REPORT OF

MISSOURI JOINT MUNICIPAL
ELECTRIC UTILITY COMMISSION

DECEMBER 31, 2018 AND 2017
INDEPENDENT AUDITORS’ REPORT

To the Board of Directors of
Missouri Joint Municipal Electric Utility Commission

We have audited the accompanying combined and combining financial statements of the Missouri Joint Municipal Electric Utility Commission (MJMEUC), which comprise the combined and combining statements of net position as of December 31, 2018 and 2017; the related combined and combining statements of revenues, expenses and changes in net position, and cash flows for the years then ended; and the related notes to the financial statements, which collectively comprise MJMEUC’s basic financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.
Opinions

In our opinion, the combined and combining financial statements referred to above present fairly, in all material respects, the combined financial position of the Missouri Joint Municipal Electric Utility Commission and each of its funds as of December 31, 2018 and 2017, and the combined and individual results of the funds’ operations and cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management’s discussion and analysis on pages 3 to 11 and the pension plan schedules on pages 53 and 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MJMEUC’s basic financial statements. The combining non-major fund financial statements and schedule of changes in restricted bond accounts (the supplemental information) on pages 54 to 60 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

May 30, 2019
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Missouri Joint Municipal Electric Utility Commission ("MJMEUC") offers all persons interested in the financial position and results of MJMEUC's operations this discussion and analysis of the financial performance of MJMEUC, which provides an overview of MJMEUC's financial activities for the fiscal years ended December 31, 2018 and 2017. Please read this narrative in conjunction with the accompanying financial statements and notes thereto, which follow this section.

Overview of MJMEUC

MJMEUC was formed with the main purpose of providing dependable, sufficient and economical electric power and energy for the benefit of member municipalities and their residents. There are three full requirements energy pools within MJMEUC. The Missouri Public Energy Pool #1 ("MoPEP") consists of 35 municipal members, the Mid-Missouri Municipal Public Energy Pool ("MMMPEP") consists of 13 municipal members, and the Southwest Missouri Public Energy Pool ("SWMPEP") consists of two municipal members; however, SWMPEP will not start receiving power from MJMEUC until 2020. Each municipal member of the pools has entered into a power purchase contract with MJMEUC for the full power requirements of their respective municipality. MJMEUC provides the electric power and energy requirements of the pool members pursuant to their respective pool agreement. Additionally, MJMEUC has take-or-pay unit power purchase agreements with certain other MJMEUC members whereby the agreement entitles the member to a specific percentage share of capacity and electric output of MJMEUC joint ownership interest in power generating facilities with other entities.

Overview of the Financial Statements

This report consists of three parts; Management's Discussion and Analysis (this section), the Financial Statements, and Supplementary Information. The Financial Statements are comprised of the Government-wide Financial Statements; the Fund Financial Statements; and the Notes to Financial Statements. These statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). MJMEUC applies GAAP that pertains to regulated operations and uses the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

The Government-wide Financial Statements provide a broad overview of MJMEUC's finances. These financial statements include the Combined Statements of Net Position; the Combined Statements of Revenues, Expenses, and Changes in Net Position; and the Combined Statements of Cash Flows.

The Fund Financial Statements are used to aid financial management by segregating transactions related to certain functions or activities and to ensure compliance with contractual and finance-related legal requirements. These financial statements include the Combining Statements of Net Position; the Combining Statements of Revenues, Expenses, and Changes in Net Position; and the Combining Statements of Cash Flows.

The financial statements are prepared using proprietary or enterprise fund accounting. Proprietary funds account for operations that are designed to be self-supporting from fees charged to consumers for the provision of goods and services where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources using accrual accounting.

The supplemental information is separated into two sections; the first section is referred to as Required Supplementary Information and its presentation is required by GAAP. The second section is referred to as Supplementary Information and is not required by GAAP to be presented. The Required Supplementary Information includes two schedules regarding MJMEUC's pension plan and are the Schedule of Changes in Net Pension Liability and the Schedule of Contributions – Last Ten Fiscal Years. The Supplemental Information section includes statements for non-major funds consisting of Combining Statements of Net Position; Combining Statements of Revenues, Expenses, and Changes in Net Position; and Combining...
Statements of Cash Flows. In addition, the Supplemental Information section includes a Schedule of Changes in Restricted Bond Accounts. The Supplemental Information section is presented to provide additional information on the individual funds comprising MJMEUC’s financial statements for the purposes of additional analysis.

The Combined and Combining Statements of Net Position presents MJMEUC’s financial position as of the end of the years presented. Information is displayed on assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in MJMEUC’s net position are one indicator of whether MJMEUC’s financial health is improving or deteriorating. Other factors to consider include MJMEUC’s wholesale electric rates and its ability to maintain or exceed debt coverage levels and other covenants required by its bond indentures.

The Combined and Combining Statements of Revenues, Expenses and Changes in Net Position present information detailing the revenues, expenses, and deferred inflows and outflows that resulted in the change in net position that occurred during the years presented. All revenues, expenses, and deferred inflows and outflows are reported on an accrual basis, following GAAP for regulated operations. This means that the revenues, expenses, or deferred inflows and outflows are recognized as soon as the underlying event giving rise to when the change occurs, regardless of when the actual cash is received or paid. Thus, revenues, expenses, and deferred inflows and outflows are reported in these statements for some items that will not result in cash flows until future periods. Further, GAAP for regulated operations requires a matching of revenues and expenses for when costs are recoverable in MJMEUC’s rates.

The Combined and Combining Statements of Cash Flows presents the cash inflows and outflows of MJMEUC categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end-of-year cash and cash equivalents balances contained in the Statements of Net Position. The effects of accrual accounting are adjusted out and non-cash activities, such as depreciation, are removed to supplement the presentation in the Statements of Revenues, Expenses and Changes in Net Position.

The Notes to Financial Statements follow the above-mentioned financial statements and provide additional information that is essential to have a full understanding of the information provided in the financial statements.

**Financial Highlights**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position (equity)</td>
<td>$71,583,519</td>
<td>$63,366,740</td>
<td>$53,693,510</td>
</tr>
<tr>
<td>Change in Net Position (net income)</td>
<td>$8,216,779</td>
<td>$9,673,230</td>
<td>$9,066,400</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$40,780,329</td>
<td>$17,750,786</td>
<td>$18,627,702</td>
</tr>
<tr>
<td>Coincident Peak Demand</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MoPEP</td>
<td>529 megawatts</td>
<td>531 megawatts</td>
<td>532 megawatts</td>
</tr>
<tr>
<td>MMMPEP</td>
<td>123 megawatts</td>
<td>107 megawatts</td>
<td>107 megawatts</td>
</tr>
<tr>
<td>Electric Sales (in megawatt hours)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MoPEP</td>
<td>2,666,193</td>
<td>2,517,758</td>
<td>2,609,294</td>
</tr>
<tr>
<td>MMMPEP</td>
<td>628,464</td>
<td>544,765</td>
<td>557,859</td>
</tr>
<tr>
<td>Plum Point</td>
<td>1,187,008</td>
<td>802,144</td>
<td>1,015,813</td>
</tr>
<tr>
<td>Iatan 2</td>
<td>378,734</td>
<td>675,718</td>
<td>542,927</td>
</tr>
<tr>
<td>Prairie State</td>
<td>1,427,372</td>
<td>1,335,885</td>
<td>1,312,755</td>
</tr>
<tr>
<td>Revenue Bond Credit Ratings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MoPEP (Moody’s/Fitch)</td>
<td>A2 / A</td>
<td>A2 / A</td>
<td>A2 / A</td>
</tr>
<tr>
<td>Iatan 2 (Moody’s/Fitch)</td>
<td>A2 / A</td>
<td>A2 / A</td>
<td>A2 / A</td>
</tr>
<tr>
<td>Prairie State (Moody’s/Fitch)</td>
<td>A2 / A</td>
<td>A2 / A</td>
<td>A2 / A</td>
</tr>
</tbody>
</table>
Financial Analysis

The following tables present summarized financial position and operating results as of and for the years ended December 31, 2018, 2017 and 2016. Additional details are available in the accompanying financial statements.

Combined Statements of Net Position as of December 31, 2018, 2017 and 2016

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets</td>
<td>$1,206,910,381</td>
<td>$1,210,821,203</td>
<td>$1,235,702,824</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>177,256,958</td>
<td>203,458,491</td>
<td>173,977,944</td>
</tr>
<tr>
<td>Current Assets</td>
<td>159,361,037</td>
<td>123,676,508</td>
<td>128,926,981</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,543,528,376</td>
<td>1,537,956,202</td>
<td>1,538,607,349</td>
</tr>
<tr>
<td><strong>DEFERRED OUTFLOWS OF RESOURCES</strong></td>
<td>35,954,277</td>
<td>38,230,479</td>
<td>39,187,572</td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows of Resources</strong></td>
<td>$1,579,482,653</td>
<td>$1,576,186,681</td>
<td>$1,577,794,921</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt</td>
<td>$1,338,387,183</td>
<td>$1,381,720,679</td>
<td>$1,387,355,420</td>
</tr>
<tr>
<td>Other Long-term Liabilities</td>
<td>530,825</td>
<td>684,950</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>16,738,687</td>
<td>15,430,125</td>
<td>13,335,781</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>625,858</td>
<td>656,460</td>
<td>903,727</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>22,712,823</td>
<td>22,444,934</td>
<td>23,795,630</td>
</tr>
<tr>
<td>Accounts Payable and Accrued Liabilities</td>
<td>19,460,904</td>
<td>19,807,421</td>
<td>22,202,386</td>
</tr>
<tr>
<td>Current Maturities of Long-Term Debt</td>
<td>66,281,000</td>
<td>33,336,000</td>
<td>42,145,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,464,737,280</td>
<td>1,474,080,569</td>
<td>1,489,737,944</td>
</tr>
<tr>
<td><strong>DEFERRED INFLOW OF RESOURCES</strong></td>
<td>43,161,854</td>
<td>38,739,372</td>
<td>34,363,467</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>(61,512,279)</td>
<td>(77,996,354)</td>
<td>(92,394,746)</td>
</tr>
<tr>
<td>Restricted</td>
<td>53,772,915</td>
<td>49,939,311</td>
<td>56,557,149</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>79,322,883</td>
<td>91,423,783</td>
<td>89,531,107</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>71,583,519</td>
<td>63,366,740</td>
<td>53,693,510</td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflow of Resources, and Net Position</strong></td>
<td>$1,579,482,653</td>
<td>$1,576,186,681</td>
<td>$1,577,794,921</td>
</tr>
</tbody>
</table>

Financial Position Analysis – 2018

MJMEUC issued $26,605,000 of MoPEP Facilities Revenue Bonds for the purchase of an additional 8.2% interest, or 50 MW, in the Dogwood Generating Facility, bringing MJMEUC's ownership share to 16.4% or 100 MW, which is all dedicated to MoPEP. On a cost share basis, MoPEP had directed MJMEUC to entitle MMMPEP to 50 MW through 2021 and then reduced to 25 MW until certain MoPEP power purchase agreements expire through 2024. Other significant capital asset purchases were for capital improvements to existing power generation facilities.

Assets and Deferred Outflows of Resources

Capital assets, net of depreciation, decreased $3.9 million (0.3%) in 2018 due to depreciation expense exceeding capital improvement expenditures. Construction work in progress increased 26.3%, from $6.6 million at the end of 2017 to $8.3 million at the end of 2018.
Other noncurrent assets consist of investments, restricted bond accounts, other restricted cash and investments, contractual deposits, and regulatory assets. Other noncurrent assets decreased by $26.2 million (12.9%) due to the proceeds from the Prairie State 2017 crossover advance refunding getting reclassified as a current asset in 2018 due to the refunded bonds being called in January 2019. Current assets increased $35.7 million (28.9%) primarily due to the increase in the current portion of restricted bond accounts for the above refunding payment in 2019.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources in MJMEUC’s financial statements as of December 31, 2018 and 2017 include refunding bond costs, which are amortized into MJMEUC’s expenses over the life of the refunding bonds, and certain costs related to MJMEUC’s defined benefit pension plan. Deferred outflows of resources decreased approximately $2.3 million, primarily due to the amortization of refunding bond costs.

**Liabilities and Deferred Inflows of Resources**

Long-term debt, including the current portion, had a net decrease of $10.4 million (0.7%) as a result of principal payments made on debt during 2018. Accrued interest payable increased approximately $268,000 (1.2%) and consists of interest accrued on MoPEP, Plum Point, Iatan 2 and Prairie State capital projects. This slight increase was the result of additional bonds issued for the addition 50 MW purchased of the Dogwood Generating Facility mostly offset by large principal payments made on other debt issues that lowered interest costs. The current portion of unearned revenue increased by approximately $1.3 million (8.5%), which primarily has to do with the timing of payments and the associated costs of the power generation projects. The net pension liability decreased approximately $31,000 from 2017, see Note 10 to these financial statements for more information. Accounts payable and accrued liabilities remained flat from 2017 to 2018.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. MJMEUC has two financial statement items that qualify for reporting in this category, which are regulatory credits and unamortized deferred gain on refunded debt, which are deferred and amortized over the shorter of the life of the refunded debt or the new debt. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. These amounts are being amortized or otherwise recognized in revenue in accordance with MJMEUC’s rate making policy. Deferred inflows of resources increased $4.4 million from an increase in regulatory credits.

**Net Position**

MJMEUC's total net position increased $8.2 million (13%), which is primarily attributable to amounts collected for rate covenants according to debt agreements and investment return. The approximate $61.5 million deficit portion of net position decreased from 2017 figures by approximately $16.5 million and is primarily attributable to the reduction of debt in 2018. This deficit reflects the investments in capital assets less any outstanding debt net of unspent debt project funds that were issued to acquire those assets. Restricted net position increased $3.8 million from 2017, which consists of funds held by either MJMEUC for operations and maintenance reserves or held by MJMEUC’s bond trustees that are to be used for payment of debt service and as debt service reserves, less the current portion of related liabilities as of the end of the fiscal year that are to be settled with these funds. Unrestricted net position decreased $12.1 million in 2018.

**Financial Position Analysis – 2017**

MJMEUC issued two advance refunding revenue bond issues in December 2017 to take advantage of favorable interest rates and to lower total future debt service requirements. One advance refunding issue was MoPEP Facilities Revenue Refunding Bonds, which partially advance refunded certain other MoPEP Facilities Revenue Bonds relating to the Fredericktown and Dogwood power generation facilities. Total future debt service savings from this advance refunding is approximately $3.7 million with net present value savings of approximately $2.8 million. The refunded bonds were removed from the Statements of Net Position as they were legally defeased and the MoPEP Series 2017 refunding revenue bonds were added to the Statements of Net Position.
MJMEUC's other advance refunding issue in December 2017 was Prairie State Project Revenue Bonds issued to advance refund certain other Prairie State Project Revenue Bonds. Total future debt service savings from this advance refunding is approximately $4.8 million with net present value savings of approximately $3.9 million. This advance refunding is classified as a crossover refunding, and as such, legal defeasance did not occur and the new and old debt are included in the Statements of Net Position as well as the net proceeds of the new debt issue, which are used to make debt service interest payments on the Prairie State Series 2017 Bonds until the crossover date. On the crossover date the advance refunded bonds will be called and retired with the remaining net proceeds of the new debt issue.

Assets and Deferred Outflows of Resources

Capital assets before depreciation increased $13.7 million (1%) as a result of continued capital improvements of the utility plants. Capital assets, net of depreciation, decreased $24.9 million (2%) in 2017 due to depreciation expense exceeding capital improvement expenditures. Construction work in progress decreased slightly from $6.9 million to $6.6 million at the end of 2017 compared to 2016.

Other noncurrent assets consist of investments, restricted bond accounts, other restricted cash and investments, contractual deposits, and regulatory assets. Other noncurrent assets increased by $29.5 million (16.9%) due to the addition of bond escrow funds from the Prairie State advance refunding in 2017. Current assets decreased $5.3 million (4.1%) due to decreases in the current portion of restricted bond accounts, investments, and prepaid expenses, which were partially offset by increases in cash and cash investments, accounts receivable, fuel stock and material inventory.

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The deferred outflows of resources in MJMEUC financial statements as of December 31, 2017 and 2016 include refunding bond costs, which are amortized into MJMEUC’s expenses over the life of the refunding bonds, and certain costs related to MJMEUC’s defined benefit pension plan. Deferred outflows of resources decreased approximately $957,000, primarily due to the amortization of refunding bond costs.

Liabilities and Deferred Inflows of Resources

Long-term debt, including the current portion, had a net decrease of $14.4 million (1%) as a result of principal payments made on debt. Accrued interest payable decreased approximately $1.4 million (5.7%) and consists of interest accrued on MoPEP, Plum Point, Iatan 2 and Prairie State capital projects. This reduction was the result of bond refunding issues that lowered interest rates and large principal payments made that lowered interest costs. The current portion of unearned revenue increased by approximately $2.1 million (15.7%), which primarily has to do with the timing of payments and the associated costs of the power generation projects. The net pension liability decreased approximately $250,000 from 2016, see Note 10 to these financial statements for more information. Accounts payable and accrued liabilities decreased approximately $2.4 million from the 2016 amounts.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until then. MJMEUC has two financial statement items that qualify for reporting in this category, which are regulatory credits and unamortized deferred gain on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. These amounts are being amortized or otherwise recognized in revenue in accordance with MJMEUC’s rate making policy. Deferred inflows of resources increased $4.4 million from an increase in regulatory credits.
**Net Position**

MJMEUC’s total net position increased $9.7 million (18%), which is primarily attributable to amounts collected for rate covenants according to debt agreements and investment return. The approximate $78 million deficit portion of net position decreased from 2016 figures by approximately $14.4 million and is primarily attributable to the reduction in debt in 2017. This deficit reflects the investments in capital assets less any outstanding debt net of unspent debt project funds that were issued to acquire those assets. Restricted net position decreased $6.6 million from 2016, which consists of funds held by either MJMEUC for operations and maintenance reserves or held by MJMEUC’s bond trustees that are to be used for payment of debt service and as debt service reserves, less the current portion of related liabilities as of the end of the fiscal year that are to be settled with these funds. Unrestricted net position increased $1.9 million in 2017.

**Combined Statements of Revenues, Expenses, and Changes in Net Position for 2018, 2017 and 2016**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Sales and Related Charges</td>
<td>$322,402,080</td>
<td>$321,837,345</td>
<td>$322,401,937</td>
</tr>
<tr>
<td>Transmission</td>
<td>17,798,571</td>
<td>17,124,886</td>
<td>16,960,869</td>
</tr>
<tr>
<td>Transfers from MAMU and MGCM</td>
<td>119,224</td>
<td>112,511</td>
<td>105,448</td>
</tr>
<tr>
<td>Other</td>
<td>1,159,737</td>
<td>1,077,362</td>
<td>968,563</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>$341,479,612</td>
<td>$340,152,104</td>
<td>$340,436,817</td>
</tr>
<tr>
<td>Operating Expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Purchases and Generation</td>
<td>193,511,040</td>
<td>188,791,583</td>
<td>189,602,940</td>
</tr>
<tr>
<td>Member Capacity and Generation Credits</td>
<td>10,342,815</td>
<td>9,838,349</td>
<td>10,209,217</td>
</tr>
<tr>
<td>Transmission</td>
<td>17,777,401</td>
<td>17,104,145</td>
<td>16,939,815</td>
</tr>
<tr>
<td>Depreciation</td>
<td>41,131,454</td>
<td>38,814,587</td>
<td>36,457,575</td>
</tr>
<tr>
<td>Net Costs Recoverable in Future Years</td>
<td>5,217,043</td>
<td>8,629,588</td>
<td>13,598,722</td>
</tr>
<tr>
<td>Other Pool and Project Expenses</td>
<td>5,092,718</td>
<td>4,519,781</td>
<td>4,343,165</td>
</tr>
<tr>
<td>Administrative, General, and Training</td>
<td>3,605,945</td>
<td>3,474,522</td>
<td>3,162,934</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$276,678,416</td>
<td>$271,172,555</td>
<td>$274,314,368</td>
</tr>
<tr>
<td>Operating Income</td>
<td>64,801,196</td>
<td>68,979,549</td>
<td>66,122,449</td>
</tr>
<tr>
<td>Nonoperating Income Net of Expenses</td>
<td>(56,584,417)</td>
<td>(59,306,319)</td>
<td>(57,056,049)</td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>8,216,779</td>
<td>9,673,230</td>
<td>9,066,400</td>
</tr>
<tr>
<td>Net Position, Beginning of Year</td>
<td>63,366,740</td>
<td>53,693,510</td>
<td>44,627,110</td>
</tr>
<tr>
<td>Net Position, End of Year</td>
<td>$71,583,519</td>
<td>$63,366,740</td>
<td>$53,693,510</td>
</tr>
</tbody>
</table>

**Operating Results Analysis - 2018**

MJMEUC power sales are primarily collections from members engaged in the agency’s full-requirements power pools services (MoPEP and MMMPPEP) and from members participating in the Plum Point, Iatan Unit 2, and Prairie State power generation projects. Overall, power sales and related charges increased approximately $565,000 (0.2%). For the 2018 and 2017 fiscal years, combined power sales and related charges to MJMEUC members were $322.4 million and $321.8 million, respectively, on a consolidated basis and $386.5 million and $382.2 million on a nonconsolidated basis, refer to pages 18 and 19 for the Combining Statements of Revenues, Expenses and Changes in Net Position. Unit sales for 2018 and 2017 were 5,355,300 megawatt hours (MWh) and 4,949,200 MWh, respectively, on a consolidated basis and 6,287,800 MWh and 5,876,300 MWh on a nonconsolidated basis. See the table on page 4 for details by fund.
MJMEUC bills member municipalities monthly for power and energy based on the cost of MJMEUC’s power and energy purchases and generation plus a mark-up for associated MJMEUC overhead and to build MJMEUC’s reserves. The cost structure of MJMEUC’s power supply has shifted more from energy to capacity with the ownership base-load from Plum Point, Iatan Unit 2, and Prairie State operations. Particularly, MoPEP’s reliance on power supply contracts has reduced over the years and replaced with output from the aforementioned projects and the Dogwood facility. MMMPEP receives all of its power supply through power purchase agreements and does not have any city owned or generating capacity for itself. MJMEUC’s combined power purchases and generation costs increased $4.7 million in 2018 while member capacity and generation credits increased approximately $504,000.

