



**ELECTRICITIES OF
NORTH CAROLINA, INC.**

Annual Financial Report
(With Report of Independent Auditor Thereon)

December 31, 2018 and 2017

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ElectriCities of North Carolina, Inc.
Annual Financial Report
Years Ended December 31, 2018 and 2017

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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 and the aggregate remaining fund information of ElectriCities of North Carolina, Inc. (ElectriCities), which are comprised of the statements of net position as of December 31, 2018 and 2017, 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 and the aggregate remaining fund information referred to above present fairly, in all material respects, the financial position of ElectriCities of North Carolina, Inc. as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years ended December 31, 2018 and 2017, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note L to the financial statements, ElectriCities adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*, which resulted in ElectriCities restating beginning net position for recognition of ElectriCities' OPEB related activity incurred prior to January 1, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the pension and OPEB related schedules to 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.

The supplementary 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
June 24, 2019

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, 2018 and 2017. This information should be read in conjunction with the information furnished in ElectriCities' financial statements that follow this narrative.

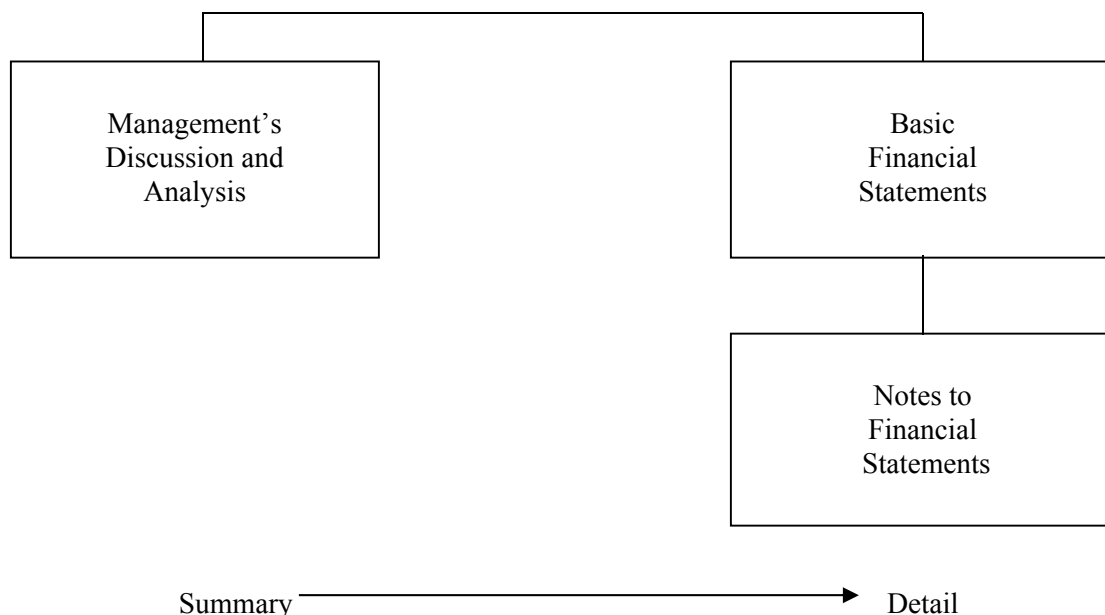
Financial Highlights

- ElectriCities' basic financial statements consist of a single enterprise fund and Other Postemployment Benefits Trust fund.
- ElectriCities' liabilities and deferred inflows exceeded its assets and deferred outflows (net position deficit) by \$2,467,070 at December 31, 2018 and assets and deferred outflows exceeded its liabilities and deferred inflows (net position) by \$15,843 at December 31, 2017.
- ElectriCities' unrestricted net position was a deficit of \$3,452,971 and \$901,075 at December 31, 2018 and December 31, 2017, respectively.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$1,448,766 and \$1,351,613 for 2018 and 2017, respectively.
- In 2018, billed dues exceeded expenses by \$19,727. In accordance with its bylaws, ElectriCities will refund \$19,727 of the billed dues for 2018.
- Prior year dues refund of \$87,865 were appropriated to offset expenditures for the Annual Conference.

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, 2018, 2017 and 2016 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

Summarized Statement of Net Position (Deficit)
Exhibit 2

	December 31,		
	2018	2017	2016
Assets			
Capital assets	\$ 985,901	\$ 916,918	\$ 762,038
Current and other assets	3,278,289	8,259,295	7,343,681
Total assets	<u>4,264,190</u>	<u>9,176,213</u>	<u>8,105,719</u>
 Deferred Outflows of Resources - Pension	 <u>2,822,646</u>	 <u>1,582,781</u>	 <u>2,619,220</u>
 Liabilities and Deferred Inflows of Resources			
Long-term liabilities outstanding	5,026,409	7,678,436	8,186,862
Current liabilities outstanding	2,304,556	2,995,765	2,507,429
Total liabilities	<u>7,330,965</u>	<u>10,674,201</u>	<u>10,694,291</u>
 Deferred Inflows of Resources			
Unexpended dues supported program revenue	-	-	12,557
Pension Deferrals (Note F)	20,402	68,950	-
OPEB Deferrals (Note H)	2,202,539	-	118,581
Total Deferred Inflows of Resources	<u>2,222,941</u>	<u>68,950</u>	<u>131,138</u>
 Net Position (Deficit)			
Net investment in capital assets	985,901	916,918	762,038
Unrestricted (deficit)	<u>(3,452,971)</u>	<u>(901,075)</u>	<u>(862,528)</u>
Total Net Position (Deficit)	<u>\$ (2,467,070)</u>	<u>\$ 15,843</u>	<u>\$ (100,490)</u>

As noted earlier, the various components of net position may serve over time as a useful indicator of ElectriCities' financial condition. ElectriCities' liabilities and deferred inflows exceeded assets and deferred outflows (net position deficit) by \$2,467,070 at December 31, 2018 and its assets and deferred outflows exceeded liabilities and deferred inflows 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. ElectriCities' net position decreased by \$2,482,913 for the year ended December 31, 2018, increased by \$116,333 for the year ended December 31, 2017 and decreased by \$85,061 for the year ended December 31, 2016.

The portion of net position totaling \$985,901, \$916,918, and \$762,038 at December 31, 2018, 2017 and 2016, respectively, reflects ElectriCities' net investment in capital assets (e.g. vehicles, furniture and equipment). This amount increased in 2018 and 2017 because additional spending on capital assets exceeded depreciation.

The portion of net position deficit totaling \$3,452,971 at December 31, 2018 represents unrestricted net position deficit. The prior year restatement for accounting change of \$(3,168,763) relates to the implementation of GASB 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", and GASB 75, "Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans" (Refer to Note F on page 23). The OPEB related cost shown below in 2018 increased unrestricted position by \$833,823. The pension related cost shown below in 2018 decreased unrestricted net position by \$216,956.

Summarized Statement of Activity
Exhibit 3

	For The Years Ended December 31,		
	2018	2017	2016
Revenues:			
Membership dues	\$ 1,448,766	\$ 1,351,613	\$ 1,283,788
Management services and other program revenues	29,811,229	28,266,619	27,187,554
Non-operating revenues	6,318	2,502	1,150
Total Revenues	31,266,313	29,620,734	28,472,492
Expenses:			
Program Expenses:			
Administration	71,837	54,182	51,485
Safety and Training	1,117,464	1,101,983	1,154,572
Member Services	587,425	364,147	320,653
Government Affairs	-	2,041	-
Annual Meeting	336,293	244,623	173,009
Management Services	25,585,420	25,608,758	24,770,812
Regions Contract Services	42,000	15,290	20,778
Western Operations	3,506,147	2,005,758	1,907,575
Depreciation and amortization	292,615	350,185	259,151
Refund (assessment) of excess/(deficit) dues	19,727	223,952	73,608
Pension Expense (Note F)	216,956	38,547	194,163
OPEB Expense (Note H)	(833,823)	-	-
Total Operating Expenses	30,942,061	30,009,466	28,925,806
Loss before capital contributions	324,252	(388,732)	(453,314)
Capital Contributions	318,316	485,565	471,261
Gain on Disposal	43,282	19,500	67,114
Increase in Net Position	685,850	116,333	85,061
Net Position January 1	15,843	(100,490)	(185,551)
Restatement for Accounting Change	(3,168,763)	-	-
Net Position, Beginning of Year, as Restated	(3,152,920)	(100,490)	(185,551)
Net Position December 31	<u><u>\$ (2,467,070)</u></u>	<u><u>\$ 15,843</u></u>	<u><u>\$ (100,490)</u></u>

Revenues totaled \$31,266,313, \$29,620,734 and \$28,472,492 for the years ended December 31, 2018, 2017, and 2016, 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, 2018, and 2017, respectively:

- In 2018 and 2017 membership dues increased by \$97,153 and \$67,825, respectively. The increases were attributed to the costs of the 2018 APPA Line Worker Rodeo incurred in 2018 and 2017.
- Management services and other program revenues increased by \$1,544,610 and \$1,079,065 in 2018 and 2017, respectively. The increases were due to upgrade to the SAS system in 2018 and due to changes in consulting project spending in 2017. Refer to Note E on Page 23 of this report for a further explanation of management services.
- Non-operating revenues increased by \$3,816 and \$1,352 in 2018 and 2017 respectively, primarily due to changes in investment rates.
- In 2018 and 2017, net position increased by \$685,850 and \$116,333, respectively.

Capital Assets and Debt Administration

Capital Assets

ElectriCities' investment in capital assets at December 31, 2018, 2017 and 2016 totaled \$985,901, \$916,918 and \$762,038, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture and equipment.

Major capital asset transactions during 2018 and 2017 include the following:

- In 2018 and 2017, eight and two vehicles, respectively, were purchased for \$353,968 and \$108,000.
- Six and two vehicles were retired in 2018 and 2017.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$5,000 for 2018 and 2017.

Exhibit 4

	December 31, 2017	Additions	Retirements	December 31, 2018
Furniture and Equipment	\$ 4,129,342	\$ 361,816	\$ (224,601)	\$ 4,266,557
Accumulated Depreciation and Amortization	(3,212,424)	(292,615)	224,383	(3,280,656)
Total Furniture and Equipment, Net	<u>\$ 916,918</u>	<u>\$ 69,201</u>	<u>\$ (218)</u>	<u>\$ 985,901</u>

	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>

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, 2018, 2017 or 2016.

