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By SLGFD at 3:08 pm, Nov 24, 2021



# We Are Here For You

Annual Comprehensive Financial Report | Year Ended June 30, 2021



## **Greenville Utilities**

GREENVILLE UTILITIES IS AN ENTERPRISE FUND OF THE CITY OF GREENVILLE, NORTH CAROLINA

Inside Front Cover

# **Greenville Utilities Commission**

of the City of Greenville, North Carolina  
(Enterprise Fund of the City of Greenville, North Carolina)

## **Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2021**

This report was prepared by Greenville Utilities  
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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.

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# **INTRODUCTORY SECTION**

# **Greenville Utilities**

**October 29, 2021**

## **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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021.

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 report of independent auditor (“clean” opinion) on the Utilities Commission’s financial statements for the year ended June 30, 2021. 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 eight percent of the City's total annual General Fund 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 71,359 connections. The Utilities Commission's electric system, measured by number of customers served, is the second largest municipal electric system in the State and the forty-fifth largest in the nation.

The electric system consists of 72 miles of high voltage transmission lines at 115,000 and 34,500 volts, as well as 1,209 miles of overhead distribution lines, 1,796 miles of underground distribution lines at 12,470 volts and 103 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 720 MVA.

The Utilities Commission is a leader in the State of North Carolina in residential load management and has device controls for over 44,000 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 639 miles of lines with 37,801 connections. Raw water is supplied by the Tar River and three 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 14.556 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 1.0 MGD peaking capacity of the supplemental supply from the three deep wells, the total peak day capacity of the water system is 23.5 MGD.

Average daily water use in the fiscal year ended June 30, 2021 was approximately 14.108 MGD, with a maximum daily usage of approximately 17.987 MGD. Approximately 86% of the water system's 37,801 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. The Utilities Commission has wholesale contracts with the neighboring communities of Farmville, Stokes, Winterville, and Greene County. Previously, the Town of Bethel was also a wholesale customer, however, the Utilities Commission recently acquired the Town of Bethel's water and sewer systems and brought over all the Town's customers as retail customers. The Utilities Commission is well-positioned to continue providing water service to all its wholesale and retail customers.

**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. Additionally, the municipality of Grimesland has contracted with the Utilities Commission to treat the wastewater it collects with its own wastewater collection system. Previously, the Town of Bethel was also a wholesale customer. Mandatory connection within the Utilities Commission service area is required by Utilities Commission rules and regulations which are incorporated into the City Code by reference.

The collection system consists of approximately 489 miles of lines with 31,366 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, 2021 was 12.051 million gallons of wastewater with a single day hydraulic maximum of 24.796 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 Protective Materials (formerly DSM Dyneema, Inc.), The Hammock Source, Fuji Silysia, and Mayne Pharma Inc.

## 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 748 miles of pipeline and 485 miles of service lines with 24,162 connections. During the current fiscal year 3,507,569 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. At the end of the original contract term, the agreement automatically renews for additional terms of one year each unless terminated by either party. 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 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.

The Utilities Commission utilizes liquefied natural gas (LNG) as a supply source for peak day natural gas requirements. The utilization of LNG as a natural gas supply for peak day requirements is part of a long-range plan to enhance the natural gas system's reliability, control natural gas costs and offer additional services to the Utilities Commission's customers. The Utilities Commission completed a permanent facility that stores and vaporizes LNG into gas in December 1997. An expansion of that facility, which doubled storage capacity, was substantially completed in the fall of 2001 and enhancements to the security features at the site were completed in 2004. A second expansion, completed in December 2006, doubled the send-out capacity and added redundancy and reliability to the operations of the facility. During fiscal year 2015 two additional storage tanks were installed at the facility bringing the total storage capacity to 330,000 gallons. The volume of LNG stored at the facility would supply our customers for more than a week should our gas supply be cut off due to an emergency.

## LOCAL ECONOMY

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

Locally there are thirteen manufacturing operations that employ 100 or more workers, four that employ 500 or more and several manufacturers that maintain corporate or divisional headquarters in the Utilities Commission's service area. Three non-manufacturing operations located in the area each employ more than 3,500 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 Community College, Pitt County Government, DENSO Manufacturing (formerly ASMO), and Mayne Pharma, Inc. Unemployment rates since 2012 have ranged from a low of 4.9 percent to a high of 10.3 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. The Utilities Commission's strategic plan, branded "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.

The Blueprint renews 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 investments 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

Phase 1 of the Utilities Commission's New Operation Center project was completed in the fall of 2020 at a cost of approximately \$53 million. The second phase of the New Operations Center project includes a fleet maintenance building and an additional parking lot. A capital project of \$7.75 million has been established for the new fleet facility. Construction began in fiscal year 2021 and is expected to be complete by August of 2022.

The Information Technology Department is currently evaluating options to upgrade or replace the Utilities Commission's existing Work and Asset Management system. A capital project has been established for \$3.1 million and it is estimated the work will be complete by the end of 2022.

In pursuit of our mission to be environmentally responsible, the Utilities Commission has a peak-shaving program to reduce electric load during times of heavy use by customers. In conjunction with the peak-shaving program we have installed peak-shaving generators at several local manufacturing facilities to manage load when needed. Many of the generators are near the end of their useful lives and a project costing \$6 million has been established to replace the aging units.

To provide redundancy and load balancing, the Utilities Commission has established a project to extend the 115 kv electrical transmission lines from a substation to a major industrial complex. This project, costing an estimated \$9 million, is expected to be complete in 2023.

The Water Resources Department is increasing the treatment capacity at the water treatment plant (WTP) from 22.5 MGD to 32 MGD. The last plant expansion was completed in 2002 and the utility has continued to experience growth both in customer numbers and system demand. The Water Treatment Plant Expansion project is expected to be complete by the end of 2023 at a cost of approximately \$55 million.

The Utilities Commission recently acquired the Town of Bethel's water and sewer systems. The Utilities Commission has established two capital projects to replace and repair the systems where needed. Both projects are expected to be complete by the end of 2023. The water capital project will analyze the Bethel well for rehabilitation, replace existing 2" galvanized water mains with PVC, add a second connection from Bethel to the Utilities Commission system on the west side of town with a 6-inch loop for redundancy, and replace water meters. The project is estimated to cost \$1.3 million. The sewer capital project will replace the North Pump Station and the Main Pump Station (Headworks) in Bethel, as well as various point repairs to gravity mains and manholes. The project is estimated to cost \$3.4 million.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utilities Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the twelfth 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 annual comprehensive 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 Distinguished Budget Presentation Award to the Utilities Commission for its annual budget for the fiscal year beginning July 1, 2020. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device. This is the fifth consecutive year the Utilities Commission has won this award.

For the tenth consecutive year the Purchasing Section of the Utilities Commission's Finance Department received the Sustained Professional Purchasing Award presented by the Carolinas Association of Governmental Purchasing. The Utilities Commission is one of 14 member agencies in North and South Carolina to receive the award for fiscal year 2020.

Safety is a top priority for the Utilities Commission. Each year, staff from various departments attend the NC Department of Labor (NCDOL) and Greenville-Pitt County Chamber of Commerce's annual Safety Banquet to recognize the Utilities Commission's safety record, along with other local businesses. For some departments, this was the 13th consecutive year earning awards. In all, the Utilities Commission was honored with 16 safety awards in 2020. Gold Level Awards were presented to companies with days

away from work, job transfers, or restricted time rates at least 50% below industry average. Awards at this level went to Administration (13th year), Human Resources (13th year), Wastewater Treatment Plant (13th year), Administration Building (12th year), Customer Relations (7th year), Red Banks Office (6th year), Meter (6th year), the Utilities Commission (the organization, 3rd year), Water Treatment Plant (3rd year), Gas and Utility Locating (2nd year), Electric (1st year), Engineering/Operations Center (1st year), and Finance (1st year). Silver Level Awards were presented to companies with days away from work rates at least 50% below industry average. Awards at this level went to Water Resources (2nd year), Information Technology (1st year), and the Express Office (1st year). The Utilities Commission was also recognized for working three million hours without a lost workday due to injury.

The WTP recently received two awards: the North Carolina Area Wide Optimization Award (AWOP) and the national Partnership for Safe Water Directors Award. This marks the fifth year in a row that the WTP has received the State award. The NC Division of Water Resources has included the Utilities Commission among the 55 out of 149 water treatment plants in the State honored for surpassing federal and state drinking water standards in 2019. The award recognition is a state effort to enhance the performance of existing surface water treatment facilities. The WTP also received the "Directors Award" from the Partnership for Safe Water. This is a program developed by the Environmental Protection Agency and American Water Works Association to guide water suppliers towards improving water quality by optimizing system operations. It is similar in nature to AWOP, but goes a step further with a four-phased approach and a peer review, with Phase IV being the highest level of achievement. The Utilities Commission was the only award recipient from North Carolina this year and the eighth water treatment plant from the State to ever receive this prestigious award.

The Utilities Commission's Public Information Office received two 2020 Excellence in Public Power Communications awards from the American Public Power Association (APPA). The awards were in the Video and Web/Social Media categories. 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 fifth time the Utilities Commission has won an award for website and/or social media efforts, and the third award for video.

The 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. Since fiscal year 2018 the Utilities Commission has held Diamond Level designation, the highest level of designation in the RP3 award program.

The APPA recently recognized the Utilities Commission as a Smart Energy Provider (SEP) for demonstrating commitment to and proficiency in energy efficiency, distributed generation, and environmental initiatives that support a goal of providing low-cost, quality, safe, and reliable electric service. The SEP designation, which lasts for two years recognizes public power utilities for demonstrating leading practices in four key disciplines: smart energy program structure; energy efficiency and distributed energy programs; environmental and sustainability initiatives; and the customer experience. This is the second year APPA has offered the SEP designation. The Utilities Commission joins 27 public power utilities nationwide that received the SEP designation in 2020. In total, 94 public power utilities nationwide hold the SEP designation.

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

Respectfully submitted,

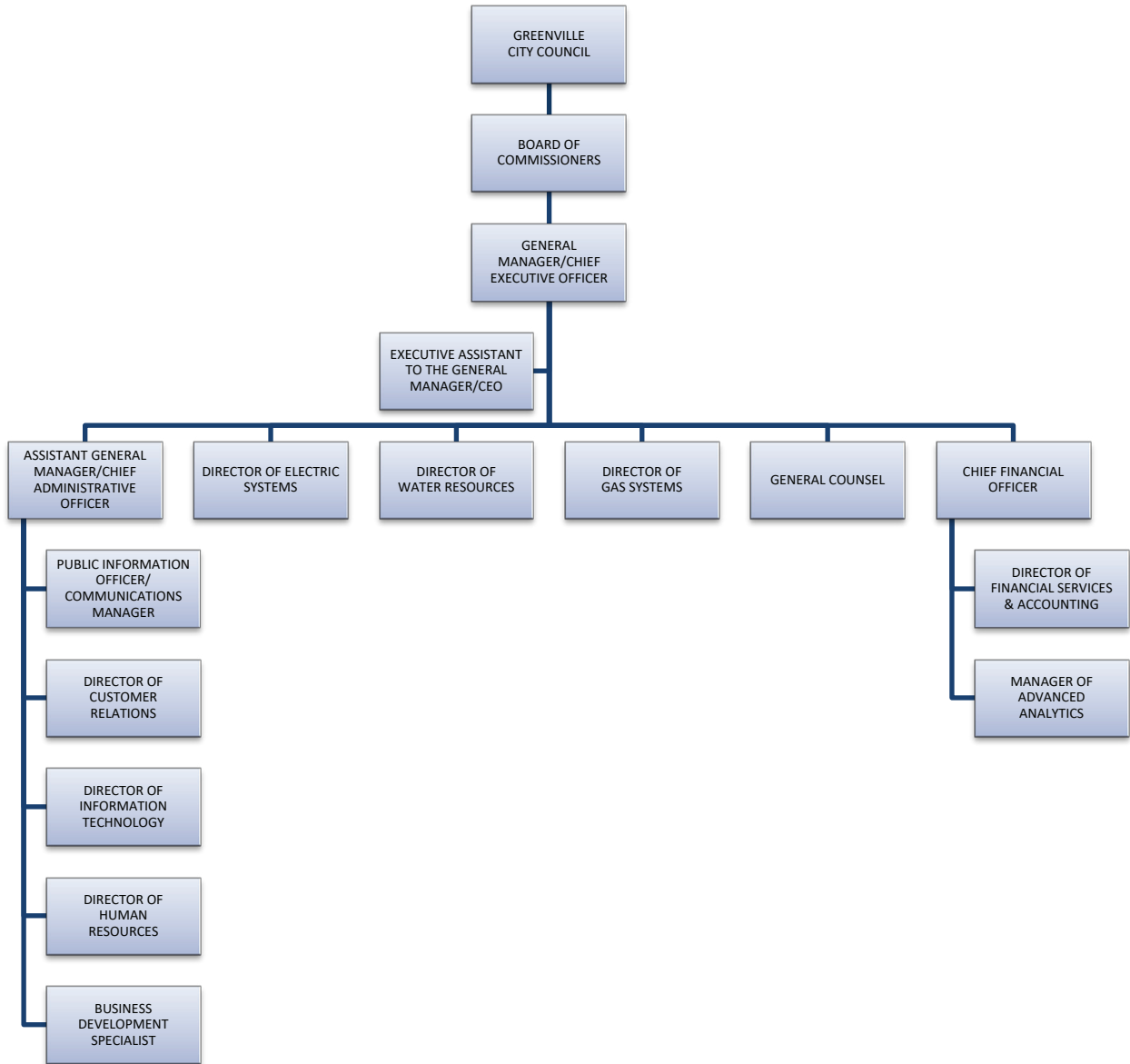


**Anthony C. Cannon**  
General Manager/CEO



**Jeff McCauley**  
Chief Financial Officer

# ORGANIZATIONAL CHART



## APPOINTED OFFICIALS



**Ferrell Blount III, City Manager Ann Wall, Lindsey Griffin, Chair-Elect Minnie Johnson Anderson, Chair Tommy Stoughton, Secretary Kelly L. Darden, Jr., Kristin Braswell, and Peter Geiger.**

### Executive Management



**Anthony C. Cannon**  
General Manager/  
Chief Executive Officer



**Chris Padgett**  
Assistant General Manager/  
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, 2020

*Christopher P. Morill*

Executive Director/CEO



**INDEPENDENT  
AUDITOR'S REPORT**



## 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 each major fund and the aggregate remaining fund information of Greenville Utilities Commission (the "Utilities Commission"), an enterprise fund of the City of Greenville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the 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 Utilities Commission as of June 30, 2021, 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.

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**Emphasis of Matter*****Nature of Reporting Entity***

As discussed in Note 1, the financial statements referred to above present only the Utilities Commission and do not purport to, and do not present fairly the financial position of the City of Greenville, North Carolina, as of June 30, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Change in Accounting Principles***

As discussed in Note 8 to the financial statements, the Utilities Commission adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the fiscal year ended June 30, 2021. As a result, net position for the custodial funds as of June 30, 2020 has been restated. Our opinion is not modified with respect to this matter.

**OTHER MATTERS*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information other than management's discussion and analysis, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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 Utilities Commission's financial statements. The introductory section, individual fund balances and statements, other schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund balances and statements and other schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the 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 29, 2021, on our consideration of the Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the Utilities Commission's 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 considering the Utilities Commission's internal control over financial reporting and compliance.

Cheryl Bekaert LLP

Raleigh, North Carolina  
October 29, 2021

**MANAGEMENT'S  
DISCUSSION  
AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Greenville Utilities Commission (Utilities Commission), an enterprise fund of the City of Greenville, North Carolina, 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, 2021. 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 \$417,526,844 (net position). Of this amount, \$112,171,233 (unrestricted net position) may be used to meet the Commission's ongoing obligations to its customers and creditors.
- Operating revenues increased by \$7,884,127 or 3.2% primarily due to higher volumes delivered to customers in the electric and gas funds.
- Total revenues and contributions increased by \$1,736,159 or 0.7%.
- Interest revenues decreased by \$3,542,244 due to lower cash balances available for investments combined with lower interest rates on investments.
- The Utilities Commission's total net position increased by \$8,595,631 primarily due to positive operating income.
- The Utilities Commission's total debt increased by \$10,684,504 (6.5%) during the current fiscal year. The key factor in this increase was the issuance of \$43,915,203 and the net increase in discounts and premiums totaling \$5,323,331, which exceeded the retirement of \$38,554,030 of existing debt.
- The Utilities Commission maintains a bond rating of AA- with a stable outlook from Fitch Ratings and 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 two components: (1) individual fund financial statements, and (2) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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. 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 proprietary fund financial statements 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 three fiduciary funds, one of which is an Other Postemployment Benefits (OPEB) trust fund, and two of which are custodial funds.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the 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 postemployment benefits to its employees.

## Commission-Wide Financial Analysis

### Greenville Utilities Commission Net Position

	2021	2020
Current and other assets	\$ 198,851,406	\$ 205,785,397
Capital assets	473,453,517	442,606,469
<b>Total assets</b>	<b>672,304,923</b>	<b>648,391,866</b>
<b>Deferred outflows of resources</b>	<b>23,994,754</b>	<b>23,774,397</b>
Current liabilities	37,028,183	35,308,144
Non-current liabilities	216,922,336	223,290,589
<b>Total liabilities</b>	<b>253,950,519</b>	<b>258,598,733</b>
<b>Deferred inflows of resources</b>	<b>24,822,314</b>	<b>4,636,317</b>
<b>Net position:</b>		
Net investment in capital assets	305,355,611	293,506,210
Unrestricted	112,171,233	115,425,003
<b>Total net position</b>	<b>\$ 417,526,844</b>	<b>\$ 408,931,213</b>

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 \$417,526,844 as of June 30, 2021. The Utilities Commission's net position increased by \$8,595,631 during the fiscal year ended June 30, 2021.

The largest portion of the Utilities Commission's net position (73.1%) 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 (\$112,171,233) may be used to meet the Utilities Commission's ongoing obligations to citizens and creditors. This balance decreased \$3,253,770 primarily due to increases in interest expense and decreases in capital contributions.

The \$8,595,631 increase in net position is primarily due to the increase in operating revenues.

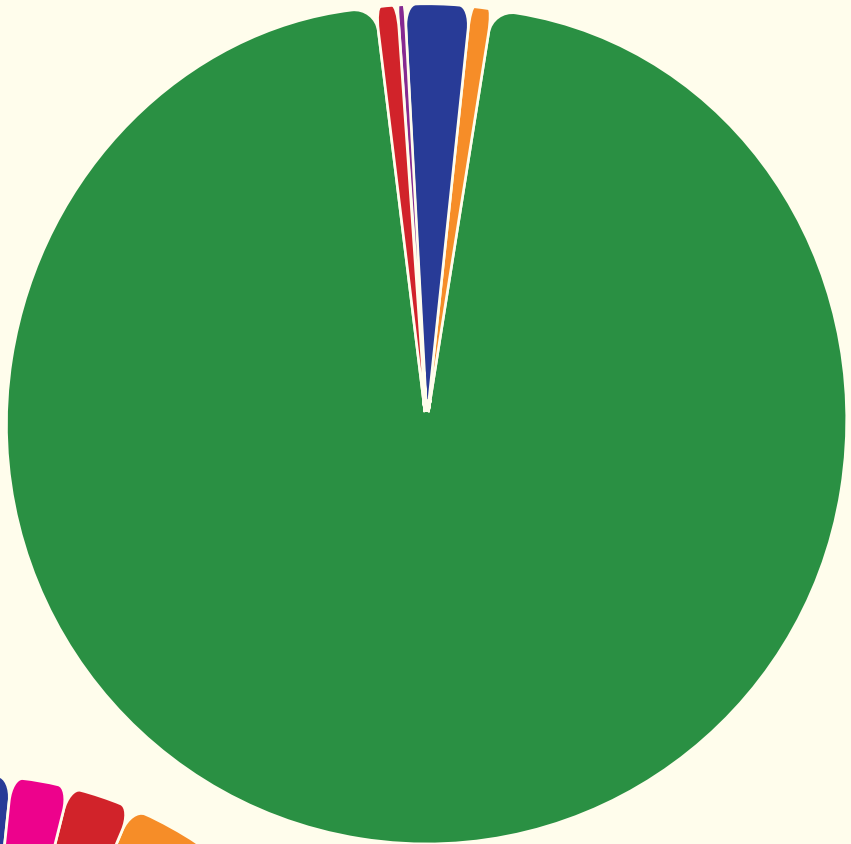
### Greenville Utilities Commission Changes in Net Position

	2021	2020
<b>Revenues:</b>		
Operating revenues:		
Charges for services	\$ 254,249,501	\$ 248,349,547
Other operating revenues	2,807,704	823,531
Non-operating revenues:		
Interest income	473,948	4,016,192
Other non-operating revenues	3,548,933	2,752,511
<b>Total revenues</b>	<b>261,080,086</b>	<b>255,941,781</b>
<b>Expenses:</b>		
Operating expenses		
Operating expenses	241,712,694	235,068,322
Non-operating expenses	6,397,750	5,271,862
<b>Total expenses</b>	<b>248,110,444</b>	<b>240,340,184</b>
Increase in net position before contributions and transfers	12,969,642	15,601,597
Contributions	2,126,130	5,528,276
Transfers	(6,500,141)	(6,654,726)
<b>Increase in net position</b>	<b>8,595,631</b>	<b>14,475,147</b>
Net position, July 1	408,931,213	394,456,066
<b>Net position, June 30</b>	<b>\$ 417,526,844</b>	<b>\$ 408,931,213</b>



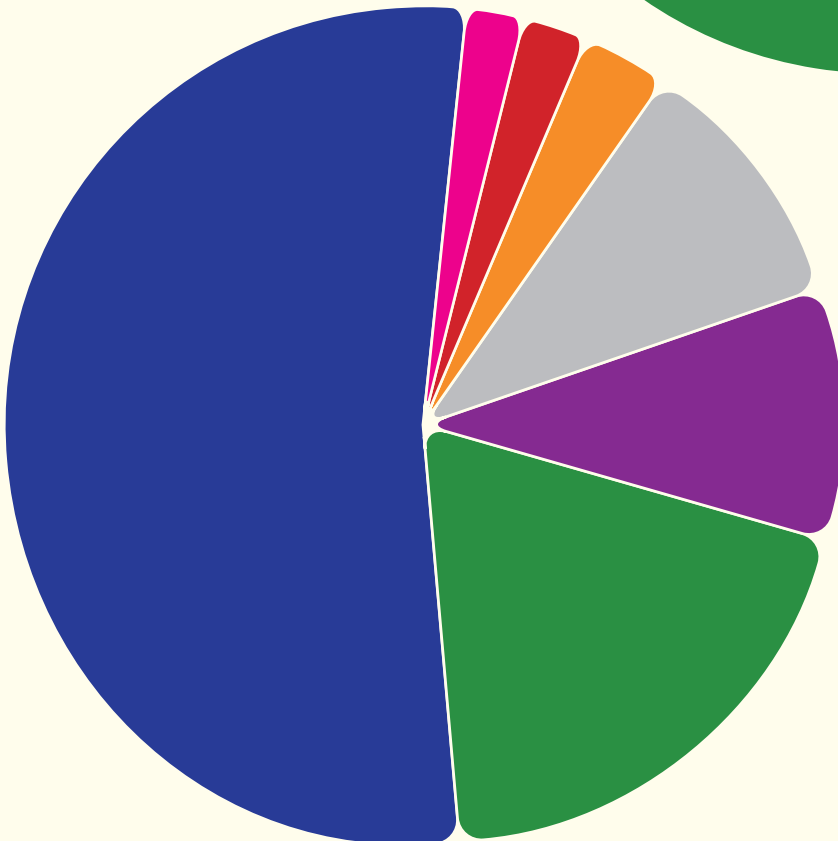
**SOURCES OF REVENUES**

- Fees and Charges: 1.1%**
- Interest: 0.2%**
- Other: 2.4%**
- Capital Contributions: 0.8%**
- Rates and Charges: 95.5%**



**USES OF REVENUES**

- Interest: 2.4%**
- Transfers to the City: 2.5%**
- Reinvested in Net Position: 3.2%**
- Depreciation: 10.0%**
- Administration and General: 9.9%**
- Operations and Maintenance: 19.0%**
- Purchased Power and Gas: 53.0%**



Charges for services increased by \$5,899,954 or 2.4%, primarily due to higher volumes delivered to customers in the electric and gas funds. 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 \$8,595,631. Net position at the end of the fiscal year for the Electric Fund was \$159,031,137, \$82,292,797 for the Water Fund, \$121,473,659 for the Sewer Fund, and \$54,729,251 for the Gas Fund.

