

# Comprehensive Annual Financial Report

Prepared by the Accounting Department for the Year Ended December 31, 2009



Electricities of North Carolina, Inc.



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# Introductory Section

# 2009 BOARD OF DIRECTORS

**Stribling P. Boynton**  
*Chairman*  
 PO Box 230  
 High Point, NC 27261

**C. Bruce Rose**  
*Vice Chairman*  
 409 Monticello Drive  
 Wilson, NC 27893

**Jennifer T. Stultz**  
*Secretary*  
 PO Box 1748  
 Gastonia, NC 28053-1748

**Jerry E. Cox**  
 PO Box 664  
 Huntersville, NC 28070

**John P. Craft**  
 PO Box 368  
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**Ronald D. Elks**  
 PO Box 1847  
 Greenville, NC 27835-1847

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 PO Box 86  
 Farmville, NC 27828

**Wilson A. Lacy**  
 1915 Eichelberger Dr.  
 Fayetteville, NC 28303

**Donald D. Mitchell**  
 PO Box 69  
 Monroe, NC 28111

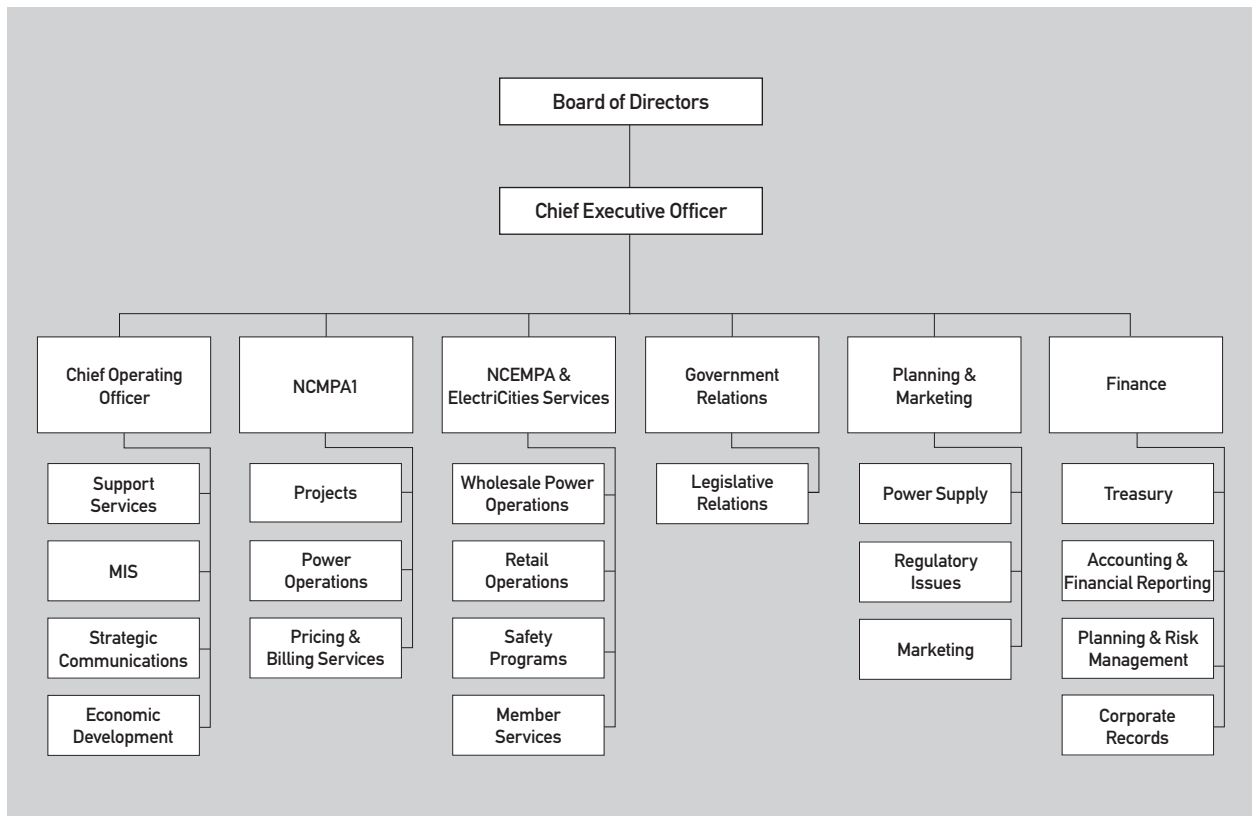
**Samuel W. Noble, Jr.**  
 PO Box 220  
 Tarboro, NC 27886

**William A. Seamone**  
 47 Old Airport Road  
 Concord, NC 28025

**Linda K. Story**  
 PO Drawer 10  
 Granite Falls, NC 28630

**Frederick E. Turnage**  
 24 Mockingbird Lane  
 Rocky Mount, NC 27804

**John T. Walster, Jr.**  
 110 Linden Lane  
 Lexington, NC 27292



## LETTER OF TRANSMITTAL

Electricities of North Carolina, Inc., Board of Directors, June 30, 2010

The comprehensive annual financial report for Electricities of North Carolina, Inc. for the fiscal year ended December 31, 2009, is herewith submitted. This report was prepared by the Accounting Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Electricities.

We believe the data as presented is accurate in all material respects; that it is presented in a manner to fairly set forth the financial positions and results of operations of Electricities as measured by the financial activity of its fund; and that all disclosures necessary to enable the reader to gain the maximum understanding of Electricities' financial affairs have been included.

The comprehensive annual financial report is presented in three sections:

- Introductory, including this transmittal letter, which provides a brief overview of the operations of Electricities and an organizational chart of Electricities;
- Financial, including the independent auditors' report, the general purpose financial statements, notes to the financial statements and other supplementary financial data;

- Statistical, including selected financial information, which is presented on a multi-year comparative basis.

## INTRODUCTION

### Historical Overview

Electricities was created in 1965 as a not-for-profit association to serve the interests of North Carolina's municipal electric systems. Through the 1975 Municipal Electric Power and Energy Act and a companion amendment in 1977, the state's municipal power agencies – North Carolina Municipal Power Agency Number 1 (NCMPA1) and North Carolina Eastern Municipal Power Agency (NCEMPA) – were created. The new law authorized two or more municipalities to join together for the purpose of acquiring generation and transmission facilities and "...to jointly plan, finance, develop, own and operate ...such facilities."

NCMPA1, comprised of 19 cities in the piedmont and western part of the state, owns 75 percent of Catawba Nuclear Station Unit 2. Piedmont Municipal Power Agency in South Carolina owns the remaining 25 percent. NCEMPA, comprised of 32 cities in the eastern part of the state, shares ownership in five units with Progress Energy Carolinas (PEC), formerly Carolina Power and Light.

### Scope of Services

The 92 members and associate members in North Carolina, South Carolina and Virginia that comprise Electricities' membership are public power cities and towns or constituent institutions of the University of North Carolina. These systems provide electricity to more than one million customers. Membership covers the entire state of North Carolina, from the mountains to the coast.

Electricities offers its members a wide range of services, including:

- Safety and training;
- Economic development services;
- Communications planning and assistance;
- Industrial and residential marketing;
- Legal and legislative assistance; and,
- Technical support.

Electricities also provides full professional management services for NCMPA1 and NCEMPA. The Power Agencies are the wholesale suppliers for 51 Electricities members.

This report includes the single enterprise fund of Electricities. This fund reflects all services performed by Electricities in its capacity as a municipal assistance agency. While it provides assistance to its member municipalities, Electricities does

### Electricities of North Carolina, Inc.

North Carolina Municipal Power Agency Number 1 • North Carolina Eastern Municipal Power Agency  
1427 Meadow Wood Blvd., Raleigh, North Carolina 27604 • P.O. Box 29513, Raleigh, North Carolina 27626-0513  
919/760-6000 • Fax: 919/760-6050 • [www.electricities.com](http://www.electricities.com)

not have financial accountability for any of them. Therefore, member municipalities are not included as component units of ElectriCities.

### **Economic Conditions and Outlook**

ElectriCities membership includes some of the largest cities in the state and can be found in each of the major metropolitan areas of the state.

Historically, ElectriCities members have participated in the state's traditional blend of agriculture and manufacturing, and provided sites for the state's past dominant industries of textiles, furniture and tobacco. As economic conditions have changed across the state, economic development efforts now target automotive, pharmaceutical and medical instruments, high technology/biotechnology, electronics, telecommunications, rubber and plastics, and research and development activities.

In 2008, ElectriCities members contributed investments of \$292 million to the state economic base through industrial recruitment efforts, including 2,274 new jobs.

## **2009 HIGHLIGHTS**

### **Economic Development and Customer Retention**

In spite of an economic downturn, both NCEMPA and NCMPA1 cities had successful years with industrial recruitment and expansion of existing industries. In 2009, NCEMPA members added 975 new jobs with investments totaling \$77 million. New load added to NCEMPA was more than 7.5 MW. In 2009, NCMPA1 added 1,299 new jobs with investment totaling \$215 million. New load added

to NCMPA1 was 16 MW.

ElectriCities economic development staff continues to have success with industrial recruitment and expansions of existing industries. The Economic Development staff continues to market the region domestically and internationally to attract new business investment and new job creation. Staff works closely with the NC Department of Commerce, the Regional Partnerships and county developers to further the strategic load growth efforts. Emphasis is placed on developing Target Marketing Comprehensive Economic Development Plans to enhance the systematic growth of city electric systems. The main focus of these plans is to provide strategies, industry targets and specific action steps necessary for each community to successfully pursue the recruitment of new business and industry. A further emphasis was placed on the second phase of the plans – the implementation phase. Members are assisted in implementing at least one recommendation from the plan. Deliverables include Certified Site Certification from the NC Department of Commerce, identifying future industrial sites, small business development, existing business retention and expansion programs, small business incubator feasibility studies and assistance with vacant retail box space. Currently, five NCMPA1 communities and seven NCEMPA communities have completed implementation plans with several more in process.

Economic Development staff continues to recruit companies to communities where vital industry clusters exist. Cluster targets include biotechnology, food processing, aviation, military, automotive, marine/

boating, plastics and fabricated metals. Participation in several trade shows included the International Boat Expo, Fabricated Metals, Aftermarket Automotive Expo, Plastics Expo and the International Biotechnology Expo. These efforts have resulted in nearly 300 inquiries with numerous site visits.

### **Supplemental Power Arrangements**

NCEMPA purchases additional capacity and energy to meet the needs of the members through a Supplemental Load Agreement through December 31, 2017 with Progress Energy Carolinas (PEC). Under this contract, NCEMPA agreed to purchase from PEC and PEC agreed to sell to NCEMPA, supplemental capacity and associated energy to meet all the remaining requirements of the members through the term of this agreement. The contract represents about 25 percent of NCEMPA's total annual energy needs and roughly 35 percent to 40 percent of NCEMPA's average monthly capacity requirements.

NCMPA1 continues to purchase power through bilateral agreements with other utilities and merchant generators for its energy and capacity requirements above its Catawba Project Entitlements. In 2009, these additional needs came from the following suppliers:

- NCMPA1 purchased 50 MW of capacity from Duke Energy from their Rockingham County North Carolina Units 1 through 4.
- NCMPA1 purchased 50 MW of capacity from Southern Power Company from their Rowan County Units.
- NCMPA1 purchased 50 MW of

capacity for the summer months (June – September) from Georgia Power Company.

- NCMPA1 has a 50 MW Instantaneous Capacity and Energy Services agreement with Duke Power for the years 2008-2010.
- NCMPA1 has the right to schedule and receive 60 MW of power from the Southeastern Power Administration.
- NCMPA1 has a three-year Backstand Capacity and Energy Agreement for up to 432 MW with Duke Power for the years 2008-2010.

NCMPA1 has contracts to ensure reliable future power supply requirements with the following suppliers:

- NCMPA1 purchased 50 MW of capacity for the summer months (June – September) from Georgia Power Company for the year 2011.
- NCMPA1 purchased a Backstand Capacity and Energy Agreement for up to 432 MW with Duke Power for the year 2011.
- NCMPA1 purchased 178 MW of capacity from Southern Power Company sourced from a peaking plant to be built in Cleveland County, NC for the years 2012-2031.

NCMPA1 has a contract with The Energy Authority (TEA) to manage all intra-day energy transactions. The three-year agreement with TEA ends on December 31, 2010. NCMPA1

performs all its day-ahead, short-, mid-, and long-term marketing through internal resources.

NCMPA1 purchases transmission for its native load requirements from Duke Electric Transmission in accordance with Duke's Open Access Transmission Tariff. In addition, NCMPA1 purchases transmission from Duke and other regional transmission providers for the delivery of surplus energy to the wholesale market. All the required agreements have been filed and approved by the Federal Energy Regulatory Commission (FERC).

#### **Retail Billing**

Rate assistance is provided to NCEMPA Participants in the development, review and revision of retail electric rates, as well as wholesale studies and education leading to improved customer services. Forty-eight retail rate projects and 63 innovative rate projects were completed in 2009. This included opportunities among six Participants due to seven prospective customer inquiries. This assistance resulted in one expansion and one new customer for the Participants.

NCEMPA continues to utilize and maintain Itron's MV90xi software ensuring the ongoing quality and level of support provided through the Retail Billing Program. The Retail Billing Program serves 24 municipalities in gathering interval meter data for 312 commercial and industrial customers in NCEMPA towns and cities. NCEMPA staff remotely reads each meter, processes meter data and provides power billing information to the Participants. Reports and graphs are customized for each Participant and provided electronically within days

of month-end. Retail customers can be provided an array of detailed data, helping them develop energy-saving programs and maximizing NCEMPA's load management services.

A project was initiated in 2008, and continued in 2009, to provide Retail Billing Program customer's usage data access for approved customers and Participant city staff through a secure extranet site. This direct access assisted in data analysis and manipulation and in the identification and determination of cost-saving recommendations.

NCMPA1 continues to provide retail billing services to the cities through its Customer Billing System and database. This system allows cities to offer innovative retail rates that could not be accommodated by their internal billing systems. City staff members utilize customer usage data, stored in the database and accessible through a secure extranet site, in making cost-saving operational recommendations to customers.

#### **Distributed Generation**

NCMPA1 owns 34 diesel generators located on city electric systems. These units, totaling 65 MW, were installed in 2002, 2005, 2006, 2007 and 2008 and are operated remotely on short notice during periods of high demand and high market prices. Also under remote control operation are city-owned and customer-owned generators totaling 72 MW. This combination of 137 MW of remotely operated, fast-start units provides great operational flexibility for NCMPA1's power supply program.

NCMPA1 has been successful in placing under contract an additional 25 MW of generation owned by

cities and retail customers for local operation under NCMPA1's power supply program. These operations are coordinated through NCMPA1's control center, maintaining availability during times of peak demand and high market prices.

NCMPA1 will continue to evaluate additional distributed generation opportunities to improve power supply flexibility and reliability.

### Huntersville/Cornelius

The Towns of Huntersville and Cornelius contract with ElectricCities to manage the operation of their electric systems. The merger of the electric operations in 1997 continues to minimize operating costs and provide exceptional customer service and value for customers of the towns. The electric department received the highest safety award given by the NC Association of Municipal Electric Systems for working in excess of 180,000 hours without a lost-time injury.

The department is 95 percent complete with its transition to automated meter reading. All electric meters will be automated by December 2010, providing a more economical way to read meters and more timely response to customer billing questions. An updated website enables customers to pay their bills online, view billing and usage information, and perform home energy audits. Residential and commercial rebate programs were implemented to encourage energy conservation and efficient energy use.

The Huntersville/Cornelius electric operations merger continues to provide economies of scale to minimize operating costs, enabling both towns to maintain competitive

electric rates in the region.

### Load Management

NCEMPA staff and the Participants again successfully controlled loads during each month's peak billing period in 2009. This success translated into power cost savings of over \$41 million throughout the year. NCEMPA recommended load management an average of 9 hours per month, during approximately 4.4 days each month. NCEMPA Participants and their customers shed a monthly average of over 220 MW, with over 250 MW shed during the maximum peak hours. Load Side Generation is an integral part of this load shedding process with over 175 MW of load side generation noticed as of December 2009.