Next Year's Budgets and Dues

Budget Highlights for 2019

- There is no increase in dues.
- Member Programs includes Safety & Training, Government Affairs, Member Services and Emergency Assistances Programs. These programs are supported by a combination of dues and certain program specific revenues. Member Programs also includes Annual Meeting and Technical Conference which were grouped in the Self-Supporting category in prior years' budgets. Member Programs expenses increase 1.0%.
- 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,	
	2018	2017
ASSETS		
Current Assets:		
Cash and cash equivalents (Note C)	\$ 1,578,645	\$ 5,930,757
Accounts receivable	1,699,644	2,328,538
Total Current Assets	3,278,289	8,259,295
Non-Current Assets:		
Capital assets (Note D)		
Equipment and furnishings	4,266,557	4,129,342
Accumulated depreciation	(3,280,656)	(3,212,424)
Capital assets	985,901	916,918
Other Non-Current Assets		
Total Non-Current Assets	985,901	916,918
Total Assets	4,264,190	9,176,213
 DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals (Note F)	2,822,646	1,582,781
DEFERRED OUTFLOWS OF RESOURCES	2,822,646	1,582,781
 LIABILITIES		
Current Liabilities:		
Accounts payable	1,060,018	1,442,730
Current portion of accrued vacation	729,526	679,082
Other liabilities	515,012	873,953
Total Current Liabilities	2,304,556	2,995,765
Non-Current Liabilities:		
Accrued vacation	952,837	876,555
Due to Power Agencies	-	550,755
Net Pension Liability (Note F)	3,941,172	2,435,802
Other post employment benefit obligation (Note H)	-	3,815,324
Net other post employment benefit liability (Note H)	132,400	-
Total Non-Current Liabilities	5,026,409	7,678,436
Total Liabilities	7,330,965	10,674,201
 DEFERRED INFLOWS OF RESOURCES		
Pension Deferrals (Note F)	20,402	68,950
OPEB Deferrals (Note H)	2,202,539	-
Total Deferred Inflows of Resources	2,222,941	68,950
 NET POSITION (DEFICIT)		
Net investment in capital assets	985,901	916,918
Unrestricted (Deficit)	(3,452,971)	(901,075)
Total net position (Deficit)	\$ (2,467,070)	\$ 15,843

See accompanying notes to basic financial statements.

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

	For the Years Ended December 31,	
	2018	2017
Operating Revenues:		
Membership dues	\$ 1,448,766	\$ 1,351,613
Management services (Note E)	25,585,420	25,608,758
Program revenues	4,225,809	2,657,861
Total Operating Revenues	31,259,995	29,618,232
Operating Expenses:		
Program Expenses:		
Administration	71,837	54,182
Safety and Training	1,117,464	1,101,983
Member Services	587,425	364,147
Government Affairs		2,041
Annual Meeting	336,293	244,623
Management Services	25,585,420	25,608,758
Regions Contract Services	42,000	15,290
Western Operations	3,506,147	2,005,758
Depreciation and amortization (Note D)	292,615	350,185
Refund of excess revenues (Note A)	19,727	223,952
Pension Expense (Note F)	216,956	38,547
OPEB Expense (Note H)	(833,823)	-
Total Operating Expenses	30,942,061	30,009,466
Operating Income (Loss)	317,934	(391,234)
Non-operating Revenues:		
Investment income	6,318	2,502
Total Non-operating Revenues	6,318	2,502
Income (Loss) Before Capital Contributions	324,252	(388,732)
Capital Contributions	318,316	485,565
Gain on Disposal	43,282	19,500
Increase in Net Position	685,850	116,333
Net Position (Deficit)		
Beginning of Year	15,843	(100,490)
Restatement for Accounting Change (Note L)	(3,168,763)	-
Net Position (Deficit), Beginning of Year, as Restated	(3,152,920)	(100,490)
Net Position (Deficit), End of Year	\$ (2,467,070)	\$ 15,843

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statements of Cash Flows

	For the Years Ended December 31,	
	2018	2017
Cash Flows From Operating Activities:		
Receipts from dues and other revenues	\$ 31,456,910	\$ 29,077,895
Payments to employees for services	(13,047,104)	(11,701,885)
Payments to other suppliers of goods and services	(22,768,236)	(17,398,056)
Net Cash Used in Operating Activities	(4,358,430)	(22,046)
Cash Flows From Capital Activities:		
Additions to capital assets	(318,316)	(485,565)
Capital contributions	318,316	485,565
Net Cash Used For Capital Activities	-	-
Cash Flows From Investing Activities:		
Investment income	6,318	2,502
Net Decrease in Cash And Cash Equivalents	(4,352,112)	(19,544)
Cash and Cash Equivalents, Beginning of Year	5,930,757	5,950,301
Cash and Cash Equivalents, End of Year	\$ 1,578,645	\$ 5,930,757
Reconciliation Of Operating Income (Loss) To Net Cash Used in Operating Activities:		
Net Operating Income (Loss)	\$ 317,934	\$ (391,234)
Adjustments:		
Depreciation and Amortization	292,615	350,185
Deferred noncash pension related expense	216,956	38,547
Deferred noncash OPEB related expense	(833,823)	
Changes in Assets, Deferred Outflows/Ourflows of Resources and Liabilities:		
(Increase) Decrease in accounts receivable	628,894	(935,158)
Increase (Decrease) Increase in accounts payable	(382,712)	291,544
Increase in accrued vacation	126,726	126,837
Increase (Decrease) in accrued expenses	(550,755)	42,559
Increase (Decrease) in accrued post employment benefits	(3,815,324)	316,886
Increase (Decrease) in other liabilities	(358,941)	150,345
Increase (Decrease) in unexpended dues	-	(12,557)
Net Cash Used in Operating Activities	\$ (4,358,430)	\$ (22,046)
Supplemental Disclosures		
Noncash Transaction-Fixed Asset Purchases	\$ 43,282	\$ 19,500

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statement of Fiduciary Net Position
OPEB Trust Fund
December 31, 2018

	<u>2018</u>
	OPEB Trust
	Fund
ASSETS	
Cash and cash equivalents (Note C)	\$ 3,125
Investments	4,228,347
Interest receivable	<u>22,473</u>
Total Assets	<u>4,253,945</u>
 LIABILITIES	
Due to ElectriCities operating	<u>35,975</u>
Total Liabilities	<u>35,975</u>
 Restricted Net Position - OPEB	 <u><u>\$ 4,217,970</u></u>

See accompanying notes to basic financial statements.

* OPEB Trust Fund was established during FY 2018, therefore comparative information is not available.

ElectriCities of North Carolina, Inc.
Statement of Changes in Fiduciary Net Position
OPEB Trust Fund
For the Year Ended December 31, 2018

	<u>2018</u>
	OPEB Trust Fund
ADDITIONS	
Employer contribution	\$ 4,403,182
Investment earnings	<u>25,844</u>
Total Additions	4,429,026
DEDUCTIONS	
Benefit payments	<u>211,056</u>
Total Deductions	211,056
Change in net position	4,217,970
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS	
Beginning of year	<u>-</u>
End of year	<u><u>\$ 4,217,970</u></u>

See accompanying notes to basic financial statements.

* OPEB Trust Fund was established during FY 2018, therefore comparative information is not available.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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, Lexington 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, 2018 and 2017

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 deficit of \$3,452,971 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.

Trust Fund

Trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of other postemployment benefit plan. The Other Postemployment Benefits Trust Fund accounts for ElectriCities' contributions for healthcare coverage provided to qualified retirees.

Measurement Focus

The 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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note B. Summary of Significant Accounting Policies (continued)

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

Equipment and furnishings additions are budgeted as an 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, 2018 and 2017, 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, 2018		December 31, 2017	
		Cost Basis	Reported Value	Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	-	-	\$3,411,805	\$3,384,381
Treasury Coupons	Fair Value Level 1	-	-	641,672	640,047
Money Market					
NC Capital Management Trust -Government Portfolio	Amortized Cost	648,368	648,368	1,052,918	1,052,918
NC Capital Management Trust-Term Portfolio	Fair Value Level 1	616,476	616,476	14,408	14,408
Sub-total funds invested		1,264,844	\$1,264,844	5,120,803	5,091,754
Cash		313,801	313,801	839,003	839,003
Total Funds Invested		<u>\$1,578,645</u>	<u>\$1,578,645</u>	<u>\$5,959,806</u>	<u>\$5,930,757</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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note B. Summary of Significant Accounting Policies (continued)

ElectriCities OPEB Trust Fund investments were reported at book value:

	Method of Valuation	December 31, 2018	
		Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	\$3,226,501	\$3,226,585
Treasury Coupons	Fair Value Level 1	644,757	644,810
Money Market			
NC Capital Management Trust-Term Portfolio	Fair Value Level 1	356,952	356,952
Sub-total funds invested		4,228,210	\$4,228,347
		22,473	22,473
Cash		3,125	3,125
Total Funds Invested		\$4,253,808	\$4,253,945

Compensated Absences

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

Accrued vacation was \$1,682,363 and \$1,555,637 at December 31, 2018 and 2017, respectively, and increased by \$126,726 in 2018 and by \$126,837 in 2017.

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. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". 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. 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 **Note**

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

B. Summary of Significant Accounting Policies (continued)

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

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the statement of net position. In the governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources.

Net OPEB liability

The net OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (net OPEB liability). The net OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net OPEB liability is reported in the statement of net position. ElectriCities established an OPEB Trust account to fund the OPEB liability and to pay OPEB benefits.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. ElectriCities has one item that meets this criterion – pension deferrals for the 2018 fiscal year. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. ElectriCities has two items that meet the criterion for this category - pensions and OPEB deferrals.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note B. Significant Accounting Policies (continued)

Recently Adopted 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 non-employer contributing entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. As a result of the implementation of GASB Statement No. 75 for the year ended December 31, 2018, an additional footnote disclosure has been included (see Note L) to describe the impact for this change in accounting principle/restatement.

