-	2,463,980	2,463,980
Utility plant		-		3,510	-	50,355,270	50,358,780
Furniture and office equipment		198,280		_	_	(198,280)	_
Computer software		1,238,147		-	_	(353)	1,237,794
Vehicles and equipment		7,582,263		105,178	(36,025)	(3,975,936)	3,675,480
Distribution systems		81,449,245		346,961	-	1,476,441	83,272,647
Computer hardware		-		1,542	-	185,028	186,570
Fiber optics		-		-	_	186,487	186,487
Total capital assets being depreciated:		137,088,717		457,191	(36,025)	6,241,274	143,751,157
Less accumulated depreciation for:							
Land improvements	\$	83,999	\$	11,543	\$ -	\$ 536,727 \$	632,269
Buildings		20,216,431		-	-	(20,216,431)	-
General plant		-		72,115	-	848,472	920,587
Utility plant		-		1,581,672	-	19,329,107	20,910,779
Furniture and office equipment		175,866		-	-	(175,866)	-
Computer software		1,132,904		104,855	- (26.024)	(054.730)	1,237,759
Vehicles and equipment Distribution systems		3,995,082 27,450,356		184,512 1,970,639	(36,024)	(854,728) 267,586	3,288,842 29,688,581
Computer hardware		-		8,390	-	162,777	171,167
Fiber optics		-		9,324	-	102,355	111,679
Total accumulated depreciation		53,054,638	_	3,943,050	(36,024)	(1)	56,961,663
Total capital assets being depreciated, net		84,034,079	_				86,789,494
Net Capital Assets	\$	93,568,992	=			<u>\$</u>	90,938,033

Sewer Fund

	 June 30, 2013		Additions	Deletions	Transfers	June 30, 2014
Capital assets not being depreciated:						
Land	\$ 1,633,818	\$	-	\$ -	\$ - 5	1,633,818
Easements	14,590		-	-	-	14,590
Construction in progress	 23,852,182		7,107,580	-	(2,240,930)	28,718,832
Total capital assets not being depreciated:	 25,500,590		7,107,580	-	(2,240,930)	30,367,240
Capital assets being depreciated:						
Land improvements	\$ 109,570	\$	-	\$ -	\$ - 5	109,570
Buildings	62,284,450		-	-	(62,284,450)	-
General plant	-		-	-	2,060,552	2,060,552
Utility plant	-		-	-	65,785,966	65,785,966
Furniture and office equipment	182,844		-	-	(182,844)	-
Computer software	1,002,942		-	-	6,714	1,009,656
Vehicles and equipment	8,134,108		386,201	(75,232)	(3,175,663)	5,269,414
Distribution systems	110,040,397		178,194	-	(225,755)	109,992,836
Computer hardware	-		1,542	-	165,347	166,889
Fiber optics	 -		-	-	101,889	101,889
Total capital assets being depreciated:	 181,754,311		565,937	(75,232)	2,251,756	184,496,772
Less accumulated depreciation for:						
Land improvements	\$ 92,704	\$	-	\$ -	\$ - 5	92,704
Buildings	24,773,239		-	-	(24,773,239)	-
General plant	-		59,738	-	692,364	752,102
Utility plant	-		1,841,483	-	24,834,799	26,676,282
Furniture and office equipment Computer software	160,430 929,796		- 79,826	-	(160,430)	1,009,622
Vehicles and equipment	5,001,613		320,188	(75,232)	(654,484)	4,592,085
Distribution systems	33,631,881		2,678,223	(73)232)	(121,012)	36,189,092
Computer hardware	-		8,391	-	143,095	151,486
Fiber optics	 -		5,094	-	38,907	44,001
Total accumulated depreciation	 64,589,663	_	4,992,943	(75,232)	-	69,507,374
Total capital assets being depreciated, net	 117,164,648	_				114,989,398
Net Capital Assets	\$ 142,665,238	-			<u> </u>	145,356,638

Gas Fund

	June 30, 2013		Additions	Deletions	Transfers	June 30, 2014
Capital assets not being depreciated:						
Land	\$ 272,954	\$	-	\$ -	\$ 31,456 \$	304,410
Easements	-		1,311	-	-	1,311
Construction in progress	 1,431,121		1,754,793	-	-	3,185,914
Total capital assets not being depreciated:	 1,704,075		1,756,104	-	31,456	3,491,635
Capital assets being depreciated:						
Land improvements	\$ 71,243	\$	-	\$ -	\$ (31,456) \$	39,787
Buildings	11,344,711		-	-	(11,344,711)	-
General plant	-		-	-	2,613,881	2,613,881
Utility plant	-		16,447	-	8,749,736	8,766,183
Furniture and office equipment	303,132		-	-	(303,132)	-
Computer software	1,332,354		-	-	(707)	1,331,647
Vehicles and equipment	2,906,014		27,202	(5,999)	(147,818)	2,779,399
Distribution systems	34,646,777		693,664	-	-	35,340,441
Computer hardware	-		1,542	-	284,226	285,768
Fiber optics	-		-	-	101,891	101,891
Total capital assets being depreciated:	50,604,231		738,855	(5,999)	(78,090)	51,258,997
Less accumulated depreciation for:						
Land improvements	\$ 39,787	\$	-	\$ -	\$ - \$	39,787
Buildings	4,285,789		-	-	(4,285,789)	-
General plant	-		73,823	-	1,001,931	1,075,754
Utility plant	-		296,179	-	3,302,439	3,598,618
Furniture and office equipment	258,304		-	-	(258,304)	-
Computer software	1,007,467		183,487	- (= 000)	-	1,190,954
Vehicles and equipment	2,372,738		169,454	(5,998)	(38,908)	2,497,286
Distribution systems Computer hardware	15,176,183		904,186 16,473	-	239,723	16,080,369 256,196
Fiber optics	-		5,094	- -	38,908	44,002
Total accumulated depreciation	23,140,268		1,648,696	(5,998)	-	24,782,966
Total capital assets being depreciated, net	27,463,963	_				26,476,031
Net Capital Assets	\$ 29,168,038	=			\$	29,967,666

A summary of capital assets, by fund, at June 30, 2014 is as follows:

	 Electric	Water	Sewer	Gas	Total
At June 30, 2014					_
Land	\$ 1,077,581	\$ 579,832	\$ 1,633,818	\$ 304,410	\$ 3,595,641
Easements	20,891	14,590	14,590	1,311	51,382
Land improvements	201,954	2,369,419	109,570	39,787	2,720,730
General plant	5,552,193	2,463,980	2,060,552	2,613,881	12,690,606
Utility plant	-	50,358,780	65,785,966	8,766,183	124,910,929
Computer software	3,479,943	1,237,794	1,009,656	1,331,647	7,059,040
Vehicles and equipment	10,385,899	3,675,480	5,269,414	2,779,399	22,110,192
Distribution systems	181,503,003	83,272,647	109,992,836	35,340,441	410,108,927
Transmission systems	33,097,055	-	-	-	33,097,055
Computer hardware	2,227,807	186,570	166,889	285,768	2,867,034
Fiber optics	1,677,551	186,487	101,889	101,891	2,067,818
	239,223,877	144,345,579	186,145,180	51,564,718	621,279,354
Less accumulated depreciation	 (156,774,957)	(56,961,663)	(69,507,374)	(24,782,966)	(308,026,960)
	82,448,920	87,383,916	116,637,806	26,781,752	313,252,394
Construction in progress	 10,871,376	3,554,117	28,718,832	3,185,914	46,330,239
Net Capital Assets	\$ 93,320,296	\$ 90,938,033	\$ 145,356,638	\$ 29,967,666	\$ 359,582,633

Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2014. At year-end, the Utilities Commission's commitments with contractors are as follows:

		Remaining
Project Name	Spent-to-date	Commitments
Electric distribution system	\$4,964,192	\$116,791
Water treatment and distribution system	278,432	1,095
Sewer treatment and collection system	25,757,329	1,511,873
Natural gas distribution system	769,029	2,497,021
Totals	\$31,768,982	\$4,126,780

B. Liabilities

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2014, were as follows:

	Salaries and			
Business type activities:	Vendors	Benefits	Other	Total
Electric	\$15,236,519	\$481,438	\$5,644	\$15,723,601
Water	378,257	240,470	2,893	621,620
Sewer	194,039	221,450	130	415,619
Gas	1,251,795	197,804	251	1,449,850
Total	\$17,060,610	\$1,141,162	\$8,918	\$18,210,690

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 \$19,097,782 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 2 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$23,626,998. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,511,338, \$14,727,844 and \$202,410,467, respectively. Revenue bonds outstanding at year end are as follows:

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	\$988,401
Series 2005 Revenue Bonds with an original issue amount of \$2,607,909, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025	1,770,118
Series 2008A Revenue Bonds with an original issue amount of \$3,903,762, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on November 1, 2033	3,903,762
Series 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	641,387
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	409,443
Series 2008B Taxable Revenue Bonds with an original issue amount of \$4,130,000, due in annual installments with varying interest rates from 5.3% to 5.78%, final payment will be made on November 1, 2018	2,350,000
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	3,155,808
Series 2013 Refunding Revenue Bonds with an original issue amount of \$283,932, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	207,791
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,182,959, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027	5,671,072
	19,097,782

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

Year Ending June 30	Principal	Interest	Total
2015	\$1,868,062	\$644,304	\$2,512,366
2016	1,926,492	571,821	2,498,313
2017	1,998,344	494,807	2,493,151
2018	1,699,088	423,946	2,123,034
2019	1,699,311	361,065	2,060,376
2020-2024	5,364,097	1,229,782	6,593,879
2025-2029	2,928,585	604,386	3,532,971
2030-2034	1,613,803	199,105	1,812,908
Total	\$19,097,782	\$4,529,216	\$23,626,998

Other Types of Debt

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

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$514,460 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$107,933
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	348,769
Series 2012 installment purchase contract with an original loan amount of \$834,344 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	281,825
Series 2013 installment purchase contract with an original loan amount of \$945,064 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	632,799
	\$1,371,326

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

Year Ending June 30	Principal	Interest	Total
2015	\$877,439	\$19,041	\$896,480
2016	493,887	6,297	500,184
Total	\$1,371,326	\$25,338	\$1,396,664

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 16.1343% 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, 2014 was approximately \$301.6 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.

The Utilities Commission, together with the other 31 members of NCEMPA, has entered into negotiations with Duke Energy Progress regarding the sale of its ownership interest in the generating plants. The intent of the negotiations is to divest NCEMPA of its ownership interests in the generating plants and to use the proceeds to offset the debt associated with the generating assets. The negotiations were ongoing as of the audit report date.

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 \$22,781,832 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 62 percent of net revenues, or less than 21 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$29,988,686. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,358,549, \$5,279,210 and \$16,392,560, 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	\$535,456
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	920,405
Series 2008A Revenue Bonds with an original issue amount of \$10,641,133, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	9,360,073
Series 2008A Refunding Revenue Bonds with an original issue amount of \$2,378,250, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	1,406,420
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	8,065,557
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	1,371,325
Series 2013 Refunding Revenue Bonds with an original issue amount of \$141,966, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	103,896

<u>Description</u>	<u>Amount</u>
Series 2013 Refunding Revenue Bonds with an original issue amount of \$696,400, issued to refund the 2.55% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2015	229,000
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,204,100, issued to refund the 2.87% Drinking Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	789,700
	\$22,781,832

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

Year Ending June 30	Principal	Interest	Total
2015	\$2,392,151	\$957,217	\$3,349,368
2016	2,236,867	869,547	3,106,414
2017	2,327,560	774,015	3,101,575
2018	2,230,679	671,347	2,902,026
2019	2,104,586	569,800	2,674,386
2020-2024	5,551,862	1,829,161	7,381,023
2025-2029	2,714,875	1,116,400	3,831,275
2030-2034	3,223,252	419,367	3,642,619
Total	\$22,781,832	\$7,206,854	\$29,988,686

Other Types of Debt

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

<u>Description</u>	<u>Amount</u>
2.205% Drinking Water State Revolving Fund loan issued in 2004 to finance an inter-basin transfer analysis and the construction of a major water main, \$4,014,597 authorized and \$3,884,913 drawn to date, due in annual installments of \$194,246 with a final payment on May 1, 2030	3,107,930
2.50% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$460,425 authorized and \$460,425 drawn to date, due in annual installments of \$23,021 with a final payment on May 1, 2033	437,404
2.50% Drinking Water State Revolving Fund loan issued in 2010 to finance the construction of a new water main, \$300,055 authorized and \$269,492 drawn to date, due in annual installments of \$13,475 with a final payment on May 1, 2030	215,594

<u>Description</u>	<u>Amount</u>
2.01% Drinking Water State Revolving Fund loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$1,442,000 authorized and \$1,291,496 drawn to date, due in annual installments of \$64,575 with a final payment on May 1, 2033	1,226,921
	\$4,987,849

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

Year Ending June 30	Principal	Interest	Total
2015	\$295,316	\$109,516	\$404,832
2016	295,316	103,022	398,338
2017	295,316	96,529	391,845
2018	295,316	90,036	385,352
2019	295,316	83,542	378,858
2020-2024	1,476,582	320,308	1,796,890
2025-2029	1,476,582	157,972	1,634,554
2030-2033	558,105	23,355	581,460
Total	\$4,987,849	\$984,280	\$5,972,129

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

<u>Description</u>	<u>Amount</u>
ARRA loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$2,942,152 authorized and \$2,942,152 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$73,554 with a final payment on May 1, 2030	\$1,176,861
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	19,032
	\$1,195,893

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

Year Ending June 30	Principal	Interest	Total
2015	\$74,673	\$0	\$74,673
2016	74,673	0	74,673
2017	74,673	0	74,673
2018	74,673	0	74,673
2019	74,673	0	74,673
2020-2024	373,367	0	373,367

Year Ending June 30	Principal	Interest	Total
2025-2029	373,367	0	373,367
2030-2031	75,794	0	75,794
Total	\$1,195,893	\$0	\$1,195,893

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

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$125,459 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$26,321
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	40,304
Series 2012 installment purchase contract with an original loan amount of \$179,575 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	60,657
Series 2013 installment purchase contract with an original loan amount of \$123,706 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	82,831
	\$210,113

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

Year Ending June 30	Principal	Interest	Total
2015	\$148,166	\$3,017	\$151,183
2016	61,947	771	62,718
Total	\$210,113	\$3,788	\$213,901

Debt serviced by Sewer Fund:

Revenue Bonds

The Utilities Commission issues revenue bonds to provide financing for extension, expansion and improvement projects within the Sewer Fund. The Utilities Commission has pledged future sewer customer revenues and other unrestricted revenues including revenues of the Electric, Water and Gas Funds, net of specified operating expenses, to repay revenue bonds, of which \$23,070,373 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 46 percent of net revenues, or less than 19 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$29,857,396. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,295,143, \$7,184,318 and \$18,023,112, respectively. Revenue bonds outstanding at year end are as follows:

Description Amount

Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016

\$580,173

<u>Description</u>	<u>Amount</u>
Series 2005 Revenue Bonds with an original issue amount of \$4,036,062, due in annual installments with an interest rate of 3.43%, final payment will be made on September 1, 2025	2,739,477
Series 2008A Revenue Bonds with an original issue amount of \$10,300,362, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	9,199,565
Series 2008A Refunding Revenue Bonds with an original issue amount of \$4,219,963, issued to refund a portion of the Series 1998 Revenue Bonds, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2018	2,495,550
Series 2010 Refunding Revenue Bonds with an original issue amount of \$2,172,644, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	1,757,068
Series 2013 Refunding Revenue Bonds with an original issue amount of \$2,235,254, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	1,635,840
Series 2013 Refunding Revenue Bonds with an original issue amount of \$6,292,200, issued to refund the 2.57% Clean Water State Revolving Fund Loan, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2020	4,662,700
	\$23,070,373

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

Year Ending June 30	Principal	Interest	Total
2015	\$2,463,051	\$814,186	\$3,277,237
2016	2,514,104	741,179	3,255,283
2017	2,573,023	661,905	3,234,928
2018	2,419,068	582,353	3,001,421
2019	2,046,302	506,601	2,552,903
2020-2024	4,694,405	1,894,929	6,589,334
2025-2029	3,098,028	1,151,414	4,249,442
2030-2034	3,262,392	434,456	3,696,848
Total	\$23,070,373	\$6,787,023	\$29,857,396

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>

2.48% Clean Water State Revolving Fund loan issued in 2008 to finance upgrades to the electrical and SCADA systems at the wastewater treatment plant, \$13,851,680 authorized and \$13,761,629 drawn to date, due in annual installments of \$688,081 with a final payment on May 1, 2030

\$11,009,303

<u>Description</u>	<u>Amount</u>
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$9,241,586 authorized and \$7,551,200 drawn to date, due in annual installments of \$377,560 with a final payment on May 1, 2032	6,627,041
2.455% Clean Water State Revolving Fund loan issued in 2011 to finance the construction of a regional pump station and force main, \$13,987,369 authorized and \$11,907,106 drawn to date, due in annual installments of \$595,355 with a final payment on May 1, 2033	11,207,738
	\$28,844,082

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

Year Ending June 30	Principal	Interest	Total
2015	\$1,387,945	\$619,108	\$2,007,053
2016	1,660,997	676,628	2,337,625
2017	1,660,997	635,679	2,296,676
2018	1,660,997	594,730	2,255,727
2019	1,660,997	553,780	2,214,777
2019-2024	8,304,984	2,154,658	10,459,642
2025-2029	8,304,984	1,130,920	9,435,904
2030-2033	4,202,181	218,839	4,421,020
Total	\$28,844,082	\$6,584,342	\$35,428,424

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, 2014, \$1,362,435 of the inter-local agreement remained outstanding. The inter-local agreement carries an effective interest rate of 5.53% and is payable in annual installments of \$151,382 with a final principal payment on May 1, 2023.

