



**ELECTRICITIES OF  
NORTH CAROLINA, INC.**

Annual Financial Report  
(With Report of Independent Auditor Thereon)

December 31, 2022 and 2021

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**Electricities of North Carolina, Inc.**  
**Annual Financial Report**  
**Years Ended December 31, 2022 and 2021**

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**Electricities of North Carolina, Inc.**  
**Annual Financial Report**  
**Years Ended December 31, 2022 and 2021**

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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, 2022 and 2021, 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, 2022 and 2021, 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 financial statement date, including any currently known information that may raise substantial doubt shortly after.

## **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 general accepted auditing standards (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 a reasonable period of time.

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.

## **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 and the Local Government Employee's Retirement System schedule of proportionate share of net pension liability (Asset), and contributions, and schedule of changes to the net OPEB liability (asset) and contributions on pages 40 through 43 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.

## **Supplementary 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the basic financial statements and, accordingly, we not express an opinion or provide any assurance on them.

*PBMares, LLP*

Morehead City, North Carolina  
July 27, 2023



# **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, 2022 and 2021. This information should be read in conjunction with the information furnished in ElectriCities’ financial statements that follow this narrative.

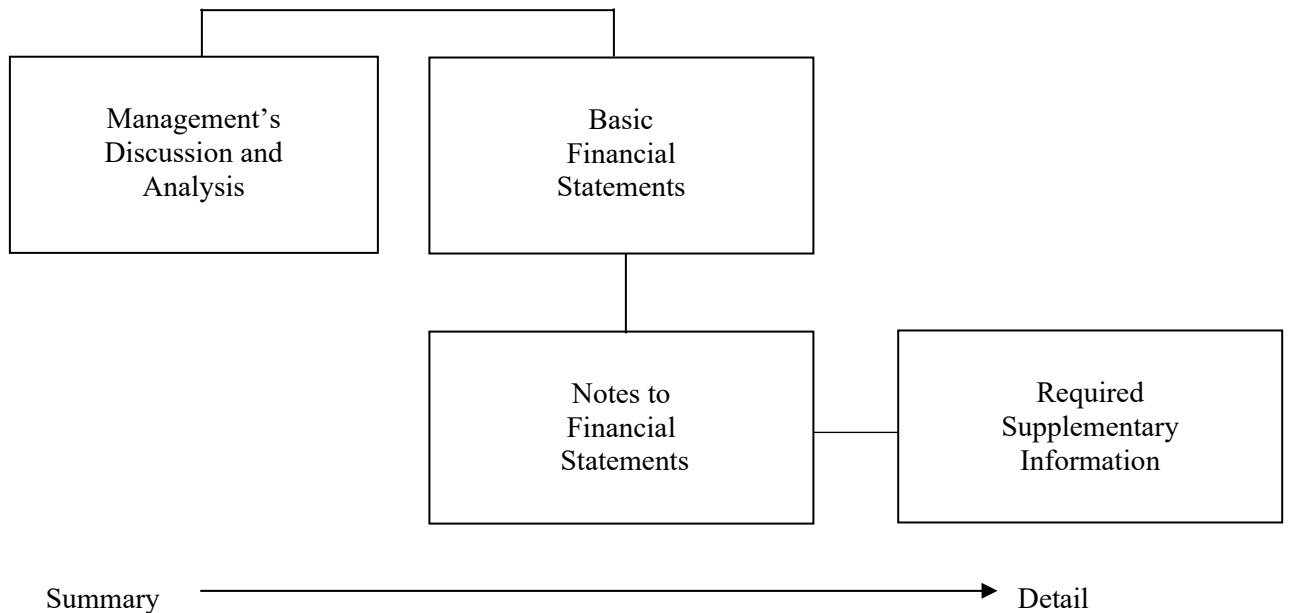
### Financial Highlights

- 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 \$2,981,799 at December 31, 2022 and by \$2,522,767 at December 31, 2021.
- ElectriCities’ unrestricted net position was a deficit of \$4,650,669 and \$3,346,278 at December 31, 2022 and December 31, 2021, respectively. The restricted for OPEB was \$669,114 at December 31, 2022.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$2,119,182 and \$1,547,169 for 2022 and 2021, respectively.
- In 2022, revenues exceeded expenditures by \$1,937. In accordance with its bylaws, ElectriCities will refund \$1,937 of the billed dues for 2022.

### 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, 2022, 2021 and 2020 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

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

	December 31,		
	2022	2021	2020
<b>Assets</b>			
Capital assets and right to use lease assets, net	\$ 1,409,732	\$ 1,454,347	\$ 1,154,060
Net other post employment benefit asset	707,563	1,379,191	1,193,341
Current and other assets	5,665,253	5,138,312	4,758,750
Total assets	<u>7,782,548</u>	<u>7,971,850</u>	<u>7,106,151</u>
<b>Deferred Outflows of Resources</b>			
Pension deferrals (Note F)	6,454,445	3,900,624	3,335,929
OPEB deferrals (Note H)	940,093	126,206	80,574
Total Deferred Outflows of Resources	<u>7,394,538</u>	<u>4,026,830</u>	<u>3,416,503</u>
Total Assets and Deferred Outflows of Resources	15,177,086	11,998,680	10,522,654
<b>Liabilities</b>			
Long-term liabilities	12,389,504	4,425,538	7,928,429
Current liabilities	4,744,029	4,107,097	3,362,627
Total liabilities	<u>17,133,533</u>	<u>8,532,635</u>	<u>11,291,056</u>
<b>Deferred Inflows of Resources</b>			
Unexpended program revenue	-	150,000	180,205
Pension deferrals (Note F)	46,806	4,192,351	-
OPEB deferrals (Note H)	978,546	1,646,461	2,388,796
Total Deferred Inflows of Resources	<u>1,025,352</u>	<u>5,988,812</u>	<u>2,569,001</u>
Total Liabilities and Deferred Inflows of Resources	18,158,885	14,521,447	13,860,057
<b>Net Position (Deficit)</b>			
Net investment in capital assets and right to use lease assets	999,756	823,511	1,154,060
Restricted for OPEB	669,114	-	-
Unrestricted (deficit)	(4,650,669)	(3,346,278)	(4,491,463)
Total Net Position (Deficit)	<u>\$ (2,981,799)</u>	<u>\$ (2,522,767)</u>	<u>\$ (3,337,403)</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 \$2,981,799 at December 31, 2022, by \$2,522,767 at December 31, 2021, and by \$3,337,403 at December 31, 2020. ElectriCities' net position decreased by \$459,032, for the year ended December 31, 2022, increased by \$814,636 for the year ended December 31, 2021, and increased by \$11,794 for the year ended December 31, 2020.

The portion of net position totaling \$999,756, \$823,511 and \$1,154,060 at December 31, 2022, 2021 and 2020 respectively, reflects ElectriCities' net investment in capital assets (e.g., vehicles, furniture and equipment, and right to use lease assets). This amount increased in 2022 because additional spending on capital assets exceeded depreciation and decreased in 2021 because depreciation exceeded additional spending on capital additions.

The portion of net position deficit totaling \$4,650,669, \$3,346,278 and \$4,491,463 at December 31, 2022, 2021 and 2020, respectively, represents unrestricted net position deficit. The OPEB related cost shown below in 2022 increased unrestricted net position by \$810,178. The pension related cost shown below in 2022 decreased unrestricted net position by \$1,445,456.

## Statement of Activity

### Exhibit 3

	For the Years Ended		
	December 31,		
	2022	2021	2020
<b>Operating Revenues:</b>			
Membership dues	\$ 2,119,182	\$ 1,547,169	\$ 1,541,174
Management services (Note E)	27,079,455	25,189,866	25,556,239
Program revenues	9,040,827	7,615,514	6,894,015
Total Operating Revenues	<u>38,239,464</u>	<u>34,352,549</u>	<u>33,991,428</u>
<b>Operating Expenses:</b>			
Program Expenses:			
Administration	101,887	87,836	85,789
Safety and Training	1,711,247	1,512,530	1,305,197
Member Services	394,530	279,324	275,548
Government Affairs	608,593	2,786	3,292
Technical Services	773,835	674,347	655,941
Member Conferences	363,019	254,569	116,760
Management Services	27,079,455	25,189,866	25,556,239
Regions Contract Services	1,860	20,836	-
Distribution Operations	7,208,879	5,980,838	5,590,510
Non-program Expenses - Leases	(276,530)	(281,893)	-
Depreciation and amortization (Note D)	420,136	360,661	276,171
Amortization right to use lease assets (Note I)	261,652	282,238	-
Refund of excess revenues (Note A)	1,937	349,917	404,590
Pension Expense (Income) (Note F)	1,445,456	(171,368)	1,109,010
OPEB Expense (Income) (Note H)	(810,178)	(973,817)	(975,783)
Total Operating Expenses	<u>39,285,778</u>	<u>33,568,670</u>	<u>34,403,264</u>
Operating Income (Loss)	<u>(1,046,314)</u>	<u>783,879</u>	<u>(411,836)</u>
<b>Non-operating Revenues (Expenses):</b>			
Investment income	5,778	300	2,438
Interest Expense - Leases (Note I)	(3,742)	(5,653)	-
Total Non-operating Revenues	<u>2,036</u>	<u>(5,353)</u>	<u>2,438</u>
Income (Loss) Before Capital Contributions and Loss on Disposal	(1,044,278)	778,526	(409,398)
Capital Contributions	608,612	45,136	393,566
Loss on Disposal	(23,366)	(1,699)	-
Increase (Decrease) in Net Position	<u>(459,032)</u>	<u>821,963</u>	<u>11,794</u>
<b>Net Position (Deficit)</b>			
Beginning of Year	(2,522,767)	(3,337,403)	(3,349,197)
Restatement for Accounting Change (Note M)	-	(7,327)	-
Net Position Deficit, Beginning of Year	<u>(2,522,767)</u>	<u>(3,344,730)</u>	<u>(3,349,197)</u>
Total Net Position (Deficit), End of Year	<u>\$ (2,981,799)</u>	<u>\$ (2,522,767)</u>	<u>\$ (3,337,403)</u>

Revenues totaled \$38,239,464, \$34,352,549, and \$33,991,428 for the years ended December 31, 2022, 2021 and 2020, 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, 2022, and 2021, respectively:

- Membership dues increased by \$572,013 and \$5,995 in 2022 and 2021, respectively. The increase in 2022 was attributable to the implementation of the Value of Public Power Campaign and personnel costs.
- Management services and other program revenues increased by \$3,314,902 and \$355,126 in 2022 and 2021, respectively. The 2022 increase was primarily due to the increases in personnel and benefit costs for market adjustment, telemetry/load management costs and costs of a Value of Public Power Campaign. 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.
- Non-operating revenues increased by \$7,389 and decreased \$7,791 in 2022 and 2021 respectively, primarily due to changes in investment rates.
- In 2022 and 2021 net position decreased by \$459,032, and increased by \$814,636, including restatement, respectively.

### Capital Assets and Debt Administration

#### Capital Assets

ElectriCities' investment in capital assets at December 31, 2022, 2021 and 2020 totaled \$1,011,122, \$838,535, and \$1,154,060, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture, and equipment.

