



**ELECTRICITIES OF
NORTH CAROLINA, INC.**

Annual Financial Report
(With Report of Independent Auditor Thereon)

December 31, 2023 and 2022

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Electricities of North Carolina, Inc.
Annual Financial Report
Years Ended December 31, 2023 and 2022

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Board of Directors
ElectriCities of North Carolina, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of ElectriCities of North Carolina, Inc.'s (the Company), as of and for the years then ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the Company as of December 31, 2023 and 2022, and the changes in their operations, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note N, ElectriCities implemented Governmental Accounting Standard Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements*, for the year ending December 31, 2022. As a result, net position as of December 31, 2022 was restated by \$13,576. Our opinion is not modified with respect to this matter.

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 thereafter.

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 opinions. 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 and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, 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 is the responsibility of management and, 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 GAAS, 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 opinions 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2024 on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Company's internal control over financial reporting and compliance.

PBMares, LLP

Morehead City, North Carolina
July 17, 2024

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, 2023 and 2022. This information should be read in conjunction with the information furnished in ElectriCities’ financial statements that follow this narrative.

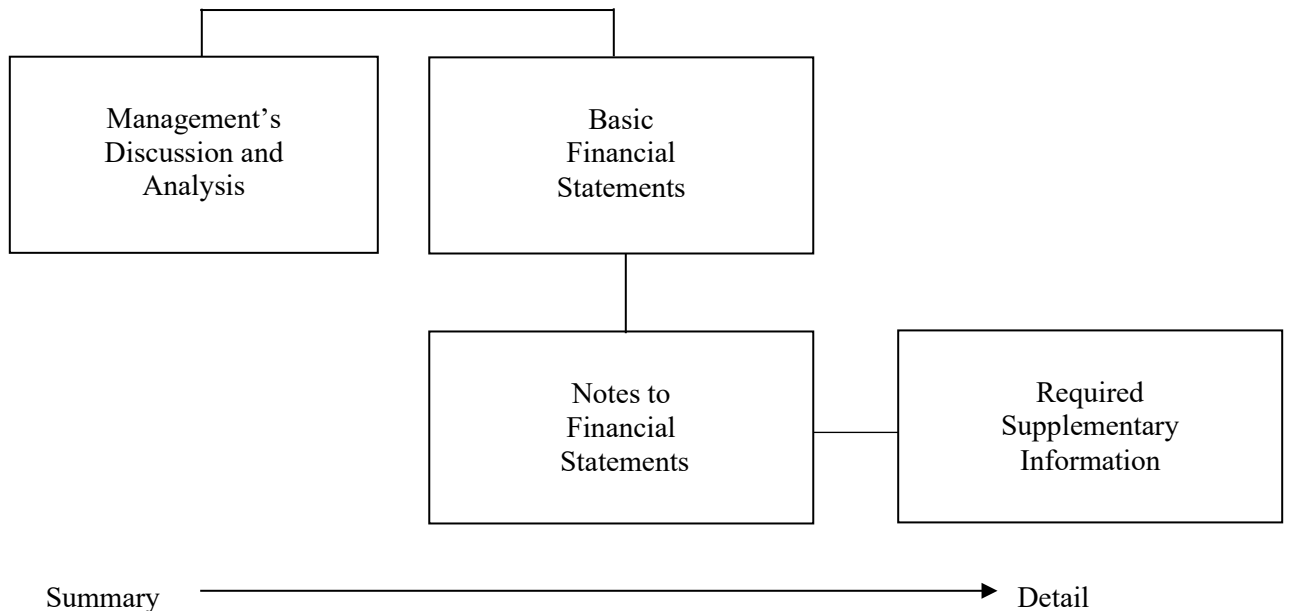
Financial Highlights

- ElectriCities’ basic financial statements consist of a single enterprise fund and the Other Postemployment Benefits Trust fund.
- ElectriCities’ liabilities and deferred inflows exceeded its assets and deferred outflows (net position deficit) by \$4,503,028 at December 31, 2023 and by \$2,968,223 at December 31, 2022.
- ElectriCities’ unrestricted net position was a deficit of \$6,153,999 and \$4,650,669 at December 31, 2023 and December 31, 2022, respectively. The restricted for OPEB was \$950,341 and \$669,114 at December 31, 2023 and December 31, 2022, respectively.
- ElectriCities is not authorized to issue debt and therefore, has no debt.
- Dues billings were \$2,289,497 and \$2,119,182 for 2023 and 2022, respectively.
- In 2023, revenues exceeded expenditures by \$904. In accordance with its bylaws, ElectriCities will refund \$904 of the billed dues for 2023.

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 Fund is 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 18 through 43 of this report.

After the notes, additional information is provided. Required supplementary information is on pages 44 to 47, additional financial information is on pages 49 to 54 and statistical information is on pages 56 to 75.

Financial Analysis

The enterprise fund financial statements for the years ended December 31, 2023, 2022 and 2021 are presented in accordance with the Codification of Governmental Accounting Standards Board (GASB) pronouncements.

Summarized Statements of Net Position (Deficit)
Exhibit 2

	December 31,		
	2023	2022	2021
Assets			
Capital assets, right to use lease assets and IT subscriptions, net	\$ 1,362,130	\$ 1,863,972	\$ 1,454,347
Net other post employment benefit asset	1,088,168	707,563	1,379,191
Current and other assets	4,626,696	5,665,253	5,138,312
Total assets	<u>7,076,994</u>	<u>8,236,788</u>	<u>7,971,850</u>
Deferred Outflows of Resources			
Pension deferrals (Note F)	6,555,494	6,454,445	3,900,624
OPEB deferrals (Note H)	689,354	940,093	126,206
Total Deferred Outflows of Resources	<u>7,244,848</u>	<u>7,394,538</u>	<u>4,026,830</u>
Total Assets and Deferred Outflows of Resources	14,321,842	15,631,326	11,998,680
Liabilities			
Long-term liabilities	14,104,679	12,703,929	4,425,538
Current liabilities	3,779,536	4,870,268	4,107,097
Total liabilities	<u>17,884,215</u>	<u>17,574,197</u>	<u>8,532,635</u>
Deferred Inflows of Resources			
Unexpended program revenue	-	-	150,000
Pension deferrals (Note F)	113,474	46,806	4,192,351
OPEB deferrals (Note H)	827,181	978,546	1,646,461
Total Deferred Inflows of Resources	<u>940,655</u>	<u>1,025,352</u>	<u>5,988,812</u>
Total Liabilities and Deferred Inflows of Resources	18,824,870	18,599,549	14,521,447
Net Position (Deficit)			
Net investment in capital assets, right to use lease assets and IT subscriptions	700,630	1,013,332	823,511
Restricted for OPEB	950,341	669,114	-
Unrestricted (deficit)	(6,153,999)	(4,650,669)	(3,346,278)
Total Net Position (Deficit)	<u>\$ (4,503,028)</u>	<u>\$ (2,968,223)</u>	<u>\$ (2,522,767)</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 \$4,503,028 at December 31, 2023, by \$2,968,223 at December 31, 2022, and by \$2,522,767 at December 31, 2021. ElectriCities' net position decreased by \$1,534,805, for the year ended December 31, 2023, decreased by \$445,456 for the year ended December 31, 2022, and increased by \$814,636 for the year ended December 31, 2021.

The portion of net position totaling \$700,630, \$1,013,332 and \$823,511 at December 31, 2023, 2022 and 2021 respectively, reflects ElectriCities' net investment in capital assets (e.g., vehicles, furniture and equipment, right to use lease assets, and IT subscriptions). This amount decreased in 2023 because depreciation exceeded additional spending on capital additions and increased in 2022 because additional spending on capital assets exceed depreciation.

The portion of net position deficit totaling \$6,153,999, \$4,650,669 and \$3,346,278 at December 31, 2023, 2022 and 2021, respectively, represents unrestricted net position deficit. The OPEB related cost shown below in 2023 increased unrestricted net position by \$281,227. The pension related cost shown below in 2023 decreased unrestricted net position by \$1,503,330.

Statement of Activity

Exhibit 3

	For the Years Ended		
	December 31,		
	2023	2022	2021
Operating Revenues:			
Membership dues	\$ 2,289,497	\$ 2,119,182	\$ 1,547,169
Management services (Note E)	30,212,002	27,079,455	25,189,866
Program revenues	9,233,774	9,040,827	7,615,514
Total Operating Revenues	<u>41,735,273</u>	<u>38,239,464</u>	<u>34,352,549</u>
Operating Expenses:			
Program Expenses:			
Administration	104,041	101,887	87,836
Safety and Training	1,960,925	1,711,247	1,512,530
Member Services	636,702	394,530	279,324
Government Affairs	391,858	608,593	2,786
Technical Services	573,118	773,835	674,347
Member Conferences	488,008	363,019	254,569
Management Services	30,212,002	27,079,455	25,189,866
Regions Contract Services	-	1,860	20,836
Distribution Operations	7,384,546	7,208,879	5,980,838
Non-program Expenses - Leases	(244,116)	(276,530)	(281,893)
Non-program Expenses - IT Subscriptions	(132,003)	-	-
Depreciation and amortization (Note D)	487,744	420,136	360,661
Amortization right to use lease assets (Note I)	242,147	261,652	282,238
Amortization IT Subscriptions (Note J)	132,275	-	-
Refund of excess revenues (Note A)	904	1,937	349,917
Pension Expense (Income) (Note F)	1,503,330	1,445,456	(171,368)
OPEB Expense (Income) (Note H)	(281,227)	(810,178)	(973,817)
Total Operating Expenses	<u>43,460,254</u>	<u>39,285,778</u>	<u>33,568,670</u>
Operating Income (Loss)	<u>(1,724,981)</u>	<u>(1,046,314)</u>	<u>783,879</u>
Non-operating Revenues (Expenses):			
Investment income	16,831	5,778	300
Interest Expense - Leases (Note I)	(5,759)	(3,742)	(5,653)
Interest Expense - IT Subscriptions (Note J)	(11,096)	-	-
Total Non-operating Revenues	<u>(24)</u>	<u>2,036</u>	<u>(5,353)</u>
Income (Loss) Before Capital Contributions and Loss on Disposal	(1,725,005)	(1,044,278)	778,526
Capital Contributions	182,200	608,612	45,136
Gain on Disposal	8,000	(23,366)	(1,699)
Increase (Decrease) in Net Position	<u>(1,534,805)</u>	<u>(459,032)</u>	<u>821,963</u>
Net Position (Deficit)			
Beginning of Year	(2,968,223)	(2,522,767)	(3,337,403)
Restatement for Accounting Change (Note N)	-	13,576	(7,327)
Net Position Deficit, Beginning of Year	<u>(2,968,223)</u>	<u>(2,509,191)</u>	<u>(3,344,730)</u>
Total Net Position (Deficit), End of Year	<u>\$ (4,503,028)</u>	<u>\$ (2,968,223)</u>	<u>\$ (2,522,767)</u>

Revenues totaled \$41,735,273, \$38,239,464, and \$34,352,549 for the years ended December 31, 2023, 2022 and 2021, 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, 2023, and 2022, respectively:

- Membership dues increased by \$170,315 and \$572,013 in 2023 and 2022, respectively. The increase in 2023 was attributable to the implementation of the Value of Public Power Campaign and personnel costs.
- Management services and other program revenues increased by \$3,325,494 and \$3,314,902 in 2023 and 2022, respectively. The 2023 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.
- Non-operating revenues (expenses) decreased by \$2,063 and increased \$7,389 in 2023 and 2022 respectively, primarily due to interest expense related to leases and IT subscriptions.
- In 2023 and 2022 net position decreased by \$1,534,805 and \$445,456, including restatement, respectively.

Capital Assets and Debt Administration

Capital Assets

ElectriCities' investment in capital assets at December 31, 2023, 2022 and 2021 totaled \$713,578, \$1,011,122, and \$838,535, respectively, (net of accumulated depreciation and amortization). These assets include vehicles, furniture, and equipment.

Major capital asset transactions during 2023 and 2022 include the following:

- In 2023, two vehicles were purchased for \$127,875. There were ten vehicle purchases in 2022.
- One vehicle was retired in 2023, and eight vehicles were retired in 2022.
- In both years, purchases of computer hardware and other equipment accounted for the remainder.
- ElectriCities' capitalization threshold for capital assets is \$5,000 for 2023 and 2022.

