

## Bowling Green Municipal Utilities

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Name of Organization

801 Center Street Bowling Green, KY 42101

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Address

Tennessee Valley Authority  
1101 Market Street  
Chattanooga, Tennessee 37402-2801

Gentlemen:

We are transmitting herewith our annual report for the year ended June 30, 2017. The report is in agreement with the books of account, and to the best of our knowledge and belief the statements therein contained are true and correctly reflect the financial condition at June 30, 2017, and the results of our electric operations for the year ended on that date.

Our books of account have been kept in accordance with the provisions of the power contract between this organization and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts.

(Signed)

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Gary A. Bridges

Accountant in charge of books

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Mark O. Iverson

Manager

08/14/2017

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Date transmittedTVA Act of 1933

In fulfilling the responsibilities of the TVA Act of 1933 [16 U.S.C. #831i and 831n-4(f)], TVA requires each distributor to provide certain financial and accounting information to TVA to ensure that electric power produced by TVA is being sold at rates which are as low as feasible. This form (TVA 3957) is for that purpose.

Public reporting burden for this collection of information is estimated to vary from ten to forty hours per response, with an average of nineteen hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Agency Clearance Officer, Tennessee Valley Authority, 1101 Market Street, Chattanooga, TN 37402; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BALANCE SHEET**

ASSETS AND OTHER DEBITS	SEE PAGE NO	ITEM NO	JUNE 30	
			THIS YEAR	LAST YEAR
<b>UTILITY PLANT</b>				
Electric Plant. . . . .	10	1	105,705,902.18	102,640,823.07
Less Depreciation. . . . .	10	2	49,811,586.99	47,069,982.22
<b>Total. . . . .</b>	10	3	55,894,315.19	55,570,840.85
Unamortized acq. adj. . . . .	13	4		
Other utility plant - net. . . . .	----	5		
<b>Total Plant - net. . . . .</b>	----	6	55,894,315.19	55,570,840.85
<b>OTHER PROPERTY AND INVESTMENTS</b>				
Nonutility property - net. . . . .	15	7		
Other investments. . . . .	14	8		
Sinking funds. . . . .	15	9	1,082,100.62	1,034,781.14
Depreciation funds. . . . .	15	10	100,000.00	100,000.00
Other special funds. . . . .	15	12		
<b>Total. . . . .</b>	----	13	1,182,100.62	1,134,781.14
<b>CURRENT AND ACCRUED ASSETS</b>				
General cash and temporary cash investments. . . . .	14	14	16,421,376.37	15,835,162.83
Accounts receivable. . . . .	16	15	5,795,073.35	4,858,524.64
Materials and supplies. . . . .	17	16	955,545.07	879,556.74
Prepayments. . . . .	17	17	720,863.57	702,888.64
Other current assets. . . . .	17	18	2,124,557.24	3,429,796.11
<b>Total. . . . .</b>	----	19	26,017,415.60	25,705,928.96
<b>DEFERRED DEBITS</b>				
Debt expense. . . . .	17	20		
Preliminary survey. . . . .	----	21		
Clearing accounts. . . . .	----	22		
Energy Service Loans Receivables. . . . .	----	24		
Deferred costs on TVA Leases. . . . .	17	25		
Other deferred debits. . . . .	17	26	2,712,999.00	1,912,210.89
<b>Total. . . . .</b>	----	27	2,712,999.00	1,912,210.89
<b>TOTAL ASSETS AND OTHER DEBITS. . . . .</b>	----	28	85,806,830.41	84,323,761.84

**LIST UNRECORDED AND CONTINGENT ASSETS AND LIABILITIES OTHER THAN ACCRUED UTILITY REVENUE AND UNBILLED PURCHASED POWER**

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BALANCE SHEET**

LIABILITIES AND OTHER CREDITS	SEE PAGE NO	ITEM NO	JUNE 30	
			THIS YEAR	LAST YEAR
<b>CAPITAL</b>				
Membership certificates. . . . .	----	30		
<b>EARNINGS REINVESTED IN SYSTEM ASSETS</b>				
Beginning of year. . . . .	----	33	46,561,670.04	46,012,648.36
Current year. . . . .	3	34	768,196.82	(116,834.32)
<b>Total. . . . .</b>	----	35	47,329,866.86	45,895,814.04
<b>LONG-TERM DEBT</b>				
RUS. . . . .	23	36		
CFC. . . . .	23	37		
CoBank. . . . .	23	38		
Bonds and other long-term debt. . . . .	25	39.1	10,390,000.00	10,875,000.00
TVA. . . . .	25	39.3		
Debt premium and discount. . . . .	----	40	188,861.42	197,467.91
<b>Total. . . . .</b>	----	41	10,578,861.42	11,072,467.91
<b>OTHER NON-CURRENT LIABILITIES</b>				
Postretirement Benefits. . . . .	25	39.2	11,472,316.69	10,258,424.33
Energy Service Loans - Advances. . . . .	----	42		
Energy Service Loans - Other. . . . .	----	43		
<b>Total. . . . .</b>	----	44	11,472,316.69	10,258,424.33
<b>CURRENT AND ACCRUED LIABILITIES</b>				
TVA notes payable. . . . .	26	45.1		
Other notes payable. . . . .	26	45.2		
Accounts payable. . . . .	26	46	8,191,073.62	8,301,431.60
Customer deposits. . . . .	26	47	6,755,208.09	6,538,189.41
Taxes and equivalents accrued. . . . .	29	48	390,000.00	390,000.00
Interest accrued - RUS. . . . .	23	49		
Interest accrued - CFC. . . . .	23	50		
Interest accrued -CoBank. . . . .	23	51		
Interest accrued -TVA. . . . .	26	52.1		
Interest accrued - other. . . . .	26	52.2	66,165.64	53,398.40
Other current liabilities. . . . .	26	53	616,032.49	962,927.55
<b>Total. . . . .</b>	----	54	16,018,479.84	16,245,946.96
<b>DEFERRED CREDITS</b>				
Advances for construction - refundable. . . . .	18	55	51,485.60	51,485.60
Other deferred credits. . . . .	26	56	355,820.00	799,623.00
<b>Total. . . . .</b>	----	57	407,305.60	851,108.60
<b>TOTAL LIABILITIES AND OTHER CREDITS. . . . .</b>	----	58	85,806,830.41	84,323,761.84