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

Year Ending June 30	Principal	Interest	Total
2015	\$151,382	\$99,071	\$250,453
2016	151,382	95,379	246,761
2017	151,382	91,687	243,069
2018	151,382	87,995	239,377
2019	151,382	84,303	235,685
2020-2024	605,525	322,285	927,810
Total	\$1,362,435	\$780,720	\$2,143,155

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

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$297,034 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$62,318
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	74,279
Series 2012 installment purchase contract with an original loan amount of \$101,055 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	34,134
Series 2013 installment purchase contract with an original loan amount of \$147,377 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	98,681
	\$269,412

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
2015	\$182,350	\$4,398	\$186,748
2016	87,062	1,182	88,244
Total	\$269,412	\$5,580	\$274,992

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 \$7,186,412 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 25 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 \$8,318,749. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,223,273, \$4,952,390 and \$35,528,190, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,244,103, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$780,969
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	871,600
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	731,642

<u>Description</u>	<u>Amount</u>
Series 2010 Refunding Revenue Bonds with an original issue amount of \$3,234,480, issued to refund a portion of the Series 2001 Revenue Bonds, due in annual installments with an interest rate of 2.51%, final payment will be made on September 1, 2021	2,615,799
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,123,849, issued to refund the Series 2003B Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2018	822,473
Series 2013 Refunding Revenue Bonds with an original issue amount of \$1,487,041, issued to refund the Series 2007 Revenue Bonds, due in annual installments with an interest rate of 1.84%, final payment will be made on May 1, 2027	1,363,929
	\$7,186,412

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

Year Ending June 30	Principal	Interest	Total
2015	\$1,012,136	\$212,506	\$1,224,642
2016	1,041,536	178,175	1,219,711
2017	1,077,473	141,270	1,218,743
2018	819,965	110,333	930,298
2019	628,602	86,942	715,544
2020-2024	1,757,636	249,332	2,006,968
2025-2029	548,512	114,707	663,219
2030-2034	300,552	39,072	339,624
Total	\$7,186,412	\$1,132,337	\$8,318,749

Other Types of Debt

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

<u>Description</u>	<u>Amount</u>
Series 2010 installment purchase contract with an original loan amount of \$334,828 and an interest rate of 2.56%, due in annual installments with a final payment due on April 26, 2015	\$70,247
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	74,206
Series 2012 installment purchase contract with an original loan amount of \$22,026 and an interest rate of 1.34%, due in annual installments with a final payment due on May 16, 2015	7,440
Series 2013 installment purchase contract with an original loan amount of \$143,251 and an interest rate of 0.88%, due in annual installments with a final payment due on May 16, 2016	95,918
	\$247,811

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
2015	\$162,174	\$4,217	\$166,391
2016	85,637	1,169	86,806
Total	\$247,811	\$5,386	\$253,197

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, 2014 is as follows:

Operating revenues	\$270,771,936
Operating expenses ¹	(238,628,174)
Operating income	32,143,762
Non-operating revenues (expenses)	
Miscellaneous revenue ²	1,379,350
Interest income ²	203,043
Income available for debt service	\$33,726,155
Parity debt service (principal and interest paid)	\$10,388,303
Parity debt service coverage ratio	325%
Subordinate and other debt service (principal and interest paid)	\$4,746,418
Subordinate and other debt service coverage ratio	492%

¹Excludes depreciation expense of \$18,181,426 and unfunded OPEB expense of \$890,330 in accordance with rate covenants.

Arbitrage:

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the Utilities Commission must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2014, the Utilities Commission had no arbitrage liabilities.

Unearned Revenue:

Unearned revenue totaling \$120,181 in the Water Fund and \$186,180 in the Sewer Fund consists of connection fees that were paid in advance for services that have not yet been installed. The fees paid in advance will be recognized as revenue by the Utilities Commission at the time the service is installed.

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

Changes in Long-term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended June 30, 2014:

Business type activities:	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Revenue bonds	\$79,645,700	\$0	(\$7,509,301)	\$72,136,399	\$7,735,400
Other types of debt	36,029,680	6,179,392	(3,720,151)	38,488,921	3,279,445
Discounts and premiums	997,405	-	(108,689)	888,716	-
Compensated absences	1,842,591	3,120,797	(3,069,325)	1,894,063	1,612,362
Other postemployment benefits	9,959,695	890,330	-	10,850,025	-
Unearned revenue	377,951	-	(71,590)	306,361	306,361
Total long-term liabilities	\$128,853,022	\$10,190,519	(\$14,479,056)	\$124,564,485	\$12,933,568

Changes in long-term liabilities by fund for the year ended June 30, 2014 are as follows:

Electric Fund:	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Revenue bonds	\$20,896,760	\$0	(\$1,798,978)	\$19,097,782	\$1,868,062
Other types of debt	2,236,231	-	(864,905)	1,371,326	877,439
Discounts and premiums	98,867	-	(10,024)	88,843	-
Compensated absences	765,149	1,360,384	(1,362,454)	763,079	710,219
Other postemployment benefits	4,700,352	432,741	-	5,133,093	-
Electric Fund long-term liabilities:	\$28,697,359	\$1,793,125	(\$4,036,361)	\$26,454,123	\$3,455,720

Water Fund	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Revenue bonds	\$25,102,261	\$0	(\$2,320,429)	\$22,781,832	\$2,392,151
Other types of debt	6,774,467	135,336	(515,948)	6,393,855	518,155
Discounts and premiums	554,239	-	(62,695)	491,544	-
Compensated absences	384,866	616,897	(590,999)	410,764	313,622
Other postemployment benefits	2,044,027	158,463	-	2,202,490	-
Unearned revenue	157,931	-	(37,750)	120,181	120,181
Water Fund long-term liabilities:	\$35,017,791	\$910,696	(\$3,527,821)	\$32,400,666	\$3,344,109

Sewer Fund	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Revenue bonds	\$25,482,114	\$0	(\$2,411,741)	\$23,070,373	\$2,463,051
Other types of debt	26,611,982	6,044,056	(2,180,109)	30,475,929	1,721,677
Discounts and premiums	282,591	-	(28,620)	253,971	-
Compensated absences	384,498	626,940	(617,843)	393,595	324,279
Other postemployment benefits	1,689,068	161,959	-	1,851,027	-
Unearned revenue	220,020	-	(33,840)	186,180	186,180
Sewer Fund long-term liabilities:	\$54,670,273	\$6,832,955	(\$5,272,153)	\$56,231,075	\$4,695,187

Gas Fund	June 30, 2013	Additions	Retirements	June 30, 2014	Current Portion
Revenue bonds	\$8,164,565	\$0	(\$978,153)	\$7,186,412	\$1,012,136
Other types of debt	407,000	-	(159,189)	247,811	162,174
Discounts and premiums	61,708	-	(7,350)	54,358	-
Compensated absences	308,078	516,576	(498,029)	326,625	264,242
Other postemployment benefits	1,526,248	137,167	-	1,663,415	-
Gas Fund long-term liabilities:	\$10,467,599	\$653,743	(\$1,642,721)	\$9,478,621	\$1,438,552

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.

C. Net Investment in Capital Assets

Capital assets	\$359,582,633
plus: unexpended bond proceeds	4,607,034
plus: unamortized bond refunding charges	1,166,979
less: long-term debt	111,514,036
Net investment in capital assets	\$253,842,610

Note 3 – Pension Plan Obligations

Local Government Employees Retirement System

All permanent, full-time and designated part-time Utilities Commission employees participate in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to North Carolina General Assembly. LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Plan members are required to contribute six percent of their annual covered salary. The Utilities Commission is required to contribute at an actuarially determined rate. For the Utilities Commission, the current rate for all employees is 7.07% of annual covered payroll. The contribution requirements of members and of the Utilities Commission are established and may be amended by the North Carolina General Assembly. The Utilities Commission's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012 were \$1,766,776, \$1,772,873, and \$1,568,583, respectively. The contributions made by the Utilities Commission equaled the required contributions for the year.

Note 4 – Supplemental retirement income plan

All permanent, full-time and certain designated part-time employees of the Utilities Commission are eligible to participate in the Supplemental Retirement Income Plan, a defined contribution pension plan authorized by Article 5 of G.S. Chapter 135. The Supplemental Retirement Income Plan is administered by the Department of the State Treasurer and a Board of Trustees. The Supplemental Retirement Income Plan is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue

Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

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

The Utilities Commission's contributions for the years ended June 30, 2014, 2013 and 2012 were \$441,080, \$440,920, and \$451,600, respectively. These contributions represent 1.8%, 1.8% and 1.9%, respectively, of covered payroll.

Note 5 - Other postemployment benefits

Plan Description

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

Membership of the post retirement benefit plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

	558
Active members	415
Retirees and dependents receiving benefits	143

Funding Policy

The Utilities Commission's obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 health care coverage for the retiree. Members hired prior to July 1, 2011 who retire with less than 20 years of service contribute 100% of the estimated cost for pre-65 health care coverage for the retiree. Retirees who elect to have dependent health care coverage contribute 100% of the estimated cost of coverage. Participating retired employees hired prior to July 1, 2011 with a minimum of 20 years of service shall have their coverage transferred to a Medicare Supplemental plan after qualifying for Medicare, with the Utilities Commission continuing to pay the same dollars toward the premium cost as it pays for retirees under the base plan. For retired employees hired on or after July 1, 2011 with a minimum of 20 years of service the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The Utilities Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit. Members hired on or after July 1, 2011 who retire with less than 20 years of service will not be eligible for post-retirement coverage. The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member's age at retirement and their length of service as detailed below:

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

The current annual required contribution rate (ARC) is 7.50% of annual covered payroll. For fiscal year 2014, the Utilities Commission contributed \$1,030,101, or 4.3% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2014 were \$204,064 and included dependent coverage and a portion of member coverage. The Utilities Commission is required to contribute the projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the Board.

Summary of Significant Accounting Policies

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

Annual OPEB Cost and Net OPEB Obligation

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

Annual required contribution	\$1,779,995
Interest on net OPEB obligation	697,179
Adjustment to annual required contribution	(556,743)
Annual OPEB cost (expense)	1,920,431
Contributions made	(1,030,101)
Increase (decrease) in net OPEB obligation	890,330
Net OPEB obligation, beginning of year	9,959,695
Net OPEB obligation, end of year	\$10,850,025

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, 2012, 2013 and 2014 were as follows:

For Year Ended		Percentage of Annual OPEB Cost	Net OPEB
June 30	Annual OPEB Cost	Contributed	Obligation
2012	\$2,437,811	46.802%	\$9,053,741
2013	\$1,906,842	52.489%	\$9,959,695
2014	\$1,920,431	53.639%	\$10,850,025

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan was partially funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$19,668,045. The covered payroll (annual payroll of active employees covered by the plan) was \$22,816,616, and the ratio of the UAAL to the covered payroll was 86.2%. 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, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included (a) 7.00% investment rate of return, which included an inflation component of 3.00%, and (b) 7.75% - 5.00% pre-Medicare medical cost trend rate and 5.75% - 5% post-Medicare medical cost trend rate with 2019 the year of ultimate trend rate. The actuarial value of assets was determined using the market value of assets. The unfunded actuarial accrued liability (UAAL) is being amortized as level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2013 was 28 years.

Note 6 - Other employment benefits

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

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

Note 7 - Transfer activity with the City of Greenville

Balances due to/from the City of Greenville

Balances due to the City of Greenville at June 30, 2014 consist of the following:

Street lighting reimbursement	\$62,958
Street repairs	34,998
M/WBE Program	5,760
Refuse collection	3,750
Landfill user fees	1,346
Parking lot sweeping	50
Total	\$108,862

Balances due from the City of Greenville at June 30, 2014 consist of the following:

Street light service		\$118,162
	Total	\$118,162

Transfers to/from the City of Greenville

Transfers to the City of Greenville's General Fund during fiscal year 2014 consist of the following:

Electric Fund general transfer	\$4,113,109
Gas Fund general transfer	1,246,578
Electric Fund street lighting reimbursement	720,593
Total	\$6,080,280

The transfers to the City's General Fund of \$6,080,280 included the general and street lighting reimbursement transfers. The general transfers were computed based on 6% of the Electric and Gas Funds' capital assets, net of related debt. The street lighting reimbursement represents 50% of current fiscal year street lighting revenues. The computation of the transfers is consistent with the method specified in Chapter 861 of Senate Bill 1069, An Act to Amend and Restate the Charter of the Greenville Utilities Commission of the City of Greenville.

Note 8 – Risk Management

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

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

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

Changes in the balances of medical claims liabilities during the fiscal years ended June 30, 2014 and 2011 are as follows:

	2014	2013
Unpaid claims, beginning	\$766,000	\$666,000
Incurred claims	4,479,634	5,103,734
Claim payments	(4,649,482)	(5,003,734)
Unpaid claims, ending	\$596,152	\$766,000

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

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

	2014	2013
Unpaid claims, beginning	116,000	116,000
Incurred claims	229,351	302,508
Claim payments	(306,103)	(302,508)
Unpaid claims, ending	39,248	116,000

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

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

The Utilities Commission carries commercial coverage for all other risks of loss. Through this coverage, the Utilities Commission obtains general liability coverage of \$1 million per occurrence with a general aggregate of \$3 million, auto liability coverage of \$1 million per occurrence, property coverage up to \$227 million for real and personal property, and umbrella liability coverage of \$10 million. No accrual for possible losses attributable to incidents that may have occurred but that have not been identified has been made because the amount is not reasonably estimated. Further, a liability for outstanding claims at June 30, 2014, other than the medical and dental benefit programs, has not been accrued as the amount of outstanding claims is not material to the financial statements.

During the fiscal year ending June 30, 2014 the Utilities Commission reduced umbrella liability coverage from \$20 million to \$10 million which is consistent with coverages carried by comparable sized utilities. There have been no other significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

Note 9 - Summary disclosure of significant commitments and contingencies

Federal and State Assisted Programs

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

Natural Gas Contracts

On November 1, 2005, the Utilities Commission entered into an agreement with Piedmont Natural Gas (PNG) that allows the Utilities Commission to purchase all its natural gas requirements on the open market. The terms of the contract require PNG to transport natural gas through its pipeline to the Utilities Commission in exchange for annual payments of \$2,987,328. The contract was renewed effective January 5, 2010 for a period of 10 years with an increased Maximum Daily Quantity (MDQ) and an annual payment of \$3,698,544. The Utilities Commission may be allowed to exceed its MDQ to accommodate interruptible demand as capacity is available, and the Utilities Commission has the option to purchase firm peaking services during times when demand for natural gas is high.

