

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2015

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



Connected To Our Customers

ON THE COVER:

Greenville Utilities' new Compressed Natural Gas Fueling Station.
Read more about it on the Financial Section tab.

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, 2015*

Prepared by the Finance Department

This Report Was Prepared By:

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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, 2015**

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Water and Light Commission

Greenville, N. C. April 27th 1905

The Water and Light Commission of the town of Greenville, established by act

INTRODUCTORY SECTION



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Connected To Our Customers

At top are GUC's very first Board of Commissioners minutes. Above you can see some of our first power lines and Greenville's first street light.

Greenville Utilities was established in 1905 as a community-owned, not-for-profit utility. Unlike private utilities, we are not driven to maximize profits for out-of-town stockholders. Revenues from our rates and charges benefit customers, not investors.

Greenville Utilities is governed by an eight-member Board of Commissioners made up of local people who offer their diverse talents for the betterment of the community. Our Board focuses exclusively on the intricacies of electric, water, sewer and natural gas.

These dedicated citizens represent the interest of all GUC customers, many of whom live outside Greenville City limits.

While only two utilities (GUC and Fayetteville PWC) in North Carolina have separate Boards, nationwide the picture is very different. The majority (77%) of larger publicly-owned utilities (greater than 50,000 electric customers) in the U.S. are governed by independent Boards. GUC is in the larger city category, with nearly 66,000 electric connections.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.



October 19, 2015

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, 2015.

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.

Cherry Bekaert LLP, Certified Public Accountants, has issued an unqualified (“clean”) opinion on the Utilities Commission’s financial statements for the year ended June 30, 2015. 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.

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www.guc.com

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.

*Your Local
Advantage*

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 65,347 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-fourth 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 1,180 miles of overhead distribution lines, 1,627 miles of underground distribution lines at 12,470 volts and 84 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.



The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for an estimated 41,429 appliances including customer heat pumps, air conditioners, water heaters and electric furnaces. Approximately thirty percent of the Utilities Commission's residential customers currently participate in this program.

The Utilities Commission and thirty-one other North Carolina municipalities are members of the North Carolina Eastern Municipal Power Agency (Power Agency), a joint agency of the State of North Carolina. On July 31, 2015, the Power Agency completed the sale of its electric generating assets to Duke Energy Progress for approximately \$1.25 billion. The proceeds from the sale were used to reduce outstanding debt on those assets. The Utilities Commission's share of the Power Agency's outstanding debt was reduced from approximately \$277.8 million to \$85 million. Additionally, Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to the Power Agency. The reduced debt service costs and the lower costs of wholesale power allowed the Utilities Commission to reduce electric retail rates by 7% effective August 1, 2015.

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 35,179 connections. Raw water is supplied by the Tar River and eight deep wells. River modeling 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.

Average daily water use in the fiscal year ended June 30, 2015 was approximately 13.044 MGD, with a maximum daily usage of approximately 17.779 MGD. Approximately 84.6% of the water system's 35,179 connections are located within the City limits.

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

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

Wastewater
Treatment
Plant



WASTEWATER COLLECTION AND TREATMENT SYSTEM

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

The collection system consists of approximately 471 miles of lines with 28,885 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, 2015 was 11.29 million gallons of wastewater with a single day hydraulic maximum of 17.32 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 six participants: NACCO Materials Handling Group, Patheon (formerly DSM Pharmaceuticals, Inc.), DSM Dyneema, Inc., The Hammock Source, Fuji Silysia, and Metrics Contract Services (a subsidiary of Mayne Pharma Group Limited).

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 613 miles of pipeline and 438 miles of service lines with 22,837 connections. During the current fiscal year 3,416,230 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).

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 entered into a Supplemental Service and Construction Agreement with PNG effective November 1, 2014 for a period of 5 years. Under the terms of the contract the Utilities Commission will pay additional demand charges to cover the costs of upgrades to the Utilities Commission's system completed by PNG. The initial amount of the contractual payment was \$470,000 per year. Effective June 2015 the amount was increased to \$593,093 per year to reflect the actual costs of the upgrades. These additional demand charges are payable through October 2019.

Liquefied
Natural Gas
Storage Facility



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. During fiscal year 2015 two additional storage tanks were installed at the facility bringing the total storage capacity to 330,000 gallons. The volume of LNG stored at the facility would supply our customers for more than a week should our gas supply be cut off due to an emergency.

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 contributing to 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 fifteen 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 2006 have ranged from a low of 5.6 percent to a high of 11.0 percent.

The health care community in Greenville is one of the largest in the state of North Carolina. Vidant Medical Center is one of four academic medical centers in North Carolina and serves as the teaching hospital for The Brody School of Medicine. The 900 plus bed hospital serves as a regional heart center and is the only level one trauma center in the 29 counties of Eastern North Carolina 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 continues work on the implementation of a new Enterprise Resource Planning (ERP) system. The first two phases of this project which included core financials, human resources, payroll, budgeting and work and asset management have been completed. The final phase is a customer information system which is scheduled to be implemented in the upcoming fiscal year.

The Gas Department has completed the construction of a new compressed natural gas facility (CNG) to serve commercial and retail vehicles. This \$2.5 million project features a fast-fill capability with full equipment redundancy able to serve several hundred customers weekly. CNG is a cleaner-burning fuel that produces significantly less emissions than gasoline or diesel. Natural gas vehicles provide the following reductions in exhaust emissions: carbon monoxide up to 90%, non-methane organic gas by 50% to 75%, nitrogen oxides by 75% to 95%, and carbon dioxide up to 25%.

Greenville Utilities has partnered with DSM Dyneema to install a 6,000 kW natural gas peak shaving generation facility on their site. Greenville Utilities will receive a dual benefit with additional natural gas revenues throughout the year while reducing electric purchased power costs. Greenville Utilities projects \$925,000 annual electric savings and \$45,000 annual gas operating income.

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, 2014. This was the sixth 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.

Utilities Commission employees received the "Giving Excellence" award during the United Way of Pitt County's Annual Meeting on May 20, 2015. The Utilities Commission was recognized for the "Most Diverse Campaign" for offering several ways for employees to contribute to United Way.

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.

In May 2015 the Utilities Commission's Electric Department was awarded the APPA's Safety Award of Excellence for safe operating practices. Electric Department employees earned Honorable Mention in the category for utilities with 250,000 to 999,999 worker-hours of annual worker exposure.

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 2015 fiscal year the Utilities Commission received awards for Competitive Business Environment, Energy Efficiency, Financial Stability, Legislative Involvement, and Service Excellence. This was the ninth consecutive year these awards have been earned.

During fiscal year 2015 the Utilities Commission was honored with 15 safety awards from the NC Department of Labor. For several Utilities Commission departments this was the eighth consecutive year these awards have been earned.

For the fourth 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,



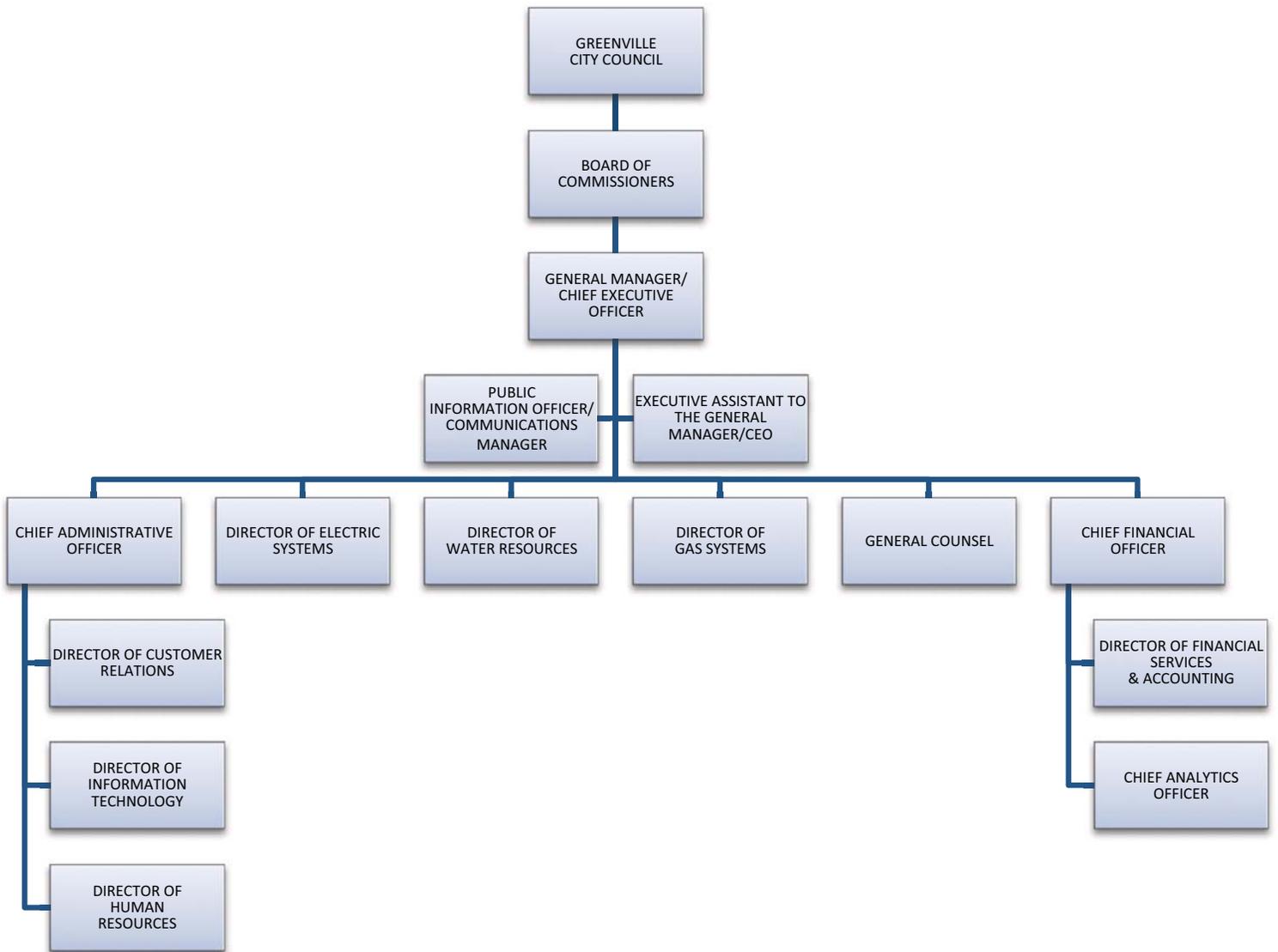
Anthony C. Cannon
General Manager/CEO



Jeff McCauley
Chief Financial Officer

Greenville Utilities Commission of the City of Greenville, North Carolina

ORGANIZATIONAL CHART



Greenville Utilities Commission of the City of Greenville, North Carolina

APPOINTED OFFICIALS OCTOBER 19, 2015

COMMISSIONERS



John Minges
Chair



Don Mills
Chair-Elect



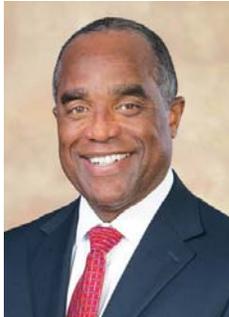
Dennis Mitchell
Secretary



Barbara Lipscomb
City Manager



Rebecca Blount



Joel Butler



Parker Overton



Tommy Stoughton

EXECUTIVE MANAGEMENT



Anthony C. Cannon
General Manager/
Chief Executive Officer



Chris Padgett
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, 2014

Executive Director/CEO

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FINANCIAL SECTION



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Connected To Our Customers



Greenville Utilities has provided natural gas to homes and businesses in our community since 1925. We've recently expanded our gas service to include a Compressed Natural Gas (CNG) fueling station north of the Tar River in Greenville. Pitt County's first public CNG fueling station brings both environmental and economic benefits to our region.

Industrial and commercial businesses now have a convenient and less expensive fueling option with CNG, and they can keep their fueling dollars right here in Pitt County.

In addition, when Greenville and Pitt County are working with prospective industries, not only can we offer them natural gas for their facilities, we can now offer them CNG for their transportation needs in a location adjacent to the industrial park.

The new fueling station offers cleaner-burning fuel for both commercial fleets and personal natural gas vehicles. Having a CNG fueling option provides our community and the environment with significantly less emissions than gasoline or diesel fuel.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

INDEPENDENT AUDITOR'S REPORT



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

A photograph of a flooded street. The water is dark and reflects the sky and surrounding trees. A street sign for 'MUMFORD RD 800' is partially submerged in the water. The sign is green with white text. The background shows utility poles and trees under a bright sky.

Connected To Our Customers

Hurricane Floyd changed our region, our community, and our organization. It also changed our approach to planning, managing, and operating our utility systems to ensure we can provide life-sustaining services in the worst possible conditions, when our customers need them most.

When Hurricane Floyd struck Eastern North Carolina in September 1999, no one was truly prepared for just how bad it could be. Our crews worked tirelessly to continue to provide electric, water, sewer and natural gas services when it seemed like the floodwaters would never stop rising.

Hurricane Floyd caused \$7.8 million in losses to GUC property (including fleet). That would be about \$11.4 million in today's dollars. It was several months, even years, before we received reimbursement from insurance and FEMA. That experience underscored the importance for us to have adequate

cash on hand, so we can continue providing services during catastrophic events.

We currently have the equivalent of about two month's cash on hand that could be used for emergencies (like Hurricane Floyd), or to quickly take advantage of an opportunity to enhance the local economy. Maintaining adequate cash (or "fund balance/financial reserves") improves financial stability for any organization. It's the same as individuals keeping an adequate balance in a checking or savings account in case of emergencies or for large purchases.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

Report of Independent Auditor

The Board of Commissioners
Greenville Utilities Commission
of the City of Greenville
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 (the “Commission”) as of and for the year ended June 30, 2015, 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 Commission as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 9 to the financial statements, the Commission adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. As a result, net position as of June 30, 2014 of the governmental activities has been restated. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Nature of Reporting Entity

As discussed in Note 1, the financial statements referred to above present only the Commission and are not intended to present fairly the financial position of the City of Greenville, North Carolina, and the changes in financial position and cash flows in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. 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 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 and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2015, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the Commission's internal control over financial reporting and compliance.



Raleigh, North Carolina
October 19, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Connected To Our Customers

Utility decisions are made to benefit our customers because local citizens determine policies and set rates to provide you the best service at the lowest reasonable price.

People rarely think of their monthly utility bill as an investment. But in our community, that's what it is. Because Greenville Utilities is a publicly-owned, not-for-profit utility, utility dollars stay right here at home. They don't benefit out-of-town stockholders.

We live and work in this community, and want the best for it. We're a hometown utility, community-owned and locally controlled.

We invest in our systems ... in the infrastructure that's the lifeblood of our community. We also invest in our people. GUC hires top quality employees to manage and operate our highly technical utility systems.

GUC is a community asset that contributes to the well-being of citizens by providing safe and reliable utilities, excellent local customer service and economic development opportunities.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

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, 2015. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$341,670,494 (net position). Of this amount, \$69,457,759 (unrestricted net position) may be used to meet the Utilities Commission's ongoing obligations to its customers and creditors.
- Operating revenues increased by \$1,214,575 or 0.4 percent and total revenues increased by \$972,951 or 0.4 percent due primarily to increases in utility rates.
- The Utilities Commission's total net position increased by \$13,214,047 primarily due to positive operating income.
- The Utilities Commission's total debt decreased by \$10,773,677 (9.7 percent) during the current fiscal year. The key factor in this decrease was the retirement of \$11,476,429 of existing debt, which exceeded the addition of new debt totaling \$811,442 and the net decrease in discounts and premiums totaling \$108,691.
- The Utilities Commission's bond rating was upgraded by Moody's Investors Services to Aa2 with a stable outlook and by Fitch Ratings to AA- with a stable outlook.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Commission-Wide Financial Analysis

Greenville Utilities Commission Net Position

	2015	2014
Current and other assets	\$ 117,422,840	\$ 118,219,809
Capital assets	367,717,958	359,582,633
Deferred outflows of resources	2,842,873	1,166,979
Total assets and deferred outflows of resources	487,983,671	478,969,421
Current liabilities	37,998,896	35,571,638
Non-current liabilities	102,267,611	111,630,917
Deferred inflows of resources	6,046,670	-
Total liabilities and deferred inflows of resources	146,313,177	147,202,555
Net position:		
Net investment in capital assets	272,212,735	253,842,610
Unrestricted	69,457,759	77,924,256
Total net position	\$ 341,670,494	\$ 331,766,866

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 \$341,670,494 as of June 30, 2015. The Utilities Commission’s net position increased by \$13,214,047 during the fiscal year ended June 30, 2015.

The largest portion of the Utilities Commission’s net position (79.7 percent) reflects its net investment in capital assets (e.g. plants, distribution systems, equipment, land, machinery). The Utilities Commission uses these capital assets to provide electric, water, sewer and gas services to customers, consequently these assets are not available for future spending. Although the Utilities Commission’s net investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot practically be used to liquidate these liabilities.

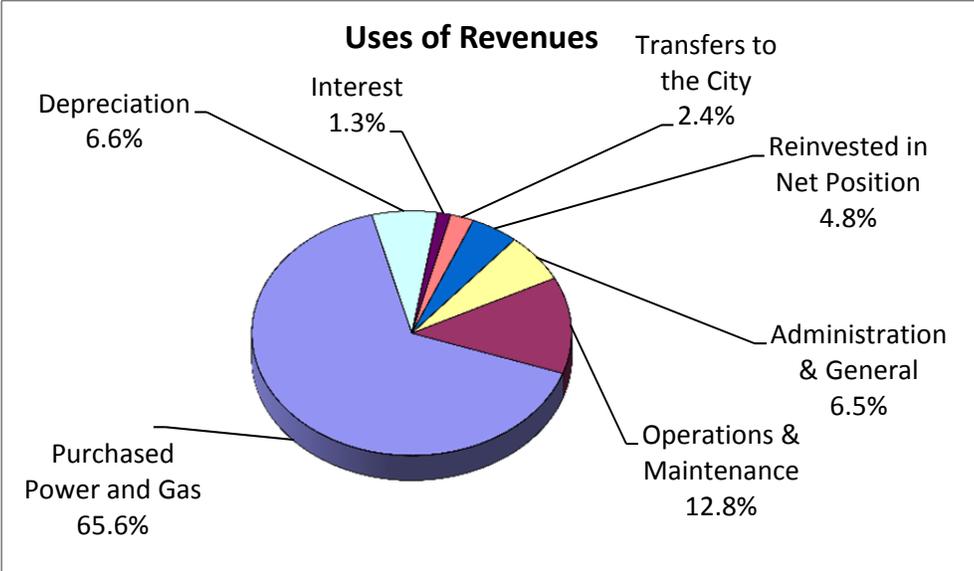
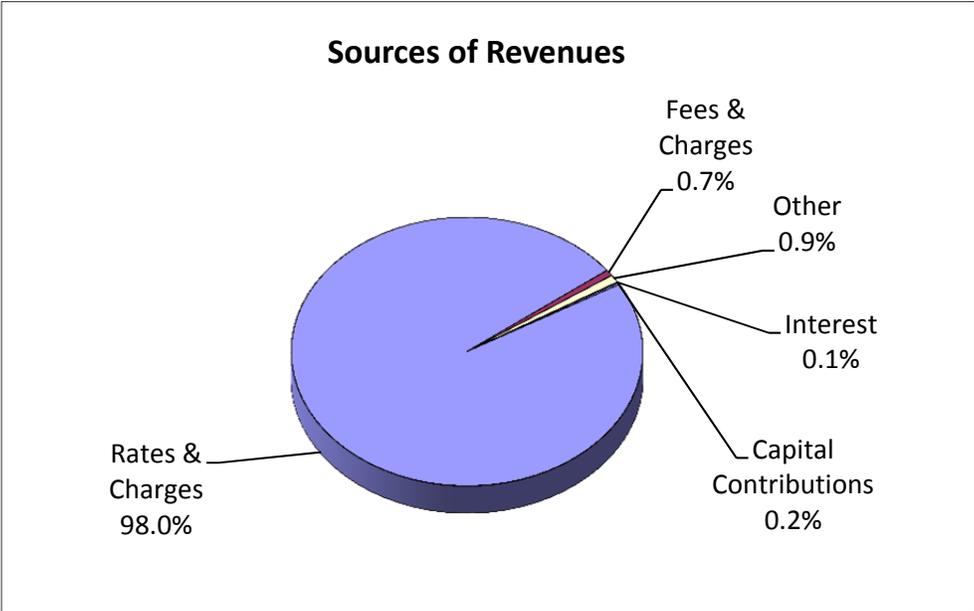
The remaining balance of unrestricted net position (\$69,457,759) may be used to meet the Utilities Commission's ongoing obligations to citizens and creditors. This balance decreased \$8,466,497 from fiscal year 2014 due to an increase in investment in capital assets.

The Utilities Commission implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68" during fiscal year ended June 30, 2015. With the new reporting change, the Utilities Commission is allocated its proportionate share of the North Carolina Local Governmental Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense. A restatement to record the effects of the new reporting guidance decreased beginning net position by \$3,310,419. Decisions regarding the allocations are made by the administrators of the pension plan, not by the Utilities Commission's management.

The \$13,214,047 increase in net position is due to total revenues that increased 0.4% and exceeded total expenses, which decreased by 2.6%. Rate increases were the primary reason revenues increased and a 4.3% decrease in purchased commodities was the primary reason the total expenses decreased.

Greenville Utilities Commission Changes in Net Position

	2015	2014
Revenues:		
Operating revenues:		
Charges for service	\$ 270,858,924	\$ 269,776,171
Other operating revenues	1,127,587	995,765
Non-operating revenues:		
Interest income	283,767	208,075
Other non-operating revenues	1,443,875	1,761,191
Total revenues	<u>273,714,153</u>	<u>272,741,202</u>
Expenses		
Operating expenses	250,914,190	257,699,930
Non-operating expenses	3,682,673	3,573,520
Total expenses	<u>254,596,863</u>	<u>261,273,450</u>
Increase in net position before contributions and transfers	19,117,290	11,467,752
Contributions	601,800	567,728
Transfers	<u>(6,505,043)</u>	<u>(6,080,280)</u>
Increase in net position	13,214,047	5,955,200
Net position, July 1 (previously reported)	331,766,866	325,811,666
Restatement	(3,310,419)	-
Net position, July 1, restated	<u>328,456,447</u>	<u>-</u>
Net position, June 30	<u>\$ 341,670,494</u>	<u>\$ 331,766,866</u>



Charges for services increased by \$1,082,753 or 0.4 percent. 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.

