



ElectriCities of NC, Inc.  
2017 Financial Report







**ELECTRICITIES OF  
NORTH CAROLINA, INC.**

Annual Financial Report  
(With Report of Independent Auditor Thereon)

December 31, 2017 and 2016

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**ElectriCities of North Carolina, Inc.**  
**Annual Financial Report**  
**Years Ended December 31, 2017 and 2016**

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## **Independent Auditor's Report**

To the Board of Directors  
ElectriCities of North Carolina, Inc.  
Raleigh, North Carolina

RSM US LLP

### **Report on the Financial Statements**

We have audited the accompanying financial statements of ElectriCities of North Carolina, Inc. (ElectriCities), which are comprised of the statements of net position as of December 31, 2017 and 2016, and the related statements of revenue and expenses and changes in net position, and cash flows for the years then ended and the related notes to the financial statements, which collectively comprise ElectriCities' basic financial statements, as listed in the accompanying table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express 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 from material misstatement.

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ElectriCities of North Carolina, Inc. as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years ended December 31, 2017 and 2016, in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the "Management's Discussion and Analysis, "the "Other Postemployment Benefits' Schedules of Funding Progress and Employer Contributions" and the Local Government Employee's Retirement System Schedules of Electricities Proportionate Share of the Net Pension Liability (Asset) and Electricities Contributions" on pages 4 through 8 and pages 30 through 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ElectriCities' basic financial statements. The supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

*RSM US LLP*

Morehead City, North Carolina  
May 10, 2018



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**(Unaudited)**

## Management's Discussion and Analysis (MD&A) (Unaudited)

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, 2017 and 2016. This information should be read in conjunction with the information furnished in ElectriCities' financial statements that follow this narrative.

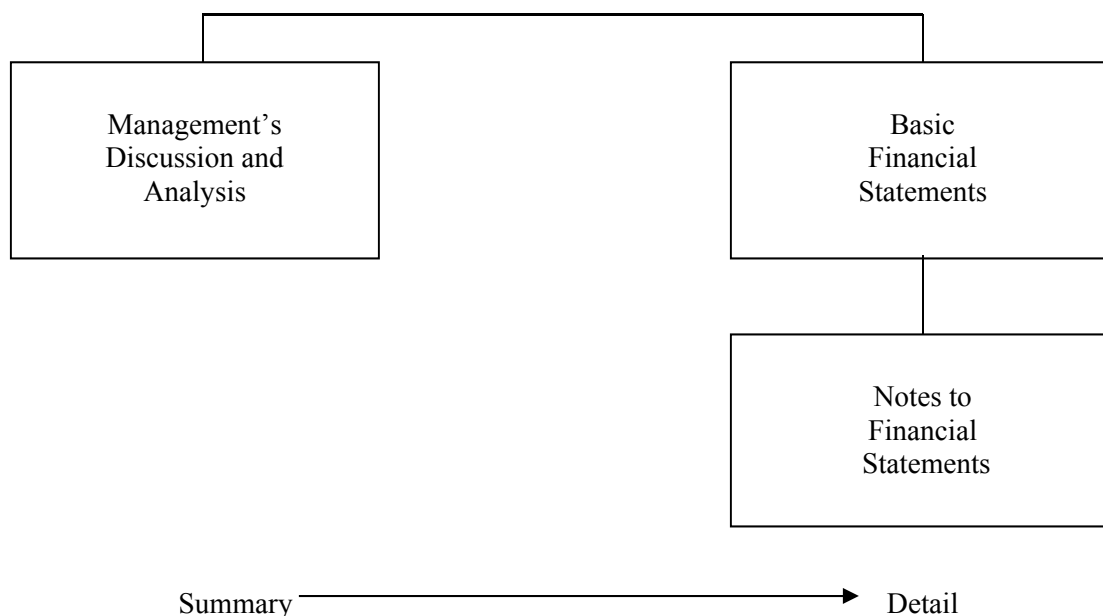
### Financial Highlights

- ElectriCities' basic financial statements consist of a single enterprise fund.
- At December 31, 2017 ElectriCities' assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$15,843. At December 31, 2016 ElectriCities' liabilities and deferred inflows exceeded its assets and deferred outflows (net position) by \$100,490.
- ElectriCities' unrestricted net position was a deficit of \$901,075 and \$862,528 at December 31, 2017 and December 31, 2016, respectively.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$1,351,613 and \$1,283,788 for 2017 and 2016, respectively.
- In 2017, billed dues exceeded expenses by \$223,952. In accordance with its bylaws, ElectriCities will refund \$223,952 of the billed dues for 2017.

### 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.

### Required Components of the Annual Financial Report Exhibit 1



## 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 net position and how it has changed during the period. Net position is total assets and deferred outflows of resources less total liabilities and deferred inflows of resources. Analyzing the various components of net position 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 13 through 29 of this report.

After the notes, additional information is provided. Required supplemental information is on pages 30 to 32, additional financial information is on pages 34 to 39 and statistical information is on pages 42 to 62.

## Financial Analysis

The enterprise fund financial statements for the years ended December 31, 2017, 2016 and 2015 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

### Summarized Statement of Net Position Exhibit 2

	December 31,		
	2017	2016	2015
<b>Assets</b>			
Capital assets	\$ 916,918	\$ 762,038	\$ 482,814
Current and other assets	8,259,295	7,343,681	6,845,887
Total assets	9,176,213	8,105,719	7,328,701
<b>Deferred Outflows of Resources - Pension</b>	1,582,781	2,619,220	419,901
<b>Liabilities and Deferred Inflows of Resources</b>			
Long-term liabilities outstanding	7,678,436	8,186,862	4,970,852
Current liabilities outstanding	2,995,765	2,507,429	2,580,161
Total liabilities	10,674,201	10,694,291	7,551,013
<b>Deferred Inflows of Resources</b>			
Unexpended dues supported program revenue	-	12,557	3,809
Pension Deferrals (Note F)	68,950	118,581	379,331
Total Deferred Inflows of Resources	68,950	131,138	383,140
<b>Net Position</b>			
Net investment in capital assets	916,918	762,038	482,814
Unrestricted (deficit)	(901,075)	(862,528)	(668,365)
Total Net Position	\$ 15,843	\$ (100,490)	\$ (185,551)

As noted earlier, the various components of net position may serve over time as a useful indicator of ElectriCities' financial condition. ElectriCities' assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$15,843 at December 31, 2017. Liabilities and deferred inflows exceeded assets and deferred outflows of resources by \$100,490 at December 31, 2016, and \$185,551 at December 31, 2015. ElectriCities' net position increased by \$116,333 and \$85,061 for the year ended December 31, 2017 and 2016, respectively, and decreased by \$1,036,874 for the year ended December 31, 2015.

The portion of net position totaling \$916,918, \$762,038, and \$482,814 at December 31, 2017, 2016 and 2015, respectively, reflects ElectriCities' net investment in capital assets (e.g. vehicles, furniture and equipment). This amount increased in 2016 because additional spending on capital assets exceeded depreciation. It decreased in 2015 because depreciation exceeded additional spending on capital assets.

The portion of net position totaling \$15,843 at December 31, 2017 represents unrestricted net position. The 2015 restatement for accounting change of \$(1,068,013) relates to the implementation of GASB 68, Accounting and Financial Reporting for Pensions (Refer to Note L on page 30). The pension related cost shown below in 2017 decreased unrestricted net position by \$38,547.

### Summarized Statement of Activity

#### Exhibit 3

	For The Years Ended December 31,		
	2017	2016	2015
<b>Revenues:</b>			
Membership dues	\$ 1,351,613	\$ 1,283,788	\$ 1,255,890
Management services and other program revenues	28,266,619	27,187,554	28,696,216
Non-operating revenues	2,502	1,150	238
Total Revenues	29,620,734	28,472,492	29,952,344
<b>Expenses:</b>			
Program Expenses:			
Administration	54,182	51,485	46,971
Safety and Training	1,101,983	1,154,572	1,105,476
Member Services	364,147	320,653	329,140
Government Affairs	2,041	-	-
Annual Meeting	244,623	173,009	219,842
Management Services	25,608,758	24,770,812	26,805,049
Regions Contract Services	15,290	20,778	
Western Operations	2,005,758	1,907,575	1,430,894
Depreciation and amortization	350,185	259,151	401,207
Refund (assessment) of excess/(deficit) dues	223,952	73,608	14,972
Pension related costs (Note F)	38,547	194,163	(378,752)
Total Operating Expenses	30,009,466	28,925,806	29,974,799
Loss before capital contributions	(388,732)	(453,314)	(22,455)
Capital Contributions	485,565	471,261	69,039
Gain on Disposal	19,500	67,114	(15,445)
Increase in Net Position	116,333	85,061	31,139
Net Position January 1	(100,490)	(185,551)	851,323
Restatement for Accounting Change	-	-	(1,068,013)
Net Position, Beginning of Year, as Restated	(100,490)	(185,551)	(216,690)
Net Position December 31	\$ 15,843	\$ (100,490)	\$ (185,551)

Revenues totaled \$29,620,734, \$28,472,492 and \$29,952,344 for the years ended December 31, 2017, 2016, and 2015, 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, 2017, and 2016, respectively:

- In 2017 and 2016 membership dues increased by \$67,825 and \$27,898, respectively. The increases were attributed to the costs of the 2018 APPA Line Worker Rodeo incurred in 2017 and to the services provided by ElectriCities in 2016 such as the Lineman Career Development.
- Management services and other program revenues increased by \$1,079,065 in 2017, and decreased by \$1,508,662 in 2016. The increase in 2017 and the decrease in 2016 were primarily due to changes in consulting project spending. Refer to Note E on Page 21 of this report for a further explanation of management services.
- Non-operating revenues increased by \$1,352 and \$912 in 2017 and 2016 respectively, primarily due to changes in investment rates.
- In 2017 and 2016, net position increased by \$116,333 and \$85,061, respectively. The 2015 change in unrestricted net position was attributable to the implementation of GASB 68, Accounting and Financial Reporting for Pensions, which required ElectriCities to recognize its long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits. Refer to Note F on Page 22 of this report for more details.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

ElectriCities' investment in capital assets at December 31, 2017, 2016 and 2015 totaled \$916,918, \$762,038 and \$482,814, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture and equipment.

Major capital asset transactions during 2017 and 2016 include the following:

- In 2017 and 2016, two and eight vehicles, respectively, were purchased for \$108,000 and \$318,502.
- Two and six vehicles were retired in 2017 and 2016, respectively.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$5,000 for 2017 and 2016.



### **Capital Assets Exhibit 4**

	December 31, 2016	Additions	Retirements	December 31, 2017
Furniture and Equipment	\$ 3,673,627	\$ 505,065	\$ (49,350)	\$ 4,129,342
Accumulated Depreciation and Amortization	(2,911,589)	(350,185)	49,350	(3,212,424)
Total Furniture and Equipment, Net	<u>\$ 762,038</u>	<u>\$ 154,880</u>	<u>\$ -</u>	<u>\$ 916,918</u>

	December 31, 2015	Additions	Retirements	December 31, 2016
Furniture and Equipment	\$ 3,258,401	\$ 538,375	\$ (123,149)	\$ 3,673,627
Accumulated Depreciation and Amortization	(2,775,587)	(259,151)	123,149	(2,911,589)
Total Furniture and Equipment, Net	<u>\$ 482,814</u>	<u>\$ 279,224</u>	<u>\$ -</u>	<u>\$ 762,038</u>

Additional information regarding ElectriCities' capital assets can be found in Note D on page 21 of this report.