Litigation

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

Note 10 - Pronouncements Issued But Not Yet Effective

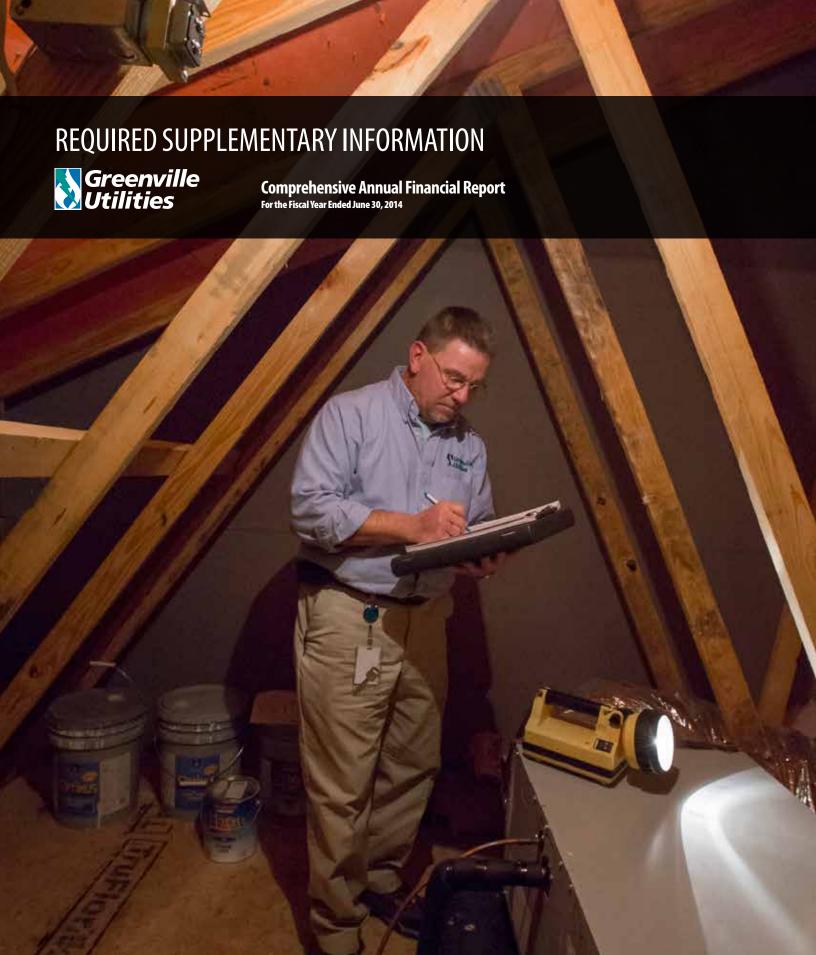
The GASB has issued several pronouncements prior to June 30, 2014 that have effective dates that may impact future financial presentations.

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 68, "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27." This statement replaces the requirements of Statements Number 27 and Number 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement Number 69, "Government Combination and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. However, earlier application of the Statement is encouraged.

GASB Statement Number 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68." This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 and are therefore effective for financial statements for fiscal years beginning after June 15, 2014.



Greenville Utilities Commission of the City of Greenville, North Carolina Other Post Employment Benefits Required Supplementary Information For the Year Ended June 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actı	uarial Value of Assets (a)	ı	ctuarial Accrued Liability (AAL) - Projected Unit Credit (b)	ı	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2005	\$	-	\$	35,860,373	\$	35,860,373	0.0%	\$ 19,489,354	184.0%
12/31/2008	\$	-	\$	31,995,113	\$	31,995,113	0.0%	\$ 22,345,440	143.2%
12/31/2009	\$	-	\$	30,330,748	\$	30,330,748	0.0%	\$ 23,104,504	131.3%
12/31/2011	\$	446,178	\$	20,924,265	\$	20,478,087	2.1%	\$ 24,081,113	85.0%
12/31/2012	\$	815,597	\$	21,180,825	\$	20,365,228	3.9%	\$ 23,730,460	85.8%
12/31/2013	\$	1,350,501	\$	21,018,546	\$	19,668,045	6.4%	\$ 22,816,616	86.2%

Schedule of Employer Contributions

Year Ending June	Annual Required	Percentage	
30,	Contribution	Contributed	
2008	\$3,229,052	12.715%	
2009	\$2,512,284	17.386%	
2010	\$2,512,284	28.445%	
2011	\$2,308,649	57.298%	
2012	\$2,395,223	47.635%	
2013	\$1,769,981	56.55%	
2014	\$1,779,995	57.87%	

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	12/31/2013	
Actuarial cost method	Projected unit cre	edit
Amortization method	Level percentage	of pay, closed
Remaining amortization period		28
Amortization factor	17.5451	
Asset valuation method	Market value of a	assets
Actuarial assumptions:		
Investment rate of return*	7.00%	* Includes inflation at 3.00%
Medical trend assumptions:		
Pre-Medicare trend rate	7.75% - 5.00%	
Post-Medicare trend rate	5.75% - 5.00%	
Year of ultimate trend rate	2019	
Actuarial assumptions: Investment rate of return* Medical trend assumptions: Pre-Medicare trend rate Post-Medicare trend rate	7.00% 7.75% - 5.00% 5.75% - 5.00%	

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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, 2014 (With Comparative Actual Totals For June 30, 2013)

			2014	201			
		Budget	Actual	Variance Favorable (Unfavorable)		Actual	
Revenues	-	buuget	Actual	(Olliavorable)		Actual	
Electric Revenues							
Rates and charges	\$	197,669,271 \$	199,134,647	\$ 1,465,376	\$	194,108,566	
Fees and charges	•	1,171,752	1,179,942	8,190	•	1,130,987	
U.G. and temporary service charges		105,975	106,910	935		102,255	
Miscellaneous		1,310,574	1,835,363	524,789		2,337,952	
Interest on investments		97,056	102,578	5,522		116,277	
FEMA/Insurance Reimbursements		51,027	51,027	<u> </u>		-	
Total Electric Revenues		200,405,655	202,410,467	2,004,812		197,796,037	
Water Revenues							
Rates and charges		15,686,494	15,819,721	133,227		15,410,078	
Fees and charges		328,551	348,287	19,736		383,665	
Miscellaneous		177,716	189,430	11,714		305,061	
Interest on investments		34,023	35,122	1,099		39,154	
Total Water Revenues		16,226,784	16,392,560	165,776		16,137,958	
Sewer Revenues							
Rates and charges		17,390,355	17,539,513	149,158		17,124,153	
Fees and charges		316,411	329,446	13,035		363,627	
Miscellaneous		138,131	136,230	(1,901)		161,606	
Interest on temporary investments		17,438	17,923	485		20,694	
Total Sewer Revenues		17,862,335	18,023,112	160,777		17,670,080	
Gas Revenues							
Rates and charges		36,694,904	35,181,326	(1,513,578)		31,513,234	
Fees and charges		134,215	136,379	2,164		135,445	
Miscellaneous		158,523	163,065	4,542		171,199	
Interest on temporary investments		43,649	47,420	3,771		54,216	
Total Gas Revenues		37,031,291	35,528,190	(1,503,101)		31,874,094	
Total Revenues		271,526,065	272,354,329	828,264		263,478,169	
Expenditures							
Electric Fund							
Maintenance and repairs			3,287,428			4,022,220	
Other operating expenses			187,939,333			183,835,516	
Capital Outlay			5,161,721			6,023,435	
Debt Service			3,407,819			2,944,957	
Total		201,551,746	199,796,301	1,755,445		196,826,128	
Water Fund							
Maintenance and repairs			1,096,630			997,583	
Other operating expenses			9,890,231			9,521,700	
Capital Outlay			457,191			1,067,936	
Debt Service			4,045,653			4,061,237	
Total		16,492,460	15,489,705	1,002,755		15,648,456	

7,630,252

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, 2014 (With Comparative Actual Totals For June 30, 2013)

Changes in net position

2014 2013 Variance Positive **Budget** Actual (Negative) Actual Sewer Fund 987,916 Maintenance and repairs 1,077,259 Other operating expenses 9,708,586 9,623,018 Capital Outlay 977,268 565,937 **Debt Service** 6,291,586 5,429,025 18,474,702 831,334 Total 17,643,368 17,017,227 Gas Fund Maintenance and repairs 386,070 552,911 Other operating expenses 31,322,916 24,570,694 **Capital Outlay** 740,166 1,194,407 **Debt Service** 1,389,663 1,344,461 37,151,359 3,312,544 Total 33,838,815 27,662,473 Total expenditures 273,670,267 266,768,189 6,902,078 257,154,284 Excess of Revenues Over (Under) Expenditures (2,144,202)5,586,140 7,730,342 6,323,885 Other Financing Sources (Uses) Installment purchase 2,144,202 (2,144,202)1,359,398 Intra-fund transfers (4,000,000)(3,824,000)176,000 (6,399,939)Appropriated fund balance 4,000,000 (4,000,000)(3,824,000) (5,968,202) 2,144,202 (5,040,541) Total other financing sources (uses) **Revenues and Other Financing Sources** Over Expenditures Ś 1.762.140 \$ 1,762,140 1,283,344 Reconciliation to full accrual basis from modified accrual basis: 2014 2013 \$ \$ 1,283,344 Revenues over expenditures 1,762,140 6,925,015 Budgetary appropriations - capital 9,263,046 Budgetary appropriations - debt principal 11,229,452 9,388,431 Depreciation (18, 181, 426)(17,565,372) (1,359,398) Debt issued 108,689 Amortization of bond premium and discount 108,689 Amortization of deferred loss on refundings (193,694)(167, 176)339,101 340,395 Capitalization of bond interest Changes in accrued interest payable 77,652 18,224 Intra-fund transfers 3,824,000 6,399,939 Changes in OPEB liability (890,330)(905,954) Revenue recognized in Capital Projects 943,729 826,084 Total reconciling items 4,193,060 6,346,908

5,955,200

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, 2014 (With Comparative Actual Totals For June 30, 2013)

			2014			2013	
					Variance Positive		
Revenues		Budget	Actual		(Negative)		Actual
Operating Revenues							
Rates and charges	\$	197,669,271 \$	199,134,647	7 \$	1,465,376	\$	194,108,566
Fees and charges	•	1,171,752	1,179,942		8,190	•	1,130,987
U.G. and temporary service charges		105,975	106,910		935		102,255
Miscellaneous		592,515	699,404	1	106,889		504,564
		199,539,513	201,120,903	3	1,581,390		195,846,372
Non-Operating Revenues							
Interest on investments		97,056	102,578		5,522		116,277
FEMA/Insurance reimbursements		51,027	51,027		-		-
Miscellaneous		718,059	1,135,959		417,900		1,833,388
		866,142	1,289,564	1	423,422		1,949,665
Total Revenues		200,405,655	202,410,467	7	2,004,812		197,796,037
Expenditures							
Electric Fund							
Maintenance and repairs			3,287,428				4,022,220
Other operating expenses			187,939,333				183,835,516
Capital Outlay			5,161,721				6,023,435
Debt Service		204 554 746	3,407,819		4 755 445		2,944,957
Total expenditures		201,551,746	199,796,301		1,755,445		196,826,128
Excess of Revenues Over Expenditures		(1,146,091)	2,614,166	5	3,760,257		969,909
Other Financing Sources (Uses)							
Installment purchase		1,146,091		-	(1,146,091)		945,064
Intra-fund transfers		-	(1,220,000	0)	(1,220,000)		(1,466,366)
Total other financing sources (uses)		1,146,091	(1,220,000))	(2,366,091)		(521,302)
Revenues and Other Financing Sources							
Over Expenditures	\$	- \$	1,394,166	5 \$	1,394,166	\$	448,607
Reconciliation to full accrual basis from modified accrual basis	asis:	_	2014	_			2013
Revenues over expenditures		\$	1,394,166	5		\$	448,607
Budgetary appropriations - capital			5,161,721	L			6,023,435
Budgetary appropriations - debt principal			2,663,883				1,937,570
Depreciation			(7,596,737				(7,361,238)
Debt issued				_			(945,064)
Amortization of bond premium and discount			10,024	ļ			10,023
Amortization of deferred loss on refundings			(45,785	5)			(35,950)
Changes in accrued interest payable			17,779				29,348
Changes in unrealized gains/losses on investments			5,538				-
Intra-fund transfers			1,220,000				1,466,366
Changes in OPEB liability			(432,741	•			(421,334)
Revenue recognized in Capital Projects			388,666	<u> </u>			(9,485)
Total reconciling items		_	1,392,348	3_			693,671
Changes in net position		\$	2,786,514	1		\$	1,142,278

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, 2014

			Actual					Variance		
	Р	roject		Prior		Current	Total			Positive
	Auth	orization		Years		Year	to Date			(Negative)
Revenues										
Interest and misc income	\$	227,108	\$	368,827	\$	(11,334)	\$ 357,	493	\$	130,385
State contributions		1,535,000		-		400,000	400	,000		(1,135,000)
Total revenues		1,762,108		368,827		388,666	757	493		(1,004,615)
Expenditures										
ECP-128 Information Technology Appl. Master Plan		683,123		347,090		48,176	395	266		287,857
ECP-132 Substation Modernization		3,000,000		2,667,018		20,894	2,687	912		312,088
ECP-133 Sugg Parkway Transmission Line		1,700,000		-		-		-		1,700,000
ECP-134 Sugg Parkway Substation		3,400,000		-		-		-		3,400,000
ECP-135 Frog Level Substation Improvements		1,500,000		329,026		650,272	979	298		520,702
ECP-136 OPTICS Phase 3A		5,636,000		2,982,705		1,132,212	4,114	917		1,521,083
ECP-137 Generator EPA CO Emission Reduction		450,000		-		237,352	237	352		212,648
ECP-138 Greenville 230 kV South POD Substation		300,000		98,687		7,587	106	274		193,726
ECP-139 Telephone System Replacement		137,500		124,704		11,790	136	494		1,006
ECP-140 Outage Management System		400,000		19,500		157,121	176	621		223,379
ECP-141 OPTICS Phase 3B		7,202,500		-		1,263,392	1,263	392		5,939,108
ECP-142 Bells Fork to Hollywood Substation Upgrade		2,370,000		-		200,152	200	152		2,169,848
ECP-143 Frog Level & MacGregor Downs Substations		700,000		-		103,143	103	143		596,857
ECP-144 10th Street Connector Project		1,535,000		-		470,555	470	555		1,064,445
Total expenditures	2	9,014,123		6,568,730		4,302,646	10,871	376		18,142,747
Excess of Revenues Over (Under) Expenditures	(2	7,252,015)		(6,199,903)		(3,913,980)	(10,113	.883)		17,138,132
Other Financing Sources (Uses)										
Revenue bonds issued		597,500		242,112		-	242	112		(355,388)
Long-term financing	1	.8,655,623		-		-		-		(18,655,623)
Intra-fund transfers		7,998,892		3,500,000		1,220,000	4,720	.000		(3,278,892)
Total other financing sources (uses)	2	7,252,015		3,742,112		1,220,000	4,962	.112		(22,289,903)
Revenues and Other Financing Sources										
Over (Under) Expenditures	\$	-	\$	(2,457,791)	\$	(2,693,980)	\$ (5,151)	771)	\$	(5,151,771)

^{*} 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, 2014 (With Comparative Actual Totals For June 30, 2013)

				2013			
					Variance Positive		
Parameter		Budget		Actual	(Negative)		Actual
Revenues Operating Revenues							
Rates and charges	\$	15,686,494	Ś	15,819,721 \$	133,227	\$	15,410,078
Fees and charges	*	328,551	,	348,287	19,736	*	383,665
Miscellaneous		99,455		98,063	(1,392)		90,114
		16,114,500		16,266,071	151,571		15,883,857
Non-Operating Revenues							
Interest on investments		34,023		35,122	1,099		39,154
Miscellaneous		78,261		91,367	13,106		214,947
		112,284		126,489	14,205		254,101
Total Revenues		16,226,784		16,392,560	165,776		16,137,958
Expenditures							
Water Fund							
Maintenance and repairs				1,096,630			997,583
Other operating expenses				9,890,231			9,521,700
Capital Outlay Debt Service				457,191 4,045,653			1,067,936 4,061,237
Total expenditures		16,492,460		15,489,705	1,002,755		15,648,456
rotal experiultures		10,432,400		13,469,703	1,002,733		13,048,430
Excess of Revenues Over (Under) Expenditures		(265,676)		902,855	1,168,531		489,502
Other Financing Sources (Uses)							
Installment Purchase		265,676			(265,676)		123,706
Intra-fund transfers		-		(804,000)	(804,000)		(492,562)
Total other financing sources (uses)		265,676		(804,000)	(1,069,676)		(368,856)
Revenues and Other Financing Sources							
Over Expenditures	\$	-	\$	98,855 \$	98,855	\$	120,646
Reconciliation to full accrual basis from modified accrual bas	sis:			2014			2013
Revenues over expenditures			\$	98,855		\$	120,646
Budgetary appropriations - capital				457,191			1,067,936
Budgetary appropriations - debt principal				2,836,377			2,654,902
Depreciation				(3,943,050)			(3,750,841)
Debt issued				-			(123,706)
Amortization of bond premium and discount				62,695			62,695
Amortization of deferred loss on refundings				(70,872)			(70,280)
Capitalization of bond interest				-			17,479
Changes in accrued interest payable				69,109			(22,841)
Changes in unrealized gains/losses on investments Intra-fund transfers				681			402 563
Changes in OPEB liability				804,000 (158,463)			492,562 (167,292)
Revenue recognized in Capital Projects				168,932			222,637
		•		100,552			222,037
Total reconciling items				226,600			383,251
Changes in net position		;	\$	325,455		\$	503,897