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 \$13,214,047. Net position at the end of the fiscal year for the Electric Fund was \$121,708,746, \$68,174,145 for the Water Fund, \$99,459,750 for the Sewer Fund, and \$52,327,853 for the Gas Fund.

Capital Assets and Debt Administration

Capital assets – The Utilities Commission’s investment in capital assets as of June 30, 2015 totals \$367,717,958 (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 2.3 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):

- Investment in Enterprise Resource Planning software configuration totaling \$7,837,809
- Electric distribution line improvements and extensions totaling \$4,952,854
- Electric distribution substations improvements totaling \$552,496
- Water treatment plant improvements totaling \$381,536
- Water main improvements and extensions totaling \$188,279
- Wastewater treatment plant improvements totaling \$1,227,845
- Construction activities for the Sterling Pointe and Westside wastewater pump stations and force mains totaling \$1,142,184
- Natural gas main improvements and extensions totaling \$621,620
- Construction activities at the liquefied natural gas plant totaling \$2,757,118
- Construction activities at the natural gas vehicle fueling station totaling \$1,794,825

Greenville Utilities Commission Capital Assets

	2015	2014
Land	\$ 3,628,897	\$ 3,595,641
Easements	36,792	51,382
Land improvements	1,803,327	1,754,016
General plant	6,566,794	6,802,061
Utility plant	73,800,522	73,725,250
Computer software	980,203	187,477
Vehicles and equipment	4,362,419	3,063,890
Distribution systems	207,453,282	209,527,321
Transmission system	12,204,225	13,065,228
Computer hardware	318,205	322,830
Fiber optics	1,104,230	1,157,298
Construction in progress	55,459,062	46,330,239
Total capital assets	<u>\$ 367,717,958</u>	<u>\$ 359,582,633</u>

Long-term debt – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$100,740,358. Of this amount, \$728,533 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

	2015	2014
Revenue bonds	\$ 64,400,999	\$ 72,136,399
Loans	35,559,334	38,488,921
Unamortized bond discount/premium	780,025	888,716
Total outstanding debt	<u>\$ 100,740,358</u>	<u>\$ 111,514,036</u>

Of the total debt, \$10,311,616 is the current portion.

Economic Factors and Next Year's Budgets and Rates

The Utilities Commission service area includes a diverse local economy including a solid manufacturing base, the 3rd largest university in the state and an 861 bed teaching hospital. The Utilities Commission provides services in the Greenville metropolitan statistical area which continues to expand and is experiencing increasing employment and rising wages for workers. The Utilities Commission's budget for fiscal year 2016 was developed anticipating modest economic growth and a 9% increase in capital expenditures, compared to the previous year's budget, to maintain and expand utility infrastructure. The Utilities Commission's goal remains to be the regional utility provider of choice and that goal is reflected in the financial planning for next fiscal year.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



Connected To Our Customers

Over the next five years, it's going to take nearly \$160 million to fund projects designed to ensure our customers continue to receive safe, reliable utility services.

It is essential for GUC to plan with a long-term perspective. Not only do we want to provide safe and reliable services to our customers today, we also want to ensure we are able to meet their needs tomorrow, while always being positioned to take advantage of opportunities for growth and economic development. Such an approach requires constant investments in our systems and the people who operate them.

These investments will be funded with a combination of reserves, current revenues, revenue bonds, installment financing and grants. It's a huge investment that requires prudent, often complex, financial planning.

For a utility, the amount of cash we have in reserve also impacts our credit ratings with bond rating agencies. Because of GUC's sound financial management, Greenville Utilities' credit ratings were upgraded in 2015 by global rating agencies Moody's Investor Services and Fitch Ratings. GUC's rating with Moody's improved from an 'Aa3' to 'Aa2' and with Fitch from 'A+' to 'AA-'. These higher credit ratings allow us to borrow for capital projects at lower interest rates, which ultimately means lower utility rates for our customers.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Statement of Net Position
June 30, 2015**

Exhibit 1

	Total Business Type Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 57,425,218
Accounts receivable, net	28,835,525
Due from other governments	2,075,234
Due from City of Greenville	129,648
Inventories	6,408,435
Prepaid expenses and deposits	240,455
Restricted cash and cash equivalents	3,737,305
Total current assets	<u>98,851,820</u>
Non-current assets:	
Restricted assets:	
Restricted cash and cash equivalents:	
Bond proceeds	4,261,850
Capacity fees	2,467,957
Total restricted cash and cash equivalents	<u>6,729,807</u>
Net pension asset	2,480,945
Total restricted assets	<u>9,210,752</u>
Investments	8,946,246
Notes receivable	414,022
Capital assets:	
Land, easements and construction in progress	59,124,751
Other capital assets, net of depreciation	308,593,207
Total capital assets	<u>367,717,958</u>
Total non-current assets	<u>386,288,978</u>
Total Assets	<u>485,140,798</u>
Deferred Outflows of Resources	
Pension deferrals	1,869,587
Unamortized bond refunding charges	973,286
Total deferred outflows of resources	<u>2,842,873</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued expenses	21,166,282
Customer deposits payable from restricted assets	3,737,305
Accrued interest payable	656,784
Due to City of Greenville	304,342
Unearned revenue	283,471
Current portion of compensated absences	1,539,096
Current maturities of long-term debt	10,311,616
Total current liabilities	<u>37,998,896</u>
Non-current liabilities:	
Compensated absences	393,529
Long-term debt, excluding current portion	90,428,743
Other post employment benefits	11,445,339
Total non-current liabilities	<u>102,267,611</u>
Total liabilities	<u>140,266,507</u>
Deferred Inflows of Resources	
Pension deferrals	6,046,670
Total deferred inflows of resources	<u>6,046,670</u>
Net Position	
Net investment in capital assets	272,212,735
Unrestricted	69,457,759
Total net position	<u>\$ 341,670,494</u>

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

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Statement of Net Position
June 30, 2015**

Exhibit 2

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Business Type Activities
Assets					
Current assets:					
Cash and cash equivalents	\$ 30,882,977	\$ 2,642,955	\$ 3,241,738	\$ 20,657,548	\$ 57,425,218
Accounts receivable, net	23,240,744	1,839,791	2,105,409	1,649,581	28,835,525
Due from other governments	1,060,214	311,573	303,760	399,687	2,075,234
Due from City of Greenville	129,648	-	-	-	129,648
Inventories	4,911,133	735,891	200,265	561,146	6,408,435
Prepaid expenses and deposits	40,222	103,883	77,033	19,317	240,455
Restricted cash and cash equivalents	2,814,730	553,239	1,425	367,911	3,737,305
Total current assets	63,079,668	6,187,332	5,929,630	23,655,190	98,851,820
Non-current assets:					
Restricted assets:					
Restricted cash and cash equivalents:					
Bond proceeds	878,979	1,764,756	1,090,817	527,298	4,261,850
Capacity fees	-	1,147,363	1,320,594	-	2,467,957
Total restricted cash and cash equivalents	878,979	2,912,119	2,411,411	527,298	6,729,807
Net pension asset	1,111,749	489,601	466,593	413,002	2,480,945
Total restricted assets	1,990,728	3,401,720	2,878,004	940,300	9,210,752
Investments	4,892,656	406,182	446,411	3,200,997	8,946,246
Notes receivable	-	414,022	-	-	414,022
Capital assets:					
Land, easements and construction in progress	14,609,515	3,687,843	30,891,201	9,936,192	59,124,751
Other capital assets, net of depreciation	82,508,927	85,676,903	113,953,923	26,453,454	308,593,207
Total capital assets	97,118,442	89,364,746	144,845,124	36,389,646	367,717,958
Total non-current assets	104,001,826	93,586,670	148,169,539	40,530,943	386,288,978
Total Assets	167,081,494	99,774,002	154,099,169	64,186,133	485,140,798
Deferred Outflows of Resources					
Pension deferrals	837,790	368,953	351,614	311,230	1,869,587
Unamortized bond refunding charges	303,184	343,201	154,791	172,110	973,286
Total deferred outflows of resources	1,140,974	712,154	506,405	483,340	2,842,873
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	16,758,968	753,671	1,168,072	2,485,571	21,166,282
Customer deposits payable from restricted assets	2,814,730	553,239	1,425	367,911	3,737,305
Accrued interest payable	129,522	182,535	297,458	47,269	656,784
Due to City of Greenville	104,109	103,883	77,033	19,317	304,342
Unearned revenue	-	111,691	171,780	-	283,471
Current portion of compensated absences	695,887	310,569	302,248	230,392	1,539,096
Current maturities of long-term debt	2,420,378	2,668,804	4,095,260	1,127,174	10,311,616
Total current liabilities	22,923,594	4,684,392	6,113,276	4,277,634	37,998,896
Non-current liabilities:					
Compensated absences	97,546	91,415	89,991	114,577	393,529
Long-term debt, excluding current portion	15,382,048	24,025,426	45,841,523	5,179,746	90,428,743
Other post employment benefits	5,400,930	2,317,500	1,963,833	1,763,076	11,445,339
Total non-current liabilities	20,880,524	26,434,341	47,895,347	7,057,399	102,267,611
Total liabilities	43,804,118	31,118,733	54,008,623	11,335,033	140,266,507
Deferred Inflows of Resources					
Pension deferrals	2,709,604	1,193,278	1,137,201	1,006,587	6,046,670
Total deferred inflows of resources	2,709,604	1,193,278	1,137,201	1,006,587	6,046,670
Net Position					
Net investment in capital assets	80,498,179	64,778,473	96,153,949	30,782,134	272,212,735
Unrestricted	41,210,567	3,395,672	3,305,801	21,545,719	69,457,759
Total net position	\$ 121,708,746	\$ 68,174,145	\$ 99,459,750	\$ 52,327,853	\$ 341,670,494

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, 2015**

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
Operating revenues:					
Charges for services	\$ 198,169,890	\$ 17,030,567	\$ 19,176,564	\$ 36,481,903	\$ 270,858,924
Other operating revenues	822,672	96,914	111,570	96,431	1,127,587
Total operating revenues	198,992,562	17,127,481	19,288,134	36,578,334	271,986,511
Operating expenses:					
Administration and general	9,132,610	2,843,672	2,843,954	2,890,746	17,710,982
Operations and maintenance	13,588,902	8,422,205	8,233,533	4,786,970	35,031,610
Purchased power and gas	157,930,812	-	-	22,100,584	180,031,396
Depreciation	7,677,763	3,892,751	4,863,901	1,705,787	18,140,202
Total operating expenses	188,330,087	15,158,628	15,941,388	31,484,087	250,914,190
Operating income	10,662,475	1,968,853	3,346,746	5,094,247	21,072,321
Non-operating revenues (expenses):					
Interest income	130,041	44,763	26,822	82,141	283,767
Interest expense and service charges	(680,057)	(1,042,492)	(1,725,815)	(234,309)	(3,682,673)
Other non-operating revenues	718,599	337,484	277,941	109,851	1,443,875
Net non-operating revenues (expenses)	168,583	(660,245)	(1,421,052)	(42,317)	(1,955,031)
Income before contributions and transfers	10,831,058	1,308,608	1,925,694	5,051,930	19,117,290
Contributions and transfers:					
Capital Contributions	600,000	-	-	1,800	601,800
Transfer to City of Greenville, General Func	(4,386,679)	-	-	(1,361,154)	(5,747,833)
Transfer to City of Greenville, street lighting reimb	(757,210)	-	-	-	(757,210)
Total contributions and transfers	(4,543,889)	-	-	(1,359,354)	(5,903,243)
Changes in net position	6,287,169	1,308,608	1,925,694	3,692,576	13,214,047
Net position, beginning of year, previously reported	116,905,026	67,518,830	98,156,649	49,186,361	331,766,866
Restatement	(1,483,449)	(653,293)	(622,593)	(551,084)	(3,310,419)
Net position, beginning of year, restated	115,421,577	66,865,537	97,534,056	48,635,277	328,456,447
Net position, end of year	\$ 121,708,746	\$ 68,174,145	\$ 99,459,750	\$ 52,327,853	\$ 341,670,494

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, 2015**

Exhibit 4

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
Cash flows from operating activities:					
Receipts from customers and users	\$ 198,151,965	\$ 17,196,034	\$ 19,203,154	\$ 36,785,796	\$ 271,336,949
Other operating receipts	90,183	(11,956)	(90,917)	(195,574)	(208,264)
Payments for goods and services	(170,421,854)	(6,609,807)	(6,417,936)	(26,010,467)	(209,460,064)
Payments to employees	(9,975,633)	(4,877,863)	(4,803,417)	(3,885,507)	(23,542,420)
Payments received on loans	-	32,050	-	-	32,050
Net cash provided by operating activities	17,844,661	5,728,458	7,890,884	6,694,248	38,158,251
Cash flows from noncapital financing activities:					
Transfers to City of Greenville, General Fund	(5,142,959)	-	-	(1,361,154)	(6,504,113)
Noncapital contributions	11,350	6,350	6,350	6,350	30,400
Net cash provided (used) by noncapital financing activities	(5,131,609)	6,350	6,350	(1,354,804)	(6,473,713)
Cash flows from capital and related financing activities:					
Proceeds from issuance of debt	-	-	811,442	-	811,442
Capital grants/cash capital contributions	1,000,000	-	146,518	-	1,146,518
Capital related receipts from customers	-	168,272	227,136	-	395,408
Principal payments on debt obligations	(2,745,501)	(2,910,306)	(4,646,312)	(1,174,310)	(11,476,429)
Acquisition and construction of capital assets	(11,359,840)	(2,301,432)	(3,664,096)	(7,067,070)	(24,392,438)
Payment of interest and service charges on debt obligations	(663,346)	(1,069,718)	(1,721,099)	(216,724)	(3,670,887)
Net cash used by capital and related financing activities	(13,768,687)	(6,113,184)	(8,846,411)	(8,458,104)	(37,186,386)
Cash flows from investing activities:					
Purchase of investments	(2,425,352)	(2,581,876)	(3,563,869)	(3,878,903)	(12,450,000)
Proceeds from sale and maturity of investments	2,624,461	2,802,127	3,868,087	4,205,326	13,500,001
Interest received on investments	142,054	45,730	28,017	86,790	302,591
Net cash provided by investing activities	341,163	265,981	332,235	413,213	1,352,592
Net decrease in cash and cash equivalents	(714,472)	(112,395)	(616,942)	(2,705,447)	(4,149,256)
Cash and cash equivalents, beginning of year	35,291,158	6,220,708	6,271,516	24,258,204	72,041,586
Cash and cash equivalents, end of year	\$ 34,576,686	\$ 6,108,313	\$ 5,654,574	\$ 21,552,757	\$ 67,892,330
Other disclosures:					
Interest incurred	\$ 644,296	\$ 1,034,315	\$ 1,712,111	\$ 206,947	\$ 3,597,669
Interest paid	\$ 663,346	\$ 1,069,718	\$ 1,721,099	\$ 216,724	\$ 3,670,887
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 1,800	\$ 1,800
Reconciliation of operating income to net cash provided by operating activities:					
Operating Income	\$ 10,662,475	\$ 1,968,853	\$ 3,346,746	\$ 5,094,247	\$ 21,072,321
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	7,677,763	3,892,751	4,863,901	1,705,787	18,140,202
Pension expense	78,660	34,641	33,013	29,221	175,535
Changes in assets and liabilities					
Accounts receivable	(972,276)	33,381	(72,959)	176,579	(835,275)
Notes receivable	-	32,050	-	-	32,050
Due from other government	(554,513)	(174,887)	(132,769)	(292,860)	(1,155,029)
Due from City of Greenville	(11,486)	-	-	-	(11,486)
Inventories	(222,821)	(105,975)	1,619	56,226	(270,951)
Prepaid expenses and deposits	(40,222)	(103,883)	(77,033)	(19,317)	(240,455)
Deferred outflows of resources for pensions	(802,044)	(353,211)	(336,612)	(297,950)	(1,789,817)
Accounts payable and accrued expenses	919,298	114,019	64,162	(23,176)	1,074,303
Customer deposits	80,612	43,732	(223)	24,668	148,789
Due to City of Greenville	29,315	86,384	59,534	19,317	194,550
Compensated absences	30,354	(8,780)	(1,356)	18,344	38,562
Unearned Revenue	-	(8,490)	(14,400)	-	(22,890)
OPEB Payable	267,837	115,010	112,806	99,661	595,314
Miscellaneous income (expense)	701,709	162,863	44,455	103,501	1,012,528
Total adjustments	7,182,186	3,759,605	4,544,138	1,600,001	17,085,930
Net cash provided by operating activities	\$ 17,844,661	\$ 5,728,458	\$ 7,890,884	\$ 6,694,248	\$ 38,158,251

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, 2015

Exhibit 5

	<u>OPEB Trust Fund</u>	<u>Agency Fund</u>
Assets		
Cash and cash equivalents	\$ 459,797	\$ 997,546
Accounts receivable	205	1,509,841
Investments at fair value:		
Russell 3000 Alpha Tilts B	956,008	-
Global EX-US Alpha B	295,369	-
NC Long Term Investment Plan	<u>186,773</u>	<u>-</u>
Total assets	<u>1,898,152</u>	<u>2,507,387</u>
Liabilities		
Accounts payable	<u>5,619</u>	<u>2,507,387</u>
Total liabilities	<u>5,619</u>	<u>2,507,387</u>
Net Position		
Assets held in trust for other postemployment benefits	<u>\$ 1,892,533</u>	<u>\$ -</u>

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

Greenville Utilities Commission
of the City of Greenville, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015

Exhibit 6

	<u>OPEB Trust Fund</u>
Additions	
Contributions:	
Employer contributions	\$ 1,297,207
Retiree contributions	215,885
Total contributions	<u>1,513,092</u>
Investment earnings:	
Interest	9,805
Dividends	24,191
Net increase in the fair value of investments	<u>49,877</u>
Total investment earnings	83,873
Less investment expense	<u>4,425</u>
Net investment income	<u>79,448</u>
Total additions	<u>1,592,540</u>
Deductions	
Benefits	<u>1,113,094</u>
Total deductions	<u>1,113,094</u>
Change in net position	479,446
Net position held in trust for OPEB benefits, beginning of year	<u>1,413,087</u>
Net position held in trust for OPEB benefits, end of year	<u>\$ 1,892,533</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



Connected To Our Customers

GUC is a separately-chartered entity, operated as a public service with the mission of providing utilities in a business-like manner at a reasonable cost.

GUC is a not-for-profit, publicly owned utility chartered by the State of North Carolina. Our Charter provides that Greenville Utilities has responsibility for the entire supervision and control of the management, operation, maintenance, improvement, and extension of the public utilities both in the City and outside the corporate limits, and is empowered to fix uniform rates for all services rendered.

We work closely with the City of Greenville for the betterment of our community, but we are not a department of the City.

Over the years, regulatory requirements and economies of scale have guided GUC more and more in a regional direction. Currently, GUC has nearly 66,000 electric connections, with 31% located outside the City limits.

More than 28% of natural gas customers and 15% of water customers also live outside City limits.

We have wholesale water contracts with Farmville, Greene County, Winterville, Bethel, and Stokes Regional Water Corporation; and we provide wholesale sewer services to Grimesland and Bethel, and natural gas to Ayden.

Because of this regional shift, two of GUC's eight Board members are now nominated by the County Commissioners.

Other communities rely on partnerships with us as a cost-effective option. As a result, GUC is playing a critical role in providing regional solutions to utility challenges in Eastern North Carolina.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

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 fiduciary 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 Collection Fund, which account for refuse and stormwater fees that are billed and collected by the Utilities Commission for the City of Greenville.

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

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, 2015, one amendment to the original budget was necessary.

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

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

Deposits and Investments

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

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

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

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.

In accordance with State law, the Utilities Commission has invested in securities which are callable and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

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	\$3,737,305
Unexpended bond proceeds	4,261,850
Unexpended capacity fees	2,467,957
	<u>\$10,467,112</u>

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

The Utilities Commission's net pension asset is classified as a restricted asset because its use is restricted to the provision of pension benefits to retired employees.

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 two items that meet this criterion, contributions made to the pension plan in the 2015 fiscal year, resulting from the implementation of GASB Statement 71, and 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 has one item that meets the criterion, deferrals of pension expense that result from the implementation of GASB Statement 68.

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

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 is 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.

Pensions

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

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

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

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, 2015, the Utilities Commission's deposits had a carrying amount of \$64,289,771 and a bank balance of \$65,105,672. Of the bank balance, \$1,275,554 was covered by Federal depository insurance, and \$63,830,118 was covered by collateral held under the pooling method. The Utilities Commission's deposits include checking accounts, money market accounts and \$500,000 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, 2015 consisted of various petty cash funds totaling \$4,300.

Investments

At June 30, 2015, the Utilities Commission had the following investments and maturities.

Investment Type	Fair Value	Less Than 6 Months	6 – 12 Months	1 – 5 Years
Bank Certificates of Deposit	\$ 500,000	\$ -	\$ -	\$ 500,000
US Government Agencies	8,446,246	-	-	8,446,246
NC Capital Management Trust – Cash Portfolio	4,495,128	4,495,128	-	-
NC Capital Management Trust – Term Portfolio	600,678	600,678	-	-
Total	<u>\$ 14,042,052</u>	<u>\$ 5,095,806</u>	<u>\$ -</u>	<u>\$ 8,946,246</u>

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 unless expressly approved by the Utilities Commission Board. 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, 2015. 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

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
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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, 2015 the Utilities Commission OPEB Trust had \$1,897,947 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Utilities Commission's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 24%, which is reported as cash and cash equivalents; State Treasurer's Long Term Investment Fund (LTIF) 10% and BlackRock's Global Ex-US Alpha Tilts Fund B and BlackRock's Russell 3000 Alpha Tilts Fund B 66% (the equities were split with 75% in domestic securities and 25% in international securities).

Interest Rate Risk. The Utilities Commission does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2015. The State Treasurer's Long Term Investment Fund (LTIF) is unrated and had a weighted average maturity of 18.0 years at June 30, 2015.

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, 2015, were as follows:

	<u>2015</u>
Billed customer accounts	\$24,409,441
Estimated unbilled customer services	13,883,247
Other receivables	320,521
Total accounts receivable	38,613,209
Allowance for uncollectible accounts	(9,777,684)
Net accounts receivable	<u>\$28,835,525</u>

The allowance for uncollectible accounts is a cumulative amount of all utility balances outstanding more than 150 days regardless of the original billing date. During fiscal year 2015 the allowance increased by \$461,240, to a total outstanding amount of \$9,777,684.

