



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

**Greenville
Utilities**

Greenville Utilities Commission
of the City of Greenville, NC



Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019.

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**Greenville
Utilities**

Introductory Section



Greenville Utilities

October 14, 2019

**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, 2019.

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 unmodified (“clean”) opinion on the Utilities Commission’s financial statements for the year ended June 30, 2019. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the Greenville Utilities Commission

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

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

The Utilities Commission operates under a charter issued by the North Carolina General Assembly (the Utilities Commission Charter). In accordance with the provisions of the Utilities Commission Charter, the Utilities Commission annually transfers to the City of Greenville an amount equal to six percent of the difference between the electric and natural gas systems' net fixed assets and total bonded indebtedness, plus an amount equal to fifty percent of the Utilities Commission's retail cost of service for the City of Greenville's public lighting. The annual transfer amount represents approximately five percent of the City's total annual budget and provides a secondary benefit to the citizens of Greenville in addition to the direct benefit of utility services.

The Electric System

The Utilities Commission operates an electric distribution system serving the City and approximately seventy-five percent of the rural portion of the County with 68,894 connections. The Utilities Commission's electric system, measured by number of customers served, is the second largest municipal electric system in the State and the forty-third largest in the nation.

The electric system consists of 72 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as 1,210 miles of overhead distribution lines, 1,712 miles of underground distribution lines at 12,470 volts and 97 miles of fiber optic lines. In addition, the electric system consists of 19 distribution substations with a combined base rating capacity of 560 megavolt amps (MVA), two sub-transmission substations with a combined base rating capacity of 50 MVA and three 115 kilovolts (kV) transmission substations with a combined base rating capacity of 600 MVA.



GUC's newest Point of Delivery Substation on Mills Road.

The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for over 40,000 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. Duke Energy Progress has entered into a 30-year agreement to provide wholesale power to the Power Agency. The Utilities Commission, along with the other member entities, entered into a 30 year take and pay all requirements contract for the delivery of wholesale electric power. The reduced debt service costs and the lower costs of wholesale power have allowed the Utilities Commission to reduce electric retail rates by approximately 15% since July 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 633 miles of lines with 36,673 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 14.183 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, 2019 was approximately 13.734 MGD, with a maximum daily usage of approximately 18.112 MGD. Approximately 85.4% of the water system's 36,673 connections are located within the City limits.

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

NCDEQ 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 have positioned the Utilities Commission to form partnerships with these neighboring communities to provide water service to areas outside the traditional service area. The Utilities Commission has entered into contracts to deliver water to the neighboring communities of Bethel, Farmville, Stokes, Winterville and Greene County.

Wastewater Collection and Treatment System

The Utilities Commission operates a wastewater collection and treatment system that serves the City as well as some adjacent areas. In addition, the municipalities of Bethel and Grimesland, who have their own collection systems, have contracted with the Utilities Commission to treat the wastewater they collect. 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 482 miles of lines with 30,363 connections. The wastewater treatment plant was placed online in 1985 and expanded in 1995. It is rated to biologically treat a 30-day average of 17.5 million gallons per day (MGD). The annual average daily biological flow during fiscal year ended June 30, 2019 was 11.247 million gallons of wastewater with a single day hydraulic maximum of 25.91 MGD.

The wastewater treatment plant is regulated by the NCDEQ 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: Hyster-Yale Group (formerly NAACO 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).



Wastewater Treatment Plant

The Natural Gas System



The Utilities Commission operates a natural gas distribution system that serves the City as well as some adjacent areas. The natural gas system consists of 626 miles of pipeline and 446 miles of service lines with 23,493 connections. During the current fiscal year 3,595,833 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 daily through Transcontinental Gas Pipeline 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 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.

The Utilities Commission entered a 30-year agreement with The Black Belt Energy Gas District (Black Belt Energy), effective March 1, 2018 to purchase 40 percent of Utilities Commission's firm volumes (1,600 dekatherms per day during the summer period, April to October, and 2,500 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be \$0.40 per dekatherm during the initial reset period from November 1, 2018 to October 31, 2023 and pays a fee of \$0.03 per dekatherm to Black Belt Energy to cover the administrative costs of the agreement. The Utilities Commission may elect to remarket the commodity in future reset periods when the available discount realized from the initial reset period through the end of such reset period is less than \$0.25 per dekatherm, excluding any period for which the Utilities Commission delivered a remarketing election.

The Utilities Commission entered into two 30-year agreements with Public Energy Authority of Kentucky (PEAK), effective December 4, 2018, and February 14, 2019, respectively, to purchase approximately 12 percent of Utilities Commission's total volumes (500 dekatherms per day through January 2022, then 500 dekatherms per day during the summer period, April to October, and 2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be \$0.3875

per dekatherm during the initial reset period from July 1, 2019 to April 30, 2025 and pays a fee of \$0.03 per dekatherm to Public Energy Authority of Kentucky to cover the administrative costs of the agreement. The Utilities Commission may elect to remarket the commodity in future reset periods when the available discount realized from the initial reset period through the end of such reset period is less than \$0.23 per dekatherm, excluding any period for which the Utilities Commission delivered a remarketing election. In addition, the Utilities Commission may elect to remarket the commodity in the event of a loss of load on its system.

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.

Additional Information

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, Patheon Manufacturing Services LLC (formerly DSM Pharmaceuticals), Hyster-Yale Group (formerly NACCO Materials Handling Group), the City of Greenville, Pitt County Government, Alliance One International, Pitt Community College, and DENSO Manufacturing (formerly AMSO). Unemployment rates since 2010 have ranged from a low of 4.9 percent to a high of 11.1 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 nearly 29,000 students and employs more than 5,600 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 safely providing reliable utility solutions at the lowest reasonable cost, with exceptional customer service in an environmentally responsible manner. At the Board's direction, the Commission undertook an update to the organization's strategic plan. The existing plan has guided the Commission for more than a decade and kept our focus on important initiatives related to customer service and safety, among other things. As with any good plan, however, times change, and revisions must be made to ensure that the Commission is meeting our current and future customers' needs.

To that end, the Commission engaged customers, employees, and its Board to update the plan. Much as a construction project requires a comprehensive set of blueprints to successfully build, our updated plan has been branded "Blueprint - Greenville Utilities Strategic Plan". A blueprint provides guidance as well as a view of what it will look like when we successfully carry out the Commission's mission and vision statements.

Vision – To provide safe, innovative, and sustainable utility solutions that serve as the foundation of growth for the Greenville region.

Mission – Greenville Utilities is dedicated to enhancing the quality of life for those we serve by safely providing reliable utility solutions at the lowest reasonable cost, with exceptional customer service in an environmentally responsible manner.

Blueprint

The Blueprint has added an emphasis on the Commission’s foundational role in helping promote the growth of our region. It also places an emphasis on environmental stewardship.

GUC’S STRATEGIC PLAN

Other parts of the Blueprint remain essentially the same, renewing our foundational commitment to both safety and customers. The Blueprint pares down objectives to ensure appropriate focus and to make goals more manageable. Future initiatives and projects will be measured against the Blueprint to ensure alignment with the Commission’s mission and our customers’ expectations.

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 Utilities Commission’s current Operations Center, located in the 100-year flood plain, suffered extensive flooding damage during Hurricane Floyd in 1999 and from Hurricane Matthew in October of 2016. During both of those events the Operations Center was flooded, and the facility was evacuated. The current Operation Center, located on approximately 27 acres, cannot accommodate any further expansion. To remediate damage to facilities from flooding occurring in the future and better serve its customers, the Utilities Commission has purchased an 82-acre parcel of land outside of the flood plain, centrally located in the Utilities Commission’s service area, for the construction of a new Operations Center. The location selected will allow access to major transportation routes and will provide for future expansion. The construction of the facilities is expected to cost approximately \$53 million and is expected to be completed in December of 2020.



New Operations Center construction

The Main Office building of the Commission is the location of the Executive suite, the finance, customer service and IT functions and the central location for many of the business activities of Greenville Utilities. The Main Office has been undergoing a major upgrade to the exterior to enhance the appearance and refurbish the external surfaces. The project will also renovate the customer service and cashiering areas located on the first floor of the building. The heating and air conditioning units servicing the first floor will also be replaced. This project is expected to be completed in the fall at a cost of almost \$4.1 million.

The Electric Department has initiated a project to evaluate the technical and financial feasibility of utilizing battery energy storage systems for future peak shaving applications in lieu of traditional reciprocating engine (RICE) technology. The battery storage projected is projected to cost \$1.6 million and should be completed by the summer of 2020. In recognition of the environmental impact and innovation, GUC has received a \$125,000 grant from the American Public Power Association's Demonstration of Energy & Efficiency Developments (DEED) program to partially fund this project.

The Water Department is investing \$1 million to rehabilitate aging water infrastructure around the system. This is the second phase of this project that uses a cured in place piping (CIPP) technology to insert liners into the existing cast iron pipes and will eventually be expanded to replace 75 miles of infrastructure. The project will help provide safe, clean drinking water and provide better fire flow protection for the community.

The Gas Department is engaged in a project to relocate multiple high pressure natural gas facilities from current locations that due to population growth are now in close proximity to residential areas. The facilities will be completed over a period of several years at a projected cost of \$9.5 million.

Awards

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 (CAFR) for the fiscal year ended June 30, 2018. This was the tenth 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 principles and applicable legal requirements.

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

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Utilities Commission with the Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for FY 2018. The PAFR is a document designed to make an organization's CAFR easier to understand by those who do not have a financial or accounting background. The Utilities Commission's PAFR was evaluated by four independent judges in five categories: reader appeal, understandability, distribution methods, creativity and notable achievements, and overall quality. This is the fourth consecutive year the Utilities Commission has won this award.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Distinguished Budget Presentation award to the Utilities Commission for the FY 2018-19 budget. To win the award, the budget document had to go through the scrutiny of three independent reviewers. It had to substantially conform to 90 points of challenging criteria which incorporate guidelines from the National Advisory Council on State and Local Budgeting. This document is an in-depth reporting of the Utilities Commission's budget and is designed for those who understand the complexities of running four separate utility services. This is the second consecutive year the Utilities Commission has won this award.

For the eighth 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 15 member agencies in North and South Carolina to receive the award.

The Association of Metropolitan Water Agencies (AMWA) presented the Utilities Commission with the 2018 Gold Award for Exceptional Utility Performance. AMWA recognized the Utilities Commission for its strategic plan and goals, employee workforce development,

financial stability, water supply sustainability, exceptional customer service, water quality and environmental leadership, and infrastructure investment and management. Also noted was the Utilities Commission's commitment to exceeding Environmental Protection Agency regulations and achieving higher levels of water quality. The Utilities Commission is one of 14 public water systems nationally, and the only one in North Carolina, to be recognized with the AWWA's top utility management awards.

The Utilities Commission was awarded Collection System of the Year by the North Carolina section of the American Water Works Association – Water Environment Federation (NC AWWA-WEA). The mission of the award is to identify and recognize utilities that protect the public health and the natural beauty of the environment through pro-active practices of management, operations, and maintenance beyond what is required by the North Carolina Department of Environmental Quality (NCDEQ) permitting. The award also honors the collection system employees who serve our community with a high level of professionalism and diligent work in the operation and maintenance of our wastewater collection system facilities. The Utilities Commission's Water Resources Department won the award by demonstrating that it performs quality collection system maintenance procedures through the efficient use of labor, materials, equipment, and innovative methods to keep our collection system in good working condition. This includes minimizing health hazards and property damage that occur due to sanitary sewer overflows during both wet weather and dry weather conditions. Applicants are judged and ranked in four categories: collection system data, collection system management activities, collection system operations and maintenance activities, and annual collection system rehabilitation and replacement activities. Awards were given to three utilities. This is the first time the Utilities Commission has won the award for a medium system (between 251 and 750 miles of collection system).

The Utilities Commission Gas Department was awarded the 2018 American Gas Association (AGA) Safety Achievement Award for excellence in employee safety. AGA Safety Achievement Award recipients are determined based on the lowest incident rate for the number of restricted or transferred days away from work. Companies are placed into different categories based on their size and type. GUC was recognized as one of the best in the Small Local Distribution Company category. The award was presented at the 2019 AGA Operations Conference & Biennial Exhibition on May 1st.

The Utilities Commission's Water Treatment Plan received the prestigious North Carolina Area Wide Optimization Award. The NC Division of Water Resources has included Greenville Utilities among the 57 out of 149 water treatment plants in the state honored for surpassing federal and state drinking water standards in 2018. The award recognition is a state effort to enhance the performance of existing surface water treatment facilities. This is the fourth consecutive year the Utilities Commission has won this award.

The Utilities Commission's Public Information Office received two 2018 Excellence in Public Power Communications awards from the American Public Power Association (APPA). The awards were in the Video and Social Media categories. The Utilities Commission was one of 43 utilities that took home an award from this year's APPA Customer Connections Conference. Awards were given to those who showed ingenuity and creativity in telling their stories through outstanding copy, design, graphics, social media engagement, and video editing. This is the third time the Utilities Commission has won an award for social media efforts, and the first award for video.

The American Public Gas Association (APGA) awards the prestigious APGA System Operational Achievement Recognition (SOAR) for excellence in natural gas operations. SOAR recognizes a utility's demonstrated commitment to excellence in four areas required to safely deliver natural gas to its customers: system integrity, system improvement, employee safety, and workforce development. The Utilities Commission Gas Department scored in the 90-96% of possible points for those areas and was selected for SOAR level Silver by its peers on the APGA Operations and Safety Committee. SOAR recognition continues for three years.

During fiscal year 2019 the Utilities Commission was honored with 16 safety awards from the North Carolina Department of Labor and the Greenville-Pitt County Chamber of Commerce. For some of our departments, this was the twelfth consecutive year earning awards at the banquet.

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 2019 fiscal year the Utilities Commission received awards in the following categories: Grid Modernization, Value of Public Power, Wholesale Power Cost, Workforce Planning and Development, and Continuous Improvement.

The American Public Power Association (APPA) 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 designation is awarded every three years and the

Utilities Commission has held this designation continuously since May 2007. During fiscal year 2018 the Utilities Commission achieved Diamond Level designation, the highest level of designation in the RP3 award program.

Acknowledgements

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.

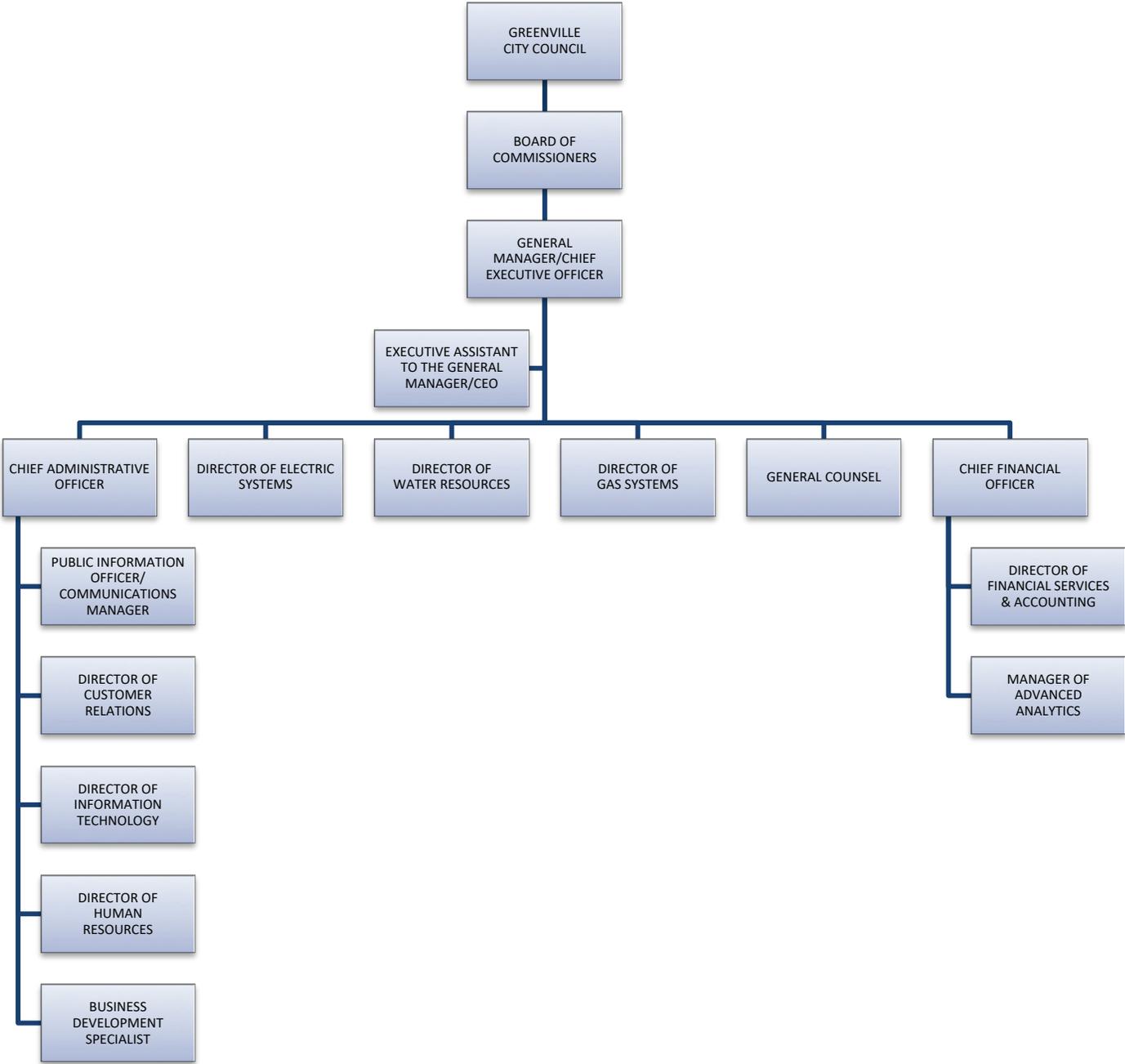


Anthony C. Cannon, General Manager/CEO



Jeff McCauley, Chief Financial Officer

Organizational Chart



Appointed Officials



Chair-Elect Parker Overton, Lindsey Griffin, City Manager Ann Wall, Chair Joel Butler, Minnie Johnson Anderson, Secretary Tommy Stoughton, Kelly L. Darden, Jr. and Peter Geiger.

Executive Management



Anthony C. Cannon
General Manager/CEO



Chris Padgett
Chief Administrative Officer



Jeff McCauley
Chief Financial Officer



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, 2018

Christopher P. Morill

Executive Director/CEO

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Greenville **Independent Auditor's Report**
Utilities



Report of Independent Auditor

To 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 Greenville Utilities Commission (the "Commission"), an enterprise fund of the City of Greenville, North Carolina, as of and for the year ended June 30, 2019, 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 each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

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 ("RSI") 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 RSI 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, individual fund balances and statements, other schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund balances and statements 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, this information is 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 14, 2019, 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.

Chemy Bekaert LLP

Raleigh, North Carolina
October 14, 2019



Management's Discussion and Analysis

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, 2019. 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 \$394,456,066 (net position). Of this amount, \$111,488,276 (unrestricted net position) may be used to meet the Commission's ongoing obligations to its customers and creditors.
- Operating revenues increased by \$4,588,998 or 1.8% primarily due to higher volumes delivered to customers in the electric and water funds combined with increases in water and sewer rates.
- Total revenues and contributions increased by \$6,590,846 or 2.5%.
- Interest revenues increased by \$2.4 million due to higher rates of return on cash available for investments.
- The Utilities Commission's total net position increased by \$19,360,038 primarily due to positive operating income.
- The Utilities Commission's total debt increased by \$44,984,031 (35.6%) during the current fiscal year. The key factor in this increase was the addition of new debt totaling \$50,395,363, which exceeded the retirement of \$11,982,498 of existing debt, and the net increase in discounts and premiums totaling \$6,571,166.
- The Utilities Commission maintains a bond rating of AA- with a stable outlook from Fitch Ratings and has achieved a bond rating of Aa1 with a stable outlook from Moody's Investors Services.

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 Utilities 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 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 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 an OPEB 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.

	2019	2018
Current and other assets	\$ 235,645,533	\$ 174,785,141
Capital assets	401,418,328	393,095,650
Total assets	637,063,861	567,880,791
Deferred outflows of resources	20,745,197	7,964,887
Current liabilities	34,941,728	35,097,335
Non-current liabilities	222,739,874	159,394,953
Total liabilities	257,681,602	194,492,288
Deferred inflows of resources	5,671,390	6,257,362
Net position:		
Net investment in capital assets	282,967,790	277,994,805
Unrestricted	111,488,276	97,101,223
Total net position	\$ 394,456,066	\$ 375,096,028

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 \$394,456,066 as of June 30, 2019. The Utilities Commission's net position increased by \$19,360,038 during the fiscal year ended June 30, 2019.

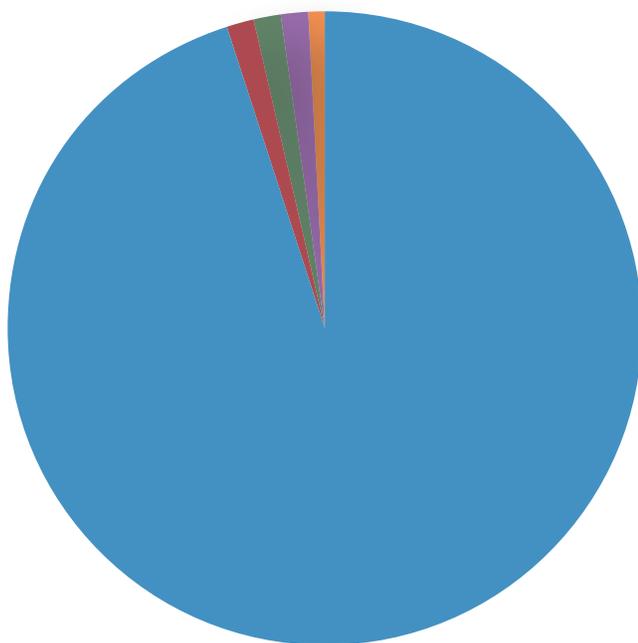
The largest portion of the Utilities Commission's net position (71.7%) reflects its net investment in capital assets (e.g. plants, distribution systems, equipment, land, machinery). The Utilities Commission uses these capital assets to provide electric, water, sewer, and gas services to customers, consequently 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 (\$111,488,276) may be used to meet the Utilities Commission's ongoing obligations to citizens and creditors. This balance increased \$14,387,053 primarily due to increases in current assets and investments.

The \$19,360,038 increase in net position is primarily due to strong operating revenues and higher than anticipated margins on natural gas sales. Operating expenses increased primarily due to higher OPEB and pension expenses combined with higher operating and maintenance costs.

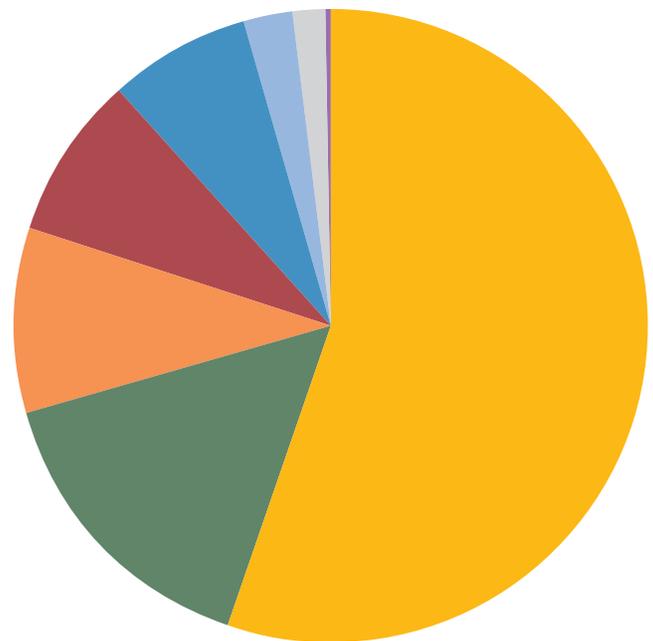
Greenville Utilities Commission Changes in Net Position.