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

REVENUE AND EXPENSE STATEMENT	SEE PAGE NO	ITEM NO	THIS YEAR	LAST YEAR
<b>OPERATING REVENUE</b>				
Electric sales revenue (page 7, item 332) . . . . .	----	59	86,949,902.91	83,033,306.05
Revenue from late payments. . . . .	----	60	520,293.97	529,797.72
Misc. service revenue. . . . .	----	61	590,565.88	642,958.91
Rent from electric property. . . . .	----	62	572,559.43	571,376.54
Other electric revenue. . . . .	----	63		
<b>Total operating revenue. . . . .</b>	----	64	88,633,322.19	84,777,439.22
<b>PURCHASED POWER</b>				
<b>Total power cost (page 7, item 342). . . . .</b>	7	65	70,240,001.36	66,831,961.25
<b>OPERATION EXPENSE</b>				
Transmission expense. . . . .	5	66		
Distribution expense. . . . .	5	67	1,834,299.91	1,715,401.59
Customer accounts expense. . . . .	5	68	1,350,093.22	1,334,770.06
Customer service and informational expense. . . . .	5	69	173,414.18	166,812.71
Sales expense. . . . .	5	70	90,522.97	52,711.95
Administrative and general expense. . . . .	6	71	4,500,740.62	5,163,728.11
<b>Operation expense. . . . .</b>	6	72	7,949,070.90	8,433,424.42
<b>MAINTENANCE EXPENSE</b>				
Transmission expense. . . . .	6	73		
Distribution expense. . . . .	6	74	2,277,265.06	2,247,037.22
Administrative and general expense. . . . .	6	75	309,404.67	295,368.09
<b>Maintenance expense. . . . .</b>	6	76	2,586,669.73	2,542,405.31
<b>OTHER OPERATING EXPENSE</b>				
Depreciation expense. . . . .	12	77	3,475,181.82	3,320,404.57
Amortization of acquisition adjustment. . . . .	13	78		
Taxes and tax equivalents. . . . .	29	79	3,491,799.40	3,344,668.39
<b>Other operating expense. . . . .</b>	----	80	6,966,981.22	6,665,072.96
<b>TOTAL OPERATING EXPENSE AND PURCHASED POWER. . . . .</b>	----	81	87,742,723.21	84,472,863.94
<b>INCOME</b>				
Operating income (item 64, less item 81). . . . .	----	82	890,598.98	304,575.28
Other income. . . . .	16	83	191,149.07	202,024.68
<b>Total income. . . . .</b>	----	84	1,081,748.05	506,599.96
Miscellaneous income deductions. . . . .	16	85		
<b>Net income before debt expense. . . . .</b>	----	86	1,081,748.05	506,599.96
<b>DEBT EXPENSE</b>				
Interest on long-term debt - RUS. . . . .	23	87		
Interest on long-term debt - CFC. . . . .	23	88		
Interest on long-term debt - CoBank. . . . .	23	89		
Interest on long-term debt - other. . . . .	26	90.1	314,085.72	423,948.48
Interest - TVA. . . . .	26	90.2		
Other interest expense. . . . .	----	92	2,723.12	8,072.59
Amortization of debt discount and expense. . . . .	----	93	8,528.43	192,395.38
Amortization of premium on debt - credit. . . . .	----	94	(11,786.04)	(982.17)
<b>Total debt expense. . . . .</b>	----	95	313,551.23	623,434.28
<b>NET INCOME</b>				
Net income before extraordinary items (item 86, less item 95). . . . .	----	96	768,196.82	(116,834.32)
Extraordinary items. . . . .	33	97		
<b>Net Income. . . . .</b>	2	98	768,196.82	(116,834.32)

**STATEMENT OF CASH FLOWS**

Increase (Decrease) in Cash and Cash Equivalents

	THIS YEAR	LAST YEAR
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
Net Income .....	768,196.82	(116,834.32)
<b>Adjustments to Reconcile Net Income to Net Cash:</b>		
Depreciation .....	3,830,504.52	3,699,512.03
<b>Amortization of:</b>		
Acquisition Adjustment .....		
Additions to TVA Leases .....		
Debt Premium or Discount .....	(3,257.61)	191,413.21
(Gain) or Loss on Sale of Plant .....		
<b>Changes in Current and Deferred Items:</b>		
Accounts Receivable .....	(936,548.71)	250,222.97
Materials and Supplies .....	(75,988.33)	192,505.93
Prepayments and Other Current Assets .....	1,287,263.94	214,060.88
Deferred Debits .....	(806,136.99)	(706,113.50)
Accounts Payable .....	(110,357.98)	(293,265.02)
Customer Deposits .....	217,018.68	365,884.36
Taxes and Interest Accrued .....	12,767.24	(51,350.98)
Other Current Liabilities .....	(346,895.06)	62,754.55
Deferred Credits .....	(443,803.00)	(73,449.00)
Other: Retained Earnings Adjustments .....	665,856.00	
<b>Net Cash Provided by (Used in) Operating Activities .....</b>	<b>4,058,619.52</b>	<b>3,735,341.11</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES:</b>		
Additions to Plant .....	(3,874,630.55)	(5,355,566.36)
Removal Cost .....	(333,302.76)	(401,273.28)
Salvage .....	53,954.45	8,247.71
Net Change in Other Property and Investment .....	(47,319.48)	1,403,913.05
Energy Service Loans Receivable .....		
Plant Sold (Purchased) - Noninstallment Method .....		
Deferred Costs on TVA Leases (excluding amortization) .....		
Other: .....		
<b>Net Cash Provided by (Used in) Investing Activities .....</b>	<b>(4,201,298.34)</b>	<b>(4,344,678.88)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Additional Long-Term Borrowings .....		5,885,000.00
Payment of Principal on Long-Term Debt .....	(485,000.00)	(6,720,000.00)
Notes Payable .....		
Memberships .....		
Energy Service Loans Advances .....		
Receipt for Plant Sold - Installment Method .....		
Payment for Plant Purchased - Installment Method .....		
Other: Post Retirement Benefit Adjustments .....	1,213,892.36	2,445,323.61
<b>Net Cash Provided by (Used in) Financing Activities .....</b>	<b>728,892.36</b>	<b>1,610,323.61</b>
<b>NET INCREASE (DECREASE) IN CASH AND TEMPORARY INVESTMENTS ..</b>	<b>586,213.54</b>	<b>1,000,985.84</b>
CASH AND TEMPORARY INVESTMENTS BEGINNING OF YEAR .....	15,835,162.83	14,834,176.99
CASH AND TEMPORARY INVESTMENTS END OF YEAR .....	16,421,376.37	15,835,162.83

**NOTE:** Cash and Temporary Cash Investments include cash on hand and in demand deposits, and those investments which are generally a part of the power distributor's short-term cash management activities.

# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>OPERATING EXPENSE</b>					
<b>1. TRANSMISSION</b>					
560	Supervision and engineering. . . . .				
561	Load dispatching. . . . .				
562	Station expense. . . . .				
563	Overhead line expense. . . . .				
564	Underground line expense. . . . .				
566	Miscellaneous. . . . .				
567	Rents. . . . .				
(600)	<b>Total transmission operating expense (page 3, item 66).</b>				
<b>2. DISTRIBUTION</b>					
580	Supervision and engineering. . . . .	174,063.60	173,129.06	129,628.93	127,654.45
581	Load dispatching. . . . .				
582	Station expense. . . . .	112,842.11	122,129.39	31,553.64	32,867.51
583	Overhead line expense. . . . .	459,711.05	428,769.08	277,200.49	314,014.26
584	Underground line expense. . . . .	53,948.68	51,449.63	44,118.76	41,316.39
585	Street lighting and signal system expense. . . . .	125,172.91	103,418.02	59,576.82	47,423.42
586	Meter expense. . . . .	49,566.76	(45,653.33)	(10,153.02)	(103,467.69)
587	Customer installation expense. . . . .	162,165.69	166,882.23	119,519.58	114,578.02
588	Miscellaneous. . . . .	626,963.89	647,125.73	466,670.79	477,303.60
589	Rents. . . . .	69,865.22	68,151.78		
(605)	<b>Total distribution operating expense (page 3, item 67).</b>	<b>1,834,299.91</b>	<b>1,715,401.59</b>	<b>1,118,115.99</b>	<b>1,051,689.96</b>
<b>3. CUSTOMER ACCOUNTS EXPENSE</b>					
901	Supervision. . . . .	55,283.14	59,846.94	55,283.14	59,846.94
902	Meter reading expense. . . . .	221,603.47	217,285.49	198,715.32	189,778.68
903	Customer records and collection expense. . . . .	1,028,051.41	1,028,912.23	661,444.77	661,039.90
904	Uncollectible accounts. . . . .	45,155.20	28,725.40		
905	Miscellaneous. . . . .				
(610)	<b>Total customer accounts expense (page 3, item 68).</b>	<b>1,350,093.22</b>	<b>1,334,770.06</b>	<b>915,443.23</b>	<b>910,665.52</b>
<b>4. CUSTOMER SERVICES &amp; INFORMATIONAL EXPENSE</b>					
907	Supervision. . . . .	66,731.72	63,603.69	60,630.51	58,379.89
908	Customer assistance expense. . . . .	78,316.53	75,032.97	48,322.96	47,770.64
909	Informational and instructional advertising expense. . . . .	28,365.93	28,176.05	27,070.82	26,793.20
910	Miscellaneous customer service and informational expense. . . . .				
(615)	<b>Total customer services and informational expense (page 3, item 69).</b>	<b>173,414.18</b>	<b>166,812.71</b>	<b>136,024.29</b>	<b>132,943.73</b>
<b>5. SALES EXPENSE</b>					
911	Supervision. . . . .				
912	Demonstrating and selling expense. . . . .	90,522.97	52,711.95		
913	Advertising expense. . . . .				
916	Miscellaneous. . . . .				
(620)	<b>Total sales expense (page 3, item 70).</b>	<b>90,522.97</b>	<b>52,711.95</b>		

# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ACCT. NO.	DESCRIPTION	EXPENSES		PAYROLL DISTRIBUTION	
		THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR
<b>6. ADMINISTRATIVE &amp; GENERAL</b>					
920	Administrative and general salaries. . . . .	598,012.85	586,081.06	591,528.13	579,123.39
921	Office supplies and expense. . . . .	195,664.97	185,845.79	37,042.99	36,138.62
922	Administrative expense transferred - credit*. . . . .				
923	Outside services employed. . . . .	46,634.86	53,061.13		
924	Property insurance. . . . .	98,743.63	70,059.69		
925	Injuries and damages. . . . .	295,952.40	285,680.86	91,266.38	86,714.38
926	Employee pensions and benefits. . . . .	2,823,504.56	3,545,972.64		
927	Franchise requirements*. . . . .				
928	Regulatory commission expense*. . . . .				
929	Duplicate charges - credit. . . . .	(130,941.48)	(124,627.84)		
930	Miscellaneous general expense. . . . .	201,168.83	189,654.78	4,800.00	4,600.00
931	Rents. . . . .	372,000.00	372,000.00		
(625)	<b>Total administrative and general expense (page 3, item 71). . . . .</b>	<b>4,500,740.62</b>	<b>5,163,728.11</b>	<b>724,637.50</b>	<b>706,576.39</b>
(630)	<b>Total operating expense (Page 3 Item 72). . . . .</b>	<b>7,949,070.90</b>	<b>8,433,424.42</b>	<b>2,894,221.01</b>	<b>2,801,875.60</b>
<b>MAINTENANCE EXPENSE</b>					
<b>1. TRANSMISSION</b>					
568	Supervision and engineering. . . . .				
569	Maintenance of structures. . . . .				
570	Maintenance of station equipment. . . . .				
571	Maintenance of overhead lines. . . . .				
572	Maintenance of underground lines. . . . .				
573	Miscellaneous. . . . .				
(635)	<b>Total transmission maintenance expense (page 3, item 73). . . . .</b>				
<b>2. DISTRIBUTION</b>					
590	Supervision and engineering. . . . .	166,815.32	164,790.79	131,315.24	127,839.86
591	Maintenance of structures. . . . .				
592	Maintenance of station equipment. . . . .	355,305.10	373,550.93	222,845.66	205,367.27
593	Maintenance of overhead lines. . . . .	1,401,142.09	1,383,270.77	508,245.60	500,577.23
594	Maintenance of underground lines. . . . .	4,406.44	6,218.65		
595	Maintenance of line transformers. . . . .	77,033.28	79,836.61	31,956.64	46,695.95
596	Street lighting and signal systems. . . . .	73,595.91	52,132.74	39,744.30	25,495.58
597	Maintenance of meters. . . . .	198,966.92	187,236.73	142,603.02	142,524.55
598	Maintenance of miscellaneous distribution plant. . . . .				
(640)	<b>Total distribution maintenance expense (page 3, item 74). . . . .</b>	<b>2,277,265.06</b>	<b>2,247,037.22</b>	<b>1,076,710.46</b>	<b>1,048,500.44</b>
<b>3. ADMINISTRATIVE &amp; GENERAL</b>					
935	Maintenance of general plant (page 3, items 75). . . . .	309,404.67	295,368.09	53,519.98	49,166.87
(645)	<b>Total maintenance expense (page 3, item 76). . . . .</b>	<b>2,586,669.73</b>	<b>2,542,405.31</b>	<b>1,130,230.44</b>	<b>1,097,667.31</b>
(650)	<b>Total operating and maintenance expense. . . . .</b>	<b>10,535,740.63</b>	<b>10,975,829.73</b>	<b>4,024,451.45</b>	<b>3,899,542.91</b>
(655)	Total direct and indirect payroll charged to construction and retirements. . . . .			1,042,086.34	1,113,866.28
(660)	Payroll charged to other accounts. . . . .			150,594.32	149,055.58
(662)	Fiscal year net change in accrued leave account - (increase) decrease. . . . .			10,380.53	18,094.63
(665)	<b>Total payroll distribution for year. . . . .</b>			<b>5,227,512.64</b>	<b>5,180,559.40</b>

\*FURNISH DETAILS OF THESE ACCOUNTS ON PAGES 32 AND 33.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**STATISTICAL DATA**

CLASS OF SERVICE	ITEM NO	REVENUE		ITEM NO	KILOWATT-HOURS SOLD	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
Residential. . . . .	100	30,175,316.06	28,178,358.19	107	277,332,487	267,161,469
Gen. Power - 50 kW & under. . . . .	101	9,182,495.17	8,583,869.86	108	79,414,490	76,625,515
Gen. Power - Over 50 kW. . . . .	102	47,527,959.48	45,156,105.58	109	538,931,494	527,153,982
Street and athletic - Codes 72, 73 & 74. . . . .	103	1,009,734.80	972,732.99	110	7,526,114	7,386,839
Outdoor lighting - Codes 75, 77 & 78. . . . .	104	361,079.40	324,641.43	111	3,171,058	3,178,905
<b>Subtotal. . . . .</b>	<b>330</b>	<b>88,256,584.91</b>	<b>83,215,708.05</b>			
Unbilled revenue*. . . . .	331	(1,306,682.00)	(182,402.00)			
<b>Total (page 3, item 59). . . . .</b>	<b>332</b>	<b>86,949,902.91</b>	<b>83,033,306.05</b>	<b>335</b>	<b>906,375,643</b>	<b>881,506,710</b>
Kilowatt-hours for own use. . . . .				113	1,367,543	1,356,380
<b>Total kilowatt-hours sold and used. . . . .</b>				<b>114</b>	<b>907,743,186</b>	<b>882,863,090</b>
Kilowatt-hours in unbilled revenue (items 331) above* . . . . .				336	(13,425,493)	777,226

**STATE SALES TAX**

State and local sales tax on above revenue. . . . .	KY	2,299,591.79
<b>Total</b>		<b>2,299,591.79</b>

AMOUNTS EXCLUDED FROM RATE SCHEDULE REVENUE	Credits	Green Power Revenue
Green Power-Res	N/A	\$ 5,548.00
Green Power-GP < 50kW	N/A	\$ 340.00
Green Power-GP > 50kW	N/A	\$ 9,072.00
Gen Partners-Res	N/A	N/A
Gen Partners-GP < 50kW	\$ 3,107.29	N/A
Gen Partners-GP > 50kW	\$ 1,020.78	N/A
SMC	\$ 771,742.61	N/A
EGC	N/A	N/A
VCP	N/A	N/A
VII	\$ 953,384.00	N/A