## Capital Assets and Debt Administration

**Capital assets** – The Utilities Commission's investment in capital assets as of June 30, 2021 totals \$473,453,517 (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 7.0% 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 \$15,395,457
- Electric transmission line extensions and improvements totaling \$1,355,169
- Electric substation improvements totaling \$3,702,316
- Electric battery storage pilot program totaling \$896,580
- Electric peak shaving generators replacements totaling \$316,650
- Electric overhead distribution lines extensions and improvements totaling \$2,068,018
- Electric underground distribution lines extensions and improvements totaling \$4,844,953
- Electric street and area light installations and replacements totaling \$1,216,515
- Water treatment plant improvements totaling \$19,453,396
- Water mains and services improvements and extensions totaling \$1,073,954
- Wastewater treatment plant improvements totaling \$1,641,181
- Sewer pumping stations improvements totaling \$747,916
- Sewer main extensions and improvements totaling \$1,322,854
- Natural gas main improvements and extensions totaling \$1,052,125
- Natural gas distribution services improvements totaling \$391,089

## Greenville Utilities Commission Capital Assets (net of depreciation)

	2021	2020
Land	\$ 8,546,447	\$ 8,546,447
Easements	640,937	584,662
Land improvements	1,917,143	1,874,575
General plant	57,725,509	5,501,259
Utility plant	96,799,328	98,936,819
Computer software	16,279,291	17,456,461
Vehicles and equipment	4,605,855	4,095,371
Distribution systems	230,272,317	225,163,727
Transmission system	18,858,494	20,304,846
Computer hardware	719,216	803,344
Fiber optics	802,218	851,317
Construction in progress	36,286,762	58,487,641
<b>Total capital assets</b>	<b>\$ 473,453,517</b>	<b>\$ 442,606,469</b>

**Long-term debt** – At the end of the current fiscal year, the Utilities Commission had total debt outstanding of \$174,602,613. 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

	2021	2020
Direct placement revenue bonds	\$ 1,210,000	\$ 6,185,000
Public sales revenue bonds	132,690,000	107,760,001
Loans	20,191,816	34,785,641
Unamortized bond discount/premium	20,510,797	15,187,467
<b>Total outstanding debt</b>	<b>\$ 174,602,613</b>	<b>\$ 163,918,109</b>

Of the total debt, \$7,019,272 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 11th largest city in North Carolina. The Utilities Commission serves approximately 75% of the county and the service area continues to expand. New customer accounts added during the year were more than fourteen percent higher than new accounts added the previous year reflecting new construction and growth in the local economy. The Utilities Commission's budget for fiscal year 2022 was developed anticipating continuing customer growth, a vibrant local economy, and a mix of residential, commercial, and industrial customers.

### Requests for Information

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

# **BASIC FINANCIAL STATEMENTS**

## Exhibit 1. Statement of Net Position | June 30, 2021

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
<b>Assets</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 50,641,660	\$ 9,342,241	\$ 14,143,510	\$ 19,530,442	\$ 93,657,853
Accounts receivable, net	17,523,224	2,369,527	2,546,872	1,882,442	24,322,065
Due from other governments	1,171,011	427,431	279,933	207,006	2,085,381
Inventories	7,528,903	1,030,317	256,655	915,629	9,731,504
Prepaid expenses and deposits	329,341	27,037	39,426	46,429	442,233
Restricted cash and cash equivalents	3,576,347	1,565,908	825,511	489,906	6,457,672
<b>Total current assets</b>	<b>80,770,486</b>	<b>14,762,461</b>	<b>18,091,907</b>	<b>23,071,854</b>	<b>136,696,708</b>
<b>Non-current assets:</b>					
<b>Restricted assets:</b>					
<b>Restricted cash and cash equivalents:</b>					
Bond proceeds	32,153	3,219,056	1,891,434	188,196	5,330,839
System development fees	-	1,066,322	1,168,752	-	2,235,074
<b>Total restricted cash and cash equivalents</b>	<b>32,153</b>	<b>4,285,378</b>	<b>3,060,186</b>	<b>188,196</b>	<b>7,565,913</b>
<b>Total restricted assets</b>	<b>32,153</b>	<b>4,285,378</b>	<b>3,060,186</b>	<b>188,196</b>	<b>7,565,913</b>
Investments	29,462,748	5,928,260	8,135,225	10,880,453	54,406,686
Notes receivable	-	182,099	-	-	182,099
<b>Capital assets:</b>					
Land, easements and construction in progress	10,238,853	27,234,853	5,430,772	2,569,668	45,474,146
Other capital assets, net of depreciation	141,327,934	88,252,861	149,872,222	48,526,354	427,979,371
<b>Total capital assets</b>	<b>151,566,787</b>	<b>115,487,714</b>	<b>155,302,994</b>	<b>51,096,022</b>	<b>473,453,517</b>
<b>Total non-current assets</b>	<b>181,061,688</b>	<b>125,883,451</b>	<b>166,498,405</b>	<b>62,164,671</b>	<b>535,608,215</b>
<b>Total Assets</b>	<b>261,832,174</b>	<b>140,645,912</b>	<b>184,590,312</b>	<b>85,236,525</b>	<b>672,304,923</b>
<b>Deferred Outflows of Resources</b>					
Pension deferrals	3,586,078	1,924,237	1,836,772	1,399,446	8,746,533
OPEB deferrals	5,770,484	3,096,358	2,955,615	2,251,896	14,074,353
Unamortized bond refunding charges	242,573	461,769	436,538	32,988	1,173,868
<b>Total deferred outflows of resources</b>	<b>9,599,135</b>	<b>5,482,364</b>	<b>5,228,925</b>	<b>3,684,330</b>	<b>23,994,754</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	15,057,513	2,612,600	935,380	1,586,276	20,191,769
Customer deposits payable from restricted assets	3,576,347	1,565,908	825,511	489,906	6,457,672
Accrued interest payable	766,706	286,034	408,360	228,249	1,689,349
Due to City of Greenville	86,334	8,626	6,909	2,224	104,093
Unearned revenue	-	18,600	10,080	-	28,680
Current portion of compensated absences	661,979	320,742	292,225	262,402	1,537,348
Current maturities of long-term debt	2,005,166	1,313,591	2,906,481	794,034	7,019,272
<b>Total current liabilities</b>	<b>22,154,045</b>	<b>6,126,101</b>	<b>5,384,946</b>	<b>3,363,091</b>	<b>37,028,183</b>
<b>Non-current liabilities:</b>					
Compensated absences	575,502	308,154	288,631	299,552	1,471,839
Long-term debt, excluding current portion	59,867,943	41,409,541	47,407,213	18,898,644	167,583,341
Net OPEB liability	13,180,538	7,072,485	6,751,008	5,143,625	32,147,656
Net pension liability	6,444,994	3,458,290	3,301,095	2,515,121	15,719,500
<b>Total non-current liabilities</b>	<b>80,068,977</b>	<b>52,248,470</b>	<b>57,747,947</b>	<b>26,856,942</b>	<b>216,922,336</b>
<b>Total liabilities</b>	<b>102,223,022</b>	<b>58,374,571</b>	<b>63,132,893</b>	<b>30,220,033</b>	<b>253,950,519</b>
<b>Deferred Inflows of Resources</b>					
Pension deferrals	51,097	27,417	26,171	19,940	124,625
OPEB deferrals	10,126,053	5,433,491	5,186,514	3,951,631	24,697,689
<b>Total deferred inflows of resources</b>	<b>10,177,150</b>	<b>5,460,908</b>	<b>5,212,685</b>	<b>3,971,571</b>	<b>24,822,314</b>
<b>Net Position</b>					
Net investment in capital assets	89,968,404	76,445,407	107,317,272	31,624,528	305,355,611
Unrestricted	69,062,733	5,847,390	14,156,387	23,104,723	112,171,233
<b>Total net position</b>	<b>\$ 159,031,137</b>	<b>\$ 82,292,797</b>	<b>\$ 121,473,659</b>	<b>\$ 54,729,251</b>	<b>\$ 417,526,844</b>

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, 2021

	Major Funds				Total
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	
<b>Operating revenues:</b>					
Charges for services	\$ 173,379,180	\$ 23,315,158	\$ 24,319,612	\$ 33,235,551	\$ 254,249,501
Other operating revenues	2,453,795	81,265	200,140	72,504	2,807,704
<b>Total operating revenues</b>	<b>175,832,975</b>	<b>23,396,423</b>	<b>24,519,752</b>	<b>33,308,055</b>	<b>257,057,205</b>
<b>Operating expenses:</b>					
Administration and general	13,332,258	4,370,559	4,278,005	4,132,349	26,113,171
Operations and maintenance	17,713,684	13,388,199	12,470,270	6,388,553	49,960,706
Purchased power and gas	123,958,173	-	-	15,482,952	139,441,125
Depreciation	11,998,783	4,458,059	7,028,108	2,712,742	26,197,692
<b>Total operating expenses</b>	<b>167,002,898</b>	<b>22,216,817</b>	<b>23,776,383</b>	<b>28,716,596</b>	<b>241,712,694</b>
<b>Operating income</b>	<b>8,830,077</b>	<b>1,179,606</b>	<b>743,369</b>	<b>4,591,459</b>	<b>15,344,511</b>
<b>Non-operating revenues (expenses):</b>					
Interest income	272,783	46,661	75,498	79,006	473,948
Interest expense and service charges	(2,201,021)	(1,697,817)	(1,799,510)	(699,402)	(6,397,750)
Other non-operating revenues	2,313,856	519,126	480,522	235,429	3,548,933
<b>Net non-operating revenues (expenses)</b>	<b>385,618</b>	<b>(1,132,030)</b>	<b>(1,243,490)</b>	<b>(384,967)</b>	<b>(2,374,869)</b>
<b>Income before contributions and transfers</b>	<b>9,215,695</b>	<b>47,576</b>	<b>(500,121)</b>	<b>4,206,492</b>	<b>12,969,642</b>
<b>Contributions and transfers:</b>					
Capital contributions	93,750	637,195	1,395,185	-	2,126,130
Transfer to City of Greenville, General Fund	(3,876,969)	-	-	(1,665,149)	(5,542,118)
Transfer to City of Greenville, street lighting reimbursement	(958,023)	-	-	-	(958,023)
<b>Total contributions and transfers</b>	<b>(4,741,242)</b>	<b>637,195</b>	<b>1,395,185</b>	<b>(1,665,149)</b>	<b>(4,374,011)</b>
<b>Changes in net position</b>	<b>4,474,453</b>	<b>684,771</b>	<b>895,064</b>	<b>2,541,343</b>	<b>8,595,631</b>
<b>Net position, beginning of year</b>	<b>154,556,684</b>	<b>81,608,026</b>	<b>120,578,595</b>	<b>52,187,908</b>	<b>408,931,213</b>
<b>Net position, end of year</b>	<b>\$ 159,031,137</b>	<b>\$ 82,292,797</b>	<b>\$ 121,473,659</b>	<b>\$ 54,729,251</b>	<b>\$ 417,526,844</b>

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

## Exhibit 3. Statement of Cash Flows | For the Year Ended June 30, 2021

	Major Funds				
	Electric Fund	Water Fund	Sewer Fund	Gas Fund	Total
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 176,904,010	\$ 24,268,166	\$ 25,326,251	\$ 33,305,759	\$ 259,804,186
Other operating receipts	2,143,054	81,939	144,927	221,119	2,591,039
Payments for goods and services	(142,412,999)	(10,865,948)	(10,064,050)	(20,202,975)	(183,545,972)
Payments to employees	(12,724,184)	(6,576,718)	(6,422,470)	(5,461,623)	(31,184,995)
Payments received on loans	-	43,887	-	-	43,887
<b>Net cash provided by operating activities</b>	<b>23,909,881</b>	<b>6,951,326</b>	<b>8,984,658</b>	<b>7,862,280</b>	<b>47,708,145</b>
<b>Cash flows from noncapital financing activities:</b>					
Transfers to City of Greenville, General Fund	(4,829,449)	-	-	(1,665,149)	(6,494,598)
Noncapital contributions	236,613	27,687	53,823	24,226	342,349
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(4,592,836)</b>	<b>27,687</b>	<b>53,823</b>	<b>(1,640,923)</b>	<b>(6,152,249)</b>
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from issuance of debt	2,649,975	20,774,991	25,781,993	637,336	49,844,295
Capital grants/cash capital contributions	93,750	-	200,000	-	293,750
Capital related receipts from customers	-	299,078	315,060	-	614,138
Principal payments on debt obligations	(2,047,265)	(1,455,837)	(3,681,674)	(844,586)	(8,029,362)
Debt refunded	(2,619,898)	(2,920,635)	(24,354,033)	(630,102)	(30,524,668)
Debt issuance costs	(24,344)	(848,350)	(225,202)	(5,852)	(1,103,748)
Acquisition and construction of capital assets	(22,986,060)	(20,873,419)	(6,758,658)	(4,459,024)	(55,077,161)
Payment of interest and service charges on debt obligations	(2,341,880)	(914,816)	(1,629,340)	(744,365)	(5,630,401)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(27,275,722)</b>	<b>(5,938,988)</b>	<b>(10,351,854)</b>	<b>(6,046,593)</b>	<b>(49,613,157)</b>
<b>Cash flows from investing activities:</b>					
Purchase of investments	(25,792,675)	(5,189,797)	(7,121,848)	(9,525,112)	(47,629,432)
Proceeds from sale and maturity of investments	29,968,402	5,001,403	8,065,890	10,031,674	53,067,369
Interest received on investments	628,214	115,847	173,166	207,918	1,125,145
<b>Net cash provided (used) by investing activities</b>	<b>4,803,941</b>	<b>(72,547)</b>	<b>1,117,208</b>	<b>714,480</b>	<b>6,563,082</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,154,736)</b>	<b>967,478</b>	<b>(196,165)</b>	<b>889,244</b>	<b>(1,494,179)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>57,404,896</b>	<b>14,226,049</b>	<b>18,225,372</b>	<b>19,319,300</b>	<b>109,175,617</b>
<b>Cash and cash equivalents, end of year</b>	<b>54,250,160</b>	<b>15,193,527</b>	<b>18,029,207</b>	<b>20,208,544</b>	<b>107,681,438</b>
<b>Other disclosures:</b>					
<b>Interest incurred</b>	<b>2,331,190</b>	<b>920,064</b>	<b>1,645,904</b>	<b>738,409</b>	<b>5,635,567</b>
<b>Interest paid</b>	<b>2,341,880</b>	<b>914,816</b>	<b>1,629,340</b>	<b>744,365</b>	<b>5,630,401</b>
<b>Contributions of capital assets</b>	<b>-</b>	<b>637,195</b>	<b>1,195,185</b>	<b>-</b>	<b>1,832,380</b>
<b>Change in unrealized gain/loss on investments</b>	<b>(363,080)</b>	<b>(56,342)</b>	<b>(96,858)</b>	<b>(117,257)</b>	<b>(633,537)</b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income	8,830,077	1,179,606	743,369	4,591,459	15,344,511
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation	11,998,783	4,458,059	7,028,108	2,712,742	26,197,692
Changes in deferrals					
Deferred outflows of resources for pensions	(556,765)	(298,752)	(285,173)	(217,275)	(1,357,965)
Deferred outflows of resources for OPEB	358,100	192,151	183,417	139,746	873,414
Deferred inflows of resources for pensions	12,814	6,875	6,563	5,000	31,252
Deferred inflows of resources for OPEB	8,263,446	4,434,044	4,232,496	3,224,759	20,154,745
Changes in assets and liabilities					
Accounts receivable	724,465	108,603	16,374	(31,114)	818,328
Notes receivable	-	43,887	-	-	43,887
Due from other governments	165,397	(99,899)	69,931	6,230	141,659
Inventories	(1,092,475)	(116,505)	(35,208)	(197,314)	(1,441,502)
Prepaid expenses and deposits	(151,051)	(12,966)	(25,465)	(22,210)	(211,692)
Accounts payable and accrued expenses	528,686	144,899	30,469	334,896	1,038,950
Customer deposits	246,984	790,628	824,042	32,504	1,894,158
Due to City of Greenville	4,691	7,894	5,909	1,999	20,493
Compensated absences	190,389	85,278	87,990	70,979	434,636
Unearned Revenue	-	(38,010)	(70,560)	-	(108,570)
Net pension liability	1,417,304	760,505	725,937	553,096	3,456,842
Net OPEB liability	(9,108,206)	(4,887,330)	(4,665,178)	(3,554,421)	(22,215,135)
Miscellaneous income (expense)	2,077,242	192,359	111,637	211,204	2,592,442
<b>Total adjustments</b>	<b>15,079,804</b>	<b>5,771,720</b>	<b>8,241,289</b>	<b>3,270,821</b>	<b>32,363,634</b>
<b>Net cash provided by operating activities</b>	<b>\$ 23,909,881</b>	<b>\$ 6,951,326</b>	<b>\$ 8,984,658</b>	<b>\$ 7,862,280</b>	<b>\$ 47,708,145</b>

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

## Exhibit 4. Statement of Fiduciary Net Position | June 30, 2021

OPEB Trust Fund Custodial Funds		
<b>Assets</b>		
Cash and cash equivalents	\$ 1,541,096	\$ 1,296,068
Accounts receivable, net	-	877,337
Investments at fair value	5,463,954	-
<b>Total assets</b>	<b>7,005,050</b>	<b>2,173,405</b>
<b>Liabilities</b>		
Accounts payable	-	1,296,068
<b>Total liabilities</b>	<b>-</b>	<b>1,296,068</b>
<b>Net Position</b>		
<b>Restricted for:</b>		
Postemployment benefits other than pensions	7,005,050	-
The City of Greenville	-	877,337
<b>Total fiduciary net position</b>	<b>\$ 7,005,050</b>	<b>\$ 877,337</b>

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, 2021

	OPEB Trust Fund	Custodial Funds
<b>Additions</b>		
<b>Contributions:</b>		
Employer contributions	\$ 2,315,244	\$ -
<b>Total contributions</b>	<b>2,315,244</b>	<b>-</b>
<b>Investment earnings:</b>		
Interest	31,571	-
Net increase/(decrease) in the fair value of investments	1,217,018	-
<b>Total investment earnings</b>	<b>1,248,589</b>	<b>-</b>
Less investment expense	609	-
<b>Net investment income</b>	<b>1,247,980</b>	<b>-</b>
Refuse fees collected for the City of Greenville	-	8,065,857
Stormwater fees collected for the City of Greenville	-	6,133,454
<b>Total additions</b>	<b>3,563,224</b>	<b>14,199,311</b>
<b>Deductions</b>		
Benefits paid to participants or beneficiaries	1,815,244	-
Refuse fees distributed to the City of Greenville	-	8,147,065
Stormwater fees distributed to the City of Greenville	-	6,190,792
<b>Total deductions</b>	<b>1,815,244</b>	<b>14,337,857</b>
<b>Change in net position</b>	<b>1,747,980</b>	<b>(138,546)</b>
<b>Net position, beginning of year, as previously reported</b>	<b>5,257,070</b>	<b>-</b>
<b>Prior period restatement</b>	<b>-</b>	<b>1,015,883</b>
<b>Net position, beginning of year, as restated</b>	<b>5,257,070</b>	<b>1,015,883</b>
<b>Net position, end of year</b>	<b>\$ 7,005,050</b>	<b>\$ 877,337</b>

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

**NOTES TO THE  
FINANCIAL  
DOCUMENTS**

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

The accounting policies of the Greenville Utilities Commission (Utilities Commission), an enterprise fund of the City of Greenville, North Carolina, 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 Annual Comprehensive 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

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.

**Custodial Funds.** Custodial funds are used to account for assets the Utilities Commission holds on behalf of others. The Utilities Commission maintains two custodial 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.

**Proprietary, and Fiduciary Fund Financial Statements.** The proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting and the economic resources 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, 2021, 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.

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 \$32.24591 per share at June 30, 2021.

### **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.

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	\$ 6,457,672
Unexpended bond proceeds	5,330,839
Unexpended system development fees	2,235,074
<b>Total</b>	<b>\$ 14,023,585</b>

## Allowance for Doubtful Accounts

Receivables are shown net of an allowance for doubtful accounts. The allowance for uncollectible accounts receivable 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 provides allowances for uncollectible receivables for all balances outstanding more than 150 days.

## Inventories and Prepaid Expenses

Inventories of materials, supplies and natural gas stored for future resale are reported at the lower of cost (weighted-average) or market. 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 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:

<b>Land improvements</b>	10 years
<b>General plant</b>	10 to 33 years
<b>Utility plant</b>	5 to 33 years
<b>Computer software</b>	3 to 15 years
<b>Vehicles and equipment</b>	3 to 20 years
<b>Distribution systems</b>	10 to 50 years
<b>Transmission systems</b>	20 to 25 years
<b>Computer hardware</b>	5 years
<b>Fiber optics</b>	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 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 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, 2021, the Utilities Commission's deposits had a carrying amount of \$102,392,641 and a bank balance of \$104,349,658. Of the bank balance, \$3,013,620 was covered by Federal depository insurance, and \$101,336,038 was covered by collateral held under the pooling method. The Utilities Commission's deposits include checking accounts, savings accounts, money market accounts and \$5,187,695 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, 2021, consisted of various petty cash funds totaling \$5,800.



## Investments

At June 30, 2021, 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	\$ 5,187,695	\$ 5,187,695	\$ -	\$ -
US Government Agencies	Fair Value-Level 1	5,743,263	-	-	5,743,263
US Treasury Bills	Fair Value-Level 1	1,999,580	1,999,580	-	-
US Treasury Notes	Fair Value-Level 1	41,476,147	17,458,992	15,087,664	-
NC Capital Management Trust - Government Portfolios	Fair Value-Level 1	11,766,761	11,766,761	-	8,929,511
<b>Totals</b>		<b>\$ 66,173,446</b>	<b>\$ 36,413,028</b>	<b>\$ 15,087,644</b>	<b>\$ 14,672,774</b>

\* Because the NC Capital Management Trust Government 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 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, 2021, the Utilities Commission OPEB Trust had \$7,005,050 invested in the State Treasurer's Ancillary Governmental Participant investment Program (AGPIP). The AGPIP, which was authorized by State law, may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the Utilities Commission's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 22%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 14% and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 64% (the equities were split with 58.82% in domestic securities and 41.18% 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, 2021, 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 8.34 years at June 30, 2021.

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, 2021, the fair value of the funds was \$32.245912 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 AGPIP 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.

**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:

	2021
Cash	\$ 97,204,946
Petty Cash	5,800
Investments	66,173,446
Investments - OPEB Trust Fund	7,005,050
<b>Total</b>	<b>\$ 170,389,242</b>

## Totals per Statement of Net Position:

<b>2021</b>	
Cash and cash equivalents - unrestricted	\$ 93,657,853
Restricted cash and cash equivalents	6,457,672
Restricted cash and cash equivalents - non-current	7,565,913
Investments - non-current	54,406,686
Cash and investments - OPEB Trust Fund	7,005,050
Cash and cash equivalents - Custodial Funds	1,296,068
<b>Total</b>	<b>\$ 170,389,242</b>

**Receivables**

Receivables at June 30, 2021, were as follows:

<b>2021</b>	
Billed customer accounts	\$ 18,521,366
Estimated unbilled customer services	12,198,960
Other receivables	481,849
<b>Total accounts receivable</b>	<b>31,202,175</b>
Allowance for uncollectible accounts	(6,880,110)
<b>Net accounts receivable</b>	<b>\$ 24,322,065</b>

The due from other governments that is owed to the Utilities Commission at June 30, 2021, consists of the following:

<b>2021</b>	
Sales tax refund	\$ 2,080,067
Utilities sales tax refund	5,314
<b>Total due from other governments</b>	<b>\$ 2,085,381</b>

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 \$182,099 payable in monthly installments for 15 years at a 5.25% interest rate.

## Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 8,546,447	\$ -	\$ -	\$ -	\$ 8,546,447
Easements	584,662	56,275	-	-	640,937
Construction in progress	58,487,641	39,239,818	-	(61,440,697)	36,286,762
<b>Total capital assets not being depreciated:</b>	<b>67,618,750</b>	<b>39,296,093</b>	<b>-</b>	<b>(61,440,697)</b>	<b>45,474,146</b>
<b>Capital assets being depreciated:</b>					
Land improvements	3,562,298	219,632	-	-	3,781,930
General plant	13,368,010	365,836	-	54,009,356	67,743,202
Utility plant	179,576,949	2,256,530	-	908,228	182,741,707
Computer software	33,003,818	651,208	-	-	33,655,026
Vehicles and equipment	29,822,570	2,443,814	(602,866)	-	31,663,518
Distribution systems	491,117,517	11,515,041	-	6,523,113	509,155,671
Transmission systems	46,944,592	51,863	-	-	46,996,455
Computer hardware	4,319,566	198,473	-	-	4,518,039
Fiber optics	2,432,122	71,870	-	-	2,503,992
<b>Total capital assets being depreciated:</b>	<b>804,147,442</b>	<b>17,774,267</b>	<b>(602,866)</b>	<b>61,440,697</b>	<b>882,759,540</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	1,687,723	177,064	-	-	1,864,787
General plant	7,866,751	2,150,942	-	-	10,017,693
Utility plant	80,640,130	5,302,249	-	-	85,942,379
Computer software	15,547,357	1,828,378	-	-	17,375,735
Vehicles and equipment	25,727,199	1,907,710	(577,246)	-	27,057,663
Distribution systems	265,953,790	12,929,564	-	-	278,883,354
Transmission systems	26,639,746	1,498,215	-	-	28,137,961
Computer hardware	3,516,222	282,601	-	-	3,798,823
Fiber optics	1,580,805	120,969	-	-	1,701,774
<b>Total accumulated depreciation</b>	<b>429,159,723</b>	<b>26,197,692</b>	<b>(577,246)</b>	<b>-</b>	<b>454,780,169</b>
<b>Total capital assets being depreciated, net</b>	<b>374,987,719</b>				<b>427,979,371</b>
<b>Net Capital Assets</b>	<b>\$ 442,606,469</b>				<b>\$ 473,453,517</b>

Depreciation expense is charged to the Electric, Water, Sewer, and Gas Funds. Amounts charged to the four funds for the year ended June 30, 2021, totaled \$11,998,783, \$4,458,059, \$7,028,108, and \$2,712,742, respectively.

Capital asset activity by fund for the year ended June 30, 2021, was as follows:

### Electric Fund

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 3,406,415	\$ -	\$ -	\$ -	\$ 3,406,415
Easements	403,492	-	-	-	403,492
Construction in progress	28,112,630	12,620,774	-	(34,304,458)	6,428,946
<b>Total capital assets not being depreciated:</b>	<b>31,922,537</b>	<b>12,620,774</b>	<b>-</b>	<b>(34,304,458)</b>	<b>10,238,853</b>
<b>Capital assets being depreciated:</b>					
Land improvements	394,368	120,797	-	-	515,165
General plant	5,775,606	136,410	-	28,500,823	34,412,839
Computer software	16,599,802	102,620	-	-	16,702,422
Vehicles and equipment	14,193,617	1,235,014	(209,177)	(8,157)	15,211,297
Distribution systems	228,039,767	8,528,611	-	5,803,635	242,372,013
Transmission systems	46,944,592	51,863	-	-	46,996,455
Computer hardware	3,375,795	139,848	-	-	3,515,643
Fiber optics	1,808,357	17,967	-	-	1,826,324
<b>Total capital assets being depreciated:</b>	<b>317,131,904</b>	<b>10,333,130</b>	<b>(209,177)</b>	<b>34,296,301</b>	<b>361,552,158</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	261,921	31,322	-	-	293,243
General plant	3,857,736	1,083,372	-	-	4,941,108
Computer software	7,832,924	882,208	-	-	8,715,132
Vehicles and equipment	12,070,871	1,009,118	(209,177)	(8,157)	12,862,655
Distribution systems	153,795,813	7,183,746	-	-	160,979,559
Transmission systems	26,639,746	1,498,215	-	-	28,137,961
Computer hardware	2,743,142	219,486	-	-	2,962,628
Fiber optics	1,240,622	91,316	-	-	1,331,938
<b>Total accumulated depreciation</b>	<b>208,442,775</b>	<b>11,998,783</b>	<b>(209,177)</b>	<b>(8,157)</b>	<b>220,224,224</b>
<b>Total capital assets being depreciated, net</b>	<b>108,689,129</b>				<b>141,327,934</b>
<b>Net Capital Assets</b>	<b>\$ 140,611,666</b>				<b>\$ 151,566,787</b>

**Water Fund**

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 1,327,238	\$ -	\$ -	\$ -	\$ 1,327,238
Easements	14,590	-	-	-	14,590
Construction in progress	14,144,736	20,251,134	-	(8,502,845)	25,893,025
<b>Total capital assets not being depreciated:</b>	<b>15,486,564</b>	<b>20,251,134</b>	<b>-</b>	<b>(8,502,845)</b>	<b>27,234,853</b>
<b>Capital assets being depreciated:</b>					
Land improvements	2,540,798	32,945	-	-	2,573,743
General plant	2,605,646	73,801	-	8,502,845	11,182,292
Utility plant	58,167,033	606,069	-	-	58,773,102
Computer software	5,134,763	186,537	-	-	5,321,300
Vehicles and equipment	4,905,219	314,470	(184,405)	3,041	5,038,325
Distribution systems	88,510,968	989,652	-	-	89,500,620
Computer hardware	265,940	17,002	-	-	282,942
Fiber optics	264,320	17,967	-	-	282,287
<b>Total capital assets being depreciated:</b>	<b>162,394,687</b>	<b>2,238,443</b>	<b>(184,405)</b>	<b>8,505,886</b>	<b>172,954,611</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	1,099,354	89,688	-	-	1,189,042
General plant	1,363,432	358,778	-	-	1,722,210
Utility plant	32,009,685	1,512,122	-	-	33,521,807
Computer software	2,512,676	292,300	-	-	2,804,976
Vehicles and equipment	4,333,919	252,841	(158,785)	3,041	4,431,016
Distribution systems	38,689,523	1,925,551	-	-	40,615,074
Computer hardware	221,054	16,895	-	-	237,949
Fiber optics	169,792	9,884	-	-	179,676
<b>Total accumulated depreciation</b>	<b>80,399,435</b>	<b>4,458,059</b>	<b>(158,785)</b>	<b>3,041</b>	<b>84,701,750</b>
<b>Total capital assets being depreciated, net</b>	<b>81,995,252</b>				<b>88,252,861</b>
<b>Net Capital Assets</b>	<b>\$ 97,481,816</b>				<b>\$ 115,487,714</b>

## Sewer Fund

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,412,679	\$ -	\$ -	\$ -	\$ 2,412,679
Easements	26,128	56,275	-	-	82,403
Construction in progress	9,294,445	3,771,795	-	(10,130,550)	2,935,690
<b>Total capital assets not being depreciated:</b>	<b>11,733,252</b>	<b>3,828,070</b>	<b>-</b>	<b>(10,130,550)</b>	<b>5,430,772</b>
<b>Capital assets being depreciated:</b>					
Land improvements	264,083	32,945	-	-	297,028
General plant	2,230,107	73,802	-	8,502,844	10,806,753
Utility plant	106,277,427	1,637,952	-	908,228	108,823,607
Computer software	4,890,027	196,774	-	-	5,086,801
Vehicles and equipment	6,720,339	429,911	(80,410)	2,904	7,072,744
Distribution systems	125,677,249	1,309,962	-	719,478	127,706,689
Computer hardware	246,258	17,003	-	-	263,261
Fiber optics	179,721	17,968	-	-	197,689
<b>Total capital assets being depreciated:</b>	<b>246,485,211</b>	<b>3,716,317</b>	<b>(80,410)</b>	<b>10,133,454</b>	<b>260,254,572</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	144,258	20,433	-	-	164,691
General plant	1,126,206	349,627	-	-	1,475,833
Utility plant	42,407,313	3,289,569	-	-	45,696,882
Computer software	2,291,582	287,809	-	-	2,579,391
Vehicles and equipment	5,882,905	351,210	(80,410)	2,904	6,156,609
Distribution systems	51,292,913	2,702,681	-	-	53,995,594
Computer hardware	201,376	16,895	-	-	218,271
Fiber optics	85,195	9,884	-	-	95,079
<b>Total accumulated depreciation</b>	<b>103,431,748</b>	<b>7,028,108</b>	<b>(80,410)</b>	<b>2,904</b>	<b>110,382,350</b>
<b>Total capital assets being depreciated, net</b>	<b>143,053,463</b>				<b>149,872,222</b>
<b>Net Capital Assets</b>	<b>\$ 154,786,715</b>				<b>\$ 155,302,994</b>

## Gas Fund

	June 30, 2020	Additions	Deletions	Transfers	June 30, 2021
<b>Capital assets not being depreciated:</b>					
Land	\$ 1,400,115	\$ -	\$ -	\$ -	\$ 1,400,115
Easements	140,452	-	-	-	140,452
Construction in progress	6,935,830	2,596,115	-	(8,502,844)	1,029,101
<b>Total capital assets not being depreciated:</b>	<b>8,476,397</b>	<b>2,596,115</b>	<b>-</b>	<b>(8,502,844)</b>	<b>2,569,668</b>
<b>Capital assets being depreciated:</b>					
Land improvements	363,049	32,945	-	-	395,994
General plant	2,756,651	81,823	-	8,502,844	11,341,318
Utility plant	15,132,489	12,509	-	-	15,144,998
Computer software	6,379,226	165,277	-	-	6,544,503
Vehicles and equipment	4,003,395	464,419	(128,874)	2,212	4,341,152
Distribution systems	48,889,533	686,816	-	-	49,576,349
Computer hardware	431,573	24,620	-	-	456,193
Fiber optics	179,724	17,968	-	-	197,692
<b>Total capital assets being depreciated:</b>	<b>78,135,640</b>	<b>1,486,377</b>	<b>(128,874)</b>	<b>8,505,056</b>	<b>87,998,199</b>
<b>Less accumulated depreciation for:</b>					
Land improvements	182,190	35,621	-	-	217,811
General plant	1,519,377	359,165	-	-	1,878,542
Utility plant	6,223,132	500,558	-	-	6,723,690
Computer software	2,910,175	366,061	-	-	3,276,236
Vehicles and equipment	3,439,504	294,541	(128,874)	2,212	3,607,383
Distribution systems	22,175,541	1,117,586	-	-	23,293,127
Computer hardware	350,650	29,325	-	-	379,975
Fiber optics	85,196	9,885	-	-	95,081
<b>Total accumulated depreciation</b>	<b>36,885,765</b>	<b>2,712,742</b>	<b>(128,874)</b>	<b>2,212</b>	<b>39,471,845</b>
<b>Total capital assets being depreciated, net</b>	<b>41,249,875</b>				<b>48,526,354</b>
<b>Net Capital Assets</b>	<b>\$ 49,726,272</b>				<b>\$ 51,096,022</b>

A summary of capital assets, by fund, at June 30, 2021 is as follows:

	Electric	Water	Sewer	Gas	Total
<b>At June 30, 2020</b>					
Land	\$ 3,406,415	\$ 1,327,238	\$ 2,412,679	\$ 1,400,115	\$ 8,546,447
Easements	403,492	14,590	82,403	140,452	640,937
Land improvements	515,165	2,573,743	297,028	395,994	3,781,930
General plant	34,412,839	11,182,292	10,806,753	11,341,318	67,743,202
Utility plant	-	58,773,102	108,823,607	15,144,998	182,741,707
Computer software	16,702,422	5,321,300	5,086,801	6,544,503	33,655,026
Vehicles and equipment	15,211,297	5,038,325	7,072,744	4,341,152	31,663,518
Distribution systems	242,372,013	89,500,620	127,706,689	49,576,349	509,155,671
Transmission systems	46,996,455	-	-	-	46,996,455
Computer hardware	3,515,643	282,942	263,261	456,193	4,518,039
Fiber optics	1,826,324	282,287	197,689	197,692	2,503,992
	<b>365,362,065</b>	<b>174,296,439</b>	<b>262,749,654</b>	<b>89,538,766</b>	<b>891,946,924</b>
Less accumulated depreciation	(220,224,224)	(84,701,750)	(110,382,350)	(39,471,845)	(454,780,169)
	<b>145,137,841</b>	<b>89,594,689</b>	<b>152,367,304</b>	<b>50,066,921</b>	<b>437,166,755</b>
<b>Construction in progress</b>	<b>6,428,946</b>	<b>25,893,025</b>	<b>2,935,690</b>	<b>1,029,101</b>	<b>36,286,762</b>
<b>Net Capital Assets</b>	<b>\$ 151,566,787</b>	<b>\$ 115,487,714</b>	<b>\$ 155,302,994</b>	<b>\$ 51,096,022</b>	<b>\$ 473,453,517</b>



## Construction Commitments

The Utilities Commission has active construction projects as of June 30, 2021. At year-end, the Utilities Commission's commitments with contractors are as follows:

Project Name	Spent-to-date	Remaining Commitments
Electric transmission system	\$ 2,107,522	\$ 428,745
Electric distribution system	4,170,254	2,363,528
Water treatment and distribution system	25,795,684	29,648,320
Sewer treatment and collection system	2,849,823	2,343,847
Natural gas distribution system	986,980	1,759,096
Administrative facilities	51,172,751	6,689,139
<b>Totals</b>	<b>\$ 87,083,014</b>	<b>\$ 43,232,675</b>

## B. Liabilities

### Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2021, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Electric	\$ 14,749,053	\$ 292,640	\$ 15,820	\$ 15,057,513
Water	2,272,154	340,446	-	2,612,600
Sewer	614,540	320,840	-	935,380
Gas	1,302,158	284,118	-	1,586,276
<b>Totals</b>	<b>\$ 18,937,905</b>	<b>\$ 1,238,044</b>	<b>\$ 15,820</b>	<b>\$ 20,191,769</b>

### Unearned Revenue:

Unearned revenue totaling \$18,600 in the Water Fund and \$10,080 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.

## 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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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](http://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 postretirement 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, 2021 was 10.15% for general employees. Contributions to the pension plan from the Utilities Commission were \$3,303,677 for the year ended June 30, 2021.

**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, 2021, the Utilities Commission reported a liability of \$15,719,500 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the Utilities Commission's proportion was 0.43990%, which was a decrease of 0.00913% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the Utilities Commission recognized pension expense of \$5,433,806. At June 30, 2021, 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	\$ 1,985,097	\$ -
Changes of assumptions	1,169,839	-
Net difference between projected and actual earnings on pension plan investments	2,212,098	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,822	124,625
Employer contributions subsequent to the measurement date	3,303,677	-
<b>Totals</b>	<b>\$ 8,746,533</b>	<b>\$ 124,625</b>

\$3,303,677 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, 2022. 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:	
2022	\$ 1,526,181
2023	1,995,702
2024	1,141,682
2025	654,666
Thereafter	-
	<b>\$ 5,318,231</b>

### Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	3.00%
<b>Salary increases</b>	3.50% to 8.10%, including inflation and productivity factor of 3.50%
<b>Investment rate of return</b>	7.00%, net of pension plan investment expense, including inflation of 3.00%

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, 2019 valuation were based on the results of an actuarial experience review for LGERS 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, 2020 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%
Opportunistic Fixed Income	7.0%	6.0%
Inflation Sensitive	6.0%	4.0%
<b>Total</b>	<b>100.0%</b>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2020 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%. All rates of return and inflation are annualized.

### Discount Rate

The discount rate used to measure the total pension liability was 7.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the 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 total pension liability.

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

The following presents the Utilities Commission's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Utilities 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%) or one percentage point higher (8.00%) 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)	\$31,893,155	\$15,719,500	\$2,278,057

### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) 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, 2020, the valuation date, the GUC OPEB Plan membership consisted of the following:

Inactive members or beneficiaries currently receiving benefits	188
Inactive members entitled to but not yet receiving benefits	0
Active members	459
	<b>647</b>

**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 postretirement 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 postretirement 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+
20 – 24 Years of Service	50%	65%
25+ Years of Service	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 \$2,315,244. 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%	7.00%
Bonds	10.00%	3.00%
Cash and Cash Equivalents	30.00%	2.00%
<b>Total</b>	<b>100.00%</b>	

**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, 2021, the annual money weighted rate of return on investments, net of investment expense, was 21.915%. 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, 2021 were as follows:

Total OPEB liability (TOL)	\$ 39,152,706
Plan fiduciary net position (FNP)	7,005,050
<b>Net OPEB liability (NOL)</b>	<b>\$ 32,147,656</b>
Plan fiduciary net position as a percentage of the total OPEB liability	17.89%

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actual assumptions, applied to all periods included in the measurement, unless otherwise specified:

<b>Inflation</b>	2.50%
<b>Real wage growth</b>	0.75%
<b>Wage inflation</b>	3.25%
<b>Salary increases, including wage inflation</b>	
General Employees	3.25% - 8.41%
<b>Long-term investment rate of return, net of OPEB plan investment expense, including price inflation</b>	7.00%
<b>Municipal bond index rate</b>	
Prior measurement date	2.21%
Measurement date	2.16%
<b>Year fiduciary net position is projected to be depleted</b>	
Prior measurement date	2042
Measurement date	n/a
<b>Single equivalent interest rate, net of OPEB plan investment expense, including price inflation</b>	
Prior measurement date	3.41%
Measurement date	7.00%
<b>Healthcare cost trend rates</b>	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

The total OPEB liability (TOL) determined by the June 30, 2020 valuation date was rolled forward to the June 30, 2021 measurement date using standard roll forward techniques. The roll forward calculation begins with the TOL, as of June 30, 2020, 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 3.41% on the Prior Measurement Date to 7.00% 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 Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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 7.00%. 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, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 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 using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute \$500,000 to the Plan through deposits to the Trust and pay benefits directly to plan members as the benefits come due, as stated in the formal funding policy. 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 not be depleted.

The FNP projections are based upon the Plan's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

***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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	\$37,272,969	\$32,147,656	\$27,908,225

***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 calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$27,391,379	\$32,147,656	\$37,955,154

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

At June 30, 2021, the Utilities Commission reported a net OPEB liability of \$32,147,656. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions.



At June 30, 2021 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, 2020	\$ 59,619,861	\$ 5,257,070	\$ 54,362,791
<b>Changes for the year:</b>			
Service Cost at the end of the year*	1,479,356	-	1,479,356
Interest on TOL and Cash Flows	2,002,347	-	2,002,347
Difference between expected and actual experience	2,384,719	-	2,384,719
Changes of assumptions or other inputs	(24,518,333)	-	(24,518,333)
Contributions - employer	-	2,315,244	(2,315,244)
Net investment income	-	1,247,980	(1,247,980)
Benefit payments	(1,815,244)	(1,815,244)	-
Net changes	(20,467,155)	1,747,980	(22,215,135)
<b>Balance as of June 30, 2021</b>	<b>\$ 39,152,706</b>	<b>\$ 7,005,050</b>	<b>\$ 32,147,656</b>

\* The service cost includes interest for the year.

**Changes of assumptions.** Change in the discount rate.

For the year ended June 30, 2021, the Utilities Commission recognized OPEB expense of \$1,128,268. At June 30, 2021, 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	\$ 2,861,085	\$ 361,357
Changes of assumptions or other inputs	11,213,268	23,785,268
Net difference between projected and actual earnings on OPEB plan investments	-	551,064
<b>Totals</b>	<b>\$ 14,074,353</b>	<b>\$ 24,697,689</b>

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

<b>Year ended June 30:</b>	
2022	\$ (1,968,238)
2023	(1,968,428)
2024	(1,984,977)
2025	(1,254,455)
2026	(2,260,368)
Thereafter	(1,186,870)
	<b>\$ (10,623,336)</b>

## 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 Annual Comprehensive 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 \$54,788,105 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% of net revenues, or less than 3% of total revenues. The total principal and interest remaining to be paid on the bonds is \$85,298,797. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$4,389,146, \$21,215,553, and \$177,654,586, 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	\$ 429,048
	<b>\$ 429,048</b>

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
2022	\$429,048	\$5,385	\$434,433
<b>Totals</b>	<b>\$429,048</b>	<b>\$5,385</b>	<b>\$434,433</b>

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	\$21,229,905
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	751,403
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	2,996,065
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
Series 2021A Revenue Bonds with an original issue amount of \$2,288,901, issued to refund the 2013 refunding revenue bonds, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2027	2,288,901
	<b>\$54,359,057</b>

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
2022	\$ 1,576,117	\$ 2,305,510	\$ 3,881,627
2023	1,654,211	2,249,277	3,903,488
2024	1,765,943	2,164,965	3,930,908
2025	1,880,003	2,075,135	3,955,138
2026	2,006,505	1,979,464	3,985,969
2027-2031	9,407,846	8,444,737	17,852,583
2032-2036	11,121,450	5,927,625	17,049,075
2037-2041	12,167,550	3,920,918	16,088,468
2042-2046	12,779,432	1,437,676	14,217,108
<b>Totals</b>	<b>\$ 54,359,057</b>	<b>\$ 30,505,307</b>	<b>\$ 84,864,364</b>

### 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 \$21,760,495 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 36% of net revenues, or less than 10% of total revenues. The total principal and interest remaining to be paid on the bonds is \$32,132,932. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,851,705, \$5,845,158, and \$23,583,527, 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	\$186,439
	<b>\$186,439</b>

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
2022	\$186,439	\$2,340	\$188,779
<b>Totals</b>	<b>\$186,439</b>	<b>\$2,340</b>	<b>\$188,779</b>

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 installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 2,099,756
Series 2016 Revenue Bonds with an original issue amount of \$711,915, 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	390,706
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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	6,536,842
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
Series 2021A Revenue Bonds with an original issue amount of \$1,919,268, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on May 1, 2041	1,919,268
Series 2021A Revenue Bonds with an original issue amount of \$1,433,497, issued to refund the Drinking Water State Revolving Fund (DWSRF) loan #H-LRX-F-04-991, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	1,433,497
Series 2021A Revenue Bonds with an original issue amount of \$25,175, issued to refund the DWSRF loan #H-LRX-R-DW-991, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	25,175
Series 2021A Revenue Bonds with an original issue amount of \$226,450, issued to refund the DWSRF loan # H-LRX-R-DW-1074, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2033	226,450
Series 2021A Revenue Bonds with an original issue amount of \$101,271, issued to refund the DWSRF loan #DEH-1108 due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	101,271
Series 2021A Revenue Bonds with an original issue amount of \$634,249, issued to refund the DWSRF loan #DEH-1074 schedule B, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2033	634,249
	<b>\$ 21,574,056</b>

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
2022	\$ 993,656	\$ 967,718	\$ 1,961,374
2023	1,020,776	947,755	1,968,531
2024	991,688	896,231	1,887,919
2025	1,040,863	846,183	1,887,046
2026	1,101,724	793,633	1,895,357
2027-2031	5,773,877	3,117,964	8,891,841
2032-2036	4,777,523	1,614,261	6,391,784
2037-2041	3,223,500	901,162	4,124,662
2042-2046	2,650,449	285,190	2,935,639
<b>Totals</b>	<b>\$ 21,574,056</b>	<b>\$ 10,370,097</b>	<b>\$ 31,944,153</b>

## 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 rates 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
1.53% DWSRF 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	\$ 999,988
1.110% DWSRF loan issued in 2021 to finance improvements to the water treatment plant, \$40,000,000 authorized and \$15,560,203 drawn to date, due in annual installments of \$778,010 with a final payment on May 1, 2043	15,560,203
	<b>\$ 16,560,191</b>

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
2022	\$ 58,823	\$ 15,300	\$ 74,123
2023	58,823	14,400	73,223
2024	836,833	112,399	949,232
2025	836,833	176,682	1,013,515
2026	836,833	167,146	1,003,979
2027-2031	4,184,165	692,693	4,876,858
2032-2036	4,184,165	454,295	4,638,460
2037-2041	4,007,696	218,598	4,226,294
2042-2043	1,556,020	25,908	1,581,928
<b>Totals</b>	<b>\$ 16,560,191</b>	<b>\$ 1,877,421</b>	<b>\$ 18,437,612</b>

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 0% 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 rates 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	\$661,984
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	11,196
	<b>\$673,180</b>

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
2022	\$ 74,673	\$ 0	\$ 74,673
2023	74,673	0	74,673
2024	74,673	0	74,673
2025	74,673	0	74,673
2026	74,673	0	74,673
2027-2031	299,815	0	299,815
<b>Totals</b>	<b>\$ 673,180</b>	<b>\$ 0</b>	<b>\$ 673,180</b>

