



2021
Financial Report

**ELECTRICITIES OF
NORTH CAROLINA, INC.**

Annual Financial Report
(With Report of Independent Auditor Thereon)

December 31, 2021 and 2020

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ElectriCities of North Carolina, Inc.
Annual Financial Report
Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
ElectriCities of North Carolina, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ElectriCities of North Carolina, Inc.'s (the Company) business-type and fiduciary-type activities, which comprise the statements of net position as of December 31, 2021 and 2020, the related statements of revenues and expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for twelve months beyond the date of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for at least twelve months beyond the date of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note M to the financial statements, in the year ended December 31, 2021, ElectriCities adopted new accounting guidance provided in Governmental Accounting Standards Board Statement Number 87, *Leases*. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 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 an opinion on the financial statements that collectively comprise the Company's basic financial statements. The budgetary schedules and statements listed in the table of contents as Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Company.

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

PBMares, LLP

Morehead City, North Carolina
July 12, 2022

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, 2021 and 2020. This information should be read in conjunction with the information furnished in ElectriCities' financial statements that follow this narrative.

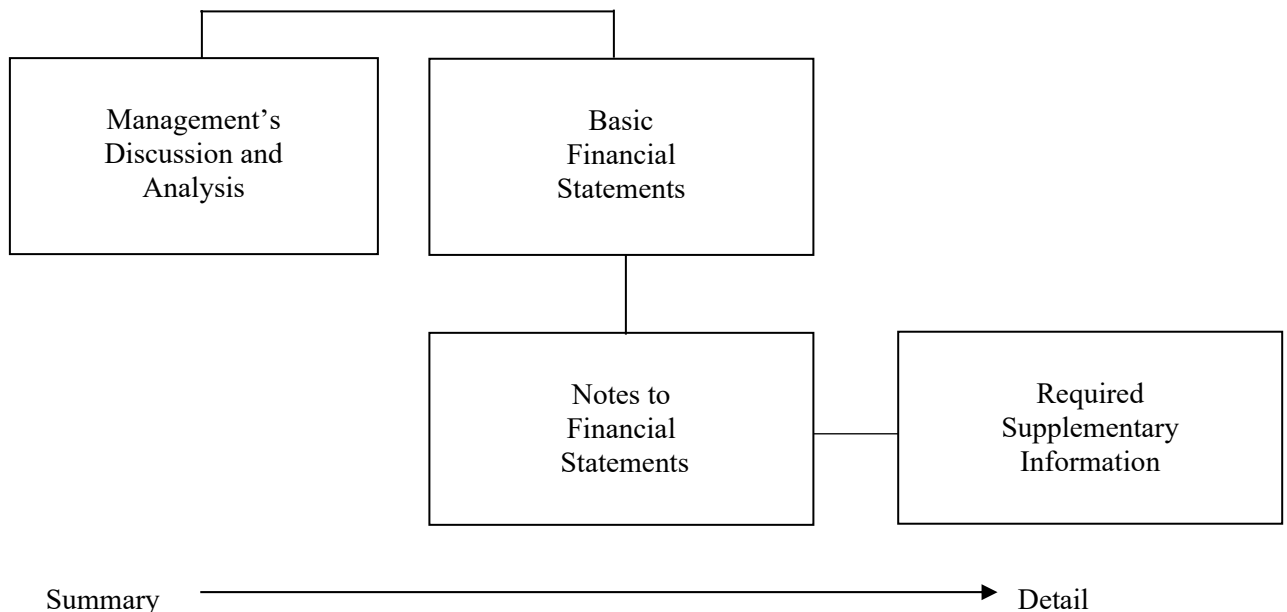
Financial Highlights

- ElectriCities' basic financial statements consist of a single enterprise fund and Other postemployment Benefits Trust fund.
- ElectriCities' liabilities and deferred inflows exceeded its assets and deferred outflows (net position deficit) by \$2,522,767 at December 31, 2021 and by \$3,337,403 at December 31, 2020.
- ElectriCities' unrestricted net position was a deficit of \$3,361,302 and \$4,491,463 at December 31, 2021 and December 31, 2020, respectively.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$1,547,169 and \$1,541,174 for 2021 and 2020, respectively.
- In 2021, Revenues exceeded Expenditures by \$349,917. In accordance with its bylaws, ElectriCities will refund \$349,917 of the billed dues for 2021.

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.

ElectriCities' Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. ElectriCities has one fiduciary fund which is an OPEB trust for reporting purposes.

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 17 through 39 of this report.

After the notes, additional information is provided. Required supplementary information is on pages 40 to 43, additional financial information is on pages 45 to 50 and statistical information is on pages 52 to 71.

Financial Analysis

The enterprise fund financial statements for the years ended December 31, 2021, 2020 and 2019 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

Summarized Statements of Net Position (Deficit)
Exhibit 2

	December 31,		
	2021	2020	2019
Assets			
Capital assets	\$ 1,454,347	\$ 1,154,060	\$ 1,009,039
Net other post employment benefit asset	1,379,191	1,193,341	-
Current and other assets	5,138,312	4,758,750	4,106,554
Total assets	<u>7,971,850</u>	<u>7,106,151</u>	<u>5,115,593</u>
Deferred Outflows of Resources			
Pension Deferrals (Note F)	3,900,624	3,335,929	2,603,433
OPEB deferrals (Note H)	126,206	80,574	-
Total Deferred Outflows of Resources	<u>4,026,830</u>	<u>3,416,503</u>	<u>2,603,433</u>
Liabilities			
Long-term liabilities outstanding	4,425,538	7,928,429	6,232,574
Current liabilities outstanding	4,107,097	3,362,627	2,893,651
Total liabilities	<u>8,532,635</u>	<u>11,291,056</u>	<u>9,126,225</u>
Deferred Inflows of Resources			
Unexpended program revenue	150,000	180,205	139,256
Pension Deferrals (Note F)	4,192,351	-	-
OPEB deferrals (Note H)	1,646,461	2,388,796	1,802,742
Total Deferred Inflows of Resources	<u>5,988,812</u>	<u>2,569,001</u>	<u>1,941,998</u>
Net Position (Deficit)			
Net investment in capital assets	838,535	1,154,060	1,009,039
Unrestricted (deficit)	<u>(3,361,302)</u>	<u>(4,491,463)</u>	<u>(4,358,236)</u>
Total Net Position (Deficit)	<u>\$ (2,522,767)</u>	<u>\$ (3,337,403)</u>	<u>\$ (3,349,197)</u>

As noted earlier, the various components of net position may serve over time as a useful indicator of ElectriCities' financial condition. ElectriCities' liabilities and deferred inflows exceeded assets and deferred outflows (net position deficit) by \$2,522,767 at December 31, 2021, by \$3,337,403 at December 31, 2020, and by \$3,349,197 at December 31, 2019. ElectriCities' net position increased by \$814,636, including restatement, for the year ended December 31, 2021, increased by \$11,794 for the year ended December 31, 2020, decreased by \$882,127 for the year ended December 31, 2019.

The portion of net position totaling \$838,335, \$1,154,060 and \$1,009,039 at December 31, 2021, 2020 and 2019 respectively, reflects ElectriCities' net investment in capital assets (e.g., vehicles, furniture and equipment). This amount decreased in 2021 because depreciation exceeded additional spending on capital additions and increased in 2020 because additional spending on capital assets exceeded depreciation.

The portion of net position deficit totaling \$3,361,302, \$4,491,463 and \$4,358,236 at December 31, 2021, 2020 and 2019, respectively, represents unrestricted net position deficit. The prior year restatement for accounting change of \$7,327 related to the implementation of GASB 87, "Leases". The OPEB related cost shown below in 2021 decreased unrestricted position by \$973,817. The pension related cost shown below in 2021 increased unrestricted net position by \$171,368.

Summarized Statements of Activity

Exhibit 3

	For the Years Ended December 31,		
	2021	2020	2019
Operating Revenues:			
Membership dues	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412
Management services (Note E)	25,189,866	25,556,239	25,510,676
Program revenues	7,615,514	6,894,015	6,596,913
Total Operating Revenues	34,352,549	33,991,428	33,487,001
Operating Expenses:			
Program Expenses:			
Administration	87,836	85,789	83,831
Safety and Training	1,486,052	1,305,197	1,237,462
Member Services	271,272	275,548	268,456
Government Affairs	2,786	3,292	1,179
Technical Services	668,251	655,941	537,066
Member Conferences	254,569	116,760	363,301
Management Services	24,951,402	25,556,239	25,510,676
Regions Contract Services	20,836		32,022
Distribution Operations	5,978,035	5,590,510	5,118,267
Depreciation and amortization (Note D)	360,661	276,171	326,025
Depreciation leases (Note I)	282,238	-	-
Refund of excess revenues (Note A)	349,917	404,590	342,456
Pension Expense (Income) (Note F)	(171,368)	1,109,010	1,149,541
OPEB Expense (Income) (Note H)	(973,817)	(975,783)	(244,276)
Total Operating Expenses	33,568,670	34,403,264	34,726,006
Operating Income (Loss)	783,879	(411,836)	(1,239,005)
Non-operating Revenues:			
Investment income	300	2,438	7,715
Interest Expense - Leases (Note I)	(5,653)	-	-
Total Non-operating Revenues	(5,353)	2,438	7,715
Income (Loss) Before Capital Contributions	778,526	(409,398)	(1,231,290)
Capital Contributions	45,136	393,566	351,085
Gain (Loss) on Disposal	(1,699)	27,626	(1,922)
Increase (Decrease) in Net Position	821,963	11,794	(882,127)
Net Position (Deficit)			
Beginning of Year	(3,337,403)	(3,349,197)	(2,467,070)
Restatement for Accounting Change (Note M)	(7,327)	-	-
Net Position Deficit, Beginning of Year	(3,344,730)	(3,349,197)	(2,467,070)
Total Net Position (Deficit), End of Year	\$ (2,522,767)	\$ (3,337,403)	\$ (3,349,197)

Revenues totaled \$34,352,849, \$33,993,866, and \$33,494,716 for the years ended December 31, 2021, 2020 and 2019, 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, 2021, and 2020, respectively:

- Membership dues increased by \$5,995 and \$161,762 in 2021 and 2020, respectively. The increase in 2020 was attributable to the installation of a Learning Management System and addition of a new Safety Training position.
- Management services and other program revenues increased by \$355,126 and \$342,665 in 2021 and 2020, respectively. The 2021 increase was primarily due to an increased staff development costs related to the implementation of the Line Worker Apprenticeship Program and increased liability insurance costs. The 2020 increase was primarily due to an increase in Distribution Operations costs resulted from the market adjustment for the line workers compensation and a final phase in of the overhead charges for Huntersville and Cornelius offices.
- Non-operating revenues decreased by \$2,138 and \$5,277 in 2021 and 2020, primarily due to changes in investment rates.
- In 2021 and 2020 net position increased by \$814,636, including restatement, and increased by \$11,794, respectively.

Capital Assets and Debt Administration

Capital Assets

ElectriCities' investment in capital assets at December 31, 2021, 2020 and 2019 totaled \$838,535, \$1,154,060, and \$1,009,039, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture and equipment.

Major capital asset transactions during 2021 and 2020 include the following:

- In 2020, four vehicles were purchased for \$164,857. There were no vehicle purchases in 2021.
- One and three vehicles were retired in 2021 and 2020, respectively.
- In 2020, ElectriCities' building roof was replaced for \$100,648.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$5,000 for 2021 and 2020.

