





**ELECTRICITIES OF  
NORTH CAROLINA, INC.**

Annual Financial Report  
(With Report of Independent Auditor Thereon)

December 31, 2019 and 2018

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**ElectriCities of North Carolina, Inc.**  
**Annual Financial Report**  
**Years Ended December 31, 2019 and 2018**

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**Independent Auditor's Report**

Board of Directors  
ElectriCities of North Carolina, Inc.

**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, 2019 and 2018, 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, 2019 and 2018, and the results of its operations and its cash flows for the years ended December 31, 2019 and 2018, 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 are 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 schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are 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 supplementary 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 schedules are 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 12, 2020



## **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, 2019 and 2018. This information should be read in conjunction with the information furnished in ElectriCities' financial statements that follow this narrative.

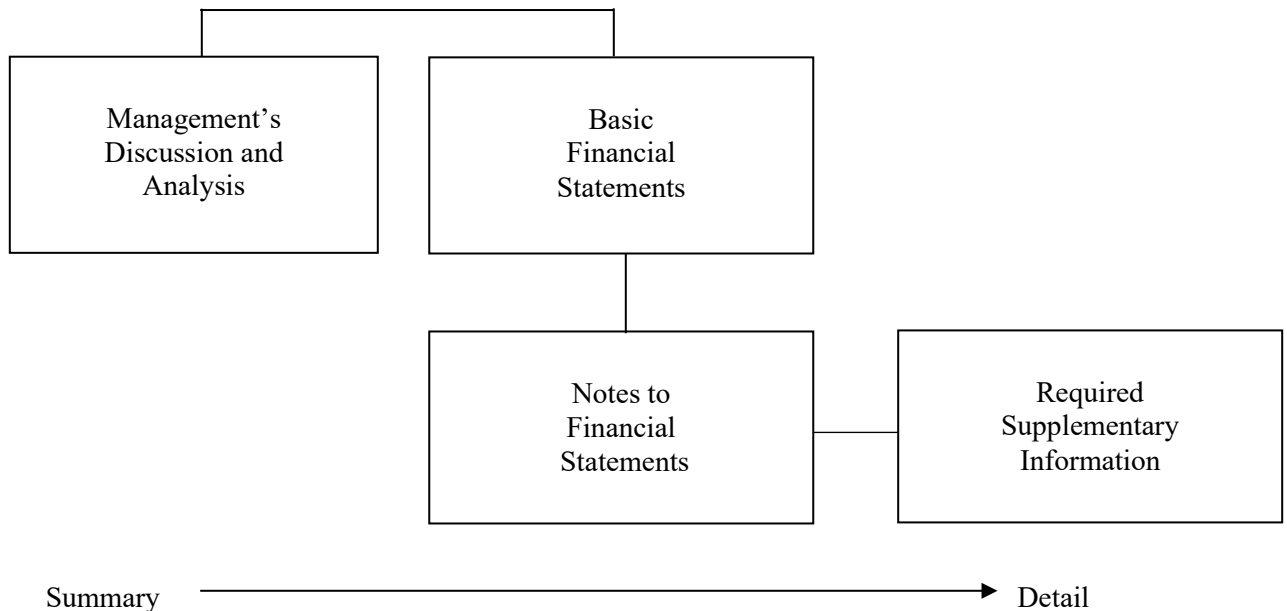
### Financial Highlights

- 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 \$3,349,197 at December 31, 2019 and by \$2,467,070 at December 31, 2018.
- ElectriCities' unrestricted net position was a deficit of \$4,358,236 and \$3,452,971 at December 31, 2019 and December 31, 2018, respectively.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$1,379,412 and \$1,448,766 for 2019 and 2018, respectively.
- In 2019, Revenues exceeded Expenditures by \$342,456 and consisted of \$233,340 of excess dues over expenses and \$109,115 of deferred revenues for self-supporting Technical Services. In accordance with its bylaws, ElectriCities will refund \$233,340 of the billed dues for 2019.

### 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 16 through 36 of this report.

After the notes, additional information is provided. Required supplementary information is on pages 37 to 40, additional financial information is on pages 42 to 47 and statistical information is on pages 49 to 68.

## **Financial Analysis**

The enterprise fund financial statements for the years ended December 31, 2019, 2018 and 2017 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

**Summarized Statement of Net Position (Deficit)**  
**Exhibit 2**

	December 31,		
	2019	2018	2017
<b>Assets</b>			
Capital assets	\$ 1,009,039	\$ 985,901	\$ 916,918
Current and other assets	4,106,554	3,278,289	8,259,295
Total assets	5,115,593	4,264,190	9,176,213
<b>Deferred Outflows of Resources - Pension</b>	2,603,433	2,822,646	1,582,781
<b>Liabilities and Deferred Inflows of Resources</b>			
Long-term liabilities outstanding	6,232,574	5,026,409	7,678,436
Current liabilities outstanding	2,893,651	2,304,556	2,995,765
Total liabilities	9,126,225	7,330,965	10,674,201
<b>Deferred Inflows of Resources</b>			
Unexpended program revenue	139,256	-	-
Pension Deferrals (Note F)	-	20,402	68,950
OPEB Deferrals (Note H)	1,802,742	2,202,539	-
Total Deferred Inflows of Resources	1,941,998	2,222,941	68,950
<b>Net Position (Deficit)</b>			
Net investment in capital assets	1,009,039	985,901	916,918
Unrestricted (deficit)	(4,358,236)	(3,452,971)	(901,075)
Total Net Position (Deficit)	\$ (3,349,197)	\$ (2,467,070)	\$ 15,843

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 \$3,349,197 at December 31, 2019 and by \$2,467,070 at December 31, 2018. Assets and deferred outflows exceeded liabilities and deferred inflows by \$15,843 at December 31, 2017. ElectriCities' net position decreased by \$882,127 for the year ended December 31, 2019, decreased by \$2,482,913 for the year ended December 31, 2018, and increased by \$116,333 for the year ended December 31, 2017.

The portion of net position totaling \$1,009,039, \$985,901, and \$916,918 at December 31, 2019, 2018, and 2017, respectively, reflects ElectriCities' net investment in capital assets (e.g. vehicles, furniture and equipment). This amount increased in 2019 and 2018 because additional spending on capital assets exceeded depreciation.

The portion of net position deficit totaling \$4,358,236 and \$3,452,971 at December 31, 2019 and 2018, respectively, 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 24). The OPEB related cost shown below in 2019 increased unrestricted position by \$244,276. The pension related cost shown below in 2019 decreased unrestricted net position by \$1,149,541.

## Summarized Statement of Activity

### Exhibit 3

	For The Years Ended December 31,		
	2019	2018	2017
<b>Revenues:</b>			
Membership dues	\$ 1,379,412	\$ 1,448,766	\$ 1,351,613
Management services and other program revenues	32,107,589	29,811,229	28,266,619
Non-operating revenues	7,715	6,318	2,502
Total Revenues	33,494,716	31,266,313	29,620,734
<b>Expenses:</b>			
Program Expenses:			
Administration	83,831	71,837	54,182
Safety and Training	1,237,462	1,117,464	1,101,983
Member Services	268,456	587,425	364,147
Government Affairs	1,179	-	2,041
Technical Services	537,066		
Member Conferences	363,301	336,293	244,623
Management Services	25,510,676	25,585,420	25,608,758
Regions Contract Services	32,022	42,000	15,290
Distribution Operations	5,118,267	3,506,147	2,005,758
Depreciation and amortization	326,025	292,615	350,185
Refund (assessment) of excess/(deficit) dues	342,456	19,727	223,952
Pension Expense (Note F)	1,149,541	216,956	38,547
OPEB Expense (Note H)	(244,276)	(833,823)	-
Total Operating Expenses	34,726,006	30,942,061	30,009,466
Income (Loss) before capital contributions	(1,231,290)	324,252	(388,732)
Capital Contributions	351,085	318,316	485,565
Gain (Loss) on Disposal	(1,922)	43,282	19,500
Increase (Decrease) in Net Position	(882,127)	685,850	116,333
Net Position (Deficit) January 1	(2,467,070)	15,843	(100,490)
Restatement for Accounting Change (Note L)	-	(3,168,763)	-
Net Deficit, Beginning of Year, as Restated	(2,467,070)	(3,152,920)	(100,490)
Net Position (Deficit) December 31	\$ (3,349,197)	\$ (2,467,070)	\$ 15,843

Revenues totaled \$33,494,716, \$31,266,313, and \$29,620,734 for the years ended December 31, 2019, 2018, and 2017, 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, 2019, and 2018, respectively:

- Membership dues decreased by \$69,354 in 2019 and increased by \$97,153 in 2018. The decrease in 2019 and increase in 2018 was attributed to the costs of the 2018 APPA Line Worker Rodeo.
- Management services and other program revenues increased by \$2,296,360 and \$1,544,610 in 2019 and 2018, respectively. The 2019 increase was primarily due to a full year Lexington Distribution Operations costs compared to a half year costs in 2018. ElectriCities entered into Lexington Distribution Operation agreement effective July 1, 2018. A major upgrade to the SAS system also contributed to the increases in 2019 and 2018. Refer to Note E on Page 24 of this report for a further explanation of management services.

- Non-operating revenues increased by \$1,397 and \$3,816 in 2019 and 2018 respectively, primarily due to changes in investment rates.
- In 2019 and 2018, net position decreased by \$882,127 and increased \$685,850 respectively. The 2018 restatement related 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” decreased net position by \$3,168,763.

## **Capital Assets and Debt Administration**

### **Capital Assets**

ElectriCities’ investment in capital assets at December 31, 2019, 2018 and 2017 totaled \$1,009,039, \$985,901, and \$916,918, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture and equipment.

Major capital asset transactions during 2019 and 2018 include the following:

- In 2019 and 2018, seven and eight vehicles, respectively, were purchased for \$299,350 and \$353,968.
- Seven and six vehicles were retired in 2019 and 2018.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities’ capitalization threshold for capital assets is \$5,000 for 2019 and 2018.