Exhibit 4

	December 31, 2022	Additions	Retirements	December 31, 2023
Furnishings and Equipment	\$ 4,031,721	\$ 182,200	\$ (7,470)	\$ 4,206,451
Accumulated Depreciation and Amortization	(3,020,599)	(487,744)	15,470	(3,492,873)
Total Furnishings and Equipment, Net	<u>\$ 1,011,122</u>	<u>\$ (305,544)</u>	<u>\$ 8,000</u>	<u>\$ 713,578</u>

	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>

Additional information regarding ElectriCities' capital assets can be found in Note D on page 26 of this report.

ElectriCities' investment in intangible right to use leases at December 31, 2023 and 2022 totaled \$326,587 and \$398,610, respectively, (net of accumulated depreciation).

Exhibit 5

	December 31,		December 31,	
	2022	Additions	Deletions	2023
Right to Use Lease Assets				
Building	\$ 150,664	\$ 23,508	\$ -	\$ 174,172
Equipment	670,226	177,444	(101,835)	745,835
Total Right to Use Lease Assets	<u>820,890</u>	<u>200,952</u>	<u>(101,835)</u>	<u>920,007</u>
Accumulated Amortization				
Building	(104,796)	(35,615)	-	(140,411)
Equipment	(317,484)	(206,532)	71,007	(453,009)
Total accumulated amortization	<u>(422,280)</u>	<u>(242,147)</u>	<u>71,007</u>	<u>(593,420)</u>
Total Right to Use Lease Assets, Net	<u>\$ 398,610</u>	<u>\$ (41,195)</u>	<u>\$ (30,828)</u>	<u>\$ 326,587</u>

	December 31,		December 31,	
	2021	Additions	Deletions	2022
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>

Additional information regarding Electricities' intangible right to use lease assets can be found in Note I, on page 37 of this report.

Exhibit 6

	December 31,		December 31,	
	2022	Additions	Deletions	2023
IT Subscriptions	\$ 586,515	\$ -	\$ -	\$ 586,515
Accumulated Amortization	(132,275)	(132,275)	-	(264,550)
Total IT Subscriptions, Net	\$ 454,240	\$ (132,275)	\$ -	\$ 321,965

	December 31,		December 31,	
	2021	Additions	Deletions	2022
IT Subscriptions	\$ -	\$ 586,515	\$ -	\$ 586,515
Accumulated Amortization	-	(132,275)	-	(132,275)
Total IT Subscriptions, Net	\$ -	\$ 454,240	\$ -	\$ 454,240

ElectriCities' investment in IT subscriptions at December 31, 2023 and 2022 totaled \$321,965 and \$454,240, respectively, (net of accumulated amortization).

Additional information regarding ElectriCities' IT subscriptions can be found in Note J, on page 40 of this report.

Outstanding Debt

ElectriCities is not authorized to issue debt and therefore, has no outstanding debt at December 31, 2023, 2022 or 2021.

Next Year's Budgets and Dues

Budget Highlights for 2024

- There is a 12.5% increase in dues. Prior years' dues overpayments are being used in 2024 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 include the Annual Conferences and the Connections Summit. Member Programs expenses increased 10.0%.
- Management Services (8.1% increased) and Contract Services, which includes Technical Services and Distribution Operations, (increased 4.2%) 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,	
	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents (Note C)	\$ 2,698,548	\$ 3,458,692
Accounts receivable	1,928,148	2,206,561
Total Current Assets	<u>4,626,696</u>	<u>5,665,253</u>
Non-Current Assets:		
Net other post employment benefit asset (Note H)	1,088,168	707,563
Capital assets being depreciated (Note D)		
Equipment and furnishings	4,206,451	4,031,721
Accumulated depreciation and amortization	<u>(3,492,873)</u>	<u>(3,020,599)</u>
Total capital assets being depreciated, net	713,578	1,011,122
Capital assets being amortized		
Right to use lease assets (Note I)	920,007	820,890
IT subscriptions (Note J)	586,515	586,515
Accumulated amortization right to use lease assets	<u>(593,420)</u>	<u>(422,280)</u>
Accumulated amortization IT subscriptions	<u>(264,550)</u>	<u>(132,275)</u>
Total capital assets being amortized, net	648,552	852,850
Total Capital Assets	<u>1,362,130</u>	<u>1,863,972</u>
Total Non-Current Assets	<u>2,450,298</u>	<u>2,571,535</u>
Total Assets	<u>7,076,994</u>	<u>8,236,788</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension deferrals (Note F)	6,555,494	6,454,445
OPEB deferrals (Note H)	<u>689,354</u>	<u>940,093</u>
Deferred Outflows of Resources	<u>7,244,848</u>	<u>7,394,538</u>
Total Assets and Deferred Outflows of Resources	14,321,842	15,631,326
LIABILITIES		
Current Liabilities:		
Accounts payable	1,668,941	2,854,589
Current portion of accrued vacation	1,041,161	963,720
Other accrued lease liability	582	135
Other accrued IT subscription liability	5,332	6,643
Short-term lease liability	217,751	203,445
Short-term IT subscription liability	99,459	119,596
Other liabilities	<u>746,310</u>	<u>722,140</u>
Total Current Liabilities	<u>3,779,536</u>	<u>4,870,268</u>
Non-Current Liabilities:		
Accrued vacation	1,149,388	1,103,908
Long-term lease liability	123,410	206,396
Long-term IT subscription liability	214,966	314,425
Net pension liability (Note F)	<u>12,616,915</u>	<u>11,079,200</u>
Total Non-Current Liabilities	<u>14,104,679</u>	<u>12,703,929</u>
Total Liabilities	<u>17,884,215</u>	<u>17,574,197</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Deferrals (Note F)	113,474	46,806
OPEB deferrals (Note H)	<u>827,181</u>	<u>978,546</u>
Total Deferred Inflows of Resources	<u>940,655</u>	<u>1,025,352</u>
Total Liabilities and Deferred Inflows of Resources	18,824,870	18,599,549
NET POSITION (DEFICIT)		
Net investment in capital assets	700,630	1,013,332
Restricted for OPEB	950,341	669,114
Unrestricted (Deficit)	<u>(6,153,999)</u>	<u>(4,650,669)</u>
Total net position (Deficit)	<u>\$ (4,503,028)</u>	<u>\$ (2,968,223)</u>

See accompanying notes to basic financial statement.

Electricities of North Carolina, Inc.
Statements of Revenues, Expenses and Changes in Net Position (Deficit)

	For the Years Ended	
	December 31,	
	2023	2022
Operating Revenues:		
Membership dues	\$ 2,289,497	\$ 2,119,182
Management services (Note E)	30,212,002	27,079,455
Program revenues	9,233,774	9,040,827
Total Operating Revenues	<u>41,735,273</u>	<u>38,239,464</u>
Operating Expenses:		
Program Expenses:		
Administration	104,041	101,887
Safety and Training	1,960,925	1,711,247
Member Services	636,702	394,530
Government Affairs	391,858	608,593
Technical Services	573,118	773,835
Member Conferences	488,008	363,019
Management Services	30,212,002	27,079,455
Regions Contract Services	-	1,860
Distribution Operations	7,384,546	7,208,879
Non-program Expenses - Leases	(244,116)	(276,530)
Non-program Expenses - IT Subscriptions	(132,003)	-
Depreciation and amortization (Note D)	487,744	420,136
Amortization right to use lease assets (Note I)	242,147	261,652
Amortization IT Subscriptions (Note J)	132,275	-
Refund of excess revenues (Note A)	904	1,937
Pension Expense (Income) (Note F)	1,503,330	1,445,456
OPEB Expense (Income) (Note H)	(281,227)	(810,178)
Total Operating Expenses	<u>43,460,254</u>	<u>39,285,778</u>
Operating Income (Loss)	<u>(1,724,981)</u>	<u>(1,046,314)</u>
Non-operating Revenues (Expenses):		
Investment income	16,831	5,778
Interest Expense - Leases (Note I)	(5,759)	(3,742)
Interest Expense - IT Subscriptions (Note J)	(11,096)	-
Total Non-operating Revenues	<u>(4)</u>	<u>2,036</u>
Income (Loss) Before Capital Contributions and Loss on Disposal	(1,725,005)	(1,044,278)
Capital Contributions	182,200	608,612
Gain on Disposal	8,000	(23,366)
Increase (Decrease) in Net Position	<u>(1,534,805)</u>	<u>(459,032)</u>
Net Position (Deficit)		
Beginning of Year	(2,968,223)	(2,522,767)
Restatement for Accounting Change (Note N)	-	13,576
Net Position Deficit, Beginning of Year	<u>(2,968,223)</u>	<u>(2,509,191)</u>
Total Net Position (Deficit), End of Year	<u>\$ (4,503,028)</u>	<u>\$ (2,968,223)</u>

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Statements of Cash Flows

	For the Years Ended	
	December 31,	
	2023	2022
Cash Flows From Operating Activities:		
Receipts from dues and other revenues	\$ 42,037,856	\$ 37,398,143
Payments to employees for services	(19,249,215)	(17,088,864)
Payments to other suppliers of goods and services	(23,189,497)	(20,125,691)
Net Cash Provided by Operating Activities	<u>(400,856)</u>	<u>183,588</u>
Cash Flows From Capital Activities:		
Additions to capital assets	(182,200)	(608,612)
Capital contributions	182,200	608,612
Net Cash Used For Capital Activities	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities:		
Investment income	16,831	5,778
Net Cash Flows From Investing Activities	<u>16,831</u>	<u>5,778</u>
Cash flows from financing activities		
Lease and IT subscription payments	(376,119)	(276,530)
Net Cash Flows From Financing Activities	<u>(376,119)</u>	<u>(276,530)</u>
Net Increase (Decrease) in Cash And Cash Equivalents	(760,144)	(87,164)
Cash and Cash Equivalents, Beginning of Year	3,458,692	3,545,856
Cash and Cash Equivalents, End of Year	<u>\$ 2,698,548</u>	<u>\$ 3,458,692</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Net Operating Income (Loss)	\$ (1,724,981)	\$ (1,046,314)
Adjustments:		
Depreciation and amortization	487,744	420,136
Amortization right to use lease assets and IT subscriptions	374,422	261,652
Deferred noncash pension related expense (income)	1,503,330	1,445,456
Deferred noncash OPEB related expense (income)	(281,227)	(810,178)
Changes in Assets, Deferred Outflows/Inflows of Resources and Liabilities:		
Decrease (Increase) in accounts receivable	278,413	(614,105)
Increase (Decrease) in accounts payable	(1,185,648)	744,228
Increase (Decrease) in accrued vacation	122,921	9,929
Increase (Decrease) in other liabilities	24,170	(77,216)
(Decrease) in unexpended dues	-	(150,000)
Net Cash Provided by Operating Activities	<u>\$ (400,856)</u>	<u>\$ 183,588</u>

See accompanying notes to basic financial statements.

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

	For the Years Ended December 31,	
	2023	2022
ASSETS		
Cash and cash equivalents (Note C)	\$ 24,468	\$ 1,555
Investments	4,389,282	3,917,391
Interest receivable	130	2
Total Assets	4,413,880	3,918,948
 LIABILITIES		
Due to ElectriCities operating	167,947	87,247
Total Liabilities	167,947	87,247
 NET POSITION		
Restricted Net Position - OPEB	\$ 4,245,933	\$ 3,831,701

See accompanying notes to basic financial statements.

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

	For the Years Ended December 31,	
	2023	2022
ADDITIONS		
Investment earnings (loss)	\$ 632,845	\$ (709,633)
Total Additions	632,845	(709,633)
DEDUCTIONS		
Administrative costs	48	16
Benefit payments	218,565	161,771
Total Deductions	218,613	161,787
Change in net position	414,232	(871,420)
NET POSITION RESTRICTED FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS		
Beginning of year	3,831,701	4,703,121
End of year	\$ 4,245,933	\$ 3,831,701

See accompanying notes to basic financial statements.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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.

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 \$6,153,999 and \$4,650,669, at December 31, 2023 and December 31, 2022, respectively, in unrestricted net position. Unrestricted net position may be utilized for any purpose approved by the Board through the budget process.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note B. Summary of Significant Accounting Policies

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 budgetary basis of accounting.

Budgetary control on expenditures at the total expenditure level. Individual line-item expenditures can exceed budgeted amounts as long as total expenditures do not exceed budgeted amounts. The budget can be amended at any time by majority vote of the Board of Directors.