	2019	2018
Revenues:		
Operating revenues:		
Charges for service	\$ 259,044,556	\$ 254,569,448
Other operating revenues	1,036,661	922,771
Non-operating revenues:		
Interest income	3,558,759	1,159,451
Other non-operating revenues	2,740,912	3,751,894
Total revenues	266,380,888	260,403,564
Expenses		
Operating expenses	236,998,436	232,238,803
Non-operating expenses	5,132,121	4,789,254
Total expenses	242,130,557	237,028,057
Increase in net position before contributions and transfers	24,250,331	23,375,507
Contributions	1,827,521	1,213,999
Transfers	(6,717,814)	(6,600,783)
Increase in net position	19,360,038	17,988,723
Net position, July 1	375,096,028	378,926,067
Restatement		(21,818,762)
Net position, June 30	\$ 394,456,066	\$ 375,096,028



SOURCES OF REVENUE

- Rates and Charges: 95.1%
- Fees and Charges: 1.5%
- Other: 1.4%
- Interest: 1.3%
- Capital Contributions: 0.7%



USES OF REVENUE

- Purchased Power and Gas: 55.4%
- Operations and Maintenance: 15.4%
- Administration and General: 9.3%
- Depreciation: 8.3%
- Reinvested in Net Position: 7.2%
- Transfers to the City of Greenville: 2.5%
- Interest: 1.8%
- Contract Services/Mutual Aid: 0.1%

Charges for services increased by \$4,475,108 or 1.8%, primarily due rate increases in water and sewer rates and higher volumes delivered to customers in the electric fund due to a continuing expanding local economy. 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 \$19,360,038. Net position at the end of the fiscal year for the Electric Fund was \$153,143,899, \$77,019,952 for the Water Fund, \$113,747,912 for the Sewer Fund, and \$50,544,303 for the Gas Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – The Utilities Commission's investment in capital assets as of June 30, 2019 totals \$401,418,328 (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 2.1% 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 a new operations center totaling \$6,728,871
- Electric transmission lines extensions and improvements totaling \$324,810
- Electric transmission substation improvements totaling \$2,596,729
- Electric overhead distribution lines extensions and improvements totaling \$1,103,133
- Electric underground distribution lines extensions and improvements totaling \$5,025,745
- Electric street and area light installations and replacements totaling \$1,004,845
- Water treatment plant improvements totaling \$2,098,076
- Water main improvements and extensions totaling \$981,407
- Wastewater treatment plant improvements totaling \$435,789
- Sewer pumping stations improvements totaling \$996,236
- Sewer main extensions and improvements totaling \$889,674
- Natural gas main improvements and extensions totaling \$1,158,815
- Natural gas main metering station improvements totaling \$498,883

Greenville Utilities Commission Capital Assets (net of depreciation)

	2019	2018
Land	\$ 8,375,720	\$ 8,375,720
Easements	584,662	119,567
Land improvements	2,029,673	2,184,771
General plant	5,750,976	5,993,325
Utility plant	96,361,660	97,860,395
Computer software	18,967,825	20,861,703
Vehicles and equipment	3,905,429	3,673,500
Distribution systems	221,195,959	216,237,285
Transmission system	17,720,603	9,537,363
Computer hardware	363,285	321,653
Fiber optics	916,432	947,956
Construction in progress	25,246,104	26,982,412
Total capital assets	\$ 401,418,328	\$ 393,095,650

Long-term debt – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$171,377,517. 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

	2019	2018
Direct placement revenue bonds	\$ 8,643,000	\$ 11,076,800
Public sales revenue bonds	109,310,000	67,330,000
Loans	37,631,290	38,764,625
Unamortized bond discount/premium	15,793,227	9,222,061
Total outstanding debt	\$ 171,377,517	\$ 126,393,486

Of the total debt, \$6,853,649 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 a 974 licensed bed teaching hospital that serves more than 1.4 million people in 29 counties of Eastern North Carolina. The Utilities Commission provides services in the Greenville metropolitan statistical area, including Greenville, the 10th largest city in North Carolina. The Utilities Commission serves approximately 75% of the county and the service area continues to expand. Unemployment for the county is 5.2% and is expected to decrease in the upcoming year. New customer accounts added during the year were more than double the numbers from the previous year reflecting new construction and growth in the local economy. The Utilities Commission's budget for fiscal year 2020 was developed anticipating continuing customer growth, a vibrant local economy and a mix of residential, commercial and industrial customers. Capital outlay investments are increasing compared to the previous year's budget reflecting the Commission's vision to provide safe, innovative, and sustainable utility solutions that serve as the foundation of growth for the Greenville region.

REQUESTS FOR INFORMATION

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

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Greenville **Basic Financial Statements**
Utilities

Exhibit 1. Statement of Net Position | June 30, 2019

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
Assets					
Current assets:					
Cash and cash equivalents	\$ 45,279,821	\$ 4,354,402	\$ 9,752,765	\$ 14,770,811	\$ 74,157,799
Accounts receivable, net	21,353,378	2,979,781	3,212,392	2,786,813	30,332,364
Due from other governments	1,784,504	387,672	471,382	294,124	2,937,682
Inventories	6,799,941	1,021,203	226,649	670,822	8,718,615
Prepaid expenses and deposits	197,093	18,036	17,701	28,948	261,778
Restricted cash and cash equivalents	3,352,457	780,664	1,480	460,569	4,595,170
Total current assets	78,767,194	9,541,758	13,682,369	19,012,087	121,003,408
Non-current assets:					
Restricted assets:					
Restricted cash and cash equivalents:					
Bond proceeds	28,023,145	9,200,782	7,909,950	6,180,983	51,314,860
Capacity fees	-	1,920,812	2,158,902	-	4,079,714
System development fees	-	336,076	395,741	-	731,817
Total restricted cash and cash equivalents	28,023,145	11,457,670	10,464,593	6,180,983	56,126,391
Total restricted assets	28,023,145	11,457,670	10,464,593	6,180,983	56,126,391
Investments	34,196,365	4,962,108	8,378,026	10,711,602	58,248,101
Notes receivable	-	267,633	-	-	267,633
Capital assets:					
Land, easements and construction in progress	12,956,255	6,790,340	11,398,168	3,061,723	34,206,486
Other capital assets, net of depreciation	103,520,175	83,696,406	137,368,900	42,626,361	367,211,842
Total capital assets	116,476,430	90,486,746	148,767,068	45,688,084	401,418,328
Total non-current assets	178,695,940	107,174,157	167,609,687	62,580,669	516,060,453
Total Assets	257,463,134	116,715,915	181,292,056	81,592,756	637,063,861
Deferred Outflows of Resources					
Pension deferrals	3,618,150	1,941,446	1,853,199	1,411,961	8,824,756
OPEB deferrals	4,226,412	2,267,831	2,164,748	1,649,331	10,308,322
Unamortized bond refunding charges	423,857	556,516	538,594	93,152	1,612,119
Total deferred outflows of resources	8,268,419	4,765,793	4,556,541	3,154,444	20,745,197
Liabilities					
Current liabilities:					
Accounts payable and accrued expenses	15,970,530	1,295,285	1,071,810	1,707,496	20,045,121
Customer deposits payable from restricted assets	3,352,457	780,664	1,480	460,569	4,595,170
Accrued interest payable	398,117	174,071	316,068	144,884	1,033,140
Due to City of Greenville	100,665	133,292	90,725	16,805	341,487
Unearned revenue	-	71,450	120,960	-	192,410
Current portion of compensated absences	792,361	393,117	362,240	333,033	1,880,751
Current maturities of long-term debt	1,350,098	997,319	3,927,485	578,747	6,853,649
Total current liabilities	21,964,228	3,845,198	5,890,768	3,241,534	34,941,728
Non-current liabilities:					
Compensated absences	172,100	105,828	81,183	118,394	477,505
Long-term debt, excluding current portion	64,453,271	26,560,554	52,812,657	20,697,386	164,523,868
Net OPEB liability	19,174,718	10,288,874	9,821,197	7,482,817	46,767,606
Net pension liability	4,498,067	2,413,597	2,303,888	1,755,343	10,970,895
Total non-current liabilities	88,298,156	39,368,853	65,018,925	30,053,940	222,739,874
Total liabilities	110,262,384	43,214,051	70,909,693	33,295,474	257,681,602
Deferred Inflows of Resources					
Pension deferrals	23,285	12,494	11,927	9,087	56,793
OPEB deferrals	2,301,985	1,235,211	1,179,065	898,336	5,614,597
Total deferred inflows of resources	2,325,270	1,247,705	1,190,992	907,423	5,671,390
Net Position					
Net investment in capital assets	79,120,063	72,686,171	100,475,470	30,686,086	282,967,790
Unrestricted	74,023,836	4,333,781	13,272,442	19,858,217	111,488,276
Total net position	\$ 153,143,899	\$ 77,019,952	\$ 113,747,912	\$ 50,544,303	\$ 394,456,066

The Notes to the Financial Statements are an integral part of these statements

Exhibit 2. Statement of Revenues, Expenses, and Changes in Fund Net Position | For the Year Ended June 30, 2019

	Major Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total
Operating revenues:					
Charges for services	\$ 177,242,177	\$ 21,482,826	\$ 24,349,138	\$ 35,970,415	\$ 259,044,556
Other operating revenues	691,439	116,747	119,184	109,291	1,036,661
Total operating revenues	177,933,616	21,599,573	24,468,322	36,079,706	260,081,217
Operating expenses:					
Administration and general	11,984,149	4,426,182	4,329,728	4,244,635	24,984,694
Operations and maintenance	15,560,179	10,033,980	9,424,330	6,325,441	41,343,930
Purchased power and gas	129,516,409	-	-	18,949,073	148,465,482
Depreciation	9,725,679	4,009,278	6,094,622	2,374,751	22,204,330
Total operating expenses	166,786,416	18,469,440	19,848,680	31,893,900	236,998,436
Operating income	11,147,200	3,130,133	4,619,642	4,185,806	23,082,781
Non-operating revenues (expenses):					
Interest income	2,153,934	283,261	506,319	615,245	3,558,759
Interest expense and service charges	(1,762,061)	(828,733)	(1,654,247)	(638,322)	(4,883,363)
Other non-operating revenues	1,296,258	603,483	718,448	122,723	2,740,912
Other non-operating expenses	(79,381)	(21,393)	(147,984)	-	(248,758)
Net non-operating revenues (expenses)	1,608,750	36,618	(577,464)	99,646	1,167,550
Income before contributions and transfers	12,755,950	3,166,751	4,042,178	4,285,452	24,250,331
Contributions and transfers:					
Capital Contributions	-	831,471	996,050	-	1,827,521
Transfer to City of Greenville, General Fund	(4,184,591)	-	-	(1,724,051)	(5,908,642)
Transfer to City of Greenville, street lighting reimbursement	(809,172)	-	-	-	(809,172)
Total contributions and transfers	(4,993,763)	831,471	996,050	(1,724,051)	(4,890,293)
Changes in net position	7,762,187	3,998,222	5,038,228	2,561,401	19,360,038
Net position, beginning of year	145,381,712	73,021,730	108,709,684	47,982,902	375,096,028
Net position, end of year	\$ 153,143,899	\$ 77,019,952	\$ 113,747,912	\$ 50,544,303	\$ 394,456,066

The Notes to the Financial Statements are an integral part of these statements

Exhibit 3. Statement of Cash Flow | For the Year Ended June 30, 2019

	Major Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 178,762,570	\$ 21,102,431	\$ 24,144,479	\$ 36,021,319	\$ 260,030,799
Other operating receipts	(950,566)	(158,718)	(279,506)	(453,238)	(1,842,028)
Payments for goods and services	(146,640,877)	(8,110,574)	(7,323,880)	(24,084,596)	(186,159,927)
Payments to employees	(11,573,747)	(6,195,318)	(6,058,575)	(5,142,007)	(28,969,647)
Payments received on loans	-	39,521	-	-	39,521
Net cash provided by operating activities	19,597,380	6,677,342	10,482,518	6,341,478	43,098,718
Cash flows from noncapital financing activities:					
Transfers to City of Greenville, General Fund	(4,988,315)	-	-	(1,724,051)	(6,712,366)
Noncapital contributions	40,264	53,951	53,951	47,207	195,373
Net cash provided (used) by noncapital financing activities	(4,948,051)	53,951	53,951	(1,676,844)	(6,516,993)
Cash flows from capital and related financing activities:					
Proceeds from issuance of debt	31,008,254	10,569,359	8,366,553	7,479,967	57,424,133
Capital related receipts from customers	-	350,296	412,497	-	762,793
Principal payments on debt obligations	(2,202,361)	(4,356,630)	(4,604,020)	(819,487)	(11,982,498)
Debt issuance costs	(269,030)	(81,493)	(67,523)	(64,897)	(482,943)
Acquisition and construction of capital assets	(14,241,548)	(4,093,652)	(3,766,918)	(3,544,286)	(25,646,404)
Payment of interest and service charges on debt obligations	(1,285,630)	(686,833)	(1,527,407)	(504,624)	(4,004,494)
Net cash provided (used) by capital and related financing activities	13,009,685	1,701,047	(1,186,818)	2,546,673	16,070,587
Cash flows from investing activities:					
Purchase of investments	(29,081,377)	(5,358,365)	(10,277,582)	(9,954,074)	(54,671,398)
Proceeds from sale and maturity of investments	20,066,487	3,687,878	7,065,466	6,861,411	37,681,242
Interest received on investments	1,780,121	227,046	409,248	496,723	2,913,138
Net cash provided (used) by investing activities	(7,234,769)	(1,443,441)	(2,802,868)	(2,595,940)	(14,077,018)
Net increase (decrease) in cash and cash equivalents	20,424,245	6,988,899	6,546,783	4,615,367	38,575,294
Cash and cash equivalents, beginning of year	56,231,178	9,603,837	13,672,055	16,796,996	96,304,066
Cash and cash equivalents, end of year	76,655,423	16,592,736	20,218,838	21,412,363	134,879,360
Other disclosures:					
Interest incurred	1,567,820	776,382	1,634,730	601,201	4,580,133
Interest paid	1,285,630	686,833	1,527,407	504,624	4,004,494
Contributions of capital assets	-	831,471	996,050	-	1,827,521
Change in unrealized gain/loss on investments	361,357	\$ 49,771	81,119	111,259	603,506
Reconciliation of operating income to net cash provided by operating activities:					
Operating Income	11,147,200	3,130,133	4,619,642	4,185,806	23,082,781
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	9,725,679	4,009,278	6,094,622	2,374,751	22,204,330
Changes in assets, deferrals and liabilities					
Accounts receivable	(575,048)	(723,823)	(639,416)	(488,708)	(2,426,995)
Notes receivable	-	39,521	-	-	39,521
Due from other government	(809,237)	(163,571)	(204,797)	(125,310)	(1,302,915)
Inventories	(745,061)	(221,306)	(9,831)	25,945	(950,253)
Prepaid expenses and deposits	5,387	(5,381)	(5,046)	(3,638)	(8,678)
Deferred outflows of resources for pensions	(1,310,821)	(703,367)	(671,396)	(511,540)	(3,197,124)
Deferred outflows of resources for OPEB	(4,043,041)	(2,169,437)	(2,070,826)	(1,577,772)	(9,861,076)
Net pension liability	1,674,282	898,395	857,559	653,378	4,083,614
Deferred inflows of resources for pensions	(56,647)	(30,397)	(29,014)	(22,106)	(138,164)
Deferred inflows of resources for OPEB	(183,601)	(98,518)	(94,040)	(71,649)	(447,808)
Accounts payable and accrued expenses	(1,018,929)	(1,947)	123,133	2,493	(895,250)
Customer deposits	186,438	43,389	83	26,878	256,788
Due to City of Greenville	3,578	39,073	68,994	5,512	117,157
Compensated absences	43,347	23,328	15,982	13,580	96,237
Unearned Revenue	(179,760)	(11,091)	(11,220)	-	(202,071)
Net OPEB liability	4,557,001	2,445,221	2,334,074	1,778,342	11,114,638
Miscellaneous income (expense)	1,176,613	177,842	104,015	75,516	1,533,986
Total adjustments	8,450,180	3,547,209	5,862,876	2,155,672	20,015,937
Net cash provided by operating activities	\$ 19,597,380	\$ 6,677,342	\$ 10,482,518	\$ 6,341,478	\$ 43,098,718

The Notes to the Financial Statements are an integral part of these statements

Exhibit 4. Statement of Fiduciary Net Position | June 30, 2019

	OPEB Trust Fund	Agency Fund
Assets		
Cash and cash equivalents	\$ 1,411,146	\$ 1,081,766
Accounts receivable	-	1,628,859
Restricted assets		
Investments:		
Blackrock MSCI ACWI EQ Index Non-lendable Fund	2,630,657	-
NC Non Pension Fixed Income	552,893	-
Total assets	4,594,696	2,710,625
Liabilities		
Accounts payable	-	2,710,625
Total liabilities	-	2,710,625
Net Position		
Net position restricted for postemployment benefits other than pensions	\$ 4,594,696	\$ -

The Notes to the Financial Statements are an integral part of these statements

Exhibit 5. Statement of Changes in Fiduciary Net Position | For the Year Ended June 30, 2019

OPEB Trust Fund	
Additions	
Contributions:	
Employer contributions	\$ 2,535,073
Total contributions	2,535,073
Investment earnings:	
Interest	42,073
Net increase/(decrease) in the fair value of investments	165,094
Total investment earnings	207,167
Less investment expense	351
Net investment income	206,816
Total additions	2,741,889
Deductions	
Benefits	2,035,073
Total deductions	2,035,073
Change in net position	706,816
Net position restricted for postemployment benefits other than pensions, beginning of year	3,887,880
Net position restricted for postemployment benefits other than pensions, end of year	\$ 4,594,696

The Notes to the Financial Statements are an integral part of these statements

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Notes to the Financial Statements

Notes to the Financial Statement

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The accounting policies of the Greenville Utilities Commission (Utilities Commission) conform to U. S. generally accepted accounting principles as applicable to local 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.

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, 2019, one amendment to the original budget was necessary.

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

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

Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the Utilities Commission to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT), an SEC-registered money market mutual fund. The Utilities Commission's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, a SEC-registered (2a-7) external investment pool, 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 Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6); and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8). Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The BIF is also valued at \$1 per share. The MSCI ACWI EQ Index Non-Lendable Class B Fund is priced at \$22.5624 per share at June 30, 2019.

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 purpose 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.

In prior years the Utilities Commission charged customers requesting water and/or sewer service a one-time Capacity Fee, which was 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.

The Utilities Commission charges water and sewer system development fees on new developments in accordance with North Carolina General Statute 162A Article 8, the "Public Water and Sewer System Development Fee Act". The purpose of system development fees is to fund costs of capital improvements necessitated by and attributable to such new development, to recoup costs of existing facilities which serve such new development, or a combination of those costs. The amount of unspent system development 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	\$ 4,595,170
Unexpended bond proceeds	51,314,860
Unexpended capacity fees	4,079,714
Unexpended system development fees	731,817
Total	\$ 60,721,561

Allowance for Doubtful Accounts

Receivables are shown net of an allowance for doubtful accounts. The Utilities Commission records an estimate of losses due to uncollectible accounts as a percentage of sales. The allowance for uncollectible accounts receivables is determined principally on the basis of past collection experience as well as consideration of current economic conditions and customer collection trends. The Utilities Commission reserves 0.14% of rates and charges as bad debt expense and for the 2018-19 fiscal year \$355,900 was reserved for uncollectible accounts.

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. 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 of at least two years. Capital assets purchased or constructed are recorded at cost. Contributed capital assets received prior to June 15, 2015 are recorded at estimated fair market value at the time the asset is received. Contributed capital assets received after June 15, 2015 are recorded at acquisition value. 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. Capitalized assets of the Utilities Commission are depreciated over the following estimated useful lives:

- Land improvements 10 years
- General plant 10 to 33 years
- Utility plant 5 to 33 years
- Computer software 3 to 15 years
- Vehicles and equipment 3 to 20 years
- Distribution systems 10 to 50 years
- Transmission systems 20 to 25 years
- Computer hardware 5 years
- Fiber optics 20 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 three items that meet this criterion, deferrals related to pension, deferrals related to OPEB, 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 two items that meet the criterion, deferrals related to pension and deferrals related to OPEB.

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.

Defined Benefit Pension and OPEB Plans

The Utilities Commission participates in a multiple-employer defined benefit pension plan that is administered by the State, the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

The Utilities Commission participates in a single-employer defined benefit other postemployment benefit plan (OPEB), the Greenville Utilities Commission Other Postemployment Benefits Plan (GUC OPEB Plan). For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the GUC OPEB plan and additions to/deductions from the GUC OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the GUC OPEB plan. For this purpose, the GUC OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Investments for both plans 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 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, 2019, the Utilities Commission's deposits had a carrying amount of \$43,438,563 and a bank balance of \$44,224,520. Of the bank balance, \$3,274,217 was covered by Federal depository insurance, and \$40,950,303 was covered by collateral held under the pooling method. The Utilities Commission's deposits include checking accounts, savings accounts, money market accounts and \$15,079,590 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, 2019 consisted of various petty cash funds totaling \$6,700.

Investments

At June 30, 2019, the Utilities Commission had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	1-5 Years
Bank Certificates of Deposit	Amortized Cost	\$ 15,079,590	\$ 15,079,590	\$ -	\$ -
US Government Agencies	Fair Value-Level 1	26,221,647	10,586,842	4,497,153	11,137,652
US Treasury Bills	Fair Value-Level 1	997,824	997,824	-	-
US Treasury Notes	Fair Value-Level 1	16,943,433	-	6,304,809	10,638,624
NC Capital Management Trust – Government Portfolio	Fair Value-Level 1	62,209,668	62,209,668	-	-
NC Capital Management Trust – Term Portfolio*	Fair Value-Level 1	44,391,392	44,391,392	-	-
Totals		\$ 165,843,554	\$ 133,265,316	\$ 10,801,962	\$ 21,776,276

*Because the NC Capital Management Trust Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as investments with maturities of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy. Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

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 Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2019. The Utilities Commission's investment in the NC Capital Management Trust Term Portfolio is a bond fund and 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. Both portfolios are reported at fair value. The Utilities Commission's investments in US Government Agencies, which include Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation and Federal National Mortgage Association, are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

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

At June 30, 2019 the Utilities Commission OPEB Trust had \$4,594,696 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) 31%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 12% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 57% (the equities were split with 55.3% in domestic securities and 44.7% in international securities).

Level of the fair value hierarchy. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2019 of 1.3 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.81 years at June 30, 2019.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2019 the fair value of the funds was \$22.562358 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation technique. North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Interest Rate Risk. The Utilities Commission does not have a formal investment interest rate policy for the OPEB Trust Fund that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.3 years at June 30, 2019. The State Treasurer's Bond Index Fund (BIF) is unrated and had a weighted average maturity of 7.81 years at June 30, 2019.