### **Exhibit 4**

	December 31, 2018	Additions	Retirements	December 31, 2019
Furniture and Equipment	\$ 4,266,557	\$ 351,085	\$ (674,850)	\$ 3,942,792
Accumulated Depreciation and Amortization	(3,280,656)	(326,025)	672,928	(2,933,753)
Total Furniture and Equipment, Net	<u>\$ 985,901</u>	<u>\$ 25,060</u>	<u>\$ (1,922)</u>	<u>\$ 1,009,039</u>

	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>

Additional information regarding ElectriCities’ capital assets can be found in Note D on page 24 of this report.

### **Outstanding Debt**

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2019, 2018 or 2017.

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

### **Budget Highlights for 2020**

- There is no increase in dues. Prior years' dues overpayments are being used in 2020 to fund an LMS system and a portion of the new Safety Training position which eliminates any increase in 2020 dues.
- Member Programs includes Safety & Training, Government Affairs, Member Services and Emergency Assistance Programs. These programs are supported by a combination of dues and certain program specific revenues. Member Programs also includes the Annual Conferences and the Connections Summit which were grouped in the Self-Supporting category in prior years' budgets. Member Programs expenses increased 10.5%.
- Management Services (increased 3.1%) and Contract Services, which includes Technical Services and Distribution Operations, (increased 13.6%) 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,	
	2019	2018
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (Note C)	\$ 1,994,241	\$ 1,578,645
Accounts receivable	2,112,313	1,699,644
Total Current Assets	4,106,554	3,278,289
<b>Non-Current Assets:</b>		
Capital assets (Note D)		
Equipment and furnishings	3,942,792	4,266,557
Accumulated depreciation	(2,933,753)	(3,280,656)
Capital assets	1,009,039	985,901
Other Non-Current Assets		
Total Non-Current Assets	1,009,039	985,901
Total Assets	5,115,593	4,264,190
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals (Note F)	2,603,433	2,822,646
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	2,603,433	2,822,646
 <b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	1,233,294	1,060,018
Current portion of accrued vacation	796,901	729,526
Other liabilities	863,456	515,012
Total Current Liabilities	2,893,651	2,304,556
<b>Non-Current Liabilities:</b>		
Accrued vacation	1,052,751	952,837
Net Pension Liability (Note F)	4,891,901	3,941,172
Net other post employment benefit liability (Note H)	287,922	132,400
Total Non-Current Liabilities	6,232,574	5,026,409
Total Liabilities	9,126,225	7,330,965
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unexpended program revenue	139,256	-
Pension Deferrals (Note F)	-	20,402
OPEB Deferrals (Note H)	1,802,742	2,202,539
Total Deferred Inflows of Resources	1,941,998	2,222,941
 <b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets	1,009,039	985,901
Unrestricted (Deficit)	(4,358,236)	(3,452,971)
Total net position (Deficit)	\$ (3,349,197)	\$ (2,467,070)

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,	
	2019	2018
<b>Operating Revenues:</b>		
Membership dues	\$ 1,379,412	\$ 1,448,766
Management services (Note E)	25,510,676	25,585,420
Program revenues	6,596,913	4,225,809
Total Operating Revenues	33,487,001	31,259,995
<b>Operating Expenses:</b>		
Program Expenses:		
Administration	83,831	71,837
Safety and Training	1,237,462	1,117,464
Member Services	268,456	587,425
Government Affairs	1,179	
Technical Services	537,066	
Member Conferences	363,301	336,293
Management Services	25,510,676	25,585,420
Regions Contract Services	32,022	42,000
Distribution Operations	5,118,267	3,506,147
Depreciation and amortization (Note D)	326,025	292,615
Refund of excess revenues (Note A)	342,456	19,727
Pension Expense (Note F)	1,149,541	216,956
OPEB Expense (Note H)	(244,276)	(833,823)
Total Operating Expenses	34,726,006	30,942,061
Operating Income (Loss)	(1,239,005)	317,934
<b>Non-operating Revenues:</b>		
Investment income	7,715	6,318
Total Non-operating Revenues	7,715	6,318
Income (Loss) Before Capital Contributions	(1,231,290)	324,252
Capital Contributions	351,085	318,316
Gain (Loss) on Disposal	(1,922)	43,282
Increase (Decrease) in Net Position	(882,127)	685,850
<b>Net Position (Deficit)</b>		
Beginning of Year	(2,467,070)	15,843
Restatement for Accounting Change (Note L)		(3,168,763)
Net Deficit, Beginning of Year, as Restated	(2,467,070)	(3,152,920)
Net Deficit, End of Year	\$ (3,349,197)	\$ (2,467,070)

See accompanying notes to basic financial statements.

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

	For the Years Ended December 31,	
	2019	2018
<b>Cash Flows From Operating Activities:</b>		
Receipts from dues and other revenues	\$ 33,435,762	\$ 31,456,910
Payments to employees for services	(14,470,738)	(13,047,104)
Payments to other suppliers of goods and services	(18,557,143)	(22,768,236)
Net Cash Provided by (Used for) Operating Activities	407,881	(4,358,430)
<b>Cash Flows From Capital Activities:</b>		
Additions to capital assets	(351,085)	(318,316)
Capital contributions	351,085	318,316
Net Cash Used For Capital Activities	-	-
<b>Cash Flows From Investing Activities:</b>		
Investment income	7,715	6,318
Net Increase (Decrease) in Cash And Cash Equivalents	415,596	(4,352,112)
Cash and Cash Equivalents, Beginning of Year	1,578,645	5,930,757
Cash and Cash Equivalents, End of Year	\$ 1,994,241	\$ 1,578,645
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided by (Used in) Operating Activities:</b>		
<b>Net Operating Income (Loss)</b>	\$ (1,239,005)	\$ 317,934
Adjustments:		
Depreciation and Amortization	326,025	292,615
Deferred noncash pension related expense	1,149,541	216,956
Deferred noncash OPEB related expense	(244,276)	(833,823)
Changes in Assets, Deferred Outflows/Ourflows of Resources and Liabilities:		
(Increase) Decrease in accounts receivable	(412,669)	628,894
Increase (Decrease) Increase in accounts payable	173,276	(382,712)
Increase in accrued vacation	167,289	126,726
Decrease in accrued expenses	-	(550,755)
Decrease in accrued post employment benefits	-	(3,815,324)
Increase (Decrease) in other liabilities	348,444	(358,941)
Increase in unexpended dues	139,256	-
Net Cash Provided by (Used in) Operating Activities	\$ 407,881	\$ (4,358,430)
<b>Supplemental Disclosures</b>		
Noncash Transaction-Fixed Asset Purchases	\$ -	\$ (43,282)

See accompanying notes to basic financial statements.

**ElectriCities of North Carolina, Inc.**  
**Statement of Fiduciary Net Position**  
**OPEB Trust Fund**  
**December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents (Note C)	\$ 3,558	\$ 3,125
Investments	4,381,300	4,228,347
Interest receivable	<u>17,496</u>	<u>22,473</u>
<b>Total Assets</b>	<u>4,402,354</u>	<u>4,253,945</u>
<b>LIABILITIES</b>		
Due to ElectriCities operating	<u>212,212</u>	<u>35,975</u>
<b>Total Liabilities</b>	<u>212,212</u>	<u>35,975</u>
 Restricted Net Position - OPEB	 <u><u>\$ 4,190,142</u></u>	 <u><u>\$ 4,217,970</u></u>

See accompanying notes to basic financial statements.

**ElectriCities of North Carolina, Inc.**  
**Statement of Changes in Fiduciary Net Position**  
**OPEB Trust Fund**  
**For the Year Ended December 31, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>ADDITIONS</b>		
Employer contribution	\$ -	\$ 4,403,182
Investment earnings	220,056	25,844
<b>Total Additions</b>	<u>220,056</u>	<u>4,429,026</u>
<b>DEDUCTIONS</b>		
Administrative costs	35,824	-
Benefit payments	212,060	211,056
<b>Total Deductions</b>	<u>247,884</u>	<u>211,056</u>
Change in net position	(27,828)	4,217,970
<b>NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS</b>		
Beginning of year	4,217,970	-
End of year	<u>\$ 4,190,142</u>	<u>\$ 4,217,970</u>

See accompanying notes to basic financial statements.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

---

**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.

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, 2019 and 2018**

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

Financial Reporting

The financial statements are prepared using the economic resources measurement focus. Operating revenues are defined as dues and revenues received for Agency services provided to members. Revenues from investment activities are defined as non-operating revenues. ElectriCities has a deficit of \$4,358,236 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. The trust fund is accounted for using the accrual method of accounting.

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, 2019 and 2018**

**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, 2019 and 2018, 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 fair value. 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, 2019		December 31, 2018	
		Cost Basis	Reported Value	Cost Basis	Reported Value
Money Market					
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	940,006	940,006	648,368	648,368
NC Capital Management Trust-Term Portfolio	Fair Value Level 1	640,549	640,549	616,476	616,476
Sub-total funds invested		1,580,555	\$1,580,555	1,264,844	1,264,844
Cash		413,686	413,686	313,801	313,801
Total Funds Invested		<u>\$1,994,241</u>	<u>\$1,994,241</u>	<u>\$1,578,645</u>	<u>\$1,578,645</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 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, 2019 and 2018**

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

ElectriCities OPEB Trust Fund investments are reported at fair value:

	Method of Valuation	December 31, 2019		December 31, 2018	
		Cost Basis	Reported Value	Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	\$1,753,475	\$1,756,020	\$3,226,501	\$3,226,585
Treasury Coupons	Fair Value Level 1	644,757	652,437	644,757	644,810
NC AGPIP Equity Index Fund	Fair Value Level 1	1,160,000	1,265,169	-	-
NC AGPIP STIF	Fair Value Level 1	521	521	-	-
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	831	831	-	-
NC Capital Management Trust-Term Portfolio	Fair Value Level 1	706,322	706,322	356,952	356,952
Sub-total funds invested		4,265,906	\$4,381,300	4,228,210	\$4,228,347
Interest Receivable		17,496	17,496	22,473	22,473
Cash		3,558	3,558	3,125	3,125
Total Funds Invested		<u>\$4,286,960</u>	<u>\$4,402,354</u>	<u>\$4,253,808</u>	<u>\$4,253,945</u>

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 \$1,849,652 and \$1,682,363 at December 31, 2019 and 2018, respectively, and increased by \$167,289 in 2019 and by \$126,726 in 2018.