In March 2016, GASB issued Statement No. 82, “Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73”. The objectives of this Statement are to address issues that have been raised regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. 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. This Statement did not have a material impact on the Agency’s financial position, overall cash flow or balances or results of operations.

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. This Statement is effective for reporting periods beginning after June 15, 2017 and did not have a material impact on the Agency’s financial position, overall cash flow or balances or results of operations.

In May 2017, GASB issued Statement No. 86, “Certain Debt Extinguishment Issues”. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for fiscal years beginning after June 15, 2017 and did not have a material impact on the Agency’s financial position, overall cash flow or balances or results of operations.

Future GASB Standards

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 November 2016, GASB issued Statement No. 83, “Certain Asset Retirement Obligations”. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on this guidance. This Statement is effective for fiscal years beginning after June 15, 2018.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note B. Summary of Significant Accounting Policies (continued)

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 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 April 2018, GASB issued Statement No. 88, “Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements”. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This statements also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

In June 2018, GASB issued Statement No. 89, “Accounting for Interest Cost Incurred Before the End of a Construction Period”. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, GASB issued Statement No. 90, “Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61”. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for fiscal years beginning after December 15, 2018.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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, 2018 and 2017, ElectriCities' deposits had carrying amounts of \$313,801 and \$839,003, respectively and bank balances of \$123 and \$938, respectively. For each of the bank balances, up to \$250,000 was insured by the Federal Depository Insurance Corporation.

At December 31, 2018 and 2017, ElectriCities investments consisted of \$1,264,843 and \$5,091,754, 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.

The ElectriCities Board of Directors of the Agency approved an Investment Risk Management Policy in 2013. The policy set the overall investment objectives and established sector and issuer guidelines. It is reviewed annually to ensure its compliant with the current law and the Local Government Commission (LGC). ElectriCities places no limit on the amount the it may invest in direct obligations of the United States Treasury and mutual funds certified by the LGC.

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, 2018 and 2017

Note D. Capital Assets

	December 31, 2017	Additions	Retirements	December 31, 2018
Furniture and Equipment	\$ 4,129,342	\$ 361,816	\$ (224,601)	\$ 4,266,557
Accumulated Depreciation and Amortization	(3,212,424)	(292,615)	224,383	(3,280,656)
Total Furniture and Equipment, Net	<u>\$ 916,918</u>	<u>\$ 69,201</u>	<u>\$ (218)</u>	<u>\$ 985,901</u>

	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>

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 2018 and 2017 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, 2019, 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, 2018.

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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 7.5% and 7.25% annual covered payroll in 2018 and 2017, 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 \$941,388 and \$822,520 for the year ended December 31, 2018 and 2017, 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, 2018 and 2017

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 \$3,941,172 and \$2,435,802 at December 31, 2018 and 2017, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2017 and 2016. The total pension liability was then rolled forward to measurement dates of June 30, 2018 and 2017 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 0.16613% and 0.15944% as at June 30, 2018 and 2017 respectively, which was an increase of 0.00669% from its proportion measured as of June 30, 2017 and a decrease of 0.00001% from its proportionate share measured as at June 30, 2016.

For the year ended December 31, 2018, the ElectriCities recognized pension expenses of \$216,956. At December 31, 2018, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 608,029	\$ 20,402
Changes of assumptions	1,045,835	-
Net difference between projected and actual earnings on pension plan investments	541,006	-
Changes in proportion and differences between ElectriCities contributions and proportionate share of contributions	151,956	-
Contributions subsequent to the measurement date	475,820	-
Total	<u>\$ 2,822,646</u>	<u>\$ 20,402</u>

\$475,820 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, 2019.

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note F. Pension Plan (continued)

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

<u>2018</u>	Year ended December 31:	
	2019	\$ 1,105,322
	2020	724,637
	2021	159,409
	2022	337,056
	2023	-
	Thereafter	-
		<u>\$2,326,424</u>

Actuarial Assumptions. The total pension liabilities in the December 31, 2018 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>2018</u>	
Inflation	3.0 percent
Salary increases	3.5 to 8.10%, including inflation and productivity factor
Investment rate of return	7.0%, 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, 2018 and 2017

Note F. Pension Plan (continued)

The actuarial assumptions used in the December 31, 2017 valuation was 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, 2018 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.0%. 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, 2018 and 2017

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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

<u>2018</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
ElectriCities' proportionate share of the net pension liability (asset)	\$ 9,467,036	\$ 3,941,172	\$ (676,327)

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 \$308,260 and \$278,843 for the years ended December 31, 2018 and 2017 respectively.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

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, 74 and 75 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, 2019 the date of the latest valuation:

Retirees receiving benefits	31
Active plan members	48
Total	79

Funding Policy

ElectriCities finances the Retiree Health Benefit Plan with actuarially determined annual contributions from the Power Agencies that are deposited in the irrevocable trust (OPEB Trust) established in 2018 as per Resolution BDR-8-18 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 Fiduciary Net Position. The assets are solely the property and rights of ElectriCities and will not be subject to the claims of ElectriCities general creditors. ElectriCities will invest assets of the OPEB Trust in the Ancillary Governmental Participants Investment Program (AGPIP) maintained by the Treasurer of the State of North Carolina as determined by the Board of Directors.

Under the new accounting standards, the OPEB expenses for the fiscal year is determined at the end of the fiscal year to reflect any plan amendments, assumption changes and gain and losses during the fiscal year.

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

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note H. Other Post-Employment Benefits (continued)

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 2019. 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, 2018, and future years, respectively.

Net OPEB Liability

In accordance with new GASB No. 74 and 75 standards, the Net OPEB Liability is the excess, if any, of the Total OPEB Liability over the Fiduciary Net Position. The Total OPEB Liability is determined under the Entry Age Normal actuarial cost method. Net OPEB Liability as of December 31, 2018 is as shown in the table below.

Net OPEB Liability

	<u>2018</u>
Total OPEB liability	\$ 4,350,370
Fiduciary net position	\$ 4,217,970
Net OPEB liability	\$ 132,400
Plan fiduciary net position as a percentage of the total OPEB liability	96.96%

ElectriCities annual OPEB cost is determined at the end of the fiscal year to reflect any plan amendments, assumption changes and gain and losses during the fiscal year. The OPEB related costs for the fiscal year ending December 31, 2018 is as follows:

	<u>2018</u>
OPEB Expense	(\$833,823)

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note H. Other Post-Employment Benefits (continued)

Actuarial Methods and Assumptions

The Total OPEB liability and the normal cost was determined by actuarial valuation as of January 1, 2019 using the Entry Age Actuarial Cost Method. Under this method, the cost of each individual's benefit is allocated on a level percent of payroll basis between the time employment starts (entry age) and the assumed retirement date. The normal cost is the amount allocated for a given year and actuarial liability is the accumulation of prior normal costs as of the determination date. The total actuarial liability for retirement benefits is the sum of the actuarial liability for all members.

The total OPEB liability was determined by actuarial valuation as of January 1, 2019 using the following actuarial assumptions:

Valuation date	January 1, 2019
Measurement date	December 31, 2018
Reporting date	January 1, 2018 to December 31, 2018
Inflation	2.75 percent per year
Salary increase	2.5 percent per year
Investment rate of return	7 percent
Healthcare cost trend rates	7.5 percent for 2019 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2023

Sensitivity of the net OPEB liability to change in the discount rate

The following presents the Electricities net OPEB liability at December 31, 2018, as well as what the Electricities net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net OPEB Liability (Asset)	\$713,847	\$132,400	(\$345,024)

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note H. Other Post-Employment Benefits (continued)

Sensitivity of the net OPEB liability to change in the healthcare cost trend rate

The following represents the ElectriCities net OPEB liability, as well as what the net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1% lower or 1% higher than the assumed healthcare cost trend rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability (Asset)	(355,293)	132,400	724,088

As of December 31, 2018, the components of the net OPEB liability measured as of December 31, 2018 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2017	\$ 6,984,087	\$ -	\$ 6,984,087
Changes for the Year:			
Service cost	90,331	-	90,331
Interest on the total OPEB liability	240,182	-	240,182
Difference between expected and actual experience	(87,976)	-	(87,976)
Changes of assumptions	(2,665,198)	-	(2,665,198)
Contributions		211,056	(211,056)
Net investment income	-	-	-
Benefit payments	(211,056)	(211,056)	-
Change in net position	-	4,217,970	(4,217,970)
Net changes	(2,633,717)	4,217,970	(6,851,687)
Balances at December 31, 2018	\$ 4,350,370	\$ 4,217,970	\$ 132,400

Changes of assumptions

Change of assumptions reflect a change in the discount rate from 3.44 percent in 2018 to 7.00 percent in 2019 to reflect the ultimate assets allocation expected rate of return for the OPEB plan. The mortality table has been updated to reflect the most recent projection scale from the MP-2017 scale to the MP-2018 scale. Medical claims cost and rates were changes based on most recent experience and changed to the current schedule.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note H. Other Post-Employment Benefits (continued)

At December 31, 2018, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (70,381)
Changes of assumptions	-	(2,132,158)
Net Difference between projected and actual earnings on plan investments	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ (2,202,539)</u>

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

Year ended December 31:	Amounts
2019	(\$550,635)
2020	(\$550,635)
2021	(\$550,635)
2022	(\$550,634)
2023	\$0
Thereafter	\$0

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 2018 and 2017, 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 2018 or 2017.

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2018 and 2017

Note K. Subsequent Events

ElectriCities has evaluated subsequent events through June 24, 2019, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

Note L. Change in Accounting Principles/Restatement

ElectriCities implemented Governmental Accounting Standard Board (GASB) No. Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”, in the year ending December 31, 2018. The implementation of the statement required ElectriCities to record beginning net OPEB liability during the measurement period (year ending December 31, 2017). As a result, net position decreased by \$3,168,763. ElectriCities has applied the adopted changes to conform with this statement effective December 31, 2017 and has elected not to restate the financial statement for all prior periods presented due to impracticality reasons. This treatment is permissible as prescribed under the effective date and transition guidance of the statement.