Major capital asset transactions during 2022 and 2021 include the following:

- In 2022, ten vehicles were purchased for \$575,203. There were no vehicle purchases in 2021.
- Eight vehicles were retired in 2022, and one vehicle was retired in 2021.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$5,000 for 2022 and 2021.

#### Exhibit 4

	December 31, 2021	Additions	Retirements	December 31, 2022
Furnishings and Equipment	\$ 3,753,764	\$ 608,612	\$ (330,655)	\$ 4,031,721
Accumulated Depreciation and Amortization	(2,915,229)	(420,136)	314,766	(3,020,599)
Total Furnishings and Equipment, Net	<u>\$ 838,535</u>	<u>\$ 188,476</u>	<u>\$ (15,889)</u>	<u>\$ 1,011,122</u>

	December 31, 2020	Additions	Retirements	December 31, 2021
Furnishings 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 Furnishings and Equipment, Net	<u>\$ 1,154,060</u>	<u>\$ (315,525)</u>	<u>\$ -</u>	<u>\$ 838,535</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, 2022 and 2021 totaled \$398,610 and \$615,812, respectively, (net of accumulated depreciation).

Additional information regarding ElectriCities' intangible right to use lease assets can be found in Note I, on page 36 of this report.

### Exhibit 5

	December 31,		December 31,	
	2021	Additions	Deletions	2022
<b>Right to Use Lease Assets</b>				
Building	\$ 150,677	\$ -	\$ (13)	\$ 150,664
Equipment	811,663	103,596	(245,033)	670,226
Total Right to Use Lease Assets	962,340	103,596	(245,046)	820,890
<b>Accumulated Amortization</b>				
Building	(69,307)	(35,502)	13	(104,796)
Equipment	(277,221)	(226,150)	185,887	(317,484)
Total accumulated amortization	(346,528)	(261,652)	185,900	(422,280)
Total Right to Use Lease Assets, Net	\$ 615,812	\$ (158,056)	\$ (59,146)	\$ 398,610

### Outstanding Debt

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2022, 2021 or 2020.

### Next Year's Budgets and Dues

#### Budget Highlights for 2023

- There is an 8% increase in dues. Prior years' dues overpayments are being used in 2023 to partially offset increased personnel costs.
- 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 increased 31.6%.
- Management Services (increased 6.4%) and Contract Services, which includes Technical Services and Distribution Operations, (increased 7.8%) 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,	
	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (Note C)	\$ 3,458,692	\$ 3,545,856
Accounts receivable	2,206,561	1,592,456
Total Current Assets	<u>5,665,253</u>	<u>5,138,312</u>
<b>Non-Current Assets:</b>		
Net other post employment benefit asset (Note H)	707,563	1,379,191
Capital assets (Note D)		
Equipment and furnishings	4,031,721	3,753,764
Accumulated depreciation and amortization	<u>(3,020,599)</u>	<u>(2,915,229)</u>
Total capital assets, net	1,011,122	838,535
Right to use lease assets (Note I)	820,890	962,340
Accumulated amortization right to use lease assets	<u>(422,280)</u>	<u>(346,528)</u>
Net book value right to use lease assets	<u>398,610</u>	<u>615,812</u>
Total Capital Assets	<u>1,409,732</u>	<u>1,454,347</u>
Total Non-Current Assets	<u>2,117,295</u>	<u>2,833,538</u>
Total Assets	<u>7,782,548</u>	<u>7,971,850</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension deferrals (Note F)	6,454,445	3,900,624
OPEB deferrals (Note H)	<u>940,093</u>	<u>126,206</u>
Deferred Outflows of Resources	<u>7,394,538</u>	<u>4,026,830</u>
Total Assets and Deferred Outflows of Resources	15,177,086	11,998,680
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts payable	2,854,589	2,110,361
Current portion of accrued vacation	963,720	926,414
Other accrued lease liability	135	8,135
Short-term lease liability	203,445	262,831
Other liabilities	722,140	799,356
Total Current Liabilities	<u>4,744,029</u>	<u>4,107,097</u>
<b>Non-Current Liabilities:</b>		
Accrued vacation	1,103,908	1,131,285
Long-term lease liability	206,396	359,870
Net pension liability (Note F)	<u>11,079,200</u>	<u>2,934,383</u>
Total Non-Current Liabilities	<u>12,389,504</u>	<u>4,425,538</u>
Total Liabilities	<u>17,133,533</u>	<u>8,532,635</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unexpended program revenue	-	150,000
Pension Deferrals (Note F)	46,806	4,192,351
OPEB deferrals (Note H)	<u>978,546</u>	<u>1,646,461</u>
Total Deferred Inflows of Resources	<u>1,025,352</u>	<u>5,988,812</u>
Total Liabilities and Deferred Inflows of Resources	18,158,885	14,521,447
<b>NET POSITION (DEFICIT)</b>		
Net investment in capital assets and leases	999,756	823,511
Restricted for OPEB	669,114	-
Unrestricted (Deficit)	<u>(4,650,669)</u>	<u>(3,346,278)</u>
Total net position (Deficit)	<u>\$ (2,981,799)</u>	<u>\$ (2,522,767)</u>

See accompanying notes to basic financial statements

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

	For the Years Ended December 31,	
	2022	2021
<b>Operating Revenues:</b>		
Membership dues	\$ 2,119,182	\$ 1,547,169
Management services (Note E)	27,079,455	25,189,866
Program revenues	9,040,827	7,615,514
Total Operating Revenues	<u>38,239,464</u>	<u>34,352,549</u>
<b>Operating Expenses:</b>		
Program Expenses:		
Administration	101,887	87,836
Safety and Training	1,711,247	1,512,530
Member Services	394,530	279,324
Government Affairs	608,593	2,786
Technical Services	773,835	674,347
Member Conferences	363,019	254,569
Management Services	27,079,455	25,189,866
Regions Contract Services	1,860	20,836
Distribution Operations	7,208,879	5,980,838
Non-program Expenses - Leases	(276,530)	(281,893)
Depreciation and amortization (Note D)	420,136	360,661
Amortization right to use lease assets (Note I)	261,652	282,238
Refund of excess revenues (Note A)	1,937	349,917
Pension Expense (Income) (Note F)	1,445,456	(171,368)
OPEB Expense (Income) (Note H)	(810,178)	(973,817)
Total Operating Expenses	<u>39,285,778</u>	<u>33,568,670</u>
Operating Income (Loss)	<u>(1,046,314)</u>	<u>783,879</u>
<b>Non-operating Revenues (Expenses):</b>		
Investment income	5,778	300
Interest Expense - Leases (Note I)	(3,742)	(5,653)
Total Non-operating Revenues	<u>2,036</u>	<u>(5,353)</u>
Income (Loss) Before Capital Contributions and Loss on Disposal	(1,044,278)	778,526
Capital Contributions	608,612	45,136
Loss on Disposal	(23,366)	(1,699)
Increase (Decrease) in Net Position	<u>(459,032)</u>	<u>821,963</u>
<b>Net Position (Deficit)</b>		
Beginning of Year	(2,522,767)	(3,337,403)
Restatement for Accounting Change (Note M)	-	(7,327)
Net Position Deficit, Beginning of Year	<u>(2,522,767)</u>	<u>(3,344,730)</u>
Total Net Position (Deficit), End of Year	<u>\$ (2,981,799)</u>	<u>\$ (2,522,767)</u>

See accompanying notes to basic financial statements.

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

	For the Years Ended	
	December 31,	
	2022	2021
<b>Cash Flows From Operating Activities:</b>		
Receipts from dues and other revenues	\$ 37,398,143	\$ 34,546,664
Payments to employees for services	(17,088,864)	(15,615,947)
Payments to other suppliers of goods and services	(20,125,691)	(18,050,586)
Net Cash Provided by Operating Activities	<u>183,588</u>	<u>880,131</u>
<b>Cash Flows From Capital Activities:</b>		
Additions to capital assets	(608,612)	(45,136)
Capital contributions	608,612	45,136
Net Cash Used For Capital Activities	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>		
Investment income	5,778	300
Net Cash Flows From Investing Activities	<u>5,778</u>	<u>300</u>
<b>Cash flows from financing activities</b>		
Lease payments	(276,530)	(281,893)
Net Cash Flows From Financing Activities	<u>(276,530)</u>	<u>(281,893)</u>
Net Increase (Decrease) in Cash And Cash Equivalents	(87,164)	598,538
Cash and Cash Equivalents, Beginning of Year	3,545,856	2,947,318
Cash and Cash Equivalents, End of Year	<u>\$ 3,458,692</u>	<u>\$ 3,545,856</u>
 <b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>		
<b>Net Operating Income (Loss)</b>	\$ (1,046,314)	\$ 783,879
Adjustments:		
Depreciation and amortization	420,136	360,661
Amortization right to use lease assets	261,652	282,238
Deferred noncash pension related expense (income)	1,445,456	(171,368)
Deferred noncash OPEB related expense (income)	(810,178)	(973,817)
Changes in Assets, Deferred Outflows/Inflows of Resources and Liabilities:		
Decrease (Increase) in accounts receivable	(614,105)	218,976
Increase (Decrease) in accounts payable	744,228	408,335
Increase (Decrease) in accrued vacation	9,929	(3,912)
Increase (Decrease) in other liabilities	(77,216)	5,344
(Decrease) in unexpended dues	(150,000)	(30,205)
Net Cash Provided by Operating Activities	<u>\$ 183,588</u>	<u>\$ 880,131</u>

See accompanying notes to basic financial statements.

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

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	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents (Note C)	\$ 1,555	\$ 10,935
Investments	3,917,391	4,685,642
Interest receivable	2	9,409
<b>Total Assets</b>	3,918,948	4,705,986
 <b>LIABILITIES</b>		
Due to ElectriCities operating	87,247	2,865
<b>Total Liabilities</b>	87,247	2,865
 <b>NET POSITION</b>		
Restricted Net Position - OPEB	\$ 3,831,701	\$ 4,703,121

See accompanying notes to basic financial statements.

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

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	For the Years Ended December 31,	
	2022	2021
<b>ADDITIONS</b>		
Investment earnings (loss)	\$ (709,633)	\$ 479,687
<b>Total Additions</b>	(709,633)	479,687
<b>DEDUCTIONS</b>		
Administrative costs	16	177
Benefit payments	161,771	157,509
<b>Total Deductions</b>	161,787	157,686
Change in net position	(871,420)	322,001
<b>NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS</b>		
Beginning of year	4,703,121	4,381,120
End of year	\$ 3,831,701	\$ 4,703,121

See accompanying notes to basic financial statements.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**Note A. General Matters**

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

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

The members are assessed annual dues to fund the various programs except for management services which is funded by the Agencies (see Note E), Western Operations which is funded by Huntersville/Cornelius, 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, 2022 and 2021**

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**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 reported a deficit of \$4,650,669 and \$3,346,278, at December 31, 2022 and December 31, 2021, 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.