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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

Statistical Section - Unaudited

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

Taxes

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

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date 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.

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. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

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.

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 ElectriCities' 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 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, 2019 and is not expected to have a material impact on the ElectriCities' financial position, overall cash flow or balances or results of operations.

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 June 15, 2021.

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, 2020.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

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, 2019 and is not expected to have a material impact on the ElectriCities’ financial position, overall cash flow or balances or results of operations.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing 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, 2021.

In January 2020, GASB issued Statement No. 95. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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**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, 2019 and 2018, ElectriCities' deposits had carrying amounts of \$413,686 and \$313,801, respectively and bank balances of \$161,911 and \$123, respectively. For each of the bank balances, up to \$250,000 was insured by the Federal Depository Insurance Corporation.

At December 31, 2019 and 2018, ElectriCities investments consisted of \$1,580,555 and \$1,264,844, 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, 2019 and 2018**

**Note D. Capital Assets**

	December 31, 2018	Additions	Retirements	December 31, 2019
Furniture and Equipment	\$ 4,266,557	\$ 351,085	\$ (674,850)	\$ 3,942,792
Accumulated Depreciation and Amortization	(3,280,656)	(326,025)	672,928	(2,933,753)
Total Furniture and Equipment, Net	<u>\$ 985,901</u>	<u>\$ 25,060</u>	<u>\$ (1,922)</u>	<u>\$ 1,009,039</u>

	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>

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 2019 and 2018, 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, 2018 and was 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, 2019.

**Note F. Pension Plan**

Plan Description

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

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

Benefits Provided

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

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 7.75% and 7.5% annual covered payroll in 2019 and 2018, 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 \$1,129,661 and \$941,388 for the year ended December 31, 2019 and 2018, 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, 2019 and 2018**

**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 \$4,891,901 and \$3,941,172 at December 31, 2019 and 2018, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2018 and 2017. The total pension liability was then rolled forward to measurement dates of June 30, 2019 and 2018 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 0.17913% and 0.16613% at June 30, 2019 and 2018 respectively, which was an 0.01300% increase from its proportionate share measured as at June 30, 2018 and an increase of 0.00669% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2019 and 2018, the ElectriCities recognized pension expenses of \$1,149,541 and \$216,956, respectively. At December 31, 2019 and 2018, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2019		December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 837,620	\$ -	\$ 608,029	\$ 20,402
Changes of assumptions	797,299	-	1,045,835	-
Net difference between projected and actual earnings on pension plan investments	119,320	-	541,006	-
Changes in proportion and differences between ElectriCities contributions and proportionate share of contributions	271,937	-	151,956	-
Contributions subsequent to the measurement date	577,257	-	475,820	-
Total	<u>\$ 2,603,433</u>	<u>\$ -</u>	<u>\$ 2,822,646</u>	<u>\$ 20,402</u>

For the year ended December 31, 2019 and 2018, \$577,257 and \$475,820, respectively, 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, 2020 and 2019, respectively.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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**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:

Year ended December 31,			
	2019		2018
2020	\$ 957,519	2019	\$ 1,105,322
2021	348,466	2020	724,637
2022	540,913	2021	159,409
2023	179,278	2022	337,056
2024	-	2023	-
Thereafter	-	Thereafter	-
	<u>\$2,026,176</u>		<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>2019</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 the RP-2014 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, 2019 and 2018**

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

The actuarial assumptions used in the December 31, 2018 valuation was based on the results of an actuarial experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016.

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, 2019 and 2018 is summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 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, 2019 and 2018**

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**Note G. Supplemental Retirement Plans**

*Sensitivity of the ElectriCities proportionate share of the net pension asset to changes in the discount rate.* The following presents the ElectriCities' 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>2019</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)	\$ 11,188,671	\$ 4,891,901	\$ (341,991)

*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 \$338,525, \$308,260 and \$278,843 for the years ended December 31, 2019, 2018 and 2017, respectively.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

Plan Description

ElectriCities provides post-employment health benefits to certain retired ElectriCities employees. ElectriCities of North Carolina, Inc. provides medical benefits to its retirees by allowing them to stay in their plan if the retiree is under age 65 or reimburse the retiree for their premium (up to a maximum amount) if the retiree is over 65 and/or decides to purchase other coverage. It is a single-employer defined benefit plan. This is the only Other Post-Employment Benefits (OPEB) under GASB Nos. 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, 2020 and 2019 the date of the latest valuation:

Measurement date	2019	2018
Retirees receiving benefits	31	31
Active plan members	48	48
Total	79	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 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 2020. 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.



**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

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, 2019 and 2018 is as shown in the table below.

**Net OPEB Liability**

	2019	2018
Total OPEB liability	\$ 4,478,064	\$ 4,350,370
Fiduciary net position	\$ 4,190,142	\$ 4,217,970
Net OPEB liability	\$ 287,922	\$ 132,400
Plan fiduciary net position as a percentage of the total OPEB liability	93.57%	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, 2019 and 2018 are as follows:

	2019	2018
OPEB Expense	(244,276)	(833,823)

Actuarial Methods and Assumptions

The Total OPEB liability and the normal cost was determined by actuarial valuation as of January 1, 2020 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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

The total OPEB liability for the year ended December 31, 2019 and 2018 was determined by actuarial valuation based on a Rollforward from January 1, 2019 and by actuarial valuation as of January 1, 2019, respectively, using the following actuarial assumptions:

	2019	2018
Valuation date	January 1, 2020	January 1, 2019
Measurement date	December 31, 2019	December 31, 2018
Reporting date	January 1, 2019 to December 31, 2019	January 1, 2018 to December 31, 2018
Inflation	2.5 percent per year	2.75 percent per year
Salary increase	2.5 percent per year	2.5 percent per year
Investment rate of return	7 percent	7 percent
Healthcare cost trend rates	9 percent for 2019 decreasing 0.25 percent each year for the next 4 years to 8.0 percent in 2023	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, 2019, 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:

	2019		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net OPEB Liability (Asset)	\$642,766	\$ 287,922	(\$425,142)

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

**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 at December 31, 2019 and 2018, 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:

	2019		
	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability (Asset)	(471,661)	287,922	698,676

As of December 31, 2019, and 2018, the components of the net OPEB liability measured as of December 31, 2019 were as follows:

	2019		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2018	\$ 4,350,370	\$ 4,217,970	\$ 132,400
Changes for the Year:			
Service cost	39,844	-	39,844
Interest on the total OPEB liability	300,062	-	300,062
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions	-	-	0
Net investment income	-	220,056	(220,056)
Benefit payments	(212,212)	(212,060)	(152)
Administrative expenses	-	(35,824)	35,824
Net changes	127,694	(27,828)	155,522
Balances at December 31, 2019	<u>\$ 4,478,064</u>	<u>\$ 4,190,142</u>	<u>\$ 287,922</u>

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

	2018		
	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*

The discount rate of 7.00% has not changed in 2019 and 2018 and reflects the ultimate assets allocation expected rate of return for the OPEB plan. The mortality table has not changed and reflects the most recent projection scale from the RP-2014 scale to the MP-2018 scale. Medical claims cost and rates were changes based on most recent experience and changed to the current schedule.

At December 31, 2019 and 2018, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (52,786)	\$ -	\$ (70,381)
Changes of assumptions	-	(1,599,118)	-	(2,132,158)
Net Difference between projected and actual earnings on plan investments	-	(150,838)	-	-
Contributions subsequent to the measurement date	-	-	-	-
Total	\$ -	\$ (1,802,742)	\$ -	\$ (2,202,539)

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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

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

<b>Year ended December 31:</b>	<b>Amounts</b>
2020	(\$588,345)
2021	(\$588,345)
2022	(\$588,344)
2023	(\$37,708)
2024	\$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 2019 and 2018, 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 2019 or 2018.

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

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

**Note K. Subsequent Events**

ElectriCities has evaluated subsequent events through June 12, 2020, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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**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 Seven Fiscal Years\***

**Local Government Employees' Retirement System**

	Year Ending December 31,						
	2019	2018	2017	2016	2015	2014	2013
ElectriCities proportion of the net pension liability (asset)	0.17913%	0.16613%	0.15944%	0.15945%	0.16262%	0.16076%	0.16750%
ElectriCities proportion of the net pension liability (asset) (\$)	4,891,901	3,941,172	2,435,802	3,384,063	729,831	(887,263)	2,019,018
ElectriCities covered employee payroll (\$)	14,435,321	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	33.89%	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%	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 Seven Fiscal Years\***

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**Local Government Employees' Retirement System**

	Year Ending December 31,						
	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 1,129,661	\$ 941,388	\$ 822,519	\$ 739,019	\$ 734,599	\$ 720,308	\$ 716,459
Contributions in relation to the contractually required contribution	1,129,661	941,388	822,519	739,019	734,599	720,308	716,459
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ElectriCities covered-employee payroll	14,435,321	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	7.83%	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,\***