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

Local Government Employees' Retirement System

	Year Ending December 31,					
	2018	2017	2016	2015	2014	2013
ElectriCities proportion of the net pension liability (asset)	0.16613%	0.15944%	0.15945%	0.16262%	0.16076%	0.16750%
ElectriCities proportion of the net pension liability (asset) (\$)	3,941,172	2,435,802	3,384,063	729,831	(887,263)	2,019,018
ElectriCities covered employee payroll (\$)	12,344,414	11,153,736	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	31.93%	21.84%	28.67%	5.91%	-8.17%	18.37%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	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.

- * 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.
Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information - Unaudited
Last Six Fiscal Years*

Local Government Employees' Retirement System

	Year Ending December 31,					
	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 941,388	\$ 822,519	\$ 739,019	\$ 734,599	\$ 720,308	\$ 716,459
Contributions in relation to the contractually required contribution	941,388	822,519	739,019	734,599	720,308	716,459
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ElectriCities covered-employee payroll	12,344,414	11,679,704	11,805,120	12,354,243	10,855,137	10,988,635
Contributions as a percentage of covered-employee payroll	7.63%	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 Changes in the Net OPEB Liability and Related Ratios
For the Year Ended December 31 2018*

Total OPEB Liability

Service cost	\$ 90,331
Interest	240,182
Change in benefit terms	-
Differences between expected and actual experience	(87,976)
Change of assumptions	(2,665,198)
Benefit payments	(211,056)
Net change in total OPEB liability	(2,633,717)
Total OPEB liability - beginning (as restated)	6,984,087
Total OPEB liability - ending	<u>\$ 4,350,370</u>

Plan fiduciary net position

Contributions - employer	211,056
Net investment income	-
Benefit payments	(211,056)
Administrative expense	-
Other	4,217,970
Net change in plan fiduciary position	4,217,970
Plan fiduciary position - beginning	-
Plan fiduciary position - ending	<u>\$ 4,217,970</u>

Net OPEB liability - ending	<u>\$ 132,400</u>
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Plan fiduciary net position as a percentage of the total OPEB liability	96.96%
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* Plan measurement date is the reporting date.

** 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 OPEB Contributions

	For the Year Ended December 31 2018
Actuarially determined contribution	\$578,380
Contributions in relation to the actuarially determined contribution	211,056
Trust Deposits	4,403,182
Contribution deficiency (excess)	(\$4,035,858)

Notes to Schedule

Valuation date

Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

Methods and Assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	21 years as of the beginning of the current fiscal year
Asset valuation method	Market value of assets
Rate of inflation	2.50% per year
Salary increases	2.50% per year
Investment rate of return	7.00% per year
Mortality table	Society of Actuaries RP-2014 Total Dataset mortality table with Projection Scale MP-2018, fully generational
Retirement age	Rates vary by age from age 55 to 70 and based on eligibility for early retirement and employer group

SUPPLEMENTARY INFORMATION

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

	For the Years Ended December 31,			
	2018		2017	
	Actual	Final Budget	Actual	Final Budget
Revenues:				
Membership Dues	\$ 1,448,766	\$ 1,448,766	\$ 1,351,613	\$ 1,352,364
Management Services	25,903,736	26,744,366	26,094,323	26,230,999
Investment Income	6,318	40	2,502	40
Program Revenues	4,225,809	4,457,756	2,657,861	2,846,756
Total Revenues	<u>31,584,629</u>	<u>32,650,928</u>	<u>30,106,299</u>	<u>30,430,159</u>
Expenditures:				
Administration	71,837	83,704	54,182	64,897
Safety and Training	1,117,464	1,271,329	1,101,983	1,290,270
Member Services	587,425	492,630	364,147	397,022
Government Affairs	-	1,922	2,041	2,041
Annual Meeting	336,293	245,400	244,623	200,400
Management Services	25,903,736	26,744,366	26,094,323	26,230,999
Regions Contract Services	42,000	-	15,290	-
Western Operations	3,506,147	3,811,577	2,005,758	2,244,529
Total Expenditures	<u>\$ 31,564,902</u>	<u>\$ 32,650,928</u>	<u>\$ 29,882,347</u>	<u>\$ 30,430,159</u>
Excess Dues to Be Refunded	<u>\$ 19,727</u>		<u>\$ 223,952</u>	
Reconciliation of Modified Accrual Basis To Full Accrual Basis:				
Total Revenues	\$ 31,584,629		\$ 30,106,299	
Total Expenditures	<u>31,564,902</u>		<u>29,882,347</u>	
Excess of Revenues over Expenditures	<u>19,727</u>		<u>223,952</u>	
Reconciling Items				
Budgetary Appropriations:				
Capital Outlay	318,316		485,565	
Depreciation and Amortization	(292,615)		(350,185)	
Pension related costs (Note F)	(216,956)		(38,547)	
OPEB related costs (Note H)	833,823			
Refund of Excess Revenues	(19,727)		(223,952)	
Gain on Disposal	43,282		19,500	
Increase in Net Position (Pg. 12)	<u>\$ 685,850</u>		<u>\$ 116,333</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, 2018

	2018 Budget		Actuals	Positive (Negative) Variance With Final Budget
	Original	Final	(Budgetary Basis)	
Revenues:				
Membership Dues	\$ 1,448,766	\$ 1,448,766	\$ 1,448,766	\$ -
Management Services	26,744,366	26,744,366	25,903,736	(840,630)
Investment Income	40	40	6,318	6,278
Program Revenues	4,457,756	4,457,756	4,225,809	(231,947)
Total Revenues	32,650,928	32,650,928	31,584,629	(1,066,299)
Expenditures:				
Administration	83,704	83,704	71,837	11,867
Safety and Training	1,271,329	1,271,329	1,117,464	153,865
Member Services	492,630	492,630	587,425	(94,795)
Government Affairs	1,922	1,922	-	1,922
Annual Meeting	245,400	245,400	336,293	(90,893)
Management Services	26,744,366	26,744,366	25,903,736	840,630
Regions Contract Services	-	-	42,000	(42,000)
Western Operations	3,811,577	3,811,577	3,506,147	305,430
Total Expenditures	32,650,928	32,650,928	31,564,902	1,086,026
Revenues Over Expenses	\$ -	\$ -	19,727	\$ 19,727
Dues Refund Payable			(19,727)	
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, 2018

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ -	\$ 1,500
Advertising	-	100	7,881	16,000
Salaries	28,158	29,131	440,105	415,594
Office & Program Supplies	-	38	104,082	199,495
Dues, Subscriptions & Publications	139	-	8,387	16,212
Printing	-	108	9	120
Telephone	-	-	1,587	1,349
Postage	-	-	4,825	4,077
Copies	-	-	6,512	7,698
Miscellaneous Office Expenses	-	-	3,568	2,763
Travel	-	-	167,767	188,432
Outside Services	35,000	34,800	66,414	87,748
Insurance	-	10,165	3,123	-
Employee Benefits	8,540	9,362	170,925	174,127
Recruitment & Relocation	-	-	738	1,008
Staff Development	-	-	13,169	25,064
Other Expenses	-	-	-	-
Occupancy Costs	-	-	23,906	22,214
Other Rents	-	-	4,973	7,000
Vehicle O&M	-	-	89,493	95,840
Equipment Maintenance	-	-	-	88
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	-	5,000
Total Program Expenditures	<u>\$ 71,837</u>	<u>\$ 83,704</u>	<u>\$ 1,117,464</u>	<u>\$ 1,271,329</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, 2018

Member Services		Government Affairs		Annual Meeting	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
285,201	143,000	-	-	-	-
165,099	133,971	-	1,414	-	-
976	2,222	-	-	-	-
11,444	11,121	-	-	-	150
511	600	-	-	-	-
1,811	3,575	-	-	-	-
5,305	845	-	-	-	-
1,628	1,925	-	-	-	-
862	918	-	-	-	250
22,492	51,069	-	-	336,293	245,000
16,617	73,707	-	-	-	-
961	-	-	-	-	-
65,487	53,906	-	508	-	-
198	288	-	-	-	-
1,843	4,455	-	-	-	-
-	-	-	-	-	-
6,407	10,456	-	-	-	-
4	-	-	-	-	-
579	550	-	-	-	-
-	22	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 587,425</u>	<u>\$ 492,630</u>	<u>\$ -</u>	<u>\$ 1,922</u>	<u>\$ 336,293</u>	<u>\$ 245,400</u>

Electricities of North Carolina, Inc.
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2018

	Management Services		Contract Services	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ 10,729	\$ 12,700	\$ -	\$ -
Advertising	1,222,524	608,960	-	-
Salaries	10,048,100	10,356,682	32,202	-
Office & Program Supplies	211,257	485,018	-	-
Dues, Subscriptions & Publications	1,665,615	1,681,347	-	-
Printing	112,896	223,418	-	-
Telephone	388,461	567,743	-	-
Postage	57,165	80,500	-	-
Copies	188,357	183,801	-	-
Miscellaneous Office Expenses	103,812	79,689	-	-
Travel	560,331	558,269	452	-
Outside Services	3,799,213	4,009,081	-	-
Insurance	166,742	178,485	-	-
Employee Benefits	3,299,923	3,741,228	9,346	-
Recruitment & Relocation	41,169	23,040	-	-
Staff Development	129,248	198,145	-	-
Other Expenses	2,160,510	2,177,401	-	-
Occupancy Costs	500,162	512,945	-	-
Other Rents	420,002	262,052	-	-
Vehicle O&M	74,271	156,350	-	-
Equipment Maintenance	424,934	263,240	-	-
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	318,316	384,273	-	-
Total Program Expenditures	<u>\$ 25,903,736</u>	<u>\$ 26,744,366</u>	<u>\$ 42,000</u>	<u>\$ -</u>

Electricities of North Carolina, Inc.
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2018

Western Operations		Total	
Actual	Final Budget	Actual	Final Budget
\$ -	\$ 3,500	\$ 10,729	\$ 17,700
759	1,500	1,516,365	769,560
2,333,437	2,441,725	13,047,100	13,378,516
15,800	9,905	332,115	696,678
2,258	1,100	1,687,843	1,709,930
972	-	114,388	224,246
8,316	31,260	400,175	603,927
231	78	67,526	85,500
-	78	196,497	193,502
17,435	9,610	125,677	93,230
20,236	37,087	1,107,571	1,079,857
26,277	12,230	3,943,521	4,217,566
76,540	86,178	247,366	274,828
928,729	1,090,489	4,482,950	5,069,620
7,924	4,464	50,029	28,800
20,951	21,886	165,211	249,550
-	-	2,160,510	2,177,401
23,468	-	553,943	545,615
9,841	7,800	434,820	276,852
12,499	8,300	176,842	261,040
474	5,000	425,408	268,350
-	39,387	-	39,387
-	-	318,316	389,273
<u>\$ 3,506,147</u>	<u>\$ 3,811,577</u>	<u>\$ 31,564,902</u>	<u>\$ 32,650,928</u>

STATISTICAL SECTION
(Unaudited)

ElectriCities of North Carolina, Inc.
Schedule of Net Position (Unaudited)
Last Ten Fiscal Years

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.