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

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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, 2023 and 2022, 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, 2023		December 31, 2022	
		Cost Basis	Reported Value	Cost Basis	Reported Value
Money Market					
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	\$ 2,601,389	\$ 2,601,389	\$ 3,145,507	\$ 3,145,507
Sub-total funds invested		<u>2,601,389</u>	<u>2,601,389</u>	<u>3,145,507</u>	<u>3,145,507</u>
Cash		97,159	97,159	313,185	313,185
Total Funds Invested		<u>\$2,698,548</u>	<u>\$2,698,548</u>	<u>\$3,458,692</u>	<u>\$3,458,692</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. Level 2 securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ benchmark quoted prices.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note B. Summary of Significant Accounting Policies (continued)

The ElectriCities OPEB is invested in the North Carolina Ancillary Governmental Participant Investment Program (AGPIP) and the NCCMT. The AGPIP is made up of the Bond Index Fund (BIF), Equity Index Fund (EIF) and Short Term Investment Fund (STIF).

Bond Fund Index does not have a credit rating, was valued at \$1 per unit, and had an average maturity of 8.70 years.

BlackRock's MSCI ACWI EQ Index Lon-Lendable Class B Fund is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. On December 31, 2023, the fair value of the funds was \$34.1659 per share, and is determined using Level 1 inputs.

STIF investments are measured at fair value by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and has a weighted average maturity of 0.7 years.

ElectriCities OPEB Trust Fund investments are reported at fair value:

	Method of Valuation	December 31, 2023		December 31, 2022	
		Cost Basis	Reported Value	Cost Basis	Reported Value
NC AGPIP Equity Index Fund	Fair Value Level 1	\$2,069,558	\$2,952,876	\$2,219,428	\$2,545,393
NC AGPIP Bond Index Fund	Fair Value Level 1	1,505,000	1,433,083	1,515,000	1,368,073
NC AGPIP STIF	Fair Value Level 2	15	15	776	776
NC Capital Management Trust -Government Portfolio	Fair Value Level 1	3,308	3,308	3,149	3,149
Sub-total funds invested		\$3,577,881	\$4,389,282	\$3,738,353	\$3,917,391
Interest Receivable		130	130	2	2
Cash		24,468	24,468	1,555	1,555
Total Funds Invested		<u>\$3,602,479</u>	<u>\$4,413,880</u>	<u>\$3,739,910</u>	<u>\$3,918,948</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 \$2,190,549 and \$2,067,628 at December 31, 2023 and 2022, 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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note B. Summary of Significant Accounting Policies (continued)

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, 2022.

Subscription-Based IT Agreements

ElectriCities has adopted GASB Statement No. 96 “Subscription-Based IT Agreements”. See Note J. The capitalization threshold for subscription-based IT agreements is \$5,000 effective January 1, 2023.

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note B. Summary of Significant Accounting Policies (continued)

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 meet this criterion – pension and OPEB deferrals. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. ElectriCities has two items that meet the criterion for this category - pension 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, 2022, an additional footnote disclosure has been included (see Note I) to describe the impact for this change in accounting principle.

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, 2022 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, 2023 and 2022

Note B. Summary of Significant Accounting Policies (continued)

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 starting with the fiscal year that ends December 31, 2022 and did not have a material impact on the Agency's financial position, overall cash flow or balanced or results of operations.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement is effective for reporting periods beginning with the fiscal year that ends December 31, 2022 and did not have a material impact on the Agency's 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 ceased to exist in its current form at the end of 2022, 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, 2022. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2022 and did not have a material impact on ElectriCities' financial position, overall cash flow or balances or results of operations.

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

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. An additional footnote disclosure has been included (Note N) to describe the impact for this change in accounting principle.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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 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.

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.

In December of 2023, GASB issued Statement No. 102, "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

In April of 2024, GASB issued Statement No. 103, "Financial Reporting Model Improvements". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

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, 2023 and 2022, ElectriCities' deposits had carrying amounts of \$97,159 and \$313,185, respectively and bank balances of \$517,155 and \$944,607, 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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note C. Deposits (continued)

At December 31, 2023 and 2022, ElectriCities investments consisted of \$2,601,389 and \$3,145,507, respectively, in 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.

Note D. Capital Assets

	December 31, 2022	Additions	Retirements	December 31, 2023
Furnishings and Equipment	\$ 4,031,721	\$ 182,200	\$ (7,470)	\$ 4,206,451
Accumulated Depreciation and Amortization	(3,020,599)	(487,744)	15,470	(3,492,873)
Total Furnishings and Equipment, Net	<u>\$ 1,011,122</u>	<u>\$ (305,544)</u>	<u>\$ 8,000</u>	<u>\$ 713,578</u>

	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>

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 2023 and 2022, 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, 2023.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 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.

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% of their salary. ElectriCities contribute at an actuarially determined rate. The required rate of 12.85% and 12.10% annual covered payroll in 2023 and 2022, 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 \$2,265,169 and \$1,886,946 for the years ended December 31, 2023 and 2022, respectively.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note F. Pension Plan (continued)

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.

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

ElectriCities reported liabilities of \$12,616,915 and \$11,079,200 at December 31, 2023 and 2022, 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, 2023 and 2022. The total pension liability was then rolled forward to measurement dates of June 30, 2023 and 2022 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 0.19050% and 0.19639% at June 30, 2023 and 2022 respectively, which was an 0.00589% decrease from its proportionate share measured as of June 30, 2023 and an increase of 0.00505% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023 and 2022, the ElectriCities recognized pension expense of \$3,768,507 and \$1,445,456 respectively. At December 31, 2023 and 2022, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
	<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	\$ 1,405,898	\$ 30,266	\$ 477,393	\$ 46,806
Changes of assumptions	536,146	-	1,105,456	-
Net difference between projected and actual earnings on pension plan investments	3,376,839	-	3,661,792	-
Changes in proportion and differences between ElectriCities contributions and proportionate share of contributions	111,426	83,208	282,032	-
Contributions subsequent to the measurement date	1,125,185	-	927,772	-
Total	<u>\$ 6,555,494</u>	<u>\$ 113,474</u>	<u>\$ 6,454,445</u>	<u>\$ 46,806</u>

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note F. Pension Plan (continued)

For the years ended December 31, 2023 and 2022, \$1,125,185 and \$927,772, 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, 2024 and 2023, respectively.

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>
2025	\$ 1,967,155
2026	977,979
2027	2,228,910
2028	142,791
	<u>\$ 5,316,835</u>

Actuarial Assumptions. The total pension liabilities in the December 31, 2022 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurements:

<u>2023</u>	
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.

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note F. Pension Plan (continued)

The allocation for each major asset class of June 30, 2023 and 2022 is summarized in the following table:

2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
Total	<u>100%</u>	

2022

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected 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>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2023 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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note F. Pension Plan (continued)

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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
ElectriCities' proportionate share of the net pension liability	\$ 21,858,309	\$12,616,915	\$ 5,008,533

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 \$446,945 and \$399,165 for the years ended December 31, 2023 and 2022, respectively.

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.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note H. Other Post-Employment Benefits (continued)

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, 2023 and 2022, the date of the latest valuation:

Measurement date	2023	2022
Retirees receiving benefits	35	35
Active plan members	31	31
Total	66	66

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 are 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 2023. 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
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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, 2023 and 2022 is as shown in the table below.

Net OPEB Liability (Asset)		
	2023	2022
Total OPEB liability	\$ 3,157,765	\$ 3,124,138
Fiduciary net position	\$ 4,245,933	\$ 3,831,701
Net OPEB liability(asset)	\$ (1,088,168)	\$ (707,563)
Plan fiduciary net position as a percentage of the total OPEB liability	134.46%	122.65%

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, 2023 and 2022 are as follows:

	2023	2022
OPEB Expense (income)	\$ (281,227)	\$ (810,178)

Actuarial Methods and Assumptions

The Total OPEB liability and the normal cost was determined by actuarial valuation as of January 1, 2024 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, 2023 and 2022

Note H. Other Post-Employment Benefits (continued)

The total OPEB liability (asset) for the years ended December 31, 2023 and 2022 was determined by actuarial valuation based as of January 1, 2024 and by actuarial valuation based on a rollforward from January 1, 2023, respectively, using the following actuarial assumptions:

	2023	2022
Valuation date	January 1, 2024	January 1, 2023
Measurement date	December 31, 2023	December 31, 2022
Reporting date	January 1, 2023 to December 31, 2023	January 1, 2022 to December 31, 2022
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 2024 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2028	7.5 percent for 2023 decreasing 0.25 percent each year for the next 4 years to 6.5 percent in 2027

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

The following presents the ElectriCities net OPEB asset at December 31, 2023, 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:

	2023		
	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net OPEB Liability (Asset)	\$ (740,544)	\$ (1,088,168)	\$ (1,381,344)

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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, 2023, 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:

	2023		
	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ (1,411,789)	\$ (1,088,168)	\$ (705,457)

As of December 31, 2023, and 2022, the components of the net OPEB liability (asset) measured as of December 31, 2023 were as follows:

	2023		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability(Asset)
Balances at December 31, 2022	\$ 3,134,564	\$ 3,831,701	\$ (697,137)
Changes for the Year:			
Service cost	17,157	-	17,157
Interest	212,971	-	212,971
Difference between expected and actual experience		-	0
Changes of assumptions	11,638	-	11,638
Net investment income	-	632,845	(632,845)
Benefit payments	(218,565)	(218,565)	-
Administrative expenses	-	(48)	48
Net changes	23,201	414,232	(391,031)
Balance at December 31, 2023	\$ 3,157,765	\$ 4,245,933	\$ (1,088,168)

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note H. Other Post-Employment Benefits (continued)

	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)

Changes of assumptions

The discount rate of 7.00% has not changed in 2023 and 2022 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, 2023 and 2022, ElectriCities reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (398,302)	\$ -	\$ (713,628)
Changes of assumptions	39,925	(61,251)	54,561	(122,502)
Net Difference between projected and actual earnings on plan investments	649,429	(367,628)	885,532	(142,416)
Total	\$ 689,354	\$ (827,181)	\$ 940,093	\$ (978,546)

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

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>
2024	\$ (223,554)
2025	27,975
2026	132,206
2027	(74,454)
2028	-
Thereafter	\$ -

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 MMD (Municipal Market Data) rate, provided by PFM, our investment management firm, was used as the estimated incremental borrowing rate (IBR) before 10/1/2023. Because MMD rates are no longer readily available, effective 10/1/2023 and going forward, Bloomberg BVAL rates for Public Power A rated bonds are being used as a proxy for the IBR. The Bloomberg BVAL 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 of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note I. Right to Use Lease Assets (continued)

Right to Use Lease Assets and Accumulated Amortization by class of asset as of December 31, 2023 and 2022:

	Role	Lease type	Classification	2023		
				Gross Asset Balance	Accumulated Amortization	Net Asset Balance
Building	Lessee	Operating	Building	\$ 174,172	\$ 140,411	\$ 33,761
Computer equipment	Lessee	Operating	Computer equipment	326,153	188,426	137,727
Copiers	Lessee	Operating	Copiers	216,302	143,201	73,101
Other*	Lessee	Operating	Other*	203,380	121,382	81,998
				<u>\$ 920,007</u>	<u>\$ 593,420</u>	<u>\$ 326,587</u>

Other includes: racks, water coolers, hardware backup appliance

	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*

Right to Use Lease Assets activity for the years ended December 31, 2023 and 2022 was as follows:

	December 31,		December 31,	
	2022	Additions	Deletions	2023
Leases				
Building	\$ 150,664	\$ 23,508	\$ -	\$ 174,172
Equipment	670,226	177,444	(101,835)	745,835
Total Leases	<u>820,890</u>	<u>200,952</u>	<u>(101,835)</u>	<u>920,007</u>
Accumulated Amortization				
Building	(104,796)	(35,615)	-	(140,411)
Equipment	(317,484)	(206,532)	71,007	(453,009)
Total accumulated amortization	<u>(422,280)</u>	<u>(242,147)</u>	<u>71,007</u>	<u>(593,420)</u>
Total Leases, Net	<u>\$ 398,610</u>	<u>\$ (41,195)</u>	<u>\$ (30,828)</u>	<u>\$ 326,587</u>

Electricities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note I. Right to Use Lease Assets (continued)

	December 31,			December 31,	
	2021	Additions	Deletions	2022	
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	962,340	103,596	(245,046)	820,890	
Accumulated Amortization					
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	

Leases Liability for the years ended December 31, 2023 and 2022 was as follows:

	December 31,			December 31,	
	2022	Additions	Deletions	2023	
Lease Liability					
Building	\$ 58,424	\$ 23,508	\$ (35,847)	\$ 46,085	
Equipment	141,530	81,302	(83,871)	138,961	
Copier	145,821	-	(72,058)	73,763	
Other	64,066	96,142	(77,856)	82,352	
Total Lease Liability	\$ 409,841	\$ 200,952	\$ (269,632)	\$ 341,161	

	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 of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note I. Right to Use Lease Assets (continued)

ElectriCities lease liability at December 31, 2023 totaled \$341,161, of which \$217,751 represents short-term lease liability, and \$123,410 represents long-term lease liability. The term of the leases average between three to five years, while the interest rates range from 2.55% to 3.50% for 2023.