NCEMPA and Participant staff continued to develop improved systems and communication alternatives for load management operations. NCEMPA owns and maintains equipment at three radio stations in North Carolina to control Load Management equipment across eastern North Carolina. In addition, load management communications; utilizing pagers, cell phones and electronic mail, delivered over 175,000 messages for 2010.

New substation, construction, expansions and delivery facility planning were in progress or completed for Apex, Lumberton, Rocky Mount, Wake Forest and Wilson.

Approximately \$6 million in savings were passed on to customers as a result of NCMPA1's load management operations. The operation of various demand side management programs results in a total peak reduction of 59 MW each month. The load

management strategy this year continued to focus on forecasting accuracy, effectively reducing the number of load management control hours. NCMPA1 operated load management an average of 5.0 hours per month during 2009.

### Environmental Regulations

Electric utilities are being subjected to increasing federal, state and local statutory and regulatory requirements including air and water quality and renewable resource mandates.

Bills have been introduced in Congress which would amend the Clean Air Act in order to, among other things, limit the emissions of carbon dioxide and other greenhouse gases. Carbon Dioxide (CO<sub>2</sub>), the most common greenhouse gas, was originally not considered a pollutant. While the full and final extent of the proposed air quality legislation cannot be determined at this time, any such regulations might affect operations of the Joint Units in Commercial Operation, particularly Roxboro Unit No. 4 and Mayo Unit No. 1. Power Agency staff cannot predict what effects these factors may have on the business operations and financial condition of the Power Agency, Progress Energy Carolina (PEC) or the Participants.

In addition, the EPA issued the Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR) and Clean Air Visibility Rule (CAVR) which may require compliance measures. Air quality controls already installed, as well as those currently being implemented for compliance with the NC Clean Smokestacks legislation, will reduce some costs required to meet these additional requirements. Legislation enacted by the North

Carolina Legislature in 2007 establishes a renewable energy portfolio standard (REPS Legislation) for electric power suppliers in the state of North Carolina. As defined in the REPS Legislation, renewable energy resources include solar electric, solar thermal, wind, hydropower, geothermal, ocean current or wave resources, biomass, including agricultural waste, energy crops or landfill methane. In addition, energy efficiency programs or renewable energy credits can be used to achieve compliance. The Power Agency and the Participants have currently filed compliance plans and continue to develop programs to ensure future compliance by the Participants with REPS Legislation. Power Agency staff is unable to predict the complete impact of the Legislation on the Participants' electric system operations or rates.

The Power Agency staff is working closely with PEC to comply with local, state and federal environmental laws and regulations to address the ultimate implications of these regulatory requirements and to ensure an equitable application of costs to the joint units.

### Security

Since September 11, 2001, several bills have been introduced in Congress aimed at protecting the country's infrastructure, including electric generation and transmission facilities revising security measures at nuclear facilities. Security at every nuclear power plant is now consistent with Homeland Security requirements, resulting in more strictly controlled access to the plants through security forces whose capabilities have been augmented accordingly. Under contractual arrangements with both NCEMPA

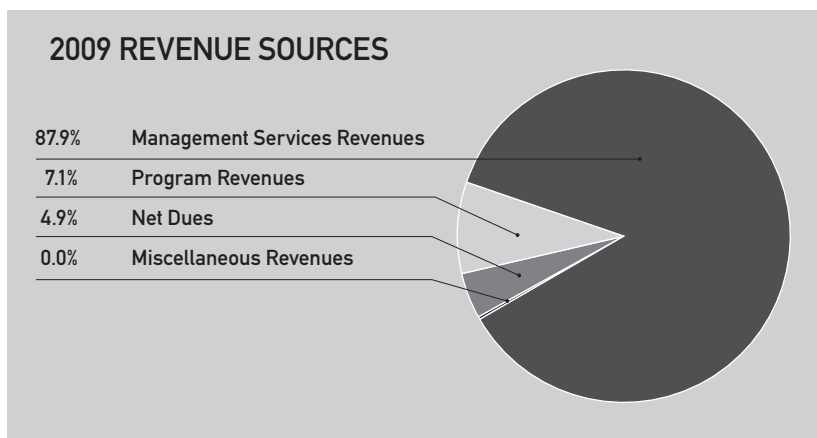
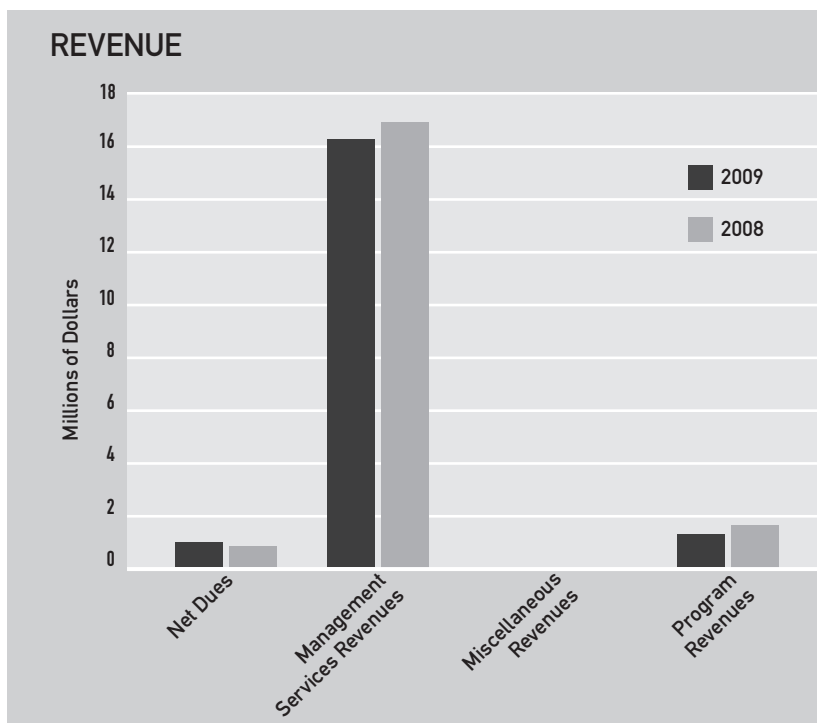
and NCEMPA, all issues of security are handled by Duke and PEC, coordinating closely with federal, state and local threat-response authorities, law enforcement, the intelligence community and military.

assets are protected from loss, theft or misuse, and for adequate accounting records compiled to facilitate the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives have been met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2)

## FINANCIAL INFORMATION

### Internal Control Structure

ElectriCities management is responsible for the establishment and maintenance of an internal control system to ensure that ElectriCities'



the evaluation of costs and benefits requires estimates and judgment by management. All internal control evaluations occur within the above framework. We believe that ElectriCities' internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### Budgetary Controls

North Carolina General Statutes (GS) 159-41 requires the adoption of an annual balanced budget. All money received and expended must be included in the budget resolution. A majority of the Board of Directors may amend the budget at any time in accordance with GS 159-41 and ElectriCities' bylaws.

Budgetary control on expenditures is at the total expenditures level. Purchase requisitions which would over-obligate total expenditures are not authorized until additional appropriations are made available through the budget amendment process.

### Unrestricted Fund Equity

In accordance with ElectriCities' bylaws, each year's excess revenues are returned to its members in good standing in a subsequent year. Thus, ElectriCities' financial position remains steady.

### Enterprise Operations

ElectriCities' enterprise activities fall into three categories: dues supported programs, revenue-generating or reimbursed activities such as schools and contractor services, and management services for the power agencies. The following graph depicts ElectriCities' revenue sources for 2009 and comparative information with the prior year's activity.

The chart on page 10 shows the percentage of revenues from each revenue source.

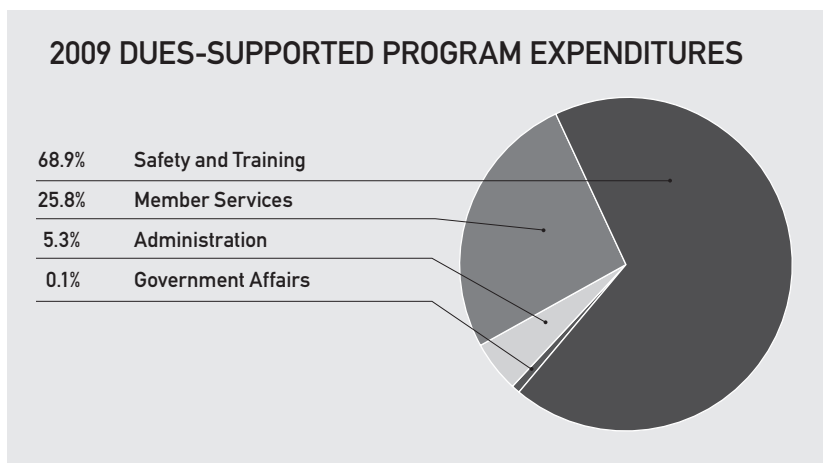
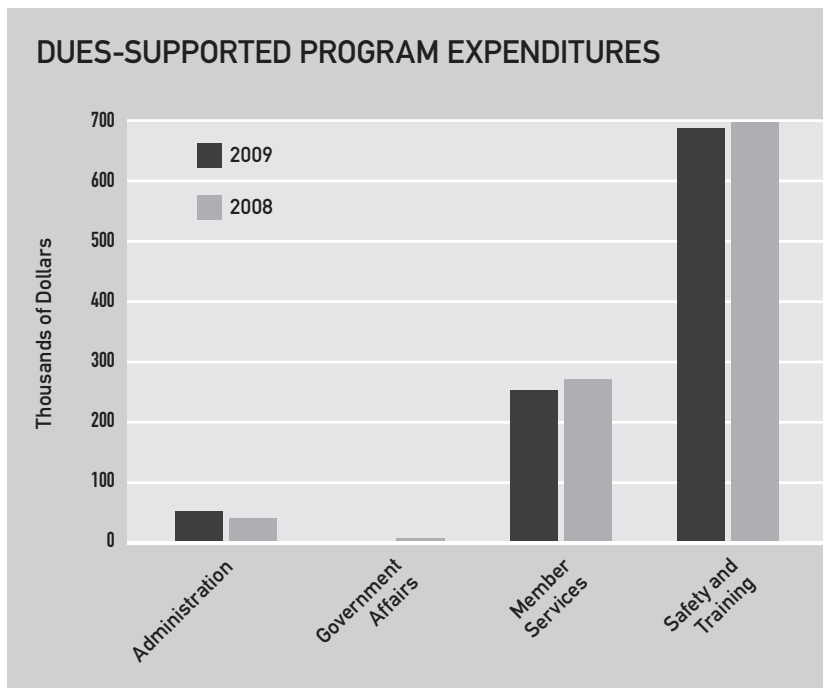
### Dues-Supported Programs (Modified Accrual Basis)

#### ElectriCities Administration

ElectriCities Administration represents costs incurred to administer all ElectriCities programs. These costs increased 34.3 percent for 2009. The primary driver for this increase is outside services costs.

Outside Services costs account for the majority of this program's expenses and are associated with services provided by ElectriCities N.C. legal counsel, Poyner & Spruill. Poyner & Spruill provided advice to members concerning laws affecting electric system operations. This included routine advice to members, territorial assistance, attendance at Board meetings and research and review of other staff inquiries.

#### Government Affairs



The Government Affairs program is fully funded by dues and represents 10 percent of the costs to maintain close relationships with members of the North Carolina General Assembly in order to provide legislators with knowledge of municipal electric systems, the power agencies and ElectriCities. The other 90 percent is included in management services costs and is paid by the power agencies. Government Affairs program expenditures decreased from \$2,627 in 2008 to \$851 in 2009.

### General Contingency

The General Contingency is fully funded by dues. None of the General Contingency was appropriated during 2008. During 2009, \$12,550 of the general contingency was appropriated to fund a portion of the cancellation costs associated with the annual meeting.

The graph on page 11 depicts the comparative uses of dues in the performance of the various ElectriCities' programs for 2009 and 2008.

The chart on page 11 shows the percentage of dues used to support the various programs during 2009.

### Revenue Generating or Reimbursed Activities (Modified Accrual Basis)

The Safety and Training and Member Services Programs are partially funded by dues and partially funded by revenue generated from school registration fees, contract services fees and manual sales.

### Safety and Training

The Safety and Training program utilized \$556,250 and \$584,017 of dues in 2009 and 2008, respectively, a decrease of about 4.8 percent. Program activities included the

production of training schools and workshops and four career development programs. In addition, safety staff offers on-site line crew safe work practice audits, safety meetings, accident investigations involving electrical workers and annual municipal safety award presentations. In 2009, 40 cities and towns achieved outstanding no lost workday accident awards.

ElectriCities continued its partnership with Nash Community College to offer an associate degree in Electric Power Lineman Technology for member line worker employees who wish to participate. Nash Community College, located in Rocky Mount, NC provides classrooms with state-of-the-art audio and visual training aids and outside training grounds as a permanent training facility.

The Lineman Career Development Program (LCDP) provides specialized training for employees who work on high voltage overhead power lines. The program was revised during 2009 and has 181 students enrolled. In 2009 and 2008, 71 and 69 linemen advanced, respectively, in the LCDP.

The Meter Technician Career Development Program specializes in training employees who work with electric power meters. There are 13 students enrolled. In 2009, six technicians advanced.

The Substation Career Development Program provides specialized training for those employees who work on substations. There are 32 students enrolled. In 2009 and 2008, eight and 15 technicians advanced, respectively.

The Underground Career Development Program specializes in training employees who work with

underground power lines. There are 13 students enrolled. In 2009, one student advanced in the program.

In 2009, ElectriCities trained 337 students in 16 different schools..

### Member Services

The Member Services program utilized \$246,768 and \$234,304 in dues for 2009 and 2008, respectively, an increase of approximately 5.3 percent.

The Member Services department continued to offer programs that benefit our members' electric utilities and business operations. These programs can be grouped into value-added programs, distribution system support and customer service programs.

The value-added programs assist members through the Energy Solutions Partners (ESP) Program and Hometown Connections (HCI), APPA's marketing arm. Both programs work with qualified utility industry vendors to provide products, services and knowledge to the members and their customers. The ESP program is managed by ElectriCities staff with the primary focus of identifying vendors that can assist members' with their retail customers. Some of the ESP vendors may also have services or products that benefit the members by helping their facilities operate more cost effectively. As a marketing affiliate of HCI, ElectriCities members receive the benefit of HCI's national effort to bring the best products and services to public power communities. Their programs primarily focus on tools and applications that help cities run their business more efficiently.

Distribution Systems support programs include: the Operations

Standards Team; Statewide Service Contracts; the Emergency Assistance Program, and assistance with APPA's Reliable Public Power Provider program.

The Operations Standards Team (OST) is comprised of Utility Directors from the members with the mission of developing safe, efficient work practices. They produce the "Guidelines for Municipal Electric System Construction", and they are working on Underground Procedures and a Utility Directors Business Model.

Electric Distribution Systems require good maintenance practices to continue to work efficiently and reliably. Maintaining the systems is a good business practice because it reduces operating costs, increases reliability and extends the life of the equipment. The Statewide Service Contracts include contracts for: tree trimming; relay testing; aerial device testing; meter testing; oil testing; in-ground pole testing, and substation maintenance.

The Emergency Assistance Program provides support to members during emergency restorations. All the members participate in this program and willingly provide support to each other during restoration efforts. The Member Services department maintains and periodically updates contact information for all the members. Templates for contracts are also available if crews are asked to provide assistance outside of North Carolina. Staff also acts as a liaison with North Carolina's State Emergency Response Team.

The Reliable Public Power Provider (RP3) program, APPA's initiative to promote and recognize public power

communities that have excellent operations, is supported by the Member Services department. Staff assists members by promoting the program, providing information that is stored at ElectriCities and is necessary to complete applications, answering questions, reviewing applications, and then providing promotional material for the winners along with making congratulatory presentations to the winning cities' councils. The program has been very effective and has resulted in North Carolina having the most RP3 designees (29) of any state in the country.

Business operations for the members were supported through: development of "Guidelines for Customer Service Policies"; hosting forums for Customer Service Managers; facilitating online forums for discussions among peers; offering customer service training workshops; and providing business operations and regulatory workshops along with coordination of workshops for all ElectriCities departments.