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, 2014

Tront inception and for the real Ended June 30, 2014			Actual					Variance	
	Project		Prior		Current	Total	-	Positive	
	Authorizati	on	Years		Year	to Date		(Negative)	
Revenues									
Interest and misc income	\$ 38,	214 \$	25,774	\$	217	\$ 25,991	\$	(12,223)	
Local contributions		-	267,359		-	267,359		267,359	
Capacity fees		-	810,376		168,715	979,091		979,091	
Total revenues	38,	214	1,103,509		168,932	1,272,441		1,234,227	
Expenditures									
ECP-128 Information Technology Appl. Master Plan	204,	937	123,961		17,205	141,166		63,771	
ECP-136 OPTICS Phase 3A	1,690,	300	894,811		339,664	1,234,475		456,325	
ECP-139 Telephone System Replacement	137,	500	124,704		11,790	136,494		1,006	
ECP-141 OPTICS Phase 3B	2,160,	750	-		379,018	379,018		1,781,732	
* WCP-99 WTP Raw Water Pump Station Improvements	4,844,	577	4,694,859		(786)	4,694,073		150,504	
WCP-104 Tar River Available Water Supply	1,270,	000	1,186,571		56,065	1,242,636		27,364	
* WCP-105 Aquifer Storage & Recovery Wellhead	1,572,	000	1,572,000		-	1,572,000		-	
WCP-113 NC Hwy 43 Water Improvements Phase II	352,	000	198,547		-	198,547		153,453	
WCP-115 WTP Impoundment Dredging Project	350,	000	-		-	-		350,000	
WCP-116 WTP Sedimentation Basin Upgrade	355,	000	-		79,885	79,885		275,115	
Total expenditures	12,937,	564	8,795,453		882,841	9,678,294		3,259,270	
Excess of Revenues Over (Under) Expenditures	(12,899,	350)	(7,691,944)		(713,909)	(8,405,853)		4,493,497	
Other Financing Sources (Uses)									
Appropriated fund balance	440,	786	_		_	_		(440,786)	
Revenue bonds issued	1,649,		1,922,105		_	1,922,105		272,605	
State loans	1,902,		1,616,585		135,336	1,751,921		(150,504)	
State grants	500,		500,000		-	500,000		-	
ARRA loans	2,942,		2,942,152		_	2,942,152		_	
EDA grant	703,		703,000		_	703,000		_	
Long-term financing	4,311,		-		_	-		(4,311,487)	
Intra-fund transfers	450,		941,171		804,000	1,745,171		1,295,171	
Total other financing sources (uses)	12,899,	350	8,625,013		939,336	9,564,349		(3,335,001)	
Revenues and Other Financing Sources									
Over (Under) Expenditures	\$	- \$	933,069	\$	225,427	\$ 1,158,496	\$	1,158,496	

^{*} 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, 2014 (With Comparative Actual Totals For June 30, 2013)

	2014						2013
					Variance Positive		
Devenues		Budget		Actual	(Negative)		Actual
Revenues Operating Revenues							
Rates and charges	\$	17,390,355	Ś	17,539,513 \$	149,158	\$	17,124,153
Fees and charges	,	316,411	•	329,446	13,035	*	363,627
Miscellaneous		103,580		101,204	(2,376)		90,648
		17,810,346		17,970,163	159,817		17,578,428
Non-Operating Revenues							
Interest on investments		17,438		17,923	485		20,694
Miscellaneous		34,551		35,026	475		70,958
		51,989		52,949	960		91,652
Total Revenues		17,862,335		18,023,112	160,777		17,670,080
Expenditures							
Sewer Fund							
Maintenance and repairs				1,077,259			987,916
Other operating expenses				9,708,586			9,623,018
Capital Outlay				565,937			977,268
Debt Service				6,291,586			5,429,025
Total expenditures		18,474,702		17,643,368	831,334		17,017,227
Excess of Revenues Over (Under) Expenditures		(612,367)		379,744	992,111		652,853
Other Financing Sources (Uses)							
Installment Purchase		612,367		_	(612,367)		147,377
Intra-fund transfers		-		(300,000)	(300,000)		(455,162)
Total other financing sources (uses)		612,367		(300,000)	(912,367)		(307,785)
Revenues and Other Financing Sources							
Over Expenditures	\$	-	\$	79,744 \$	79,744	\$	345,068
Reconciliation to full accrual basis from modified accrual ba	sis:			2014			2013
Revenues over expenditures			\$	79,744		\$	345,068
Budgetary appropriations - capital				565,937			977,268
Budgetary appropriations - debt principal				4,591,850			3,820,046
Depreciation				(4,992,943)			(4,758,787)
Debt issued				-			(147,377)
Amortization of bond premium and discount				28,620			28,620
Amortization of deferred loss on refundings				(42,324)			(33,001)
Capitalization of bond interest				339,101			322,916
Changes in accrued interest payable				(18,462)			(3,449)
Changes in unrealized gains/losses on investments				816			-
Intra-fund transfers				300,000			455,162
Changes in OPEB liability				(161,959)			(173,964)
Revenue recognized in Capital Projects				373,931			603,973
Total reconciling items				984,567			1,091,407
Changes in net position			\$	1,064,311		\$	1,436,475

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, 2014

From miception and for the Year Ended June 30, 2014				Variance	
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	to Date	(Negative)
Revenues					
Interest and misc income	\$ 59,007	7 \$ 66,2	23 \$ (6,843	59,380	\$ 373
Capacity fees		- 974,3	02 177,078	1,151,380	1,151,380
Outfall acreage fee	580,000	1,281,1	59 35,968	1,317,127	737,127
EPA Grant	291,000	123,2	72 167,728	3 291,000	
Total revenues	930,007	7 2,444,9	56 373,931	2,818,887	1,888,880
Expenditures					
ECP-128 Information Technology Appl. Master Plan	204,937	7 123,9	61 17,205	141,166	63,771
ECP-136 OPTICS Phase 3A	1,690,800	894,8	339,664	1,234,475	456,325
ECP-139 Telephone System Replacement	137,500	124,7	04 11,790	136,494	1,006
ECP-141 OPTICS Phase 3B	2,160,750)	- 379,018	379,018	1,781,732
SCP-99 Sterling Pointe Pump Station & Force Main	9,900,000	8,781,0	46 396,880	9,177,926	722,074
SCP-100 Westside Pump Station & Force Main	15,287,369	9 10,716,4	49 3,307,317	14,023,766	1,263,603
* SCP-111 WWTP Headworks Improvements	1,980,000	1,886,2	56 52,183	1,938,439	41,561
SCP-113 NC Hwy 43 Sewer Improvements Phase II	266,000	198,2	21 -	198,221	67,779
SCP-114 Chicod School Project	480,000	5,6	- 80	5,680	474,320
SCP-115 Southwest Commercial Park Sewer Ext.	300,000)	- 286,675	286,675	13,325
SCP-116 Sanitary Sewer Outfall Rehab. Phase III	1,950,000	87,1	60 1,796,047	1,883,207	66,793
SCP-117 WWTP Ultraviolet Disinfection Equipment	3,360,000) 1	53 181,615	181,768	3,178,232
SCP-118 Southside Pump Station Upgrade	3,450,000)	- 85	85	3,449,915
Total expenditures	41,167,356	5 22,818,4	41 6,768,479	29,586,920	11,580,436
Excess of Revenues Over (Under) Expenditures	(40,237,349	9) (20,373,4	85) (6,394,548	3) (26,768,033)	(9,691,556)
Other Financing Sources (Uses)					
Revenue bonds issued	4,451,500	4,490,9	49 -	4,490,949	39,449
State loans	25,922,369	3,414,2	50 6,044,056	19,458,306	(6,464,063)
Long-term financing	7,322,487	7	-		(7,322,487)
Intra-fund transfers	2,540,993	3 1,603,6	17 300,000	1,903,617	(637,376)
Total other financing sources (uses)	40,237,349	9 19,508,8	16 6,344,056	25,852,872	(14,384,477)
Revenues and Other Financing Sources					
Over (Under) Expenditures	\$	- \$ (864,6	69) \$ (50,492	2) \$ (915,161)	\$ (24,076,033)

^{*} 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, 2014 (With Comparative Actual Totals For June 30, 2013)

				2013		
				Variance Positive		
		Budget	Actual	(Negative)		Actual
Operating Revenues						
Rates and charges	\$	36,694,904 \$	35,181,326 \$	(1,513,578)	\$	31,513,234
Fees and charges		134,215	136,379	2,164		135,445
Miscellaneous		98,682 36,927,801	97,094 35,414,799	(1,588) (1,513,002)		87,753 31,736,432
Non-Operating Revenues		42.640	47.420	2 774		F4 24 C
Interest on investments Miscellaneous		43,649 59,841	47,420 65,971	3,771 6,130		54,216 83,446
Miscellaneous		103,490	113,391	9,901		137,662
Total Revenues		37,031,291	35,528,190	(1,503,101)		31,874,094
E 19						
Expenditures Gas Fund						
Maintenance and repairs			386,070			552,911
Other operating expenses			31,322,916			24,570,694
Capital Outlay			740,166			1,194,407
Debt Service			1,389,663			1,344,461
Total expenditures		37,151,359	33,838,815	3,312,544		27,662,473
Excess of Revenues Over (Under) Expenditures		(120,068)	1,689,375	1,809,443		4,211,621
Other Financing Sources (Uses)						
Installment Purchase		120,068	-	(120,068)		143,251
Intra-fund transfers		(4,000,000)	(1,500,000)	2,500,000		(3,985,849)
Appropriated fund balance		4,000,000	-	(4,000,000)		
Total other financing sources (uses)		120,068	(1,500,000)	(1,620,068)		(3,842,598)
Revenues and Other Financing Sources						
Over Expenditures	\$	- \$	189,375 \$	189,375	\$	369,023
Reconciliation to full accrual basis from modified accrual basis	asis:		2014			2013
Revenues over expenditures		\$	189,375		\$	369,023
Budgetary appropriations - capital			740,166			1,194,407
Budgetary appropriations - debt principal			1,137,342			975,913
Depreciation			(1,648,696)			(1,694,506)
Debt issued			-			(143,251)
Amortization of bond premium and discount			7,350			7,351
Amortization of deferred loss on refundings Changes in accrued interest payable			(34,713) 9,226			(27,945) 15,166
Changes in accided interest payable Changes in unrealized gains/losses on investments			3,837			-
Intra-fund transfers			1,500,000			3,985,849
Changes in OPEB liability			(137,167)			(143,364)
Revenue recognized in Capital Projects			12,200			8,959
Total reconciling items			1,589,545			4,178,579
Changes in net position		\$	1,778,920		\$	4,547,602

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, 2014

			Actual						Variance
		Project		Prior		Current		Total	Positive
	Au	thorization		Years		Year		to Date	(Negative)
Revenues									
Interest and misc income	\$	42,216	\$	16,960	\$	12,200	\$	29,160	\$ (13,056)
Total revenues		42,216		16,960		12,200		29,160	(13,056)
Expenditures									
ECP-128 Information Technology Appl. Master Plan		273,249		113,335		15,732		129,067	144,182
ECP-136 OPTICS Phase 3A		2,254,400		1,193,082		452,885		1,645,967	608,433
ECP-139 Telephone System Replacement		137,500		124,704		11,790		136,494	1,006
ECP-141 OPTICS Phase 3B		2,881,000		-		505,357		505,357	2,375,643
GCP-87 NC33 Main Ext. & Old River Rd. Main Repl.		1,300,000		-		-		-	1,300,000
GCP-88 GUC-PNG Multiple Gas Facilities Upgrade		2,650,000		-		214,469		214,469	2,435,531
GCP-89 Western Loop High Pressure Gas Main Ext.		2,850,000		-		37,265		37,265	2,812,735
GCP-90 LNG Plant Tank Additions		4,000,000		-		517,295		517,295	3,482,705
Total expenditures		16,346,149		1,431,121		1,754,793		3,185,914	13,160,235
Excess of Revenues Over (Under) Expenditures		(16,303,933)		(1,414,161)		(1,742,593)		(3,156,754)	13,147,179
Other Financing Sources (Uses)									
Revenue bonds issued		59,432		59,432		-		59,432	_
Long-term financing		15,644,501		-		-		-	(15,644,501)
Intra-fund transfers		600,000		7,545,857		1,500,000		9,045,857	8,445,857
Total other financing sources (uses)		16,303,933		7,605,289		1,500,000		9,105,289	(7,198,644)
Revenues and Other Financing Sources									
Over (Under) Expenditures	\$	-	\$	6,191,128	\$	(242,593)	\$	5,948,535	\$ 5,948,535

^{*} Project(s) already closed.

^{**}Project cancelled.

Greenville Utilities Commission of the City of Greenville, North Carolina Combining Statement of Fiduciary Net Position Agency Funds June 30, 2014

	c	Refuse ollection ency Fund	C	ormwater ollection ency Fund		Total
Assets						
Cash and cash equivalents Accounts receivables Total assets	\$ \$	525,996 1,042,874 1,568,870	\$ \$	316,715 608,361 925,076	\$ \$	842,711 1,651,235 2,493,946
Liabilities						
Accounts payable Total liabilities		1,568,870 1,568,870		925,076 925,076		2,493,946 2,493,946
Net Position Assets held in trust	\$		\$		\$	

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, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
Refuse Collection Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 1,152,654	\$ (626,658) \$	525,996
Accounts receivable	 965,538	6,889,586	(6,812,250)	1,042,874
Total assets	\$ 965,538	\$ 8,042,240	\$ (7,438,908) \$	1,568,870
Liabilities:				
Accounts payable	\$ 965,538	\$ 6,633,740	\$ (6,030,408) \$	1,568,870
	\$ 965,538	\$ 6,633,740	\$ (6,030,408) \$	1,568,870
Stormwater Collection Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 597,854	\$ (281,139) \$	316,715
Accounts receivable	528,771	3,786,425	(3,706,835)	608,361
Total assets	\$ 528,771	\$ 4,384,279	\$ (3,987,974) \$	925,076
Liabilities:				
Accounts payable	\$ 528,771	\$ 3,711,826	\$ (3,315,521) \$	925,076
• •	\$ 528,771	\$ 3,711,826	\$ (3,315,521) \$	925,076

Greenville Utilities Commission of the City of Greenville, North Carolina Schedule of 2014-2015 Projected Transfer to the City of Greenville General Fund

	 Electric Fund	Gas Fund	 Total
General Transfer Capital assets, net of depreciation	\$ 93,320,296	\$ 29,967,666	\$ 123,287,962
Less long-term debt	 20,208,983	7,281,758	27,490,741
Net transfer base	73,111,313	22,685,908	95,797,221
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	 4,386,679	 1,361,154	 5,747,833
Street Lighting Reimbursement Street lighting projected revenue	1,461,816		1,461,816
Transfer Rate	50%		50%
Projected street lighting reimbursement	 730,908	 	 730,908
Total projected transfer to City of Greenville General Fund	\$ 5,117,587	\$ 1,361,154	\$ 6,478,741

Greenville Utilities Commission of the City of Greenville, North Carolina Schedule of Indebtedness June 30, 2014