Credit Risk. The Utilities Commission does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The State Treasurer's STIF is unrated and authorized under NC General Statute 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The State Treasurer's BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

Reconciliation of cash and investments:

Totals per footnote:

	2019
Cash	\$ 28,358,973
Petty Cash	6,700
Certificates of Deposit	15,079,590
Investments	150,763,964
Investments – OPEB Trust Fund	4,594,696
Total	\$ 198,803,923

Totals per Statement of Net Position:

	2019
Cash and cash equivalents – unrestricted	\$ 74,157,799
Restricted cash and cash equivalents	4,595,170
Restricted cash and cash equivalents – non-current	56,126,391
Investments – non-current	58,248,101
Cash and Investments – OPEB Trust Fund	4,594,696
Cash and cash equivalents – Agency Fund	1,081,766
Total	\$ 198,803,923

Receivables

Receivables at the government-wide level for the business type activities at June 30, 2019, were as follows:

2019	
Billed customer accounts	\$ 20,237,036
Estimated unbilled customer services	12,814,989
Other receivables	3,200,348
Total accounts receivable	36,252,373
Allowance for uncollectible accounts	(5,920,009)
Net accounts receivable	\$ 30,332,364

The due from other governments that is owed to the Utilities Commission at June 30, 2019 consists of the following:

2019	
Sales tax refund	\$ 2,726,040
FEMA Receivable	184,315
Utilities sales tax refund	27,327
Total due from other governments	\$ 2,937,682

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 \$267,633 payable in monthly installments for 15 years at a 5.25% interest rate.

Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 8,375,720	\$ -	\$ -	\$ -	\$ 8,375,720
Easements	119,567	367,105	-	97,990	584,662
Construction in progress	26,982,412	15,925,060	-	(17,661,368)	25,246,104
Total capital assets not being depreciated	35,477,699	16,292,165	-	(17,563,378)	34,206,486
Capital assets being depreciated:					
Land improvements	3,562,298	-	-	-	3,562,298
General plant	13,143,989	111,588	-	-	13,255,577
Utility plant	168,638,402	1,083,814	-	2,172,916	171,895,132
Computer software	32,798,763	11,096	-	-	32,809,859
Vehicles and equipment	27,152,365	1,910,096	(502,357)	-	28,560,104
Distribution systems	458,324,814	11,161,549	-	5,556,021	475,042,384
Transmission systems	33,300,938	(303,058)	-	9,834,441	42,832,321
Computer hardware	3,437,445	176,518	-	-	3,613,963
Fiber optics	2,296,621	83,240	-	-	2,379,861
Total capital assets being depreciated	742,655,635	14,234,843	(502,357)	17,563,378	773,951,499
Less accumulated depreciation for:					
Land improvements	1,377,527	155,098	-	-	1,532,625
General plant	7,150,664	353,937	-	-	7,504,601
Utility plant	70,778,007	4,755,465	-	-	75,533,472
Computer software	11,937,060	1,904,974	-	-	13,842,034
Vehicles and equipment	23,478,865	1,678,167	(502,357)	-	24,654,675
Distribution systems	242,087,529	11,758,896	-	-	253,846,425
Transmission systems	23,763,575	1,348,143	-	-	25,111,718
Computer hardware	3,115,792	134,886	-	-	3,250,678
Fiber optics	1,348,665	114,764	-	-	1,463,429
Total accumulated depreciation	385,037,684	22,204,330	(502,357)	-	406,739,657
Total capital assets being depreciated, net	357,617,951				367,211,842
Net Capital Assets	\$ 393,095,650				\$ 401,418,328

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2019 totaled \$9,725,679, \$4,009,278, \$6,094,622, and \$2,374,751, respectively.

Capital asset activity by fund for the year ended June 30, 2019, was as follows:

Electric Fund

	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 3,406,415	\$ -	\$ -	\$ -	\$ 3,406,415
Easements	36,387	367,105	-	-	403,492
Construction in progress	11,924,088	7,056,701	-	(9,834,441)	9,146,348
Total capital assets not being depreciated	15,366,890	7,423,806	-	(9,834,441)	12,956,255
Capital assets being depreciated:					
Land improvements	394,368	-	-	-	394,368
General plant	5,648,305	61,519	-	-	5,709,824
Computer software	16,472,667	-	-	-	16,472,667
Vehicles and equipment	12,752,377	1,157,979	(334,732)	(7,844)	13,567,780
Distribution systems	210,599,681	7,917,822	-	-	218,517,503
Transmission systems	33,300,938	(303,058)	-	9,834,441	42,832,321
Computer hardware	2,684,136	135,174	-	-	2,819,310
Fiber optics	1,774,481	20,810	-	-	1,795,291
Total capital assets being depreciated	283,626,953	8,990,246	(334,732)	9,826,597	302,109,064
Less accumulated depreciation for:					
Land improvements	223,439	19,241	-	-	242,680
General plant	3,589,556	131,321	-	-	3,720,877
Computer software	5,997,262	973,978	-	-	6,971,240
Vehicles and equipment	10,918,155	907,849	(334,732)	(7,844)	11,483,428
Distribution systems	141,226,546	6,148,681	-	-	147,375,227
Transmission systems	23,763,575	1,348,143	-	-	25,111,718
Computer hardware	2,426,814	106,701	-	-	2,533,515
Fiber optics	1,060,439	89,765	-	-	1,150,204
Total accumulated depreciation	189,205,786	9,725,679	(334,732)	(7,844)	198,588,889
Total capital assets being depreciated, net	94,421,167				103,520,175
Net Capital Assets	\$ 109,788,057				\$ 116,476,430

Water Fund

	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 1,327,238	\$ -	\$ -	\$ -	\$ 1,327,238
Easements	14,590	-	-	-	14,590
Construction in progress	2,957,248	3,970,357	-	(1,479,093)	5,448,512
Total capital assets not being depreciated	4,299,076	3,970,357	-	(1,479,093)	6,790,340
Capital assets being depreciated:					
Land improvements	2,540,798	-	-	-	2,540,798
General plant	2,574,957	16,119	-	-	2,591,076
Utility plant	57,271,316	165,860	-	-	57,437,176
Computer software	5,090,816	5,303	-	-	5,096,119
Vehicles and equipment	4,565,202	142,759	(45,500)	2,925	4,665,386
Distribution systems	84,657,534	1,114,919	-	1,479,093	87,251,546
Computer hardware	215,090	12,215	-	-	227,305
Fiber optics	230,445	20,810	-	-	251,255
Total capital assets being depreciated	157,146,158	1,477,985	(45,500)	1,482,018	160,060,661
Less accumulated depreciation for:					
Land improvements	926,568	86,393	-	-	1,012,961
General plant	1,207,901	77,371	-	-	1,285,272
Utility plant	29,084,326	1,438,111	-	-	30,522,437
Computer software	1,972,649	284,711	-	-	2,257,360
Vehicles and equipment	3,966,489	212,606	(45,500)	2,925	4,136,520
Distribution systems	34,888,140	1,894,331	-	-	36,782,471
Computer hardware	199,006	7,422	-	-	206,428
Fiber optics	152,473	8,333	-	-	160,806
Total accumulated depreciation	72,397,552	4,009,278	(45,500)	2,925	76,364,255
Total capital assets being depreciated, net	84,748,606				83,696,406
Net Capital Assets	\$ 89,047,682				\$ 90,486,746

Sewer Fund

	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 2,412,679	\$ -	\$ -	\$ -	\$ 2,412,679
Easements	26,128	-	-	-	26,128
Construction in progress	8,839,978	2,292,299	-	(2,172,916)	8,959,361
Total capital assets not being depreciated	11,278,785	2,292,299	-	(2,172,916)	11,398,168
Capital assets being depreciated:					
Land improvements	264,083	-	-	-	264,083
General plant	2,199,634	15,960	-	-	2,215,594
Utility plant	96,247,648	917,954	-	2,172,916	99,338,518
Computer software	4,879,350	-	-	-	4,879,350
Vehicles and equipment	6,165,107	313,146	(51,149)	2,792	6,429,896
Distribution systems	119,648,597	1,376,364	-	-	121,024,961
Computer hardware	195,409	12,216	-	-	207,625
Fiber optics	145,846	20,810	-	-	166,656
Total capital assets being depreciated	229,745,674	2,656,450	(51,149)	2,175,708	234,526,683
Less accumulated depreciation for:					
Land improvements	109,982	17,138	-	-	127,120
General plant	988,977	68,221	-	-	1,057,198
Utility plant	36,473,728	2,819,452	-	-	39,293,180
Computer software	1,748,147	289,542	-	-	2,037,689
Vehicles and equipment	5,487,501	307,623	(51,149)	2,792	5,746,767
Distribution systems	46,055,979	2,576,891	-	-	48,632,870
Computer hardware	179,328	7,422	-	-	186,750
Fiber optics	67,876	8,333	-	-	76,209
Total accumulated depreciation	91,111,518	6,094,622	(51,149)	2,792	97,157,783
Total capital assets being depreciated, net	138,634,156				137,368,900
Net Capital Assets	\$ 149,912,941				\$ 148,767,068

Gas Fund

	June 30, 2018	Additions	Deletions	Transfers	June 30, 2019
Capital assets not being depreciated:					
Land	\$ 1,229,388	\$ -	\$ -	\$ -	\$ 1,229,388
Easements	42,462	-	-	97,990	140,452
Construction in progress	3,261,098	2,605,703	-	(4,174,918)	1,691,883
Total capital assets not being depreciated	4,532,948	2,605,703	-	(4,076,928)	3,061,723
Capital assets being depreciated:					
Land improvements	363,049	-	-	-	363,049
General plant	2,721,093	17,990	-	-	2,739,083
Utility plant	15,119,438	-	-	-	15,119,438
Computer software	6,355,930	5,793	-	-	6,361,723
Vehicles and equipment	3,669,679	296,212	(70,976)	2,127	3,897,042
Distribution systems	43,419,002	752,444	-	4,076,928	48,248,374
Computer hardware	342,810	16,913	-	-	359,723
Fiber optics	145,849	20,810	-	-	166,659
Total capital assets being depreciated	72,136,850	1,110,162	(70,976)	4,079,055	77,255,091
Less accumulated depreciation for:					
Land improvements	117,538	32,326	-	-	149,864
General plant	1,364,230	77,024	-	-	1,441,254
Utility plant	5,219,953	497,902	-	-	5,717,855
Computer software	2,219,002	356,743	-	-	2,575,745
Vehicles and equipment	3,106,720	250,089	(70,976)	2,127	3,287,960
Distribution systems	19,916,864	1,138,993	-	-	21,055,857
Computer hardware	310,644	13,341	-	-	323,985
Fiber optics	67,877	8,333	-	-	76,210
Total accumulated depreciation	32,322,828	2,374,751	(70,976)	2,127	34,628,730
Total capital assets being depreciated, net	39,814,022				42,626,361
Net Capital Assets	\$ 44,346,970				\$ 45,688,084

A summary of capital assets, by fund, at June 30, 2019 is as follows:

	Electric	Water	Sewer	Gas	Total
At June 30, 2019					
Land	\$ 3,406,415	\$ 1,327,238	\$ 2,412,679	\$ 1,229,388	\$ 8,375,720
Easements	403,492	14,590	26,128	140,452	584,662
Land improvements	394,368	2,540,798	264,083	363,049	3,562,298
General plant	5,709,824	2,591,076	2,215,594	2,739,083	13,255,577
Utility plant	-	57,437,176	99,338,518	15,119,438	171,895,132
Computer software	16,472,667	5,096,119	4,879,350	6,361,723	32,809,859
Vehicles and equipment	13,567,780	4,665,386	6,429,896	3,897,042	28,560,104
Distribution systems	218,517,503	87,251,546	121,024,961	48,248,374	475,042,384
Transmission systems	42,832,321	-	-	-	42,832,321
Computer hardware	2,819,310	227,305	207,625	359,723	3,613,963
Fiber optics	1,795,291	251,255	166,656	166,659	2,379,861
	305,918,971	161,402,489	236,965,490	78,624,931	782,911,881
Less accumulated depreciation	(198,588,889)	(76,364,255)	(97,157,783)	(34,628,730)	(406,739,657)
	107,330,082	85,038,234	139,807,707	43,996,201	376,172,224
Construction in progress	9,146,348	5,448,512	8,959,361	1,691,883	25,246,104
Net Capital Assets	\$ 116,476,430	\$ 90,486,746	\$ 148,767,068	\$ 45,688,084	\$ 401,418,328

Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2019. At year-end, the Utilities Commission's commitments with contractors are as follows:

Project Name	Spent-to-date	Remaining Commitments
Electric transmission system	\$ 2,518,862	\$ 741,395
Electric distribution system	1,298,628	6,927
Water treatment and distribution system	3,732,536	2,665,211
Sewer treatment and collection system	7,248,506	790,886
Natural gas distribution system	31,258	26,000
Administrative facilities	10,303,832	42,813,993
Totals	\$ 25,133,622	\$ 47,044,412

B. Liabilities

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2019, were as follows:

Business type activities:	Vendors	Salaries and Benefits	Other	Total
Electric	\$ 15,723,133	\$ 245,130	\$ 2,267	\$ 15,970,530
Water	1,116,108	179,177	-	1,295,285
Sewer	918,689	153,121	-	1,071,810
Gas	1,558,226	149,270	-	1,707,496
Totals	\$ 19,316,156	\$ 726,698	\$ 2,267	\$ 20,045,121

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, 2019 was 7.75% for general employees. Contributions to the pension plan from the Utilities Commission were \$2,481,598 for the year ended June 30, 2019.

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.

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

At June 30, 2019, the Utilities Commission reported a liability of \$10,970,896 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Utilities Commission's proportion of the net pension liability 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, 2018, the Utilities Commission's proportion was 0.46245%, which was an increase of 0.01163% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Utilities Commission recognized pension expense of \$3,229,926. At June 30, 2019, 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	\$ 1,692,549	\$ 56,793
Changes of assumptions	2,911,252	-
Net difference between projected and actual earnings on pension plan investments	1,505,978	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	233,378	-
Employer contributions subsequent to the measurement date	2,481,599	-
Totals	\$ 8,824,756	\$ 56,793

\$2,481,599 reported as deferred outflows of resources related to pensions resulting from Utilities Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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:	
2020	\$ 3,009,360
2021	1,978,935
2022	401,437
2023	896,632
Thereafter	-
	\$ 6,286,364

Actuarial Assumptions

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including 3.5% inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future and 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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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.

Sensitivity of the Utility Commission's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Utility Commission's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Utility Commission's proportionate share of the net pension liability or net pension asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Utilities Commission's proportionate share of the net pension liability (asset)	\$26,353,042	\$10,970,896	(\$1,882,666)

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

Plan Administration. The Utilities Commission administers the Greenville Utilities Commission Other Postemployment Benefits Plan (GUC OPEB Plan), a single-employer defined benefit plan which provides postemployment benefits other than pensions (OPEB) for all eligible retirees. 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. 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 \$275,000 per person per year. A separate report was not issued for the plan.

Management of the GUC OPEB Plan is vested in the Utilities Commission Board of Commissioners.

Plan membership. At June 30, 2018, the valuation date, the GUC OPEB Plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefits	167
Inactive members entitled to but not yet receiving benefits	0
Active members	448
	615

Benefits provided. The GUC OPEB Plan provides postretirement health care, prescription drugs, and vision benefits for retired or disabled employees. A retiree life insurance benefit of \$7,000 is provided to those retirees who were hired prior to August 1, 1975.

Contributions. The Utilities Commission's obligation to contribute to the post retirement benefit plan is established and may be amended by the Board of Commissioners. Members hired prior to July 1, 2011 who retire with at least 20 years of service contribute 5% of the estimated cost for pre-65 health care coverage for the retiree. Members hired prior to July 1, 2011 who retire with less than 20 years of service contribute 100% of the estimated cost for pre-65 health care coverage for the retiree. Retirees who elect to have dependent health care coverage contribute 100% of the estimated cost of coverage. Participating retired employees hired prior to July 1, 2011 with a minimum of 20 years of service shall have their coverage transferred to a Medicare Supplemental plan after qualifying for Medicare, with the Utilities Commission continuing to pay the same dollars toward the premium cost as it pays for retirees under the base plan. For

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

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

The 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. For the current fiscal year the Utilities Commission contributed \$2,531,176. The GUC OPEB Plan is accounted for as a trust fund.

Investments

Investment policy. Investments are valued at fair value. As of the most recent adoption of the current long-term rate of return by the GUC OPEB Plan, the target asset allocation and best estimates of real rates of return for each major asset class, as provided by the GUC OPEB Plan's investment strategies, are summarized in the following table:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return
Equity	60.00%	7.40%
Bonds	10.00%	3.06%
Cash and Cash Equivalents	30.00%	2.89%
Total	100.00%	

Note: In setting the long-term expected return for the GUC OPEB Plan, projections employed to model future returns provide a range of expected long-term returns that ultimately support a long-term expected rate of return assumption of 7.00%.

Rate of return. For the year ended June 30, 2019, the annual money weighted rate of return on investments, net of investment expense, was 4.67 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Utilities Commission

The components of the net OPEB liability of the Utilities Commission at June 30, 2019 were as follows:

Total OPEB liability (TOL)	\$ 51,362,302
Plan fiduciary net position (FNP)	4,594,696
Net OPEB liability (NOL)	\$ 46,767,606
Plan fiduciary net position as a percentage of the total OPEB liability	8.95%

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actual assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases, including wage inflation	
General Employees	3.50% - 7.75%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Municipal bond index rate	
Prior measurement date	3.89%
Measurement date	3.50%
Year fiduciary net position is projected to be depleted	
Prior measurement date	2050
Measurement date	2036
Single equivalent interest rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	5.74%
Measurement date	4.12%
Healthcare cost trend rates	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

The total OPEB liability (TOL) determined by the June 30, 2018 valuation date was rolled forward to the June 30, 2019 measurement date using standard roll forward techniques. The roll forward calculation begins with the TOL, as of June 30, 2018, subtracts the expected benefit payments and refunds for the year, applies interest at the discount rate for the year, and then adds the annual normal cost (also called the Service Cost). Actuarial gains and losses arising from the change in the SEIR from 5.74% on the Prior Measurement Date to 4.12% on the Measurement Date are accounted for as changes of assumptions or other inputs.

The discount rate used to measure the total OPEB liability was based on the single equivalent interest rate (SEIR).

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, are presented above.

Discount Rate. The discount rate used to measure the TOL as of the Measurement Date was 4.12%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.50%.
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of the last 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2036 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 7.00% on Plan investments was applied to periods through 2036 and the Municipal Bond Index Rate at the Measurement Date (3.50%) was applied to periods on and after 2036, resulting in an SEIR at the Measurement Date (4.12%). There was a change in the discount rate from 5.74% at the Prior Measurement Date to 4.12% at the Measurement Date.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Utilities Commission, as well as what the Utilities Commission's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.12 percent) or 1-percentage-point higher (5.12 percent) than the current discount rate:

	1% Decrease (3.12%)	Current Discount Rate (4.12%)	1% Increase (5.12%)
Net OPEB liability	\$55,854,830	\$46,767,606	\$39,545,983

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Utilities Commission, as well as what the Utilities Commission's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$38,637,888	\$46,767,606	\$57,212,913

Changes in the Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Utilities Commission reported a net OPEB liability of \$46,767,606. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2019 the components of the net OPEB liability of the Utilities Commission were as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2018	\$ 39,546,467	\$ 3,893,499	\$ 35,652,968
Changes for the year:			
Service Cost at the end of the year*	781,098	0	781,098
Interest on TOL and Cash Flows	2,212,486	0	2,212,486
Change in benefit terms	0	0	0
Difference between expected and actual experience	(623,845)	0	(623,845)
Changes of assumptions or other inputs	11,477,272	0	11,477,272
Contributions - employer	0	2,531,176	(2,531,176)
Contributions - non-employer	0	0	0
Net investment income	0	206,816	(206,816)
Benefit payments	(2,031,176)	(2,031,176)	0
Plan administrative expenses	0	(5,619)	5,619
Other	0	0	0
Net changes	11,815,835	701,197	11,114,638
Balance as of June 30, 2019	\$ 51,362,302	\$ 4,594,696	\$ 46,767,606

*The service cost includes interest for the year.

Changes of assumptions. Changes of assumptions and other inputs include: incorporating a life insurance retention load, change in the discount rate, and change in medical trend.

For the year ended June 30, 2019, the Utilities Commission recognized OPEB expense of \$3,336,930. At June 30, 2019, the Utilities Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 374,000	\$ 536,349
Changes of assumptions or other inputs	9,867,556	5,078,248
Net difference between projected and actual earnings on pension plan investments	66,766	-
Totals	\$ 10,308,322	\$ 5,614,597

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2020	\$ 627,283
2021	627,283
2022	627,281
2023	627,091
2024	610,543
Thereafter	1,574,244
	\$ 4,693,725

Long-term Debt

The City of Greenville issues any debt required by the Utilities Commission. 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. The Bond Order provides authorization for indebtedness, redemption of bonds, covenants as to rates, and remedies in case of default. 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 \$58,516,465 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 19 percent of net revenues, or less than 3 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$93,111,032. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$3,487,991, \$21,510,052, and \$179,748,168, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year end for the Utilities Commission's Electric Fund are as follows:

Description	Amount
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	\$ 1,257,004
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	3,494,541
	\$ 4,751,545

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 844,852	\$ 90,711	\$ 935,563
2021	857,747	72,310	930,057
2022	868,385	53,591	921,976
2023	439,337	40,122	479,459
2024	435,306	32,039	467,345
2025-2029	1,305,918	48,058	1,353,976
Totals	\$ 4,751,545	\$ 336,831	\$ 5,088,376

Public sales revenue bonds outstanding at year end for the Utilities Commission's Electric Fund are as follows:

Description	Amount
Series 2016 Revenue Bonds with an original issue amount of \$22,679,530, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 22,207,691
Series 2016 Revenue Bonds with an original issue amount of \$1,369,152, issued to refund the Series 2005 Revenue Bonds, due in annual installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026	1,007,305
Series 2016 Revenue Bonds with an original issue amount of \$3,470,208, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	3,457,141
Series 2019 Revenue Bonds with an original issue amount of \$27,092,783, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044	27,092,783
	\$ 53,764,920

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 505,246	\$ 1,887,774	\$ 2,393,020
2021	1,189,518	2,267,026	3,456,544
2022	1,213,155	2,197,105	3,410,260
2023	1,287,224	2,152,980	3,440,204
2024	1,392,721	2,087,017	3,479,738
2025-2029	8,134,135	9,279,081	17,413,216
2030-2034	10,722,722	6,963,916	17,686,638
2035-2039	11,454,142	4,637,723	16,091,865
2040-2044	13,500,680	2,586,217	16,086,897
2045-2046	4,365,377	198,897	4,564,274
Totals	\$ 53,764,920	\$ 34,257,736	\$ 88,022,656

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 \$19,016,114 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 24 percent of net revenues, or less than 9 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$29,338,992. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$4,522,035, \$7,481,310, and \$21,957,811, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year end for the Utilities Commission's Water Fund are as follows:

Description	Amount
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	\$ 546,219
	\$ 546,219

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 177,964	\$ 11,477	\$ 189,441
2021	181,816	6,961	188,777
2022	186,439	2,340	188,779
Totals	\$ 546,219	\$ 20,778	\$ 566,997

Public sales revenue bonds outstanding at year end for the Utilities Commission's Water Fund are as follows:

Description	Amount
Series 2016 Revenue Bonds with an original issue amount of \$2,243,132, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 2,196,464
Series 2016 Revenue Bonds with an original issue amount of \$711,915, issued to refund the Series 2005 Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026	523,766
Series 2016 Revenue Bonds with an original issue amount of \$7,571,332, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	7,542,823
Series 2019 Revenue Bonds with an original issue amount of \$8,206,842, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044	8,206,842
	\$ 18,469,895

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 390,542	\$ 714,711	\$ 1,105,253
2021	845,208	817,718	1,662,926
2022	625,159	772,294	1,397,453
2023	652,998	750,786	1,403,784
2024	698,688	717,651	1,416,339
2025-2029	3,946,596	3,022,454	6,969,050
2030-2034	5,051,941	1,925,245	6,977,186
2035-2039	2,498,345	1,005,026	3,503,371
2040-2044	2,955,328	547,210	3,502,538
2045-2046	805,090	29,005	834,095
Totals	\$ 18,469,895	\$ 10,302,100	\$ 28,771,995

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 (DWSRF) 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 promissory notes for the Utilities Commission's DWSRF loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rate and charges to adequately provide for the proper operation, maintenance, and administration of the project and for repayment of all principal and interest when due. The notes are payable solely from the revenues of the project or benefited systems, or other available funds.