ElectriCities provides many training opportunities for its members in a variety of areas. All workshops are coordinated through the Programs Administrative Coordinator. The coordination of workshops provides better service to the members, increases the quality of promotional material, frees up staff time from other departments, and facilitates the development of a far superior online registration system and database. In 2009, more than 700 people registered for one of the training opportunities offered through ElectriCities.

### **Annual Meeting**

The 2009 Annual Meeting was cancelled due to low attendance

associated with municipal budget issues. The 2008 Annual Meeting was held in Myrtle Beach, SC at a cost of \$192,487.

### **Management Services (Modified Accrual Basis)**

ElectriCities continues to perform its professional management services activities for NCMPA1 and NCEMPA. These services include administering contracts associated with the agencies' power supply programs, monitoring jointly-owned plant operations, negotiating with the power companies, preparing for refunding and new money bond issues, investing agency funds, preparing financial statements and budgets, and maintaining a computer system and an administrative office building to support these activities.

Overall management services expenditures decreased 3.3 percent from 2008 to 2009. The decrease is attributable to cost cutting efforts in association with the economic downturn.

### **Pension Plan Activity**

ElectriCities participates in the North Carolina Local Government Employees' Retirement System. All permanent full-time employees participate in the statewide retirement system administered by the State of North Carolina. The system is funded by contributions from ElectriCities and participating employees in the amount of 4.8 and 6 percent, respectively, of participant earnings.

### **Independent Audit**

North Carolina General Statutes require an annual audit by independent auditors. The accounting firm of Cherry, Bekaert & Holland, L.L.P. was retained by the Board of Directors.

### Management's Discussion and Analysis

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to ElectriCities for its comprehensive annual financial report (CAFR) for the year ended December 31, 2008. This was the twentieth consecutive year that ElectriCities has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. Such

CAFR 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 our current report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient and dedicated efforts of the entire staff of the Accounting Department and the various employees who assisted with and contributed to its preparation. Each of them has our sincerest thanks.

Respectfully submitted,



T. Graham Edwards  
Chief Executive Officer



F. Tim Tunis  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Electricities of North Carolina, Inc.

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



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

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

# Financial Section



## Independent Auditors' Report

The Board of Directors  
ElectriCities of North Carolina, Inc.  
Raleigh, North Carolina

We have audited the accompanying balance sheets of ElectriCities of North Carolina, Inc., (the "Agency"), as of December 31, 2009 and 2008, and the related statements of revenues and expenses and changes in fund equity and cash flow for the years then ended, which comprise the Agency's basic financial statements. These basic financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of ElectriCities of North Carolina, Inc. as of December 31, 2009 and 2008 and the changes in financial position and in its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, the schedule of funding progress, employer contributions and notes to the required schedules for the Other Post Employment Benefits are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion thereon.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional financial information as listed in the table of contents for the years ended December 31, 2009 and 2008 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data in the statistical section of this report and, accordingly express no opinion thereon.

*Cherry, Bekaert & Holland, L.L.P.*

Raleigh, North Carolina  
March 24, 2010

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

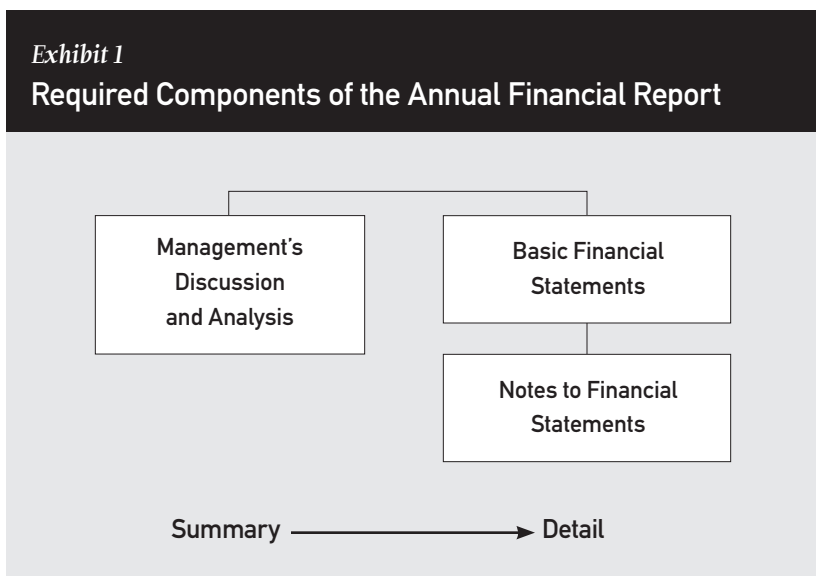
As management of ElectriCities of North Carolina, Inc. (ElectriCities), we offer this narrative overview and analysis of the financial activities of ElectriCities for the years ended December 31, 2009 and 2008. This information should be read in conjunction with the information furnished in ElectriCities' financial statements that follow this narrative.

### FINANCIAL HIGHLIGHTS

- ElectriCities' basic financial statements consist of a single enterprise fund.
- At December 31, 2009 and 2008, ElectriCities' assets exceeded its liabilities (fund equity) by \$527,072 and \$547,192, respectively.
- ElectriCities' unrestricted fund equity was \$20,896 at both December 31, 2009 and 2008.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$988,575 and \$869,520 for 2009 and 2008, respectively.
- In accordance with its bylaws, ElectriCities will refund \$74,123 and \$45,477 of the billed dues for 2009 and 2008, respectively.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A serves as an introduction to ElectriCities' basic financial statements and notes to the financial statements (see Exhibit 1). In addition to the basic financial statements, this report contains other supplemental information designed to enhance your understanding of the financial



condition of ElectriCities.

#### Basic Financial Statements

ElectriCities is a special purpose government that accounts for its activities as a business type entity. The first section of the basic financial statements is for ElectriCities' single proprietary fund that focuses on its business activities. The statements are designed to provide a broad overview of ElectriCities' finances and provide short and long-term information about ElectriCities' financial status, operations and cash flow. They report fund equity and how it has changed during the period. Fund equity is the difference between total assets and total liabilities. Analyzing the various components of fund equity is one way to gauge ElectriCities' financial condition.

The second section of the basic financial statements is the notes that explain in more detail some of the data contained in the basic financial statements. The notes

provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes are on pages 25 through 33 of this report.

After the notes, additional information is provided. Required supplemental information is on page 34, additional financial information is on pages 35 to 40, and statistical information is on pages 43 to 62.

*Exhibit 2*  
**Fund Equity**

<i>December 31,</i>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Assets:</b>			
Capital assets	\$ 506,176	\$ 526,296	\$ 535,805
Current and other assets	3,424,723	3,002,735	2,633,960
Total assets	3,930,898	3,529,031	3,169,765
<b>Liabilities:</b>			
Long-term liabilities outstanding	1,459,422	1,209,899	834,593
Other liabilities	1,944,404	1,771,940	1,778,471
Total liabilities	3,403,826	2,981,839	2,613,064
<b>Fund Equity:</b>			
Invested in capital assets	506,176	526,296	535,805
Unrestricted	20,896	20,896	20,896
Total fund equity	\$ 527,072	\$ 547,192	\$ 556,701

## FINANCIAL ANALYSIS

The enterprise fund financial statements for the years ended December 31, 2009 and 2008 are presented in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34.

As noted earlier, the various components of fund equity may serve over time as a useful indicator of ElectriCities' financial condition. The assets of ElectriCities exceeded liabilities by \$527,072, \$547,192 and \$556,701 at December 31, 2009, 2008 and 2007, respectively. ElectriCities' fund equity decreased by \$20,120 and \$9,509 for the years ended December 31, 2009 and 2008, respectively. The largest portion of fund equity of \$506,176, \$526,296 and \$535,805 at December 31, 2009, 2008 and 2007, respectively, reflects ElectriCities' investments in capital assets (e.g. vehicles, furniture and equipment). This amount decreased because depreciation on the capital assets exceeded additional spending on

these assets during 2009 and 2008. An additional portion of ElectriCities' fund equity of \$20,896 at December 31, 2009, 2008 and 2007 represents unrestricted fund equity. Unrestricted fund equity remained unchanged because dues billings exceeded needs and ElectriCities bylaws require the return of any unspent dues to members in good standing.

Revenues totaled \$18,376,717, \$19,128,538, and \$17,706,611 for the years ended December 31, 2009, 2008, and 2007, respectively. Sources of revenues are derived from membership dues, management services and other program revenues, and non-operating revenues.

The following contributed to the changes in revenues for the calendar years ended December 31, 2009, and 2008, respectively:

- In 2009 and 2008, membership dues increased by \$119,055 and \$44,144, respectively. The

increase was attributed to increased services provided by ElectriCities which include, among other programs, safety and training, communications assistance, and legal and legislative support.

- In 2009 and 2008, management services and other program revenues decreased by \$865,078 and increased by \$1,384,916, respectively. The decrease was primarily attributed to personnel costs. Please see Note E on Page 30 of this report for a further explanation of management services.
- Non-operating revenues decreased by \$5,797 and \$7,133 in 2009, and 2008, respectively, primarily due to changes in investment rates.

*Exhibit 3*

**Changes in Fund Equity**

<i>For the Years Ended December 31,</i>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>			
Membership dues	\$ 988,575	\$ 869,520	\$ 825,376
Management services and other program revenues	17,385,815	18,250,893	16,865,977
Nonoperating revenues	2,328	8,125	15,258
<b>Total Revenues</b>	<b>18,376,717</b>	<b>19,128,538</b>	<b>17,706,611</b>
<b>Expenses:</b>			
<b>Program Expenses:</b>			
Administration	52,667	39,220	51,860
Safety and Training	682,000	729,469	715,873
Member Services	256,522	268,297	272,169
Government Affairs	851	2,627	8,008
Annual Meeting	60,246	192,487	210,350
Management Services	16,072,937	16,614,852	15,253,337
Regions Project #1	1,161,209	1,184,200	1,061,362
Regions Contract Services	16,163	7,031	9,455
Energy Auditor	-	44,878	83,547
Depreciation and amortization	260,282	246,135	255,201
Refund of excess dues	74,123	45,477	40,650
<b>Total Operating Expenses</b>	<b>18,636,999</b>	<b>19,374,673</b>	<b>17,961,812</b>
Loss before capital contributions	(260,282)	(246,135)	(255,201)
Capital Contributions	240,162	236,626	224,122
<b>Increase (decrease) in Fund Equity</b>	<b>(20,120)</b>	<b>(9,509)</b>	<b>(31,079)</b>
Fund equity January 1	547,192	556,701	587,780
<b>Fund equity December 31</b>	<b>\$ 527,072</b>	<b>\$ 547,192</b>	<b>\$ 556,701</b>

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

ElectriCities' investments in capital assets at December 31, 2009, 2008 and 2007 totaled \$506,176, \$526,296 and \$535,805, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture and equipment.

Major capital asset transactions during 2009 and 2008 include the following:

- In 2009 and 2008, seven and six vehicles, respectively, were purchased for \$152,445 and \$135,193, respectively.
- Three and four vehicles were retired in 2009 and 2008, respectively.
- In both years, purchases of office equipment and furnishings accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$500.

Additional information regarding ElectriCities' capital assets can be

found in Note D beginning on page 29 of this report.

**Outstanding Debt**

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2009 or 2008.

**Exhibit 4**  
**Capital Assets**

	<i>December 31, 2008</i>	<b>Additions</b>	<b>Adjustments</b>	<b>Retirements</b>	<i>December 31 2009</i>
Furniture and Equipment	\$ 2,997,418	\$ 240,162	\$ -	\$ (58,081)	\$ 3,179,499
Accumulated Depreciation and Amortization	(2,471,122)	(260,282)		58,081	(2,673,323)
<b>Total Furniture and Equipment, Net</b>	<b>\$526,296</b>	<b>\$ (20,120)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 506,176</b>
	<i>December 31, 2007</i>	<b>Additions</b>	<b>Adjustments</b>	<b>Retirements</b>	<i>December 31 2008</i>
Furniture and Equipment	\$ 2,848,019	\$ 236,626	\$ -	\$ (87,227)	\$ 2,997,418
Accumulated Depreciation and Amortization	(2,312,214)	(246,135)		87,227	(2,471,122)
<b>Total Furniture and Equipment, Net</b>	<b>\$ 535,805</b>	<b>\$ (9,509)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 526,296</b>

**NEXT YEAR'S BUDGETS AND DUES**

**Budget Highlights for 2010**

- There is a dues increase of 3.3%.
- There is a general contingency of \$28,000.
- Safety & Training, Government Affairs, Member Services and ElectricCities Administration programs receive dues support.
- The Annual Meeting is fully

funded by registrations, other fees and sponsorships and receives no dues support.

- Management Services, Regions Project #1 and Contract Services programs are paid for by those entities utilizing the services and receive no dues support.

**Requests for Information**

This report is designed to provide an overview of ElectricCities' finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, ElectricCities of North Carolina, Inc. P.O. Box 29513, Raleigh, NC 27626-0513.

## BASIC FINANCIAL STATEMENTS

<b>Balance Sheets</b>			
	<i>December 31,</i>	<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents (Note C)		\$ 1,911,479	\$ 1,202,975
Accounts Receivable		1,513,243	1,799,760
<b>Total Current Assets</b>		<b>3,424,722</b>	<b>3,002,735</b>
<b>Non-Current Assets:</b>			
<b>Capital Assets (Note D)</b>			
Equipment and Furnishings		3,179,499	2,997,418
Accumulated depreciation		(2,673,323)	(2,471,122)
<b>Total Non-Current Assets</b>		<b>506,176</b>	<b>526,296</b>
<b>Total Assets</b>		<b>\$ 3,930,898</b>	<b>\$ 3,529,031</b>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts payable		\$ 665,150	\$ 695,674
Current portion of accrued vacation		556,646	533,577
Other deferred credits		722,608	542,689
<b>Total Current Liabilities</b>		<b>1,944,404</b>	<b>1,771,940</b>
<b>Non-Current Liabilities:</b>			
Accrued vacation		616,848	583,559
Accrued Expense (Note G)		482,372	482,377
Other Post-Employment Benefits Obligation (Note G)		360,202	143,963
<b>Total Non-Current Liabilities</b>		<b>1,459,422</b>	<b>1,209,899</b>
<b>Total Liabilities</b>		<b>3,403,826</b>	<b>2,981,839</b>
<b>Fund Equity:</b>			
Invested in Capital Assets		506,176	526,296
Unrestricted		20,896	20,896
<b>Total Fund Equity</b>		<b>527,072</b>	<b>547,192</b>
<b>Total Liabilities and Fund Equity</b>		<b>\$ 3,930,898</b>	<b>\$ 3,529,031</b>

See accompanying notes to financial statements.

## Statements of Revenues and Expenses and Changes in Fund Equity

<i>For the Years Ended December 31,</i>	2009	2008
<b>Operating Revenues:</b>		
Membership dues	\$ 988,575	\$ 869,520
Management services (Note E)	16,072,938	16,614,852
Program revenues	1,312,877	1,636,041
<b>Total Operating Revenues</b>	<b>18,374,390</b>	<b>19,120,413</b>
<b>Operating Expenses:</b>		
Program Expenses:		
Administration	52,667	39,220
Safety and Training	682,000	729,469
Member Services	256,522	268,297
Government Affairs	851	2,627
Annual Meeting	60,246	192,487
Management Services	16,072,937	16,614,852
Regions Project #1	1,161,209	1,184,200
Regions Contract Services (Note J)	16,163	7,031
Energy Auditor		44,878
Depreciation and amortization (Note D)	260,282	246,135
Refund of excess revenues (Note A)	74,123	45,477
<b>Total Operating Expenses</b>	<b>18,636,999</b>	<b>19,374,673</b>
<b>Operating Loss</b>	<b>(262,609)</b>	<b>(254,260)</b>
<b>Nonoperating (Revenues) Expenses:</b>		
Investment Income	(2,328)	(8,125)
<b>Total Nonoperating (Revenues) Expenses</b>	<b>(2,328)</b>	<b>(8,125)</b>
<b>Loss Before Capital Contributions</b>	<b>(260,282)</b>	<b>(246,135)</b>
Capital Contributions	240,162	236,626
<b>Increase (decrease) in Fund Equity</b>	<b>(20,120)</b>	<b>(9,509)</b>
<b>Fund Equity, Beginning of Year</b>	<b>547,192</b>	<b>556,701</b>
<b>Fund Equity, End of Year</b>	<b>\$ 527,072</b>	<b>\$ 547,192</b>

See accompanying notes to financial statements.