												Accrued
	Date of	Date of	Outstanding	Added	Retired Dur		Outstanding	Discount/	Long-term	Maturing N		Interest
Flenkrin Frank	Issue	Maturity	June 30, 2013	During Year	Principal	Interest	June 30, 2014	Premium	Debt Total	Principal	Interest	2014
Electric Fund: \$2,840,154 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,281,324		292,923	66,124	988,401	-	988,401	311,766	48,739	19,234
\$2,607,909 RB, 2005	7/13/2005	9/1/2025	1,887,474		117,356	62,728	1,770,118	-	1,770,118	120,616	58,646	20,238
\$3,903,762 RB, 2008A New Money	6/25/2008	11/1/2033	3,903,762	_	-	185,304	3,903,762	52,967	3,956,729	-	185,304	30,884
\$1,084,583 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	754,466	_	113,079	31,653	641,387	22,227	663,614	117,334	27,327	4,946
\$605,347 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	458,238	-	48,795	19,621	409,443	13,649	423,092	50,728	17,752	3,128
\$4,130,000 RB, 2008B Taxable	6/25/2008	11/1/2018	2,745,000	-	395,000	146,298	2,350,000		2,350,000	420,000	123,692	22,638
\$3,902,210 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,506,847	-	351,039	83,616	3,155,808	-	3,155,808	361,677	74,672	26,404
\$283,932 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	257,302	-	49,511	4,734	207,791	-	207,791	50,635	3,823	637
\$6,182,959 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	6,102,347	-	431,275	112,283	5,671,072	-	5,671,072	435,306	104,348	17,391
\$514,460 Installment Purchase 2010	5/26/2010	4/26/2015	213,173	-	105,240	5,457	107,933	-	107,933	107,933	2,763	500
\$848,231 Installment Purchase 2011	5/18/2011	4/18/2016	518,071	-	169,302	10,299	348,769	-	348,769	172,668	6,933	1,404
\$834,344 Installment Purchase 2012	5/16/2012	5/16/2015	559,923	-	278,098	7,503	281,825	-	281,825	281,825	3,776	472
\$945,064 Installment Purchase 2013	5/16/2013	5/16/2016	945,064	-	312,265	8,317	632,799	-	632,799	315,013	5,569	696
Water Fund:			23,132,991	=	2,663,883	743,937	20,469,108	88,843	20,557,951	2,745,501	663,344	148,572
\$1,538,624 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	694,144	_	158,688	35,822	535,456	_	535,456	168,896	26,404	10,420
\$1,356,029 RB, 2005	7/13/2005	9/1/2025	981,426	_	61,021	32,616	920,405	_	920,405	62,716	30,494	10,523
\$10,641,133 RB, 2008A New Money	6/25/2008	11/1/2033	9,641,136	_	281,063	448,353	9,360,073	173,936	9,534,009	291,997	437,595	73,906
\$2,378,250 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,654,377	_	247,957	69,408	1,406,420	48,740	1,455,160	257,288	59,923	10,845
\$11,924,653 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	9,026,762	-	961,205	386,504	8,065,557	268,868	8,334,425	999,273	349,698	61,614
\$1,695,666 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,523,865	-	152,540	36,335	1,371,325	-	1,371,325	157,163	32,448	11,473
\$141,966 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	128,651	-	24,755	2,367	103,896	=	103,896	25,318	1,912	319
\$696,400 RB, 2013 Refunding SRF Loan #1	3/11/2013	5/1/2015	459,600	=	230,600	8,457	229,000	=	229,000	229,000	4,214	6,458
\$1,204,100 RB, 2013 Refunding SRF Loan #2	3/11/2013	5/1/2018	992,300	-	202,600	18,258	789,700	-	789,700	200,500	14,530	13,650
\$4,014,597 SRF Loan #4, 2004	11/18/2010	5/1/2030	3,302,176	-	194,246	72,813	3,107,930	-	3,107,930	194,245	68,530	11,422
\$460,425 SRF Loan #7	12/19/2013	5/1/2033	460,425	-	23,021	44,150	437,404	-	437,404	23,021	10,935	1,823
\$269,492 SRF Loan #9	6/21/2010	5/1/2030	229,068	-	13,474	5,727	215,594	-	215,594	13,474	5,390	898
\$1,442,000 SRF Loan #12	12/19/2013	5/1/2033	1,156,160	135,336	64,575	43,241	1,226,921	-	1,226,921	64,575	24,661	4,110
\$2,942,152 SRF Loan #6 (ARRA)	5/1/2011	5/2/2030	1,250,415	-	73,554	-	1,176,861	-	1,176,861	73,554	-	-
\$44,782 SRF Loan #8 (ARRA)	1/28/2011	5/2/2031	20,151	-	1,119	-	19,032	-	19,032	1,120	-	-
\$125,459 Installment Purchase 2010	5/26/2010	4/26/2015	51,985	-	25,664	1,331	26,321	-	26,321	26,321	674	122
\$98,022 Installment Purchase 2011	5/18/2011	4/18/2016	59,869	-	19,565	1,190	40,304	-	40,304	19,954	801	162
\$179,575 Installment Purchase 2012	5/16/2012	5/16/2015	120,512	-	59,855	1,615	60,657	-	60,657	60,657	813	102
\$123,706 Installment Purchase 2013	5/16/2013	5/16/2016	123,706	-	40,875	1,089	82,831	-	82,831	41,234	729	91
Sewer Fund:			31,876,728	135,336	2,836,377	1,209,276	29,175,687	491,544	29,667,231	2,910,306	1,069,751	217,938
\$1,667,119 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	752,114	-	171,941	38,814	580,173		580,173	183,001	28,609	11,290
\$4,036,062 RB, 2005	7/13/2005	9/1/2025	2,921,100	-	181,623	97,079	2,739,477	-	2,739,477	186,668	90,763	31,321
\$10,300,362 RB, 2008A New Money	6/25/2008	11/1/2033	9,436,453	-	236,888	440,084	9,199,565	167,487	9,367,052	245,953	431,019	72,656
\$4,219,963 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	2,935,523	-	439,973	123,157	2,495,550	86,484	2,582,034	456,532	106,327	19,243
\$2,172,644 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,952,517	-	195,449	46,555	1,757,068	-	1,757,068	201,372	41,575	14,701
\$2,235,254 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	2,025,607	-	389,767	37,271	1,635,840	-	1,635,840	398,625	30,099	5,017
\$6,292,200 RB, 2013 Refunding SRF Loan #3	3/11/2013	5/1/2020	5,458,800	-	796,100	100,442	4,662,700	-	4,662,700	790,900	85,794	14,299
\$13,761,629 SRF Loan #5	11/1/2010	5/1/2030	11,697,385	-	688,082	290,095	11,009,303	-	11,009,303	688,081	273,031	45,505
\$9,241,586 SRF Loan #10	*	*	6,043,200	1,045,921	462,079	215,537	6,627,042	-	6,627,042	208,522	100,730	27,116
\$13,987,369 SRF Loan #11	*	*	6,908,971	4,998,135	699,368	200,389	11,207,738	-	11,207,738	491,343	245,347	45,858
\$2,895,724 Bethel Inter-Local Agreement	1/6/2003	5/1/2023	1,513,816	-	151,381	102,763	1,362,435	-	1,362,435	151,382	99,071	18,687
\$297,034 Installment Purchase 2010	5/26/2010	4/26/2015	123,079	-	60,762	3,151	62,317	=	62,317	62,317	1,595	288
\$180,653 Installment Purchase 2011	5/18/2011	4/18/2016	110,337	-	36,058	2,193	74,279	-	74,279	36,774	147	299
\$101,055 Installment Purchase 2012	5/16/2012	5/16/2015	67,817	-	33,683	909	34,134	-	34,134	34,134	457	57
\$147,377 Installment Purchase 2013	5/16/2013	5/16/2016	147,377		48,696	1,297	98,681		98,681	49,124	868	109
Gas Fund:			52,094,096	6,044,056	4,591,850	1,699,736	53,546,302	253,971	53,800,273	4,184,728	1,535,432	306,446
\$2,244,103 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	1,012,418	_	231,449	52,247	780,969	_	780,969	246,337	38,510	15,198
\$1,029,743 RB, 2008A New Money	6/25/2008	11/1/2033	898,649	_	27,049	41,714	871,600	29,002	900,602	27,050	40,699	6,873
\$1,237,204 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	860,634	_	128,992	36,107	731,642	25,356	756,998	133,845	31,173	5,642
\$3,234,480 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	2,906,770	-	290,971	69,308	2,615,799	-	2,615,799	299,788	61,894	21,886
\$1,123,849 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	1,018,441	-	195,968	18,739	822,473	-	822,473	200,422	15,134	2,522
\$1,487,041 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	1,467,653	-	103,724	27,005	1,363,929	-	1,363,929	104,694	25,096	4,183
\$334,828 Installment Purchase 2010	5/26/2010	4/26/2015	138,740	-	68,493	3,552	70,247	-	70,247	70,246	1,798	325
\$180,474 Installment Purchase 2011	5/18/2011	4/18/2016	110,227	-	36,021	2,191	74,206	-	74,206	36,738	1,475	299
\$22,026 Installment Purchase 2012	5/16/2012	5/16/2015	14,782	-	7,342	198	7,440	-	7,440	7,440	100	12
\$143,251 Installment Purchase 2013	5/16/2013	5/16/2016	143,251	-	47,333	1,261	95,918	-	95,918	47,750	844	106
			8,571,565	-	1,137,342	252,322	7,434,223	54,358	7,488,581	1,174,310	216,723	57,046
Total All Funds			115,675,380	6,179,392	11,229,452	3,905,271	110,625,320	888,716	111,514,036	11,014,845	3,485,250	730,002

^{*} 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, 2014

Grantor/Pass Through Grantor/Program Title	Federal CDFA Number	Grant Number	Federal (Direct and Pass Through)	State Expenditures	Local Expenditures	Total
U. S. Environmental Protection Agency						
Pass-through: NC Department of Environment and						
Natural Resources						
Public Water Supply Division						
Drinking Water State Revolving Fund	66.468	DEH-1074	(629)	(157)	-	(786)
Division of Water Quality						
Clean Water State Revolving Fund	66.458	E-SRF-T-10-0261	317,504	79,376	-	396,880
Clean Water State Revolving Fund	66.458	E-SRL-T-10-0260	2,645,855	661,463	-	3,307,318
Total Pass-through NC Department of Environment						
and Natural Resources			2,962,730	740,682	-	3,703,412
Total U. S. Environmental Protection Agency			2,962,730	740,682	-	3,703,412
Total Federal Assistance			\$ 2,962,730	\$ 740,682	\$ - \$	3,703,412

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

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STATISTICAL SECTION



Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2014

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

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

Contents Pages

Financial Trends Information

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

Revenue Capacity Information

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

Debt Capacity Information

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

Demographic and Economic Information

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

Operating Information

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

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

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

Business-type activities Net investment in capital assets Unrestricted
--

			riscal rear		
	2005	2006	2007	2008	2009
٠	194,175 \$	203,328	\$ 211,689 \$	221,178 \$	231,890
	48,190	51,057	54,448	57,730	56,973
\$	242,365 \$	254,385	\$ 266,137 \$	\$ 806'82	288,863

			riscal rear		
	2010	2011	2012	2013	2014
❖	236,136 \$	235,421 \$	238,986 \$	246,776 \$	253,843
	63,055	75,583	79,196	79,035	77,924
\$	\$ 161,662	311,004 \$	318,182 \$	325,811 \$	331,767

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

					Fiscal Year	ear				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Operating revenues: Charges for services Other operating revenues	\$ 189,623 1,022	\$ 214,077 \$	\$ 224,297 \$ 1,193	\$ 235,850 \$	257,795 718	\$ 259,181 \$	\$ 270,573 \$	\$ 255,943 \$	\$ 260,272 \$	269,776
Total operating revenues	190,646	214,764	225,490	236,517	258,513	259,911	271,373	256,728	261,045	270,772
Operating expenses: Administration and general Operations and maintenance Purchased power and gas Depreciation	16,433 19,676 131,551 14,060	16,495 20,735 152,760 14,577	17,544 22,062 160,824 14,555	13,796 31,030 164,060 14,810	13,466 32,428 185,204 15,324	13,963 32,536 183,863 15,649	14,756 33,784 188,585 16,744	15,456 36,433 175,992 16,962	15,916 33,916 179,141 17,565	17,493 33,915 188,110 18,181
Total operating expenses	181,720	204,568	214,985	223,695	246,422	246,011	253,869	244,842	246,538	257,700
Operating income (loss)	8,926	10,196	10,505	12,822	12,091	13,900	17,504	11,886	14,507	13,072
Non-operating revenues (expenses): Interest income Interest expense and service charges Other, net	1,330 (3,570) 1,283	2,037 (3,880) 1,423	2,912 (3,870) 2,747	2,212 (3,713) 1,410	1,426 (4,170) 1,433	809 (3,973) 1,315	637 (4,330) 2,382	335 (3,984) 4,677	226 (4,091) 2,721	208 (3,574) 1,761
Net non-operating revenues	(957)	(421)	1,788	(91)	(1,312)	(1,848)	(1,311)	1,027	(1,143)	(1,604)
Income before contributions and transfers	2,968	9/1/6	12,293	12,731	10,779	12,052	16,193	12,913	13,364	11,468
Contributions and transfers: Capital Contributions Transfer to City of Greenville, General Fund Transfer to City of Greenville, street lighting reimb.	3,112 (4,092) (492)	7,043 (4,287) (510)	4,448 (4,454) (535)	5,055 (4,444) (570)	4,462 (4,659) (628)	3,501 (4,563) (662)	1,062 (4,765) (678)	- (5,039)	- (5,038) (696)	568 (5,360) (721)

(5,513)

(5,733)

(5,735)

(4,381)

(1,724)

(825)

40

(542)

2,245

(1,472)

Total contributions and transfers

Changes in net position

7,630

11,812

10,329

9,954

12,771

11,751

12,021

6,496

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

		Electric Fund			Water Fund	
Fiscal Year	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
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	098'606	72,586
2009	185,301,475	1,046,817	472,514	12,934,404	526,328	78,685
2010	192,716,425	1,144,392	483,335	12,921,434	398,169	79,354
2011	200,357,626	1,165,263	536,485	14,568,726	321,294	85,994
2012	191,029,354	1,112,192	494,829	15,719,715	292,152	106,365
2013	194,108,566	1,233,242	504,564	15,410,078	383,665	90,114
2014	199,134,647	1,286,852	699,404	15,819,721	348,287	690'86
		Sewer Fund			Gas Fund	
			Other Operating			Other Operating
Fiscal Year	Rates & Charges	Fees & Charges	Revenue	Rates & Charges	Fees & Charges	Revenue
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	82,080
2009	13,282,500	388,926	73,490	44,176,441	138,363	93,095
2010	13,982,944	366,945	975,77	37,491,825	159,339	89,329
2011	16,251,177	319,025	85,329	37,440,126	149,616	92,378
2012	17,247,740	263,573	90,269	30,150,678	127,392	94,036
2013	17,124,153	363,627	90,648	31,513,234	135,445	87,753
2014	17,539,513	329,446	101,204	35,181,326	136,379	97,094

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

Fiscal Year	Residential	Small General Service	Medium General Service	Large General Service	Lighting	Seasonal	Total	Eff	Effective Rate (per kWh) ¹
2005	600,001,241	109,279,284	320,664,684	448,876,448	14,720,891	6,643,973	1,500,186,521	ş	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	Ş	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	Ş	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	Ş	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	Ş	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	ş	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	ş	0.11703
2012	659,675,766	117,140,900	338,546,911	497,654,640	17,919,207	1,928,168	1,632,865,592	Ş	0.11699
2013	695,864,293	117,071,188	332,957,674	489,990,456	18,064,409	2,718,765	1,656,666,785	ş	0.11717
2014	714,076,550	116,525,549	337,651,551	495,199,376	18,433,379	2,960,481	1,684,846,886	Ş	0.11819

¹Due 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 Sold¹
Last Ten Fiscal Years

						Effect	Effective Rate (per
Fiscal Year	Residential	Commercial	Industrial	Wholesale	Total	<u></u>	kgallon) ²
2005	1,877,758	939,601	340,663	1	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	ş	3.25801
2008	2,154,763	1,022,484	344,144	74,253	3,595,644	φ.	3.51720
2009	2,133,699	997,478	306,968	106,488	3,544,633	φ.	3.64901
2010	2,101,457	1,001,757	265,183	76,595	3,444,992	φ.	3.75079
2011	2,189,035	1,045,699	314,924	156,231	3,705,889	φ.	3.93124
2012	2,099,783	976,209	333,569	376,064	3,785,625	φ.	4.15248
2013	2,030,472	940,852	369,971	516,267	3,857,562	φ.	3.99477
2014	2,050,903	942,803	371,670	556,214	3,921,590	\$	4.03401

 $^{1} \! \mathsf{One}$ Kgallon equals one thousand gallons.

²Due 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 Collected¹
Last Ten Fiscal Years

Fiscal Year	Residential	Commercial & Industrial	Wholesale	Total	Effect	:ffective Rate (per kgallon)²
2005	1,422,792	1,026,670	104,387	2,553,849	↔	4.26109
2006	1,462,306	1,032,950	89,685	2,584,941	❖	4.27924
2007	1,516,407	1,022,201	110,985	2,649,593	❖	4.45449
2008	1,595,457	1,047,692	85,478	2,728,627	❖	4.56599
2009	1,592,987	1,008,308	92,379	2,693,674	❖	4.93100
2010	1,590,458	983,386	85,282	2,659,126	❖	5.25847
2011	1,658,057	1,030,383	106,435	2,794,875	❖	5.81463
2012	1,623,172	1,015,532	108,011	2,746,715	❖	6.27941
2013	1,599,305	1,023,339	106,849	2,729,493	❖	6.27375
2014	1,615,090	1,010,964	116,070	2,742,124	❖	6.39632

 $^{1}\!$ One Kgallon equals one thousand gallons.