Net costs recoverable in future years expense of $5.2 million represents a net of certain MJMEUC funds collected from MJMEUC members related to project expenses incurred that will be recovered in future years and debt service payments collected from members in excess of current interest and depreciation expense. This is the result of applying MJMEUC’s rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) increased by approximately $2.7 million and is comprised of returns on investments (increased $1.5 million), bond interest subsidies received (decreased $79,000), interest expense (decreased $174,000), loss on disposal of capital assets (decreased $653,000), and return of net position to members from MoPEP (decreased $466,000).

Operating Results Analysis - 2017

MJMEUC power sales are primarily collections from members engaged in the agency’s full-requirements power pools services (MoPEP and MMMPEP) and from members participating in the Plum Point, Iatan Unit 2, and Prairie State power generation projects. Overall, power sales and related charges decreased approximately $565,000 (0.2%). For the 2017 and 2016 fiscal years, combined power sales and related charges to MJMEUC members were $321.8 million and $322.4 million, respectively, on a consolidated basis and $382.2 million and $382.1 million on a nonconsolidated basis, refer to pages 18 and 19 for the Combining Statements of Revenues, Expenses and Changes in Net Position. Unit sales for 2017 and 2016 were 4,949,208 megawatt hours (MWh) and 5,132,994 MWh, respectively, on a consolidated basis and 5,876,270 MWh and 6,038,648 MWh on a nonconsolidated basis.

MJMEUC bills member municipalities monthly for power and energy based on the cost of MJMEUC’s power and energy purchases and generation plus a mark-up for associated MJMEUC overhead and to build MJMEUC’s reserves. The cost structure of MJMEUC’s power supply has shifted more from energy to capacity with the base-load from Plum Point, Iatan Unit 2, and Prairie State operations. Particularly, MoPEP’s reliance on power supply contracts has reduced over the years and replaced with output from the aforementioned projects and the Dogwood facility. MMMPEP receives all of its power supply through power purchase agreements and does not have any city owned or generating capacity for itself. MJMEUC’s combined power purchases and generation reflect power purchases increasing $279,000 in 2017 while MJMEUC’s power generation costs related to power sales decreased $1.1 million in 2017. Member capacity and generation credits decreased approximately $371,000.

Net costs recoverable in future years expense of $8.6 million represents a net of certain MoPEP funds collected from MoPEP members related to refunds received from positive dispute settlements and RTO refunds. Additionally, it includes project expenses incurred that will be recovered in future years and debt service payments collected from members in excess of current interest and depreciation expense. This is the result of applying MJMEUC’s rate making policy to revenue and expense transactions.

Nonoperating income (net of expenses) decreased by approximately $2.3 million and is comprised of returns on investments, which decreased approximately $100,000, bond interest subsidies received, interest expense, which decreased $1.5 million, an approximate $3.6 million loss on disposal of capital assets in 2018, and an approximate $1.0 million return of net position to members from MoPEP.
Financial Outlook for 2019 and Beyond

MJMEUC foresees its continued development of increasingly diverse services and power supply relationships with municipal utilities and energy industry organizations. Transitions in the utility environment, technologies, and customer expectations provide certain advantages to the municipal community utility model, and also amplify the value of inter-utility collaboration to achieve economic scale and specialized expertise. MJMEUC and its MPUA family are positioned to host and implement that collaboration through staff services, collective outsourcing, and coordinating member capabilities that can be shared.

For the benefit of its members, MJMEUC has entered into an agreement with Clean Line Energy Partners for up to 200 MW of transmission on the Grain Belt Express transmission line extending from Kansas to near Indiana. MJMEUC has also entered into an agreement with Iron Star Wind Project, LLC for up to 136 MW from a wind generation facility in Kansas to match with the beforementioned transmission contract. Both contracts contain contingencies on final completion of the Grain Belt Express transmission line. Final approval was received for the project from the Missouri Public Service Commission (“MOPSC”) on March 20, 2019. The case previously went in front of the Missouri Supreme Court, which remanded it back to the MOPSC for the MOPSC to make a final determination on the project. Construction for both projects are expected to be completed in the 2023-24 timeframe after receiving all required approvals.

MoPEP

MJMEUC continues to increase its renewable resources of power supply with eleven solar farm projects now serving MoPEP. Two 3.2 MW solar farm projects in the cities of Farmington and Eldorado Springs, Missouri entered commercial operations in 2018. Three 3.2 MW solar farm projects in Chillicothe, Lebanon, and Higginsville, Missouri were placed into commercial operation in 2017. In 2016, three 3.2 MW solar farm project went into operation, in Rolla, Waynesville, and Marshall, Missouri. In 2015, two 3.2 MW solar farm projects went into commercial operation, one in Macon and one in Trenton, Missouri. The initial solar farm project went into commercial operation in Butler, Missouri in 2014. MoPEP intends to add additional renewable energy from the Star Wind Project through the Grain Belt Express transmission line discussed above.

Megawatt hour costs for MoPEP are expected to remain relatively stable in the foreseeable future, assuming no significant modifications are made to federal and state environmental regulations affecting MJMEUC’s power generation units. MoPEP believes the MJMEUC-owned generation will provide long-term price and performance stability to MoPEP’s overall cost of power supply and will continue with its strategic policy to achieve economical and reliable power supply to its members with a well-positioned power supply portfolio of coal-fired, gas-fired, and renewable resources.

MMMPEP

The MMMPEP municipal members successfully transitioned in June 2018 from its initial five-year contract term to a new ten-year term expiring in May 2028. The length of commitment supports MJMEUC and MMMPEP to maintain their view that current market conditions favor shorter to mid-term supply arrangements for the pool’s contractual portfolio. MJMEUC’s 2018 acquisition of an additional 50 MW Dogwood ownership interest furnished a mutually beneficial power purchase agreement between MoPEP and MMMPEP establishing cost certainty to both pools going forward. Matching traditional power purchase contracts to the full-requirement supply needs to the thirteen-member MJMEUC power pool has proven successful in providing low cost wholesale power and is expected to continue in upcoming years.
SWMPEP

Two cities in southern Missouri currently served by The Empire District Electric Company joined MJMEUC in 2017 and formed an energy pool named the Southwest Missouri Public Energy Pool ("SWMPEP"). The municipal members of SWMPEP have entered into power purchase contracts with MJMEUC for the full power requirements of their respective municipality. The power purchase contracts call for SWMPEP to start receiving power from MJMEUC on June 1, 2020 and the power purchase contracts expire on May 31, 2030. To date, power supply and transmission contracts are in place to supply SWMPEP from June 2020 to May 2025. There are currently two members of SWMPEP with the possibility for additional members to join the pool at a later date. Until 2020, when SWMPEP begins to receive power from MJMEUC, the financial transactions relating to SWMPEP are minimal and are accounted for within the General Fund.

Requests for Information

This financial report is designed to provide the reader a general overview and analysis of the financial activities of MJMEUC and is available at www.mpua.org. Questions or requests for more information concerning any of the information provided in this report should be directed to Duncan Kincheloe, CEO, President, and General Manager, Missouri Joint Municipal Electric Utility Commission, 1808 I-70 Drive, Columbia, Missouri 65203, (573-445-3279).
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION  
COMBINED STATEMENTS OF NET POSITION  
December 31, 2018 and 2017

<table>
<thead>
<tr>
<th>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPITAL ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant, Buildings, and Equipment in Service</td>
<td>$1,198,579,328</td>
<td>$1,204,224,596</td>
</tr>
<tr>
<td>Construction Work in Progress</td>
<td>8,331,053</td>
<td>6,596,607</td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>1,206,910,381</td>
<td>1,210,821,203</td>
</tr>
<tr>
<td><strong>RESTRICTED ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Accounts Cash and Investments</td>
<td>103,358,479</td>
<td>130,821,345</td>
</tr>
<tr>
<td>Other Cash, Cash Equivalents and Investments</td>
<td>17,316,665</td>
<td>17,084,995</td>
</tr>
<tr>
<td>Total Restricted Assets</td>
<td>120,675,144</td>
<td>147,906,340</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>20,910,503</td>
<td>19,844,051</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>435,663</td>
<td>474,991</td>
</tr>
<tr>
<td>Contractual Deposits</td>
<td>8,601,237</td>
<td>8,272,401</td>
</tr>
<tr>
<td>Regulatory Assets</td>
<td>26,634,411</td>
<td>26,960,708</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>56,581,814</td>
<td>55,552,151</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>44,290,967</td>
<td>41,168,155</td>
</tr>
<tr>
<td>Investments</td>
<td>4,315,022</td>
<td>5,580,988</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>16,406,570</td>
<td>16,307,802</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>3,980,382</td>
<td>3,582,327</td>
</tr>
<tr>
<td>Fuel Stock and Material Inventory</td>
<td>11,732,787</td>
<td>10,764,973</td>
</tr>
<tr>
<td>Restricted Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond Accounts, Current Portion</td>
<td>78,635,309</td>
<td>46,272,263</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>159,361,037</td>
<td>123,676,508</td>
</tr>
<tr>
<td>Total Assets</td>
<td>1,543,528,376</td>
<td>1,537,956,202</td>
</tr>
</tbody>
</table>

DEFERRED OUTFLOWS OF RESOURCES

Total Assets and Deferred Outflows of Resources  

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,579,482,653</td>
<td>$1,576,186,681</td>
</tr>
</tbody>
</table>

Continued on next page

See accompanying notes to financial statements.

12
## MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
### COMBINED STATEMENTS OF NET POSITION
#### December 31, 2018 and 2017

### LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NONCURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt, Net of Current Maturities</td>
<td>$1,338,387,183</td>
<td>$1,381,720,679</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>625,858</td>
<td>656,460</td>
</tr>
<tr>
<td>Other Long-Term Liabilities</td>
<td>530,825</td>
<td>684,950</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>10,919,801</td>
<td>10,730,721</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td><strong>1,350,463,667</strong></td>
<td><strong>1,393,792,810</strong></td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>18,860,416</td>
<td>19,477,773</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll Taxes</td>
<td>600,488</td>
<td>329,648</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>5,818,886</td>
<td>4,699,404</td>
</tr>
<tr>
<td>Current Maturities, Long-Term Debt</td>
<td>66,281,000</td>
<td>33,336,000</td>
</tr>
<tr>
<td>Payable From Restricted Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest Payable on Debt</td>
<td>22,712,823</td>
<td>22,444,934</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>114,273,613</strong></td>
<td><strong>80,287,759</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,464,737,280</strong></td>
<td><strong>1,474,080,569</strong></td>
</tr>
<tr>
<td><strong>DEFERRED INFLOWS OF RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>(61,512,279)</td>
<td>(77,996,354)</td>
</tr>
<tr>
<td>Restricted</td>
<td>53,772,915</td>
<td>49,939,311</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>79,322,883</td>
<td>91,423,783</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td><strong>71,583,519</strong></td>
<td><strong>63,366,740</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows of Resources and Net Position</strong></td>
<td><strong>$1,579,482,653</strong></td>
<td><strong>$1,576,186,681</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years Ended December 31, 2018 and 2017

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Sales and Related Charges</td>
<td>$322,402,080</td>
<td>$321,837,345</td>
</tr>
<tr>
<td>Transmission</td>
<td>17,798,571</td>
<td>17,124,886</td>
</tr>
<tr>
<td>Energy Services</td>
<td>144,256</td>
<td>195,564</td>
</tr>
<tr>
<td>Transfers From MAMU and MGCM</td>
<td>119,224</td>
<td>112,511</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>563,006</td>
<td>572,427</td>
</tr>
<tr>
<td>Other</td>
<td>452,475</td>
<td>309,371</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$341,479,612</td>
<td>$340,152,104</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES** |            |            |
| Pool and Project Expenses |          |            |
| Power Purchases         | 101,594,339 | 107,481,986 |
| Member Capacity and Generation Credits | 10,342,815 | 9,838,349 |
| Power Generation        | 91,916,701 | 81,309,597 |
| Transmission            | 17,777,401 | 17,104,145 |
| Personnel Services and Staff Support | 2,748,924 | 2,445,842 |
| Professional Services  | 1,179,155  | 881,804    |
| Rental and Maintenance  | 256,789    | 249,410    |
| SCADA Communications    | 328,069    | 375,743    |
| Energy Services         | 12,867     | 12,863     |
| Depreciation            | 41,131,454 | 38,814,587 |
| Net Costs Recoverable in Future Years | 5,217,043 | 8,629,588 |
| Other Operating Expenses | 566,914 | 554,119    |
| Conferences and Member Training | 275,709 | 284,576 |
| Administrative and General | 3,330,236 | 3,189,946  |
| **Total Operating Expenses** | $276,678,416 | $271,172,555 |
| Operating Income        | 64,801,196 | 68,979,549 |

| **NONOPERATING REVENUES (EXPENSES)** |            |            |
| Investment Return          | 3,895,480  | 2,387,953  |
| Bond Interest Subsidy      | 6,938,516  | 7,017,026  |
| Return of Equity to Members| (492,815)  | (958,845)  |
| Gain (Loss) on Disposal of Capital Assets | (2,990,591) | (3,643,774) |
| Interest and Fees Expense  | (63,935,007) | (64,108,679) |
| **Net Nonoperating Expenses** | (56,584,417) | (59,306,319) |

| Increase in Net Position   | 8,216,779  | 9,673,230  |
| Net Position, Beginning of Period | 63,366,740 | 53,693,510 |
| Net Position, End of Period | $71,583,519 | $63,366,740 |

See accompanying notes to financial statements.
## OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Power and Transmission Sales</td>
<td>$343,190,808</td>
<td>$342,458,597</td>
</tr>
<tr>
<td>Receipts from Other Revenue Sources</td>
<td>743,600</td>
<td>1,647,510</td>
</tr>
<tr>
<td>Payments for Power Purchases and Other Goods and Services</td>
<td>(229,094,859)</td>
<td>(223,403,406)</td>
</tr>
<tr>
<td>Payments to Employees for Services and Benefits</td>
<td>(4,217,349)</td>
<td>(3,738,046)</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td><strong>110,622,200</strong></td>
<td><strong>116,964,655</strong></td>
</tr>
</tbody>
</table>

## CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from Long-Term Debt</td>
<td>29,918,892</td>
<td>72,386,488</td>
</tr>
<tr>
<td>Bond Interest Subsidy Received</td>
<td>6,938,516</td>
<td>7,017,026</td>
</tr>
<tr>
<td>Proceeds from Disposal of Capital Assets</td>
<td>142,500</td>
<td>87,400</td>
</tr>
<tr>
<td>Payment of Bond Issuance Costs</td>
<td>(386,128)</td>
<td>(1,848,840)</td>
</tr>
<tr>
<td>Payment of Bond Advance Refunding Costs</td>
<td>-</td>
<td>(1,471,041)</td>
</tr>
<tr>
<td>Principal Payments on Long-Term Debt</td>
<td>(33,336,000)</td>
<td>(79,130,000)</td>
</tr>
<tr>
<td>Payments of Interest and Fees on Debt</td>
<td>(68,467,168)</td>
<td>(69,621,777)</td>
</tr>
<tr>
<td>Return of Net Position to Members</td>
<td>(492,815)</td>
<td>(958,845)</td>
</tr>
<tr>
<td>Acquisition and Construction of Capital Assets</td>
<td>(40,780,329)</td>
<td>(17,750,786)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Capital and Related Financing Activities</strong></td>
<td><strong>(106,462,532)</strong></td>
<td><strong>(91,290,375)</strong></td>
</tr>
</tbody>
</table>

## INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of Restricted Cash and Investments</td>
<td>(213,927,976)</td>
<td>(189,568,318)</td>
</tr>
<tr>
<td>Proceeds from Sales and Maturities of Restricted Cash and Investments</td>
<td>207,263,518</td>
<td>165,553,021</td>
</tr>
<tr>
<td>Investment Income Received</td>
<td>5,627,602</td>
<td>4,026,720</td>
</tr>
<tr>
<td><strong>Net Cash Used by Investing Activities</strong></td>
<td><strong>(1,036,856)</strong></td>
<td><strong>(19,988,577)</strong></td>
</tr>
<tr>
<td><strong>Net Increase in Cash and Cash Equivalents</strong></td>
<td>3,122,812</td>
<td>5,685,703</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents at Beginning of Year</td>
<td>41,168,155</td>
<td>35,482,452</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at End of Year</td>
<td>$44,290,967</td>
<td>$41,168,155</td>
</tr>
</tbody>
</table>

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>$64,801,196</td>
<td>$68,979,549</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>41,403,935</td>
<td>39,086,183</td>
</tr>
<tr>
<td>Adjustments for (Increases) Decreases in Assets and Deferred Outflows of Resources and Increases (Decreases) in Liabilities and Deferred Inflows of Resources:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(98,768)</td>
<td>(525,181)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(358,727)</td>
<td>723,646</td>
</tr>
<tr>
<td>Fuel Stock and Material Inventory</td>
<td>(967,814)</td>
<td>(230,028)</td>
</tr>
<tr>
<td>Contractual Deposits</td>
<td>(328,836)</td>
<td>210,900</td>
</tr>
<tr>
<td>Regulatory Assets</td>
<td>712,425</td>
<td>5,501,262</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>(617,357)</td>
<td>(2,451,680)</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll Taxes</td>
<td>270,840</td>
<td>56,715</td>
</tr>
<tr>
<td>Deposits Held</td>
<td>-</td>
<td>500,000</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>1,308,562</td>
<td>2,094,344</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>(30,602)</td>
<td>(247,267)</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td>53,728</td>
<td>407,449</td>
</tr>
<tr>
<td>Deferred Inflows of Resources</td>
<td>4,473,618</td>
<td>2,858,763</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td><strong>110,622,200</strong></td>
<td><strong>116,964,655</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
## Missouri Joint Municipal Electric Utility Commission

**COMBINING STATEMENT OF NET POSITION**

**December 31, 2018**

### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

#### CAPITAL ASSETS

- **Full Requirements Pools**: Plant, Buildings, and Equipment in Service
  - MoPEP I: $74,585,604
  - Plum Point Iatan 2: $956,276
- **Generation Funds**: Construction Work in Progress
  - Prairie State: $1,373,748

#### RESTRICTED ASSETS

- Bond Accounts, Cash, and Investments
  - MoPEP I: $5,951,514
- Other Cash, Cash Equivalents, and Investments
  - Plum Point Iatan 2: $7,264

#### OTHER ASSETS

- Investments
  - MoPEP I: $19,056,445
- Prepaid Expenses
  - Plum Point Iatan 2: $435,663
- Contractual Deposits
  - MoPEP I: $1,934,685
- Regulatory Assets
  - MoPEP I: $1,233,651

#### CURRENT ASSETS

- Cash and Cash Equivalents
  - MoPEP I: $22,553,311
- Accounts Receivable, Net
  - MoPEP I: $12,859,309
- Due from Other Funds
  - MoPEP I: $4,910,981
- Prepaid Expenses
  - MoPEP I: $389,526
- Fuel Stock and Material Inventory
  - MoPEP I: $2,433,086

#### LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

#### CURRENT LIABILITIES

- Accounts Payable
  - MoPEP I: $8,846,635
- Due to Other Funds
  - MoPEP I: $1,771,131
- Unearned Revenue
  - MoPEP I: $3,081,000

#### DEFERRED INFLOWS OF RESOURCES

- Accrued Interest Payable on Debt
  - MoPEP I: $325

#### DEFERRED INFLOWS OF RESOURCES OF RESOURCES

- Accrued Interest Payable on Debt
  - MoPEP I: $725,222

#### LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

### LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION

#### NONCURRENT LIABILITIES

- Long-Term Debt, Net of Current Maturities
  - MoPEP I: $73,489,222
- Other Noncurrent Liabilities
  - MoPEP I: $5,928,146
- Net Pension Liability
  - MoPEP I: $41,566,642
- Payable From Restricted Assets
  - MoPEP I: $5,098,446

#### CURRENT LIABILITIES

- Accounts Payable
  - MoPEP I: $8,846,635
- Due to Other Funds
  - MoPEP I: $1,771,131
- Unearned Revenue
  - MoPEP I: $3,081,000

#### LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION

### LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND NET POSITION

#### NONCURRENT LIABILITIES

- Long-Term Debt, Net of Current Maturities
  - MoPEP I: $73,489,222
- Other Long-Term Liabilities
  - MoPEP I: $5,928,146
- Net Pension Liability
  - MoPEP I: $41,566,642

#### CURRENT LIABILITIES

- Accounts Payable
  - MoPEP I: $8,846,635
- Due to Other Funds
  - MoPEP I: $1,771,131
- Unearned Revenue
  - MoPEP I: $3,081,000

#### NET POSITION

- Net Position
  - MoPEP I: $7,684,706
- Restricted
  - MoPEP I: $1,988,435
- Unrestricted
  - MoPEP I: $41,566,642

#### NET POSITION

- Total Net Position
  - MoPEP I: $51,239,873

#### NET POSITION

- Total Liabilities, Deferred Inflows of Resources, and Net Position
  - MoPEP I: $151,047,907