## Statements of Cash Flows

<i>For the Years Ended December 31,</i>	<b>2009</b>	<b>2008</b>
<b>Cash Flows From Operating Activities:</b>		
Receipts from dues and other revenues	\$ 18,840,827	\$ 18,462,545
Payments to employees for services	(11,779,022)	(11,188,020)
Payments to other suppliers of goods and services	(6,355,628)	(7,667,739)
Net Cash Provided By Operating Activities	706,177	(393,214)
<b>Cash Flows From Capital Activities:</b>		
Additions to capital assets	(240,162)	(236,626)
Capital contributions	240,162	236,626
Net Cash Used For Capital Activities	-	-
<b>Cash Flows From Investing Activities:</b>		
Investment income	2,327	8,125
Net Increase In Cash And Cash Equivalents	708,504	(385,089)
Cash and Cash Equivalents, Beginning of Year	1,202,975	1,588,064
Cash and Cash Equivalents, End of Year	\$ 1,911,479	\$ 1,202,975
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used In) Operating Activities:</b>		
Operating Loss	\$ (262,609)	\$ (254,260)
Adjustments:		
Depreciation and Amortization	260,282	246,135
Changes in Operating Assets and Liabilities:		
(Increase) decrease in accounts receivable	286,517	(753,864)
Decrease in accounts payable	(30,524)	(17,617)
Increase in accrued vacation	56,358	144,190
Increase (decrease) in accrued expenses	(5)	2,243
Increase in accrued post employment benefits	216,239	143,963
Increase in other deferred credits	179,919	95,996
Net Cash (Used in) Provided By Operating Activities	\$ 706,177	\$ (393,214)
<b>Supplemental Disclosures</b>		
Schedule of Noncash Investing and Financial Transactions:		
None	\$ -	\$ -

See accompanying notes to financial statements.

# NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

## NOTE A. GENERAL MATTERS

ElectriCities of North Carolina, Inc. (ElectriCities) is a joint municipal assistance agency organized under Chapter 159B of the North Carolina General Statutes (G.S.). It is the successor organization of ElectriCities of North Carolina created in 1965 as a voluntary, non-profit association to serve the interests of North Carolina's municipal electric systems. ElectriCities provides aid and assistance to member municipalities in North Carolina, South Carolina and Virginia and to member constituent institutions of the University of North Carolina in the construction, ownership, maintenance, expansion and operation of their electric systems.

ElectriCities is involved in four major areas of activity on behalf of its members: (1) professional management services for the North Carolina Municipal Power Agencies (Agencies) (see Note E); (2) federal regulatory matters; (3) legislation and other public policy issues; and (4) member services, which include assistance with local problems, informational services and safety and training assistance.

The members are assessed annual dues to fund the various programs except for management services which is funded by the Agencies (see Note E), Regions Project #1 which is funded by Huntersville and Cornelius, Regions Contract Services which is funded by those cities utilizing the services (see Note J), the Energy Auditor Program which is funded by

a state grant from the North Carolina Energy Office and North Carolina Eastern Municipal Power Agency, and the Annual Meeting which is funded by registrations, other fees and sponsorships. ElectriCities' bylaws require that each year's excess revenues (modified accrual basis) be refunded to its members in good standing in a future year.

## NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of ElectriCities are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of ElectriCities' accounting policies are described below.

### Application of FASB Standards

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," ElectriCities has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989.

### Basis of Accounting

ElectriCities reports in accordance with GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" (GASB No. 34). The statement requires certain information be included in the financial statements and specifies how that information should be presented.

The accrual basis of accounting is followed whereby revenues are recognized when earned and expenses are recognized when incurred.

### Financial Reporting

The financial statements are prepared using the economic resources measurement focus. Operating revenues are defined as dues and revenues received for Agency services provided to members. Revenues from investment activities are defined as non-operating revenues. The Agency has no restricted equity. Unrestricted equity may be utilized for any purpose approved by the Board through the budget process.

### Reporting Entity

In evaluating how to define ElectriCities for financial reporting purposes, management has considered all potential component units. The decision to include potential component units in the reporting entity is made by applying the criteria set forth in the GASB standards. ElectriCities' lack of financial accountability is the primary

criterion for excluding potential component units from the reporting entity. The specific elements of financial accountability considered in the decision to exclude the potential component units were the selection of governing authority and fiscal dependency.

While ElectriCities provides assistance to member municipalities, it has no financial accountability for any of them. Therefore, none of the member municipalities are included as component units of ElectriCities.

### Fund Accounting

ElectriCities reports as a single enterprise fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

### Measurement Focus

The single enterprise fund of ElectriCities is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in fund equity. As required by GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," ElectriCities recognizes capital contributions as revenue.

### Budgetary Data

An annual balanced budget, as required by the Local Government Budget and Fiscal Control Act, is adopted and is prepared using the modified accrual basis of accounting.

Budgetary control on expenditures is at the total expenditure level.

<b>Cash and Investments</b>		
<i>For the Years Ended December 31,</i>	<b>2009</b>	<b>2008</b>
Investments	\$ 1,522,476	\$ 887,015
Cash	389,003	315,960
<b>Cash and Cash Equivalents</b>	<b>\$ 1,911,479</b>	<b>\$ 1,202,975</b>

Individual line item expenditures can exceed budgeted amounts as long as total expenditures do not exceed budgeted amounts. The budget can be amended at any time by majority vote of the Board of Directors.

Encumbrance accounting, under which purchase requisitions for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is used. Only those encumbrances outstanding at year-end for which there are contractual liabilities are reported. Unspent budget appropriations lapse at year-end and must be budgeted again in the following year.

Equipment and furnishings additions are budgeted as an expenditure of the year they are acquired in order to provide sufficient funds to purchase the assets. Depreciation for each program is not budgeted.

### Hierarchy of Generally Accepted Accounting Principles

In March 2009, GASB issued Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The objective of this Statement is to incorporate the hierarchy of GAAP for state and local governments into the GASB authoritative literature. This Statement was effective upon issuance and ElectriCities has

complied with the incorporation of GAAP into the GASB authoritative literature in accordance with this Statement.

### Codification of Accounting and Financial Reporting Guidance

In March 2009, GASB issued Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards." This Statement incorporates into the GASB authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants Statements on Auditing Standards. This Statement was effective upon issuance and ElectriCities has complied with this statement.

### Cash and Investments

ElectriCities has adopted GASB Statement No. 40 "Deposits and Investments Risk Disclosures" which modifies disclosure requirements related to custodial risk by only requiring disclosure of deposits or investments facing substantial custodial risk. It eliminates the requirement to disclose fair value information as part of this note disclosure and also eliminates the requirement to report information on investments not held at year-end. The statement requires new disclosures related to credit risk, concentration risk, interest rate risk and foreign currency risk.

At December 31, 2009 and 2008, ElectriCities' investment balances consisted of amounts invested in the North Carolina Capital Management Cash Portfolio. The investment in this money market mutual fund is essentially a demand deposit, has been reported as cash equivalents in the accompanying financial statements and is stated at fair value.

For purposes of the Statements of Cash Flows, ElectriCities considers all highly liquid investments with original maturities of three months or less when purchased, to be cash equivalents.

### Compensated Absences

It is ElectriCities' policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred and reported as a liability. When determining the vacation pay liability due within one year, leave is considered taken on the last in, first out (LIFO) basis. Unused vacation pay is paid to the employee at the time of termination. Unused sick pay benefits terminate with an employee's employment and therefore no liability is reported for unpaid accumulated sick leave.

Accrued vacation is \$1,173,494, \$1,117,136 and \$972,947 at December 31, 2009, 2008 and 2007, respectively, and increased \$56,358 and \$144,189 in 2009 and 2008, respectively.

### Defined Benefit Pension Plan

ElectriCities has adopted GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers," (GASB No. 27) which states that employers that participate in multi-employer defined benefit plans are required to measure and disclose an amount for

annual pension costs on the accrual basis of accounting.

### Retiree Health Benefit Plan

ElectriCities has adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" (GASB No. 45) which requires governments to report costs of post-employment health care and other post-employment benefits not provided as part of a pension plan on the accrual basis of accounting, rather than on a pay-as-you-go basis. These costs are reported similarly to how pension costs are reported.

### Termination Benefits

ElectriCities has adopted GASB Statement No. 47 "Accounting for Termination Benefits" (GASB No. 47) which states that employers are required to recognize a liability and expense for voluntary termination benefits (for example, early-retirement incentives) when the offer is accepted and the amount can be estimated, and for involuntary termination benefits (for example, severance benefits) when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employee(s) and the amount can be estimated.

ElectriCities is a member of the Local Government Employees' Retirement System (LGERS), a multi-employer, cost sharing, defined benefit pension plan administered by the state of North Carolina. The Agency has determined that as an exception to the general recognition and measurement requirements under GASB No. 47, the effects of a termination benefit on an employer's obligations for the defined benefit

pension plan should be accounted for and reported under the requirements of GASB No. 27.

There are no material termination benefits outstanding as of December 31, 2009 and 2008, respectively.

### Capital Assets

The capitalization threshold for capital assets is \$500. Equipment and furnishings are valued at historical cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of respective assets which range from three to ten years.

ElectriCities has adopted GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries" (GASB No. 42) which requires the Agency to report the effect of a capital asset impairment in the financial statements when they occur rather than in the ongoing depreciation expense for the capital asset. Any insurance recovery associated with the impairment will be netted with the impairment loss.

### Net Assets Restricted by Enabling Legislation

ElectriCities has adopted GASB Statement No. 46 "Net Assets Restricted by Enabling Legislation" (GASB No. 46) which requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. The only enabling legislation affecting the Agency is that legislation by which it was created. There has been no enabling legislation since inception that imposes limits on the use of new capital.

## Land and Other Real Estate Held as Investments by Endowments

In November 2007, GASB issued Statement No. 52 "Land and Other Real Estate Held as Investments by Endowments" which established consistent standards for the reporting of land and other real estate held as investments. The Statement requires endowments to report their land and real estate investments at fair value. It also requires the reporting of the change in fair value as investment income and to disclose the methods and assumptions used to determine fair value. This Statement was effective for periods beginning after June 15, 2008. Electricities does not maintain endowments of any nature and does not anticipate receiving any endowments in the near future.

## Statistical Section

GASB Statement No. 44 "Economic Condition Reporting: The Statistical Section" enhances and updates the statistical section that accompanies a state or local government's basic financial statements to reflect the significant changes that have taken place in government finance, including the more comprehensive government-wide financial information required by GASB. The statistical section comprises schedules presenting trend information about revenues and expenses, outstanding debt, economics and demographics, and other subjects. These schedules are intended to provide financial statement users with contextual information they need to assess a government's financial health.

## Taxes

Income of Electricities is excludable from federal income tax under Section 115 of the Internal Revenue Code.

## Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Future GASB Standards

In June 2007, GASB issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets" (GASB No. 51). The objective of this Statement is to establish accounting and reporting requirements for intangible assets that reduce accounting inconsistencies between intangible and tangible assets with respect to recognition, initial measurement and amortization period. GASB No. 51 establishes six criteria for recognition, measurement and amortization. Examples of intangible assets include easements, water rights, timber rights, patents, licenses and software. This Statement is effective for periods beginning after June 15, 2009. Electricities currently adheres to the criteria established in GASB No. 51 and therefore, does not expect any material effect on our financial position or results of operations.

In June 2008, GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" (GASB No. 53). GASB No. 53 addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex

arrangements used by governments to manage specific risks or to make investments. This Statement improves financial reporting by requiring governments to measure derivative instruments at fair value. These improvements should allow users of those financial statements to more fully understand a government's resources available to provide services. Electricities currently adheres to the criteria established in GASB No. 53 and does not expect any material effect on our financial position or results of operations. This Statement is effective for periods beginning after June 15, 2009.

In March 2009, GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Statement additionally imposes the requirement to classify and report amounts in the appropriate fund balance classifications by applying their accounting policies that determine whether restricted, committed, assigned and unassigned amounts are considered to have been spent. Electricities does not expect an impact as a result of adopting this standard. This Statement is effective for periods beginning after June 15, 2010.

In December 2009, GASB issued Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans." This Statement addresses issues related to the use of the alternative measurement method

## Capital Assets

	December 31, 2008	Additions	Adjustments	Retirements	December 31, 2009
Furniture and Equipment	\$ 2,997,418	\$ 240,162	\$ -	\$ (58,081)	\$ 3,179,499
Accumulated Depreciation and Amortization	(2,471,122)	(260,282)		58,081	(2,673,323)
<b>Total Furniture and Equipment, Net</b>	<b>\$ 526,296</b>	<b>\$ (20,120)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 506,176</b>
	December 31, 2007	Additions	Adjustments	Retirements	December 31, 2008
Furniture and Equipment	\$ 2,848,019	\$ 236,626	\$ -	\$ (87,227)	\$ 2,997,418
Accumulated Depreciation and Amortization	(2,312,214)	(246,135)		87,227	(2,471,122)
<b>Total Furniture and Equipment, Net</b>	<b>\$ 535,805</b>	<b>\$ (9,509)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 526,296</b>

and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. For purposes of providing OPEB to its employees, Electricities is recognized as a single-employer defined benefit plan. Electricities additionally does not account for OPEB costs using the alternative measurement method. Thus, this Statement is not considered applicable to Electricities.

In December 2009, GASB issued Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." This Statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. This Statement is effective for reporting periods beginning after June 15, 2009. Electricities did not file for bankruptcy in 2009, and does not anticipate filing for bankruptcy.

### NOTE C. DEPOSITS

All deposits of Electricities are made in board-designated official depositories and are collateralized as required by North Carolina General Statute 159-31. Official depositories may be established with one or more banks, savings and loan associations or trust companies in North Carolina or, with written permission of the secretary of the Local Government Commission (LGC), a national bank located in another state. Electricities may also deposit monies at interest in those institutions described in the form of certificates of deposit, money market accounts or other forms of time deposits as the LGC may approve. At December 31, 2009, and 2008 Electricities' deposits had carrying amounts of \$389,003 and \$315,960, respectively and bank balances of \$2,450 and \$277, respectively. For each of the bank balances, \$250,000 was insured by the Federal Depository Insurance Corporation.

At December 31, 2009 and 2008, Electricities Investments consisted of \$1,522,476 and \$887,015, respectively, in the North Carolina Capital Management Trust's Cash Portfolio,

which carried a credit rating of AAA by Standard and Poor's. Electricities investment choices are limited by North Carolina General Statute 159-31. Electricities has no additional formal policies on credit risk.

At December 31, 2009 and 2008 the average maturity on the portfolio was 56 and 46 days, respectively. The investment in this money market mutual fund is essentially a demand deposit. Electricities investments are limited to this liquid fund since all of the cash is required for general operating purposes. Electricities does not have additional formal investment policies that limit maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

For cash and investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, Electricities will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Electricities has no formal policy regarding custodial credit risk.

## NOTE D. CAPITAL ASSETS

In accordance with GASB No. 42, ElectriCities will assess the recoverability of its long lived assets whenever events or changes in circumstances indicate the carrying amount may have been impaired. During 2009 and 2008 ElectriCities determined that such an assessment was not necessary.

## NOTE E. MANAGEMENT SERVICES

North Carolina Eastern Municipal Power Agency and North Carolina Municipal Power Agency Number 1 (Agencies) are joint agencies organized and existing pursuant to Chapter 159B of the General Statutes of North Carolina to enable municipal electric systems, through the organization of the Agencies, to finance, build, own and operate generation and transmission projects. The Agencies are comprised of 51 municipal electric systems which receive power from the Agencies. All of the Agencies' members are also members of ElectriCities.

ElectriCities entered into a contract with each Agency to provide them, at cost, management services as necessary to conduct their business. These agreements are for a period continuing to and including December 31, 2010, and are to be automatically renewed for successive periods of three years thereafter unless terminated by one year's written notice by either party prior to the end of any contract term. Such notice had not been provided as of December 31, 2009.