Lease Maturity Analysis for the period January 1, 2024 through January 1, 2027:

	2024				2025				2026			
	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest
Building	\$ 36,652	\$ 579	\$ 35,995	\$ 78	\$ 10,250	\$ 131	\$ 10,090	\$ 29	\$ -	\$ -	\$ -	\$ -
Computer equipment	73,207	2,468	70,739	-	40,715	1,368	39,347	-	26,889	395	26,494	-
Copiers	70,224	133	70,072	19	3,420	14	3,406	-	285	-	285	-
Other*	42,669	1,499	40,945	225	42,063	426	41,406	231	-	-	-	-
	<u>\$ 222,752</u>	<u>\$ 4,679</u>	<u>\$ 217,751</u>	<u>\$ 322</u>	<u>\$ 96,448</u>	<u>\$ 1,939</u>	<u>\$ 94,249</u>	<u>\$ 260</u>	<u>\$ 27,174</u>	<u>\$ 395</u>	<u>\$ 26,779</u>	<u>\$ -</u>

	2027				Total			
	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest
Building	\$ -	\$ -	\$ -	\$ -	\$ 46,902	\$ 710	\$ 46,085	\$ 107
Computer equipment	2,394	12	2,382	-	143,205	4,243	138,962	-
Copiers	-	-	-	-	73,929	147	73,763	19
Other*	-	-	-	-	84,732	1,925	82,351	456
	<u>\$ 2,394</u>	<u>\$ 12</u>	<u>\$ 2,382</u>	<u>\$ -</u>	<u>\$ 348,768</u>	<u>\$ 7,025</u>	<u>\$ 341,161</u>	<u>\$ 582</u>

Other includes: racks, water coolers, hardware backup appliance

Note J. Subscription-Based Information Technology Arrangements

ElectriCities reports according to the provision of GASB Statement No. 96 “Subscription-Based Information Technology Arrangements” (SBITA) which requires ElectriCities to recognize an IT subscription asset and liability in the financial statements. ElectriCities recognized IT subscription assets and 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 IT subscriptions within the portfolio.

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

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note J. Subscription-Based Information Technology Arrangements (continued)

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

- The A rated MMD (Municipal Market Data) rate, provided by PFM, our investment management firm, was used as the estimated incremental borrowing rate (IBR) before 10/1/2023. Because MMD rates are no longer readily available, effective 10/1/2023 and going forward, Bloomberg BVAL rates for Public Power A rated bonds are being used as a proxy for the IBR. The Bloomberg BVAL provided by ElectriCities' investment management firm, is used as the estimated incremental borrowing rate. The incremental borrowing rate is averaged for various subscription terms and updated quarterly.
- The IT subscription term includes the noncancellable period of the subscription.
- IT subscription payments included in the measurement of the subscription 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 IT subscriptions and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

ElectriCities effective transition date for GASB Statement No. 96 "Subscription-Based Information Technology Arrangements" implementation is January 1, 2023. Net position was restated as of January 1, 2023, to reflect the effect of adoption.

IT Subscription Assets activity for the years ended December 31, 2023 and 2022 was as follows:

	December 31, 2022		Additions	Deletions	December 31, 2023	
IT Subscriptions	\$ 586,515	\$ -	\$ -	\$ -	\$ 586,515	
Accumulated Amortization	(132,275)	(132,275)	-	-	(264,550)	
Total IT Subscription, Net	<u>\$ 454,240</u>	<u>\$ (132,275)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,965</u>	

	December 31, 2021		Additions	Deletions	December 31, 2022	
IT Subscriptions	\$ -	\$ 586,515	\$ -	\$ -	\$ 586,515	
Accumulated Amortization	-	(132,275)	-	-	(132,275)	
Total IT Subscription, Net	<u>\$ -</u>	<u>\$ 454,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,240</u>	

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note J. Subscription-Based Information Technology Arrangements (continued)

IT Subscriptions Liability for the years ended December 31, 2023 and 2022 was as follows:

	December 31,			December 31,			
	2022	Additions	Deletions	2023			
IT Subscriptions Liability							
Short Term	\$ 119,596	\$ -	\$ 20,137	\$ 99,459			
Long Term	314,425	-	99,459	214,966			
Total IT Subscriptions Liability	<u>\$ 434,021</u>	<u>\$ -</u>	<u>\$ 119,596</u>	<u>\$ 314,425</u>			

	December 31,			December 31,			
	2021	Additions	Deletions	2022			
IT Subscriptions Liability							
Short Term	\$ -	\$ 119,596	\$ -	\$ 119,596			
Long Term	-	314,425	-	314,425			
Total IT Subscriptions Liability	<u>\$ -</u>	<u>\$ 434,021</u>	<u>\$ -</u>	<u>\$ 434,021</u>			

IT Subscriptions Maturity Analysis for the period January 1, 2024 through January 1, 2028:

	2024				2025				2026			
	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest
IT Subscriptions	\$ 108,240	\$ 7,263	\$ 99,459	\$ 1,518	\$ 115,240	\$ 3,958	\$ 109,486	\$ 1,796	\$ 107,930	\$ 432	\$ 105,480	\$ 2,018

	2027				2028				Total			
	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest	Cash	Interest Expense	Liability Reduction	Accrued Interest
IT Subscriptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 331,410	\$ 11,653	\$ 314,425	\$ 5,332

ElectriCities IT subscription liability at December 31, 2023 totaled \$314,425, of which \$99,459 represents short-term lease liability, and \$214,966 represents long-term lease liability. The term of the leases average between three to five years, while the interest rates range from 2.55% to 3.50% for 2023.

ElectriCities of North Carolina, Inc.
Notes to Financial Statements
Years Ended December 31, 2023 and 2022

Note K. 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 2023 and 2022, ElectriCities reimbursed the Agencies \$12,840 and \$12,840, respectively, for building operating and maintenance costs.

Note L. 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 2023 or 2022.

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 was bonded at \$50,000. In January 2023, this statute was amended raising the individual bond requirement for Finance Officers to \$1,000,000. ElectriCities Finance Officer's individual bond was not updated to reflect the new requirement as of year-end, and therefore the Finance Officer was not appropriately bonded during the course of the fiscal year. The bond was increased to meet the minimum required balance effective May 14, 2024, resulting in ElectriCities becoming compliant with this Statute.

Note M. Subsequent Events

ElectriCities has evaluated subsequent events through July 17, 2024, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued.

Note N. Change in Accounting Principles/Restatement

ElectriCities implemented Governmental Accounting Standard Board (GASB) No. Statement 96, "Subscription-Based Information Technology Arrangements", the year ending December 31, 2022. The implementation of the statement required ElectriCities to recognize an IT subscription liability and an intangible IT subscription asset. As a result, net position increased by \$13,576. ElectriCities has applied the adopted changes to conform with the statement effective December 31, 2022 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,				
	2023	2022	2021	2020	2019
ElectriCities proportion of the net pension liability (asset)	0.19050%	0.19639%	0.19134%	0.18844%	0.17913%
ElectriCities proportion of the net pension liability (asset) (\$)	12,616,915	11,079,200	2,934,383	6,733,407	4,891,901
ElectriCities covered employee payroll (\$)	19,296,687	17,258,576	15,825,540	14,929,730	14,435,321
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	65.38%	64.20%	18.54%	45.10%	33.89%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	90.70%	95.51%	88.61%	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,				
	2018	2017	2016	2015	2014
ElectriCities proportion of the net pension liability (asset)	0.16613%	0.15944%	0.15945%	0.16262%	0.16076%
ElectriCities proportion of the net pension liability (asset) (\$)	3,941,172	2,435,802	3,384,063	729,831	(887,263)
ElectriCities covered employee payroll (\$)	12,344,414	11,153,736	11,805,120	12,354,243	10,855,137
ElectriCities proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.93%	21.84%	28.67%	5.91%	-8.17%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

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,				
	2023	2022	2021	2020	2019
Contractually required contribution	\$ 2,265,169	\$ 1,886,946	\$ 1,602,933	\$ 1,348,665	\$ 1,129,661
Contributions in relation to the contractually required contribution	2,265,169	1,886,946	1,602,933	1,348,665	1,129,661
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ElectriCities covered-employee payroll	19,296,687	17,258,576	15,825,540	14,929,730	14,435,321
Contributions as a percentage of covered-employee payroll	11.74%	10.93%	10.13%	9.03%	7.83%

	Year Ended December 31,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 941,388	\$ 822,519	\$ 739,019	\$ 734,599	\$ 720,308
Contributions in relation to the contractually required contribution	941,388	822,519	739,019	734,599	720,308
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ElectriCities covered-employee payroll	12,344,414	11,679,704	11,805,120	12,354,243	10,855,137
Contributions as a percentage of covered-employee payroll	7.63%	7.04%	6.26%	5.95%	6.64%

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,*					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 17,157	\$ 25,291	\$ 23,236	\$ 42,633	\$ 39,844	\$ 90,331
Interest	212,971	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	11,638	39,083	50,497	(306,255)	-	(2,665,198)
Benefit payments	(218,565)	(161,771)	(157,509)	(175,697)	(212,212)	(211,056)
Other charges	0	-	-	-	-	-
Net change in total OPEB liability	23,201	(199,792)	136,151	(1,290,285)	127,694	(2,633,717)
Total OPEB liability - beginning	3,134,564	3,323,930	3,187,779	4,478,064	4,350,370	6,984,087
Total OPEB liability - ending	\$ 3,157,765	\$ 3,124,138	\$ 3,323,930	\$ 3,187,779	\$ 4,478,064	\$4,350,370
Plan fiduciary net position						
Contributions - employer	-	-	-	-	-	211,056
Net investment income	632,845	(709,633)	479,687	367,118	220,056	-
Benefit payments	(218,565)	(161,771)	(157,509)	(175,697)	(212,060)	(211,056)
Administrative expense	(48)	(16)	(177)	(443)	(35,824)	-
Change in net position	-	-	-	-	-	4,217,970
Net change in plan fiduciary position	414,232	(871,420)	322,001	190,978	(27,828)	4,217,970
Plan fiduciary position - beginning	3,831,701	4,703,121	4,381,120	4,190,142	4,217,970	-
Plan fiduciary position - ending	\$ 4,245,933	\$ 3,831,701	\$ 4,703,121	\$ 4,381,120	\$ 4,190,142	\$4,217,970

* Plan measurement date is the reporting date.