<b>Total OPEB Liability</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 39,844	\$ 90,331
Interest	300,062	240,182
Change in benefit terms	-	-
Differences between expected and actual experience	-	(87,976)
Change of assumptions	-	(2,665,198)
Benefit payments	(212,212)	(211,056)
<b>Net change in total OPEB liability</b>	<b>127,694</b>	<b>(2,633,717)</b>
<b>Total OPEB liability - beginning (as restated)</b>	<b>4,350,370</b>	<b>6,984,087</b>
<b>Total OPEB liability - ending</b>	<b>\$ 4,478,064</b>	<b>\$ 4,350,370</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	-	211,056
Net investment income	220,056	-
Benefit payments	(212,060)	(211,056)
Administrative expense	(35,824)	-
Change in net position	-	4,217,970
<b>Net change in plan fiduciary position</b>	<b>(27,828)</b>	<b>4,217,970</b>
<b>Plan fiduciary position - beginning</b>	<b>4,217,970</b>	<b>-</b>
<b>Plan fiduciary position - ending</b>	<b>\$ 4,190,142</b>	<b>\$ 4,217,970</b>
<b>Net OPEB liability - ending</b>	<b>\$ 287,922</b>	<b>\$ 132,400</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>93.57%</b>	<b>96.96%</b>

\* 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**

Schedule of OPEB Contributions

	For the Year Ended December 31 2019	For the Year Ended December 31 2018
Actuarially determined contribution	\$39,844	\$578,380
Contributions in relation to the actuarially determined contribution	-	211,056
Trust Deposits	-	4,403,182
Contribution deficiency (excess)	\$39,844	(\$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

	2019	2018
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	20 years as of the beginning of the current fiscal year	21 years as of the beginning of the current fiscal year
Asset valuation method	Market value of assets	Market value of assets
Rate of inflation	2.50% per year	2.50% per year
Salary increases	2.50% per year	2.50% per year
Investment rate of return	7.00% per year	7.00% per year
Mortality table	Society of Actuaries RP-2014 Total Dataset mortality table with Projection Scale MP-2018, fully generational	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	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,			
	2019		2018	
	Actual	Final Budget	Actual	Final Budget
Revenues:				
Membership Dues	\$ 1,379,412	\$ 1,379,412	\$ 1,448,766	\$ 1,448,766
Management Services	25,790,050	26,755,101	25,903,736	26,744,366
Investment Income	7,715	40	6,318	40
Program Revenues	6,596,913	7,024,900	4,225,809	4,457,756
Total Revenues	<u>33,774,090</u>	<u>35,159,453</u>	<u>31,584,629</u>	<u>32,650,928</u>
Expenditures:				
Administration	83,831	82,627	71,837	83,704
Safety and Training	1,237,462	1,271,529	1,117,464	1,271,329
Member Services	268,456	384,909	587,425	492,630
Government Affairs	1,179	2,012	-	1,922
Technical Services	537,066	575,255	-	-
Member Conferences	363,301	375,000	336,293	245,400
Management Services	25,790,050	26,755,101	25,903,736	26,744,366
Regions Contract Services	32,022	-	42,000	-
Distribution Operations	5,118,267	5,713,020	3,506,147	3,811,577
Total Expenditures	<u>\$ 33,431,634</u>	<u>\$ 35,159,453</u>	<u>\$ 31,564,902</u>	<u>\$ 32,650,928</u>
Excess to Be Refunded	<u>\$ 342,456</u>		<u>\$ 19,727</u>	

Reconciliation of Modified Accrual Basis  
To Full Accrual Basis:

Total Revenues	\$ 33,774,090	\$ 31,584,629
Total Expenditures	<u>33,431,634</u>	<u>31,564,902</u>
Excess of Revenues over Expenditures	342,456	19,727

Reconciling Items

Budgetary Appropriations:

Capital Outlay	351,085	318,316
Depreciation and Amortization	(326,025)	(292,615)
Pension Expense (Note F)	(1,149,541)	(216,956)
OPEB Expense (Note H)	244,276	833,823
Refund of Excess Revenues	(342,456)	(19,727)
Gain (Loss) on Disposal	(1,922)	43,282
Increase in Net Position (Pg. 12)	<u>\$ (882,127)</u>	<u>\$ 685,850</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, 2019**

	2019 Budget		Actuals	Positive (Negative) Variance With Final Budget
	Original	Final	(Budgetary Basis)	
Revenues:				
Membership Dues	\$ 1,379,412	\$ 1,379,412	\$ 1,379,412	\$ -
Management Services	26,755,101	26,755,101	25,790,050	(965,051)
Investment Income	40	40	7,715	7,675
Program Revenues	7,024,900	7,024,900	6,596,913	(427,987)
Total Revenues	<u>35,159,453</u>	<u>35,159,453</u>	<u>33,774,090</u>	<u>(1,385,363)</u>
Expenditures:				
Administration	82,627	82,627	83,831	(1,204)
Safety and Training	1,271,529	1,271,529	1,237,462	34,067
Member Services	384,909	384,909	268,456	116,453
Government Affairs	2,012	2,012	1,179	833
Technical Services	575,255	575,255	537,066	38,189
Member Conferences	375,000	375,000	363,301	11,699
Management Services	26,755,101	26,755,101	25,790,050	965,051
Regions Contract Services	-	-	32,022	(32,022)
Distribution Operations	5,713,020	5,713,020	5,118,267	594,753
Total Expenditures	<u>35,159,453</u>	<u>35,159,453</u>	<u>33,431,634</u>	<u>1,727,819</u>
Revenues Over Expenses	<u>\$ -</u>	<u>\$ -</u>	342,456	<u>\$ 342,456</u>
Refund Payable			(342,456)	
Revenues Over Expenses			<u>\$ -</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, 2019**

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ -	\$ 1,500
Advertising	-	100	20,605	16,000
Salaries	35,467	35,344	513,323	425,105
Office & Program Supplies	-	38	84,209	199,469
Dues, Subscriptions & Publications	298	-	10,146	16,221
Printing	-	108		120
Telephone	-	-	1,200	1,349
Postage	-	-	3,746	4,069
Copies	-	-	7,196	7,689
Miscellaneous Office Expenses	-	100	3,695	2,798
Travel	-	-	153,010	185,083
Outside Services	36,050	34,800	74,348	90,109
Insurance	-	-	3,085	3,234
Employee Benefits	12,016	12,137	175,363	163,482
Recruitment & Relocation	-	-	1,222	906
Staff Development	-	-	9,229	24,733
Other Expenses	-	-	-	-
Occupancy Costs	-	-	27,029	21,734
Other Rents	-	-	44,459	7,000
Vehicle O&M	-	-	105,597	95,840
Equipment Maintenance	-	-	-	88
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	-	5,000
Total Program Expenditures	<u>\$ 83,831</u>	<u>\$ 82,627</u>	<u>\$ 1,237,462</u>	<u>\$ 1,271,529</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, 2019**

Member Services		Government Affairs		Annual Meeting	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,687	10,000	-	-	-	-
136,090	138,299	894	1,459	-	-
3,891	2,214	-	-	-	-
15,374	11,122	-	-	-	150
	600	-	-	-	-
2,089	3,575	-	-	-	-
947	843	-	-	-	-
1,767	1,923	-	-	-	-
896	928	-	-	595	250
22,301	51,079	-	-	362,706	374,600
5,796	96,300	-	-	-	-
1,022	1,075	-	-	-	-
51,618	52,170	285	553	-	-
339	259	-	-	-	-
3,830	4,334	-	-	-	-
-	-	-	-	-	-
6,423	9,616	-	-	-	-
10,000	-	-	-	-	-
386	550	-	-	-	-
-	22	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 268,456</u>	<u>\$ 384,909</u>	<u>\$ 1,179</u>	<u>\$ 2,012</u>	<u>\$ 363,301</u>	<u>\$ 375,000</u>

**Electricities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2019**

	Technical Services		Management Services	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 9,620	\$ 12,700
Advertising	-	-	908,799	830,768
Salaries	132,834	152,417	10,231,291	10,665,072
Office & Program Supplies	4,017	892	142,913	471,484
Dues, Subscriptions & Publications	-	-	1,741,614	1,805,836
Printing	-	-	237,045	267,418
Telephone	-	-	432,903	473,222
Postage	-	-	74,734	80,277
Copies	-	-	175,413	183,577
Miscellaneous Office Expenses	-	-	95,563	83,004
Travel	797	-	552,847	577,615
Outside Services	37,849	-	3,680,335	3,891,972
Insurance	-	-	185,820	164,371
Employee Benefits	42,572	53,975	3,139,663	3,525,686
Recruitment & Relocation	-	-	38,670	43,260
Staff Development	2,418	-	179,037	196,169
Other Expenses	190,660	-	2,156,262	1,981,913
Occupancy Costs	(1,200)	-	474,276	528,985
Other Rents	19,080	-	526,661	261,324
Vehicle O&M	2	-	90,885	166,350
Equipment Maintenance	-	-	436,324	135,825
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	279,374	408,273
Total Program Expenditures	<u>\$ 537,066</u>	<u>\$ 575,255</u>	<u>\$ 25,790,049</u>	<u>\$ 26,755,101</u>



**Electricities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2019**

Contract Services		Western Operations		Total	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ 3,500	\$ 9,620	\$ 17,700
-	-	-	1,500	935,091	858,368
22,771	-	3,398,068	3,697,163	14,470,738	14,962,442
-	-	5,980	13,563	241,010	686,768
-	-	8,294	1,711	1,775,726	1,835,040
-	-	-	-	237,045	268,246
-	-	9,435	53,101	445,627	531,247
-	-	1,223	62	80,650	85,251
-	-	-	62	184,376	193,251
-	-	31,266	15,750	132,015	102,830
2,164	-	47,516	37,750	1,141,341	1,226,127
-	-	43,559	27,625	3,877,937	4,140,806
-	-	117,660	132,375	307,587	301,055
7,087	-	1,327,668	1,587,213	4,756,272	5,341,241
-	-	15,786	13,674	56,017	58,099
-	-	37,773	28,096	232,287	253,332
-	-	2,200	-	2,349,122	
-	-	24,486	-	531,014	560,335
-	-	10,809	7,800	611,009	276,124
-	-	33,994	8,300	230,864	271,040
-	-	2,551	5,000	438,875	140,935
-	-	-	78,775	-	78,775
-	-	-	-	279,374	413,273
<u>\$ 32,022</u>	<u>\$ -</u>	<u>\$ 5,118,268</u>	<u>\$ 5,713,020</u>	<u>\$ 33,323,597</u>	<u>\$ 35,159,453</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,				
	2019	2018	2017	2016	2015
Business-type activities					
Net investment in Capital Assets	\$ 1,009,039	\$ 985,901	\$ 916,918	\$ 762,038	\$ 482,814
Unrestricted	<u>(4,358,236)</u>	<u>(3,452,971)</u>	<u>(901,075)</u>	<u>(862,528)</u>	<u>(668,365)</u>
Total Net Position (Deficit)	<u><u>\$(3,349,197)</u></u>	<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>