## NOTE F. PENSION PLAN

### Plan Description

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

### Funding Policy

Plan members contribute 6% of their annual covered salary. ElectriCities contributes at an actuarially determined rate. The current rate is 4.8% of annual covered payroll. The contribution requirements of members and ElectriCities are established and may be amended by the North Carolina General Assembly.

Employee contributions to the System for the years ended December 31, 2009, 2008 and 2007 were \$605,178, \$616,264, and \$556,338, respectively. ElectriCities contributions to the System for the years ended December 31, 2009, 2008, and 2007 were \$484,143, \$493,011, and \$445,070, respectively. These contributions equaled the required contributions for each year.

## NOTE G. OTHER POST-EMPLOYMENT BENEFITS

### Plan Description

ElectriCities provides post-employment health benefits to certain retired ElectriCities employees. It is a single-employer defined benefit plan. This is the only Other Post Employment Benefits (OPEB) under GASB No. 45 which ElectriCities has.

An employee that retires with at least 15 years of employment with ElectriCities, with at least 25 years of credited service in the LGERS and elects an unreduced (full) retirement is eligible for the retiree health benefit. ElectriCities reimburses the employee's health benefit premium at 80% (25 to 29 years of credited service with LGERS) or 100% (30 or more years of credited service with LGERS) of the "employee only" premium for individual major medical (including prescription drug) coverage. If the employee keeps the retiree health coverage in force until they become eligible for Medicare, ElectriCities reimburses 50% of the "employee only" premium for major medical (including prescription drug) coverage under the ElectriCities group insurance or the actual amount incurred for a supplemental Medicare policy, whichever is less.

A separate report was not been issued for the Retiree Health Benefit Plan.

### Funding Policy

ElectriCities finances the Retiree Health Benefit Plan with actuarially determined annual contributions from the Power Agencies that are set aside for future retiree health insurance premiums. The funds are used to pay the health insurance premiums incurred under the Plan. The cumulative contributions are included in the "Cash and Cash Equivalents" as reported on the Balance Sheets. The assets are solely

the property and rights of Electricities subject to the claims of Electricities general creditors. Electricities believes it is unlikely that it will use the funds to satisfy the claims of general creditors in the future. The Board of Directors reserves the right and shall have complete discretion to amend, modify or terminate these benefits at any time. If the Retiree Health Benefit Plan is terminated, any amounts funded in excess of premiums paid to date will be refunded to the Power Agencies. Electricities does not anticipate that the Plan will be amended or terminated during 2010. Accordingly, Electricities has recorded a non-current post employment obligation and accrued expense liability for the unexpended amount of funds collected from the Power Agencies for the financing of the Retiree Health Benefit Plan as of December 31, 2009, and future years, respectively.

### Annual OPEB Cost and Net OPEB Obligation

Electricities calculates the OPEB cost based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded liabilities (or funding excess) over the next thirty years. The following table shows the components of Electricities annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB obligation to the Retiree

Health Benefit Plan, normal cost each year and amortize any unfunded liabilities (or funding excess) over the next thirty years. The following table shows the components of Electricities annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB obligation to the Retiree Health Benefit Plan.

	2009	2008
Annual required contribution	\$246,529	\$164,265
Interest on net OPEB obligation	5,754	5,754
Adjustment to annual required contribution	(7,998)	(7,998)
Annual OPEB cost	244,285	162,021
Contributions made	(28,046)	(18,058)
Increase in net OPEB obligation	216,239	143,963
Net OPEB obligation, beginning of year	143,963	-
Net OPEB obligation, end of year	<u>\$360,202</u>	<u>\$143,963</u>

Electricities annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2008 is as follows:

For the Year Ended December 31	Annual OPEB Cost	Percentage Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 244,285	11.48%	\$ 360,202
2008	\$ 162,021	11.15%	\$ 143,963

### Funding Status and Funding Progress

As of December 31, 2008, the most recent actuarial date, the plan was not funded according to the definition per GASB No. 45. The unfunded actuarial accrued liability for benefits (UAAL) was \$2,015,431. The covered payroll (annual payroll of active employees covered by

the plan) was \$10,271,067, and the ratio of the UAAL to the covered payroll was 19.6%. Actuarial methods of an ongoing plan involve estimates of the value, reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare

trends. Amounts for Electricities are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the

financial statement, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial accrued assets, consistent with the long-term prospective of the calculations.

In the December 31, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return which is the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend rate of 10% to 5% with 2015 the year of ultimate trend rate. Both rates included a 3.75% inflation assumption. The actuarial value of the assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008 was 29 years.

## NOTE H. COMMITMENTS

ElectriCities occupies office space in the administrative office building owned by the Agencies and reimburses the Agencies for its share of the building's operating and maintenance costs. During 2009

and 2008 ElectriCities reimbursed the Agencies \$16,440 and \$13,440, respectively, for building operating and maintenance costs.

## NOTE I. RISK MANAGEMENT

ElectriCities is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; health and accident insurance claims, and injuries to employees. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in 2009, 2008 or 2007.

ElectriCities maintains flood coverage for insured property located outside of the 500 year flood plain territory as defined by Federal Emergency Management Agency guidelines; additionally, ElectriCities does not have property that falls within this flood plain territory.

In accordance with G.S. 159-29, all ElectriCities employees, including the finance officer, are bonded with a \$10,000,000 Employee Dishonesty limit per occurrence subject to a \$50,000 deductible.

## NOTE J. REGIONS CONTRACTS SERVICES

ElectriCities is providing contract services to the electric systems of the towns of Drexel, Lexington and Pineville, all members of ElectriCities, through its Regions Contract Services project. Through this project, ElectriCities provides management and technical services assistance as requested by the members. The services are provided at cost plus reasonable charges for general and

administrative expenses. During 2009 and 2008, revenues of \$16,163 and \$7,031, respectively, were recognized under these agreements.

Other members are eligible for such services by entering into a formal agreement with ElectriCities.

## NOTE K. SUBSEQUENT EVENTS

ElectriCities has evaluated subsequent events through March 24, 2010, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

**Other Post Employment Benefits Required Supplemental Information  
For the Year Ended December 31, 2009**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) Obligation	Funded Ratio	Covered Payroll	UAAL as a percentage of Covered Payroll
12/31/2008	\$-	\$2,015,431	\$2,015,431	0%	\$10,271,067	19.62%

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Actual Amount Contributed	Percentage Contributed
12/31/2009	\$246,529	\$28,046	11.38%

**Notes to the Required Supplemental Schedules:**

The information presented in the required supplemental schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

**Actuarial assumptions:**

Valuation date	12/31/2008	Investment rate of return	4.00%
Actuarial cost method	Projected unit credit	Medical cost trend	10.00 to 5.00%
Amortization method	Level dollar, open	Year of ultimate trend date	2015
Remaining amortization period	29 years	Includes inflation at	3.75%

## ADDITIONAL FINANCIAL INFORMATION

<b>Schedules of Revenues and Expenses — Budget and Actual</b>				
<i>For the Years Ended December 31,</i>	<b>2009</b>		<b>2008</b>	
	Actual	Final Budget	Actual	Final Budget
<b>Revenues:</b>				
Membership dues	\$ 988,575	\$ 995,903	\$ 869,520	\$ 827,093
Management services	16,287,431	17,187,922	16,843,622	15,477,165
Investment income	2,328	10,000	8,125	10,000
Program revenues	1,316,666	1,486,974	1,641,397	1,593,258
<b>Total Revenues</b>	<b>18,595,000</b>	<b>19,680,799</b>	<b>19,362,664</b>	<b>17,907,516</b>
<b>Expenditures:</b>				
Administration	52,667	64,275	39,220	65,485
Safety and Training	685,789	785,962	734,825	675,938
Member Services	256,522	329,125	268,297	293,302
Government Affairs	851	9,994	2,627	11,071
Annual Meeting	60,246	61,000	192,487	166,000
Management Services	16,287,431	17,187,922	16,843,622	15,477,165
Regions Project #1	1,161,209	1,207,426	1,184,200	1,056,769
Regions Contract Services	16,163	19,645	7,031	35,786
Energy Auditor			44,878	81,000
General Contingency		15,450		45,000
<b>Total Expenditures</b>	<b>18,520,877</b>	<b>\$ 19,680,799</b>	<b>19,317,187</b>	<b>\$ 17,907,516</b>
Excess Dues to be Refunded	\$ 74,123		\$ 45,477	
<b>Reconciliation of Modified Accrual Basis to Full Accrual</b>				
Total Revenues	\$ 18,595,000		\$ 19,362,664	
Total Expenditures	18,520,877		19,317,187	
<b>Excess of Revenues over Expenditures</b>	<b>74,123</b>		<b>45,477</b>	
<b>Reconciling Items</b>				
Budgetary Appropriations				
Capital Outlay	240,162		236,626	
Depreciation and Amortization	(260,282)		(246,135)	
Refund of Excess Revenues	(74,123)		(45,477)	
<b>Increase in Fund Equity (pg. 23)</b>	<b>\$ (20,120)</b>		<b>\$ (9,509)</b>	

Prepared on a budgetary basis which is modified accrual.

### Schedule of Budgetary Comparison for the Year Ended December 31, 2009

	2009 Budget		Actuals (Budgetary Basis)	Positive (Negative) Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Membership Dues	\$ 947,453	\$ 995,903	\$ 988,575	\$ (7,328)
Management Services	17,187,922	17,187,922	16,287,431	(900,491)
Investment Income	10,000	10,000	2,328	(7,672)
Program Revenues	1,711,974	1,486,974	1,316,666	(170,308)
<b>Total Revenues</b>	<b>19,857,349</b>	<b>19,680,799</b>	<b>18,595,000</b>	<b>(1,085,799)</b>
<b>Expenditures:</b>				
Administration	64,275	64,275	52,667	11,608
Safety and Training	785,962	785,962	685,789	100,173
Member Services	329,125	329,125	256,522	72,603
Government Affairs	9,994	9,994	851	9,143
Annual Meeting	225,000	61,000	60,246	754
Management Services	17,187,922	17,187,922	16,287,431	900,491
Regions Project #1	1,207,426	1,207,426	1,161,209	46,217
Regions Contract Services	19,645	19,645	16,163	3,482
General Contingency	28,000	15,450		15,450
<b>Total Expenditures</b>	<b>19,857,349</b>	<b>19,680,799</b>	<b>18,520,877</b>	<b>1,159,922</b>
Revenues Over Expenses	\$ -	\$ -	74,123	\$74,123
Dues Refund Payable			(74,123)	
<b>Revenues Over Expenses</b>			<b>\$ -</b>	

Prepared on a budgetary basis which is modified accrual.

## Schedule of Expenditures — Budget and Actual for the Year Ended December 31, 2009

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
<b>Program Expenditures:</b>				
Property Tax	\$ -	\$ -	\$ -	\$ -
Advertising				
Salaries	19,681	14,554	277,230	288,689
Office & Program Supplies		395	72,247	94,170
Dues, Subscriptions & Publications			6,323	9,234
Printing	2,721	1,402	105	120
Telephone			10,698	9,396
Postage			2,603	2,880
Copies			7,455	6,845
Miscellaneous Office Expenses	141	546	526	520
Travel	(276)		107,419	130,070
Outside Services	22,441	39,446	44,428	65,650
Insurance	3,373	4,100		
Employee Benefits	4,586	3,758	88,249	93,055
Recruitment & Relocation			407	1,428
Staff Development		74	8,378	10,008
Other Expenses				
Occupancy Costs			6,840	6,840
Other Rents			3,826	3,818
Vehicle O&M			44,886	59,269
Equipment Maintenance			380	570
Capital Assets Additions			3,789	3,400
<b>Total Program Expenditures</b>	<b>\$ 52,667</b>	<b>\$ 64,275</b>	<b>\$ 685,789</b>	<b>\$ 785,962</b>

Prepared on a budgetary basis which is modified accrual.

Member Services		Government Affairs		Annual Meeting	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
611	5,000				
154,030	160,993	644	4,772		
1,621	9,026				
272	706			140	200
5,813	8,004				2,000
3,471	4,653				
797	1,757				
2,485	4,566				
142	488				2,800
24,007	33,813		3,996	60,106	56,000
3,790	30,173				
49,132	57,007	207	1,141		
167	948				
2,044	4,704				
6,000	6,000				
	10				
2,012	897				
127	380				
			85		
\$ 256,522	\$ 329,125	\$ 851	\$ 9,994	\$ 60,246	\$ 61,000

Schedule of Expenditures — Budget and Actual for the Year Ended December 31, 2009 (continued)

	Management Services		Regions Project #1	
	Actual	Final Budget	Actual	Final Budget
<b>Program Expenditures:</b>				
Property Tax	\$ 5,785	\$ 11,500	\$ -	\$ 3,500
Advertising	591,861	796,348	393	996
Salaries	9,371,999	9,474,833	832,067	830,117
Office & Program Supplies	341,490	341,894	390	
Dues, Subscriptions & Publications	122,205	167,007	7,689	7,650
Printing	114,116	213,573		
Telephone	241,396	299,422	845	500
Postage	75,357	85,029		
Copies	265,062	239,811		
Miscellaneous Office Expenses	49,971	31,611	144	
Travel	429,576	657,621	4,365	6,703
Outside Services	751,779	669,529		2,496
Insurance	297,723	312,951	26,939	35,000
Employee Benefits	2,461,919	2,554,120	266,584	281,867
Recruitment & Relocation	134,581	45,119	419	
Staff Development	86,847	191,466		7,001
Other Expenses		34,008		
Occupancy Costs	359,056	396,338		
Other Rents	265,602	273,540		
Vehicle O&M	81,010	91,603	273	1,596
Equipment Maintenance	25,602	52,888		
Capital Assets Additions	214,494	247,711	21,101	30,000
<b>Total Program Expenditures</b>	<b>\$ 16,287,431</b>	<b>\$ 17,187,922</b>	<b>\$ 1,161,209</b>	<b>\$ 1,207,426</b>
General Contingency				
<b>Total Budgeted Program Expenditures</b>				

Prepared on a budgetary basis which is modified accrual.

Regions Contract Services		Energy Auditor		Total	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ -	\$ 5,785	\$ 15,000
				592,866	802,344
6,236	8,168			10,661,886	10,782,126
4,316	4,805			420,063	450,290
				136,630	184,797
				122,755	225,099
				256,410	313,971
				78,758	89,666
				275,002	251,222
				50,924	35,965
				625,197	888,203
				822,438	807,294
				328,035	352,051
2,012	3,076			2,872,687	2,994,024
				135,574	47,495
				97,269	213,253
				-	34,008
3,600	3,596			375,496	412,774
				269,428	277,368
				128,181	153,365
				26,109	53,838
				239,383	281,196
\$ 16,164	\$ 19,645	\$ -	\$ -	\$ 18,520,877	\$ 19,665,349
					15,450
					\$ 19,680,799

# Statistical Section – Unaudited

Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of ElectriCities.

## STATISTICAL SECTIONS

This part of ElectriCities comprehensive annual financial report presents detailed information about ElectriCities and its member cities as a context for understanding what the information in the financial statements, note disclosures and required supplemental information says about ElectriCities overall financial health. Schedules presented in the Statistical Section differ from financial statements because they usually cover more than one fiscal year and may present non-accounting data. The Statistical Section reflects social and economic data, financial trends and the fiscal capacity of ElectriCities.

### **43 Schedule of Fund Equity**

This schedule contains information to help the reader understand the various components of fund equity and how they have changed over time.

### **44 Schedule of Changes in Fund Equity**

This schedule contains information to help the reader understand ElectriCities financial performance and how it has changed over time.

### **46 Schedule of Membership Dues**

This schedule contains information to help the reader understand who ElectriCities dues paying members are and how those dues have been assessed over time.

### **50 Schedule of Estimated Population**

This schedule contains information to help the reader understand about ElectriCities member's populations and how they have changed over time.

### **54 Schedule of Customers Served**

This schedule contains information to help the reader understand about ElectriCities member's customer base and how they have changed over time.

### **58 Schedule of kWh Sold**

This schedule contains information to help the reader understand about ElectriCities member's kWh sales and how they have changed over time.

### **62 Employee Allocation Schedule**

This schedule contains information to help the reader understand ElectriCities staffing over time and how that staff has been devoted to ElectriCities efforts.