### Balances

<table>
<thead>
<tr>
<th>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</th>
<th>MoPEP I</th>
<th>Plum Point Iatan 2</th>
<th>Total</th>
<th>Eliminations</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</strong></td>
<td>$74,585,604</td>
<td>$234,214,772</td>
<td>$223,759,131</td>
<td>$664,681,347</td>
<td>$1,338,474</td>
</tr>
<tr>
<td><strong>Generation Funds</strong></td>
<td>$956,276</td>
<td>$617,135</td>
<td>$5,010,853</td>
<td>$836,789</td>
<td>$8,321,053</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Net</strong></td>
<td>$75,541,880</td>
<td>$234,831,307</td>
<td>$229,679,984</td>
<td>$665,518,336</td>
<td>$1,338,474</td>
</tr>
<tr>
<td><strong>RESTRICTED ASSETS</strong></td>
<td>$951,514</td>
<td>$25,271,821</td>
<td>$19,551,689</td>
<td>$52,583,455</td>
<td>$103,258,479</td>
</tr>
<tr>
<td><strong>Other Cash, Cash Equivalents, and Investments</strong></td>
<td>$1,354,885</td>
<td>$7,664,741</td>
<td>$4,684,111</td>
<td>$7,567,833</td>
<td>$17,316,665</td>
</tr>
<tr>
<td><strong>Total Restricted Assets</strong></td>
<td>$5,951,514</td>
<td>$23,336,502</td>
<td>$24,235,800</td>
<td>$27,952,268</td>
<td>$120,675,144</td>
</tr>
<tr>
<td><strong>OTHER ASSETS</strong></td>
<td>$22,553,311</td>
<td>$6,828,583</td>
<td>$24,389,815</td>
<td>$65,540,934</td>
<td>$136,086,167</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>$22,553,311</td>
<td>$6,828,583</td>
<td>$24,389,815</td>
<td>$65,540,934</td>
<td>$136,086,167</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$150,184,181</td>
<td>$6,476,699</td>
<td>$311,626,058</td>
<td>$276,003,356</td>
<td>$800,449,028</td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td>$76,427,368</td>
<td>$286,055,319</td>
<td>$317,482,687</td>
<td>$733,721,967</td>
<td>$1,214,858</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>$79,427,368</td>
<td>$286,055,319</td>
<td>$317,482,687</td>
<td>$733,721,967</td>
<td>$1,214,858</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>$91,888,991</td>
<td>$6,079,122</td>
<td>$308,657,855</td>
<td>$260,592,438</td>
<td>$799,065,928</td>
</tr>
<tr>
<td><strong>Deferral Inflows of Resources</strong></td>
<td>$1,463,726</td>
<td>$13,184,867</td>
<td>$15,348,693</td>
<td>$76,001,349</td>
<td>$35,954,277</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td>$51,047,907</td>
<td>$24,389,815</td>
<td>$75,437,722</td>
<td>$108,434,035</td>
<td>$4,920,477</td>
</tr>
</tbody>
</table>

**See accompanying notes to financial statements.**

16
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION  
COMBINING STATEMENT OF NET POSITION  
December 31, 2017

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>MoPEP Pool Fund</th>
<th>MMMPEP Pool Fund</th>
<th>Plum Point Project Fund</th>
<th>Iatan 2 Project Fund</th>
<th>Prairie State Project Fund</th>
<th>Non-Major Funds</th>
<th>Total</th>
<th>Eliminations</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50,672,368</td>
<td>$ 242,940,108</td>
<td>$ 23,848,824</td>
<td>680,644,919</td>
<td>$ 1,479,377</td>
<td>$ 1,204,224,596</td>
<td></td>
<td>$ 1,204,224,596</td>
<td></td>
</tr>
<tr>
<td>Plant, Buildings, and Equipment in Service</td>
<td>62,459</td>
<td>713,144</td>
<td>3,262,271</td>
<td>2,558,223</td>
<td>6,596,607</td>
<td>6,596,607</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction Work in Progress</td>
<td>50,734,837</td>
<td>243,653,252</td>
<td>233,750,595</td>
<td>682,205,142</td>
<td>$ 1,479,377</td>
<td>$ 1,210,821,203</td>
<td></td>
<td>$ 1,210,821,203</td>
<td></td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>3,979,204</td>
<td>34,705,626</td>
<td>19,293,599</td>
<td>82,842,916</td>
<td>130,821,345</td>
<td>130,821,345</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES |
| CAPITAL ASSETS |
| Plant, Buildings, and Equipment in Service | $ 50,672,368 |
| Construction Work in Progress | 62,459 |
| Total Capital Assets, Net | 50,734,837 |

| RESTRUCTURED ASSETS |
| Bond Accounts Cash and Investments | 3,979,204 |
| Other Cash and Cash Equivalents | 62,459 |
| Total Restricted Assets | 3,979,204 |

| OTHER ASSETS |
| Investments | 18,092,899 |
| Prepaid Expenses | 52,934,896 |
| Total Other Assets | 20,582,018 |

| CURRENT ASSETS |
| Cash and Cash Equivalents | 21,206,226 |
| Investments | 4,834,896 |
| Total Current Assets | 26,041,122 |

| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION |
| NONCURRENT LIABILITIES |
| Long-Term Debt, Net of Current Maturities | $ 47,001,405 |
| Other Non-current Liabilities | 18,092,899 |
| Total Non-current Liabilities | 65,094,294 |
| Unearned Revenue | 5,928,146 |
| Total Non-current Liabilities | 61,022,440 |

| CURRENT LIABILITIES |
| Accounts Payable | 8,971,266 |
| Accrued Payroll and Payroll Taxes | 153,655 |
| Due from Other Funds | 13,733 |
| Total Current Liabilities | 10,243,654 |
| Payable From Restricted Assets: |
| Accrued Interest Payable on Debt | 148,165 |
| Total Current Liabilities | 10,391,819 |

| DEFERRED OUTFLOWS OF RESOURCES |
| Total Liabilities, Net Position | $ 120,049,440 |

See accompanying notes to financial statements.
### OPERATING REVENUES

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MoPEP 1</strong> Pool Fund</td>
<td><strong>MAMPEP</strong> Pool Fund</td>
</tr>
<tr>
<td>Power Sales and Related Charges</td>
<td>$174,856,005</td>
</tr>
<tr>
<td>Transmission</td>
<td>10,638,233</td>
</tr>
<tr>
<td>Energy Services</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from MAMU and MGCM</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>387</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$185,494,915</td>
</tr>
</tbody>
</table>

### OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MoPEP 1</strong> Pool Fund</td>
<td><strong>MAMPEP</strong> Pool Fund</td>
</tr>
<tr>
<td>Power Purchases</td>
<td>138,309,954</td>
</tr>
<tr>
<td>Member Capacity and Generation Credits</td>
<td>10,342,815</td>
</tr>
<tr>
<td>Power Generation</td>
<td>12,379,637</td>
</tr>
<tr>
<td>Transmission</td>
<td>10,638,233</td>
</tr>
<tr>
<td>Personnel Services and Staff Support</td>
<td>1,082,810</td>
</tr>
<tr>
<td>Professional Services</td>
<td>399,243</td>
</tr>
<tr>
<td>Rental and Maintenance</td>
<td>158,550</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
</tr>
<tr>
<td>Utilities - SCADA Communications</td>
<td>286,007</td>
</tr>
<tr>
<td>Energy Services</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,534,823</td>
</tr>
<tr>
<td>Net Costs Recoverable in Future Years</td>
<td>(498,927)</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>269,556</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$176,902,991</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>8,591,924</td>
</tr>
</tbody>
</table>

### NONOPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MoPEP 1</strong> Pool Fund</td>
<td><strong>MAMPEP</strong> Pool Fund</td>
</tr>
<tr>
<td>Investment Return</td>
<td>398,680</td>
</tr>
<tr>
<td>Bond Interest Subsidy</td>
<td>-</td>
</tr>
<tr>
<td>Return of Equity to Members</td>
<td>(492,815)</td>
</tr>
<tr>
<td>Loss on Disposal of Capital Assets</td>
<td>(14,729)</td>
</tr>
<tr>
<td>Interest and Fees Expense</td>
<td>(2,594,266)</td>
</tr>
<tr>
<td>Net Nonoperating Revenues (Expenses)</td>
<td>(2,703,130)</td>
</tr>
</tbody>
</table>

### OTHER FINANCING SOURCES (USES)

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MoPEP 1</strong> Pool Fund</td>
<td><strong>MAMPEP</strong> Pool Fund</td>
</tr>
<tr>
<td>Interfund Operating Transfers</td>
<td>(954,264)</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>4,934,530</td>
</tr>
<tr>
<td>Net Position, Beginning of Period</td>
<td>42,305,343</td>
</tr>
<tr>
<td>Net Position, End of Period</td>
<td>$51,239,873</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements. 18
## Missouri Joint Municipal Electric Utility Commission
### COMBining Statement of Revenues, Expenses, and Changes in Net Position
#### Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>Operating Revenues</th>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MoPEP 1</td>
<td>MM/MoPEP</td>
</tr>
<tr>
<td>Power Sales and Related Charges</td>
<td>$170,738,373</td>
<td>$27,000,861</td>
</tr>
<tr>
<td>Transmission</td>
<td>10,511,138</td>
<td>5,630,041</td>
</tr>
<tr>
<td>Energy Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from MAMU and MGCM</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>580</td>
<td>3,000</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>181,250,091</td>
<td>32,633,902</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Purchases</td>
<td>141,670,313</td>
<td>26,146,693</td>
</tr>
<tr>
<td>Member Capacity and Generation Credits</td>
<td>9,838,349</td>
<td>-</td>
</tr>
<tr>
<td>Transmission</td>
<td>10,511,138</td>
<td>5,630,041</td>
</tr>
<tr>
<td>Personnel Services and Staff Support</td>
<td>966,541</td>
<td>365,531</td>
</tr>
<tr>
<td>Professional Services</td>
<td>227,961</td>
<td>35,972</td>
</tr>
<tr>
<td>Rental and Maintenance</td>
<td>157,679</td>
<td>39,611</td>
</tr>
<tr>
<td>Utilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Utilities - SCADA Communications</td>
<td>333,681</td>
<td>42,062</td>
</tr>
<tr>
<td>Energy Services</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation</td>
<td>2,728,277</td>
<td>-</td>
</tr>
<tr>
<td>Net Costs Recoverable in Future Years</td>
<td>(3,897,893)</td>
<td>-</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>266,633</td>
<td>18,898</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>169,871,198</td>
<td>32,278,808</td>
</tr>
</tbody>
</table>

| Operating Income (Loss) | 11,375,893 | 355,094 | 13,703,068 | 12,822,012 | 33,119,599 | (2,400,017) | 68,979,549 | - | 68,979,549 |

| Nonoperating Revenues (Expenses) | Investment Return | 323,633 | 16,368 | 484,898 | 290,685 | 1,220,985 | 51,384 | 2,387,953 | - | 2,387,953 |
| Bond Interest Subsidy | - | 1,226,119 | - | - | 5,790,907 | - | 7,017,026 | - | 7,017,026 |
| Return of Equity to Members | (958,845) | - | - | - | - | - | (958,845) | - | (958,845) |
| Loss on Disposal of Capital Assets | - | - | - | - | - | - | (3,643,774) | - | (3,643,774) |
| Interest and Fees Expense | (2,064,512) | - | (13,649,279) | (10,617,463) | (37,642,646) | (134,779) | (64,108,679) | - | (64,108,679) |

| Other Financing Sources (Uses) | Interfund Operating Transfers | (961,834) | (274,457) | (365,942) | (257,144) | (496,849) | 2,356,370 | - | - |
| Increase (Decrease) in Net Position | 7,717,335 | 97,005 | 484,892 | 288,177 | 1,212,863 | (127,042) | 9,673,230 | - | 9,673,230 |
| Net Position, Beginning of Period | 38,588,008 | 150,601 | 5,880,310 | 3,742,684 | 3,631,763 | 2,000,144 | 53,693,510 | - | 53,693,510 |
| Net Position, End of Period | $46,305,343 | $247,606 | $6,065,202 | $4,030,861 | $4,844,626 | $1,873,102 | $63,366,740 | - | $63,366,740 |

See accompanying notes to financial statements.
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

Full Requirements Pools Generation Funds

<table>
<thead>
<tr>
<th>Pool Fund</th>
<th>MOMEMPEP Project Fund</th>
<th>Plum Point Project Fund</th>
<th>Prairie State Project Fund</th>
<th>Non-Major Funds</th>
<th>Total</th>
<th>Eliminations</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MoPEP</td>
<td>(181,152,792)</td>
<td>(45,948,215)</td>
<td>(26,752,231)</td>
<td>53,794,468</td>
<td>1,107,263</td>
<td>343,190,808</td>
<td>-</td>
</tr>
<tr>
<td>MMMPEP</td>
<td>4,645,725</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>63,502,312</td>
<td>(3,502,312)</td>
<td>-</td>
</tr>
<tr>
<td>Plum Point</td>
<td>1,444,010</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>742,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prairie State</td>
<td>(115,995,769)</td>
<td>(29,254,714)</td>
<td>(11,815,849)</td>
<td>(20,394,011)</td>
<td>(2,335,644)</td>
<td>(229,904,899)</td>
<td>-</td>
</tr>
<tr>
<td>Non-Major</td>
<td>575,366</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,335,644)</td>
<td>(229,904,899)</td>
<td>-</td>
</tr>
<tr>
<td>Payments to Employees for Services and Benefits</td>
<td>(1,067,809)</td>
<td>(412,019)</td>
<td>(285,457)</td>
<td>(1,492,024)</td>
<td>(4,217,349)</td>
<td>(4,217,349)</td>
<td>-</td>
</tr>
</tbody>
</table>

Net Cash Provided (Used) by Operating Activities | 8,877,739 | 1,171,270 | 25,475,393 | 25,475,393 | 110,622,200 | - | 110,622,200 | - |

Net Cash Provided (Used) by Noncapital Financing Activities | 854,264 | (250,939) | (359,916) | (250,482) | 2,314,406 | - | - | - |

Net Cash Provided (Used) by Capital and Related Financing Activities | 854,264 | (250,939) | (359,916) | (250,482) | 2,314,406 | - | - | - |

Net Cash Provided (Used) by Investing Activities | (2,204,112) | 48,160 | (144,713) | 338,390 | 783,164 | 142,255 | (1,036,856) | (1,036,856) |

Net Increase (Decrease) in Cash and Cash Equivalents | 1,347,085 | 1,158,511 | 1,432,666 | 673,723 | 7,173,367 | 4,168,155 | 114,155 | 114,155 |

Cash and Cash Equivalents at Beginning of Year | 21,206,226 | 2,313,868 | 5,395,917 | 3,464,678 | 7,173,367 | 1,614,099 | 44,290,967 | - |

Cash and Cash Equivalents at End of Year | 22,553,311 | 3,472,379 | 6,828,583 | 4,138,399 | 5,560,083 | 1,738,212 | 44,290,967 | - |

Net Cash Provided (Used) by Operating Activities | 8,877,739 | 1,171,270 | 25,475,393 | 25,475,393 | 110,622,200 | - | 110,622,200 | - |

Adjustments to Reconcile Operating Income

Depreciation | 3,534,823 | - | 9,170,730 | 9,297,986 | 26,622,679 | 147,717 | 41,403,935 | - |

Net Cash Provided (Used) by Capital and Related Financing Activities | - | - | - | - | 5,627,602 | - | 5,627,602 | - |

Net Increase (Decrease) in Cash and Cash Equivalents | - | - | - | - | - | - | 3,122,812 | - |

Cash and Cash Equivalents at Beginning of Year | 21,206,226 | 2,313,868 | 5,395,917 | 3,464,678 | 7,173,367 | 1,614,099 | 44,290,967 | - |

Cash and Cash Equivalents at End of Year | 22,553,311 | 3,472,379 | 6,828,583 | 4,138,399 | 5,560,083 | 1,738,212 | 44,290,967 | - |

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities | 8,877,739 | 1,171,270 | 25,475,393 | 25,475,393 | 110,622,200 | - | 110,622,200 | - |

See accompanying notes to financial statements.

20
**MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION**

**COMBINING STATEMENT OF CASH FLOWS**

Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>Full Requirements Pools</th>
<th>Generation Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missouri Electric Pool 1</td>
<td>Missouri Electric Pool 2</td>
</tr>
<tr>
<td></td>
<td>Nebraska Electric Pool 2</td>
</tr>
<tr>
<td>Non-Major</td>
<td>Total</td>
</tr>
<tr>
<td>OPERATING ACTIVITIES</td>
<td></td>
</tr>
<tr>
<td>Receipts from other Funds for Power and Transmission Sales</td>
<td>328,662</td>
</tr>
<tr>
<td>Receipts from other Sources</td>
<td>80</td>
</tr>
<tr>
<td>Payments to other Funds for Power Purchases</td>
<td>(59,279,466)</td>
</tr>
<tr>
<td>Payments to Employees for Services and Benefits</td>
<td>(921,679)</td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Operating Activities</td>
<td>7,554,953</td>
</tr>
</tbody>
</table>

| NONCAPITAL FINANCING ACTIVITIES | | |
| Interfund Operating Transfers | (961,834) | (274,457) | (961,834) | (274,457) | (958,457) | - | (958,457) | (958,457) |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | 87,400 | - | 87,400 | - | 87,400 | 87,400 | 87,400 |

| CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Proceeds from Long-Term Debt | 40,382,182 | 32,004,306 | 72,386,488 | 72,386,488 | 72,386,488 | - | 72,386,488 | 72,386,488 |
| Bond Interest Subsidy Received | 1,226,119 | 5,790,907 | 7,017,026 | 7,017,026 | 7,017,026 | - | 7,017,026 | 7,017,026 |
| Payment of Bond Issuance Costs | (282,422) | (1,566,418) | (1,848,840) | (1,848,840) | (1,848,840) | - | (1,848,840) | (1,848,840) |
| Purchases of Investments | (15,909,588) | (38,467,719) | (29,291,117) | (105,899,894) | (105,899,894) | - | (105,899,894) | (105,899,894) |
| Net Cash Provided (Used) by Investing Activities | - | 37,417,243 | - | 37,417,243 | 87,305,478 | 51,384 | 37,417,243 | 37,417,243 |

| INVESTING ACTIVITIES | | |
| Purchases of Investments | 15,909,654 | 37,417,243 | 28,349,475 | 83,876,649 | 165,553,021 | 165,553,021 | 165,553,021 | 165,553,021 |

| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Operating Income (Loss) | $11,378,893 | $355,094 | $13,703,968 | $12,822,012 | $33,119,599 | (2,400,017) | $68,979,549 | $68,979,549 |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation | 2,728,277 | - | - | 2,728,277 | 2,728,277 | - | 2,728,277 | 2,728,277 |
| Adjustments for (Increases) Decreases in Assets and Deferred Outflows of Resources and (Decreases) in Liabilities and Deferred Inflows of Resources: Accounts Receivable | (722,076) | 79,457 | - | 642,619 | 642,619 | - | 642,619 | 642,619 |
| Due from Other Funds | (173,159) | - | (173,159) | - | - | (173,159) | (173,159) | (173,159) |
| Prepaid Expenses | 536,189 | (16,621) | - | 519,568 | 519,568 | - | 519,568 | 519,568 |
| Fuel Stock and Material Inventory | - | - | (1,919,639) | (1,919,639) | (1,919,639) | - | (1,919,639) | (1,919,639) |
| Contractual Deposits | - | - | (159,000) | (159,000) | (159,000) | - | (159,000) | (159,000) |
| Depreciation | 2,728,277 | - | - | 2,728,277 | 2,728,277 | - | 2,728,277 | 2,728,277 |
| Accrued Payroll and Payroll Taxes | 44,984 | - | 61,462 | 106,446 | 106,446 | - | 106,446 | 106,446 |
| Unearned Revenue | - | - | (245,881) | (245,881) | (245,881) | - | (245,881) | (245,881) |
| Net Pension Liability | - | - | - | - | - | - | - | - |
| Deferred Outflows of Resources | - | - | (1,022,035) | (1,022,035) | (1,022,035) | - | (1,022,035) | (1,022,035) |
| Net Cash Provided (Used) by Operating Activities | $7,954,953 | 188,482 | $26,814,550 | $23,315,742 | $60,104,577 | (1,413,649) | $116,964,655 | $116,964,655 |

See accompanying notes to financial statements.
NOTE 1: ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Missouri Joint Municipal Electric Utility Commission ("MJMEUC") is a joint action agency and political subdivision formed under the Joint Municipal Utility Commission Act, Revised Statutes of Missouri Sections 393.700-393.770, to obtain sufficient and economical electric power and energy for the benefit of member Missouri municipalities and their residents and out-of-state advisory members. MJMEUC provides full power purchase requirements to members, and arranges purchases for members in need of supplemental power and the sale of members' excess power under joint contracts with the members in both the State of Missouri and the State of Arkansas. Each regular member of MJMEUC appoints a representative to MJMEUC's Board of Directors.

Within MJMEUC there are three full requirements pools. The first pool is called the Missouri Public Energy Pool #1 ("MoPEP"). The 35 municipal members of MoPEP entered into joint agreements committing their current and future electric generating facilities and purchase power contracts to the pool of members to facilitate joint planning, scheduling, dispatching, power purchases, and acquisition ownership interests in electric power facilities. The joint agreements under MoPEP entail certain obligations by the members, including maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet the members' commitments to the pool.

The second pool is called the Mid-Missouri Municipal Public Energy Pool ("MMMPEP"). The thirteen municipal members of MMMPEP have entered into power purchase contracts with MJMEUC for the full power requirements of their respective municipality. These contracts expire on May 31, 2028. The thirteenth city joined MMMPEP as a member in 2016 and began receiving power from MMMPEP on January 1, 2018.

The third pool is called the Southwest Missouri Public Energy Pool ("SWMPEP") and was created in 2017. The municipal members of SWMPEP have entered into power purchase contracts with MJMEUC for the full power requirements of their respective municipality. The power purchase contracts call for SWMPEP to start receiving power from MJMEUC on June 1, 2020 and the power purchase contracts expire on May 31, 2030. There are currently two members of the SWMPEP with the possibility for additional members to join the pool at a later date. Until 2020, when SWMPEP begins to receive power from MJMEUC, the financial transactions relating to SWMPEP are minimal and are accounted for within the General Fund. A separate SWMPEP fund will be created in 2020 to account for SWMPEP operations.