²Due 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 Sold¹
Last Ten Fiscal Years

							Effe	ffective Rate
Fiscal Year	Residential	Commercial	Industrial	Interruptible	Seasonal	Total	٤	(per CCF) ²
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	ب	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	ς,	1.52242
2009	8,544,675	5,742,073	1,331,757	13,155,716	15,699	28,789,920	ς,	1.53444
2010	9,071,756	6,026,915	1,320,226	14,809,280	15,439	31,243,616	ς,	1.19998
2011	9,204,734	6,202,471	1,452,745	15,535,877	9,415	32,405,242	ς,	1.15537
2012	6,446,047	5,060,450	1,286,999	15,440,944	11,791	28,246,231	ς,	1.06742
2013	8,770,015	6,052,098	1,305,580	15,267,893	24,568	31,420,154	s	1.00296
2014	9,480,133	6,366,093	1,517,889	15,344,473	252,094	32,960,682	Ŷ	1.06737

 $^{1}\!$ One ccf equals one hundred cubic feet.

²Due 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

Effective Rate (per kWh)	-	2005 \$ 0.09088	2006 \$ 0.09918	2007 \$ 0.10292	2008 \$ 0.10246	2009 \$ 0.11344	2010 \$ 0.11679 \$	2011 0.11703	2012 \$ 0.11699	2013 \$ 0.11717	2014 \$ 0.1181	<u>4</u> 1819
Residential Basic customer charge (per month) Energy (per kWh) Summer Winter	irge (per month) Summer Winter	\$ 8.74 \$ 0.10455 \$ 0.09400	\$ 8.74 \$ 0.11195 \$ 0.10138	\$ 8.74 \$ 0.11074 \$ 0.10017	\$ 8.74 \$ 0.11074 \$ 0.10017	\$ 8.74 \$ 0.12257 \$ 0.11200	\$ 8.99 \$ \$ 0.12600 \$ \$ 0.11514 \$	8.99 \$ 0.12600 \$ 0.11514 \$	8.99 0.12600 0.11514	\$ 10.99 \$ 0.12600 \$ 0.11514	\$ 10 \$ 0.12 \$ 0.11	10.99 0.12600 0.11514
Small General Service ¹ Basic customer charge (per month) Energy (per kWh) a. first 1,00C b. next 5,000	irge (per month) a. first 1,000 kWh b. next 5,000 kWh c. all additional kWh	\$ 12.54 \$ 0.11016 \$ 0.10414 \$ 0.08603	\$ 12.54 \$ 0.11756 \$ 0.11154 \$ 0.09343	\$ 12.54 \$ 0.11635 \$ 0.11033 \$ 0.09222	\$ 12.54 \$ 0.11635 \$ 0.11033 \$ 0.09222	\$ 12.54 \$ 0.12818 \$ 0.12216 \$ 0.10405	\$ 12.89 \$ \$ 0.13177 \$ \$ 0.12558 \$ \$ 0.10696 \$	12.89 0.13177 0.12558 0.10696	\$ 12.89 \$ 0.13177 \$ 0.10696	\$ 15.76 \$ 0.13177 \$ 0.12558 \$ 0.10696	\$ 15 \$ 0.13 \$ 0.10 \$ 0.10	15.76 0.13177 0.12558 0.10696
Medium General Service ² Basic customer charge (per month) Demand (per kW) a. first 35 kV b. all additio Energy (per kWh) a. first 12,5C	eform month) a. first 35 kW b. all additional kW a. first 12,500 kWh b. all additional kWh	\$ 12.97 \$ - \$ 4.06 \$ 0.10185	\$ 12.97 \$ - \$ 4.06 \$ 0.10925 \$ 0.07920	\$ 12.97 \$ - \$ 4.06 \$ 0.10804 \$ 0.07799	\$ 12.97 \$ - \$ 4.06 \$ 0.10804 \$ 0.07799	\$ 12.97 \$ - \$ 4.06 \$ 0.11987 \$ 0.08982	\$ 13.33 \$ \$ - \$ \$ 4.17 \$ \$ 0.12323 \$	13.33 \$ - \$ 4.17 \$ 0.09233 \$	13.33 - 4.17 0.12323 0.09233	\$ 16.30 \$ - \$ 4.17 \$ 0.12323 \$ 0.09233	\$ 16 \$ 2 \$ 0.12 \$ 0.09	16.30 - 4.17 0.12323 0.09233
Large General Service ³ Basic customer charge (per month) Demand (per kW) a. base alloc b. all additio c. all coincid d. all rkVA de Energy (per kWh) all kWh per m	irge (per month) a. base allocated peak demand b. all additional demand c. all coincident peak demand d. all rkVA demand ⁵ all kWh per month	n/a \$ 15.52 \$ 4.44 \$ 0.03169	n/a \$ 15.52 \$ 4.44 \$ 12.71 \$ 0.25 \$	n/a \$ 15.52 \$ 4.44 \$ 12.71 \$ 0.25 \$ 0.03795	n/a \$ 15.52 \$ 4.44 \$ 12.71 \$ 0.25 \$ 0.03795	n/a \$ 15.52 \$ 4.44 \$ 12.71 \$ 0.25 \$ 0.04928	n/a \$ 17.42 \$ \$ 4.98 \$ \$ 12.71 \$ \$ 0.25 \$ \$ 0.04928 \$	n/a 17.42 \$ 4.98 \$ 12.71 \$ 0.25 \$	n/a 17.42 4.98 12.71 0.25	n/a \$ 17.42 \$ 4.98 \$ 12.71 \$ 0.04928	\$ 17 \$ 12 \$ 0.04	n/a 17.42 4.98 12.71 0.25
Seasonal General Service Basic customer charge (per month) Energy (per kWh) Summer a. first 750 kWh	ce irge (per month) a. first 750 kWh	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.84 \$	14.84	14.84	\$ 18.14	\$ 18 \$ 0.14	18.14
	b. next 2,250 kWh plus 150 kWh per kW of billing demand in excess of 10 kW per billing month c. all additional kWh a. first 750 kWh b. all additional kWh		\$ 0.11763 \$ 0.92950 \$ 0.10840 \$ 0.08064				0.13184 0.10647 0.03382	0.13184 0.10647 0.12235 0.09382		\$ 0.10647 \$ 0.12235 \$ 0.09382		0.10647 0.09382

¹ Small general service customers are typically less than 35 kW.

 $^{^{2}}$ Medium general service customers are typically greater than 35 kW but less than 750 kW.

 $^{^3}$ Large general service coincident peak customers are typically greater than 750 kW.

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

⁵ RkVA is a charge 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

Outdoor Lighting Service (rate per unit per month)		2005		2006		2007		2008		2009		<u>2010</u>		2011	2	<u>2012</u>	2013	·	2014	
General Customers																				
175W (7,000 lumens) mercury vapor	\$	11.33		11.85	5 \$	11.77	77 \$	3 11.77		12.59		12.85	\$	12.85	φ.	12.85 \$	12.85	Ş	12.85	
250W (11,000 lumens) mercury vapor	\$	14.31	1 \$	15.05	5	14.93	93 \$	3 14.93	93 \$	16.11	s	16.47	s	16.47	φ.	16.47 \$	16.47	ş	16.47	
400W (20,000 lumens) mercury vapor	\$	19.52		20.63	3 \$	20.45	45 5	\$ 20.45		22.23		22.77	\$	22.77	\$	22.77 \$	22.77	Ş	22.77	
100W (8,500 lumens) sodium vapor		n/a	a,	n/a	۵,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	\$	12.85	
150W (14,000 lumens) sodium vapor	\$	14.40		14.92		14.84		3 14.84		15.66		15.92		15.92	\$	15.92 \$	15.92	Ş	15.92	
250W (23,000 lumens) sodium vapor	\$	18.97		19.75		19.62		3 19.62		20.86		21.24		21.24	φ.	21.24 \$	21.24	Ş	21.24	
400W (45,000 lumens) sodium vapor	\$	28.75	⁵ \$	29.94	4 \$	29.74		\$ 29.74	74 \$	31.64	\$	32.21	\$	32.21	\$	32.21 \$	32.21	\$	32.21	
400W-F (45,000 lumens) sodium vapor	\$	29.83		31.02		30.82		30.82		32.72		33.29		33.29	φ.	33.29 \$	33.29	Ş	33.29	
400W (40,000 lumens) metal halide	\$	31.38		32.57		32.37		32.37		34.27		34.84		34.84	\$	34.84 \$	34.84	\$	34.84	
400W-F (40,000 lumens) metal halide		n/a	a,	n/a	۵,	_	n/a	ш	n/a	n/a		n/a		n/a		n/a	n/a	Ş	34.84	
50W (5,000 lumens) light emitting diode (LED)		n/a	,e	n/a	_́Ф	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	Ş	20.18	
110W (8,000 lumens) light emitting diode (LED)		n/a	صّ م	n/a	_œ	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	Ş	21.74	
150W (13,500 lumens) light emitting diode (LED)		n/a	صّ م	n/a	۵,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	\$	26.67	
280W-F (20,000 lumens) light emitting diode (LED)		n/a	a,	n/a	ĵω.	_	n/a	С	n/a	n/a		n/a		n/a		n/a	n/a	\$	39.55	
County, Municipal or Housing Authority																				
175W (7,000 lumens) mercury vapor	\$	10.32		10.84	4 \$	10.76	\$ 94	3 10.76		11.58		11.84		11.84	φ.	11.84 \$	11.84	Ş	11.84	
, 250W (11,000 lumens) mercury vapor	\$	13.60	\$ 09	14.34		14.22		3 14.22	22 \$	15.40	\$	15.76	\$	15.76	\$	15.76 \$	15.76	Ş	15.76	
400W (20,000 lumens) mercury vapor	\$	18.58		19.69	\$ 6	19.51		\$ 19.51		21.29	\$	21.83		21.83	φ.	21.83 \$	21.83	Ş	21.83	
400W-T (20,000 lumens) mercury vapor	\$	15.86		16.38		16.35		3 16.35		17.23		17.50		17.50	ᡐ	17.50 \$	17.50	Ş	17.50	
1000W (53,000 lumens) mercury vapor	\$	36.73		37.51	1	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a		n/a	
100W (8,500 lumens) sodium vapor		n/a	a,	n/a	۵,	_	n/a	ш	n/a	n/a		n/a		n/a		n/a	n/a	Ş	11.84	
150W (14,000 lumens) sodium vapor	\$	13.32		14.51	1 \$	13.43	43 5	3 13.43		14.26		14.51		14.51	φ.	14.51 \$	14.51	ş	14.51	
250W (23,000 lumens) sodium vapor	\$	17.25	5.	18.44	4 \$	17.70		\$ 17.70	70 \$	18.95	\$	19.32	\$	19.32	\$	19.32 \$	19.32	Ş	19.32	
400W (45,000 lumens) sodium vapor	\$	25.75		26.94		26.74		\$ 26.74				29.21	\$	29.21	\$	29.21 \$	29.21	\$	29.21	
400W-F (45,000 lumens) sodium vapor	\$	26.84		28.03		27.83		\$ 27.83		29.73		30.30		30.30	Ş		30.30	Ş	30.30	
400W (40,000 lumens) metal halide	Ş	28.39		29.58		29.38		\$ 29.38		31.28		31.85	\$	31.85	ب	31.85 \$	31.85	\$	31.85	
400W-F (40,000 lumens) metal halide		n/a	a,	n/a	a,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	\$	31.85	
70W (4,500 lumens) light emitting diode (LED)		n/a	a,	n/a	۵,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	\$	30.96	
50W (5,000 lumens) light emitting diode (LED)		n/a	a,	n/a	۵,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	ς.	18.16	
110W (8,000 lumens) light emitting diode (LED)		n/a	a,	n/a	a,	_	n/a	Ц	n/a	n/a		n/a		n/a		n/a	n/a	\$	19.57	
150W (13,500 lumens) light emitting diode (LED)		n/a	a,	n/a	۵,	_	n/a	_	n/a	n/a		n/a		n/a		n/a	n/a	\$	24.00	
280W-F (20,000 lumens) light emitting diode (LED)		n/a	a,	r,	ھ,	_	n/a	_	/a	e/u		n/a		n/a		n/a	n/a	ب	35.60	
Sports Field Lighting Service																				
Demand (per kW)	\$	2.2		2.21		2.	2.21	\$ 2.	2.21 \$	2.21		2.27	ş	2.27	s	2.27 \$	2.27	ş	2.27	
Energy (per kWh)	Ş	\$ 0.08389	\$ 63	0.09129	\$ 6	0.09008		\$ 0.09008	\$ 80	0.10191	δ.	0.10476	\$	0.10476	\$ 0	0.10476 \$	0.10476	\$	0.10476	
Bilateral Metering for Solar Energy Facilities																				
Basic customer charge (per month)										•										
Residential		_	n/a	_	n/a		n/a		n/a	n/a	æ	n/a	_	n/a		n/a	n/a	φ.	6.48	
Small General Service		_	n/a	_	n/a		n/a		n/a	n/a	m	n/a	_	n/a		n/a	n/a	s,	10.44	
Medium General Service		c	n/a	_	n/a		n/a		n/a	n/a	m	n/a	_	n/a		n/a	n/a	S.	10.88	
Energy credit (per kWh)		_	n/a	_	n/a		n/a		n/a	n/a	m	n/a	_	n/a		n/a	n/a	S	0.07	

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

(mollong and other position)	(acllow)		€	2005	٠	2006	2007	2008	2009	2010	2011	, v	2012	2013	2014
רוופרוואפ ומרפ (אפו	Agailon)		ጉ	3.040.0	ጉ			3.31120	100100					¢ 11+66.6	4.0340E
Basic meter charge (based on meter size)	(based on mete	er size)	4	7	٠.			, L	, L		٠,				7
inside City	3/4		ሉ ተ	2.73	٠ ٠			5.79	5.79		٠ ٠				7.04
	 		ν·	7.94	ν·			9.30	9.30						11.51
	1-1/2"		s.	15.90	s.			17.32	17.32						21.74
	2"		S	30.33	S			27.34	27.34						34.52
	3"		ş	36.98	ş			59.40	59.40						75.41
	4"		φ.	60.47	ς.			100.98	100.98						128.45
	9		ş	149.40	ş	156.87 \$	156.87	209.70	209.70	\$ 209.70		248.37 \$	248.37 \$	248.37 \$	267.11
			ş	172.19	\$	180.80 \$	180.80	301.38	301.38	301.38		357.07 \$		357.07 \$	384.05
	10"		Ş	240.07	\$	252.07 \$	252.07	485.25	485.25	3 485.25		575.07 \$		575.07 \$	618.56
	12"		\$	261.45	\$		274.52	718.72	718.72	3 718.72	∞				916.34
Outside City	3/4"		ş	3.14	\$		3.30	6.54	6.54	6.54		7.50 \$		7.50 \$	8.10
	1"		ş	9.11	\$		9.57	10.58	10.58	10.58			12.29 \$	12.29 \$	13.24
	1-1/2"		ş	18.21	\$			19.80	19.80				23.22 \$	23.22 \$	25.00
	2"		❖	34.76	ş		36.50	31.32	31.32			36.88 \$		36.88 \$	39.70
	3"		s	42.41	ş			68.19	68.19	68.19		\$ 09.08	\$ 09.08		86.73
	4"		ş	69.33	ş			116.01	116.01			137.29 \$	137.29 \$	137.29 \$	147.72
	9		ş	171.28	\$		179.84	241.04	241.04	241.04		285.53 \$		285.53 \$	307.18
			ş	197.41	ş		207.28	\$ 346.47 \$	346.47	\$ 346.47	\$ 41	410.53 \$	410.53 \$	410.53 \$	441.66
	10"		❖	275.26	ş			557.92	557.92	\$ 557.92					711.35
	12"		Ş	299.77	ş			826.41	826.41	\$ 826.41		\$ 95.626	979.56 \$	\$ 92.626	1,053.79
Industrial	3/4"		❖	2.75	ş		2.89	*	*	*	*		*	*	*
	1"		\$	7.94	\$		8.34	*	*	*	*		*	*	*
	1-1/2"		ş	15.90	ς.		16.70	*	*	*	*		*	*	*
	2"		❖	30.33	ş		31.85	*	*	*	*		*	*	*
	3"		s	36.98	s	38.83 \$	38.83	*	*	*	*		*	*	*
	4"		ş	60.47	ş	63.49 \$	63.49	*	*	*	*		*	*	*
	9		ş	149.40	ş	156.87 \$	156.87	*	*	*	*		*	*	*
	8		❖	172.19	ş	180.80 \$	180.80	*	*	*	*		*	*	*
	10"		❖	240.07	ş	252.07 \$	252.07	*	*	*	*		*	*	*
	12"		٠	261.45	Ş	274.52 \$	274.52	*	*	*	*		*	*	*
Volume Charge (per kgal)	r kgal)														
Inside City	Residential	non irrigation	ᡐ	2.330	s	2.450 \$	2.450	\$ 2.950 \$			\$			3.350 \$	3.590
	Commercial	non irrigation	\$	1.890	\$	1.980 \$	1.980	\$ 2.390 \$	2.390	\$ 2.390					2.900
	Industrial	non irrigation	\$	1.760	\$	1.850	1.850	230	2.230						2.710
	Irrigation	All Customers		* *		*	*	*	*	*					5.390
Outside City	Residential	non irrigation	\$	3.630	\$		810	4.580	4.580	\$ 4.580					5.560
	Commercial	non irrigation	s	2.900	s	3.050 \$		\$ 3.700 \$	3.700	κi					4.500
	Industrial	non irrigation	❖	1.760	ş	1.850 \$	1.850	2.230	2.230		\$ 2	2.530 \$	2.530 \$	2.530 \$	2.710
	Irrigation	Residential		* *		* *	* *	* *	* *	* *		7.80 \$	7.80 \$		8.35
	Irrigation	Commercial		* *		* *	* *	* *	* *	* *					8.35
	Irrigation	Industrial		* *		* *	* *	* *	* *	* *				5.03 \$	5.39