Exhibit 4

	December 31, 2020	Additions	Retirements	December 31, 2021
Furniture and Equipment	\$ 4,229,637	\$ 45,136	\$ (521,009)	\$ 3,753,764
Accumulated Depreciation and Amortization	(3,075,577)	(360,661)	521,009	(2,915,229)
Total Furniture and Equipment, Net	<u>\$ 1,154,060</u>	<u>\$ (315,525)</u>	<u>\$ -</u>	<u>\$ 838,535</u>

	December 31, 2019	Additions	Retirements	December 31, 2020
Furniture and Equipment	\$ 3,942,792	\$ 421,192	\$ (134,347)	\$ 4,229,637
Accumulated Depreciation and Amortization	(2,933,753)	(276,171)	134,347	(3,075,577)
Total Furniture and Equipment, Net	<u>\$ 1,009,039</u>	<u>\$ 145,021</u>	<u>\$ -</u>	<u>\$ 1,154,060</u>

Additional information regarding ElectriCities' capital assets can be found in Note D on page 25 of this report.

ElectriCities' investment in intangible right to use leases at December 31, 2021 and 2020 totaled \$493,009 and \$615,812, respectively, (net of accumulated depreciation).

Additional information regarding ElectriCities' intangible right to use leases can be found in Note L on page 36 of this report.

Exhibit 5

	December 31, 2020	Additions	Deletions	December 31, 2021
Leases				
Building	\$ 55,260	\$ 95,417	\$ -	\$ 150,677
Equipment	722,329	309,624	(220,290)	811,663
Total Leases	777,589	405,041	(220,290)	962,340
Accumulated Depreciation				
Building	(31,839)	(37,468)	-	(69,307)
Equipment	(252,741)	(244,770)	220,290	(277,221)
Total accumulated depreciation	(284,580)	(282,238)	220,290	(346,528)
Total Leases, Net	\$ 493,009	\$ 122,803	\$ -	\$ 615,812

Outstanding Debt

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2021, 2020 or 2019.

Next Year's Budgets and Dues

Budget Highlights for 2022

- There is 36.7% increase in dues. Prior years' dues overpayments are being used in 2022 to fund a Value of Public Power Campaign.
- Member Programs includes Safety & Training, Government Affairs, Member Services and Emergency Assistances Programs. These programs are supported by a combination of dues and certain program specific revenues. Member Programs also includes the Annual Conferences and the Connections Summit. Member Programs expenses decreased 27.1%.
- Management Services (increased 3.5%) and Contract Services, which includes Technical Services and Distribution Operations, (increased 16.0%) 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,	
	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents (Note C)	\$ 3,545,856	\$ 2,947,318
Accounts receivable	1,592,456	1,811,432
Total Current Assets	5,138,312	4,758,750
Non-Current Assets:		
Net other post employment benefit asset (Note H)	1,379,191	1,193,341
Capital assets (Note D)		
Equipment and furnishings	3,753,764	4,229,637
Accumulated depreciation	(2,915,229)	(3,075,577)
Net book value capital assets	838,535	1,154,060
Leases (Note I)	962,340	-
Accumulated depreciation leases	(346,528)	-
Net book value capital leases	615,812	-
Total Capital assets	1,454,347	1,154,060
Total Non-Current Assets	2,833,538	2,347,401
Total Assets	7,971,850	7,106,151
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals (Note F)	3,900,624	3,335,929
OPEB deferrals (Note H)	126,206	80,574
DEFERRED OUTFLOWS OF RESOURCES	4,026,830	3,416,503
LIABILITIES		
Current Liabilities:		
Accounts payable	2,110,361	1,702,026
Current portion of accrued vacation	926,414	866,589
Other accrued lease liability	8,135	-
Short-term lease liability	262,831	-
Other liabilities	799,356	794,012
Total Current Liabilities	4,107,097	3,362,627
Non-Current Liabilities:		
Accrued vacation	1,131,285	1,195,022
Long-term lease liability	359,870	-
Net pension liability (Note F)	2,934,383	6,733,407
Total Non-Current Liabilities	4,425,538	7,928,429
Total Liabilities	8,532,635	11,291,056
DEFERRED INFLOWS OF RESOURCES		
Unexpended program revenue	150,000	180,205
Pension Deferrals (Note F)	4,192,351	-
OPEB deferrals (Note H)	1,646,461	2,388,796
Total Deferred Inflows of Resources	5,988,812	2,569,001
NET POSITION (DEFICIT)		
Net investment in capital assets	838,535	1,154,060
Unrestricted (Deficit)	(3,361,302)	(4,491,463)
Total net position (Deficit)	\$ (2,522,767)	\$ (3,337,403)

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,	
	2021	2020
Operating Revenues:		
Membership dues	\$ 1,547,169	\$ 1,541,174
Management services (Note E)	25,189,866	25,556,239
Program revenues	7,615,514	6,894,015
Total Operating Revenues	34,352,549	33,991,428
Operating Expenses:		
Program Expenses:		
Administration	87,836	85,789
Safety and Training	1,486,052	1,305,197
Member Services	271,272	275,548
Government Affairs	2,786	3,292
Technical Services	668,251	655,941
Member Conferences	254,569	116,760
Management Services	24,951,402	25,556,239
Regions Contract Services	20,836	
Distribution Operations	5,978,035	5,590,510
Depreciation and amortization (Note D)	360,661	276,171
Depreciation leases (Note I)	282,238	-
Refund of excess revenues (Note A)	349,917	404,590
Pension Expense (Income) (Note F)	(171,368)	1,109,010
OPEB Expense (Income) (Note H)	(973,817)	(975,783)
Total Operating Expenses	33,568,670	34,403,264
Operating Income (Loss)	783,879	(411,836)
Non-operating Revenues:		
Investment income	300	2,438
Interest Expense - Leases (Note I)	(5,653)	-
Total Non-operating Revenues	(5,353)	2,438
Income (Loss) Before Capital Contributions	778,526	(409,398)
Capital Contributions	45,136	393,566
Gain (Loss) on Disposal	(1,699)	27,626
Increase (Decrease) in Net Position	821,963	11,794
Net Position (Deficit)		
Beginning of Year	(3,337,403)	(3,349,197)
Restatement for Accounting Change (Note M)	(7,327)	-
Net Position Deficit, Beginning of Year	(3,344,730)	(3,349,197)
Total Net Position (Deficit), End of Year	\$ (2,522,767)	\$ (3,337,403)

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statements of Cash Flows

	For the Years Ended December 31,	
	2021	2020
Cash Flows From Operating Activities:		
Receipts from dues and other revenues	\$ 34,546,664	\$ 34,050,073
Payments to employees for services	(15,615,947)	(15,312,293)
Payments to other suppliers of goods and services	(18,050,586)	(17,787,141)
Net Cash Provided by Operating Activities	880,131	950,639
Cash Flows From Capital Activities:		
Additions to capital assets	(45,136)	(393,566)
Capital contributions	45,136	393,566
Net Cash Used For Capital Activities	-	-
Cash Flows From Investing Activities:		
Investment income	300	2,438
Net Cash Flows From Investing Activities	300	2,438
Cash flows from financing activities		
Lease payments	(281,893)	-
Net Cash Flows From Financing Activities	(281,893)	-
Net Increase in Cash And Cash Equivalents	598,538	953,077
Cash and Cash Equivalents, Beginning of Year	2,947,318	1,994,241
Cash and Cash Equivalents, End of Year	\$ 3,545,856	\$ 2,947,318
Reconciliation Of Operating (Loss) To Net Cash Provided by Operating Activities:		
Net Operating Income (Loss)	\$ 783,879	\$ (411,836)
Adjustments:		
Depreciation and Amortization	360,661	276,171
Depreciation leases	282,238	-
Deferred noncash pension related expense (income)	(171,368)	1,109,010
Deferred noncash OPEB related expense (income)	(973,817)	(975,783)
Changes in Assets, Deferred Outflows/Inflows of Resources and Liabilities:		
Decrease in accounts receivable	218,976	300,881
Increase in accounts payable	408,335	468,732
Increase (Decrease) in accrued vacation	(3,912)	211,959
Increase (Decrease) in other liabilities	5,344	(69,444)
Increase (Decrease) in unexpended dues	(30,205)	40,949
Net Cash Provided by Operating Activities	\$ 880,131	\$ 950,639
Supplemental Disclosures		
Noncash Transaction-Fixed Asset Purchases	\$ -	\$ 27,626

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statements of Fiduciary Net Position
OPEB Trust Fund

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents (Note C)	\$ 10,935	\$ 12,417
Investments	4,685,642	4,404,575
Interest receivable	9,409	14,329
Total Assets	<u>4,705,986</u>	<u>4,431,321</u>
LIABILITIES		
Due to ElectriCities operating	<u>2,865</u>	<u>50,201</u>
Total Liabilities	<u>2,865</u>	<u>50,201</u>
NET POSITION		
Restricted Net Position - OPEB	<u><u>\$ 4,703,121</u></u>	<u><u>\$ 4,381,120</u></u>

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statements of Changes in Fiduciary Net Position
OPEB Trust Fund

	For the Years Ended December 31,	
	2020	2020
ADDITIONS		
Employer contribution	\$ -	\$ -
Investment earnings	479,687	367,118
Total Additions	<u>479,687</u>	<u>367,118</u>
DEDUCTIONS		
Administrative costs	177	443
Benefit payments	157,509	175,697
Total Deductions	<u>157,686</u>	<u>176,140</u>
Change in net position	322,001	190,978
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Beginning of year	4,381,120	4,190,142
End of year	<u>\$ 4,703,121</u>	<u>\$ 4,381,120</u>

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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, 2021 and 2020

Note B. Summary of Significant Accounting Policies

Financial Reporting

The financial statements are prepared using the economic resources measurement focus. Operating revenues are defined as dues and revenues received for Agency services provided to members. Revenues from investment activities are defined as non-operating revenues. ElectriCities has a deficit of \$3,361,302 and \$4,491,463, at December 31, 2021 and December 31, 2020, respectively, 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, 2021 and 2020

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, 2021 and 2020, 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 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, 2021		December 31, 2020	
		Cost Basis	Reported Value	Cost Basis	Reported Value
Money Market					
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	\$ 3,012,742	\$ 3,012,742	\$ 2,642,383	\$ 2,642,383
Sub-total funds invested		3,012,742	3,012,742	2,642,383	2,642,383
Cash		533,114	533,114	304,935	304,935
Total Funds Invested		<u>\$3,545,856</u>	<u>\$3,545,856</u>	<u>\$2,947,318</u>	<u>\$2,947,318</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, 2021 and 2020

Note B. Summary of Significant Accounting Policies (continued)

ElectriCities OPEB Trust Fund investments are reported at fair value:

	Method of Valuation	December 31, 2021		December 31, 2020	
		Cost Basis	Reported Value	Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	\$504,884	\$500,324	\$1,254,075	\$1,263,114
Treasury Coupons	Fair Value Level 1	644,757	651,704	644,757	662,289
NC AGPIP Equity Index Fund	Fair Value Level 1	2,219,429	3,108,933	1,559,573	1,971,028
NC AGPIP STIF	Fair Value Level 1	672	672	631	631
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	424,008	424,009	507,513	507,513
Sub-total funds invested		\$3,793,750	\$4,685,642	3,966,549	\$4,404,575
Interest Receivable		9,409	9,409	14,329	14,329
Cash		10,935	10,935	12,417	12,417
Total Funds Invested		<u>\$3,814,094</u>	<u>\$4,705,986</u>	<u>\$3,993,295</u>	<u>\$4,431,321</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 \$2,057,699 and \$2,061,611 at December 31, 2021 and 2020, respectively, and decreased by \$3,912 in 2021 and increased by \$211,959 in 2020.

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.