### **Outstanding Debt**

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2017, 2016 or 2015.

### **Next Year's Budgets and Dues**

#### **Budget Highlights for 2018**

- There is a dues increase of 5.7%.
- Safety & Training, Government Affairs, Member Services and ElectriCities Administration programs receive dues support.
- The Annual Meeting is funded by registrations, other fees and sponsorships and receives no dues support.
- Management Services and Western Operations 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 ElectriCities' 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, ElectriCities of North Carolina, Inc. P.O. Box 29513, Raleigh, NC 27626-0513.

## **BASIC FINANCIAL STATEMENTS**

**ElectriCities of North Carolina, Inc.**  
**Statements of Net Position (Deficit)**

	December 31,	
	2017	2016
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (Note C)	\$ 5,930,757	\$ 5,950,301
Accounts receivable	2,328,538	1,393,380
Total Current Assets	8,259,295	7,343,681
<b>Non-Current Assets:</b>		
Capital assets (Note D)		
Equipment and furnishings	4,129,342	3,673,627
Accumulated depreciation	(3,212,424)	(2,911,589)
Capital assets	916,918	762,038
Total Non-Current Assets	916,918	762,038
Total Assets	9,176,213	8,105,719
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals (Note F)	1,582,781	2,619,220
 <b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,442,730	1,151,186
Current portion of accrued vacation	679,082	632,635
Other liabilities	873,953	723,608
Total Current Liabilities	2,995,765	2,507,429
<b>Non-Current Liabilities:</b>		
Accrued vacation	876,555	796,165
Due to Power Agencies	550,755	508,196
Net Pension Liability (Note F)	2,435,802	3,384,063
Other post employment benefits obligation (Note H)	3,815,324	3,498,438
Total Non-Current Liabilities	7,678,436	8,186,862
Total Liabilities	10,674,201	10,694,291
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unexpended dues supported program revenue	-	12,557
Pension Deferrals (Note F)	68,950	118,581
Total Deferred Inflows of Resources	68,950	131,138
 <b>NET POSITION</b>		
Net investment in capital assets	916,918	762,038
Unrestricted (Deficit)	(901,075)	(862,528)
Total net position (Deficit)	\$ 15,843	\$ (100,490)

See accompanying notes to financial statements.

**ElectriCities of North Carolina, Inc.**  
**Statements of Revenues and Expenses and Changes in Net Position**

	For the Years Ended December 31,	
	2017	2016
<b>Operating Revenues:</b>		
Membership dues	\$ 1,351,613	\$ 1,283,788
Management services (Note E)	25,608,758	24,770,812
Program revenues	2,657,861	2,416,742
Total Operating Revenues	29,618,232	28,471,342
<b>Operating Expenses:</b>		
Program Expenses:		
Administration	54,182	51,485
Safety and Training	1,101,983	1,154,572
Member Services	364,147	320,653
Government Affairs	2,041	-
Annual Meeting	244,623	173,009
Management Services	25,608,758	24,770,812
Regions Contract Services	15,290	20,778
Western Operations	2,005,758	1,907,575
Depreciation and amortization (Note D)	350,185	259,151
Refund of excess revenues (Note A)	223,952	73,608
Pension related costs (Note F)	38,547	194,163
Total Operating Expenses	30,009,466	28,925,806
Operating Loss	(391,234)	(454,464)
<b>Non-operating Revenues:</b>		
Investment income	2,502	1,150
Total Non-operating Revenues	2,502	1,150
Loss Before Capital Contributions	(388,732)	(453,314)
Capital Contributions	485,565	471,261
Gain on Disposal	19,500	67,114
Increase in Net Position	116,333	85,061
<b>Net Position (Deficit)</b>		
Beginning of Year	(100,490)	(185,551)
Net Position (Deficit), End of Year	\$ 15,843	\$ (100,490)

See accompanying notes to financial statements.

**ElectriCities of North Carolina, Inc.**  
**Statements of Cash Flows**

	For the Years Ended December 31,	
	2017	2016
<b>Cash Flows From Operating Activities:</b>		
Receipts from dues and other revenues	\$ 29,077,895	\$ 28,162,127
Payments to employees for services	(11,701,885)	(11,920,712)
Payments to other suppliers of goods and services	(17,398,056)	(16,211,800)
Net Cash Provided by (Used in) Operating Activities	(22,046)	29,615
<b>Cash Flows From Capital Activities:</b>		
Additions to capital assets	(485,565)	(471,261)
Capital contributions	485,565	471,261
Net Cash Used For Capital Activities	-	-
<b>Cash Flows From Investing Activities:</b>		
Investment income	2,502	1,150
Net Increase (Decrease) in Cash And Cash Equivalents	(19,544)	30,765
Cash and Cash Equivalents, Beginning of Year	5,950,301	5,919,536
Cash and Cash Equivalents, End of Year	\$ 5,930,757	\$ 5,950,301
<b>Reconciliation Of Operating Loss To Net Cash Provided By (Used in) Operating Activities:</b>		
<b>Operating Loss</b>	\$ (391,234)	\$ (454,464)
Adjustments:		
Depreciation and Amortization	350,185	259,151
Deferred noncash pension related expense	38,547	194,163
Changes in Operating Assets, Deferred Outflows of Resources and Liabilities:		
Increase in accounts receivable	(935,158)	(467,029)
Increase (Decrease) Increase in accounts payable	291,544	(163,786)
Increase in accrued vacation	126,837	103,052
Increase in accrued expenses	42,559	1,238
Increase in accrued post employment benefits	316,886	489,906
Increase in other liabilities	150,345	58,636
Increase (Decrease) in unexpended dues	(12,557)	8,748
Net Cash Provided by (Used in) Operating Activities	\$ (22,046)	\$ 29,615
<b>Supplemental Disclosures</b>		
Noncash Transaction-Fixed Asset Purchases	\$ 19,500	\$ 67,114

See accompanying notes to financial statements.



**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**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), Western Operations which is funded by Huntersville/Cornelius and Pineville, Regions Contract Services which is funded by those cities utilizing the services, the Demonstration of Energy and Efficiency Developments (DEED) program which is funded by the American Public Power Association (APPA), and the Annual Meeting which is funded by registrations, sponsorships and other fees. 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.

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), as amended. The statement requires certain information be included in the financial statements and specifies how that information should be presented.

**Basis of Accounting**

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

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Summary of Significant Accounting Policies (continued)**

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. ElectriCities has a surplus of \$15,842 in unrestricted net position. Unrestricted net position 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, deferred outflow of resources, and liabilities and deferred inflows of resources associated with the operation of this fund are included on the balance sheet. The operating statement presents increases (revenues) and decreases (expenses) in net position. As required by GASB Statement No. 33, "Accounting and Financial Reporting for Non-Exchange Transactions," (as amended) 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. 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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

**Note B. Summary of Significant Accounting Policies (continued)**

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

Cash, Cash Equivalents and Investments

ElectriCities reports according to the provisions of GASB Statement No. 72 “Fair Value Management and Application” which requires investments to be reported at fair value, GASB Statement No. 79 “Certain External Investment Pools and Pool Participants,” which allows certain whole investment pools to be reported at amortized cost, and GASB Statement No. 31, “Accounting and Financial Reporting for Certain Investments and for External Investment Pools,” which allows certain investments to be reported at amortized cost. In addition, ElectriCities reports according to the provisions of GASB Statement No. 40 “Deposit and Investment Risk Disclosures” which addresses common investment risks related to credit risk, concentration of credit risk and interest rate risk.

At December 31, 2017 and 2016, ElectriCities’ investment balances consisted of amounts invested in the North Carolina Capital Management Trust (NCCMT). NCCMT’s Government portfolio is a cash portfolio. The NCCMT Government portfolio is a SEC-registered 2a-7 external investment pool measured at amortized cost, which is NCCMT’s share price of \$1. The NCCMT Term portfolio securities are measured at fair value. For both portfolios, the valuation of the underlying assets is performed by the custodian. The investment in these money market mutual funds have been reported as cash equivalents in the accompanying financial statements.

	Method of Valuation	December 31, 2017		December 31, 2016	
		Cost Basis	Reported Value	Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	\$3,411,805	\$3,384,381	\$3,038,165	\$3,026,343
Treasury Coupons	Fair Value Level 1	641,672	640,047	498,750	500,069
Money Market					
NC Capital Mngement Trust -Government Portfolio	Amortized Cost	1,052,918	1,052,918	2,289,143	2,289,143
NC Capital Management Trust-Term Portfolio	Fair Value Level 1	14,408	14,408	13,213	13,213
Sub-total funds invested		5,120,803	\$5,091,754	5,839,271	5,828,768
Cash		839,003	839,003	121,533	121,533
Total Funds Invested		<u>\$5,959,806</u>	<u>\$5,930,757</u>	<u>\$5,960,804</u>	<u>\$5,950,301</u>

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.

All investments valued at fair value are measured using the market approach, using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. Fair Value Level 1 debt securities are valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Fair Value Level 2 securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities benchmark quoted prices.

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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Summary of Significant Accounting Policies (continued)**

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 was \$1,555,637 and \$1,428,800 at December 31, 2017 and 2016, respectively, and increased by \$126,837 in 2017 and by \$103,052 in 2016.

Defined Benefit Pension Plan

ElectriCities has adopted GASB Statement No. 27, "Accounting for Pensions by State and Local Government Employers," (GASB No. 27) and GASB Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment to Statement 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. See Note F.

Retiree Health Benefit Plan

ElectriCities has adopted GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" as amended 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. See Note H.

Capital Assets

The capitalization threshold for capital assets with estimated useful lives of greater than one year is \$5,000 effective January 1, 2015 and \$500 prior to 2015. 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.

Statistical Section - Unaudited

GASB Statement No. 44 "Economic Condition Reporting: The Statistical Section" (as amended) 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, deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Summary of Significant Accounting Policies (continued)**

of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Outflows and Inflows of Resources

GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities” established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. As a result of the implementation of GASB Statement No.68, ElectriCities has defined contributions made to the pension plan in the 2017 and 2016 fiscal years, changes in assumptions, certain differences between expected and actual investment earnings and plan costs are reported as deferred outflows of resources and certain differences between expected and actual experience have been reported as deferred inflows. Additionally, unexpended dues supported program revenues are reported as deferred inflows of resources.

Recently Adopted GASB Standards

In February 2015, GASB issued Statement No 72, “Fair Value Management and Application”. This Statement improves financial reporting by clarifying the definition of fair value for financial reporting purposes, establishes general principles for measuring fair value, provides additional fair value guidance and enhances disclosures about fair value measurements. The provisions of this statement are effective for periods beginning after June 15, 2015. The agency has implemented the provisions of this statement as shown in Note D. The provisions of this statement did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In June 2015, GASB issued Statement No. 73, “Accounting and Financial Reporting for Pensions and Related Assets that Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.” This Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015 and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In June 2015, GASB issued Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.” The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016 and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances, or results of operations for 2017 or 2016.