	Years Ended December 31,				
	2018	2017	2016	2015	2014
Business-type activities					
Net investment in Capital Assets	\$ 985,901	\$ 916,918	\$ 762,038	\$ 482,814	\$ 830,427
Unrestricted	(3,452,971)	(901,075)	(862,528)	(668,365)	20,896
Total Net Position (Deficit)	<u><u>\$(2,467,070)</u></u>	<u><u>\$ 15,843</u></u>	<u><u>\$ (100,490)</u></u>	<u><u>\$ (185,551)</u></u>	<u><u>\$ 851,323</u></u>

	Years Ended December 31,				
	2013	2012	2011	2010	2009
Business-type activities					
Net invested in Capital Assets	\$ 789,312	\$ 1,131,124	\$ 1,133,734	\$ 1,207,305	\$ 506,176
Unrestricted	20,896	20,896	20,896	20,896	20,896
Total Net Position (Deficit)	<u><u>\$ 810,208</u></u>	<u><u>\$ 1,152,020</u></u>	<u><u>\$ 1,154,630</u></u>	<u><u>\$ 1,228,201</u></u>	<u><u>\$ 527,072</u></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 (Deficit) (Unaudited)

	For the Years Ended December 31,			
	2018	2017	2016	2015
Operating Expenses				
Administration	\$ 71,837	\$ 54,182	\$ 51,485	\$ 46,971
Safety and Training	1,117,464	1,101,983	1,154,572	1,105,476
Member Services	587,425	364,147	320,653	329,140
Government Affairs	-	2,041	-	-
Annual Meeting	336,293	244,623	173,009	219,842
Management Services	25,585,420	25,608,758	24,770,812	26,805,049
Western Operations	3,506,147	2,005,758	1,907,575	1,430,894
Regions Contract Services	42,000	15,290	20,778	-
Energy Auditor	-	-	-	-
Depreciation and amortization	292,615	350,185	259,151	401,207
Refund of excess (deficit) revenues	19,727	223,952	73,608	14,972
Pension Expense	216,956	38,547	194,163	(378,752)
OPEB Expense	(833,823)	-	-	-
Total Expenditures	<u>\$ 30,942,061</u>	<u>\$ 30,009,466</u>	<u>\$ 28,925,806</u>	<u>\$ 29,974,799</u>
Operating Revenues				
Membership dues	\$ 1,448,766	\$ 1,351,613	\$ 1,283,788	\$ 1,255,890
Management services and other program revenues	29,811,229	28,266,619	27,187,554	28,696,216
Miscellaneous revenues	-	-	-	-
Non-operating revenues	6,318	2,502	1,150	238
Total Revenues	<u>\$ 31,266,313</u>	<u>\$ 29,620,734</u>	<u>\$ 28,472,492</u>	<u>\$ 29,952,344</u>
Net Revenue/(Expense)	<u>\$ 324,252</u>	<u>\$ (388,732)</u>	<u>\$ (453,314)</u>	<u>\$ (22,455)</u>
Changes in Net Position (Deficit)				
Capital Contributions	318,316	485,565	471,261	69,039
Gain (Loss) on Disposal	43,282	19,500	67,114	(15,445)
Restatement for Accounting Change	(3,168,763)	-	-	(1,068,013)
Change in Net Position (Deficit)	<u>\$ (2,482,913)</u>	<u>\$ 116,333</u>	<u>\$ 85,061</u>	<u>\$ (1,036,874)</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 (Deficit) (Unaudited)

For the Years Ended December 31,					
2014	2013	2012	2011	2010	2009
\$ 48,487	\$ 35,722	\$ 38,226	\$ 39,073	\$ 32,095	\$ 52,667
1,065,243	988,949	915,627	732,087	697,695	682,000
345,704	262,819	316,030	283,901	264,035	256,522
938	1,049	871	831	830	851
222,688	225,704	163,594	162,931	150,786	60,246
25,391,314	25,204,519	24,649,222	25,477,812	16,556,273	16,072,937
1,334,526	1,375,048	1,292,031	1,218,534	1,164,993	1,161,209
-	-	-	-	8,445	16,163
-	-	-	16,320	-	-
340,693	534,601	501,469	475,253	285,179	260,282
(34,440)	65,552	52,924	165,308	235,923	74,123
-	-	-	-	-	-
<u>\$ 28,715,153</u>	<u>\$ 28,693,963</u>	<u>\$ 27,929,994</u>	<u>\$ 28,572,050</u>	<u>\$ 19,396,254</u>	<u>\$ 18,637,000</u>
\$ 1,214,251	\$ 1,189,150	\$ 1,117,610	\$ 1,076,177	\$ 970,707	\$ 988,575
27,160,166	26,970,063	26,310,635	27,020,354	18,139,852	17,385,815
-	-	-	-	-	-
43	149	280	266	516	2,328
<u>\$ 28,374,460</u>	<u>\$ 28,159,362</u>	<u>\$ 27,428,525</u>	<u>\$ 28,096,797</u>	<u>\$ 19,111,075</u>	<u>\$ 18,376,718</u>
<u>\$ (340,693)</u>	<u>\$ (534,601)</u>	<u>\$ (501,469)</u>	<u>\$ (475,253)</u>	<u>\$ (285,179)</u>	<u>\$ (260,282)</u>
381,808	192,789	498,859	401,682	986,308	240,162
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 41,115</u>	<u>\$ (341,812)</u>	<u>\$ (2,610)</u>	<u>\$ (73,571)</u>	<u>\$ 701,129</u>	<u>\$ (20,120)</u>

ElectriCities of North Carolina, Inc.
Schedule of Membership Dues (Unaudited)
Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Albemarle	\$ 29,439	\$ 29,247	\$ 27,868	\$ 27,602	\$ 26,758
Apex	37,356	34,279	32,157	30,496	29,424
Ayden	10,520	10,449	9,299	9,699	10,032
Bamberg, SC*	912	894	843	795	750
Bedford, VA *	1,825	1,789	1,688	1,592	1,502
Belhaven	2,404	2,363	2,240	2,225	2,217
Bennettsville, SC*	912	1,789	1,688	795	1,502
Benson	4,588	4,494	4,152	4,250	4,023
Black Creek					
Bostic	597	595	570	571	524
Camden, SC*	1,825	1,789	1,688	1,592	1,502
Cherryville	6,053	5,997	5,715	5,624	6,116
Clayton	14,177	13,253	12,472	12,030	11,211
Concord	79,401	75,876	69,577	68,294	66,298
Cornelius	7,779	7,586	6,921	6,553	6,182
Dallas	8,043	8,348	7,180	7,300	6,400
Danville, VA *	1,825	1,789	1,688	1,592	1,502
Drexel	2,540	2,500	2,416	2,410	2,335
East Carolina University	183	179	169	159	150
Edenton	10,101	9,784	9,636	9,679	9,386
Elizabeth City	29,002	27,936	27,841	27,387	26,975
Elizabeth City State University	183	179	169	159	150
Enfield	3,023	3,509	3,288	3,272	3,223
Farmville	6,702	6,480	6,252	6,145	5,945
Fayetteville Public Works Commission	118,768	116,307	109,840	107,790	104,805
Forest City	10,903	10,676	10,063	10,253	10,412
Fountain	700	697	686	675	703
Fremont	1,663	1,644	1,616	1,600	1,516
Front Royal	1,825	1,789	1,688	1,592	1,502
Gastonia	65,744	63,512	60,137	58,876	57,265
Granite Falls	6,352	6,128	5,871	5,805	5,547
Greenville Utilities	118,768	116,307	109,840	107,790	104,805
Hamilton	635	623	591	583	545
Hertford	2,593	2,526	2,449	2,438	2,423
High Point	101,415	100,831	93,969	92,430	89,769
Highlands*			5,923		
Hobgood	664	650	620	619	605
Hookerton	986	958	907	883	854
Huntersville	17,744	16,037	14,371	13,650	12,880
Kings Mountain	13,143	12,830	10,571	11,665	10,848
Kinston	32,999	32,153	31,397	31,360	30,459
La Grange	3,141	3,074	2,997	2,992	3,508
Landis	6,504	6,394	6,118	6,056	5,790
Laurinburg	14,564	14,267	13,766	13,673	13,049
Lexington	42,222	41,646	39,918	39,635	38,349
Lincolnton	7,256	7,131	6,688	6,563	6,410
Louisburg	5,630	5,534	5,395	5,299	5,182

ElectriCities of North Carolina, Inc.
Schedule of Membership Dues (Unaudited)
Last Ten Fiscal Years