As of December 31, 2018, MJMEUC has several long-term commitments for power purchase contracts and operating costs of jointly owned power generating facilities, as explained elsewhere in these notes. MJMEUC's acquisition of ownership interests generally includes commitments under loan or bond financing arrangements. Through participation in the joint agreements with other MJMEUC members, each member has an allocated share of the various long-term commitments under these contracts, including its allocated portion of costs with MJMEUC's ownership interest in power generating facilities and take-or-pay power purchase commitments. MJMEUC also has a second category of "advisory" members to allow rural electric cooperatives and non-Missouri municipalities to participate in these power supply programs and projects. MJMEUC's membership includes four cities located in the State of Arkansas who also receive power from MJMEUC. There are various cancellation provisions under these contracts.
MJMEUC is a party to a joint operating agreement with the Missouri Association of Municipal Utilities ("MAMU") and the Municipal Gas Commission of Missouri ("MGCM") for the purpose of coordinating resources to improve efficiency and reduce costs. The resulting alliance, known as the Missouri Public Utility Alliance ("MPUA"), is managed by a Joint Operating Committee comprised of three representatives from the governing boards of each member. This committee reviews and recommends annual budgets for each member, determines the allocation of expenses on a cost reimbursement basis to members, consults on employee issues, and recommends contractual arrangements with joint consultants to each member.

**Government-wide Financial Statements**

The Government-wide Financial Statements provide a broad overview of MJMEUC's finances. These financial statements include the Combined Statements of Net Position; the Combined Statements of Revenues, Expenses, and Changes in Net Position; and the Combined Statements of Cash Flows.

**Fund Accounting**

MJMEUC uses funds to report its financial position and results of its operations in its fund financial statements. Fund accounting is designed to aid financial management by segregating transactions related to certain functions or activities.

MJMEUC reports the following proprietary funds as major funds:

- The MoPEP Fund is used to account for financial resources related to power sales and the costs of power sales for the member municipalities of MoPEP.
- The MMMPEP Fund is used to account for financial resources related to power sales and the costs of power sales for the member municipalities of MMMPEP.
- The Generation Project Funds are used to account for revenues and expenses of three MJMEUC jointly-owned power plant projects. The generation project funds include Plum Point, Iatan 2, and Prairie State. See Note 3 for a complete description of each of these projects.

MJMEUC reports the following proprietary funds as non-major funds:

- The Alliance Fund is used to account for all revenues and expenses associated with MPUA. The Alliance Fund pays for various administrative costs of MPUA members and receives payments from members as a reimbursement for these costs.
- The General Fund is used to account for general operations beneficial to all MJMEUC members and projects. Power and transmission transactions not related to MoPEP and MMMPEP members or the project funds are accounted for in the General Fund. The General Fund receives reimbursements from the other MJMEUC funds for costs incurred that are allocable to the other funds.

**Measurement Focus, Basis of Accounting, and System of Accounts**

These financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when an exchange takes place.

MJMEUC's accounts are maintained in accordance with the Uniform System of Accounts of the Federal Energy Regulatory Commission and MJMEUC maintains its accounting records in conformity with U.S. generally accepted accounting principles ("GAAP"), as applicable to governmental entities. MJMEUC applies the accounting principles of Governmental Accounting Standards Board Statement No. 62 (GASB 62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989*.
**FASB and AICPA Pronouncements**, that pertain to regulated operations. Accordingly, revenues and expenses are matched to current and future periods in which the revenues are earned or the expenses are recovered through the rate-making process that is under the control of MJMEUC’s Board of Directors.

MJMEUC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with MJMEUC’s ongoing operations. Operating expenses include the costs of sales and services, member training, administrative and general expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Restricted Resources**

MJMEUC uses restricted resources first to fund expenditures when both restricted and unrestricted resources are available.

**Revenue and Expense Recognition for Transactions with Regional Transmission Organizations**

MJMEUC sells electric power on the market through Regional Transmission Organizations ("RTOs"), either from generation resources or through power purchase agreements, and MJMEUC purchases energy from the RTOs where MJMEUC economically needs to receive the power. MJMEUC records the sales and purchases of power through RTOs on a net basis. This revenue recognition policy avoids the recording of revenues and expenses on essentially the same energy multiple times.

**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 and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

**Income Taxes**

MJMEUC is a body public and corporate of the State of Missouri and is exempt from federal and state income taxes.

**Utility Plant in Service and Other Buildings and Equipment**

Utility plant in service and other buildings and equipment are recorded at cost. Interest incurred during the construction phase is reflected in the capitalized amount of the asset constructed, net of interest earned on the invested debt proceeds over the same period. MJMEUC capitalizes fixed assets that have a useful life of more than one year and an initial individual cost of at least $5,000, except for computer equipment and furniture for which the minimum threshold amount is $1,500. Costs incurred for MJMEUC’s jointly owned investments in utility power plant projects have been capitalized. Capitalization thresholds may be set by individual projects; however, MJMEUC analyzes the costs of each project to apply its capitalization policies consistently. MJMEUC’s share of utility plant betterments and major replacements in excess of $5,000 are capitalized and depreciated. The purchase of capital spares, which consist of critical equipment component spares for a utility plant, are capitalized and depreciated as part of the utility plant. The costs of normal maintenance and repairs are charged to operations as incurred. Property, plant, and equipment financed by capital leases are recorded as capital assets and as corresponding liabilities. Amortization expense related to assets acquired with capital leases are recorded as a component of depreciation expense on the same basis as assets financed with other resources. Depreciation is expensed using the straight-line method over the estimated useful lives of the assets.
Following are the estimated useful lives for capital assets:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Equipment</td>
<td>4-5</td>
</tr>
<tr>
<td>Office Furniture</td>
<td>7-10</td>
</tr>
<tr>
<td>Other Equipment</td>
<td>7-10</td>
</tr>
<tr>
<td>Office Buildings</td>
<td>40</td>
</tr>
<tr>
<td>Railcars</td>
<td>15</td>
</tr>
<tr>
<td>Utility Plant in Service</td>
<td>5-60</td>
</tr>
</tbody>
</table>

**Bond Issuance Costs and Bond Premiums and Discounts**

Financing costs incurred in connection with issuance of bonds and other long-term debt have been recognized as a regulatory asset and are recovered through MJMEUC’s future rates. Premiums and discounts in connection with issuance of long-term debt have been recognized and reported as a component of the outstanding debt balance. The financing costs and premiums and discounts are being amortized over the life of the respective debt in accordance with MJMEUC’s rate-making policy.

**Investments**

Investments are reported at fair value. Investment return includes interest income, realized and unrealized gains or losses, and investment expenses. See Note 2 for further information on MJMEUC’s investments.

**Fuel Stock and Material Inventory**

Fuel stock and material are valued at average costs. The cost of fuel and materials used in production are expensed as used and are recovered through rates.

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The costs of prepaid items are recorded as expenses when consumed rather than when purchased.

**Accounts Receivable**

Accounts receivable are stated at the amount billed to members and others. All receivable balances are considered fully collectible and an allowance for doubtful accounts is not deemed necessary.

**Interfund Receivables/Payables**

During the course of normal operations, numerous transactions occur between individual funds for energy provided or services rendered. These receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the Combining Statement of Net Position. These balances between funds are eliminated in the combined financial statements.

**Regulatory Assets and Regulatory Credits**

MJMEUC applies the accounting principles from GASB 62 that pertain to regulatory operations. Billing rates are established by MJMEUC’s Board of Directors and are designed to fully recover each pool’s and project’s cost over the life of the pool or project. Participant billing rates are structured to recover current debt service requirements, operating costs, capital costs, and to fund certain other items. Accordingly, certain costs or revenues are deferred and reported as regulatory assets or regulatory credits until they are recovered in future rates or costs.
Regulatory assets are rights to additional revenues or deferred expenses, which are expected to be recovered through customer rates over some future period. Regulatory credits are reductions in earnings (or costs recovered) to cover future expenses. Regulatory credits are reported as deferred inflows of resources, which are discussed below. MJMEUC is not a public utility subject to rate regulation by the Federal Energy Regulatory Commission or by the Missouri Public Service Commission.

Regulatory assets and regulatory credits consist of the following as of December 31:

<table>
<thead>
<tr>
<th>Regulatory Assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, Depreciation and Capital Costs in Excess of Billings</td>
<td>$7,584,056</td>
<td>$7,304,560</td>
</tr>
<tr>
<td>Unamortized Debt Issuance Costs</td>
<td>$19,050,355</td>
<td>$19,656,148</td>
</tr>
<tr>
<td></td>
<td>$26,634,411</td>
<td>$26,960,708</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulatory Credits</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billings in Excess of Interest, Depreciation and Capital Costs</td>
<td>$41,496,160</td>
<td>$36,714,165</td>
</tr>
<tr>
<td>Advance Billings for Future Costs</td>
<td>$745,244</td>
<td>$1,053,621</td>
</tr>
<tr>
<td></td>
<td>$42,241,404</td>
<td>$37,767,786</td>
</tr>
</tbody>
</table>

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period, and as such, will not be recognized as an outflow of resources (expense) until then. MJMEUC’s items that qualify for reporting in this category are the unamortized deferred charge on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt, and deferred outflows relating to MJMEUC’s defined pension plan for its employees. These amounts are being amortized in accordance with GAAP and MJMEUC’s rate making policy.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period, and as such, will not be recognized as an income or resources (revenue) until that time. MJMEUC’s items that qualify for reporting in this category are the regulatory credits discussed above and the unamortized deferred gain on refunded debt, which is deferred and amortized over the shorter of the life of the refunded debt or the new debt. These amounts are being amortized in accordance with GAAP and MJMEUC’s rate making policy.

Deferred outflows and inflows of resources consist of the following as of December 31:

<table>
<thead>
<tr>
<th>Deferred Outflows of Resources</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unamortized Deferred Charge on Refunded Debt</td>
<td>$35,190,276</td>
<td>$37,412,750</td>
</tr>
<tr>
<td>Defined Benefit Pension Plan Costs</td>
<td>764,001</td>
<td>817,729</td>
</tr>
<tr>
<td></td>
<td>$35,954,277</td>
<td>$38,230,479</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Deferred Inflows of Resources</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory Credits</td>
<td>$42,241,404</td>
<td>$37,767,786</td>
</tr>
<tr>
<td>Unamortized Deferred Gain on Refunded Debt</td>
<td>920,450</td>
<td>971,586</td>
</tr>
<tr>
<td></td>
<td>$43,161,854</td>
<td>$38,739,372</td>
</tr>
</tbody>
</table>
**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System ("LAGERS") and additions to/deductions from LAGERS fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

**Arbitrage Rebate Liability**

MJMEUC's tax-exempt bonds are subject to Federal rebate requirements. Generally, any excess of earnings from investing bond proceeds over the amount that would have been earned at the yield rate of the bonds must be rebated to the Federal government. Arbitrage rebate liability, if any, has been determined based upon rebate calculations performed by MJMEUC’s rebate analyst. Refunds of past arbitrage rebate paid to the Federal government from subsequent rebate calculations are reported when the actual refund amounts are either acknowledged by the Internal Revenue Service or received by MJMEUC due to the uncertainty of the actual refunds to be received.

**Net Position**

Net position is classified into three components. Net investment in capital assets consists of capital assets net of accumulated depreciation less the outstanding balances of debt incurred to finance those assets. Restricted net position consists of the balance of cash and investment accounts required to be maintained by bond indentures or by contract less any amounts currently payable from these accounts. The remaining balance of net position is classified as unrestricted.

Sometimes MJMEUC will find outlays for a particular purpose to be available from both restricted and unrestricted resources. It is MJMEUC's policy to generally use restricted resources first when both restricted and unrestricted resources are available.

**Bond Interest Subsidy**

This amount represents the 35% subsidy for interest costs on the Plum Point 2009A and Prairie State 2009A and 2010A Series Revenue Bonds issued under the Build America Bond ("BAB") Program. However, effective with its budget year ended September 30, 2013 and scheduled to continue through 2021, the United States ("U.S.") Federal government is subject to the process of sequestration, which reduces spending for many Federal programs, including the BAB program. MJMEUC's BAB federal subsidies were reduced by approximately 6.9%, 6.6% and 6.2% for the U.S. Federal government’s years ended September 30, 2017, 2018 and 2019 respectively. The sequestration rate for future years through 2021 will be set by the U.S. Federal government from time to time in the future.

**Transmission Revenue and Transmission Expense**

Transmission revenue represents the costs of transmission services provided to MJMEUC members that are directly allocable and billed to specific members. Transmission costs that are not directly allocable and billed to specific members are allocated to all members of the respective pool or project and are recovered as a component of power sales and related charges. Transmission expense represents the costs of transmission services provided to MJMEUC members that are directly allocable and billed to specific members and all other transmission related costs are reported as a component of power purchases expense.
**MAMU and MGCM Transfers**

A portion of MAMU’s and MGCM’s income is transferred to the Alliance Fund maintained by MJMEUC to pay for MPUA expenses. Transfers from MAMU and MGCM (see Note 9) to the Alliance Fund are recognized as revenue in the calendar year to which they pertain. Transfers billed or received in advance of the year to which they pertain are reported as unearned revenue.

**Risk Management**

MJMEUC manages its risks through insurance coverage provided by private insurers for workers’ compensation, officers and directors liability, boiler/machinery, business interruption, and other property and business risks. There were no significant reductions in coverage over the past three years.

**NOTE 2: CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Cash Equivalents**

For the purpose of the Statements of Cash Flows, MJMEUC considers unrestricted cash and highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Investments**

Missouri State Statutes authorize political subdivisions of the state to invest funds in obligations of the United States or its agencies; certain obligations of the State of Missouri or its political subdivisions and municipalities; certificates of deposit; repurchase agreements; bankers’ acceptances; and certain domestic corporation debt instruments, including commercial paper. Restricted cash and investments held by trustees under bond and trust indentures are managed in accordance with the applicable legal documents. With respect to restricted investments of bond funds held in trust, MJMEUC’s Board of Directors has obtained the opinion of legal counsel in further defining the types of investments permitted, which also includes investment agreements (including guaranteed investment contracts, or “GICs”) and certain other investment agreements which are either collateralized or are provided by an entity that is rated, or whose guarantor is rated, in at least the two highest rating categories by Standard and Poor’s and Moody’s.

**Fair Value** – MJMEUC holds investments that are measured at fair value on a recurring basis. MJMEUC categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy requires information on the inputs used to determine the fair value of any assets reported at fair value as described below.

- **Level 1** investments are those where the fair value is determined based upon quoted prices in active markets for identical investments.
- **Level 2** investments are those where the fair value is determined using other significant observable inputs. The investments that fall into this category are fixed income securities where the inputs include interest rates, investment term, credit ratings and sales of similar investments.
- **Level 3** investments include any investments that don’t fall in levels 1 or 2 and include significant unobservable inputs.
The following is a summary of the inputs used as of December 31, in valuing investments carried at fair value:

### 2018

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$359,863</td>
<td>$359,863</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>$81,335,235</td>
<td>-</td>
<td>$81,335,235</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>$11,978,491</td>
<td>-</td>
<td>$11,978,491</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>$101,095,595</td>
<td>-</td>
<td>$101,095,595</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>$26,212,648</td>
<td>-</td>
<td>$26,212,648</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>$370,768</td>
<td>-</td>
<td>$370,768</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$2,665,665</td>
<td>-</td>
<td>$2,665,665</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$224,018,265</strong></td>
<td><strong>$359,863</strong></td>
<td><strong>$223,658,402</strong></td>
<td><strong>$-</strong></td>
</tr>
</tbody>
</table>

### 2017

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Funds</td>
<td>$49,201,355</td>
<td>-</td>
<td>$49,201,355</td>
<td>-</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>$44,472,907</td>
<td>-</td>
<td>$44,472,907</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>$96,218,868</td>
<td>-</td>
<td>$96,218,868</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>$23,333,463</td>
<td>-</td>
<td>$23,333,463</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>$129,780</td>
<td>-</td>
<td>$129,780</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>$20,280</td>
<td>-</td>
<td>$20,280</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>$4,190,364</td>
<td>-</td>
<td>$4,190,364</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$217,567,017</strong></td>
<td><strong>$</strong></td>
<td><strong>$217,567,017</strong></td>
<td><strong>$-</strong></td>
</tr>
</tbody>
</table>

**Investment Risk** — While MJMEUC does not have a formal investment policy that specifically addresses each of the following types of risks, the following describes MJMEUC’s practices and exposures with respect to these risks:

**Interest Rate Risk** — MJMEUC manages its exposure to declines in fair values by only investing in obligations that return the initial investment and the interest earned and by generally holding investments to maturity or only selling investments for a realized or other short-term gain.

As of December 31, MJMEUC had the following investments:

<table>
<thead>
<tr>
<th>2018</th>
<th>Cash and Cash Equivalents</th>
<th>Investment Maturities (in years)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash</td>
<td>Cash</td>
<td>Less than 1</td>
</tr>
<tr>
<td></td>
<td>Money Market Funds</td>
<td>$81,335,235</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>U.S. Agency Securities</td>
<td>-</td>
<td>4,995,970</td>
</tr>
<tr>
<td></td>
<td>Municipal Securities</td>
<td>-</td>
<td>19,761</td>
</tr>
<tr>
<td></td>
<td>Asset Backed Securities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Certificates of Deposit</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total Bond Accounts</strong></td>
<td><strong>$81,695,098</strong></td>
<td><strong>$30,270,591</strong></td>
</tr>
</tbody>
</table>

Classified on the Statements of Financial Position as:

- Current Assets (includes portion of debt service accounts for bond payments through June 1, 2019)
  - Investments (Current Assets) $4,315,022
  - Restricted Bond Accounts, Current Portion 78,635,390
  - Less Checking Accounts Included in Restricted Bond Accounts (517,713)
  - Other Assets - Investments 20,910,503
  - Restricted Assets 120,675,144

**Total** $224,018,265
<table>
<thead>
<tr>
<th>2017 Cash and Cash Investment Maturities (in years)</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equivalents</td>
<td>Less than 1</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>$49,201,355</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>-</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>-</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>-</td>
</tr>
<tr>
<td>Total Bond Accounts Investments</td>
<td>$49,201,355</td>
</tr>
</tbody>
</table>

*Classified on the Statements of Financial Position as:*

- Investments (Current Assets)
  - Restricted Bond Accounts, Current Portion $5,580,988
  - Less Checking Accounts Included in Restricted Bond Accounts (2,036,625)
  - Other Assets - Investments 19,844,051
  - Restricted Assets 147,906,340

*Credit Risk* – Credit risk is the risk that the issuer or the counterparty to an investment will not fulfill its obligations. Credit risk is measured using credit quality ratings of investments in debt securities as described by nationally recognized rating agencies such as Standard and Poor’s and Moody’s Investor Service (“Moody’s”). MJMEUC’s practice is to only invest in investment grade securities as permitted by Missouri State Statutes as explained above.
The following is a summary of the credit quality ratings by investment type, as listed by Moody’s, or by its equivalent rating if rated by a different rating service, as of December 31:

<table>
<thead>
<tr>
<th>Type of Investment</th>
<th>Quality Rating</th>
<th>Fair Value 2018</th>
<th>Fair Value 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>Not Rated</td>
<td>$359,863</td>
<td>$</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>Aaa</td>
<td>80,663,024</td>
<td>47,420,119</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>Not Rated</td>
<td>672,211</td>
<td>1,781,236</td>
</tr>
<tr>
<td>U.S. Agency Securities</td>
<td>Aaa</td>
<td>11,978,490</td>
<td>44,472,907</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>Aaa</td>
<td>13,261,626</td>
<td>13,681,254</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>Aa1</td>
<td>25,989,416</td>
<td>30,119,844</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>Aa2</td>
<td>34,247,511</td>
<td>33,155,515</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>Aa3</td>
<td>21,559,622</td>
<td>18,489,798</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>A1</td>
<td>2,379,042</td>
<td>303,287</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>A2</td>
<td>235,940</td>
<td>469,170</td>
</tr>
<tr>
<td>Municipal Securities</td>
<td>Not Rated</td>
<td>3,422,440</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Aaa</td>
<td>10,582,406</td>
<td>11,152,004</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Aa1</td>
<td>239,572</td>
<td>223,427</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Aa2</td>
<td>2,826,217</td>
<td>2,604,769</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Aa3</td>
<td>1,408,645</td>
<td>871,239</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>A1</td>
<td>3,673,733</td>
<td>2,570,442</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>A2</td>
<td>4,726,788</td>
<td>3,854,410</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>A3</td>
<td>2,690,331</td>
<td>2,057,172</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Baa1</td>
<td>24,904</td>
<td>-</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>Baa2</td>
<td>40,050</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>Aaa</td>
<td>89,709</td>
<td>70,219</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>Aa1</td>
<td>10,053</td>
<td>34,706</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>Aa2</td>
<td>24,819</td>
<td>24,855</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>Aa3</td>
<td>101,669</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>A1</td>
<td>19,935</td>
<td>-</td>
</tr>
<tr>
<td>Asset Backed Securities</td>
<td>NR</td>
<td>124,584</td>
<td>-</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>Aa2</td>
<td>-</td>
<td>10,063</td>
</tr>
<tr>
<td>Mortgage Backed Securities</td>
<td>Aa3</td>
<td>-</td>
<td>10,217</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>Not Rated</td>
<td>2,665,665</td>
<td>4,190,364</td>
</tr>
</tbody>
</table>

$224,018,265  $217,567,017

The cash, money market funds and certificates of deposit listed above as not rated were either fully insured by FDIC insurance or collateralized by securities. Municipal securities totaling $3,422,440 also were not rated.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of investment in a single issuer. MJMEUC does not place limits on the amount that may be invested in any one issuer, except investments in certificates of deposit must be fully insured or collateralized by the financial institution with pledged securities held in MJMEUC’s name. At both December 31, 2018 and 2017, MJMEUC had investments in the Blackrock Federal Fund totaling approximately 21% of MJMEUC’s total investments and at December 31, 2018, MJMEUC had investments in the Federated Prime Obligations Fund totaling approximately 15% of its total investments.
**Custodial Risk for Deposits** – This is the risk that, in the event of a financial institution failure, deposits may not be returned. MJMEUC’s practice is to utilize bank depositories that pose little or no risk of loss of principal balance. Bank checking accounts are maintained so that excess funds are swept each night into overnight repurchase agreements, into governmental money market accounts with a AAA rating, or the financial institution pledges securities held in MJMEUC’s name with a fair value of at least 100% of the uninsured bank balance of deposits. MJMEUC requires that securities underlying repurchase agreements must have a fair value of at least 100% of the cost of the repurchase agreement.