The due from other governments that is owed to the Utilities Commission at June 30, 2015 consists of the following:

	<u>2015</u>
Sales tax refund	\$2,021,974
Utilities sales tax refunds	32,050
Environmental Protection Agency grant	21,210
Total due from other governments	<u>\$2,075,234</u>

The Commission has entered into an agreement to supply supplemental water to Stokes Regional Water Corporation (SRWC). The agreement required the Commission to construct a water transmission main to connect with SRWC and to finance a portion of the project's cost. At the end of the fiscal year the note receivable due from SRWC was \$414,022 payable in monthly installments for 15 years at a 5.25% interest rate.

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Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 3,595,641	\$ 1,800	\$ -	\$ 31,456	\$ 3,628,897
Easements	51,382	-	-	(14,590)	36,792
Construction in progress	46,330,239	17,094,270	-	(7,965,447)	55,459,062
Total capital assets not being depreciated:	<u>49,977,262</u>	<u>17,096,070</u>	<u>-</u>	<u>(7,948,581)</u>	<u>59,124,751</u>
Capital assets being depreciated:					
Land improvements	2,720,730	150,480	-	(16,866)	2,854,344
General plant	12,690,606	97,132	-	-	12,787,738
Utility plant	124,910,929	654,328	-	5,420,141	130,985,398
Computer software	7,059,040	92,205	-	1,100,007	8,251,252
Vehicles and equipment	22,110,192	2,591,253	(591,603)	400,982	24,510,824
Distribution systems	410,108,927	5,413,884	-	899,326	416,422,137
Transmission systems	33,097,055	74,885	-	-	33,171,940
Computer hardware	2,867,034	52,318	-	144,991	3,064,343
Fiber optics	2,067,818	52,972	-	-	2,120,790
Total capital assets being depreciated:	<u>617,632,331</u>	<u>9,179,457</u>	<u>(591,603)</u>	<u>7,948,581</u>	<u>634,168,766</u>
Less accumulated depreciation for:					
Land improvements	966,714	84,303	-	-	1,051,017
General plant	5,888,545	332,398	-	-	6,220,943
Utility plant	51,185,679	4,004,548	-	1,994,649	57,184,876
Computer software	6,871,563	399,487	-	-	7,271,050
Vehicles and equipment	19,046,302	1,708,205	(591,603)	(14,499)	20,148,405
Distribution systems	200,581,606	10,381,898	-	(1,994,649)	208,968,855
Transmission systems	20,031,827	935,888	-	-	20,967,715
Computer hardware	2,544,204	187,435	-	14,499	2,746,138
Fiber optics	910,520	106,040	-	-	1,016,560
Total accumulated depreciation	<u>308,026,960</u>	<u>18,140,202</u>	<u>(591,603)</u>	<u>-</u>	<u>325,575,559</u>
Total capital assets being depreciated, net	<u>309,605,371</u>				<u>308,593,207</u>
Net Capital Assets	<u>\$ 359,582,633</u>				<u>\$ 367,717,958</u>

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2015 totaled \$7,677,763, \$3,892,751, \$4,863,901, and \$1,705,787, respectively.

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Capital asset activity by fund for the year ended June 30, 2015, was as follows:

Electric Fund

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 1,077,581	\$ -	\$ -	\$ -	\$ 1,077,581
Easements	20,891	-	-	-	20,891
Construction in progress	10,871,376	5,569,810	-	(2,930,143)	13,511,043
Total capital assets not being depreciated:	<u>11,969,848</u>	<u>5,569,810</u>	<u>-</u>	<u>(2,930,143)</u>	<u>14,609,515</u>
Capital assets being depreciated:					
Land improvements	201,954	-	-	-	201,954
General plant	5,552,193	24,283	-	-	5,576,476
Computer software	3,479,943	-	-	688,606	4,168,549
Vehicles and equipment	10,385,899	1,388,280	(362,160)	29,140	11,441,159
Distribution systems	181,503,003	4,323,825	-	2,105,044	187,931,872
Transmission systems	33,097,055	74,885	-	-	33,171,940
Computer hardware	2,227,807	41,854	-	115,994	2,385,655
Fiber optics	1,677,551	52,972	-	-	1,730,523
Total capital assets being depreciated:	<u>238,125,405</u>	<u>5,906,099</u>	<u>(362,160)</u>	<u>2,938,784</u>	<u>246,608,128</u>
Less accumulated depreciation for:					
Land improvements	201,954	-	-	-	201,954
General plant	3,140,102	124,729	-	-	3,264,831
Computer software	3,433,228	158,003	-	-	3,591,231
Vehicles and equipment	8,668,089	939,267	(362,160)	(2,958)	9,242,238
Distribution systems	118,623,564	5,281,835	-	-	123,905,399
Transmission systems	20,031,827	935,888	-	-	20,967,715
Computer hardware	1,965,355	151,515	-	11,599	2,128,469
Fiber optics	710,838	86,526	-	-	797,364
Total accumulated depreciation	<u>156,774,957</u>	<u>7,677,763</u>	<u>(362,160)</u>	<u>8,641</u>	<u>164,099,201</u>
Total capital assets being depreciated, net	<u>81,350,448</u>				<u>82,508,927</u>
Net Capital Assets	<u>\$ 93,320,296</u>				<u>\$ 97,118,442</u>

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Water Fund

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 579,832	\$ -	\$ -	\$ -	\$ 579,832
Easements	14,590	-	-	-	14,590
Construction in progress	3,554,117	1,452,064	-	(1,912,760)	3,093,421
Total capital assets not being depreciated:	<u>4,148,539</u>	<u>1,452,064</u>	<u>-</u>	<u>(1,912,760)</u>	<u>3,687,843</u>
Capital assets being depreciated:					
Land improvements	2,369,419	-	-	-	2,369,419
General plant	2,463,980	24,283	-	-	2,488,263
Utility plant	50,358,780	184,224	-	4,940,141	55,483,145
Computer software	1,237,794	44,450	-	141,167	1,423,411
Vehicles and equipment	3,675,480	284,264	(17,709)	108,791	4,050,826
Distribution systems	83,272,647	327,563	-	(3,305,042)	80,295,168
Computer hardware	186,570	2,616	-	7,249	196,435
Fiber optics	186,487	-	-	-	186,487
Total capital assets being depreciated:	<u>143,751,157</u>	<u>867,400</u>	<u>(17,709)</u>	<u>1,892,306</u>	<u>146,493,154</u>
Less accumulated depreciation for:					
Land improvements	632,269	69,255	-	-	701,524
General plant	920,587	72,785	-	-	993,372
Utility plant	20,910,779	1,676,863	-	1,994,649	24,582,291
Computer software	1,237,759	37,158	-	-	1,274,917
Vehicles and equipment	3,288,842	236,067	(17,709)	(21,178)	3,486,022
Distribution systems	29,688,581	1,782,241	-	(1,994,649)	29,476,173
Computer hardware	171,167	9,057	-	724	180,948
Fiber optics	111,679	9,325	-	-	121,004
Total accumulated depreciation	<u>56,961,663</u>	<u>3,892,751</u>	<u>(17,709)</u>	<u>(20,454)</u>	<u>60,816,251</u>
Total capital assets being depreciated, net	<u>86,789,494</u>				<u>85,676,903</u>
Net Capital Assets	<u>\$ 90,938,033</u>				<u>\$ 89,364,746</u>

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Sewer Fund

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 1,633,818	\$ -	\$ -	\$ 31,456	\$ 1,665,274
Easements	14,590	-	-	(14,590)	-
Construction in progress	28,718,832	3,364,079	-	(2,856,984)	29,225,927
Total capital assets not being depreciated:	<u>30,367,240</u>	<u>3,364,079</u>	<u>-</u>	<u>(2,840,118)</u>	<u>30,891,201</u>
Capital assets being depreciated:					
Land improvements	109,570	-	-	(16,866)	92,704
General plant	2,060,552	24,283	-	-	2,084,835
Utility plant	65,785,966	326,351	-	480,000	66,592,317
Computer software	1,009,656	47,755	-	141,167	1,198,578
Vehicles and equipment	5,269,414	391,453	(190,621)	124,246	5,594,492
Distribution systems	109,992,836	195,850	-	2,099,324	112,288,010
Computer hardware	166,889	2,616	-	7,249	176,754
Fiber optics	101,889	-	-	-	101,889
Total capital assets being depreciated:	<u>184,496,772</u>	<u>988,308</u>	<u>(190,621)</u>	<u>2,835,120</u>	<u>188,129,579</u>
Less accumulated depreciation for:					
Land improvements	92,704	-	-	-	92,704
General plant	752,102	60,431	-	-	812,533
Utility plant	26,676,282	2,017,950	-	-	28,694,232
Computer software	1,009,622	37,819	-	-	1,047,441
Vehicles and equipment	4,592,085	319,884	(190,621)	(5,723)	4,715,625
Distribution systems	36,189,092	2,413,666	-	-	38,602,758
Computer hardware	151,486	9,057	-	725	161,268
Fiber optics	44,001	5,094	-	-	49,095
Total accumulated depreciation	<u>69,507,374</u>	<u>4,863,901</u>	<u>(190,621)</u>	<u>(4,998)</u>	<u>74,175,656</u>
Total capital assets being depreciated, net	<u>114,989,398</u>				<u>113,953,923</u>
Net Capital Assets	<u>\$ 145,356,638</u>				<u>\$ 144,845,124</u>

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Gas Fund

	June 30, 2014	Additions	Deletions	Transfers	June 30, 2015
Capital assets not being depreciated:					
Land	\$ 304,410	\$ 1,800	\$ -	\$ -	\$ 306,210
Easements	1,311	-	-	-	1,311
Construction in progress	3,185,914	6,708,317	-	(265,560)	9,628,671
Total capital assets not being depreciated:	<u>3,491,635</u>	<u>6,710,117</u>	<u>-</u>	<u>(265,560)</u>	<u>9,936,192</u>
Capital assets being depreciated:					
Land improvements	39,787	150,480	-	-	190,267
General plant	2,613,881	24,283	-	-	2,638,164
Utility plant	8,766,183	143,753	-	-	8,909,936
Computer software	1,331,647	-	-	129,067	1,460,714
Vehicles and equipment	2,779,399	527,256	(21,113)	138,805	3,424,347
Distribution systems	35,340,441	566,646	-	-	35,907,087
Computer hardware	285,768	5,232	-	14,499	305,499
Fiber optics	101,891	-	-	-	101,891
Total capital assets being depreciated:	<u>51,258,997</u>	<u>1,417,650</u>	<u>(21,113)</u>	<u>282,371</u>	<u>52,937,905</u>
Less accumulated depreciation for:					
Land improvements	39,787	15,048	-	-	54,835
General plant	1,075,754	74,453	-	-	1,150,207
Utility plant	3,598,618	309,735	-	-	3,908,353
Computer software	1,190,954	166,507	-	-	1,357,461
Vehicles and equipment	2,497,286	212,987	(21,113)	15,360	2,704,520
Distribution systems	16,080,369	904,156	-	-	16,984,525
Computer hardware	256,196	17,806	-	1,451	275,453
Fiber optics	44,002	5,095	-	-	49,097
Total accumulated depreciation	<u>24,782,966</u>	<u>1,705,787</u>	<u>(21,113)</u>	<u>16,811</u>	<u>26,484,451</u>
Total capital assets being depreciated, net	<u>26,476,031</u>				<u>26,453,454</u>
Net Capital Assets	<u>\$ 29,967,666</u>				<u>\$ 36,389,646</u>

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A summary of capital assets, by fund, at June 30, 2015 is as follows:

	Electric	Water	Sewer	Gas	Total
At June 30, 2015					
Land	\$ 1,077,581	\$ 579,832	\$ 1,665,274	\$ 306,210	\$ 3,628,897
Easements	20,891	14,590	-	1,311	36,792
Land improvements	201,954	2,369,419	92,704	190,267	2,854,344
General plant	5,576,476	2,488,263	2,084,835	2,638,164	12,787,738
Utility plant	-	55,483,145	66,592,317	8,909,936	130,985,398
Computer software	4,168,549	1,423,411	1,198,578	1,460,714	8,251,252
Vehicles and equipment	11,441,159	4,050,826	5,594,492	3,424,347	24,510,824
Distribution systems	187,931,872	80,295,168	112,288,010	35,907,087	416,422,137
Transmission systems	33,171,940	-	-	-	33,171,940
Computer hardware	2,385,655	196,435	176,754	305,499	3,064,343
Fiber optics	1,730,523	186,487	101,889	101,891	2,120,790
	247,706,600	147,087,576	189,794,853	53,245,426	637,834,455
Less accumulated depreciation	(164,099,201)	(60,816,251)	(74,175,656)	(26,484,451)	(325,575,559)
	83,607,399	86,271,325	115,619,197	26,760,975	312,258,896
Construction in progress	13,511,043	3,093,421	29,225,927	9,628,671	55,459,062
Net Capital Assets	\$ 97,118,442	\$ 89,364,746	\$ 144,845,124	\$ 36,389,646	\$ 367,717,958

Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2015. At year-end, the Utilities Commission's commitments with contractors are as follows:

<u>Project Name</u>	<u>Spent-to-date</u>	<u>Remaining Commitments</u>
Electric distribution system	\$4,213,830	\$4,292,069
Water treatment and distribution system	199,958	1,519,671
Sewer treatment and collection system	25,281,077	2,708,715
Natural gas distribution system	5,909,783	886,514
Totals	\$35,604,648	\$9,406,969

B. Liabilities

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2015, were as follows:

<i>Business type activities:</i>	Vendors	Salaries and Benefits	Other	Total
Electric	\$16,307,750	\$434,327	\$16,891	\$16,758,968
Water	460,161	287,467	6,043	753,671
Sewer	898,890	266,367	2,815	1,168,072
Gas	2,239,348	241,669	4,554	2,485,571
Total	\$19,906,149	\$1,229,830	\$30,303	\$21,166,282

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Long-term Obligations

Pension Plan and Postemployment Obligations

Local Governmental Employees' Retirement System

Plan Description

The Utilities Commission is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided

LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Utilities Commission employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, and are set annually by the LGERS Board of Trustees. The Utilities Commission's contractually required contribution rate for the year ended June 30, 2015 was 7.07% for general employees. Contributions to the pension plan from the Utilities Commission were \$1,789,817 for the year ended June 30, 2015.

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

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

At June 30, 2015, the Utilities Commission reported an asset of \$2,480,945 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Utilities Commission's proportion of the net pension asset was based on a projection of the Utilities Commission's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Utilities Commission's proportion was 0.421%, which was an increase of 0.001% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Utilities Commission recognized pension expense of \$175,535. At June 30, 2015, the Utilities Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 271,087
Net difference between projected and actual earnings on pension plan investments	-	5,775,583
Changes in proportion and differences between employer contributions and proportionate share of contributions	79,770	-
Employer contributions subsequent to the measurement date	1,789,817	-
Total	<u>\$ 1,869,587</u>	<u>\$ 6,046,670</u>

\$1,789,817 reported as deferred outflows of resources related to pensions resulting from Utilities Commission contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 19,993	\$ (1,511,837)
2017	19,993	(1,511,837)
2018	19,993	(1,511,837)
2019	19,791	(1,511,159)
	<u>\$ 79,770</u>	<u>\$ (6,046,670)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the City’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the City’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Utilities Commission’s proportionate share of the net pension liability (asset)	\$8,421,399	(\$2,480,943)	(\$11,660,365)

Pension plan fiduciary net position

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

Other postemployment benefits

Plan Description

The Utilities Commission administers a single-employer defined benefit plan for postretirement 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 Governmental 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, 2014, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	160
Active members	<u>428</u>
	<u><u>588</u></u>

Funding Policy

The Utilities Commission’s obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners. 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

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after July 1, 2011 with a minimum of 20 years of service the contribution rate for post-65 benefits consists of a \$250 monthly stipend defined contribution amount. The Utilities Commission pays 50% of the total life insurance premium cost for those retirees who have that benefit. Members hired on or after July 1, 2011 who retire with less than 20 years of service will not be eligible for post-retirement coverage. The contribution rates for pre-65 benefits for members hired on or after July 1, 2011 will be based on the member’s age at retirement and their length of service as detailed below:

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

The current annual required contribution rate (ARC) is 7.67% of annual covered payroll. For fiscal year 2015, the Utilities Commission contributed \$1,297,207, or 5.7% of annual covered payroll. Contributions by members for the fiscal year ended June 30, 2015 were \$215,885 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	\$1,751,427
Interest on net OPEB obligation	759,502
Adjustment to annual required contribution	<u>(618,408)</u>
Annual OPEB cost (expense)	1,892,521
Contributions made	<u>(1,297,207)</u>
Increase (decrease) in net OPEB obligation	595,314
Net OPEB obligation, beginning of year	<u>10,850,025</u>
Net OPEB obligation, end of year	<u>\$11,445,339</u>

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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, 2013, 2014 and 2015 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$1,906,842	52.489%	\$9,959,695
2014	\$1,920,431	53.639%	\$10,850,025
2015	\$1,892,521	68.544%	\$11,445,339

Funded Status and Funding Progress

As of December 31, 2014, 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 \$23,219,147. The covered payroll (annual payroll of active employees covered by the plan) was \$24,675,093, and the ratio of the UAAL to the covered payroll was 94.1%. 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, 2014 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) 7.50% - 5.00% pre-Medicare medical cost trend rate and 5.50% - 5% post-Medicare medical cost trend rate with 2020 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, 2014 was 27 years.

Long-term Debt

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.

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 \$17,229,720 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 14 percent of net revenues, or less than 2 percent of total revenues. The total principal and interest remaining to be paid on the bonds

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is \$21,114,632. Principal and interest paid for the current year, total customer net revenues and total revenues were \$2,512,366, \$17,884,691 and \$199,754,873, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$2,840,154, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$676,635
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	1,649,502
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	524,053
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	358,715
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	1,930,000
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	2,794,131
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	157,156
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	5,235,766
	\$17,229,720

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$1,926,491	\$571,821	\$2,498,312
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	1,239,325	310,090	1,549,415
2021-2025	4,962,832	1,084,927	6,047,759
2026-2030	2,381,906	510,091	2,891,997
2031-2034	1,322,423	128,165	1,450,588
Total	\$17,229,720	\$3,884,912	\$21,114,632

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Other Types of Debt

The Utilities Commission utilizes installment purchase contracts to provide financing for the acquisition of heavy equipment for the 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 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	\$176,101
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	317,786
	<u>\$493,887</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$493,887	\$6,297	\$500,184
Total	<u>\$493,887</u>	<u>\$6,297</u>	<u>\$500,184</u>

Take or Pay Contract – As of June 30, 2015 the Utilities Commission had 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 had ownership interests in two coal-fired and three nuclear-fueled generation plants (initial project). The Utilities Commission, through its agreement with NCEMPA, had the right to 16.1343% of initial project output and was obligated to pay its relative share of operating costs and debt service for the initial project. The Utilities Commission was 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 constituted 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, 2015 was approximately \$277.8 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, entered into negotiations with Duke Energy Progress regarding the sale of its ownership interest in the generating plants. The intent of the negotiations was 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 sale of ownership interest in the generating plants was finalized on July 31, 2015. Additional information regarding the sale and the impact on the Utilities Commission is provided in Note 8 – Significant Effects of Subsequent Events.

Debt serviced by the 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 \$20,389,681 is currently outstanding. The bonds are payable solely from net revenues and are payable

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through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 54 percent of net revenues, or less than 18 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,639,320. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,349,368, \$5,658,044 and \$17,332,931, 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	\$366,560
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	857,689
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	9,068,076
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	1,149,132
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	7,066,284
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	1,214,162
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	78,578
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	589,200
	<u>\$20,389,681</u>

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

Year Ending June 30	Principal	Interest	Total
2016	\$2,236,868	\$869,547	\$3,106,415
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	1,887,066	475,534	2,362,600
2021-2025	4,211,090	1,626,790	5,837,880
2026-2030	2,747,573	989,926	3,737,499
2031-2034	2,644,259	272,680	2,916,939
Total	<u>\$20,389,681</u>	<u>\$6,249,639</u>	<u>\$26,639,320</u>

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Other Types of Debt

The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and resources, rivers, lakes, reservoirs, springs, and ground water wells. Congress established the Drinking Water State Revolving Fund loan program in the 1996 amendments to provide financial assistance to public water systems to comply with the SDWA. 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	\$2,913,685
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	414,383
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	202,120
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	1,162,346
	\$4,692,534

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	295,316	77,049	372,365
2021-2025	1,476,582	287,841	1,764,423
2026-2030	1,476,582	125,504	1,602,086
2031-2033	262,790	11,241	274,031
Total	\$4,692,534	\$874,764	\$5,567,298

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

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<u>Description</u>	<u>Amount</u>
ARRA loan issued in 2009 to finance improvements to the raw water pump station of the water treatment plant, \$2,942,152 authorized and \$2,942,152 drawn to date, one-half of the principal has been forgiven and the remainder is due in annual installments of \$73,554 with a final payment on May 1, 2030	\$1,103,307
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	17,912
	<u>\$1,121,219</u>

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

Year Ending June 30	Principal	Interest	Total
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	74,673	0	74,673
2021-2025	373,367	0	373,367
2026-2030	373,367	0	373,367
2031	1,120	0	1,120
Total	<u>\$1,121,219</u>	<u>\$0</u>	<u>\$1,121,219</u>

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

<u>Description</u>	<u>Amount</u>
Series 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	\$20,350
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	41,597
	<u>\$61,947</u>

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

Year Ending June 30	Principal	Interest	Total
2016	\$61,947	\$771	\$62,718
Total	<u>\$61,947</u>	<u>\$771</u>	<u>\$62,718</u>

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Debt serviced by the 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 \$20,607,322 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 41 percent of net revenues, or less than 17 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$26,580,160. Principal and interest paid for the current year, total customer net revenues and total revenues were \$3,277,237, \$8,019,854 and \$19,364,309, respectively. Revenue bonds outstanding at year end are as follows:

<u>Description</u>	<u>Amount</u>
Series 2001 Refunding Revenue Bonds with an original issue amount of \$1,667,119, issued to refund a portion of the Series 1994 Revenue Bonds, due in annual installments with varying interest rates from 4.25% to 6.0%, final payment will be made on September 1, 2016	\$397,172
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	2,552,809
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	8,743,033
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	2,249,597
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	1,555,696
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	1,237,215
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	3,871,800
	\$20,607,322

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,584,389	450,509	2,034,898
2021-2025	3,838,889	1,731,488	5,570,377
2026-2030	2,959,681	1,015,169	3,974,850

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Year Ending June 30	Principal	Interest	Total
2031-2034	\$2,671,866	\$283,634	\$2,955,500
Total	\$20,607,322	\$5,972,838	\$26,580,160

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. In North Carolina, these funds are made available to units of local government at one-half of the market rate for a period of up to twenty years. The Utilities Commission's CWSRF loans outstanding at year end are as follows:

Description	Amount
2.48% Clean Water State Revolving Fund loan issued in 2008 to finance upgrades to the electrical and SCADA systems at the wastewater treatment plant, \$13,851,680 authorized and \$13,761,629 drawn to date, due in annual installments of \$688,081 with a final payment on May 1, 2030	\$10,321,222
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 \$7,982,868 drawn to date, due in annual installments of \$399,143 with a final payment on May 1, 2032	6,596,630
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 \$12,286,880 drawn to date, due in annual installments of \$614,344 with a final payment on May 1, 2033	10,888,143
	\$27,805,995

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
2016	\$1,342,712	\$542,066	\$1,884,778
2017	1,701,569	652,082	2,353,651
2018	1,701,569	610,136	2,311,705
2019	1,701,569	568,191	2,269,760
2020	1,701,569	526,245	2,227,814
2021-2025	8,507,844	2,002,043	10,509,887
2026-2030	8,507,844	953,405	9,461,249
2031-2033	2,641,319	119,890	2,761,209
Total	\$27,805,995	\$5,974,058	\$33,780,053

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, 2015, \$1,211,053 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.