Fiduciary Trust Fund

Fiduciary 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 Statements of Revenues, Expenses and Changes in Net Position 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, 2022 and 2021**

**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, 2022 and 2021, 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, 2022		December 31, 2021	
		Cost Basis	Reported Value	Cost Basis	Reported Value
Money Market					
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	\$ 3,145,507	\$ 3,145,507	\$ 3,012,742	\$ 3,012,742
Sub-total funds invested		3,145,507	3,145,507	3,012,742	3,012,742
Cash		313,185	313,185	533,114	533,114
Total Funds Invested		<u>\$3,458,692</u>	<u>\$3,458,692</u>	<u>\$3,545,856</u>	<u>\$3,545,856</u>

For purposes 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. 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, 2022 and 2021**

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

ElectriCities OPEB Trust Fund investments are reported at fair value:

	Method of Valuation	December 31, 2022		December 31, 2021	
		Cost Basis	Reported Value	Cost Basis	Reported Value
U.S. Government Agencies	Fair Value Level 1	\$ -	\$ -	\$504,884	\$500,324
Treasury Coupons	Fair Value Level 1	-	-	644,757	651,704
NC AGPIP Equity Index Fund	Fair Value Level 1	2,219,429	2,545,394	2,219,429	3,108,933
NC AGPIP Bond Index Fund	Fair Value Level 1	1,515,000	1,368,072	-	-
NC AGPIP STIF	Fair Value Level 1	776	776	672	672
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	\$3,149	\$3,149	424,008	424,009
Sub-total funds invested		\$3,738,354	\$3,917,391	\$3,793,750	\$4,685,642
Interest Receivable		2	2	9,409	9,409
Cash		1,555	1,555	10,935	10,935
Total Funds Invested		<u>\$3,739,911</u>	<u>\$3,918,948</u>	<u>\$3,814,094</u>	<u>\$4,705,986</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 \$2,067,628 and \$2,057,699 at December 31, 2022 and 2021, respectively.

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 recognized on a straight-line basis over the estimated useful lives of respective assets which range from three to ten years.

Right to Use Lease Assets

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

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

Statistical Section - Unaudited

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

Taxes

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

Use of Estimates

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

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The net pension liability is reported in the Statement of Net Position.

Net OPEB 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 Net 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 Net Position will sometimes report a separate section

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**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 two items that meet the criterion for this category - pensions and OPEB deferrals.

Recently Adopted GASB Statements

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, 2021, an additional footnote disclosure has been included (see Note M) to describe the impact for this change in accounting principle/restatement.

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

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

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.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

Future GASB Statements

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 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 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, 2022 and 2021**

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**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, 2022 and 2021, ElectriCities' deposits had carrying amounts of \$313,185 and \$533,114, respectively and bank balances of \$944,607 and \$578,185, respectively. For each of the bank balances, up to \$250,000 was insured by the Federal Depository Insurance Corporation. The remaining balance was covered under the State's policy method.

At December 31, 2022 and 2021, ElectriCities investments consisted of \$3,145,507 and \$3,012,742, 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, 2022 and 2021**

**Note D. Capital Assets**

	December 31, 2021	Additions	Retirements	December 31, 2022
Furnishings and Equipment	\$ 3,753,764	\$ 608,612	\$ (330,655)	\$ 4,031,721
Accumulated Depreciation and Amortization	(2,915,229)	(420,136)	314,766	(3,020,599)
Total Furnishings and Equipment, Net	<u>\$ 838,535</u>	<u>\$ 188,476</u>	<u>\$ (15,889)</u>	<u>\$ 1,011,122</u>

	December 31, 2020	Additions	Retirements	December 31, 2021
Furnishings 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 Furnishings and Equipment, Net	<u>\$ 1,154,060</u>	<u>\$ (315,525)</u>	<u>\$ -</u>	<u>\$ 838,535</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 2022 and 2021, 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, 2021 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, 2022.

**Note F. Pension Plan**

Plan Description

ElectriCities is a participating employer in the statewide Local Governmental Employees’ Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees’ Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

The State’s ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [ww.osc.nc.gov](http://ww.osc.nc.gov).

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

Benefits Provided

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

Funding Policy

Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6.0% of their salary. ElectriCities contributes at an actuarially determined rate. The required rate of 12.10% and 11.35% annual covered payroll in 2022 and 2021, 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 \$1,886,944 and \$1,602,934 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021**

**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 \$11,079,200 and \$2,934,383 at December 31, 2022 and 2021, respectively, for its proportionate share of the net pension liability. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of December 31, 2021 and 2020. The total pension liability was then rolled forward to measurement dates of June 30, 2022 and 2021 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 0.19639% and 0.19134% at June 30, 2022 and 2021 respectively, which was an 0.00505% increase from its proportionate share measured as of June 30, 2022 and an increase of 0.00291% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022 and 2021, the Electricities recognized pension expense (income) of \$1,445,456 and \$(171,368), respectively. At December 31, 2022 and 2021, Electricities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	December 31, 2022		December 31, 2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 477,393	\$ 46,806	\$ 933,536	\$ -
Changes of assumptions	1,105,456	-	1,843,542	-
Net difference between projected and actual earnings on pension plan investments	3,661,792	-	-	4,192,351
Changes in proportion and differences between Electricities contributions and proportionate share of contributions	282,032	-	309,800	-
Contributions subsequent to the measurement date	<u>927,772</u>	<u>-</u>	<u>813,746</u>	<u>-</u>
Total	<u>\$ 6,454,445</u>	<u>\$ 46,806</u>	<u>\$ 3,900,624</u>	<u>\$ 4,192,351</u>

For the years ended December 31, 2022 and 2021, \$927,772 and \$813,746, 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 years ended December 31, 2022 and 2021, respectively.



**Electricities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

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

	<u>Year ending December 31,</u>
2023	\$ 1,809,137
2024	1,472,532
2025	453,651
2026	1,744,547
	<u>\$ 5,479,867</u>

*Actuarial Assumptions.* The total pension liabilities in the December 31, 2021 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurements:

2022

Inflation	2.5 percent
Salary increases	3.25 percent
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, 2022 and 2021**

**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, 2022 and 2021 is summarized in the following table:

2022		<b>Long-Term Expected</b>
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100%</u>	

2021		<b>Long-Term Expected</b>
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Rate of Return</u>
Public Equity	36.8%	5.3%
Fixed Income	26.7%	1.4%
Cash and Receivables	10.9%	4.3%
Other*	25.6%	8.9%
Total	<u>100%</u>	

\*Real Estate, Alternatives, Inflation and Credit

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 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 6.5%, 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:

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
ElectriCities' proportionate share of the net pension liability	\$ 19,996,530	\$11,079,200	\$ 3,730,803

*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 \$399,165 and \$371,434 for the years ended December 31, 2022 and 2021, respectively.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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**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, 2022 and 2021, the date of the latest valuation:

Measurement date	2022	2021
Retirees receiving benefits	35	31
Active plan members	31	42
Total	66	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 gains 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, 2022 and 2021**

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**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, 2022 and 2021 is as shown in the table below.

**Net OPEB Liability (Asset)**

	2022	2021
Total OPEB liability	\$ 3,124,138	\$ 3,323,930
Fiduciary net position	\$ 3,831,701	\$ 4,703,121
Net OPEB liability(asset)	\$ (707,563)	\$ (1,379,191)
Plan fiduciary net position as a percentage of the total OPEB liability	122.65%	141.49%

ElectriCities annual OPEB cost is determined at the end of the fiscal year to reflect any plan amendments, assumption changes, and gains and losses during the fiscal year. The OPEB related costs for the fiscal years ended December 31, 2022 and 2021 are as follows:

	2022	2021
OPEB Expense (income)	\$ (810,178)	\$ (973,817)

Actuarial Methods and Assumptions

The Total OPEB liability and the normal cost was determined by actuarial valuation as of January 1, 2023 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, 2022 and 2021**

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

The total OPEB liability (asset) for the years ended December 31, 2022 and 2021 was determined by actuarial valuation based as of January 1, 2023 and by actuarial valuation based on a rollforward from January 1, 2021, respectively, using the following actuarial assumptions:

	2022	2021
Valuation date	January 1, 2023	January 1, 2022
Measurement date	December 31, 2022	December 31, 2021
Reporting date	January 1, 2022 to December 31, 2022	January 1, 2021 to December 31, 2021
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 2023 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2027	7.5 percent for 2020 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2026

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

The following presents the Electricities net OPEB asset at December 31, 2022, 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:

	2022		
	Current		
	1% Decrease	Trend Rate	1% Increase
	6.0%	7.0%	8.0%
Net OPEB Liability (Asset)	\$ (354,835)	\$ (707,563)	\$ (1,003,905)

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**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 asset at December 31, 2022, 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:

	2022		
	Current		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ (1,008,363)	\$ (707,563)	\$ (351,366)

As of December 31, 2022, and 2021, the components of the net OPEB liability (asset) measured as of December 31, 2022 were as follows:

	2022		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability(Asset)
Balances at December 31, 2021	\$ 3,323,930	\$ 4,703,121	\$ (1,379,191)
Changes for the Year:			
Service cost	25,291	-	25,291
Interest	229,513	-	229,513
Difference between expected and actual experience	(331,908)	-	(331,908)
Changes of assumptions	39,083	-	39,083
Net investment income	-	(709,633)	709,633
Benefit payments	(161,771)	(161,771)	-
Administrative expenses	-	(16)	16
Other charges	-	-	-
Net changes	(199,792)	(871,420)	671,628
Balance at December 31, 2022	\$ 3,124,138	\$ 3,831,701	\$ (707,563)

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

	2021		
	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	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)
Balance at December 31, 2021	<u>\$ 3,323,930</u>	<u>\$ 4,703,121</u>	<u>\$ (1,379,191)</u>

Changes of assumptions

The discount rate of 7.00% has not changed in 2022 and 2021 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, 2022 and 2021, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (713,628)	\$ -	\$ (714,642)
Changes of assumptions	54,561	(122,502)	37,873	(716,791)
Net Difference between projected and actual earnings on plan investments	885,532	(142,416)	88,333	(215,028)
Total	<u>\$ 940,093</u>	<u>\$ (978,546)</u>	<u>\$ 126,206</u>	<u>\$ (1,646,461)</u>



**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

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

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

<u>Year ending December 31:</u>	<u>Amounts</u>
2023	\$ (190,685)
2024	(152,977)
2025	98,551
2026	206,658

**Note I. Right to Use Lease Assets**

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 the useful lives of the leases which range from 3 to 5 years.

Key estimates and judgements related to leases 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. Net position was restated as of January 1,2021, to reflect the effect of adoption.