#### 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 \$39,761,960 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 56% of net revenues, or less than 19% of total revenues. The total principal and interest remaining to be paid on the bonds is \$55,200,310. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$2,106,890, \$7,969,539, and \$24,632,756, 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	\$238,882
	<b>\$238,882</b>

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
2022	\$238,882	\$2,998	\$241,880
<b>Totals</b>	<b>\$238,882</b>	<b>\$2,998</b>	<b>\$241,880</b>

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 installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 4,417,530
Series 2016 Revenue Bonds with an original issue amount of \$2,118,933, 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	1,162,891
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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	5,967,047
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
Series 2021A Revenue Bonds with an original issue amount of \$1,264,719, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on May 1, 2041	1,264,719
Series 2021A Revenue Bonds with an original issue amount of \$5,171,136, issued to refund the Clean Water State Revolving Fund (CWSRF) Loan #CS370487-06, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2030	5,171,136
Series 2021A Revenue Bonds with an original issue amount of \$4,003,742, issued to refund the CWSRF Loan #CS370487-08, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2032	4,003,742
Series 2021A Revenue Bonds with an original issue amount of \$6,712,369, issued to refund the CWSRF Loan #CS370487-07, due in annual installments with varying interest rates from 4.0% to 5.0%, final payment will be made on May 1, 2033	6,712,369
Series 2021A Revenue Bonds with an original issue amount of \$4,023,727, issued to refund the CWSRF Loan #CS370487-11, due in annual installments with varying interest rates from 3.0% to 5.0%, final payment will be made on May 1, 2037	4,023,727
	<b>\$ 39,523,078</b>

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
2022	\$ 2,481,823	\$ 1,753,693	\$ 4,235,516
2023	2,491,379	1,686,145	4,177,524
2024	2,518,503	1,561,174	4,079,677
2025	2,599,817	1,434,864	4,034,681
2026	2,693,904	1,304,454	3,998,358
2027-2031	12,840,353	4,539,038	17,379,391
2032-2036	7,448,983	1,870,919	9,319,902
2037-2041	3,497,570	955,839	4,453,409
2042-2046	2,950,746	329,226	3,279,972
<b>Totals</b>	<b>\$ 39,523,078</b>	<b>\$ 15,435,352</b>	<b>\$ 54,958,430</b>

## 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 rates 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
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 \$1,997,429 drawn to date, due in annual installments of \$99,871 with a final payment on May 1, 2036	\$1,498,072
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 \$1,718,086 drawn to date, due in annual installments of \$85,904 with a final payment on May 1, 2038	1,460,373
	<b>\$2,958,445</b>

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
2022	\$ 185,776	\$ 24,242	\$ 210,018
2023	185,776	22,816	208,592
2024	185,776	21,390	207,166
2025	185,776	19,964	205,740
2026	185,776	18,538	204,314
2027-2031	928,878	71,301	1,000,179
2032-2036	928,878	35,650	964,528
2037-2038	171,809	4,278	176,087
<b>Totals</b>	<b>\$ 2,958,445</b>	<b>\$ 218,179</b>	<b>\$ 3,176,624</b>

## 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 \$17,589,440 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 20% of net revenues, or less than 5% of total revenues. The total



principal and interest remaining to be paid on the bonds is \$27,468,974. Principal and interest paid for the current year, total customer net revenues, and total revenues were \$1,588,950, \$7,455,106, and \$33,611,407, 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	\$ 355,631
	<b>\$ 355,631</b>

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
2022	\$355,631	\$4,463	\$360,094
<b>Totals</b>	<b>\$355,631</b>	<b>\$4,463</b>	<b>\$360,094</b>

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 installments with varying interest rates from 3.0% to 5.0%, final payment will be made on April 1, 2046	\$ 9,597,810
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 installments with varying interest rates from 2.0% to 5.0%, final payment will be made on April 1, 2034	550,046
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
Series 2021A Revenue Bonds with an original issue amount of \$550,495, issued to refund the 2013 refunding revenue bonds, due in annual installments with an interest rate of 5.0%, final payment will be made on May 1, 2027	550,495
	<b>\$ 17,233,809</b>

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
2022	\$ 438,403	\$ 720,883	\$ 1,159,286
2023	458,634	705,998	1,164,632
2024	488,866	682,680	1,171,546
2025	519,317	657,867	1,177,184
2026	552,867	631,498	1,184,365
2027-2031	2,902,925	2,729,635	5,632,560
2032-2036	3,527,044	1,948,346	5,475,390
2037-2041	4,001,380	1,296,006	5,297,386
2042-2046	4,344,373	502,158	4,846,531
<b>Totals</b>	<b>\$ 17,233,809</b>	<b>\$ 9,875,071</b>	<b>\$ 27,108,880</b>

**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, 2021 is as follows:

Operating revenues	\$257,057,205
Operating expenses <sup>1</sup>	(214,571,849)
<b>Operating income</b>	<b>42,485,356</b>
<b>Non-operating revenues (expenses)</b>	
Miscellaneous revenues <sup>2</sup>	1,783,280
Interest income <sup>2</sup>	641,791
<b>Income available for debt service</b>	<b>\$44,910,427</b>
Parity debt service (principal and interest paid)	\$9,936,691
Parity debt service coverage ratio	452%
Subordinate and other debt service (principal and interest paid)	\$3,723,072
Subordinate and other debt service coverage ratio	939%

<sup>1</sup> In accordance with rate covenants, operating expenses excludes depreciation expense of \$26,197,692; unfunded OPEB expense of (\$1,186,976); and pension expense of \$2,130,129.

<sup>2</sup> In 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, 2021, the Utilities Commission had no arbitrage liabilities.

**Changes in Long-term Liabilities:**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

<b>Long-term Liabilities:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2021</b>	<b>Current Portion</b>
Direct placement revenue bonds	\$ 6,185,000	\$ -	\$ (4,975,000)	\$ 1,210,000	\$ 1,210,000
Public sales revenue bonds	107,760,001	28,354,999	(3,425,000)	132,690,000	5,490,000
Other types of debt	34,785,641	15,560,203	(30,154,028)	20,191,816	319,272
Discounts and premiums	15,187,467	5,929,092	(605,762)	20,510,797	-
Compensated absences	2,574,551	2,133,127	(1,698,491)	3,009,187	1,537,348
Net OPEB liability	54,362,791	(22,215,135)	-	32,147,656	-
Net pension liability (LGERS)	12,262,658	3,456,842	-	15,719,500	-
<b>Total long-term liabilities</b>	<b>\$ 233,118,109</b>	<b>\$ 33,219,128</b>	<b>\$ (40,858,281)</b>	<b>\$ 225,478,956</b>	<b>\$ 8,556,620</b>

Changes in long-term liabilities by fund for the year ended June 30, 2021 are as follows:

<b>Electric Fund:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2021</b>	<b>Current Portion</b>
Direct placement revenue bonds	\$ 3,906,693	\$ -	\$ (3,477,645)	\$ 429,048	\$ 429,048
Public sales revenue bonds	53,259,674	2,288,901	(1,189,518)	54,359,057	1,576,118
Discounts and premiums	7,005,417	361,074	(281,487)	7,085,004	-
Compensated absences	1,047,092	905,188	(714,799)	1,237,481	661,979
Net OPEB liability	22,288,744	(9,108,206)	-	13,180,538	-
Net pension liability (LRS)	5,027,690	1,417,304	-	6,444,994	-
<b>Electric Fund long-term liabilities:</b>	<b>\$ 92,535,310</b>	<b>\$ (4,135,739)</b>	<b>\$ (5,663,449)</b>	<b>\$ 82,736,122</b>	<b>\$ 2,667,145</b>

<b>Water Fund:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2021</b>	<b>Current Portion</b>
Direct placement revenue bonds	\$ 368,255	\$ -	\$ (181,816)	\$ 186,439	\$ 186,439
Public sales revenue bonds	18,079,354	4,339,910	(845,208)	21,574,056	993,656
Other types of debt	5,022,615	15,560,203	(3,349,447)	17,233,371	133,496
Discounts and premiums	2,972,360	874,878	(117,972)	3,729,266	-
Compensated absences	543,618	441,053	(355,775)	628,896	320,742
Net OPEB liability	11,959,815	(4,887,330)	-	7,072,485	-
Net pension liability (LRS)	2,697,785	760,505	-	3,458,290	-
<b>Water Fund long-term liabilities:</b>	<b>\$ 41,643,802</b>	<b>\$ 17,089,219</b>	<b>\$ (4,850,218)</b>	<b>\$ 53,882,803</b>	<b>\$ 1,634,333</b>

<b>Sewer Fund:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2021</b>	<b>Current Portion</b>
Direct placement revenue bonds	\$ 471,842	\$ -	\$ (232,960)	\$ 238,882	\$ 238,882
Public sales revenue bonds	19,345,550	21,175,693	(998,165)	39,523,078	2,481,823
Other types of debt	29,763,026	-	(26,804,581)	2,958,445	185,776
Discounts and premiums	3,109,615	4,606,299	(122,625)	7,593,289	-
Compensated absences	492,866	421,842	(333,852)	580,856	292,225
Net OPEB liability	11,416,186	(4,665,178)	-	6,751,008	-
Net pension liability (LRS)	2,575,158	725,937	-	3,301,095	-
<b>Sewer Fund long-term liabilities:</b>	<b>\$ 67,174,243</b>	<b>\$ 22,264,593</b>	<b>\$ (28,492,183)</b>	<b>\$ 60,946,653</b>	<b>\$ 3,198,706</b>

<b>Gas Fund:</b>	<b>June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2021</b>	<b>Current Portion</b>
Direct placement revenue bonds	\$ 1,438,210	\$ -	\$ (1,082,579)	\$ 355,631	\$ 355,631
Public sales revenue bonds	17,075,423	550,495	(392,109)	17,233,809	438,403
Discounts and premiums	2,100,075	86,841	(83,678)	2,103,238	-
Compensated absences	490,975	365,044	(294,065)	561,954	262,402
Net OPEB liability	8,698,046	(3,554,421)	-	5,143,625	-
Net pension liability (LRS)	1,962,025	553,096	-	2,515,121	-
<b>Gas Fund long-term liabilities:</b>	<b>\$ 31,764,754</b>	<b>\$ (1,998,945)</b>	<b>\$ (1,852,431)</b>	<b>\$ 27,913,378</b>	<b>\$ 1,056,436</b>

### C. Net Investment in Capital Assets

<b>Capital assets</b>	<b>\$ 473,453,517</b>
plus: unexpended bond proceeds	5,330,839
plus: unamortized bond refunding charges	1,173,868
less: long-term debt	(174,602,613)
<b>Net investment in capital assets</b>	<b>\$ 305,355,611</b>

**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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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, 2021, 2020, and 2019 were \$481,800, \$482,960, and \$484,548, respectively. These contributions represent 1.6%, 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, 2021 consist of the following:

Street lighting reimbursement	\$ 83,197
Street repairs	8,250
MWBE program	6,561
Dumpster collection and landfill fees	6,085
<b>Total</b>	<b>\$ 104,093</b>

Balances due from the City of Greenville at June 30, 2021 on utility accounts totaled \$264,514. 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 2021 consist of the following:

Electric Fund general transfer	\$ 3,876,969
Gas Fund general transfer	1,665,149
Electric Fund street lighting reimbursement	958,023
<b>Total</b>	<b>\$ 6,500,141</b>

The transfers to the City's General Fund of \$6,500,141 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 \$125,000 per claim and carries commercial coverage for claims in excess of \$125,000.

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, 2021 and 2020 are as follows:

	2021	2020
Unpaid claims, beginning	\$ 780,399	\$ 831,560
Incurred claims	6,904,352	7,035,802
Claim payments	(6,894,040)	(7,086,963)
<b>Unpaid claims, ending</b>	<b>\$ 790,711</b>	<b>\$ 780,399</b>

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, 2021 and 2020 are as follows:

	2021	2020
Unpaid claims, beginning	\$ 43,601	\$ 44,440
Incurred claims	464,582	392,451
Claim payments	(455,894)	(393,290)
<b>Unpaid claims, ending</b>	<b>\$ 52,289</b>	<b>\$ 43,601</b>

The balances of unpaid medical and dental claims are reported with accounts payable and accrued expenses on the Statement of Net Position.

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 \$1,000,000. 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 \$341 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, 2021, 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, 2021 was approximately \$46.3 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. At the end of the original contract term, the agreement automatically renews for additional terms of one year each unless terminated by either party.

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. The Utilities Commission typically enters into contracts whereby it purchases and fixes a portion of its gas supply in advance. At June 30, 2021, the Utilities Commission had commitments to take delivery on a total of 1,090,000 dekatherms at fixed prices ranging from \$2.581 to \$3.628 per dekatherm and in varying amounts from July 2021 through March 2023. In addition, the Utilities Commission had commitments to take delivery on 2,112,700 additional dekatherms during the period July 2021 through March 2023 for which there is not yet a fixed price.

The Utilities Commission entered a 15-year agreement with Patriots Energy Group (PEG), effective February 1, 2007 to purchase 20% 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% 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% 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 - CHANGE IN ACCOUNTING PRINCIPLE

The Utilities Commission implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the Utilities Commission performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated to the respective net position of each custodial fund.

Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$1,015,883	Cash, accounts receivable, and liabilities related to refuse and stormwater fees collected by the Utilities Commission on behalf of the City were reclassified out of the Agency Funds into newly created Custodial Funds. The portion of liabilities attributable to accounts receivable, net, at the beginning of the year were restated as custodial net position.
<b>\$1,015,883</b>	

### NOTE 9 - PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE

The GASB has issued several pronouncements prior to June 30, 2021 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. 87, "Leases". The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 91, "Conduit Debt Obligations". The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.



GASB Statement No. 92, “Omnibus 2020”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93, “Replacement of Interbank Offered Rates”. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, and all reporting periods thereafter.

GASB Statement No. 94, “Public-Private and Public-Public Partnerships and Availability Payment Arrangements”. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 96, “Subscription-Based Information Technology Arrangements”. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32”. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 except paragraphs 4 and 5, which are effective immediately (June 2020).

GASB Statement No. 98, “The Annual Comprehensive Financial Report”. The requirements of this Statement are effective for fiscal years beginning after December 15, 2021. The Utilities Commission elected to implement this standard in the fiscal year ending June 30, 2021.

Earlier application of these statements is encouraged. For the original pronouncements, please visit the GASB’s website, [www.gasb.org](http://www.gasb.org).

#### **NOTE 10 – Significant Effects of Subsequent Events**

On July 1, 2021, the Town of Bethel transferred ownership of its water and sewer utility systems to the Utilities Commission. The Town of Bethel’s water and sewer customers have become retail customers of the Utilities Commission and the Utilities Commission has assumed responsibility for the repair and maintenance of the water and sewer utility infrastructure.

Management has evaluated subsequent events through October 29, 2021, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

## Schedule 1. Greenville Utilities Commission's Proportionate Share of Net Pension Liability (Asset) | Last Eight Fiscal 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**
2021	0.43990%	\$15,719,500	\$31,832,516	49.38%	88.61%
2020	0.44903%	\$12,262,658	\$30,987,547	39.57%	90.86%
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%

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

\* 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.

**Schedule 2. Greenville Utilities Commission's Contributions** | Last Eight Fiscal 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
2021	\$3,303,677	\$3,303,677	\$ -	\$32,548,540	10.15%
2020	\$2,843,296	\$2,843,296	\$ -	\$31,832,516	8.93%
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 Five Fiscal Years

	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>					
Service cost at end of year	\$ 1,479,356	\$ 1,163,959	\$ 781,098	\$ 1,035,590	\$ 1,146,045
Interest	2,002,347	2,071,547	2,212,486	2,051,825	1,930,674
Differences between expected and actual experience	2,384,719	863,252	(623,845)	518,960	-
Changes of assumptions	(24,518,333)	6,344,926	11,477,272	(7,046,562)	(3,865,249)
Benefit payments	(1,815,244)	(2,186,125)	(2,031,176)	(1,692,179)	(1,442,003)
<b>Net change in total OPEB liability</b>	<b>(20,467,155)</b>	<b>8,257,559</b>	<b>11,815,835</b>	<b>(5,132,366)</b>	<b>(2,230,533)</b>
<b>Total OPEB liability - beginning</b>	<b>59,619,861</b>	<b>51,362,302</b>	<b>39,546,467</b>	<b>44,678,833</b>	<b>46,909,366</b>
<b>Total OPEB liability - ending</b>	<b>\$ 39,152,706</b>	<b>\$ 59,619,861</b>	<b>\$ 51,362,302</b>	<b>\$ 39,546,467</b>	<b>\$ 44,678,833</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 2,315,244	\$ 2,686,125	\$ 2,531,176	\$ 2,192,179	\$ 1,942,003
Net investment income	1,247,980	162,374	206,816	237,188	321,437
Benefit payments	(1,815,244)	(2,186,125)	(2,031,176)	(1,692,179)	(1,442,003)
<b>Net change in plan fiduciary net position</b>	<b>1,747,980</b>	<b>662,374</b>	<b>706,816</b>	<b>737,188</b>	<b>821,437</b>
<b>Plan fiduciary net position - beginning</b>	<b>5,257,070</b>	<b>4,594,696</b>	<b>3,887,880</b>	<b>3,150,692</b>	<b>2,329,255</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 7,005,050</b>	<b>\$ 5,257,070</b>	<b>\$ 4,594,696</b>	<b>\$ 3,887,880</b>	<b>\$ 3,150,692</b>
<b>Net OPEB liability - ending</b>	<b>\$ 32,147,656</b>	<b>\$ 54,362,791</b>	<b>\$ 46,767,606</b>	<b>\$ 35,658,587</b>	<b>\$ 41,528,141</b>
Plan fiduciary net position as a percentage of the total OPEB liability	17.89%	8.82%	8.95%	9.83%	7.05%
Covered payroll	30,124,132	27,975,147	27,975,147	26,006,154	26,006,154
Utilities Commission's net OPEB liability as a percentage of covered payroll	106.72%	194.33%	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 Ten Fiscal Years

Year Ending June 30,	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2021	\$2,690,316	\$2,315,244	\$ 375,072	\$30,124,132	7.69%
2020	\$2,690,316	\$2,686,125	\$ 4,191	\$27,975,147	9.60%
2019	\$2,590,104	\$2,531,176	\$ 58,928	\$27,975,147	9.05%
2018	\$2,590,104	\$2,192,179	\$ 397,925	\$26,006,154	8.43%
2017	\$2,070,367	\$1,942,003	\$ 128,364	\$26,006,154	7.47%
2016	\$2,050,401	\$1,553,515	\$ 496,886	\$24,470,208	6.35%
2015	\$1,751,427	\$1,297,207	\$ 454,220	\$24,675,093	5.26%
2014	\$1,779,995	\$1,030,101	\$ 749,894	\$22,816,616	4.51%
2013	\$1,769,981	\$1,000,888	\$ 769,093	\$23,730,460	4.22%
2012	\$2,395,223	\$1,140,955	\$1,254,268	\$24,081,113	4.74%

**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	26 years, closed
Asset valuation method	Market value of assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%

**Salary increases, including wage inflation:**

General Employees	3.25% - 8.41%
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	7.00%
Healthcare cost trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

**Schedule 5. Schedule of Investment Returns** | Last Ten Fiscal Years

Year Ending June 30,	Annual money-weighted rate of return, net of investment expense
2021	21.92%
2020	3.23%
2019	4.67%
2018	6.47%
2017	10.18%
2016	-0.57%
2015	4.19%
2014	13.98%
2013	10.61%
2012	5.84%

**SUPPLEMENTARY  
INFORMATION**



## Schedule 6. All Operating Funds | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
<b>Electric Revenues</b>				
Rates and charges	\$ 173,840,184	\$ 171,600,161	\$ (2,240,023)	\$ 168,333,697
Fees and charges	1,542,995	1,779,019	236,024	1,727,012
Miscellaneous	3,620,145	4,572,426	952,281	1,154,465
Interest on investments	380,000	393,533	13,533	986,260
FEMA/Insurance Reimbursements	195,117	195,117	-	293,486
<b>Total Electric Revenues</b>	<b>179,578,441</b>	<b>178,540,256</b>	<b>(1,038,185)</b>	<b>172,494,920</b>
<b>Water Revenues</b>				
Rates and charges	22,441,773	22,845,024	403,251	22,565,044
Fees and charges	414,452	470,134	55,682	502,057
Miscellaneous	251,206	270,089	18,883	419,210
Interest on investments	68,000	67,560	(440)	155,847
FEMA/Insurance Reimbursements	15,392	15,392	-	36,504
<b>Total Water Revenues</b>	<b>23,190,823</b>	<b>23,668,199</b>	<b>477,376</b>	<b>23,678,662</b>
<b>Sewer Revenues</b>				
Rates and charges	23,396,795	23,818,227	421,432	23,369,041
Fees and charges	379,467	501,385	121,918	459,081
Miscellaneous	271,532	278,120	6,588	196,998
Interest on investments	72,000	66,225	(5,775)	180,071
FEMA/Insurance Reimbursements	41,528	41,528	-	37,344
<b>Total Sewer Revenues</b>	<b>24,161,322</b>	<b>24,705,485</b>	<b>544,163</b>	<b>24,242,535</b>
<b>Gas Revenues</b>				
Rates and charges	33,088,775	33,040,070	(48,705)	31,200,552
Fees and charges	173,134	195,481	22,347	193,063
Miscellaneous	211,318	294,465	83,147	408,883
Interest on investments	120,000	114,473	(5,527)	282,475
FEMA/Insurance Reimbursements	13,468	13,468	-	39,754
<b>Total Gas Revenues</b>	<b>33,606,695</b>	<b>33,657,957</b>	<b>51,262</b>	<b>32,124,727</b>
<b>Total Revenues</b>	<b>260,537,281</b>	<b>260,571,897</b>	<b>34,616</b>	<b>252,540,844</b>
<b>Expenditures</b>				
<b>Electric Fund</b>				
Operations and maintenance		159,452,414		158,333,743
Capital Outlay		10,333,130		10,188,931
Debt Service		4,413,490		3,327,470
<b>Total</b>	<b>176,716,239</b>	<b>174,199,034</b>	<b>2,517,205</b>	<b>171,850,144</b>
<b>Water Fund</b>				
Operations and maintenance		17,551,266		14,772,323
Capital Outlay		1,571,693		1,429,393
Debt Service		3,219,003		1,817,318
<b>Total</b>	<b>22,115,397</b>	<b>22,341,962</b>	<b>(226,565)</b>	<b>18,019,034</b>
<b>Sewer Fund</b>				
Operations and maintenance		16,550,213		13,775,976
Capital Outlay		2,577,407		1,774,250
Debt Service		5,536,217		5,519,461
<b>Total</b>	<b>25,013,343</b>	<b>24,663,837</b>	<b>349,506</b>	<b>21,069,687</b>
<b>Gas Fund</b>				
Operations and maintenance		27,518,099		27,120,364
Capital Outlay		1,486,377		1,130,456
Debt Service		1,594,802		1,241,921
<b>Total</b>	<b>31,815,786</b>	<b>30,599,278</b>	<b>1,216,508</b>	<b>29,492,741</b>
<b>Total expenditures</b>	<b>255,660,765</b>	<b>251,804,111</b>	<b>3,856,654</b>	<b>240,431,606</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>4,876,516</b>	<b>8,767,786</b>	<b>3,891,270</b>	<b>12,109,238</b>

Schedule 6 continues on the next page.