**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Significant Accounting Policies (continued)**

In June 2015, GASB issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.” This Statement improves financial reporting by (1) raising the category of GASB Implementation Guides in the GAAP hierarchy, thus providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in nonauthoritative literature. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In December 2015, GASB issued Statement No. 78, “Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans.” This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015, and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In December 2015, GASB issued Statement No. 79, “Certain External Investment Pools and Pool Participants.” This Statement will enhance comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015, and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In January 2016, GASB issued Statement No. 80, “Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14.” The requirements of this Statement enhance the comparability of financial statements among governments. Greater comparability improves the decision-usefulness of information reported in financial statements and enhances its value for assessing government accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, and did not have a material impact on ElectriCities’ financial position, overall cash flow or balances or results of operations for 2017 or 2016.

In March 2016, GASB issued Statement No. 81, “Irrevocable Split-Interest Agreements” This Statement will enhance accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Summary of Significant Accounting Policies (continued)**

beginning after December 15, 2016, and did not have a material impact on ElectriCities' financial position, overall cash flow or balances or results of operations for 2017 or 2016.

Future GASB Standards

In June 2015, GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." The requirements of this Statement will improve the decision-usefulness of information in employer and governmental nonemployer contributing entity financial reports and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. This Statement is effective for fiscal years beginning after June 15, 2017, and will have a material impact on ElectriCities financial position for fiscal year 2018.

Management has not concluded its evaluation of the impact, if any, on implementation of the following GASB pronouncements may have on ElectriCities' financial Statements.

In March 2016, GASB issued Statement No. 82, "Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73." This Statement will address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

In November 2016, GASB issued Statement No. 83, "Certain Asset Retirement Obligations". This statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for Asset Retirement Obligations. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In January 2017, GASB issued Statement No. 84, "Fiduciary Activities". This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In March 2017, GASB issued Statement No. 85, "Omnibus 2017". This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In May 2017, GASB issued Statement No. 86, "Certain Debt Extinguishment Issues." This Statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources—that is, resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the purpose of

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note B. Summary of Significant Accounting Policies (continued)**

extinguishing debt. This Statement also amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished regardless of how the cash and other monetary assets were acquired. This Statement also establishes an additional disclosure requirement related to debt that is defeased in substance, regardless of how the cash and other monetary assets were acquired. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In June 2017, GASB issued Statement No. 87, "Leases". The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This statement is effective for fiscal years beginning after December 15, 2019.

In March 2018, GASB issued Statement No. 88, "Certain Disclosures Related to Debt, Including Borrowings and Direct Placements". This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. The requirements for this statement are effective for reporting periods after June 15, 2018.

**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, 2017 and 2016, ElectriCities' deposits had carrying amounts of \$839,003 and \$121,533, respectively and bank balances of \$938 and \$241, respectively. For each of the bank balances, up to \$250,000 was insured by the Federal Depositary Insurance Corporation.

At December 31, 2017 and 2016, ElectriCities investments consisted of \$5,091,754 and \$5,828,768, respectively, in U.S. Government Agencies, Treasury Coupons, NCCMT's Government Portfolio, which carried a credit rating of AAA by Standard and Poor's, and investments in NCCMT's Term portfolio, which is unrated. The Term portfolio is authorized to invest in obligations of the U.S. Government and agencies, and in high grade money market investments as permitted under North Carolina General Statutes 159-30 as amended. ElectriCities investment choices are limited by North Carolina General Statute 159-31.

ElectriCities has no formal investment policy that would further limit its investment choices.

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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

**Note D. Capital Assets**

	December 31, 2016	Additions	Retirements	December 31, 2017
Furniture and Equipment	\$ 3,673,627	\$ 505,065	\$ (49,350)	\$ 4,129,342
Accumulated Depreciation and Amortization	(2,911,589)	(350,185)	49,350	(3,212,424)
Total Furniture and Equipment, Net	<u>\$ 762,038</u>	<u>\$ 154,880</u>	<u>\$ -</u>	<u>\$ 916,918</u>

	December 31, 2015	Additions	Retirements	December 31, 2016
Furniture and Equipment	\$ 3,258,401	\$ 538,375	\$ (123,149)	\$ 3,673,627
Accumulated Depreciation and Amortization	(2,775,587)	(259,151)	123,149	(2,911,589)
Total Furniture and Equipment, Net	<u>\$ 482,814</u>	<u>\$ 279,224</u>	<u>\$ -</u>	<u>\$ 762,038</u>

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 2017 and 2016 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 ("Power 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, 2017, 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, 2017.

**Note F. Pension Plan**

Plan Description

ElectriCities is a participating employer in the statewide Local Governmental Employees' Retirement System (LERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note F. Pension Plan (continued)**

Benefits Provided

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Funding Policy

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6.0% of their salary. ElectriCities contributes at an actuarially determined rate. The required rate of 7.25% and 7.07% annual covered payroll in 2017 and 2016, respectively, actuarially determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from ElectriCities were \$822,520 and \$739,019 for the year ended December 31, 2017 and 2016, respectively.

Refunds of Contributions

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

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

**Note F. Pension Plan (continued)**

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

ElectriCities reported liabilities of \$2,435,802 and \$3,384,063 at December 31, 2017 and 2016, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2016 and 2015. The total pension liability was then rolled forward to measurement dates of June 30, 2017 and 2016 utilizing update procedures incorporating the actuarial assumptions. ElectriCities' proportion of the net pension liability was based on a projection of ElectriCities' long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. The ElectriCities proportion was 0.15944% and 0.15945% as at June 30, 2017 and 2016 respectively, which was a decrease of 0.00001% from its proportion measured as of June 30, 2016 and a decrease of 0.00317% from its proportionate share measured as at June 30, 2015.

For the year ended December 31, 2017, the ElectriCities recognized pension expenses of \$38,547. At December 31, 2017, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 140,325	\$ 68,950
Changes of assumptions	347,867	-
Net difference between projected and actual earnings on pension plan investments	591,415	-
Changes in proportion and differences between ElectriCities contributions and proportionate share of contributions	99,237	-
Contributions subsequent to the measurement date	403,937	-
Total	<b><u>\$ 1,582,781</u></b>	<b><u>\$ 68,950</u></b>

\$403,937 reported as deferred outflows of resources related to pensions resulting from ElectriCities contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended December 31, 2018.



**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note F. Pension Plan (continued)**

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>2017</u>	Year ended December 31:	
	2017	\$ 168,652
	2018	738,619
	2019	372,648
	2020	(170,025)
	2021	-
	Thereafter	-
		<u>\$ 1,109,894</u>

<u>2016</u>	Year ended December 31:	
	2017	\$ 338,484
	2018	338,702
	2019	908,714
	2020	542,708
	2021	-
	Thereafter	-
		<u>\$ 2,128,608</u>

*Actuarial Assumptions.* The total pension liabilities in the December 31, 2016 and 2015 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>2016</u>	
Inflation	3.0 percent
Salary increases	3.5 to 7.75%, including inflation and productivity factor
Investment rate of return	7.2%, net of pension plan investment expense, including inflation

<u>2015</u>	
Inflation	3.0 percent
Salary increases	3.5 to 7.75%, including inflation and productivity factor
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

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

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note F. Pension Plan (continued)**

The actuarial assumptions used in the December 31, 2016 and 2015 valuations were based on the results of an actuarial experience study of the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation for each major asset class of June 30, 2017 and 2016 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<b>2016 &amp; 2017</b>
		<b>Long-Term Expected Real Rate of Return</b>
Global Equity	42.0%	5.3%
Fixed Income	29.0%	1.4%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutory required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2017 and 2016**

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**Note G. Supplemental Retirement Plans**

*Sensitivity of the ElectriCities proportionate share of the net pension asset to changes in the discount rate.* The following presents the ElectriCities's proportionate share of the net pension asset calculated using the discount rate of 7.20%, as well as what the ElectriCities' proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.20%) or 1 percentage point higher (8.20%) than the current rate:

<u>2017</u>	<b>1% Decrease (6.20%)</b>	<b>Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
ElectriCities' proportionate share of the net pension liability (asset)	\$ 7,312,331	\$ 2,435,802	\$ 1,634,561
<u>2016</u>	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
ElectriCities' proportionate share of the net pension liability (asset)	\$ 8,031,960	\$ 3,384,063	\$ (498,206)

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

The Agency offers their employees a deferred compensation plan created in accordance with Internal Code Section 457 and a 401(k) supplemental retirement income plan through the State of North Carolina that is also in compliance with the Internal Revenue Code. All regular, full-time employees are eligible to participate in one or both of the plans.

The deferred compensation plan permits participants to defer a portion of their salaries to future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Agency has complied with changes in the laws which govern deferred compensation plans, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. The 401(k) supplemental retirement income plan allows eligible participants to contribute up to the maximum allowable under the law as a percentage of base salary.

The Agency's contributions to the 401(k) plan were \$278,843 and \$265,821 for the years ended December 31, 2017 and 2016 respectively.

**ElectriCities of North Carolina, Inc.**  
**Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

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**Note H. Other Post-Employment Benefits**

Plan Description

ElectriCities provides post-employment health benefits to certain retired ElectriCities employees. ElectriCities of North Carolina, Inc. provides medical benefits to its retirees by allowing them to stay in their plan if the retiree is under age 65 or reimburse the retiree for their premium (up to a maximum amount) if the retiree is over 65 and/or decides to purchase other coverage. 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 has not been issued for the Retiree Health Benefit Plan. Membership of the OPEB Plan consisted of the following at January 1, 2017 the date of the latest valuation:

Retirees receiving benefits	24
Active plan members	74
Total	98

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 Statement of Net Position. 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 2018. 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, 2017, 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.

**ElectriCities of North Carolina, Inc.**  
**Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

**Note H. Other Post-Employment Benefits (continued)**

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.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Annual required contribution	\$ 611,816	\$ 727,996	\$ 727,996
Interest on net OPEB obligation	90,959	72,993	72,933
Adjustment to annual required contribution	(170,851)	(145,341)	(141,041)
Annual OPEB Cost	531,924	655,648	659,888
Premiums paid	(215,038)	(165,742)	(125,227)
Increase in net OPEB obligation	316,886	489,906	534,661
Net OPEB obligation, beginning of year	3,498,438	3,008,532	2,473,871
Net OPEB obligation, end of year	<u>\$ 3,815,324</u>	<u>\$ 3,498,438</u>	<u>\$ 3,008,532</u>

ElectriCities annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2017, 2016, and 2015 is as follows:

For the Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 531,924	40.43%	\$ 3,815,324
2016	\$ 655,648	25.28%	\$ 3,498,438
2015	\$ 659,888	18.98%	\$ 3,008,532

Funding Status and Funding Progress

As of January 1, 2017, the most recent actuarial date, the plan was not funded according to the definition per GASB 45. The unfunded actuarial accrued liability for benefits (UAAL) was \$8,110,785. The covered payroll (annual payroll of active employees covered by the plan) was \$7,853,536, and the ratio of the UAAL to the covered payroll was 103.3%. 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

**ElectriCities of North Carolina, Inc.**  
**Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

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**Note H. Other Post-Employment Benefits (continued)**

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 January 1, 2017 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 2.60% overall discount rate on the UAAL based on the average yield on high quality municipal bonds as of the valuation date, and an annual medical cost trend rate of 9% to 5% with 2027 the year of ultimate trend rate. 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 January 1, 2017 was 24 years.

**Note I. 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 2017 and 2016, ElectriCities reimbursed the Agencies \$12,840 and \$12,840, respectively, for building operating and maintenance costs.