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**Note I. Right to Use Lease Assets (continued)**

Right to Use Lease Assets and Accumulated Amortization by class of asset as of December 31, 2022 and 2021:

	Role	Lease type	Classification	2022		
				Gross Asset Balance	Accumulated Amortization	Net Asset Balance
Building	Lessee	Operating	Building	\$ 150,664	\$ 104,796	\$ 45,868
Computer equipment	Lessee	Operating	Computer equipment	306,282	165,931	140,351
Copiers	Lessee	Operating	Copiers	226,071	80,906	145,165
Other*	Lessee	Operating	Other*	137,873	70,647	67,226
				<u>\$ 820,890</u>	<u>\$ 422,280</u>	<u>\$ 398,610</u>

\*Other includes: racks, water coolers, hardware backup appliance

	Role	Lease type	Classification	2021		
				Gross Asset Balance	Accumulated Amortization	Net Asset Balance
Building	Lessee	Operating	Building	\$ 150,677	\$ 69,307	\$ 81,370
Computer equipment	Lessee	Operating	Computer equipment	274,699	107,832	166,867
Phone system	Lessee	Operating	Phone system	46,089	30,726	15,363
Copiers	Lessee	Operating	Copiers	226,071	8,607	217,464
Mail equipment	Lessee	Operating	Mail equipment	156,114	71,488	84,626
Other*	Lessee	Operating	Other*	108,690	58,568	50,122
				<u>\$ 962,340</u>	<u>\$ 346,528</u>	<u>\$ 615,812</u>

\*Other includes: racks, water coolers, hardware backup appliance

Right to Use Lease Assets activity for the year ended December 31, 2022 and 2021 was as follows:

	December 31, 2021		Deletions	December 31, 2022	
	Balance	Changes		Balance	Changes
Right to Use Lease Assets					
Building	\$ 150,677	\$ -	\$ (13)	\$ 150,664	
Equipment	811,663	103,596	(245,033)	670,226	
Total Right to Use Lease Assets	<u>962,340</u>	<u>103,596</u>	<u>(245,046)</u>	<u>820,890</u>	
Accumulated Amortization					
Building	(69,307)	(35,502)	13	(104,796)	
Equipment	(277,221)	(226,150)	185,887	(317,484)	
Total accumulated amortization	<u>(346,528)</u>	<u>(261,652)</u>	<u>185,900</u>	<u>(422,280)</u>	
Total Right to Use Lease Assets, Net	<u>\$ 615,812</u>	<u>\$ (158,056)</u>	<u>\$ (59,146)</u>	<u>\$ 398,610</u>	

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**Note I. Right to Use Lease Assets (continued)**

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

Leases Liability for the year ended December 31, 2022:

	December 31,			December 31,		
	2021	Additions	Deletions	2022		
Lease Liability						
Building	\$ 93,620	\$ -	\$ (35,196)	\$ 58,424		
Equipment	168,156	47,020	(73,646)	141,530		
Copier	218,068	-	(72,247)	145,821		
Other	142,857	56,576	(135,367)	64,066		
Total Lease Liability	\$ 622,701	\$ 103,596	\$ (316,456)	\$ 409,841		

ElectriCities lease liability at December 31, 2022 totaled \$409,841, of which \$203,445 represents short-term lease liability, and \$206,396 represents long-term lease liability. The term of the leases average between three to five years, while the interest rates range from 0.32% to 3.10% for 2022.

Lease Maturity Analysis for the period January 1, 2023 through January 1, 2026:

	2023			2024			2025		
	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction
Building	\$ 34,103	\$ 144	\$ 33,912	\$ 24,603	\$ 45	\$ 24,512	\$ -	\$ -	\$ -
Computer equipment	73,624	1,445	72,179	48,299	764	47,533	15,758	352	15,407
Copiers	72,474	397	72,058	70,224	133	70,072	3,420	12	3,406
Other*	26,637	1,433	25,296	20,285	856	19,384	19,708	272	19,386
	\$ 206,838	\$ 3,419	\$ 203,445	\$ 163,411	\$ 1,798	\$ 161,501	\$ 38,886	\$ 636	\$ 38,199

**ElectriCities of North Carolina, Inc.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2022 and 2021**

**Note I. Right to Use Lease Assets (continued)**

	2026			Total		
	Cash	Interest Expense	Liability Reduction	Cash	Interest Expense	Liability Reduction
Building	\$ -	\$ -	\$ -	\$ 58,706	\$ 189	\$ 58,424
Computer equipment	6,472	61	6,411	144,153	2,622	141,530
Copiers	285	-	285	146,403	542	145,821
Other*	-	-	-	66,630	2,561	64,066
	<u>\$ 6,757</u>	<u>\$ 61</u>	<u>\$ 6,696</u>	<u>\$ 415,892</u>	<u>\$ 5,914</u>	<u>\$ 409,841</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 2022 and 2021, 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 2022 or 2021.

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 are bonded with a \$10,000,000 Employee Dishonesty limit per occurrence subject to a \$50,000 deductible. The Chief Financial Officer is bonded individually for \$50,000.

**Note L. Subsequent Events**

ElectriCities has evaluated subsequent events through July 27, 2023, 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. 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.**  
**Schedule of Proportionate Share of Net Pension Liability (Asset)**  
**Required Supplementary Information (Unaudited)**  
**Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

	Year Ended December 31,				
	2022	2021	2020	2019	2018
ElectriCities proportion of the net pension liability (asset)	0.19639%	0.19134%	0.18844%	0.17913%	0.16613%
ElectriCities proportion of the net pension liability (asset) (\$)	11,079,200	2,934,383	6,733,407	4,891,901	3,941,172
ElectriCities covered employee payroll (\$)	17,258,576	15,825,540	14,929,730	14,435,321	12,344,414
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.20%	18.54%	45.10%	33.89%	31.93%
Plan fiduciary net position as a percentage of the total pension liability**	90.70%	95.51%	88.61%	91.63%	91.63%

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

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

	Year Ended December 31,				
	2017	2016	2015	2014	2013
ElectriCities proportion of the net pension liability (asset)	0.15944%	0.15945%	0.16262%	0.16076%	0.16750%
ElectriCities proportion of the net pension liability (asset) (\$)	2,435,802	3,384,063	729,831	(887,263)	2,019,018
ElectriCities covered employee payroll (\$)	11,153,736	11,805,120	12,354,243	10,855,137	10,988,635
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	21.84%	28.67%	5.91%	-8.17%	18.37%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Contractually required contribution	\$ 1,886,946	\$ 1,602,933	\$ 1,348,665	\$ 1,129,661	\$ 941,388
Contributions in relation to the contractually required contribution	1,886,946	1,602,933	1,348,665	1,129,661	941,388
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ElectriCities covered-employee payroll	17,258,576	15,825,540	14,929,730	14,435,321	12,344,414
Contributions as a percentage of covered-employee payroll	10.93%	10.13%	9.03%	7.83%	7.63%

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

**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,*				
	2022	2021	2020	2019	2018
Service cost	\$ 25,291	\$ 23,236	\$ 42,633	\$ 39,844	\$ 90,331
Interest	229,513	219,927	310,778	300,062	240,182
Differences between expected and actual experience	(331,908)	-	(1,161,744)	-	(87,976)
Change of assumptions	39,083	50,497	(306,255)	-	(2,665,198)
Benefit payments	(161,771)	(157,509)	(175,697)	(212,212)	(211,056)
<b>Net change in total OPEB liability</b>	<b>(199,792)</b>	<b>136,151</b>	<b>(1,290,285)</b>	<b>127,694</b>	<b>(2,633,717)</b>
<b>Total OPEB liability - beginning</b>	<b>3,323,930</b>	<b>3,187,779</b>	<b>4,478,064</b>	<b>4,350,370</b>	<b>6,984,087</b>
<b>Total OPEB liability - ending</b>	<b>\$ 3,124,138</b>	<b>\$ 3,323,930</b>	<b>\$ 3,187,779</b>	<b>\$ 4,478,064</b>	<b>\$ 4,350,370</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	-	-	-	-	211,056
Net investment income	(709,633)	479,687	367,118	220,056	-
Benefit payments	(161,771)	(157,509)	(175,697)	(212,060)	(211,056)
Administrative expense	(16)	(177)	(443)	(35,824)	-
Change in net position	-	-	-	-	4,217,970
<b>Net change in plan fiduciary position</b>	<b>(871,420)</b>	<b>322,001</b>	<b>190,978</b>	<b>(27,828)</b>	<b>4,217,970</b>
<b>Plan fiduciary position - beginning</b>	<b>4,703,121</b>	<b>4,381,120</b>	<b>4,190,142</b>	<b>4,217,970</b>	<b>-</b>
<b>Plan fiduciary position - ending</b>	<b>\$ 3,831,701</b>	<b>\$ 4,703,121</b>	<b>\$ 4,381,120</b>	<b>\$ 4,190,142</b>	<b>\$ 4,217,970</b>

\* Plan measurement date is the reporting date.

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

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

	Schedule of OPEB Contributions				
	For the Year Ended				
	December 31				
	2022	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>\$ -</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

	<u>2022</u>	<u>2021</u>
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed
Remaining amortization period	18 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	Society of Actuaries Pub-2010 headcount-weighted mortality table with Projections Scale MP-2021, fully
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 Non-GAAP**

	For the Years Ended December 31,			
	2022		2021	
	Actual	Final Budget	Actual	Final Budget
<b>Revenues:</b>				
Membership Dues	\$ 2,119,182	\$ 2,113,598	\$ 1,547,169	\$ 1,546,257
Management Services	27,688,067	28,626,382	25,223,931	27,668,149
Investment Income	5,778	-	300	40
Program Revenues	9,040,827	9,414,668	7,615,514	8,176,007
<b>Total Revenues</b>	<b>38,853,854</b>	<b>40,154,648</b>	<b>34,386,914</b>	<b>37,390,453</b>
<b>Expenditures:</b>				
Administration	101,887	99,453	87,836	96,501
Safety and Training	1,711,247	1,578,742	1,512,530	1,594,041
Member Services	394,530	442,590	279,324	291,562
Government Affairs	608,593	475,394	2,786	3,238
Technical Services	773,835	754,834	674,347	720,402
Member Conferences	363,019	270,000	254,569	270,000
Management Services	27,688,067	28,626,382	25,223,931	27,668,149
Regions Contract Services	1,860	-	20,836	-
Distribution Operations	7,208,879	7,907,253	5,980,838	6,746,560
<b>Total Expenditures</b>	<b>\$ 38,851,917</b>	<b>\$ 40,154,648</b>	<b>\$ 34,036,997</b>	<b>\$ 37,390,453</b>
Excess to Be Refunded	\$ 1,937		\$ 349,917	

Reconciliation of Modified Accrual Basis  
To Full Accrual Basis:

Total Revenues	\$ 38,853,854	\$ 34,386,914
Total Expenditures	38,851,917	34,036,997
Excess of Revenues over Expenditures	1,937	349,917

Reconciling Items

Budgetary Appropriations:

Capital Outlay	608,612	45,136
Depreciation and Amortization	(420,136)	(360,661)
Amortization Leases (Note I)	(261,652)	(282,238)
Pension (Expense) Income (Note F)	(1,445,456)	171,368
OPEB (Expense) Income (Note H)	810,178	973,817
Interest Expense - Leases (Note L)	(3,742)	(5,653)
Leases- budgetary adjustment	276,530	281,893
Refund of Excess Revenues	(1,937)	(349,917)
Loss on Disposal	(23,366)	(1,699)
Increase in Net Position (Pg. 13)	<u>\$ (459,032)</u>	<u>\$ 821,963</u>

Prepared on a budgetary basis.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Budgetary Comparison Non-GAAP**  
**For the Year Ended December 31, 2022**

	2022 Budget		Actuals (Budgetary Basis)	Positive (Negative) Variance With Final Budget
	Original	Final		
<b>Revenues:</b>				
Membership Dues	\$ 2,113,598	\$ 2,113,598	\$ 2,119,182	\$ 5,584
Management Services	28,626,382	28,626,382	27,688,067	(938,315)
Investment Income	-	-	5,778	5,778
Program Revenues	9,414,668	9,414,668	9,040,827	(373,841)
Total Revenues	<u>40,154,648</u>	<u>40,154,648</u>	<u>38,853,854</u>	<u>(1,300,794)</u>
<b>Expenditures:</b>				
Administration	99,453	99,453	101,887	(2,434)
Safety and Training	1,578,742	1,578,742	1,711,247	(132,505)
Member Services	442,590	442,590	394,530	48,060
Government Affairs	475,394	475,394	608,593	(133,199)
Technical Services	754,834	754,834	773,835	(19,001)
Member Conferences	270,000	270,000	363,019	(93,019)
Management Services	28,626,382	28,626,382	27,688,067	938,315
Regions Contract Services	-	-	1,860	(1,860)
Distribution Operations	7,907,253	7,907,253	7,208,879	698,374
Total Expenditures	<u>40,154,648</u>	<u>40,154,648</u>	<u>38,851,917</u>	<u>1,302,731</u>
Revenues Over Expenses	<u>\$ -</u>	<u>\$ -</u>	1,937	<u>\$ 1,937</u>
Refund Payable			(1,937)	
Revenues Over Expenses			<u>\$ -</u>	

Prepared on a budgetary basis.