Leases

ElectriCities has adopted GASB Statement No. 87 "Leases". See Note I. The capitalization threshold for leases is \$5,000 effective January 1, 2021.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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 Asset

The net OPEB asset 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 asset 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 asset 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 two items that meets this criterion – pension and OPEB deferrals. In addition to liabilities, the statement of financial position will sometimes report a separate section

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note B. Summary of Significant Accounting Policies (continued)

for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. ElectriCities has three items that meet the criterion for this category - pensions and OPEB deferrals and unexpended program revenue.

Recently Adopted GASB Standards

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The 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. This statement is effective immediately (May 2020), and did not 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. As a result of the implementation of GASB Statement No. 87 for the year ended December 31, 2020, an additional footnote disclosure has been included (see Note M) to describe the impact for this change in accounting principle/restatement.

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 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 31, 2022.

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 31, 2022.

In January 2020, GASB issued Statement No. 92, Omnibus 2020. The 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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note B. Summary of Significant Accounting Policies (continued)

In March 2020, GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020, and did not have a material impact on the ElectriCities' financial position, overall cash flow or balances or results of operations. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to the public-private and public-public partnership arrangements (PPPs). This Statement is effective for reporting periods beginning after June 15, 2022.

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. This Statement is effective for reporting periods beginning after June 15, 2022.

In June 2020, GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements in this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans are effective immediately (June 2020), and did not have a material impact on the ElectriCities' financial position, overall cash flow or balances or results of operations. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June of 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of the Statement are effective for accounting changes and error corrections beginning after June 15, 2023.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note B. Summary of Significant Accounting Policies (continued)

In June 2022, GASB issued Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

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, 2021 and 2020, ElectriCities' deposits had carrying amounts of \$533,114 and \$304,935, respectively and bank balances of \$578,185 and \$12,946, respectively. For each of the bank balances, up to \$250,000 was insured by the Federal Depository Insurance Corporation. Of the carrying balance, \$533,114 and \$304,935 are held in a short-term market investment account, which is not FDIC insured.

At December 31, 2021 and 2020, ElectriCities investments consisted of \$3,012,742 and \$2,642,383, respectively, in U.S. Government Agencies, Treasury Coupons and NCCMT's Government Portfolio, which carried a credit rating of AAA by Standard and Poor's. ElectriCities investment choices are limited by North Carolina General Statute 159-31.

The ElectriCities Board of Directors of the Agency approved an Investment Risk Management Policy in 2013. The policy was amended in 2018 to reflect for the investment of OPEB funds into the State Treasurer's APGIP fund. 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 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, 2021 and 2020

Note D. Capital Assets

	December 31, 2020	Additions	Retirements	December 31, 2021
Furniture and Equipment	\$ 4,229,637	\$ 45,136	\$ (521,009)	\$ 3,753,764
Accumulated Depreciation and Amortization	(3,075,577)	(360,661)	521,009	(2,915,229)
Total Furniture and Equipment, Net	<u>\$ 1,154,060</u>	<u>\$ (315,525)</u>	<u>\$ -</u>	<u>\$ 838,535</u>

	December 31, 2019	Additions	Retirements	December 31, 2020
Furniture and Equipment	\$ 3,942,792	\$ 421,192	\$ (134,347)	\$ 4,229,637
Accumulated Depreciation and Amortization	(2,933,753)	(276,171)	134,347	(3,075,577)
Total Furniture and Equipment, Net	<u>\$ 1,009,039</u>	<u>\$ 145,021</u>	<u>\$ -</u>	<u>\$ 1,154,060</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 2021 and 2020, 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, 2021.

Note F. Pension Plan

Plan Description

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

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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 10.15% and 8.95% annual covered payroll in 2021 and 2020, 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 \$1,602,934 and \$1,348,665 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020

Note F. Pension Plan (continued)

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

ElectriCities reported liabilities of \$2,934,383 and \$6,733,407 at December 31, 2021 and 2020, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and June 30, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2020 and 2019. The total pension liability was then rolled forward to measurement dates of June 30, 2021 and 2020 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 0.19134% and 0.18843% at June 30, 2021 and 2020 respectively, which was an 0.00291% increase from its proportionate share measured as at June 30, 2020 and an increase of 0.00930% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2021 and 2020, the ElectriCities recognized pension expenses (income) of \$(171,368) and \$1,109,010, respectively. At December 31, 2021 and 2020, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2021		December 31, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 933,536	\$ -	\$ 850,314	\$ -
Changes of assumptions	1,843,542	-	501,098	-
Net difference between projected and actual earnings on pension plan investments	-	4,192,351	947,547	-
Changes in proportion and differences between ElectriCities contributions and proportionate share of contributions	309,800	-	359,262	-
Contributions subsequent to the measurement date	813,746	-	677,708	-
Total	<u>\$ 3,900,624</u>	<u>\$ 4,192,351</u>	<u>\$ 3,335,929</u>	<u>\$ -</u>

For the year ended December 31, 2021 and 2020, \$813,746 and \$677,708, 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, 2022 and 2021, respectively.

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note F. Pension Plan (continued)

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

	<u>Year ended December 31,</u> <u>2021</u>
2022	\$ 425,802
2023	41,071
2024	(289,465)
2025	(1,282,881)
2026	-
Thereafter	-
	<u><u>\$(1,105,473)</u></u>

Actuarial Assumptions. The total pension liabilities in the December 31, 2020 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>2021</u>	
Inflation	2.5 percent
Salary increases	3.25 to 8.25%, including inflation and productivity factor
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

The plan currently uses the Pub-2010 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 are projected from 2010 using generational improvement with the scale MP-2019.

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note F. Pension Plan (continued)

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 allocation for each major asset class of June 30, 2021 and 2020 is summarized in the following table:

2021

Asset Class	Target Allocation
Public Equity	36.8%
Fixed Income	26.7%
Cash and Receivables	10.9%
Other*	25.6%
Total	100%

**Real Estate, Alternatives, Inflation and Credit*

2020

Asset Class	Target Allocation
Public Equity	32.7%
Fixed Income	26.3%
Cash and Receivables	13.4%
Other*	27.6%
Total	100%

**Real Estate, Alternatives, Inflation and Credit*

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note F. Pension Plan (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.5%. 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.

Sensitivity of the ElectriCities proportionate share of the net pension liability to changes in the discount rate. The following presents the ElectriCities' proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the ElectriCities' proportionate share of the net pension liability or net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.5%) or 1 percentage point higher (7.5%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
ElectriCities' proportionate share of the net pension liability (asset)	\$ 11,391,029	\$ 2,934,383	\$(4,024,946)

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

Note G. Supplemental Retirement Plans

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 \$371,434, \$352,722 and \$338,525 for the years ended December 31, 2021 and 2020, respectively.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note H. Other Post-Employment Benefits

Plan Description

ElectriCities provides post-employment health benefits to certain retired ElectriCities employees. ElectriCities 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, 2021 and 2020, the date of the latest valuation:

Measurement date	2022	2021
Retirees receiving benefits	31	31
Active plan members	42	42
Total	73	73

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 2022. 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, 2021 and 2020

Note H. Other Post-Employment Benefits (continued)

Net OPEB Liability (Asset)

In accordance with GASB No. 74 and 75 standards, the Net OPEB Liability (Asset) is the excess, if any, of the Fiduciary Net Position over the Total OPEB Liability. The Total OPEB Liability (Asset) is determined under the Entry Age Normal actuarial cost method. Net OPEB Liability (Asset) as of December 31, 2021 and 2020 is as shown in the table below.

Net OPEB Liability (Asset)

	2021	2020
Total OPEB liability	\$ 3,323,930	\$ 3,187,779
Fiduciary net position	\$ 4,703,121	\$ 4,381,120
Net OPEB liability(asset)	\$ (1,379,191)	\$ (1,193,341)
Plan fiduciary net position as a percentage of the total OPEB liability	141.49%	137.43%

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, 2021 and 2020 are as follows:

	2021	2020
OPEB Expense (income)	\$ (973,817)	\$ (975,783)

Actuarial Methods and Assumptions

The Total OPEB liability and the normal cost was determined by actuarial valuation as of January 1, 2022 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, 2021 and 2020

Note H. Other Post-Employment Benefits (continued)

The total OPEB liability (asset) for the year ended December 31, 2021 and 2020 was determined by actuarial valuation based on a Rollforward from January 1, 2021 and by actuarial valuation as of January 1, 2020, respectively, using the following actuarial assumptions:

	2021	2020
Valuation date	January 1, 2022	January 1, 2021
Measurement date	December 31, 2021	December 31, 2020
Reporting date	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
Inflation	2.5 percent per year	2.5 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	7.5 percent for 2020 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2026	7.5 percent for 2020 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2025

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

The following presents the Electricities net OPEB asset at December 31, 2021, as well as what the Electricities net OPEB asset would be if it were calculated using a discount rate that is 1% lower (6%) or 1% higher (8%) than the current rate:

	2021	
	1% Decrease 6.0%	Current Trend Rate 7.0%
		1% Increase 8.0%
Net OPEB Liability (Asset)	(\$975,431)	\$ (1,379,191) (\$1,716,804)

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note H. Other Post-Employment Benefits (continued)

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

The following represents the Electricities net OPEB assets at December 31, 2021, as well as what the net OPEB asset 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:

	2021		
		Current	
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	(1,751,638)	(1,379,191)	(934,303)

As of December 31, 2021, and 2020, the components of the net OPEB liability (asset) measured as of December 31, 2021 were as follows:

	2021		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability(Asset)
Balances at December 31, 2020	\$ 3,187,779	\$ 4,381,120	\$ (1,193,341)
Changes for the Year:			
Service cost	23,236		23,236
Interest on the total OPEB liability	219,927	-	219,927
Changes of assumptions	50,497	-	50,497
Net investment income	-	479,687	(479,687)
Benefit payments	(157,509)	(157,509)	-
Administrative expenses	-	(177)	177
Net changes	136,151	322,001	(185,850)
Balances at December 31, 2021	\$ 3,323,930	\$ 4,703,121	\$ (1,379,191)

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note H. Other Post-Employment Benefits (continued)

	2020		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability(Asset)
Balances at December 31, 2019	\$ 4,478,064	\$ 4,190,142	\$ 287,922
Changes for the Year:			
Service cost	42,633		42,633
Interest on the total OPEB liability	310,778	-	310,778
Difference between expected and actual experience	(1,161,744)	-	(1,161,744)
Changes of assumptions	(306,255)	-	(306,255)
Net investment income	-	367,118	(367,118)
Benefit payments	(175,697)	(175,697)	-
Administrative expenses	-	(443)	443
Net changes	(1,290,285)	190,978	(1,481,263)
Balances at December 31, 2020	\$ 3,187,779	\$ 4,381,120	\$ (1,193,341)

Changes of assumptions

The discount rate of 7.00% has not changed in 2021 and 2020 and reflects the ultimate assets allocation expected rate of return for the OPEB plan. The mortality table has been changed from RP-2014 Total Dataset mortality table with Projection Scale MP-2018, fully generational to the Pub-2010 headcount-weighted mortality table with Projection Scale MP-2021, fully generational. Medical claims cost and rates were changes based on most recent experience and changed to the current schedule.

At December 31, 2021 and 2020, Electricities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (714,642)	\$ -	\$ (964,586)
Changes of assumptions	37,873	(716,791)	-	(1,311,082)
Net Difference between projected and actual earnings on plan investments	88,333	(215,028)	80,574	(113,128)
Total	\$ 126,206	\$ (1,646,461)	\$ 80,574	\$ (2,388,796)

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

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:

Year ended December 31:	Amounts
2022	(\$874,777)
2023	(\$324,141)
2024	(\$286,433)
2025	(\$34,904)
2026	\$0
Thereafter	\$0

Note I. Leases

ElectriCities reports according to the provision of GASB Statement No. 87 “Leases” which requires ElectriCities to recognize a lease liability and an intangible right of use lease asset in the financial statements. ElectriCities recognized lease liabilities with an initial, individual value of \$5,000 or more. The portfolio approach is used where a single discount rate is applied to all leases within the portfolio.