**Schedule 6. All Operating Funds** | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Other Financing Sources (Uses)</b>				
Contributed capital	-	1,832,380	1,832,380	5,278,276
Revenue bonds issued	4,173,484	4,062,187	(111,297)	-
Intra-fund transfers out	(16,050,000)	(12,360,022)	3,689,978	(12,275,542)
Appropriated fund balance	7,000,000	-	(7,000,000)	-
<b>Total other financing sources (uses)</b>	<b>(4,876,516)</b>	<b>(6,465,455)</b>	<b>(1,588,939)</b>	<b>(6,997,266)</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 2,302,331</b>	<b>\$ 2,302,331</b>	<b>\$ 5,111,972</b>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
<b>Reconciling items:</b>				
Budgetary appropriations - capital		\$ 15,968,607		\$ 14,523,030
Budgetary appropriations - debt principal		8,029,362		6,853,649
Depreciation		(26,197,692)		(23,072,026)
Debt issued		(4,062,187)		-
Amortization of bond premium and discount		605,760		605,760
Amortization of deferred loss on refundings		(264,195)		(174,056)
Changes in accrued interest payable		(5,166)		(651,043)
Changes in unrealized gains/losses on investments		(633,536)		681,512
Intra-fund transfers		12,360,022		12,275,542
Changes in deferred outflows for OPEB		(873,414)		4,639,445
Changes in net OPEB liability		22,215,135		(7,595,185)
Changes in deferred inflows for OPEB		(20,154,745)		1,071,653
Changes in deferred outflows for pensions		1,357,965		(1,436,186)
Changes in net pension liability		(3,456,842)		(1,291,763)
Changes in deferred inflows for pensions		(31,252)		(36,581)
Revenue recognized in Rate Stabilization Funds		189,283		478,163
Revenue recognized in Capital Projects Funds		557,012		1,638,613
Revenue recognized in Capital Reserve Funds		689,183		852,648
<b>Total reconciling items</b>		<b>6,293,300</b>		<b>9,363,175</b>
<b>Changes in net position</b>		<b>\$ 8,595,631</b>		<b>\$ 14,475,147</b>

## Schedule 7. Electric Operating Fund | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
<b>Operating Revenues</b>				
Rates and charges	\$ 173,840,184	\$ 171,600,161	\$ (2,240,023)	\$ 168,333,697
Fees and charges	1,542,995	1,779,019	236,024	1,727,012
Miscellaneous	2,455,891	2,453,795	(2,096)	502,904
	<b>177,839,070</b>	<b>175,832,975</b>	<b>(2,006,095)</b>	<b>170,563,613</b>
<b>Non-Operating Revenues</b>				
Interest on investments	380,000	393,533	13,533	986,260
FEMA/Insurance reimbursements	195,117	195,117	-	293,486
Miscellaneous	1,164,254	2,118,631	954,377	651,561
	<b>1,739,371</b>	<b>2,707,281</b>	<b>967,910</b>	<b>1,931,307</b>
<b>Total Revenues</b>	<b>179,578,441</b>	<b>178,540,256</b>	<b>(1,038,185)</b>	<b>172,494,920</b>
<b>Expenditures</b>				
<b>Electric Fund</b>				
Operations and maintenance		159,452,414		158,333,743
Capital Outlay		10,333,130		10,188,931
Debt Service		4,413,490		3,327,470
<b>Total expenditures</b>	<b>176,716,239</b>	<b>174,199,034</b>	<b>2,517,205</b>	<b>171,850,144</b>
<b>Excess of Revenues Over Expenditures</b>	<b>2,862,202</b>	<b>4,341,222</b>	<b>1,479,020</b>	<b>644,776</b>
<b>Other Financing Sources (Uses)</b>				
Revenue bonds issued	37,798	30,077	(7,721)	-
Intra-fund transfers out	(6,750,000)	(4,204,153)	2,545,847	(499,995)
Appropriated fund balance	3,850,000	-	(3,850,000)	-
<b>Total other financing sources (uses)</b>	<b>(2,862,202)</b>	<b>(4,174,076)</b>	<b>(1,311,874)</b>	<b>(499,995)</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 167,146</b>	<b>\$ 167,146</b>	<b>\$ 144,781</b>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
<b>Reconciling items:</b>				
Budgetary appropriations - capital		\$ 10,333,130		\$ 10,188,931
Budgetary appropriations - debt principal		2,047,265		1,350,098
Depreciation		(11,998,783)		(10,170,187)
Debt issued		(30,077)		-
Amortization of bond premium and discount		281,487		281,487
Amortization of deferred loss on refundings		(126,973)		(54,310)
Changes in accrued interest payable		10,690		(379,279)
Changes in unrealized gains/losses on investments		(343,078)		382,929
Intra-fund transfers		4,204,153		499,995
Changes in deferred outflows for OPEB		(358,100)		1,902,172
Changes in net OPEB liability		9,108,206		(3,114,026)
Changes in deferred inflows for OPEB		(8,263,446)		439,378
Changes in deferred outflows for pensions		556,765		(588,836)
Changes in net pension liability		(1,417,304)		(529,623)
Changes in deferred inflows for pensions		(12,814)		(14,998)
Revenue recognized in Rate Stabilization Fund		174,102		448,284
Revenue recognized in Capital Projects Fund		142,084		625,989
<b>Total reconciling items</b>		<b>4,307,307</b>		<b>1,268,004</b>
<b>Changes in net position</b>		<b>\$ 4,474,453</b>		<b>\$ 1,412,785</b>

**Schedule 8. Electric Rate Stabilization Fund** | From Inception and for the Year Ended June 30, 2021

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Interest on investments	\$ -	\$ 1,254,997	\$ 174,102	\$ 1,429,099	\$ 1,429,099
<b>Other Financing Sources (Uses)</b>					
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
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>23,100,000</b>	<b>-</b>	<b>23,100,000</b>	<b>23,100,000</b>
<b>Revenues Over Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 24,354,997</b>	<b>\$ 174,102</b>	<b>\$ 24,529,099</b>	<b>\$ 24,529,099</b>

## Schedule 9. Electric Capital Projects Fund | From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual		
			Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
Interest and misc. income	\$ -	\$ 708,410	\$ 48,334	\$ 756,744	\$ 756,744
APPA DEED Grant	125,000	-	93,750	93,750	(31,250)
<b>Total revenues</b>	<b>125,000</b>	<b>708,410</b>	<b>142,084</b>	<b>850,494</b>	<b>725,494</b>
<b>Expenditures</b>					
FCP-100 Downtown Office Efficiency & Enhancement*	1,018,750	984,546	19,057	1,003,603	15,147
FCP10072 New Operations Center Phase 2	28,902,500	21,060,126	6,435,078	27,495,204	1,407,296
FCP10160 New Operations Center - Fleet Maintenance Building	4,262,500	-	150,800	150,800	4,111,700
ICP10189 Asset Management Software	1,550,000	-	-	-	1,550,000
ECP-133 Sugg Parkway Transmission Line	1,700,000	6,150	1,089,345	1,095,495	604,505
ECP-134 Sugg Parkway Substation	3,400,000	117,250	2,711,154	2,828,404	571,596
ECP10168 POD #3 to Simpson Substation Trans. Loop	300,000	154,167	16,307	170,474	129,526
ECP10174 Electric System Expansion	2,500,000	-	-	-	2,500,000
ECP10187 Vidant Peaking Generators*	6,000,000	5,659,385	144,250	5,803,635	196,365
ECP10208 Battery Storage Pilot Program 1MW	1,600,000	128,620	896,580	1,025,200	574,800
ECP10218 Mt. Pleasant to Wellcome 115 kV Transmission	8,892,000	-	249,517	249,517	8,642,483
ECP10219 Peak Shaving Generator(s) Replacement	6,000,000	-	316,650	316,650	5,683,350
ECP10220 Transmission Structure Replacement(s)	2,000,000	-	592,036	592,036	1,407,964
<b>Total expenditures</b>	<b>68,125,750</b>	<b>28,110,244</b>	<b>12,620,774</b>	<b>40,731,018</b>	<b>27,394,732</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(68,000,750)</b>	<b>(27,401,834)</b>	<b>(12,478,690)</b>	<b>(39,880,524)</b>	<b>28,120,226</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	13,125,000	-	-	-	(13,125,000)
Revenue bonds issued	30,733,750	30,014,608	-	30,014,608	(719,142)
Long-term financing	24,142,000	-	-	-	(24,142,000)
Intra-fund transfers in	-	9,398,347	4,204,153	13,602,500	13,602,500
<b>Total other financing sources (uses)</b>	<b>68,000,750</b>	<b>39,412,954</b>	<b>4,204,153</b>	<b>43,617,107</b>	<b>(24,383,643)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 12,011,120</b>	<b>\$ (8,274,537)</b>	<b>\$ 3,736,583</b>	<b>\$ 3,736,583</b>

\*Project(s) already closed.

## Schedule 10. Water Operating Fund | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
<b>Operating Revenues</b>				
Rates and charges	\$ 22,441,773	\$ 22,845,024	\$ 403,251	\$ 22,565,044
Fees and charges	414,452	470,134	55,682	502,057
Miscellaneous	77,945	81,265	3,320	109,495
	<b>22,934,170</b>	<b>23,396,423</b>	<b>462,253</b>	<b>23,176,596</b>
<b>Non-Operating Revenues</b>				
Interest on investments	68,000	67,560	(440)	155,847
FEMA/Insurance reimbursements	15,392	15,392	-	36,504
Miscellaneous	173,261	188,824	15,563	309,715
	<b>256,653</b>	<b>271,776</b>	<b>15,123</b>	<b>502,066</b>
<b>Total Revenues</b>	<b>23,190,823</b>	<b>23,668,199</b>	<b>477,376</b>	<b>23,678,662</b>
<b>Expenditures</b>				
<b>Water Fund</b>				
Operations and maintenance		17,551,266		14,772,323
Capital Outlay		1,571,693		1,429,393
Debt Service		3,219,003		1,817,318
<b>Total expenditures</b>	<b>22,115,397</b>	<b>22,341,962</b>	<b>(226,565)</b>	<b>18,019,034</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,075,426</b>	<b>1,326,237</b>	<b>250,811</b>	<b>5,659,628</b>
<b>Other Financing Sources (Uses)</b>				
Capital contributions	-	637,195	637,195	942,272
Revenue bonds issued	2,324,574	2,294,153	(30,421)	-
Intra-fund transfers out	(4,450,000)	(3,522,533)	927,467	(5,850,000)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,075,426)</b>	<b>(591,185)</b>	<b>484,241</b>	<b>(4,907,728)</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 735,052</b>	<b>\$ 735,052</b>	<b>\$ 751,900</b>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
<b>Reconciling items:</b>				
Budgetary appropriations - capital		\$ 1,571,693		\$ 1,429,393
Budgetary appropriations - debt principal		1,455,837		997,319
Depreciation		(4,458,059)		(4,072,819)
Debt issued		(2,294,153)		-
Amortization of bond premium and discount		117,971		117,971
Amortization of deferred loss on refundings		(47,374)		(47,374)
Changes in accrued interest payable		(5,248)		(106,715)
Changes in unrealized gains/losses on investments		(69,031)		65,459
Intra-fund transfers		3,522,533		5,850,000
Changes in deferred outflows for OPEB		(192,151)		1,020,678
Changes in net OPEB liability		4,887,330		(1,670,941)
Changes in deferred inflows for OPEB		(4,434,044)		235,764
Changes in deferred outflows for pensions		298,752		(315,961)
Changes in net pension liability		(760,505)		(284,188)
Changes in deferred inflows for pensions		(6,875)		(8,048)
Revenue recognized in Capital Projects Fund		41,761		205,424
Revenue recognized in Capital Reserve Fund		321,282		420,212
<b>Total reconciling items</b>		<b>(50,281)</b>		<b>3,836,174</b>
<b>Changes in net position</b>		<b>\$ 684,771</b>		<b>\$ 4,588,074</b>

## Schedule 11. Water Capital Projects Fund | From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ -	\$ 326,039	\$ 41,761	\$ 367,800	\$ 367,800
Capacity fees	1,920,812	1,920,812	-	1,920,812	-
<b>Total revenues</b>	<b>1,920,812</b>	<b>2,246,851</b>	<b>41,761</b>	<b>2,288,612</b>	<b>367,800</b>
<b>Expenditures</b>					
FCP-100 Downtown Office Efficiency & Enhancement*	1,018,750	984,546	19,057	1,003,603	15,147
FCP10072 New Operations Center Phase 2	7,882,500	5,743,672	1,754,928	7,498,600	383,900
FCP10160 New Operations Center - Fleet Maintenance Building	1,162,500	-	41,127	41,127	1,121,373
ICP10189 Asset Management Software	465,000	-	-	-	465,000
WCP-117 WTP Upgrade Phase I	55,000,000	6,678,837	17,991,875	24,670,712	30,329,288
WCP-121 10th Street Connector Project	1,896,000	5,875	-	5,875	1,890,125
WCP-123 COG Town Creek Culvert Improvement	1,260,000	150	-	150	1,259,850
WCP-124 Residual Lagoon Improvements	1,250,000	579,849	369,133	948,982	301,018
WCP10030 Water Distribution System Improvements	500,000	-	-	-	500,000
WCP10032 Water Main Rehabilitation Program Phase II	1,000,000	94,951	59,274	154,225	845,775
WCP10033 Water Treatment Plant Riverbank Stabilization	1,500,000	-	-	-	1,500,000
WCP10035 Bethel Water System Improvements	1,367,000	-	15,740	15,740	1,351,260
WCP10036 Elm Street Water Main Relocation	375,000	-	-	-	375,000
<b>Total expenditures</b>	<b>74,676,750</b>	<b>14,087,880</b>	<b>20,251,134</b>	<b>34,339,014</b>	<b>40,337,736</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(72,755,938)</b>	<b>(11,841,029)</b>	<b>(20,209,373)</b>	<b>(32,050,402)</b>	<b>40,705,536</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	16,389,188	-	-	-	(16,389,188)
Revenue bonds issued	10,409,750	10,248,555	-	10,248,555	(161,195)
State grants	1,367,000	-	-	-	(1,367,000)
State loans	-	-	15,560,203	15,560,203	15,560,203
Long-term financing	44,590,000	-	-	-	(44,590,000)
Intra-fund transfers in	-	13,080,236	3,522,533	16,602,769	16,602,769
<b>Total other financing sources (uses)</b>	<b>72,755,938</b>	<b>23,328,791</b>	<b>19,082,736</b>	<b>42,411,527</b>	<b>(30,344,411)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 11,487,762</b>	<b>\$ (1,126,637)</b>	<b>\$ 10,361,125</b>	<b>\$ 10,361,125</b>

\*Project(s) already closed.

**Schedule 12. Water Capital Reserve Fund** | From Inception and for the Year Ended June 30, 2021

			<b>Actual</b>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>	
<b>Revenues</b>						
System development fees	\$ -	\$ 763,602	\$ 314,910	\$ 1,078,512	\$ 1,078,512	
Interest on investments	-	12,378	6,372	18,750	18,750	
<b>Total revenues</b>	<b>-</b>	<b>775,980</b>	<b>321,282</b>	<b>1,097,262</b>	<b>1,097,262</b>	
<b>Other Financing Sources (Uses)</b>						
Transfer to Water Capital Projects Fund	-	-	-	-	-	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Revenues Over Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 775,980</b>	<b>\$ 321,282</b>	<b>\$ 1,097,262</b>	<b>\$ 1,097,262</b>	



## Schedule 13. Sewer Operating Fund | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	2021			2020
	Budget	Actual	Variance Positive (Negative)	Actual
<b>Revenues</b>				
<b>Operating Revenues</b>				
Rates and charges	\$ 23,396,795	\$ 23,818,227	\$ 421,432	\$ 23,369,041
Fees and charges	379,467	501,385	121,918	459,081
Miscellaneous	201,559	200,140	(1,419)	113,024
	<b>23,977,821</b>	<b>24,519,752</b>	<b>541,931</b>	<b>23,941,146</b>
<b>Non-Operating Revenues</b>				
Interest on investments	72,000	66,225	(5,775)	180,071
FEMA/Insurance reimbursements	41,528	41,528	-	37,344
Miscellaneous	69,973	77,980	8,007	83,974
	<b>183,501</b>	<b>185,733</b>	<b>2,232</b>	<b>301,389</b>
<b>Total Revenues</b>	<b>24,161,322</b>	<b>24,705,485</b>	<b>544,163</b>	<b>24,242,535</b>
<b>Expenditures</b>				
<b>Sewer Fund</b>				
Operations and maintenance		16,550,213		13,775,976
Capital Outlay		2,577,407		1,774,250
Debt Service		5,536,217		5,519,461
<b>Total expenditures</b>	<b>25,013,343</b>	<b>24,663,837</b>	<b>349,506</b>	<b>21,069,687</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(852,021)</b>	<b>41,648</b>	<b>893,669</b>	<b>3,172,848</b>
<b>Other Financing Sources (Uses)</b>				
Capital contributions	-	1,195,185	1,195,185	4,336,004
Revenue bonds issued	1,802,021	1,730,723	(71,298)	-
Intra-fund transfers out	(2,000,000)	(1,683,336)	316,664	(3,675,279)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
<b>Total other financing sources (uses)</b>	<b>852,021</b>	<b>1,242,572</b>	<b>390,551</b>	<b>660,725</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 1,284,220</b>	<b>\$ 1,284,220</b>	<b>\$ 3,833,573</b>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
<b>Reconciling items:</b>				
Budgetary appropriations - capital		\$ 2,577,407		\$ 1,774,250
Budgetary appropriations - debt principal		3,681,674		3,927,485
Depreciation		(7,028,108)		(6,492,806)
Debt issued		(1,730,723)		-
Amortization of bond premium and discount		122,624		122,624
Amortization of deferred loss on refundings		(51,028)		(51,028)
Changes in accrued interest payable		(16,564)		(75,728)
Changes in unrealized gains/losses on investments		(94,730)		103,379
Intra-fund transfers		1,683,336		3,675,279
Changes in deferred outflows for OPEB		(183,417)		974,284
Changes in net OPEB liability		4,665,178		(1,594,989)
Changes in deferred inflows for OPEB		(4,232,496)		225,047
Changes in deferred outflows for pensions		285,173		(301,599)
Changes in net pension liability		(725,937)		(271,270)
Changes in deferred inflows for pensions		(6,563)		(7,682)
Revenue recognized in Capital Projects Fund		297,117		557,428
Revenue recognized in Capital Reserve Fund		367,901		432,436
<b>Total reconciling items</b>		<b>(389,156)</b>		<b>2,997,110</b>
<b>Changes in net position</b>		<b>\$ 895,064</b>		<b>\$ 6,830,683</b>

## Schedule 14. Sewer Capital Projects Fund | From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc income	\$ -	\$ 648,760	\$ 97,117	\$ 745,877	\$ 745,877
Capacity fees	2,158,902	2,158,902	-	2,158,902	-
Outfall acreage fee	1,055,136	1,055,136	-	1,055,136	-
Local contributions	-	250,000	200,000	450,000	450,000
<b>Total revenues</b>	<b>3,214,038</b>	<b>4,112,798</b>	<b>297,117</b>	<b>4,409,915</b>	<b>1,195,877</b>
<b>Expenditures</b>					
FCP-100 Downtown Office Efficiency & Enhancement*	1,018,750	984,546	19,057	1,003,603	15,147
FCP10072 New Operations Center Phase 2	7,882,500	5,743,672	2,662,992	8,406,664	(524,164)
FCP10160 New Operations Center - Fleet Maintenance Building	1,162,500	-	41,127	41,127	1,121,373
ICP10189 Asset Management Software	465,000	-	-	-	465,000
SCP-123 COG Town Creek Culvert Improvement	2,950,000	50,592	-	50,592	2,899,408
SCP10217 10th Street Connector Project	306,000	-	-	-	306,000
SCP10219 Candlewick Area Sanitary Sewer District Project*	800,000	669,026	50,452	719,478	80,522
SCP10221 Southeast Sewer Service Area Project	3,000,000	9,414	195,688	205,102	2,794,898
SCP10222 Sewer Outfall Rehabilitation Phase 4	2,480,000	315,770	61,159	376,929	2,103,071
SCP10223 Regional Pump Station Upgrades	1,800,000	1,004,801	176,134	1,180,935	619,065
SCP10229 Greene Street Pump Station and Force Main	2,200,000	36,461	101,878	138,339	2,061,661
SCP10230 Forlines Pump Station Expansion	2,250,000	19,668	136,929	156,597	2,093,403
SCP10233 WWTP Headworks Improvements	2,500,000	-	318,000	318,000	2,182,000
SCP10235 Duplex Pump Station Improvements	500,000	414,949	-	414,949	85,051
SCP10238 WWTP Clarifier Replacement Project	7,500,000	-	-	-	7,500,000
SCP10241 Bethel Wastewater System Improvements	3,000,000	-	8,379	8,379	2,991,621
SCP10242 Sewer System Impr. for Industry and Commercial	656,000	-	-	-	656,000
SCP10243 Elm Street Sewer Pipeline Relocations	325,000	-	-	-	325,000
SCP10244 Sewer System Extensions Phase I	3,244,000	-	-	-	3,244,000
<b>Total expenditures</b>	<b>44,039,750</b>	<b>9,248,899</b>	<b>3,771,795</b>	<b>13,020,694</b>	<b>31,019,056</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(40,825,712)</b>	<b>(5,136,101)</b>	<b>(3,474,678)</b>	<b>(8,610,779)</b>	<b>32,214,933</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	15,066,962	-	-	-	(15,066,962)
Revenue bonds issued	9,293,750	8,998,065	-	8,998,065	(295,685)
Federal grants	4,500,000	-	-	-	(4,500,000)
State grants	3,000,000	-	-	-	(3,000,000)
Long-term financing	8,965,000	-	-	-	(8,965,000)
Intra-fund transfers in	-	14,457,122	1,683,336	16,140,458	16,140,458
<b>Total other financing sources (uses)</b>	<b>40,825,712</b>	<b>23,455,187</b>	<b>1,683,336</b>	<b>25,138,523</b>	<b>(15,687,189)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 18,319,086</b>	<b>\$ (1,791,342)</b>	<b>\$ 16,527,744</b>	<b>\$ 16,527,744</b>

\*Project(s) already closed.