**Note J. 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 2017 or 2016.

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 K. Subsequent Events**

ElectriCities has evaluated subsequent events through April 30, 2018, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

**ElectriCities of North Carolina, Inc.**  
**Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

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**Local Government Employees' Retirement System**

	Year Ending December 31,				
	2017	2016	2015	2014	2013
ElectriCities proportion of the net pension liability (asset)	0.15944%	0.15945%	0.16262%	0.16076%	0.16750%
ElectriCities proportion of the net pension liability (asset) (\$)	2,435,802	3,384,063	729,831	(887,263)	2,019,018
ElectriCities covered employee payroll (\$)	11,679,704	11,805,120	12,354,243	10,855,137	10,988,635
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	20.85%	28.67%	5.91%	-8.17%	18.37%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of June 30.

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

**ElectriCities of North Carolina, Inc.**  
**ElectriCities Contributions**  
**Required Supplementary Information**  
**Last Five Fiscal Years\***

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**Local Government Employees' Retirement System**

	Year Ending December 31,				
	2017	2016	2015	2014	2013
Contractually required contribution	\$ 822,519	\$ 739,019	\$ 734,599	\$ 720,308	\$ 716,459
Contributions in relation to the contractually required contribution	822,519	739,019	734,599	720,308	716,459
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
ElectriCities covered-employee payroll	11,679,704	11,805,120	12,354,243	10,855,137	10,988,635
Contributions as a percentage of covered-employee payroll	7.04%	6.26%	5.95%	6.64%	6.52%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is completed, ElectriCities will present information for those years for which information is available.



**ElectriCities of North Carolina, Inc.**  
**Other Post-Employment Benefits**  
**Required Supplementary Information (Unaudited)**

**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
1/1/2008	\$ -	\$ 2,015,431	\$ 2,015,431	0%	\$ 10,271,067	19.62%
1/1/2012	\$ -	\$ 5,664,890	\$ 5,664,890	0%	\$ 10,326,170	54.86%
1/1/2015	\$ -	\$ 6,957,781	\$ 6,957,781	0%	\$ 10,188,242	68.29%
1/1/2017	\$ -	\$ 8,110,785	\$ 8,110,785	0%	\$ 7,853,536	103.28%

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Actual Premiums Paid	Percentage Contributed
12/31/2017	\$ 611,816	\$ 215,038	35.15%
12/31/2016	727,996	165,742	22.77%
12/31/2015	727,996	125,227	17.20%
12/31/2014	668,711	87,971	13.16%
12/31/2013	668,711	76,092	11.38%
12/31/2012	668,711	91,245	13.64%
12/31/2011	246,529	39,271	15.93%
12/31/2010	246,529	47,257	19.17%
12/31/2009	246,529	28,046	11.38%
12/31/2008	\$ 164,265	\$ 18,058	10.99%

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:

Valuation date	1/1/2017
Actuarial cost method	Entry Age Method
Amortization method	Level dollar, open
Remaining amortization period	23 years

Actuarial assumptions:

Investment rate of return	2.60%
Medical cost trend	9.00% to 5.00%
Year of ultimate trend date	2027

## **SUPPLEMENTARY INFORMATION**

**ElectriCities of North Carolina, Inc.**  
**Schedules of Revenues and Expenses – Budget and Actual**

	For the Years Ended December 31,			
	2017		2016	
	Actual	Final Budget	Actual	Final Budget
Revenues:				
Membership Dues	\$ 1,351,613	\$ 1,352,364	\$ 1,283,788	\$ 1,275,537
Management Services	26,094,323	26,230,999	25,236,712	26,367,162
Investment Income	2,502	40	1,150	40
Program Revenues	2,657,861	2,846,756	2,422,103	2,530,730
Total Revenues	<u>30,106,299</u>	<u>30,430,159</u>	<u>28,943,753</u>	<u>30,173,469</u>
Expenditures:				
Administration	54,182	64,897	51,485	49,248
Safety and Training	1,101,983	1,290,270	1,159,933	1,275,086
Member Services	364,147	397,022	320,653	316,109
Government Affairs	2,041	2,041		1,961
Annual Meeting	244,623	200,400	173,009	186,900
Management Services	26,094,323	26,230,999	25,236,712	26,367,162
Regions Contract Services	15,290	-	20,778	-
Western Operations	2,005,758	2,244,529	1,907,575	1,977,003
Total Expenditures	<u>\$ 29,882,347</u>	<u>\$ 30,430,159</u>	<u>\$ 28,870,145</u>	<u>\$ 30,173,469</u>
Excess/(Deficit) Dues to Be Refunded (Assessed)	<u>\$ 223,952</u>		<u>\$ 73,608</u>	
Reconciliation of Modified Accrual Basis To Full Accrual Basis:				
Total Revenues	\$ 30,106,299		\$ 28,943,753	
Total Expenditures	<u>29,882,347</u>		<u>28,870,145</u>	
Excess/(Deficit) of Revenues over Expenditures	223,952		73,608	
Reconciling Items				
Budgetary Appropriations:				
Capital Outlay	485,565		471,261	
Depreciation and Amortization	(350,185)		(259,151)	
Pension related costs	(38,547)		(194,163)	
Refund of Excess Revenues	(223,952)		(73,608)	
Gain (Loss) on Disposal	19,500		67,114	
Increase (Decrease) in Net Position (Pg. 11)	<u>\$ 116,333</u>		<u>\$ 85,061</u>	

Prepared on a budgetary basis which is modified accrual

**ElectriCities of North Carolina, Inc.**  
**Schedule of Budgetary Comparison**  
**For the Year Ended December 31, 2017**

	2017 Budget		Actuals	Positive (Negative) Variance With Final Budget
	Original	Final	(Budgetary Basis)	
Revenues:				
Membership Dues	\$ 1,352,364	\$ 1,352,364	\$ 1,351,613	\$ (751)
Management Services	26,230,999	26,230,999	26,094,323	(136,676)
Investment Income	40	40	2,502	2,462
Program Revenues	2,846,756	2,846,756	2,657,861	(188,895)
Total Revenues	30,430,159	30,430,159	30,106,299	(323,860)
Expenditures:				
Administration	64,897	64,897	54,182	10,715
Safety and Training	1,290,270	1,290,270	1,101,983	188,287
Member Services	397,022	397,022	364,147	32,875
Government Affairs	2,041	2,041	2,041	0
Annual Meeting	200,400	200,400	244,623	(44,223)
Management Services	26,230,999	26,230,999	26,094,323	136,676
Regions Contract Services	-	-	15,290	(15,290)
Western Operations	2,244,529	2,244,529	2,005,758	238,771
Total Expenditures	30,430,159	30,430,159	29,882,347	547,812
Revenues Over Expenses	\$ -	\$ -	223,952	\$ 223,952
Dues Refund Payable			(223,952)	
Revenues Over Expenses			\$ -	

Prepared on a budgetary basis which is modified accrual.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2017**

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ -	\$ 1,500
Advertising		100	18,705	8,000
Salaries	14,429	14,231	421,228	430,929
Office & Program Supplies		58	140,017	207,057
Dues, Subscriptions & Publications			11,342	16,428
Printing		198	79	120
Telephone			1,258	1,372
Postage			4,589	4,083
Copies			8,104	8,023
Miscellaneous Office Expenses	133		3,818	3,105
Travel			190,561	188,540
Outside Services	34,000	34,800	40,422	89,335
Insurance		10,500	3,786	
Employee Benefits	5,620	5,010	164,760	175,787
Recruitment & Relocation			1,150	1,287
Staff Development			6,186	25,502
Other Expenses				
Occupancy Costs			7,666	21,398
Other Rents			6,551	7,000
Vehicle O&M			71,691	95,640
Equipment Maintenance			70	164
Capital Assets Additions				5,000
Total Program Expenditures	<u>\$ 54,182</u>	<u>\$ 64,897</u>	<u>\$ 1,101,983</u>	<u>\$ 1,290,270</u>

Prepared on a budgetary basis which is modified accrual.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2017**

Member Services		Government Affairs		Annual Meeting	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
58,557	13,820				
140,711	130,948		1,535		
1,028	2,110				
11,276	790	2,041			150
1,981	2,500				
2,044	3,579				
1,256	845				
2,026	2,005				
918	852				250
31,341	52,684			244,622	200,000
42,306	65,480				
946					
58,029	55,305		506		
288	286				
4,488	4,009				
6,088	6,268				
	55,000				
847	500				
17	41				
<u>\$ 364,147</u>	<u>\$ 397,022</u>	<u>\$ 2,041</u>	<u>\$ 2,041</u>	<u>\$ 244,622</u>	<u>\$ 200,400</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2017**

	Management Services		Contract Services	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ 9,248	\$ 12,700	\$ -	\$ -
Advertising	861,400	711,960		
Salaries	9,853,455	9,991,990	11,976	
Office & Program Supplies	444,572	417,272		
Dues, Subscriptions & Publications	1,571,245	1,588,429		
Printing	154,358	241,518		
Telephone	420,426	561,087		
Postage	81,260	80,756		
Copies	192,471	191,447		
Miscellaneous Office Expenses	121,821	78,521		
Travel	616,531	575,532		
Outside Services	4,374,129	4,032,677		
Insurance	183,003	201,000		
Employee Benefits	3,384,106	3,510,103	3,314	
Recruitment & Relocation	37,933	25,597		
Staff Development	203,217	203,253		
Other Expenses	1,679,445	2,294,145		
Occupancy Costs	504,916	461,246		
Other Rents	715,908	282,698		
Vehicle O&M	92,144	115,684		
Equipment Maintenance	107,170	278,945		
Capital Assets Additions	485,565	374,440		
Total Program Expenditures	<u>\$26,094,323</u>	<u>\$26,230,999</u>	<u>\$ 15,290</u>	<u>\$ -</u>

**Electricities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2017**

Western Operations		Total	
Actual	Final Budget	Actual	Final Budget
\$ 5	\$ 3,500	\$ 9,253	\$ 17,700
1,089	1,500	939,751	735,380
1,386,923	1,407,107	11,828,722	11,976,740
13,866	12,050	599,483	638,547
7,440	8,628	1,603,344	1,614,425
39		156,457	244,336
9,047	18,780	432,775	584,818
373	48,110	87,478	133,794
	25	202,601	201,500
4,070	2,932	130,760	85,660
24,548	21,855	1,107,603	1,038,611
7,892	5,500	4,498,749	4,227,792
43,955	56,500	231,690	268,000
493,215	570,956	4,109,044	4,317,667
789	1,430	40,160	28,600
12,156	24,040	226,047	256,804
361		1,679,806	2,294,145
146	500	518,816	489,412
5,850	35,820	728,309	380,518
(6,751)	14,296	157,931	226,120
745	10,000	108,003	289,150
	1,000	485,565	380,440
<u>\$ 2,005,758</u>	<u>\$ 2,244,529</u>	<u>\$ 29,882,347</u>	<u>\$ 30,430,159</u>



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## **STATISTICAL SECTION**

**(Unaudited)**

**ElectriCities of North Carolina, Inc.**  
**Schedule of Net Position (Unaudited)**

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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.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Net Position (Unaudited)**

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Business-type activities					
Net investment in Capital Assets	\$ 916,918	\$ 762,038	\$ 482,814	\$ 830,427	\$ 789,312
Unrestricted	(901,075)	(862,528)	(668,365)	20,896	20,896
Total Net Position	<u>\$ 15,843</u>	<u>\$ (100,490)</u>	<u>\$ (185,551)</u>	<u>\$ 851,323</u>	<u>\$ 810,208</u>

	Years Ended December 31,				
	2012	2011	2010	2009	2008
Business-type activities					
Net invested in Capital Assets	\$ 1,131,124	\$ 1,133,734	\$ 1,207,305	\$ 506,176	\$ 526,296
Unrestricted	20,896	20,896	20,896	20,896	20,896
Total Net Position	<u>\$ 1,152,020</u>	<u>\$ 1,154,630</u>	<u>\$ 1,228,201</u>	<u>\$ 527,072</u>	<u>\$ 547,192</u>

Prepared on accrual basis of accounting.