At the commencement of a lease, ElectriCities initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over its useful lives of the leases which range from 3 to 5 years.

Key estimates and judgements related to lease include how ElectriCities determines (1) discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The A rated Municipal Market Data rate, provided by ElectriCities’ investment management firm, is used as the estimated incremental borrowing rate. The incremental borrowing rate is averaged for various lease terms and updated quarterly.
- The lease term includes the noncancellable period of the lease,
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that ElectriCities is reasonably certain to exercise.

ElectriCities monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

ElectriCities effective transition date for GASB Statement No. 87 “Leases’ implementation is January 1, 2021. Prior year net position was restated to reflect the effect of adoption.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note I. Leases (continued)

Lease Asset and Accumulated Depreciation by Class of Asset as of December 31, 2021

	Role	Lease type	Classification	Net Asset Balance	Accumulated Amortization	Gross Asset Balance
Building	Lessee	Operating	Building	\$ 81,370	\$ 69,307	\$ 150,677
Computer equipment	Lessee	Operating	Computer equipment	166,867	107,832	274,699
Phone system	Lessee	Operating	Phone system	15,363	30,726	46,089
Copiers	Lessee	Operating	Copiers	217,464	8,607	226,071
Mail equipment	Lessee	Operating	Mail equipment	84,626	71,488	156,114
Other*	Lessee	Operating	Other*	50,122	58,568	108,690
				<u>\$ 615,812</u>	<u>\$ 346,528</u>	<u>\$ 962,340</u>

Other includes: racks, water coolers, hardware backup appliance

Leases activity for the year ended December 31, 2021 was as follows:

	December 31, 2020	Additions	Deletions	December 31, 2021
Leases				
Building	\$ 55,260	\$ 95,417	\$ -	\$ 150,677
Equipment	<u>722,329</u>	<u>309,624</u>	<u>(220,290)</u>	<u>811,663</u>
Total Leases	<u>777,589</u>	<u>405,041</u>	<u>(220,290)</u>	<u>962,340</u>
Accumulated Depreciation				
Building	(31,839)	(37,468)	-	(69,307)
Equipment	<u>(252,741)</u>	<u>(244,770)</u>	<u>220,290</u>	<u>(277,221)</u>
Total accumulated depreciation	<u>(284,580)</u>	<u>(282,238)</u>	<u>220,290</u>	<u>(346,528)</u>
Total Leases, Net	<u>\$ 493,009</u>	<u>\$ 122,803</u>	<u>\$ -</u>	<u>\$ 615,812</u>

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note I. Leases (continued)

Lease Maturity Analysis for the period January 1, 2022 through January 1, 2026:

	2022			2023			2024		
	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction
Building	\$ 35,503	\$ 259	\$ 35,196	\$ 34,103	\$ 144	\$ 33,912	\$ 24,603	\$ 45	\$ 24,512
Computer equipment	69,515	1,251	68,264	61,223	477	60,745	35,898	101	35,796
Phone system	15,636	91	15,537	-	-	-	-	-	-
Copiers	72,924	709	72,247	72,474	397	72,058	70,224	133	70,073
Mail equipment	39,928	728	39,184	38,268	265	37,988	-	-	-
Other*	32,638	215	32,403	16,420	38	16,376	1,368	-	1,368
	<u>\$ 266,144</u>	<u>\$ 3,253</u>	<u>\$ 262,831</u>	<u>\$ 222,488</u>	<u>\$ 1,321</u>	<u>\$ 221,079</u>	<u>\$ 132,093</u>	<u>\$ 279</u>	<u>\$ 131,749</u>

	2025			2026			Total		
	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction
Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,209	\$ 448	\$ 93,620
Computer equipment	3,357	5	3,352	-	-	-	169,993	1,834	168,157
Phone system	-	-	-	-	-	-	15,636	91	15,537
Copiers	3,420	13	3,406	284	-	284	219,326	1,252	218,068
Mail equipment	-	-	-	-	-	-	78,196	993	77,172
Other*	-	-	-	-	-	-	50,426	253	50,147
	<u>\$ 6,777</u>	<u>\$ 18</u>	<u>\$ 6,758</u>	<u>\$ 284</u>	<u>\$ -</u>	<u>\$ 284</u>	<u>\$ 627,786</u>	<u>\$ 4,871</u>	<u>\$ 622,701</u>

Other includes: racks, water coolers, hardware backup appliance

Note J. 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 2021 and 2020, ElectriCities reimbursed the Agencies \$12,840 and \$12,840, respectively, for building operating and maintenance costs.

Note K. 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 2021 or 2020.

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

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

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2021 and 2020

Note L. Subsequent Events

ElectriCities has evaluated subsequent events through July 12, 2022, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued.

Note M. Change in Accounting Principles/Restatement

ElectriCities implemented Governmental Accounting Standard Board (GASB) No. Statement 87, “Leases”, the year ending December 31, 2021. The implementation of the statement required ElectriCities to recognize a lease liability and an intangible right-to-use lease asset beginning leases. As a result, net position decreased by \$7,327. ElectriCities has applied the adopted changes to conform with the statement effective December 31, 2020 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.
Contributions
Required Supplementary Information - Unaudited
Last Nine Fiscal Years*

Local Government Employees' Retirement System

	Year Ending December 31,				
	2021	2020	2019	2018	2017
ElectriCities proportion of the net pension liability (asset)	0.19134%	0.18844%	0.17913%	0.16613%	0.15944%
ElectriCities proportion of the net pension liability (asset) (\$)	2,934,383	6,733,407	4,891,901	3,941,172	2,435,802
ElectriCities covered employee payroll (\$)	15,825,540	14,929,730	14,435,321	12,344,414	11,153,736
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	18.54%	45.10%	33.89%	31.93%	21.84%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	91.63%	91.63%	94.18%

	Year Ending December 31,			
	2016	2015	2014	2013
ElectriCities proportion of the net pension liability (asset)	0.15945%	0.16262%	0.16076%	0.16750%
ElectriCities proportion of the net pension liability (asset) (\$)	3,384,063	729,831	(887,263)	2,019,018
ElectriCities covered employee payroll (\$)	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	28.67%	5.91%	-8.17%	18.37%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

* 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.
Contributions
Required Supplementary Information - Unaudited
Last Nine Fiscal Years*

Local Government Employees' Retirement System

	Year Ending December 31,				
	2021	2020	2019	2018	2017
Contractually required contribution	1,602,933	\$1,348,665	\$1,129,661	\$ 941,388	\$ 822,519
Contributions in relation to the contractually required contribution	1,602,933	1,348,665	1,129,661	941,388	822,519
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
ElectriCities covered-employee payroll	15,825,540	14,929,730	14,435,321	12,344,414	11,679,704
Contributions as a percentage of covered-employee payroll	10.13%	9.03%	7.83%	7.63%	7.04%

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

Total OPEB Liability	For the Year Ended December 31,*			
	2021	2020	2019	2018
Service cost	\$ 23,236	\$ 42,633	\$ 39,844	\$ 90,331
Interest	219,927	310,778	300,062	240,182
Change in benefit terms	-	-	-	-
Differences between expected and actual experience	-	(1,161,744)	-	(87,976)
Change of assumptions	50,497	(306,255)	-	(2,665,198)
Benefit payments	(157,509)	(175,697)	(212,212)	(211,056)
Net change in total OPEB liability	136,151	(1,290,285)	127,694	(2,633,717)
Total OPEB liability - beginning	3,187,779	4,478,064	4,350,370	6,984,087
Total OPEB liability - ending	\$ 3,323,930	\$ 3,187,779	\$ 4,478,064	\$ 4,350,370
Plan fiduciary net position				
Contributions - employer	-	-	-	211,056
Net investment income	479,687	367,118	220,056	-
Benefit payments	(157,509)	(175,697)	(212,060)	(211,056)
Administrative expense	(177)	(443)	(35,824)	-
Change in net position	-	-	-	4,217,970
Net change in plan fiduciary position	322,001	190,978	(27,828)	4,217,970
Plan fiduciary position - beginning	4,381,120	4,190,142	4,217,970	-
Plan fiduciary position - ending	\$ 4,703,121	\$ 4,381,120	\$ 4,190,142	\$ 4,217,970

* Plan measurement date is the reporting date.

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

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

Schedule of OPEB Contributions				
For the Year Ended				
December 31				
	2021	2020	2019	2018
Actuarially determined contribution	\$ -	\$91,756	\$39,844	\$578,380
Contributions in relation to the actuarially determined contribution	-	-	-	211,056
Trust Deposits	-	-	-	4,403,182
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$91,756</u>	<u>\$39,844</u>	<u>(\$4,035,858)</u>

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

	2021	2020
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	20 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 Pub-2010 headcount-weighted mortality table with Projections Scale MP-2021, fully generational.	Society of Actuaries Pub-2010 headcount-weighted mortality table with Projections Scale MP-2020, 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 Expenditures – Budget and Actual

	For the Years Ended December 31,			
	2021		2020	
	Actual	Final Budget	Actual	Final Budget
Revenues:				
Membership Dues	\$ 1,547,169	\$ 1,546,257	\$ 1,541,174	\$ 1,539,342
Management Services	25,223,931	27,668,149	25,864,019	27,579,288
Investment Income	300	40	2,438	40
Program Revenues	7,626,585	8,176,007	6,894,015	7,944,378
Total Revenues	<u>34,397,985</u>	<u>37,390,453</u>	<u>34,301,646</u>	<u>37,063,048</u>
Expenditures:				
Administration	87,836	96,501	85,789	86,705
Safety and Training	1,523,601	1,594,041	1,305,197	1,560,629
Member Services	279,324	291,562	275,548	318,385
Government Affairs	2,786	3,238	3,292	2,707
Technical Services	674,347	720,402	655,941	757,399
Member Conferences	254,569	270,000	116,760	370,000
Management Services	25,223,931	27,668,149	25,864,019	27,579,288
Regions Contract Services	20,836	-	-	-
Distribution Operations	5,980,838	6,746,560	5,590,510	6,387,935
Total Expenditures	<u>\$ 34,048,068</u>	<u>\$ 37,390,453</u>	<u>\$ 33,897,056</u>	<u>\$ 37,063,048</u>
Excess to Be Refunded	<u>\$ 349,917</u>		<u>\$ 404,590</u>	

Reconciliation of Modified Accrual Basis

To Full Accrual Basis:

Total Revenues	\$ 34,397,985	\$ 34,301,646
Total Expenditures	<u>34,048,068</u>	<u>33,897,056</u>
Excess of Revenues over Expenditures	349,917	404,590

Reconciling Items

Budgetary Appropriations:

Capital Outlay	45,136	393,566
Depreciation and Amortization	(360,661)	(276,171)
Depreciation Leases (Note I)	(282,238)	-
Pension (Expense) Income (Note F)	171,368	(1,109,010)
OPEB (Expense) Income (Note H)	973,817	975,783
Interest Expense - Leases (Note L)	(5,653)	-
Leases- budgetary adjustment	281,893	-
Refund of Excess Revenues	(349,917)	(404,590)
Gain (Loss) on Disposal	(1,699)	27,626
Increase in Net Position (Pg. 13)	<u>\$ 821,963</u>	<u>\$ 11,794</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, 2021