**ElectriCities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual - Non-GAAP**  
**For the Year Ended December 31, 2022**

	Administration		Safety and Training	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 138	\$ 125
Advertising	-	100	14,920	36,000
Salaries	41,031	44,522	633,720	603,495
Office & Program Supplies	-	38	263,196	173,570
Dues, Subscriptions & Publications	-	200	3,967	16,249
Printing	-	108	-	120
Telephone	-	-	3,449	1,322
Postage	-	-	2,606	4,065
Copies	-	-	6,603	4,409
Miscellaneous Office	-	100	6,906	3,498
Travel	-	-	170,206	180,375
Outside Services	45,691	37,050	66,289	122,189
Insurance	-	-	8,535	7,273
Employee Benefits	15,165	17,335	242,950	240,308
Recruitment & Relocation	-	-	2,158	868
Staff Development	-	-	12,806	29,088
Other Expenses	-	-	-	-
Occupancy Costs	-	-	31,828	27,400
Other Rents	-	-	102,965	7,000
Vehicle O&M	-	-	138,005	116,200
Equipment Maintenance	-	-	-	188
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	-	5,000
Total Program Expenditures	\$ 101,887	\$ 99,453	\$ 1,711,247	\$ 1,578,742

Prepared on a budgetary basis which is modified accrual.

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Member Services		Government Affairs		Member Conferences	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ 16	\$ -	\$ -	\$ -	\$ -	\$ -
1,577	10,000	606,236	260,000	-	-
214,506	248,292	1,753	2,523	-	-
1,105	6,280	-	-	69	-
953	365	-	-	-	150
-	600	-	42,000	-	-
2,685	3,136	-	-	-	-
3,077	844	-	-	-	-
691	1,104	-	-	-	-
955	1,513	-	-	1,131	250
32,549	27,920	-	70,000	361,798	269,600
33,531	26,671	-	100,000	-	-
2,134	2,650	-	-	-	-
86,204	98,173	604	871	21	-
539	372	-	-	-	-
5,083	4,422	-	-	-	-
-	-	-	-	-	-
8,516	9,565	-	-	-	-
145	-	-	-	-	-
264	636	-	-	-	-
-	47	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 394,530</u>	<u>\$ 442,590</u>	<u>\$ 608,593</u>	<u>\$ 475,394</u>	<u>\$ 363,019</u>	<u>\$ 270,000</u>

**ElectriCities of North Carolina, Inc.**  
**Schedule of Expenditures – Budget and Actual**  
**For the Year Ended December 31, 2022**

	Technical Services		Management Services	
	Actual	Final	Actual	Final
		Budget		Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 5,993	\$ 14,000
Advertising	-	-	746,429	925,780
Salaries	242,330	229,143	11,345,471	11,542,922
Office & Program Supplies	1,296	-	171,584	170,820
Dues, Subscriptions & Publications	-	-	1,637,049	1,863,836
Printing	-	-	133,996	185,320
Telephone	-	-	853,800	828,328
Postage	-	-	59,940	80,652
Copies	-	-	69,840	105,656
Miscellaneous Office	308	-	(75,815)	93,481
Travel	2,122	9,704	497,062	322,928
Outside Services	38,924	-	3,805,960	4,067,991
Insurance	36,393	-	261,880	295,754
Employee Benefits	85,892	84,583	3,890,507	4,128,134
Recruitment & Relocation	-	-	96,682	15,128
Staff Development	-	3,300	131,268	170,585
Other Expenses	215,639	188,262	1,982,893	1,741,830
Occupancy Costs	24,136	-	490,231	606,205
Other Rents	93,582	70,442	787,523	836,010
Vehicle O&M	-	-	67,486	142,804
Equipment Maintenance	33,213	169,400	119,676	63,395
Overhead Allocation Pool	-	-	-	-
Capital Assets Additions	-	-	608,612	424,823
Total Program Expenditures	\$ 773,835	\$ 754,834	\$ 27,688,067	\$ 28,626,382

<u>Contract Services</u>		<u>Western Operations</u>		<u>Total</u>	
<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,147	\$ 14,125
-	-	1,003	1,500	1,370,165	1,233,380
1,419	-	4,608,633	5,037,634	17,088,863	17,708,531
-	-	18,405	14,180	455,655	364,887
-	-	4,212	17,623	1,646,181	1,898,423
-	-	-	-	133,996	228,148
-	-	34,553	46,220	894,487	879,007
-	-	1,642	385	67,265	85,946
-	-	-	85	77,134	111,253
-	-	54,239	26,589	(12,276)	125,431
-	-	34,817	102,030	1,098,554	982,558
-	-	75,450	53,272	4,065,845	4,407,173
-	-	217,055	223,573	525,997	529,251
441	-	1,940,710	2,186,980	6,262,494	6,756,383
-	-	20,347	15,282	119,726	31,650
-	-	75,724	91,800	224,881	299,195
-	-	-	-	2,198,532	1,930,092
-	-	39,392	25,000	594,103	668,170
-	-	6,655	15,600	990,870	929,052
-	-	74,411	44,500	280,166	304,140
-	-	1,631	5,000	154,520	238,030
-	-	-	-	-	-
-	-	-	-	608,612	429,823
<u>\$ 1,860</u>	<u>\$ -</u>	<u>\$ 7,208,879</u>	<u>\$ 7,907,253</u>	<u>\$ 38,851,917</u>	<u>\$ 40,154,648</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,				
	2022	2021	2020	2019	2018
Business-type activities					
Net investment in Capital Assets and Leases	\$ 999,756	\$ 823,511	\$ 1,154,060	\$ 1,009,039	\$ 985,901
Restricted for OPEB	669,114	-	-	-	-
Unrestricted	(4,650,669)	(3,346,278)	(4,491,463)	(4,358,236)	(3,452,971)
Total Net Position (Deficit)	<u>\$ (2,981,799)</u>	<u>\$ (2,522,767)</u>	<u>\$ (3,337,403)</u>	<u>\$ (3,349,197)</u>	<u>\$ (2,467,070)</u>

	Years Ended December 31,				
	2017	2016	2015	2014	2013
Business-type activities					
Net invested in Capital Assets	\$ 916,918	\$ 762,038	\$ 482,814	\$ 830,427	\$ 789,312
Unrestricted	(901,075)	(862,528)	(668,365)	20,896	20,896
Total Net Position (Deficit)	<u>\$ 15,843</u>	<u>\$ (100,490)</u>	<u>\$ (185,551)</u>	<u>\$ 851,323</u>	<u>\$ 810,208</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,				
	2022	2021	2020	2019	2018
<b>Operating Expenses</b>					
Administration	\$ 101,887	\$ 87,836	\$ 85,789	\$ 83,831	\$ 71,837
Safety and Training	1,711,247	1,486,052	1,305,197	1,237,462	1,117,464
Member Services	394,530	271,272	275,548	268,456	587,425
Government Affairs	608,593	2,786	3,292	1,179	-
Technical Services	773,835	668,251	655,941	537,066	-
Annual Meeting	363,019	254,569	116,760	363,301	336,293
Management Services	27,079,455	24,951,402	25,556,239	25,510,676	25,585,420
Western Operations	7,208,879	5,978,035	5,590,510	5,118,267	3,506,147
Regions Contract Services	1,860	20,836	-	32,022	42,000
Non-program Expenses - Leases	(276,530)	-	-	-	-
Depreciation and amortization	681,788	642,899	276,171	326,025	292,615
Refund of excess (deficit) revenues	1,937	349,917	404,590	342,456	19,727
Pension Expense	1,445,456	(171,368)	1,109,010	1,149,541	216,956
OPEB Expense	(810,178)	(973,817)	(975,783)	(244,276)	(833,823)
Total Expenditures	<u>\$ 39,285,778</u>	<u>\$ 33,568,670</u>	<u>\$ 34,403,264</u>	<u>\$ 34,726,006</u>	<u>\$ 30,942,061</u>
<b>Operating Revenues</b>					
Membership dues	\$ 2,119,182	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412	\$ 1,448,766
Management services and other program revenues	36,120,282	32,805,380	32,450,254	32,107,589	29,811,229
Non-operating revenues	2,036	(5,353)	2,438	7,715	6,318
Total Revenues	<u>\$ 38,241,500</u>	<u>\$ 34,347,196</u>	<u>\$ 33,993,866</u>	<u>\$ 33,494,716</u>	<u>\$ 31,266,313</u>
<b>Net Revenue/(Expense)</b>	<u>\$ (1,044,278)</u>	<u>\$ 778,526</u>	<u>\$ (409,398)</u>	<u>\$ (1,231,290)</u>	<u>\$ 324,252</u>
<b>Changes in Net Position (Deficit)</b>					
Capital Contributions	608,612	45,136	393,566	351,085	318,316
Gain (Loss) on Disposal	(23,366)	(1,699)	27,626	(1,922)	43,282
Restatement for Accounting Change	-	(7,327)	-	-	(3,168,763)
Change in Net Position (Deficit)	<u>\$ (459,032)</u>	<u>\$ 814,636</u>	<u>\$ 11,794</u>	<u>\$ (882,127)</u>	<u>\$ (2,482,913)</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,