**Custodial Credit Risk for Investments** – This is the risk that in the event of failure of the issuer or other counterparty to an investment, the investor will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of December 31, 2018 and 2017, all of MJMEUC’s investments were held by the counterparty’s trust department or agent in MJMEUC’s name.

**Restricted Cash, Cash Equivalents and Investments** – A summary of restricted cash, cash equivalents and investments held by MJMEUC under bond indentures as of December 31 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Maintenance Accounts</td>
<td>$ 10,099,837</td>
<td>$ 9,962,727</td>
</tr>
<tr>
<td>Contingency Reserve Accounts</td>
<td>7,216,828</td>
<td>7,122,268</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 17,316,665</strong></td>
<td><strong>$ 17,084,995</strong></td>
</tr>
</tbody>
</table>

**NOTE 3: UTILITY PLANT PROJECTS**

**Plum Point Energy Station Plant (placed in service during 2010)**

In March 2006, MJMEUC entered into agreements to acquire a 22.11% undivided interest (or approximately 147 MW) in the Plum Point Energy Station, a 665-megawatt (MW) coal-fired generating plant near Osceola, Arkansas. Initially, MJMEUC entered into life-of-unit, take-or-pay unit power purchase agreements with four of its Missouri member municipalities and three Arkansas municipalities which are Advisory Members. In June 2011, MJMEUC’s MoPEP members accepted assignment of 20 MW from one of the original Missouri member municipality’s unit power purchase agreements. MJMEUC’s capitalized project expenditures for its share of the costs are recovered through rates and charges from MJMEUC’s MoPEP members and from the participating municipalities under life-of-unit, take-or-pay unit power purchase agreements. MJMEUC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs and in return MJMEUC receives its proportionate share of the energy generated by the plant.

**Iatan Unit 2 (placed in service during 2011)**

MJMEUC paid its proportionate share of construction costs for an 11.76% undivided interest (or approximately 100 MW) in a second unit of the Iatan Generating Station, an 850 MW coal-fired generating plant constructed at the Iatan Station site in Platte County, Missouri. MJMEUC allocated 30% of its Iatan Unit 2 interest to MoPEP and has entered into power purchase agreements with two of its member municipalities for the sale of the remaining capacity and energy. MJMEUC’s capitalized project expenditures for its share of the costs are recovered through rates and charges from MJMEUC’s MoPEP members and from the participating municipalities under power purchase agreements. MJMEUC is required to pay, through rates, its allocable share of common facilities upgrade costs, common facilities additions and retirements, and plant operation costs and in return, MJMEUC receives its proportionate share of the energy generated by the plant.
Prairie State Energy (units 1 and 2 placed in service during 2012)

In February 2005, MJMEUC joined a consortium known as the Prairie State Generating Company, LLC to participate in the development and construction of a two-unit 1,582 MW (combined) pulverized coal-fueled power generating facility in Washington County, Illinois. MJMEUC’s capitalized project expenditures for its share of the costs, including coal reserves, are being recovered from MJMEUC’s MoPEP members through rates and charges and from six other MJMEUC members under power purchase agreements. MJMEUC is authorized to take up to 12.33% of the total facility capacity. MoPEP takes 44.1% of the electric power generated by MJMEUC’s share in the facility. MJMEUC is required to pay its proportionate share of plant operation costs, operating reserves, working capital requirements and plant closure costs.

In 2013, a power purchase agreement was reached between MoPEP and a MJMEUC member who contracted for 4 MW of the capacity and energy. Under this agreement, MoPEP purchased this member’s 4 MW of capacity and energy until June 1, 2017, at which time the 4 MW of capacity was permanently assigned to MoPEP and the member was discharged from all obligations of the project.

Laddonia Ethanol Co-Generation Plant (placed in service during 2007)

In 2006 and 2007, MJMEUC entered into lease-purchase agreements with MAMU to obtain funding under MAMU’s finance program for Missouri municipal utilities for development of a natural gas fired, electric co-generation facility linked to an ethanol plant near Laddonia, Missouri. The project is for the energy needs of MoPEP members and MJMEUC will recover all costs incurred from those members through rates and charges. See Note 5 regarding capital lease financing for this project.

Dogwood Energy Center (acquired ownership interest in 2012 and 2018)

On March 26, 2012, MJMEUC acquired an 8.2% interest in the Dogwood Energy Center, a 610 MW combined-cycle natural gas plant located in Pleasant Hill, Missouri. On May 30, 2018, MJMEUC acquired an additional 8.2% interest in the Dogwood Energy Center, bringing MJMEUC’s total ownership interest to 16.4%. MJMEUC’s ownership interest in the plant is for the energy needs of MoPEP members and MJMEUC will recover all costs incurred from those members through rates and charges. The combined cycle plant was originally placed in service in 2002.

Fredericktown Power Generation Plant (placed in service during 2015)

In October 2010, MJMEUC approved the development, construction and installation of a two-unit natural gas fired generating facility, with approximately nominal net 24 MW (combined) capacity, in Fredericktown Missouri, a member city of MoPEP. The output of the generating station primarily serves electric peaking loads of MJMEUC’s members participating in MoPEP; however, the units are called to run at different times by the market operator. MJMEUC recovers all costs incurred from MoPEP members through rates and charges. The plant was placed in service on July 1, 2015.
NOTE 4: UTILITY PLANT IN SERVICE AND OTHER CAPITAL ASSETS

A summary of changes in utility plant in service and other capital assets for the years ended December 31, 2018 and 2017 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Balance 1/1/2018</th>
<th>Additions</th>
<th>Transfers</th>
<th>Disposals</th>
<th>Balance 12/31/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital Assets not Being Depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Building</td>
<td>$68,500</td>
<td></td>
<td></td>
<td></td>
<td>$68,500</td>
</tr>
<tr>
<td>Plum Point</td>
<td>$2,538,009</td>
<td></td>
<td></td>
<td></td>
<td>$2,538,009</td>
</tr>
<tr>
<td>Iatan 2</td>
<td>3,619</td>
<td></td>
<td></td>
<td></td>
<td>3,619</td>
</tr>
<tr>
<td>Prairie State</td>
<td>3,939,953</td>
<td></td>
<td></td>
<td></td>
<td>3,939,953</td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dogwood</td>
<td>23,001</td>
<td>23,002</td>
<td></td>
<td></td>
<td>46,003</td>
</tr>
<tr>
<td>Total Land</td>
<td>6,573,082</td>
<td>23,002</td>
<td></td>
<td></td>
<td>6,596,084</td>
</tr>
<tr>
<td><strong>Construction in Process</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plum Point</td>
<td>713,144</td>
<td>558,719</td>
<td>(654,728)</td>
<td></td>
<td>617,135</td>
</tr>
<tr>
<td>Iatan 2</td>
<td>3,262,771</td>
<td>6,100,407</td>
<td>(3,442,325)</td>
<td></td>
<td>5,920,853</td>
</tr>
<tr>
<td>Prairie State</td>
<td>2,558,223</td>
<td>6,148,379</td>
<td>(7,013,219)</td>
<td>(856,594)</td>
<td>836,789</td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laddonia</td>
<td>42,008</td>
<td></td>
<td></td>
<td></td>
<td>232,668</td>
</tr>
<tr>
<td>Fredericktown</td>
<td>20,461</td>
<td>771,999</td>
<td>(128,939)</td>
<td></td>
<td>663,521</td>
</tr>
<tr>
<td>Dogwood</td>
<td>20,461</td>
<td>771,999</td>
<td>(128,939)</td>
<td></td>
<td>663,521</td>
</tr>
<tr>
<td>Total Construction in Process</td>
<td>6,596,607</td>
<td>13,830,251</td>
<td>(11,239,211)</td>
<td>(856,594)</td>
<td>8,331,053</td>
</tr>
<tr>
<td><strong>Total Capital Assets not Being Depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13,169,689</td>
<td>13,853,253</td>
<td>(11,239,211)</td>
<td>(856,594)</td>
<td></td>
<td>14,927,137</td>
</tr>
<tr>
<td><strong>Capital Assets Being Depreciated:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plum Point</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility plant</td>
<td>286,642,005</td>
<td>289,955</td>
<td>654,728</td>
<td>(509,377)</td>
<td>287,077,311</td>
</tr>
<tr>
<td>Railcars</td>
<td>9,853,805</td>
<td></td>
<td></td>
<td>(184,601)</td>
<td>9,669,204</td>
</tr>
<tr>
<td>Iatan 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Plant</td>
<td>267,654,023</td>
<td>356,523</td>
<td>3,442,325</td>
<td>(1,908,041)</td>
<td>269,544,830</td>
</tr>
<tr>
<td>Prairie State</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Plant</td>
<td>743,336,752</td>
<td>6,120</td>
<td>6,578,860</td>
<td>(1,491,280)</td>
<td>748,430,452</td>
</tr>
<tr>
<td>Coal Mine and Mine Equipment</td>
<td>38,416,766</td>
<td></td>
<td>434,359</td>
<td></td>
<td>38,851,125</td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laddonia Utility Plant</td>
<td>11,307,168</td>
<td>28,256</td>
<td></td>
<td>(23,672)</td>
<td>11,311,752</td>
</tr>
<tr>
<td>Dogwood Utility Plant</td>
<td>34,443,481</td>
<td>27,283,260</td>
<td>128,939</td>
<td>(663)</td>
<td>61,855,017</td>
</tr>
<tr>
<td>Fredericktown</td>
<td>19,732,450</td>
<td></td>
<td></td>
<td></td>
<td>19,732,450</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Building</td>
<td>1,601,249</td>
<td></td>
<td></td>
<td></td>
<td>1,601,249</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>509,936</td>
<td>6,814</td>
<td></td>
<td>(17,968)</td>
<td>498,782</td>
</tr>
<tr>
<td>Transportation and Other Equip.</td>
<td>57,312</td>
<td></td>
<td></td>
<td></td>
<td>57,312</td>
</tr>
<tr>
<td>Computer Software</td>
<td>422,000</td>
<td></td>
<td></td>
<td></td>
<td>422,000</td>
</tr>
<tr>
<td><strong>Total Capital Assets Being Depreciated</strong></td>
<td>1,413,976,947</td>
<td>27,970,928</td>
<td>11,239,211</td>
<td>(4,135,602)</td>
<td>1,449,051,484</td>
</tr>
<tr>
<td><strong>Accumulated Depreciation</strong></td>
<td>(216,325,433)</td>
<td>(41,407,343)</td>
<td></td>
<td>664,536</td>
<td>(257,068,240)</td>
</tr>
<tr>
<td><strong>Total Capital Assets Being Depreciated, net of Depreciation</strong></td>
<td>1,197,651,514</td>
<td>(13,436,415)</td>
<td>11,239,211</td>
<td>(3,471,066)</td>
<td>1,191,983,244</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Net</strong></td>
<td>$1,210,821,203</td>
<td>$416,838</td>
<td></td>
<td></td>
<td>$1,206,910,381</td>
</tr>
</tbody>
</table>
### Capital Assets not Being Depreciated:

<table>
<thead>
<tr>
<th></th>
<th>Balance 1/1/2017</th>
<th>Additions</th>
<th>Transfers</th>
<th>Disposals</th>
<th>Balance 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Building</td>
<td>$68,500</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$68,500</td>
</tr>
<tr>
<td>Plum Point</td>
<td>2,538,009</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,538,009</td>
</tr>
<tr>
<td>Iatan 2</td>
<td>3,619</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,619</td>
</tr>
<tr>
<td>Prairie State</td>
<td>3,939,953</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,939,953</td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dogwood</td>
<td>23,001</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,001</td>
</tr>
<tr>
<td>Total Land</td>
<td>6,573,082</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,573,082</td>
</tr>
</tbody>
</table>

### Construction in Process

<table>
<thead>
<tr>
<th></th>
<th>Balance 1/1/2017</th>
<th>Additions</th>
<th>Transfers</th>
<th>Disposals</th>
<th>Balance 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plum Point</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iatan 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prairie State</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Construction in Process</td>
<td>$6,921,688</td>
<td>$16,464,005</td>
<td>$(16,786,506)</td>
<td>$(2,580)</td>
<td>$6,596,607</td>
</tr>
</tbody>
</table>

### Total Capital Assets not Being Depreciated

<table>
<thead>
<tr>
<th></th>
<th>Balance 1/1/2017</th>
<th>Additions</th>
<th>Transfers</th>
<th>Disposals</th>
<th>Balance 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13,494,770</td>
<td>16,464,005</td>
<td>$(16,786,506)</td>
<td>$(2,580)</td>
<td>13,169,689</td>
</tr>
</tbody>
</table>

### Capital Assets Being Depreciated:

<table>
<thead>
<tr>
<th></th>
<th>Balance 1/1/2017</th>
<th>Additions</th>
<th>Transfers</th>
<th>Disposals</th>
<th>Balance 12/31/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plum Point</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Railcars</td>
<td>9,915,339</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,853,805</td>
</tr>
<tr>
<td>Iatan 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prairie State</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal Mine and Mine Equipment</td>
<td>37,619,978</td>
<td>-</td>
<td>796,788</td>
<td>-</td>
<td>38,416,766</td>
</tr>
<tr>
<td>MoPEP Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laddonia Utility Plant</td>
<td>11,307,168</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11,307,168</td>
</tr>
<tr>
<td>Dogwood Utility Plant</td>
<td>34,424,577</td>
<td>5,848</td>
<td>195,056</td>
<td>-</td>
<td>34,443,481</td>
</tr>
<tr>
<td>Fredericktown</td>
<td>19,732,450</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>19,732,450</td>
</tr>
<tr>
<td>Administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Building</td>
<td>1,594,279</td>
<td>6,970</td>
<td>-</td>
<td>-</td>
<td>1,601,249</td>
</tr>
<tr>
<td>Furniture and Equipment</td>
<td>496,612</td>
<td>13,324</td>
<td>-</td>
<td>-</td>
<td>509,936</td>
</tr>
<tr>
<td>Transportation and Other Equip.</td>
<td>34,762</td>
<td>22,550</td>
<td>-</td>
<td>-</td>
<td>57,312</td>
</tr>
<tr>
<td>Computer Software</td>
<td>422,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>422,000</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated</td>
<td>1,399,924,259</td>
<td>1,593,831</td>
<td>16,786,506</td>
<td>(4,327,649)</td>
<td>1,413,976,947</td>
</tr>
<tr>
<td>Accumulated Depreciation</td>
<td>(177,716,205)</td>
<td>(39,088,876)</td>
<td>-</td>
<td>479,648</td>
<td>(216,325,433)</td>
</tr>
<tr>
<td>Total Capital Assets Being Depreciated, net of Depreciation</td>
<td>1,222,208,054</td>
<td>(37,495,045)</td>
<td>16,786,506</td>
<td>(3,848,001)</td>
<td>1,197,651,514</td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>$1,235,702,824</td>
<td>$(21,031,040)</td>
<td>-</td>
<td>$(3,850,581)</td>
<td>$1,210,821,203</td>
</tr>
</tbody>
</table>
Following is the gross amount of assets recorded under capital leases and the accumulated depreciation recognized as of December 31:

<table>
<thead>
<tr>
<th></th>
<th>Gross Amount</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Plant in Service</td>
<td>$11,148,820</td>
<td>$5,480,394</td>
<td>$5,668,426</td>
</tr>
<tr>
<td>Office Building</td>
<td>1,457,263</td>
<td>405,962</td>
<td>1,051,301</td>
</tr>
<tr>
<td>Land - Office Building</td>
<td>68,500</td>
<td></td>
<td>68,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$12,674,583</td>
<td>$5,886,356</td>
<td>$6,788,227</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Gross Amount</th>
<th>Accumulated Depreciation</th>
<th>Net Book Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utility Plant in Service</td>
<td>$11,148,820</td>
<td>$5,002,406</td>
<td>$6,146,414</td>
</tr>
<tr>
<td>Office Building</td>
<td>1,457,263</td>
<td>369,068</td>
<td>1,088,195</td>
</tr>
<tr>
<td>Land - Office Building</td>
<td>68,500</td>
<td></td>
<td>68,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$12,674,583</td>
<td>$5,371,474</td>
<td>$7,303,109</td>
</tr>
</tbody>
</table>

The Prairie State Energy project includes contiguous coal reserves and a mine portal to supply coal to the power plant. The following is a schedule of the changes in MJMEUC’s ownership interest in the coal reserves, measured in tons:

<table>
<thead>
<tr>
<th>Estimated Recoverable Reserves, as of December 31, 2016</th>
<th>22,807,712</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 Changes in Reserve Estimate</td>
<td>-</td>
</tr>
<tr>
<td>Reserve Acquisitions in 2017</td>
<td>1,234</td>
</tr>
<tr>
<td>Amount Mined During 2017</td>
<td>(764,733)</td>
</tr>
<tr>
<td>Estimated Recoverable Reserves, as of December 31, 2017</td>
<td>22,044,213</td>
</tr>
<tr>
<td>2018 Changes in Reserve Estimate</td>
<td>-</td>
</tr>
<tr>
<td>Reserve Acquisitions in 2018</td>
<td>-</td>
</tr>
<tr>
<td>Amount Mined During 2018</td>
<td>(780,720)</td>
</tr>
<tr>
<td>Estimated Recoverable Reserves, as of December 31, 2018</td>
<td>21,263,493</td>
</tr>
</tbody>
</table>
NOTE 5: LONG-TERM DEBT

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the year ended December 31, 2018:

<table>
<thead>
<tr>
<th>Utility plant projects:</th>
<th>Balance 1/1/2018</th>
<th>Additions</th>
<th>Payments or Amortization</th>
<th>Balance 12/31/2018</th>
<th>Principal Due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plum Point Energy Station - Bonds</td>
<td>276,440,000</td>
<td>$ -</td>
<td>$ 7,215,000</td>
<td>269,225,000</td>
<td>7,575,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>24,156,671</td>
<td>-</td>
<td>1,509,792</td>
<td>22,646,879</td>
<td></td>
</tr>
<tr>
<td>Deduct Bond Discount</td>
<td>(47,936)</td>
<td>-</td>
<td>(2,523)</td>
<td>(45,413)</td>
<td></td>
</tr>
<tr>
<td>Iatan Unit 2 - Bonds</td>
<td>235,845,000</td>
<td>$ -</td>
<td>7,225,000</td>
<td>228,620,000</td>
<td>7,530,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>26,415,760</td>
<td>-</td>
<td>1,559,407</td>
<td>24,856,353</td>
<td></td>
</tr>
<tr>
<td>Deduct Bond Discount</td>
<td>(53,781)</td>
<td>-</td>
<td>(53,781)</td>
<td>(53,781)</td>
<td></td>
</tr>
<tr>
<td>Prairie State Energy Campus - Bonds</td>
<td>741,275,000</td>
<td>$ -</td>
<td>16,445,000</td>
<td>724,830,000</td>
<td>48,035,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>60,514,560</td>
<td>-</td>
<td>3,618,418</td>
<td>56,896,142</td>
<td></td>
</tr>
<tr>
<td>Fredericktown - Bonds</td>
<td>2,175,000</td>
<td>$ -</td>
<td>695,000</td>
<td>1,480,000</td>
<td>725,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>32,478</td>
<td>-</td>
<td>2,165</td>
<td>30,313</td>
<td></td>
</tr>
<tr>
<td>Dogwood - Bonds</td>
<td>3,850,000</td>
<td>26,605,000</td>
<td>900,000</td>
<td>29,555,000</td>
<td>1,510,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>197,745</td>
<td>3,313,892</td>
<td>86,216</td>
<td>3,425,421</td>
<td></td>
</tr>
<tr>
<td>MoPEP Facilities - Bonds</td>
<td>35,600,000</td>
<td>-</td>
<td>-</td>
<td>35,600,000</td>
<td></td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>4,782,182</td>
<td>-</td>
<td>251,694</td>
<td>4,530,488</td>
<td></td>
</tr>
<tr>
<td>2005A Capital Lease for Laddonia</td>
<td>2,533,000</td>
<td>-</td>
<td>736,000</td>
<td>1,797,000</td>
<td>774,000</td>
</tr>
<tr>
<td>2006A Capital Lease for Laddonia</td>
<td>234,000</td>
<td>-</td>
<td>72,000</td>
<td>162,000</td>
<td>72,000</td>
</tr>
<tr>
<td>Revolving Credit Line - MoPEP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>1,107,000</td>
<td>-</td>
<td>48,000</td>
<td>1,059,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>$1,415,056,679</td>
<td>$ 29,918,892</td>
<td>$ 40,307,388</td>
<td>$1,404,668,183</td>
<td>$66,281,000</td>
</tr>
</tbody>
</table>

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

<table>
<thead>
<tr>
<th>Utility plant projects:</th>
<th>Balance 1/1/2017</th>
<th>Additions</th>
<th>Payments or Amortization</th>
<th>Balance 12/31/2017</th>
<th>Principal Due in One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plum Point Energy Station - Bonds</td>
<td>283,305,000</td>
<td>$ -</td>
<td>$ 6,865,000</td>
<td>276,440,000</td>
<td>7,215,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>25,666,463</td>
<td>-</td>
<td>1,509,792</td>
<td>24,156,671</td>
<td></td>
</tr>
<tr>
<td>Deduct Bond Discount</td>
<td>(50,458)</td>
<td>-</td>
<td>(2,522)</td>
<td>(47,936)</td>
<td></td>
</tr>
<tr>
<td>Iatan Unit 2 - Bonds</td>
<td>242,785,000</td>
<td>$ -</td>
<td>6,940,000</td>
<td>235,845,000</td>
<td>7,225,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>27,975,169</td>
<td>-</td>
<td>1,559,409</td>
<td>26,415,760</td>
<td></td>
</tr>
<tr>
<td>Deduct Bond Discount</td>
<td>(114,489)</td>
<td>-</td>
<td>(60,708)</td>
<td>(53,781)</td>
<td></td>
</tr>
<tr>
<td>Prairie State Energy Campus - Bonds</td>
<td>740,630,000</td>
<td>26,640,000</td>
<td>25,995,000</td>
<td>741,275,000</td>
<td>16,445,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>58,281,009</td>
<td>5,364,307</td>
<td>3,130,756</td>
<td>60,514,560</td>
<td></td>
</tr>
<tr>
<td>Fredericktown - Bonds</td>
<td>14,610,000</td>
<td>-</td>
<td>12,435,000</td>
<td>2,175,000</td>
<td>695,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>222,035</td>
<td>-</td>
<td>189,557</td>
<td>32,478</td>
<td></td>
</tr>
<tr>
<td>Dogwood - Bonds</td>
<td>29,935,000</td>
<td>-</td>
<td>26,085,000</td>
<td>3,850,000</td>
<td>900,000</td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>1,571,691</td>
<td>-</td>
<td>1,373,946</td>
<td>197,745</td>
<td></td>
</tr>
<tr>
<td>MoPEP Facilities - Bonds</td>
<td>-</td>
<td>35,600,000</td>
<td>-</td>
<td>35,600,000</td>
<td></td>
</tr>
<tr>
<td>Add Bond Premium</td>
<td>-</td>
<td>4,782,182</td>
<td>-</td>
<td>4,782,182</td>
<td></td>
</tr>
<tr>
<td>2005A Capital Lease for Laddonia</td>
<td>3,233,000</td>
<td>-</td>
<td>700,000</td>
<td>2,533,000</td>
<td>736,000</td>
</tr>
<tr>
<td>2006A Capital Lease for Laddonia</td>
<td>296,000</td>
<td>-</td>
<td>62,000</td>
<td>234,000</td>
<td>72,000</td>
</tr>
<tr>
<td>Revolving Credit Line - MoPEP</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>1,155,000</td>
<td>-</td>
<td>48,000</td>
<td>1,107,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>$1,429,500,420</td>
<td>$ 72,386,489</td>
<td>$ 86,830,230</td>
<td>$1,415,056,679</td>
<td>$33,336,000</td>
</tr>
</tbody>
</table>
Summary of Long-term Debt

The following is a description of long-term debt. Amounts are presented inclusive of unamortized bond premiums or discounts totaling $112,340,183 and $115,997,679 as of December 31, 2018 and 2017, respectively.