	Years Ended December 31,				
	2014	2013	2012	2011	2010
Business-type activities					
Net invested in Capital Assets	\$ 830,427	\$ 789,312	\$ 1,131,124	\$ 1,133,734	\$ 1,207,305
Unrestricted	<u>20,896</u>	<u>20,896</u>	<u>20,896</u>	<u>20,896</u>	<u>20,896</u>
Total Net Position (Deficit)	<u><u>\$ 851,323</u></u>	<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>

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,			
	2019	2018	2017	2016
<b>Operating Expenses</b>				
Administration	\$ 83,831	\$ 71,837	\$ 54,182	\$ 51,485
Safety and Training	1,237,462	1,117,464	1,101,983	1,154,572
Member Services	268,456	587,425	364,147	320,653
Government Affairs	1,179	-	2,041	-
Technical Services	537,066	-	-	-
Annual Meeting	363,301	336,293	244,623	173,009
Management Services	25,510,675	25,585,420	25,608,758	24,770,812
Western Operations	5,118,268	3,506,147	2,005,758	1,907,575
Regions Contract Services	32,022	42,000	15,290	20,778
Energy Auditor	-	-	-	-
Depreciation and amortization	326,025	292,615	350,185	259,151
Refund of excess (deficit) revenues	342,456	19,727	223,952	73,608
Pension Expense	1,149,541	216,956	38,547	194,163
OPEB Expense	(244,276)	(833,823)	-	-
Total Expenditures	<u>\$ 34,726,006</u>	<u>\$ 30,942,061</u>	<u>\$ 30,009,466</u>	<u>\$ 28,925,806</u>
	-			
<b>Operating Revenues</b>				
Membership dues	\$ 1,379,412	\$ 1,448,766	\$ 1,351,613	\$ 1,283,788
Management services and other program revenues	32,107,589	29,811,229	28,266,619	27,187,554
Miscellaneous revenues	-	-	-	-
Non-operating revenues	7,715	6,318	2,502	1,150
Total Revenues	<u>\$ 33,494,716</u>	<u>\$ 31,266,313</u>	<u>\$ 29,620,734</u>	<u>\$ 28,472,492</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (1,231,290)</u>	<u>\$ 324,252</u>	<u>\$ (388,732)</u>	<u>\$ (453,314)</u>
<b>Changes in Net Position (Deficit)</b>				
Capital Contributions	351,085	318,316	485,565	471,261
Gain (Loss) on Disposal	(1,922)	43,282	19,500	67,114
Restatement for Accounting Change	-	(3,168,763)	-	-
Change in Net Position (Deficit)	<u>\$ (882,127)</u>	<u>\$ (2,482,913)</u>	<u>\$ 116,333</u>	<u>\$ 85,061</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,					
2015	2014	2013	2012	2011	2010
\$ 46,971	\$ 48,487	\$ 35,722	\$ 38,226	\$ 39,073	\$ 32,095
1,105,476	1,065,243	988,949	915,627	732,087	697,695
329,140	345,704	262,819	316,030	283,901	264,035
-	938	1,049	871	831	830
-	-	-	-	-	-
219,842	222,688	225,704	163,594	162,931	150,786
26,805,049	25,391,314	25,204,519	24,649,222	25,477,812	16,556,273
1,430,894	1,334,526	1,375,048	1,292,031	1,218,534	1,164,993
-	-	-	-	-	8,445
-	-	-	-	16,320	-
401,207	340,693	534,601	501,469	475,253	285,179
14,972	(34,440)	65,552	52,924	165,308	235,923
(378,752)	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,974,799</u>	<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>
\$ 1,255,890	\$ 1,214,251	\$ 1,189,150	\$ 1,117,610	\$ 1,076,177	\$ 970,707
28,696,216	27,160,166	26,970,063	26,310,635	27,020,354	18,139,852
-	-	-	-	-	-
238	43	149	280	266	516
<u>\$ 29,952,344</u>	<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>\$ (22,455)</u>	<u>\$ (340,693)</u>	<u>\$ (534,601)</u>	<u>\$ (501,469)</u>	<u>\$ (475,253)</u>	<u>\$ (285,179)</u>
69,039	381,808	192,789	498,859	401,682	986,308
(15,445)	-	-	-	-	-
(1,068,013)	-	-	-	-	-
<u>\$ (1,036,874)</u>	<u>\$ 41,115</u>	<u>\$ (341,812)</u>	<u>\$ (2,610)</u>	<u>\$ (73,571)</u>	<u>\$ 701,129</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

	2019	2018	2017	2016	2015
Albemarle	\$ 28,860	\$ 29,439	\$ 29,247	\$ 27,868	\$ 27,602
Apex	41,624	37,356	34,279	32,157	30,496
Ayden	9,890	10,520	10,449	9,299	9,699
Bamberg, SC*	912	912	894	843	795
Bedford, VA *	1,825	1,825	1,789	1,688	1,592
Belhaven	2,208	2,404	2,363	2,240	2,225
Bennettsville, SC*	912	912	1,789	1,688	795
Benson	4,693	4,588	4,494	4,152	4,250
Black Creek					
Bostic	588	597	595	570	571
Camden, SC*	1,825	1,825	1,789	1,688	1,592
Cherryville	6,076	6,053	5,997	5,715	5,624
Clayton	15,107	14,177	13,253	12,472	12,030
Concord	79,859	79,401	75,876	69,577	68,294
Cornelius	8,159	7,779	7,586	6,921	6,553
Dallas	7,943	8,043	8,348	7,180	7,300
Danville, VA *	1,825	1,825	1,789	1,688	1,592
Drexel	2,523	2,540	2,500	2,416	2,410
East Carolina University	183	183	179	169	159
Edenton	9,946	10,101	9,784	9,636	9,679
Elizabeth City	29,142	29,002	27,936	27,841	27,387
Elizabeth City State University	183	183	179	169	159
Enfield	2,977	3,023	3,509	3,288	3,272
Farmville	6,439	6,702	6,480	6,252	6,145
Fayetteville Public Works Commission	118,618	118,768	116,307	109,840	107,790
Forest City	10,546	10,903	10,676	10,063	10,253
Fountain	693	700	697	686	675
Fremont	1,619	1,663	1,644	1,616	1,600
Front Royal	1,825	1,825	1,789	1,688	1,592
Gastonia	65,403	65,744	63,512	60,137	58,876
Granite Falls	6,374	6,352	6,128	5,871	5,805
Greenville Utilities	118,618	118,768	116,307	109,840	107,790
Hamilton	622	635	623	591	583
Hertford	2,609	2,593	2,526	2,449	2,438
High Point	99,955	101,415	100,831	93,969	92,430
Highlands*				5,923	
Hobgood	637	664	650	620	619
Hookerton	962	986	958	907	883
Huntersville	18,794	17,744	16,037	14,371	13,650
Kings Mountain	14,203	13,143	12,830	10,571	11,665
Kinston	32,561	32,999	32,153	31,397	31,360
La Grange	4,128	3,141	3,074	2,997	2,992
Landis	6,611	6,504	6,394	6,118	6,056
Laurinburg	14,328	14,564	14,267	13,766	13,673
Lexington	41,986	42,222	41,646	39,918	39,635
Lincolnton	7,392	7,256	7,131	6,688	6,563
Louisburg	5,554	5,630	5,534	5,395	5,299

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
\$ 26,758	\$ 26,600	\$ 22,452	\$ 24,391	\$ 22,402
29,424	27,675	22,596	24,435	22,152
10,032	9,640	7,805	8,334	7,833
750	732	689	670	612
1,502	1,465	1,378	1,339	1,224
2,217	2,165	1,847	2,005	1,878
1,502	1,465	1,378	1,339	1,224
4,023	3,998	3,394	3,717	3,449
524	525	447	486	455
1,502	1,465	1,378	1,339	1,224
6,116	6,096	4,934	5,441	5,018
11,211	10,883	9,139	8,997	9,286
66,298	65,269	53,571	56,493	51,738
6,182	5,835	4,928	5,210	4,619
6,400	6,324	5,236	5,729	5,265
1,502	1,465	1,378	1,339	1,224
2,335	2,278	1,933	2,110	1,968
150	146	137	133	122
9,386	9,123	7,810	8,405	7,786
26,975	26,267	22,715	24,272	22,385
150	146	137	133	122
3,223	3,184	2,699	2,976	2,734
5,945	5,818	4,951	5,357	4,931
104,805	102,863	84,697	91,743	72,236
10,412	10,275	8,338	9,180	8,282
703	693	592	648	595
1,516	1,476	1,324	1,425	1,307
1,502				
57,265	56,487	47,864	52,291	48,128
5,547	5,477	4,640	5,087	4,650
104,805	102,864	84,697	91,742	84,952
545	582	464	508	473
2,423	2,348	2,001	2,219	2,082
89,769	88,295	74,691	81,077	74,684
605	592	514	566	536
854	824	730	789	737
12,880	11,905	9,751	10,276	9,060
10,848	10,463	8,664	9,248	8,370
30,459	29,686	25,562	27,928	26,313
3,508	3,431	3,065	3,319	2,969
5,790	5,728	4,874	5,294	4,844
13,049	12,778	10,900	11,869	11,028
38,349	37,892	32,201	34,554	32,174
6,410	6,363	5,320	5,796	5,506
5,182	5,101	4,368	4,790	4,451