The Utilities Commission's drinking water loans outstanding at year end are as follows:

Description	Amount
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	\$ 2,136,702
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	322,298
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	148,221
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	904,047
1.53% Drinking Water State Revolving Fund loan issued in 2018 to finance the rehabilitation and/or replacement of cast-iron water lines, \$1,176,457 authorized and \$1,176,457 drawn to date, due in annual installments of \$58,823 with a final payment on May 1, 2038	1,117,634
	\$ 4,628,902

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 354,140	\$ 94,148	\$ 448,288
2021	354,140	86,755	440,895
2022	354,140	79,361	433,501
2023	354,140	71,968	426,108
2024	354,140	64,575	418,715
2025-2029	1,770,692	211,971	1,982,663
2030-2034	852,219	54,854	907,073
2035-2038	235,291	9,000	244,291
Totals	\$ 4,628,902	\$ 672,632	\$ 5,301,534

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 Environmental Quality 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 promissory notes for the Utilities Commission's ARRA loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Commission fails to adopt and maintain a schedule of rate and charges to adequately provide for the proper operation, maintenance, and administration of the project and for repayment of all principal and interest when due. The notes are payable solely from the revenues of the project or benefited systems, or other available funds.

The Utilities Commission's ARRA loans outstanding at year end are as follows:

Description	Amount
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	\$ 809,092
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	13,434
	\$ 822,526

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
2020	\$74,673	\$0	\$74,673
2021	74,673	0	74,673
2022	74,673	0	74,673
2023	74,673	0	74,673
2024	74,673	0	74,673
2025-2029	373,368	0	373,368
2030-2031	75,793	0	75,793
Totals	\$ 822,526	\$ 0	\$ 822,526

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 \$21,328,041 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 19 percent of net revenues, or less than 9 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$32,191,591. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,823,569, \$11,040,621, and \$24,912,589, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year end for the Utilities Commission's Sewer Fund are as follows:

Description	Amount
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	\$ 699,866
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	763,000
	\$ 1,462,866

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 991,024	\$ 28,744	\$ 1,019,768
2021	232,960	8,920	241,880
2022	238,882	2,998	241,880
Totals	\$ 1,462,866	\$ 40,662	\$ 1,503,528

Public sales revenue bonds outstanding at year end for the Utilities Commission's Sewer Fund are as follows:

Description	Amount
Series 2016 Revenue Bonds with an original issue amount of \$4,719,168, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 4,620,988
Series 2016 Revenue Bonds with an original issue amount of \$2,118,933, issued to refund the Series 2005 Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2026	1,558,930
Series 2016 Revenue Bonds with an original issue amount of \$6,911,365, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	6,885,340
Series 2019 Revenue Bonds with an original issue amount of \$8,206,842, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044	6,799,917
	\$ 19,865,175

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 519,625	\$ 791,299	\$ 1,310,924
2021	998,165	866,845	1,865,010
2022	765,578	814,316	1,579,894
2023	794,406	789,321	1,583,727
2024	844,487	749,199	1,593,686
2025-2029	4,210,082	3,092,903	7,302,985
2030-2034	4,925,470	1,996,306	6,921,776
2035-2039	2,670,557	1,079,919	3,750,476
2040-2044	3,149,940	599,430	3,749,370
2045-2046	986,865	43,350	1,030,215
Totals	\$ 19,865,175	\$ 10,822,888	\$ 30,688,063

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 promissory notes for the Utilities Commission's CWSRF loans contain a provision that may require prepayment in whole and further commitments withdrawn if the Utilities Commission fails to adopt and maintain a schedule of rate and charges to adequately provide for the proper operation, maintenance, and administration of the project and for repayment of all principal and interest when due. The loans are payable solely from the revenues of the project or benefited systems, or other available funds.

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	\$ 7,568,898
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 \$8,866,000 drawn to date, due in annual installments of \$443,300 with a final payment on May 1, 2032,	5,762,900
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 \$13,649,668 drawn to date, due in annual installments of \$682,483 with a final payment on May 1, 2033	9,554,767
0.0% Clean Water State Revolving Fund loan issued in 2013 to finance the energy efficiency replacement and upgrade to the wastewater treatment plant ultraviolet disinfection system, \$2,198,250 authorized and \$1,806,103 drawn to date, due in annual installments of \$92,156 with a final payment on May 1, 2036	1,682,691
2.0% Clean Water State Revolving Fund loan issued in 2017 to finance pump station upgrades, \$6,176,450 authorized and \$3,764,772 drawn to date, due in annual installments of \$188,239 with a final payment on May 1, 2037	5,372,899
1.66% Clean Water State Revolving Fund loan issued in 2017 to finance improvements to the wastewater treatment plant air distribution system, \$1,718,086 authorized and \$587,950 drawn to date, due in annual installments of \$29,398 with a final payment on May 1, 2038	1,632,182
	\$ 31,574,337

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
2020	\$ 2,265,454	\$ 691,416	\$ 2,956,870
2021	2,299,168	646,562	2,945,730
2022	2,299,168	594,443	2,893,611
2023	2,299,168	542,325	2,841,493
2024	2,299,168	490,206	2,789,374
2025-2029	11,495,839	1,669,243	13,165,082
2030-2034	7,174,430	479,539	7,653,969
2035-2038	1,441,942	50,203	1,492,145
Totals	\$ 31,574,337	\$ 5,163,937	\$ 36,738,274

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, 2019, \$605,528 of the inter-local agreement remained outstanding. The inter-local agreement carries an effective interest rate of 5.53% and is payable in annual installments of \$151,382 with a final principal payment on May 1, 2023.

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 151,382	\$ 80,611	\$ 231,993
2021	151,382	76,919	228,301
2022	151,382	73,227	224,609
2023	151,379	91,529	242,908
Totals	\$ 605,525	\$ 322,286	\$ 927,811

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 \$19,092,380 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2046. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. Annual principal and interest payments on the bonds are expected to require less than 23 percent of net revenues, or less than 5 percent of total revenues. The total principal and interest remaining to be paid on the bonds is \$30,322,844. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,324,110, \$6,809,211, and \$36,460,177, respectively. Current outstanding revenue bond issues include both direct placement and public sales bonds.

Direct placement revenue bonds outstanding at year end for the Utilities Commission's Gas Fund are as follows:

Description	Amount
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	\$ 1,041,911
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	840,459
	\$ 1,882,370

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 444,160	\$ 37,356	\$ 481,516
2021	452,477	26,817	479,294
2022	461,294	16,057	477,351
2023	105,663	9,650	115,313
2024	104,694	7,705	112,399
2025-2029	314,082	11,558	325,640
Totals	\$ 1,882,370	\$ 109,143	\$ 1,991,513

Public sales revenue bonds outstanding at year end for the Utilities Commission's Gas Fund are as follows:

Description	Amount
Series 2016 Revenue Bonds with an original issue amount of \$10,253,170, due in annual installment with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 10,039,857
Series 2016 Revenue Bonds with an original issue amount of \$637,094, issued to refund a portion of the Series 2008A Revenue Bonds, due in annual installment with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	634,695
Series 2019 Revenue Bonds with an original issue amount of \$6,535,458, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on August 1, 2044	6,535,458
	\$ 17,210,010

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

Year Ending June 30	Principal	Interest	Total
2020	\$ 134,587	\$ 626,086	\$ 760,673
2021	392,109	716,936	1,109,045
2022	351,108	694,811	1,045,919
2023	370,372	682,838	1,053,210
2024	399,104	663,933	1,063,037
2025-2029	2,459,187	2,983,937	5,443,124
2030-2034	3,319,868	2,272,533	5,592,401
2035-2039	3,766,955	1,531,982	5,298,937
2040-2044	4,429,052	867,992	5,297,044
2045-2046	1,587,668	80,273	1,667,941
Totals	\$ 17,210,010	\$ 11,121,321	\$ 28,331,331

Rate Covenants:

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, 2019 is as follows:

Operating revenues	\$ 260,081,217
Operating expenses ¹	(213,240,025)
Operating income	46,841,192
Non-operating revenues (expenses)	
Miscellaneous revenues ²	1,233,064
Interest income ²	1,764,464
Non-operating expenses	(248,758)
Income available for debt service	\$ 49,589,962
Parity debt service (principal and interest paid)	\$ 12,157,705
Parity debt service coverage ratio	408%
Subordinate and other debt service (principal and interest paid)	\$3,829,286
Subordinate and other debt service coverage ratio	978%

¹In accordance with rate covenants, operating expenses excludes depreciation expense of \$22,204,330; unfunded OPEB expense of \$805,754; and pension expense of \$748,327.

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, 2019, the Utilities Commission had no arbitrage liabilities.

Unearned Revenue:

Unearned revenue totaling \$71,450 in the Water Fund and \$120,960 in the Sewer Fund consists of connection fees that were paid in advance for services that have not yet been installed. The fees paid in advance will be recognized as revenue by the Utilities Commission at the time the service is installed.

Changes in Long-term Liabilities:

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

Business type activities:	June 30, 2018	Additions	Retirements	June 30, 2019	Current Portion
Direct placement revenue bonds	\$ 11,076,800	\$ 0	(\$2,433,800)	\$ 8,643,000	\$ 2,458,000
Public sales revenue bonds	67,330,000	48,635,000	(6,655,000)	109,310,000	1,550,000
Other types of debt	38,764,625	1,760,363	(2,893,698)	37,631,290	2,845,649
Discounts and premiums	9,222,061	7,028,769	(457,603)	15,793,227	-
Compensated absences	2,262,019	2,449,647	(2,353,410)	2,358,256	1,880,751
Net OPEB liability	35,652,968	11,114,638	-	46,767,606	-
Net pension liability (LRS)	6,887,281	4,083,614	-	10,970,895	-
Unearned revenue	394,481	-	(202,071)	192,410	192,410
Total long-term liabilities	\$ 171,590,235	\$ 75,072,031	(\$14,995,582)	\$ 231,666,684	\$ 8,926,810

Changes in long-term liabilities by fund for the year ended June 30, 2019 are as follows:

Electric Fund:	June 30, 2018	Additions	Retirements	June 30, 2019	Current Portion
Direct placement revenue bonds	\$ 5,585,759	\$ 0	(\$834,214)	\$ 4,751,545	\$ 844,852
Public sales revenue bonds	28,040,284	27,092,783	(1,368,147)	53,764,920	505,246
Discounts and premiums	3,506,000	3,915,471	(134,567)	7,286,904	-
Compensated absences	921,114	945,189	(901,842)	964,461	792,361
Net OPEB liability	14,617,717	4,557,001	-	19,174,718	-
Net pension liability (LRS)	2,823,785	1,674,282	-	4,498,067	-
Unearned revenue	179,760	-	(179,760)	-	-
Electric Fund long-term liabilities:	\$ 55,674,419	\$ 38,184,726	(\$3,418,530)	\$ 90,440,615	\$ 2,142,459

Water Fund	June 30, 2018	Additions	Retirements	June 30, 2019	Current Portion
Direct placement revenue bonds	\$ 719,561	\$ 0	(\$173,342)	\$ 546,219	\$ 177,964
Public sales revenue bonds	14,017,529	8,206,842	(3,754,476)	18,469,895	390,542
Other types of debt	4,703,783	1,176,457	(428,812)	5,451,428	428,813
Discounts and premiums	2,075,931	1,186,059	(171,659)	3,090,331	-
Compensated absences	475,617	535,858	(512,530)	498,945	393,117
Net OPEB liability	7,843,653	2,445,221	-	10,288,874	-
Net pension liability (LRS)	1,515,202	898,395	-	2,413,597	-
Unearned revenue	82,541	-	(11,091)	71,450	71,450
Water Fund long-term liabilities:	\$ 31,433,817	\$ 14,448,832	(\$5,051,910)	\$ 40,830,739	\$ 1,461,886

Sewer Fund	June 30, 2018	Additions	Retirements	June 30, 2019	Current Portion
Direct placement revenue bonds	\$ 2,453,767	\$ 0	(\$990,901)	\$ 1,462,866	\$ 991,024
Public sales revenue bonds	14,213,491	6,799,917	(1,148,233)	19,865,175	519,625
Other types of debt	34,060,842	583,906	(2,464,886)	32,179,862	2,416,836
Discounts and premiums	2,351,036	982,730	(101,527)	3,232,239	-
Compensated absences	427,441	502,677	(486,695)	443,423	362,240
Net OPEB liability	7,487,123	2,334,074	-	9,821,197	-
Net pension liability (LRS)	1,446,329	857,559	-	2,303,888	-
Unearned revenue	132,180	-	(11,220)	120,960	120,960
Sewer Fund long-term liabilities:	\$ 62,572,209	\$ 12,060,863	(\$5,203,462)	\$ 69,429,610	\$ 4,410,685

Gas Fund	June 30, 2018	Additions	Retirements	June 30, 2019	Current Portion
Direct placement revenue bonds	\$ 2,317,713	\$ 0	(\$435,343)	\$ 1,882,370	\$ 444,160
Public sales revenue bonds	11,058,696	6,535,458	(384,144)	17,210,010	134,587
Discounts and premiums	1,289,094	944,509	(49,850)	2,183,753	-
Compensated absences	437,847	465,923	(452,343)	451,427	333,033
Net OPEB liability	5,704,475	1,778,342	-	7,482,817	-
Net pension liability (LRS)	1,101,965	653,378	-	1,755,343	-
Gas Fund long-term liabilities:	\$ 21,909,790	\$ 10,377,610	(\$1,321,680)	\$ 30,965,720	\$ 911,780

C. Net Investment in Capital Assets

Capital assets	\$ 401,418,328
plus: unexpended bond proceeds	51,314,860
plus: unamortized bond refunding charges	1,612,119
less: long-term debt	171,377,517
Net investment in capital assets	\$ 282,967,790

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, 2019, 2018 and 2017 were \$484,548, \$469,160, and \$450,480, respectively. These contributions represent 1.5%, 1.5% and 1.5%, respectively, of covered payroll.

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, 2019 consist of the following:

Street lighting reimbursement	\$ 69,980
Street repairs	190,102
Wellness Program	62,649
MWBE program	6,109
Economic development activities	9,250
Dumpster collection and landfill fees	3,397
Total	\$ 341,487

Balances due from the City of Greenville at June 30, 2019 on utility accounts totaled \$406,864. This amount is included in Accounts receivable, net on the Statement of Net Position with other sales receivables related to our core business.

Transfers to/from the City of Greenville

Transfers to the City of Greenville's General Fund during fiscal year 2019 consist of the following:

Electric Fund general transfer	\$ 4,184,591
Gas Fund general transfer	1,724,051
Electric Fund street lighting reimbursement	809,172
Total	\$ 6,717,814

The transfers to the City's General Fund of \$6,717,814 included the general and street lighting reimbursement transfers. The general transfers were computed based on 6% of the Electric and Gas Funds' capital assets, net of related debt. The street lighting reimbursement represents 50% of current fiscal year street lighting revenues. The computation of the transfers is consistent with the method specified in Chapter 861 of Senate Bill 1069, An Act to Amend and Restate the Charter of the Greenville Utilities Commission of the City of Greenville.

NOTE 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 \$275,000 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, 2019 and 2018 are as follows:

	2019	2018
Unpaid claims, beginning	\$ 817,586	\$ 749,988
Incurred claims	7,225,729	6,586,103
Claim payments	(7,211,755)	(6,518,505)
Unpaid claims, ending	\$ 831,560	\$ 817,586

The City of Greenville and the Utilities Commission self-fund a dental benefit plan for eligible employees with a maximum benefit of \$2,000 per calendar year in addition to a lifetime maximum of \$3,000 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, 2019 and 2018 are as follows:

	2019	2018
Unpaid claims, beginning	\$ 54,413	\$ 48,012
Incurred claims	381,742	447,172
Claim payments	(391,715)	(440,771)
Unpaid claims, ending	\$ 44,440	\$ 54,413

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 \$267 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, 2019, other than the medical and dental benefit programs, has not been accrued as the amount of outstanding claims is not material to the financial statements.

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

NOTE 7 - SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Purchased Power Contract

The Utilities Commission is a participant of the North Carolina Eastern Municipal Power Agency (NCEMPA), a joint agency formed by 32 municipal entities. NCEMPA was formed in 1982 for the purpose of supplying wholesale power to its 32 participants. NCEMPA used the proceeds of debt issuances to purchase ownership interests in two coal-fired and three nuclear-fueled generation plants. Each participant was entitled to a proportionate share of the output and was obligated to pay its share of the operating costs and debt service on these generation assets.

On July 31, 2015, the 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. 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 NCEMPA's outstanding debt at June 30, 2019 was approximately \$62.8 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.

Duke Energy Progress has entered into a 30 year agreement to provide wholesale power to NCEMPA. The Utilities Commission, along with the other member entities, entered into a 30 year take and pay all requirements contract for the delivery of wholesale electric power. The reduced debt service costs and the lower costs of wholesale power have allowed the Utilities Commission to reduce electric retail rates by approximately 15% since July 2015.

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.

The Utilities Commission secures its natural gas supplies through various marketers and uses marketing firms to buy and sell natural gas contracts on its behalf. We typically enter into contracts whereby we purchase and fix a portion of our gas supply in advance. At June 30, 2019, we have commitments to take delivery on a total of 592,000 dekatherms at fixed prices ranging from \$2.021 to \$5.879 per dekatherm and in varying amounts from July 2019 through June 2020. In addition, we have commitments to take delivery on 1,209,400 additional dekatherms during the period July 2019 through June 2020 for which we have not yet fixed a price.

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.

The Utilities Commission entered a 30-year agreement with The Black Belt Energy Gas District (Black Belt Energy), effective March 1, 2018 to purchase 40 percent of Utilities Commission's firm volumes (1,600 dekatherms per day during the summer period, April to October, and 2,500 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be \$0.40 per dekatherm during the initial reset period from November 1, 2018 to October 31, 2023 and pays a fee of \$0.03 per dekatherm to Black Belt Energy to cover the administrative costs of the agreement. The Utilities Commission may elect to remarket the commodity in future reset periods when the available discount realized from the initial reset period through the end of such reset period is less than \$0.25 per dekatherm, excluding any period for which the Utilities Commission delivered a remarking election.

The Utilities Commission entered into two 30-year agreements with Public Energy Authority of Kentucky (PEAK), effective December 4, 2018, and February 14, 2019, respectively, to purchase approximately 12 percent of Utilities Commission's total volumes (500 dekatherms per day through January 2022, then 500 dekatherms per day during the summer period, April to October, and 2,000 dekatherms per day during the winter period, November through March). The Utilities Commission receives a price discount projected to be \$0.3875 per dekatherm during the initial reset period from July 1, 2019 to April 30, 2025 and pays a fee of \$0.03 per dekatherm to Public Energy Authority of Kentucky to cover the administrative costs of the agreement. The Utilities Commission may elect to remarket the commodity in future reset periods when the available discount realized from the initial reset period through the end of such reset period is less than \$0.23 per dekatherm, excluding any period for which the Utilities Commission delivered a remarking election. In addition, the Utilities Commission may elect to remarket the commodity in the event of a loss of load on its system.

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 – PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The GASB has issued several pronouncements prior to June 30, 2019 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. 84, "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87, "Leases". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Utilities Commission elected to implement this standard in the fiscal year ending June 30, 2018.

GASB Statement No. 90, "Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 91, "Conduit Debt Obligations". The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Earlier application of these statements is encouraged. For the original pronouncements, please visit the GASB's website, www.gasb.org.

Greenville Required Supplementary
Utilities Information

Schedule 1. Greenville Utilities Commission's Proportionate Share of Net Pension Liability (Asset) | Last Six Years*

Year Ending June 30,	Proportion of the net pension liability (asset) (%)	Proportion of the net pension liability (asset) (\$)	Covered payroll	Proportion of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability**
2019	0.46245%	\$ 10,970,896	\$ 30,312,540	36.19%	91.63%
2018	0.45082%	\$ 6,887,281	\$ 29,774,064	23.13%	94.18%
2017	0.44240%	\$ 9,389,210	\$ 26,489,847	35.44%	91.47%
2016	0.41892%	\$ 1,880,088	\$ 25,315,352	7.43%	98.09%
2015	0.42068%	\$ (2,480,943)	\$ 24,852,254	(9.98%)	102.64%
2014	0.42030%	\$ 5,066,229	\$ 24,741,607	20.48%	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.

Note: Information is not available prior to implementation of GASB Statement 68 in fiscal year 2014.

Schedule 2. Greenville Utilities Commission's Contributions | Last Six Years

Year Ending June 30,	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2019	\$ 2,481,598	\$ 2,481,598	\$ -	\$ 30,987,547	8.01%
2018	\$ 2,345,337	\$ 2,345,337	\$ -	\$ 30,312,540	7.74%
2017	\$ 2,158,620	\$ 2,158,620	\$ -	\$ 29,774,064	7.25%
2016	\$ 1,782,767	\$ 1,782,767	\$ -	\$ 26,489,847	6.73%
2015	\$ 1,789,817	\$ 1,789,817	\$ -	\$ 25,315,352	7.07%
2014	\$ 1,755,810	\$ 1,755,810	\$ -	\$ 24,852,254	7.06%

Note: Information is not available prior to implementation of GASB Statement 68 in fiscal year 2014.

Schedule 3. Schedule of Changes in the Net OPEB Liability and Related Ratios | Last Three Years

	2019	2018	2017
Total OPEB Liability			
Service cost at end of year	\$ 781,098	\$ 1,035,590	\$ 1,146,045
Interest	2,212,486	2,051,825	1,930,674
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(623,845)	518,960	-
Changes of assumptions	11,477,272	(7,046,562)	(3,865,249)
Benefit payments	(2,031,176)	(1,692,179)	(1,442,003)
Net change in total OPEB liability	11,815,835	(5,132,366)	(2,230,533)
Total OPEB liability - beginning	39,546,467	44,678,833	46,909,366
Total OPEB liability - ending	\$ 51,362,302	\$ 39,546,467	\$ 44,678,833
Plan fiduciary net position			
Contributions - employer	\$ 2,531,176	\$ 2,192,179	\$ 1,942,003
Contributions - nonemployer	-	-	-
Contributions - active members	-	-	-
Net investment income	206,816	237,188	321,437
Benefit payments	(2,031,176)	(1,692,179)	(1,442,003)
Administrative expense	-	-	-
Other	-	-	-
Net change in plan fiduciary net position	706,816	737,188	821,437
Plan fiduciary net position - beginning	3,887,880	3,150,692	2,329,255
Plan fiduciary net position - ending	\$ 4,594,696	\$ 3,887,880	\$ 3,150,692
Net OPEB liability - ending	\$ 46,767,606	\$ 35,658,587	\$ 41,528,141
Plan fiduciary net position as a percentage of the total OPEB liability	8.95%	9.83%	7.05%
Covered payroll	27,975,147	26,006,154	26,006,154
Utilities Commission's net OPEB liability as a percentage of covered payroll	167.18%	137.12%	159.69%

Note: Information is not available prior to implementation of GASB Statement 74 in fiscal year 2017.