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>$48,600,000 Series 2009A and $4,860,000 Series 2009B MJMEUC Power Project Revenue Bonds (Plum Point Project). (a)</td>
<td>$53,460,000</td>
<td>$53,460,000</td>
</tr>
<tr>
<td>$99,975,000 Series 2009A MJMEUC Power Project Revenue Bonds (Iatan 2 Project). (b)</td>
<td>2,300,000</td>
<td>4,431,218</td>
</tr>
<tr>
<td>$193,720,000 Series 2009A and $14,200,000 Series 2009B MJMEUC Power Project Revenue Bonds (Prairie State Project). (c)</td>
<td>180,520,000</td>
<td>184,890,000</td>
</tr>
<tr>
<td>$73,420,000 Series 2010A and $4,585,000 Series 2010B MJMEUC Power Project Revenue Bonds (Prairie State Project). (d)</td>
<td>70,605,503</td>
<td>72,214,099</td>
</tr>
<tr>
<td>$17,060,000 Series 2011 Power Supply System Revenue Bonds (Fredericktown Project). (e)</td>
<td>1,510,313</td>
<td>2,207,478</td>
</tr>
<tr>
<td>$32,950,000 Series 2012 Power Supply System Revenue Bonds (Dogwood Project). (f)</td>
<td>3,137,338</td>
<td>4,047,745</td>
</tr>
<tr>
<td>$155,730,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (g)</td>
<td>165,195,912</td>
<td>171,277,306</td>
</tr>
<tr>
<td>$192,605,000 Series 2014A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (h)</td>
<td>201,221,879</td>
<td>209,921,671</td>
</tr>
<tr>
<td>$215,105,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (i)</td>
<td>220,523,837</td>
<td>232,994,517</td>
</tr>
<tr>
<td>$80,685,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Iatan 2 Project). (j)</td>
<td>85,980,441</td>
<td>86,498,456</td>
</tr>
<tr>
<td>$37,240,000 Series 2015A MJMEUC Power Project Revenue Refunding Bonds (Plum Point Project). (k)</td>
<td>37,144,587</td>
<td>37,167,064</td>
</tr>
<tr>
<td>$252,745,000 Series 2016A MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project). (l)</td>
<td>278,560,159</td>
<td>279,686,636</td>
</tr>
<tr>
<td>$26,640,000 Series 2017 MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project) (m)</td>
<td>31,516,643</td>
<td>32,004,307</td>
</tr>
<tr>
<td>$35,600,000 Series 2017 MJMEUC Power Supply System Revenue Refunding Bonds (MoPEP Facilities) (n)</td>
<td>40,130,487</td>
<td>40,382,182</td>
</tr>
<tr>
<td>$26,605,000 Series 2018 Power Supply System Revenue Bonds (Dogwood Project). (o)</td>
<td>29,843,084</td>
<td>-</td>
</tr>
<tr>
<td>$8,715,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2005A. (p)</td>
<td>1,797,000</td>
<td>2,533,000</td>
</tr>
<tr>
<td>$781,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2006A. (q)</td>
<td>162,000</td>
<td>234,000</td>
</tr>
<tr>
<td>$1,523,000 Capital Lease Financing under the Missouri Association of Municipal Utilities Lease Financing Program Series 2006A. (r)</td>
<td>1,059,000</td>
<td>1,107,000</td>
</tr>
<tr>
<td>$48,000,000 Line of Credit Agreement with a Financial Institution. (s)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Long-term Debt</td>
<td>1,404,668,183</td>
<td>1,415,056,679</td>
</tr>
<tr>
<td>Less Current Maturities</td>
<td>(66,281,000)</td>
<td>(33,336,000)</td>
</tr>
<tr>
<td>Total Long-term Debt, Net of Current Maturials</td>
<td>$1,338,387,183</td>
<td>$1,381,720,679</td>
</tr>
</tbody>
</table>
(a) Plum Point Project – Series 2009: Principal due annually beginning on January 1, 2037 through 2039. Interest is payable semi-annually. Interest on the Series 2009A taxable "Build America Bonds" is at 7.73%. Interest on the Series 2009B taxable bonds is at 7.73%. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds.

(b) Iatan 2 Project – Series 2009: Principal due annually on January 1 through 2019. Interest is payable semi-annually. Interest on the Series 2009A tax-exempt bonds range is 5.25%. Interest on the Series 2009B taxable bonds is at 6.25%. The Series 2009B bonds matured on January 1, 2013. A portion of the Series 2009 bonds were refunded with refunding bonds issued in 2014 and 2015, see (g) and (j) below.

(c) Prairie State Project – Series 2009: Principal due annually beginning on January 1, 2014 through 2042. Interest is payable semi-annually. Interest on the Series 2009A taxable "Build America Bonds" range from 5.33% to 6.89%. The Series 2009B bonds matured on January 1, 2016. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds. A portion of the Series 2009A bonds were refunded, on a crossover basis, with refunding bonds issued in 2017, see (m) below.

(d) Prairie State Project – Series 2010: Principal due annually on January 1, 2014 through 2042. Interest is payable semi-annually. Interest on the Series 2010A taxable "Build America Bonds" range from 4.88% to 7.9%. The Series 2010B bonds matured on January 1, 2016. Under the Build America Bonds program, the U.S. Federal government makes semi-annual bond interest subsidy payments to reduce the effective interest rates of the taxable bonds.

(e) MoPEP Facilities Fredericktown Project – Series 2011: Principal due annually on December 1 through 2020. Interest on the Series 2011 tax-exempt bonds range from 3.5% to 4%. A portion of the Series 2011 bonds were refunded with refunding bonds issued in 2017, see (n) below.

(f) MoPEP Facilities Dogwood Generating Facility Project – Series 2012: Principal due annually on January 1, through 2021. Interest on the Series 2012 tax-exempt bonds range from 4% to 5%. A portion of the Series 2012 bonds were refunded with refunding bonds issued in 2017, see (n) below.

(g) Iatan 2 Project – Series 2014A Refunding: Proceeds were used to refund a portion of the Series 2006A and a portion of the 2009A Iatan 2 Project Revenue Bonds. Principal due annually on January 1, 2017 through 2034. Interest is payable semi-annually. Interest on the Series 2014A tax-exempt bonds range from 4% to 5%.

(h) Plum Point Project – Series 2014A Refunding: Proceeds were used to refund a portion of the Series 2006 Plum Point Project Revenue Bonds. Principal due annually on January 1, 2017 through 2034. Interest is payable semi-annually. Interest on the Series 2014A tax-exempt bonds range is 5%.

(i) Prairie State Project – Series 2015A Refunding: Proceeds were used to refund a portion of the Series 2007A Prairie State Project Revenue Bonds. Principal due annually on June 1, 2017 through December 1, 2031. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 3.25% to 5%.

(j) Iatan 2 Project – Series 2015A Refunding: Proceeds were used to refund the remaining Series 2006A Iatan 2 Project Revenue Bonds, except for the principal payment scheduled for January 1, 2016, and a portion of the Series 2009A Iatan 2 Project Revenue Bonds. Principal due annually on December 1, 2016 through 2038. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 3% to 5%.

(k) Plum Point Project – Series 2015A Refunding: Proceeds were used to refund the remaining Series 2006 Plum Point Project Revenue Bonds, except for the principal payment scheduled for January 1, 2016. Principal due annually on January 1, 2017 through 2036. Interest is payable semi-annually. Interest on the Series 2015A tax-exempt bonds range from 2% to 5%.

(l) Prairie State Project – Series 2016A Refunding: Proceeds were used to refund a portion of the Series 2007A Prairie State Project Revenue Bonds. Principal due annually on December 1, 2032 through 2041. Interest is payable semi-annually. Interest on the Series 2016A tax-exempt bonds range from 4% to 5%.

(m) Prairie State Project – Series 2017 Refunding: Proceeds were used to refund, on a crossover basis, a portion of the Series 2009A Prairie State Project Revenue Bonds. Principal due annually on January 1, 2023 through 2029. Interest is payable semi-annually. Interest on the Series 2017 tax-exempt bonds are 5%.

(n) MoPEP Facilities – Series 2017 Refunding: Proceeds were used to refund a portion of the Series 2011 – Fredericktown Project Revenue Bonds and a portion of the Series 2012 – Dogwood Project Revenue Bonds. Principal due annually on December 1, 2021 through 2036. Interest is payable semi-annually. Interest on the Series 2017 tax-exempt bonds range from 3.375% to 5%.
MoPEP Facilities Dogwood Generating Facility Project – Series 2018: Proceeds used to purchase additional 8.2% interest in facility. Principal due annually on December 1, through 2043. Interest on the Series 2018 tax-exempt bonds range from 3% to 5%.

MAMU Lease Financing Program Series 2005A: Proceeds were used to fund construction of the Laddonia Co-Generation Plant and related equipment. Payments are due monthly through March 2021, and include principal, interest and certain fees. Interest is at a rate of 4.122%. The lease is secured by the property financed with the lease proceeds.

MAMU Lease Financing Program Series 2006A: Proceeds were used to fund construction costs of the Laddonia Co-Generation Plant and related equipment. Payments are due monthly through March 2021, and include principal, interest and certain fees. Interest is at a rate of 3.685%. The lease is secured by the property financed with the lease proceeds.

MAMU Lease Financing Program Series 2006A: Proceeds were used to fund the purchase of MJMEUC's office building and associated remodeling costs. Payments are due monthly through November 2032, and include principal, interest and certain fees. Interest is at a rate of 3.82%. The lease is secured by the property financed with the lease proceeds.

Line of Credit: MJMEUC has a $48 million line of credit agreement with a financial institution. Interest is due quarterly with a final maturity on June 30, 2020. Proceeds can be used for any purpose consistent with MJMEUC's operations. The interest rate is variable based on the one-month LIBOR rate plus the applicable spread (0.95% at December 31, 2018). The applicable spread ranges from 0.95% to 2.2% depending on any downgrades to MJMEUC's debt. MJMEUC used $7.5 million of its available credit under this line for two irrevocable standby letters of credit issued by the same financial institution totaling $7.5 million, which MJMEUC posted as collateral at two RTO's. The line of credit is used as collateral for the letters of credit and no amount was drawn on the line of credit for this or any other purpose in 2018 and 2017.

The revenue bonds are special, limited obligations of MJMEUC, payable solely out of the net revenues relating to the ownership and operation of the project funded with the bonds, and the ownership and a pledge and security interest in the respective bond sale proceeds and assets held by trustees under each respective bond indenture. The net revenues include sales to participating MJMEUC members and other municipalities pursuant to unit-specific, life-of-unit, take-or-pay power purchase agreements between MJMEUC and each of the municipalities participating with MJMEUC in the respective project.

The bond indentures contain certain financial and other covenants, including a rate covenant to provide sufficient revenues for payments into the various accounts held by bond trustees for reserves and for payment of principal and interest. Management of MJMEUC is not aware of any instances of default with respect to the bonds' covenants.

Refunding Debt Issues

MJMEUC periodically, among other factors, reviews the current interest rates in the municipal bond markets compared to the interest rates MJMEUC is currently paying on its debt, and other debt terms, to determine if debt service savings can be achieved through a refunding of debt. If significant debt service savings can be achieved and if other parameters established by MJMEUC are met, MJMEUC may undertake a debt refunding. MJMEUC’s refunding debt issues are discussed individually below.

Prairie State Project

Prior Year Refunding

MJMEUC issued Series 2017 MJMEUC Power Project Revenue Refunding Bonds (Prairie State Project) to generate resources to advance refund on a crossover basis $30,845,000 of outstanding Series 2009A Power Project Revenue Bonds (Prairie State Project). The net proceeds related to the advance refunding were used to purchase U.S. government securities (SLGS) in an irrevocable trust with an escrow agent. These proceeds provide funds to make future scheduled debt service interest payments on the Series 2017 Refunding Bonds until the crossover date, which is January 1, 2019. On the crossover date, the funds held by the escrow agent will be used to refund the 2009A Series Bonds and they will be removed from MJMEUC’s statements of net position at that time. As a crossover refunding, legal defeasance did not occur, and the new and old debt are
included in MJMEUC’s Statements of Net Position as well as the net proceeds of the new debt issue deposited with the escrow agent until the bonds are called and redeemed.

**MoPEP**

*Prior Year Refunding*

In 2017, MJMEUC defeased certain maturities of Series 2011 and 2012 Power Supply System Revenue Bonds (MoPEP Facilities) by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in MJMEUC’s Statements of Net Position. At December 31, 2018, $36,985,000 of defeased MoPEP Facilities bonds remain outstanding.

**Fixed Rate Capital Leases**

MJMEUC had the option of fixed or variable interest rate leases under MAMU’s financing program. MJMEUC selected fixed rates to protect against the potential of rising interest rates. The trustee for MAMU’s financing program entered into interest rate exchange agreements with a financial institution to effectively convert the variable interest rates into fixed interest rates for the three capital leases previously mentioned. Although MJMEUC is not a direct party to these interest exchange agreements, if MJMEUC elects to prepay a capital lease obligation, its optional prepayment price under the lease is roughly equal to the fair value of the interest rate exchange agreement plus unpaid principal, and as such, corresponds directly to the termination payment the trustee would receive or pay under the terms of the interest rate exchange agreement. MJMEUC does not bear any counterparty credit risk of the interest rate exchange agreements and instead the financial institution and the financing pool trusts who are parties to the interest rate exchange agreements bear all counterparty credit risk.

If elected, the additional early termination payment under the terms of the lease and interest rate exchange agreements at December 31, 2018 would have been as follows:

<table>
<thead>
<tr>
<th>Capital Lease Issue</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laddonia Series 2005A Capital Lease Obligation</td>
<td>$48,802</td>
</tr>
<tr>
<td>Laddonia Series 2006A Capital Lease Obligation</td>
<td>3,515</td>
</tr>
<tr>
<td>Office Building Series 2006A Capital Lease Obligation</td>
<td>127,007</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$179,324</strong></td>
</tr>
</tbody>
</table>

**Total Interest Costs**

Total interest costs incurred on long-term debt, excluding bond premiums, bond discounts, and the amortization of advance bond refunding costs, was $68,576,891 and $68,112,913 for 2018 and 2017, respectively.
### Future Debt Service Payments

Future payments due on long-term debt as of December 31, 2018 are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Bonds and Notes Payable</th>
<th>Capital Leases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Principal</td>
<td>Interest</td>
</tr>
<tr>
<td>2019</td>
<td>$34,530,000</td>
<td>$67,842,916</td>
</tr>
<tr>
<td>2020</td>
<td>$36,100,000</td>
<td>$66,093,953</td>
</tr>
<tr>
<td>2021</td>
<td>$38,775,000</td>
<td>$64,218,682</td>
</tr>
<tr>
<td>2022</td>
<td>$39,560,000</td>
<td>$62,211,747</td>
</tr>
<tr>
<td>2023</td>
<td>$41,465,000</td>
<td>$60,114,834</td>
</tr>
<tr>
<td>2024</td>
<td>$43,485,000</td>
<td>$57,897,190</td>
</tr>
<tr>
<td>2025</td>
<td>$50,455,000</td>
<td>$55,425,400</td>
</tr>
<tr>
<td>2026</td>
<td>$52,925,000</td>
<td>$52,691,689</td>
</tr>
<tr>
<td>2027</td>
<td>$55,570,000</td>
<td>$49,824,328</td>
</tr>
<tr>
<td>2028</td>
<td>$57,955,000</td>
<td>$46,826,387</td>
</tr>
<tr>
<td>2029</td>
<td>$64,990,000</td>
<td>$44,051,366</td>
</tr>
<tr>
<td>2030</td>
<td>$57,760,000</td>
<td>$40,894,670</td>
</tr>
<tr>
<td>2031</td>
<td>$60,605,000</td>
<td>$37,758,316</td>
</tr>
<tr>
<td>2032</td>
<td>$63,855,000</td>
<td>$34,553,696</td>
</tr>
<tr>
<td>2033</td>
<td>$64,375,000</td>
<td>$31,411,225</td>
</tr>
<tr>
<td>2034</td>
<td>$78,580,000</td>
<td>$28,202,179</td>
</tr>
<tr>
<td>2035</td>
<td>$74,535,000</td>
<td>$24,315,905</td>
</tr>
<tr>
<td>2036</td>
<td>$65,390,000</td>
<td>$20,759,507</td>
</tr>
<tr>
<td>2037</td>
<td>$63,340,000</td>
<td>$17,303,519</td>
</tr>
<tr>
<td>2038</td>
<td>$67,290,000</td>
<td>$13,326,581</td>
</tr>
<tr>
<td>2039</td>
<td>$62,835,000</td>
<td>$9,206,205</td>
</tr>
<tr>
<td>2040</td>
<td>$46,235,000</td>
<td>$5,935,403</td>
</tr>
<tr>
<td>2041</td>
<td>$48,500,000</td>
<td>$3,265,666</td>
</tr>
<tr>
<td>2042</td>
<td>$18,405,000</td>
<td>$774,913</td>
</tr>
<tr>
<td>2043</td>
<td>$1,795,000</td>
<td>$89,750</td>
</tr>
<tr>
<td><strong>Total Payments</strong></td>
<td>$1,289,310,000</td>
<td>$894,996,027</td>
</tr>
<tr>
<td><strong>Less Interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Present Value of Minimum Lease Payments</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### NOTE 6: LETTERS OF CREDIT

MJMEUC obtained standby letters of credit totaling $7.5 million in December 2014 to replace $6,489,500 of deposits MJMEUC had with two regional transmission operators. $7.5 million of MJMEUC’s line of credit is pledged as collateral for these letters of credit, which expire when the line of credit matures on June 30, 2020.
NOTE 7: INTERFUND TRANSACTIONS

Interfund Receivables and Payables

Interfund receivable and payable balances at December 31 resulting from interfund transactions were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receivable</td>
<td>Payable</td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 456,441</td>
<td>$ -</td>
</tr>
<tr>
<td>MoPEPFund</td>
<td>$ 4,910,981</td>
<td>$ -</td>
</tr>
<tr>
<td>MMMPEPFund</td>
<td>$ -</td>
<td>$ 1,771,131</td>
</tr>
<tr>
<td>Plum Point Fund</td>
<td>$ -</td>
<td>$ 898,925</td>
</tr>
<tr>
<td>Iatan 2 Fund</td>
<td>$ -</td>
<td>$ 585,633</td>
</tr>
<tr>
<td>Prairie State Fund</td>
<td>$ -</td>
<td>$ 2,111,733</td>
</tr>
<tr>
<td>Total</td>
<td>$ 5,367,422</td>
<td>$ 5,367,422</td>
</tr>
</tbody>
</table>

The balances due to the General Fund from the other funds are for cost incurred by the General Fund that are allocable to the other funds and not paid as of December 31, 2018 and 2017. The amounts due to the MoPEP and Plum Point Funds are for energy sales, or for over payment of energy sales, from the respective fund, according to power purchase agreements. The interfund balances are normally repaid monthly.