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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
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	151,382	80,611	231,993
2021-2023	454,143	241,674	695,817
Total	\$1,211,053	\$681,649	\$1,892,702

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 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	\$37,505
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	49,557
	<u>\$87,062</u>

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

Year Ending June 30	Principal	Interest	Total
2016	\$87,062	\$1,182	\$88,244
Total	\$87,062	\$1,182	\$88,244

Debt serviced by the 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 \$6,174,276 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2034. Annual principal and interest payments on the bonds are expected to require less than 18 percent of net revenues, or less than 4 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$7,094,107. Principal and interest paid for the current year, total customer net revenues and total revenues were \$1,224,643, \$6,630,966 and \$36,755,604, 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	\$534,632

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<u>Description</u>	<u>Amount</u>
Series 2008A Revenue Bonds with an original issue amount of \$1,029,743, due in annual installments with varying interest rates from 3.5% to 5.0%, final payment will be made on November 1, 2033	\$737,755
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	704,592
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	2,316,011
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	622,051
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	1,259,235
	\$6,174,276

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
2016	\$1,041,537	\$178,175	\$1,219,712
2017	1,077,473	141,270	1,218,743
2018	819,965	110,333	930,298
2019	628,602	86,942	715,544
2020	477,221	70,947	548,168
2021-2025	1,427,186	209,080	1,636,266
2026-2030	455,840	97,687	553,527
2031-2034	246,452	25,397	271,849
Total	\$6,174,276	\$919,831	\$7,094,107

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 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	\$37,468
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	48,169
	\$85,637

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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
2016	\$85,637	\$1,169	\$86,806
Total	\$85,637	\$1,169	\$86,806

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, 2015 is as follows:

Operating revenues	\$271,986,511
Operating expenses ¹	(233,792,956)
Operating income	38,193,555
Non-operating revenues (expenses)	
Miscellaneous revenues ²	909,981
Interest income ²	311,225
Income available for debt service	\$39,414,761
Parity debt service (principal and interest paid)	\$10,363,614
Parity debt service coverage ratio	380%
Subordinate and other debt service (principal and interest paid)	\$4,783,702
Subordinate and other debt service coverage ratio	607%

¹In accordance with rate covenants operating expenses excludes depreciation expense of \$18,140,202; unfunded OPEB expense of \$595,314; and the change in pension expense of (\$1,614,282) promulgated by the implementation of GASB Statement No. 68 and GASB Statement No. 71.

²In accordance with rate covenants miscellaneous revenues and interest income excludes restricted revenues and revenues received in the capital projects funds.

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, 2015, the Utilities Commission had no arbitrage liabilities.

Unearned Revenue:

Unearned revenue totaling \$111,691 in the Water Fund and \$171,780 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.

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Changes in Long-term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended June 30, 2015:

<i>Business type activities:</i>	June 30, 2014	Additions	Retirements	June 30, 2015	Current Portion
Revenue bonds	\$72,136,399	\$0	(\$7,735,400)	\$64,400,999	\$7,719,000
Other types of debt	38,488,921	811,442	(3,741,029)	35,559,334	2,592,616
Discounts and premiums	888,716	-	(108,690)	780,026	-
Compensated absences	1,894,063	1,679,619	(1,641,057)	1,932,625	1,539,096
Other postemployment benefits	10,850,025	595,314	-	11,445,339	-
Net pension liability (LGERS)	5,066,229	-	(5,066,229)	-	-
Unearned revenue	306,361	-	(22,890)	283,471	283,471
<i>Total long-term liabilities</i>	\$129,630,714	\$3,086,375	(\$18,315,295)	\$114,401,794	\$12,134,183

Changes in long-term liabilities by fund for the year ended June 30, 2015 are as follows:

<i>Electric Fund:</i>	June 30, 2014	Additions	Retirements	June 30, 2015	Current Portion
Revenue bonds	\$19,097,782	\$0	(\$1,868,062)	\$17,229,720	\$1,926,491
Other types of debt	1,371,326	-	(877,439)	493,887	493,887
Discounts and premiums	88,843	-	(10,024)	78,819	-
Compensated absences	763,079	761,741	(731,387)	793,433	695,887
Other postemployment benefits	5,133,093	267,837	-	5,400,930	-
Net pension liability (LGERS)	2,270,254	-	(2,270,254)	-	-
<i>Electric Fund long-term liabilities:</i>	\$28,724,377	\$1,029,578	(\$5,757,166)	\$23,996,789	\$3,116,265

<i>Water Fund</i>	June 30, 2014	Additions	Retirements	June 30, 2015	Current Portion
Revenue bonds	\$22,781,832	\$0	(\$2,392,151)	\$20,389,681	\$2,236,868
Other types of debt	6,393,855	-	(518,155)	5,875,700	431,936
Discounts and premiums	491,544	-	(62,695)	428,849	-
Compensated absences	410,764	322,007	(330,787)	401,984	310,569
Other postemployment benefits	2,202,490	115,010	-	2,317,500	-
Net pension liability (LGERS)	999,793	-	(999,793)	-	-
Unearned revenue	120,181	-	(8,490)	111,691	111,691
<i>Water Fund long-term liabilities:</i>	\$33,400,459	\$437,017	(\$4,312,071)	\$29,525,405	\$3,091,064

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<i>Sewer Fund</i>	June 30, 2014	Additions	Retirements	June 30, 2015	Current Portion
Revenue bonds	\$23,070,373	\$0	(\$2,463,051)	\$20,607,322	\$2,514,104
Other types of debt	30,475,929	811,442	(2,183,261)	29,104,110	1,581,156
Discounts and premiums	253,971	-	(28,620)	225,351	-
Compensated absences	393,595	319,848	(321,204)	392,239	302,248
Other postemployment benefits	1,851,027	112,806	-	1,963,833	-
Net pension liability (LGRS)	952,809	-	(952,809)	-	-
Unearned revenue	186,180	-	(14,400)	171,780	171,780
<i>Sewer Fund long-term liabilities:</i>	\$57,183,884	\$1,244,096	(\$5,963,345)	\$52,464,635	\$4,569,288

<i>Gas Fund</i>	June 30, 2014	Additions	Retirements	June 30, 2015	Current Portion
Revenue bonds	\$7,186,412	\$0	(\$1,012,136)	\$6,174,276	\$1,041,537
Other types of debt	247,811	-	(162,174)	85,637	85,637
Discounts and premiums	54,358	-	(7,351)	47,007	-
Compensated absences	326,625	276,023	(257,679)	344,969	230,392
Other postemployment benefits	1,663,415	99,661	-	1,763,076	-
Net pension liability (LGRS)	843,373	-	(843,373)	-	-
<i>Gas Fund long-term liabilities:</i>	\$10,321,994	\$375,684	(\$2,282,713)	\$8,414,965	\$1,357,566

The LGRS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

C. Net Investment in Capital Assets

Capital assets	\$367,717,958
plus: unexpended bond proceeds	4,261,850
plus: unamortized bond refunding charges	973,286
less: long-term debt	<u>100,740,359</u>
Net investment in capital assets	<u><u>\$272,212,735</u></u>

Note 3 – 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, 2015, 2014 and 2013 were \$444,480, \$441,080, and \$440,920, respectively. These contributions represent 1.7%, 1.8% and 1.8%, respectively, of covered payroll.

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Note 4 - 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. The Utilities Commission considers these contributions to be immaterial.

Note 5 - 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, 2015 consist of the following:

Street lighting reimbursement	\$63,887
Street repairs	171,615
M/WBE Program	7,402
Wellness program	57,144
Dumpster collection	2,550
Landfill user fees	1,544
Parking lot sweeping	200
Total	<u>\$304,342</u>

Balances due from the City of Greenville at June 30, 2015 consist of the following:

Street light service	\$119,138
Black decorative lanterns and poles	10,510
Total	<u>\$129,648</u>

Transfers to/from the City of Greenville

Transfers to the City of Greenville's General Fund during fiscal year 2015 consist of the following:

Electric Fund general transfer	\$4,386,679
Gas Fund general transfer	1,361,154
Electric Fund street lighting reimbursement	757,210
Total	<u>\$6,505,043</u>

The transfers to the City's General Fund of \$6,505,043 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.

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Note 6 – 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, 2015 and 2014 are as follows:

	2015	2014
Unpaid claims, beginning	\$596,152	\$766,000
Incurred claims	5,218,561	4,479,634
Claim payments	(5,237,021)	(4,649,482)
Unpaid claims, ending	<u>\$577,692</u>	<u>\$596,152</u>

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

Changes in the balances of dental claims liabilities during the fiscal years ended June 30, 2015 and 2014 are as follows:

	2015	2014
Unpaid claims, beginning	\$39,248	\$116,000
Incurred claims	316,143	229,351
Claim payments	(320,083)	(306,103)
Unpaid claims, ending	<u>35,308</u>	<u>39,248</u>

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

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

The Utilities Commission carries commercial coverage for all other risks of loss. Through this coverage, the Utilities Commission obtains general liability coverage of \$1 million per occurrence with a general aggregate of \$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, 2015, 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.

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

Note 7 - 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 a Maximum Daily Quantity (MDQ) of 20,000 dekatherms 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.

The Utilities Commission entered into a Supplemental Service and Construction Agreement with PNG effective November 1, 2014 for a period of 5 years. Under the terms of the contract the Utilities Commission will pay additional demand charges to cover the costs of upgrades to the Utilities Commission's system completed by PNG. The initial amount of the contractual payment was \$470,000 per year. Effective June 2015 the amount was increased to \$593,093 per year to reflect the actual costs of the upgrades. These additional demand charges are payable through October 2019.

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.

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 8 – Significant Effects of Subsequent Events

On July 31, 2015, the North Carolina Eastern Municipal Power Agency (NCEMPA) completed the sale of its electric generating assets to Duke Energy Progress for approximately \$1.25 billion. The proceeds from the sale were used to reduce outstanding debt on those assets. The Utilities Commission's share of NCEMPA's outstanding debt was reduced from approximately \$277.8 million to \$85 million. Additionally, Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to NCEMPA. The reduced debt service costs and the lower costs of wholesale power allowed the Utilities Commission to reduce electric retail rates by 7% effective August 1, 2015.

Note 9 – Change in Accounting Principles/Restatement

The Utilities Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 68 "Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27", and GASB Statement No. 71 "Pension

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Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68”, in the fiscal year ending June 30, 2015. The implementation of the statement required the Utilities Commission to record beginning net pension liability and the effects on net position of contributions made by the Utilities Commission during the measurement period (fiscal year ending June 30, 2014). As a result, net position decreased by \$3,310,419.

Note 10 – Pronouncements Issued But Not Yet Effective

The GASB has issued several pronouncements prior to June 30, 2015 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 No. 72, “Fair Value Measurement and Application”. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

GASB Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provision of GASB Statements No. 67 and No. 68”. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, Financial Reporting for Pension Plans, and Statement No. 68 for pension plans and pensions that are within their respective scopes. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”. This Statement replaces Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement No. 43, and Statement No. 50, Pension Disclosures. The provisions in Statement No. 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement No. 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. This Statement supersedes Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The requirements of this Statement are effective for financial

**GREENVILLE UTILITIES COMMISSION
OF THE CITY OF GREENVILLE, NORTH CAROLINA
Notes to the Financial Statements
For the Year Ended June 30, 2015**

statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

GASB Statement No. 77, "Tax Abatement Disclosures". This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015

A photograph of a family of four (a woman, a man, and two children) sitting on a large, brown, tufted sofa in a living room. They appear to be watching television or looking at a device together. The room is warmly lit, and there are decorative items on the sofa and a coffee table in front of them.

Connected To Our Customers

There When They Need Us

When compared to area investor-owned utilities, Greenville Utilities' electric customers experience:

- 47% fewer outages
- Outages lasting only one-third as long
- Power restoration about 55 minutes faster when outages occur

Economists estimate the value of this higher level of reliability to customers is \$3 million per year.

Greenville Utilities Commission is a not-for-profit, publicly-owned utility, one of about 2,000 such utilities across the country that have been created as community-owned, hometown enterprises.

An important advantage to public ownership is our record of reliability. GUC continually reinvests in its systems, ensuring consistent, reliable service for all customers and quick restoration should a storm occur.

In contrast, privately-owned utilities focus more on profit for stockholders, and may not invest in their systems like publicly-owned utilities do. As a result, response time during storms/emergencies can suffer.

It takes a lot of time, expertise and money to provide safe, reliable electric, water, sewer and natural gas services. We do all we can to make sure that no matter what kind of weather Mother Nature brings our way, you have the services you depend on.

To that end, we have long-range plans to maintain, improve and expand our systems. We have replaced older, less efficient facilities and upgraded others with new technology and advanced environmental controls. Our comprehensive tree trimming program keeps the trees near our power lines cut to help prevent outages. These efforts pay off.

In electric, our overall system availability is **99.99406%**.

Our record of reliability has also been recognized on a national level. GUC is one of 184 of the nation's more than 2,000 public power utilities to earn Reliable Public Power Provider (RP3®) recognition from the American Public Power Association (APPA) for providing customers with the highest degree of reliable and safe electric service. The RP3 designation recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development and system improvement.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Other Post Employment Benefits
Required Supplementary Information**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit		Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
		Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)				
12/31/2005	\$ -	\$ 35,860,373	\$ 35,860,373	0.0%	\$ 19,489,354	184.0%	
12/31/2008	\$ -	\$ 31,995,113	\$ 31,995,113	0.0%	\$ 22,345,440	143.2%	
12/31/2009	\$ -	\$ 30,330,748	\$ 30,330,748	0.0%	\$ 23,104,504	131.3%	
12/31/2011	\$ 446,178	\$ 20,924,265	\$ 20,478,087	2.1%	\$ 24,081,113	85.0%	
12/31/2012	\$ 815,597	\$ 21,180,825	\$ 20,365,228	3.9%	\$ 23,730,460	85.8%	
12/31/2013	\$ 1,350,501	\$ 21,018,546	\$ 19,668,045	6.4%	\$ 22,816,616	86.2%	
12/31/2014	\$ 1,854,800	\$ 25,073,947	\$ 23,219,147	7.4%	\$ 24,675,093	94.1%	

Schedule of Employer Contributions

Year Ending June 30,	Annual Required Contribution	Percentage Contributed
2008	\$3,229,052	12.715%
2009	\$2,512,284	17.386%
2010	\$2,512,284	28.445%
2011	\$2,308,649	57.298%
2012	\$2,395,223	47.635%
2013	\$1,769,981	56.548%
2014	\$1,779,995	57.871%
2015	\$1,751,427	74.066%

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	12/31/2014	
Actuarial cost method	Projected unit credit	
Amortization method	Level percentage of pay, closed	
Remaining amortization period	27 years	
Amortization factor	17.1876	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return*	7.00%	* Includes inflation at 3.00%
Medical trend assumptions:		
Pre-Medicare trend rate	7.50% - 5.00%	
Post-Medicare trend rate	5.50% - 5.00%	
Year of ultimate trend rate	2020	

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Local Governmental Employees' Retirement System
Required Supplementary Information
Last Two Fiscal Years***

Greenville Utilities Commission's Proportionate Share of Net Pension Liability (Asset)

	2015	2014
Proportion of the net pension liability (asset) (%)	0.42068%	0.42030%
Proportion of the net pension liability (asset) (\$)	\$ (2,480,943)	\$ 5,066,229
Covered-employee payroll	\$ 24,998,713	\$ 24,741,607
Proportion of the net pension liability (asset) as a percentage of its covered-employee payroll	(9.92%)	20.48%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

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

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Local Governmental Employees' Retirement System
Required Supplementary Information
Last Two Fiscal Years**

Greenville Utilities Commission's Contributions

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,789,817	\$ 1,755,810
Contributions in relation to the contractually required contribution	\$ 1,789,817	\$ 1,755,810
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 25,472,704	\$ 24,998,713
Contributions as a percentage of covered-employee payroll	7.03%	7.02%

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SUPPLEMENTARY INFORMATION



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



Connected To Our Customers

The Presbyterian Women of First Presbyterian of Greenville have been raising money for GUC's Neighbor To Neighbor program every year since 2002. Above are General Manager/CEO Tony Cannon with Kay McLeod and Jeri Jackson, event co-chairs with First Presbyterian; Scott Mullis, Assistant Director of Customer Relations; and John Minges, GUC Board Chair.

For many of us, tales of cold winter nights conjure warm memories of grabbing a sweater, turning up the thermostat and curling up in front of a cozy fireplace. However, bone-chilling temperatures can create a harsh reality for many whose budgets don't stretch far enough to pay for heating bills.

To help those in need, Greenville Utilities' Neighbor to Neighbor Assistance program provides funds for our residential customers who need temporary assistance with heating bills. Neighbor to Neighbor is supported by voluntary donations from customers, and GUC contributes up to \$20,000 per year in matching funds. The money is used to pay for all types of fuels used to heat homes – kerosene, oil, natural gas, electric heat, wood, etc.

GUC partners with the Pitt County Department of Social Services to screen applicants, determine

eligibility and distribute the funds (up to \$200/year per eligible household) during the heating season. 100% of contributions are used to assist families; there are no overhead costs.

Neighbor to Neighbor fills a need in Greenville and Pitt County. The funds are used to assist households who would not be served by the various state and federal programs. Many of these households consist of disabled and elderly individuals whose fixed income, though slightly above the poverty level, is barely sufficient to meet their basic needs and falls short when extended exceptionally cold weather leads to higher utility bills.

Since the program began in 2001, over \$411,000 has been provided in heating assistance. Civic and religious groups regularly support the program, along with our customers who want to join with us to make a difference in our community.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

**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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Revenues				
Electric Revenues				
Rates and charges	\$ 196,655,292	\$ 196,828,376	\$ 173,084	\$ 199,134,647
Fees and charges	1,270,770	1,221,977	(48,793)	1,179,942
U.G. and temporary service charges	123,494	119,537	(3,957)	106,910
Miscellaneous	1,185,344	1,541,259	355,915	1,835,363
Interest on investments	138,395	162,186	23,791	102,578
FEMA/Insurance Reimbursements	-	-	-	51,027
Total Electric Revenues	199,373,295	199,873,335	500,040	202,410,467
Water Revenues				
Rates and charges	16,909,914	16,753,280	(156,634)	15,819,721
Fees and charges	319,894	274,387	(45,507)	348,287
U.G. and temporary service charges	3,010	2,900	(110)	-
Miscellaneous	252,217	266,127	13,910	189,430
Interest on investments	40,351	42,867	2,516	35,122
Total Water Revenues	17,525,386	17,339,561	(185,825)	16,392,560
Sewer Revenues				
Rates and charges	18,795,060	18,896,038	100,978	17,539,513
Fees and charges	314,635	280,526	(34,109)	329,446
Miscellaneous	128,341	162,374	34,033	136,230
Interest on temporary investments	25,120	31,999	6,879	17,923
Total Sewer Revenues	19,263,156	19,370,937	107,781	18,023,112
Gas Revenues				
Rates and charges	37,917,503	36,342,568	(1,574,935)	35,181,326
Fees and charges	144,241	139,335	(4,906)	136,379
Miscellaneous	165,209	206,283	41,074	163,065
Interest on temporary investments	61,850	74,173	12,323	47,420
Total Gas Revenues	38,288,803	36,762,359	(1,526,444)	35,528,190
Total Revenues	274,450,640	273,346,192	(1,104,448)	272,354,329
Expenditures				
Electric Fund				
Maintenance and repairs		3,168,777		3,287,428
Other operating expenses		183,082,984		187,939,333
Capital Outlay		5,906,099		5,161,721
Debt Service		3,408,847		3,407,819
Total	197,373,295	195,566,707	1,806,588	199,796,301
Water Fund				
Maintenance and repairs		1,256,544		1,096,630
Other operating expenses		10,212,893		9,890,231
Capital Outlay		867,400		457,191
Debt Service		3,980,024		4,045,653
Total	16,875,386	16,316,861	558,525	15,489,705