2017	2016	2015	2014	2013
\$ 54,182	\$ 51,485	\$ 46,971	\$ 48,487	\$ 35,722
1,101,983	1,154,572	1,105,476	1,065,243	988,949
364,147	320,653	329,140	345,704	262,819
2,041	-	-	938	1,049
-	-	-	-	-
244,623	173,009	219,842	222,688	225,704
25,608,758	24,770,812	26,805,049	25,391,314	25,204,519
2,005,758	1,907,575	1,430,894	1,334,526	1,375,048
15,290	20,778	-	-	-
-	-	-	-	-
350,185	259,151	401,207	340,693	534,601
223,952	73,608	14,972	(34,440)	65,552
38,547	194,163	(378,752)	-	-
-	-	-	-	-
<u>\$ 30,009,466</u>	<u>\$ 28,925,806</u>	<u>\$ 29,974,799</u>	<u>\$ 28,715,153</u>	<u>\$ 28,693,963</u>
\$ 1,351,613	\$ 1,283,788	\$ 1,255,890	\$ 1,214,251	\$ 1,189,150
28,266,619	27,187,554	28,696,216	27,160,166	26,970,063
2,502	1,150	238	43	149
<u>\$ 29,620,734</u>	<u>\$ 28,472,492</u>	<u>\$ 29,952,344</u>	<u>\$ 28,374,460</u>	<u>\$ 28,159,362</u>
<u>\$ (388,732)</u>	<u>\$ (453,314)</u>	<u>\$ (22,455)</u>	<u>\$ (340,693)</u>	<u>\$ (534,601)</u>
485,565	471,261	69,039	381,808	192,789
19,500	67,114	(15,445)	-	-
-	-	(1,068,013)	-	-
<u>\$ 116,333</u>	<u>\$ 85,061</u>	<u>\$ (1,036,874)</u>	<u>\$ 41,115</u>	<u>\$ (341,812)</u>

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

	2022	2021	2020	2019	2018
Albemarle	\$ 34,165	\$ 28,636	\$ 32,225	\$ 29,574	\$ 29,439
Apex	56,394	43,834	46,580	38,051	37,356
Ayden	12,443	10,095	11,006	10,075	10,520
Bamberg, SC*	1,095	912	912	912	912
Bedford, VA*	2,191	1,825	1,825	1,825	1,825
Belhaven	2,494	2,186	2,460	2,222	2,404
Bennettsville, SC*	1,095	912	912	912	912
Benson	5,700	4,825	5,163	4,628	4,588
Blacstone	1,095	912	-	-	-
Bostic	683	586	639	599	597
Camden, SC*	2,191	1,825	1,825	1,825	1,825
Cherryville	7,089	5,961	6,718	6,086	6,053
Clayton	18,611	15,344	16,761	14,452	14,177
Concord	95,892	79,805	89,574	79,401	79,401
Cornelius	9,458	8,021	9,062	8,113	7,779
Dallas	9,448	8,011	8,819	8,043	8,043
Danville, VA*	2,191	1,825	1,825	1,825	1,825
Drexel	2,967	2,533	2,814	2,549	2,540
East Carolina University	220	183	183	183	183
Edenton	11,876	9,853	11,071	10,212	10,101
Elizabeth City	38,743	28,074	32,543	29,818	29,002
Elizabeth City State University	586	183	183	183	183
Enfield	3,587	3,020	3,324	3,022	3,023
Farmville	7,741	6,445	7,128	6,572	6,702
Fayetteville Public Works Commission	142,048	118,452	133,157	118,768	118,768
Forest City	12,480	10,574	11,745	10,903	10,903
Fountain	823	695	756	701	700
Fremont	1,928	1,584	1,798	1,701	1,663
Front Royal	2,191	1,825	1,825	1,825	1,825
Gastonia	78,466	65,299	73,317	65,345	65,744
Georgetown, SC	2,191	-	-	-	-
Granite Falls	7,600	6,465	7,053	6,384	6,352
Greenville Utilities	142,048	118,452	133,157	118,768	118,768
Greenwood, SC	2,191	-	-	-	-
Hamilton	729	619	676	638	635
Hertford	3,137	2,751	2,911	2,609	2,593
High Point	120,117	101,830	112,171	102,190	101,415
Hobgood	759	630	693	652	664
Hookerton	1,130	948	1,058	952	986
Huntersville	24,097	19,755	20,907	18,182	17,744
Kings Mountain	16,971	13,935	15,745	13,143	13,143
Kinston	37,779	31,793	36,387	32,537	32,999
La Grange	4,833	4,109	4,528	3,109	3,141
Landis	8,378	6,671	7,320	6,563	6,504
Laurinburg	16,347	14,019	15,884	14,424	14,564
Lexington	50,168	42,210	46,986	42,483	42,222
Lincolnton	8,315	7,402	8,199	7,300	7,256
Louisburg	6,531	5,501	6,132	5,620	5,630

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	2017	2016	2015	2014	2013
\$	29,247	\$ 27,868	\$ 27,602	\$ 26,758	\$ 26,600
	34,279	32,157	30,496	29,424	27,675
	10,449	9,299	9,699	10,032	9,640
	894	843	795	750	732
	1,789	1,688	1,592	1,502	1,465
	2,363	2,240	2,225	2,217	2,165
	1,789	1,688	795	1,502	1,465
	4,494	4,152	4,250	4,023	3,998
	-	-	-	-	-
	595	570	571	524	525
	1,789	1,688	1,592	1,502	1,465
	5,997	5,715	5,624	6,116	6,096
	13,253	12,472	12,030	11,211	10,883
	75,876	69,577	68,294	66,298	65,269
	7,586	6,921	6,553	6,182	5,835
	8,348	7,180	7,300	6,400	6,324
	1,789	1,688	1,592	1,502	1,465
	2,500	2,416	2,410	2,335	2,278
	179	169	159	150	146
	9,784	9,636	9,679	9,386	9,123
	27,936	27,841	27,387	26,975	26,267
	179	169	159	150	146
	3,509	3,288	3,272	3,223	3,184
	6,480	6,252	6,145	5,945	5,818
	116,307	109,840	107,790	104,805	102,863
	10,676	10,063	10,253	10,412	10,275
	697	686	675	703	693
	1,644	1,616	1,600	1,516	1,476
	1,789	1,688	1,592	1,502	-
	63,512	60,137	58,876	57,265	56,487
	-	-	-	-	-
	6,128	5,871	5,805	5,547	5,477
	116,307	109,840	107,790	104,805	102,864
	-	-	-	-	-
	623	591	583	545	582
	2,526	2,449	2,438	2,423	2,348
	100,831	93,969	92,430	89,769	88,295
	650	620	619	605	592
	958	907	883	854	824
	16,037	14,371	13,650	12,880	11,905
	12,830	10,571	11,665	10,848	10,463
	32,153	31,397	31,360	30,459	29,686
	3,074	2,997	2,992	3,508	3,431
	6,394	6,118	6,056	5,790	5,728
	14,267	13,766	13,673	13,049	12,778
	41,646	39,918	39,635	38,349	37,892
	7,131	6,688	6,563	6,410	6,363
	5,534	5,395	5,299	5,182	5,101

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

	2022	2021	2020	2019	2018
Lumberton	\$ 31,205	\$ 26,711	\$ 30,073	\$ 27,397	\$ 28,794
Macclesfield	570	482	523	490	501
Maiden	5,685	4,698	5,776	5,163	5,197
Martinsville, VA *	2,191	1,825	1,825	1,825	1,825
McCormick, SC	220	-	-	-	-
Monroe	47,116	41,500	47,868	43,543	43,775
Morganton	29,761	25,067	28,166	25,534	25,971
New Bern	57,442	47,574	54,018	48,195	48,762
New River Light & Power*	24,762	19,865	21,857	20,534	20,533
Newton	15,564	12,893	14,381	12,720	12,533
Orangeburg	2,191	-	-	-	-
Pikeville	1,344	1,100	1,275	1,156	1,180
Pinetops	1,187	1,004	1,172	1,077	1,066
Pineville	11,860	10,055	11,096	9,694	9,764
Piedmont Municipal Power Agency**	14,022	11,096	11,096	11,091	11,096
Red Springs	5,178	4,357	4,773	4,356	4,362
Robersonville	2,639	2,227	2,442	2,319	2,360
Rocky Mount	74,312	62,471	70,084	63,069	63,297
Scotland Neck	3,525	2,990	3,411	3,127	3,101
Seneca, SC*	2,191	1,825	1,825	-	-
Selma	8,180	6,926	7,664	7,091	7,238
Sharpsburg*	2,920	2,370	2,669	2,349	2,350
Shelby	23,413	19,880	22,220	20,195	20,164
Smithfield	14,941	12,701	14,211	12,974	12,998
Southport	8,366	7,012	7,699	6,958	6,679
Stantonsburg	3,060	2,597	2,949	2,583	2,583
Statesville	44,512	37,577	42,324	37,457	37,172
Tarboro	20,327	17,012	19,258	15,439	17,230
University of NC - Chapel Hill*	220	183	183	183	183
NC State University	220	183	183	183	183
Wake Forest	19,626	16,504	18,315	15,804	15,536
Walstonburg	396	334	347	332	340
Washington	35,179	29,741	33,346	30,334	30,308
Waynesville	9,291	7,870	8,469	7,844	7,843
Western Carolina University*	1,095	912	912	912	912
Wilson	102,746	86,947	99,098	89,011	88,759
Windsor	6,052	5,110	5,841	5,594	5,595
Winterville	8,736	7,401	7,868	7,000	6,999
Budget Amendment - Appropriated	457,725	166,844	-	-	67,968
<b>Total Dues</b>	<b>\$ 2,119,182</b>	<b>\$ 1,547,169</b>	<b>\$ 1,541,174</b>	<b>\$ 1,379,412</b>	<b>\$1,448,766</b>

\*Associate Members

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

Source: ElectriCities' dues billing to its members.

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	2017	2016	2015	2014	2013
\$	28,151	\$ 27,438	\$ 26,678	\$ 25,642	\$ 25,102
	-	-	-	-	-
	5,021	4,478	4,308	4,158	4,077
	1,789	1,688	1,592	1,502	1,465
	-	-	-	-	-
	42,833	40,275	38,055	36,917	36,930
	26,168	25,181	24,980	24,147	23,767
	46,737	45,263	44,695	42,984	41,838
	19,601	18,453	19,054	18,217	18,299
	12,618	11,951	11,806	11,526	11,571
	-	-	-	-	-
	1,158	1,132	1,132	1,082	1,050
	-	-	-	-	-
	9,448	8,826	8,563	8,391	8,114
	13,465	10,257	10,195	10,214	9,962
	4,270	4,105	4,129	3,999	3,950
	2,310	2,203	2,315	2,303	2,255
	61,552	59,079	58,843	57,467	56,493
	3,057	2,983	3,020	3,591	3,490
	-	-	-	-	-
	7,094	6,617	6,453	6,279	6,107
	2,617	2,331	-	-	-
	19,878	18,746	18,421	17,853	17,627
	12,819	12,282	12,134	11,838	11,688
	6,495	6,292	6,020	5,744	5,577
	2,615	2,532	2,474	2,397	2,369
	37,009	34,521	34,443	33,458	32,932
	17,113	16,500	16,621	16,088	15,660
	179	169	159	150	146
	179	169	159	150	146
	16,154	15,315	14,409	13,748	13,453
	-	-	-	-	-
	29,322	28,277	28,075	27,133	26,545
	8,401	7,879	7,819	-	-
	894	843	795	750	732
	87,685	85,694	84,929	84,530	82,615
	5,229	4,958	4,811	4,709	4,626
	6,934	6,413	6,355	5,951	5,877
	-	-	-	-	-
\$	<u>1,351,613</u>	<u>\$ 1,283,788</u>	<u>\$ 1,255,890</u>	<u>\$ 1,214,251</u>	<u>\$ 1,189,150</u>