	2021 Budget		Actuals	Positive (Negative) Variance With Final Budget
	Original	Final	(Budgetary Basis)	
Revenues:				
Membership Dues	\$ 1,546,257	\$ 1,546,257	\$ 1,547,169	\$ 912
Management Services	27,668,149	27,668,149	25,223,931	(2,444,218)
Investment Income	40	40	300	260
Program Revenues	8,176,007	8,176,007	7,626,585	(549,422)
Total Revenues	<u>37,390,453</u>	<u>37,390,453</u>	<u>34,397,985</u>	<u>(2,992,468)</u>
Expenditures:				
Administration	96,501	96,501	87,836	8,665
Safety and Training	1,594,041	1,594,041	1,523,601	70,440
Member Services	291,562	291,562	279,324	12,238
Government Affairs	3,238	3,238	2,786	452
Technical Services	720,402	720,402	674,347	46,055
Member Conferences	270,000	270,000	254,569	15,431
Management Services	27,668,149	27,668,149	25,223,931	2,444,218
Regions Contract Services	-	-	20,836	(20,836)
Distribution Operations	6,746,560	6,746,560	5,980,838	765,722
Total Expenditures	<u>37,390,453</u>	<u>37,390,453</u>	<u>34,048,068</u>	<u>3,342,385</u>
Revenues Over Expenses	<u>\$ -</u>	<u>\$ -</u>	349,917	<u>\$ 349,917</u>
Refund Payable			(349,917)	
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, 2021

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 122.00	\$ 1,500
Advertising	-	100	16,719	21,000
Salaries	37,131	42,809	603,606	576,569
Office & Program Supplies	-	38	134,319	173,281
Dues, Subscriptions & Publications	200	200	2,586	16,262
Printing	-	108	314	120
Telephone	-	-	2,358	1,376
Postage	-	-	2,903	4,066
Copies	-	-	10,755	7,690
Miscellaneous Office Expenses	-	100	10,183	3,641
Travel	-	-	103,704	175,000
Outside Services	36,050	37,050	180,749	203,688
Insurance	-	-	5,844	4,924
Employee Benefits	14,455	16,096	210,695	224,782
Recruitment & Relocation	-	-	1,243	872
Staff Development	-	-	4,940	29,268
Other Expenses	-	-	-	-
Occupancy Costs	-	-	25,091	21,614
Other Rents	-	-	95,874	7,000
Vehicle O&M	-	-	100,525	116,200
Equipment Maintenance	-	-	-	188
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	11,071	5,000
Total Program Expenditures	<u>\$ 87,836</u>	<u>\$ 96,501</u>	<u>\$ 1,523,601</u>	<u>\$ 1,594,041</u>

Prepared on a budgetary basis which is modified accrual.

Member Services		Government Affairs		Member Conferences	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ 5.00	\$ -	\$ -	\$ -	\$ -	\$ -
1,000	10,000	-	-	-	-
138,799	143,637	2,070	2,426	-	-
449	6,270	-	-	92	-
1,333	309	-	-	-	150
	600	-	-	-	-
1,951	3,101	-	-	-	-
1,476	842	-	-	-	-
1,725	1,923	-	-	-	-
766	1,060	-	-	492	250
7,215	27,895	-	-	253,985	269,600
59,169	26,322	-	-	-	-
1,461	1,231	-	-	-	-
55,724	53,657	716	812	-	-
143	218	-	-	-	-
1,233	4,408	-	-	-	-
-	-	-	-	-	-
6,451	9,406	-	-	-	-
178	-	-	-	-	-
246	636	-	-	-	-
-	47	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 279,324</u>	<u>\$ 291,562</u>	<u>\$ 2,786</u>	<u>\$ 3,238</u>	<u>\$ 254,569</u>	<u>\$ 270,000</u>

ElectriCities of North Carolina, Inc.
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2021

	Technical Services		Management Services	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 7,450	\$ 14,000
Advertising	-	-	681,541	803,280
Salaries	218,688	215,886	10,715,962	11,012,442
Office & Program Supplies	1,815	-	263,607	156,884
Dues, Subscriptions & Publications	-	-	1,648,213	1,774,552
Printing	-	-	184,422	229,420
Telephone	16	-	854,963	825,253
Postage	85	-	59,376	80,257
Copies	-	-	167,867	183,562
Miscellaneous Office Expenses	273	-	85,164	90,839
Travel	2,506	-	234,214	418,796
Outside Services	38,306	-	3,618,439	4,088,011
Insurance	-	-	245,591	215,059
Employee Benefits	80,938	79,554	3,562,796	3,811,819
Recruitment & Relocation	-	-	34,112	13,734
Staff Development	318	-	123,376	125,000
Other Expenses	186,998	258,778	1,152,162	1,721,750
Occupancy Costs	13,057	-	518,981	607,594
Other Rents	111,434	55,309	824,641	919,286
Vehicle O&M	-	-	54,480	141,804
Equipment Maintenance	19,913	110,875	152,509	94,184
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	34,065	340,623
Total Program Expenditures	\$ 674,347	\$ 720,402	\$ 25,223,931	\$ 27,668,149

Contract Services		Western Operations		Total	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ -	\$ 3,500	\$ 7,577	\$ 19,000
-	-	273	1,500	699,533	835,880
14,051	-	3,885,638	4,276,508	15,615,945	16,270,277
-	-	3,606	14,140	403,888	350,612
-	-	4,734	17,220	1,657,066	1,808,693
-	-	315	-	185,051	230,248
-	-	32,694	15,155	891,982	844,886
-	-	2,168	380	66,008	85,545
-	-	-	80	180,347	193,254
-	-	33,305	23,040	130,183	118,930
2,338	-	28,783	103,609	632,745	994,901
-	-	91,850	60,720	4,024,563	4,415,791
-	-	178,758	193,639	431,654	414,854
4,447	-	1,570,089	1,839,963	5,499,860	6,026,682
-	-	6,811	13,676	42,309	28,500
-	-	46,641	93,330	176,508	252,006
-	-	-	-	1,339,160	1,980,528
-	-	33,781	25,000	597,361	663,614
-	-	11,532	15,600	1,043,659	997,195
-	-	49,235	44,500	204,486	303,140
-	-	625	5,000	173,047	210,294
-	-	-	-	-	-
-	-	-	-	45,136	345,623
<u>\$ 20,836</u>	<u>\$ -</u>	<u>\$ 5,980,838</u>	<u>\$ 6,746,560</u>	<u>\$ 34,048,068</u>	<u>\$ 37,390,453</u>

STATISTICAL SECTION
(Unaudited)

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

This part of ElectriCities annual comprehensive 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 supplementary 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,				
	2021	2020	2019	2018	2017
Business-type activities					
Net investment in Capital Assets	\$ 838,535	\$ 1,154,060	\$ 1,009,039	\$ 985,901	\$ 916,918
Unrestricted	<u>(3,361,302)</u>	<u>(4,491,463)</u>	<u>(4,358,236)</u>	<u>(3,452,971)</u>	<u>(901,075)</u>
Total Net Position (Deficit)	<u><u>\$(2,522,767)</u></u>	<u><u>\$(3,337,403)</u></u>	<u><u>\$(3,349,197)</u></u>	<u><u>\$(2,467,070)</u></u>	<u><u>\$ 15,843</u></u>

	Years Ended December 31,				
	2016	2015	2014	2013	2012
Business-type activities					
Net invested in Capital Assets	\$ 762,038	\$ 482,814	\$ 830,427	\$ 789,312	\$ 1,131,124
Unrestricted	<u>(862,528)</u>	<u>(668,365)</u>	<u>20,896</u>	<u>20,896</u>	<u>20,896</u>
Total Net Position (Deficit)	<u><u>\$ (100,490)</u></u>	<u><u>\$ (185,551)</u></u>	<u><u>\$ 851,323</u></u>	<u><u>\$ 810,208</u></u>	<u><u>\$ 1,152,020</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,				
	2021	2020	2019	2018	2017
Operating Expenses					
Administration	\$ 87,836	\$ 85,789	\$ 83,831	\$ 71,837	\$ 54,182
Safety and Training	1,486,052	1,305,197	1,237,462	1,117,464	1,101,983
Member Services	271,272	275,548	268,456	587,425	364,147
Government Affairs	2,786	3,292	1,179	-	2,041
Technical Services	668,251	655,941	537,066	-	-
Annual Meeting	254,569	116,760	363,301	336,293	244,623
Management Services	24,951,402	25,556,239	25,510,676	25,585,420	25,608,758
Western Operations	5,978,035	5,590,510	5,118,267	3,506,147	2,005,758
Regions Contract Services	20,836	-	32,022	42,000	15,290
Energy Auditor	-	-	-	-	-
Depreciation and amortization	642,899	276,171	326,025	292,615	350,185
Refund of excess (deficit) revenues	349,917	404,590	342,456	19,727	223,952
Pension Expense	(171,368)	1,109,010	1,149,541	216,956	38,547
OPEB Expense	(973,817)	(975,783)	(244,276)	(833,823)	-
Total Expenditures	<u>\$ 33,568,670</u>	<u>\$ 34,403,264</u>	<u>\$ 34,726,006</u>	<u>\$ 30,942,061</u>	<u>\$ 30,009,466</u>
Operating Revenues					
Membership dues	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412	\$ 1,448,766	\$ 1,351,613
Management services and other program revenues	32,805,380	32,450,254	32,107,589	29,811,229	28,266,619
Miscellaneous revenues	-	-	-	-	-
Non-operating revenues	(5,353)	2,438	7,715	6,318	2,502
Total Revenues	<u>\$ 34,347,196</u>	<u>\$ 33,993,866</u>	<u>\$ 33,494,716</u>	<u>\$ 31,266,313</u>	<u>\$ 29,620,734</u>
Net Revenue/(Expense)	<u>\$ 778,526</u>	<u>\$ (409,398)</u>	<u>\$ (1,231,290)</u>	<u>\$ 324,252</u>	<u>\$ (388,732)</u>
Changes in Net Position (Deficit)					
Capital Contributions	45,136	393,566	351,085	318,316	485,565
Gain (Loss) on Disposal	(1,699)	27,626	(1,922)	43,282	19,500
Restatement for Accounting Change	-	-	-	(3,168,763)	-
Change in Net Position (Deficit)	<u>\$ 821,963</u>	<u>\$ 11,794</u>	<u>\$ (882,127)</u>	<u>\$ (2,482,913)</u>	<u>\$ 116,333</u>

Prepared on accrual basis of accounting.