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

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

	Schedule of OPEB Contributions					
	For the Year Ended					
	December 31					
	2023	2022	2022	2021	2020	2019
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$91,756	\$39,844
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-
Trust Deposits	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$91,756</u>	<u>\$39,844</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

	2023	2022
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	18 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 with 2024 Adjusted Projections Scale MP-2021, fully generational.	Society of Actuaries Pub-2010 headcount-weighted mortality table with Projections Scale MP-2021, fully generational.
Retirement age	Rates vary by age from age 55 to 70 and based on eligibility for early retirement and employer group	Rates vary by age from age 55 to 70 and based on eligibility for early retirement and employer group

SUPPLEMENTARY INFORMATION

ElectriCities of North Carolina, Inc.
Schedules of Revenues and Expenditures – Budget and Actual Non-GAAP

	For the Years Ended December 31,			
	2023		2022	
	Actual	Final Budget	Actual	Final Budget
Revenues:				
Membership Dues	\$ 2,289,497	\$ 2,283,407	\$ 2,119,182	\$ 2,113,598
Management Services	30,380,879	30,450,104	27,688,067	28,626,382
Investment Income	16,831	-	5,778	-
Program Revenues	9,247,097	10,822,472	9,040,827	9,414,668
Total Revenues	41,934,304	43,555,983	38,853,854	40,154,648
Expenditures:				
Administration	104,041	112,341	101,887	99,453
Safety and Training	1,974,248	1,964,745	1,711,247	1,578,742
Member Services	636,702	640,514	394,530	442,590
Government Affairs	391,858	633,538	608,593	475,394
Technical Services	573,118	511,388	773,835	754,834
Member Conferences	488,008	420,000	363,019	270,000
Management Services	30,380,879	30,450,104	27,688,067	28,626,382
Regions Contract Services	-	-	1,860	-
Distribution Operations	7,384,546	8,823,353	7,208,879	7,907,253
Total Expenditures	\$ 41,933,400	\$ 43,555,983	\$ 38,851,917	\$ 40,154,648
Excess to Be Refunded	\$ 904		\$ 1,937	

Reconciliation of Budgetary Basis
To Full Accrual Basis:

Total Revenues	\$ 41,934,304	\$ 38,853,854
Total Expenditures	41,933,400	38,851,917
Excess of Revenues over Expenditures	904	1,937

Reconciling Items

Budgetary Appropriations:

Capital Outlay	182,200	608,612
Depreciation and Amortization	(487,744)	(420,136)
Amortization Leases (Note I)	(242,147)	(261,652)
Amortization IT Subscriptions (Note J)	(132,275)	-
Pension (Expense) Income (Note F)	(1,503,330)	(1,445,456)
OPEB (Expense) Income (Note H)	281,227	810,178
Interest Expense - Leases (Note L)	(5,759)	(3,742)
Interest Expense - IT Subscriptions (Note J)	(11,096)	-
Leases- budgetary adjustment	244,116	276,530
IT Subscriptions- budgetary adjustment	132,003	-
Refund of Excess Revenues	(904)	(1,937)
Gain/(Loss) on Disposal	8,000	(23,366)
Increase in Net Position (Pg. 14)	\$ (1,534,805)	\$ (459,032)

Prepared on a budgetary basis.

ElectriCities of North Carolina, Inc.
Schedule of Budgetary Comparison Non-GAAP
For the Year Ended December 31, 2023

	2023 Budget	
	Original	Final
Revenues:		
Membership Dues	\$ 2,283,407	\$ 2,283,407
Management Services	30,450,104	30,450,104
Investment Income	-	-
Program Revenues	10,822,472	10,822,472
Total Revenues	43,555,983	43,555,983
Expenditures:		
Administration	112,341	112,341
Safety and Training	1,964,745	1,964,745
Member Services	640,514	640,514
Government Affairs	633,538	633,538
Technical Services	511,388	511,388
Member Conferences	420,000	420,000
Management Services	30,450,104	30,450,104
Distribution Operations	8,823,353	8,823,353
Total Expenditures	43,555,983	43,555,983
Revenues Over Expenses	\$ -	\$ -
Refund Payable		
Revenues Over Expenses		

Prepared on a budgetary basis.

ElectriCities of North Carolina, Inc.
Schedule of Expenditures – Budget and Actual - Non-GAAP
For the Year Ended December 31, 2023

	<u>Administration</u>		<u>Safety and Training</u>	
	<u>Actual</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Final Budget</u>
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 75	\$ 125
Advertising	-	100	9,147	36,000
Salaries	47,482	51,408	853,867	887,578
Office & Program Supplies	-	38	175,570	143,569
Dues, Subscriptions & Publications	-	200	9,112	6,351
Printing	-	108	-	120
Telephone	-	-	4,125	1,424
Postage	-	-	2,130	4,065
Copies	-	-	6,287	4,409
Miscellaneous Office	-	100	13,317	4,056
Travel	-	-	166,153	180,445
Outside Services	39,159	39,000	98,604	130,068
Insurance	-	-	8,063	8,971
Employee Benefits	17,400	21,387	355,082	371,470
Recruitment & Relocation	-	-	3,582	971
Staff Development	-	-	10,230	29,001
Other Expenses	-	-	-	-
Occupancy Costs	-	-	36,997	27,734
Other Rents	-	-	62,896	7,000
Vehicle O&M	-	-	145,687	116,200
Equipment Maintenance	-	-	-	188
Capital Assets Additions	-	-	13,324	5,000
Total Program Expenditures	<u>\$ 104,041</u>	<u>\$ 112,341</u>	<u>\$ 1,974,248</u>	<u>\$ 1,964,745</u>

Prepared on a budgetary basis.

Member Services		Government Affairs		Member Conferences	
Actual	Final Budget	Actual	Final Budget	Actual	Final Budget
\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -
1,578	10,000	182,086	210,000	-	-
388,131	399,327	138,764	211,791	19,104	12,533
6,412	6,280	-	-	150	-
3,616	354	999	-	-	-
-	600	388	42,000	-	-
4,632	3,180	146	-	-	-
640	844	-	-	-	-
730	1,104	-	-	-	-
1,464	1,660	-	-	716	-
31,041	21,677	3,540	10,000	458,052	401,802
24,138	13,612	15,975	75,000	-	-
2,016	3,242	-	-	-	-
152,788	163,579	49,960	84,747	9,886	5,665
895	416	-	-	-	-
9,123	4,385	-	-	-	-
-	-	-	-	-	-
8,581	9,571	-	-	-	-
-	-	-	-	-	-
909	636	-	-	100	-
-	47	-	-	-	-
-	-	-	-	-	-
<u>\$ 636,702</u>	<u>\$ 640,514</u>	<u>\$ 391,858</u>	<u>\$ 633,538</u>	<u>\$ 488,008</u>	<u>\$ 420,000</u>

ElectriCities of North Carolina, Inc.
Schedule of Expenditures – Budget and Actual
For the Year Ended December 31, 2023

	Technical Services		Management Services	
	Actual	Final Budget	Actual	Final Budget
Program Expenditures				
Property Tax	\$ -	\$ -	\$ 5,395	\$ 14,000
Advertising	-	-	1,093,386	1,011,200
Salaries	85,829	118,942	13,004,069	13,105,954
Office & Program Supplies	-	-	245,971	143,420
Dues, Subscriptions & Publications	-	-	1,859,177	1,909,796
Printing	-	-	77,647	186,520
Telephone	-	-	887,168	839,893
Postage	-	-	51,138	80,652
Copies	-	-	73,699	105,657
Miscellaneous Office	-	-	173,734	106,987
Travel	1,170	9,704	606,823	242,590
Outside Services	28,479	-	3,936,077	3,758,823
Insurance	20,206	-	276,154	356,607
Employee Benefits	42,381	45,223	4,363,829	4,881,852
Recruitment & Relocation	-	-	82,624	53,928
Staff Development	-	3,300	175,491	196,800
Other Expenses	266,620	271,279	1,684,738	1,330,834
Occupancy Costs	6,442	-	519,561	584,426
Other Rents	103,444	22,450	865,691	790,004
Vehicle O&M	-	-	85,789	142,803
Equipment Maintenance	18,547	40,490	143,842	182,535
Capital Assets Additions	-	-	168,876	424,823
Total Program Expenditures	<u>\$ 573,118</u>	<u>\$ 511,388</u>	<u>\$ 30,380,879</u>	<u>\$ 30,450,104</u>

Western Operations		Total	
Actual	Final Budget	Actual	Final Budget
\$ -	\$ -	\$ 5,478	\$ 14,125
14,311	1,500	1,300,508	1,268,800
4,711,970	5,615,701	19,249,216	20,403,234
11,322	14,180	439,425	307,486
5,703	17,219	1,878,607	1,933,920
-	-	78,035	229,348
38,573	47,452	934,644	891,950
3,555	385	57,463	85,946
-	85	80,716	111,254
58,464	26,955	247,695	139,758
75,663	103,712	1,342,442	969,931
37,764	35,968	4,180,196	4,052,471
243,615	243,253	550,054	612,074
1,992,914	2,519,461	6,984,240	8,093,383
33,169	16,435	120,270	71,750
42,462	90,950	237,306	324,436
-	-	1,951,358	1,602,113
41,451	24,997	613,032	646,728
2,853	15,600	1,034,884	835,054
70,757	44,500	303,242	304,139
-	5,000	162,389	228,260
-	-	182,200	429,823
<u>\$ 7,384,546</u>	<u>\$ 8,823,353</u>	<u>\$ 41,933,400</u>	<u>\$ 43,555,983</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,					
	2023	2022	2021	2020	2019	2018
Business-type activities						
Net investment in Capital Assets and Leases	\$ 700,630	\$ 1,013,332	\$ 823,511	\$ 1,154,060	\$ 1,009,039	\$ 985,901
Restricted for OPEB	950,341	669,114	-	-	-	-
Unrestricted	<u>(6,153,999)</u>	<u>(4,650,669)</u>	<u>(3,346,278)</u>	<u>(4,491,463)</u>	<u>(4,358,236)</u>	<u>(3,452,971)</u>
Total Net Position (Deficit)	<u>\$ (4,503,028)</u>	<u>\$ (2,968,223)</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
Business-type activities				
Net invested in Capital Assets	\$ 916,918	\$ 762,038	\$ 482,814	\$ 830,427
Unrestricted	<u>(901,075)</u>	<u>(862,528)</u>	<u>(668,365)</u>	<u>20,896</u>
Total Net Position (Deficit)	<u>\$ 15,843</u>	<u>\$ (100,490)</u>	<u>\$ (185,551)</u>	<u>\$ 851,323</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,				
	2023	2022	2021	2020	2019
Operating Expenses					
Administration	\$ 104,041	\$ 101,887	\$ 87,836	\$ 85,789	\$ 83,831
Safety and Training	1,960,925	1,711,247	1,486,052	1,305,197	1,237,462
Member Services	636,702	394,530	271,272	275,548	268,456
Government Affairs	391,858	608,593	2,786	3,292	1,179
Technical Services	573,118	773,835	668,251	655,941	537,066
Annual Meeting	488,008	363,019	254,569	116,760	363,301
Management Services	30,212,002	27,079,455	24,951,402	25,556,239	25,510,676
Western Operations	7,384,546	7,208,879	5,978,035	5,590,510	5,118,267
Regions Contract Services	-	1,860	20,836	-	32,022
Non-program Expenses - Leases	(376,119)	(276,530)	-	-	-
Depreciation and amortization	862,166	681,788	642,899	276,171	326,025
Refund of excess (deficit) revenues	904	1,937	349,917	404,590	342,456
Pension Expense	1,503,330	1,445,456	(171,368)	1,109,010	1,149,541
OPEB Expense	(281,227)	(810,178)	(973,817)	(975,783)	(244,276)
Total Expenditures	<u>\$ 43,460,254</u>	<u>\$ 39,285,778</u>	<u>\$ 33,568,670</u>	<u>\$ 34,403,264</u>	<u>\$ 34,726,006</u>
Operating Revenues					
Membership dues	\$ 2,289,497	\$ 2,119,182	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412
Management services and other program revenues	39,445,776	36,120,282	32,805,380	32,450,254	32,107,589
Non-operating revenues	(24)	2,036	(5,353)	2,438	7,715
Total Revenues	<u>\$ 41,735,249</u>	<u>\$ 38,241,500</u>	<u>\$ 34,347,196</u>	<u>\$ 33,993,866</u>	<u>\$ 33,494,716</u>
Net Revenue/(Expense)	<u>\$ (1,725,005)</u>	<u>\$ (1,044,278)</u>	<u>\$ 778,526</u>	<u>\$ (409,398)</u>	<u>\$ (1,231,290)</u>
Changes in Net Position (Deficit)					
Capital Contributions	182,200	608,612	45,136	393,566	351,085
Gain (Loss) on Disposal	8,000	(23,366)	(1,699)	27,626	(1,922)
Restatement for Accounting Change	-	13,576	(7,327)	-	-
Change in Net Position (Deficit)	<u>\$ (1,534,805)</u>	<u>\$ (445,456)</u>	<u>\$ 814,636</u>	<u>\$ 11,794</u>	<u>\$ (882,127)</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,				
2018	2017	2016	2015	2014
\$ 71,837	\$ 54,182	\$ 51,485	\$ 46,971	\$ 48,487
1,117,464	1,101,983	1,154,572	1,105,476	1,065,243
587,425	364,147	320,653	329,140	345,704
-	2,041	-	-	938
-	-	-	-	-
336,293	244,623	173,009	219,842	222,688
25,585,420	25,608,758	24,770,812	26,805,049	25,391,314
3,506,147	2,005,758	1,907,575	1,430,894	1,334,526
42,000	15,290	20,778	-	-
-	-	-	-	-
292,615	350,185	259,151	401,207	340,693
19,727	223,952	73,608	14,972	(34,440)
216,956	38,547	194,163	(378,752)	-
(833,823)	-	-	-	-
<u>\$ 30,942,061</u>	<u>\$ 30,009,466</u>	<u>\$ 28,925,806</u>	<u>\$ 29,974,799</u>	<u>\$ 28,715,153</u>
\$ 1,448,766	\$ 1,351,613	\$ 1,283,788	\$ 1,255,890	\$ 1,214,251
29,811,229	28,266,619	27,187,554	28,696,216	27,160,166
6,318	2,502	1,150	238	43
<u>\$ 31,266,313</u>	<u>\$ 29,620,734</u>	<u>\$ 28,472,492</u>	<u>\$ 29,952,344</u>	<u>\$ 28,374,460</u>
<u>\$ 324,252</u>	<u>\$ (388,732)</u>	<u>\$ (453,314)</u>	<u>\$ (22,455)</u>	<u>\$ (340,693)</u>
318,316	485,565	471,261	69,039	381,808
43,282	19,500	67,114	(15,445)	-
(3,168,763)	-	-	(1,068,013)	-
<u>\$ (2,482,913)</u>	<u>\$ 116,333</u>	<u>\$ 85,061</u>	<u>\$ (1,036,874)</u>	<u>\$ 41,115</u>