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

	2019	2018	2017	2016	2015
Lucama*	\$ -	\$ -	\$ -	\$ -	\$ -
Lumberton	27,397	28,794	28,151	27,438	26,678
Macclesfield	490	501	-	-	-
Maiden	5,163	5,197	5,021	4,478	4,308
Martinsville, VA*	1,825	1,825	1,789	1,688	1,592
Monroe	43,543	43,775	42,833	40,275	38,055
Morganton	25,534	25,971	26,168	25,181	24,980
Murphy*	-	-	-	-	-
New Bern	48,195	48,762	46,737	45,263	44,695
New River Light & Power*	20,534	20,533	19,601	18,453	19,054
Newton	12,720	12,533	12,618	11,951	11,806
Pikeville	1,156	1,180	1,158	1,132	1,132
Pinetops	1,077	1,066	-	-	-
Pineville	9,694	9,764	9,448	8,826	8,563
Piedmont Municipal Power Agency**	11,091	11,096	13,465	10,257	10,195
Red Springs	4,356	4,362	4,270	4,105	4,129
Richlands, VA*	-	-	-	-	-
Robersonville	2,319	2,360	2,310	2,203	2,315
Rocky Mount	63,069	63,297	61,552	59,079	58,843
Scotland Neck	3,127	3,101	3,057	2,983	3,020
Selma	7,091	7,238	7,094	6,617	6,453
Sharpsburg*	2,349	2,350	2,617	2,331	-
Shelby	20,195	20,164	19,878	18,746	18,421
Smithfield	12,974	12,998	12,819	12,282	12,134
Southport	6,958	6,679	6,495	6,292	6,020
Stantonsburg	2,583	2,583	2,615	2,532	2,474
Statesville	37,457	37,172	37,009	34,521	34,443
Tarboro	15,439	17,230	17,113	16,500	16,621
University of NC - Chapel Hill*	183	183	179	169	159
NC State University	183	183	179	169	159
Wake Forest	15,804	15,536	16,154	15,315	14,409
Walstonburg	332	340	-	-	-
Washington	30,334	30,308	29,322	28,277	28,075
Waynesville	7,844	7,843	8,401	7,879	7,819
Western Carolina University*	912	912	894	843	795
Wilson	89,011	88,759	87,685	85,694	84,929
Windsor	5,594	5,595	5,229	4,958	4,811
Winterville	7,000	6,999	6,934	6,413	6,355
Budget Amendment - Appropriated	-	67,968	-	-	-
<b>Total Dues</b>	<b>\$ 1,379,412</b>	<b>\$ 1,448,766</b>	<b>\$ 1,351,613</b>	<b>\$ 1,283,788</b>	<b>\$ 1,255,890</b>

\*Associate Members

\*\* Membership includes the following South Carolina municipalities, all of whom are associate members:  
 Abbeville, Clinton, Easley, Gaffney, Greer, Laurens, Newberry, Rock Hill, Union and Westminster

Source: ElectriCities' dues billing to its members.



**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -
25,642	25,102	20,473	22,021	21,576
-	-	-	-	-
4,158	4,077	3,379	3,533	3,143
1,502	1,465	1,378	1,339	1,224
36,917	36,930	30,283	32,015	29,301
24,147	23,767	19,839	21,438	19,718
-	-	-	-	-
42,984	41,838	35,717	38,377	35,302
18,217	18,299	14,059	15,590	1,224
11,526	11,571	9,712	10,634	9,573
1,082	1,050	892	972	897
-	-	-	-	-
8,391	8,114	6,927	7,653	6,987
10,214	9,962	9,367	9,105	7,834
3,999	3,950	3,365	3,640	3,572
-	-	-	-	612
2,303	2,255	1,907	2,011	1,988
57,467	56,493	48,047	52,098	48,465
3,591	3,490	3,021	3,246	3,065
6,279	6,107	5,130	5,606	5,375
-	-	-	-	-
17,853	17,627	14,822	16,080	14,702
11,838	11,688	9,960	11,197	9,962
5,744	5,577	4,783	5,103	4,775
2,397	2,369	1,948	2,141	2,010
33,458	32,932	27,379	29,510	27,731
16,088	15,660	13,473	14,673	13,533
150	146	137	133	122
150	146	137	133	122
13,748	13,453	11,345	12,078	11,114
-	-	-	-	-
27,133	26,545	22,629	24,603	22,858
-	-	-	-	-
750	732	689	670	612
84,530	82,615	70,569	75,965	71,468
4,709	4,626	3,878	4,263	3,903
5,951	5,877	5,101	5,351	4,911
-	-	119,075	-	-
<u>\$ 1,214,251</u>	<u>\$ 1,189,150</u>	<u>\$ 1,117,610</u>	<u>\$ 1,076,177</u>	<u>\$ 970,707</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
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	2,795
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	14,440
Gaffney, SC	12,986	12,986	12,986	12,986	12,986
Gastonia	75,820	75,820	75,820	75,820	75,820
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	2,303
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, 2019**

2014	2013	2012	2011	2010
81,370	81,370	81,370	5,900	5,900
16,338	16,338	16,338	16,043	16,026
32,275	32,275	32,275	34,937	34,591
5,008	5,008	5,008	4,923	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	1,963	1,945	1,938
9,425	9,425	9,425	9,425	9,425
3,703	3,703	3,703	3,581	3,380
-	-	-	-	-
316	316	316	316	322
7,000	7,000	7,000	7,000	7,000
5,795	5,795	5,795	5,680	-
14,333	14,333	14,333	13,842	-
8,091	8,091	8,091	8,091	8,091
81,370	81,370	81,370	79,673	71,240
24,847	24,847	24,847	23,929	22,946
4,033	4,033	4,033	3,558	3,558
46,500	46,500	46,500	46,500	46,400
1,920	1,920	1,920	1,950	1,930
20,000	20,000	20,000	20,000	-
-	-	-	-	-
5,166	5,166	5,166	5,143	5,069
20,406	20,406	20,406	19,449	19,449
-	-	-	-	-
2,221	2,221	2,221	2,250	2,370
4,776	4,776	4,776	4,656	4,601
207,788	207,788	207,788	207,445	174,364
7,133	7,133	7,133	7,162	7,329
586	586	586	578	550
1,404	1,404	1,404	1,463	1,463
-	-	-	-	-
12,986	12,986	12,986	12,986	18,133
75,280	75,280	75,280	74,518	72,848
4,999	4,999	4,999	4,979	4,904
82,571	82,571	82,571	79,629	72,233
24,557	24,557	24,557	24,557	21,421
459	459	459	502	502
2,203	2,203	2,203	2,172	2,172
102,216	102,216	102,216	100,442	96,867
-	-	-	-	-
381	381	381	385	385
487	487	487	485	487
41,216	41,216	41,216	44,500	40,000
11,070	11,070	11,070	10,757	10,535
22,478	22,478	22,478	22,649	23,337
2,774	2,774	2,774	2,836	2,836
3,127	3,127	3,127	3,100	3,047
10,000	10,000	10,000	10,000	9,964

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
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	28,572
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	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.  
2012-2019 Census information-2010.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Estimated Population (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
15,825	15,825	15,825	15,911	16,586
21,420	21,420	21,420	21,378	20,927
11,553	11,553	11,553	11,316	11,061
3,711	3,711	3,711	3,677	3,644
-	-	-	-	880
23,039	23,039	23,039	22,006	20,795
401	401	401	450	432
3,466	3,466	3,466	3,406	3,279
15,416	15,416	15,416	15,416	15,416
38,120	38,120	38,120	37,280	35,966
17,058	17,058	17,058	17,108	18,474
-	-	-	-	-
26,613	26,613	26,613	28,586	25,600
15,000	15,000	15,000	15,000	13,901
10,907	10,907	10,907	10,907	10,580
13,819	13,819	13,819	13,670	13,075
703	703	703	704	714
1,259	1,259	1,259	1,256	1,314
7,747	7,747	7,747	7,501	7,368
3,497	3,497	3,497	3,461	3,461
-	-	-	5,639	5,639
1,578	1,578	1,578	1,596	1,650
70,500	70,500	70,500	67,339	64,858
60,219	60,219	60,219	59,228	56,291
2,182	2,182	2,182	2,268	2,268
7,671	7,671	7,671	7,497	7,008
-	-	-	-	-
20,793	20,793	20,793	21,449	20,957
13,410	13,410	13,410	12,800	12,160
3,143	3,143	3,143	2,964	2,934
749	749	749	730	730
27,322	27,322	27,322	24,292	24,292
10,292	10,292	10,292	10,430	10,686
-	-	-	-	-
-	-	-	-	-
9,575	9,575	9,575	9,575	8,800
28,542	28,542	28,542	27,217	25,000
232	232	232	231	231
10,114	10,114	10,114	9,583	9,764
-	-	-	-	9,972
-	-	-	-	-
3,120	3,120	3,120	3,120	3,120
51,274	51,274	51,274	50,652	49,000
3,214	3,214	3,214	3,165	2,285
9,154	9,154	9,154	8,949	6,942