**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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Sewer Fund				
Maintenance and repairs		1,389,641		1,077,259
Other operating expenses		9,878,639		9,708,586
Capital Outlay		988,308		565,937
Debt Service		6,367,411		6,291,586
Total	18,663,156	18,623,999	39,157	17,643,368
Gas Fund				
Maintenance and repairs		548,509		386,070
Other operating expenses		30,760,014		31,322,916
Capital Outlay		1,417,650		740,166
Debt Service		1,391,034		1,389,663
Total	37,788,803	34,117,207	3,671,596	33,838,815
Total expenditures	270,700,640	264,624,774	6,075,866	266,768,189
Excess of Revenues Over (Under) Expenditures	3,750,000	8,721,418	4,971,418	5,586,140
Other Financing Sources (Uses)				
Contributed capital	-	1,800	1,800	-
Intra-fund transfers	(3,750,000)	(6,100,000)	(2,350,000)	(3,824,000)
Total other financing sources (uses)	(3,750,000)	(6,098,200)	(2,348,200)	(3,824,000)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 2,623,218	\$ 2,623,218	\$ 1,762,140
Reconciliation to full accrual basis from modified accrual basis:		2015		2014
Revenues over expenditures		\$ 2,623,218		\$ 1,762,140
Budgetary appropriations - capital		9,179,457		6,925,015
Budgetary appropriations - debt principal		11,476,429		11,229,452
Depreciation		(18,140,202)		(18,181,426)
Amortization of bond premium and discount		108,690		108,689
Amortization of deferred loss on refundings		(193,693)		(193,694)
Capitalization of bond interest		-		339,101
Changes in accrued interest payable		73,218		77,652
Changes in unrealized gains/losses on investments		(14,626)		10,872
Intra-fund transfers		6,100,000		3,824,000
Changes in OPEB liability		(595,314)		(890,330)
Pension expense		(175,535)		-
Deferred pension contributions		1,789,817		-
Revenue recognized in Capital Projects		982,588		943,729
Total reconciling items		10,590,829		4,193,060
Changes in net position		\$ 13,214,047		\$ 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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 196,655,292	\$ 196,828,376	\$ 173,084	\$ 199,134,647
Fees and charges	1,270,770	1,221,977	(48,793)	1,179,942
U.G. and temporary service charges	123,494	119,537	(3,957)	106,910
Miscellaneous	733,071	822,672	89,601	699,404
	<u>198,782,627</u>	<u>198,992,562</u>	<u>209,935</u>	<u>201,120,903</u>
Non-Operating Revenues				
Interest on investments	138,395	162,186	23,791	102,578
FEMA/Insurance reimbursements	-	-	-	51,027
Miscellaneous	452,273	718,587	266,314	1,135,959
	<u>590,668</u>	<u>880,773</u>	<u>290,105</u>	<u>1,289,564</u>
Total Revenues	<u>199,373,295</u>	<u>199,873,335</u>	<u>500,040</u>	<u>202,410,467</u>
Expenditures				
Electric Fund				
Maintenance and repairs		3,168,777		3,287,428
Other operating expenses		183,082,984		187,939,333
Capital Outlay		5,906,099		5,161,721
Debt Service		3,408,847		3,407,819
Total expenditures	<u>197,373,295</u>	<u>195,566,707</u>	<u>1,806,588</u>	<u>199,796,301</u>
Excess of Revenues Over Expenditures	<u>2,000,000</u>	<u>4,306,628</u>	<u>2,306,628</u>	<u>2,614,166</u>
Other Financing Sources (Uses)				
Intra-fund transfers	<u>(2,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(1,220,000)</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(4,000,000)</u>	<u>(2,000,000)</u>	<u>(1,220,000)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 306,628</u>	<u>\$ 306,628</u>	<u>\$ 1,394,166</u>
Reconciliation to full accrual basis from modified accrual basis:				
		<u>2015</u>		<u>2014</u>
Revenues over expenditures		\$ 306,628		\$ 1,394,166
Budgetary appropriations - capital		5,906,099		5,161,721
Budgetary appropriations - debt principal		2,745,501		2,663,883
Depreciation		(7,677,763)		(7,596,737)
Amortization of bond premium and discount		10,024		10,024
Amortization of deferred loss on refundings		(45,784)		(45,785)
Changes in accrued interest payable		19,050		17,779
Changes in unrealized gains/losses on investments		(7,999)		5,538
Intra-fund transfers		4,000,000		1,220,000
Changes in OPEB liability		(267,837)		(432,741)
Pension expense		(78,660)		-
Deferred pension contributions		802,044		-
Revenue recognized in Capital Projects		575,866		388,666
Total reconciling items		<u>5,980,541</u>		<u>1,392,348</u>
Changes in net position		<u>\$ 6,287,169</u>		<u>\$ 2,786,514</u>

Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Electric Rate Stabilization Fund
From Inception and for the Year Ended June 30, 2015

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Other Financing Sources (Uses)					
Transfer from Electric Operating Fund	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	\$ -
Transfer to Electric Operating Fund	(1,500,000)	-	-	-	1,500,000
Total other financing sources (uses)	-	-	1,500,000	1,500,000	1,500,000
Revenues Over Other Financing Sources (Uses)	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

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, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Interest and misc income	\$ -	\$ 357,493	\$ (24,134)	\$ 333,359	\$ 333,359
State contributions	1,535,000	400,000	600,000	1,000,000	(535,000)
Total revenues	1,535,000	757,493	575,866	1,333,359	(201,641)
Expenditures					
* ECP-128 Information Technology Appl. Master Plan	395,267	395,266	-	395,266	1
ECP-132 Substation Modernization	3,000,000	2,687,912	78,992	2,766,904	233,096
ECP-133 Sugg Parkway Transmission Line	1,700,000	-	-	-	1,700,000
ECP-134 Sugg Parkway Substation	3,400,000	-	2,900	2,900	3,397,100
* ECP-135 Frog Level Substation Improvements	979,300	979,298	-	979,298	2
ECP-136 OPTICS Phase 3A	5,636,000	4,114,917	533,476	4,648,393	987,607
* ECP-137 Generator EPA CO Emission Reduction	450,000	237,352	206,263	443,615	6,385
ECP-138 Greenville 230 kV South POD Substation	4,500,000	106,274	3,538	109,812	4,390,188
* ECP-139 Telephone System Replacement	137,500	136,494	-	136,494	1,006
* ECP-140 Outage Management System	400,000	176,621	116,719	293,340	106,660
ECP-141 OPTICS Phase 3B	7,202,500	1,263,392	3,385,428	4,648,820	2,553,680
ECP-142 Bells Fork to Hollywood Substation Upgrade	4,240,000	200,152	128,553	328,705	3,911,295
* ECP-143 Frog Level & MacGregor Downs Substations	700,000	103,143	578,987	682,130	17,870
ECP-144 10th Street Connector Project	1,535,000	470,555	534,954	1,005,509	529,491
ECP-145 Dyneema Peaking Generator	5,000,000	-	-	-	5,000,000
Total expenditures	39,275,567	10,871,376	5,569,810	16,441,186	22,834,381
Excess of Revenues Over (Under) Expenditures	(37,740,567)	(10,113,883)	(4,993,944)	(15,107,827)	22,632,740
Other Financing Sources (Uses)					
Appropriated fund balance	9,948,223	-	-	-	(9,948,223)
Revenue bonds issued	249,844	242,112	-	242,112	(7,732)
Long-term financing	27,542,500	-	-	-	(27,542,500)
Intra-fund transfers		4,720,000	2,500,000	7,220,000	7,220,000
Total other financing sources (uses)	37,740,567	4,962,112	2,500,000	7,462,112	(30,278,455)
Revenues and Other Financing Sources					
Over (Under) Expenditures	\$ -	\$ (5,151,771)	\$ (2,493,944)	\$ (7,645,715)	\$ (7,645,715)

* 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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 16,909,914	\$ 16,753,280	\$ (156,634)	\$ 15,819,721
Fees and charges	319,894	274,387	(45,507)	348,287
U.G. and temporary service charges	3,010	2,900	(110)	-
Miscellaneous	94,387	96,915	2,528	98,063
	<u>17,327,205</u>	<u>17,127,482</u>	<u>(199,723)</u>	<u>16,266,071</u>
Non-Operating Revenues				
Interest on investments	40,351	42,867	2,516	35,122
Miscellaneous	157,830	169,212	11,382	91,367
	<u>198,181</u>	<u>212,079</u>	<u>13,898</u>	<u>126,489</u>
Total Revenues	<u>17,525,386</u>	<u>17,339,561</u>	<u>(185,825)</u>	<u>16,392,560</u>
Expenditures				
Water Fund				
Maintenance and repairs		1,256,544		1,096,630
Other operating expenses		10,212,893		9,890,231
Capital Outlay		867,400		457,191
Debt Service		3,980,024		4,045,653
Total expenditures	<u>16,875,386</u>	<u>16,316,861</u>	<u>558,525</u>	<u>15,489,705</u>
Excess of Revenues Over (Under) Expenditures	<u>650,000</u>	<u>1,022,700</u>	<u>372,700</u>	<u>902,855</u>
Other Financing Sources (Uses)				
Intra-fund transfers	<u>(650,000)</u>	<u>(300,000)</u>	<u>350,000</u>	<u>(804,000)</u>
Total other financing sources (uses)	<u>(650,000)</u>	<u>(300,000)</u>	<u>350,000</u>	<u>(804,000)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 722,700</u>	<u>\$ 722,700</u>	<u>\$ 98,855</u>
Reconciliation to full accrual basis from modified accrual basis:				
	2015			2014
Revenues over expenditures	\$	722,700		\$ 98,855
Budgetary appropriations - capital		867,400		457,191
Budgetary appropriations - debt principal		2,910,306		2,836,377
Depreciation		(3,892,751)		(3,943,050)
Amortization of bond premium and discount		62,695		62,695
Amortization of deferred loss on refundings		(70,872)		(70,872)
Changes in accrued interest payable		35,403		69,109
Changes in unrealized gains/losses on investments		(664)		681
Intra-fund transfers		300,000		804,000
Changes in OPEB liability		(115,010)		(158,463)
Pension expense		(34,641)		-
Deferred pension contributions		353,211		-
Revenue recognized in Capital Projects		170,831		168,932
Total reconciling items		<u>585,908</u>		<u>226,600</u>
Changes in net position	\$	<u>1,308,608</u>		<u>\$ 325,455</u>

Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
Water Capital Projects Fund
From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Interest and misc income	\$ -	\$ 25,991	\$ 2,559	\$ 28,550	\$ 28,550
Local contributions	-	267,359	-	267,359	267,359
Capacity fees	-	979,091	168,272	1,147,363	1,147,363
Total revenues	-	1,272,441	170,831	1,443,272	1,443,272
Expenditures					
* ECP-128 Information Technology Appl. Master Plan	141,167	141,166	-	141,166	1
ECP-136 OPTICS Phase 3A	1,690,800	1,234,475	160,043	1,394,518	296,282
* ECP-139 Telephone System Replacement	137,500	136,494	-	136,494	1,006
ECP-141 OPTICS Phase 3B	2,160,750	379,018	1,015,628	1,394,646	766,104
* WCP-104 Tar River Available Water Supply	1,270,000	1,242,636	-	1,242,636	27,364
* WCP-113 NC Hwy 43 Water Improvements Phase II	352,000	198,547	52,021	250,568	101,432
WCP-115 WTP Impoundment Dredging Project	350,000	-	27,341	27,341	322,659
WCP-116 WTP Sedimentation Basin Upgrade	600,000	79,885	28,075	107,960	492,040
WCP-117 WTP Upgrade Phase I	1,900,000	-	-	-	1,900,000
WCP-120 Water/Sewer Meter ERT/Lead Compliance	1,718,750	-	104,299	104,299	1,614,451
WCP-121 10th Street Connector Project	892,500	-	-	-	892,500
WCP-122 Water Main Rehabilitation Program Phase I	1,500,000	-	64,657	64,657	1,435,343
WCP-123 COG Town Creek Culvert Improvement	80,000	-	-	-	80,000
WCP-124 Residual Lagoon Improvements	1,250,000	-	-	-	1,250,000
Total expenditures	14,043,467	3,412,221	1,452,064	4,864,285	9,179,182
Excess of Revenues Over (Under) Expenditures	(14,043,467)	(2,139,780)	(1,281,233)	(3,421,013)	10,622,454
Other Financing Sources (Uses)					
Appropriated fund balance	1,941,967	-	-	-	(1,941,967)
Revenue bonds issued	1,649,500	1,922,105	-	1,922,105	272,605
Long-term financing	10,452,000	-	-	-	(10,452,000)
Intra-fund transfers	-	1,376,171	300,000	1,676,171	1,676,171
Total other financing sources (uses)	14,043,467	3,298,276	300,000	3,598,276	(10,445,191)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 1,158,496	\$ (981,233)	\$ 177,263	\$ 177,263

* 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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 18,795,060	\$ 18,896,038	\$ 100,978	\$ 17,539,513
Fees and charges	314,635	280,526	(34,109)	329,446
Miscellaneous	98,752	111,569	12,817	101,204
	<u>19,208,447</u>	<u>19,288,133</u>	<u>79,686</u>	<u>17,970,163</u>
Non-Operating Revenues				
Interest on investments	25,120	31,999	6,879	17,923
Miscellaneous	29,589	50,805	21,216	35,026
	<u>54,709</u>	<u>82,804</u>	<u>28,095</u>	<u>52,949</u>
Total Revenues	<u>19,263,156</u>	<u>19,370,937</u>	<u>107,781</u>	<u>18,023,112</u>
Expenditures				
Sewer Fund				
Maintenance and repairs		1,389,641		1,077,259
Other operating expenses		9,878,639		9,708,586
Capital Outlay		988,308		565,937
Debt Service		6,367,411		6,291,586
Total expenditures	<u>18,663,156</u>	<u>18,623,999</u>	<u>39,157</u>	<u>17,643,368</u>
Excess of Revenues Over (Under) Expenditures	<u>600,000</u>	<u>746,938</u>	<u>146,938</u>	<u>379,744</u>
Other Financing Sources (Uses)				
Intra-fund transfers	<u>(600,000)</u>	<u>(300,000)</u>	<u>300,000</u>	<u>(300,000)</u>
Total other financing sources (uses)	<u>(600,000)</u>	<u>(300,000)</u>	<u>300,000</u>	<u>(300,000)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 446,938</u>	<u>\$ 446,938</u>	<u>\$ 79,744</u>
Reconciliation to full accrual basis from modified accrual basis:				
	2015			2014
Revenues over expenditures	\$	446,938		\$ 79,744
Budgetary appropriations - capital		988,308		565,937
Budgetary appropriations - debt principal		4,646,312		4,591,850
Depreciation		(4,863,901)		(4,992,943)
Amortization of bond premium and discount		28,620		28,620
Amortization of deferred loss on refundings		(42,324)		(42,324)
Changes in accrued interest payable		8,988		(18,462)
Changes in unrealized gains/losses on investments		(730)		816
Intra-fund transfers		300,000		300,000
Changes in OPEB liability		(112,806)		(161,959)
Pension expense		(33,013)		-
Deferred pension contributions		336,612		-
Revenue recognized in Capital Projects		222,690		373,931
Total reconciling items		<u>1,478,756</u>		<u>984,567</u>
Changes in net position	\$	<u>1,925,694</u>		<u>\$ 1,064,311</u>

Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
Sewer Capital Projects Fund
From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Interest and misc income	\$ -	\$ 59,380	\$ (4,446)	\$ 54,934	\$ 54,934
Capacity fees	-	1,151,380	169,241	1,320,621	1,320,621
Outfall acreage fee	580,000	1,317,127	57,895	1,375,022	795,022
EPA Grant	-	291,000	-	291,000	291,000
Total revenues	580,000	2,818,887	222,690	3,041,577	2,461,577
Expenditures					
* ECP-128 Information Technology Appl. Master Plan	141,167	141,166	-	141,166	1
ECP-136 OPTICS Phase 3A	1,690,800	1,234,475	160,043	1,394,518	296,282
* ECP-139 Telephone System Replacement	137,500	136,494	-	136,494	1,006
ECP-141 OPTICS Phase 3B	2,160,750	379,018	1,015,628	1,394,646	766,104
WCP-120 Water/Sewer Meter ERT/Lead Compliance	1,406,250	-	85,336	85,336	1,320,914
SCP-99 Sterling Pointe Pump Station & Force Main	9,900,000	9,177,926	644,646	9,822,572	77,428
SCP-100 Westside Pump Station & Force Main	15,287,369	14,023,766	497,538	14,521,304	766,065
* SCP-113 NC Hwy 43 Sewer Improvements Phase II	266,000	198,221	-	198,221	67,779
* SCP-114 Chicod School Project	480,000	5,680	474,320	480,000	-
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	1,883,207	17,895	1,901,102	48,898
SCP-117 WWTP Ultraviolet Disinfection Equipment	3,360,000	181,768	70,345	252,113	3,107,887
SCP-118 Southside Pump Station Upgrade	3,450,000	85	298,394	298,479	3,151,521
SCP-120 Sewer Biosolids Processing	6,800,000	-	-	-	6,800,000
SCP-121 Sewer Harris Mill Interceptor	524,000	-	41,499	41,499	482,501
SCP-122 WWTP Air Distribution System	1,500,000	-	58,435	58,435	1,441,565
SCP-123 COG Town Creek Culvert Improvement	80,000	-	-	-	80,000
SCP-124 Generators for Pumping Stations	310,000	-	-	-	310,000
Total expenditures	49,743,836	27,648,481	3,364,079	31,012,560	18,731,276
Excess of Revenues Over (Under) Expenditures	(49,163,836)	(24,829,594)	(3,141,389)	(27,970,983)	21,192,853
Other Financing Sources (Uses)					
Appropriated fund balance	4,291,967	-	-	-	(4,291,967)
Revenue bonds issued	2,471,500	2,552,510	-	2,552,510	81,010
EPA Grant	291,000	-	-	-	(291,000)
State loans	25,922,369	19,458,306	811,442	20,269,748	(5,652,621)
Long-term financing	16,187,000	-	-	-	(16,187,000)
Intra-fund transfers	-	1,903,617	300,000	2,203,617	2,203,617
Total other financing sources (uses)	49,163,836	23,914,433	1,111,442	25,025,875	(24,137,961)
Revenues and Other Financing Sources	\$ -	\$ (915,161)	\$ (2,029,947)	\$ (2,945,108)	\$ (2,945,108)
Over (Under) Expenditures	\$ -	\$ (915,161)	\$ (2,029,947)	\$ (2,945,108)	\$ (2,945,108)

* 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, 2015 (With Comparative Actual Totals For June 30, 2014)**

	2015			2014
	Budget	Actual	Variance Positive (Negative)	Actual
Operating Revenues				
Rates and charges	\$ 37,917,503	\$ 36,342,568	\$ (1,574,935)	\$ 35,181,326
Fees and charges	144,241	139,335	(4,906)	136,379
Miscellaneous	81,279	96,432	15,153	97,094
	<u>38,143,023</u>	<u>36,578,335</u>	<u>(1,564,688)</u>	<u>35,414,799</u>
Non-Operating Revenues				
Interest on investments	61,850	74,173	12,323	47,420
Miscellaneous	83,930	109,851	25,921	65,971
	<u>145,780</u>	<u>184,024</u>	<u>38,244</u>	<u>113,391</u>
Total Revenues	<u>38,288,803</u>	<u>36,762,359</u>	<u>(1,526,444)</u>	<u>35,528,190</u>
Expenditures				
Gas Fund				
Maintenance and repairs		548,509		386,070
Other operating expenses		30,760,014		31,322,916
Capital Outlay		1,417,650		740,166
Debt Service		1,391,034		1,389,663
Total expenditures	<u>37,788,803</u>	<u>34,117,207</u>	<u>3,671,596</u>	<u>33,838,815</u>
Excess of Revenues Over (Under) Expenditures	<u>500,000</u>	<u>2,645,152</u>	<u>2,145,152</u>	<u>1,689,375</u>
Other Financing Sources (Uses)				
Contributed Capital	-	1,800	1,800	-
Intra-fund transfers	(500,000)	(1,500,000)	(1,000,000)	(1,500,000)
Total other financing sources (uses)	<u>(500,000)</u>	<u>(1,498,200)</u>	<u>(998,200)</u>	<u>(1,500,000)</u>
Revenues and Other Financing Sources Over Expenditures	<u>\$ -</u>	<u>\$ 1,146,952</u>	<u>\$ 1,146,952</u>	<u>\$ 189,375</u>

Reconciliation to full accrual basis from modified accrual basis:	2015	2014
Revenues over expenditures	\$ 1,146,952	\$ 189,375
Budgetary appropriations - capital	1,417,650	740,166
Budgetary appropriations - debt principal	1,174,310	1,137,342
Depreciation	(1,705,787)	(1,648,696)
Amortization of bond premium and discount	7,351	7,350
Amortization of deferred loss on refundings	(34,713)	(34,713)
Changes in accrued interest payable	9,777	9,226
Changes in unrealized gains/losses on investments	(5,233)	3,837
Intra-fund transfers	1,500,000	1,500,000
Changes in OPEB liability	(99,661)	(137,167)
Pension expense	(29,221)	
Deferred pension contributions	297,950	
Revenue recognized in Capital Projects	<u>13,201</u>	<u>12,200</u>
Total reconciling items	<u>2,545,624</u>	<u>1,589,545</u>
Changes in net position	<u>\$ 3,692,576</u>	<u>\$ 1,778,920</u>

Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of Revenues and Expenditures, Budget and Actual (Non-GAAP)
Gas Capital Projects Fund
From Inception and for the Year Ended June 30, 2015

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Interest and misc income	\$ -	\$ 29,160	\$ 13,201	\$ 42,361	\$ 42,361
Total revenues	-	29,160	13,201	42,361	42,361
Expenditures					
* ECP-128 Information Technology Appl. Master Plan	129,067	129,067	-	129,067	-
ECP-136 OPTICS Phase 3A	2,254,400	1,645,967	213,391	1,859,358	395,042
* ECP-139 Telephone System Replacement	137,500	136,494	-	136,494	1,006
ECP-141 OPTICS Phase 3B	2,881,000	505,357	1,354,172	1,859,529	1,021,471
GCP-87 NC33 Main Ext. & Old River Rd. Main Repl.	1,300,000	-	154,057	154,057	1,145,943
GCP-88 GUC-PNG Multiple Gas Facilities Upgrade	2,650,000	214,469	165,789	380,258	2,269,742
GCP-89 Western Loop High Pressure Gas Main Ext.	4,300,000	37,265	268,965	306,230	3,993,770
GCP-90 LNG Plant Tank Additions	4,000,000	517,295	2,757,118	3,274,413	725,587
GCP-91 Natural Gas Vehicle Fueling Station	2,500,000	-	1,794,825	1,794,825	705,175
GCP-92 LNG Liquefaction Additions	1,000,000	-	-	-	1,000,000
GCP-93 Southwestern Loop Phase I	500,000	-	-	-	500,000
Total expenditures	21,651,967	3,185,914	6,708,317	9,894,231	11,757,736
Excess of Revenues Over (Under) Expenditures	(21,651,967)	(3,156,754)	(6,695,116)	(9,851,870)	11,800,097
Other Financing Sources (Uses)					
Appropriated Fund Balance	5,383,467	-	-	-	(5,383,467)
Revenue bonds issued	137,500	59,432	-	59,432	(78,068)
Long-term financing	16,131,000	-	-	-	(16,131,000)
Intra-fund transfers	-	9,045,857	1,500,000	10,545,857	10,545,857
Total other financing sources (uses)	21,651,967	9,105,289	1,500,000	10,605,289	(11,046,678)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 5,948,535	\$ (5,195,116)	\$ 753,419	\$ 753,419

* Project(s) already closed.