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

	2023	2022	2021	2020	2019
Albemarle	\$ 42,897	\$ 34,165	\$ 28,636	\$ 32,225	\$ 29,574
Apex	73,521	56,394	43,834	46,580	38,051
Ayden	15,397	12,443	10,095	11,006	10,075
Bamberg, SC*	1,389	1,095	912	912	912
Bedford, VA*	2,779	2,191	1,825	1,825	1,825
Belhaven	3,128	2,494	2,186	2,460	2,222
Bennettsville, SC*	1,389	1,095	912	912	912
Benson	7,278	5,700	4,825	5,163	4,628
Blacstone	1,389	1,095	912	-	-
Bostic	860	683	586	639	599
Camden, SC*	2,779	2,191	1,825	1,825	1,825
Cherryville	8,944	7,089	5,961	6,718	6,086
Clayton	23,444	18,611	15,344	16,761	14,452
Concord	120,469	95,892	79,805	89,574	79,401
Cornelius	11,916	9,458	8,021	9,062	8,113
Dallas	11,717	9,448	8,011	8,819	8,043
Danville, VA*	2,779	2,191	1,825	1,825	1,825
Drexel	3,733	2,967	2,533	2,814	2,549
East Carolina University	279	220	183	183	183
Edenton	14,688	11,876	9,853	11,071	10,212
Elizabeth City	44,446	38,743	28,074	32,543	29,818
Elizabeth City State University	279	586	183	183	183
Enfield	4,428	3,587	3,020	3,324	3,022
Farmville	9,708	7,741	6,445	7,128	6,572
Fayetteville Public Works Commission	179,367	142,048	118,452	133,157	118,768
Forest City	15,736	12,480	10,574	11,745	10,903
Fountain	1,025	823	695	756	701
Fremont	2,339	1,928	1,584	1,798	1,701
Front Royal	2,779	2,191	1,825	1,825	1,825
Gastonia	99,153	78,466	65,299	73,317	65,345
Georgetown, SC	2,779	2,191	-	-	-
Granite Falls	9,666	7,600	6,465	7,053	6,384
Greenville Utilities	179,367	142,048	118,452	133,157	118,768
Greenwood, SC	2,779	2,191	-	-	-
Hamilton	869	729	619	676	638
Hertford	3,955	3,137	2,751	2,911	2,609
High Point	150,688	120,117	101,830	112,171	102,190
Hobgood	955	759	630	693	652
Hookerton	1,428	1,130	948	1,058	952
Huntersville	32,049	24,097	19,755	20,907	18,182
Kings Mountain	21,155	16,971	13,935	15,745	13,143
Kinston	47,516	37,779	31,793	36,387	32,537
La Grange	6,036	4,833	4,109	4,528	3,109
Landis	10,713	8,378	6,671	7,320	6,563
Laurinburg	20,546	16,347	14,019	15,884	14,424
Lexington	62,392	50,168	42,210	46,986	42,483
Lincolnton	10,449	8,315	7,402	8,199	7,300
Louisburg	8,133	6,531	5,501	6,132	5,620
Lucama	4,033	-	-	-	-

	2018	2017	2016	2015	2014
\$	29,439	\$ 29,247	\$ 27,868	\$ 27,602	\$ 26,758
	37,356	34,279	32,157	30,496	29,424
	10,520	10,449	9,299	9,699	10,032
	912	894	843	795	750
	1,825	1,789	1,688	1,592	1,502
	2,404	2,363	2,240	2,225	2,217
	912	1,789	1,688	795	1,502
	4,588	4,494	4,152	4,250	4,023
	-	-	-	-	-
	597	595	570	571	524
	1,825	1,789	1,688	1,592	1,502
	6,053	5,997	5,715	5,624	6,116
	14,177	13,253	12,472	12,030	11,211
	79,401	75,876	69,577	68,294	66,298
	7,779	7,586	6,921	6,553	6,182
	8,043	8,348	7,180	7,300	6,400
	1,825	1,789	1,688	1,592	1,502
	2,540	2,500	2,416	2,410	2,335
	183	179	169	159	150
	10,101	9,784	9,636	9,679	9,386
	29,002	27,936	27,841	27,387	26,975
	183	179	169	159	150
	3,023	3,509	3,288	3,272	3,223
	6,702	6,480	6,252	6,145	5,945
	118,768	116,307	109,840	107,790	104,805
	10,903	10,676	10,063	10,253	10,412
	700	697	686	675	703
	1,663	1,644	1,616	1,600	1,516
	1,825	1,789	1,688	1,592	1,502
	65,744	63,512	60,137	58,876	57,265
	-	-	-	-	-
	6,352	6,128	5,871	5,805	5,547
	118,768	116,307	109,840	107,790	104,805
	-	-	-	-	-
	635	623	591	583	545
	2,593	2,526	2,449	2,438	2,423
	101,415	100,831	93,969	92,430	89,769
	664	650	620	619	605
	986	958	907	883	854
	17,744	16,037	14,371	13,650	12,880
	13,143	12,830	10,571	11,665	10,848
	32,999	32,153	31,397	31,360	30,459
	3,141	3,074	2,997	2,992	3,508
	6,504	6,394	6,118	6,056	5,790
	14,564	14,267	13,766	13,673	13,049
	42,222	41,646	39,918	39,635	38,349
	7,256	7,131	6,688	6,563	6,410
	5,630	5,534	5,395	5,299	5,182
	-	-	-	-	-

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

	2023	2022	2021	2020	2019
Lumberton	\$ 38,899	\$ 31,205	\$ 26,711	\$ 30,073	\$ 27,397
Macclesfield	852	570	482	523	490
Maiden	6,854	5,685	4,698	5,776	5,163
Martinsville, VA*	2,779	2,191	1,825	1,825	1,825
McCormick, SC	279	220	-	-	-
Monroe	61,014	47,116	41,500	47,868	43,543
Morganton	37,511	29,761	25,067	28,166	25,534
New Bern	71,976	57,442	47,574	54,018	48,195
New River Light & Power*	30,728	24,762	19,865	21,857	20,534
Newton	19,239	15,564	12,893	14,381	12,720
Orangeburg	2,779	2,191	-	-	-
Pikeville	1,699	1,344	1,100	1,275	1,156
Pinetops	1,472	1,187	1,004	1,172	1,077
Pineville	15,553	11,860	10,055	11,096	9,694
Piedmont Municipal Power Agency**	17,782	14,022	11,096	11,096	11,091
Prosperity, SC	279	-	-	-	-
Red Springs	6,754	5,178	4,357	4,773	4,356
Robersonville	3,249	2,639	2,227	2,442	2,319
Rocky Mount	92,514	74,312	62,471	70,084	63,069
Scotland Neck	4,266	3,525	2,990	3,411	3,127
Seneca, SC*	2,779	2,191	1,825	1,825	-
Selma	10,289	8,180	6,926	7,664	7,091
Sharpsburg*	3,621	2,920	2,370	2,669	2,349
Shelby	29,095	23,413	19,880	22,220	20,195
Smithfield	18,739	14,941	12,701	14,211	12,974
Southport	10,523	8,366	7,012	7,699	6,958
Stantonsburg	3,789	3,060	2,597	2,949	2,583
Statesville	55,190	44,512	37,577	42,324	37,457
Tarboro	25,829	20,327	17,012	19,258	15,439
University of NC - Chapel Hill*	279	220	183	183	183
NC State University	12,832	220	183	183	183
Wake Forest	24,801	19,626	16,504	18,315	15,804
Walstonburg	496	396	334	347	332
Washington	43,898	35,179	29,741	33,346	30,334
Waynesville	10,835	9,291	7,870	8,469	7,844
Western Carolina University*	1,389	1,095	912	912	912
Wilson	131,750	102,746	86,947	99,098	89,011
Windsor	7,503	6,052	5,110	5,841	5,594
Winterville	10,765	8,736	7,401	7,868	7,000
Budget Amendment - Appropriated	183,074	457,725	166,844	-	-
Total Dues	\$ 2,289,497	\$ 2,119,182	\$ 1,547,169	\$ 1,541,174	\$ 1,379,412

*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.

	2018	2017	2016	2015	2014
\$	28,794	\$ 28,151	\$ 27,438	\$ 26,678	\$ 25,642
	501	-	-	-	-
	5,197	5,021	4,478	4,308	4,158
	1,825	1,789	1,688	1,592	1,502
	-	-	-	-	-
	43,775	42,833	40,275	38,055	36,917
	25,971	26,168	25,181	24,980	24,147
	48,762	46,737	45,263	44,695	42,984
	20,533	19,601	18,453	19,054	18,217
	12,533	12,618	11,951	11,806	11,526
	-	-	-	-	-
	1,180	1,158	1,132	1,132	1,082
	1,066	-	-	-	-
	9,764	9,448	8,826	8,563	8,391
	11,096	13,465	10,257	10,195	10,214
	-	-	-	-	-
	4,362	4,270	4,105	4,129	3,999
	2,360	2,310	2,203	2,315	2,303
	63,297	61,552	59,079	58,843	57,467
	3,101	3,057	2,983	3,020	3,591
	-	-	-	-	-
	7,238	7,094	6,617	6,453	6,279
	2,350	2,617	2,331	-	-
	20,164	19,878	18,746	18,421	17,853
	12,998	12,819	12,282	12,134	11,838
	6,679	6,495	6,292	6,020	5,744
	2,583	2,615	2,532	2,474	2,397
	37,172	37,009	34,521	34,443	33,458
	17,230	17,113	16,500	16,621	16,088
	183	179	169	159	150
	183	179	169	159	150
	15,536	16,154	15,315	14,409	13,748
	340	-	-	-	-
	30,308	29,322	28,277	28,075	27,133
	7,843	8,401	7,879	7,819	-
	912	894	843	795	750
	88,759	87,685	85,694	84,929	84,530
	5,595	5,229	4,958	4,811	4,709
	6,999	6,934	6,413	6,355	5,951
	67,968	-	-	-	-
	<u>\$ 1,448,766</u>	<u>\$ 1,351,613</u>	<u>\$ 1,277,865</u>	<u>\$ 1,255,890</u>	<u>\$ 1,214,251</u>