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

<i>City/Town</i>	2022	2021	2020	2019	2018
Abbeville, SC	24,295	24,295	24,295	25,417	25,417
Albemarle	16,338	16,338	16,338	16,338	16,338
Apex	32,275	61,319	32,275	32,275	32,275
Ayden	5,008	4,932	5,008	5,008	5,008
Bamberg, SC	3,600	3,600	3,600	3,600	3,600
Bedford, VA	6,300	6,540	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
Blackstone, VA	3,621	-	-	-	-
Bostic	316	316	316	316	316
Camden, SC	7,000	7,000	7,000	7,000	7,000
Cherryville	5,795	2,795	2,795	2,795	2,795
Clayton	14,333	14,333	14,333	14,333	14,333
Clinton, SC	8,091	8,091	8,091	8,091	8,091
Concord	81,370	81,370	81,370	81,370	81,370
Cornelius	24,847	28,847	24,847	24,847	24,847
Dallas	4,033	4,033	4,033	4,033	4,033
Danville, VA	46,500	46,500	46,500	46,500	46,500
Drexel	1,920	1,841	1,920	1,920	1,920
Easley, SC	20,000	20,000	20,000	20,000	20,000
Edenton	5,166	5,166	5,166	5,166	5,166
Elizabeth City	20,406	20,406	20,406	20,406	20,406
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	14,666	14,440	14,440	14,440	14,440
Gaffney, SC	12,986	12,986	12,986	12,986	12,986
Gastonia	75,280	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	2,203	2,303	2,303	2,303	2,303
High Point	102,216	102,216	102,216	102,216	102,216
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



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2017	2016	2015	2014	2013
25,417	25,417	25,417	25,417	25,417
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	2,795	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	14,440	-	-
12,986	12,986	12,986	12,986	12,986
75,820	75,820	75,820	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	2,303	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>	2022	2021	2020	2019	2018
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
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
New Bern	26,613	26,613	26,613	26,613	26,613
New River Light & Power	15,000	15,000	15,000	15,000	15,000
Newberry, SC	10,907	10,907	10,907	10,907	10,907
Newton	13,819	13,819	13,819	13,819	13,819
Pikeville	703	703	703	703	703
Pinetops	1,259	1,259	1,259	1,259	1,259
Pineville	7,747	9,200	7,747	7,747	7,747
Red Springs	3,497	3,497	3,497	3,497	3,497
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
Seneca, SC	8,102	-	-	-	-
Sharpsburg	2,024	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
Union, SC	9,575	9,575	9,575	9,575	9,575
Wake Forest	28,542	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	9,819	9,869	9,869	9,869	9,869
Westminster, SC	3,120	3,120	3,120	3,120	3,120
Wilson	51,274	51,274	51,274	51,274	51,274
Windsor	3,214	3,214	3,214	3,214	3,214
Winterville	9,154	9,269	9,154	9,154	9,154

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

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2017	2016	2015	2014	2013
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	28,572	28,542	28,542
232	232	232	232	232
10,114	10,114	10,114	10,114	10,114
9,869	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>	2022	2021	2020	2019	2018
Abbeville, SC	3,388	-	-	-	-
Albemarle	12,314	12,072	12,072	12,118	12,124
Apex	25,135	24,797	22,183	21,229	18,403
Ayden	4,347	4,115	4,115	3,996	4,071
Bamberg, SC	1,870	-	-	-	-
Bedford, VA	6,723	-	-	-	-
Belhaven	1,049	1,202	1,108	1,112	1,098
Bennettsville, SC	4,403	-	-	-	-
Benson	1,971	1,997	1,997	1,883	1,834
Blackstone, VA	2,024				
Bostic	198	200	200	202	202
Camden, SC	10,815	-	-	-	-
Cherryville	2,462	2,443	2,443	2,440	2,423
Clayton	7,361	7,064	7,064	6,924	6,448
Clinton, SC	4,101	-	-	-	-
Concord	32,737	31,957	32,587	31,298	30,131
Cornelius	3,953	3,949	3,949	3,929	3,888
Dallas	3,753	3,703	3,703	3,636	3,632
Danville, VA	48,028	-	-	-	-
Drexel	1,229	1,226	1,226	1,215	1,227
Easley, SC	15,197	-	-	-	-
Edenton	4,146	4,147	4,147	4,146	4,133
Elizabeth City	15,782	11,870	11,870	12,526	12,603
Enfield	1,263	1,273	1,273	1,248	1,229
Farmville	2,937	2,855	2,855	2,779	2,864
Fayetteville	83,906	85,342	85,342	81,991	81,831
Forest City	4,130	41,227	4,127	4,144	4,189
Fountain	300	302	-	304	298
Fremont	798	743	743	743	780
Front Royal, VA	7,751	-	-	-	-
Gaffney, SC	6,722	-	-	-	-
Gastonia	29,120	28,220	28,220	27,963	27,577
Granite Falls	2,507	2,614	2,539	2,472	2,461
Greenville	69,981	68,815	68,815	67,704	66,501
Greer, SC	33,975	-	-	-	-
Hamilton	258	261	261	259	261
Hertford	1,184	1,314	1,314	1,178	1,151
High Point	41,905	43,251	43,251	41,398	42,244
Hobgood	267	263	263	267	272
Hookerton	428	423	423	423	424
Huntersville	7,265	6,664	6,664	6,096	5,674
Kings Mountain	5,078	5,022	5,022	4,920	4,886
Kinston	11,801	11,536	11,536	11,864	11,604
La Grange	1,692	1,717	1,717	1,701	1,677
Landis	3,498	3,030	3,030	3,004	2,918

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2017	2016	2015	2014	2013
-	-	-	-	-
12,073	11,999	11,887	11,844	11,821
17,776	16,682	16,154	15,477	14,831
4,101	4,521	3,881	3,934	4,548
-	-	-	-	-
-	-	-	-	-
1,129	1,238	1,145	1,115	1,121
-	-	-	-	-
1,842	1,796	1,609	1,777	1,766
204	202	203	222	201
-	-	-	-	-
2,433	2,437	2,440	2,442	2,425
6,205	5,885	5,747	5,623	5,250
-	-	-	-	-
29,620	29,186	28,618	28,215	27,298
3,509	3,427	3,239	3,102	2,953
3,606	3,546	3,478	3,400	3,359
-	-	-	-	-
1,226	1,213	1,203	1,207	1,214
-	-	-	-	-
4,141	4,159	4,162	4,164	4,157
12,045	12,029	11,987	11,956	11,969
1,237	1,256	1,274	1,298	1,300
2,890	2,909	2,912	2,904	2,879
82,021	90,050	88,760	87,883	87,072
4,108	4,062	4,103	4,114	4,129
298	297	302	311	315
755	763	803	803	806
-	-	-	-	-
-	-	-	-	-
27,453	26,882	26,891	26,497	26,268
2,455	2,439	2,396	2,394	2,391
66,298	66,051	65,326	65,073	64,629
-	-	-	-	-
262	261	254	252	249
1,149	1,153	1,160	1,166	1,203
40,841	41,790	40,123	39,731	39,607
276	277	278	284	285
418	425	419	415	390
5,292	4,973	4,836	4,664	4,501
4,746	4,503	4,446	4,364	4,154
11,634	11,605	11,645	11,730	11,809
1,472	1,468	1,482	1,486	1,500
2,875	2,888	2,865	2,877	2,837

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

<i>City/Town</i>	2022	2021	2020	2019	2018
Laurens, SC	5,395	-	-	-	-
Laurinburg	5,523	5,552	5,552	5,658	5,611
Lexington	19,319	19,133	19,026	18,791	18,692
Lincolnton	3,056	3,056	3,056	3,030	2,879
Louisburg	1,984	1,978	1,978	1,972	1,958
Lumberton	11,253	11,384	11,384	11,486	11,560
Macclesfield	263	263	263	258	262
Maiden	1,186	1,182	1,182	1,220	1,201
Martinsville, VA	7,694	-	-	-	-
Monroe	11,079	10,996	10,996	10,958	10,879
Morganton	8,465	8,409	8,409	8,321	8,326
New Bern	23,011	22,783	22,783		22,519
New River Light & Power	8,538	8,356	8,356	8,275	8,116
Newberry, SC	4,967	-	-	-	-
Newton	4,585	4,740	4,740	4,710	4,542
Pikeville	500	481	481		493
Pinetops	727	722	722	728	763
Pineville	3,818	3,773	3,747	3,605	3,409
Red Springs	1,702	1,682	1,682	1,673	1,686
Robersonville	980	982	982	964	983
Rock Hill, SC	39,933	-	-	-	-
Rocky Mount	28,657	28,331	28,331	27,992	27,831
Scotland Neck	1,381	1,398	1,398	1,400	1,420
Selma	2,857	2,828	2,828	2,749	2,868
Seneca, SC	7,646	-	-	-	-
Sharpsburg	1,170	1,163	1,163	1,156	1,069
Shelby	8,503	8,340	8,340	8,308	8,251
Smithfield	4,418	4,598	4,598	4,407	4,466
Southport	3,116	3,073	3,073	2,992	2,949
Stantonsburg	1,223	1,205	1,205	1,145	1,179
Statesville	13,902	13,738	13,738	13,623	13,381
Tarboro	6,255	6,035	6,035	5,947	5,776
Union, SC	6,970	-	-	-	-
Wake Forest	6,647	6,502	6,502	6,660	6,083
Walstonburg	133	132	132	130	127
Washington	13,872	13,838	13,838	13,764	13,752
Waynesville	3,084	3,088	3,088	3,054	3,035
Westminster, SC	1,497	-	-	-	-
Wilson	35,218	34,908	34,908	34,496	34,237
Windsor	1,737	1,753	1,753	1,755	1,769
Winterville	3,123	3,135	3,100	3,069	-

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

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2017	2016	2015	2014	2013
-	-	-	-	-
5,591	5,592	5,588	5,749	5,672
18,560	18,576	18,474	18,348	18,371
2,783	2,769	2,657	2,671	2,670
1,972	1,950	1,958	1,925	1,930
12,346	12,169	12,237	12,036	12,323
261	269	269	269	274
1,182	1,174	1,171	1,165	1,122
-	-	-	-	-
10,809	10,685	10,557	10,475	10,421
8,310	8,204	8,168	8,184	8,200
22,454	22,095	21,859	21,822	21,284
8,072	7,926	7,852	7,751	7,689
-	-	-	-	-
4,529	4,528	4,504	4,495	4,486
493	508	513	518	516
730	745	756	781	775
3,259	3,202	2,994	2,907	2,756
1,694	1,689	1,692	1,700	1,700
991	1,023	1,035	1,034	1,068
-	-	-	-	-
27,533	27,419	27,276	27,277	27,167
1,422	1,445	1,480	1,483	1,501
2,849	2,944	2,741	2,661	2,666
-	-	-	-	-
	1,174	-	-	-
8,241	8,136	8,077	8,013	7,936
4,511	4,538	4,498	4,477	4,491
2,870	2,787	2,761	2,663	2,620
	1,140	1,129	1,171	1,174
13,329	13,206	13,084	13,010	12,962
5,799	5,871	6,050	6,050	6,060
-	-	-	-	-
5,910	6,882	6,734	6,307	6,187
130	132	129	131	125
13,628	13,601	13,441	13,565	13,478
3,042	3,013	3,200		
-	-	-	-	-
34,115	33,813	33,813	33,691	33,619
1,799	1,791	1,786	1,796	1,804
-	2,889	2,835	2,913	2,881