Schedule 4. Greenville Utilities Commission's Contributions | Last Four Years

Year Ending June 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)
2019	\$ 2,590,104	\$ 2,531,176	\$ 58,928
2018	\$ 2,590,104	\$ 2,192,179	\$ 397,925
2017	\$ 2,070,367	\$ 1,942,003	\$ 128,364
2016	\$ 2,050,401	\$ 1,553,515	\$ 496,886

Notes to Schedule

Valuation Date

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used To Determine Contribution Rates

Actuarial cost method: Entry age normal

Amortization method: Level dollar payments

Amortization period: 30 years, closed

Asset valuation method: Market value of assets

Inflation: 2.50%

Real wage growth: 1.00%

Wage inflation: 3.50%

Salary Increases, Including Wage Inflation

General Employees: 3.50% - 7.75%

Long-term investment rate of return, net of OPEB plan investment expense, including price inflation: 7.00%

Healthcare Cost Trends

Pre-Medicare: 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028

Medicare: 5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

Schedule 5. Schedule of Investment Returns | Last Eight Fiscal Years

Year Ending June 30,	Annual money-weighted rate of return, net of investment expense
2019	4.67%
2018	6.47%
2017	10.18%
2016	-0.57%
2015	4.19%
2014	13.98%
2013	10.61%
2012	5.84%

Note: The Greenville Utilities Other Postemployment Benefits Trust was established in fiscal year 2012.

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**Greenville
Utilities**

Supplementary Information

Schedule 6. All Operating Funds | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		Variance Favorable (Unfavorable)	2018
	Budget	Actual		Actual
Revenues				
Electric Revenues				
Rates and charges	\$ 171,797,873	\$ 174,263,970	\$ 2,466,097	\$ 173,216,856
Fees and charges	2,663,215	2,978,207	314,992	2,127,927
Miscellaneous	1,627,316	1,489,833	(137,483)	2,879,514
Interest on investments	1,080,835	1,103,310	22,475	538,907
FEMA/Insurance Reimbursements	41,959	497,794	455,835	60,137
Total Electric Revenues	177,211,198	180,333,114	3,121,916	178,823,341
Water Revenues				
Rates and charges	20,746,896	21,037,132	290,236	19,380,229
Fees and charges	467,525	445,694	(21,831)	582,827
Miscellaneous	311,081	338,146	27,065	315,030
Interest on investments	137,695	156,586	18,891	97,521
FEMA/Insurance Reimbursements	2,622	29,490	26,868	-
Total Water Revenues	21,665,819	22,007,048	341,229	20,375,607
Sewer Revenues				
Rates and charges	23,288,787	23,859,199	570,412	22,439,848
Fees and charges	511,627	489,939	(21,688)	549,067
Miscellaneous	310,199	384,737	74,538	248,815
Interest on investments	183,013	199,960	16,947	97,270
FEMA/Insurance Reimbursements	27,757	29,490	1,733	20,553
Total Sewer Revenues	24,321,383	24,963,325	641,942	23,355,553
Gas Revenues				
Rates and charges	35,886,558	35,796,087	(90,471)	36,113,602
Fees and charges	168,476	174,328	5,852	159,092
Miscellaneous	156,510	206,210	49,700	261,991
Interest on investments	286,180	304,608	18,428	145,864
FEMA/Insurance Reimbursements	5,245	25,804	20,559	-
Total Gas Revenues	36,502,969	36,507,037	4,068	36,680,549
Total Revenues	259,701,369	263,810,524	4,109,155	259,235,050
Expenditures				
Electric Fund				
Other operating expenses		161,496,706		158,793,074
Capital Outlay		9,357,350		7,226,369
Debt Service		3,757,021		3,089,613
Total	175,595,370	174,611,077	984,293	169,109,056
Water Fund				
Other operating expenses		14,139,657		12,878,873
Capital Outlay		646,515		1,843,348
Debt Service		5,124,958		3,448,214
Total	\$ 20,682,191	\$ 19,911,130	\$ 771,061	\$ 18,170,435

Schedule 6 continues on the next page.

Schedule 6. All Operating Funds | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		2018	
	Budget	Actual	Variance Favorable (Unfavorable)	Actual
Sewer Fund				
Other operating expenses	\$ -	13,575,684	\$ -	\$ 12,858,670
Capital Outlay		1,537,251		1,373,786
Debt Service		6,198,950		6,394,613
Total	21,917,805	21,311,885	605,920	20,627,069
Gas Fund				
Other operating expenses		30,994,546		33,732,040
Capital Outlay		1,110,162		966,403
Debt Service		1,389,007		1,374,533
Total	35,395,641	33,493,715	1,901,926	36,072,976
Total expenditures	253,591,007	249,327,807	4,263,200	243,979,536
Excess of Revenues Over (Under) Expenditures	6,110,362	14,482,717	8,372,355	15,255,514
Other Financing Sources (Uses)				
Contributed capital	-	1,827,521	1,827,521	1,213,999
Revenue bonds issued	689,638	486,942	(202,696)	-
Intra-fund transfers in	500,000	-	(500,000)	170,915
Intra-fund transfers out	(9,050,000)	(12,056,664)	(3,006,664)	(14,410,000)
Appropriated fund balance	1,750,000	-	(1,750,000)	-
Total other financing sources (uses)	(6,110,362)	(9,742,201)	(3,631,839)	(13,025,086)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 4,740,516	\$ 4,740,516	\$ 2,230,428
Reconciliation to full accrual basis from modified accrual basis:				
Reconciling items:				
Budgetary appropriations - capital		\$ 12,651,278		\$ 11,409,906
Budgetary appropriations - debt principal		11,982,498		9,962,771
Depreciation		(22,204,330)		(21,403,878)
Debt issued		(486,942)		-
Amortization of bond premium and discount		457,602		427,138
Amortization of deferred loss on refundings		(277,890)		(269,516)
Changes in accrued interest payable		(575,639)		34,067
Changes in unrealized gains/losses on investments		603,506		(218,162)
Intra-fund transfers		12,056,664		14,239,085
Changes in deferred outflows for OPEB		9,861,076		447,246
Changes in net OPEB liability		(11,114,638)		(23,205,963)
Changes in deferred inflows for OPEB		447,808		(6,062,405)
Changes in deferred outflows for pensions		3,197,123		(2,700,165)
Changes in net pension liability		(4,083,614)		2,501,929
Changes in deferred inflows for pensions		138,163		134,051
Revenue recognized in Rate Stabilization Fund		518,118		207,611
Revenue recognized in Capital Projects		665,889		1,179,063
Revenue recognized in Capital Reserve Fund		782,850		-
Restatement of net position		-		29,075,517
Total reconciling items		14,619,522		15,758,295
Changes in net position		\$ 19,360,038		\$ 17,988,723

Schedule 7. Electric Operating Fund | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		Variance Positive (Negative)	2018
	Budget	Actual		Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 171,797,873	\$ 174,263,970	\$ 2,466,097	\$ 173,216,856
Fees and charges	2,663,215	2,978,207	314,992	2,127,927
Miscellaneous	676,409	691,439	15,030	581,463
	175,137,497	177,933,616	2,796,119	175,926,246
Non-Operating Revenues				
Interest on investments	1,080,835	1,103,310	22,475	538,907
FEMA/Insurance reimbursements	41,959	497,794	455,835	60,137
Miscellaneous	950,907	798,394	(152,513)	2,298,051
	2,073,701	2,399,498	325,797	2,897,095
Total Revenues	177,211,198	180,333,114	3,121,916	178,823,341
Expenditures				
Electric Fund				
Operations and maintenance		161,496,706		158,793,074
Capital Outlay		9,357,350		7,226,369
Debt Service		3,757,021		3,089,613
Total expenditures	175,595,370	174,611,077	984,293	169,109,056
Excess of Revenues Over Expenditures	1,615,828	5,722,037	4,106,209	9,714,285
Other Financing Sources (Uses)				
Revenue bonds issued	384,172	271,258	(112,914)	-
Intra-fund transfers in	500,000	-	(500,000)	-
Intra-fund transfers out	(2,500,000)	(3,300,000)	(800,000)	(8,830,000)
Total other financing sources (uses)	(1,615,828)	(3,028,742)	(1,412,914)	(8,830,000)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 2,693,295	\$ 2,693,295	\$ 884,285
Reconciliation to full accrual basis from modified accrual basis:				
Reconciling items:				
Budgetary appropriations - capital		9,357,350		7,226,369
Budgetary appropriations - debt principal		2,202,361		1,738,006
Depreciation		(9,725,679)		(9,022,087)
Debt issued		(271,258)		-
Amortization of bond premium and discount		134,567		134,594
Amortization of deferred loss on refundings		(59,778)		(61,735)
Changes in accrued interest payable		(282,190)		11,487
Changes in unrealized gains/losses on investments		354,307		(133,167)
Intra-fund transfers		3,300,000		8,830,000
Changes in deferred outflows for OPEB		4,043,041		183,371
Changes in net OPEB liability		(4,557,001)		(8,771,598)
Changes in deferred inflows for OPEB		183,601		(2,485,586)
Changes in deferred outflows for pensions		1,310,820		(1,107,068)
Changes in net pension liability		(1,674,282)		1,025,791
Changes in deferred inflows for pensions		56,647		54,961
Revenue recognized in Rate Stabilization Fund		499,930		200,742
Revenue recognized in Capital Projects Fund		196,456		69,419
Restatement of net position		-		11,178,116
Total reconciling items		5,068,892		9,071,615
Changes in net position		\$ 7,762,187		\$ 9,955,900

Schedule 8. Electric Rate Stabilization Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Interest on investments	\$ -	\$ 306,783	\$ 499,930	\$ 806,713	\$ 806,713
Other Financing Sources (Uses)					
Transfer from Electric Operating Fund	23,100,000	23,100,000	-	\$ 23,100,000	-
Transfer to Electric Operating Fund	(23,100,000)	-	-	-	23,100,000
Total other financing sources (uses)	-	23,100,000	-	23,100,000	23,100,000
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 23,406,783	\$ 499,930	\$ 23,906,713	\$ 23,906,713

Schedule 9. Electric Capital Projects Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Interest and misc income	\$ -	\$ 174,776	\$ 196,456	\$ 371,232	\$ 371,232
State contributions	1,535,000	1,000,000	-	1,000,000	(535,000)
APPA DEED Grant	125,000	-	-	-	(125,000)
Total revenues	1,660,000	1,174,776	196,456	1,371,232	(288,768)
Expenditures					
FCP-100 Downtown Office Efficiency & Enhancement	1,018,750	5,014	278,850	283,864	734,886
FCP10072 New Operations Center Phase 2	29,315,000	1,406,211	3,636,397	5,042,608	24,272,392
ECP-133 Sugg Parkway Transmission Line	1,700,000	-	-	-	1,700,000
ECP-134 Sugg Parkway Substation	3,400,000	14,997	52	15,049	3,384,951
ECP-138 Greenville 230 kV South POD Substation*	4,800,000	4,538,129	184,852	4,722,981	77,019
ECP-142 Bells Fork to Hollywood Substation Upgrade*	5,605,155	4,492,890	305,710	4,798,600	806,555
ECP-144 10th Street Connector Project	1,535,000	1,124,727	9,279	1,134,006	400,994
ECP10168 POD #3 to Simpson Substation Trans. Loop	300,000	17,714	106,558	124,272	175,728
ECP10171 Greenville 115kV Trans. Circuit Flood Mitigation	1,500,000	-	19,100	19,100	1,480,900
ECP10172 Greenville 230 kV W Substation Flood Mitigation	3,355,000	9,160	2,366,330	2,375,490	979,510
ECP10174 Electric System Expansion	2,500,000	-	-	-	2,500,000
ECP10187 Vidant Peaking Generators	6,000,000	-	149,573	149,573	5,850,427
ECP10208 Battery Storage Pilot Program 1MW	1,600,000	-	-	-	1,600,000
Total expenditures	62,628,905	11,608,842	7,056,701	18,665,543	43,963,362
Excess of Revenues Over (Under) Expenditures	(60,968,905)	(10,434,066)	(6,860,245)	(17,294,311)	43,674,594
Other Financing Sources (Uses)					
Appropriated fund balance	8,575,000	-	-	-	(8,575,000)
Revenue bonds issued	41,138,905	11,172,335	30,736,996	41,909,331	770,426
Long-term financing	11,255,000	-	-	-	(11,255,000)
Intra-fund transfers in	-	7,086,608	3,300,000	10,386,608	10,386,608
Total other financing sources (uses)	60,968,905	18,258,943	34,036,996	52,295,939	(8,672,966)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 7,824,877	\$ 27,176,751	\$ 35,001,628	\$ 35,001,628

*Project(s) already closed.

Schedule 10. Water Operating Fund | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		Variance Positive (Negative)	2018
	Budget	Actual		Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 20,746,896	\$ 21,037,132	\$ 290,236	\$ 19,380,229
Fees and charges	467,525	445,694	(21,831)	582,827
Miscellaneous	104,310	116,747	12,437	111,896
	21,318,731	21,599,573	280,842	20,074,952
Non-Operating Revenues				
Interest on investments	137,695	156,586	18,891	97,521
FEMA/Insurance reimbursements	2,622	29,490	26,868	-
Miscellaneous	206,771	221,399	14,628	203,134
	347,088	407,475	60,387	300,655
Total Revenues	21,665,819	22,007,048	341,229	20,375,607
Expenditures				
Water Fund				
Operations and maintenance		14,139,657		12,878,873
Capital Outlay		646,515		1,843,348
Debt Service		5,124,958		3,448,214
Total expenditures	20,682,191	19,911,130	771,061	18,170,435
Excess of Revenues Over (Under) Expenditures	983,628	2,095,918	1,112,290	2,205,172
Other Financing Sources (Uses)				
Capital contributions	-	831,471	831,471	487,951
Revenue bonds issued	116,372	82,168	(34,204)	-
Intra-fund transfers out	(2,850,000)	(2,766,664)	83,336	(1,735,000)
Appropriated fund balance	1,750,000	-	(1,750,000)	-
Total other financing sources (uses)	(983,628)	(1,853,025)	(869,397)	(1,247,049)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 242,893	\$ 242,893	\$ 958,123
Reconciliation to full accrual basis from modified accrual basis:				
Reconciling items:				
Budgetary appropriations - capital		646,515		1,843,348
Budgetary appropriations - debt principal		4,356,631		2,596,969
Depreciation		(4,009,278)		(3,943,788)
Debt issued		(82,168)		-
Amortization of bond premium and discount		171,659		127,360
Amortization of deferred loss on refundings		(142,517)		(99,573)
Changes in accrued interest payable		(89,549)		18,069
Changes in unrealized gains/losses on investments		51,412		(17,400)
Intra-fund transfers		2,766,664		1,735,000
Changes in deferred outflows for OPEB		2,169,437		98,394
Changes in net OPEB liability		(2,445,221)		(5,334,657)
Changes in deferred inflows for OPEB		98,518		(1,333,729)
Changes in deferred outflows for pensions		703,367		(594,036)
Changes in net pension liability		(898,395)		550,424
Changes in deferred inflows for pensions		30,396		29,491
Revenue recognized in Capital Projects Fund		72,090		413,700
Revenue recognized in Capital Reserve Fund		355,768		-
Restatement of net position		-		6,625,959
Total reconciling items		3,755,329		2,715,531
Changes in net position		\$ 3,998,222		\$ 3,673,654

Schedule 11. Water Capital Projects Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues					
Interest and misc income	\$ 30,441	\$ 78,966	\$ 72,090	\$ 151,056	\$ 120,615
Capacity fees	-	1,920,812	-	1,920,812	1,920,812
Total revenues	30,441	1,999,778	72,090	2,071,868	2,041,427
Expenditures					
FCP-100 Downtown Office Efficiency and Enhancement	1,018,750	5,014	278,850	283,864	734,886
FCP10072 New Operations Center Phase 2	7,995,000	383,512	991,744	1,375,256	6,619,744
WCP-117 WTP Upgrade Phase I	47,500,000	1,725,933	1,925,074	3,651,007	43,848,993
WCP-120 Water/Sewer Meter ERT/Lead Compliance**	1,718,750	256,006	(256,006)	-	1,718,750
WCP-121 10th Street Connector Project	1,896,000	5,875	-	5,875	1,890,125
WCP-122 Water Main Rehabilitation Program Phase I*	1,500,000	520,712	955,191	1,475,903	24,097
WCP-123 COG Town Creek Culvert Improvement	1,260,000	150	-	150	1,259,850
WCP-124 Residual Lagoon Improvements	1,250,000	-	75,504	75,504	1,174,496
WCP10030 Water Distribution System Improvements	500,000	-	-	-	500,000
WCP10032 Water Main Rehabilitation Program Phase II	1,000,000	-	-	-	1,000,000
Total expenditures	65,638,500	2,897,202	3,970,357	6,867,559	58,770,941
Excess of Revenues Over (Under) Expenditures	(65,608,059)	(897,424)	(3,898,267)	(4,795,691)	60,812,368
Other Financing Sources (Uses)					
Appropriated fund balance	21,260,000	-	-	-	(21,260,000)
Revenue bonds issued	10,678,755	1,206,827	9,310,733	10,517,560	(161,195)
State loans	1,176,457	-	1,176,457	1,176,457	-
Long-term financing	32,492,847	-	-	-	(32,492,847)
Intra-fund transfers in	-	4,463,572	2,766,664	7,230,236	7,230,236
Total other financing sources (uses)	65,608,059	5,670,399	13,253,854	18,924,253	(46,683,806)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 4,772,975	\$ 9,355,587	\$ 14,128,562	\$ 14,128,562

*Project(s) already closed.

**Project(s) canceled.

Schedule 12. Water Capital Reserve Fund | From Inception and for the Year Ended June 30, 2019

	Project		Actual		Variance Positive (Negative)
	Authorization	Prior Years	Current Year	Total to Date	
Revenues					
System development fees	\$ -	\$ -	\$ 352,595	\$ 352,595	\$ 352,595
Interest on investments	-	-	3,173	3,173	3,173
Total revenues	-	-	355,768	355,768	355,768
Other Financing Sources (Uses)					
Transfer to Water Capital Projects Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues Over Other Financing Sources (Uses)	\$ -	\$ -	\$ 355,768	\$ 355,768	\$ 355,768

Schedule 13. Sewer Operating Fund | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 23,288,787	\$ 23,859,199	\$ 570,412	\$ 22,439,848
Fees and charges	511,627	489,939	(21,688)	549,067
Miscellaneous	109,800	119,184	9,384	124,065
	23,910,214	24,468,322	558,108	23,112,980
Non-Operating Revenues				
Interest on investments	183,013	199,960	16,947	97,270
FEMA/Insurance reimbursements	27,757	29,490	1,733	20,553
Miscellaneous	200,399	265,553	65,154	124,750
	411,169	495,003	83,834	242,573
Total Revenues	24,321,383	24,963,325	641,942	23,355,553
Expenditures				
Sewer Fund				
Operations and maintenance		13,575,684		12,858,670
Capital Outlay		1,537,251		1,373,786
Debt Service		6,198,950		6,394,613
Total expenditures	21,917,805	21,311,885	605,920	20,627,069
Excess of Revenues Over (Under) Expenditures	2,403,578	3,651,440	1,247,862	2,728,484
Other Financing Sources (Uses)				
Capital contributions	-	996,050	996,050	726,048
Revenue bonds issued	96,422	68,082	(28,340)	-
Intra-fund transfers in	-	-	-	170,915
Intra-fund transfers out	(2,500,000)	(3,100,000)	(600,000)	(2,645,000)
Total other financing sources (uses)	(2,403,578)	(2,035,868)	367,710	(1,748,037)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 1,615,572	\$ 1,615,572	\$ 980,447
Reconciliation to full accrual basis from modified accrual basis:				
Reconciling items:				
Budgetary appropriations - capital		\$ 1,537,251		\$ 1,373,786
Budgetary appropriations - debt principal		4,604,020		4,782,131
Depreciation		(6,094,622)		(6,251,534)
Debt issued		(68,082)		-
Amortization of bond premium and discount		101,526		111,935
Amortization of deferred loss on refundings		(53,520)		(76,924)
Changes in accrued interest payable		(107,323)		(725)
Changes in unrealized gains/losses on investments		86,804		(27,276)
Intra-fund transfers		3,100,000		2,474,085
Changes in deferred outflows for OPEB		2,070,826		93,922
Changes in net OPEB liability		(2,334,074)		(5,330,081)
Changes in deferred inflows for OPEB		94,040		(1,273,105)
Changes in deferred outflows for pensions		671,396		(567,035)
Changes in net pension liability		(857,559)		525,405
Changes in deferred inflows for pensions		29,014		28,151
Revenue recognized in Capital Projects Fund		215,877		614,480
Revenue recognized in Capital Reserve Fund		427,082		-
Restatement of net position		-		6,562,687
Total reconciling items		3,422,656		3,039,902
Changes in net position		\$ 5,038,228		\$ 4,020,349

Schedule 14. Sewer Capital Projects Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Interest and misc income	\$ -	\$ 125,455	\$ 215,877	\$ 341,332	\$ 341,332
Capacity fees	-	2,158,902	-	2,158,902	2,158,902
Outfall acreage fee	1,055,136	1,055,136	-	1,055,136	-
Total revenues	1,055,136	3,339,493	215,877	3,555,370	2,500,234
Expenditures					
FCP-100 Downtown Office Efficiency and Enhancement	1,018,750	5,014	278,850	283,864	734,886
FCP10072 New Operations Center Phase 2	7,995,000	383,512	991,744	1,375,256	6,619,744
WCP-120 Water/Sewer Meter ERT/Lead Compliance **	1,406,250	209,459	(209,459)	-	1,406,250
SCP-118 Southside Pump Station Upgrade	6,600,000	5,780,339	230,797	6,011,136	588,864
SCP-120 Sewer Biosolids Processing **	6,800,000	22,572	(22,572)	-	6,800,000
SCP-122 WWTP Air Distribution System *	2,000,000	1,896,992	12,300	1,909,292	90,708
SCP-123 COG Town Creek Culvert Improvement	2,950,000	480	50,112	50,592	2,899,408
SCP-124 Generators for Pumping Stations *	310,000	251,768	-	251,768	58,232
SCP10217 10th Street Connector Project	306,000	-	-	-	306,000
SCP10219 Candlewick Area Sanitary Sewer District Project	800,000	100,000	569,026	669,026	130,974
SCP10221 Southeast Sewer Service Area Project	3,000,000	-	-	-	3,000,000
SCP10222 Sewer Outfall Rehabilitation Phase 4	2,480,000	18,836	97,955	116,791	2,363,209
SCP10223 Regional Pump Station Upgrades	1,800,000	107,415	293,546	400,961	1,399,039
SCP10229 Greene Street Pump Station and Force Main	1,100,000	-	-	-	1,100,000
SCP10230 Forlines Pump Station Expansion	250,000	-	-	-	250,000
SCP10233 WWTP Headworks Improvements	2,500,000	-	-	-	2,500,000
SCP10234 Harris Mill Run Outfall	500,000	-	-	-	500,000
SCP10235 Duplex Pump Station Improvements	500,000	-	-	-	500,000
SCP10236 Green Mill Run Tributary - 18-21 inch section	1,800,000	-	-	-	1,800,000
Total expenditures	44,116,000	8,776,387	2,292,299	11,068,686	33,047,314
Excess of Revenues Over (Under) Expenditures	(43,060,864)	(5,436,894)	(2,076,422)	(7,513,316)	35,547,548
Other Financing Sources (Uses)					
Appropriated fund balance	9,346,328	-	-	-	(9,346,328)
Revenue bonds issued	9,533,750	1,474,706	7,714,565	9,189,271	(344,479)
State loans	7,894,536	7,124,725	583,906	7,708,631	(185,905)
Long-term financing	16,286,250	-	-	-	(16,286,250)
Intra-fund transfers in	-	8,174,907	3,100,000	11,274,907	11,274,907
Intra-fund transfers out	-	(170,915)	-	(170,915)	(170,915)
Total other financing sources (uses)	43,060,864	16,603,423	11,398,471	28,001,894	(15,058,970)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 11,166,529	\$ 9,322,049	\$ 20,488,578	\$ 20,488,578

*Project(s) already closed.