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

<i>City/Town</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Abbeville, SC	4,872	24,295	24,295	24,295	25,417
Albemarle	16,338	16,338	16,338	16,338	16,338
Apex	58,797	32,275	61,319	32,275	32,275
Ayden	4,973	5,008	4,932	5,008	5,008
Bamberg, SC	3,075	3,600	3,600	3,600	3,600
Bedford, VA	6,602	6,300	6,540	6,300	6,300
Belhaven	1,415	1,963	1,963	1,963	1,963
Bennettsville, SC	-	9,425	9,425	9,425	9,425
Benson	3,943	3,703	3,703	3,703	3,703
Blackstone, VA	-	3,621	-	-	-
Bostic	355	316	316	316	316
Camden, SC	7,764	7,000	7,000	7,000	7,000
Cherryville	6,061	5,795	2,795	2,795	2,795
Clayton	26,323	14,333	14,333	14,333	14,333
Clinton, SC	7,737	8,091	8,091	8,091	8,091
Concord	105,186	81,370	81,370	81,370	81,370
Cornelius	31,432	24,847	28,847	24,847	24,847
Dallas	5,936	4,033	4,033	4,033	4,033
Danville, VA	42,590	46,500	46,500	46,500	46,500
Drexel	1,764	1,920	1,841	1,920	1,920
Easley, SC	23,009	20,000	20,000	20,000	20,000
Edenton	4,397	5,166	5,166	5,166	5,166
Elizabeth City	18,629	20,406	20,406	20,406	20,406
Enfield	1,869	2,221	2,221	2,221	2,221
Farmville	4,447	4,776	4,776	4,776	4,776
Fayetteville	208,871	207,788	207,788	207,788	207,788
Forest City	7,364	7,133	7,133	7,133	7,133
Fountain	380	586	586	586	586
Fremont	1,196	1,404	1,404	1,404	1,404
Front Royal VA	15,093	14,666	14,440	14,440	14,440
Gaffney, SC	12,589	12,986	12,986	12,986	12,986
Gastonia	80,367	75,280	75,820	75,820	75,820
Georgetown, SC	8,361	-	-	-	-
Granite Falls	4,943	4,999	4,999	4,999	4,999
Greenville	87,882	82,571	82,571	82,571	82,571
Greenwood, SC	22,295	-	-	-	-
Greer, SC	35,367	24,557	24,557	24,557	24,557
Hamilton	305	459	459	459	459
Hertford	1,912	2,203	2,303	2,303	2,303
High Point	113,887	102,216	102,216	102,216	102,216
Hobgood	270	381	381	381	381
Hookerton	439	487	487	487	487
Huntersville	61,403	41,216	41,216	41,216	41,216
Kings Mountain	11,168	11,070	11,070	11,070	11,070
Kinston	19,820	22,478	22,478	22,478	22,478
La Grange	2,616	2,774	2,774	2,774	2,774
Landis	3,691	3,127	3,127	3,127	3,127
Laurens, SC	9,346	10,000	10,000	10,000	10,000

2018	2017	2016	2015	2014
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	2,795	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	14,440	-
12,986	12,986	12,986	12,986	12,986
75,820	75,820	75,820	75,820	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	2,303	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>	2023	2022	2021	2020	2019
Laurinburg	15,192	15,825	15,825	15,825	15,825
Lexington	19,458	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
Lumberton	18,877	23,039	23,039	23,039	23,039
Macclesfield	412	401	401	401	401
Maiden	3,706	3,466	3,466	3,466	3,466
Martinsville, VA	13,485	15,416	15,416	15,416	15,416
Mccormick, SC	2,184	-	-	-	-
Monroe	34,551	38,120	38,120	38,120	38,120
Morganton	17,464	17,058	17,058	17,058	17,058
New Bern	31,116	26,613	26,613	26,613	26,613
New River Light & Power	17,993	15,000	15,000	15,000	15,000
Newberry, SC	10,487	10,907	10,907	10,907	10,907
Newton	13,117	13,819	13,819	13,819	13,819
Orangeburg, SC	12,704	-	-	-	-
Pikeville	709	703	703	703	703
Pinetops	1,201	1,259	1,259	1,259	1,259
Pineville	10,610	7,747	9,200	7,747	7,747
Red Springs	3,098	3,497	3,497	3,497	3,497
Robersonville	1,268	1,578	1,578	1,578	1,578
Rock Hill, SC	73,905	70,500	70,500	70,500	70,500
Rocky Mount	54,351	60,219	60,219	60,219	60,219
Scotland Neck	1,646	2,182	2,182	2,182	2,182
Selma	6,328	7,671	7,671	7,671	7,671
Seneca, SC	8,843	8,102	-	-	-
Sharpsburg	1,693	2,024	2,024	-	-
Shelby	21,883	20,793	20,793	20,793	20,793
Smithfield	11,165	13,410	13,410	13,410	13,410
Southport	3,973	3,143	3,143	3,143	3,143
Stantonsburg	757	749	749	749	749
Statesville	28,120	27,322	27,322	27,322	27,322
Tarboro	10,695	10,292	10,292	10,292	10,292
Union, SC	8,170	9,575	9,575	9,575	9,575
Wake Forest	47,625	28,542	28,572	28,572	28,572
Walstonburg	209	232	232	232	232
Washington	9,811	10,114	10,114	10,114	10,114
Waynesville	10,044	9,819	9,869	9,869	9,869
Westminster, SC	2,350	3,120	3,120	3,120	3,120
Wilson	47,941	51,274	51,274	51,274	51,274
Windsor	3,214	3,214	3,214	3,214	3,214
Winterville	10,419	9,154	9,269	9,154	9,154

Source:
2012-2020 Census information-2010.
2022-2020 Census

2018	2017	2016	2015	2014
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	28,572	28,542
232	232	232	232	232
10,114	10,114	10,114	10,114	10,114
9,869	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>	2023	2022	2021	2020	2019
Abbeville, SC	3,400	3,388	-	-	-
Albemarle	12,505	12,314	12,072	12,072	12,118
Apex	26,400	25,135	24,797	22,183	21,229
Ayden	4,219	4,347	4,115	4,115	3,996
Bamberg, SC	1,882	1,870	-	-	-
Bedford, VA	6,780	6,723	-	-	-
Belhaven	1,057	1,049	1,202	1,108	1,112
Bennettsville, SC	-	4,403	-	-	-
Benson	2,001	1,971	1,997	1,997	1,883
Blackstone, VA	-	2,024	-	-	-
Bostic	200	198	200	200	202
Camden, SC	11,330	10,815	-	-	-
Cherryville	2,497	2,462	2,443	2,443	2,440
Clayton	7,337	7,361	7,064	7,064	6,924
Clinton, SC	4,117	4,101	-	-	-
Concord	33,019	32,737	31,957	32,587	31,298
Cornelius	3,962	3,953	3,949	3,949	3,929
Dallas	3,737	3,753	3,703	3,703	3,636
Danville, VA	48,457	48,028	-	-	-
Drexel	1,244	1,229	1,226	1,226	1,215
Easley, SC	15,654	15,197	-	-	-
Edenton	4,072	4,146	4,147	4,147	4,146
Elizabeth City	13,003	15,782	11,870	11,870	12,526
Enfield	1,275	1,263	1,273	1,273	1,248
Farmville	3,013	2,937	2,855	2,855	2,779
Fayetteville	83,881	83,906	85,342	85,342	81,991
Forest City	4,178	4,130	41,227	4,127	4,144
Fountain	302	300	302	-	304
Fremont	748	798	743	743	743
Front Royal, VA	7,768	7,751	-	-	-
Gaffney, SC	7,473	6,722	-	-	-
Gastonia	30,072	29,120	28,220	28,220	27,963
Granite Falls	2,601	2,507	2,614	2,539	2,472
Georgetown, SC	5,123	-	-	-	-
Greenville	71,120	69,981	68,815	68,815	67,704
Greenwood, SC	14,429	-	-	-	-
Greer, SC	-	33,975	-	-	-
Hamilton	240	258	261	261	259
Hertford	1,184	1,184	1,314	1,314	1,178
High Point	43,204	41,905	43,251	43,251	41,398
Hobgood	268	267	263	263	267
Hookerton	432	428	423	423	423
Huntersville	7,759	7,265	6,664	6,664	6,096
Kings Mountain	5,218	5,078	5,022	5,022	4,920
Kinston	11,849	11,801	11,536	11,536	11,864
La Grange	1,697	1,692	1,717	1,717	1,701
Landis	3,532	3,498	3,030	3,030	3,004

2018	2017	2016	2015	2014
-	-	-	-	-
12,124	12,073	11,999	11,887	11,844
18,403	17,776	16,682	16,154	15,477
4,071	4,101	4,521	3,881	3,934
-	-	-	-	-
-	-	-	-	-
1,098	1,129	1,238	1,145	1,115
-	-	-	-	-
1,834	1,842	1,796	1,609	1,777
-	-	-	-	-
202	204	202	203	222
-	-	-	-	-
2,423	2,433	2,437	2,440	2,442
6,448	6,205	5,885	5,747	5,623
-	-	-	-	-
30,131	29,620	29,186	28,618	28,215
3,888	3,509	3,427	3,239	3,102
3,632	3,606	3,546	3,478	3,400
-	-	-	-	-
1,227	1,226	1,213	1,203	1,207
-	-	-	-	-
4,133	4,141	4,159	4,162	4,164
12,603	12,045	12,029	11,987	11,956
1,229	1,237	1,256	1,274	1,298
2,864	2,890	2,909	2,912	2,904
81,831	82,021	90,050	88,760	87,883
4,189	4,108	4,062	4,103	4,114
298	298	297	302	311
780	755	763	803	803
-	-	-	-	-
-	-	-	-	-
27,577	27,453	26,882	26,891	26,497
2,461	2,455	2,439	2,396	2,394
-	-	-	-	-
66,501	66,298	66,051	65,326	65,073
-	-	-	-	-
-	-	-	-	-
261	262	261	254	252
1,151	1,149	1,153	1,160	1,166
42,244	40,841	41,790	40,123	39,731
272	276	277	278	284
424	418	425	419	415
5,674	5,292	4,973	4,836	4,664
4,886	4,746	4,503	4,446	4,364
11,604	11,634	11,605	11,645	11,730
1,677	1,472	1,468	1,482	1,486
2,918	2,875	2,888	2,865	2,877

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

<i>City/Town</i>	2023	2022	2021	2020	2019
Laurens, SC	5,461	5,395	-	-	-
Laurinburg	5,548	5,523	5,552	5,552	5,658
Lexington	19,357	19,319	19,133	19,026	18,791
Lincolnton	2,856	3,056	3,056	3,056	3,030
Louisburg	-	1,984	1,978	1,978	1,972
Lumberton	11,275	11,253	11,384	11,384	11,486
Macclesfield	345	263	263	263	258
Maiden	1,185	1,186	1,182	1,182	1,220
Martinsville, VA	7,755	7,694	-	-	-
Mccormick,SC	1,100	-	-	-	-
Monroe	11,231	11,079	10,996	10,996	10,958
Morganton	8,529	8,465	8,409	8,409	8,321
New Bern	23,395	23,011	22,783	22,783	
New River Light & Power	8,942	8,538	8,356	8,356	8,275
Newberry, SC	4,951	4,967	-	-	-
Newton	4,615	4,585	4,740	4,740	4,710
Orangeburg, SC	24,601	-	-	-	-
Pikeville	504	500	481	481	
Pinetops	719	727	722	722	728
Pineville	4,111	3,818	3,773	3,747	3,605
Red Springs	1,714	1,702	1,682	1,682	1,673
Robersonville	975	980	982	982	964
Rock Hill, SC	39,667	39,933	-	-	-
Rocky Mount	28,782	28,657	28,331	28,331	27,992
Scotland Neck	1,374	1,381	1,398	1,398	1,400
Selma	2,868	2,857	2,828	2,828	2,749
Seneca, SC	7,723	7,646	-	-	-
Sharpsburg	1,467	1,170	1,163	1,163	1,156
Shelby	8,433	8,503	8,340	8,340	8,308
Smithfield	4,603	4,418	4,598	4,598	4,407
Southport	3,206	3,116	3,073	3,073	2,992
Stantonsburg	1,224	1,223	1,205	1,205	1,145
Statesville	14,036	13,902	13,738	13,738	13,623
Tarboro	6,263	6,255	6,035	6,035	5,947
Union, SC	6,986	6,970	-	-	-
Wake Forest	6,660	6,647	6,502	6,502	6,660
Walstonburg	131	133	132	132	130
Washington	13,961	13,872	13,838	13,838	13,764
Waynesville	3,178	3,084	3,088	3,088	3,054
Westminster, SC	1,499	1,497	-	-	-
Wilson	35,503	35,218	34,908	34,908	34,496
Windsor	1,736	1,737	1,753	1,753	1,755
Winterville	3,301	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