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

**ElectriCities of North Carolina, Inc.**  
**Schedule of Changes in Net Position (Unaudited)**

	For the Years Ended December 31,			
	2017	2016	2015	2014
<b>Operating Expenses</b>				
Administration	\$ 54,182	\$ 51,485	\$ 46,971	\$ 48,487
Safety and Training	1,101,983	1,154,572	1,105,476	1,065,243
Member Services	364,147	320,653	329,140	345,704
Government Affairs	2,041	-	-	938
Annual Meeting	244,623	173,009	219,842	222,688
Management Services	25,608,758	24,770,812	26,805,049	25,391,314
Western Operations	2,005,758	1,907,575	1,430,894	1,334,526
Regions Contract Services	15,290	20,778	-	-
Energy Auditor	-	-	-	-
Depreciation and amortization	350,185	259,151	401,207	340,693
Refund of excess (deficit) revenues	223,952	73,608	14,972	(34,440)
Pension Related Costs	38,547	194,163	(378,752)	-
Total Expenditures	<u>\$ 30,009,466</u>	<u>\$ 28,925,806</u>	<u>\$ 29,974,799</u>	<u>\$ 28,715,153</u>
<b>Operating Revenues</b>				
Membership dues	\$ 1,351,613	\$ 1,283,788	\$ 1,255,890	\$ 1,214,251
Management services and other program revenues	28,266,619	27,187,554	28,696,216	27,160,166
Miscellaneous revenues	-	-	-	-
Non-operating revenues	2,502	1,150	238	43
Total Revenues	<u>\$ 29,620,734</u>	<u>\$ 28,472,492</u>	<u>\$ 29,952,344</u>	<u>\$ 28,374,460</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (388,732)</u>	<u>\$ (453,314)</u>	<u>\$ (22,455)</u>	<u>\$ (340,693)</u>
<b>Changes in Net Position</b>				
Capital Contributions	485,565	471,261	69,039	381,808
Gain (Loss) on Disposal	19,500	67,114	(15,445)	-
Restatement for Accounting Change	-	-	(1,068,013)	-
Change in Net Position	<u>\$ 116,333</u>	<u>\$ 85,061</u>	<u>\$ (1,036,874)</u>	<u>\$ 41,115</u>

Prepared on accrual basis of accounting.

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

**Electricities of North Carolina, Inc.**  
**Schedule of Changes in Net Position (Unaudited)**

For the Years Ended December 31,					
2013	2012	2011	2010	2009	2008
\$ 35,722	\$ 38,226	\$ 32,095	\$ 52,667	\$ 39,220	\$ 51,860
988,949	915,627	697,695	682,000	729,469	715,873
262,819	316,030	264,035	256,522	268,297	272,169
1,049	871	830	851	2,627	8,008
225,704	163,594	150,786	60,246	192,487	210,350
25,204,519	24,649,222	16,556,273	16,072,937	16,614,852	15,253,337
1,375,048	1,292,031	1,164,993	1,161,209	1,184,200	1,061,362
-	-	8,445	16,163	7,031	9,455
-	-	-	-	44,878	83,547
534,601	501,469	285,179	260,282	246,135	255,201
65,552	52,924	235,923	74,123	45,477	40,650
-	-	-	-	-	-
<u>\$ 28,693,963</u>	<u>\$ 27,929,994</u>	<u>\$ 19,396,254</u>	<u>\$ 18,637,000</u>	<u>\$ 19,374,673</u>	<u>\$ 17,961,812</u>
\$ 1,189,150	\$ 1,117,610	\$ 970,707	\$ 988,575	\$ 869,520	\$ 825,376
26,970,063	26,310,635	18,139,852	17,385,815	18,250,893	16,865,977
-	-	-	-	-	-
149	280	516	2,328	8,125	15,258
<u>\$ 28,159,362</u>	<u>\$ 27,428,525</u>	<u>\$ 19,111,075</u>	<u>\$ 18,376,718</u>	<u>\$ 19,128,538</u>	<u>\$ 17,706,611</u>
<u>\$ (534,601)</u>	<u>\$ (501,469)</u>	<u>\$ (285,179)</u>	<u>\$ (260,282)</u>	<u>\$ (246,135)</u>	<u>\$ (255,201)</u>
192,789	498,859	986,308	240,162	236,626	224,122
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ (341,812)</u>	<u>\$ (2,610)</u>	<u>\$ 701,129</u>	<u>\$ (20,120)</u>	<u>\$ (9,509)</u>	<u>\$ (31,079)</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Membership Dues (Unaudited)**  
**For the Years Ended December 31, 2017**

	2017	2016	2015	2014	2013
Albemarle	\$ 29,247	\$ 27,868	\$ 27,602	\$ 26,758	\$ 26,600
Apex	34,279	32,157	30,496	29,424	27,675
Ayden	10,449	9,299	9,699	10,032	9,640
Bamberg, SC*	894	843	795	750	732
Bedford, VA *	1,789	1,688	1,592	1,502	1,465
Belhaven	2,363	2,240	2,225	2,217	2,165
Bennettsville, SC*	1,789	1,688	795	1,502	1,465
Benson	4,494	4,152	4,250	4,023	3,998
Black Creek					
Bostic	595	570	571	524	525
Camden, SC*	1,789	1,688	1,592	1,502	1,465
Cherryville	5,997	5,715	5,624	6,116	6,096
Clayton	13,253	12,472	12,030	11,211	10,883
Concord	75,876	69,577	68,294	66,298	65,269
Cornelius	7,586	6,921	6,553	6,182	5,835
Dallas	8,348	7,180	7,300	6,400	6,324
Danville, VA *	1,789	1,688	1,592	1,502	1,465
Drexel	2,500	2,416	2,410	2,335	2,278
East Carolina University	179	169	159	150	146
Edenton	9,784	9,636	9,679	9,386	9,123
Elizabeth City	27,936	27,841	27,387	26,975	26,267
Elizabeth City State University	179	169	159	150	146
Enfield	3,509	3,288	3,272	3,223	3,184
Farmville	6,480	6,252	6,145	5,945	5,818
Fayetteville Public Works Commission	116,307	109,840	107,790	104,805	102,863
Forest City	10,676	10,063	10,253	10,412	10,275
Fountain	697	686	675	703	693
Fremont	1,644	1,616	1,600	1,516	1,476
Front Royal	1,789	1,688	1,592	1,502	
Gastonia	63,512	60,137	58,876	57,265	56,487
Granite Falls	6,128	5,871	5,805	5,547	5,477
Greenville Utilities	116,307	109,840	107,790	104,805	102,864
Hamilton	623	591	583	545	582
Hertford	2,526	2,449	2,438	2,423	2,348
High Point	100,831	93,969	92,430	89,769	88,295
Highlands*		5,923			
Hobgood	650	620	619	605	592
Hookerton	958	907	883	854	824
Huntersville	16,037	14,371	13,650	12,880	11,905
Kings Mountain	12,830	10,571	11,665	10,848	10,463
Kinston	32,153	31,397	31,360	30,459	29,686
La Grange	3,074	2,997	2,992	3,508	3,431
Landis	6,394	6,118	6,056	5,790	5,728
Laurinburg	14,267	13,766	13,673	13,049	12,778
Lexington	41,646	39,918	39,635	38,349	37,892
Lincolnton	7,131	6,688	6,563	6,410	6,363
Louisburg	5,534	5,395	5,299	5,182	5,101

**ElectriCities of North Carolina, Inc.**  
**Schedule of Membership Dues (Unaudited)**  
**For the Years Ended December 31, 2017**

2012	2011	2010	2009	2008
\$ 22,452	\$ 24,391	\$ 22,402	\$ 22,338	\$ 20,943
22,596	24,435	22,152	21,744	19,376
7,805	8,334	7,833	7,991	7,284
689	670	612	592	543
1,378	1,339	1,224	1,185	1,087
1,847	2,005	1,878	1,836	1,764
1,378	1,339	1,224	1,185	1,087
3,394	3,717	3,449	3,443	3,310
447	486	455	450	418
1,378	1,339	1,224	1,185	1,087
4,934	5,441	5,018	5,023	4,493
9,139	8,997	9,286	8,244	7,224
53,571	56,493	51,738	49,381	46,994
4,928	5,210	4,619	4,599	4,310
5,236	5,729	5,265	5,229	4,699
1,378	1,339	1,224	1,185	1,087
1,933	2,110	1,968	1,956	1,829
137	133	122	118	108
7,810	8,405	7,786	7,797	7,338
22,715	24,272	22,385	21,982	21,083
137	133	122	118	108
2,699	2,976	2,734	2,755	2,669
4,951	5,357	4,931	4,893	4,281
84,697	91,743	72,236	51,666	32,602
8,338	9,180	8,282	7,672	8,440
592	648	595	512	476
1,324	1,425	1,307	1,330	1,268
47,864	52,291	48,128	47,710	45,351
4,640	5,087	4,650	4,475	4,208
84,697	91,742	84,952	84,168	79,223
464	508	473	474	453
2,001	2,219	2,082	2,053	1,990
74,691	81,077	74,684	74,835	67,017
514	566	536	533	501
730	789	737	730	699
9,751	10,276	9,060	8,465	7,009
8,664	9,248	8,370	8,130	7,602
25,562	27,928	26,313	26,640	25,659
3,065	3,319	2,969	2,967	2,753
4,874	5,294	4,844	4,783	4,511
10,900	11,869	11,028	11,044	10,533
32,201	34,554	32,174	32,805	31,396
5,320	5,796	5,506	5,480	5,235
4,368	4,790	4,451	4,367	4,119



**ElectriCities of North Carolina, Inc.**  
**Schedule of Membership Dues (Unaudited)**  
**For the Years Ended December 31, 2017**