Greenville Utilities Commission
of the City of Greenville, North Carolina
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2015

	<u>Refuse Collection Agency Fund</u>	<u>Stormwater Collection Agency Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 612,808	\$ 384,738	\$ 997,546
Accounts receivables	1,082,642	427,199	1,509,841
Total assets	<u>1,695,450</u>	<u>811,937</u>	<u>2,507,387</u>
Liabilities			
Accounts payable	<u>1,695,450</u>	<u>811,937</u>	<u>2,507,387</u>
Total liabilities	<u>\$ 1,695,450</u>	<u>\$ 811,937</u>	<u>\$ 2,507,387</u>

Greenville Utilities Commission
of the City of Greenville, North Carolina
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
Refuse Collection Fund:				
Assets:				
Cash and cash equivalents	\$ 525,996	\$ 1,056,088	\$ (969,276)	\$ 612,808
Accounts receivable	1,042,874	7,211,248	(7,171,480)	1,082,642
Total assets	<u>\$ 1,568,870</u>	<u>\$ 8,267,336</u>	<u>\$ (8,140,756)</u>	<u>\$ 1,695,450</u>
Liabilities:				
Accounts payable	\$ 1,568,870	\$ 7,053,352	\$ (6,926,772)	\$ 1,695,450
	<u>\$ 1,568,870</u>	<u>\$ 7,053,352</u>	<u>\$ (6,926,772)</u>	<u>\$ 1,695,450</u>
Stormwater Collection Fund:				
Assets:				
Cash and cash equivalents	\$ 316,715	\$ 627,956	\$ (559,933)	\$ 384,738
Accounts receivable	608,361	4,183,983	(4,365,145)	427,199
Total assets	<u>\$ 925,076</u>	<u>\$ 4,811,939</u>	<u>\$ (4,925,078)</u>	<u>\$ 811,937</u>
Liabilities:				
Accounts payable	\$ 925,076	\$ 4,144,659	\$ (4,257,798)	\$ 811,937
	<u>\$ 925,076</u>	<u>\$ 4,144,659</u>	<u>\$ (4,257,798)</u>	<u>\$ 811,937</u>

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of 2015-2016 Projected Transfer to the City of Greenville General Fund**

	<u>Electric Fund</u>	<u>Gas Fund</u>	<u>Total</u>
General Transfer			
Capital assets, net of depreciation	\$ 97,118,442	\$ 36,389,646	\$ 133,508,088
Less long-term debt	<u>18,105,610</u>	<u>6,479,030</u>	<u>24,584,640</u>
Net transfer base	79,012,832	29,910,616	108,923,448
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	<u>4,740,770</u>	<u>1,794,637</u>	<u>6,535,407</u>
Street Lighting Reimbursement			
Street lighting projected revenue	1,505,670		1,505,670
Transfer Rate	50%		50%
Projected street lighting reimbursement	<u>752,835</u>		<u>752,835</u>
Total projected transfer to City of Greenville General Fund	<u>\$ 5,493,605</u>	<u>\$ 1,794,637</u>	<u>\$ 7,288,242</u>

**Greenville Utilities Commission
of the City of Greenville, North Carolina
Schedule of Indebtedness
June 30, 2015**

	Date of Issue	Date of Maturity	Outstanding June 30, 2014	Added During Year	Retired During Year		Outstanding June 30, 2015	Discount/Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2015
					Principal	Interest				Principal	Interest	
Electric Fund:												
\$2,840,154 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	988,401	-	311,766	48,739	676,635	-	676,635	328,896	30,320	13,259
\$2,607,909 RB, 2005	7/13/2005	9/1/2025	1,770,118	-	120,616	58,646	1,649,502	-	1,649,502	125,505	54,426	18,859
\$3,903,762 RB, 2008A New Money	6/25/2008	11/1/2033	3,903,762	-	-	185,304	3,903,762	-	3,903,762	-	185,304	30,884
\$1,084,583 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	641,387	-	117,334	27,327	524,053	50,227	574,280	122,198	22,537	4,163
\$605,347 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	409,443	-	50,728	17,752	358,715	17,098	375,813	52,660	15,684	2,790
\$4,130,000 RB, 2008B Taxable	6/25/2008	11/1/2018	2,350,000	-	420,000	123,692	1,930,000	11,494	1,941,494	440,000	98,838	18,592
\$3,902,210 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	3,155,808	-	361,677	74,672	2,794,131	-	2,794,131	370,541	65,482	23,378
\$283,932 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	207,791	-	50,635	3,823	157,156	-	157,156	51,385	2,892	482
\$6,182,959 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	5,671,072	-	435,306	104,348	5,235,766	-	5,235,766	435,306	96,338	16,056
\$514,460 Installment Purchase 2010	5/26/2010	4/26/2015	107,933	-	107,933	2,763	-	-	-	-	-	-
\$848,231 Installment Purchase 2011	5/18/2011	4/18/2016	348,769	-	172,668	6,933	176,101	-	176,101	176,101	3,501	709
\$834,344 Installment Purchase 2012	5/16/2012	5/16/2015	281,825	-	281,825	3,776	-	-	-	-	-	-
\$945,064 Installment Purchase 2013	5/16/2013	5/16/2016	632,799	-	315,013	5,569	317,786	-	317,786	317,786	2,797	350
			20,469,108	-	2,745,501	663,344	17,723,607	78,819	17,802,426	2,420,378	578,119	129,522
Water Fund:												
\$1,538,624 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	535,456	-	168,896	26,404	366,560	-	366,560	178,176	16,426	7,183
\$1,356,029 RB, 2005	7/13/2005	9/1/2025	920,405	-	62,716	30,494	857,689	-	857,689	65,259	28,300	9,806
\$10,641,133 RB, 2008A New Money	6/25/2008	11/1/2033	9,360,073	-	291,997	437,595	9,068,076	164,940	9,233,016	302,932	425,696	71,959
\$2,378,250 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	1,406,420	-	257,288	59,923	1,149,132	37,493	1,186,625	267,953	49,418	9,130
\$11,924,653 RB, 2008A Refunding 2000A	6/25/2008	11/1/2020	8,065,557	-	999,273	349,698	7,066,284	226,416	7,292,700	1,037,340	308,966	54,952
\$1,695,666 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,371,325	-	157,163	32,448	1,214,162	-	1,214,162	161,015	28,455	10,158
\$141,966 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	103,896	-	25,318	1,912	78,578	-	78,578	25,693	1,446	241
\$696,400 RB, 2013 Refunding SRF Loan #1	3/11/2013	5/1/2015	229,000	-	229,000	4,214	-	-	-	-	-	-
\$1,204,100 RB, 2013 Refunding SRF Loan #2	3/11/2013	5/1/2018	789,700	-	200,500	14,530	589,200	-	589,200	198,500	10,841	1,807
\$4,014,597 SRF Loan #4, 2004	11/18/2010	5/1/2030	3,107,930	-	194,245	68,530	2,913,685	-	2,913,685	194,245	64,247	10,708
\$460,425 SRF Loan #7	12/19/2013	5/1/2033	437,404	-	23,021	-	414,383	-	414,383	23,021	10,360	1,727
\$269,492 SRF Loan #9	6/21/2010	5/1/2030	215,594	-	13,474	10,904	202,120	-	202,120	13,475	5,053	842
\$1,442,000 SRF Loan #12	12/19/2013	5/1/2033	1,226,921	-	64,575	-	1,162,346	-	1,162,346	64,575	23,363	3,894
\$2,942,152 SRF Loan #6 (ARRA)	5/1/2011	5/2/2030	1,176,861	-	73,554	5,390	1,103,307	-	1,103,307	73,554	-	-
\$44,782 SRF Loan #8 (ARRA)	1/28/2011	5/2/2031	19,032	-	1,120	24,661	17,912	-	17,912	1,119	-	-
\$125,459 Installment Purchase 2010	5/26/2010	4/26/2015	26,321	-	26,321	674	-	-	-	-	-	-
\$98,022 Installment Purchase 2011	5/18/2011	4/18/2016	40,304	-	19,954	801	20,350	-	20,350	20,350	405	82
\$179,575 Installment Purchase 2012	5/16/2012	5/16/2015	60,657	-	60,657	813	-	-	-	-	-	-
\$123,706 Installment Purchase 2013	5/16/2013	5/16/2016	82,831	-	41,234	729	41,597	-	41,597	41,597	366	46
			29,175,687	-	2,910,306	1,069,720	26,265,381	428,849	26,694,230	2,668,804	973,342	182,535
Sewer Fund:												
\$1,667,119 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	580,173	-	183,001	28,609	397,172	-	397,172	193,056	17,797	7,783
\$4,036,062 RB, 2005	7/13/2005	9/1/2025	2,739,477	-	186,668	90,763	2,552,809	-	2,552,809	194,236	84,230	29,187
\$10,300,362 RB, 2008A New Money	6/25/2008	11/1/2033	9,199,565	-	456,532	106,327	8,743,033	158,823	8,901,856	255,019	421,000	71,017
\$4,219,963 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	2,495,550	-	245,953	431,019	2,249,597	66,528	2,316,125	475,455	87,687	16,199
\$2,172,644 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	1,757,068	-	201,372	41,575	1,555,696	-	1,555,696	206,307	36,459	13,016
\$2,235,254 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	1,635,840	-	398,625	30,099	1,237,215	-	1,237,215	404,531	22,765	3,794
\$6,292,200 RB, 2013 Refunding SRF Loan #3	3/11/2013	5/1/2020	4,662,700	-	790,900	85,794	3,871,800	-	3,871,800	785,500	71,241	11,874
\$13,761,629 SRF Loan #5	11/1/2010	5/1/2030	11,009,303	-	688,081	273,031	10,321,222	-	10,321,222	688,081	255,966	42,661
\$9,241,586 SRF Loan #10	*	*	6,627,042	431,668	462,080	204,193	6,596,630	-	6,596,630	210,336	84,905	32,141
\$13,987,369 SRF Loan #11	*	*	11,207,738	379,774	699,369	326,220	10,888,143	-	10,888,143	444,295	201,195	51,508
\$2,895,724 Bethel Inter-Local Agreement	1/6/2003	5/1/2023	1,362,435	-	151,382	99,071	1,211,053	-	1,211,053	151,382	95,379	18,072
\$297,034 Installment Purchase 2010	5/26/2010	4/26/2015	62,317	-	62,317	1,595	-	-	-	-	-	-
\$180,653 Installment Purchase 2011	5/18/2011	4/18/2016	74,279	-	36,774	1,477	37,505	-	37,505	37,505	746	151
\$101,055 Installment Purchase 2012	5/16/2012	5/16/2015	34,134	-	34,134	457	-	-	-	-	-	-
\$147,377 Installment Purchase 2013	5/16/2013	5/16/2016	98,681	-	49,124	868	49,557	-	49,557	49,557	436	55
			53,546,302	811,442	4,646,312	1,721,098	49,711,432	225,351	49,936,783	4,095,260	1,379,806	297,458
Gas Fund:												
\$2,244,103 RB, 2001 Refunding 1994	5/1/2001	9/1/2016	780,969	-	246,337	38,510	534,632	-	534,632	259,872	23,957	10,476
\$1,029,743 RB, 2008A New Money	6/25/2008	11/1/2033	871,600	-	133,845	31,173	737,755	27,502	765,257	27,050	39,617	6,693
\$1,237,204 RB, 2008A Refunding 1998	6/25/2008	11/1/2018	731,642	-	27,050	40,699	704,592	19,505	724,097	139,394	25,708	4,749
\$3,234,480 RB, 2010 Refunding 2001	11/12/2010	9/1/2021	2,615,799	-	299,788	61,894	2,316,011	-	2,316,011	307,136	54,277	19,377
\$1,123,849 RB, 2013 Refunding 2003B	3/11/2013	5/1/2018	822,473	-	200,422	15,134	622,051	-	622,051	203,391	11,446	1,908
\$1,487,041 RB, 2013 Refunding 2007	3/11/2013	5/1/2027	1,363,929	-	104,694	25,096	1,259,235	-	1,259,235	104,694	23,170	3,862
\$334,828 Installment Purchase 2010	5/26/2010	4/26/2015	70,247	-	70,247	1,798	-	-	-	-	-	-
\$180,474 Installment Purchase 2011	5/18/2011	4/18/2016	74,206	-	36,738	1,475	37,468	-	37,468	37,468	745	151
\$22,026 Installment Purchase 2012	5/16/2012	5/16/2015	7,440	-	7,440	100	-	-	-	-	-	-
\$143,251 Installment Purchase 2013	5/16/2013	5/16/2016	95,918	-	47,749	844	48,169	-	48,169	48,169	424	53
			7,434,223	-	1,174,310	216,723	6,259,913	47,007	6,306,920	1,127,174	179,344	47,269
Total All Funds			110,625,320	811,442	11,476,429	3,670,885	99,960,333	780,026	100,740,359	10,311,616	3,110,611	656,784

* 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, 2015

Grantor/Pass Through Grantor/Program Title	Federal CDFA Number	Grant/Loan 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						
Division of Water Quality						
Clean Water State Revolving Fund	66.458	CS370487-08	8,866,000	-	956,572	9,822,572
Clean Water State Revolving Fund	66.458	CS370487-07	13,221,304	-	1,300,000	14,521,304
Clean Water State Revolving Fund	66.458	CS370487-09	252,113	-	-	252,113
Total Pass-through NC Department of Environment and Natural Resources			22,339,417	-	2,256,572	24,595,989
Total U. S. Environmental Protection Agency			22,339,417	-	2,256,572	24,595,989
Total Federal Assistance			\$ 22,339,417	\$ -	\$ 2,256,572	\$ 24,595,989

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.



STATISTICAL SECTION



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



Connected To Our Customers



Public safety is a top priority at GUC and is an integral part of our service. Safety programs throughout our organization are just as essential as the services we provide. The safety of employees, as well as the public, is of the utmost importance. We employ a full-time Resource Exposure Manager who develops, designs and administers our safety programs and our Corporate Safety Policies & Procedures provide the foundation for our work practices and inspire our commitment to safety.

To help ensure safe working environments, we also have an employee-led Corporate Safety Initiative

(CSI) Steering Committee that helps with the development of our corporate safety goals and programs.

As part of our continuous quest to improve safety performance, the Lighthouse process was implemented during the spring of 2013. This employee-led program is part of our Safety Initiative to build on our successful safety record. Lighthouse is a behavior observation feedback process involving trained employees who observe their peers and identify safe and at-risk behaviors.

As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

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

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

Contents Pages

Financial Trends Information

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

Revenue Capacity Information

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

Debt Capacity Information

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Business-type activities					
Net investment in capital assets	\$ 203,328	\$ 211,689	\$ 221,178	\$ 231,890	\$ 236,136
Unrestricted	51,057	54,448	57,730	56,973	63,055
Total business-type activities net position	\$ 254,385	\$ 266,137	\$ 278,908	\$ 288,863	\$ 299,191

	Fiscal Year				
	2011	2012	2013	2014	2015
Business-type activities					
Net investment in capital assets	\$ 235,421	\$ 238,986	\$ 246,776	\$ 253,843	\$ 272,213
Unrestricted	75,583	79,196	79,035	77,924	69,458
Total business-type activities net position	\$ 311,004	\$ 318,182	\$ 325,811	\$ 331,767	\$ 341,671

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating revenues:										
Charges for services	\$ 214,077	\$ 224,297	\$ 235,850	\$ 257,795	\$ 259,181	\$ 270,573	\$ 255,943	\$ 260,272	\$ 269,776	\$ 270,859
Other operating revenues	687	1,193	668	718	730	800	785	773	996	1,128
Total operating revenues	214,764	225,490	236,517	258,513	259,911	271,373	256,728	261,045	270,772	271,987
Operating expenses:										
Administration and general	16,495	17,544	13,796	13,466	13,963	14,756	15,456	15,916	17,493	17,711
Operations and maintenance	20,735	22,062	31,030	32,428	32,536	33,784	36,433	33,916	33,915	35,032
Purchased power and gas	152,760	160,824	164,060	185,204	183,863	188,585	175,992	179,141	188,110	180,031
Depreciation	14,577	14,555	14,810	15,324	15,649	16,744	16,962	17,565	18,181	18,140
Total operating expenses	204,568	214,985	223,695	246,422	246,011	253,869	244,842	246,538	257,700	250,914
Operating income (loss)	10,196	10,505	12,822	12,091	13,900	17,504	11,886	14,507	13,072	21,072
Non-operating revenues (expenses):										
Interest income	2,037	2,912	2,212	1,426	809	637	335	226	208	284
Interest expense and service charges	(3,880)	(3,870)	(3,713)	(4,170)	(3,973)	(4,330)	(3,984)	(4,091)	(3,574)	(3,683)
Other, net	1,423	2,747	1,410	1,433	1,315	2,382	4,677	2,721	1,761	1,444
Net non-operating revenues	(421)	1,788	(91)	(1,312)	(1,848)	(1,311)	1,027	(1,143)	(1,604)	(1,955)
Income before contributions and transfers	9,776	12,293	12,731	10,779	12,052	16,193	12,913	13,364	11,468	19,117
Contributions and transfers:										
Capital Contributions	7,043	4,448	5,055	4,462	3,501	1,062	-	-	568	602
Transfer to City of Greenville, General Fund	(4,287)	(4,454)	(4,444)	(4,659)	(4,563)	(4,765)	(5,039)	(5,038)	(5,360)	(5,748)
Transfer to City of Greenville, street lighting reimb.	(510)	(535)	(570)	(628)	(662)	(678)	(696)	(696)	(721)	(757)
Total contributions and transfers	2,245	(542)	40	(825)	(1,724)	(4,381)	(5,735)	(5,733)	(5,513)	(5,903)
Changes in net position	\$ 12,021	\$ 11,751	\$ 12,771	\$ 9,954	\$ 10,329	\$ 11,812	\$ 7,178	\$ 7,630	\$ 5,955	\$ 13,214

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

Fiscal Year	Electric Fund			Water Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
2006	152,459,360	1,107,154	329,027	10,439,411	668,543	240,136
2007	160,742,873	1,067,950	391,053	10,852,530	871,821	199,610
2008	166,967,883	1,214,369	432,762	12,646,586	909,860	72,586
2009	185,301,475	1,046,817	472,514	12,934,404	526,328	78,685
2010	192,716,425	1,144,392	483,335	12,921,434	398,169	79,354
2011	200,357,626	1,165,263	536,485	14,568,726	321,294	85,994
2012	191,029,354	1,112,192	494,829	15,719,715	292,152	106,365
2013	194,108,566	1,233,242	504,564	15,410,078	383,665	90,114
2014	199,134,647	1,286,852	699,404	15,819,721	348,287	98,063
2015	196,828,376	1,341,514	822,672	16,753,280	277,287	96,915

Fiscal Year	Sewer Fund			Gas Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
2006	11,061,575	1,240,548	49,004	36,938,809	161,320	69,322
2007	11,802,583	822,008	534,374	37,965,531	172,035	67,746
2008	12,458,883	686,020	77,379	40,751,828	214,223	85,080
2009	13,282,500	388,926	73,490	44,176,441	138,363	93,095
2010	13,982,944	366,945	77,579	37,491,825	159,339	89,329
2011	16,251,177	319,025	85,329	37,440,126	149,616	92,378
2012	17,247,740	263,573	90,269	30,150,678	127,392	94,036
2013	17,124,153	363,627	90,648	31,513,234	135,445	87,753
2014	17,539,513	329,446	101,204	35,181,326	136,379	97,094
2015	18,896,038	280,526	111,569	36,342,568	139,335	96,432

**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	Effective Rate (per kWh)¹
2006	626,475,047	115,895,767	333,679,739	440,898,440	15,229,953	5,076,592	1,537,255,538	\$ 0.09918
2007	632,461,374	115,569,492	335,868,527	457,237,248	15,865,478	4,874,324	1,561,876,443	\$ 0.10292
2008	660,765,253	120,108,448	349,929,722	476,845,992	16,667,538	5,303,297	1,629,620,250	\$ 0.10246
2009	688,061,414	119,860,338	347,356,181	456,366,784	17,231,719	4,600,280	1,633,476,716	\$ 0.11344
2010	701,375,321	119,505,611	338,255,635	468,568,472	17,551,533	4,869,163	1,650,125,735	\$ 0.11679
2011	735,045,523	121,941,172	347,635,077	486,112,644	17,779,021	3,496,959	1,712,010,396	\$ 0.11703
2012	659,675,766	117,140,900	338,546,911	497,654,640	17,919,207	1,928,168	1,632,865,592	\$ 0.11699
2013	695,864,293	117,071,188	332,957,674	489,990,456	18,064,409	2,718,765	1,656,666,785	\$ 0.11717
2014	714,076,550	116,525,549	337,651,551	495,199,376	18,433,379	2,960,481	1,684,846,886	\$ 0.11819
2015	719,680,705	119,699,090	337,550,002	511,184,520	18,637,900	3,147,325	1,709,899,542	\$ 0.11511

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**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Wholesale</u>	<u>Total</u>	<u>Effective Rate (per kgallon)²</u>
2006	1,959,878	975,773	327,772	-	3,263,423	\$ 3.19891
2007	2,018,787	951,826	326,876	33,546	3,331,035	\$ 3.25801
2008	2,154,763	1,022,484	344,144	74,253	3,595,644	\$ 3.51720
2009	2,133,699	997,478	306,968	106,488	3,544,633	\$ 3.64901
2010	2,101,457	1,001,757	265,183	76,595	3,444,992	\$ 3.75079
2011	2,189,035	1,045,699	314,924	156,231	3,705,889	\$ 3.93124
2012	2,099,783	976,209	333,569	376,064	3,785,625	\$ 4.15248
2013	2,030,472	940,852	369,971	516,267	3,857,562	\$ 3.99477
2014	2,050,903	942,803	371,670	556,214	3,921,590	\$ 4.03401
2015	2,044,738	909,938	377,268	585,806	3,917,750	\$ 4.27625

¹One 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**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial & Industrial</u>	<u>Wholesale</u>	<u>Total</u>	<u>Effective Rate (per kgallon)²</u>	
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
2015	1,620,718	1,013,803	124,347	2,758,868	\$	6.84920

¹One 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**

<u>Fiscal Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Interruptible</u>	<u>Seasonal</u>	<u>Total</u>	<u>Effective Rate (per CCF)²</u>
2006	7,017,145	5,677,810	1,101,064	8,273,734	17,785	22,087,538	\$ 1.67238
2007	7,483,501	5,545,379	1,119,080	12,129,008	7,022	26,283,990	\$ 1.44444
2008	7,052,603	5,233,201	1,436,740	13,044,444	853	26,767,841	\$ 1.52242
2009	8,544,675	5,742,073	1,331,757	13,155,716	15,699	28,789,920	\$ 1.53444
2010	9,071,756	6,026,915	1,320,226	14,809,280	15,439	31,243,616	\$ 1.19998
2011	9,204,734	6,202,471	1,452,745	15,535,877	9,415	32,405,242	\$ 1.15537
2012	6,446,047	5,060,450	1,286,999	15,440,944	11,791	28,246,231	\$ 1.06742
2013	8,770,015	6,052,098	1,305,580	15,267,893	24,568	31,420,154	\$ 1.00296
2014	9,480,133	6,366,093	1,517,889	15,344,473	252,094	32,960,682	\$ 1.06737
2015	9,568,069	6,584,310	1,891,424	15,104,558	263,557	33,411,918	\$ 1.08771