**PURCHASED POWER**

	ITEM NO	AMOUNT		ITEM NO	KILOWATT-HOURS PURCHASED	
		THIS YEAR	LAST YEAR		THIS YEAR	LAST YEAR
TVA						
Purchased Power. . . . .	115	70,240,001.36	66,831,961.25	119	925,806,333	911,899,651
Facilities Rental. . . . .	116					
Other Charges/Credits. . . . .	117					
<b>Total from TVA. . . . .</b>	<b>118</b>	<b>70,240,001.36</b>	<b>66,831,961.25</b>	<b>122</b>	<b>925,806,333</b>	<b>911,899,651</b>
Other Purchased Power**. . . . .	218			222		
<b>Subtotal. . . . .</b>	<b>340</b>	<b>70,240,001.36</b>	<b>66,831,961.25</b>			
Unbilled Purchases*. . . . .	341					
<b>Total (page 3, item 65). . . . .</b>	<b>342</b>	<b>70,240,001.36</b>	<b>66,831,961.25</b>	<b>345</b>	<b>925,806,333</b>	<b>911,899,651</b>
Less kilowatt hours sold and used (item 114). . . . .				123	907,743,186	882,863,090
Line losses and kilowatt-hours unaccounted for. . . . .				124	18,063,147	29,036,561
Percent of losses to purchases (2 decimal places). . . . .				125	1.95	3.18
Kilowatt-hours in unbilled purchases (Item 341) above* . . . . .				346		

\*\*Purchased other power under contract number \_\_\_\_\_ from \_\_\_\_\_



**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NUMBER OF CUSTOMERS			MISCELLANEOUS DATA		
CLASS OF SERVICE	MONTH OF JUNE		Pole Line Miles: (2 decimal places). (715)	THIS YEAR	LAST YEAR
	THIS YEAR	LAST YEAR			
Residential. . . . . (675)	25,053	24,775	<b>Individual Outdoor Lts.</b>	361.90	375.36
Gen. Power - 50 kW & under. . . (680)	3,901	3,864	No. in plant. . . . . (720)	2,884	2,859
Gen. Power - Over 50 kW. . . . (685)	773	758	Total investment. . . . . (725)	1,690,055.16	1,646,618.98
Street and athletic - Codes 72, 73 & 74. . (690)	178	177	O&M expense. . . . . (730)	162,165.69	166,882.23
Outdoor Lighting - Code 78. . . . . (693)					
<b>Total. . . . . (695)</b>	29,905	29,574	St. Ltg-Invest. Base. . . . (735)	4,583,008.01	4,559,852.95
Special Outdoor Lighting - Code 75. . . . . 696			O&M expense. . . . . (740)	198,768.82	155,550.76
Outdoor Lighting - Code 77. . . . (697)	2,066	841	Lamps & Glassware. . . (745)	16,491.95	13,477.56

\*Item nos. 331, 336, 341, and 346 are to be filled in only if distributor chooses the option to estimate unbilled electric sales.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**MODIFIED STREET LIGHTING COMPUTATION**

Give computation of modified street lighting rate relative to lamps and glassware by customers, if applicable:

TOWN	COST OF LAMPS AND GLASSWARE	KWH	ALLOWANCE	EXCESS TO BE BILLED
		FROM STAT. REPT.	KWH X .003	
Bowling Green, Kentucky	16,491.95	6,627,252	19,881.76	
<b>TOTAL:</b>	16,491.95	6,627,252	19,881.76	

## Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>ELECTRIC PLANT</b>							
ACCT. NO.		BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
	<b>INTANGIBLE</b>						
301	Organization. . . . .						
302	Franchises and consents. . . . .						
303	Miscellaneous. . . . .						
(750)	<b>Total intangible. . . . .</b>						
	<b>PRODUCTION</b>						
755	<b>Total production. . . . .</b>						
	<b>TRANSMISSION</b>						
350	Land and land rights. . . . .						
351	Clearing land and rights of way. . . . .						
352	Structures and improvements. . . . .	5,857.00					5,857.00
353	Station equipment. . . . .	23,239.18					23,239.18
354	Towers and fixtures. . . . .						
355	Poles and fixtures. . . . .	1,694,635.33	209,573.15	65,557.54			1,838,650.94
356	Overhead conductors and devices. . . . .	636,627.22					636,627.22
357	Underground conduit. . . . .						
358	Underground conductors and devices. . . . .						
359	Roads and trails. . . . .						
(760)	<b>Total transmission. . . . .</b>	<b>2,360,358.73</b>	<b>209,573.15</b>	<b>65,557.54</b>			<b>2,504,374.34</b>
	<b>DISTRIBUTION</b>						
360	Land and land rights. . . . .	1,221,343.38	94,638.38				1,315,981.76
361	Structures and improvements. . . . .	45,772.32	49,035.50				94,807.82
362	Station equipment. . . . .	24,789,432.15	2,906,690.32	69,228.19			27,626,894.28
363	Storage battery equipment. . . . .						
364	Poles, towers, and fixtures. . . . .	12,718,434.70	453,542.14	189,705.62			12,982,271.22
365	Overhead conductors and devices. . . . .	7,822,383.70	349,764.57	99,459.84			8,072,688.43
366	Underground conduit. . . . .	31,522.54					31,522.54
367	Underground conductors and devices. . . . .	5,642,033.13	76,817.17	12,311.90			5,706,538.40
368	Line transformers. . . . .	14,981,537.73	621,210.82	110,505.69			15,492,242.86
369	Services. . . . .	6,620,204.19	98,225.41	36,880.49			6,681,549.11
370	Meters. . . . .	3,052,134.67	525,183.54	27,781.01			3,549,537.20
371	Inst. on customers' premises. . . . .	1,646,618.98	158,341.48	114,905.30			1,690,055.16
372	Leased prop. on cust. premises. . . . .						
373	St. lighting and signal systems. . . . .	4,559,852.95	59,362.31	36,207.25			4,583,008.01
(765)	<b>Total distribution. . . . .</b>	<b>83,131,270.44</b>	<b>5,392,811.64</b>	<b>696,985.29</b>			<b>87,827,096.79</b>

## Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>ELECTRIC PLANT</b>							
ACCT. NO.	GENERAL	BALANCE BEG. OF YEAR	ADDITIONS	RETIREMENTS	RECLASSIFICATIONS		BALANCE END OF YEAR
					DEBIT	CREDIT	
389	Land and land rights. . . . .	1,977,060.45					1,977,060.45
390	Structures and improvements. . . . .	4,933,289.20					4,933,289.20
391	Office furniture and equipment. . . . .	720,402.66	44,446.36				764,849.02
392	Transportation equipment. . . . .	3,405,039.60	25,876.35	42,160.10			3,388,755.85
393	Stores equipment. . . . .						
394	Tools, shop, and garage equip.. . . . .	494,396.72	53,466.49	4,848.51			543,014.70
395	Laboratory equipment. . . . .	359,476.40	43,770.21				403,246.61
396	Power operated equipment. . . . .	596,423.23	19,750.00				616,173.23
397	Communication equipment. . . . .	1,333,075.66					1,333,075.66
398	Miscellaneous equipment. . . . .	60,602.89					60,602.89
399	Other tangible property. . . . .						
(770)	<b>Total general. . . . .</b>	<b>13,879,766.81</b>	<b>187,309.41</b>	<b>47,008.61</b>			<b>14,020,067.61</b>
101	<b>Total plant in service. . . . .</b>	<b>99,371,395.98</b>	<b>5,789,694.20</b>	<b>809,551.44</b>			<b>104,351,538.74</b>
102	Electric plant purchased or sold. . . . .						
104	Electric plant leased to others. . . . .						
105	Electric plant for future use. . . . .						
107	Construction work in progress. . . . .	3,269,427.09	(1,915,063.65)				1,354,363.44
(775)	<b>Total other electric plant. . . . .</b>	<b>3,269,427.09</b>	<b>(1,915,063.65)</b>				<b>1,354,363.44</b>
(780)	<b>Total electric plant (page 1, item 1). . . . .</b>	<b>102,640,823.07</b>	<b>3,874,630.55</b>	<b>809,551.44</b>			<b>105,705,902.18</b>
			(Item 140)				
<b>RESERVES</b>							
108	Accumulated provision for depreciation of electric plant in service. . . . .					49,811,586.99	
109	Accumulated provision for depreciation of electric plant leased to others. . . . .						
110	Accumulated provision for depreciation of electric plant held for future use. . . . .						
	<b>Total accumulated provision for depreciation (page 1, item 2 and page 11). . . . .</b>					<b>49,811,586.99</b>	
	<b>Total electric plant, less accumulated provision for depreciation (page 1, item 3). . . . .</b>						<b>55,894,315.19</b>
<b>Reclassification Columns</b> Includes major corrections to prior years additions and retirements, transfers between accounts classified in prior years, and classification of plant purchased and/or sold.				<b>Explanations of entries shown in the Reclassification Columns:</b>			

# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

## ACCUMULATED PROVISION FOR DEPRECIATION (Page 10)

ACCT. NO.	DEPR. RATE	BALANCE BEG. OF YEAR	ACCRUAL	ORIGINAL COST	REMOVAL COST	SALVAGE	OTHER ENTRIES*		BALANCE END OF YEAR	% DEPR.
							DEBIT	CREDIT		
350										
351										
352	5.0	5,552.47							5,552.47	95
353	3.6	21,156.17							21,156.17	91
354										
355	5.0	631,912.36	87,983.54	65,557.54	30,648.82				623,689.54	34
356	3.6	467,324.28	22,918.56						490,242.84	77
357										
358										
359										
<b>(785) TOTAL</b>		<b>1,125,945.28</b>	<b>110,902.10</b>	<b>65,557.54</b>	<b>30,648.82</b>				<b>1,140,641.02</b>	<b>46</b>
360										
361	2.0	10,409.11	1,487.78						11,896.89	13
362	4.0	16,380,948.96	1,050,239.59	69,228.19					17,361,960.36	63
363										
364	4.0	5,411,501.38	512,430.38	189,705.62	129,031.10	259.00			5,605,454.04	43
365	3.0	2,386,006.02	236,144.19	99,459.84	42,259.25	51,664.45			2,532,095.57	31
366	3.6	29,698.11	1,134.84						30,832.95	98
367	3.6	2,439,405.95	203,888.83	12,311.90	11,681.90				2,619,300.98	46
368	3.0	7,281,926.05	457,711.19	110,505.69	59,545.95				7,569,585.60	49
369	4.0	4,202,269.20	266,161.18	36,880.49	15,137.63				4,416,412.26	66
370	2.9	1,196,334.74	93,340.83	27,781.01					1,261,894.56	36
371	4.0	324,784.08	66,851.45	114,905.30	25,078.85	231.00			251,882.38	15
372										
373	4.0	2,117,105.84	182,975.61	36,207.25	19,919.26				2,243,954.94	49
<b>(790) TOTAL</b>		<b>41,780,389.44</b>	<b>3,072,365.87</b>	<b>696,985.29</b>	<b>302,653.94</b>	<b>52,154.45</b>			<b>43,905,270.53</b>	<b>50</b>
389										
390	2.0	2,337.25	98,685.48						101,022.73	2
391	10.0	409,244.30	74,918.56						484,162.86	63
392	various	2,153,152.43	330,881.46	42,160.10		1,800.00			2,443,673.79	72
393										
394	8.0	485,649.76	42,825.87	4,848.51					523,627.12	96
395	8.0	359,476.40	5,188.66						364,665.06	90
396	various	561,098.73	24,441.24						585,539.97	95
397	5.0	141,171.92	66,659.16						207,831.08	16
398	6.0	51,516.71	3,636.12						55,152.83	91
399										
<b>(795) TOTAL</b>		<b>4,163,647.50</b>	<b>647,236.55</b>	<b>47,008.61</b>		<b>1,800.00</b>			<b>4,765,675.44</b>	<b>34</b>
<b>(800) OTHER</b>										
<b>(805) TOTALS</b>		<b>47,069,982.22</b>	<b>3,830,504.52</b>	<b>809,551.44</b>	<b>333,302.76</b>	<b>53,954.45</b>			<b>49,811,586.99</b>	<b>48</b>

(Item 142) (Item 138)

\*Use other entries to report depreciation on property purchased, classifying accruals, unusual entries - explain on page 33.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**ACCUMULATED PROVISION FOR DEPRECIATION - CONTINUED**

Depreciation expense (403 and 404) (page 3, item 77) . . . . .	(810)	3,475,181.82
Depreciation charged to transportation expense - clearing. . . . .	(815)	355,322.70
Depreciation charged to building expense - clearing. . . . .	(820)	
Depreciation charged to other accounts (list each account number). . . . .	(825)	
	(830)	
	(835)	
	(840)	
<b>Total accrual (page 11) . . . . .</b>	<b>(Item 128)</b>	<b>3,830,504.52</b>

Explanations (continue on page 33 if necessary)

<b>ELECTRIC PLANT ACQUISITION ADJUSTMENTS (Account 114)</b>							
DESCRIPTION						AMOUNT	
Balance beginning of year . . . . .							
Additions during year (as below). . . . .							
<b>Total</b> . . . . .							
Charged to expense (Account 406) (page 3, item 78). . . . .							
Other reductions (explain below). . . . .							
<b>Balance end of year (page 1, item 4)</b> . . . . .							
<b>ELECTRIC PLANT PURCHASED THIS YEAR*</b>							
From whom property acquired (abbreviate). . . . .							<b>TOTAL</b>
Date acquired. . . . .							
Original cost. . . . .							
Corrections to date. . . . .							
<b>Total original cost</b> . . . . .							
Depreciation reserve at acquisition. . . . .							
Corrections to date. . . . .							
<b>Total depreciation reserve</b> . . . . .							
Base contract purchase price. . . . .							
Net additions. . . . .							
Acquisition expense. . . . .							
Other (explain below). . . . .							
<b>Total purchase cost</b> . . . . . <b>(Item 141)</b> .							
Acquisition adjustment (purchase cost, less original cost, net of depreciation). . . . .							
<p>*If the original cost and depreciation at acquisition have not been determined for plant purchased this year, report the purchase information only and complete the schedule in the year the purchased plant is classified.</p>							
<b>EXPLANATIONS</b>							
<b>Give the method of amortizing the acquisition adjustment and other information as required:</b>							
<b>CLASSIFICATION OF ELECTRIC PLANT PURCHASED OR SOLD</b>							
Furnish aging of plant purchased and sold on separate worksheet							
ELECTRIC PLANT PURCHASED				ELECTRIC PLANT SOLD			
ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT	ACCT. NO.	ORIGINAL COST	DEPRECIATION RESERVE	NET PLANT
Total				Total			
<b>GAIN OR LOSS ON SALE OF ELECTRIC PLANT</b>							
Selling price . . . . . (Item 130). . . . .							
Less net plant sold (as above). . . . .							
Difference. . . . .							
Less selling expense . . . . . (Item 131). . . . .							
Gain or loss on sale . . . . . (Item 129). . . . .							