	2017	2016	2015	2014	2013
Lucama*			\$ -	\$ -	\$ -
Lumberton	28,151	27,438	26,678	25,642	25,102
Maiden	5,021	4,478	4,308	4,158	4,077
Martinsville, VA *	1,789	1,688	1,592	1,502	1,465
Monroe	42,833	40,275	38,055	36,917	36,930
Morganton	26,168	25,181	24,980	24,147	23,767
Murphy*					
New Bern	46,737	45,263	44,695	42,984	41,838
New River Light & Power*	19,601	18,453	19,054	18,217	18,299
Newton	12,618	11,951	11,806	11,526	11,571
Pikeville	1,158	1,132	1,132	1,082	1,050
Pineville	9,448	8,826	8,563	8,391	8,114
Piedmont Municipal Power Agency**	13,465	10,257	10,195	10,214	9,962
Red Springs	4,270	4,105	4,129	3,999	3,950
Richlands, VA *					
Robersonville	2,310	2,203	2,315	2,303	2,255
Rocky Mount	61,552	59,079	58,843	57,467	56,493
Scotland Neck	3,057	2,983	3,020	3,591	3,490
Selma	7,094	6,617	6,453	6,279	6,107
Sharpsburg*	2,617	2,331			
Shelby	19,878	18,746	18,421	17,853	17,627
Smithfield	12,819	12,282	12,134	11,838	11,688
Southport	6,495	6,292	6,020	5,744	5,577
Stantonsburg	2,615	2,532	2,474	2,397	2,369
Statesville	37,009	34,521	34,443	33,458	32,932
Tarboro	17,113	16,500	16,621	16,088	15,660
University of NC - Chapel Hill*	179	169	159	150	146
University of NC - Greensboro*					
NC State University	179	169	159	150	146
Wake Forest	16,154	15,315	14,409	13,748	13,453
Washington	29,322	28,277	28,075	27,133	26,545
Waynesville	8,401	7,879	7,819		
Western Carolina University*	894	843	795	750	732
Wilson	87,685	85,694	84,929	84,530	82,615
Windsor	5,229	4,958	4,811	4,709	4,626
Winterville	6,934	6,413	6,355	5,951	5,877
Budget Amendment - Appropriated					
<b>Total Dues</b>	<u>\$ 1,351,613</u>	<u>\$ 1,283,788</u>	<u>\$ 1,255,890</u>	<u>\$ 1,214,251</u>	<u>\$ 1,189,150</u>

\*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

Source: ElectriCities' dues billing to its members.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Membership Dues (Unaudited)**  
**For the Years Ended December 31, 2017**

2012	2011	2010	2009	2008
\$ -	\$ -	\$ -	\$ -	\$ 108
20,473	22,021	21,576	20,140	19,005
3,379	3,533	3,143	3,365	3,151
1,378	1,339	1,224	1,185	1,087
30,283	32,015	29,301	30,143	28,188
19,839	21,438	19,718	20,029	18,766
				543
35,717	38,377	35,302	33,988	31,339
14,059	15,590	1,224	1,185	1,087
9,712	10,634	9,573	9,368	8,868
892	972	897	905	847
6,927	7,653	6,987	7,034	6,846
9,367	9,105	7,834	7,584	6,950
3,365	3,640	3,572	3,342	3,164
		612	592	543
1,907	2,011	1,988	1,947	1,860
48,047	52,098	48,465	48,593	48,219
3,021	3,246	3,065	3,056	2,904
5,130	5,606	5,375	5,383	5,196
				108
14,822	16,080	14,702	14,984	14,269
9,960	11,197	9,962	9,940	9,762
4,783	5,103	4,775	4,692	4,441
1,948	2,141	2,010	1,940	1,801
27,379	29,510	27,731	28,515	27,398
13,473	14,673	13,533	13,599	13,188
137	133	122		108
			118	108
137	133	122	118	108
11,345	12,078	11,114	10,708	9,905
22,629	24,603	22,858	22,529	21,157
				543
689	670	612	592	543
70,569	75,965	71,468	69,791	65,040
3,878	4,263	3,903	3,818	3,564
5,101	5,351	4,911	4,874	4,639
119,075			48,450	
<u>\$ 1,117,610</u>	<u>\$ 1,076,177</u>	<u>\$ 970,707</u>	<u>\$ 988,575</u>	<u>\$ 869,520</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	2017	2016	2015	2014	2013
Abbeville, SC	81,370	81,370	81,370	81,370	81,370
Albemarle	16,338	16,338	16,338	16,338	16,338
Apex	32,275	32,275	32,275	32,275	32,275
Ayden	5,008	5,008	5,008	5,008	5,008
Bamberg, SC	3,600	3,600	3,600	3,600	3,600
Bedford, VA	6,300	6,300	6,300	6,300	6,300
Belhaven	1,963	1,963	1,963	1,963	1,963
Bennettsville, SC	9,425	9,425	9,425	9,425	9,425
Benson	3,703	3,703	3,703	3,703	3,703
Black Creek					
Bostic	316	316	316	316	316
Camden, SC	7,000	7,000	7,000	7,000	7,000
Cherryville	2,795	2,795	2,795	5,795	5,795
Clayton	14,333	14,333	14,333	14,333	14,333
Clinton, SC	8,091	8,091	8,091	8,091	8,091
Concord	81,370	81,370	81,370	81,370	81,370
Cornelius	24,847	24,847	24,847	24,847	24,847
Dallas	4,033	4,033	4,033	4,033	4,033
Danville, VA	46,500	46,500	46,500	46,500	46,500
Drexel	1,920	1,920	1,920	1,920	1,920
Easley, SC	20,000	20,000	20,000	20,000	20,000
East Carolina University					
Edenton	5,166	5,166	5,166	5,166	5,166
Elizabeth City	20,406	20,406	20,406	20,406	20,406
Elizabeth City State University					
Enfield	2,221	2,221	2,221	2,221	2,221
Farmville	4,776	4,776	4,776	4,776	4,776
Fayetteville	207,788	207,788	207,788	207,788	207,788
Forest City	7,133	7,133	7,133	7,133	7,133
Fountain	586	586	586	586	586
Fremont	1,404	1,404	1,404	1,404	1,404
Front Royal VA	14,440	14,440	14,440		
Gaffney, SC	12,986	12,986	12,986	12,986	12,986
Gastonia	75,820	75,820	75,820	75,280	75,280
Granite Falls	4,999	4,999	4,999	4,999	4,999
Greenville	82,571	82,571	82,571	82,571	82,571
Greer, SC	24,557	24,557	24,557	24,557	24,557
Hamilton	459	459	459	459	459
Hertford	2,303	2,303	2,303	2,203	2,203
High Point	102,216	102,216	102,216	102,216	102,216
Highlands					
Hobgood	381	381	381	381	381
Hookerton	487	487	487	487	487
Huntersville	41,216	41,216	41,216	41,216	41,216
Kings Mountain	11,070	11,070	11,070	11,070	11,070
Kinston	22,478	22,478	22,478	22,478	22,478
La Grange	2,774	2,774	2,774	2,774	2,774
Landis	3,127	3,127	3,127	3,127	3,127
Laurens, SC	10,000	10,000	10,000	10,000	10,000

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
81,370	5,900	5,900	5,900	5,900
16,338	16,043	16,026	15,917	15,917
32,275	34,937	34,591	33,405	30,182
5,008	4,923	4,827	4,827	4,827
3,600	3,600	3,600	3,600	3,600
6,300	6,300	6,300	6,300	6,300
1,963	1,945	1,938	1,933	1,933
9,425	9,425	9,425	9,425	9,425
3,703	3,581	3,380	3,380	3,232
316	316	322	322	322
7,000	7,000	7,000	7,000	6,682
5,795	5,680		5,538	5,538
14,333	13,842		13,842	12,173
8,091	8,091	8,091	8,091	8,091
81,370	79,673	71,240	68,249	62,291
24,847	23,929	22,946	14,581	17,144
4,033	3,558	3,558	3,558	3,558
46,500	46,500	46,400	48,500	48,500
1,920	1,950	1,930	1,930	1,930
20,000	20,000		19,194	17,754
5,166	5,143	5,069	5,069	5,069
20,406	19,449	19,449	19,449	17,490
2,221	2,250	2,370	2,370	2,370
4,776	4,656	4,601	4,601	4,601
207,788	207,445	174,364	174,364	173,653
7,133	7,162	7,329	7,329	7,329
586	578	550	550	550
1,404	1,463	1,463	1,463	1,463
12,986	12,986	18,133	18,133	18,133
75,280	74,518	72,848	71,376	70,278
4,999	4,979	4,904	4,845	4,762
82,571	79,629	72,233	72,233	69,517
24,557	24,557	21,421	21,421	19,989
459	502	502	502	502
2,203	2,172	2,172	2,172	2,172
102,216	100,442	96,867	96,867	94,793
381	385	385	387	395
487	485	487	487	472
41,216	44,500	40,000	40,000	32,000
11,070	10,757	10,535	10,535	10,535
22,478	22,649	23,337	23,337	23,337
2,774	2,836	2,836	2,836	2,836
3,127	3,100	3,047	3,047	3,036
10,000	10,000	9,964	9,916	9,916

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	2017	2016	2015	2014	2013
Laurinburg	15,825	15,825	15,825	15,825	15,825
Lexington	21,420	21,420	21,420	21,420	21,420
Lincolnton	11,553	11,553	11,553	11,553	11,553
Louisburg	3,711	3,711	3,711	3,711	3,711
Lucama					
Lumberton	23,039	23,039	23,039	23,039	23,039
Macclesfield	401	401	401	401	401
Maiden	3,466	3,466	3,466	3,466	3,466
Martinsville, VA	15,416	15,416	15,416	15,416	15,416
Monroe	38,120	38,120	38,120	38,120	38,120
Morganton	17,058	17,058	17,058	17,058	17,058
Murphy					
New Bern	26,613	26,613	26,613	26,613	26,613
New River Light & Power	15,000	15,000	15,000	15,000	15,000
Newberry, SC	10,907	10,907	10,907	10,907	10,907
Newton	13,819	13,819	13,819	13,819	13,819
Pikeville	703	703	703	703	703
Pinetops	1,259	1,259	1,259	1,259	1,259
Pineville	7,747	7,747	7,747	7,747	7,747
Red Springs	3,497	3,497	3,497	3,497	3,497
Richlands, VA					
Robersonville	1,578	1,578	1,578	1,578	1,578
Rock Hill, SC	70,500	70,500	70,500	70,500	70,500
Rocky Mount	60,219	60,219	60,219	60,219	60,219
Scotland Neck	2,182	2,182	2,182	2,182	2,182
Selma	7,671	7,671	7,671	7,671	7,671
Sharpsburg					
Shelby	20,793	20,793	20,793	20,793	20,793
Smithfield	13,410	13,410	13,410	13,410	13,410
Southport	3,143	3,143	3,143	3,143	3,143
Stantonsburg	749	749	749	749	749
Statesville	27,322	27,322	27,322	27,322	27,322
Tarboro	10,292	10,292	10,292	10,292	10,292
University of NC - Chapel Hill					
University of NC - Greensboro					
Union, SC	9,575	9,575	9,575	9,575	9,575
Wake Forest	28,572	28,572	28,572	28,542	28,542
Walstonburg	232	232	232	232	232
Washington	10,114	10,114	10,114	10,114	10,114
Waynesville	9,869	9,869	9,869		
Western Carolina University					
Westminster, SC	3,120	3,120	3,120	3,120	3,120
Wilson	51,274	51,274	51,274	51,274	51,274
Windsor	3,214	3,214	3,214	3,214	3,214
Winterville	9,154	9,154	9,154	9,154	9,154

Source:

2007-2011 ElectriCities' member questionnaires prepared by members and submitted to ElectriCities in the fall of each year.  
2012-2017 Census information-2010.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
15,825	15,911	16,586	16,586	16,586
21,420	21,378	20,927	20,927	20,918
11,553	11,316	11,061	10,791	10,206
3,711	3,677	3,644	3,644	
		880	880	880
23,039	22,006	20,795	20,795	20,795
401	450	432	432	432
3,466	3,406	3,279	3,279	3,279
15,416	15,416	15,416	15,416	15,416
38,120	37,280	35,966	33,908	29,489
17,058	17,108	18,474	18,474	18,474
				1,588
26,613	28,586	25,600	25,600	25,600
15,000	15,000	13,901	13,901	13,901
10,907	10,907	10,580	10,580	10,580
13,819	13,670	13,075	13,075	13,075
703	704	714	714	714
1,259	1,256	1,314	1,329	1,329
7,747	7,501	7,368	6,897	4,027
3,497	3,461	3,461	3,461	3,461
	5,639	5,639	5,639	4,144
1,578	1,596	1,650	1,650	1,650
70,500	67,339	64,858	56,114	56,114
60,219	59,228	56,291	56,291	56,290
2,182	2,268	2,268	2,268	2,268
7,671	7,497	7,008	7,008	6,841
			2,512	2,512
20,793	21,449	20,957	20,957	20,957
13,410	12,800	12,160	12,160	12,160
3,143	2,964	2,934	2,860	2,677
749	730	730	730	730
27,322	24,292	24,292	24,292	24,292
10,292	10,430	10,686	10,686	10,985
9,575	9,575	8,800	8,800	8,800
28,542	27,217	25,000	25,000	20,300
232	231	231	231	231
10,114	9,583	9,764	9,764	9,764
		9,972	9,621	9,531
3,120	3,120	3,120	3,120	3,120
51,274	50,652	49,000	47,487	47,487
3,214	3,165	2,285	2,285	2,285
9,154	8,949	6,942	6,942	6,942

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Abbeville, SC					
Albemarle	12,073	11,999	11,887	11,844	11,821
Apex	17,776	16,682	16,154	15,477	14,831
Ayden	4,101	4,521	3,881	3,934	4,548
Bamberg, SC					
Bedford, VA					
Belhaven	1,129	1,238	1,145	1,115	1,121
Bennettsville, SC					
Benson	1,842	1,796	1,609	1,777	1,766
Black Creek					
Bostic	204	202	203	222	201
Camden, SC					
Cherryville	2,433	2,437	2,440	2,442	2,425
Clayton	6,205	5,885	5,747	5,623	5,250
Clinton, SC					
Concord	29,620	29,186	28,618	28,215	27,298
Cornelius	3,509	3,427	3,239	3,102	2,953
Dallas	3,606	3,546	3,478	3,400	3,359
Danville, VA					
Drexel	1,226	1,213	1,203	1,207	1,214
Easley, SC					
East Carolina University	-	-	-	-	-
Edenton	4,141	4,159	4,162	4,164	4,157
Elizabeth City	12,045	12,029	11,987	11,956	11,969
Elizabeth City State University	-	-	-	-	-
Enfield	1,237	1,256	1,274	1,298	1,300
Farmville	2,890	2,909	2,912	2,904	2,879
Fayetteville	82,021	90,050	88,760	87,883	87,072
Forest City	4,108	4,062	4,103	4,114	4,129
Fountain	298	297	302	311	315
Fremont	755	763	803	803	806
Gaffney, SC					
Gastonia	27,453	26,882	26,891	26,497	26,268
Granite Falls	2,455	2,439	2,396	2,394	2,391
Greenville	66,298	66,051	65,326	65,073	64,629
Greer, SC					
Hamilton	262	261	254	252	249
Hertford	1,149	1,153	1,160	1,166	1,203
High Point	40,841	41,790	40,123	39,731	39,607
Highlands		2,817			
Hobgood	276	277	278	284	285
Hookerton	418	425	419	415	390
Huntersville	5,292	4,973	4,836	4,664	4,501
Kings Mountain	4,746	4,503	4,446	4,364	4,154
Kinston	11,634	11,605	11,645	11,730	11,809
La Grange	1,472	1,468	1,482	1,486	1,500
Landis	2,875	2,888	2,865	2,877	2,837
Laurens, SC					

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
	3,541	3,511	3,522	3,588
11,857	11,957	11,966	11,880	11,910
14,279	13,995	13,866	13,964	13,441
4,576	4,611	4,625	3,950	4,283
	1,826			
	7,055		6,955	6,955
1,140	1,164	1,174	1,185	1,144
	4,657		4,726	4,726
1,767	1,768	1,792	1,789	1,789
199	201	198	198	193
	10,636		9,344	9,344
3,115	2,432	2,508	2,486	2,964
5,142	5,141	5,160	4,950	5,135
	4,106		5,614	4,202
28,282	28,064	27,170	27,014	26,945
2,783	2,707	2,636	2,625	2,625
3,311	3,276	3,243	3,000	3,000
	46,016		44,579	46,400
1,202	1,212	1,212	1,210	1,202
	13,463		12,779	12,779
-	-	-	-	-
4,159	4,185	4,193	4,600	4,196
11,967	12,010	11,809	11,863	11,878
-	-	-	-	-
1,312	1,322	1,394	1,448	1,448
2,883	2,901	2,886	2,850	2,864
85,174	85,197	85,186	76,756	76,170
4,100	4,126	4,123	4,461	4,155
316	318	304	331	388
753	749	817	916	916
	7,288		7,292	7,254
26,067	26,133	26,063	26,292	25,254
2,410	2,406	2,384	2,418	2,418
64,309	63,893	63,240	62,363	60,758
	17,437		15,928	16,851
284	251	258	254	254
1,198	1,185	1,227	1,228	990
39,462	39,338	39,208	39,223	39,186
289	297	301	371	371
398	432	434	439	439
4,355	4,193	4,118	4,056	4,079
4,250	4,324	4,086	4,624	4,381
11,787	11,838	12,068	12,226	12,186
1,502	1,500	1,503	1,654	
2,810	2,816	2,816	2,800	2,700
	51,974		5,424	5,345



**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	2017	2016	2015	2014	2013
Laurinburg	5,591	5,592	5,588	5,749	5,672
Lexington	18,560	18,576	18,474	18,348	18,371
Lincolnton	2,783	2,769	2,657	2,671	2,670
Louisburg	1,972	1,950	1,958	1,925	1,930
Lucama					
Lumberton	12,346	12,169	12,237	12,036	12,323
Macclesfield	261	269	269	269	274
Maiden	1,182	1,174	1,171	1,165	1,122
Martinsville, VA					
Monroe	10,809	10,685	10,557	10,475	10,421
Morganton	8,310	8,204	8,168	8,184	8,200
Murphy					
New Bern	22,454	22,095	21,859	21,822	21,284
New River Light & Power	8,072	7,926	7,852	7,751	7,689
Newberry, SC					
Newton	4,529	4,528	4,504	4,495	4,486
Pikeville	493	508	513	518	516
Pinetops	730	745	756	781	775
Pineville	3,259	3,202	2,994	2,907	2,756
Red Springs	1,694	1,689	1,692	1,700	1,700
Richlands, VA					
Robersonville	991	1,023	1,035	1,034	1,068
Rock Hill, SC					
Rocky Mount	27,533	27,419	27,276	27,277	27,167
Scotland Neck	1,422	1,445	1,480	1,483	1,501
Selma	2,849	2,944	2,741	2,661	2,666
Sharpsburg		1,174			
Shelby	8,241	8,136	8,077	8,013	7,936
Smithfield	4,511	4,538	4,498	4,477	4,491
Southport	2,870	2,787	2,761	2,663	2,620
Stantonsburg		1,140	1,129	1,171	1,174
Statesville	13,329	13,206	13,084	13,010	12,962
Tarboro	5,799	5,871	6,050	6,050	6,060
University of NC - Chapel Hill	-	-	-	-	-
University of NC - Greensboro	-	-	-	-	-
Union, SC					
Wake Forest	5,910	6,882	6,734	6,307	6,187
Walstonburg	130	132	129	131	125
Washington	13,628	13,601	13,441	13,565	13,478
Waynesville	3,042	3,013	3,200		
Western Carolina -	-	-	-	-	-
Westminster, SC					
Wilson	34,115	33,813	33,813	33,691	33,619
Windsor	1,799	1,791	1,786	1,796	1,804
Winterville		2,889	2,835	2,913	2,881

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

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
5,586	6,519	5,634	5,569	5,681
18,356	18,267	18,092	18,154	18,477
2,654	2,668	2,653	2,888	2,879
1,921	1,936	1,939	1,950	3,878
				1,200
11,886	11,980	11,982	12,243	20,345
274	276	275	295	293
1,087	1,080	1,068	1,069	1,069
	7,897	7,867	8,047	8,647
10,331	10,319	10,369	10,331	10,467
8,173	8,089	8,230	8,230	8,695
				4,802
21,180	21,433	21,158	20,626	19,481
7,641		7,682		
	12,507		4,989	4,916
4,478	4,522	4,486	4,840	4,535
512	519	519	516	527
777	777	777	752	722
2,722	2,822	2,791	2,745	2,728
1,709	1,705	1,698	1,717	
			2,641	3,002
1,101	1,105	1,314	1,175	1,069
	36,872	33,182	32,850	32,917
27,095	27,390	27,576	27,576	29,376
1,520	1,538	1,574	1,599	1,599
2,690	2,676	2,769	2,784	2,842
				1,504
7,898	7,567	7,443	7,971	8,316
4,449	4,474	4,653	4,566	4,528
2,595	2,595	2,588	2,706	2,590
1,186	1,184	1,175	1,231	1,030
13,020	12,914	12,914	13,024	13,024
6,078	6,087	6,098	6,125	6,104
-	-	-	-	-
-	-	-	-	-
	7,041	7,006	7,000	7,125
6,088	6,070	6,004	8,088	6,220
131	132	132	132	130
13,421	13,435	13,347	13,333	12,956
				3,006
-	-	-	-	-
	1,568		1,571	
33,593	33,549	33,518	36,200	35,391
1,807	1,835	1,829	2,085	2,049
3,460	3,427	3,413	2,716	2,667