2013	2012	2011	2010	2009
\$ 26,600	\$ 22,452	\$ 24,391	\$ 22,402	\$ 22,338
27,675	22,596	24,435	22,152	21,744
9,640	7,805	8,334	7,833	7,991
732	689	670	612	592
1,465	1,378	1,339	1,224	1,185
2,165	1,847	2,005	1,878	1,836
1,465	1,378	1,339	1,224	1,185
3,998	3,394	3,717	3,449	3,443
525	447	486	455	450
1,465	1,378	1,339	1,224	1,185
6,096	4,934	5,441	5,018	5,023
10,883	9,139	8,997	9,286	8,244
65,269	53,571	56,493	51,738	49,381
5,835	4,928	5,210	4,619	4,599
6,324	5,236	5,729	5,265	5,229
1,465	1,378	1,339	1,224	1,185
2,278	1,933	2,110	1,968	1,956
146	137	133	122	118
9,123	7,810	8,405	7,786	7,797
26,267	22,715	24,272	22,385	21,982
146	137	133	122	118
3,184	2,699	2,976	2,734	2,755
5,818	4,951	5,357	4,931	4,893
102,863	84,697	91,743	72,236	51,666
10,275	8,338	9,180	8,282	7,672
693	592	648	595	512
1,476	1,324	1,425	1,307	1,330
56,487	47,864	52,291	48,128	47,710
5,477	4,640	5,087	4,650	4,475
102,864	84,697	91,742	84,952	84,168
582	464	508	473	474
2,348	2,001	2,219	2,082	2,053
88,295	74,691	81,077	74,684	74,835
592	514	566	536	533
824	730	789	737	730
11,905	9,751	10,276	9,060	8,465
10,463	8,664	9,248	8,370	8,130
29,686	25,562	27,928	26,313	26,640
3,431	3,065	3,319	2,969	2,967
5,728	4,874	5,294	4,844	4,783
12,778	10,900	11,869	11,028	11,044
37,892	32,201	34,554	32,174	32,805
6,363	5,320	5,796	5,506	5,480
5,101	4,368	4,790	4,451	4,367

ElectriCities of North Carolina, Inc.
Schedule of Membership Dues (Unaudited)
Last Ten Fiscal Years

	2018	2017	2016	2015	2014
Lucama*				\$ -	\$ -
Lumberton	28,794	28,151	27,438	26,678	25,642
Macclesfield	501				
Maiden	5,197	5,021	4,478	4,308	4,158
Martinsville, VA *	1,825	1,789	1,688	1,592	1,502
Monroe	43,775	42,833	40,275	38,055	36,917
Morganton	25,971	26,168	25,181	24,980	24,147
Murphy*					
New Bern	48,762	46,737	45,263	44,695	42,984
New River Light & Power*	20,533	19,601	18,453	19,054	18,217
Newton	12,533	12,618	11,951	11,806	11,526
Pikeville	1,180	1,158	1,132	1,132	1,082
Pinetops	1,066				
Pineville	9,764	9,448	8,826	8,563	8,391
Piedmont Municipal Power Agency**	11,096	13,465	10,257	10,195	10,214
Red Springs	4,362	4,270	4,105	4,129	3,999
Richlands, VA *					
Robersonville	2,360	2,310	2,203	2,315	2,303
Rocky Mount	63,297	61,552	59,079	58,843	57,467
Scotland Neck	3,101	3,057	2,983	3,020	3,591
Selma	7,238	7,094	6,617	6,453	6,279
Sharpsburg*	2,350	2,617	2,331		
Shelby	20,164	19,878	18,746	18,421	17,853
Smithfield	12,998	12,819	12,282	12,134	11,838
Southport	6,679	6,495	6,292	6,020	5,744
Stantonsburg	2,583	2,615	2,532	2,474	2,397
Statesville	37,172	37,009	34,521	34,443	33,458
Tarboro	17,230	17,113	16,500	16,621	16,088
University of NC - Chapel Hill*	183	179	169	159	150
University of NC - Greensboro*					
NC State University	183	179	169	159	150
Wake Forest	15,536	16,154	15,315	14,409	13,748
Walstonburg	340				
Washington	30,308	29,322	28,277	28,075	27,133
Waynesville	7,843	8,401	7,879	7,819	
Western Carolina University*	912	894	843	795	750
Wilson	88,759	87,685	85,694	84,929	84,530
Windsor	5,595	5,229	4,958	4,811	4,709
Winterville	6,999	6,934	6,413	6,355	5,951

*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)
Last Ten Fiscal Years

2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ -
25,102	20,473	22,021	21,576	20,140
4,077	3,379	3,533	3,143	3,365
1,465	1,378	1,339	1,224	1,185
36,930	30,283	32,015	29,301	30,143
23,767	19,839	21,438	19,718	20,029
41,838	35,717	38,377	35,302	33,988
18,299	14,059	15,590	1,224	1,185
11,571	9,712	10,634	9,573	9,368
1,050	892	972	897	905
8,114	6,927	7,653	6,987	7,034
9,962	9,367	9,105	7,834	7,584
3,950	3,365	3,640	3,572	3,342
			612	592
2,255	1,907	2,011	1,988	1,947
56,493	48,047	52,098	48,465	48,593
3,490	3,021	3,246	3,065	3,056
6,107	5,130	5,606	5,375	5,383
17,627	14,822	16,080	14,702	14,984
11,688	9,960	11,197	9,962	9,940
5,577	4,783	5,103	4,775	4,692
2,369	1,948	2,141	2,010	1,940
32,932	27,379	29,510	27,731	28,515
15,660	13,473	14,673	13,533	13,599
146	137	133	122	
				118
146	137	133	122	118
13,453	11,345	12,078	11,114	10,708
26,545	22,629	24,603	22,858	22,529
732	689	670	612	592
82,615	70,569	75,965	71,468	69,791
4,626	3,878	4,263	3,903	3,818
5,877	5,101	5,351	4,911	4,874

ElectriCities of North Carolina, Inc.
Schedule of Estimated Population (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
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	2,795	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	14,440	
Gaffney, SC	12,986	12,986	12,986	12,986	12,986
Gastonia	75,820	75,820	75,820	75,820	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	2,303	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, 2018

2013	2012	2011	2010	2009
81,370	81,370	5,900	5,900	5,900
16,338	16,338	16,043	16,026	15,917
32,275	32,275	34,937	34,591	33,405
5,008	5,008	4,923	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	1,963	1,945	1,938	1,933
9,425	9,425	9,425	9,425	9,425
3,703	3,703	3,581	3,380	3,380
316	316	316	322	322
7,000	7,000	7,000	7,000	7,000
5,795	5,795	5,680		5,538
14,333	14,333	13,842		13,842
8,091	8,091	8,091	8,091	8,091
81,370	81,370	79,673	71,240	68,249
24,847	24,847	23,929	22,946	14,581
4,033	4,033	3,558	3,558	3,558
46,500	46,500	46,500	46,400	48,500
1,920	1,920	1,950	1,930	1,930
20,000	20,000	20,000		19,194
5,166	5,166	5,143	5,069	5,069
20,406	20,406	19,449	19,449	19,449
2,221	2,221	2,250	2,370	2,370
4,776	4,776	4,656	4,601	4,601
207,788	207,788	207,445	174,364	174,364
7,133	7,133	7,162	7,329	7,329
586	586	578	550	550
1,404	1,404	1,463	1,463	1,463
12,986	12,986	12,986	18,133	18,133
75,280	75,280	74,518	72,848	71,376
4,999	4,999	4,979	4,904	4,845
82,571	82,571	79,629	72,233	72,233
24,557	24,557	24,557	21,421	21,421
459	459	502	502	502
2,203	2,203	2,172	2,172	2,172
102,216	102,216	100,442	96,867	96,867
381	381	385	385	387
487	487	485	487	487
41,216	41,216	44,500	40,000	40,000
11,070	11,070	10,757	10,535	10,535
22,478	22,478	22,649	23,337	23,337
2,774	2,774	2,836	2,836	2,836
3,127	3,127	3,100	3,047	3,047
10,000	10,000	10,000	9,964	9,916

ElectriCities of North Carolina, Inc.
Schedule of Estimated Population (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
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	28,572	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	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:

2009-2011 ElectriCities' member questionnaires prepared by members and submitted to ElectriCities in the fall of each year.
2012-2018 Census information-2010.

Electricities of North Carolina, Inc.
Schedule of Estimated Population (Unaudited)
For the Fiscal Years Ended June 30, 2018

2013	2012	2011	2010	2009
15,825	15,825	15,911	16,586	16,586
21,420	21,420	21,378	20,927	20,927
11,553	11,553	11,316	11,061	10,791
3,711	3,711	3,677	3,644	3,644
			880	880
23,039	23,039	22,006	20,795	20,795
401	401	450	432	432
3,466	3,466	3,406	3,279	3,279
15,416	15,416	15,416	15,416	15,416
38,120	38,120	37,280	35,966	33,908
17,058	17,058	17,108	18,474	18,474
26,613	26,613	28,586	25,600	25,600
15,000	15,000	15,000	13,901	13,901
10,907	10,907	10,907	10,580	10,580
13,819	13,819	13,670	13,075	13,075
703	703	704	714	714
1,259	1,259	1,256	1,314	1,329
7,747	7,747	7,501	7,368	6,897
3,497	3,497	3,461	3,461	3,461
		5,639	5,639	5,639
1,578	1,578	1,596	1,650	1,650
70,500	70,500	67,339	64,858	56,114
60,219	60,219	59,228	56,291	56,291
2,182	2,182	2,268	2,268	2,268
7,671	7,671	7,497	7,008	7,008
				2,512
20,793	20,793	21,449	20,957	20,957
13,410	13,410	12,800	12,160	12,160
3,143	3,143	2,964	2,934	2,860
749	749	730	730	730
27,322	27,322	24,292	24,292	24,292
10,292	10,292	10,430	10,686	10,686
9,575	9,575	9,575	8,800	8,800
28,542	28,542	27,217	25,000	25,000
232	232	231	231	231
10,114	10,114	9,583	9,764	9,764
			9,972	9,621
3,120	3,120	3,120	3,120	3,120
51,274	51,274	50,652	49,000	47,487
3,214	3,214	3,165	2,285	2,285
9,154	9,154	8,949	6,942	6,942