Interfund Transfers

A summary of interfund transfers for the years ended December 31 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Alliance Fund</td>
<td>General Fund</td>
</tr>
<tr>
<td>Transferred from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund</td>
<td>$ 680,734</td>
<td>$ -</td>
</tr>
<tr>
<td>MoPEPFund</td>
<td>-</td>
<td>$ 954,264</td>
</tr>
<tr>
<td>MMMPEPFund</td>
<td>-</td>
<td>$ 260,939</td>
</tr>
<tr>
<td>Plum Point Fund</td>
<td>-</td>
<td>$ 359,916</td>
</tr>
<tr>
<td>Iatan 2 Fund</td>
<td>-</td>
<td>$ 250,482</td>
</tr>
<tr>
<td>Prairie State Fund</td>
<td>-</td>
<td>$ 488,805</td>
</tr>
<tr>
<td>Total</td>
<td>$ 680,734</td>
<td>$ 2,314,406</td>
</tr>
</tbody>
</table>

Transfers are made to the Alliance and General Funds by the other funds for costs incurred by these funds that are allocable to the other funds. Amounts paid by a fund to another fund for energy and other services as part of its normal operations are included in operating revenues and expenses and are not considered interfund transfers; however, these transactions are eliminated in the government-wide financial statements.
NOTE 8: RESTRICTED ASSETS AND NET POSITION

Restricted assets were as follows as of December 31:

For Utility Plant Projects:

Held by Trustees for Payment of Construction Costs:
- Plum Point Energy Station
  - Held by Trustees for Regular Debt Service Payments:
    - Plum Point Energy Station
    - Iatan Unit 2
    - Prairie State Energy Campus
    - Fredericktown
    - Dogwood
    - Dogwood - Capitalized Interest
    - MoPEP Facilities
  - Held by Trustees for Debt Service Reserve:
    - Plum Point Energy Station
    - Iatan Unit 2
    - Prairie State Energy Campus
    - Fredericktown
    - Dogwood
    - MoPEP Facilities Common Reserve
  - Held by Trustees for Debt Service Payments on Refunded Debt:
    - Prairie State Energy Campus
  - Held by Trustees for Debt Financing Costs:
    - Prairie State Energy Campus
    - MoPEP Facilities
    - Dogwood
  - Held by MJMEUC for Utility Plant Operations and Maintenance:
    - Plum Point Energy Station
    - Iatan Unit 2
    - Prairie State Energy Campus

Net position pertaining to the above accounts is restricted for the following purposes:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service and Debt Service Reserves</td>
<td>$46,769,367</td>
<td>$43,167,433</td>
</tr>
<tr>
<td>Operation and Maintenance of Power Plants</td>
<td>7,003,548</td>
<td>6,771,878</td>
</tr>
<tr>
<td></td>
<td>$53,772,915</td>
<td>$50,939,311</td>
</tr>
</tbody>
</table>

44
NOTE 9: RELATED ENTITY TRANSACTIONS

Significant transactions among the three-member entities of the MPUA reported in the accompanying financial statements are as follows:

MAMU and MGCM reimburse MJMEUC’s Alliance Fund for time spent by MJMEUC employees on MAMU and MGCM matters. Salary reimbursements received from MAMU totaled $496,575 for 2018 and $501,515 for 2017. Salary reimbursements received from MGCM totaled $148,065 for 2018 and $121,818 for 2017. Expenses reported in the accompanying Statements of Revenues, Expenses, and Changes in Net Position are net of these reimbursements.

A majority of telephone, utility, postage and other miscellaneous office expenses not directly attributable to a specific program or member are charged to MJMEUC’s Alliance Fund. MAMU and MGCM together transferred $119,224 and $112,511 for 2018 and 2017, respectively, to MJMEUC to pay their allocated share of Alliance expenses.

A fourth MPUA related entity, MPUA Resource Services Corporation (“RSC”), was created in 2017. RSC is a non-profit and tax-exempt corporation formed to provide services to governmental entities that have utilities. RSC does not share office and other expenses with the other three MPUA entities on a joint operating and cost sharing basis, and instead, MJMEUC and MAMU charge RSC for services provided to it. For the years ended December 31, 2018 and 2017, RSC paid MJMEUC’s Alliance Fund $53,205 and $0, respectively, as a management fee for services provided. MJMEUC has agreed to invest up to $6,000,000 in RSC to provide RSC with funds as necessary to develop future programs and services of RSC. As of December 31, 2018, MJMEUC has not invested any funds in RSC.

NOTE 10: PENSION PLAN

General Information about the Pension Plan

The following information is presented in accordance with Governmental Accounting Standards Board Statement 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.

Plan Description

MJMEUC’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. MJMEUC participates in the Missouri Local Government Employees Retirement System (“LAGERS”). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS’ responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provide retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 and receive a reduced allowance.
The benefits provisions adopted by MJMEUC are as follows.

<table>
<thead>
<tr>
<th>Benefit Multiplier</th>
<th>2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final Average Salary</td>
<td>3 years</td>
</tr>
<tr>
<td>Member Contributions</td>
<td>0%</td>
</tr>
</tbody>
</table>

Benefit terms provide for annual post retirement adjustments to each member’s retirement allowance subsequent to the member’s retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

**Employees Covered by Benefit Terms**

At June 30, the following employees were covered by the benefit terms:

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Employees or Beneficiaries Currently Receiving Benefits</td>
<td>9</td>
</tr>
<tr>
<td>Inactive Employees Entitled to but not yet Receiving Benefits</td>
<td>3</td>
</tr>
<tr>
<td>Active Employees</td>
<td>32</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
</tr>
</tbody>
</table>

**Contributions**

MJMEUC is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of MJMEUC do not contribute to the pension plan. MJMEUC’s contribution rate for 2018 and 2017 was 15.5% and 14.5% respectively, of annual covered payroll.

**Net Pension Liability**

MJMEUC’s net pension liability was measured as of June 30, 2018 and 2017, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of February 28, 2018 and 2017, respectively.

**Actuarial Assumptions**

The total pension liability in the February 28, 2018 and 2017, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- **Inflation**: 3.25% wage; 2.5% price
- **Salary Increase**: 3.25% to 6.55%, including inflation
- **Investment Rate of Return**: 7.25%, net of investment expenses

The actuarial assumptions used in the February 28, 2018 and 2017, valuations were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled morality tables for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.
Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to observation period base year 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for 2018:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>43.00%</td>
<td>5.16%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>26.00%</td>
<td>2.86%</td>
</tr>
<tr>
<td>Real Assets</td>
<td>21.00%</td>
<td>3.23%</td>
</tr>
<tr>
<td>Strategic Assets</td>
<td>10.00%</td>
<td>5.59%</td>
</tr>
</tbody>
</table>

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table for 2017:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Real Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>48.00%</td>
<td>4.81%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>28.50%</td>
<td>1.72%</td>
</tr>
<tr>
<td>Real Assets / Real Return</td>
<td>23.50%</td>
<td>3.42%</td>
</tr>
</tbody>
</table>

**Discount Rate**

The discount rate used to measure the total pension liability for 2018 and 2017 was 7.25%. The projection of cash flows used to determine the discount rate assumes that employer contributions will be made at the actuarially determined rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.
Changes in the Net Pension Liability

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Pension Liability (a)</th>
<th>Plan Fiduciary Net Position (b)</th>
<th>Net Pension Liability (a) - (b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 2016</td>
<td>$6,313,245</td>
<td>$5,409,518</td>
<td>$903,727</td>
</tr>
<tr>
<td>Changes for 2017:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>313,892</td>
<td>-</td>
<td>313,892</td>
</tr>
<tr>
<td>Interest</td>
<td>461,799</td>
<td>-</td>
<td>461,799</td>
</tr>
<tr>
<td>Difference Between Expected and Actual Experience</td>
<td>25,663</td>
<td>-</td>
<td>25,663</td>
</tr>
<tr>
<td>Contributions - Employer</td>
<td>-</td>
<td>402,480</td>
<td>(402,480)</td>
</tr>
<tr>
<td>Contributions - Employee</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>664,100</td>
<td>(664,100)</td>
</tr>
<tr>
<td>Changes of Assumptions</td>
<td>(56,982)</td>
<td>-</td>
<td>(56,982)</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>-</td>
<td>(3,541)</td>
<td>3,541</td>
</tr>
<tr>
<td>Other Changes</td>
<td>-</td>
<td>(71,400)</td>
<td>71,400</td>
</tr>
<tr>
<td>Net Changes</td>
<td>653,456</td>
<td>900,723</td>
<td>(247,267)</td>
</tr>
<tr>
<td>Balances at June 30, 2017</td>
<td>$6,966,701</td>
<td>$6,310,241</td>
<td>$656,460</td>
</tr>
<tr>
<td>Changes for 2018:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Cost</td>
<td>346,883</td>
<td>-</td>
<td>346,883</td>
</tr>
<tr>
<td>Interest</td>
<td>514,067</td>
<td>-</td>
<td>514,067</td>
</tr>
<tr>
<td>Difference Between Expected and Actual Experience</td>
<td>359,840</td>
<td>-</td>
<td>359,840</td>
</tr>
<tr>
<td>Contributions - Employer</td>
<td>-</td>
<td>478,823</td>
<td>(478,823)</td>
</tr>
<tr>
<td>Contributions - Employee</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>784,867</td>
<td>(784,867)</td>
</tr>
<tr>
<td>Changes of Assumptions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benefit Payments, Including Refunds</td>
<td>(94,717)</td>
<td>(94,717)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>-</td>
<td>(3,757)</td>
<td>3,757</td>
</tr>
<tr>
<td>Other Changes</td>
<td>-</td>
<td>(8,541)</td>
<td>8,541</td>
</tr>
<tr>
<td>Net Changes</td>
<td>1,126,073</td>
<td>1,156,675</td>
<td>(30,602)</td>
</tr>
<tr>
<td>Balances at June 30, 2018</td>
<td>$8,092,774</td>
<td>$7,466,916</td>
<td>$625,858</td>
</tr>
</tbody>
</table>
Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability of MJMEUC as of June 30, calculated using the discount rate of 7.25%, as well as what the MJMEUC’s net pension liability would be using a discount rate that is 1 percentage point lower or 1 percentage point higher than the respective discount rate.

<table>
<thead>
<tr>
<th>Current Single Discount</th>
<th>1% Decrease Rate Assumption</th>
<th>1% Increase Rate Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(6.25%)</td>
<td>(7.25%)</td>
</tr>
<tr>
<td>Total Pension Liability</td>
<td>$ 9,296,603</td>
<td>$ 8,092,774</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position</td>
<td>7,466,916</td>
<td>7,466,916</td>
</tr>
<tr>
<td>Net Pension Liability (Asset)</td>
<td>$ 1,829,687</td>
<td>$ 625,858</td>
</tr>
</tbody>
</table>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s net position is available in the separately issued LAGERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended June 30, 2018 and 2017, MJMEUC recognized pension expense of $541,144 and $605,118, respectively. MJMEUC reported deferred outflows of resources related to pensions from the following sources:

| Differences in Experience | $ 508,713 | $ 234,780 |
| Differences in Assumptions | 188,671 | 224,437 |
| Excess Investment Returns | (196,261) | 134,829 |
| Contributions Subsequent to the Measurement Date* | 262,878 | 223,683 |
| Total | $ 764,001 | $ 817,729 |

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the years ending December 31, 2019 and 2018.
The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<table>
<thead>
<tr>
<th>Year Ending June 30:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$138,631</td>
</tr>
<tr>
<td>2020</td>
<td>86,806</td>
</tr>
<tr>
<td>2021</td>
<td>6,149</td>
</tr>
<tr>
<td>2022</td>
<td>58,845</td>
</tr>
<tr>
<td>2023</td>
<td>108,592</td>
</tr>
<tr>
<td>Thereafter</td>
<td>102,100</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$501,123</strong></td>
</tr>
</tbody>
</table>

**NOTE 11: COMMITMENTS AND CONTINGENCIES**

*Power Supply and Related Contracts*

To ensure adequate power supplies for its members, MJMEUC enters into contracts with electric energy suppliers. These contracts have various terms covering minimum required megawatts of power to be purchased, prices to be paid and period covered.

*Nonrenewable Resources*

As of December 31, 2018, MJMEUC has long-term contracts with the Southwestern Power Administration and with Illinois Power Marking Co. ("IPM"), a subsidiary of Dynegy, Inc., and unit-specific contracts of five-year lengths with the Sikeston Board of Municipal Utilities. IPM purchased certain power generation facilities from Ameren Energy Marketing Company ("Ameren") on December 2, 2013 and took over the power supply contract from Ameren. MJMEUC and IPM entered into an amended power supply contract on February 19, 2014.

In 2018, MJMEUC executed a long-term power purchase agreement with Empire District Electric Company ("Empire"), a subsidiary of Liberty Utilities Co., to purchase 78 MW of capacity and 85 MW per hour of energy from five select power generation sources within Empire's generation resource mix. One of the resources is a wind farm and MJMEUC does receive its proportional share of the renewable energy credits from this resource. The agreement is for a five-year term commencing on June 1, 2020 and ending on May 31, 2025. MJMEUC has committed all of the capacity and energy from this power purchase contract to SWMPEP.

In 2006, MJMEUC executed a long-term power purchase contract with Plum Point Energy Associates ("PPEA"), to purchase a portion of the capacity and energy of PPEA's interest in the Plum Point Energy Station. This is separate from MJMEUC's ownership interest in the plant (see Note 3). The power purchase contract entitles MJMEUC to 7.52% (approximately 50 MW) of capacity and energy from Plum Point. The contract obligates MJMEUC to pay a monthly capacity payment which is based on the availability of the unit. MJMEUC has committed all of the capacity and energy from this power purchase contract to MoPEP.

In January 2004, MJMEUC entered into a 40 year take-or-pay "Participation Agreement" with the Omaha Public Power District ("OPPD") to purchase a share of the capacity and energy of OPPD's Nebraska City Unit 2 ("NC2"). The NC2 unit is a 663-megawatt (MW) coal-fired generating station solely owned by OPPD. MJMEUC is entitled to 55.23 MW, or 8.33%, of capacity and energy from NC2 and is committed to pay 8.33% of NC2 project costs, including debt service, whether the unit is operating or not. MJMEUC's prorata share of the original total project costs, is being financed by OPPD via a revenue bond issuance, which was and may be partially refunded from time to time. MJMEUC has pledged the revenues from sales of its share of NC2 power generation output to its share of NC2's capacity and
energy, including bond debt service. MJMEUC also has certain limited step-up obligations for additional capacity and energy costs in the event another of the six other participating public power districts and municipal utilities fail to pay obligations under its respective Participation Agreement. MJMEUC has committed all the capacity and energy from this Participation Agreement to MoPEP.

In August 2013, MJMEUC executed a power purchase agreement with the City of Marceline, Missouri ("Marceline") for the purchase of 4 MW capacity and energy from Marceline’s unit power purchase agreement for the energy it received from the Prairie State Energy Campus. On June 1, 2017, Marceline’s unit power purchase agreement was transferred to MJMEUC and assigned to MoPEP.

Renewable Resources

In 2006, MJMEUC executed a long-term power purchase agreement with Loess Hills Wind Farm, located in the City of Rock Port, Missouri, for the purchase of 5 MW of capacity and energy. MJMEUC has rights to purchase the entire capacity and energy from this wind generation facility, which is fully dedicated to MoPEP. MJMEUC has the right, but not the obligation, to extend this agreement through 2027 with optional future periods beyond 2027 dependent on mutual agreeable terms.

In September 2008, MJMEUC executed a long-term power purchase agreement to purchase energy from a landfill gas-powered electric generating facility located near the City of Lamar, Missouri. The City of Lamar, a member of MoPEP, is responsible for installing and operating the gas turbines with a total generating facility output of 3.2 MW that commenced commercial operation in June 2010. In December 2012, the capacity of the facility output was increased by an additional 2.4 MW to a total of 5.6 MW. The capacity of the facility was again increased by an additional 2.0 MW to 7.6 MW in May 2018. The take-or-pay agreement provides for MJMEUC to receive the entire capacity and energy, including additional capacity added by the facility, until the agreement expires in 2022. The capacity and energy are fully dedicated to MoPEP.

In February 2013, MJMEUC executed a long-term power purchase agreement to purchase all the capacity and energy from a solar power generating facility in the City of Butler, Missouri. MC Power Companies, Inc. is responsible for construction and operation of the 3.2 MW facility. MJMEUC has certain option rights to purchase the facility at the end of the seventh contract year, or at the end of any subsequent contract year thereafter. The facility went into commercial operation in March 2014. The capacity and energy are fully dedicated to MoPEP.

In September 2013, MJMEUC executed a long-term power purchase agreement with Marshall Wind Energy LLC for the purchase of 20.0 MW capacity and energy from its wind farm. The facility officially entered commercial operation on May 1, 2016. The capacity and energy are dedicated to MoPEP.

In January 2014, MJMEUC executed a long-term power purchase agreement with Black Oak Power Producers, LLC for the purchase of 3.8 MW capacity and energy from its landfill-gas-powered electric generating facility located in Hartville, Missouri. The facility began generating power in October 2014. The capacity and energy are fully dedicated to MoPEP.
In August 2014, MJMEUC executed a long-term power purchase agreement for the rights to purchase all the capacity and energy from multiple solar power generating facilities in Missouri. The power generating facilities were constructed in five cities that are members of MoPEP. MC Power Companies, Inc. is responsible for operation of the approximate total 12.8 MW of the five facilities. MJMEUC has certain option rights to purchase each facility on or after the end of the seventh contract year of each facility. The capacity and energy are fully dedicated to MoPEP. Following is a summary of the five facilities:

<table>
<thead>
<tr>
<th>MoPEP Member</th>
<th>Facility Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Macon, Missouri</td>
<td>Commercial Operation May 2015</td>
</tr>
<tr>
<td>City of Trenton, Missouri</td>
<td>Commercial Operation October 2015</td>
</tr>
<tr>
<td>City of Rolla, Missouri</td>
<td>Commercial Operation May 2016</td>
</tr>
<tr>
<td>City of Waynesville, Missouri</td>
<td>Commercial Operation August 2016</td>
</tr>
<tr>
<td>City of Marshall, Missouri</td>
<td>Commercial Operation December 2016</td>
</tr>
</tbody>
</table>

In May 2016, MJMEUC executed a long-term power purchase agreement for the rights to purchase all the capacity and energy from multiple solar power generating facilities in Missouri. The power generating facilities were to be constructed in up to seven cities that are members of MoPEP. MC Power Companies, Inc. is responsible for construction and operation of the approximate total 16 MW of the facilities. MJMEUC has certain option rights to purchase each facility on or after the end of the seventh contract year. The capacity and energy of each facility is fully dedicated to MoPEP. Below is a summary of the five facilities constructed or under construction, which make up the 16 MW:

<table>
<thead>
<tr>
<th>MoPEP Member</th>
<th>Facility Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Chillicothe, Missouri</td>
<td>Commercial Operation June 2017</td>
</tr>
<tr>
<td>City of Lebanon, Missouri</td>
<td>Commercial Operation August 2017</td>
</tr>
<tr>
<td>City of Higginsville, Missouri</td>
<td>Commercial Operation December 2017</td>
</tr>
<tr>
<td>City of El Dorado Springs, Missouri</td>
<td>Commercial Operation May 2018</td>
</tr>
<tr>
<td>City of Farmington, Missouri</td>
<td>Commercial Operation August 2018</td>
</tr>
</tbody>
</table>

In June 2016, MJMEUC executed a long-term agreement with Grain Belt Express Clean Line LLC ("Grain Belt Express") to deliver energy up to 200 MW of wind generated power in Kansas into a MISO interconnection located in Missouri. This contract is contingent on the approval of the Missouri Public Service Commission ("MOPSC") of the Grain Belt Express project and the project's actual construction. The MOPSC originally denied approving the project; however, the Missouri Supreme Court ruled that the basis for MOPSC’s denial was invalid and sent the case back to the MOPSC. The filing went back in front of the MOPSC for its review and the MOPSC gave its approval for the project on March 20, 2019. A court appeal from a landowner group is expected. This agreement will begin when the transmission project begins commercial operations and can provide the transmission service to MJMEUC. The term of this agreement is for 15-25 years, determined from the contract effective date.