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
Abbeville, SC					
Albemarle	12,118	12,124	12,073	11,999	11,887
Apex	21,229	18,403	17,776	16,682	16,154
Ayden	3,996	4,071	4,101	4,521	3,881
Bamberg, SC					
Bedford, VA					
Belhaven	1,112	1,098	1,129	1,238	1,145
Bennettsville, SC					
Benson	1,883	1,834	1,842	1,796	1,609
Black Creek					
Bostic	202	202	204	202	203
Camden, SC					
Cherryville	2,440	2,423	2,433	2,437	2,440
Clayton	6,924	6,448	6,205	5,885	5,747
Clinton, SC					
Concord	31,298	30,131	29,620	29,186	28,618
Cornelius	3,929	3,888	3,509	3,427	3,239
Dallas	3,636	3,632	3,606	3,546	3,478
Danville, VA					
Drexel	1,215	1,227	1,226	1,213	1,203
Easley, SC					
East Carolina University			-	-	-
Edenton	4,146	4,133	4,141	4,159	4,162
Elizabeth City	12,526	12,603	12,045	12,029	11,987
Elizabeth City State University			-	-	-
Enfield	1,248	1,229	1,237	1,256	1,274
Farmville	2,779	2,864	2,890	2,909	2,912
Fayetteville	81,991	81,831	82,021	90,050	88,760
Forest City	4,144	4,189	4,108	4,062	4,103
Fountain	304	298	298	297	302
Fremont	743	780	755	763	803
Gaffney, SC					
Gastonia	27,963	27,577	27,453	26,882	26,891
Granite Falls	2,472	2,461	2,455	2,439	2,396
Greenville	67,704	66,501	66,298	66,051	65,326
Greer, SC					
Hamilton	259	261	262	261	254
Hertford	1,178	1,151	1,149	1,153	1,160
High Point	41,398	42,244	40,841	41,790	40,123
Highlands				2,817	
Hobgood	267	272	276	277	278
Hookerton	423	424	418	425	419
Huntersville	6,096	5,674	5,292	4,973	4,836
Kings Mountain	4,920	4,886	4,746	4,503	4,446
Kinston	11,864	11,604	11,634	11,605	11,645
La Grange	1,701	1,677	1,472	1,468	1,482
Landis	3,004	2,918	2,875	2,888	2,865
Laurens, SC					

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
			3,541	3,511
11,844	11,821	11,857	11,957	11,966
15,477	14,831	14,279	13,995	13,866
3,934	4,548	4,576	4,611	4,625
			1,826	
			7,055	
1,115	1,121	1,140	1,164	1,174
			4,657	
1,777	1,766	1,767	1,768	1,792
222	201	199	201	198
			10,636	
2,442	2,425	3,115	2,432	2,508
5,623	5,250	5,142	5,141	5,160
			4,106	
28,215	27,298	28,282	28,064	27,170
3,102	2,953	2,783	2,707	2,636
3,400	3,359	3,311	3,276	3,243
			46,016	
1,207	1,214	1,202	1,212	1,212
			13,463	
-	-	-	-	-
4,164	4,157	4,159	4,185	4,193
11,956	11,969	11,967	12,010	11,809
-	-	-	-	-
1,298	1,300	1,312	1,322	1,394
2,904	2,879	2,883	2,901	2,886
87,883	87,072	85,174	85,197	85,186
4,114	4,129	4,100	4,126	4,123
311	315	316	318	304
803	806	753	749	817
			7,288	
26,497	26,268	26,067	26,133	26,063
2,394	2,391	2,410	2,406	2,384
65,073	64,629	64,309	63,893	63,240
			17,437	
252	249	284	251	258
1,166	1,203	1,198	1,185	1,227
39,731	39,607	39,462	39,338	39,208
284	285	289	297	301
415	390	398	432	434
4,664	4,501	4,355	4,193	4,118
4,364	4,154	4,250	4,324	4,086
11,730	11,809	11,787	11,838	12,068
1,486	1,500	1,502	1,500	1,503
2,877	2,837	2,810	2,816	2,816
			51,974	

**ElectriCities of North Carolina, Inc.**  
**Schedule of Customers Served (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
Laurinburg	5,658	5,611	5,591	5,592	5,588
Lexington	18,791	18,692	18,560	18,576	18,474
Lincolnton	3,030	2,879	2,783	2,769	2,657
Louisburg	1,972	1,958	1,972	1,950	1,958
Lumberton	11,486	11,560	12,346	12,169	12,237
Macclesfield	258	262	261	269	269
Maiden	1,220	1,201	1,182	1,174	1,171
Martinsville, VA					
Monroe	10,958	10,879	10,809	10,685	10,557
Morganton	8,321	8,326	8,310	8,204	8,168
Murphy					
New Bern		22,519	22,454	22,095	21,859
New River Light & Power	8,275	8,116	8,072	7,926	7,852
Newberry, SC					
Newton	4,710	4,542	4,529	4,528	4,504
Pikeville		493	493	508	513
Pinetops	728	763	730	745	756
Pineville	3,605	3,409	3,259	3,202	2,994
Red Springs	1,673	1,686	1,694	1,689	1,692
Robersonville	964	983	991	1,023	1,035
Rock Hill, SC					
Rocky Mount	27,992	27,831	27,533	27,419	27,276
Scotland Neck	1,400	1,420	1,422	1,445	1,480
Selma	2,749	2,868	2,849	2,944	2,741
Sharpsburg	1,156	1,069		1,174	
Shelby	8,308	8,251	8,241	8,136	8,077
Smithfield	4,407	4,466	4,511	4,538	4,498
Southport	2,992	2,949	2,870	2,787	2,761
Stantonsburg	1,145	1,179		1,140	1,129
Statesville	13,623	13,381	13,329	13,206	13,084
Tarboro	5,947	5,776	5,799	5,871	6,050
University of NC - Chapel Hill			-	-	-
University of NC - Greensboro			-	-	-
Union, SC					
Wake Forest	6,660	6,083	5,910	6,882	6,734
Walstonburg	130	127	130	132	129
Washington	13,764	13,752	13,628	13,601	13,441
Waynesville	3,054	3,035	3,042	3,013	3,200
Western Carolina -			-	-	-
Westminster, SC					
Wilson	34,496	34,237	34,115	33,813	33,813
Windsor	1,755	1,769	1,799	1,791	1,786
Winterville	3,069			2,889	2,835

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, 2019**

2014	2013	2012	2011	2010
5,749	5,672	5,586	6,519	5,634
18,348	18,371	18,356	18,267	18,092
2,671	2,670	2,654	2,668	2,653
1,925	1,930	1,921	1,936	1,939
12,036	12,323	11,886	11,980	11,982
269	274	274	276	275
1,165	1,122	1,087	1,080	1,068
			7,897	7,867
10,475	10,421	10,331	10,319	10,369
8,184	8,200	8,173	8,089	8,230
21,822	21,284	21,180	21,433	21,158
7,751	7,689	7,641		7,682
			12,507	
4,495	4,486	4,478	4,522	4,486
518	516	512	519	519
781	775	777	777	777
2,907	2,756	2,722	2,822	2,791
1,700	1,700	1,709	1,705	1,698
1,034	1,068	1,101	1,105	1,314
			36,872	33,182
27,277	27,167	27,095	27,390	27,576
1,483	1,501	1,520	1,538	1,574
2,661	2,666	2,690	2,676	2,769
8,013	7,936	7,898	7,567	7,443
4,477	4,491	4,449	4,474	4,653
2,663	2,620	2,595	2,595	2,588
1,171	1,174	1,186	1,184	1,175
13,010	12,962	13,020	12,914	12,914
6,050	6,060	6,078	6,087	6,098
-	-	-	-	-
-	-	-	-	-
			7,041	7,006
6,307	6,187	6,088	6,070	6,004
131	125	131	132	132
13,565	13,478	13,421	13,435	13,347
-	-	-	-	-
			1,568	
33,691	33,619	33,593	33,549	33,518
1,796	1,804	1,807	1,835	1,829
2,913	2,881	3,460	3,427	3,413

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
Abbeville, SC					
Albemarle	292,519,000	278,239,000	291,506,000	298,511,000	292,828,000
Apex	331,065,000	303,798,000	302,769,000	292,435,000	266,566,000
Ayden	100,461,000	101,787,000	102,125,000	98,490,000	106,141,000
Bamberg, SC					
Bedford, VA					
Belhaven	16,895,000	16,210,000	16,413,000	17,343,000	18,980,000
Bennettsville, SC					
Benson	36,875,000	33,048,000	33,979,000	33,705,000	32,523,000
Black Creek					
Bostic	3,462,000	3,242,000	3,474,000	3,436,000	3,496,000
Camden, SC					
Cherryville	53,051,000	48,447,000	50,457,000	47,638,000	46,788,000
Clayton	113,612,000	103,500,000	102,182,000	101,750,000	96,446,000
Clinton, SC					
Concord	955,679,000	890,388,000	911,763,000	885,841,000	860,552,000
Cornelius	58,110,000	53,639,000	59,952,000	56,577,000	52,544,000
Dallas	71,058,000	66,950,000	69,683,000	68,706,000	65,729,000
Danville, VA					
Drexel	18,398,000	16,684,000	17,421,000	19,057,000	18,741,000
Easley, SC					
East Carolina University					
Edenton	101,698,000	95,379,000	93,958,000	97,813,000	96,007,000
Elizabeth City	264,732,000	295,048,000	305,419,000	307,989,000	299,942,000
Elizabeth City State University					
Enfield	19,810,000	17,990,000	32,068,000	35,924,000	36,223,000
Farmville	48,510,000	46,266,000	46,804,000	47,434,000	47,228,000
Fayetteville	2,082,629,000	1,967,324,000	2,054,941,000	2,059,540,000	2,087,801,000
Forest City	101,449,000	110,126,000	105,820,000	104,510,000	115,259,000
Fountain	4,154,000	3,785,000	3,965,000	3,911,000	4,289,000
Fremont	12,410,000	12,624,000	11,590,000	11,993,000	13,119,000
Gaffney, SC					
Gastonia	696,633,000	659,886,000	675,378,000	651,423,000	647,079,000
Granite Falls	58,120,000	54,113,000	55,680,000	55,556,000	57,708,000
Greenville	1,810,635,000	1,700,477,000	1,721,702,000	1,733,095,000	1,706,381,000
Greer, SC					
Hamilton	2,912,000	2,756,000	2,726,000	2,823,000	2,865,000
Hertford	23,943,000	21,767,000	22,330,000	22,813,000	22,153,000
High Point	1,160,826,000	1,120,508,000	1,161,138,000	1,153,476,000	1,133,236,000
Highlands				39,798,000	
Hobgood	2,830,000	2,781,000	2,830,000	2,901,000	2,894,000
Hookerton	5,744,000	5,638,000	5,755,000	5,646,000	5,527,000
Huntersville	243,145,000	229,986,000	231,302,000	217,659,000	198,441,000
Kings Mountain	144,153,000	142,156,000	140,241,000	140,057,000	136,512,000
Kinston	450,776,000	445,208,000	448,366,000	451,666,000	461,500,000
La Grange	26,029,000	24,273,000	24,215,000	26,337,000	24,460,000
Landis	47,709,000	43,864,000	46,276,000	44,803,000	44,607,000
Laurens, SC					