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>INVESTMENTS IN ASSOCIATED COMPANIES</b> (Report only the investments not considered as current assets)			
<b>OTHER INVESTMENTS - GENERAL FUNDS</b>			
Investments included in Accounts 123 and 124			
DESCRIPTION OF INVESTMENTS (GROUP BY TYPE OF INVESTMENT AND SHOW NO. OF INVESTMENTS)	BALANCE END OF YEAR	INCOME	GAIN OR (LOSS) ON SALES
Subtotal	(page 1, item 8)	(account 419, page 16)	
<b>INVESTMENTS OF FUNDS OTHER THAN GENERAL FUNDS</b>			
(Investments included in Accounts 125, 126, and 128 - page 15)			
Sinking Fund - Money Mkt Acct (Prin, Int & Reserve) - Restricted	\$1,082,100.62	\$16,567.31	
Depreciation Fund - CD - Restricted	\$100,000.00	\$250.00	
Subtotal	\$1,182,100.62 (page 15)	\$16,817.31 (account 419, page 16)	



**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>CASH AND TEMPORARY CASH INVESTMENTS - GENERAL FUNDS</b>			
(Report only investments considered as current assets)			
<b>Total Temporary Cash Investments</b>			
CASH (Accounts 131 - 135)	\$16,421,376.37	\$31,317.35	
Subtotal	\$16,421,376.37	\$31,317.35	
	(page 1, item 14)	(account 419, page 16)	
<b>Grand Total</b>	\$17,603,476.99	\$48,134.66	

# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>SPECIAL FUNDS</b>					
	ACCOUNT 125	ACCOUNT 126	ACCOUNT 128		TOTAL OF ALL SPECIAL FUNDS
	TOTAL SINKING FUNDS	DEPRECIATION FUNDS	CONSTRUCTION FUNDS	TOTAL OTHER SPECIAL FUNDS	
Cash included in fund end of year. . . . .	1,082,100.62	100,000.00			1,182,100.62
Investments in fund end of year (page 14). . . . .					
Balance of fund end of year (page 1). . . . .	1,082,100.62	100,000.00			1,182,100.62
	(page 1, item 9)	(page 1, item 10)	(page 1, item 12)		
Minimum balance required*. . . . .	1,082,100.62	100,000.00			1,182,100.62
Authority creating fund**	Bond	Bond			

\* Explain difference if fund balance is less than minimum required.  
 \*\* State whether fund is required by bond contract, board action, etc.

Total Sinking

Depreciation

Construction

Other

Note: Report all debt service funds as sinking funds.  
 Report all funds for renewals and replacements as depreciation funds.

## NONUTILITY PROPERTY (Account 121)

DESCRIPTION AND LOCATION OF PROPERTY	DATE ACQUIRED	BOOK COST	NET INCOME (ACCOUNT 418)
Total. . . . .			(page 16)
Less accumulated provision for depreciation (account 122). . . . .			
Total net of depreciation (page 1, item 7). . . . .			



**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

ACCT. NO.	<b>MATERIALS AND SUPPLIES</b>	
154	Plant materials and operating supplies. . . . .	935,898.05
155	Merchandise. . . . .	4,851.68
156	Other materials and supplies. . . . .	
163	Stores expense undistributed. . . . .	14,795.34
(855)	<b>Total materials and supplies (page 1, item 16).</b> . . . . .	<b>955,545.07</b>

Give dates of physical inventories this year: 06/09/2017  
**Total of adjustments:** \$ \_\_\_\_\_ over, or \$ 27,533.92 short

<b>PREPAYMENTS - Account No. 165</b>	
Prepaid insurance. . . . .	137,832.41
Prepaid employee pension plan. . . . .	
Prepaid taxes (page 29). . . . .	
Prepaid rents. . . . .	
Other prepayments. . . . .	583,031.16
<b>Total prepayments (page 1, item 17).</b> . . . . .	<b>720,863.57</b>

ACCT. NO.	<b>OTHER CURRENT ASSETS</b>	
171	Interest and dividends receivable. . . . .	250.00
172	Rents receivable. . . . .	66,162.24
173	Accrued utility revenue. . . . .	2,058,145.00
174	Miscellaneous current and accrued assets. . . . .	
	<b>Total other current assets (page 1, item 18).</b> . . . . .	<b>2,124,557.24</b>

ACCT. NO.	<b>DEFERRED DEBITS</b>	
181	Unamortized debt expense (page 1, item 20). . . . .	

Give method and period of amortization:

186	Deferred costs on TVA leases (page 1, item 25)	
	Additions	
	Removal Costs	
	Salvage	
	Accumulated Amortization	
	<b>Total as above</b>	
186	Miscellaneous deferred debits (page 1, item 26)	2,712,999.00

List of Items:

Receivables from plant sales (item 148)	
Other items (list):	
Doble Equip Rental	4,748.00
Milsoft Utilities	120,005.00
Dispatch Contracts	23,201.00
Deferred Pension Outflow - GASB 68	2,465,001.00
Deferred outflow - 2006 Bond Refund	100,044.00
<b>Total as above</b>	<b>2,712,999.00</b>



**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE						
DETAILS REGARDING BONDS ON PAGE						
MATURITIES: MONTH AND DAY 100			4/1			
NAME OF ISSUE 200		ELECTRIC REVENUE BONDS, SERIES 1997	Electric Revenue Bonds - Series 2016		Electric Revenue Bonds, Series 2013	
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE
2017		5.00		2.00		1.35
2018	85,000.00	5.00	240,000.00	2.00	150,000.00	1.70
2019			240,000.00	2.00	245,000.00	2.05
2020			245,000.00	2.00	250,000.00	2.35
2021			250,000.00	2.00	255,000.00	2.60
2022			255,000.00	2.00	260,000.00	2.70
2023			260,000.00	2.00	270,000.00	3.00
2024			265,000.00	2.00	275,000.00	3.10
2025			270,000.00	3.00	285,000.00	3.30
2026			280,000.00	3.00	295,000.00	3.50
2027			290,000.00	3.00	305,000.00	3.60
2028			300,000.00	3.00	315,000.00	3.75
2029			310,000.00	3.00	325,000.00	3.80
2030			315,000.00	3.00	340,000.00	4.10
2031			325,000.00	3.00	355,000.00	4.20
2032			340,000.00	3.00	365,000.00	4.25
2033			345,000.00	3.00	385,000.00	4.30
2034			355,000.00	3.00		
2035			370,000.00	3.00		
2036			375,000.00	3.00		
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
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2051						
2052						
2053						
2054						
2055						
2056						
2057						
2058						
2059						
2060						
2061						
<b>OUTSTANDING END OF YEAR</b> 300	85,000.00		5,630,000.00		4,675,000.00	

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

SUMMARY OF LONG-TERM DEBT AND NOTES PAYABLE					
DETAILS REGARDING BONDS ON PAGE					
MATURITIES: MONTH AND DAY 100		0/0			
NAME OF ISSUE 200		POST RETIREMENT BENEFITS			
CALENDAR YEAR	MATURITIES	INTEREST RATE	MATURITIES	INTEREST RATE	TOTAL MATURITIES
2017					
2018					475,000.00
2019					485,000.00
2020					495,000.00
2021					505,000.00
2022					515,000.00
2023					530,000.00
2024					540,000.00
2025					555,000.00
2026					575,000.00
2027					595,000.00
2028					615,000.00
2029					635,000.00
2030					655,000.00
2031					680,000.00
2032					705,000.00
2033					730,000.00
2034					355,000.00
2035					370,000.00
2036					375,000.00
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					
2046					
2047					
2048					
2049					
2050					
2051					
2052					
2053					
2054					
2055					
2056					
2057					
2058					
2059					
2060					
2061					
<b>OUTSTANDING END OF YEAR 300</b>					<b>10,390,000.00</b>

Use a separate column for each issue. If municipality has an RUS loan, show all maturities for each allotment and deduct the unadvanced portion after the last maturity. Prepare a total column for RUS maturities separate from other long-term debt.

# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

## SUMMARY OF LONG-TERM DEBT - RUS

NOTE NUMBER	DATE OF NOTE	INT. RATE	TERM OF NOTE (YR)	DATE REPAYMENTS BEGIN MO/YEAR	AMOUNT OF ALLOTMENT	BALANCE DUE ON ALLOTMENT (ACCOUNT 224.2)	AMOUNT REPAID THIS YEAR			OUTSTANDING END OF YEAR EXCLUDING CUSHION OF CREDIT
							PRINCIPAL	INTEREST	DEFERRED INTEREST	
01-				/						
02-				/						
03-				/						
04-				/						
05-				/						
06-				/						
07-				/						
08-				/						
09-				/						
10-				/						
11-				/						
12-				/						
13-				/						
14-				/						
15-				/						
16-				/						
17-				/						
18-				/						
19-				/						
20-				/						
21-				/						
22-				/						
23-				/						
24-				/						
25-				/						
26-				/						
27-				/						
28-				/						
29-				/						
30-				/						
31-				/						
32-				/						
33-				/						
34-				/						
35-				/						
36-				/						
37-				/						
38-				/						
39-				/						
40-				/						
<b>(860) Total</b> .....										

List Note Numbers Paid Monthly: \_\_\_\_\_

\*EXCLUDING CUSHION OF CREDIT.



# Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

## SUMMARY OF LONG-TERM DEBT - CFC AND/OR COBANK

NOTE NUMBER	DATE OF NOTE	INT. RATE	CFC OR COBANK	TERM OF NOTE (YR)	AMOUNT OF LOAN APPROVED	UNADVANCED LOAN	AMT REPAYED THIS YEAR FOR REGULAR BILLINGS		OUTSTANDING END OF YEAR	RUS LOAN SUPPLEMENTED	
							PRINCIPAL	INTEREST		NOTE NUMBER	%
01-											
02-											
03-											
04-											
05-											
06-											
07-											
08-											
09-											
10-											
11-											
12-											
13-											
14-											
15-											
16-											
17-											
18-											
19-											
20-											
21-											
22-											
23-											
24-											
25-											
26-											
27-											
28-											
29-											
30-											
31-											
32-											
33-											
34-											
35-											
36-											
37-											
38-											
39-											
40-											
41-											
<b>(865) Total</b>											

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>LONG-TERM DEBT - RUS</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
224.1	Long-term debt - RUS. . . . .	
224.2	Unadvanced RUS allotment - debit (page 21) . . . . .	
224.3	Deferred interest - RUS. . . . .	
224.4	Long-term debt - RUS - matured and deferred. . . . .	
224.5	Cushion of credit - RUS - debit. . . . .	
	Net balance due RUS as above (page 2, item 36). . . . .	
	Total additions to RUS long-term debt this year. . . . . (Item 132)	<input type="text"/>
	Repayments for the year excluding advance payments. . . . . (Item 143)	<input type="text"/>
<b>INTEREST ACCRUED - RUS (Account 237.1)</b>		
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.1) (page 3, item 87) (page 26 summary). . . . .	
	Repayments this year. . . . .	
	Balance end of year (matured \$.00) (page 2, item 49)(page 26 summary). . . . .	
<b>LONG-TERM DEBT - CFC</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
223.1	Subscriptions to CFC capital term certificates - debit. . . . .	
223.2	Unpaid subscriptions to CFC capital term certificates - credit. . . . .	
223.4	CFC loan approved - unadvanced - debit (page 22). . . . .	
223.5	Long-term debt - CFC credit. . . . .	
223.61	Patronage capital certificates - debit. . . . .	
223.62	Deferred patronage dividends - credit. . . . .	
	Net CFC account (account 223) ( page 2, item 37). . . . .	
	Total additions to CFC long-term debt this year. . . . . (Item 135)	<input type="text"/>
	Repayments for the year excluding advance payments. . . . . (Item 144)	<input type="text"/>
<b>INTEREST ACCRUED - CFC (Account 237.2)</b>		
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.1) (page 3, item 88) (page 26 summary). . . . .	
	Repayments this year. . . . .	
	Balance end of year (matured \$.00) (page 2, item 50)(page 26 summary). . . . .	
<b>LONG-TERM DEBT - COBANK</b>		
<b>ACCT.</b>	<b>PRINCIPAL DATA</b>	<b>AMOUNT</b>
229.10	Long Term Debt - CoBank - credit. . . . .	
229.20	Unadvanced allotment - CoBank - debit. . . . .	
229.30	Subscription to class "C" stock - CoBank - debit. . . . .	
229.40	Unpaid subscription to class "C" stock - CoBank - credit. . . . .	
229.50	Allocated earnings receivable - CoBank - debit. . . . .	
229.51	Allocated earnings deferred - CoBank - credit. . . . .	
	Net CoBank account (account 229) (page 2, item 38). . . . .	
	Amount received on allotment this year. . . . . (Item 136)	<input type="text"/>
	Repayments this year. . . . . (Item 145)	<input type="text"/>
<b>INTEREST ACCRUED - COBANK (Account 237.6)</b>		
	Balance beginning of year (matured \$.00). . . . .	
	Accrued during year (Account 427.4) (page 3, item 89) (page 26 summary). . . . .	
	Repayments this year. . . . .	
	Balance end of year (matured \$.00) (page 2, item 51)(page 26 summary). . . . .	

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: ELECTRIC REVENUE BONDS, SERIES 1997  
 Date of issue: 10/01/1997 Amount of original issue: \$ 5,730,000.00  
 Cash realized: \$ 5,584,842.04 Discount: \$ 86,811.34 Premium: \$ \_\_\_\_\_ Exp: \$ 58,346.62  
 If rates are variable, state what index they are tied to and length of time between readjustments: n/a  
 Interest due dates: 10\1 Semi Annual Principal due dates: 4\1 Annually Denominations: \$ 5,000.00  
 Agent for paying principal and interest: Fifth Third Bank; Cincinnati, OH  
 Revenue or general obligation bonds: Revenue - 221 Issued or assumed: Issued  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: To advance refund 1990 bond issue and pay outstanding pension obligations

Conditions under which bonds may be called:  
Bonds maturing on and after 4/1/08 subject to redemption prior to maturity at the option of the Board in any order and at any time after 10/1/07. 10/1/07 to 9/30/08 - 102%; 1-1/08 to 9/30/09 - 101%

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year.....	165,000.00	Accrued beginning of year.....	2,062.50
Issued during year.....		Accrued during year (427.3).....	5,855.37
Total.....	165,000.00	Total.....	7,917.87
Bonds retired this year.....	80,000.00	Payments during year.....	6,855.36
Balance end of year.....	85,000.00	Balance end of Year.....	1,062.51
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	85,000.00	Balance less matured (237.3).....	1,062.51

Name of issue: POST RETIREMENT BENEFITS  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: PostRetirement - 228 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year.....	10,258,424.33	Accrued beginning of year.....	
Issued during year.....	1,213,892.36	Accrued during year (427.3).....	
Total.....	11,472,316.69	Total.....	
Bonds retired this year.....		Payments during year.....	
Balance end of year.....	11,472,316.69	Balance end of Year.....	
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	11,472,316.69	Balance less matured (237.3).....	

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: Electric Revenue Bonds, Series 2013  
 Date of issue: 08/12/2013 Amount of original issue: \$ 5,350,000.00  
 Cash realized: \$ 5,247,745.00 Discount: \$ 42,943.00 Premium: \$ 1,138.00 Exp: \$ 60,450.00  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 4\1 Semi Annual Principal due dates: 4\1 Annually Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: US Bank, Louisville, KY  
 Revenue or general obligation bonds: Revenue - 221 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: To finance construction of two substations and maintenance facility

Conditions under which bonds may be called:  
 Bonds maturing on and after 4-1-2024 are subject to redemption prior to maturity at the option of the Board, on any date on and after October 1, 2023, in whole or in part, in any order of maturities and by lot within a single maturity, at a redemption price of 100% of the principal amount of the Bonds called for redemption, plus accrued interest to the date of redemption.