^{*} 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

Effective rate (per kgallon)			2005 4.26109 \$	2006 4.2792	\$	2007 4.45449	\$ 64	% 4	308 56599 \$	2009 4.93100	\$ 00	2010 5.25847	\$	2011 5.81463 \$	\$ 6.7	2012 6.27941	2013 \$ 6.273	2013 6.27375 \$	2014 6.39(2014 6.39632
Basic meter charge (based on water/wastewater meter size) Residential 3/4" \$ 6.22 \$	n water/waste 3/4"	wate Ś	r meter size) 6.22 \$	6.2	2	7.	7.22 \$		8.55	∞ 	.55 .55	8.97	Υ	10.24 \$	40	10.24	40	10.24 \$	70	10.37
	·	٠.	15.33 \$. %	17.79			13.80 \$	13.80			. Υ		0				Η.	17.01
	1-1/2"	٠,			\$ 9	36.52	52 \$			7	30 \$	27.47	S	31.73 \$	40	31.73	···	31.73 \$	'n	32.17
	2"	ş	61.96 \$	61.9		71.92			40.80 \$	40.80		43.55	Ş	50.41		50.41		50.41 \$	Ŋ	51.13
	3"	ş	71.07 \$	71.0	7 \$	82.50			\$8.80 \$	88.80		95.00	Ş	110.18		110.18		110.18 \$	11	111.81
	4"	ş	115.03 \$	115.0		133.52			151.05 \$	151.05		161.73	ş	187.70		187.70		187.70 \$	19(190.49
	9	ş	276.98 \$	276.9		321.51			313.80 \$	313.80		336.20	ş	390.38				390.38 \$	39(396.21
		ş	332.06 \$	332.0		385.45			451.05 \$	3 451.05		483.33	ş	561.30		561.30		561.30 \$	26	569.69
	10"	ş	464.69 \$	464.6		539.40			726.30 \$	\$ 726.30		778.40	ş	904.08		904.08		904.08 \$	91.	917.61
	12"	Ş	650.24 \$	650.2	4 \$	754.78		1	\$ 08.570,	1,075.80		1,153.07	\$	1,339.33 \$	1	,339.33	Η	,339.33 \$	1,359	,359.37
Commercial/Industrial	3/4"	ş	4.51 \$	4.5		5.			٠,	\$	55 \$	8.97	ş	10.24	40	-		10.24 \$	1	10.24
	1"	ş	13.17 \$	13.1		15.			13.80 \$	\$ 13.8	3.80 \$	14.60	Ş	16.78	40	16.78		16.78 \$	ï	16.78
	1-1/2"	ş	26.32 \$	26.3	2 \$	30.55			25.80 \$	3 25.8	5.80 \$	27.47	ş	31.73	40	31.73	-γ-	31.73 \$	χ	31.73
	2"	Ş	50.21 \$	50.2		58.28			40.80 \$	3 40.8	0.80	43.55	Ş	50.41		50.41		50.41 \$	2	50.41
	3"	Ş	61.28 \$	61.2		71.10			88.80 \$	\$ 88.80		95.00	Ş	110.18		110.18	\$	110.18 \$	11(110.18
	4"	ş	100.12 \$	100.1	2 \$	116.22			151.05 \$	151.05		161.73	Ş	187.70 \$		187.70		187.70 \$	18	187.70
	9	ş	247.27 \$	247.2		287.02			313.80 \$	313.80		336.20	Ş	390.38		390.38	\$ 33	390.38 \$	39(390.38
	8	ş	285.03 \$	285.0		330.85			451.05 \$	451.05		483.33	ş	561.30		561.30		561.30 \$.96	561.30
	10"	Ş	397.40 \$	397.4		461.29			726.30 \$	3 726.30		778.40	Ş	904.08		904.08		904.08 \$	2 06	904.08
	12"	ş	432.71 \$	432.7		502.28		Т	\$ 08.570,	1,075.80		1,153.07	Ş	1,339.33 \$	1	,339.33	Т	,339.33 \$	1,33	,339.33
Sewer Only Customers																				
Basic meter charge (based on water/wastewater meter size)	n water/waste	wate	r meter size)																	
Residential	3/4"	Ş		8.9		<u>о</u>						13.46	\$						H	15.56
	1"	ş		23.2		25.			20.70 \$	\$ 20.70		21.90	ş			25.17		25.17 \$	5	25.52
	1-1/2"	ş	47.36 \$	47.3		52.65			38.70 \$	38.70		41.21	ş	47.60		47.60 \$		47.60 \$	4	48.26
	2"	٠	92.29 \$	92.2		102.59				\$ 61.20		65.33	ş	75.62				75.62 \$	7	76.70
	3"	ş	108.06 \$	108.0		120.12			133.20 \$	33.20		142.50	ş	165.27		165.27		165.27 \$	16.	167.72
	4"	ş	175.50 \$	175.5		195.09						242.60	Ş					281.55 \$	28	285.74
	9	ş	426.38 \$	426.3		473.97			470.70 \$	3 470.70		504.30	ş	585.57		585.57		585.57 \$	267	594.32
		ş	504.25 \$	504.2	5 \$	560.53	53 \$		676.58 \$		\$ 85	725.00	ş	841.95 \$			& \$	841.95 \$	82	854.54
	10"	Ş	704.77 \$	704.7		783.43						1,167.60	Ş	1,356.12 \$		1,356.12		1,356.12 \$	1,376.42	6.42
	12"	ş	911.68 \$	911.6		1,013.43			1,613.70 \$	1,613.70	\$ 02	1,729.61	\$	2,009.00 \$		2,009.00	\$ 2,00	2,009.00 \$	2,039.06	90.6

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

2013 2014	\$ 15.36 \$	\$ 25.17 \$	\$ 47.60 \$	\$ 75.62	\$ 165.27 \$	\$ 281.55 \$	\$ 585.57 \$	\$ 841.95 \$	\$ 1,356.12 \$ 1	\$ 2,009.00 \$ 2		\$ 4.450 \$	0 \$ 4.930 \$ 5.510	\$ 5.430 \$	-
2012	\$ 15.3	\$ 25.1	\$ 47.6	\$ 75.62				\$ 841.9	Т	\$ 2,009.00		\$ 4.45	\$ 4.930	\$ 5.43	
2011	15.36	25.17	47.60	75.62	165.27	281.55	585.57	841.95	1,356.12	2,009.00		4.450	4.930	5.430	ı
	Ş	Ş		Ş					Ş	Ş		Ş	Ş	Ş	4
2010	13.46	, 21.90	41.21	, 65.33				\$ 725.00	1,167.60	1,729.61		3.670	4.070	4.480	
	φ,	٠ ج	\$							\$		\$	\$	\$	
2009	12.8	20.7	38.7	61.20					_	_		3.50	3.880	4.27	
		- ج	- ک					\$				- \$	- ک	- ک	1
2008	12.83	20.70	38.70	61.20	133.20	226.58	470.70	676.58	1,089.45	1,613.70		3.500	3.880	4.270	
	Ŷ	Ş	ş	ş	ş	ş	ş	ş	ş	ş		Ş		Ş	
2007	8.07	23.45	46.93	89.53	109.19	178.51	440.94	508.26	708.63	771.63	metered)	3.120	3.450	3.800	
	Ŷ	Ş	Ş		Ş				Ş	Ş	ıtely	Ş	Ş	Ş	٠,
2006	7.26	21.20	42.22	80.54	98.23	160.59	396.67	457.23	637.48	694.16	ess separa	3.120	3.450	3.800	
	Ŷ	ş	ş	ş	ş	ş	ş	ş	ş	ş	Ē	ş	ş	ş	+
2002	7.26	21.20	42.22	80.54	98.23	160.59	396.67	457.23	637.48	694.16	ater usage	3.120	3.450	3.800	
	↔	Ŷ	φ.	φ.	φ.	\$	φ.	φ.	φ.	❖	% of w	❖	❖	φ.	4
	3/4"	1"	1-1/2"	2"	3"	4	9	<u>.</u> 8	10"	12"	ased on 93.5			(%001	
Sewer Only Customers	Commercial/Industrial										Volume Charge (per kgal, based on 93.5% of water usage unless sepa	Residential	Commercial/Industrial	Metered wastewater (100%)	

** 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

Effective rate (per CCF)	CCF)		٠	2005 1.33941 \$	2006 1.67238	\$	2007 1.44444	2008 \$ 1.522	2008 1.52242	\$ 1	2009 1.53444	\$	2010 1.19998	2011 \$ 1.15537		2012 \$ 1.067	742	\$ 1.	2013 1.00296	\$ 1	2014 1.06737
Residential Service	a																				
Basic facilities charge	charge		\$	8.00 \$	8.00	Ş	8.00	Ş	8.00	Ŷ	8.00	Ş	8.00	×	8.00	Ş	8.00	٠Ş.	8.00	Ş	8.00
Commodity	Summer	first 50 ccf	٠		1.8723		*	*			*			*		*					*
		all additional ccf	\$	1.3590 \$	1.8043		*	*			*		*	*		*		^	¥		*
	Winter	first 50 ccf	\$	1.4673 \$	1.9359		*	*			*		*	*		*		^	.		*
		all additional ccf	\$	1.3993 \$	1.8679		*	*			*		*	*		*		^	¥		*
Commodity	first 10 ccf			*	*	Ş	1.7378		2.1654	ş	1.4401	\$	1.3126	\$ 1.3650			1.0773	*	*	•	*
	all additional ccf	al ccf		*	*	\$	1.6238	\$ 2.	2.0514	\$	1.3261	\$	1.1986	\$ 1.2510		\$ 0.	0.9633	*	*		*
Commodity	first 20 ccf			*	*		*	*			*		*	*		*			1.1800	\$	1.3010
	all additional ccf	al ccf		*	*		* *	*			* *		* *	* *		*		\$ 1	1.0440	\$	1.1650
Residential Service - Heat Only	e - Heat Only																				
Summer	Basic facilities charge	es charge	Ş	\$ 00.8	8.00		*	*			*		*	*		*		•	<u>v</u>		*
	Commodity	first 50 ccf	ş	1.4310 \$	1.8763		*	*			*		*	*		*		*	<u> </u>		*
		all additional ccf	Ş	1.3650 \$	1.8103		*	*			*		*	*		*		•	<u>v</u>		*
Winter	Basic facilities charge	es charge	\$	11.00 \$	11.00		*	*			*		*	*		*		^	¥		*
	Commodity	Commodity first 50 ccf	\$	1.4713 \$	1.9399		*	*			*		*	*		*		•	y		*
		all additional ccf	\$	1.4053 \$	1.8739		*	*			*		*	*		*		•	<u>v</u>		*
Basic facilities charge	s charge			*	*	s	10.00		10.00	\$	10.00	\$					10.00	\$	10.00	\$	10.00
Commodity	first 10 ccf			*	*	\$	1.8188	\$ 2.	2.2464	\$	1.5211	\$	1.3936	\$ 1.4460		\$ 1.	1.1583	*	*	•	*
	all additional ccf	al ccf		*	*	\$	1.7003		2.1279	\$	1.4026	\$	1.2751	3275			1.0398	*	*		*
Commodity	first 20 ccf			*	*		*	*			*		* *	*		*		\$	1.2610	ş	1.3820
	all additional ccf	al ccf		*	*		* *	*			* *		* *	*		*			1.1233	ς.	1.2443
Commercial Service	ρį																				
Basic facilities charge	; charge		Ş	20.00 \$	20.00	Ŷ	22.00	\$	22.00	Ş	22.00	Ş	22.00	\$ 22	22.00	\$	22.00	\$	22.00	ς.	22.00
Commodity	Summer	first 100 ccf	Ş	1.3740 \$	1.8193		*	*			*		*	*		*		^	¥		*
		all additional ccf	\$	1.3120 \$	1.7573		*	*			*		*	*		*		*	y		*
	Winter	first 100 ccf	\$	1.4143 \$	1.8829		*	*			*		*	*		*		*	<u>v</u>		*
		all additional ccf	\$	1.3523 \$	1.8209		*	*			*		*	*		*		•	y		*
Commodity	first 50 ccf			*	*	ş	1.7169		2.1445	\$	1.4192	\$	1.2917				1.0564	*	*	•	*
	51 to 300 ccf	4.		*	*	ş	1.6432	\$ 2.	2.0708	\$	1.3455	\$		\$ 1.2704		\$ 0.	0.9827	*	*		*
	301 to 500 ccf	.d		*	*	\$	1.5932		2.0208	\$	1.2995	\$	1.1680	3 1.2204			0.9327	*	*	^	*
	all additional ccf	al ccf		*	*	\$	1.4427		1.8703	\$	1.1450	\$	1.0175	3 1.0699			0.7822	*	*		*
Commodity	first 50 ccf			*	* *		*	*			* *		*	*		*			1.1591		1.2801
	51 to 500 ccf	-		*	*		*	*			*		* *	*		*		\$	1.0695	\$	1.1905
	all additional ccf	al ccf		*	* *		* *	*			* *		* *	* *		*			0.8849	-γ-	1.0059

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

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

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

			(4)	2005	7	2006	7	2007	7	2008	7	2009	2010		2011	7	2012	2013		2014	
Industrial Service																					
Basic facilities charge	charge		s	110.00	s	110.00	ς,	110.00	\$	110.00	ς.	110.00	\$ 110.00	\$ 00.	110.00	\$	110.00 \$	\$ 110.00	\$ 00	110.00	0
Commodity	Summer	first 100 ccf	Ş	1.3145	\$	1.7598		*		*		*	*		*		*	*		*	
		all additional ccf	ş	1.2853	\$	1.7306		*		*		*	*		*		*	*		*	
	Winter	first 100 ccf	Ş	1.3548	\$	1.8234		*		*		*	*		*		*	*		*	
		all additional ccf	Ş	1.3256	\$	1.7942		*		*		*	*		*		*	*		*	
Commodity	first 500 ccf			*		*	\$	1.4465	Ş	1.8741	\$	1.1488 \$	\$ 1.0213	213 \$	1.0737	s	0.7860 \$	0.8887	87 \$	1.0097	7
	all additional ccf	l ccf		*		*	\$	1.3823	φ.	1.8099	φ.	1.0846 \$	\$ 0.9571	571 \$	1.0095	φ.	0.7218 \$	0.8245	45 \$	0.9455	55
Interruptible Service	9.																				
Basic facilities charge	charge		\$	210.00	Ş	210.00	\$	210.00	\$	210.00	\$	210.00 \$	\$ 210.00	\$ 00.	210.00	ς,	210.00 \$	3 210.00	\$ 00	210.00	00
Commodity			negc	negotiated	negc	egotiated	negc	negotiated	nego	negotiated	nego	negotiated r	negotiated		negotiated	negotiated		negotiated		negotiated	-
Seasonal Service																					
Basic facilities charge	charge		Ş	36.00	\$	36.00	\$	36.00	ς.	36.00	\$	36.00 \$	36	36.00 \$	36.00	s	36.00 \$		36.00 \$	36.00	0
Commodity	Summer	first 100 ccf	\$	1.3180	\$	1.7633		*		*		*	*		*		*	*		*	
		all additional ccf	Ş	1.2796	\$	1.7249		*		*		*	*		*		*	*		*	
	Winter	first 100 ccf	\$	1.4273	\$	1.8959		*		*		*	*		*		*	*		*	
		all additional ccf	ş	1.3666	\$	1.8352		*		*		*	*		*		*	*		*	
Commodity	first 100 ccf			*		*	\$	1.7672	\$	2.1948	\$	1.4695 \$	5 1.34	120 \$	1.3944	\$	1.1067 \$	1.2094	94 \$	1.3304	4
	all additional ccf	l ccf		*		*	\$	1.3600	φ.	1.7876	\$	1.0623 \$	\$ 0.93	0.9348 \$	0.9872	φ.	\$ 5669.0	0.8022	22 \$	0.9232	32
LNG Storage Service (per mcf)	e (per mcf)																				
Reservation charge	harge		\$	1.62	Ş	1.62	\$	1.62	\$	1.62	\$	1.62	5 1	.62 \$	1.62	Ş	1.62 \$	1	62 \$	1.6	25
Daily demand charge	charge		ۍ	7.015	\$	7.25	ئ	7.25	\$	7.25	\$	7.25 \$	5 7	7.25 \$	7.25	\$	7.25 \$	7	7.25 \$	7.25	52
Commodity charge	narge		ب	11.50	\$	16.50	\$	16.50	φ.	16.50	\$	16.04	\$ 14	\$ 00.	12.55	ς.	12.55 \$	12	55 \$	12.5	55