## Schedule 15. Sewer Capital Reserve Fund | From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Positive (Negative)
<b>Revenues</b>					
System development fees	\$ -	\$ 845,227	\$ 361,015	\$ 1,206,242	\$ 1,206,242
Interest on investments	-	14,291	6,886	21,177	21,177
<b>Total revenues</b>	<b>-</b>	<b>859,518</b>	<b>367,901</b>	<b>1,227,419</b>	<b>1,227,419</b>
<b>Other Financing Sources (Uses)</b>					
Transfer to Sewer Capital Projects Fund	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenues Over Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ 859,518</b>	<b>\$ 367,901</b>	<b>\$ 1,227,419</b>	<b>\$ 1,227,419</b>

## Schedule 16. Gas Operating Fund | Year Ended June 30, 2021 (With Comparative Actual Totals for June 30, 2020)

	Budget	2021 Actual	Variance Positive (Negative)	2020 Actual
<b>Revenues</b>				
<b>Operating Revenues</b>				
Rates and charges	\$ 33,088,775	\$ 33,040,070	\$ (48,705)	\$ 31,200,552
Fees and charges	173,134	195,481	22,347	193,063
Miscellaneous	70,976	72,504	1,528	98,108
	<b>33,332,885</b>	<b>33,308,055</b>	<b>(24,830)</b>	<b>31,491,723</b>
<b>Non-Operating Revenues</b>				
Interest on investments	120,000	114,473	(5,527)	282,475
FEMA/Insurance reimbursements	13,468	13,468	-	39,754
Miscellaneous	140,342	221,961	81,619	310,775
	<b>273,810</b>	<b>349,902</b>	<b>76,092</b>	<b>633,004</b>
<b>Total Revenues</b>	<b>33,606,695</b>	<b>33,657,957</b>	<b>51,262</b>	<b>32,124,727</b>
<b>Expenditures</b>				
<b>Gas Fund</b>				
Operations and maintenance		27,518,099		27,120,364
Capital Outlay		1,486,377		1,130,456
Debt Service		1,594,802		1,241,921
<b>Total expenditures</b>	<b>31,815,786</b>	<b>30,599,278</b>	<b>1,216,508</b>	<b>29,492,741</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,790,909</b>	<b>3,058,679</b>	<b>1,267,770</b>	<b>2,631,986</b>
<b>Other Financing Sources (Uses)</b>				
Revenue bonds issued	9,091	7,234	(1,857)	-
Intra-fund transfers out	(2,850,000)	(2,950,000)	(100,000)	(2,250,268)
Appropriated fund balance	1,050,000	-	(1,050,000)	-
<b>Total other financing sources (uses)</b>	<b>(1,790,909)</b>	<b>(2,942,766)</b>	<b>(1,151,857)</b>	<b>(2,250,268)</b>
<b>Revenues and Other Financing Sources Over Expenditures</b>	<b>\$ -</b>	<b>\$ 115,913</b>	<b>\$ 115,913</b>	<b>\$ 381,718</b>
<b>Reconciliation to full accrual basis from modified accrual basis:</b>				
<b>Reconciling items:</b>				
Budgetary appropriations - capital		\$ 1,486,377		\$ 1,130,456
Budgetary appropriations - debt principal		844,586		578,747
Depreciation		(2,712,742)		(2,336,214)
Debt issued		(7,234)		-
Amortization of bond premium and discount		83,678		83,678
Amortization of deferred loss on refundings		(38,820)		(21,344)
Changes in accrued interest payable		5,956		(89,321)
Changes in unrealized gains/losses on investments		(126,697)		129,745
Intra-fund transfers		2,950,000		2,250,268
Changes in deferred outflows for OPEB		(139,746)		742,311
Changes in net OPEB liability		3,554,421		(1,215,229)
Changes in deferred inflows for OPEB		(3,224,759)		171,464
Changes in deferred outflows for pensions		217,275		(229,790)
Changes in net pension liability		(553,096)		(206,682)
Changes in deferred inflows for pensions		(5,000)		(5,853)
Revenue recognized in Rate Stabilization Fund		15,181		29,879
Revenue recognized in Capital Projects Fund		76,050		249,772
<b>Total reconciling items</b>		<b>2,425,430</b>		<b>1,261,887</b>
<b>Changes in net position</b>		<b>\$ 2,541,343</b>		<b>\$ 1,643,605</b>

**Schedule 17. Gas Rate Stabilization Fund** | From Inception and for the Year Ended June 30, 2021

	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Actual Current Year</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Interest on investments	\$ -	\$ 59,373	\$ 15,181	\$ 74,554	\$ 74,554
<b>Other Financing Sources (Uses)</b>					
Transfer from Gas Operating Fund	4,295,999	2,495,999	1,800,000	4,295,999	-
Transfer to Gas Operating Fund	(4,295,999)	(400,000)	-	(400,000)	3,895,999
<b>Total other financing sources (uses)</b>	-	2,095,999	1,800,000	3,895,999	3,895,999
<b>Revenues Over Other Financing Sources (Uses)</b>	\$ -	\$ 2,155,372	\$ 1,815,181	\$ 3,970,553	\$ 3,970,553

## Schedule 18. Gas Capital Projects Fund | From Inception and for the Year Ended June 30, 2021

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total to Date	
<b>Revenues</b>					
Interest and misc. income	\$ -	\$ 551,251	\$ 76,050	\$ 627,301	\$ 627,301
<b>Total revenues</b>	<b>-</b>	<b>551,251</b>	<b>76,050</b>	<b>627,301</b>	<b>627,301</b>
<b>Expenditures</b>					
FCP-100 Downtown Office Efficiency & Enhancement*	1,018,750	984,546	19,056	1,003,602	15,148
FCP10072 New Operations Center Phase 2	7,882,500	5,743,672	1,755,059	7,498,731	383,769
FCP10160 New Operations Center - Fleet Maintenance Building	1,162,500	-	41,127	41,127	1,121,373
ICP10189 Asset Management Software	620,000	-	-	-	620,000
GCP-92 LNG Liquefaction Additions	1,000,000	28,428	-	28,428	971,572
GCP10099 High-Pressure Multiple Gas Facilities Relocation	5,200,000	68,483	23,022	91,505	5,108,495
GCP10101 Firetower Road Widening	1,300,000	-	-	-	1,300,000
GCP10104 Memorial Drive Bridge Replacement	2,000,000	109,197	293,835	403,032	1,596,968
GCP10108 Allen Road Widening (NCDOT U05875)	1,000,000	-	-	-	1,000,000
GCP10109 Integrity Management Replacement Project	1,750,000	-	354,764	354,764	1,395,236
GCP10112 VOA Road Loop	1,200,000	-	109,252	109,252	1,090,748
GCP10113 Evans Street Widening (NCDOT U-2817)	136,000	-	-	-	136,000
GCP10114 14th Street Widening (NCDOT U-5917)	100,000	-	-	-	100,000
<b>Total expenditures</b>	<b>24,369,750</b>	<b>6,934,326</b>	<b>2,596,115</b>	<b>9,530,441</b>	<b>14,839,309</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(24,369,750)</b>	<b>(6,383,075)</b>	<b>(2,520,065)</b>	<b>(8,903,140)</b>	<b>15,466,610</b>
<b>Other Financing Sources (Uses)</b>					
Appropriated fund balance	10,300,000	-	-	-	(10,300,000)
Revenue bonds issued	7,413,750	7,494,494	-	7,494,494	80,744
Long-term financing	6,656,000	-	-	-	(6,656,000)
Intra-fund transfers in	-	11,061,933	1,150,000	12,211,933	12,211,933
<b>Total other financing sources (uses)</b>	<b>24,369,750</b>	<b>18,556,427</b>	<b>1,150,000</b>	<b>19,706,427</b>	<b>(4,663,323)</b>
<b>Revenues and Other Financing Sources Over (Under) Expenditures</b>	<b>\$ -</b>	<b>\$ 12,173,352</b>	<b>\$ (1,370,065)</b>	<b>\$ 10,803,287</b>	<b>\$ 10,803,287</b>

\*Project(s) already closed.

## Schedule 19. Custodial Funds | June 30, 2021

	Refuse Fund	Stormwater Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 722,015	\$ 574,053	\$ 1,296,068
Accounts receivable, net	541,848	335,489	877,337
<b>Total assets</b>	<b>1,263,863</b>	<b>909,542</b>	<b>2,173,405</b>
<b>Liabilities</b>			
Accounts payable	722,015	574,053	1,296,068
<b>Total liabilities</b>	<b>722,015</b>	<b>574,053</b>	<b>1,296,068</b>
<b>Net Position</b>			
Restricted for the City of Greenville	541,848	335,489	877,337
<b>Total net position</b>	<b>\$ 541,848</b>	<b>\$ 335,489</b>	<b>\$ 877,337</b>

## Schedule 20. Custodial Funds | For the Year Ended June 30, 2021

	Refuse Fund	Stormwater Fund	Total Custodial Funds
<b>Additions</b>			
Refuse fees collected for the City of Greenville	\$ 8,065,857	\$ -	\$ 8,065,857
Stormwater fees collected for the City of Greenville	-	6,133,454	6,133,454
<b>Total additions</b>	<b>8,065,857</b>	<b>6,133,454</b>	<b>14,199,311</b>
<b>Deductions</b>			
Refuse fees distributed to the City of Greenville	8,147,065	-	8,147,065
Stormwater fees distributed to the City of Greenville	-	6,190,792	6,190,792
<b>Total deductions</b>	<b>8,147,065</b>	<b>6,190,792</b>	<b>14,337,857</b>
<b>Change in net position</b>	<b>(81,208)</b>	<b>(57,338)</b>	<b>(138,546)</b>
Net position, beginning of year, as previously reported	-	-	-
Prior period restatement	623,056	392,827	1,015,883
<b>Net position, beginning of year, as restated</b>	<b>623,056</b>	<b>392,827</b>	<b>1,015,883</b>
<b>Net position, end of year</b>	<b>\$ 541,848</b>	<b>\$ 335,489</b>	<b>\$ 877,337</b>



## Schedule 21. Schedule of 2021-2022 Projected Transfer to the City of Greenville General Fund

	Electric Fund	Gas Fund	Total
<b>General Transfer</b>			
Capital assets, net of depreciation	\$ 122,292,051	\$ 46,587,109	\$ 168,879,159
Less long-term debt	55,276,719	18,758,386	74,035,105
<b>Net transfer base</b>	<b>67,015,331</b>	<b>27,828,723</b>	<b>94,844,054</b>
Transfer rate	6.00%	6.00%	6.00%
<b>Projected general transfer to City of Greenville</b>	<b>4,020,920</b>	<b>1,669,723</b>	<b>5,690,643</b>
<b>Street Lighting Reimbursement</b>			
Street lighting projected revenue	1,777,576		1,777,576
Transfer Rate	50%		50%
<b>Projected street lighting reimbursement</b>	<b>888,788</b>		<b>888,788</b>
<b>Total projected transfer to City of Greenville General Fund</b>	<b>\$ 4,909,708</b>	<b>\$ 1,669,723</b>	<b>\$ 6,579,431</b>

**Schedule 22. Schedule of Indebtedness** | June 30, 2021

Original Issue Amount	Date of Issue	Date of Maturity	Outstanding June 30, 2020	Added During Year	Retired During Year		Outstanding June 30, 2021	Discount/ Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2021
					Principal	Interest				Principal	Interest	
<b>Electric Fund:</b>												
3,902,210	11/12/2010	9/1/2021	847,458	-	418,410	16,020	429,048	-	429,048	429,048	5,385	3,590
6,182,959	3/11/2013	5/1/2027	3,059,235	-	3,059,235	58,834	-	-	-	-	-	-
22,679,530	6/14/2016	4/1/2046	21,966,087	-	736,182	898,228	21,229,905	2,270,289	23,500,194	483,208	861,419	215,355
1,369,152	6/14/2016	4/1/2026	881,799	-	130,396	41,319	751,403	191,920	943,323	138,545	34,799	8,700
3,470,208	6/14/2016	4/1/2034	3,319,005	-	322,940	162,478	2,996,065	659,488	3,655,553	173,604	146,331	36,583
27,092,783	6/6/2019	8/1/2044	27,092,783	-	-	1,165,001	27,092,783	3,602,233	30,695,016	417,798	1,154,556	485,417
2,288,901	5/20/2021	5/1/2027	-	2,288,901	-	-	2,288,901	361,074	2,649,975	362,962	108,405	17,061
<b>66,985,743</b>			<b>57,166,367</b>	<b>2,288,901</b>	<b>4,667,163</b>	<b>2,341,880</b>	<b>54,788,105</b>	<b>7,085,004</b>	<b>61,873,109</b>	<b>2,005,165</b>	<b>2,310,895</b>	<b>766,706</b>
<b>Water Fund:</b>												
1,695,666	11/12/2010	9/1/2021	368,255	-	181,816	6,961	186,439	-	186,439	186,439	2,340	1,560
2,243,132	6/14/2016	4/1/2046	2,172,568	-	72,812	88,840	2,099,756	224,544	2,324,300	47,792	85,199	21,300
711,915	6/14/2016	4/1/2026	458,508	-	67,802	21,485	390,706	99,792	490,498	72,039	18,095	4,524
7,571,332	6/14/2016	4/1/2034	7,241,436	-	704,594	354,496	6,536,842	1,438,878	7,975,720	378,770	319,267	79,817
8,206,842	6/6/2019	8/1/2044	8,206,842	-	-	352,898	8,206,842	1,091,174	9,298,016	126,558	349,734	147,041
1,433,496	5/20/2021	5/1/2030	-	1,433,497	-	-	1,433,497	303,784	1,737,281	148,752	67,892	10,685
25,175	5/20/2021	5/1/2030	-	25,175	-	-	25,175	5,335	30,510	2,613	1,192	188
226,450	5/20/2021	5/1/2033	-	226,450	-	-	226,450	52,894	279,344	17,586	10,334	1,626
101,271	5/20/2021	5/1/2030	-	101,271	-	-	101,271	21,378	122,649	10,654	4,796	755
634,249	5/20/2021	5/1/2033	-	634,249	-	-	634,249	149,100	783,349	47,710	28,913	4,550
1,919,268	5/20/2021	5/1/2041	-	1,919,268	-	-	1,919,268	342,387	2,261,655	141,182	82,296	11,438
3,884,913	11/18/2010	5/1/2030	1,942,457	-	1,942,457	44,866	-	-	-	-	-	-
460,425	12/19/2013	5/1/2033	299,276	-	299,276	7,846	-	-	-	-	-	-
269,492	6/21/2010	5/1/2030	134,746	-	134,746	3,529	-	-	-	-	-	-
1,291,496	12/19/2013	5/1/2033	839,473	-	839,473	17,695	-	-	-	-	-	-
1,176,457	10/29/2018	5/1/2038	1,058,811	-	58,823	16,200	999,988	-	999,988	58,823	15,300	2,550
15,560,203	10/5/2023	5/1/2043	-	15,560,203	-	-	15,560,203	-	15,560,203	-	-	-
2,942,152	5/1/2011	5/1/2030	735,538	-	73,554	-	661,984	-	661,984	73,554	-	-
44,782	1/28/2011	5/1/2031	12,314	-	1,118	-	11,196	-	11,196	1,119	-	-
<b>50,398,717</b>			<b>23,470,224</b>	<b>19,900,113</b>	<b>4,376,471</b>	<b>914,816</b>	<b>38,993,866</b>	<b>3,729,266</b>	<b>42,723,132</b>	<b>1,313,591</b>	<b>985,358</b>	<b>286,034</b>

Schedule 22 continues on the next page.

Schedule 22. Schedule of Indebtedness | June 30, 2021

Original Issue Amount	Date of Issue	Date of Maturity	Outstanding June 30, 2020	Added During Year	Retired During Year		Outstanding June 30, 2021	Discount/Premium	Long-term Debt Total	Maturing Next Year		Accrued Interest 2021
					Principal	Interest				Principal	Interest	
<b>Sewer Fund:</b>												
1,695,666	11/12/2010	9/1/2021	471,842	-	232,960	-	238,882	-	238,882	238,882	2,998	1,999
4,719,168	6/14/2016	4/1/2046	4,570,715	-	153,185	186,904	4,417,530	472,402	4,889,932	100,546	179,244	44,811
2,118,933	6/14/2016	4/1/2026	1,364,694	-	201,803	63,946	1,162,891	297,020	1,459,911	214,416	53,856	13,464
6,911,365	6/14/2016	4/1/2034	6,610,224	-	643,177	323,596	5,967,047	1,313,456	7,280,503	345,754	291,437	72,859
6,799,917	6/6/2019	8/1/2044	6,799,917	-	-	292,399	6,799,917	904,111	7,704,028	104,861	289,778	121,833
5,171,136	5/20/2021	5/1/2030	-	5,171,136	-	-	5,171,136	1,091,905	6,263,041	543,514	244,911	38,544
4,003,742	5/20/2021	5/1/2032	-	4,003,742	-	-	4,003,742	927,036	4,930,778	340,116	185,823	29,245
6,712,369	5/20/2021	5/1/2033	-	6,712,369	-	-	6,712,369	1,568,784	8,281,153	519,789	306,287	48,204
4,023,727	5/20/2021	5/1/2037	-	4,023,727	-	-	4,023,727	822,168	4,845,895	219,794	164,084	25,824
1,264,719	5/20/2021	5/1/2041	-	1,264,719	-	-	1,264,719	196,407	1,461,126	93,033	38,273	7,537
13,761,629	3/6/2010	5/1/2030	6,880,815	-	6,880,815	178,750	-	-	-	-	-	-
8,866,000	11/2/2012	5/1/2032	5,319,600	-	5,319,600	136,914	-	-	-	-	-	-
13,649,668	9/30/2013	5/1/2033	8,872,284	-	8,872,284	228,426	-	-	-	-	-	-
2,098,250	7/30/2016	5/1/2036	1,597,943	-	99,871	-	1,498,072	-	1,498,072	99,872	-	-
6,176,450	6/5/2017	5/1/2037	5,091,963	-	5,091,963	106,898	-	-	-	-	-	-
1,718,086	3/8/2018	5/1/2038	1,546,277	-	85,904	25,668	1,460,373	-	1,460,373	85,904	24,242	4,040
2,895,724	1/6/2003	5/1/2023	454,144	-	454,144	73,253	-	-	-	-	-	-
<b>92,586,549</b>			<b>49,580,418</b>	<b>21,175,693</b>	<b>28,035,706</b>	<b>1,625,674</b>	<b>42,720,405</b>	<b>7,593,289</b>	<b>50,313,694</b>	<b>2,906,481</b>	<b>1,780,933</b>	<b>408,360</b>
<b>Gas Fund:</b>												
3,234,480	11/12/2010	9/1/2021	702,445	-	346,814	13,279	355,631	-	355,631	355,631	4,463	2,975
1,487,041	3/11/2013	5/1/2027	735,765	-	735,765	14,150	-	-	-	-	-	-
10,253,170	6/14/2016	4/1/2046	9,930,630	-	332,820	406,079	9,597,810	1,026,373	10,624,183	218,453	389,438	97,360
637,094	6/14/2016	4/1/2034	609,335	-	59,289	29,829	550,046	121,075	671,121	31,872	26,865	6,716
6,535,458	6/6/2019	8/1/2044	6,535,458	-	-	281,027	6,535,458	868,950	7,404,408	100,783	278,508	117,095
550,495	5/20/2021	5/1/2027	-	550,495	-	-	550,495	86,840	637,335	87,295	26,072	4,103
<b>22,697,738</b>			<b>18,513,633</b>	<b>550,495</b>	<b>1,474,688</b>	<b>744,364</b>	<b>17,589,440</b>	<b>2,103,238</b>	<b>19,692,678</b>	<b>794,034</b>	<b>725,346</b>	<b>228,249</b>
<b>232,668,748</b>			<b>148,730,642</b>	<b>43,915,202</b>	<b>38,554,028</b>	<b>5,626,734</b>	<b>154,091,816</b>	<b>20,510,797</b>	<b>174,602,613</b>	<b>7,019,271</b>	<b>5,802,532</b>	<b>1,689,349</b>

## Schedule 23. Schedule of Expenditures of Federal and State Awards | For the Fiscal Year Ended June 30, 2021

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 Subrecipients	Local Expenditures	Total
<b>Federal Grants:</b>							
<b>Cash Programs:</b>							
<b>U.S. Department of Homeland Security</b>							
<b>Federal Emergency Management Agency</b>							
<b>Passed through the NC Department of Public Safety</b>							
Disaster Assistance	97.036	FEMA-4285-DR-NC	\$ 71,630	\$ 23,877	\$ -	\$ (95,507)	\$ -
Disaster Assistance	97.036	FEMA-4568-DR-NC	215,320	71,773	-	3,921	291,014
<b>Total Passed through the NC Department of Public Safety</b>			<b>286,950</b>	<b>95,650</b>	<b>-</b>	<b>(91,586)</b>	<b>291,014</b>
<b>Total U.S. Department of Homeland Security</b>			<b>286,950</b>	<b>95,650</b>	<b>-</b>	<b>(91,586)</b>	<b>291,014</b>
<b>Noncash Programs:</b>							
<b>U.S. Environmental Protection Agency</b>							
<b>Passed through the N.C. Department of Environmental Quality</b>							
<b>Public Water Supply Division</b>							
Drinking Water State Revolving Fund	66.468	H-SRF-F-20-1984	24,670,712	-	-	-	24,670,712
<b>Total Drinking Water State Revolving Fund</b>			<b>24,670,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,670,712</b>
<b>Total U.S. Environmental Protection Agency</b>			<b>24,670,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,670,712</b>
<b>Total Federal Assistance</b>			<b>\$ 24,957,662</b>	<b>\$ 95,650</b>	<b>\$ -</b>	<b>\$ (91,586)</b>	<b>\$ 24,961,726</b>
<b>Total Federal and State Assistance</b>			<b>\$ 24,957,662</b>	<b>\$ 95,650</b>	<b>\$ -</b>	<b>\$ (91,586)</b>	<b>\$ 24,961,726</b>

**Notes to the Schedule of Expenditures of Federal and State Awards:**

**Note 1:** 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.

**Note 2:** Certain expenditures incurred in fiscal year 2017 that were associated with disaster recovery were reported as local expenditures in the fiscal year 2017 Schedule of Expenditures of Federal and State Awards. Subsequently, the Federal Emergency Management Agency approved disaster assistance awards related to certain of these expenditures. Those subsequently approved expenditures are reported in this Schedule of Expenditures of Federal and State Awards as Federal and State expenditures related to FEMA Disaster Assistance awards, with a corresponding reduction of local expenditures.

**STATISTICAL  
SECTION**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Enterprise fund activities</b>										
Net investment in capital assets	\$238,986	\$246,776	\$253,843	\$272,213	\$264,725	\$266,668	\$277,995	\$282,968	\$293,506	\$305,356
Unrestricted	79,196	79,035	77,924	69,458	101,797	112,258	97,101	111,488	115,425	112,171
<b>Total enterprise fund activities net position</b>	<b>\$318,182</b>	<b>\$325,811</b>	<b>\$331,767</b>	<b>\$341,671</b>	<b>\$366,522</b>	<b>\$378,926</b>	<b>\$375,096</b>	<b>\$394,456</b>	<b>\$408,931</b>	<b>\$417,527</b>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Operating revenues:</b>										
Charges for services	\$ 255,943	\$ 260,272	\$ 269,776	\$ 270,859	\$ 246,112	\$ 245,486	\$ 254,569	\$ 259,045	\$ 248,350	\$ 254,250
Other operating revenues	785	773	996	1,128	1,096	519	923	1,037	824	2,808
<b>Total operating revenues</b>	<b>256,728</b>	<b>261,045</b>	<b>270,772</b>	<b>271,987</b>	<b>247,208</b>	<b>246,006</b>	<b>255,492</b>	<b>260,081</b>	<b>249,173</b>	<b>257,057</b>
<b>Operating expenses:</b>										
Administration and general	15,456	15,916	17,493	17,711	19,226	22,322	21,710	24,985	29,245	26,113
Operations and maintenance	36,433	33,916	33,915	35,032	35,827	39,474	39,467	41,344	41,442	49,961
Purchased power and gas	175,992	179,141	188,110	180,031	140,033	145,675	149,657	148,465	141,309	139,441
Depreciation	16,962	17,565	18,181	18,140	18,662	20,999	21,404	22,204	23,072	26,198
<b>Total operating expenses</b>	<b>244,842</b>	<b>246,538</b>	<b>257,700</b>	<b>250,914</b>	<b>213,746</b>	<b>228,471</b>	<b>232,239</b>	<b>236,998</b>	<b>235,068</b>	<b>241,713</b>
<b>Operating income (loss)</b>	<b>11,886</b>	<b>14,507</b>	<b>13,072</b>	<b>21,072</b>	<b>33,462</b>	<b>17,535</b>	<b>23,253</b>	<b>23,083</b>	<b>14,105</b>	<b>15,345</b>
<b>Non-operating revenues (expenses):</b>										
Interest income	335	226	208	284	330	528	1,159	3,559	4,016	474
Interest expense and service charges	(3,984)	(4,091)	(3,574)	(3,683)	(4,154)	(3,358)	(4,153)	(4,883)	(5,272)	(6,398)
Other, net	4,677	2,721	1,761	1,444	2,572	4,230	3,115	2,492	2,753	3,549
<b>Net non-operating revenues</b>	<b>1,027</b>	<b>(1,143)</b>	<b>(1,604)</b>	<b>(1,955)</b>	<b>(1,252)</b>	<b>1,399</b>	<b>122</b>	<b>1,168</b>	<b>1,497</b>	<b>(2,375)</b>
<b>Income before contributions and transfers</b>	<b>12,913</b>	<b>13,364</b>	<b>11,468</b>	<b>19,117</b>	<b>32,210</b>	<b>18,934</b>	<b>23,376</b>	<b>24,250</b>	<b>15,602</b>	<b>12,970</b>
<b>Contributions and transfers:</b>										
Capital Contributions	-	-	568	602	-	135	1,214	1,828	5,528	2,126
Transfer to City of Greenville, General Fund	(5,039)	(5,038)	(5,360)	(5,748)	(6,592)	(5,900)	(5,853)	(5,909)	(5,770)	(5,542)
Transfer to City of Greenville, street lighting reimb.	(696)	(696)	(721)	(757)	(766)	(765)	(748)	(809)	(885)	(958)
<b>Total contributions and transfers</b>	<b>(5,735)</b>	<b>(5,733)</b>	<b>(5,513)</b>	<b>(5,903)</b>	<b>(7,358)</b>	<b>(6,530)</b>	<b>(5,387)</b>	<b>(4,890)</b>	<b>(1,126)</b>	<b>(4,374)</b>
<b>Changes in net position</b>	<b>\$ 7,178</b>	<b>\$ 7,630</b>	<b>\$ 5,955</b>	<b>\$ 13,214</b>	<b>\$ 24,851</b>	<b>\$ 12,404</b>	<b>\$ 17,989</b>	<b>\$ 19,360</b>	<b>\$ 14,475</b>	<b>\$ 8,596</b>

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
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
2020	168,333,697	1,727,012	502,904	22,565,044	502,057	109,495
2021	171,600,161	1,779,019	2,453,795	22,845,024	470,134	81,265

Fiscal Year	Sewer Fund			Gas Fund		
	Rates & Charges	Fees & Charges	Other Operating Revenue	Rates & Charges	Fees & Charges	Other Operating Revenue
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
2020	23,369,041	459,081	113,024	31,200,552	193,063	98,108
2021	23,818,227	501,385	200,140	33,040,070	195,481	72,504



**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) <sup>1</sup>
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
2020	730,472,461	137,317,964	302,717,083	527,537,912	17,748,165	-	1,715,793,585	\$0.09811
2021	787,045,135	141,070,138	292,420,840	505,502,880	17,137,625	-	1,743,176,618	\$0.09844

<sup>1</sup> Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct electric rates for all customer classes are shown on Table 8.