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
			58,056,000	62,971,764
280,760,000	294,365,000	300,735,000	308,342,000	288,735,000
247,851,000	246,768,000	253,762,000	256,633,000	242,155,000
103,605,000	99,087,000	100,867,000	101,551,000	98,097,000
			50,050,000	
			211,131,000	
19,475,000	18,820,000	20,273,000	21,080,000	19,578,000
			96,185,000	
31,893,000	32,161,000	34,457,000	37,734,000	36,008,000
3,347,000	3,286,000	3,519,000	3,851,000	3,755,000
			180,705,000	
44,691,000	44,854,000	51,276,000	52,461,000	52,351,000
91,317,000	90,664,000	94,266,000	103,699,000	91,963,000
			109,999,000	
833,000,000	846,243,000	847,511,000	876,388,000	810,758,000
50,184,000	49,267,000	49,563,000	50,191,000	44,461,000
64,566,000	63,856,000	62,020,000	63,917,000	58,626,000
			975,360,000	
18,149,000	17,610,000	19,412,000	19,990,000	18,846,000
			286,441,000	
98,334,000	94,651,000	97,814,000	101,544,000	93,082,000
298,733,000	296,808,000	315,771,000	323,348,000	302,963,000
35,415,000	34,636,000	34,988,000	37,291,000	37,111,000
46,282,000	45,284,000	47,342,000	51,465,000	49,584,000
2,025,377,000	2,007,469,000	2,171,225,000	2,214,346,000	2,101,183,000
104,750,000	106,437,000	116,368,000	118,611,000	112,644,000
4,672,000	4,353,000	3,663,000	3,748,000	3,699,000
13,174,000	12,790,000	12,627,000	13,575,000	14,196,000
			210,072,000	230,400,000
625,787,000	632,569,000	660,255,000	684,155,000	692,156,000
55,472,000	52,680,000	55,214,000	56,826,000	54,248,000
1,638,236,000	1,631,488,000	1,690,744,000	1,704,348,000	1,608,710,000
			316,363,000	
2,839,000	2,750,000	2,814,000	3,195,000	3,166,000
22,782,000	21,821,000	21,888,000	23,955,000	22,960,000
1,122,288,000	1,113,155,000	1,145,838,000	1,158,330,000	1,094,331,000
2,900,000	2,784,000	3,079,000	3,580,000	3,743,000
5,251,000	5,179,000	5,792,000	5,888,000	5,315,000
199,780,000	174,091,000	169,352,000	162,865,000	148,473,000
126,629,000	129,823,000	135,319,000	133,739,000	123,742,000
440,862,000	418,092,000	436,370,000	450,636,000	430,248,000
25,211,000	24,722,000	26,163,000	27,758,000	25,816,000
43,519,000	43,690,000	47,877,000	51,158,000	45,618,000
			948,989,000	

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

<i>City/Town</i>	2019	2018	2017	2016	2015
Laurinburg	135,620,000	131,294,000	134,159,000	138,267,000	134,968,000
Lexington	407,842,000	375,608,000	391,732,000	393,125,000	397,556,000
Lincolnton	66,294,000	48,791,000	58,498,000	59,157,000	57,124,000
Louisburg	54,680,000	51,841,000	53,831,000	57,145,000	56,887,000
Lumberton	264,869,000	239,383,000	270,856,000	277,445,000	284,490,000
Macclesfield	2,656,000	2,885,000	2,966,000	3,388,000	2,525,000
Maiden	85,309,000	82,775,000	85,910,000	77,684,000	72,712,000
Martinsville, VA					
Monroe	719,840,000	707,395,000	717,263,000	708,682,000	686,630,000
Morganton	325,071,000	325,405,000	338,776,000	358,790,000	361,432,000
Murphy					
New Bern		441,675,000	448,542,000	457,517,000	454,434,000
New River Light & Power	215,521,000	205,098,000	202,042,000	208,074,000	215,386,000
Newberry, SC					
Newton	152,531,000	137,936,000	147,861,000	146,393,000	147,561,000
Pikeville		8,102,000	8,626,000	9,106,000	8,731,000
Pinetops	18,671,090	18,054,000	18,121,000	22,260,000	21,200,000
Pineville	109,564,000	103,581,000	109,808,000	110,270,000	110,902,000
Red Springs	33,423,000	33,324,000	33,580,000	34,129,000	35,412,000
Robersonville	22,919,000	22,862,000	21,004,000	21,870,000	20,782,000
Rock Hill, SC					
Rocky Mount	709,005,000	690,526,000	707,390,000	714,369,000	699,641,000
Scotland Neck	28,264,000	26,088,000	24,916,000	25,422,000	24,853,000
Selma	66,194,000	65,088,000	67,316,000	64,084,000	66,605,000
Sharpsburg	17,327,000	15,114,000		16,732,000	
Shelby	204,825,000	187,798,000	192,951,000	191,158,000	188,631,000
Smithfield	173,050,000	168,346,000	172,874,000	164,935,000	168,639,000
Southport	58,241,000	54,864,000	54,099,000	55,197,000	55,811,000
Stantonsburg	19,820,000	18,946,000		21,042,000	21,486,000
Statesville	473,796,000	455,129,000	452,830,000	447,401,000	449,110,000
Tarboro	224,139,000	220,317,000	238,813,000	225,669,000	217,102,000
University of NC - Chapel Hill					
University of NC - Greensboro					
Union, SC					
Wake Forest	161,318,000	152,840,000	152,587,000	157,926,000	142,120,000
Walstonburg	1,677,000	1,663,000	1,812,000	1,565,000	1,575,000
Washington	284,800,000	271,551,000	276,527,000	278,703,000	280,334,000
Waynesville	89,631,000	85,542,000	90,747,000	89,412,000	93,352,000
Western Carolina University					
Westminister, SC					
Wilson	1,275,421,000	1,201,775,000	1,282,627,000	1,282,020,000	1,237,230,000
Windsor	50,462,000	46,927,000	49,259,000	50,985,000	50,305,000
Winterville	53,396,000			49,000,000	44,333,000

**ElectriCities of North Carolina, Inc.**  
**Schedule of kWh Sold (Unaudited)**  
**For the Fiscal Years Ended June 30, 2019**

2014	2013	2012	2011	2010
128,881,000	131,385,000	135,751,000	140,725,000	132,781,000
386,865,000	383,899,000	407,191,000	420,429,000	393,509,000
5,638,200	57,513,000	59,224,000	59,871,000	64,606,000
53,544,000	58,961,000	60,830,000	61,872,000	60,109,000
262,117,000	261,335,000	282,350,000	283,235,000	280,361,000
2,738,000	3,135,000	3,618,000	3,874,000	4,025,000
70,717,000	69,945,000	69,345,000	70,748,000	57,409,000
			177,299,000	178,337,901
636,660,000	647,197,000	651,109,000	630,713,000	568,604,000
356,155,000	364,128,000	351,055,000	364,427,000	33,575,800
443,637,000	440,993,000	467,060,000	485,072,000	443,210,000
216,998,000	212,888,000	225,700,000		224,880,845
			266,442,000	
147,907,000	148,330,000	155,410,000	158,754,000	143,202,000
8,722,000	7,679,000	8,331,000	8,757,000	7,876,000
19,850,000	19,500,000	20,125,000	20,105,000	19,151,000
110,584,000	112,430,000	115,786,000	123,779,000	122,033,000
34,922,000	34,169,000	33,870,000	34,137,000	35,616,000
22,057,000	22,786,000	23,108,000	24,375,000	26,700,000
			769,452,000	789,101,342
690,443,000	690,852,000	725,986,000	745,710,000	716,899,000
25,195,000	27,056,000	25,854,000	27,145,000	26,584,000
64,051,000	61,396,000	65,686,000	70,048,000	65,314,000
188,313,000	187,005,000	196,035,000	199,131,000	185,291,000
159,649,000	162,652,000	166,205,000	170,475,000	163,527,000
51,824,000	50,951,000	53,824,000	54,802,000	50,067,000
20,804,000	20,247,000	21,516,000	21,712,000	21,157,000
457,769,000	444,422,000	434,033,000	444,631,000	443,440,000
236,997,000	226,807,000	232,616,000	240,688,000	229,890,000
			137,924,000	143,405,785
139,037,000	134,656,000	145,560,000	149,569,000	140,969,000
1,712,000	1,649,000	1,741,000	1,958,000	
274,759,000	274,294,000	288,147,000	296,535,000	274,493,000
				37,097,180
			26,939,000	
1,215,950,000	1,225,479,000	1,230,141,000	1,261,358,000	1,202,530,000
48,744,000	47,275,000	48,735,000	50,348,000	47,492,000
47,158,000	46,697,000	50,406,000	50,446,000	46,856,000

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, 2019**

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	2019	2018	2017	2016	2015
Management Services*	80	77	103	97	98
Distribution Operations	45	42			
Member Services	10	10	11	10	9
Safety & Training	5	6	6	6	6
Total	<u>140</u>	<u>135</u>	<u>120</u>	<u>113</u>	<u>113</u>

	2014	2013	2012	2011	2010
Management Services*	100	101	99	103	102
Member Services	9	4	3	3	3
Safety & Training	6	5	6	4	5
Total	<u>115</u>	<u>110</u>	<u>108</u>	<u>110</u>	<u>110</u>

Source: ElectriCities payroll records.

\* Includes Distribution Operations 2009-2017.