**Project(s) canceled.

Schedule 15. Sewer Capital Reserve Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
System development fees	\$ -	\$ -	\$ 423,404	\$ 423,404	\$ 423,404
Interest on investments	-	-	3,678	3,678	3,678
Total revenues	-	-	427,082	427,082	427,082
Other Financing Sources (Uses)					
Transfer to Sewer Capital Projects Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues Over Other Financing Sources (Uses)	\$ -	\$ -	\$ 427,082	\$ 427,082	\$ 427,082

Schedule 16. Gas Operating Fund | For the Year Ended June 30, 2019 (With Comparative Actual Totals for June 30, 2018)

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Operating Revenues				
Rates and charges	\$ 35,886,558	\$ 35,796,087	\$ (90,471)	\$ 36,113,602
Fees and charges	168,476	174,328	5,852	159,092
Miscellaneous	95,000	109,291	14,291	105,347
	36,150,034	36,079,706	(70,328)	36,378,041
Non-Operating Revenues				
Interest on investments	286,180	304,608	18,428	145,864
FEMA/Insurance reimbursements	5,245	25,804	20,559	-
Miscellaneous	61,510	96,919	35,409	156,644
	352,935	427,331	74,396	302,508
Total Revenues	36,502,969	36,507,037	4,068	36,680,549
Expenditures				
Gas Fund				
Operations and maintenance		30,994,546		33,732,040
Capital Outlay		1,110,162		966,403
Debt Service		1,389,007		1,374,533
Total expenditures	35,395,641	33,493,715	1,901,926	36,072,976
Excess of Revenues Over (Under) Expenditures	1,107,328	3,013,322	1,905,994	607,573
Other Financing Sources (Uses)				
Revenue bonds issued	92,672	65,434	(27,238)	-
Intra-fund transfers out	(1,200,000)	(2,890,000)	(1,690,000)	(1,200,000)
Total other financing sources (uses)	(1,107,328)	(2,824,566)	(1,717,238)	(1,200,000)
Revenues and Other Financing Sources Over Expenditures	\$ -	\$ 188,756	\$ 188,756	\$ (592,427)
Reconciliation to full accrual basis from modified accrual basis:				
Reconciling items:				
Budgetary appropriations - capital		1,110,162		966,403
Budgetary appropriations - debt principal		819,486		845,665
Depreciation		(2,374,751)		(2,186,469)
Debt issued		(65,434)		-
Amortization of bond premium and discount		49,850		53,249
Amortization of deferred loss on refundings		(22,075)		(31,284)
Changes in accrued interest payable		(96,577)		5,236
Changes in unrealized gains/losses on investments		110,983		(40,319)
Intra-fund transfers		2,890,000		1,200,000
Changes in deferred outflows for OPEB		1,577,772		71,559
Changes in net OPEB liability		(1,778,342)		(3,769,627)
Changes in deferred inflows for OPEB		71,649		(969,985)
Changes in deferred outflows for pensions		511,540		(432,026)
Changes in net pension liability		(653,378)		400,309
Changes in deferred inflows for pensions		22,106		21,448
Revenue recognized in Rate Stabilization Fund		18,188		6,869
Revenue recognized in Capital Projects Fund		181,466		81,464
Restatement of net position		-		4,708,755
Total reconciling items		2,372,645		931,247
Changes in net position		\$ 2,561,401		\$ 338,820

Schedule 17. Gas Rate Stabilization Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Interest on investments	\$ -	\$ 11,306	\$ 18,188	\$ 29,494	\$ 29,494
Other Financing Sources (Uses)					
Transfer from Gas Operating Fund	1,250,000	1,250,000	700,000	1,950,000	700,000
Transfer to Gas Operating Fund	(1,250,000)	(400,000)	-	(400,000)	850,000
Total other financing sources (uses)	-	850,000	700,000	1,550,000	1,550,000
Revenues Over Other Financing Sources (Uses)	\$ -	\$ 861,306	\$ 718,188	\$ 1,579,494	\$ 1,579,494

Schedule 18. Gas Capital Projects Fund | From Inception and for the Year Ended June 30, 2019

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
Revenues					
Interest and misc income	\$ -	\$ 120,013	\$ 181,466	\$ 301,479	\$ 301,479
Total revenues	-	120,013	181,466	301,479	301,479
Expenditures					
FCP-100 Downtown Office Efficiency and Enhancement	1,018,750	5,014	278,850	283,864	734,886
FCP10072 New Operations Center Phase 2	7,995,000	383,512	991,744	1,375,256	6,619,744
GCP-88 GUC-PNG Multiple Gas Facilities Upgrade *	2,650,000	2,046,296	483,341	2,529,637	120,363
GCP-92 LNG Liquefaction Additions	1,000,000	28,428	-	28,428	971,572
GCP-93 Southwestern Loop Phase I *	505,000	475,999	25,865	501,864	3,136
GCP10094 Thomas Langston Road Enhancements *	1,400,000	251,259	823,072	1,074,331	325,669
GCP10099 High-Pressure Multiple Gas Facilities Relocation	9,500,000	-	2,800	2,800	9,497,200
GCP10100 NCDOT Southwest Bypass Relocations **	1,500,000	-	-	-	1,500,000
GCP10101 Firetower Road Widening	1,300,000	-	-	-	1,300,000
GCP10104 Memorial Drive Bridge Replacement	1,500,000	-	30	30	1,499,970
GCP10108 Allen Road Widening (NCDOT U05875)	1,000,000	-	-	-	1,000,000
GCP10109 Integrity Management Replacement Project	1,750,000	-	-	-	1,750,000
Total expenditures	31,118,750	3,190,508	2,605,702	5,796,210	25,322,540
Excess of Revenues Over (Under) Expenditures	(31,118,750)	(3,070,495)	(2,424,236)	(5,494,731)	25,624,019
Other Financing Sources (Uses)					
Appropriated fund balance	9,858,482	-	-	-	(9,858,482)
Revenue bonds issued	9,460,268	2,126,479	7,414,533	9,541,012	80,744
Long-term financing	11,800,000	-	-	-	(11,800,000)
Intra-fund transfers in	-	9,226,978	2,190,000	11,416,978	11,416,978
Total other financing sources (uses)	31,118,750	11,353,457	9,604,533	20,957,990	(10,160,760)
Revenues and Other Financing Sources Over (Under) Expenditures	\$ -	\$ 8,282,962	\$ 7,180,297	\$ 15,463,259	\$ 15,463,259

*Project(s) already closed.

**Project(s) canceled.

Schedule 19. Combining Statement of Fiduciary Net Position - Agency Funds | June 30, 2019

	Refuse Collection Agency Fund	Stormwater Collection Agency Fund	Total
Assets			
Cash and cash equivalents	\$ 596,158	\$ 485,608	\$ 1,081,766
Accounts receivables	1,048,408	580,451	1,628,859
Total assets	\$ 1,644,566	\$ 1,066,059	\$ 2,710,625
Liabilities			
Accounts payable	\$ 1,644,566	\$ 1,066,059	\$ 2,710,625
Total liabilities	\$ 1,644,566	\$ 1,066,059	\$ 2,710,625

Schedule 20. Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds | For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
Refuse Collection Fund:				
Assets:				
Cash and cash equivalents	\$ 654,222	\$ 7,515,594	\$ (7,573,658)	\$ 596,158
Accounts receivable	985,206	7,575,175	(7,511,973)	1,048,408
Total assets	\$ 1,639,428	\$ 15,090,769	\$ (15,085,631)	\$ 1,644,566
Liabilities:				
Accounts payable	\$ 1,639,428	\$ 7,576,808	\$ (7,571,670)	\$ 1,644,566
	\$ 1,639,428	\$ 7,576,808	\$ (7,571,670)	\$ 1,644,566
Stormwater Collection Fund:				
Assets:				
Cash and cash equivalents	\$ 507,613	\$ 6,133,662	\$ (6,155,667)	\$ 485,608
Accounts receivable	557,275	6,156,865	(6,133,689)	580,451
Total assets	\$ 1,064,888	\$ 12,290,527	\$ (12,289,356)	\$ 1,066,059
Liabilities:				
Accounts payable	\$ 1,064,888	\$ 6,154,492	\$ (6,153,321)	\$ 1,066,059
	\$ 1,064,888	\$ 6,154,492	\$ (6,153,321)	\$ 1,066,059

Schedule 21. Schedule of 2019-2020 Projected Transfer to the City of Greenville General Fund

	Electric Fund	Gas Fund	Total
General Transfer			
Capital assets, net of depreciation	\$ 106,131,678	\$ 44,076,807	\$ 150,208,485
Less long-term debt	38,548,339	15,495,337	54,043,676
Net transfer base	67,583,339	28,581,470	96,164,809
Transfer rate	6.00%	6.00%	6.00%
Projected general transfer to City of Greenville	4,055,000	1,714,888	5,769,888
Street Lighting Reimbursement			
Street lighting projected revenue	1,738,962		1,738,962
Transfer Rate	50%		50%
Projected street lighting reimbursement	869,481		869,481
Total projected transfer to City of Greenville General Fund	\$ 4,924,481	\$ 1,714,888	\$ 6,639,369

Schedule 22. Schedule of Indebtness | June 30, 2019

	Original Issue Amount	Date of Issue	Date of Maturity	Outstanding June 30, 2018	Added During Year	Retired During Year	Outstanding June 30, 2019	Discount/Premium	Long-term Debt Total	Maturing Next Year	Accrued Interest 2019
						Principal	Interest			Principal	Interest
Electric Fund:											
2008A Rev Bonds New Money	3,903,762	6/25/08	11/1/19	18,484	-	18,484	462	-	-	-	-
2008A Rev Bonds Refund 1998	1,084,583	6/25/08	11/1/18	140,436	-	140,436	3,511	-	-	-	-
2008A Rev Bonds Refund 2000A	605,347	6/25/08	11/1/20	150,250	-	150,250	3,632	-	-	-	-
2008B Rev Bonds Taxable	4,130,000	6/25/08	11/1/18	525,000	-	525,000	15,173	-	-	-	-
2010 Rev Bonds Refund 2001	3,902,210	11/12/10	9/1/21	1,655,912	-	398,908	36,557	1,257,004	1,257,004	409,546	26,411
2013 Rev Bonds Refund 2007	6,182,959	3/11/13	5/1/27	3,929,847	-	435,306	72,309	3,494,541	3,494,541	435,306	64,300
2016 Rev Bonds New Money	22,679,530	6/14/16	4/1/46	22,622,682	-	414,991	931,057	22,207,691	24,659,602	241,604	910,308
2016 Rev Bonds Refund 2005	1,369,152	6/14/16	4/1/26	1,126,291	-	118,986	53,544	1,007,305	1,214,579	125,506	47,594
2016 Rev Bonds Refund 2008A	3,470,208	6/14/16	4/1/34	3,457,141	-	-	169,385	3,457,141	4,169,389	138,136	169,385
2019 Rev Bonds	27,092,783	6/6/19	8/1/44	-	27,092,783	-	-	27,092,783	31,008,254	-	760,487
	74,420,534			33,626,043	27,092,783	2,202,361	1,285,630	58,516,465	65,803,369	1,350,098	398,117
Water Fund:											
2008A Rev Bonds New Money	10,641,133	6/25/08	11/1/19	383,866	-	383,866	9,597	-	-	-	-
2008A Rev Bonds Refund 1998	2,378,250	6/25/08	11/1/18	307,946	-	307,946	7,699	-	-	-	-
2008A Rev Bonds Refund 2000A	11,924,653	6/25/08	11/1/20	2,959,750	-	2,959,750	71,543	-	-	-	-
2010 Rev Bonds Refund 2001	1,695,666	11/12/10	9/1/21	719,561	-	173,342	15,886	546,219	546,219	177,964	11,477
2016 Rev Bonds New Money	2,243,132	6/14/16	4/1/46	2,237,509	-	41,045	92,087	2,196,464	2,438,972	23,896	90,034
2016 Rev Bonds Refund 2005	711,915	6/14/16	4/1/26	585,635	-	61,869	27,841	523,766	631,542	65,259	24,747
2016 Rev Bonds Refund 2008A	7,571,332	6/14/16	4/1/34	7,542,823	-	-	369,566	7,542,823	9,096,811	301,387	369,566
2019 Rev Bonds	8,206,842	6/6/19	8/1/44	-	8,206,842	-	-	8,206,842	9,392,901	-	230,364
DWSRF Loan #4, 2004	3,884,913	11/18/10	5/1/30	2,330,948	-	194,246	51,397	2,136,702	2,136,702	194,246	47,114
DWSRF Loan #7	460,425	12/19/13	5/1/33	345,320	-	23,022	8,633	322,298	322,298	23,021	8,057
DWSRF Loan #9	269,492	6/21/10	5/1/30	161,695	-	13,474	4,042	148,221	148,221	13,475	3,706
DWSRF Loan #12	1,291,496	12/19/13	5/1/33	968,621	-	64,574	19,469	904,047	904,047	64,575	18,171
DWSRF Loan #15	1,176,457	10/29/18	5/1/38	-	1,176,457	58,823	9,074	1,117,634	1,117,634	58,823	17,100
DWSRF Loan #6 (ARRA)	2,942,152	5/1/11	5/1/30	882,645	-	73,553	-	809,092	809,092	73,554	-
DWSRF Loan #8 (ARRA)	44,782	1/28/11	5/1/31	14,554	-	1,120	-	13,434	13,434	1,119	-
	55,442,640			19,440,873	9,383,299	4,356,630	686,834	24,467,542	27,557,873	997,319	820,336
								3,090,331	3,090,331	3,090,331	174,071

Schedule 22 continues on the next page.

Schedule 22. Schedule of Indebtness | June 30, 2019

Original Issue Amount	Date of Issue	Date of Maturity	Outstanding June 30, 2018	Added During Year	Retired During Year		Outstanding June 30, 2019	Discount/Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2019
					Principal	Interest				Principal	Interest	
Sewer Fund:												
2008A Rev Bonds New Money	10,300,362	6/25/08	11/1/19	331,318	-	331,318	8,283	-	-	-	-	-
2008A Rev Bonds Refund 1998	4,219,963	6/25/08	11/1/18	546,419	-	546,419	13,660	-	-	-	-	-
2010 Rev Bonds Refund 2001	1,695,666	11/12/10	9/1/21	921,967	-	222,101	20,354	699,866	699,866	228,024	14,705	5,856
2013 Rev Bonds Refund SRF Loan #3	6,292,200	3/11/13	5/1/20	1,531,800	-	768,800	28,185	763,000	763,000	763,000	14,039	2,340
2016 Rev Bonds New Money	4,719,168	6/14/16	4/1/46	4,707,339	-	86,351	193,735	4,620,988	510,195	5,131,183	189,417	47,354
2016 Rev Bonds Refund 2005	2,118,933	6/14/16	4/1/26	1,743,075	-	184,145	82,865	1,558,930	320,782	1,879,712	73,658	18,415
2016 Rev Bonds Refund 2008A	6,911,365	6/14/16	4/1/34	6,885,340	-	-	337,352	6,885,340	1,418,532	8,303,872	337,352	84,338
2019 Rev Bonds	6,799,917	6/6/19	8/1/44	-	6,799,917	-	-	6,799,917	982,730	7,782,647	-	23,859
CWSRF Loan #5	13,761,629	3/6/10	5/1/30	8,256,979	-	688,081	204,773	7,568,898	-	7,568,898	688,081	31,285
CWSRF Loan #10	8,866,000	11/2/12	5/1/32	6,206,200	-	443,300	152,362	5,762,900	-	5,762,900	443,300	23,580
CWSRF Loan #11	13,649,668	9/30/13	5/1/33	10,237,250	-	682,483	251,325	9,554,767	-	9,554,767	682,483	39,095
CWSRF Loan #13	2,098,250	7/30/16	5/1/36	1,787,604	-	104,913	-	1,682,691	-	1,682,691	84,749	-
CWSRF Loan #14	6,176,450	6/5/17	5/1/37	5,097,816	583,906	308,823	117,353	5,372,899	-	5,372,899	280,937	18,529
CWSRF Loan #16	1,718,086	3/8/18	5/1/38	1,718,086	-	85,904	32,857	1,632,182	-	1,632,182	85,904	5,806
Bethel Inter-Local Agreement	2,895,724	1/6/03	5/1/23	756,907	-	151,382	84,303	605,525	-	605,525	151,382	15,611
	92,223,381			50,728,100	7,383,823	4,604,020	1,527,407	53,507,903	3,232,239	56,740,142	3,927,485	316,068
Gas Fund:												
2008A Rev Bonds New Money	1,029,743	6/25/08	11/1/19	36,332	-	36,332	908	-	-	-	-	-
2008A Rev Bonds Refund 1998	1,237,204	6/25/08	11/1/18	160,199	-	160,199	4,005	-	-	-	-	-
2010 Rev Bonds Refund 2001	3,234,480	11/12/10	9/1/21	1,372,560	-	330,649	30,302	1,041,911	-	1,041,911	339,466	8,717
2013 Rev Bonds Refund 2007	1,487,041	3/11/13	5/1/27	945,153	-	104,694	17,391	840,459	-	840,459	104,694	2,577
2016 Rev Bonds New Money	10,253,170	6/14/16	4/1/46	10,227,470	-	187,613	420,921	10,039,857	1,108,482	11,148,339	109,227	102,885
2016 Rev Bonds Refund 2008A	637,094	6/14/16	4/1/34	634,695	-	-	31,097	634,695	130,761	765,456	25,360	7,774
2019 Rev Bonds	6,535,458	6/6/19	8/1/44	-	6,535,458	-	-	6,535,458	944,510	7,479,968	-	22,931
	24,414,190			13,376,409	6,535,458	819,487	504,624	19,092,380	2,183,753	21,276,133	578,747	144,884
Total All Funds	246,500,745			117,171,425	50,395,363	11,982,498	4,004,495	155,584,290	15,793,227	171,377,517	6,853,649	1,033,140

Schedule 23. Schedule of Expenditures of Federal and State Awards | For the Year Ended June 30, 2019

Grantor/Pass-through Grantor/Program Title	Federal CDFA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Sub- recipients	Local Expenditures	Total
Federal Grants:							
Noncash Programs:							
U.S. Environmental Protection Agency							
Passed through the N.C. Dept of Environmental Quality							
Public Water Supply Division							
Drinking Water State Revolving Fund	66.468	WIF-1907	\$ 655,745	\$ -	\$ -	\$ 299,446	\$ 955,191
Division of Water Quality							
Clean Water State Revolving Fund	66.458	CS370487-11	210,206	-	-	20,591	230,797
Clean Water State Revolving Fund	66.458	CS370487-12	-	-	-	12,300	12,300
Total Clean Water State Revolving Fund			210,206	-	-	32,891	243,097
Total U.S. Environmental Protection Agency			865,951	-	-	332,337	1,198,288
Total Federal Assistance			865,951	-	-	\$ 332,337	\$ 1,198,288
Total Federal and State Assistance			\$ 865,951	\$ -	\$ -	\$ 332,337	\$ 1,198,288

Note to the Schedule of Expenditures of Federal and State Awards

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 Information

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.

CONTENT

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.

Table 1. Net Position by Component | Last Ten Fiscal Years (amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities										
Net investment in capital assets	\$236,136	\$235,421	\$238,986	\$246,776	\$253,843	\$272,213	\$264,725	\$266,668	\$277,995	\$282,968
Unrestricted	63,055	75,583	79,196	79,035	77,924	69,458	101,797	112,258	97,101	111,488
Total business-type activities net position	\$299,191	\$311,004	\$318,182	\$325,811	\$331,767	\$341,671	\$366,522	\$378,926	\$375,096	\$394,456

Table 2. Changes in Net Position | Last Ten Fiscal Years (amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating revenues:										
Charges for services	\$ 259,181	\$ 270,573	\$ 255,943	\$ 260,272	\$ 269,776	\$ 270,859	\$ 246,112	\$ 245,486	\$ 254,569	\$ 259,045
Other operating revenues	730	800	785	773	996	1,128	1,096	519	923	1,037
Total operating revenues	259,911	271,373	256,728	261,045	270,772	271,987	247,208	246,006	255,492	260,081
Operating expenses:										
Administration and general	13,963	14,756	15,456	15,916	17,493	17,711	19,226	22,322	21,710	24,985
Operations and maintenance	32,536	33,784	36,433	33,916	33,915	35,032	35,827	39,474	39,467	41,344
Purchased power and gas	183,863	188,585	175,992	179,141	188,110	180,031	140,033	145,675	149,657	148,465
Depreciation	15,649	16,744	16,962	17,565	18,181	18,140	18,662	20,999	21,404	22,204
Total operating expenses	246,011	253,869	244,842	246,538	257,700	250,914	213,746	228,471	232,239	236,998
Operating income (loss)	13,900	17,504	11,886	14,507	13,072	21,072	33,462	17,535	23,253	23,083
Non-operating revenues (expenses):										
Interest income	809	637	335	226	208	284	330	528	1,159	3,559
Interest expense and service charges	(3,973)	(4,330)	(3,984)	(4,091)	(3,574)	(3,683)	(4,154)	(3,358)	(4,153)	(4,883)
Other, net	1,315	2,382	4,677	2,721	1,761	1,444	2,572	4,230	3,115	2,492
Net non-operating revenues	(1,848)	(1,311)	1,027	(1,143)	(1,604)	(1,955)	(1,252)	1,399	122	1,168
Income before contributions and transfers	12,052	16,193	12,913	13,364	11,468	19,117	32,210	18,934	23,376	24,250
Contributions and transfers:										
Capital Contributions	3,501	1,062	-	-	568	602	-	135	1,214	1,828
Transfer to City of Greenville										
General Fund	(4,563)	(4,765)	(5,039)	(5,038)	(5,360)	(5,748)	(6,592)	(5,900)	(5,853)	(5,909)
Street lighting reimbursement	(662)	(678)	(696)	(696)	(721)	(757)	(766)	(765)	(748)	(809)
Total contributions and transfers	(1,724)	(4,381)	(5,735)	(5,733)	(5,513)	(5,903)	(7,358)	(6,530)	(5,387)	(4,890)
Changes in net position	\$ 10,329	\$ 11,812	\$ 7,178	\$ 7,630	\$ 5,955	\$ 13,214	\$ 24,851	\$ 12,404	\$ 17,989	\$ 19,360

Table 3. 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
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
2016	177,785,263	1,670,655	710,641	17,792,061	340,521	97,450
2017	173,232,911	1,932,362	159,433	18,983,628	384,290	79,809
2018	173,216,856	2,127,927	581,463	19,380,229	582,827	111,896
2019	174,263,970	2,978,207	691,439	21,037,132	445,694	116,747

Fiscal Year	Sewer Fund			Gas Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
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
2016	20,835,158	337,938	105,693	27,221,435	129,310	182,283
2017	22,232,340	395,878	81,396	28,173,864	151,126	198,807
2018	22,439,848	549,067	124,065	36,113,602	159,092	105,347
2019	23,859,199	489,939	119,184	35,796,087	174,328	109,291

Table 4. 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
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
2016	678,819,366	116,229,245	361,126,164	510,353,608	18,683,136	40,809	1,685,252,328	\$ 0.10549
2017	712,955,477	124,936,945	356,742,531	503,637,480	18,700,481	-	1,716,972,914	\$ 0.10089
2018	751,195,332	142,403,883	340,237,388	512,352,456	18,616,342	-	1,764,805,401	\$ 0.09815
2019	752,650,490	142,826,165	330,521,996	537,289,736	18,294,271	-	1,781,582,658	\$ 0.09781

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.