**Table 5. Revenue Base by Customer Class: Water Kgallons<sup>1</sup> Sold** | Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Irrigation	Wholesale	Total	Effective Rate (per kgallon) <sup>2</sup>
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
2020	2,101,647	888,661	409,054	133,356	629,401	4,162,119	\$5.42153
2021	2,213,598	857,439	368,061	116,456	649,962	4,205,516	\$5.43216

<sup>1</sup> One Kgallon equals one thousand gallons.

<sup>2</sup> Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct water rates for all customer classes are shown on Table 9.

**Table 6. Revenue Base by Customer Class: Wastewater Kgallons<sup>1</sup> Collected** | Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Residential</b>	<b>Commercial &amp; Industrial</b>	<b>Wholesale</b>	<b>Total</b>	<b>Effective Rate (per kgallon)<sup>2</sup></b>
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
2020	1,716,115	1,103,542	73,025	2,892,682	\$8.07868
2021	1,808,623	1,029,206	133,770	2,971,598	\$8.01529

<sup>1</sup> One Kgallon equals one thousand gallons.

<sup>2</sup> Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct wastewater rates for all customer classes are shown on Table 10.

**Table 7. Revenue Base by Customer Class: Natural Gas CCFs<sup>1</sup> Sold** | Last Ten Fiscal Years

Fiscal Year	Residential	Commercial	Industrial	Interruptible	Seasonal	Total	Effective Rate (per CCF) <sup>2</sup>
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
2020	7,298,902	5,549,826	2,744,829	16,680,380	181,460	32,455,397	\$0.96134
2021	8,621,566	6,267,623	2,954,202	15,769,310	123,259	33,735,961	\$0.97937

<sup>1</sup> One ccf equals one hundred cubic feet.

<sup>2</sup> Due to the complexity of the rate structure the effective rate is shown in place of a direct rate. Direct natural gas rates for all customer classes are shown on Table 11.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Effective Rate (per kWh)	\$0.11699	\$0.11717	\$0.11819	\$0.11511	\$0.10549	\$0.10089	\$0.09815	\$0.09781	\$0.09811	\$0.09844
<b>Residential</b>										
Base facilities charge (per month)	\$ 8.99	\$ 10.99	\$ 10.99	\$ 10.99	\$ 13.00	\$ 15.00	\$ 17.00	\$ 19.00	\$ 21.00	\$ 21.00
Energy (per kWh) Summer	\$0.12600	\$0.12600	\$0.12600	\$0.12600	n/a	n/a	n/a	n/a	n/a	n/a
Winter	\$0.11514	\$0.11514	\$0.11514	\$0.11514	n/a	n/a	n/a	n/a	n/a	n/a
all kWh	n/a	n/a	n/a	n/a	\$0.11086	\$0.10014	\$0.09814	\$0.09614	\$0.09414	\$0.09414
<b>Residential Time of Use with Demand Net Metering for Solar Energy Facilities</b>										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	\$ 19.47	\$ 21.47	\$ 23.47	\$ 25.47	\$ 27.47	\$ 27.47
Demand (per kW) all kW	n/a	n/a	n/a	n/a	\$ 7.94	\$ 6.82	\$ 6.55	\$ 6.11	\$ 5.67	\$ 5.67
Energy (per kWh) all on-peak kWh	n/a	n/a	n/a	n/a	\$0.13668	\$0.12829	\$0.12829	\$0.14026	\$0.14228	\$0.14228
all off-peak kWh	n/a	n/a	n/a	n/a	\$0.04393	\$0.03873	\$0.03873	\$0.03474	\$0.03569	\$0.03569
<b>Small General Service</b>										
Base facilities charge (per month)	\$ 12.89	\$ 15.76	\$ 15.76	\$ 15.76	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00
Energy (per kWh)a. first 1,000 kWh	\$0.13177	\$0.13177	\$0.13177	\$0.13177	\$0.11938	\$0.11066	\$0.11066	\$0.11066	\$0.11066	\$0.11066
b. next 5,000 kWh	\$0.12558	\$0.12558	\$0.12558	\$0.12558	\$0.11319	\$0.10447	\$0.10447	\$0.10447	\$0.10447	\$0.10447
c. all additional kWh	\$0.10696	\$0.10696	\$0.10696	\$0.10696	\$0.09457	\$0.08585	\$0.08585	\$0.08585	\$0.08585	\$0.08585
<b>Medium General Service</b>										
Base facilities charge (per month)	\$ 13.33	\$ 16.30	\$ 16.30	\$ 16.30	\$ 50.00	\$ 50.00	\$ 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	\$0.10464	\$0.09592	\$0.09592	\$0.09592	\$0.09592	\$0.09592
b. all additional kWh	\$0.09233	\$0.09233	\$0.09233	\$0.09233	\$0.08900	\$0.08028	\$0.08028	\$0.08028	\$0.08028	\$0.08028
<b>Medium General Service - CP</b>										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Demand (per kW) a. all coincident peak	n/a	n/a	n/a	n/a	\$ 14.95	\$ 14.57	\$ 17.00	\$ 17.40	\$ 18.14	\$ 18.13
b. allocated non-coincident peak	n/a	n/a	n/a	n/a	\$ 16.75	\$ 15.61	\$ 15.61	\$ 15.61	\$ 15.61	\$ 15.61
c. excess non-coincident peak	n/a	n/a	n/a	n/a	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38	\$ 5.38
d. all rKVA	n/a	n/a	n/a	n/a	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25
Energy (per kWh) all kWh per month	n/a	n/a	n/a	n/a	\$0.04224	\$0.03677	\$0.03027	\$0.03071	\$0.02815	\$0.02827
<b>Large General Service</b>										
Base facilities charge (per month)	n/a	n/a	n/a	n/a	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 150.00
Demand (per kW) a. all coincident peak	\$ 12.71	\$ 12.71	\$ 12.71	\$ 12.71	\$ 19.53	\$ 19.03	\$ 22.20	\$ 22.73	\$ 23.69	\$ 23.68
b. allocated non-coincident peak	\$ 17.42	\$ 17.42	\$ 17.42	\$ 17.42	\$ 15.19	\$ 13.13	\$ 13.13	\$ 13.13	\$ 13.13	\$ 13.13
c. excess non-coincident peak	\$ 4.98	\$ 4.98	\$ 4.98	\$ 4.98	\$ 6.82	\$ 6.82	\$ 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	\$0.03522	\$0.03066	\$0.02524	\$0.02560	\$0.02347	\$0.02357
<b>Seasonal General Service</b>										
Base facilities charge (per month)	\$ 14.84	\$ 18.14	\$ 18.14	\$ 18.14	n/a	n/a	n/a	n/a	n/a	n/a
Energy (per kWh) a. first 750 kWh Summer	\$0.14306	\$0.14306	\$0.14306	\$0.14306	n/a	n/a	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	n/a	n/a	n/a	n/a	n/a	n/a
c. all additional kWh	\$0.10647	\$0.10647	\$0.10647	\$0.10647	n/a	n/a	n/a	n/a	n/a	n/a
Energy (per kWh) a. first 750 kWh Winter	\$0.12235	\$0.12235	\$0.12235	\$0.12235	n/a	n/a	n/a	n/a	n/a	n/a
b. all additional kWh	\$0.09382	\$0.09382	\$0.09382	\$0.09382	n/a	n/a	n/a	n/a	n/a	n/a
<b>Public Communications Network Device Service</b>										
Base facilities charge (per month)	\$ 1.25	\$ 1.58	\$ 1.58	\$ 1.58	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10
Energy (per month)										
Wireless IP network device	n/a	n/a	n/a	n/a	\$ 0.60	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56	\$ 0.56
Public safety cameras	n/a	n/a	n/a	n/a	\$ 1.20	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11	\$ 1.11
CAD 12 ONU installations	\$ 1.41	\$ 1.45	\$ 1.45	\$ 1.45	\$ 1.32	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.22	\$ 1.22
MLU 48 ONU installations	\$ 5.63	\$ 5.79	\$ 5.79	\$ 5.79	\$ 5.26	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87	\$ 4.87

Table 8 continues on the next page.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Bilateral Metering for Solar Energy Facilities</b>										
Base facilities charge (per month)										
Residential	n/a	n/a	\$ 6.48	\$ 6.48	\$ 7.67	\$ 8.85	\$ 10.03	\$ 11.21	\$ 12.39	\$ 12.39
Small General Service	n/a	n/a	\$ 10.44	\$ 10.44	\$ 13.86	\$ 13.86	\$ 13.86	\$ 13.86	\$ 13.86	\$ 13.86
Medium General Service	n/a	n/a	\$ 10.88	\$ 10.88	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00	\$ 33.00
Energy credit (per kWh)	n/a	n/a	\$0.07000	\$0.07000	\$0.07000	\$0.06163	\$0.06257	\$0.06257	\$0.06446	\$0.05755
<b>Outdoor Lighting Service (rate per unit per month)</b>										
General Customers										
175W (7K lumens) MV	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.85	\$ 12.57	\$ 12.37	\$ 12.37	\$ 12.37	\$ 12.37	\$ 12.37
250W (11K lumens) MV	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.47	\$ 16.06	\$ 15.78	\$ 15.78	\$ 15.78	\$ 15.78	\$ 15.78
400W (20K lumens) MV	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.77	\$ 22.16	\$ 21.73	\$ 21.73	\$ 21.73	\$ 21.73	\$ 21.73
100W (8.5K) HPS	n/a	n/a	\$ 12.85	\$ 12.85	\$ 12.57	\$ 12.37	\$ 12.37	\$ 12.37	\$ 12.37	\$ 12.37
150W (14K lumens) HPS	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.92	\$ 15.64	\$ 15.44	\$ 15.44	\$ 15.44	\$ 15.44	\$ 15.44
250W (23K lumens) HPS	\$ 21.24	\$ 21.24	\$ 21.24	\$ 21.24	\$ 20.81	\$ 20.51	\$ 20.51	\$ 20.51	\$ 20.51	\$ 20.51
400W (45K lumens) HPS	\$ 32.21	\$ 32.21	\$ 32.21	\$ 32.21	\$ 31.56	\$ 31.10	\$ 31.10	\$ 31.10	\$ 31.10	\$ 31.10
400W-F (45K lumens) HPS	\$ 33.29	\$ 33.29	\$ 33.29	\$ 33.29	\$ 32.64	\$ 32.18	\$ 32.18	\$ 32.18	\$ 32.18	\$ 32.18
400W (40K lumens) MH	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.84	\$ 34.19	\$ 33.73	\$ 33.73	\$ 33.73	\$ 33.73	\$ 33.73
400W-F (40K lumens) MH	n/a	n/a	\$ 34.84	\$ 34.84	\$ 34.19	\$ 33.73	\$ 33.73	\$ 33.73	\$ 33.73	\$ 33.73
70W (4.5K lumens) LED	n/a	n/a	n/a	n/a	n/a	\$ 25.64	\$ 25.64	n/a	n/a	n/a
50W (5K lumens) LED	n/a	n/a	\$ 20.18	\$ 20.18	\$ 20.09	\$ 18.75	\$ 18.75	\$ 18.75	\$ 18.75	\$ 18.75
100W (8K lumens) LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 25.64	\$ 25.64	\$ 25.64
110W (8K lumens) LED	n/a	n/a	\$ 21.74	\$ 21.74	\$ 21.61	\$ 21.48	\$ 21.48	\$ 21.48	\$ 21.48	\$ 21.48
150W (13.5K lumens) LED	n/a	n/a	\$ 26.67	\$ 26.67	\$ 26.37	\$ 23.61	\$ 23.61	\$ 23.61	\$ 23.61	\$ 23.61
210W (24K lumens) LED	n/a	n/a	n/a	n/a	n/a	\$ 33.21	\$ 33.21	\$ 33.21	\$ 33.21	\$ 33.21
280W-F (25K lumens) LED	n/a	n/a	\$ 39.55	\$ 39.55	\$ 39.14	\$ 38.04	\$ 38.04	\$ 38.04	\$ 38.04	\$ 38.04
County, Municipal or Housing Authority										
175W (7K lumens) MV	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.84	\$ 11.56	\$ 11.36	\$ 11.36	\$ 11.36	\$ 11.36	\$ 11.36
250W (11K lumens) MV	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.76	\$ 15.35	\$ 15.07	\$ 15.07	\$ 15.07	\$ 15.07	\$ 15.07
400W (20K lumens) MV	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.83	\$ 21.22	\$ 20.79	\$ 20.79	\$ 20.79	\$ 20.79	\$ 20.79
400W-T (20K lumens) MV	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.50	\$ 17.20	\$ 16.98	\$ 16.98	\$ 16.98	\$ 16.98	\$ 16.98
100W (8.5K lumens) HPS	n/a	n/a	\$ 11.84	\$ 11.84	\$ 11.56	\$ 11.36	\$ 11.36	\$ 11.36	\$ 11.36	\$ 11.36
150W (14K lumens) HPS	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.51	\$ 14.23	\$ 14.03	\$ 14.03	\$ 14.03	\$ 14.03	\$ 14.03
250W (23K lumens) HPS	\$ 19.32	\$ 19.32	\$ 19.32	\$ 19.32	\$ 18.89	\$ 18.59	\$ 18.59	\$ 18.59	\$ 18.59	\$ 18.59
400W (45K lumens) HPS	\$ 29.21	\$ 29.21	\$ 29.21	\$ 29.21	\$ 28.56	\$ 28.10	\$ 28.10	\$ 28.10	\$ 28.10	\$ 28.10
400W-F (45K lumens) HPS	\$ 30.30	\$ 30.30	\$ 30.30	\$ 30.30	\$ 29.65	\$ 29.19	\$ 29.19	\$ 29.19	\$ 29.19	\$ 29.19
400W (40K lumens) MH	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.85	\$ 31.20	\$ 30.74	\$ 30.74	\$ 30.74	\$ 30.74	\$ 30.74
400W-F (40K lumens) MH	n/a	n/a	\$ 31.85	\$ 31.85	\$ 31.20	\$ 30.74	\$ 30.74	\$ 30.74	\$ 30.74	\$ 30.74
70W (4.5K lumens) LED	n/a	n/a	\$ 30.96	\$ 30.96	\$ 30.83	\$ 23.08	\$ 23.08	n/a	n/a	n/a
50W (5K lumens) LED	n/a	n/a	\$ 18.16	\$ 18.16	\$ 18.07	\$ 16.87	\$ 16.87	\$ 16.87	\$ 16.87	\$ 16.87
100W (8K lumens) LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 23.08	\$ 23.08	\$ 23.08
110W (8K lumens) LED	n/a	n/a	\$ 19.57	\$ 19.57	\$ 19.44	\$ 19.34	\$ 19.34	\$ 19.34	\$ 19.34	\$ 19.34
150W (13.5K lumens) LED	n/a	n/a	\$ 24.00	\$ 24.00	\$ 23.70	\$ 21.25	\$ 21.25	\$ 21.25	\$ 21.25	\$ 21.25
210W (24K lumens) LED	n/a	n/a	n/a	n/a	n/a	\$ 29.89	\$ 29.89	\$ 29.89	\$ 29.89	\$ 29.89
280W-F (25K lumens) LED	n/a	n/a	\$ 35.60	\$ 35.60	\$ 35.19	\$ 34.24	\$ 34.24	\$ 34.24	\$ 34.24	\$ 34.24
<b>Rural Street Lighting Service (rate per customer per month)</b>										
Fixture per 4 Customers	100W HPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 3.09	\$ 3.09
	50W LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 4.69	\$ 4.69
	100W LED*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 6.41	\$ 6.41
Fixture per 6 Customers	175W (7K lumens) MV	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.62	\$ 2.09	\$ 2.06	\$ 2.06	n/a	n/a
	100W HPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 2.06	\$ 2.06
	150W HPS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 2.57	\$ 2.57
	50W LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 3.13	\$ 3.13
	100W LED*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 4.27	\$ 4.27
Fixture per 8 Customers	110W LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 3.57	\$ 3.57
	150W HPS	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 1.95	\$ 1.93	\$ 1.93	\$ 1.93	\$ 1.93
	50W (5K lumens) LED	n/a	n/a	n/a	n/a	\$ 2.51	\$ 2.31	\$ 2.31	n/a	n/a
	110W LED	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 2.68	\$ 2.68
<b>Sports Field Lighting Service</b>										
Base facilities charge (per month)										
Demand (per kW)	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Energy (per kWh)	\$0.10476	\$0.10476	\$0.10476	\$0.10476	\$0.09190	\$0.08318	\$0.08318	\$0.08318	\$0.08318	\$0.08318

**MV**-mercury vapor; **HPS**-high pressure sodium; **MH**-metal halide; **LED**-light emitting diode \*decorative post top

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Effective rate (per kgallon)	\$ 4.15248	\$ 3.99477	\$ 4.03401	\$ 4.27625	\$ 4.48208	\$ 4.72322	\$ 4.71144	\$ 5.07791	\$ 5.42153	\$ 5.43216
<b>Base facilities charge (based on meter size)</b>										
<b>Inside City</b>										
¾"	\$ 6.61	\$ 6.61	\$ 7.04	\$ 7.04	\$ 7.46	\$ 7.80	\$ 7.80	\$ 8.00	\$ 8.00	\$ 8.00
1"	\$ 10.77	\$ 10.77	\$ 11.51	\$ 11.51	\$ 12.20	\$ 12.76	\$ 12.76	\$ 13.04	\$ 13.04	\$ 13.04
1½"	\$ 20.28	\$ 20.28	\$ 21.74	\$ 21.74	\$ 23.03	\$ 24.08	\$ 24.08	\$ 24.56	\$ 24.56	\$ 24.56
2"	\$ 32.16	\$ 32.16	\$ 34.52	\$ 34.52	\$ 36.57	\$ 38.24	\$ 38.24	\$ 38.96	\$ 38.96	\$ 38.96
3"	\$ 70.17	\$ 70.17	\$ 75.41	\$ 75.41	\$ 79.90	\$ 83.56	\$ 83.56	\$ 85.04	\$ 85.04	\$ 85.04
4"	\$ 119.47	\$ 119.47	\$ 128.45	\$ 128.45	\$ 136.09	\$ 142.32	\$ 142.32	\$ 144.80	\$ 144.80	\$ 144.80
6"	\$ 248.37	\$ 248.37	\$ 267.11	\$ 267.11	\$ 283.00	\$ 295.96	\$ 295.96	\$ 301.04	\$ 301.04	\$ 301.04
8"	\$ 357.07	\$ 357.07	\$ 384.05	\$ 384.05	\$ 406.89	\$ 425.52	\$ 425.52	\$ 432.80	\$ 432.80	\$ 432.80
10"	\$ 575.07	\$ 575.07	\$ 618.56	\$ 618.56	\$ 655.35	\$ 685.36	\$ 685.36	\$ 697.04	\$ 697.04	\$ 697.04
12"	\$ 851.88	\$ 851.88	\$ 916.34	\$ 916.34	\$ 970.83	\$1,015.28	\$1,015.28	\$1,032.56	\$1,032.56	\$1,032.56
16"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$1,800.80	\$1,800.80	\$1,800.80
<b>Outside City</b>										
¾"	\$ 7.50	\$ 7.50	\$ 8.10	\$ 8.10	\$ 8.59	\$ 8.97	\$ 8.97	\$ 9.20	\$ 9.20	\$ 9.20
1"	\$ 12.29	\$ 12.29	\$ 13.24	\$ 13.24	\$ 14.04	\$ 14.68	\$ 14.68	\$ 15.00	\$ 15.00	\$ 15.00
1½"	\$ 23.22	\$ 23.22	\$ 25.00	\$ 25.00	\$ 26.49	\$ 27.69	\$ 27.69	\$ 28.24	\$ 28.24	\$ 28.24
2"	\$ 36.88	\$ 36.88	\$ 39.70	\$ 39.70	\$ 42.06	\$ 43.98	\$ 43.98	\$ 44.80	\$ 44.80	\$ 44.80
3"	\$ 80.60	\$ 80.60	\$ 86.73	\$ 86.73	\$ 91.89	\$ 96.10	\$ 96.10	\$ 97.80	\$ 97.80	\$ 97.80
4"	\$ 137.29	\$ 137.29	\$ 147.72	\$ 147.72	\$ 156.51	\$ 163.67	\$ 163.67	\$ 166.52	\$ 166.52	\$ 166.52
6"	\$ 285.53	\$ 285.53	\$ 307.18	\$ 307.18	\$ 325.46	\$ 340.36	\$ 340.36	\$ 346.20	\$ 346.20	\$ 346.20
8"	\$ 410.53	\$ 410.53	\$ 441.66	\$ 441.66	\$ 467.93	\$ 489.35	\$ 489.35	\$ 497.72	\$ 497.72	\$ 497.72
10"	\$ 661.23	\$ 661.23	\$ 711.35	\$ 711.35	\$ 753.66	\$ 788.17	\$ 788.17	\$ 801.60	\$ 801.60	\$ 801.60
12"	\$ 979.56	\$ 979.56	\$1,053.79	\$1,053.79	\$1,116.46	\$1,167.57	\$1,167.57	\$1,187.44	\$1,187.44	\$1,187.44
16"	n/a	n/a	n/a	n/a	\$1,812.05	\$1,812.05	\$1,812.05	\$2,070.92	\$2,070.92	\$2,070.92
<b>Volume Charge (per kgal)</b>										
<b>Inside City</b>										
Residential, non irrigation	\$ 3.35	\$ 3.35	\$ 3.59	\$ 3.59	\$ 3.78	\$ 4.00	\$ 4.00	\$ 4.37	\$ 4.77	\$ 4.77
Commercial, non irrigation	\$ 2.71	\$ 2.71	\$ 2.90	\$ 2.90	\$ 3.05	\$ 3.23	\$ 3.23	\$ 3.53	\$ 3.99	\$ 3.99
Industrial, non irrigation	\$ 2.53	\$ 2.53	\$ 2.71	\$ 2.71	\$ 2.85	\$ 3.02	\$ 3.02	\$ 3.30	\$ 3.75	\$ 3.75
Irrigation, all customers	\$ 5.03	\$ 5.03	\$ 5.39	\$ 5.39	\$ 5.67	\$ 6.00	\$ 6.00	\$ 6.56	\$ 7.16	\$ 7.16
<b>Outside City</b>										
Residential, non irrigation	\$ 5.20	\$ 5.20	\$ 5.56	\$ 5.56	\$ 5.86	\$ 6.20	\$ 6.20	\$ 6.78	\$ 7.40	\$ 7.40
Commercial, non irrigation	\$ 4.20	\$ 4.20	\$ 4.50	\$ 4.50	\$ 4.73	\$ 5.01	\$ 5.01	\$ 5.47	\$ 6.18	\$ 6.18
Industrial, non irrigation	\$ 2.53	\$ 2.53	\$ 2.71	\$ 2.71	\$ 2.85	\$ 3.02	\$ 3.02	\$ 3.30	\$ 3.75	\$ 3.75
Irrigation, residential	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	\$ 8.79	\$ 9.30	\$ 9.30	\$ 10.17	\$ 11.10	\$ 11.10
Irrigation, commercial	\$ 7.80	\$ 7.80	\$ 8.35	\$ 8.35	\$ 8.79	\$ 9.30	\$ 9.30	\$ 10.17	\$ 11.10	\$ 11.10
Irrigation, industrial	\$ 5.03	\$ 5.03	\$ 5.39	\$ 5.39	\$ 5.67	\$ 6.00	\$ 6.00	\$ 6.56	\$ 7.16	\$ 7.16