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## Schedule of Fund Equity—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006	2005
<b>Business-type activities</b>					
Invested in Capital Assets, net of related debt	\$506,176	\$526,296	\$535,805	\$566,884	\$729,258
Unrestricted	20,896	20,896	20,896	20,896	20,896
<b>Total Fund Equity</b>	<b>\$527,072</b>	<b>\$547,192</b>	<b>\$556,701</b>	<b>\$587,780</b>	<b>\$750,154</b>
<i>For the Years Ended December 31,</i>	2004	2003	2002	2001	2000
<b>Business-type activities</b>					
Invested in Capital Assets, net of related debt	\$569,888	\$591,958	\$671,120	\$759,034	\$457,745
Unrestricted	20,896	20,896	20,896	20,896	20,896
<b>Total Fund Equity</b>	<b>\$590,784</b>	<b>\$612,854</b>	<b>\$692,016</b>	<b>\$779,930</b>	<b>\$478,641</b>

Prepared on accrual basis of accounting.

Source: Electricities' basic or general purpose, as applicable, financial statements for the years indicated.

## Schedule of Changes in Fund Equity—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
<b>Operating Expenses:</b>				
Administration	\$ 52,667	\$ 39,220	\$ 51,860	\$ 56,820
Safety and Training	682,000	729,469	715,873	636,357
Member Services	256,522	268,297	272,169	272,616
Government Affairs	851	2,627	8,008	9,239
Annual Meeting	60,246	192,487	210,350	166,086
Management Services	16,072,937	16,614,852	15,253,337	14,190,428
Regions Project #1	1,161,209	1,184,200	1,061,362	826,026
Regions Contract Services	16,163	7,031	9,455	12,932
Energy Auditor	-	44,878	83,547	23,889
Depreciation and Amortization	260,282	246,135	255,201	282,421
Refund of Excess Revenue	74,123	45,477	40,650	41,442
<b>Total Expenditures</b>	<b>\$ 18,636,999</b>	<b>\$ 19,374,673</b>	<b>\$ 17,961,812</b>	<b>\$ 16,518,256</b>
<b>Operating Revenues:</b>				
Membership dues	\$ 988,575	\$ 869,520	\$ 825,376	\$ 798,865
Management services and other program revenues	17,385,815	18,250,893	16,865,977	15,425,175
Miscellaneous revenues				
Nonoperating revenues	2,328	8,125	15,258	11,795
<b>Total Revenues</b>	<b>\$ 18,376,717</b>	<b>\$ 19,128,538</b>	<b>\$ 17,706,611</b>	<b>\$ 16,235,835</b>
<b>Net Revenue (Expense)</b>	<b>\$ (260,282)</b>	<b>\$ (246,135)</b>	<b>\$ (255,201)</b>	<b>\$ (282,421)</b>
<b>Changes in Fund Equity</b>				
Capital Contributions	\$ 240,162	\$ 236,626	\$ 224,122	\$ 259,700
Depreciation and Loss on Disposal of Fixed Assets Purchased with Contributed Capital				
<b>Changes Fund Equity</b>	<b>\$ (20,120)</b>	<b>\$ (9,509)</b>	<b>\$ (31,079)</b>	<b>\$ (22,721)</b>

Prepared on accrual basis of accounting.

Source: Electricities' basic or general purpose, as applicable, financial statements for the years indicated.

2005	2004	2003	2002	2001	2000
\$ 67,400	\$ 71,806	\$ 66,538	\$ 59,584	\$ 49,871	\$ 59,522
590,177	526,532	514,016	472,040	476,760	431,492
266,817	240,524	228,204	230,762	202,331	210,463
6,374	2,375	3,529	243	2,643	2,317
107,565	179,101	111,019	97,428	86,145	107,017
13,177,208	11,864,298	11,053,462	9,838,906	8,814,789	8,877,443
766,659	786,794	743,080	720,937	593,697	569,327
14,868	20,725	20,180	16,895	26,592	13,198
251,791	302,406	291,923	298,584	273,337	260,092
6,835	18,177	22,227	69,791	197,804	174,541
\$ 15,255,694	\$ 14,012,738	\$ 13,054,178	\$ 11,805,170	\$ 10,723,969	\$ 10,705,412
\$ 764,127	\$ 701,092	\$ 699,671	\$ 699,773	\$ 703,157	\$ 665,325
14,231,050	13,001,227	12,060,169	10,804,488	9,705,350	9,737,521
	1,985	(223)	617	8,695	4,100
8,727	6,027	7,868	12,239	48,759	44,346
\$ 15,003,904	\$ 13,710,331	\$ 12,767,485	\$ 11,517,117	\$ 10,465,961	\$ 10,451,292
\$ (251,790)	\$ (302,407)	\$ (286,693)	\$ (288,053)	\$ (258,008)	\$ (254,120)
\$ 356,938	\$ 280,337	\$ 207,531	\$ 200,139	\$ 316,995	\$ (46,724)
				242,302	245,482
\$ 105,148	\$ (22,070)	\$ (79,162)	\$ (87,914)	\$ 301,289	\$ (55,362)

## Schedule of Membership Dues—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Albemarle	\$ 22,338	\$ 20,943	\$ 20,288	\$ 19,804
Apex	21,744	19,376	17,882	16,439
Ayden	7,991	7,284	7,046	6,834
Bamberg, SC*	592	543	517	500
Bedford, VA*	1,185	1,087	1,035	1,000
Belhaven	1,836	1,764	1,635	1,596
Bennettsville, SC*	1,185	1,087	1,035	500
Benson	3,443	3,310	3,147	3,087
Black Creek				
Bostic	450	418	407	391
Camden, SC*	1,185	1,087	1,035	1,000
Cherryville	5,023	4,493	4,469	4,253
Clayton	8,244	7,224	6,838	6,632
Concord	49,381	46,994	44,291	42,626
Cornelius	4,599	4,310	3,909	3,684
Dallas	5,229	4,699	4,505	4,414
Danville, VA*	1,185	1,087	1,035	1,000
Drexel	1,956	1,829	1,762	1,712
East Carolina University	118	108	103	100
Edenton	7,797	7,338	7,095	6,970
Elizabeth City	21,982	21,083	19,440	18,282
Elizabeth City State University	118	108		
Enfield	2,755	2,669	2,562	2,523
Farmville	4,893	4,281	4,182	4,160
Fayetteville Public Works Commission	51,666	32,602	31,050	30,000
Forest City	7,672	8,440	8,097	7,984
Fountain	512	476		
Fremont	1,330	1,268	1,227	1,185
Gastonia	47,710	45,351	43,321	41,538
Granite Falls	4,475	4,208	3,992	3,833
Greenville Utilities Commission	84,168	79,223	75,412	72,923
Hamilton	474	453	426	414
Hertford	2,053	1,990	1,786	1,777
High Point	74,835	67,017	64,037	61,950
Highlands*				
Hobgood	533	501	505	488
Hookerton	730	699	671	660
Huntersville	8,465	7,009	6,200	5,789
Kings Mountain	8,130	7,602	7,035	6,895
Kinston	26,640	25,659	24,017	23,362
La Grange	2,967	2,753	2,646	2,586
Landis	4,783	4,511	4,169	4,026
Laurinburg	11,044	10,533	10,000	9,693
Lexington	32,805	31,396	30,242	30,010
Lincolnton	5,480	5,235	5,030	4,825
Louisburg	4,367	4,119	3,891	3,825
Lucama*		108	103	100

	2005	2004	2003	2002	2001	2000
\$	19,382	\$ 18,016	\$ 18,117	\$ 17,973	\$ 18,180	\$ 17,766
	15,223	13,692	13,071	12,136	11,275	9,151
	6,453	6,043	5,948	6,005	5,960	5,597
	500	100	100	351	100	100
	1,000	1,000	1,000	1,000	1,000	1,000
	1,607	1,494	1,485	1,532	1,597	1,624
	1,000	500	500	500	500	500
	3,089	2,894	2,924	2,951	2,988	2,892
			937	866	883	866
	383	366	355	100	358	342
	1,000	1,000	1,000	1,000	1,000	1,000
	4,280	4,003	4,032	4,273	4,408	4,299
	6,448	6,015	5,883	5,743	6,087	5,093
	40,802	37,105	38,455	37,290	38,081	31,730
	3,545	3,127	3,019	2,857	2,848	2,764
	4,339	4,083	4,136	4,002	4,071	3,979
	1,000	1,000	1,000	1,000	1,000	1,000
	1,647	1,551	1,564	1,609	1,616	1,551
	100	100	100	100		
	6,812	6,425	6,295	6,173	6,338	6,139
	18,219	17,009	16,704	16,590	16,718	15,980
		100	100	100	100	100
	2,492	2,708	2,318	2,309	2,355	2,318
	4,914	4,775	4,764	4,798	4,839	4,726
	15,000	1,000	1,000	1,000	1,000	1,000
	7,788	7,373	7,465	8,518	8,689	8,522
	1,191	1,129	1,128	1,138	1,158	1,164
	40,509	39,380	38,302	38,480	39,219	38,515
	3,743	3,504	3,610	3,639	3,724	3,529
	70,809	65,786	69,243	68,984	65,899	62,157
	412	394	399	405	417	401
	1,757	1,681	1,694	1,690	1,699	1,689
	60,540	56,066	55,899	56,467	55,558	51,060
			500	500	500	500
	478	458	452	457	464	470
	639	611	600	613	616	570
	5,625	5,094	4,829	4,444	3,651	3,228
	6,507	6,157	6,062	6,114	6,216	6,019
	22,746	24,560	24,774	25,353	25,280	25,760
	2,550	2,422	2,400	2,415	2,398	1,919
	3,980	3,774	3,750	3,758	3,825	3,715
	9,571	9,035	9,231	9,238	9,268	8,797
	29,455	27,809	28,084	28,672	28,934	28,076
	4,757	4,472	4,458	4,493	4,558	4,432
	3,747	3,571	3,571	3,551	3,552	3,504
	100	100	100	100	100	100

## Schedule of Membership Dues—Unaudited (continued)

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Lumberton	20,140	19,005	18,384	17,795
Maiden	3,365	3,151	2,942	2,892
Martinsville, VA*	1,185	1,087	1,035	1,000
Monroe	30,143	28,188	26,388	24,847
Morganton	20,029	18,766	17,881	17,298
Murphy*		543	517	500
New Bern	33,988	31,339	29,831	28,866
New River Light & Power*	1,185	1,087	1,035	1,000
Newton	9,368	8,868	8,003	7,516
Pikeville	905	847	814	810
Pineville	7,034	6,846	6,439	6,203
Piedmont Municipal Power Agency**	7,584	6,950	6,620	6,400
Red Springs	3,342	3,164	3,016	2,894
Richlands, VA*	592	543	517	500
Robersonville	1,947	1,860	1,857	1,789
Rocky Mount	48,593	48,219	46,011	46,638
Scotland Neck	3,056	2,904	2,839	2,775
Selma	5,383	5,196	4,880	4,630
Sharpsburg*		108	103	100
Shelby	14,984	14,269	13,405	12,871
Smithfield	9,940	9,762	9,344	9,028
Southport	4,692	4,441	4,057	3,909
Stantonsburg	1,940	1,801	1,728	1,647
Statesville	28,515	27,398	26,172	25,416
Tarboro	13,599	13,188	12,598	12,494
University of NC-Chapel Hill*		108	103	100
University of NC-Greensboro*	118	108	103	100
NC State University*	118	108		
Virginia Municipal Electric Assoc.***				
Wake Forest	10,708	9,905	9,495	9,093
Washington	22,529	21,157	20,336	19,546
Waynesville		543	517	500
Western Carolina University*	592	543	517	500
Wilson	69,791	65,040	62,217	60,290
Windsor	3,818	3,564	3,416	3,226
Winterville	4,874	4,639	4,181	4,322
Budget Amendment-Appropriate Dues Refund	48,450			
<b>Total Dues</b>	<b>\$ 988,575</b>	<b>\$ 869,520</b>	<b>\$ 825,376</b>	<b>\$ 798,865</b>

\*Associate Members

\*\*Membership includes the following South Carolina municipalities, all of whom are associate members:

Abbeville, Clinton, Easley, Gaffney, Greer, Laurens, Newberry, Rock Hill, Union and Westminster

\*\*\*Membership includes the following Virginia municipalities, all of whom are associate members:

Blackstone, Culpeper, Elkton, Franklin, Harrisonburg, Manassas and Wakefield

2005	2004	2003	2002	2001	2000
17,150	16,343	16,372	16,477	16,233	15,303
2,885	2,836	2,906	2,923	2,927	2,801
1,000	1,000	1,000	1,000	1,000	1,000
23,365	20,235	20,419	19,787	20,434	19,564
16,566	15,735	15,604	15,635	15,984	15,398
500	500	500	500	500	500
27,850	25,922	24,997	25,083	25,277	23,306
1,000	1,000	1,000	1,000	1,000	1,000
7,142	5,880	6,510	6,266	6,733	6,388
794	752	741	752	764	744
6,066	5,608	5,518	5,336	5,083	5,009
6,400	6,400	6,400	6,400	6,400	6,400
2,855	2,722	2,879	2,884	2,923	2,829
500	500	500	500	500	500
1,705	1,576	1,595	1,652	1,760	1,622
45,740	42,260	42,909	42,008	42,838	42,014
2,727	2,564	2,566	2,557	2,586	2,565
4,528	4,287	4,225	4,266	4,269	4,074
500	500	500	100	100	100
12,656	11,773	12,201	12,190	12,291	11,741
8,810	8,141	8,101	8,324	8,132	7,805
3,712	3,466	3,332	3,297	3,218	3,020
1,730	1,562	1,572	1,496	1,459	1,434
25,127	23,088	23,195	23,034	22,861	21,912
12,502	11,634	11,810	12,192	12,063	11,456
100	100	100	100	100	100
100	100	100	100	100	100
				3,360	3,360
8,505	7,881	6,903	6,736	6,567	5,756
19,240	17,918	17,628	17,525	17,610	16,956
500	500	500	500	500	500
500	500	500	500	500	500
58,334	53,881	54,730	56,866	57,058	52,924
3,192	2,948	500	500	500	500
3,707	3,498			500	500
\$ 764,127	\$ 701,092	\$ 699,671	\$ 699,773	\$ 703,157	\$ 665,325

\*\*\*\*Became an associate member in late 1999 so no membership fees were collected.

Source: Electricities' dues billing to its members.