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

<i>City/Town</i>	2022	2021	2020	2019	2018
Abbeville, SC	55,314.000				
Albemarle	261,111.000	282,568.000	282,568,000	292,519,000	278,239,000
Apex	347,491.000	342,877.000	341,460,000	331,065,000	303,798,000
Ayden	94,031.000	106,705.000	106,705,000	100,461,000	101,787,000
Bamberg, SC	38,567.000	-	-	-	-
Bedford, VA	170,520.000	-	-	-	-
Belhaven	13,122.000	17,596.000	15,236,000	16,895,000	16,210,000
Bennettsville, SC	73,931.000	-	-	-	-
Benson	34,421.000	37,536.000	37,536,000	36,875,000	33,048,000
Blackstone, VA	35,669.000				
Bostic	2,997.000	3,245.000	3,245,000	3,462,000	3,242,000
Camden, SC	168,125.000	-	-	-	-
Cherryville	46,364.000	50,727.000	50,727,000	53,051,000	48,447,000
Clayton	109,071.000	113,393.000	113,393,000	113,612,000	103,500,000
Clinton, SC	104,820.000	-	-	-	-
Concord	856,136.000	925,514.000	925,514,000	955,679,000	890,388,000
Cornelius	52,341.000	57,391.000	57,391,000	58,110,000	53,639,000
Dallas	64,104.000	69,508.000	69,508,000	71,058,000	66,950,000
Danville, VA	858,096.000	-	-	-	-
Drexel	17,057.000	18,239.000	18,239,000	18,398,000	16,684,000
Easley, SC	279,754.000	-	-	-	-
Edenton	94,763.000	98,482.000	98,482,000	101,698,000	95,379,000
Elizabeth City	15,782.000	279,224.000	279,224,000	264,732,000	295,048,000
Enfield	17,681.000	18,750.000	18,750,000	19,810,000	17,990,000
Farmville	43,707.000	47,650.000	47,650,000	48,510,000	46,266,000
Fayetteville	1,915,980.000	1,993,902.000	1,993,902,000	2,082,629,000	1,967,324,000
Forest City	85,391.000	99,189.000	99,189,000	101,449,000	110,126,000
Fountain	4,088.000	4,214.000	-	4,154,000	3,785,000
Fremont	11,391.000	11,928.000	11,928,000	12,410,000	12,624,000
Front Royal, VA	157,505.000	-	-	-	-
Gaffney, SC	215,155.000	-	-	-	-
Gastonia	683,193.000	719,019.000	719,019,000	696,633,000	659,886,000
Granite Falls	55,102.000	56,228.000	57,526,000	58,120,000	54,113,000
Greenville	1,685,002.000	1,776,178.000	1,776,178,000	1,810,635,000	1,700,477,000
Greer, SC	371,667.000	-	-	-	-
Hamilton	2,524.000	2,622.000	2,622,000	2,912,000	2,756,000
Hertford	21,745.000	21,372.000	21,372,000	23,943,000	21,767,000
High Point	1,137,103.000	1,165,307.000	1,165,307,000	1,160,826,000	1,120,508,000
Hobgood	2,704.000	2,720.000	2,720,000	2,830,000	2,781,000
Hookerton	5,334.000	5,554.000	5,554,000	5,744,000	5,638,000
Huntersville	232,432.000	246,830.000	246,830,000	243,145,000	229,986,000
Kings Mountain	135,249.000	141,140.000	141,140,000	144,153,000	142,156,000
Kinston	419,553.000	445,220.000	445,220,000	450,776,000	445,208,000
La Grange	23,741.000	25,625.000	25,625,000	26,029,000	24,273,000
Landis	40,911.000	46,422.000	46,422,000	47,709,000	43,864,000
Laurens, SC	109,898.000	-	-	-	-



2017	2016	2015	2014	2013
291,506,000	298,511,000	292,828,000	280,760,000	294,365,000
302,769,000	292,435,000	266,566,000	247,851,000	246,768,000
102,125,000	98,490,000	106,141,000	103,605,000	99,087,000
-	-	-	-	-
-	-	-	-	-
16,413,000	17,343,000	18,980,000	19,475,000	18,820,000
-	-	-	-	-
33,979,000	33,705,000	32,523,000	31,893,000	32,161,000
-	-	-	-	-
3,474,000	3,436,000	3,496,000	3,347,000	3,286,000
-	-	-	-	-
50,457,000	47,638,000	46,788,000	44,691,000	44,854,000
102,182,000	101,750,000	96,446,000	91,317,000	90,664,000
-	-	-	-	-
911,763,000	885,841,000	860,552,000	833,000,000	846,243,000
59,952,000	56,577,000	52,544,000	50,184,000	49,267,000
69,683,000	68,706,000	65,729,000	64,566,000	63,856,000
-	-	-	-	-
17,421,000	19,057,000	18,741,000	18,149,000	17,610,000
-	-	-	-	-
93,958,000	97,813,000	96,007,000	98,334,000	94,651,000
305,419,000	307,989,000	299,942,000	298,733,000	296,808,000
32,068,000	35,924,000	36,223,000	35,415,000	34,636,000
46,804,000	47,434,000	47,228,000	46,282,000	45,284,000
2,054,941,000	2,059,540,000	2,087,801,000	2,025,377,000	2,007,469,000
105,820,000	104,510,000	115,259,000	104,750,000	106,437,000
3,965,000	3,911,000	4,289,000	4,672,000	4,353,000
11,590,000	11,993,000	13,119,000	13,174,000	12,790,000
-	-	-	-	-
-	-	-	-	-
675,378,000	651,423,000	647,079,000	625,787,000	632,569,000
55,680,000	55,556,000	57,708,000	55,472,000	52,680,000
1,721,702,000	1,733,095,000	1,706,381,000	1,638,236,000	1,631,488,000
-	-	-	-	-
2,726,000	2,823,000	2,865,000	2,839,000	2,750,000
22,330,000	22,813,000	22,153,000	22,782,000	21,821,000
1,161,138,000	1,153,476,000	1,133,236,000	1,122,288,000	1,113,155,000
2,830,000	2,901,000	2,894,000	2,900,000	2,784,000
5,755,000	5,646,000	5,527,000	5,251,000	5,179,000
231,302,000	217,659,000	198,441,000	199,780,000	174,091,000
140,241,000	140,057,000	136,512,000	126,629,000	129,823,000
448,366,000	451,666,000	461,500,000	440,862,000	418,092,000
24,215,000	26,337,000	24,460,000	25,211,000	24,722,000
46,276,000	44,803,000	44,607,000	43,519,000	43,690,000
-	-	-	-	-

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

<i>City/Town</i>	2022	2021	2020	2019	2018
Laurinburg	128,018.000	132,474.000	132,474,000	135,620,000	131,294,000
Lexington	375,647.000	385,956.000	397,488,000	407,842,000	375,608,000
Lincolnton	64,929.000	64,929.000	64,929,000	66,294,000	48,791,000
Louisburg	51,781.000	53,436.000	53,436,000	54,680,000	51,841,000
Lumberton	229,989.000	265,838.000	265,838,000	264,869,000	239,383,000
Macclesfield	2,705.000	2,862.000	2,862,000	2,656,000	2,885,000
Maiden	69,658.000	80,099.000	80,099,000	85,309,000	82,775,000
Martinsville, VA	153,545.000	-	-	-	-
Monroe	590,393.000	703,554.000	703,554,000	719,840,000	707,395,000
Morganton	305,115.000	327,457.000	327,457,000	325,071,000	325,405,000
New Bern	432,340.000	453,232.000	453,232,000		441,675,000
New River Light & Power	191,618.000	208,448.000	208,448,000	215,521,000	205,098,000
Newberry, SC	206,595.000	-	-	-	-
Newton	144,750.000	148,421.000	148,421,000	152,531,000	137,936,000
Pikeville	7,439.000	7,817.000	7,817,000	-	8,102,000
Pinetops	18,477.000	19,405.000	19,405,000	18,671,090	18,054,000
Pineville	100,503.000	108,636.000	108,636,000	109,564,000	103,581,000
Red Springs	30,879.000	31,637.000	31,637,000	33,423,000	33,324,000
Robersonville	20,387.000	20,804.000	20,804,000	22,919,000	22,862,000
Rock Hill, SC	839,050.000	-	-	-	-
Rocky Mount	661,436.000	699,987.000	699,987,000	709,005,000	690,526,000
Scotland Neck	23,151.000	25,380.000	25,380,000	28,264,000	26,088,000
Selma	60,319.000	66,506.000	66,506,000	66,194,000	65,088,000
Seneca, SC	125,968.000	-	-	-	-
Sharpsburg	16,170.000	16,910.000	16,910,000	17,327,000	15,114,000
Shelby	179,925.000	190,671.000	190,671,000	204,825,000	187,798,000
Smithfield	154,349.000	168,802.000	168,802,000	173,050,000	168,346,000
Southport	53,959.000	56,550.000	56,550,000	58,241,000	54,864,000
Stantonsburg	19,392.000	19,843.000	19,843,000	19,820,000	18,946,000
Statesville	443,718.000	466,672.000	466,672,000	473,796,000	455,129,000
Tarboro	216,239.000	218,419.000	218,419,000	224,139,000	220,317,000
Union, SC	127,871.000	-	-	-	-
Wake Forest	148,678.000	157,035.000	157,035,000	161,318,000	152,840,000
Walstonburg	1,656.000	1,854.000	1,854,000	1,677,000	1,663,000
Washington	254,070.000	270,695.000	270,695,000	284,800,000	271,551,000
Waynesville	78,087.000	84,327.000	84,327,000	89,631,000	85,542,000
Westminister, SC	23,012.000	-	-	-	-
Wilson	1,206,759.000	1,243,394.000	1,243,394,000	1,275,421,000	1,201,775,000
Windsor	45,799.000	47,821.000	47,821,000	50,462,000	46,927,000
Winterville	49,014.000	53,535.000	50,993,000	53,396,000	-

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

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, 2022**

	2022	2021	2020	2019	2018
Management Services	87	83	81	80	77
Distribution Operations	48	48	48	45	42
Member Services	7	8	10	10	10
Safety & Training	7	6	6	5	6
Total	<u>149</u>	<u>145</u>	<u>145</u>	<u>140</u>	<u>135</u>
	2017	2016	2015	2014	2013
Management Services*	103	97	98	100	101
Member Services	11	10	9	9	4
Safety & Training	6	6	6	6	5
Total	<u>120</u>	<u>113</u>	<u>113</u>	<u>115</u>	<u>110</u>

Source: ElectriCities payroll records.