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	2017	2016	2015	2014	2013
Abbeville, SC					
Albemarle	291,506,000	298,511,000	292,828,000	280,760,000	294,365,000
Apex	302,769,000	292,435,000	266,566,000	247,851,000	246,768,000
Ayden	102,125,000	98,490,000	106,141,000	103,605,000	99,087,000
Bamberg, SC					
Bedford, VA					
Belhaven	16,413,000	17,343,000	18,980,000	19,475,000	18,820,000
Bennettsville, SC					
Benson	33,979,000	33,705,000	32,523,000	31,893,000	32,161,000
Black Creek					
Bostic	3,474,000	3,436,000	3,496,000	3,347,000	3,286,000
Camden, SC					
Cherryville	50,457,000	47,638,000	46,788,000	44,691,000	44,854,000
Clayton	102,182,000	101,750,000	96,446,000	91,317,000	90,664,000
Clinton, SC					
Concord	911,763,000	885,841,000	860,552,000	833,000,000	846,243,000
Cornelius	59,952,000	56,577,000	52,544,000	50,184,000	49,267,000
Dallas	69,683,000	68,706,000	65,729,000	64,566,000	63,856,000
Danville, VA					
Drexel	17,421,000	19,057,000	18,741,000	18,149,000	17,610,000
Easley, SC					
East Carolina University					
Edenton	93,958,000	97,813,000	96,007,000	98,334,000	94,651,000
Elizabeth City	305,419,000	307,989,000	299,942,000	298,733,000	296,808,000
Elizabeth City State University					
Enfield	32,068,000	35,924,000	36,223,000	35,415,000	34,636,000
Farmville	46,804,000	47,434,000	47,228,000	46,282,000	45,284,000
Fayetteville	2,054,941,000	2,059,540,000	2,087,801,000	2,025,377,000	2,007,469,000
Forest City	105,820,000	104,510,000	115,259,000	104,750,000	106,437,000
Fountain	3,965,000	3,911,000	4,289,000	4,672,000	4,353,000
Fremont	11,590,000	11,993,000	13,119,000	13,174,000	12,790,000
Gaffney, SC					
Gastonia	675,378,000	651,423,000	647,079,000	625,787,000	632,569,000
Granite Falls	55,680,000	55,556,000	57,708,000	55,472,000	52,680,000
Greenville	1,721,702,000	1,733,095,000	1,706,381,000	1,638,236,000	1,631,488,000
Greer, SC					
Hamilton	2,726,000	2,823,000	2,865,000	2,839,000	2,750,000
Hertford	22,330,000	22,813,000	22,153,000	22,782,000	21,821,000
High Point	1,161,138,000	1,153,476,000	1,133,236,000	1,122,288,000	1,113,155,000
Highlands		39,798,000			
Hobgood	2,830,000	2,901,000	2,894,000	2,900,000	2,784,000
Hookerton	5,755,000	5,646,000	5,527,000	5,251,000	5,179,000
Huntersville	231,302,000	217,659,000	198,441,000	199,780,000	174,091,000
Kings Mountain	140,241,000	140,057,000	136,512,000	126,629,000	129,823,000
Kinston	448,366,000	451,666,000	461,500,000	440,862,000	418,092,000
La Grange	24,215,000	26,337,000	24,460,000	25,211,000	24,722,000
Landis	46,276,000	44,803,000	44,607,000	43,519,000	43,690,000
Laurens, SC					

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
	58,056,000	62,971,764	59,369,085	60,027,767
300,735,000	308,342,000	288,735,000	284,095,000	294,702,425
253,762,000	256,633,000	242,155,000	235,084,147	235,183,279
100,867,000	101,551,000	98,097,000	102,728,854	108,767,249
	50,050,000			
	211,131,000		221,608,571	225,635,846
20,273,000	21,080,000	19,578,000	20,013,008	20,410,863
	96,185,000		99,821,583	99,821,583
34,457,000	37,734,000	36,008,000	35,295,798	36,172,672
3,519,000	3,851,000	3,755,000	3,862,822	3,798,848
	180,705,000		191,925,842	191,342,018
51,276,000	52,461,000	52,351,000	50,827,289	47,578,133
94,266,000	103,699,000	91,963,000	80,546,649	78,423,102
	109,999,000		114,531,918	112,620,629
847,511,000	876,388,000	810,758,000	816,424,443	780,264,570
49,563,000	50,191,000	44,461,000	43,797,354	44,500,576
62,020,000	63,917,000	58,626,000	45,620,476	45,620,476
	975,360,000		995,787,487	NA
19,412,000	19,990,000	18,846,000	19,389,000	18,594,641
	286,441,000		269,561,068	269,561,068
97,814,000	101,544,000	93,082,000	96,886,066	96,886,066
315,771,000	323,348,000	302,963,000	312,472,937	303,607,580
34,988,000	37,291,000	37,111,000	36,716,967	38,468,632
47,342,000	51,465,000	49,584,000	53,375,505	52,967,769
2,171,225,000	2,214,346,000	2,101,183,000	2,120,880,926	2,121,037,988
116,368,000	118,611,000	112,644,000	117,576,402	128,415,337
3,663,000	3,748,000	3,699,000	3,799,414	7,092,077
12,627,000	13,575,000	14,196,000	12,515,377	12,515,377
	210,072,000	230,400,000	238,542,504	224,137,152
660,255,000	684,155,000	692,156,000	704,505,952	732,860,472
55,214,000	56,826,000	54,248,000	49,085,925	49,085,925
1,690,744,000	1,704,348,000	1,608,710,000	1,626,811,632	1,556,258,230
	316,363,000		333,416,418	326,309,000
2,814,000	3,195,000	3,166,000		
21,888,000	23,955,000	22,960,000	22,630,797	21,879,612
1,145,838,000	1,158,330,000	1,094,331,000	1,154,044,495	1,112,755,429
3,079,000	3,580,000	3,743,000	3,390,723	3,630,257
5,792,000	5,888,000	5,315,000	5,532,308	5,437,110
169,352,000	162,865,000	148,473,000	143,815,828	134,271,814
135,319,000	133,739,000	123,742,000	125,437,894	109,133,402
436,370,000	450,636,000	430,248,000	444,952,078	391,956,005
26,163,000	27,758,000	25,816,000	24,621,160	24,625,160
47,877,000	51,158,000	45,618,000	47,025,646	30,326,925
	948,989,000		106,071,933	10,613,757

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

<i>City/Town</i>	2017	2016	2015	2014	2013
Laurinburg	134,159,000	138,267,000	134,968,000	128,881,000	131,385,000
Lexington	391,732,000	393,125,000	397,556,000	386,865,000	383,899,000
Lincolnton	58,498,000	59,157,000	57,124,000	5,638,200	57,513,000
Louisburg	53,831,000	57,145,000	56,887,000	53,544,000	58,961,000
Lucama					
Lumberton	270,856,000	277,445,000	284,490,000	262,117,000	261,335,000
Macclesfield	2,966,000	3,388,000	2,525,000	2,738,000	3,135,000
Maiden	85,910,000	77,684,000	72,712,000	70,717,000	69,945,000
Martinsville, VA					
Monroe	717,263,000	708,682,000	686,630,000	636,660,000	647,197,000
Morganton	338,776,000	358,790,000	361,432,000	356,155,000	364,128,000
Murphy					
New Bern	448,542,000	457,517,000	454,434,000	443,637,000	440,993,000
New River Light & Power	202,042,000	208,074,000	215,386,000	216,998,000	212,888,000
Newberry, SC					
Newton	147,861,000	146,393,000	147,561,000	147,907,000	148,330,000
Pikeville	8,626,000	9,106,000	8,731,000	8,722,000	7,679,000
Pinetops	18,121,000	22,260,000	21,200,000	19,850,000	19,500,000
Pineville	109,808,000	110,270,000	110,902,000	110,584,000	112,430,000
Red Springs	33,580,000	34,129,000	35,412,000	34,922,000	34,169,000
Richlands, VA					
Robersonville	21,004,000	21,870,000	20,782,000	22,057,000	22,786,000
Rock Hill, SC					
Rocky Mount	707,390,000	714,369,000	699,641,000	690,443,000	690,852,000
Scotland Neck	24,916,000	25,422,000	24,853,000	25,195,000	27,056,000
Selma	67,316,000	64,084,000	66,605,000	64,051,000	61,396,000
Sharpsburg		16,732,000			
Shelby	192,951,000	191,158,000	188,631,000	188,313,000	187,005,000
Smithfield	172,874,000	164,935,000	168,639,000	159,649,000	162,652,000
Southport	54,099,000	55,197,000	55,811,000	51,824,000	50,951,000
Stantonsburg		21,042,000	21,486,000	20,804,000	20,247,000
Statesville	452,830,000	447,401,000	449,110,000	457,769,000	444,422,000
Tarboro	238,813,000	225,669,000	217,102,000	236,997,000	226,807,000
University of NC - Chapel Hill					
University of NC - Greensboro					
Union, SC					
Wake Forest	152,587,000	157,926,000	142,120,000	139,037,000	134,656,000
Walstonburg	1,812,000	1,565,000	1,575,000	1,712,000	1,649,000
Washington	276,527,000	278,703,000	280,334,000	274,759,000	274,294,000
Waynesville	90,747,000	89,412,000	93,352,000		
Western Carolina University					
Westminister, SC					
Wilson	1,282,627,000	1,282,020,000	1,237,230,000	1,215,950,000	1,225,479,000
Windsor	49,259,000	50,985,000	50,305,000	48,744,000	47,275,000
Winterville		49,000,000	44,333,000	47,158,000	46,697,000

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2017**

2012	2011	2010	2009	2008
135,751,000	140,725,000	132,781,000	135,531,419	120,884,209
407,191,000	420,429,000	393,509,000	402,228,635	421,787,331
59,224,000	59,871,000	64,606,000	58,259,569	60,339,683
60,830,000	61,872,000	60,109,000	58,093,522	56,280,802
				18,432,891
282,350,000	283,235,000	280,361,000	287,992,127	316,654,578
3,618,000	3,874,000	4,025,000	3,348,928	3,220,853
69,345,000	70,748,000	57,409,000	67,918,558	67,918,558
	177,299,000	178,337,901	144,542,880	200,180,720
651,109,000	630,713,000	568,604,000	595,688,716	682,165,489
351,055,000	364,427,000	33,575,800	30,240,734	348,918,335
				161,930,282
467,060,000	485,072,000	443,210,000	451,164,298	426,032,469
225,700,000		224,880,845	229,690,000	
	266,442,000		191,986,260	194,261,115
155,410,000	158,754,000	143,202,000	141,369,813	141,091,968
8,331,000	8,757,000	7,876,000	8,223,625	8,032,212
20,125,000	20,105,000	19,151,000	20,051,000	20,569,825
115,786,000	123,779,000	122,033,000	130,030,032	122,771,300
33,870,000	34,137,000	35,616,000	32,593,101	
			67,018,073	64,049,441
23,108,000	24,375,000	26,700,000	28,000,000	31,018,075
	769,452,000	789,101,342	769,451,876	783,394,069
725,986,000	745,710,000	716,899,000	733,440,582	748,028,249
25,854,000	27,145,000	26,584,000	28,940,899	28,940,899
65,686,000	70,048,000	65,314,000	70,226,096	66,228,035
				22,011,729
196,035,000	199,131,000	185,291,000	194,541,539	193,017,022
166,205,000	170,475,000	163,527,000	159,446,725	182,473,888
53,824,000	54,802,000	50,067,000	51,081,091	49,602,758
21,516,000	21,712,000	21,157,000	20,679,331	20,856,000
434,033,000	444,631,000	443,440,000	489,779,611	489,779,611
232,616,000	240,688,000	229,890,000	233,782,590	243,794,843
	137,924,000	143,405,785	137,924,001	138,959,214
145,560,000	149,569,000	140,969,000	111,927,216	125,781,181
1,741,000	1,958,000			
288,147,000	296,535,000	274,493,000	285,735,716	286,452,156
				92,462,495
		37,097,180	35,888,071	34,847,112
	26,939,000			
1,230,141,000	1,261,358,000	1,202,530,000	1,237,711,000	1,222,062,761
48,735,000	50,348,000	47,492,000	48,367,735	44,310,466
50,406,000	50,446,000	46,856,000	46,856,298	43,589,232

**ElectriCities of North Carolina, Inc.**  
**Schedule of Full Time Equivalent Employees (Unaudited)**  
**For the Years Ended December 31,**

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	2017	2016	2015	2014	2013
Management Services*	103	97	98	100	101
Member Services	11	10	9	9	4
Safety & Training	6	6	6	6	5
Total	120	113	113	115	110

	2012	2011	2010	2009	2008
Management Services*	99	103	102	106	108
Member Services	3	3	3	4	3
Safety & Training	6	4	5	4	4
Total	108	110	110	114	115

Source: ElectriCities payroll records.

\* Includes Western Operations