## Schedule of Estimated Population—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Abbeville, SC	5,900	5,900	5,900	5,900
Albemarle	16,043	16,026	15,917	15,917
Apex	34,937	34,591	33,405	30,182
Ayden	4,923	4,827	4,827	4,827
Bamberg, SC	3,600	3,600	3,600	3,600
Bedford, VA	6,300	6,300	6,300	6,300
Belhaven	1,945	1,938	1,933	1,933
Bennettsville, SC	9,425	9,425	9,425	9,425
Benson	3,581	3,380	3,380	3,232
Black Creek				
Blackstone, VA				
Bostic	316	322	322	322
Camden, SC	7,000	7,000	7,000	6,682
Cherryville	5,680		5,538	5,538
Clayton	13,842		13,842	12,173
Clinton, SC	8,091	8,091	8,091	8,091
Concord	79,673	71,240	68,249	62,291
Cornelius	23,929	22,946	14,581	17,144
Culpeper, VA				
Dallas	3,558	3,558	3,558	3,558
Danville, VA	46,500	46,400	48,500	48,500
Drexel	1,950	1,930	1,930	1,930
Easley, SC	20,000		19,194	17,754
East Carolina University				
Edenton	5,143	5,069	5,069	5,069
Elizabeth City	19,449	19,449	19,449	17,490
Elizabeth City University				
Elkton, VA				
Enfield	2,250	2,370	2,370	2,370
Farmville	4,656	4,601	4,601	4,601
Fayetteville	207,445	174,364	174,364	173,653
Forest City	7,162	7,329	7,329	7,329
Fountain	578	550	550	550
Franklin, VA				
Fremont	1,463	1,463	1,463	1,463
Gaffney, SC	12,986	18,133	18,133	18,133
Gastonia	74,518	72,848	71,376	70,278
Granite Falls	4,979	4,904	4,845	4,762
Greenville	79,629	72,233	72,233	69,517
Greer, SC	24,557	21,421	21,421	19,989
Hamilton	502	502	502	502
Harrisonburg, VA				
Hertford	2,172	2,172	2,172	2,172
High Point	100,442	96,867	96,867	94,793
Highlands				
Hobgood	385	385	387	395
Hookerton	485	487	487	472
Huntersville	44,500	40,000	40,000	32,000
Kings Mountain	10,757	10,535	10,535	10,535
Kinston	22,649	23,337	23,337	23,337
La Grange	2,836	2,836	2,836	2,836
Landis	3,100	3,047	3,047	3,036

2005	2004	2003	2002	2001	2000
5,900	5,900	5,985	6,000	6,000	6,000
15,694	15,694	15,684	15,680	15,680	15,828
30,182	28,895	27,858	23,949	23,949	21,697
4,661	4,642	4,622	4,430	4,430	4,368
3,600	3,600	3,604	3,604	3,604	3,604
6,300	6,300	6,299	6,299	6,299	6,400
1,933	1,937	1,957	1,971	1,971	2,289
9,425	9,425	9,425	9,425	9,425	10,095
3,232	3,232	3,100	2,955	2,955	3,751
		724	711	711	711
					3,800
322	325	500	363	363	363
6,682	6,682	6,682	6,700	6,700	6,700
5,538	5,538	5,538	5,514	5,514	5,514
12,173	10,706	10,706	8,500	8,500	8,479
8,091	9,129	8,100	9,600	9,600	9,603
62,291	61,068	59,200	56,663	56,663	50,564
14,581	15,399	14,577	14,128	14,128	14,000
				10,000	11,000
3,558	3,558	3,414	3,413	3,413	3,258
48,500	48,500	48,300	48,300	48,300	50,200
1,930	1,931	1,938	1,938	1,938	2,009
17,754	17,754	17,754	17,703	17,703	36,000
5,069	5,394	5,018	5,394	5,394	5,366
17,490	17,686	18,055	18,055	18,055	18,055
					1,935
2,370	2,409	2,418	2,347	2,347	2,994
4,601	4,591	4,325	4,325	4,325	4,586
173,653	130,762	132,000	125,155	125,155	125,000
7,329	7,450	7,450	7,475	7,475	8,398
545	537	537	459	459	459
					9,500
1,463	1,463	1,314	1,907	1,907	1,714
18,133	18,133	18,133	18,133	18,133	18,133
68,809	68,518	67,919	63,700	63,700	63,700
4,703	4,660	4,661	4,621	4,621	3,875
67,525	63,477	61,152	61,113	61,113	58,357
19,989	19,989	17,000	16,843	16,843	20,000
502	502	600	600	600	590
				40,468	34,800
2,080	2,070	2,070	2,070	2,070	2,098
92,489	92,489	90,522	80,787	80,787	82,000
			914	914	1,039
395	397	404	404	404	420
472	472	472	469	469	516
32,000	32,000	33,400	30,050	30,050	21,000
10,535	10,535	10,487	10,900	10,900	10,900
23,337	23,500	23,500	23,500	23,500	25,295
2,836	3,000	2,972	2,844	2,844	2,972
3,033	3,033	3,012	3,012	3,012	3,254

## Schedule of Estimated Population—Unaudited (continued)

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Laurens, SC	10,000	9,964	9,916	9,916
Laurinburg	15,911	16,586	16,586	16,586
Lexington	21,378	20,927	20,927	20,918
Lincolnton	11,316	11,061	10,791	10,206
Louisburg	3,677	3,644	3,644	
Lucama		880	880	880
Lumberton	22,006	20,795	20,795	20,795
Macclesfield	450	432	432	432
Maiden	3,406	3,279	3,279	3,279
Manassas, VA				
Martinsville, VA	15,416	15,416	15,416	15,416
Monroe	37,280	35,966	33,908	29,489
Morganton	17,108	18,474	18,474	18,474
Murphy				1,588
New Bern	28,586	25,600	25,600	25,600
New River Light & Power	15,000	13,901	13,901	13,901
Newberry, SC	10,907	10,580	10,580	10,580
Newton	13,670	13,075	13,075	13,075
Pikeville	704	714	714	714
Pinetops	1,256	1,314	1,329	1,329
Pineville	7,501	7,368	6,897	4,027
Red Springs	3,461	3,461	3,461	3,461
Richlands, VA	5,639	5,639	5,639	4,144
Robersonville	1,596	1,650	1,650	1,650
Rock Hill, SC	67,339	64,858	56,114	56,114
Rocky Mount	59,228	56,291	56,291	56,290
Scotland Neck	2,268	2,268	2,268	2,268
Selma	7,497	7,008	7,008	6,841
Sharpsburg			2,512	2,512
Shelby	21,449	20,957	20,957	20,957
Smithfield	12,800	12,160	12,160	12,160
Southport	2,964	2,934	2,860	2,677
Stantonsburg	730	730	730	730
Statesville	24,292	24,292	24,292	24,292
Tarboro	10,430	10,686	10,686	10,985
University of NC - Chapel Hill				
University of NC - Greensboro				
Union, SC	9,575	8,800	8,800	8,800
Wake Forest	27,217	25,000	25,000	20,300
Wakefield, VA				
Walstonburg	231	231	231	231
Washington	9,583	9,764	9,764	9,764
Waynesville		9,972	9,621	9,531
Western Carolina University				
Westminster, SC	3,120	3,120	3,120	3,120
Wilson	50,652	49,000	47,487	47,487
Windsor	3,165	2,285	2,285	2,285
Winterville	8,949	6,942	6,942	6,942

Source: ElectriCities' member questionnaires prepared by members and submitted to ElectriCities in the fall of each year.

2005	2004	2003	2002	2001	2000
9,916	9,916	9,916	9,916	9,916	9,403
16,586	15,815	15,864	15,974	15,974	16,643
20,605	20,385	20,327	19,953	19,953	19,474
10,206	10,206	10,387	10,387	10,387	10,387
	3,413	3,413	3,413	3,413	3,525
880	878	879	849	849	955
20,795	20,795	21,759	20,795	20,795	20,220
432	458	452	457	457	497
3,279	3,279	3,262	3,141	3,141	3,089
				34,500	34,500
15,416	15,000	15,416	15,983	15,983	15,983
29,489	30,392	29,489	26,456	26,456	23,919
18,474	17,080	17,318	17,310	17,310	15,085
1,588	1,581	1,650	1,581	1,581	1,581
25,600	23,415	23,128	23,599	23,599	23,000
13,901	13,901	14,198	14,198	14,198	14,198
10,580	10,580	10,580	10,550	10,550	10,550
12,986	12,939	12,988	12,294	12,294	12,382
714	793	793	793	793	793
1,419	1,416	1,419	1,569	1,569	1,567
4,027	3,975	4,027	3,632	3,632	3,632
3,461	3,447	3,889	3,889	3,889	4,000
4,144	4,144	4,456	4,144	4,144	4,500
1,650	1,751	1,651	1,750	1,750	1,943
56,114	56,144	62,900	49,760	49,760	49,000
56,309	56,321	55,998	56,014	56,014	48,997
2,268	2,299	2,425	2,425	2,425	2,425
6,685	6,517	6,394	5,968	5,968	5,821
2,512	2,460	2,460	2,421	2,421	N/A
20,957	20,825	20,825	19,853	19,853	20,000
11,893	11,915	11,915	11,510	11,510	11,524
2,595	2,558	2,534	2,351	2,351	2,606
730	802	732	820	820	820
24,292	23,320	23,320	22,843	22,843	22,300
10,985	11,138	11,153	11,138	11,138	11,037
8,800	8,793	8,737	8,793	8,793	9,846
20,300	16,490	14,217	11,750	11,750	11,750
					1,070
225	228	224	225	225	247
9,764	9,674	9,674	9,943	9,943	9,943
9,482	9,482	9,354	9,283	9,283	9,863
			3,579	3,579	
3,120	3,120	3,120	3,120	3,120	3,120
47,487	45,562	45,562	44,405	44,405	41,796
2,311	2,311	2,311	2,500	2,500	2,500
6,942	5,101	5,101	4,931	4,931	3,979

## Schedule of Customers Served—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Abbeville, SC	3,522	3,588	3,569	3,591
Albemarle	11,880	11,910	11,645	11,645
Apex	13,964	13,441	11,224	11,224
Ayden	3,950	4,283	3,925	3,817
Bamberg, SC				
Bedford, VA	6,955	6,955	6,619	6,738
Belhaven	1,185	1,144	1,125	1,125
Bennettsville, SC	4,726	4,726	4,726	4,726
Benson	1,789	1,789	1,761	1,800
Black Creek				
Blackstone, VA				
Bostic	198	193	193	193
Camden, SC	9,344	9,344		9,784
Cherryville	2,486	2,964	2,914	2,465
Clayton	4,950	5,135	5,132	5,132
Clinton, SC	5,614	4,202	4,202	4,202
Concord	27,014	26,945	26,945	25,780
Cornelius	2,625	2,625	2,458	2,537
Culpeper, VA				
Dallas	3,000	3,000	3,000	3,000
Danville, VA	44,579	46,400	48,601	48,757
Drexel	1,210	1,202	1,202	1,202
Easley, SC	12,779	12,779	12,779	12,779
East Carolina University	University	University	University	University
Edenton	4,600	4,196	4,965	4,069
Elizabeth City	11,863	11,878	11,373	11,373
Elizabeth City University	University	University	University	University
Elkton, VA				
Enfield	1,448	1,448	1,448	1,448
Farmville	2,850	2,864	N/A	5,788
Fayetteville	76,756	76,170	76,909	72,920
Forest City	4,461	4,155	4,155	4,170
Fountain	331	388	338	338
Franklin, VA				
Fremont	916	916	916	1,724
Gaffney, SC	7,292	7,254	7,254	7,254
Gastonia	26,292	25,254	N/A	25,634
Granite Falls	2,418	2,418	2,390	2,379
Greenville	62,363	60,758	60,758	58,299
Greer, SC	15,928	16,851	16,729	13,273
Hamilton	254	254	254	254
Harrisonburg, VA				
Hertford	1,228	990	990	990
High Point	39,223	39,186	39,186	38,715
Highlands				
Hobgood	371	371	371	371
Hookerton	439	439	N/A	437
Huntersville	4,056	4,079	3,521	3,836
Kings Mountain	4,624	4,381	4,381	4,381
Kinston	12,226	12,186	12,118	12,366
La Grange	1,654			
Landis	2,800	2,700	2,700	2,700

2005	2004	2003	2002	2001	2000
3,591	3,584	3,604	3,626	3,626	3,583
N/A	11,524	11,345	11,333	11,333	11,286
11,224	10,669	10,319	9,852	9,154	8,654
3,813		3,695	3,695	3,695	3,595
	1,928	1,784	1,784	1,784	1,784
6,754	6,647	6,647	6,729	6,729	6,589
2,244	1,119	1,103	1,116	1,139	1,154
4,733		4,950	4,950	4,950	4,824
1,784	1,776	1,797	1,803	1,800	1,806
		741	685	685	685
				2,079	4,000
N/A	193	193	193	193	185
9,784	9,219	9,109	10,000	10,000	10,000
2,906	2,924	2,625	2,890	2,890	2,884
N/A	4,321	4,321	4,279	4,082	4,567
4,202	4,110	4,215	4,377	4,377	4,285
25,780	24,537	24,224	23,997	23,997	25,171
2,341	2,097	2,097	2,052	1,866	1,830
				3,054	2,877
3,000	3,000	2,851	2,851	2,851	2,851
41,900	41,910	48,718	48,718	48,718	48,700
1,193	1,183	1,182	1,201	1,236	1,207
12,779	12,541	12,368	12,000	12,000	12,000
University	University	University	University	University	University
3,951	3,936	3,950	3,899	3,899	3,842
11,219	11,075	10,920	10,904	10,717	10,582
University	University	University	University	University	University
				1,020	1,020
1,448	1,448	1,500	1,538	1,538	1,538
5,787	N/A	2,888	2,893	2,888	2,926
72,920	70,219	68,932	67,128	67,128	67,039
4,170	4,182	4,265	4,732	4,732	4,732
338	341	413	372	372	372
				5,242	5,242
844	862	930	870	869	875
7,461	7,461	7,308	7,300	7,300	7,300
25,446	25,279	25,279	25,591	25,591	25,588
2,366	2,346	2,346	2,318	2,318	2,298
57,187	54,410	51,978	50,262	51,662	49,874
13,273		13,051	10,991	10,991	9,881
		254	254	254	254
				16,217	16,119
1,218	1,258	1,258	1,279	1,271	1,283
37,246	37,418	36,998	36,623	36,033	5,034
			2,519	2,519	2,348
331	368	320	320	320	323
437	392	392	424	422	422
3,566	3,566	3,491	3,303	3,125	2,466
4,381	4,271	4,250	3,943	3,943	3,998
12,366	12,339	12,300	16,528	16,528	16,352
1,525	1,542	1,524	1,524	1,524	1,505
		2,607	2,607	2,607	2,674

## Schedule of Customers Served—Unaudited (continued)

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Laurens, SC	5,424	5,345	5,198	5,198
Laurinburg	5,569	5,681	N/A	5,681
Lexington	18,154	18,477	18,477	18,461
Lincolnton	2,888	2,879	2,864	2,864
Louisburg	1,950	3,878	3,898	3,878
Lucama		1,200	1,200	1,200
Lumberton	12,243	20,345	20,496	20,345
Macclesfield	295	293	293	293
Maiden	1,069	1,069	1,067	1,067
Manassas, VA				
Martinsville, VA	8,047	8,647	8,047	8,047
Monroe	10,331	10,467	10,403	9,631
Morganton	8,230	8,695	8,120	8,128
Murphy		4,802	4,802	4,802
New Bern	20,626	19,481	19,481	19,481
New River Light & Power				
Newberry, SC	4,989	4,916	4,889	4,873
Newton	4,840	4,535	4,411	4,411
Pikeville	516	527	538	538
Pinetops	752	722	722	722
Pineville	2,745	2,728	2,468	2,468
Red Springs	1,717		3,410	
Richlands, VA	2,641	3,002	3,002	3,002
Robersonville	1,175	1,069	1,035	1,035
Rock Hill, SC	32,850	32,917	29,800	29,800
Rocky Mount	27,576	29,376	29,367	29,105
Scotland Neck	1,599	1,599	3,211	3,281
Selma	2,784	2,842	2,385	2,733
Sharpsburg		1,504	1,504	1,504
Shelby	7,971	8,316	8,230	8,230
Smithfield	4,566	4,528	4,700	4,700
Southport	2,706	2,590	2,553	2,394
Stantonsburg	1,231	1,030	1,030	1,030
Statesville	13,024	13,024	12,801	12,697
Tarboro	6,125	6,104	6,116	6,024
University of NC - Chapel Hill	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers
University of NC - Greensboro	University	University	University	University
Union, SC	7,000	7,125	7,096	7,072
Wake Forest	8,088	6,220	N/A	6,220
Wakefield, VA				
Walstonburg	132	130	130	130
Washington	13,333	12,956	N/A	12,956
Waynesville		3,006	3,019	3,038
Western Carolina University	University	University	University	University
Westminster, SC	1,571			
Wilson	36,200	35,391	32,636	32,636
Windsor	2,085	2,049	2,049	2,049
Winterville	2,716	2,667	2,667	2,667

Source: ElectriCities' member questionnaires prepared by members and submitted to ElectriCities in the fall of each year.