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

For the Years Ended December 31,				
2016	2015	2014	2013	2012
\$ 51,485	\$ 46,971	\$ 48,487	\$ 35,722	\$ 38,226
1,154,572	1,105,476	1,065,243	988,949	915,627
320,653	329,140	345,704	262,819	316,030
-	-	938	1,049	871
-	-	-	-	-
173,009	219,842	222,688	225,704	163,594
24,770,812	26,805,049	25,391,314	25,204,519	24,649,222
1,907,575	1,430,894	1,334,526	1,375,048	1,292,031
20,778	-	-	-	-
-	-	-	-	-
259,151	401,207	340,693	534,601	501,469
73,608	14,972	(34,440)	65,552	52,924
194,163	(378,752)	-	-	-
-	-	-	-	-
<u>\$ 28,925,806</u>	<u>\$ 29,974,799</u>	<u>\$ 28,715,153</u>	<u>\$ 28,693,963</u>	<u>\$ 27,929,994</u>
\$ 1,283,788	\$ 1,255,890	\$ 1,214,251	\$ 1,189,150	\$ 1,117,610
27,187,554	28,696,216	27,160,166	26,970,063	26,310,635
-	-	-	-	-
1,150	238	43	149	280
<u>\$ 28,472,492</u>	<u>\$ 29,952,344</u>	<u>\$ 28,374,460</u>	<u>\$ 28,159,362</u>	<u>\$ 27,428,525</u>
<u>\$ (453,314)</u>	<u>\$ (22,455)</u>	<u>\$ (340,693)</u>	<u>\$ (534,601)</u>	<u>\$ (501,469)</u>
471,261	69,039	381,808	192,789	498,859
67,114	(15,445)	-	-	-
-	(1,068,013)	-	-	-
<u>\$ 85,061</u>	<u>\$ (1,036,874)</u>	<u>\$ 41,115</u>	<u>\$ (341,812)</u>	<u>\$ (2,610)</u>

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

	2021	2020	2019	2018	2017
Albemarle	\$ 28,636	\$ 32,225	\$ 29,574	\$ 29,439	\$ 29,247
Apex	43,834	46,580	38,051	37,356	34,279
Ayden	10,095	11,006	10,075	10,520	10,449
Bamberg, SC*	912	912	912	912	894
Bedford, VA *	1,825	1,825	1,825	1,825	1,789
Belhaven	2,186	2,460	2,222	2,404	2,363
Bennettsville, SC*	912	912	912	912	1,789
Benson	4,825	5,163	4,628	4,588	4,494
Blacstone	912	-	-	-	-
Bostic	586	639	599	597	595
Camden, SC*	1,825	1,825	1,825	1,825	1,789
Cherryville	5,961	6,718	6,086	6,053	5,997
Clayton	15,344	16,761	14,452	14,177	13,253
Concord	79,805	89,574	79,401	79,401	75,876
Cornelius	8,021	9,062	8,113	7,779	7,586
Dallas	8,011	8,819	8,043	8,043	8,348
Danville, VA *	1,825	1,825	1,825	1,825	1,789
Drexel	2,533	2,814	2,549	2,540	2,500
East Carolina University	183	183	183	183	179
Edenton	9,853	11,071	10,212	10,101	9,784
Elizabeth City	28,074	32,543	29,818	29,002	27,936
Elizabeth City State University	183	183	183	183	179
Enfield	3,020	3,324	3,022	3,023	3,509
Farmville	6,445	7,128	6,572	6,702	6,480
Fayetteville Public Works Commission	118,452	133,157	118,768	118,768	116,307
Forest City	10,574	11,745	10,903	10,903	10,676
Fountain	695	756	701	700	697
Fremont	1,584	1,798	1,701	1,663	1,644
Front Royal	1,825	1,825	1,825	1,825	1,789
Gastonia	65,299	73,317	65,345	65,744	63,512
Granite Falls	6,465	7,053	6,384	6,352	6,128
Greenville Utilities	118,452	133,157	118,768	118,768	116,307
Hamilton	619	676	638	635	623
Hertford	2,751	2,911	2,609	2,593	2,526
High Point	101,830	112,171	102,190	101,415	100,831
Highlands*	-	-	-	-	-
Hobgood	630	693	652	664	650
Hookerton	948	1,058	952	986	958
Huntersville	19,755	20,907	18,182	17,744	16,037
Kings Mountain	13,935	15,745	13,143	13,143	12,830
Kinston	31,793	36,387	32,537	32,999	32,153
La Grange	4,109	4,528	3,109	3,141	3,074
Landis	6,671	7,320	6,563	6,504	6,394
Laurinburg	14,019	15,884	14,424	14,564	14,267
Lexington	42,210	46,986	42,483	42,222	41,646
Lincolnton	7,402	8,199	7,300	7,256	7,131
Louisburg	5,501	6,132	5,620	5,630	5,534

2016	2015	2014	2013	2012
\$ 27,868	\$ 27,602	\$ 26,758	\$ 26,600	\$ 22,452
32,157	30,496	29,424	27,675	22,596
9,299	9,699	10,032	9,640	7,805
843	795	750	732	689
1,688	1,592	1,502	1,465	1,378
2,240	2,225	2,217	2,165	1,847
1,688	795	1,502	1,465	1,378
4,152	4,250	4,023	3,998	3,394
-	-	-	-	-
570	571	524	525	447
1,688	1,592	1,502	1,465	1,378
5,715	5,624	6,116	6,096	4,934
12,472	12,030	11,211	10,883	9,139
69,577	68,294	66,298	65,269	53,571
6,921	6,553	6,182	5,835	4,928
7,180	7,300	6,400	6,324	5,236
1,688	1,592	1,502	1,465	1,378
2,416	2,410	2,335	2,278	1,933
169	159	150	146	137
9,636	9,679	9,386	9,123	7,810
27,841	27,387	26,975	26,267	22,715
169	159	150	146	137
3,288	3,272	3,223	3,184	2,699
6,252	6,145	5,945	5,818	4,951
109,840	107,790	104,805	102,863	84,697
10,063	10,253	10,412	10,275	8,338
686	675	703	693	592
1,616	1,600	1,516	1,476	1,324
1,688	1,592	1,502	-	-
60,137	58,876	57,265	56,487	47,864
5,871	5,805	5,547	5,477	4,640
109,840	107,790	104,805	102,864	84,697
591	583	545	582	464
2,449	2,438	2,423	2,348	2,001
93,969	92,430	89,769	88,295	74,691
5,923	-	-	-	-
620	619	605	592	514
907	883	854	824	730
14,371	13,650	12,880	11,905	9,751
10,571	11,665	10,848	10,463	8,664
31,397	31,360	30,459	29,686	25,562
2,997	2,992	3,508	3,431	3,065
6,118	6,056	5,790	5,728	4,874
13,766	13,673	13,049	12,778	10,900
39,918	39,635	38,349	37,892	32,201
6,688	6,563	6,410	6,363	5,320
5,395	5,299	5,182	5,101	4,368

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

	2021	2020	2019	2018	2017
Lumberton	\$ 26,711	\$ 30,073	\$ 27,397	\$ 28,794	\$ 28,151
Macclesfield	482	523	490	501	-
Maiden	4,698	5,776	5,163	5,197	5,021
Martinsville, VA *	1,825	1,825	1,825	1,825	1,789
Monroe	41,500	47,868	43,543	43,775	42,833
Morganton	25,067	28,166	25,534	25,971	26,168
New Bern	47,574	54,018	48,195	48,762	46,737
New River Light & Power*	19,865	21,857	20,534	20,533	19,601
Newton	12,893	14,381	12,720	12,533	12,618
Pikeville	1,100	1,275	1,156	1,180	1,158
Pinetops	1,004	1,172	1,077	1,066	-
Pineville	10,055	11,096	9,694	9,764	9,448
Piedmont Municipal Power Agency**	11,096	11,096	11,091	11,096	13,465
Red Springs	4,357	4,773	4,356	4,362	4,270
Robersonville	2,227	2,442	2,319	2,360	2,310
Rocky Mount	62,471	70,084	63,069	63,297	61,552
Scotland Neck	2,990	3,411	3,127	3,101	3,057
Seneca, SC*	1,825	1,825	-	-	-
Selma	6,926	7,664	7,091	7,238	7,094
Sharpsburg*	2,370	2,669	2,349	2,350	2,617
Shelby	19,880	22,220	20,195	20,164	19,878
Smithfield	12,701	14,211	12,974	12,998	12,819
Southport	7,012	7,699	6,958	6,679	6,495
Stantonsburg	2,597	2,949	2,583	2,583	2,615
Statesville	37,577	42,324	37,457	37,172	37,009
Tarboro	17,012	19,258	15,439	17,230	17,113
University of NC - Chapel Hill*	183	183	183	183	179
NC State University	183	183	183	183	179
Wake Forest	16,504	18,315	15,804	15,536	16,154
Walstonburg	334	347	332	340	-
Washington	29,741	33,346	30,334	30,308	29,322
Waynesville	7,870	8,469	7,844	7,843	8,401
Western Carolina University*	912	912	912	912	894
Wilson	86,947	99,098	89,011	88,759	87,685
Windsor	5,110	5,841	5,594	5,595	5,229
Winterville	7,401	7,868	7,000	6,999	6,934
Budget Amendment - Appropriated	166,844	-	-	67,968	-
Total Dues	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412	\$ 1,448,766	\$ 1,351,613

*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.

2016	2015	2014	2013	2012
\$ 27,438	\$ 26,678	\$ 25,642	\$ 25,102	\$ 20,473
-	-	-	-	-
4,478	4,308	4,158	4,077	3,379
1,688	1,592	1,502	1,465	1,378
40,275	38,055	36,917	36,930	30,283
25,181	24,980	24,147	23,767	19,839
45,263	44,695	42,984	41,838	35,717
18,453	19,054	18,217	18,299	14,059
11,951	11,806	11,526	11,571	9,712
1,132	1,132	1,082	1,050	892
-	-	-	-	-
8,826	8,563	8,391	8,114	6,927
10,257	10,195	10,214	9,962	9,367
4,105	4,129	3,999	3,950	3,365
2,203	2,315	2,303	2,255	1,907
59,079	58,843	57,467	56,493	48,047
2,983	3,020	3,591	3,490	3,021
-	-	-	-	-
6,617	6,453	6,279	6,107	5,130
2,331	-	-	-	-
18,746	18,421	17,853	17,627	14,822
12,282	12,134	11,838	11,688	9,960
6,292	6,020	5,744	5,577	4,783
2,532	2,474	2,397	2,369	1,948
34,521	34,443	33,458	32,932	27,379
16,500	16,621	16,088	15,660	13,473
169	159	150	146	137
169	159	150	146	137
15,315	14,409	13,748	13,453	11,345
-	-	-	-	-
28,277	28,075	27,133	26,545	22,629
7,879	7,819	-	-	-
843	795	750	732	689
85,694	84,929	84,530	82,615	70,569
4,958	4,811	4,709	4,626	3,878
6,413	6,355	5,951	5,877	5,101
-	-	-	-	119,075
<u>\$ 1,283,788</u>	<u>\$ 1,255,890</u>	<u>\$ 1,214,251</u>	<u>\$ 1,189,150</u>	<u>\$ 1,117,610</u>

ElectriCities of North Carolina, Inc.
Schedule of Estimated Population (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
Abbeville, SC	81,370	81,370	81,370	81,370	81,370
Albemarle	16,338	16,338	16,338	16,338	16,338
Apex	61,319	32,275	32,275	32,275	32,275
Ayden	4,932	5,008	5,008	5,008	5,008
Bamberg, SC	3,600	3,600	3,600	3,600	3,600
Bedford, VA	6,540	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	28,847	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	1,841	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