Table 5. Revenue Base by Customer Class: Water Kgallons Sold¹ | Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Irrigation	Wholesale	Total	Effective Rate (per kgallon) ²
2010	2,021,753	887,840	264,401	194,403	76,595	3,444,992	\$ 3.75079
2011	2,089,084	892,614	313,564	254,396	156,231	3,705,889	\$ 3.93124
2012	2,028,669	850,346	332,646	197,900	376,064	3,785,625	\$ 4.15248
2013	1,988,443	853,785	369,955	129,112	516,267	3,857,562	\$ 3.99477
2014	2,008,183	865,907	371,670	119,616	556,214	3,921,590	\$ 4.03401
2015	2,008,169	838,646	377,268	107,861	585,806	3,917,750	\$ 4.27625
2016	2,032,403	850,487	367,545	112,451	606,709	3,969,595	\$ 4.48208
2017	2,045,980	867,853	374,635	109,332	621,409	4,019,209	\$ 4.72322
2018	2,081,417	905,655	405,636	102,306	618,430	4,113,444	\$ 4.71144
2019	2,072,563	937,669	417,445	117,941	597,257	4,142,875	\$ 5.07791

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.

Table 6. Revenue Base by Customer Class: Wastewater Kgallons Collected¹ | Last Ten Fiscal Years

Fiscal Year	Residential	Commercial and Industrial	Wholesale	Total	Effective Rate (per kgallon) ²
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
2016	1,641,074	1,060,248	133,034	2,834,356	\$ 7.35093
2017	1,661,150	1,068,663	123,964	2,853,778	\$ 7.79049
2018	1,686,245	1,097,738	114,371	2,898,354	\$ 7.74227
2019	1,687,197	1,159,287	129,612	2,976,096	\$ 8.01695

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.

Table 7. Revenue Base by Customer Class: Natural Gas CCF's Sold¹ | Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Interruptible	Seasonal	Total	Effective Rate (per CCF) ²
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
2016	6,954,321	5,514,777	1,668,283	15,007,843	246,598	29,391,822	\$ 0.92616
2017	6,941,053	5,481,832	1,865,882	15,419,520	189,875	29,898,162	\$ 0.94233
2018	9,010,170	6,603,733	2,618,575	16,009,496	225,807	34,467,781	\$ 1.04775
2019	7,968,341	6,148,840	2,804,196	17,394,338	172,402	34,488,117	\$ 1.03793

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.

Table 8. Direct Electric Rates | As of June 30 for the Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Effective Rate (per kWh)	\$0.11679	\$0.11703	\$0.11699	\$0.11717	\$0.11819	\$0.11511	\$0.10549	\$0.10089	\$0.09815	\$0.09781
Residential										
Base facilities charge (per month)	\$ 8.99	\$ 8.99	\$ 8.99	\$ 10.99	\$ 10.99	\$ 10.99	\$ 13.00	\$ 15.00	\$ 17.00	\$ 19.00
Energy (per kWh) Summer	\$0.12600	\$0.12600	\$0.12600	\$0.12600	\$0.12600	\$0.12600	n/a	n/a	n/a	n/a
Winter	\$0.11514	\$0.11514	\$0.11514	\$0.11514	\$0.11514	\$0.11514	n/a	n/a	n/a	n/a
all kWh	n/a	n/a	n/a	n/a	n/a	n/a	\$0.11086	\$0.10014	\$0.09814	\$0.09614
Residential Time of Use with Demand Net Metering for Solar Energy Facilities										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	n/a	n/a	\$ 19.47	\$ 21.47	\$ 23.47	\$ 25.47
Demand (per kW) all kW	n/a	n/a	n/a	n/a	n/a	n/a	\$ 7.94	\$ 6.82	\$ 6.55	\$ 6.11
Energy (per kWh) all on-peak kWh	n/a	n/a	n/a	n/a	n/a	n/a	\$0.13668	\$0.12829	\$0.12829	\$0.14026
all off-peak kWh	n/a	n/a	n/a	n/a	n/a	n/a	\$0.04393	\$0.03873	\$0.03873	\$0.03474
Small General Service										
Base facilities charge (per month)	\$ 12.89	\$ 12.89	\$ 12.89	\$ 15.76	\$ 15.76	\$ 15.76	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Energy (per kWh) a. first 1,000 kWh	\$0.13177	\$0.13177	\$0.13177	\$0.13177	\$0.13177	\$0.13177	\$0.11938	\$0.11066	\$0.11066	\$0.11066
b. next 5,000 kWh	\$0.12558	\$0.12558	\$0.12558	\$0.12558	\$0.12558	\$0.12558	\$0.11319	\$0.10447	\$0.10447	\$0.10447
c. all additional kWh	\$0.10696	\$0.10696	\$0.10696	\$0.10696	\$0.10696	\$0.10696	\$0.09457	\$0.08585	\$0.08585	\$0.08585
Medium General Service										
Base facilities charge (per month)	\$ 13.33	\$ 13.33	\$ 13.33	\$ 16.30	\$ 16.30	\$ 16.30	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Demand (per kW) a. first 35 kW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. all additional kW	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17	\$ 4.17
Energy (per kWh) a. first 12,500 kWh	\$0.12323	\$0.12323	\$0.12323	\$0.12323	\$0.12323	\$0.12323	\$0.10464	\$0.09592	\$0.09592	\$0.09592
b. all additional kWh	\$0.09233	\$0.09233	\$0.09233	\$0.09233	\$0.09233	\$0.09233	\$0.08900	\$0.08028	\$0.08028	\$0.08028
Medium General Service - CP										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	n/a	n/a	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Demand (per kW) a. all coincident peak	n/a	n/a	n/a	n/a	n/a	n/a	\$ 14.95	\$ 14.57	\$ 17.00	\$ 17.40
b. allocated non-coincident peak	n/a	n/a	n/a	n/a	n/a	n/a	\$ 16.75	\$ 15.61	\$ 15.61	\$ 15.61
c. excess non-coincident peak	n/a	n/a	n/a	n/a	n/a	n/a	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38
d. all rKVA	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Energy (per kWh) all kWh per month	n/a	n/a	n/a	n/a	n/a	n/a	\$0.04224	\$0.03677	\$0.03027	\$0.03071
Large General Service										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	n/a	n/a	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Demand (per kW) a. all coincident peak	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 19.53	\$ 19.03	\$ 22.20	\$ 22.73
b. allocated non-coincident peak	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 15.19	\$ 13.13	\$ 13.13	\$ 13.13
c. excess non-coincident peak	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 6.82	\$ 6.82	\$ 6.82	\$ 6.82
d. all rKVA	\$ 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	\$0.04928	\$0.04928	\$0.04928	\$0.04928	\$0.04928	\$0.04928	\$0.03522	\$0.03066	\$0.02524	\$0.02560
Seasonal General Service										
Base facilities charge (per month)	\$ 14.84	\$ 14.84	\$ 14.84	\$ 18.14	\$ 18.14	\$ 18.14	n/a	n/a	n/a	n/a
Energy (per kWh) a. first 750 kWh Summer	\$0.14306	\$0.14306	\$0.14306	\$0.14306	\$0.14306	\$0.14306	n/a	n/a	n/a	n/a
b. next 2,250 kWh plus 150 kWh per kW of billing demand in excess of 10 kW per billing month	\$0.13184	\$0.13184	\$0.13184	\$0.13184	\$0.13184	\$0.13184	n/a	n/a	n/a	n/a
c. all additional kWh	\$0.10647	\$0.10647	\$0.10647	\$0.10647	\$0.10647	\$0.10647	n/a	n/a	n/a	n/a
Energy (per kWh) a. first 750 kWh Winter	\$0.12235	\$0.12235	\$0.12235	\$0.12235	\$0.12235	\$0.12235	n/a	n/a	n/a	n/a
b. all additional kWh	\$0.09382	\$0.09382	\$0.09382	\$0.09382	\$0.09382	\$0.09382	n/a	n/a	n/a	n/a

Table 8 continues on the next page.

Table 8. Direct Electric Rates | As of June 30 for the Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Communications Network Device Service										
Base facilities charge (per month)	\$1.25	\$1.25	\$1.25	\$1.58	\$1.58	\$1.58	\$2.10	\$2.10	\$2.10	\$2.10
Energy (per kWh)										
Wireless IP network device	n/a	n/a	n/a	n/a	n/a	n/a	\$0.60	\$0.56	\$0.56	\$0.56
Public safety cameras	n/a	n/a	n/a	n/a	n/a	n/a	\$1.20	\$1.11	\$1.11	\$1.11
CAD 12 ONU installations	\$1.41	\$1.41	\$1.41	\$1.45	\$1.45	\$1.45	\$1.32	\$1.22	\$1.22	\$1.22
MLU 48 ONU installations	\$5.63	\$5.63	\$5.63	\$5.79	\$5.79	\$5.79	\$5.26	\$4.87	\$4.87	\$4.87
Outdoor Lighting Service (rate per unit per month)										
General Customers										
175W (7,000 lumens) mercury vapor	\$12.85	\$12.85	\$12.85	\$12.85	\$12.85	\$12.85	\$12.57	\$12.37	\$12.37	\$12.37
250W (11,000 lumens) mercury vapor	\$16.47	\$16.47	\$16.47	\$16.47	\$16.47	\$16.47	\$16.06	\$15.78	\$15.78	\$15.78
400W (20,000 lumens) mercury vapor	\$22.77	\$22.77	\$22.77	\$22.77	\$22.77	\$22.77	\$22.16	\$21.73	\$21.73	\$21.73
100W (8,500 lumens) high pressure sodium	n/a	n/a	n/a	n/a	\$12.85	\$12.85	\$12.57	\$12.37	\$12.37	\$12.37
150W (14,000 lumens) high pressure sodium	\$15.92	\$15.92	\$15.92	\$15.92	\$15.92	\$15.92	\$15.64	\$15.44	\$15.44	\$15.44
250W (23,000 lumens) high pressure sodium	\$21.24	\$21.24	\$21.24	\$21.24	\$21.24	\$21.24	\$20.81	\$20.51	\$20.51	\$20.51
400W (45,000 lumens) high pressure sodium	\$32.21	\$32.21	\$32.21	\$32.21	\$32.21	\$32.21	\$31.56	\$31.10	\$31.10	\$31.10
400W-F (45,000 lumens) high pressure sodium	\$33.29	\$33.29	\$33.29	\$33.29	\$33.29	\$33.29	\$32.64	\$32.18	\$32.18	\$32.18
400W (40,000 lumens) metal halide	\$34.84	\$34.84	\$34.84	\$34.84	\$34.84	\$34.84	\$34.19	\$33.73	\$33.73	\$33.73
400W-F (40,000 lumens) metal halide	n/a	n/a	n/a	n/a	\$34.84	\$34.84	\$34.19	\$33.73	\$33.73	\$33.73
70W (4,500 lumens) light emitting diode (LED)	n/a	\$25.64	\$25.64	n/a						
50W (5,000 lumens) LED	n/a	n/a	n/a	n/a	\$20.18	\$20.18	\$20.09	\$18.75	\$18.75	\$18.75
100W (8,000 lumens) LED	n/a	\$25.64								
110W (8,000 lumens) LED	n/a	n/a	n/a	n/a	\$21.74	\$21.74	\$21.61	\$21.48	\$21.48	\$21.48
150W (13,500 lumens) LED	n/a	n/a	n/a	n/a	\$26.67	\$26.67	\$26.37	\$23.61	\$23.61	\$23.61
210W (24,000 lumens) LED	n/a	\$33.21	\$33.21	\$33.21						
280W-F (25,000 lumens) LED	n/a	n/a	n/a	n/a	\$39.55	\$39.55	\$39.14	\$38.04	\$38.04	\$38.04
County, Municipal or Housing Authority										
175W (7,000 lumens) mercury vapor	\$11.84	\$11.84	\$11.84	\$11.84	\$11.84	\$11.84	\$11.56	\$11.36	\$11.36	\$11.36
250W (11,000 lumens) mercury vapor	\$15.76	\$15.76	\$15.76	\$15.76	\$15.76	\$15.76	\$15.35	\$15.07	\$15.07	\$15.07
400W (20,000 lumens) mercury vapor	\$21.83	\$21.83	\$21.83	\$21.83	\$21.83	\$21.83	\$21.22	\$20.79	\$20.79	\$20.79
400W-T (20,000 lumens) mercury vapor	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50	\$17.20	\$16.98	\$16.98	\$16.98
100W (8,500 lumens) high pressure sodium	n/a	n/a	n/a	n/a	\$11.84	\$11.84	\$11.56	\$11.36	\$11.36	\$11.36
150W (14,000 lumens) high pressure sodium	\$14.51	\$14.51	\$14.51	\$14.51	\$14.51	\$14.51	\$14.23	\$14.03	\$14.03	\$14.03
250W (23,000 lumens) high pressure sodium	\$19.32	\$19.32	\$19.32	\$19.32	\$19.32	\$19.32	\$18.89	\$18.59	\$18.59	\$18.59
400W (45,000 lumens) high pressure sodium	\$29.21	\$29.21	\$29.21	\$29.21	\$29.21	\$29.21	\$28.56	\$28.10	\$28.10	\$28.10
400W-F (45,000 lumens) high pressure sodium	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30	\$30.30	\$29.65	\$29.19	\$29.19	\$29.19
400W (40,000 lumens) metal halide	\$31.85	\$31.85	\$31.85	\$31.85	\$31.85	\$31.85	\$31.20	\$30.74	\$30.74	\$30.74
400W-F (40,000 lumens) metal halide	n/a	n/a	n/a	n/a	\$31.85	\$31.85	\$31.20	\$30.74	\$30.74	\$30.74
70W (4,500 lumens) LED	n/a	n/a	n/a	n/a	\$30.96	\$30.96	\$30.83	\$23.08	\$23.08	n/a
50W (5,000 lumens) LED	n/a	n/a	n/a	n/a	\$18.16	\$18.16	\$18.07	\$16.87	\$16.87	\$16.87
100W (8,000 lumens) LED	n/a	\$23.08								
110W (8,000 lumens) LED	n/a	n/a	n/a	n/a	\$19.57	\$19.57	\$19.44	\$19.34	\$19.34	\$19.34
150W (13,500 lumens) LED	n/a	n/a	n/a	n/a	\$24.00	\$24.00	\$23.70	\$21.25	\$21.25	\$21.25
210W (24,000 lumens) LED	n/a	\$29.89	\$29.89	\$29.89						
280W-F (25,000 lumens) LED	n/a	n/a	n/a	n/a	\$35.60	\$35.60	\$35.19	\$34.24	\$34.24	\$34.24
Rural Street Lighting Service (rate per customer per month)										
175W (7,000 lumens) mercury vapor @ 6 customers	\$2.62	\$2.62	\$2.62	\$2.62	\$2.62	\$2.62	\$2.09	\$2.06	\$2.06	\$2.06
150W (14,000 lumens) sodium vapor @ 8 customers	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$1.95	\$1.93	\$1.93	\$1.93
50W (5,000 lumens) LED @ 8 customers	n/a	n/a	n/a	n/a	n/a	n/a	\$2.51	\$2.31	\$2.31	\$2.31
Sports Field Lighting Service										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	n/a	n/a	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Demand (per kW)	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Energy (per kWh)	\$0.10476	\$0.10476	\$0.10476	\$0.10476	\$0.10476	\$0.10476	\$0.09190	\$0.08318	\$0.08318	\$0.08318
Bilateral Metering for Solar Energy Facilities										
Base facilities charge (per month)										
Residential	n/a	n/a	n/a	n/a	\$ 6.48	\$ 6.48	\$ 7.67	\$ 8.85	\$ 10.03	\$ 11.21
Small General Service	n/a	n/a	n/a	n/a	\$ 10.44	\$ 10.44	\$ 13.86	\$ 13.86	\$ 13.86	\$ 13.86
Medium General Service	n/a	n/a	n/a	n/a	\$ 10.88	\$ 10.88	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Energy credit (per kWh)	n/a	n/a	n/a	n/a	\$0.07000	\$0.07000	\$0.07000	\$0.06163	\$0.06257	\$0.06257

Table 9. Direct Water Rates | As of June 30 for the Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Effective rate (per kgallon)	\$ 3.75079	\$ 3.93124	\$ 4.15248	\$ 3.99477	\$ 4.03401	\$ 4.27625	\$ 4.48208	\$ 4.72322	\$ 4.71144	\$ 5.07791
Base facilities charge (based on meter size)										
Inside City										
3/4"	\$ 5.79	\$ 6.61	\$ 6.61	\$ 6.61	\$ 7.04	\$ 7.04	\$ 7.46	\$ 7.80	\$ 7.80	\$ 8.00
1"	\$ 9.30	\$ 10.77	\$ 10.77	\$ 10.77	\$ 11.51	\$ 11.51	\$ 12.20	\$ 12.76	\$ 12.76	\$ 13.04
1-1/2"	\$ 17.32	\$ 20.28	\$ 20.28	\$ 20.28	\$ 21.74	\$ 21.74	\$ 23.03	\$ 24.08	\$ 24.08	\$ 24.56
2"	\$ 27.34	\$ 32.16	\$ 32.16	\$ 32.16	\$ 34.52	\$ 34.52	\$ 36.57	\$ 38.24	\$ 38.24	\$ 38.96
3"	\$ 59.40	\$ 70.17	\$ 70.17	\$ 70.17	\$ 75.41	\$ 75.41	\$ 79.90	\$ 83.56	\$ 83.56	\$ 85.04
4"	\$ 100.98	\$ 119.47	\$ 119.47	\$ 119.47	\$ 128.45	\$ 128.45	\$ 136.09	\$ 142.32	\$ 142.32	\$ 144.80
6"	\$ 209.70	\$ 248.37	\$ 248.37	\$ 248.37	\$ 267.11	\$ 267.11	\$ 283.00	\$ 295.96	\$ 295.96	\$ 301.04
8"	\$ 301.38	\$ 357.07	\$ 357.07	\$ 357.07	\$ 384.05	\$ 384.05	\$ 406.89	\$ 425.52	\$ 425.52	\$ 432.80
10"	\$ 485.25	\$ 575.07	\$ 575.07	\$ 575.07	\$ 618.56	\$ 618.56	\$ 655.35	\$ 685.36	\$ 685.36	\$ 697.04
12"	\$ 718.72	\$ 851.88	\$ 851.88	\$ 851.88	\$ 916.34	\$ 916.34	\$ 970.83	\$ 1,015.28	\$ 1,015.28	\$ 1,032.56
16"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 1,800.80
Outside City										
3/4"	\$ 6.54	\$ 7.50	\$ 7.50	\$ 7.50	\$ 8.10	\$ 8.10	\$ 8.59	\$ 8.97	\$ 8.97	\$ 9.20
1"	\$ 10.58	\$ 12.29	\$ 12.29	\$ 12.29	\$ 13.24	\$ 13.24	\$ 14.04	\$ 14.68	\$ 14.68	\$ 15.00
1-1/2"	\$ 19.80	\$ 23.22	\$ 23.22	\$ 23.22	\$ 25.00	\$ 25.00	\$ 26.49	\$ 27.69	\$ 27.69	\$ 28.24
2"	\$ 31.32	\$ 36.88	\$ 36.88	\$ 36.88	\$ 39.70	\$ 39.70	\$ 42.06	\$ 43.98	\$ 43.98	\$ 44.80
3"	\$ 68.19	\$ 80.60	\$ 80.60	\$ 80.60	\$ 86.73	\$ 86.73	\$ 91.89	\$ 96.10	\$ 96.10	\$ 97.80
4"	\$ 116.01	\$ 137.29	\$ 137.29	\$ 137.29	\$ 147.72	\$ 147.72	\$ 156.51	\$ 163.67	\$ 163.67	\$ 166.52
6"	\$ 241.04	\$ 285.53	\$ 285.53	\$ 285.53	\$ 307.18	\$ 307.18	\$ 325.46	\$ 340.36	\$ 340.36	\$ 346.20
8"	\$ 346.47	\$ 410.53	\$ 410.53	\$ 410.53	\$ 441.66	\$ 441.66	\$ 467.93	\$ 489.35	\$ 489.35	\$ 497.72
10"	\$ 557.92	\$ 661.23	\$ 661.23	\$ 661.23	\$ 711.35	\$ 711.35	\$ 753.66	\$ 788.17	\$ 788.17	\$ 801.60
12"	\$ 826.41	\$ 979.56	\$ 979.56	\$ 979.56	\$ 1,053.79	\$ 1,053.79	\$ 1,116.46	\$ 1,167.57	\$ 1,167.57	\$ 1,187.44
16"	n/a	n/a	n/a	n/a	n/a	n/a	\$ 1,812.05	\$ 1,812.05	\$ 1,812.05	\$ 2,070.92
Volume Charge (per kgal)										
Inside City										
Residential, non irrigation	\$ 2.95	\$ 3.35	\$ 3.35	\$ 3.35	\$ 3.59	\$ 3.59	\$ 3.78	\$ 4.00	\$ 4.00	\$ 4.30
Commercial, non irrigation	\$ 2.39	\$ 2.71	\$ 2.71	\$ 2.71	\$ 2.90	\$ 2.90	\$ 3.05	\$ 3.23	\$ 3.23	\$ 3.53
Industrial, non irrigation	\$ 2.23	\$ 2.53	\$ 2.53	\$ 2.53	\$ 2.71	\$ 2.71	\$ 2.85	\$ 3.02	\$ 3.02	\$ 3.30
Irrigation, all customers	n/a	\$ 5.03	\$ 5.03	\$ 5.03	\$ 5.39	\$ 5.39	\$ 5.67	\$ 6.00	\$ 6.00	\$ 6.56
Outside City										
Residential, non irrigation	\$ 4.58	\$ 5.20	\$ 5.20	\$ 5.20	\$ 5.56	\$ 5.56	\$ 5.86	\$ 6.20	\$ 6.20	\$ 6.78
Commercial, non irrigation	\$ 3.70	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.50	\$ 4.50	\$ 4.73	\$ 5.01	\$ 5.01	\$ 5.47
Industrial, non irrigation	\$ 2.23	\$ 2.53	\$ 2.53	\$ 2.53	\$ 2.71	\$ 2.71	\$ 2.85	\$ 3.02	\$ 3.02	\$ 3.30
Irrigation, residential	n/a	\$ 7.80	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	\$ 8.79	\$ 9.30	\$ 9.30	\$ 10.17
Irrigation, commercial	n/a	\$ 7.80	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	\$ 8.79	\$ 9.30	\$ 9.30	\$ 10.17
Irrigation, industrial	n/a	\$ 5.03	\$ 5.03	\$ 5.03	\$ 5.39	\$ 5.39	\$ 5.67	\$ 6.00	\$ 6.00	\$ 6.56