2018	2017	2016	2015	2014
-	-	-	-	-
5,611	5,591	5,592	5,588	5,749
18,692	18,560	18,576	18,474	18,348
2,879	2,783	2,769	2,657	2,671
1,958	1,972	1,950	1,958	1,925
11,560	12,346	12,169	12,237	12,036
262	261	269	269	269
1,201	1,182	1,174	1,171	1,165
-	-	-	-	-
-	-	-	-	-
10,879	10,809	10,685	10,557	10,475
8,326	8,310	8,204	8,168	8,184
22,519	22,454	22,095	21,859	21,822
8,116	8,072	7,926	7,852	7,751
-	-	-	-	-
4,542	4,529	4,528	4,504	4,495
-	-	-	-	-
493	493	508	513	518
763	730	745	756	781
3,409	3,259	3,202	2,994	2,907
1,686	1,694	1,689	1,692	1,700
983	991	1,023	1,035	1,034
-	-	-	-	-
27,831	27,533	27,419	27,276	27,277
1,420	1,422	1,445	1,480	1,483
2,868	2,849	2,944	2,741	2,661
-	-	-	-	-
1,069	-	1,174	-	-
8,251	8,241	8,136	8,077	8,013
4,466	4,511	4,538	4,498	4,477
2,949	2,870	2,787	2,761	2,663
1,179	-	1,140	1,129	1,171
13,381	13,329	13,206	13,084	13,010
5,776	5,799	5,871	6,050	6,050
-	-	-	-	-
6,083	5,910	6,882	6,734	6,307
127	130	132	129	131
13,752	13,628	13,601	13,441	13,565
3,035	3,042	3,013	3,200	-
-	-	-	-	-
34,237	34,115	33,813	33,813	33,691
1,769	1,799	1,791	1,786	1,796
-	-	2,889	2,835	2,913

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

<i>City/Town</i>	2023	2022	2021	2020	2019
Abbeville, SC	55,892.000	55,314.000			
Albemarle	275,576.000	261,111.000	282,568.000	282,568,000	292,519,000
Apex	376,720.000	347,491.000	342,877.000	341,460,000	331,065,000
Ayden	110,927.000	94,031.000	106,705.000	106,705,000	100,461,000
Bamberg, SC	39,609.000	38,567.000	-	-	-
Bedford, VA	172,083.000	170,520.000	-	-	-
Belhaven	15,433.000	13,122.000	17,596.000	15,236,000	16,895,000
Bennettsville, SC	-	73,931.000	-	-	-
Benson	36,375.000	34,421.000	37,536.000	37,536,000	36,875,000
Blackstone, VA	-	35,669.000	-	-	-
Bostic	3,152.000	2,997.000	3,245.000	3,245,000	3,462,000
Camden, SC	182,179.000	168,125.000	-	-	-
Cherryville	51,059.000	46,364.000	50,727.000	50,727,000	53,051,000
Clayton	118,132.000	109,071.000	113,393.000	113,393,000	113,612,000
Clinton, SC	101,522.000	104,820.000	-	-	-
Concord	887,613.000	856,136.000	925,514.000	925,514,000	955,679,000
Cornelius	55,720.000	52,341.000	57,391.000	57,391,000	58,110,000
Dallas	64,283.000	64,104.000	69,508.000	69,508,000	71,058,000
Danville, VA	900,490.000	858,096.000	-	-	-
Drexel	18,007.000	17,057.000	18,239.000	18,239,000	18,398,000
Easley, SC	282,211.000	279,754.000	-	-	-
Edenton	97,901.000	94,763.000	98,482.000	98,482,000	101,698,000
Elizabeth City	297,401.000	15,782.000	279,224.000	279,224,000	264,732,000
Enfield	17,614.000	17,681.000	18,750.000	18,750,000	19,810,000
Farmville	46,838.000	43,707.000	47,650.000	47,650,000	48,510,000
Fayetteville	1,991,590.000	1,915,980.000	1,993,902.000	1,993,902,000	2,082,629,000
Forest City	87,981.000	85,391.000	99,189.000	99,189,000	101,449,000
Fountain	4,238.000	4,088.000	4,214.000	-	4,154,000
Fremont	11,180.000	11,391.000	11,928.000	11,928,000	12,410,000
Front Royal, VA	169,264.000	157,505.000	-	-	-
Gaffney, SC	221,376.000	215,155.000	-	-	-
Gastonia	707,595.000	683,193.000	719,019.000	719,019,000	696,633,000
Georgetown, SC	127,784.000	-	-	-	-
Granite Falls	57,993.000	55,102.000	56,228.000	57,526,000	58,120,000
Greenville	1,754,105.000	1,685,002.000	1,776,178.000	1,776,178,000	1,810,635,000
Greenwood, SC	290,030.000	-	-	-	-
Greer, SC	-	371,667.000	-	-	-
Hamilton	2,779.000	2,524.000	2,622.000	2,622,000	2,912,000
Hertford	21,745.000	21,745.000	21,372.000	21,372,000	23,943,000
High Point	1,173,910.000	1,137,103.000	1,165,307.000	1,165,307,000	1,160,826,000
Hobgood	3,063.000	2,704.000	2,720.000	2,720,000	2,830,000
Hookerton	5,761.000	5,334.000	5,554.000	5,554,000	5,744,000
Huntersville	257,725.000	232,432.000	246,830.000	246,830,000	243,145,000
Kings Mountain	144,464.000	135,249.000	141,140.000	141,140,000	144,153,000
Kinston	437,079.000	419,553.000	445,220.000	445,220,000	450,776,000
La Grange	25,200.000	23,741.000	25,625.000	25,625,000	26,029,000
Landis	45,781.000	40,911.000	46,422.000	46,422,000	47,709,000
Laurens, SC	112,098.000	109,898.000	-	-	-

2018	2017	2016	2015	2014
278,239,000	291,506,000	298,511,000	292,828,000	280,760,000
303,798,000	302,769,000	292,435,000	266,566,000	247,851,000
101,787,000	102,125,000	98,490,000	106,141,000	103,605,000
-	-	-	-	-
-	-	-	-	-
16,210,000	16,413,000	17,343,000	18,980,000	19,475,000
-	-	-	-	-
33,048,000	33,979,000	33,705,000	32,523,000	31,893,000
-	-	-	-	-
3,242,000	3,474,000	3,436,000	3,496,000	3,347,000
-	-	-	-	-
48,447,000	50,457,000	47,638,000	46,788,000	44,691,000
103,500,000	102,182,000	101,750,000	96,446,000	91,317,000
-	-	-	-	-
890,388,000	911,763,000	885,841,000	860,552,000	833,000,000
53,639,000	59,952,000	56,577,000	52,544,000	50,184,000
66,950,000	69,683,000	68,706,000	65,729,000	64,566,000
-	-	-	-	-
16,684,000	17,421,000	19,057,000	18,741,000	18,149,000
-	-	-	-	-
95,379,000	93,958,000	97,813,000	96,007,000	98,334,000
295,048,000	305,419,000	307,989,000	299,942,000	298,733,000
17,990,000	32,068,000	35,924,000	36,223,000	35,415,000
46,266,000	46,804,000	47,434,000	47,228,000	46,282,000
1,967,324,000	2,054,941,000	2,059,540,000	2,087,801,000	2,025,377,000
110,126,000	105,820,000	104,510,000	115,259,000	104,750,000
3,785,000	3,965,000	3,911,000	4,289,000	4,672,000
12,624,000	11,590,000	11,993,000	13,119,000	13,174,000
-	-	-	-	-
-	-	-	-	-
659,886,000	675,378,000	651,423,000	647,079,000	625,787,000
-	-	-	-	-
54,113,000	55,680,000	55,556,000	57,708,000	55,472,000
1,700,477,000	1,721,702,000	1,733,095,000	1,706,381,000	1,638,236,000
-	-	-	-	-
-	-	-	-	-
2,756,000	2,726,000	2,823,000	2,865,000	2,839,000
21,767,000	22,330,000	22,813,000	22,153,000	22,782,000
1,120,508,000	1,161,138,000	1,153,476,000	1,133,236,000	1,122,288,000
2,781,000	2,830,000	2,901,000	2,894,000	2,900,000
5,638,000	5,755,000	5,646,000	5,527,000	5,251,000
229,986,000	231,302,000	217,659,000	198,441,000	199,780,000
142,156,000	140,241,000	140,057,000	136,512,000	126,629,000
445,208,000	448,366,000	451,666,000	461,500,000	440,862,000
24,273,000	24,215,000	26,337,000	24,460,000	25,211,000
43,864,000	46,276,000	44,803,000	44,607,000	43,519,000
-	-	-	-	-

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

<i>City/Town</i>	2023	2022	2021	2020	2019
Laurinburg	128,822.000	128,018.000	132,474.000	132,474,000	135,620,000
Lexington	391,544.000	375,647.000	385,956.000	397,488,000	407,842,000
Lincolnton	61,962.000	64,929.000	64,929.000	64,929,000	66,294,000
Louisburg	-	51,781.000	53,436.000	53,436,000	54,680,000
Lumberton	241,107.000	229,989.000	265,838.000	265,838,000	264,869,000
Macclesfield	2,889.000	2,705.000	2,862.000	2,862,000	2,656,000
Maiden	70,539.000	69,658.000	80,099.000	80,099,000	85,309,000
Martinsville, VA	159,255.000	153,545.000	-	-	-
Mccormick,SC	16,970.000	-	-	-	-
Monroe	622,728.000	590,393.000	703,554.000	703,554,000	719,840,000
Morganton	322,282.000	305,115.000	327,457.000	327,457,000	325,071,000
New Bern	451,042.000	432,340.000	453,232.000	453,232,000	
New River Light & Power	205,768.000	191,618.000	208,448.000	208,448,000	215,521,000
Newberry, SC	185,340.000	206,595.000	-	-	-
Newton	154,575.000	144,750.000	148,421.000	148,421,000	152,531,000
Orangeburg,SC	783,157.000	-	-	-	-
Pikeville	7,993.000	7,439.000	7,817.000	7,817,000	-
Pinetops	20,207.000	18,477.000	19,405.000	19,405,000	18,671,090
Pineville	103,093.000	100,503.000	108,636.000	108,636,000	109,564,000
Red Springs	35,816.000	30,879.000	31,637.000	31,637,000	33,423,000
Robersonville	21,004.000	20,387.000	20,804.000	20,804,000	22,919,000
Rock Hill, SC	848,129.000	839,050.000	-	-	-
Rocky Mount	689,681.000	661,436.000	699,987.000	699,987,000	709,005,000
Scotland Neck	25,729.000	23,151.000	25,380.000	25,380,000	28,264,000
Selma	63,034.000	60,319.000	66,506.000	66,506,000	66,194,000
Seneca, SC	132,177.000	125,968.000	-	-	-
Sharpsburg	14,288.000	16,170.000	16,910.000	16,910,000	17,327,000
Shelby	184,469.000	179,925.000	190,671.000	190,671,000	204,825,000
Smithfield	162,477.000	154,349.000	168,802.000	168,802,000	173,050,000
Southport	55,451.000	53,959.000	56,550.000	56,550,000	58,241,000
Stantonsburg	21,098.000	19,392.000	19,843.000	19,843,000	19,820,000
Statesville	451,909.000	443,718.000	466,672.000	466,672,000	473,796,000
Tarboro	226,942.000	216,239.000	218,419.000	218,419,000	224,139,000
Union, SC	125,795.000	127,871.000	-	-	-
Wake Forest	156,475.000	148,678.000	157,035.000	157,035,000	161,318,000
Walstonburg	1,794.000	1,656.000	1,854.000	1,854,000	1,677,000
Washington	262,383.000	254,070.000	270,695.000	270,695,000	284,800,000
Waynesville	86,185.000	78,087.000	84,327.000	84,327,000	89,631,000
Westminister, SC	23,502.000	23,012.000	-	-	-
Wilson	1,247,467.000	1,206,759.000	1,243,394.000	1,243,394,000	1,275,421,000
Windsor	47,196.000	45,799.000	47,821.000	47,821,000	50,462,000
Winterville	51,243.000	49,014.000	53,535.000	50,993,000	53,396,000

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

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, 2023

	2023	2022	2021	2020	2019	2018
Management Services	78	87	83	81	80	77
Distribution Operations	47	48	48	48	45	42
Member Services	26	7	8	10	10	10
Safety & Training	6	7	6	6	5	6
Total	<u>157</u>	<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>

***Includes Distribution Operations 2014-2017**

Source: ElectriCities payroll records.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Board of Directors
ElectriCites of North Carolina, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of ElectriCites of North Carolina, Inc. (the Company), which are comprised of the statement of net position as of December 31, 2023 and 2022, the related statements of revenue and expenses and changes in net position, and cash flows for the year ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated July 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PBMares, LLP

Morehead City, North Carolina
July 17, 2024

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 Yes ✓ No

Significant deficiency(ies) identified?

 Yes ✓ No

Noncompliance material to financial statements noted?

 Yes ✓ No

Section II - Financial Statement Findings

There are no reported findings during the year ended December 31, 2023.