2016	2015	2014	2013	2012
81,370	81,370	81,370	81,370	81,370
16,338	16,338	16,338	16,338	16,338
32,275	32,275	32,275	32,275	32,275
5,008	5,008	5,008	5,008	5,008
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	1,963	1,963
9,425	9,425	9,425	9,425	9,425
3,703	3,703	3,703	3,703	3,703
-	-	-	-	-
316	316	316	316	316
7,000	7,000	7,000	7,000	7,000
2,795	2,795	5,795	5,795	5,795
14,333	14,333	14,333	14,333	14,333
8,091	8,091	8,091	8,091	8,091
81,370	81,370	81,370	81,370	81,370
24,847	24,847	24,847	24,847	24,847
4,033	4,033	4,033	4,033	4,033
46,500	46,500	46,500	46,500	46,500
1,920	1,920	1,920	1,920	1,920
20,000	20,000	20,000	20,000	20,000
-	-	-	-	-
5,166	5,166	5,166	5,166	5,166
20,406	20,406	20,406	20,406	20,406
-	-	-	-	-
2,221	2,221	2,221	2,221	2,221
4,776	4,776	4,776	4,776	4,776
207,788	207,788	207,788	207,788	207,788
7,133	7,133	7,133	7,133	7,133
586	586	586	586	586
1,404	1,404	1,404	1,404	1,404
14,440	14,440	-	-	-
12,986	12,986	12,986	12,986	12,986
75,820	75,820	75,280	75,280	75,280
4,999	4,999	4,999	4,999	4,999
82,571	82,571	82,571	82,571	82,571
24,557	24,557	24,557	24,557	24,557
459	459	459	459	459
2,303	2,303	2,203	2,203	2,203
102,216	102,216	102,216	102,216	102,216
-	-	-	-	-
381	381	381	381	381
487	487	487	487	487
41,216	41,216	41,216	41,216	41,216
11,070	11,070	11,070	11,070	11,070
22,478	22,478	22,478	22,478	22,478
2,774	2,774	2,774	2,774	2,774
3,127	3,127	3,127	3,127	3,127
10,000	10,000	10,000	10,000	10,000

ElectriCities of North Carolina, Inc.
Schedule of Estimated Population (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
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	9,200	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	2,024	-	-	-	-
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	9,269	9,154	9,154	9,154	9,154

Source:
2012-2020 Census information-2010.
2021-2020 Census

2016	2015	2014	2013	2012
15,825	15,825	15,825	15,825	15,825
21,420	21,420	21,420	21,420	21,420
11,553	11,553	11,553	11,553	11,553
3,711	3,711	3,711	3,711	3,711
-	-	-	-	-
23,039	23,039	23,039	23,039	23,039
401	401	401	401	401
3,466	3,466	3,466	3,466	3,466
15,416	15,416	15,416	15,416	15,416
38,120	38,120	38,120	38,120	38,120
17,058	17,058	17,058	17,058	17,058
-	-	-	-	-
26,613	26,613	26,613	26,613	26,613
15,000	15,000	15,000	15,000	15,000
10,907	10,907	10,907	10,907	10,907
13,819	13,819	13,819	13,819	13,819
703	703	703	703	703
1,259	1,259	1,259	1,259	1,259
7,747	7,747	7,747	7,747	7,747
3,497	3,497	3,497	3,497	3,497
-	-	-	-	-
1,578	1,578	1,578	1,578	1,578
70,500	70,500	70,500	70,500	70,500
60,219	60,219	60,219	60,219	60,219
2,182	2,182	2,182	2,182	2,182
7,671	7,671	7,671	7,671	7,671
-	-	-	-	-
20,793	20,793	20,793	20,793	20,793
13,410	13,410	13,410	13,410	13,410
3,143	3,143	3,143	3,143	3,143
749	749	749	749	749
27,322	27,322	27,322	27,322	27,322
10,292	10,292	10,292	10,292	10,292
-	-	-	-	-
-	-	-	-	-
9,575	9,575	9,575	9,575	9,575
28,572	28,572	28,542	28,542	28,542
232	232	232	232	232
10,114	10,114	10,114	10,114	10,114
9,869	9,869	-	-	-
-	-	-	-	-
3,120	3,120	3,120	3,120	3,120
51,274	51,274	51,274	51,274	51,274
3,214	3,214	3,214	3,214	3,214
9,154	9,154	9,154	9,154	9,154

ElectriCities of North Carolina, Inc.
Schedule of Customers Served (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
Abbeville, SC	-	-	-	-	-
Albemarle	12,072	12,072	12,118	12,124	12,073
Apex	24,797	22,183	21,229	18,403	17,776
Ayden	4,115	4,115	3,996	4,071	4,101
Bamberg, SC	-	-	-	-	-
Bedford, VA	-	-	-	-	-
Belhaven	1,202	1,108	1,112	1,098	1,129
Bennettsville, SC	-	-	-	-	-
Benson	1,997	1,997	1,883	1,834	1,842
Bostic	200	200	202	202	204
Camden, SC	-	-	-	-	-
Cherryville	2,443	2,443	2,440	2,423	2,433
Clayton	7,064	7,064	6,924	6,448	6,205
Clinton, SC	-	-	-	-	-
Concord	31,957	32,587	31,298	30,131	29,620
Cornelius	3,949	3,949	3,929	3,888	3,509
Dallas	3,703	3,703	3,636	3,632	3,606
Danville, VA	-	-	-	-	-
Drexel	1,226	1,226	1,215	1,227	1,226
Easley, SC	-	-	-	-	-
Edenton	4,147	4,147	4,146	4,133	4,141
Elizabeth City	11,870	11,870	12,526	12,603	12,045
Enfield	1,273	1,273	1,248	1,229	1,237
Farmville	2,855	2,855	2,779	2,864	2,890
Fayetteville	85,342	85,342	81,991	81,831	82,021
Forest City	41,227	4,127	4,144	4,189	4,108
Fountain	302	-	304	298	298
Fremont	743	743	743	780	755
Gaffney, SC	-	-	-	-	-
Gastonia	28,220	28,220	27,963	27,577	27,453
Granite Falls	2,614	2,539	2,472	2,461	2,455
Greenville	68,815	68,815	67,704	66,501	66,298
Greer, SC	-	-	-	-	-
Hamilton	261	261	259	261	262
Hertford	1,314	1,314	1,178	1,151	1,149
High Point	43,251	43,251	41,398	42,244	40,841
Hobgood	263	263	267	272	276
Hookerton	423	423	423	424	418
Huntersville	6,664	6,664	6,096	5,674	5,292
Kings Mountain	5,022	5,022	4,920	4,886	4,746
Kinston	11,536	11,536	11,864	11,604	11,634
La Grange	1,717	1,717	1,701	1,677	1,472
Landis	3,030	3,030	3,004	2,918	2,875

2016	2015	2014	2013	2012
-	-	-	-	-
11,999	11,887	11,844	11,821	11,857
16,682	16,154	15,477	14,831	14,279
4,521	3,881	3,934	4,548	4,576
-	-	-	-	-
-	-	-	-	-
1,238	1,145	1,115	1,121	1,140
-	-	-	-	-
1,796	1,609	1,777	1,766	1,767
202	203	222	201	199
-	-	-	-	-
2,437	2,440	2,442	2,425	3,115
5,885	5,747	5,623	5,250	5,142
-	-	-	-	-
29,186	28,618	28,215	27,298	28,282
3,427	3,239	3,102	2,953	2,783
3,546	3,478	3,400	3,359	3,311
-	-	-	-	-
1,213	1,203	1,207	1,214	1,202
-	-	-	-	-
4,159	4,162	4,164	4,157	4,159
12,029	11,987	11,956	11,969	11,967
1,256	1,274	1,298	1,300	1,312
2,909	2,912	2,904	2,879	2,883
90,050	88,760	87,883	87,072	85,174
4,062	4,103	4,114	4,129	4,100
297	302	311	315	316
763	803	803	806	753
-	-	-	-	-
26,882	26,891	26,497	26,268	26,067
2,439	2,396	2,394	2,391	2,410
66,051	65,326	65,073	64,629	64,309
-	-	-	-	-
261	254	252	249	284
1,153	1,160	1,166	1,203	1,198
41,790	40,123	39,731	39,607	39,462
277	278	284	285	289
425	419	415	390	398
4,973	4,836	4,664	4,501	4,355
4,503	4,446	4,364	4,154	4,250
11,605	11,645	11,730	11,809	11,787
1,468	1,482	1,486	1,500	1,502
2,888	2,865	2,877	2,837	2,810

ElectriCities of North Carolina, Inc.
Schedule of Customers Served (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
Laurinburg	5,552	5,552	5,658	5,611	5,591
Lexington	19,133	19,026	18,791	18,692	18,560
Lincolnton	3,056	3,056	3,030	2,879	2,783
Louisburg	1,978	1,978	1,972	1,958	1,972
Lumberton	11,384	11,384	11,486	11,560	12,346
Macclesfield	263	263	258	262	261
Maiden	1,182	1,182	1,220	1,201	1,182
Martinsville, VA	-	-	-	-	-
Monroe	10,996	10,996	10,958	10,879	10,809
Morganton	8,409	8,409	8,321	8,326	8,310
New Bern	22,783	22,783		22,519	22,454
New River Light & Power	8,356	8,356	8,275	8,116	8,072
Newberry, SC	-	-	-	-	-
Newton	4,740	4,740	4,710	4,542	4,529
Pikeville	481	481		493	493
Pinetops	722	722	728	763	730
Pineville	3,773	3,747	3,605	3,409	3,259
Red Springs	1,682	1,682	1,673	1,686	1,694
Robersonville	982	982	964	983	991
Rock Hill, SC	-	-	-	-	-
Rocky Mount	28,331	28,331	27,992	27,831	27,533
Scotland Neck	1,398	1,398	1,400	1,420	1,422
Selma	2,828	2,828	2,749	2,868	2,849
Sharpsburg	1,163	1,163	1,156	1,069	
Shelby	8,340	8,340	8,308	8,251	8,241
Smithfield	4,598	4,598	4,407	4,466	4,511
Southport	3,073	3,073	2,992	2,949	2,870
Stantonsburg	1,205	1,205	1,145	1,179	
Statesville	13,738	13,738	13,623	13,381	13,329
Tarboro	6,035	6,035	5,947	5,776	5,799
Union, SC	-	-	-	-	-
Wake Forest	6,502	6,502	6,660	6,083	5,910
Walstonburg	132	132	130	127	130
Washington	13,838	13,838	13,764	13,752	13,628
Waynesville	3,088	3,088	3,054	3,035	3,042
Westminster, SC	-	-	-	-	-
Wilson	34,908	34,908	34,496	34,237	34,115
Windsor	1,753	1,753	1,755	1,769	1,799
Winterville	3,135	3,100	3,069	-	-

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

2016	2015	2014	2013	2012
5,592	5,588	5,749	5,672	5,586
18,576	18,474	18,348	18,371	18,356
2,769	2,657	2,671	2,670	2,654
1,950	1,958	1,925	1,930	1,921
12,169	12,237	12,036	12,323	11,886
269	269	269	274	274
1,174	1,171	1,165	1,122	1,087
-	-	-	-	-
10,685	10,557	10,475	10,421	10,331
8,204	8,168	8,184	8,200	8,173
22,095	21,859	21,822	21,284	21,180
7,926	7,852	7,751	7,689	7,641
-	-	-	-	-
4,528	4,504	4,495	4,486	4,478
508	513	518	516	512
745	756	781	775	777
3,202	2,994	2,907	2,756	2,722
1,689	1,692	1,700	1,700	1,709
1,023	1,035	1,034	1,068	1,101
-	-	-	-	-
27,419	27,276	27,277	27,167	27,095
1,445	1,480	1,483	1,501	1,520
2,944	2,741	2,661	2,666	2,690
1,174	-	-	-	-
8,136	8,077	8,013	7,936	7,898
4,538	4,498	4,477	4,491	4,449
2,787	2,761	2,663	2,620	2,595
1,140	1,129	1,171	1,174	1,186
13,206	13,084	13,010	12,962	13,020
5,871	6,050	6,050	6,060	6,078
-	-	-	-	-
6,882	6,734	6,307	6,187	6,088
132	129	131	125	131
13,601	13,441	13,565	13,478	13,421
3,013	3,200			
-	-	-	-	-
33,813	33,813	33,691	33,619	33,593
1,791	1,786	1,796	1,804	1,807
2,889	2,835	2,913	2,881	3,460