	2005	2004	2003	2002	2001	2000
	5,198	5,216	5,237	5,305	5,305	5,305
	5,668	N/A	5,615	5,932	5,932	5,889
	18,354	18,224	18,214	18,212	18,212	18,079
	2,834	2,818	2,819	2,854	2,841	2,827
	1,930	1,938	1,938	1,940	1,940	1,943
	1,200	1,151	1,349	1,145	1,145	1,145
	10,109	10,978	10,066	10,066	10,066	9,677
	293		300	302	302	301
	1,043	1,034	1,034	1,047	1,030	1,010
					14,341	14,341
	8,047	8,067	8,111	8,176	8,176	8,176
	9,846	9,631	9,631	9,616	9,304	9,109
	8,128	19,550	8,045	8,270	8,045	7,908
	4,680	4,463	4,358	4,173	4,173	4,060
	18,579	18,399	17,976	17,510	16,821	17,122
			7,054	7,054	7,054	6,707
	4,873	4,850	4,790	4,789	4,789	4,789
	4,331	4,312	4,256	4,411	4,401	4,299
	526	538	538	526	527	523
		725	730	730	730	721
	2,458	2,445	2,389	2,373	2,373	2,170
	1,697	1,697	1,800	1,916	1,916	1,923
	3,002	2,590	2,500	2,500	2,500	2,566
	1,216	1,068	1,067	1,185	1,220	235
	29,800	29,312	29,918	26,642	26,642	27,000
	31,154	30,700	30,198	29,614	29,097	27,593
		1,731	1,657	1,627	1,630	1,683
	2,733	2,802	3,000	2,713	2,705	2,669
	1,504	1,516	1,503	1,596	1,596	1,400
	7,878	8,322	7,792	8,136	8,136	8,133
	4,444	4,433	7,000	4,437	4,568	4,431
	2,300	2,205	2,205	2,139	2,086	2,030
	1,030	1,117	1,161	1,203	1,203	1,109
	12,689	12,591	12,591	12,595	12,501	12,220
	5,986	4,890	6,149	5,822	5,797	5,811
University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers	University and 430 campus retail customers
University	University	University				
7,072	7,046	7,097		7,025	7,025	7,025
5,517	5,950	5,950		4,991	4,900	4,763
					564	564
		135		135	135	132
	12,690	12,690		12,594	12,384	12,335
3,020	3,164	2,988		2,966	2,966	2,941
University	University	University		2,086	2,086	2,008
		1,808		1,808	1,808	1,808
33,670	33,261	33,261		31,285	30,990	30,496
1,821	2,006	2,006		1,758	1,758	1,758
2,667	2,325	2,325		1,985	1,985	1,851

## Schedule of kWh Sold—Unaudited

<i>For the Years Ended December 31,</i>	2009	2008	2007	2006
Abbeville, SC	59,369,085	60,027,767	60,739,579	62,167,914
Albemarle	284,095	294,702,425	297,204,518	297,204,518
Apex	235,084,147	235,183,279	193,889,646	193,889,646
Ayden	102,728,854	108,767,249	108,721,501	110,773,914
Bamberg, SC				
Bedford, VA	221,608,571	225,635,846	226,139,253	244,057,062
Belhaven	20,013,008	20,410,863	20,833,081	20,833,080
Bennettsville, SC	99,821,583	99,821,583	98,434,000	98,434,000
Benson	35,295,798	36,172,672	35,299,938	35,299,938
Black Creek				
Blackstone, VA				
Bostic	3,862,822	3,798,848	3,798,848	3,798,848
Camden, SC	191,925,842	191,342,018	183,911,678	170,745,000
Cherryville	50,827,289	47,578,133	47,886,499	47,886,499
Clayton	80,546,649	78,423,102	75,682,251	75,444,492
Clinton, SC	114,531,918	112,620,629	112,620,629	112,620,629
Concord	816,424,443	780,264,570	795,381,007	722,654,117
Cornelius	43,797,354	44,500,576	39,950,456	39,264,246
Culpeper, VA				
Dallas	45,620,476	45,620,476	45,620,476	45,620,476
Danville, VA	995,787,487	NA	986,033,199	985,719,997
Drexel	19,389,000	18,594,641	18,594,641	18,594,641
Easley, SC	269,561,068	269,561,068	269,561,068	269,561,068
East Carolina University				
Edenton	96,886,066	96,886,066	102,349,804	102,349,804
Elizabeth City	312,472,937	303,607,580	289,548,266	289,548,266
Elizabeth City State University				
Elkton, VA				
Enfield	36,716,967	38,468,632	38,468,632	38,468,632
Farmville	53,375,505	52,967,769	53,375,505	53,375,505
Fayetteville	2,120,880,926	2,121,037,988	2,041,060,661	2,068,425,296
Forest City	117,576,402	128,415,337	128,415,337	110,119,338
Fountain	3,799,414	7,092,077	7,092,077	7,092,077
Franklin, VA				
Fremont	12,515,377	12,515,377	12,515,377	12,515,377
Gaffney, SC	238,542,504	224,137,152	224,137,152	224,137,152
Gastonia	704,505,952	732,860,472	690,930,239	694,921,864
Granite Falls	49,085,925	49,085,925	48,614,472	46,524,887
Greenville	1,626,811,632	1,556,258,230	1,556,258,230	1,537,258,938
Greer, SC	333,416,418	326,309,000	303,247,994	259,661,590
Hamilton				
Harrisonburg, VA				
Hertford	22,630,797	21,879,612	21,879,612	2,318,462
High Point	1,154,044,495	1,112,755,429	1,112,755,429	1,120,392,460
Highlands				
Hobgood	3,390,723	3,630,257	3,630,257	3,630,257
Hookerton	5,532,308	5,437,110	5,665,132	5,665,132
Huntersville	143,815,828	134,271,814	82,221,588	82,221,588
Kings Mountain	125,437,894	109,133,402	109,133,402	109,133,402
Kinston	444,952,078	391,956,005	463,368,391	444,199,947
La Grange	24,621,160	24,625,160		
Landis	47,025,646	30,326,925	30,326,925	30,326,925

2005	2004	2003	2002	2001	2000
62,167,914	60,303,448	60,585,000	60,302,868	60,302,868	60,889,665
	292,504,459	291,404,548	292,104,601	292,104,601	291,312,777
193,889,646	171,193,904	165,318,069	137,332,361	137,332,361	115,465,405
112,414,626		94,547,359	94,547,359	94,547,359	98,569,717
	50,555,174				
222,132,940	204,480,477	203,515,024	234,439,864	234,439,864	239,279,388
20,737,926	21,546,549	20,684,640	20,490,259	20,490,259	20,801,581
98,085,000		93,767,000	93,767,400	93,767,000	94,870,000
35,797,348	37,874,129	38,184,162	36,506,410	36,506,410	37,322,924
		10,282,579			
		3,798,848	3,538,007	41,389,301	42,982,489
170,745,000	184,000,000	179,094,735		3,538,007	3,557,543
45,981,979	46,783,638	47,895,498	55,110,635	55,110,635	168,570,067
	80,167,346	79,084,319	71,268,302	71,268,302	60,381,449
112,620,629	112,823,527	119,485,333	116,573,369	116,573,369	67,531,264
722,564,117	712,026,581	680,978,096	629,789,623	629,789,623	113,315,591
39,950,456	38,895,036	36,943,604	32,880,452	32,800,452	538,461,269
				69,539,712	31,200,571
45,620,476	49,559,876	48,485,781	48,485,781	48,485,781	62,852,296
980,644,707	1,007,329,001	947,694,220	947,694,220	947,694,220	46,893,152
18,219,094	18,049,313	18,802,790	18,187,891	18,187,981	942,938,761
269,561,068	258,632,363	266,549,433	255,887,940	255,887,940	17,663,113
					245,969,305
99,370,158	99,347,049	97,755,632	92,052,741	92,052,741	93,611,791
289,548,266	283,799,270	281,929,350	271,545,788	271,545,788	266,625,233
38,468,632	37,223,763	36,460,037			
53,375,505		58,971,074	55,021,845	55,021,845	56,402,828
2,067,425,296	2,086,189,689	2,098,247,426	2,051,422,791	2,051,422,791	1,976,502,319
110,119,338	127,824,834	130,627,460	139,289,122	139,289,122	137,328,299
7,092,077	11,443,221				126,345
					12,275,342
12,515,377	13,169,895	13,979,452	12,843,236	12,843,236	242,225,540
212,577,910	208,856,363	216,356,148			664,181,005
668,235,055	618,926,951	592,708,465	656,371,495	656,371,495	51,944,957
44,370,881	44,458,435	45,851,873	48,207,040	48,207,040	1,409,118,944
1,505,981,099	1,511,629,588	1,546,524,158	1,448,101,969	1,448,101,969	210,297,000
259,661,590		243,241,000	220,287,242	220,287,242	3,638,050
		3,638,050			663,170,083
				679,613,991	20,474,352
21,879,612	22,173,379	20,736,626	21,684,288	21,684,288	989,568,000
1,099,442,000	1,056,387,000	1,042,042,000	1,005,511,000	1,005,511,000	
			33,396,096	33,396,096	
3,285,329	3,432,157	3,356,500	3,356,500	3,356,500	3,123,805
5,775,515	5,490,025	5,775,766	6,306,638	6,306,638	5,699,371
76,172,875	75,039,936	68,328,935	53,226,487	53,226,487	37,150,841
109,133,402	105,399,930	105,054,473			99,341,570
453,563,640	441,806,585	447,788,357	447,863,389	447,863,389	430,003,507
24,116,298	24,675,015	28,502,979	28,502,979	28,502,979	21,255,598
		44,481,104	44,481,104	44,481,104	40,171,996

## Schedule of kWh Sold—Unaudited (continued)

<i>For the Years Ended December 31</i>	2009	2008	2007	2006
Laurens, SC	106,071,933	10,613,757	99,290	99,290
Laurinburg	135,531,419	120,884,209	120,884,209	120,884,209
Lexington	402,228,635	421,787,331	413,869,167	425,357,371
Lincolnton	58,259,569	60,339,683	59,586,593	59,398,247
Louisburg	58,093,522	56,280,802	56,280,802	56,280,802
Lucama		18,432,891	18,432,891	18,432,891
Lumberton	287,992,127	316,654,578	316,654,578	316,654,578
Macclesfield	3,348,928	3,220,853	3,220,853	3,220,853
Maiden	67,918,558	67,918,558	61,006,111	61,006,111
Manassas, VA				
Martinsville, VA	144,542,880	200,180,720	200,180,720	200,180,720
Monroe	595,688,716	682,165,489	587,400,434	549,246,019
Morganton	30,240,734	348,918,335	328,973,989	321,305,678
Murphy		161,930,282	161,930,282	161,930,282
New Bern	451,164,298	426,032,469	426,032,469	446,032,469
New River Light & Power	229,690,000			
Newberry, SC	191,986,260	194,261,115	179,341,477	171,980,472
Newton	141,369,813	141,091,968	118,679,979	118,679,979
Pikeville	8,223,625	8,032,212	8,100,759	8,100,759
Pinetops	20,051,000	20,569,825	19,418,000	19,418,000
Pineville	130,030,032	122,771,300	128,022,607	128,022,607
Red Springs	32,593,101			
Richlands, VA	67,018,073	64,049,441	63,929,946	63,170,405
Robersonville	28,000,000	31,018,075	24,546,070	24,546,070
Rock Hill, SC	769,451,876	783,394,069	706,158,126	706,158,126
Rocky Mount	733,440,582	748,028,249	748,028,249	750,345,125
Scotland Neck	28,940,899	28,940,899	27,705,275	27,705,275
Selma	70,226,096	66,228,035	67,939,467	60,885,106
Sharpsburg		22,011,729	22,011,729	22,011,729
Shelby	194,541,539	193,017,022	184,425,052	184,425,052
Smithfield	159,446,725	182,473,888	165,242,947	165,242,947
Southport	51,081,091	49,602,758	49,260,956	47,856,394
Stantonsburg	20,679,331	20,856	20,856	20,856
Statesville	489,779,611	489,779,611	472,258,240	480,322,435
Tarboro	233,782,590	243,794,843	236,859,861	244,597,555
University of NC - Chapel Hill				
University of NC - Greensboro				
Union, SC	137,924,001	138,959,214	133,151,187	129,742,886
Wake Forest	111,927,216	125,781,181	125,781,181	125,781,181
Wakefield, VA				
Walstonburg				
Washington	285,735,716	286,452,156	286,452,156	286,452,156
Waynesville		92,462,495	93,743,094	91,650,561
Western Carolina University	35,888,071	34,847,112	34,521,598	33,388,479
Westminster, SC				
Wilson	1,237,711,000	1,222,062,761	1,222,062,761	1,222,062,761
Windsor	48,367,735	44,310,466	44,310,466	44,310,466
Winterville	46,856,298	43,589,232	43,589,232	43,589,232

Source: ElectriCities' member questionnaires prepared by members and submitted to ElectriCities in the fall of each year.

2005	2004	2003	2002	2001	2000
99,290	97,650,949	95,038,893	99,461,739	99,461,739	97,148,175
126,135,395		139,829,907	133,326,410	133,326,410	115,141,311
430,622,662	442,548,845	453,001,042	467,913,354	467,913,354	458,138,559
58,289,278	67,937,915	66,591,696	66,252,511	66,252,511	67,578,383
55,894,013	562,808	56,688,656	55,533,311	55,533,311	52,300,000
18,432,891	18,432,891	17,545,843	16,776,039	16,776,039	15,764,727
426,857,545	307,593,136	250,854,002	250,854,002	250,854,002	299,337,894
3,220,853	N/A	3,393,540	3,302,138	3,302,138	3,328,765
61,862,209	66,195,525	70,234,176	71,459,101	71,459,101	67,578,383
					552,378,924
200,180,720	200,246,833	203,289,000			195,417,000
549,246,019	534,575,738	525,789,397	526,295,610	526,295,610	544,096,410
321,305,684	313,052,100	322,330,933	322,330,933	322,330,933	318,317,746
162,794,149	165,189,658	168,840,412	156,077,996	156,077,996	139,000,000
427,229,370	458,323,968	445,130,151	416,688,052	416,688,052	406,809,810
		208,395,988	208,395,988	208,395,988	192,521,930
171,980,472	169,664,320	169,899,221			159,893,931
114,695,842	115,425,556	113,942,250	106,409,177	106,409,177	102,022,953
8,100,759	8,071,802	8,817,712	7,878,354	7,878,354	7,902,932
	19,566,895	18,333,256	18,333,256	18,333,256	18,520,983
123,424,622	122,590,140	119,453,578			
62,356,273	29,663,803	31,725,504	29,645,900	29,645,900	36,304,146
63,170,405	65,306,554				
26,373,771	25,000,000	25,403,689	17,663,299	17,663,299	24,500,000
706,158,126	765,956,527	667,345,055	667,345,055	667,345,055	504,405,000
743,649,282	732,325,441	727,283,872	765,038,067	765,038,067	788,378,843
	25,943,393	26,699,522	28,298,510	28,298,510	26,642,419
60,885,106	60,286,426	59,138,865	59,640,581	59,640,581	57,270,193
22,011,729	22,267,676	22,934,039	21,013,847	21,013,847	
186,055,663	189,979,144	186,502,863	189,363,147	189,363,147	
165,292,948	164,686,235	160,132,926	159,735,000	159,735,000	149,220,000
47,856,394	47,492,315	45,581,024	44,125,062	44,125,062	39,250,670
20,856	21,109,867	21,698,115	17,414,310	17,414,310	15,516,033
464,311,836	440,172,763	456,969,763	455,514,083	455,514,083	460,997,111
244,597,555	248,399,000	256,108,232	274,851,561	274,851,561	251,157,607
129,742,886	132,177,957	136,486,771	134,971,411	134,971,411	132,919,927
118,597,797		102,647,000	87,042,000	87,042,000	
				11,949,701	9,498,054
	279,052,617	270,126,997	260,206,348	260,206,348	250,598,251
89,153,936	88,110,950	89,208,320	84,997,492	84,997,492	82,689,695
			29,592,025	29,592,025	27,866,296
1,210,271,122	1,235,481,324	1,208,167,185	1,217,309,490	1,217,309,490	1,210,236,450
39,748,729	40,619,330	40,619,330	39,952,325	39,952,325	38,768,117
43,589,232	42,463,516	42,463,516	39,257,770	39,257,770	39,264,009

## Employee Allocation Schedule—Unaudited

<i>For the Years Ended December 31.</i>	2009	2008	2007	2006	2005
Management Services	106	108	101	102	95
Member Services	4	3	3	3	3
Safety & Training	4	4	4	4	4
<b>Total</b>	<b>114</b>	<b>115</b>	<b>108</b>	<b>109</b>	<b>102</b>
<i>For the Years Ended December 31.</i>	2004	2003	2002	2001	2000
Management Services	92	93	87	84	85
Member Services	3	3	3	3	3
Safety & Training	3	3	3	3	3
<b>Total</b>	<b>98</b>	<b>99</b>	<b>93</b>	<b>90</b>	<b>91</b>

Source: Electricities' payroll records.





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