ElectriCities of North Carolina, Inc.
Schedule of Customers Served (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
Abbeville, SC					
Albemarle	12,124	12,073	11,999	11,887	11,844
Apex	18,403	17,776	16,682	16,154	15,477
Ayden	4,071	4,101	4,521	3,881	3,934
Bamberg, SC					
Bedford, VA					
Belhaven	1,098	1,129	1,238	1,145	1,115
Bennettsville, SC					
Benson	1,834	1,842	1,796	1,609	1,777
Black Creek					
Bostic	202	204	202	203	222
Camden, SC					
Cherryville	2,423	2,433	2,437	2,440	2,442
Clayton	6,448	6,205	5,885	5,747	5,623
Clinton, SC					
Concord	30,131	29,620	29,186	28,618	28,215
Cornelius	3,888	3,509	3,427	3,239	3,102
Dallas	3,632	3,606	3,546	3,478	3,400
Danville, VA					
Drexel	1,227	1,226	1,213	1,203	1,207
Easley, SC					
East Carolina University		-	-	-	-
Edenton	4,133	4,141	4,159	4,162	4,164
Elizabeth City	12,603	12,045	12,029	11,987	11,956
Elizabeth City State University		-	-	-	-
Enfield	1,229	1,237	1,256	1,274	1,298
Farmville	2,864	2,890	2,909	2,912	2,904
Fayetteville	81,831	82,021	90,050	88,760	87,883
Forest City	4,189	4,108	4,062	4,103	4,114
Fountain	298	298	297	302	311
Fremont	780	755	763	803	803
Gaffney, SC					
Gastonia	27,577	27,453	26,882	26,891	26,497
Granite Falls	2,461	2,455	2,439	2,396	2,394
Greenville	66,501	66,298	66,051	65,326	65,073
Greer, SC					
Hamilton	261	262	261	254	252
Hertford	1,151	1,149	1,153	1,160	1,166
High Point	42,244	40,841	41,790	40,123	39,731
Highlands			2,817		
Hobgood	272	276	277	278	284
Hookerton	424	418	425	419	415
Huntersville	5,674	5,292	4,973	4,836	4,664
Kings Mountain	4,886	4,746	4,503	4,446	4,364
Kinston	11,604	11,634	11,605	11,645	11,730
La Grange	1,677	1,472	1,468	1,482	1,486
Landis	2,918	2,875	2,888	2,865	2,877
Laurens, SC					

ElectriCities of North Carolina, Inc.
Schedule of Customers Served (Unaudited)
For the Fiscal Years Ended June 30, 2018

2013	2012	2011	2010	2009
		3,541	3,511	3,522
11,821	11,857	11,957	11,966	11,880
14,831	14,279	13,995	13,866	13,964
4,548	4,576	4,611	4,625	3,950
		1,826		
		7,055		6,955
1,121	1,140	1,164	1,174	1,185
		4,657		4,726
1,766	1,767	1,768	1,792	1,789
201	199	201	198	198
		10,636		9,344
2,425	3,115	2,432	2,508	2,486
5,250	5,142	5,141	5,160	4,950
		4,106		5,614
27,298	28,282	28,064	27,170	27,014
2,953	2,783	2,707	2,636	2,625
3,359	3,311	3,276	3,243	3,000
		46,016		44,579
1,214	1,202	1,212	1,212	1,210
		13,463		12,779
-	-	-	-	-
4,157	4,159	4,185	4,193	4,600
11,969	11,967	12,010	11,809	11,863
-	-	-	-	-
1,300	1,312	1,322	1,394	1,448
2,879	2,883	2,901	2,886	2,850
87,072	85,174	85,197	85,186	76,756
4,129	4,100	4,126	4,123	4,461
315	316	318	304	331
806	753	749	817	916
		7,288		7,292
26,268	26,067	26,133	26,063	26,292
2,391	2,410	2,406	2,384	2,418
64,629	64,309	63,893	63,240	62,363
		17,437		15,928
249	284	251	258	254
1,203	1,198	1,185	1,227	1,228
39,607	39,462	39,338	39,208	39,223
285	289	297	301	371
390	398	432	434	439
4,501	4,355	4,193	4,118	4,056
4,154	4,250	4,324	4,086	4,624
11,809	11,787	11,838	12,068	12,226
1,500	1,502	1,500	1,503	1,654
2,837	2,810	2,816	2,816	2,800
		51,974		5,424

ElectriCities of North Carolina, Inc.
Schedule of Customers Served (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
Laurinburg	5,611	5,591	5,592	5,588	5,749
Lexington	18,692	18,560	18,576	18,474	18,348
Lincolnton	2,879	2,783	2,769	2,657	2,671
Louisburg	1,958	1,972	1,950	1,958	1,925
Lucama					
Lumberton	11,560	12,346	12,169	12,237	12,036
Macclesfield	262	261	269	269	269
Maiden	1,201	1,182	1,174	1,171	1,165
Martinsville, VA					
Monroe	10,879	10,809	10,685	10,557	10,475
Morganton	8,326	8,310	8,204	8,168	8,184
Murphy					
New Bern	22,519	22,454	22,095	21,859	21,822
New River Light & Power	8,116	8,072	7,926	7,852	7,751
Newberry, SC					
Newton	4,542	4,529	4,528	4,504	4,495
Pikeville	493	493	508	513	518
Pinetops	763	730	745	756	781
Pineville	3,409	3,259	3,202	2,994	2,907
Red Springs	1,686	1,694	1,689	1,692	1,700
Richlands, VA					
Robersonville	983	991	1,023	1,035	1,034
Rock Hill, SC					
Rocky Mount	27,831	27,533	27,419	27,276	27,277
Scotland Neck	1,420	1,422	1,445	1,480	1,483
Selma	2,868	2,849	2,944	2,741	2,661
Sharpsburg	1,069		1,174		
Shelby	8,251	8,241	8,136	8,077	8,013
Smithfield	4,466	4,511	4,538	4,498	4,477
Southport	2,949	2,870	2,787	2,761	2,663
Stantonsburg	1,179		1,140	1,129	1,171
Statesville	13,381	13,329	13,206	13,084	13,010
Tarboro	5,776	5,799	5,871	6,050	6,050
University of NC - Chapel Hill		-	-	-	-
University of NC - Greensboro		-	-	-	-
Union, SC					
Wake Forest	6,083	5,910	6,882	6,734	6,307
Walstonburg	127	130	132	129	131
Washington	13,752	13,628	13,601	13,441	13,565
Waynesville	3,035	3,042	3,013	3,200	
Western Carolina -		-	-	-	-
Westminster, SC					
Wilson	34,237	34,115	33,813	33,813	33,691
Windsor	1,769	1,799	1,791	1,786	1,796
Winterville			2,889	2,835	2,913

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, 2018

2013	2012	2011	2010	2009
5,672	5,586	6,519	5,634	5,569
18,371	18,356	18,267	18,092	18,154
2,670	2,654	2,668	2,653	2,888
1,930	1,921	1,936	1,939	1,950
12,323	11,886	11,980	11,982	12,243
274	274	276	275	295
1,122	1,087	1,080	1,068	1,069
		7,897	7,867	8,047
10,421	10,331	10,319	10,369	10,331
8,200	8,173	8,089	8,230	8,230
21,284	21,180	21,433	21,158	20,626
7,689	7,641		7,682	
		12,507		4,989
4,486	4,478	4,522	4,486	4,840
516	512	519	519	516
775	777	777	777	752
2,756	2,722	2,822	2,791	2,745
1,700	1,709	1,705	1,698	1,717
				2,641
1,068	1,101	1,105	1,314	1,175
		36,872	33,182	32,850
27,167	27,095	27,390	27,576	27,576
1,501	1,520	1,538	1,574	1,599
2,666	2,690	2,676	2,769	2,784
7,936	7,898	7,567	7,443	7,971
4,491	4,449	4,474	4,653	4,566
2,620	2,595	2,595	2,588	2,706
1,174	1,186	1,184	1,175	1,231
12,962	13,020	12,914	12,914	13,024
6,060	6,078	6,087	6,098	6,125
-	-	-	-	-
-	-	-	-	-
		7,041	7,006	7,000
6,187	6,088	6,070	6,004	8,088
125	131	132	132	132
13,478	13,421	13,435	13,347	13,333
-	-	-	-	-
		1,568		1,571
33,619	33,593	33,549	33,518	36,200
1,804	1,807	1,835	1,829	2,085
2,881	3,460	3,427	3,413	2,716

ElectriCities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
Abbeville, SC					
Albemarle	278,239,000	291,506,000	298,511,000	292,828,000	280,760,000
Apex	303,798,000	302,769,000	292,435,000	266,566,000	247,851,000
Ayden	101,787,000	102,125,000	98,490,000	106,141,000	103,605,000
Bamberg, SC					
Bedford, VA					
Belhaven	16,210,000	16,413,000	17,343,000	18,980,000	19,475,000
Bennettsville, SC					
Benson	33,048,000	33,979,000	33,705,000	32,523,000	31,893,000
Black Creek					
Bostic	3,242,000	3,474,000	3,436,000	3,496,000	3,347,000
Camden, SC					
Cherryville	48,447,000	50,457,000	47,638,000	46,788,000	44,691,000
Clayton	103,500,000	102,182,000	101,750,000	96,446,000	91,317,000
Clinton, SC					
Concord	890,388,000	911,763,000	885,841,000	860,552,000	833,000,000
Cornelius	53,639,000	59,952,000	56,577,000	52,544,000	50,184,000
Dallas	66,950,000	69,683,000	68,706,000	65,729,000	64,566,000
Danville, VA					
Drexel	16,684,000	17,421,000	19,057,000	18,741,000	18,149,000
Easley, SC					
East Carolina University					
Edenton	95,379,000	93,958,000	97,813,000	96,007,000	98,334,000
Elizabeth City	295,048,000	305,419,000	307,989,000	299,942,000	298,733,000
Elizabeth City State University					
Enfield	17,990,000	32,068,000	35,924,000	36,223,000	35,415,000
Farmville	46,266,000	46,804,000	47,434,000	47,228,000	46,282,000
Fayetteville	1,967,324,000	2,054,941,000	2,059,540,000	2,087,801,000	2,025,377,000
Forest City	110,126,000	105,820,000	104,510,000	115,259,000	104,750,000
Fountain	3,785,000	3,965,000	3,911,000	4,289,000	4,672,000
Fremont	12,624,000	11,590,000	11,993,000	13,119,000	13,174,000
Gaffney, SC					
Gastonia	659,886,000	675,378,000	651,423,000	647,079,000	625,787,000
Granite Falls	54,113,000	55,680,000	55,556,000	57,708,000	55,472,000
Greenville	1,700,477,000	1,721,702,000	1,733,095,000	1,706,381,000	1,638,236,000
Greer, SC					
Hamilton	2,756,000	2,726,000	2,823,000	2,865,000	2,839,000
Hertford	21,767,000	22,330,000	22,813,000	22,153,000	22,782,000
High Point	1,120,508,000	1,161,138,000	1,153,476,000	1,133,236,000	1,122,288,000
Highlands			39,798,000		
Hobgood	2,781,000	2,830,000	2,901,000	2,894,000	2,900,000
Hookerton	5,638,000	5,755,000	5,646,000	5,527,000	5,251,000
Huntersville	229,986,000	231,302,000	217,659,000	198,441,000	199,780,000
Kings Mountain	142,156,000	140,241,000	140,057,000	136,512,000	126,629,000
Kinston	445,208,000	448,366,000	451,666,000	461,500,000	440,862,000
La Grange	24,273,000	24,215,000	26,337,000	24,460,000	25,211,000
Landis	43,864,000	46,276,000	44,803,000	44,607,000	43,519,000
Laurens, SC					