ElectriCities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
Abbeville, SC					
Albemarle	282,568.000	282,568,000	292,519,000	278,239,000	291,506,000
Apex	342,877.000	341,460,000	331,065,000	303,798,000	302,769,000
Ayden	106,705.000	106,705,000	100,461,000	101,787,000	102,125,000
Belhaven	17,596.000	15,236,000	16,895,000	16,210,000	16,413,000
Benson	37,536.000	37,536,000	36,875,000	33,048,000	33,979,000
Bostic	3,245.000	3,245,000	3,462,000	3,242,000	3,474,000
Cherryville	50,727.000	50,727,000	53,051,000	48,447,000	50,457,000
Clayton	113,393.000	113,393,000	113,612,000	103,500,000	102,182,000
Concord	925,514.000	925,514,000	955,679,000	890,388,000	911,763,000
Cornelius	57,391.000	57,391,000	58,110,000	53,639,000	59,952,000
Dallas	69,508.000	69,508,000	71,058,000	66,950,000	69,683,000
Drexel	18,239.000	18,239,000	18,398,000	16,684,000	17,421,000
Edenton	98,482.000	98,482,000	101,698,000	95,379,000	93,958,000
Elizabeth City	279,224.000	279,224,000	264,732,000	295,048,000	305,419,000
Enfield	18,750.000	18,750,000	19,810,000	17,990,000	32,068,000
Farmville	47,650.000	47,650,000	48,510,000	46,266,000	46,804,000
Fayetteville	1,993,902.000	1,993,902,000	2,082,629,000	1,967,324,000	2,054,941,000
Forest City	99,189.000	99,189,000	101,449,000	110,126,000	105,820,000
Fountain	4,214.000	-	4,154,000	3,785,000	3,965,000
Fremont	11,928.000	11,928,000	12,410,000	12,624,000	11,590,000
Gastonia	719,019.000	719,019,000	696,633,000	659,886,000	675,378,000
Granite Falls	56,228.000	57,526,000	58,120,000	54,113,000	55,680,000
Greenville	1,776,178.000	1,776,178,000	1,810,635,000	1,700,477,000	1,721,702,000
Hamilton	2,622.000	2,622,000	2,912,000	2,756,000	2,726,000
Hertford	21,372.000	21,372,000	23,943,000	21,767,000	22,330,000
High Point	1,165,307.000	1,165,307,000	1,160,826,000	1,120,508,000	1,161,138,000
Highlands	-	-	-	-	-
Hobgood	2,720.000	2,720,000	2,830,000	2,781,000	2,830,000
Hookerton	5,554.000	5,554,000	5,744,000	5,638,000	5,755,000
Huntersville	246,830.000	246,830,000	243,145,000	229,986,000	231,302,000
Kings Mountain	141,140.000	141,140,000	144,153,000	142,156,000	140,241,000
Kinston	445,220.000	445,220,000	450,776,000	445,208,000	448,366,000
La Grange	25,625.000	25,625,000	26,029,000	24,273,000	24,215,000
Landis	46,422.000	46,422,000	47,709,000	43,864,000	46,276,000

2016	2015	2014	2013	2012
298,511,000	292,828,000	280,760,000	294,365,000	300,735,000
292,435,000	266,566,000	247,851,000	246,768,000	253,762,000
98,490,000	106,141,000	103,605,000	99,087,000	100,867,000
17,343,000	18,980,000	19,475,000	18,820,000	20,273,000
33,705,000	32,523,000	31,893,000	32,161,000	34,457,000
3,436,000	3,496,000	3,347,000	3,286,000	3,519,000
47,638,000	46,788,000	44,691,000	44,854,000	51,276,000
101,750,000	96,446,000	91,317,000	90,664,000	94,266,000
885,841,000	860,552,000	833,000,000	846,243,000	847,511,000
56,577,000	52,544,000	50,184,000	49,267,000	49,563,000
68,706,000	65,729,000	64,566,000	63,856,000	62,020,000
19,057,000	18,741,000	18,149,000	17,610,000	19,412,000
97,813,000	96,007,000	98,334,000	94,651,000	97,814,000
307,989,000	299,942,000	298,733,000	296,808,000	315,771,000
35,924,000	36,223,000	35,415,000	34,636,000	34,988,000
47,434,000	47,228,000	46,282,000	45,284,000	47,342,000
2,059,540,000	2,087,801,000	2,025,377,000	2,007,469,000	2,171,225,000
104,510,000	115,259,000	104,750,000	106,437,000	116,368,000
3,911,000	4,289,000	4,672,000	4,353,000	3,663,000
11,993,000	13,119,000	13,174,000	12,790,000	12,627,000
651,423,000	647,079,000	625,787,000	632,569,000	660,255,000
55,556,000	57,708,000	55,472,000	52,680,000	55,214,000
1,733,095,000	1,706,381,000	1,638,236,000	1,631,488,000	1,690,744,000
2,823,000	2,865,000	2,839,000	2,750,000	2,814,000
22,813,000	22,153,000	22,782,000	21,821,000	21,888,000
1,153,476,000	1,133,236,000	1,122,288,000	1,113,155,000	1,145,838,000
39,798,000	-	-	-	-
2,901,000	2,894,000	2,900,000	2,784,000	3,079,000
5,646,000	5,527,000	5,251,000	5,179,000	5,792,000
217,659,000	198,441,000	199,780,000	174,091,000	169,352,000
140,057,000	136,512,000	126,629,000	129,823,000	135,319,000
451,666,000	461,500,000	440,862,000	418,092,000	436,370,000
26,337,000	24,460,000	25,211,000	24,722,000	26,163,000
44,803,000	44,607,000	43,519,000	43,690,000	47,877,000

Electricities of North Carolina, Inc.
Schedule of kWh Sold (Unaudited)
Last Ten Fiscal Years

<i>City/Town</i>	2021	2020	2019	2018	2017
Laurinburg	132,474,000	132,474,000	135,620,000	131,294,000	134,159,000
Lexington	385,956,000	397,488,000	407,842,000	375,608,000	391,732,000
Lincolnton	64,929,000	64,929,000	66,294,000	48,791,000	58,498,000
Louisburg	53,436,000	53,436,000	54,680,000	51,841,000	53,831,000
Lumberton	265,838,000	265,838,000	264,869,000	239,383,000	270,856,000
Macclesfield	2,862,000	2,862,000	2,656,000	2,885,000	2,966,000
Maiden	80,099,000	80,099,000	85,309,000	82,775,000	85,910,000
Monroe	703,554,000	703,554,000	719,840,000	707,395,000	717,263,000
Morganton	327,457,000	327,457,000	325,071,000	325,405,000	338,776,000
New Bern	453,232,000	453,232,000		441,675,000	448,542,000
New River Light & Power	208,448,000	208,448,000	215,521,000	205,098,000	202,042,000
Newton	148,421,000	148,421,000	152,531,000	137,936,000	147,861,000
Pikeville	7,817,000	7,817,000	-	8,102,000	8,626,000
Pinetops	19,405,000	19,405,000	18,671,090	18,054,000	18,121,000
Pineville	108,636,000	108,636,000	109,564,000	103,581,000	109,808,000
Red Springs	31,637,000	31,637,000	33,423,000	33,324,000	33,580,000
Robersonville	20,804,000	20,804,000	22,919,000	22,862,000	21,004,000
Rocky Mount	699,987,000	699,987,000	709,005,000	690,526,000	707,390,000
Scotland Neck	25,380,000	25,380,000	28,264,000	26,088,000	24,916,000
Selma	66,506,000	66,506,000	66,194,000	65,088,000	67,316,000
Sharpsburg	16,910,000	16,910,000	17,327,000	15,114,000	-
Shelby	190,671,000	190,671,000	204,825,000	187,798,000	192,951,000
Smithfield	168,802,000	168,802,000	173,050,000	168,346,000	172,874,000
Southport	56,550,000	56,550,000	58,241,000	54,864,000	54,099,000
Stantonsburg	19,843,000	19,843,000	19,820,000	18,946,000	-
Statesville	466,672,000	466,672,000	473,796,000	455,129,000	452,830,000
Tarboro	218,419,000	218,419,000	224,139,000	220,317,000	238,813,000
Wake Forest	157,035,000	157,035,000	161,318,000	152,840,000	152,587,000
Walstonburg	1,854,000	1,854,000	1,677,000	1,663,000	1,812,000
Washington	270,695,000	270,695,000	284,800,000	271,551,000	276,527,000
Waynesville	84,327,000	84,327,000	89,631,000	85,542,000	90,747,000
Wilson	1,243,394,000	1,243,394,000	1,275,421,000	1,201,775,000	1,282,627,000
Windsor	47,821,000	47,821,000	50,462,000	46,927,000	49,259,000
Winterville	53,535,000	50,993,000	53,396,000	-	-

2016	2015	2014	2013	2012
138,267,000	134,968,000	128,881,000	131,385,000	135,751,000
393,125,000	397,556,000	386,865,000	383,899,000	407,191,000
59,157,000	57,124,000	5,638,200	57,513,000	59,224,000
57,145,000	56,887,000	53,544,000	58,961,000	60,830,000
277,445,000	284,490,000	262,117,000	261,335,000	282,350,000
3,388,000	2,525,000	2,738,000	3,135,000	3,618,000
77,684,000	72,712,000	70,717,000	69,945,000	69,345,000
708,682,000	686,630,000	636,660,000	647,197,000	651,109,000
358,790,000	361,432,000	356,155,000	364,128,000	351,055,000
457,517,000	454,434,000	443,637,000	440,993,000	467,060,000
208,074,000	215,386,000	216,998,000	212,888,000	225,700,000
146,393,000	147,561,000	147,907,000	148,330,000	155,410,000
9,106,000	8,731,000	8,722,000	7,679,000	8,331,000
22,260,000	21,200,000	19,850,000	19,500,000	20,125,000
110,270,000	110,902,000	110,584,000	112,430,000	115,786,000
34,129,000	35,412,000	34,922,000	34,169,000	33,870,000
21,870,000	20,782,000	22,057,000	22,786,000	23,108,000
714,369,000	699,641,000	690,443,000	690,852,000	725,986,000
25,422,000	24,853,000	25,195,000	27,056,000	25,854,000
64,084,000	66,605,000	64,051,000	61,396,000	65,686,000
16,732,000	-	-	-	-
191,158,000	188,631,000	188,313,000	187,005,000	196,035,000
164,935,000	168,639,000	159,649,000	162,652,000	166,205,000
55,197,000	55,811,000	51,824,000	50,951,000	53,824,000
21,042,000	21,486,000	20,804,000	20,247,000	21,516,000
447,401,000	449,110,000	457,769,000	444,422,000	434,033,000
225,669,000	217,102,000	236,997,000	226,807,000	232,616,000
157,926,000	142,120,000	139,037,000	134,656,000	145,560,000
1,565,000	1,575,000	1,712,000	1,649,000	1,741,000
278,703,000	280,334,000	274,759,000	274,294,000	288,147,000
89,412,000	93,352,000	-	-	-
1,282,020,000	1,237,230,000	1,215,950,000	1,225,479,000	1,230,141,000
50,985,000	50,305,000	48,744,000	47,275,000	48,735,000
49,000,000	44,333,000	47,158,000	46,697,000	50,406,000

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, 2020

	2021	2020	2019	2018	2017
Management Services*	83	81	80	77	103
Distribution Operations	48	48	45	42	
Member Services	8	10	10	10	11
Safety & Training	6	6	5	6	6
Total	145	145	140	135	120

	2016	2015	2014	2013	2012
Management Services*	97	98	100	101	99
Member Services	10	9	9	4	3
Safety & Training	6	6	6	5	6
Total	113	113	115	110	108

Source: ElectriCities payroll records.

* Includes Distribution Operations 2011-2017.