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Effective rate (per kgallon)	\$ 6.27941	\$ 6.27375	\$ 6.39632	\$ 6.84920	\$ 7.35093	\$ 7.79049	\$ 7.74227	\$ 8.01695	\$ 8.07868	\$ 8.01529
<b>Base facilities charge (based on water/wastewater meter size)</b>										
¾"	\$ 10.24	\$ 10.24	\$ 10.37	\$ 10.37	\$ 10.96	\$ 11.70	\$ 11.70	\$ 11.70	\$ 11.70	\$ 11.70
1"	\$ 16.78	\$ 16.78	\$ 17.01	\$ 17.01	\$ 17.97	\$ 19.21	\$ 19.21	\$ 19.21	\$ 19.21	\$ 19.21
1½"	\$ 31.73	\$ 31.73	\$ 32.17	\$ 32.17	\$ 34.01	\$ 36.38	\$ 36.38	\$ 36.38	\$ 36.38	\$ 36.38
2"	\$ 50.41	\$ 50.41	\$ 51.13	\$ 51.13	\$ 54.05	\$ 57.84	\$ 57.84	\$ 57.84	\$ 57.84	\$ 57.84
3"	\$ 110.18	\$ 110.18	\$ 111.81	\$ 111.81	\$ 118.17	\$ 126.51	\$ 126.51	\$ 126.51	\$ 126.51	\$ 126.51
4"	\$ 187.70	\$ 187.70	\$ 190.49	\$ 190.49	\$ 201.34	\$ 215.57	\$ 215.57	\$ 215.57	\$ 215.57	\$ 215.57
6"	\$ 390.38	\$ 390.38	\$ 396.21	\$ 396.21	\$ 418.77	\$ 448.41	\$ 448.41	\$ 448.41	\$ 448.41	\$ 448.41
8"	\$ 561.30	\$ 561.30	\$ 569.69	\$ 569.69	\$ 602.14	\$ 644.77	\$ 644.77	\$ 644.77	\$ 644.77	\$ 644.77
10"	\$ 904.08	\$ 904.08	\$ 917.61	\$ 917.61	\$ 969.87	\$ 1,038.56	\$ 1,038.56	\$ 1,038.56	\$ 1,038.56	\$ 1,038.56
12"	\$ 1,339.33	\$ 1,339.33	\$ 1,359.37	\$ 1,359.37	\$ 1,436.81	\$ 1,538.58	\$ 1,538.58	\$ 1,538.58	\$ 1,538.58	\$ 1,538.58
16"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 2,683.47	\$ 2,683.47	\$ 2,683.47
<b>Sewer-Only Customers</b>										
<b>Base facilities charge (based on water/wastewater meter size)</b>										
¾"	\$ 15.36	\$ 15.36	\$ 15.56	\$ 15.56	\$ 16.44	\$ 17.55	\$ 17.55	\$ 17.55	\$ 17.55	\$ 17.55
1"	\$ 25.17	\$ 25.17	\$ 25.52	\$ 25.52	\$ 29.96	\$ 28.82	\$ 28.82	\$ 28.82	\$ 28.82	\$ 28.82
1½"	\$ 47.60	\$ 47.60	\$ 48.26	\$ 48.26	\$ 51.02	\$ 54.57	\$ 54.57	\$ 54.57	\$ 54.57	\$ 54.57
2"	\$ 75.62	\$ 75.62	\$ 76.70	\$ 76.70	\$ 81.08	\$ 86.76	\$ 86.76	\$ 86.76	\$ 86.76	\$ 86.76
3"	\$ 165.27	\$ 165.27	\$ 167.72	\$ 167.72	\$ 177.26	\$ 189.77	\$ 189.77	\$ 189.77	\$ 189.77	\$ 189.77
4"	\$ 281.55	\$ 281.55	\$ 285.74	\$ 285.74	\$ 302.01	\$ 323.36	\$ 323.36	\$ 323.36	\$ 323.36	\$ 323.36
6"	\$ 585.57	\$ 585.57	\$ 594.32	\$ 594.32	\$ 628.16	\$ 672.62	\$ 672.62	\$ 672.62	\$ 672.62	\$ 672.62
8"	\$ 841.95	\$ 841.95	\$ 854.54	\$ 854.54	\$ 903.21	\$ 967.16	\$ 967.16	\$ 967.16	\$ 967.16	\$ 967.16
10"	\$ 1,356.12	\$ 1,356.12	\$ 1,376.42	\$ 1,376.42	\$ 1,454.81	\$ 1,557.84	\$ 1,557.84	\$ 1,557.84	\$ 1,557.84	\$ 1,557.84
12"	\$ 2,009.00	\$ 2,009.00	\$ 2,039.06	\$ 2,039.06	\$ 2,155.22	\$ 2,307.87	\$ 2,307.87	\$ 2,307.87	\$ 2,307.87	\$ 2,307.87
16"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 4,025.21	\$ 4,025.21	\$ 4,025.21
<b>Volume Charge (per kgal, based on 93.5% of water usage unless separately metered)</b>										
Residential	\$ 4.450	\$ 4.450	\$ 4.980	\$ 4.980	\$ 5.320	\$ 5.660	\$ 5.660	\$ 5.900	\$ 5.900	\$ 5.900
Commercial/Industrial	\$ 4.930	\$ 4.930	\$ 5.510	\$ 5.510	\$ 5.890	\$ 6.270	\$ 6.270	\$ 6.530	\$ 6.530	\$ 6.530
Metered wastewater (100%)	\$ 5.430	\$ 5.430	\$ 6.080	\$ 6.080	\$ 6.490	\$ 6.910	\$ 6.910	\$ 7.200	\$ 7.200	\$ 7.200
Municipalities*	\$ 5.600	\$ 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Effective rate (per CCF)	\$ 1.06742	\$ 1.00296	\$ 1.06737	\$ 1.08771	\$ 0.92616	\$ 0.94233	\$ 1.04775	\$ 1.03793	\$ 0.96134	\$ 0.97937
<b>Residential Service</b>										
Base facilities charge	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 8.00	\$ 11.00	\$ 13.00	\$ 13.00
Commodity first 10 ccf	\$ 1.0773	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
all additional ccf	\$ 0.9633	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity first 20 ccf	n/a	\$ 1.1800	\$ 1.3010	\$ 1.1927	\$ 1.1080	\$ 1.1865	\$ 1.3501	n/a	n/a	n/a
all additional ccf	n/a	\$ 1.0440	\$ 1.1650	\$ 1.0567	\$ 0.9720	\$ 1.0505	\$ 1.2141	n/a	n/a	n/a
Commodity all ccf	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.9918	\$ 0.9600	\$ 0.9365
<b>Residential Service - Heat Only</b>										
Base facilities charge	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 13.00	\$ 15.00	\$ 15.00
Commodity first 10 ccf	\$ 1.1583	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
all additional ccf	\$ 1.0398	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity first 20 ccf	n/a	\$ 1.2610	\$ 1.3820	\$ 1.2737	\$ 1.1890	\$ 1.2675	\$ 1.4311	n/a	n/a	n/a
all additional ccf	n/a	\$ 1.1233	\$ 1.2443	\$ 1.1360	\$ 1.0513	\$ 1.1298	\$ 1.2934	n/a	n/a	n/a
Commodity all ccf	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 1.0717	\$ 1.0399	\$ 1.0164
<b>Commercial Service</b>										
Base facilities charge	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 22.00	\$ 25.00	\$ 27.00	\$ 27.00
Commodity first 50 ccf	\$ 1.0564	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
51 to 300 ccf	\$ 0.9827	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
301 to 500 ccf	\$ 0.9327	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
all additional ccf	\$ 0.7822	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Commodity first 50 ccf	n/a	\$ 1.1591	\$ 1.2801	\$ 1.1718	\$ 1.0871	\$ 1.1656	\$ 1.3292	n/a	n/a	n/a
51 to 500 ccf	n/a	\$ 1.0695	\$ 1.1905	\$ 1.0822	\$ 0.9975	\$ 1.0760	\$ 1.2396	n/a	n/a	n/a
all additional ccf	n/a	\$ 0.8849	\$ 1.0059	\$ 0.8976	\$ 0.8129	\$ 0.8914	\$ 1.0550	n/a	n/a	n/a
Commodity first 500 ccf	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 1.0281	\$ 1.0178	\$ 0.9943
all additional ccf	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.8643	\$ 0.8628	\$ 0.8393
<b>Industrial Service</b>										
Base facilities charge	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 110.00	\$ 113.00	\$ 115.00	\$ 115.00
Commodity first 500 ccf	\$ 0.7860	\$ 0.8887	\$ 1.0097	\$ 0.9014	\$ 0.8167	\$ 0.8952	\$ 1.0588	\$ 0.8340	\$ 0.8285	\$ 0.8050
all additional ccf	\$ 0.7218	\$ 0.8245	\$ 0.9455	\$ 0.8372	\$ 0.7525	\$ 0.8310	\$ 0.9946	\$ 0.7766	\$ 0.7751	\$ 0.7516
<b>Interruptible Service</b>										
Base facilities charge	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 210.00	\$ 213.00	\$ 215.00	\$ 215.00
Commodity	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated	negotiated
<b>Seasonal Service</b>										
Base facilities charge	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 36.00	\$ 39.00	\$ 41.00	\$ 41.00
Commodity first 100 ccf	\$ 1.1067	\$ 1.2094	\$ 1.3304	\$ 1.2221	\$ 1.1374	\$ 1.2159	\$ 1.3795	n/a	n/a	n/a
all additional ccf	\$ 0.6995	\$ 0.8022	\$ 0.9232	\$ 0.8149	\$ 0.7302	\$ 0.8087	\$ 0.9723	n/a	n/a	n/a
Commodity all ccf	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 0.7580	\$ 0.7563	\$ 0.7328
<b>LNG Storage Service (per mcf)</b>										
Reservation charge	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62	\$ 1.62
Daily demand charge	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25	\$ 7.25
Commodity charge	\$ 12.55	\$ 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

<b>Electric Fund</b>		<b>Fiscal Year 2021</b>		<b>Fiscal Year 2012</b>	
<b>Customer</b>	<b>Product/Service</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
Patheon Manufacturing Services LLC <sup>1</sup>	Pharmaceuticals	\$ 5,211,576	3.03%	\$ 7,132,498	3.87%
DSM Dyneema, LLC	High Performance Fibers	4,103,863	2.39%	4,230,124	2.30%
Vidant Health <sup>2</sup>	Health Care	3,795,549	2.21%	5,251,920	2.85%
Attends Healthcare Products	Medical Products	3,409,872	1.98%	3,244,638	1.76%
East Carolina University	Education	3,199,614	1.86%	4,755,901	2.58%
East Carolina University	Education	2,463,106	1.43%	3,202,908	1.74%
East Carolina University	Education	2,409,697	1.40%	2,141,605	1.16%
Vidant Health <sup>2</sup>	Health Care	2,112,927	1.23%	1,571,822	0.85%
City of Greenville	Government	1,855,256	1.08%		
Mayne Pharma Inc. <sup>3</sup>	Pharmaceuticals	1,580,482	0.92%		
ASMO of Greenville	Motors			1,339,332	0.73%
Hyster Yale Group <sup>4</sup>	Fork Lift Trucks			1,251,654	0.68%
<b>Totals</b>		<b>\$ 30,141,942</b>	<b>17.53%</b>	<b>\$ 34,122,402</b>	<b>18.52%</b>

<b>Water Fund</b>		<b>Fiscal Year 2021</b>		<b>Fiscal Year 2012</b>	
<b>Customer</b>	<b>Product/Service</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
Town of Farmville	Government	\$ 986,063	4.28%	\$ 397,922	2.54%
Patheon Manufacturing Services LLC <sup>1</sup>	Pharmaceuticals	822,898	3.57%	551,482	3.51%
Town of Winterville	Government	365,992	1.59%	173,462	1.11%
Vidant Health <sup>2</sup>	Health Care	269,432	1.17%	238,719	1.52%
DSM Dyneema, LLC	High Performance Fibers	191,638	0.83%	100,245	0.64%
Vidant Health <sup>2</sup>	Health Care	184,070	0.80%	65,689	0.42%
Fuji Silysia Chemical USA, LTD	Silica Gel	183,195	0.80%	66,928	0.43%
Vidant Health <sup>2</sup>	Health Care	161,323	0.70%	63,274	0.40%
Mayne Pharma Inc. <sup>3</sup>	Pharmaceuticals	101,328	0.44%		
Stokes Regional Water Corporation	Water Utility	83,191	0.36%		
East Carolina University	Education			86,979	0.55%
Greenville Housing Authority	Apartments			53,269	0.34%
<b>Totals</b>		<b>\$ 3,349,130</b>	<b>14.54%</b>	<b>\$ 1,797,969</b>	<b>11.46%</b>

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

Table 12 continues on the next page.

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

<b>Sewer Fund</b>		<b>Fiscal Year 2021</b>		<b>Fiscal Year 2012</b>	
<b>Customer</b>	<b>Product/Service</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
Patheon Manufacturing Services LLC <sup>1</sup>	Pharmaceuticals	\$ 843,225	3.53%	\$ 771,664	4.51%
Town of Bethel	Government	693,686	2.90%	478,695	2.80%
DSM Dyneema, LLC	High Performance Fibers	539,968	2.26%	240,978	1.41%
Vidant Health <sup>2</sup>	Health Care	412,141	1.72%	405,662	2.37%
Fuji Silysia Chemical USA, LTD	Silica Gel	296,282	1.24%	119,700	0.70%
Vidant Health <sup>2</sup>	Health Care	280,559	1.17%	107,473	0.63%
Vidant Health <sup>2</sup>	Health Care	246,786	1.03%	107,438	0.63%
Mayne Pharma Inc. <sup>3</sup>	Pharmaceuticals	154,194	0.65%		
East Carolina University	Education	96,807	0.40%	147,712	0.86%
Greenville Housing Authority	Apartments	93,259	0.39%	53,663	0.31%
Town of Grimesland	Government			68,257	0.40%
<b>Totals</b>		<b>\$ 3,656,907</b>	<b>15.29%</b>	<b>\$ 2,501,242</b>	<b>14.62%</b>

<b>Gas Fund</b>		<b>Fiscal Year 2021</b>		<b>Fiscal Year 2012</b>	
<b>Customer</b>	<b>Product/Service</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>	<b>Amount Billed</b>	<b>Percentage of Total Revenue</b>
Patheon Manufacturing Services LLC <sup>1</sup>	Pharmaceuticals	\$ 3,095,222	9.45%	\$ 3,569,113	11.78%
East Carolina University	Education	2,040,890	6.23%	3,213,749	10.60%
Vidant Health <sup>2</sup>	Health Care	1,504,468	4.59%	1,614,906	5.33%
Vidant Health <sup>2</sup>	Health Care	969,726	2.96%	592,448	1.95%
Mayne Pharma Inc. <sup>3</sup>	Pharmaceuticals	948,895	2.90%	404,957	1.34%
DSM Dyneema, LLC	High Performance Fibers	822,155	2.51%	1,039,454	3.43%
East Carolina University	Education	700,902	2.14%	1,123,580	3.71%
Fuji Silysia Chemical USA, LTD	Silica Gel	587,045	1.79%	448,585	1.48%
Hyster Yale Group <sup>4</sup>	Fork Lift Trucks	239,952	1.65%		
Metallix Inc.	Metal Recycling	396,153	1.21%		
DSM Dyneema, LLC	High Performance Fibers			781,798	2.58%
Greenville Paving & Contracting, Inc.	Highway & Street Paving			398,848	1.32%
<b>Totals</b>		<b>\$ 11,305,408</b>	<b>35.43%</b>	<b>\$ 13,187,438</b>	<b>43.52%</b>

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

**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
2012	-	77,817,581	32,027,308	109,844,889	635	1.78%
2013	-	80,643,105	36,029,680	116,672,785	669	1.89%
2014	-	73,025,115	38,488,921	111,514,036	637	1.73%
2015	-	65,181,025	35,559,334	100,740,359	572	1.51%
2016	-	103,728,334	36,587,040	140,315,374	790	2.05%
2017	-	95,269,797	38,587,279	133,857,076	748	1.87%
2018	-	87,628,861	38,764,625	126,393,486	703	1.71%
2019	-	133,746,227	37,631,290	171,377,517	948	2.19%
2020	-	129,132,468	34,785,641	163,918,109	894	*
2021	-	154,410,797	20,191,816	174,602,613	945	*

\*Information unavailable at time of report.

**Table 14. Pledged Revenue Coverage** | Last Ten Fiscal Years

Fiscal Year	Utility Fund Revenues <sup>1</sup>	Utility Fund Expenses <sup>2</sup>	Net Revenues Available for Debt Service	Debt Service Requirement <sup>3</sup>			Coverage Ratio
				Principal	Interest	Total	
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
2020	251,981,322	207,347,680	44,633,642	6,853,648	5,054,519	11,908,167	3.75
2021	259,482,276	214,571,849	44,910,427	8,029,362	5,630,401	13,659,763	3.29

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

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

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

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

Calendar Year	Population <sup>1</sup>	Personal Income (\$000) <sup>1</sup>	Per Capita Personal Income <sup>1</sup>	June 30 Unemployment Rate <sup>1</sup>
2012	173,022	6,155,391	35,576	10.0%
2013	174,434	6,182,742	35,445	9.0%
2014	175,082	6,437,372	36,768	7.0%
2015	176,238	6,683,570	37,924	6.8%
2016	177,628	6,844,894	38,535	6.0%
2017	179,042	7,143,838	39,900	5.2%
2018	179,917	7,410,874	41,191	4.9%
2019	180,740	7,830,577	43,325	5.2%
2020	183,285	*	*	10.3%
2021	184,842	*	*	5.1%

**Note:** Information reported is for Pitt County

<sup>1</sup> North Carolina Office of State Budget and Management

\* Information unavailable at time of report

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Vidant Health <sup>1</sup>	6,760	1	7.51%	6,483	1	8.59%
East Carolina University	5,672	2	6.30%	5,386	2	7.14%
Pitt County Public Schools	3,699	3	4.11%	2,754	3	3.65%
Patheon Manufacturing Services LLC <sup>2</sup>	1,261	4	1.40%	1,500	4	1.99%
Hyster-Yale Group <sup>3</sup>	1,226	5	1.36%	1,000	6	1.33%
City of Greenville	1,132	6	1.26%	743	10	0.98%
Pitt Community College	1,100	7	1.22%	953	7	1.26%
County of Pitt	1,000	8	1.11%	930	8	1.23%
DENSO Manufacturing of North Carolina	722	9	0.80%			
Mayne Pharma Inc. <sup>4</sup>	629	10	0.70%			
The Roberts Company				1,100	5	1.46%
Alliance One International				825	9	1.09%
<b>Total</b>	<b>23,201</b>		<b>25.77%</b>	<b>21,674</b>		<b>28.72%</b>

**Sources:**

Pitt County Development Commission - Major Employers in Pitt County, NC - 8-23-2021  
North Carolina Office of State Budget and Management - Monthly Labor Force (LINC), Pitt County

<sup>1</sup> Formerly Pitt County Memorial Hospital

<sup>2</sup> Formerly DSM Pharmaceuticals

<sup>3</sup> Formerly NACCO Materials Handling

<sup>4</sup> Formerly Metrics, Inc.

Table 17. Employees by Function | Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Electric:</b>										
Management	3	3	3	3	3	4	4	4	4	4
Engineering	12	14	18	19	16	16	15	16	18	20
Load Management	6	5	6	6	5	6	6	7	6	2
Dispatching	7	7	7	8	9	7	7	8	8	8
Electric System Maintenance	77	71	78	75	78	85	80	84	77	83
<b>Water/Wastewater:</b>										
Management	4	4	4	4	4	4	5	6	6	6
Engineering	9	10	12	12	13	14	13	13	13	13
Water Plant	27	27	29	29	30	31	31	31	30	29
Wastewater Plant	25	25	28	28	28	31	32	31	32	31
Water/Wastewater Systems Maintenance	46	45	42	42	43	44	45	45	43	44
<b>Natural Gas:</b>										
Management	4	5	5	5	4	6	6	6	6	6
Engineering	7	8	9	8	10	10	10	10	10	10
Natural Gas System Maintenance	25	25	30	33	30	31	31	34	31	31
<b>Administration:</b>										
Executive Administration	8	12	15	13	15	13	17	14	15	13
Finance and Accounting	11	31	31	32	33	31	34	37	38	36
Human Resources	16	9	9	9	8	9	9	9	9	9
Information Technology	26	26	27	31	28	29	29	35	33	33
Customer Relations	48	38	36	36	43	37	39	38	37	35
Economic Development	-	-	-	-	-	-	-	-	1	6
Fleet Management	13	13	12	13	11	13	13	13	14	13
Warehouse	8	7	7	8	8	9	8	6	8	7
Meter Services	33	32	33	35	34	33	34	35	32	33
Utility Locating Services	5	5	6	6	7	7	7	8	6	7
<b>Total Employees:</b>	<b>420</b>	<b>422</b>	<b>447</b>	<b>455</b>	<b>460</b>	<b>470</b>	<b>475</b>	<b>490</b>	<b>477</b>	<b>479</b>

Source: Various Utilities Commission Departments



Table 18. Operating Indicators | Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Electric System:</b>										
Peaks (MW)	355.2	353.6	336.5	370.2	357.9	367.4	383.2	353.6	376.9	378.6
Average daily purchase (MWH)	4,609	4,671	4,771	4,844	4,710	4,836	5,008	5,005	4,813	4,890
Total MWH sold	1,632,866	1,656,667	1,684,847	1,709,900	1,685,252	1,716,973	1,764,805	1,781,583	1,715,794	1,743,177
<b>Water System:</b>										
Peaks (MGD)	16.340	14.871	16.070	17.779	15.070	14.412	17.347	18.112	18.605	17.987
Average daily treatment (Mgals)	11.896	12.008	12.394	13.044	12.384	12.600	13.106	13.734	13.642	14.108
Total kgals sold	3,785,625	3,857,562	3,921,590	3,917,750	3,969,595	4,019,200	4,113,444	4,142,875	4,162,119	4,205,516
<b>Wastewater System:</b>										
Peaks (MGD)	21.240	14.810	20.040	17.320	21.040	13.590	17.340	25.910	18.210	24.796
Average daily treatment (Mgals)	10.301	10.426	10.530	11.290	11.195	10.220	9.540	11.247	9.948	12.051
Total kgals collected	2,746,715	2,729,493	2,742,124	2,758,868	2,834,356	3,730,850	2,898,354	2,976,096	2,892,682	2,971,598
<b>Natural Gas System</b>										
Peaks (MCFs)	21,169	20,537	20,092	26,459	27,241	23,537	25,910	23,165	25,239	20,427
Average daily purchase (MCFs)	7,984	8,870	9,277	9,452	8,462	8,537	10,099	9,896	9,354	9,733
Total MCFs sold	2,824,623	3,142,015	3,296,068	3,341,192	2,939,182	2,989,816	3,446,778	3,448,812	3,245,540	3,373,596

**Source:** Various Utilities Commission Departments

**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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Electric System:</b>										
Miles of lines	2,714	2,719	2,781	2,884	2,901	2,921	2,939	2,994	3,039	3,077
Substations	23	23	23	23	23	23	24	24	24	24
Customer connections	63,789	64,362	64,673	65,347	66,252	66,508	67,964	68,894	70,073	71,359
Maximum capacity transmission (MVA)	480	480	480	480	480	480	600	600	720	720
Maximum capacity distribution (MVA)	560	560	560	560	560	560	560	560	560	560
<b>Water System:</b>										
Miles of lines	628	628	627	627	629	631	631	633	634	639
Customer connections	34,514	34,742	34,959	35,179	35,599	35,794	36,338	36,673	37,195	37,801
Maximum capacity (MGD)	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5	24.5
<b>Wastewater System:</b>										
Miles of lines	471	479	471	471	479	479	480	482	483	489
Customer connections	28,157	28,435	28,640	28,885	29,253	29,478	30,034	30,363	30,828	31,366
Maximum capacity (MGD)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
<b>Natural Gas System</b>										
Miles of lines	1,034	1,043	1,049	1,051	1,054	1,067	1,070	1,072	1,207	1,233
Customer connections	22,259	22,434	22,554	22,837	23,066	23,108	23,379	23,493	23,784	24,162
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

**MW** - megawatt = 1,000,000 watts

**MGD** - million gallons per day

**MCF** - thousand cubic feet = 1,000 cubic feet

**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 each major fund and the aggregate remaining fund information of the Greenville Utilities Commission (the "Utilities Commission"), an enterprise fund of the City of Greenville, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Utilities Commission's financial statements, and have issued our report thereon dated October 29, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Utilities Commission's internal control over financial reporting ("internal control") as a basis for designing 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 Utilities Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Utilities 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. 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 Utilities Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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**Purpose of this Report**

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

Chemy Bekaert LLP

Raleigh, North Carolina  
October 29, 2021

Inside Back Cover



# ***Greenville Utilities***

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**Office of the Chief Financial Officer**

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