Electricities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
For the Fiscal Years Ended June 30, 2018

2013	2012	2011	2010	2009
		58,056,000	62,971,764	59,369,085
294,365,000	300,735,000	308,342,000	288,735,000	284,095,000
246,768,000	253,762,000	256,633,000	242,155,000	235,084,147
99,087,000	100,867,000	101,551,000	98,097,000	102,728,854
		50,050,000		
		211,131,000		221,608,571
18,820,000	20,273,000	21,080,000	19,578,000	20,013,008
		96,185,000		99,821,583
32,161,000	34,457,000	37,734,000	36,008,000	35,295,798
3,286,000	3,519,000	3,851,000	3,755,000	3,862,822
		180,705,000		191,925,842
44,854,000	51,276,000	52,461,000	52,351,000	50,827,289
90,664,000	94,266,000	103,699,000	91,963,000	80,546,649
		109,999,000		114,531,918
846,243,000	847,511,000	876,388,000	810,758,000	816,424,443
49,267,000	49,563,000	50,191,000	44,461,000	43,797,354
63,856,000	62,020,000	63,917,000	58,626,000	45,620,476
		975,360,000		995,787,487
17,610,000	19,412,000	19,990,000	18,846,000	19,389,000
		286,441,000		269,561,068
94,651,000	97,814,000	101,544,000	93,082,000	96,886,066
296,808,000	315,771,000	323,348,000	302,963,000	312,472,937
34,636,000	34,988,000	37,291,000	37,111,000	36,716,967
45,284,000	47,342,000	51,465,000	49,584,000	53,375,505
2,007,469,000	2,171,225,000	2,214,346,000	2,101,183,000	2,120,880,926
106,437,000	116,368,000	118,611,000	112,644,000	117,576,402
4,353,000	3,663,000	3,748,000	3,699,000	3,799,414
12,790,000	12,627,000	13,575,000	14,196,000	12,515,377
		210,072,000	230,400,000	238,542,504
632,569,000	660,255,000	684,155,000	692,156,000	704,505,952
52,680,000	55,214,000	56,826,000	54,248,000	49,085,925
1,631,488,000	1,690,744,000	1,704,348,000	1,608,710,000	1,626,811,632
		316,363,000		333,416,418
2,750,000	2,814,000	3,195,000	3,166,000	
21,821,000	21,888,000	23,955,000	22,960,000	22,630,797
1,113,155,000	1,145,838,000	1,158,330,000	1,094,331,000	1,154,044,495
2,784,000	3,079,000	3,580,000	3,743,000	3,390,723
5,179,000	5,792,000	5,888,000	5,315,000	5,532,308
174,091,000	169,352,000	162,865,000	148,473,000	143,815,828
129,823,000	135,319,000	133,739,000	123,742,000	125,437,894
418,092,000	436,370,000	450,636,000	430,248,000	444,952,078
24,722,000	26,163,000	27,758,000	25,816,000	24,621,160
43,690,000	47,877,000	51,158,000	45,618,000	47,025,646
		948,989,000		106,071,933

ElectriCities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
For the Fiscal Years Ended June 30, 2018

<i>City/Town</i>	2018	2017	2016	2015	2014
Laurinburg	131,294,000	134,159,000	138,267,000	134,968,000	128,881,000
Lexington	375,608,000	391,732,000	393,125,000	397,556,000	386,865,000
Lincolnton	48,791,000	58,498,000	59,157,000	57,124,000	5,638,200
Louisburg	51,841,000	53,831,000	57,145,000	56,887,000	53,544,000
Lucama					
Lumberton	239,383,000	270,856,000	277,445,000	284,490,000	262,117,000
Macclesfield	2,885,000	2,966,000	3,388,000	2,525,000	2,738,000
Maiden	82,775,000	85,910,000	77,684,000	72,712,000	70,717,000
Martinsville, VA					
Monroe	707,395,000	717,263,000	708,682,000	686,630,000	636,660,000
Morganton	325,405,000	338,776,000	358,790,000	361,432,000	356,155,000
Murphy					
New Bern	441,675,000	448,542,000	457,517,000	454,434,000	443,637,000
New River Light & Power	205,098,000	202,042,000	208,074,000	215,386,000	216,998,000
Newberry, SC					
Newton	137,936,000	147,861,000	146,393,000	147,561,000	147,907,000
Pikeville	8,102,000	8,626,000	9,106,000	8,731,000	8,722,000
Pinetops	18,054,000	18,121,000	22,260,000	21,200,000	19,850,000
Pineville	103,581,000	109,808,000	110,270,000	110,902,000	110,584,000
Red Springs	33,324,000	33,580,000	34,129,000	35,412,000	34,922,000
Richlands, VA					
Robersonville	22,862,000	21,004,000	21,870,000	20,782,000	22,057,000
Rock Hill, SC					
Rocky Mount	690,526,000	707,390,000	714,369,000	699,641,000	690,443,000
Scotland Neck	26,088,000	24,916,000	25,422,000	24,853,000	25,195,000
Selma	65,088,000	67,316,000	64,084,000	66,605,000	64,051,000
Sharpsburg	15,114,000		16,732,000		
Shelby	187,798,000	192,951,000	191,158,000	188,631,000	188,313,000
Smithfield	168,346,000	172,874,000	164,935,000	168,639,000	159,649,000
Southport	54,864,000	54,099,000	55,197,000	55,811,000	51,824,000
Stantonsburg	18,946,000		21,042,000	21,486,000	20,804,000
Statesville	455,129,000	452,830,000	447,401,000	449,110,000	457,769,000
Tarboro	220,317,000	238,813,000	225,669,000	217,102,000	236,997,000
University of NC - Chapel Hill					
University of NC - Greensboro					
Union, SC					
Wake Forest	152,840,000	152,587,000	157,926,000	142,120,000	139,037,000
Walstonburg	1,663,000	1,812,000	1,565,000	1,575,000	1,712,000
Washington	271,551,000	276,527,000	278,703,000	280,334,000	274,759,000
Waynesville	85,542,000	90,747,000	89,412,000	93,352,000	
Western Carolina University					
Westminister, SC					
Wilson	1,201,775,000	1,282,627,000	1,282,020,000	1,237,230,000	1,215,950,000
Windsor	46,927,000	49,259,000	50,985,000	50,305,000	48,744,000
Winterville			49,000,000	44,333,000	47,158,000

ElectriCities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
For the Fiscal Years Ended June 30, 2018

2013	2012	2011	2010	2009
131,385,000	135,751,000	140,725,000	132,781,000	135,531,419
383,899,000	407,191,000	420,429,000	393,509,000	402,228,635
57,513,000	59,224,000	59,871,000	64,606,000	58,259,569
58,961,000	60,830,000	61,872,000	60,109,000	58,093,522
261,335,000	282,350,000	283,235,000	280,361,000	287,992,127
3,135,000	3,618,000	3,874,000	4,025,000	3,348,928
69,945,000	69,345,000	70,748,000	57,409,000	67,918,558
		177,299,000	178,337,901	144,542,880
647,197,000	651,109,000	630,713,000	568,604,000	595,688,716
364,128,000	351,055,000	364,427,000	33,575,800	30,240,734
440,993,000	467,060,000	485,072,000	443,210,000	451,164,298
212,888,000	225,700,000		224,880,845	229,690,000
		266,442,000		191,986,260
148,330,000	155,410,000	158,754,000	143,202,000	141,369,813
7,679,000	8,331,000	8,757,000	7,876,000	8,223,625
19,500,000	20,125,000	20,105,000	19,151,000	20,051,000
112,430,000	115,786,000	123,779,000	122,033,000	130,030,032
34,169,000	33,870,000	34,137,000	35,616,000	32,593,101
				67,018,073
22,786,000	23,108,000	24,375,000	26,700,000	28,000,000
		769,452,000	789,101,342	769,451,876
690,852,000	725,986,000	745,710,000	716,899,000	733,440,582
27,056,000	25,854,000	27,145,000	26,584,000	28,940,899
61,396,000	65,686,000	70,048,000	65,314,000	70,226,096
187,005,000	196,035,000	199,131,000	185,291,000	194,541,539
162,652,000	166,205,000	170,475,000	163,527,000	159,446,725
50,951,000	53,824,000	54,802,000	50,067,000	51,081,091
20,247,000	21,516,000	21,712,000	21,157,000	20,679,331
444,422,000	434,033,000	444,631,000	443,440,000	489,779,611
226,807,000	232,616,000	240,688,000	229,890,000	233,782,590
		137,924,000	143,405,785	137,924,001
134,656,000	145,560,000	149,569,000	140,969,000	111,927,216
1,649,000	1,741,000	1,958,000		
274,294,000	288,147,000	296,535,000	274,493,000	285,735,716
			37,097,180	35,888,071
		26,939,000		
1,225,479,000	1,230,141,000	1,261,358,000	1,202,530,000	1,237,711,000
47,275,000	48,735,000	50,348,000	47,492,000	48,367,735
46,697,000	50,406,000	50,446,000	46,856,000	46,856,298

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

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

	2018	2017	2016	2015	2014
Management Services*	77	103	97	98	100
Western Operations	42				
Member Services	10	11	10	9	9
Safety & Training	6	6	6	6	6
Total	135	120	113	113	115

	2013	2012	2011	2010	2009
Management Services*	101	99	103	102	106
Member Services	4	3	3	3	4
Safety & Training	5	6	4	5	4
Total	110	108	110	110	114

Source: ElectriCities payroll records.

* Includes Western Operations 2009-2017.