¹One 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**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Effective Rate (per kWh)	\$ 0.09918	\$ 0.10292	\$ 0.10246	\$ 0.11344	\$ 0.11679	\$ 0.11703	\$ 0.11699	\$ 0.11717	\$ 0.11819	\$ 0.11511
Residential										
Basic customer charge (per month)	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.74	\$ 8.99	\$ 8.99	\$ 8.99	\$ 10.99	\$ 10.99	\$ 10.99
Energy (per kWh) Summer	\$ 0.11195	\$ 0.11074	\$ 0.11074	\$ 0.12257	\$ 0.12600	\$ 0.12600	\$ 0.12600	\$ 0.12600	\$ 0.12600	\$ 0.12600
Winter	\$ 0.10138	\$ 0.10017	\$ 0.10017	\$ 0.11200	\$ 0.11514	\$ 0.11514	\$ 0.11514	\$ 0.11514	\$ 0.11514	\$ 0.11514
Small General Service¹										
Basic customer charge (per month)	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.54	\$ 12.89	\$ 12.89	\$ 12.89	\$ 15.76	\$ 15.76	\$ 15.76
Energy (per kWh) a. first 1,000 kWh	\$ 0.11756	\$ 0.11635	\$ 0.11635	\$ 0.12818	\$ 0.13177	\$ 0.13177	\$ 0.13177	\$ 0.13177	\$ 0.13177	\$ 0.13177
b. next 5,000 kWh	\$ 0.11154	\$ 0.11033	\$ 0.11033	\$ 0.12216	\$ 0.12558	\$ 0.12558	\$ 0.12558	\$ 0.12558	\$ 0.12558	\$ 0.12558
c. all additional kWh	\$ 0.09343	\$ 0.09222	\$ 0.09222	\$ 0.10405	\$ 0.10696	\$ 0.10696	\$ 0.10696	\$ 0.10696	\$ 0.10696	\$ 0.10696
Medium General Service²										
Basic customer charge (per month)	\$ 12.97	\$ 12.97	\$ 12.97	\$ 12.97	\$ 13.33	\$ 13.33	\$ 13.33	\$ 16.30	\$ 16.30	\$ 16.30
Demand (per kW) a. first 35 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. all additional kW	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.06	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17
Energy (per kWh) a. first 12,500 kWh	\$ 0.10925	\$ 0.10804	\$ 0.10804	\$ 0.11987	\$ 0.12323	\$ 0.12323	\$ 0.12323	\$ 0.12323	\$ 0.12323	\$ 0.12323
b. all additional kWh	\$ 0.07920	\$ 0.07799	\$ 0.07799	\$ 0.08982	\$ 0.09233	\$ 0.09233	\$ 0.09233	\$ 0.09233	\$ 0.09233	\$ 0.09233
Large General Service³										
Basic customer charge (per month)	n/a									
Demand (per kW) a. base allocated peak demand	\$ 15.52	\$ 15.52	\$ 15.52	\$ 15.52	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42
b. all additional demand	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.44	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98
c. all coincident peak demand ⁴	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71
d. all rkVA demand ⁵	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Energy (per kWh) all kWh per month	\$ 0.03917	\$ 0.03795	\$ 0.03795	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928	\$ 0.04928
Seasonal General Service										
Basic customer charge (per month)	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.44	\$ 14.84	\$ 14.84	\$ 14.84	\$ 18.14	\$ 18.14	\$ 18.14
Energy (per kWh) Summer										
a. first 750 kWh	\$ 0.12854	\$ 0.12733	\$ 0.12733	\$ 0.13916	\$ 0.14306	\$ 0.14306	\$ 0.14306	\$ 0.14306	\$ 0.14306	\$ 0.14306
b. next 2,250 kWh plus 150 kWh per kW of billing demand in excess of 10 kW per billing month	\$ 0.11763	\$ 0.11642	\$ 0.11642	\$ 0.12825	\$ 0.13184	\$ 0.13184	\$ 0.13184	\$ 0.13184	\$ 0.13184	\$ 0.13184
c. all additional kWh	\$ 0.92950	\$ 0.09174	\$ 0.09174	\$ 0.10357	\$ 0.10647	\$ 0.10647	\$ 0.10647	\$ 0.10647	\$ 0.10647	\$ 0.10647
Winter										
a. first 750 kWh	\$ 0.10840	\$ 0.10719	\$ 0.10719	\$ 0.11902	\$ 0.12235	\$ 0.12235	\$ 0.12235	\$ 0.12235	\$ 0.12235	\$ 0.12235
b. all additional kWh	\$ 0.08064	\$ 0.07943	\$ 0.07943	\$ 0.09126	\$ 0.09382	\$ 0.09382	\$ 0.09382	\$ 0.09382	\$ 0.09382	\$ 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**

Table 8
Continued

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Outdoor Lighting Service (rate per unit per month)										
General Customers										
175W (7,000 lumens) mercury vapor	\$ 11.85	\$ 11.77	\$ 11.77	\$ 12.59	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.85
250W (11,000 lumens) mercury vapor	\$ 15.05	\$ 14.93	\$ 14.93	\$ 16.11	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.47
400W (20,000 lumens) mercury vapor	\$ 20.63	\$ 20.45	\$ 20.45	\$ 22.23	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.77
100W (8,500 lumens) sodium vapor	n/a	\$ 12.85	\$ 12.85							
150W (14,000 lumens) sodium vapor	\$ 14.92	\$ 14.84	\$ 14.84	\$ 15.66	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92
250W (23,000 lumens) sodium vapor	\$ 19.75	\$ 19.62	\$ 19.62	\$ 20.86	\$ 21.24	\$ 21.24	\$ 21.24	\$ 21.24	\$ 21.24	\$ 21.24
400W (45,000 lumens) sodium vapor	\$ 29.94	\$ 29.74	\$ 29.74	\$ 31.64	\$ 32.21	\$ 32.21	\$ 32.21	\$ 32.21	\$ 32.21	\$ 32.21
400W-F (45,000 lumens) sodium vapor	\$ 31.02	\$ 30.82	\$ 30.82	\$ 32.72	\$ 33.29	\$ 33.29	\$ 33.29	\$ 33.29	\$ 33.29	\$ 33.29
400W (40,000 lumens) metal halide	\$ 32.57	\$ 32.37	\$ 32.37	\$ 34.27	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.84
400W-F (40,000 lumens) metal halide	n/a	\$ 34.84	\$ 34.84							
50W (5,000 lumens) light emitting diode (LED)	n/a	\$ 20.18	\$ 20.18							
110W (8,000 lumens) light emitting diode (LED)	n/a	\$ 21.74	\$ 21.74							
150W (13,500 lumens) light emitting diode (LED)	n/a	\$ 26.67	\$ 26.67							
280W-F (20,000 lumens) light emitting diode (LED)	n/a	\$ 39.55	\$ 39.55							
County, Municipal or Housing Authority										
175W (7,000 lumens) mercury vapor	\$ 10.84	\$ 10.76	\$ 10.76	\$ 11.58	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.84
250W (11,000 lumens) mercury vapor	\$ 14.34	\$ 14.22	\$ 14.22	\$ 15.40	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.76
400W (20,000 lumens) mercury vapor	\$ 19.69	\$ 19.51	\$ 19.51	\$ 21.29	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83
400W-T (20,000 lumens) mercury vapor	\$ 16.38	\$ 16.35	\$ 16.35	\$ 17.23	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50
1000W (53,000 lumens) mercury vapor	\$ 37.51	n/a								
100W (8,500 lumens) sodium vapor	n/a	\$ 11.84	\$ 11.84							
150W (14,000 lumens) sodium vapor	\$ 14.51	\$ 13.43	\$ 13.43	\$ 14.26	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.51
250W (23,000 lumens) sodium vapor	\$ 18.44	\$ 17.70	\$ 17.70	\$ 18.95	\$ 19.32	\$ 19.32	\$ 19.32	\$ 19.32	\$ 19.32	\$ 19.32
400W (45,000 lumens) sodium vapor	\$ 26.94	\$ 26.74	\$ 26.74	\$ 28.64	\$ 29.21	\$ 29.21	\$ 29.21	\$ 29.21	\$ 29.21	\$ 29.21
400W-F (45,000 lumens) sodium vapor	\$ 28.03	\$ 27.83	\$ 27.83	\$ 29.73	\$ 30.30	\$ 30.30	\$ 30.30	\$ 30.30	\$ 30.30	\$ 30.30
400W (40,000 lumens) metal halide	\$ 29.58	\$ 29.38	\$ 29.38	\$ 31.28	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85
400W-F (40,000 lumens) metal halide	n/a	\$ 31.85	\$ 31.85							
70W (4,500 lumens) light emitting diode (LED)	n/a	\$ 30.96	\$ 30.96							
50W (5,000 lumens) light emitting diode (LED)	n/a	\$ 18.16	\$ 18.16							
110W (8,000 lumens) light emitting diode (LED)	n/a	\$ 19.57	\$ 19.57							
150W (13,500 lumens) light emitting diode (LED)	n/a	\$ 24.00	\$ 24.00							
280W-F (20,000 lumens) light emitting diode (LED)	n/a	\$ 35.60	\$ 35.60							
Sports Field Lighting Service										
Demand (per kW)	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.21	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27
Energy (per kWh)	\$ 0.09129	\$ 0.09008	\$ 0.09008	\$ 0.10191	\$ 0.10476	\$ 0.10476	\$ 0.10476	\$ 0.10476	\$ 0.10476	\$ 0.10476
Bilateral Metering for Solar Energy Facilities										
Basic customer charge (per month)										
Residential	n/a	\$ 6.48	\$ 6.48							
Small General Service	n/a	\$ 10.44	\$ 10.44							
Medium General Service	n/a	\$ 10.88	\$ 10.88							
Energy credit (per kWh)	n/a	\$ 0.07	\$ 0.07							

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

			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
Effective rate (per kgallon)			\$ 3.19891	\$ 3.25801	\$ 3.51720	\$ 3.64901	\$ 3.75079	\$ 3.93124	\$ 4.15248	\$ 3.99477	\$ 4.03401	\$ 6.84920	
Basic meter charge (based on meter size)													
Inside City	3/4"		\$ 2.89	\$ 2.89	\$ 5.79	\$ 5.79	\$ 5.79	\$ 6.61	\$ 6.61	\$ 6.61	\$ 7.04	\$ 7.04	
	1"		\$ 8.34	\$ 8.34	\$ 9.30	\$ 9.30	\$ 9.30	\$ 10.77	\$ 10.77	\$ 10.77	\$ 11.51	\$ 11.51	
	1-1/2"		\$ 16.70	\$ 16.70	\$ 17.32	\$ 17.32	\$ 17.32	\$ 20.28	\$ 20.28	\$ 20.28	\$ 21.74	\$ 21.74	
	2"		\$ 31.85	\$ 31.85	\$ 27.34	\$ 27.34	\$ 27.34	\$ 32.16	\$ 32.16	\$ 32.16	\$ 34.52	\$ 34.52	
	3"		\$ 38.83	\$ 38.83	\$ 59.40	\$ 59.40	\$ 59.40	\$ 70.17	\$ 70.17	\$ 70.17	\$ 75.41	\$ 75.41	
	4"		\$ 63.49	\$ 63.49	\$ 100.98	\$ 100.98	\$ 100.98	\$ 119.47	\$ 119.47	\$ 119.47	\$ 128.45	\$ 128.45	
	6"		\$ 156.87	\$ 156.87	\$ 209.70	\$ 209.70	\$ 209.70	\$ 248.37	\$ 248.37	\$ 248.37	\$ 267.11	\$ 267.11	
	8"		\$ 180.80	\$ 180.80	\$ 301.38	\$ 301.38	\$ 301.38	\$ 357.07	\$ 357.07	\$ 357.07	\$ 384.05	\$ 384.05	
	10"		\$ 252.07	\$ 252.07	\$ 485.25	\$ 485.25	\$ 485.25	\$ 575.07	\$ 575.07	\$ 575.07	\$ 618.56	\$ 618.56	
	12"		\$ 274.52	\$ 274.52	\$ 718.72	\$ 718.72	\$ 718.72	\$ 851.88	\$ 851.88	\$ 851.88	\$ 916.34	\$ 916.34	
	Outside City	3/4"		\$ 3.30	\$ 3.30	\$ 6.54	\$ 6.54	\$ 6.54	\$ 7.50	\$ 7.50	\$ 7.50	\$ 8.10	\$ 8.10
		1"		\$ 9.57	\$ 9.57	\$ 10.58	\$ 10.58	\$ 10.58	\$ 12.29	\$ 12.29	\$ 12.29	\$ 13.24	\$ 13.24
1-1/2"			\$ 19.12	\$ 19.12	\$ 19.80	\$ 19.80	\$ 19.80	\$ 23.22	\$ 23.22	\$ 23.22	\$ 25.00	\$ 25.00	
2"			\$ 36.50	\$ 36.50	\$ 31.32	\$ 31.32	\$ 31.32	\$ 36.88	\$ 36.88	\$ 36.88	\$ 39.70	\$ 39.70	
3"			\$ 44.53	\$ 44.53	\$ 68.19	\$ 68.19	\$ 68.19	\$ 80.60	\$ 80.60	\$ 80.60	\$ 86.73	\$ 86.73	
4"			\$ 72.80	\$ 72.80	\$ 116.01	\$ 116.01	\$ 116.01	\$ 137.29	\$ 137.29	\$ 137.29	\$ 147.72	\$ 147.72	
6"			\$ 179.84	\$ 179.84	\$ 241.04	\$ 241.04	\$ 241.04	\$ 285.53	\$ 285.53	\$ 285.53	\$ 307.18	\$ 307.18	
8"			\$ 207.28	\$ 207.28	\$ 346.47	\$ 346.47	\$ 346.47	\$ 410.53	\$ 410.53	\$ 410.53	\$ 441.66	\$ 441.66	
10"			\$ 289.02	\$ 289.02	\$ 557.92	\$ 557.92	\$ 557.92	\$ 661.23	\$ 661.23	\$ 661.23	\$ 711.35	\$ 711.35	
12"			\$ 314.76	\$ 314.76	\$ 826.41	\$ 826.41	\$ 826.41	\$ 979.56	\$ 979.56	\$ 979.56	\$ 1,053.79	\$ 1,053.79	
Industrial		3/4"		\$ 2.89	\$ 2.89	*	*	*	*	*	*	*	*
		1"		\$ 8.34	\$ 8.34	*	*	*	*	*	*	*	*
	1-1/2"		\$ 16.70	\$ 16.70	*	*	*	*	*	*	*	*	
	2"		\$ 31.85	\$ 31.85	*	*	*	*	*	*	*	*	
	3"		\$ 38.83	\$ 38.83	*	*	*	*	*	*	*	*	
	4"		\$ 63.49	\$ 63.49	*	*	*	*	*	*	*	*	
	6"		\$ 156.87	\$ 156.87	*	*	*	*	*	*	*	*	
	8"		\$ 180.80	\$ 180.80	*	*	*	*	*	*	*	*	
	10"		\$ 252.07	\$ 252.07	*	*	*	*	*	*	*	*	
	12"		\$ 274.52	\$ 274.52	*	*	*	*	*	*	*	*	
	Volume Charge (per kgal)												
	Inside City	Residential	non irrigation	\$ 2.450	\$ 2.450	\$ 2.950	\$ 2.950	\$ 2.950	\$ 3.350	\$ 3.350	\$ 3.350	\$ 3.590	\$ 3.590
Commercial		non irrigation	\$ 1.980	\$ 1.980	\$ 2.390	\$ 2.390	\$ 2.390	\$ 2.710	\$ 2.710	\$ 2.710	\$ 2.900	\$ 2.900	
Industrial		non irrigation	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	\$ 2.530	\$ 2.710	\$ 2.710	
Irrigation		All Customers	**	**	**	**	**	\$ 5.030	\$ 5.030	\$ 5.030	\$ 5.390	\$ 5.390	
Outside City	Residential	non irrigation	\$ 3.810	\$ 3.810	\$ 4.580	\$ 4.580	\$ 4.580	\$ 5.200	\$ 5.200	\$ 5.200	\$ 5.560	\$ 5.560	
	Commercial	non irrigation	\$ 3.050	\$ 3.050	\$ 3.700	\$ 3.700	\$ 3.700	\$ 4.200	\$ 4.200	\$ 4.200	\$ 4.500	\$ 4.500	
	Industrial	non irrigation	\$ 1.850	\$ 1.850	\$ 2.230	\$ 2.230	\$ 2.230	\$ 2.530	\$ 2.530	\$ 2.530	\$ 2.710	\$ 2.710	
	Irrigation	Residential	**	**	**	**	**	\$ 7.80	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	
	Irrigation	Commercial	**	**	**	**	**	\$ 7.80	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	
	Irrigation	Industrial	**	**	**	**	**	\$ 5.03	\$ 5.03	\$ 5.03	\$ 5.39	\$ 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**

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	
Effective rate (per kgallon)		\$ 4.27924	\$ 4.45449	\$ 4.56599	\$ 4.93100	\$ 5.25847	\$ 5.81463	\$ 6.27941	\$ 6.27375	\$ 6.39632	\$ 6.84920	
Basic meter charge (based on water/wastewater meter size)												
Residential	3/4"	\$ 6.22	\$ 7.22	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.37	\$ 10.37	
	1"	\$ 15.33	\$ 17.79	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78	\$ 16.78	\$ 17.01	\$ 17.01	
	1-1/2"	\$ 31.46	\$ 36.52	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	\$ 31.73	\$ 32.17	\$ 32.17	
	2"	\$ 61.96	\$ 71.92	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	\$ 50.41	\$ 51.13	\$ 51.13	
	3"	\$ 71.07	\$ 82.50	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	\$ 110.18	\$ 111.81	\$ 111.81	
	4"	\$ 115.03	\$ 133.52	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	\$ 187.70	\$ 190.49	\$ 190.49	
	6"	\$ 276.98	\$ 321.51	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	\$ 390.38	\$ 396.21	\$ 396.21	
	8"	\$ 332.06	\$ 385.45	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	\$ 561.30	\$ 569.69	\$ 569.69	
	10"	\$ 464.69	\$ 539.40	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	\$ 904.08	\$ 917.61	\$ 917.61	
	12"	\$ 650.24	\$ 754.78	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	\$ 1,339.33	\$ 1,359.37	\$ 1,359.37	
	Commercial/Industrial	3/4"	\$ 4.51	\$ 5.24	\$ 8.55	\$ 8.55	\$ 8.97	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.37	\$ 10.37
		1"	\$ 13.17	\$ 15.29	\$ 13.80	\$ 13.80	\$ 14.60	\$ 16.78	\$ 16.78	\$ 16.78	\$ 17.01	\$ 17.01
1-1/2"		\$ 26.32	\$ 30.55	\$ 25.80	\$ 25.80	\$ 27.47	\$ 31.73	\$ 31.73	\$ 31.73	\$ 32.17	\$ 32.17	
2"		\$ 50.21	\$ 58.28	\$ 40.80	\$ 40.80	\$ 43.55	\$ 50.41	\$ 50.41	\$ 50.41	\$ 51.13	\$ 51.13	
3"		\$ 61.28	\$ 71.10	\$ 88.80	\$ 88.80	\$ 95.00	\$ 110.18	\$ 110.18	\$ 110.18	\$ 111.81	\$ 111.81	
4"		\$ 100.12	\$ 116.22	\$ 151.05	\$ 151.05	\$ 161.73	\$ 187.70	\$ 187.70	\$ 187.70	\$ 190.49	\$ 190.49	
6"		\$ 247.27	\$ 287.02	\$ 313.80	\$ 313.80	\$ 336.20	\$ 390.38	\$ 390.38	\$ 390.38	\$ 396.21	\$ 396.21	
8"		\$ 285.03	\$ 330.85	\$ 451.05	\$ 451.05	\$ 483.33	\$ 561.30	\$ 561.30	\$ 561.30	\$ 569.69	\$ 569.69	
10"		\$ 397.40	\$ 461.29	\$ 726.30	\$ 726.30	\$ 778.40	\$ 904.08	\$ 904.08	\$ 904.08	\$ 917.61	\$ 917.61	
12"		\$ 432.71	\$ 502.28	\$ 1,075.80	\$ 1,075.80	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	\$ 1,339.33	\$ 1,359.37	\$ 1,359.37	
Sewer Only Customers												
Basic meter charge (based on water/wastewater meter size)												
Residential	3/4"	\$ 8.96	\$ 9.96	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36	\$ 15.36	\$ 15.56	\$ 15.56	
	1"	\$ 23.26	\$ 25.86	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17	\$ 25.17	\$ 25.52	\$ 25.52	
	1-1/2"	\$ 47.36	\$ 52.65	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60	\$ 47.60	\$ 48.26	\$ 48.26	
	2"	\$ 92.29	\$ 102.59	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62	\$ 75.62	\$ 76.70	\$ 76.70	
	3"	\$ 108.06	\$ 120.12	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27	\$ 165.27	\$ 167.72	\$ 167.72	
	4"	\$ 175.50	\$ 195.09	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55	\$ 281.55	\$ 285.74	\$ 285.74	
	6"	\$ 426.38	\$ 473.97	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57	\$ 585.57	\$ 594.32	\$ 594.32	
	8"	\$ 504.25	\$ 560.53	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95	\$ 841.95	\$ 854.54	\$ 854.54	
	10"	\$ 704.77	\$ 783.43	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	\$ 1,356.12	\$ 1,376.42	\$ 1,376.42	
	12"	\$ 911.68	\$ 1,013.43	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00	\$ 2,009.00	\$ 2,009.00	\$ 2,039.06	\$ 2,039.06	