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

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

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

Electric Fund			Fiscal Year 2014	2014		Fiscal Year 2005	r 2005
			tailoa V	Percentage		Amount	Percentage
Customer	Product/Service		Billed	Revenue		Billed	Revenue
DSM Pharmaceuticals, Inc.	Pharmaceuticals	❖	6,891,121	3.59%	❖	5,936,798	4.48%
Vidant Medical Center ¹ DSM Dyneema 11C	Health Care High Porformance Eibers		5,354,855	2.79%		3,873,273	2.92%
East Carolina University	Education		4,079,982	2.12%		2,842,299	2.15%
East Carolina University	Education		3,310,464	1.72%		2,400,434	1.81%
Attends Healthcare Products ²	Medical Products		3,189,010	1.66%		2,026,369	1.53%
East Carolina University	Education		2,630,339	1.37%		1,772,410	1.34%
Vidant Medical Center ¹	Health Care		1,625,801	0.85%			
ASMO of Greenville	Motors		1,590,792	0.83%		778,507	0.59%
NACCO Material Handling	Fork Lift Trucks		1,365,578	0.71%		939,544	0.71%
Robert Bosch Tool Corp. ³ Simpson Industries	Drill Bits Diesel Engine Parts					1,147,556 787,161	0.87% 0.59%
Totals		\$	34,264,019	17.84%	\$	22,504,351	16.99%
Water Fund			Fiscal Year 2014	. 2014		Fiscal Year 2005	r 2005
				Percentage			Percentage
			Amount	of Total		Amount	of Total
Customer	Product/Service		Billed	Revenue		Billed	Revenue
DSM Pharmaceuticals, Inc. Town of Farmville	Pharmaceuticals Government	⋄	654,634 652,132	4.16% 4.15%	❖	371,116	3.83%
Vidant Medical Center ¹	Health Care		242,844	1.54%		205,519	2.12%
Town of Winterville	Government		194,031	1.23%			
DSM Dyneema, LLC	High Performance Fibers		111,195	0.71%			Ĺ
Fuji Silysia Chemical USA, LI D	Silica Gel		74,982	0.48%		54,61/	0.56%
Vidant Modical Contact			65 070	0.57%			
Vidalit iviedical Celiter	חרמות		02,970	0.42%		1	
East Carolina University Stokes Regional Water Corporation	Education Water Utility		60,979 60,173	0.38% 0.38%		97,626	0.60%
Karastan Bigelow	Carpet Yarn					74,557	0.77%
Greenville Housing Authority	Apartments					53,248	0.55%
East Carolina University	Education					42,915	0.44%
Greenville Housing Authority	Apartments					40,185	0.41%
Pitt County	Government					30,262	0.31%
Greystone MHP	Mobile Home Park					28,045	0.29%
Totals		⋄	2,187,501	13.91%	·Λ	958,090	9.88%

¹ Formerly Pitt County Memorial Hospital ² Formerly Paper Pak Products, Inc. ³ Formerly Vermont American Corp.

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

Sewer Fund			Fiscal Year 2014	r 2014		Fiscal Year 2005	ar 2005
				Percentage			Percentage
	20 to 10 and		Amount	of Total		Amount	of Total
Customer	Product/Service		Billed	Kevenue		Billed	Kevenue
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$	732,114	4.21%	↔	506,306	4.70%
Town of Bethel	Government		590,786	3.40%		286,588	7.66%
Vidant Medical Center ¹	Health Care		414,659	2.38%		348,606	3.24%
DSM Dyneema, LLC	High Performance Fibers		247,285	1.42%			
Fuji Silysia Chemical USA, LTD	Silica Gel		135,033	0.78%		97,229	0.90%
Vidant Medical Center ¹	Health Care		117,993	0.68%			
Vidant Medical Center ¹	Health Care		112,672	0.65%			
East Carolina University	Education		104,320	0.60%		97,483	0.90%
Province Greenville NC LP	Apartments		54,444	0.31%			
Greenville Housing Authority	Apartments		54,012	0.31%			
Karastan Bigelow	Carpet Yarn					134,161	1.25%
East Carolina University	Education					72,376	0.67%
Greenville Housing Authority	Apartments					67,111	0.62%
Pitt County	Government					50.782	0.47%
Greenville Housing Authority	Apartments					50,756	0.47%
)	-						
Totals		∿	2,563,318	14.74%	·Λ	1,711,398	15.88%
Gas Fund			Fiscal Year 2014	r 2014		Fiscal Year 2005	ar 2005
				Percentage			Percentage
			Annual	of Total		Annual	of Total
Customer	Product/Service		Revenue	Revenue		Revenue	Revenue
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$	3,340,756	9.52%	\$	361,047	1.18%
East Carolina University	Education		2,753,844	7.85%		2,789,427	9.13%
Vidant Medical Center ¹	Health Care		1,919,922	5.47%		1,333,189	4.36%
DSM Dyneema, LLC	High Performance Fibers		1,065,181	3.03%			
East Carolina University	Education		986,178	2.81%		896,850	2.94%
DSM Dyneema, LLC	High Performance Fibers		769,034	2.19%			
Vidant Medical Center ¹	Health Care		676,537	1.93%			
Fuji Silysia Chemical USA, LTD	Silica Gel		512,840	1.46%		534,731	1.75%
NACCO Material Handling	Fork Lift Trucks		469,533	1.34%		571,642	1.87%
Metrics, Inc.	Pharmaceuticals Manufacturing		406,144	1.16%		264,947	0.87%
Karastan Bigelow	Carpet Yarn					304,711	1.00%
Greenville Housing Authority	Apartments					252,351	0.83%
DSM Pharmaceuticals, Inc.	Pharmaceuticals					217,255	0.71%
Totals		\$	12,899,969	36.76%	\$	7,526,150	24.64%

¹ Formerly Pitt County Memorial Hospital

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

Percentage of Per Capita Personal Income	2.07%	2.01%	1.98%	2.29%	2.19%	2.15%	2.00%	1.79%	*	*
Per Capita	672	619	634	761	712	707	682	639	999	592
Total	89,932,864	93,649,998	98,988,437	122,296,688	117,208,990	118,916,474	115,732,948	110,285,824	115,675,380	110,625,320
Notes	18,201,338	19,668,855	20,287,105	19,004,601	19,971,437	28,564,352	31,526,877	32,027,308	36,029,680	38,488,921
Revenue Bonds	64,846,526	68,271,143	74,136,332	99,842,087	94,882,553	89,072,122	83,976,071	78,258,516	79,645,700	72,136,399
General Obligation Bonds	6,885,000	5,710,000	4,565,000	3,450,000	2,355,000	1,280,000	230,000	ı	ı	1
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

*Information unavailable at time of report.

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

Coverage	Ratio	2.47	2.43	2.79	3.02	2.88	2.52	2.63	2.65	2.69	2.23
	Total	9,941,377	11,418,558	10,323,669	11,027,102	10,941,050	13,047,941	14,364,603	13,120,379	13,449,740	15,134,721
Debt Service Requirement ³	Interest	3,662,464	4,194,037	3,786,998	3,939,780	3,471,466	4,641,621	4,946,781	4,230,467	4,061,308	3,905,269
Debt So	Principal	6,278,913	7,224,521	6,536,671	7,087,322	7,469,584	8,406,320	9,417,822	8,889,912	9,388,432	11,229,452
Net Revenues Available for	Debt Service	24,591,449	27,694,824	28,758,565	33,325,403	31,462,040	32,942,831	37,786,161	34,706,685	36,184,602	33,726,155
Utility Fund	Expenses ²	167,680,248	190,011,445	200,454,508	206,091,230	229,042,677	228,575,039	236,149,838	226,875,068	228,066,646	238,628,174
Utility Fund	Revenues ¹	192,271,697	217,706,269	229,213,073	239,416,633	260,504,717	261,517,870	273,935,999	261,581,753	264,251,248	272,354,329
Fiscal	Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014

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

of the bonds.

²Includes total operating expenses, exclusive of depreciation and unfunded OPEB expense.

³Includes principal and interest of revenue bonds, general obligation bonds and other subordinate debt exclusive of capitalized interest paid from proceeds

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

			Per Capita	June 30
Calendar		Personal	Personal	Unemployment
Year	Population ¹	Income (\$000) ¹	Income ¹	Rate ²
2005	133,759	4,336,167	32,418	%9:9
2006	151,356	4,668,869	30,847	5.8%
2007	156,049	4,998,889	32,034	5.7%
2008	160,674	5,334,150	33,199	7.3%
2009	164,602	5,357,534	32,548	10.8%
2010	168,148	5,529,076	32,882	10.7%
2011	169,803	5,775,451	34,013	10.9%
2012	172,569	6,167,597	35,740	%8'6
2013	173,938	*	*	%0.6
2014	186,807	*	*	%6.9

^{*}Information unavailable at time of report.

Note: Information reported is for Pitt County.

Sources:

 $^{^{\}rm 1}{\rm North}$ Carolina Office of State Budget and Management.

²Bureau of Labor Statistics, United States Department of Labor.

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

		2014			2005	
			Percentage of Total County			Percentage of Total County
Employer	<u>Employees</u>	Rank	Employment	Employees	Rank	Employment
Vidant Medical Center ¹	6,895	Н	8.52%	5,026	1	7.20%
East Carolina University	5,564	2	6.87%	4,184	2	%00.9
Pitt County Public Schools	2,814	33	3.48%	2,600	æ	3.73%
NACCO Materials Handling Group	1,000	4	1.24%	1,130	5	1.62%
Pitt Community College	953	5	1.18%	815	7	1.17%
County of Pitt	910	9	1.12%	975	9	1.40%
Patheon ²	006	7	1.11%	1,200	4	1.72%
Alliance One International ³	850	∞	1.05%			0.00%
City of Greenville	764	6	0.94%	652	∞	0.93%
TRC, Inc	650	10	0.80%			
Collins & Aikman				009	6	0.86%
Physicians East				200	10	0.72%
Total ====================================	21,300	. "	26.32%	17,682		25.34%

Source: Pitt County Development Commission

 $^{^{1}}$ Formerly Pitt County Memorial Hospital

² Formerly DSM Pharmaceuticals

 $^{^3}$ Formerly Dimon International

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

Function	<u>2005</u>	<u>2006</u>	2007	2008	<u>2009</u>	2010	2011	2012	2013	2014
Electric:										
Management	4	æ	4	4	4	4	4	3	33	33
Engineering	10	10	10	6	14	13	12	12	14	18
Load Management	4	4	5	4	3	4	3	9	2	9
Dispatching	7	7	7	7	7	7	7	7	7	7
Electric System Maintenance	70	73	73	79	78	71	79	77	71	78
Water/Wastewater:										
Management	4	4	4	4	4	4	3	4	4	4
Engineering	12	12	11	12	14	11	11	6	10	12
Water Plant	24	24	23	24	25	24	25	27	27	29
Wastewater Plant	25	23	25	23	25	56	25	25	25	28
Water/Wastewater Systems Maintenance	47	49	47	49	47	48	47	46	45	45
Natural Gas:										
Management	9	5	9	5	2	2	4	4	2	2
Engineering	5	9	5	∞	8	9	8	7	∞	6
Natural Gas System Maintenance	30	30	32	29	30	31	29	25	25	30
Administration:										
Executive Administration	7	7	8	∞	7	7	8	∞	12	15
Finance and Accounting	∞	∞	10	11	10	11	10	11	31	31
Human Resources	15	15	14	15	15	16	17	16	6	6
Information Technology	18	19	19	19	18	19	20	56	26	27
Customer Relations	48	48	49	51	52	52	52	48	38	36
Fleet Management	13	13	13	13	13	13	13	13	13	12
Warehouse	6	8	7	7	8	8	7	∞	7	7
Meter Services	36	35	36	32	36	32	32	33	32	33
Utility Locating Services	9	9	9	7	9	2	2	2	2	9
	007	9	7	Ç	Ç	7	Ç	,	Ç	7
i otal Employees:	408	409	4T4	420	429	41/	471	420	774	44/

Source: Various Utilities Commission Departments

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electric System: Peaks (MW)	301.1	324.6	342.1		344.8		348.8	355.2	353.6	336.5
Average daily purchase (MWH)	4,227	4,333	4,406	4,625	4,610	4,644	4,822	4,609	4,671	4,771
Total MWH sold	1,500,187	1,537,256	1,561,876	1,	1,633,477		1,712,010	1,632,866	1,656,667	1,684,847
Water System:										
Peaks (MGD)	13.597	14.708	15.714	16.125	16.204	15.605		16.340	14.871	16.070
Average daily treatment (Mgals)	9.845	9.927	10.264	10.797	10.785	10.977		11.896	12.008	12.394
Total kgals sold	3,158,022	3,263,423	3,331,035	3,595,644	3,544,633	3,444,992	m`	3,785,625	3,857,562	3,921,590
Wastewater System:										
Peaks (MGD)	14.750	18.180	24.120	14.090	12.680	22.830	24.240	21.240	14.810	20.040
Average daily treatment (Mgals)	8.895	9.345	10.587	9.152	8.879	10.120	9.593	10.301	10.426	10.530
Total kgals collected	2,553,849	2,584,941	2,649,593	2,728,627	2,693,674	2,659,126	2,794,875	2,746,715	2,729,493	2,742,124
Natural Gas System										

MW = megawatt = 1,000,000 wattsMGD = million gallons per day

Mgal = million gallons = 1,000,000 gallons

MCF = thousand cubic feet = 1,000 cubic feet kgal = kilo gallon = 1,000 gallons

Source: Various Utilities Commission Departments.

Peaks (MCFs)

9,277 3,296,068 20,092

20,537 8,870 3,142,015

21,465 7,959 2,824,623

24,176 9,360 3,240,524

23,845 8,920 3,124,362

22,733 8,232 2,878,992

20,643 7,662 2,676,784

20,324 7,761 2,628,399

16,540 6,172 2,208,754

20,635 6,378 2,285,425

Average daily purchase (MCFs) Total MCFs sold

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

Electric System:	2005	<u>2006</u>	2007	2008	2009	2010	2011	2012	2013	2014
Miles of lines	2,507	2,534	2,572	2,638	2,638	2,638	2,672	2,714	2,719	2,781
Substations	21	21	21	22	22	23	23	23	23	23
Customer connections	55,883	58,299	60,200	61,868	62,363	63,136	63,745	63,789	64,362	64,673
Maximum capacity transmission (MW)	760	760	760	260	760	760	760	760	260	760
Maximum capacity distribution (MW)	642	642	642	673	902	737	737	737	737	737
Water System:										
Miles of lines	292	280	593	615	618	979	979	628	628	627
Customer connections	29,540	30,829	32,065	33,051	33,733	34,336	34,419	34,514	34,742	34,959
Maximum capacity (MGD)	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
Wastewater System:										
Miles of lines	423	435	448	464	466	468	469	471	479	471
Customer connections	23,629	24,601	25,708	26,595	27,240	27,805	28,054	28,157	28,435	28,640
Maximum capacity (MGD)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Natural Gas System										
Miles of lines	902	943	926	1,002	1,016	1,019	1,024	1,034	1,043	1,049
Customer connections	18,802	19,568	20,898	21,522	21,661	22,004	22,211	22,259	22,434	22,554
Maximum capacity (MCF)	26,570	26,570	38,164	38,164	38,164	42,512	42,512	42,512	42,512	42,512

Notes:

MW = megawatt = 1,000,000 wattsMGD = million gallons per day

MCF = thousand cubic feet = 1,000 cubic feet

Source: Various Utilities Commission Departments.





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

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Greenville Utilities Commission, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Greenville Utilities Commission's basic financial statements, and have issued our report thereon dated October 29, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Greenville Utilities Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & associates, CPas, P.a.

Hickory, North Carolina

October 29, 2014



Office of the General Manager/CEO

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Office of the Chief Financial Officer

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