Table 10. Direct Wastewater Rates | As of June 30 for the Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Effective rate (per kgallon)	\$ 5.25847	\$ 5.81463	\$ 6.27941	\$ 6.27375	\$ 6.39632	\$ 6.84920	\$ 7.35093	\$ 7.79049	\$ 7.74227	\$ 8.01695
Base facilities charge (based on water/wastewater meter size)										
3/4"	\$ 8.97	\$ 10.24	\$ 10.24	\$ 10.24	\$ 10.37	\$ 10.37	\$ 10.96	\$ 11.70	\$ 11.70	\$ 11.70
1"	\$ 14.60	\$ 16.78	\$ 16.78	\$ 16.78	\$ 17.01	\$ 17.01	\$ 17.97	\$ 19.21	\$ 19.21	\$ 19.21
1-1/2"	\$ 27.47	\$ 31.73	\$ 31.73	\$ 31.73	\$ 32.17	\$ 32.17	\$ 34.01	\$ 36.38	\$ 36.38	\$ 36.38
2"	\$ 43.55	\$ 50.41	\$ 50.41	\$ 50.41	\$ 51.13	\$ 51.13	\$ 54.05	\$ 57.84	\$ 57.84	\$ 57.84
3"	\$ 95.00	\$ 110.18	\$ 110.18	\$ 110.18	\$ 111.81	\$ 111.81	\$ 118.17	\$ 126.51	\$ 126.51	\$ 126.51
4"	\$ 161.73	\$ 187.70	\$ 187.70	\$ 187.70	\$ 190.49	\$ 190.49	\$ 201.34	\$ 215.57	\$ 215.57	\$ 215.57
6"	\$ 336.20	\$ 390.38	\$ 390.38	\$ 390.38	\$ 396.21	\$ 396.21	\$ 418.77	\$ 448.41	\$ 448.41	\$ 448.41
8"	\$ 483.33	\$ 561.30	\$ 561.30	\$ 561.30	\$ 569.69	\$ 569.69	\$ 602.14	\$ 644.77	\$ 644.77	\$ 644.77
10"	\$ 778.40	\$ 904.08	\$ 904.08	\$ 904.08	\$ 917.61	\$ 917.61	\$ 969.87	\$ 1,038.56	\$ 1,038.56	\$ 1,038.56
12"	\$ 1,153.07	\$ 1,339.33	\$ 1,339.33	\$ 1,339.33	\$ 1,359.37	\$ 1,359.37	\$ 1,436.81	\$ 1,538.58	\$ 1,538.56	\$ 1,538.56
16"	n/a	\$ 2,683.47								
Sewer Only Customers										
Base facilities charge (based on water/wastewater meter size)										
3/4"	\$ 13.46	\$ 15.36	\$ 15.36	\$ 15.36	\$ 15.56	\$ 15.56	\$ 16.44	\$ 17.55	\$ 17.55	\$ 17.55
1"	\$ 21.90	\$ 25.17	\$ 25.17	\$ 25.17	\$ 25.52	\$ 25.52	\$ 29.96	\$ 28.82	\$ 28.82	\$ 28.82
1-1/2"	\$ 41.21	\$ 47.60	\$ 47.60	\$ 47.60	\$ 48.26	\$ 48.26	\$ 51.02	\$ 54.57	\$ 54.57	\$ 54.57
2"	\$ 65.33	\$ 75.62	\$ 75.62	\$ 75.62	\$ 76.70	\$ 76.70	\$ 81.08	\$ 86.76	\$ 86.76	\$ 86.76
3"	\$ 142.50	\$ 165.27	\$ 165.27	\$ 165.27	\$ 167.72	\$ 167.72	\$ 177.26	\$ 189.77	\$ 189.77	\$ 189.77
4"	\$ 242.60	\$ 281.55	\$ 281.55	\$ 281.55	\$ 285.74	\$ 285.74	\$ 302.01	\$ 323.36	\$ 323.36	\$ 323.36
6"	\$ 504.30	\$ 585.57	\$ 585.57	\$ 585.57	\$ 594.32	\$ 594.32	\$ 628.16	\$ 672.62	\$ 672.62	\$ 672.62
8"	\$ 725.00	\$ 841.95	\$ 841.95	\$ 841.95	\$ 854.54	\$ 854.54	\$ 903.21	\$ 967.16	\$ 967.16	\$ 967.16
10"	\$ 1,167.60	\$ 1,356.12	\$ 1,356.12	\$ 1,356.12	\$ 1,376.42	\$ 1,376.42	\$ 1,454.81	\$ 1,557.84	\$ 1,557.84	\$ 1,557.84
12"	\$ 1,729.61	\$ 2,009.00	\$ 2,009.00	\$ 2,009.00	\$ 2,039.06	\$ 2,039.06	\$ 2,155.22	\$ 2,307.87	\$ 2,307.87	\$ 2,307.87
16"	n/a	\$ 4,025.21								
Volume Charge (per kgal, based on 93.5% of water usage unless separately metered)										
Residential	\$ 3.670	\$ 4.450	\$ 4.450	\$ 4.450	\$ 4.980	\$ 4.980	\$ 5.320	\$ 5.660	\$ 5.660	\$ 5.900
Commercial/Industrial	\$ 4.070	\$ 4.930	\$ 4.930	\$ 4.930	\$ 5.510	\$ 5.510	\$ 5.890	\$ 6.270	\$ 6.270	\$ 6.530
Metered wastewater (100%)	\$ 4.480	\$ 5.430	\$ 5.430	\$ 5.430	\$ 6.080	\$ 6.080	\$ 6.490	\$ 6.910	\$ 6.910	\$ 7.200
Municipalities*	\$ 4.620	\$ 5.600	\$ 5.600	\$ 5.600	\$ 5.600	\$ 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.

Table 11. Direct Natural Gas Rates | As of June 30 for the Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Effective rate (per CCF)	\$1.19998	\$1.15537	\$1.06742	\$1.00296	\$1.06737	\$1.08771	\$0.92616	\$0.94233	\$1.04775	\$1.03793
Residential Service										
Base facilities charge	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 11.00
Commodity first 10 ccf	\$ 1.3126	\$ 1.3650	\$ 1.0773	n/a						
all additional ccf	\$ 1.1986	\$ 1.2510	\$ 0.9633	n/a						
Commodity first 20 ccf	n/a	n/a	n/a	\$ 1.1800	\$ 1.3010	\$ 1.1927	\$ 1.1080	\$ 1.1865	\$ 1.3501	n/a
all additional ccf	n/a	n/a	n/a	\$ 1.0440	\$ 1.1650	\$ 1.0567	\$ 0.9720	\$ 1.0505	\$ 1.2141	n/a
Commodity all ccf	n/a	\$ 0.9918								
Residential Service - Heat Only										
Base facilities charge	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 13.00
Commodity first 10 ccf	\$ 1.3936	\$ 1.4460	\$ 1.1583	n/a						
all additional ccf	\$ 1.2751	\$ 1.3275	\$ 1.0398	n/a						
Commodity first 20 ccf	n/a	n/a	n/a	\$ 1.2610	\$ 1.3820	\$ 1.2737	\$ 1.1890	\$ 1.2675	\$ 1.4311	n/a
all additional ccf	n/a	n/a	n/a	\$ 1.1233	\$ 1.2443	\$ 1.1360	\$ 1.0513	\$ 1.1298	\$ 1.2934	n/a
Commodity all ccf	n/a	\$ 1.0717								
Commercial Service										
Base facilities charge	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 25.00
Commodity first 50 ccf	\$ 1.2917	\$ 1.3441	\$ 1.0564	n/a						
51 to 300 ccf	\$ 1.2180	\$ 1.2704	\$ 0.9827	n/a						
301 to 500 ccf	\$ 1.1680	\$ 1.2204	\$ 0.9327	n/a						
all additional ccf	\$ 1.0175	\$ 1.0699	\$ 0.7822	n/a						
Commodity first 50 ccf	n/a	n/a	n/a	\$ 1.1591	\$ 1.2801	\$ 1.1718	\$ 1.0871	\$ 1.1656	\$ 1.3292	n/a
51 to 500 ccf	n/a	n/a	n/a	\$ 1.0695	\$ 1.1905	\$ 1.0822	\$ 0.9975	\$ 1.0760	\$ 1.2396	n/a
all additional ccf	n/a	n/a	n/a	\$ 0.8849	\$ 1.0059	\$ 0.8976	\$ 0.8129	\$ 0.8914	\$ 1.0550	n/a
Commodity first 500 ccf	n/a	\$ 1.0281								
all additional ccf	n/a	\$ 0.8643								
Industrial Service										
Base facilities charge	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 113.00
Commodity first 500 ccf	\$ 1.0213	\$ 1.0737	\$ 0.7860	\$ 0.8887	\$ 1.0097	\$ 0.9014	\$ 0.8167	\$ 0.8952	\$ 1.0588	\$ 0.8340
all additional ccf	\$ 0.9571	\$ 1.0095	\$ 0.7218	\$ 0.8245	\$ 0.9455	\$ 0.8372	\$ 0.7525	\$ 0.8310	\$ 0.9946	\$ 0.7766
Interruptible Service										
Base facilities charge	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 213.00
Commodity	negotiated									
Seasonal Service										
Base facilities charge	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 39.00
Commodity first 100 ccf	\$ 1.3420	\$ 1.3944	\$ 1.1067	\$ 1.2094	\$ 1.3304	\$ 1.2221	\$ 1.1374	\$ 1.2159	\$ 1.3795	n/a
all additional ccf	\$ 0.9348	\$ 0.9872	\$ 0.6995	\$ 0.8022	\$ 0.9232	\$ 0.8149	\$ 0.7302	\$ 0.8087	\$ 0.9723	n/a
Commodity all ccf	n/a	\$ 0.7580								
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	\$ 14.00	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55	\$ 12.55

Table 12. Ten Largest Customers | Current Year and Nine Years Ago

Electric Fund		Fiscal Year 2019		Fiscal Year 2010	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 5,426,049	3.12%	\$ 6,817,175	3.67%
DSM Dyneema, LLC	High Performance Fibers	4,933,795	2.84%	2,833,937	1.53%
Vidant Medical Center ²	Health Care	4,332,979	2.49%	5,181,055	2.79%
East Carolina University	Education	3,790,170	2.18%	4,277,327	2.30%
Attends Healthcare Products	Medical Products	2,602,515	1.50%	2,987,198	1.61%
Vidant Medical Center ²	Health Care	2,468,041	1.42%	1,522,855	0.82%
East Carolina University	Education	2,395,848	1.38%	3,586,400	1.93%
East Carolina University	Education	2,326,077	1.34%	3,371,231	1.82%
Mayne Pharma Inc	Pharmaceuticals	1,617,617	0.93%		
City of Greenville	Government	1,549,278	0.89%		
ASMO of Greenville	Motors			1,074,342	0.58%
Hyster Yale Group ³	Fork Lift Trucks			982,323	0.53%
Totals		\$ 31,442,369	18.09%	\$ 32,633,843	17.58%

Water Fund		Fiscal Year 2019		Fiscal Year 2010	
Customer	Product/Service	Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Town of Farmville	Government	\$ 793,198	3.79%		
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	792,602	3.79%	\$ 387,476	3.04%
Town of Winterville	Government	348,896	1.67%	95,566	0.75%
Vidant Medical Center ²	Health Care	267,517	1.28%	209,329	1.64%
Vidant Medical Center ²	Health Care	205,744	0.98%	84,144	0.66%
DSM Dyneema, LLC	High Performance Fibers	174,810	0.84%	41,931	0.33%
DSM Dyneema, LLC	High Performance Fibers	170,433	0.81%		
Fuji Silysia Chemical USA, LTD	Silica Gel	152,085	0.73%	45,763	0.36%
Vidant Medical Center ²	Health Care	138,383	0.66%	52,958	0.42%
Stokes Regional Water Corporation	Water Utility	82,736	0.40%		
Greenville Housing Authority	Apartments			51,796	0.41%
East Carolina University	Education			73,804	0.58%
Pitt County	Government			59,597	0.47%
Totals		\$ 3,126,404	14.95%	\$ 1,102,364	8.66%

¹Formerly DSM Pharmaceuticals, Inc.²Formerly Pitt County Memorial Hospital.³Formerly NACCO Materials Handling.

Table 12 continues on the next page.

Table 12. Ten Largest Customers | Current Year and Nine Years Ago

Sewer Fund		Fiscal Year 2019		Fiscal Year 2010	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 845,158	3.55%	\$ 514,926	3.74%
DSM Dyneema, LLC	High Performance Fibers	824,136	3.46%	85,512	0.62%
Town of Bethel	Government	670,342	2.81%	284,085	2.07%
Vidant Medical Center ²	Health Care	463,472	1.94%	331,896	2.41%
Vidant Medical Center ²	Health Care	352,143	1.48%	123,258	0.90%
Fuji Silysia Chemical USA, LTD	Silica Gel	279,072	1.17%	76,524	0.56%
Vidant Medical Center ²	Health Care	240,406	1.01%	80,132	0.58%
Mayne Pharma Inc	Pharmaceuticals	114,895	0.48%		
East Carolina University	Education	110,867	0.47%	113,425	0.82%
Greenville Housing Authority	Apartments	86,022	0.36%		
Pitt County	Government			60,192	0.44%
Town of Grimesland	Apartments			58,581	0.43%
Totals		\$ 3,986,513	16.73%	\$ 1,728,531	12.57%

Gas Fund		Fiscal Year 2019		Fiscal Year 2010	
		Amount Billed	Percentage of Total Revenue	Amount Billed	Percentage of Total Revenue
Customer	Product/Service				
Patheon Manufacturing Services LLC ¹	Pharmaceuticals	\$ 2,937,541	8.25%	\$ 3,594,491	9.54%
East Carolina University	Education	2,474,220	6.95%	3,430,720	9.11%
Vidant Medical Center ²	Health Care	1,798,450	5.05%	1,946,986	5.17%
Vidant Medical Center ²	Health Care	1,141,805	3.21%	682,641	1.81%
Mayne Pharma Inc ⁴	Pharmaceuticals	1,089,320	3.06%	509,006	1.35%
DSM Dyneema, LLC	High Performance Fibers	834,665	2.34%	808,397	2.15%
East Carolina University	Education	747,169	2.10%	1,234,393	3.28%
DSM Dyneema, LLC	High Performance Fibers	686,059	1.93%	532,325	1.41%
ST Wooten Construction Corp	Construction	674,638	1.89%		
Fuji Silysia Chemical USA, LTD	Silica Gel	636,536	1.79%	436,467	1.16%
Hyster Yale Group ³	Fork Lift Trucks			344,955	0.92%
Totals		\$ 13,020,403	36.57%	\$ 13,520,381	35.90%

¹Formerly DSM Pharmaceuticals, Inc.²Formerly Pitt County Memorial Hospital.³Formerly NACCO Materials Handling.⁴Formerly Metrics, Inc.

Table 13. 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
2010	1,216,424	89,158,772	28,564,352	118,939,548	707	2.20%
2011	190,235	83,449,241	31,526,877	115,166,353	678	2.06%
2012	-	77,817,581	32,027,308	109,844,889	637	1.82%
2013	-	80,643,105	36,029,680	116,672,785	671	1.92%
2014	-	73,025,115	38,488,921	111,514,036	639	1.77%
2015	-	65,181,025	35,559,334	100,740,359	574	1.55%
2016	-	103,728,334	36,587,040	140,315,374	798	2.09%
2017	-	95,269,797	38,587,279	133,857,076	752	1.87%
2018	-	87,628,861	38,764,625	126,393,486	705	*
2019	-	133,746,227	37,631,290	171,377,517	947	*

*Information unavailable at time of report.

Table 14. 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	
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
2016	249,567,397	195,145,037	54,422,360	10,743,316	3,461,146	14,204,462	3.83
2017	248,339,349	206,715,407	41,623,942	10,420,893	2,660,634	13,081,527	3.18
2018	258,946,457	211,661,875	47,284,582	9,962,771	4,320,675	14,283,446	3.31
2019	263,078,745	213,488,783	49,589,962	11,982,498	4,004,494	15,986,992	3.10

¹Total revenues including interest and exclusive of any revenue not available for debt service. Includes revenues for the electric, water, sewer and gas funds.

²Includes total operating expenses, exclusive of depreciation and non-cash expenses related to OPEB and pensions.

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

Table 15. Demographic and Economic Statistics | Last Ten Calendar Years

Calendar Year	Population ¹	Personal Income (\$000) ¹	Per Capita Personal Income ¹	Unemployment Rate ²
2010	168,148	5,403,185	32,134	10.5%
2011	169,803	5,598,286	32,969	11.1%
2012	172,569	6,045,023	35,030	10.0%
2013	173,879	6,065,607	34,884	9.0%
2014	174,424	6,290,057	36,062	7.0%
2015	175,532	6,513,624	37,108	6.8%
2016	175,885	6,724,276	38,231	6.0%
2017	178,017	7,143,838	40,130	5.2%
2018	179,388	*	*	4.9%
2019	180,894	*	*	5.2%

*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.

Table 16. Principal Employers | Current Year and Nine Years Ago

Employer	Fiscal Year 2019			Fiscal Year 2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant Medical Center ¹	6,406	1	7.37%	7,373	1	10.02%
East Carolina University	5,672	2	6.53%	5,253	2	7.14%
Pitt County Public Schools	3,699	3	4.26%	3,111	3	4.23%
Patheon Manufacturing Services LLC ²	1,261	4	1.45%	1,100	4	1.50%
Hyster-Yale Group ³	1,226	5	1.41%	900	6	1.22%
City of Greenville	1,180	6	1.36%	743	8	1.01%
County of Pitt	1,071	7	1.23%	968	5	1.32%
Alliance One International	850	8	0.98%			
Pitt Community College	805	9	0.93%	861	7	1.17%
DENSO Manufacturing ⁴	722	10	0.83%			
The Roberts Company				500	9	0.68%
Physicians East				500	10	0.68%
Total	22,892		26.35%	21,309		28.97%

Sources: Pitt County Development Commission and Bureau of Labor Statistics, United States Department of Labor.

¹Formerly Pitt County Memorial Hospital.

²Formerly DSM Pharmaceuticals, Inc.

³Formerly NACCO Materials Handling.

⁴Formerly ASMO.

Table 17. Employees by Function | Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric:										
Management	4	4	3	3	3	3	3	4	4	4
Engineering	13	12	12	14	18	19	16	16	15	16
Load Management	4	3	6	5	6	6	5	6	6	7
Dispatching	7	7	7	7	7	8	9	7	7	8
Electric System Maintenance	71	79	77	71	78	75	78	85	80	84
Water/Wastewater:										
Management	4	3	4	4	4	4	4	4	5	6
Engineering	11	11	9	10	12	12	13	14	13	13
Water Plant	24	25	27	27	29	29	30	31	31	31
Wastewater Plant	26	25	25	25	28	28	28	31	32	31
Water/Wastewater Systems Maintenance	48	47	46	45	42	42	43	44	45	45
Natural Gas:										
Management	5	4	4	5	5	5	4	6	6	6
Engineering	6	8	7	8	9	8	10	10	10	10
Natural Gas System Maintenance	31	29	25	25	30	33	30	31	31	34
Administration:										
Executive Administration	7	8	8	12	15	13	15	13	17	14
Finance and Accounting	11	10	11	31	31	32	33	31	34	37
Human Resources	16	17	16	9	9	9	8	9	9	9
Information Technology	19	20	26	26	27	31	28	29	29	35
Customer Relations	52	52	48	38	36	36	43	37	39	38
Fleet Management	13	13	13	13	12	13	11	13	13	13
Warehouse	8	7	8	7	7	8	8	9	8	6
Meter Services	32	32	33	32	33	35	34	33	34	35
Utility Locating Services	5	5	5	5	6	6	7	7	7	8
Total Employees:	417	421	420	422	447	455	460	470	475	490

Source: Various Utilities Commission departments

Table 18. Operating Indicators | Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric System:										
Peaks (MW)	345.8	348.8	355.2	353.6	336.5	370.2	357.9	367.4	383.2	353.6
Average daily purchase (MWH)	4,644	4,822	4,609	4,671	4,771	4,844	4,710	4,836	5,008	5,005
Total MWH sold	1,650,126	1,712,010	1,632,866	1,656,667	1,684,847	1,709,900	1,685,252	1,716,973	1,764,805	1,781,583
Water System:										
Peaks (MGD)	15.605	17.536	16.340	14.871	16.070	17.779	15.070	14.412	17.347	18.112
Average daily treatment (Mgals)	10.977	11.850	11.896	12.008	12.394	13.044	12.384	12.600	13.106	13.734
Total kgal sold	3,444,992	3,705,889	3,785,625	3,857,562	3,921,590	3,917,750	3,969,595	4,019,200	4,113,444	4,142,875
Wastewater System:										
Peaks (MGD)	22.830	24.240	21.240	14.810	20.040	17.320	21.040	13.590	17.340	25.910
Average daily treatment (Mgals)	10.120	9.593	10.301	10.426	10.530	11.290	11.195	10.220	9.540	11.247
Total kgal collected	2,659,126	2,794,875	2,746,715	2,729,493	2,742,124	2,758,868	2,834,356	3,730,850	2,898,354	2,976,096
Natural Gas System										
Peaks (MCFs)	23,845	24,176	21,169	20,537	20,092	26,459	27,241	23,537	25,910	22,519
Average daily purchase (MCFs)	8,920	9,360	7,984	8,870	9,277	9,452	8,462	8,537	10,099	9,896
Total MCFs sold	3,124,362	3,240,524	2,824,623	3,142,015	3,296,068	3,341,192	2,939,182	2,989,816	3,446,778	3,448,812

Source: Various Utilities Commission departments

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

Table 19. Capital Indicators | Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Electric System:										
Miles of lines	2,638	2,672	2,714	2,719	2,781	2,884	2,901	2,921	2,939	2,994
Substations	23	23	23	23	23	23	23	23	24	24
Customer connections	63,136	63,745	63,789	64,362	64,673	65,347	66,252	66,508	67,964	68,894
Maximum capacity transmission (MVA)	480	480	480	480	480	480	480	480	600	600
Maximum capacity distribution (MVA)	540	540	560	560	560	560	560	560	560	560
Water System:										
Miles of lines	626	626	628	628	627	627	629	631	631	633
Customer connections	34,336	34,419	34,514	34,742	34,959	35,179	35,599	35,794	36,338	36,673
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	468	469	471	479	471	471	479	479	480	482
Customer connections	27,805	28,054	28,157	28,435	28,640	28,885	29,253	29,478	30,034	30,363
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	1,019	1,024	1,034	1,043	1,049	1,051	1,054	1,067	1,070	1,072
Customer connections	22,004	22,211	22,259	22,434	22,554	22,837	23,066	23,108	23,379	23,493
Maximum capacity (MCF)	42,512	42,512	42,512	42,512	42,512	42,512	42,512	42,512	42,512	42,512

Source: Various Utilities Commission departments

Notes: MW = megawatt = 1,000,000 watts

MGD = million gallons per day

MCF = thousand cubic feet = 1,000 cubic feet

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**Greenville
Utilities**

Compliance Section



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*

To 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"), an enterprise fund of the City of Greenville, North Carolina, as of and for the year ended June 30, 2019, 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 14, 2019.

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.

Chemy Bekaert LLP

Raleigh, North Carolina
October 14, 2019



Office of the General Manager/CEO

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