In January 2017, MJMEUC executed a long-term agreement with Iron Star Wind Project, LLC ("Iron Star") for the purchase of a minimum of 100 MW and up to 200 MW capacity and energy from its Iron Star Project. In December 2017, MJMEUC provided notice to Iron Star it intends to purchase 136 MW under this agreement. The Project is in Kansas and the energy generated by the project will be transmitted to a MISO interconnection point in Missouri via the Grain Belt Express project discussed above. This agreement is contingent upon the final construction of the Grain Belt project. The initial delivery date of energy is within 3 days of the available date of the Grain Belt Express project. The initial term of this agreement is for 20 years and MJMEUC has the option to extend the agreement for two additional 5-year periods.
REQUIRED SUPPLEMENTARY INFORMATION
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
LAGERS (PENSION PLAN)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATED RATIOS
Years Ended December 31, 2018, 2017, 2016 and 2015

<table>
<thead>
<tr>
<th>Total Pension Liability</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>$346,883</td>
<td>$313,892</td>
<td>$289,867</td>
<td>$262,790</td>
</tr>
<tr>
<td>Interest on the Total Pension Liability</td>
<td>514,067</td>
<td>461,799</td>
<td>383,108</td>
<td>335,167</td>
</tr>
<tr>
<td>Benefit Changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difference Between Expected and Actual Experience</td>
<td>359,840</td>
<td>25,663</td>
<td>180,411</td>
<td>119,228</td>
</tr>
<tr>
<td>Assumption Changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>(94,717)</td>
<td>(90,916)</td>
<td>(83,027)</td>
<td>(55,925)</td>
</tr>
<tr>
<td>Refunds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Total Pension Liability</td>
<td>1,126,073</td>
<td>653,456</td>
<td>1,130,608</td>
<td>661,260</td>
</tr>
<tr>
<td>Total Pension Liability, Beginning</td>
<td>6,966,701</td>
<td>6,313,245</td>
<td>5,182,637</td>
<td>4,521,377</td>
</tr>
<tr>
<td>Total Pension Liability, Ending</td>
<td>$8,092,774</td>
<td>$6,966,701</td>
<td>$6,313,245</td>
<td>$5,182,637</td>
</tr>
</tbody>
</table>

Plan Fiduciary Net Position

| Contributions - Employer | $478,823 | $402,480 | $351,572 | $359,868 |
| Contributions - Employee |        |        |        |        |
| Pension Plan Net Investment Income | 784,867 | 664,100 | (18,952) | 92,005 |
| Benefit Payments          | (94,717) | (90,916) | (83,027) | (55,925) |
| Refunds                   |        |        |        |        |
| Pension Plan Administrative Expense | (3,757) | (3,541) | (3,030) | (3,169) |
| Other                     | (8,541) | (71,400) | (15,191) | 177,079 |
| Net Change in Plan Fiduciary Net Position | 1,156,675 | 900,723 | 231,372 | 569,858 |
| Plan Fiduciary Net Position, Beginning | 6,310,241 | 5,409,518 | 5,178,146 | 4,608,288 |
| Plan Fiduciary Net Position, Ending | $7,466,916 | $6,310,241 | $5,409,518 | $5,178,146 |

Employer's Net Pension Liability

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$625,858</td>
<td>$656,460</td>
<td>$903,727</td>
<td>$4,491</td>
</tr>
</tbody>
</table>

Plan Fiduciary Net Position as Percentage of Total Pension Liability

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92.27%</td>
<td>90.58%</td>
<td>85.69%</td>
<td>99.91%</td>
</tr>
</tbody>
</table>

Covered Payroll

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$3,078,901</td>
<td>$2,730,938</td>
<td>$2,484,808</td>
<td>$2,399,441</td>
</tr>
</tbody>
</table>

Net Pension Liability as a Percentage of Covered Payroll

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20.33%</td>
<td>24.04%</td>
<td>36.37%</td>
<td>0.19%</td>
</tr>
</tbody>
</table>

Note: This schedule will ultimately contain ten years of data as it becomes available.
### SCHEDULE OF CONTRIBUTIONS - LAST TEN FISCAL YEARS

**Missouri Joint Municipal Electric Utility Commission**

**LAGERS (PENSION PLAN)**

*December 31, 2018*

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contributions</td>
<td>$521,408</td>
<td>$472,789</td>
<td>$357,689</td>
<td>$355,667</td>
<td>$347,452</td>
</tr>
<tr>
<td>Contributions in Relation to the Actuarially Determined Contribution</td>
<td>518,066</td>
<td>445,158</td>
<td>357,689</td>
<td>355,667</td>
<td>347,452</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$3,342</td>
<td>$27,631</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$3,342,360</td>
<td>$3,070,055</td>
<td>$2,649,549</td>
<td>$2,487,180</td>
<td>$2,285,973</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
<td>15.50%</td>
<td>14.50%</td>
<td>13.50%</td>
<td>14.30%</td>
<td>15.20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contributions</td>
<td>$299,869</td>
<td>$266,178</td>
<td>$252,999</td>
<td>$237,824</td>
<td>$195,857</td>
</tr>
<tr>
<td>Contributions in Relation to the Actuarially Determined Contribution</td>
<td>299,869</td>
<td>266,178</td>
<td>252,999</td>
<td>237,824</td>
<td>195,857</td>
</tr>
<tr>
<td>Contribution Deficiency (Excess)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Covered Payroll</td>
<td>$1,934,741</td>
<td>$1,684,668</td>
<td>$1,653,591</td>
<td>$1,554,404</td>
<td>$1,341,488</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
<td>15.50%</td>
<td>15.80%</td>
<td>15.30%</td>
<td>15.30%</td>
<td>14.60%</td>
</tr>
</tbody>
</table>
SUPPLEMENTARY INFORMATION
### Combining Statement of Net Position

**Missouri Joint Municipal Electric Utility Commission**

**Non-Major Funds**

**December 31, 2018**

<table>
<thead>
<tr>
<th></th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets and Deferred Outflows of Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant, Buildings, and Equipment in Service</td>
<td>$1,263,115</td>
<td>$75,359</td>
<td>$1,338,474</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Net</strong></td>
<td>$1,263,115</td>
<td>$75,359</td>
<td>$1,338,474</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>333,044</td>
<td>1,405,168</td>
<td>1,738,212</td>
</tr>
<tr>
<td>Accounts Receivable, Net</td>
<td>53,324</td>
<td>489,617</td>
<td>542,941</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>456,441</td>
<td>456,441</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>4,934</td>
<td>75,474</td>
<td>80,408</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>391,302</td>
<td>2,426,700</td>
<td>2,818,002</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>1,654,417</td>
<td>2,502,059</td>
<td>4,156,476</td>
</tr>
<tr>
<td><strong>Deferred Outflows of Resources</strong></td>
<td>$764,001</td>
<td>$764,001</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets and Deferred Outflows of Resources</strong></td>
<td>$1,654,417</td>
<td>$3,266,060</td>
<td>$4,920,477</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities, Deferred Inflows of Resources, and Net Position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Noncurrent Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Debt, Net of Current Maturities</td>
<td>$999,000</td>
<td>-</td>
<td>$999,000</td>
</tr>
<tr>
<td>Security Deposits Held</td>
<td>-</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>-</td>
<td>625,858</td>
<td>625,858</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>$999,000</td>
<td>1,125,858</td>
<td>2,124,858</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>84,971</td>
<td>595,894</td>
<td>680,865</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll Taxes</td>
<td>281,161</td>
<td>61,912</td>
<td>343,073</td>
</tr>
<tr>
<td>Current Maturities, Long-Term Debt</td>
<td>60,000</td>
<td>-</td>
<td>60,000</td>
</tr>
<tr>
<td>Accrued Interest Payable on Debt</td>
<td>1,381</td>
<td>-</td>
<td>1,381</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>427,513</td>
<td>657,806</td>
<td>1,085,319</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,426,513</td>
<td>1,783,664</td>
<td>3,210,177</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment in Capital Assets</td>
<td>204,115</td>
<td>75,359</td>
<td>279,474</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>23,789</td>
<td>1,407,037</td>
<td>1,430,826</td>
</tr>
<tr>
<td><strong>Total Net Position</strong></td>
<td>227,904</td>
<td>1,482,396</td>
<td>1,710,300</td>
</tr>
<tr>
<td><strong>Total Liabilities, Deferred Inflows of Resources and Net Position</strong></td>
<td>$1,654,417</td>
<td>$3,266,060</td>
<td>$4,920,477</td>
</tr>
</tbody>
</table>
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF NET POSITION
Non-Major Funds
December 31, 2017

<table>
<thead>
<tr>
<th>Fund</th>
<th>Alliance</th>
<th>General</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,310,418</td>
<td>$168,959</td>
<td>$1,479,377</td>
</tr>
<tr>
<td>Total Capital Assets, Net</td>
<td>$1,310,418</td>
<td>$168,959</td>
<td>$1,479,377</td>
</tr>
</tbody>
</table>

### ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

#### CAPITAL ASSETS
- Plant, Buildings, and Equipment in Service: $1,310,418
- Total Capital Assets, Net: $1,479,377

#### CURRENT ASSETS
- Cash and Cash Equivalents: $339,005
- Accounts Receivable, Net: $1,960
- Due from Other Funds: $269,543
- Prepaid Expenses: $2,020
- Total Current Assets: $342,985

#### DEFERRED OUTFLOWS OF RESOURCES
- Total Assets and Deferred Outflows of Resources: $1,653,403

### LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

#### NONCURRENT LIABILITIES
- Long-Term Debt, Net of Current Maturities: $1,059,000
- Net Pension Liability: $656,460
- Total Noncurrent Liabilities: $1,715,460

#### CURRENT LIABILITIES
- Accounts Payable: $51,707
- Current Maturities, Long-Term Debt: $48,000
- Accrued Interest Payable on Debt: $1,528
- Total Current Liabilities: $142,187

Net Position
- Net Investment in Capital Assets: $203,418
- Unrestricted: $248,798
- Total Net Position: $452,216

Total Liabilities, Deferred Inflows of Resources and Net Position
- $4,385,588

56
## MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

#### Non-Major Funds

**Year Ended December 31, 2018**

<table>
<thead>
<tr>
<th></th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$ -</td>
<td>$ 1,169,047</td>
<td>$ 1,169,047</td>
</tr>
<tr>
<td>Energy Services</td>
<td>$ 144,256</td>
<td></td>
<td>144,256</td>
</tr>
<tr>
<td>Transfers from MAMU and MGCM</td>
<td>119,224</td>
<td></td>
<td>119,224</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>108,644</td>
<td></td>
<td>563,006</td>
</tr>
<tr>
<td>Other</td>
<td>71,030</td>
<td>213,211</td>
<td>284,241</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td><strong>298,898</strong></td>
<td><strong>1,980,876</strong></td>
<td><strong>2,279,774</strong></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td></td>
<td>$ 1,147,877</td>
<td>$ 1,147,877</td>
</tr>
<tr>
<td>Personnel Services and Staff Support</td>
<td>$ 594,440</td>
<td>$ 1,167,951</td>
<td>$ 1,762,391</td>
</tr>
<tr>
<td>Professional Services</td>
<td></td>
<td>$ 556,071</td>
<td>$ 556,071</td>
</tr>
<tr>
<td>Rental and Maintenance</td>
<td>$ 131,879</td>
<td>$ 950</td>
<td>$ 132,829</td>
</tr>
<tr>
<td>Utilities</td>
<td>$ 60,219</td>
<td></td>
<td>$ 60,219</td>
</tr>
<tr>
<td>Energy Services</td>
<td></td>
<td>$ 12,867</td>
<td>$ 12,867</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>$ 99,746</td>
<td>$ 175,963</td>
<td>$ 275,709</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$ 50,859</td>
<td>$ 96,858</td>
<td>$ 147,717</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>$ 216,378</td>
<td>$ 454,631</td>
<td>$ 671,009</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>1,153,521</strong></td>
<td><strong>3,613,168</strong></td>
<td><strong>4,766,689</strong></td>
</tr>
<tr>
<td><strong>NONOPERATING REVENUES (EXPENSES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Return</td>
<td></td>
<td>$ 142,255</td>
<td>$ 142,255</td>
</tr>
<tr>
<td>Interest and Fees Expense</td>
<td>(50,423)</td>
<td>(82,125)</td>
<td>(132,548)</td>
</tr>
<tr>
<td><strong>Net Nonoperating Revenues (Expenses)</strong></td>
<td><strong>(50,423)</strong></td>
<td><strong>60,130</strong></td>
<td><strong>9,707</strong></td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interfund Operating Transfers</td>
<td>680,734</td>
<td>1,633,672</td>
<td>2,314,406</td>
</tr>
<tr>
<td>Increase (Decrease) in Net Position</td>
<td>(224,312)</td>
<td>61,510</td>
<td>(162,802)</td>
</tr>
<tr>
<td>Net Position, Beginning of Period</td>
<td>452,216</td>
<td>1,420,886</td>
<td>1,873,102</td>
</tr>
<tr>
<td><strong>Net Position, End of Period</strong></td>
<td><strong>$ 227,904</strong></td>
<td><strong>$ 1,482,396</strong></td>
<td><strong>$ 1,710,300</strong></td>
</tr>
</tbody>
</table>
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Non-Major Funds
Year Ended December 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$ -</td>
<td>$ 983,707</td>
<td>$ 983,707</td>
</tr>
<tr>
<td>Energy Services</td>
<td>-</td>
<td>195,564</td>
<td>195,564</td>
</tr>
<tr>
<td>Transfers from MAMU and MGCM</td>
<td>112,511</td>
<td>-</td>
<td>112,511</td>
</tr>
<tr>
<td>Conferences and Member Training</td>
<td>120,060</td>
<td>452,367</td>
<td>572,427</td>
</tr>
<tr>
<td>Other</td>
<td>20,805</td>
<td>164,891</td>
<td>185,696</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>253,376</td>
<td>1,796,529</td>
<td>2,049,905</td>
</tr>
</tbody>
</table>

| **OPERATING EXPENSES** |               |              |             |
| Transmission           | -             | 962,537      | 962,537     |
| Personnel Services and Staff Support | 292,942    | 1,216,159    | 1,509,101   |
| Professional Services  | -             | 749,762      | 749,762     |
| Rental and Maintenance | 117,235      | 3,833        | 121,068     |
| Utilities              | 58,536        | -            | 58,536      |
| Energy Services        | -             | 12,863       | 12,863      |
| Conferences and Member Training | 99,910     | 184,666      | 284,576     |
| Depreciation           | 52,696        | 96,044       | 148,740     |
| Other Operating Expenses | 209,358    | 393,381      | 602,739     |
| Total Operating Expenses | 830,677     | 3,619,245    | 4,449,922   |
| Operating Income (Loss) | (577,301)    | (1,822,716)  | (2,400,017) |

| **NONOPERATING REVENUES (EXPENSES)** |               |              |             |
| Investment Return       | -             | 51,384       | 51,384      |
| Interest and Fees Expense | (52,654)   | (82,125)      | (134,779)   |
| Net Nonoperating Revenues (Expenses) | (52,654)    | (30,741)      | (83,395)    |

| **OTHER FINANCING SOURCES (USES)** |               |              |             |
| Interfund Operating Transfers | 641,070       | 1,715,300    | 2,356,370   |
| Increase (Decrease) in Net Position | 11,115       | (138,157)    | (127,042)   |
| Net Position, Beginning of Period | 441,101      | 1,559,043    | 2,000,144   |
| Net Position, End of Period    | $ 452,216     | $ 1,420,886  | $ 1,873,102 |
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION  
COMBINING STATEMENT OF CASH FLOWS  
Non-Major Funds  
Year Ended December 31, 2018

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Power and Transmission Sales</td>
<td>$ -</td>
<td>$1,107,263</td>
<td>$1,107,263</td>
</tr>
<tr>
<td>Receipts from other Revenue Sources</td>
<td>247,534</td>
<td>327,832</td>
<td>575,366</td>
</tr>
<tr>
<td>Payments for Power Purchases and Other Goods and Services</td>
<td>(477,872)</td>
<td>(1,857,772)</td>
<td>(2,335,644)</td>
</tr>
<tr>
<td>Payments to Employees for Services and Benefits</td>
<td>(354,231)</td>
<td>(1,137,793)</td>
<td>(1,492,024)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Operating Activities</strong></td>
<td>(584,569)</td>
<td>(1,560,470)</td>
<td>(2,145,039)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONCAPITAL FINANCING ACTIVITIES</th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfund Operating Transfers</td>
<td>680,734</td>
<td>1,633,672</td>
<td>2,314,406</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Noncapital Financing Activities</strong></td>
<td>680,734</td>
<td>1,633,672</td>
<td>2,314,406</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL AND RELATED FINANCING ACTIVITIES</th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Payments on Long-Term Debt</td>
<td>(48,000)</td>
<td>-</td>
<td>(48,000)</td>
</tr>
<tr>
<td>Payments of Interest and Fees on Debt</td>
<td>(50,570)</td>
<td>(82,125)</td>
<td>(132,695)</td>
</tr>
<tr>
<td>Acquisition and Construction of capital Assets</td>
<td>(3,556)</td>
<td>(3,258)</td>
<td>(6,814)</td>
</tr>
<tr>
<td><strong>Net Cash Used by Capital and Related Financing Activities</strong></td>
<td>(102,126)</td>
<td>(85,383)</td>
<td>(187,509)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
<td>-</td>
<td>142,255</td>
<td>142,255</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Investing Activities</strong></td>
<td>-</td>
<td>142,255</td>
<td>142,255</td>
</tr>
<tr>
<td>Net Increase (Decrease) in Cash and Cash Equivalents</td>
<td>(5,961)</td>
<td>130,074</td>
<td>124,113</td>
</tr>
<tr>
<td>Cash and Cash Equivalents at Beginning of Year</td>
<td>339,005</td>
<td>1,275,094</td>
<td>1,614,099</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents at End of Year</strong></td>
<td>$333,044</td>
<td>$1,405,168</td>
<td>$1,738,212</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
<td>$ (854,623)</td>
<td>$ (1,632,292)</td>
<td>$ (2,486,915)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>50,859</td>
<td>96,858</td>
<td>147,717</td>
</tr>
<tr>
<td>Adjustments for (Increases) Decreases in Assets and Deferred Outflows of Resources and Increases (Decreases) in Liabilities and Deferred Inflows of Resources:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>(51,364)</td>
<td>(358,883)</td>
<td>(410,247)</td>
</tr>
<tr>
<td>Due from Other Funds</td>
<td>-</td>
<td>(186,898)</td>
<td>(186,898)</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>(2,914)</td>
<td>(5,348)</td>
<td>(8,262)</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>33,264</td>
<td>495,935</td>
<td>529,199</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll Taxes</td>
<td>240,209</td>
<td>7,032</td>
<td>247,241</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>-</td>
<td>(30,602)</td>
<td>(30,602)</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
<td>-</td>
<td>53,728</td>
<td>53,728</td>
</tr>
<tr>
<td><strong>Net Cash Used by Operating Activities</strong></td>
<td>$ (584,569)</td>
<td>$ (1,560,470)</td>
<td>$ (2,145,039)</td>
</tr>
</tbody>
</table>
MISSOURI JOINT MUNICIPAL ELECTRIC UTILITY COMMISSION

COMBINING STATEMENT OF CASH FLOWS
Non-Major Funds
Year Ended December 31, 2017

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>Alliance Fund</th>
<th>General Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from Power and Transmission Sales</td>
<td>$ -</td>
<td>$ 921,923</td>
<td>$ 921,923</td>
</tr>
<tr>
<td>Payments for Power Purchases and Other Goods and Services</td>
<td>(428,981)</td>
<td>(2,087,384)</td>
<td>(2,516,365)</td>
</tr>
<tr>
<td>Payments to Employees for Services and Benefits</td>
<td>(292,743)</td>
<td>(1,050,299)</td>
<td>(1,343,042)</td>
</tr>
<tr>
<td>Net Cash Used by Operating Activities</td>
<td>(474,877)</td>
<td>(938,772)</td>
<td>(1,413,649)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONCAPITAL FINANCING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interfund Operating Transfers</td>
</tr>
<tr>
<td>Net Cash Provided by Noncapital Financing Activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL AND RELATED FINANCING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Payments on Long-Term Debt</td>
</tr>
<tr>
<td>Payments of Interest and Fees on Debt</td>
</tr>
<tr>
<td>Acquisition and Construction of capital Assets</td>
</tr>
<tr>
<td>Net Cash Used by Capital and Related Financing Activities</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Income</td>
</tr>
<tr>
<td>Net Cash Provided by Investing Activities</td>
</tr>
<tr>
<td>Net Increase in Cash and Cash Equivalents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income (Loss)</td>
</tr>
<tr>
<td>Adjustments to Reconcile Operating Income to Net Cash Used by Operating Activities:</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Adjustments for (Increases) Decreases in Assets and Deferred Outflows of Resources and Increases (Decreases) in Liabilities and Deferred Inflows of Resources:</td>
</tr>
<tr>
<td>Accounts Receivable</td>
</tr>
<tr>
<td>Due from Other Funds</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
</tr>
<tr>
<td>Accounts Payable</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll Taxes</td>
</tr>
<tr>
<td>Deposits Held</td>
</tr>
<tr>
<td>Unearned Revenue</td>
</tr>
<tr>
<td>Net Pension Liability</td>
</tr>
<tr>
<td>Deferred Outflows of Resources</td>
</tr>
<tr>
<td>Net Cash Used by Operating Activities</td>
</tr>
</tbody>
</table>

Cash and Cash Equivalents at Beginning of Year: $ 289,041 | $ 556,638 | $ 845,679
Cash and Cash Equivalents at End of Year: $ 339,005 | $ 1,275,094 | $ 1,614,099
<table>
<thead>
<tr>
<th>Power Project Revenue Bonds</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Fund</td>
<td>$24,705,534</td>
<td>532,648</td>
<td></td>
<td></td>
<td>33,639</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>14,945,945</td>
<td>22,195,283</td>
<td>21,898,833</td>
<td>(4,485)</td>
<td>15,237,910</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Account</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$39,651,571</td>
<td>22,727,931</td>
<td>21,898,925</td>
<td>33,639</td>
<td>(4,485)</td>
<td>$40,509,731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Project Revenue Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>19,293,599</td>
<td>368,557</td>
<td></td>
<td>(110,467)</td>
<td>19,551,689</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$30,737,664</td>
<td>19,049,526</td>
<td>18,432,650</td>
<td>(110,467)</td>
<td>1,880</td>
<td>$31,245,953</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Project Revenue Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Issuance Fund</td>
<td>$204,277</td>
<td>783</td>
<td>205,060</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Escrow Bond Fund</td>
<td>31,645,428</td>
<td>733,493</td>
<td>703,000</td>
<td>30,672</td>
<td>(195,592)</td>
<td>31,511,001</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>18,127,893</td>
<td>56,601,510</td>
<td>56,238,360</td>
<td></td>
<td>27,980</td>
<td>18,519,023</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Accounts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$101,474,122</td>
<td>58,541,087</td>
<td>57,146,420</td>
<td>(58,764)</td>
<td>187,462</td>
<td>$102,642,413</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Supply System Revenue Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Fredericktown) Series 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$126,162</td>
<td>895,947</td>
<td>923,423</td>
<td></td>
<td>(12,262)</td>
<td>86,424</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Account</td>
<td>1,358,124</td>
<td>31,618</td>
<td>1,393,788</td>
<td>4,046</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,484,286</td>
<td>927,565</td>
<td>2,317,211</td>
<td>4,046</td>
<td>(12,262)</td>
<td>$86,424</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Supply System Revenue Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dogwood Energy Center) Series 2012 and 2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$1,124,885</td>
<td>1,916,641</td>
<td>1,726,237</td>
<td></td>
<td>(22,309)</td>
<td>$1,292,980</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Account</td>
<td>2,464,578</td>
<td>57,736</td>
<td>2,529,200</td>
<td>6,886</td>
<td></td>
<td>17,843</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Account</td>
<td></td>
<td>27,763,146</td>
<td>27,745,303</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td></td>
<td>331,988</td>
<td></td>
<td></td>
<td></td>
<td>331,988</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$3,589,463</td>
<td>30,069,511</td>
<td>$32,000,740</td>
<td>6,886</td>
<td>(22,309)</td>
<td>$1,642,811</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power Supply System Revenue Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(MoPEP Facilities) Series 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Fund</td>
<td>$156,502</td>
<td>1,747,116</td>
<td>1,542,726</td>
<td></td>
<td>264,774</td>
<td>$60,384</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Issuance Fund</td>
<td></td>
<td>5,922</td>
<td>162,424</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service Reserve Account</td>
<td></td>
<td>5,607,333</td>
<td>(5,651)</td>
<td></td>
<td></td>
<td>5,601,682</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$156,502</td>
<td>7,360,371</td>
<td>1,705,150</td>
<td>(5,651)</td>
<td>60,384</td>
<td>$5,866,456</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>