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

Table 10
Continued

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sewer Only Customers											
Commercial/Industrial	3/4"	\$ 7.26	\$ 8.07	\$ 12.83	\$ 12.83	\$ 13.46	\$ 15.36	\$ 15.36	\$ 15.36	\$ 15.56	\$ 15.56
	1"	\$ 21.20	\$ 23.45	\$ 20.70	\$ 20.70	\$ 21.90	\$ 25.17	\$ 25.17	\$ 25.17	\$ 25.52	\$ 25.52
	1-1/2"	\$ 42.22	\$ 46.93	\$ 38.70	\$ 38.70	\$ 41.21	\$ 47.60	\$ 47.60	\$ 47.60	\$ 48.26	\$ 48.26
	2"	\$ 80.54	\$ 89.53	\$ 61.20	\$ 61.20	\$ 65.33	\$ 75.62	\$ 75.62	\$ 75.62	\$ 76.70	\$ 76.70
	3"	\$ 98.23	\$ 109.19	\$ 133.20	\$ 133.20	\$ 142.50	\$ 165.27	\$ 165.27	\$ 165.27	\$ 167.72	\$ 167.72
	4"	\$ 160.59	\$ 178.51	\$ 226.58	\$ 226.58	\$ 242.60	\$ 281.55	\$ 281.55	\$ 281.55	\$ 285.74	\$ 285.74
	6"	\$ 396.67	\$ 440.94	\$ 470.70	\$ 470.70	\$ 504.30	\$ 585.57	\$ 585.57	\$ 585.57	\$ 594.32	\$ 594.32
	8"	\$ 457.23	\$ 508.26	\$ 676.58	\$ 676.58	\$ 725.00	\$ 841.95	\$ 841.95	\$ 841.95	\$ 854.54	\$ 854.54
	10"	\$ 637.48	\$ 708.63	\$ 1,089.45	\$ 1,089.45	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	\$ 1,356.12	\$ 1,376.42	\$ 1,376.42
	12"	\$ 694.16	\$ 771.63	\$ 1,613.70	\$ 1,613.70	\$ 1,729.61	\$ 2,009.00	\$ 2,009.00	\$ 2,009.00	\$ 2,039.06	\$ 2,039.06
Volume Charge (per kgal, based on 93.5% of water usage unless separately metered)											
Residential		\$ 3.120	\$ 3.120	\$ 3.500	\$ 3.500	\$ 3.670	\$ 4.450	\$ 4.450	\$ 4.450	\$ 4.980	\$ 4.980
Commercial/Industrial		\$ 3.450	\$ 3.450	\$ 3.880	\$ 3.880	\$ 4.070	\$ 4.930	\$ 4.930	\$ 4.930	\$ 5.510	\$ 5.510
Metered wastewater (100%)		\$ 3.800	\$ 3.800	\$ 4.270	\$ 4.270	\$ 4.480	\$ 5.430	\$ 5.430	\$ 5.430	\$ 6.080	\$ 6.080
Municipalities**		\$ 3.910	\$ 3.910	\$ 4.400	\$ 4.400	\$ 4.620	\$ 5.600	\$ 5.600	\$ 5.600	\$ 5.600	\$ 5.600

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

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

			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Effective rate (per CCF)			\$ 1.67238	\$ 1.44444	\$ 1.52242	\$ 1.53444	\$ 1.19998	\$ 1.15537	\$ 1.06742	\$ 1.00296	\$ 1.06737	\$ 1.08771
Residential Service												
Basic facilities charge			\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00
Commodity	Summer	first 50 ccf	\$ 1.8723	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.8043	*	*	*	*	*	*	*	*	*
	Winter	first 50 ccf	\$ 1.9359	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.8679	*	*	*	*	*	*	*	*	*
Commodity	first 10 ccf		*	\$ 1.7378	\$ 2.1654	\$ 1.4401	\$ 1.3126	\$ 1.3650	\$ 1.0773	**	**	**
	all additional ccf		*	\$ 1.6238	\$ 2.0514	\$ 1.3261	\$ 1.1986	\$ 1.2510	\$ 0.9633	**	**	**
Commodity	first 20 ccf		*	**	**	**	**	**	**	\$ 1.1800	\$ 1.3010	\$ 1.1927
	all additional ccf		*	**	**	**	**	**	**	\$ 1.0440	\$ 1.1650	\$ 1.0567
Residential Service - Heat Only												
Summer	Basic facilities charge		\$ 8.00	*	*	*	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.8763	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.8103	*	*	*	*	*	*	*	*	*
Winter	Basic facilities charge		\$ 11.00	*	*	*	*	*	*	*	*	*
	Commodity	first 50 ccf	\$ 1.9399	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.8739	*	*	*	*	*	*	*	*	*
Basic facilities charge			*	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Commodity	first 10 ccf		*	\$ 1.8188	\$ 2.2464	\$ 1.5211	\$ 1.3936	\$ 1.4460	\$ 1.1583	**	**	**
	all additional ccf		*	\$ 1.7003	\$ 2.1279	\$ 1.4026	\$ 1.2751	\$ 1.3275	\$ 1.0398	**	**	**
Commodity	first 20 ccf		*	**	**	**	**	**	**	\$ 1.2610	\$ 1.3820	\$ 1.2737
	all additional ccf		*	**	**	**	**	**	**	\$ 1.1233	\$ 1.2443	\$ 1.1360
Commercial Service												
Basic facilities charge			\$ 20.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00
Commodity	Summer	first 100 ccf	\$ 1.8193	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.7573	*	*	*	*	*	*	*	*	*
	Winter	first 100 ccf	\$ 1.8829	*	*	*	*	*	*	*	*	*
		all additional ccf	\$ 1.8209	*	*	*	*	*	*	*	*	*
Commodity	first 50 ccf		*	\$ 1.7169	\$ 2.1445	\$ 1.4192	\$ 1.2917	\$ 1.3441	\$ 1.0564	**	**	**
	51 to 300 ccf		*	\$ 1.6432	\$ 2.0708	\$ 1.3455	\$ 1.2180	\$ 1.2704	\$ 0.9827	**	**	**
	301 to 500 ccf		*	\$ 1.5932	\$ 2.0208	\$ 1.2995	\$ 1.1680	\$ 1.2204	\$ 0.9327	**	**	**
	all additional ccf		*	\$ 1.4427	\$ 1.8703	\$ 1.1450	\$ 1.0175	\$ 1.0699	\$ 0.7822	**	**	**
Commodity	first 50 ccf		**	**	**	**	**	**	**	\$ 1.1591	\$ 1.2801	\$ 1.1718
	51 to 500 ccf		**	**	**	**	**	**	**	\$ 1.0695	\$ 1.1905	\$ 1.0822
	all additional ccf		**	**	**	**	**	**	**	\$ 0.8849	\$ 1.0059	\$ 0.8976

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

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

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

Table 11
Continued

			<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Industrial Service												
	Basic facilities charge		\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00
	Commodity	Summer	first 100 ccf	\$ 1.7598	*	*	*	*	*	*	*	*
			all additional ccf	\$ 1.7306	*	*	*	*	*	*	*	*
		Winter	first 100 ccf	\$ 1.8234	*	*	*	*	*	*	*	*
			all additional ccf	\$ 1.7942	*	*	*	*	*	*	*	*
	Commodity	first 500 ccf		* \$ 1.4465	\$ 1.8741	\$ 1.1488	\$ 1.0213	\$ 1.0737	\$ 0.7860	\$ 0.8887	\$ 1.0097	\$ 0.9014
		all additional ccf		* \$ 1.3823	\$ 1.8099	\$ 1.0846	\$ 0.9571	\$ 1.0095	\$ 0.7218	\$ 0.8245	\$ 0.9455	\$ 0.8372
Interruptible Service												
	Basic facilities charge		\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00
	Commodity		negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated
Seasonal Service												
	Basic facilities charge		\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00
	Commodity	Summer	first 100 ccf	\$ 1.7633	*	*	*	*	*	*	*	*
			all additional ccf	\$ 1.7249	*	*	*	*	*	*	*	*
		Winter	first 100 ccf	\$ 1.8959	*	*	*	*	*	*	*	*
			all additional ccf	\$ 1.8352	*	*	*	*	*	*	*	*
	Commodity	first 100 ccf		* \$ 1.7672	\$ 2.1948	\$ 1.4695	\$ 1.3420	\$ 1.3944	\$ 1.1067	\$ 1.2094	\$ 1.3304	\$ 1.2221
		all additional ccf		* \$ 1.3600	\$ 1.7876	\$ 1.0623	\$ 0.9348	\$ 0.9872	\$ 0.6995	\$ 0.8022	\$ 0.9232	\$ 0.8149
LNG Storage Service (per mcf)												
	Reservation charge		\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62
	Daily demand charge		\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
	Commodity charge		\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.04	\$ 14.00	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55

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

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

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

Electric Fund

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 6,974,935	3.58%	\$ 5,710,109	3.86%
Vidant Medical Center ¹	Health Care	5,372,362	2.76%	4,240,292	2.87%
DSM Dyneema, LLC	High Performance Fibers	4,612,553	2.37%	869,290	0.59%
Attends Healthcare Products ²	Medical Products	3,573,895	1.84%	2,284,832	1.54%
East Carolina University	Education	3,435,666	1.77%	3,533,626	2.39%
East Carolina University	Education	3,349,209	1.72%	2,421,087	1.64%
East Carolina University	Education	3,307,777	1.70%	2,097,898	1.42%
ASMO of Greenville	Motors	1,869,759	0.96%	847,432	0.57%
Vidant Medical Center ¹	Health Care	1,700,575	0.87%		
NACCO Material Handling	Fork Lift Trucks	1,322,341	0.68%	1,040,128	0.70%
Robert Bosch Tool Corp. ³	Drill Bits			1,120,805	0.76%
Totals		<u>\$ 35,519,072</u>	<u>18.25%</u>	<u>\$ 24,165,499</u>	<u>16.34%</u>

Water Fund

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
Town of Farmville	Government	\$ 667,368	3.99%	\$	
DSM Pharmaceuticals, Inc.	Pharmaceuticals	652,346	3.90%	392,748	3.71%
Town of Winterville	Government	286,664	1.72%		
Vidant Medical Center ¹	Health Care	256,383	1.53%	215,751	2.04%
DSM Dyneema, LLC	High Performance Fibers	132,199	0.79%	36,857	0.35%
Vidant Medical Center ¹	Health Care	82,942	0.50%		
Fuji Silysia Chemical USA, LTD	Silica Gel	78,806	0.47%	46,322	0.44%
DSM Dyneema, LLC	High Performance Fibers	73,989	0.44%		
Stokes Regional Water Corporation	Water Utility	70,698	0.42%		
Vidant Medical Center ¹	Health Care	66,810	0.40%		
East Carolina University	Education			57,721	0.55%
Karastan Bigelow	Carpet Yarn			54,710	0.52%
Greenville Housing Authority	Apartments			57,248	0.54%
East Carolina University	Education			33,931	0.32%
Greenville Housing Authority	Apartments			47,438	0.45%
Pitt County	Government			29,095	0.28%
Totals		<u>\$ 2,368,205</u>	<u>14.16%</u>	<u>\$ 971,821</u>	<u>9.20%</u>

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**

Table 12
Continued

Sewer Fund

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>	<u>Amount Billed</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 831,087	4.41%	\$ 598,932	5.44%
Town of Bethel	Government	640,832	3.40%	221,689	2.01%
Vidant Medical Center ¹	Health Care	454,525	2.41%	350,930	3.19%
DSM Dyneema, LLC	High Performance Fibers	306,308	1.63%		
Fuji Silysia Chemical USA, LTD	Silica Gel	146,574	0.78%	78,216	0.71%
Vidant Medical Center ¹	Health Care	142,598	0.76%		
Vidant Medical Center ¹	Health Care	118,236	0.63%		
East Carolina University	Education	87,955	0.47%	93,182	0.85%
Attends Healthcare Products ²	Medical Products	66,525	0.35%		
Greenville Housing Authority	Apartments	64,640	0.34%	68,865	0.63%
Province Greenville NC LP	Apartments				
Karastan Bigelow	Carpet Yarn			93,546	0.85%
East Carolina University	Education			54,414	0.49%
Greenville Housing Authority	Apartments			57,162	0.52%
Pitt County	Government			45,479	0.41%
Totals		<u>\$ 2,859,280</u>	<u>15.18%</u>	<u>\$ 1,662,415</u>	<u>15.10%</u>

Gas Fund

<u>Customer</u>	<u>Product/Service</u>	<u>Fiscal Year 2015</u>		<u>Fiscal Year 2006</u>	
		<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>	<u>Annual Revenue</u>	<u>Percentage of Total Revenue</u>
DSM Pharmaceuticals, Inc.	Pharmaceuticals	\$ 3,204,985	8.80%	\$ 966,178	2.65%
East Carolina University	Education	2,660,132	7.30%	3,234,850	8.86%
Vidant Medical Center ¹	Health Care	1,864,100	5.12%	1,562,374	4.28%
DSM Dyneema, LLC	High Performance Fibers	1,060,935	2.91%		
East Carolina University	Education	844,917	2.32%	1,315,990	3.61%
Vidant Medical Center ¹	Health Care	672,053	1.85%		
DSM Dyneema, LLC	High Performance Fibers	667,846	1.83%	827,727	2.27%
NACCO Material Handling	Fork Lift Trucks	601,545	1.65%	701,899	1.92%
S. T. Wooten Construction Corp.	Asphalt	593,804	1.63%		
Metrics, Inc.	Pharmaceuticals Manufacturing	486,508	1.34%	355,637	0.97%
Fuji Silysia Chemical USA, LTD	Silica Gel			628,474	1.72%
Karastan Bigelow	Carpet Yarn			221,509	0.61%
DSM Pharmaceuticals, Inc.	Pharmaceuticals			265,985	0.73%
Totals		<u>\$ 12,656,825</u>	<u>34.75%</u>	<u>\$ 10,080,623</u>	<u>27.62%</u>

¹ Formerly Pitt County Memorial Hospital

² Formerly Paper Pak Products, Inc.

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

Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes	Total	Per Capita	Percentage of Per Capita Personal Income
2006	5,710,000	68,271,143	19,668,855	93,649,998	619	2.01%
2007	4,565,000	74,136,332	20,287,105	98,988,437	634	1.98%
2008	3,450,000	99,842,087	19,004,601	122,296,688	761	2.29%
2009	2,355,000	94,882,553	19,971,437	117,208,990	712	2.19%
2010	1,280,000	89,072,122	28,564,352	118,916,474	707	2.15%
2011	230,000	83,976,071	31,526,877	115,732,948	682	2.00%
2012	-	78,258,516	32,027,308	110,285,824	639	1.79%
2013	-	79,645,700	36,029,680	115,675,380	665	1.84%
2014	-	72,136,399	38,488,921	110,625,320	634	*
2015	-	64,400,999	35,559,334	99,960,333	523	*

*Information unavailable at time of report.

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

Fiscal Year	Utility Fund Revenues ¹	Utility Fund Expenses ²	Net Revenues Available for Debt Service	Debt Service Requirement ³			Coverage Ratio
				Principal	Interest	Total	
2006	217,706,269	190,011,445	27,694,824	7,224,521	4,194,037	11,418,558	2.43
2007	229,213,073	200,454,508	28,758,565	6,536,671	3,786,998	10,323,669	2.79
2008	239,416,633	206,091,230	33,325,403	7,087,322	3,939,780	11,027,102	3.02
2009	260,504,717	229,042,677	31,462,040	7,469,584	3,471,466	10,941,050	2.88
2010	261,517,870	228,575,039	32,942,831	8,406,320	4,641,621	13,047,941	2.52
2011	273,935,999	236,149,838	37,786,161	9,417,822	4,946,781	14,364,603	2.63
2012	261,581,753	226,875,068	34,706,685	8,889,912	4,230,467	13,120,379	2.65
2013	264,251,248	228,066,646	36,184,602	9,388,432	4,061,308	13,449,740	2.69
2014	272,354,329	238,628,174	33,726,155	11,229,452	3,905,269	15,134,721	2.23
2015	273,193,091	233,792,956	39,400,135	11,476,429	3,670,885	15,147,314	2.60

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

²Includes total operating expenses, exclusive of depreciation, unfunded OPEB expense and the change in pension expense promulgated by the implementation of GASB Statement No. 68 and GASB Statement No. 71.

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

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

Calendar Year	Population¹	Personal Income (\$000)¹	Per Capita Personal Income¹	June 30 Unemployment Rate²
2006	151,356	4,668,869	30,847	5.8%
2007	156,049	4,998,889	32,034	5.6%
2008	160,674	5,334,150	33,199	6.9%
2009	164,602	5,357,534	32,548	10.8%
2010	168,148	5,529,076	32,882	10.5%
2011	169,803	5,775,451	34,013	11.0%
2012	172,569	6,167,597	35,740	9.9%
2013	173,879	6,300,104	36,233	8.9%
2014	174,414	*	*	6.9%
2015	191,166	*	*	6.8%

*Information unavailable at time of report.

Note: Information reported is for Pitt County.

Sources:

¹North Carolina Office of State Budget and Management.

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

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

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Vidant Medical Center ¹	6,895	1	8.50%	6,130	1	8.44%
East Carolina University	5,564	2	6.86%	4,640	2	6.39%
Pitt County Public Schools	2,814	3	3.47%	3,200	3	4.40%
NACCO Materials Handling Group	1,000	4	1.23%	1,200	4	1.65%
Pitt Community College	953	5	1.17%	850	7	1.17%
County of Pitt	910	6	1.12%	975	6	1.34%
Patheon ²	900	7	1.11%	1,000	5	1.38%
Alliance One International ³	850	8	1.05%			0.00%
City of Greenville	764	9	0.94%	700	8	0.96%
The Roberts Company, Inc	650	10	0.80%			0.00%
ASMO Greenville of North Carolina, Inc.				500	10	0.69%
Physicians East				550	9	0.76%
Total	<u>21,300</u>		<u>26.25%</u>	<u>19,745</u>		<u>27.18%</u>

Source:

Pitt County Development Commission

¹ Formerly Pitt County Memorial Hospital

² Formerly DSM Pharmaceuticals

³ Formerly Dimon International

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

Table 17

Function	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Electric:										
Management	3	4	4	4	4	4	3	3	3	3
Engineering	10	10	9	14	13	12	12	14	18	19
Load Management	4	5	4	3	4	3	6	5	6	6
Dispatching	7	7	7	7	7	7	7	7	7	8
Electric System Maintenance	73	73	79	78	71	79	77	71	78	75
Water/Wastewater:										
Management	4	4	4	4	4	3	4	4	4	4
Engineering	12	11	12	14	11	11	9	10	12	12
Water Plant	24	23	24	25	24	25	27	27	29	29
Wastewater Plant	23	25	23	25	26	25	25	25	28	28
Water/Wastewater Systems Maintenance	49	47	49	47	48	47	46	45	42	42
Natural Gas:										
Management	5	6	5	5	5	4	4	5	5	5
Engineering	6	5	8	8	6	8	7	8	9	8
Natural Gas System Maintenance	30	32	29	30	31	29	25	25	30	33
Administration:										
Executive Administration	7	8	8	7	7	8	8	12	15	13
Finance and Accounting	8	10	11	10	11	10	11	31	31	32
Human Resources	15	14	15	15	16	17	16	9	9	9
Information Technology	19	19	19	18	19	20	26	26	27	31
Customer Relations	48	49	51	52	52	52	48	38	36	36
Fleet Management	13	13	13	13	13	13	13	13	12	13
Warehouse	8	7	7	8	8	7	8	7	7	8
Meter Services	35	36	32	36	32	32	33	32	33	35
Utility Locating Services	6	6	7	6	5	5	5	5	6	6
Total Employees:	409	414	420	429	417	421	420	422	447	455

Source:
Various Utilities Commission Departments

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Electric System:										
Peaks (MW)	324.6	342.1	358.8	344.8	345.8	348.8	355.2	353.6	336.5	370.2
Average daily purchase (MWH)	4,333	4,406	4,625	4,610	4,644	4,822	4,609	4,671	4,771	4,844
Total MWH sold	1,537,256	1,561,876	1,629,620	1,633,477	1,650,126	1,712,010	1,632,866	1,656,667	1,684,847	1,709,900
Water System:										
Peaks (MGD)	14.708	15.714	16.125	16.204	15.605	17.536	16.340	14.871	16.070	17.779
Average daily treatment (Mgals)	9.927	10.264	10.797	10.785	10.977	11.850	11.896	12.008	12.394	13.044
Total kgals sold	3,263,423	3,331,035	3,595,644	3,544,633	3,444,992	3,705,889	3,785,625	3,857,562	3,921,590	3,917,750
Wastewater System:										
Peaks (MGD)	18.180	24.120	14.090	12.680	22.830	24.240	21.240	14.810	20.040	17.320
Average daily treatment (Mgals)	9.345	10.587	9.152	8.879	10.120	9.593	10.301	10.426	10.530	11.290
Total kgals collected	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	2,758,868
Natural Gas System										
Peaks (MCFs)	16,540	20,324	20,643	22,733	23,845	24,176	21,465	20,537	20,092	22,897
Average daily purchase (MCFs)	6,172	7,761	7,662	8,232	8,920	9,360	7,959	8,870	9,277	9,452
Total MCFs sold	2,208,754	2,628,399	2,676,784	2,878,992	3,124,362	3,240,524	2,824,623	3,142,015	3,296,068	3,341,192

Notes:

MW = megawatt = 1,000,000 watts

MGD = million gallons per day

Mgal = million gallons = 1,000,000 gallons

kgal = kilo gallon = 1,000 gallons

MCF = thousand cubic feet = 1,000 cubic feet

Source:

Various Utilities Commission Departments.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Electric System:										
Miles of lines	2,534	2,572	2,638	2,638	2,638	2,672	2,714	2,719	2,781	2,807
Substations	21	21	22	22	23	23	23	23	23	23
Customer connections	58,299	60,200	61,868	62,363	63,136	63,745	63,789	64,362	64,673	65,347
Maximum capacity transmission (MW)	760	760	760	760	760	760	760	760	760	800
Maximum capacity distribution (MW)	642	642	673	706	737	737	737	737	737	862
Water System:										
Miles of lines	580	593	615	618	626	626	628	628	627	627
Customer connections	30,829	32,065	33,051	33,733	34,336	34,419	34,514	34,742	34,959	35,179
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	435	448	464	466	468	469	471	479	471	471
Customer connections	24,601	25,708	26,595	27,240	27,805	28,054	28,157	28,435	28,640	28,885
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	943	956	1,002	1,016	1,019	1,024	1,034	1,043	1,049	1,051
Customer connections	19,568	20,898	21,522	21,661	22,004	22,211	22,259	22,434	22,554	22,837
Maximum capacity (MCF)	26,570	38,164	38,164	38,164	42,512	42,512	42,512	42,512	42,512	42,512

Notes:

MW = megawatt = 1,000,000 watts

MGD = million gallons per day

MCF = thousand cubic feet = 1,000 cubic feet

Source:

Various Utilities Commission Departments.



COMPLIANCE SECTION



Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015



GUC employees live in the community and are dedicated to making Greenville-Pitt County a better place for all of our neighbors. You'll see us frequently out in the community at festivals, civic groups and schools doing just that.



As your hometown utility provider, we take pride in delivering safe, reliable services; maintaining stable, competitive rates; and supporting the economic growth of Greenville-Pitt County. We appreciate your continued support.

**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

The Board of Commissioners
Greenville Utilities Commission
of the City of Greenville
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 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 (the "Commission"), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Commission's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 19, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting ("internal control") 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission'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.

Cherry Bekavert LLP

Raleigh, North Carolina
October 19, 2015



Greenville Utilities

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