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year.....	4,825,000.00	Accrued beginning of year.....	40,384.40
Issued during year.....		Accrued during year (427.3).....	160,974.35
Total.....	4,825,000.00	Total.....	201,358.75
Bonds retired this year.....	150,000.00	Payments during year.....	161,480.62
Balance end of year.....	4,675,000.00	Balance end of Year.....	39,878.13
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	4,675,000.00	Balance less matured (237.3).....	39,878.13

Name of issue: Electric Revenue Bonds - Series 2016  
 Date of issue: 03/14/2016 Amount of original issue: \$ 5,885,000.00  
 Cash realized: \$ 6,041,103.00 Discount: \$ \_\_\_\_\_ Premium: \$ 279,536.00 Exp: \$ 123,433.00  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: 4\1 Semi Annual Principal due dates: 4\1 Annually Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: US Bank, Louisville, KY  
 Revenue or general obligation bonds: Revenue - 221 Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: Refunding of Series 2006 Bonds

Conditions under which bonds may be called:  
 Bonds maturing on or after 04/01/2027 are subject to redemption prior to maturity, at the option of the Board, in any order and at any time after April 1, 2026.

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year.....	5,885,000.00	Accrued beginning of year.....	10,951.50
Issued during year.....		Accrued during year (427.3).....	147,256.00
Total.....	5,885,000.00	Total.....	158,207.50
Bonds retired this year.....	255,000.00	Payments during year.....	132,982.50
Balance end of year.....	5,630,000.00	Balance end of Year.....	25,225.00
Including matured of (239).....		Including matured of (240).....	
Balance less matured (221).....	5,630,000.00	Balance less matured (237.3).....	25,225.00

**BONDS (Account 221) AND OTHER LONG-TERM DEBT (Account 228)**

Name of issue: \_\_\_\_\_  
 Date of issue: \_\_\_\_\_ Amount of original issue: \$ \_\_\_\_\_  
 Cash realized: \$ \_\_\_\_\_ Discount: \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_ Exp: \$ \_\_\_\_\_  
 If rates are variable, state what index they are tied to and length of time between readjustments: \_\_\_\_\_  
 Interest due dates: \ \_\_\_\_\_ Principal due dates: \ \_\_\_\_\_ Denominations: \$ \_\_\_\_\_  
 Agent for paying principal and interest: \_\_\_\_\_  
 Revenue or general obligation bonds: \_\_\_\_\_ Issued or assumed: \_\_\_\_\_  
 If assumed from municipality give date and amount assumed: \_\_\_\_\_ \$ \_\_\_\_\_  
 Amount authorized if different from amount issued: \$ \_\_\_\_\_  
 Purpose of issue: \_\_\_\_\_

Conditions under which bonds may be called:

If bonds were called this year give amount called: \$ \_\_\_\_\_ Price paid: \$ \_\_\_\_\_

PRINCIPAL DATA		INTEREST ACCRUED	
Balance beginning of year. ....		Accrued beginning of year. ....	
Issued during year. ....		Accrued during year (427.3). ....	
Total. ....		Total. ....	
Bonds retired this year. ....		Payments during year. ....	
Balance end of year. ....		Balance end of Year. ....	
Including matured of (239). ....		Including matured of (240). ....	
Balance less matured (221). ....		Balance less matured (237.3). ....	

**SUMMARY OF LONG-TERM DEBT - BONDS (Account 221) AND OTHER (Account 228)**

	ACCOUNT 221	OTHER* ACCOUNT 228	TOTAL*	POST- RETIREMENT BENEFITS ACCOUNT 228	TVA ACCOUNT 228
Balance beginning of year. ....	10,875,000.00		10,875,000.00	10,258,424.33	
Issued during year. .... (Item 137)				1,213,892.36	
<b>Total. ....</b>	10,875,000.00		10,875,000.00	11,472,316.69	
Bonds retired this year. .... (Item 146)	485,000.00		485,000.00		
Balance end of year. ....	10,390,000.00		10,390,000.00	11,472,316.69	
Including matured of (239). .... (Item 147)					
Balance less matured (221). ....	10,390,000.00		10,390,000.00	11,472,316.69	

(page 2, item 39.1) (page 2, item 39.2) (page 2, item 39.3)

**SUMMARY OF INTEREST ACCRUED - LONG-TERM DEBT(Account 237)**

	TOTAL
Accrued beginning of year. ....	53,398.40
Accrued during year (427.3) (page 26). ....	314,085.72
<b>Total. ....</b>	367,484.12
Payments during year. ....	301,318.48
Balance end of year. ....	66,165.64
Including matured of (240). ....	
Balance less matured (237.3) (page 26). ....	66,165.64

\*Less TVA Long-term Debt and Postretirement Benefits

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>NOTES PAYABLE (Account 231)</b>										
<b>PRINCIPAL DATA</b>						<b>INTEREST ACCRUED</b>				
Balance beginning of year. ....						Accrued beginning of year. ....				
New notes issued during year. ....						Accrued during year (as below). ....				
<b>Total. ....</b>						<b>Total. ....</b>				
Notes retired this year. ....						Payments during year. ....				
<b>Balance end of year. ....</b>						<b>Balance end of year (as below). ....</b>				
Portion of balance TVA (page 2, item 45.1). ....										
Portion of balance non-TVA (page 2, item 45.2). ....										
<b>CUSTOMER DEPOSITS (Account 235)</b>										
Balance accrued interest on customer deposits end of year. ....										900,274.38
Balance customer deposits end of year (Account 235). ....										5,854,933.71
<b>Total customer deposits (page 2, item 47). ....</b>										<b>6,755,208.09</b>
<b>SUMMARY OF ACCRUED INTEREST AND INTEREST EXPENSE</b>										
ACCT. NO.	DESCRIPTION	FROM PAGE NO.	REPORT ON BALANCE SHEET AS INDICATED BELOW				REPORT ON REVENUE AND EXPENSE STATEMENT AS INDICATED BELOW			
			ACCT. NO.	PAGE NO.	ITEM NO.	ACCRUED END OF YEAR	ACCT. NO.	PAGE NO.	ITEM NO.	EXPENSE FOR YEAR
221	Bonds	25	237.3	2	52.2	66,165.64	427.3	3	90.1	314,085.72
223	CFC	23	237.2	2	50		427.2	3	88	
224	RUS	23	237.1	2	49		427.1	3	87	
229	CoBank	23	237.6	2	51		427.4	3	89	
228	TVA long term	25	237.3	2	52.1		427.3	3	90.2	
228	Other long term	25	237.3	2	52.2		427.3	3	90.1	
231	TVA Notes Payable	Above	237.5	2	52.1		431	3	90.2	
231	Other notes payable	Above	237.5	2	52.2		431	3	92	
235	Customer Deposits	Above	235	Above	---		431	3	92	2,723.12
---	Delinquent taxes	---	237.5	2	52.2		431	3	92	
<b>Total interest accrued end of year. ....</b>						<b>66,165.64</b>	<b>Net expense for year. ...</b>			<b>316,808.84</b>
<b>Total item 49 (page 2) . . . . .</b>							<b>Total item 87 (page 3). . .</b>			
<b>Total item 50 (page 2) . . . . .</b>							<b>Total item 88 (page 3). . .</b>			
<b>Total item 51 (page 2) . . . . .</b>							<b>Total item 89 (page 3). . .</b>			
<b>Total item 52.1 (page 2) . . . . .</b>							<b>Total item 90.1 (page 3). . .</b>			314,085.72
<b>Total item 52.2 (page 2) . . . . .</b>						66,165.64	<b>Total item 90.2 (page 3). . .</b>			
							<b>Total item 92 (page 3). . .</b>			2,723.12
ACCT. NO.	<b>ACCOUNTS PAYABLE</b>									
232	Accounts payable - general (includes \$6,647,875.28 to TVA for purchased power and Fac.Rental). ....									7,831,086.81
232	Accrued purchased power. ....									
233	Accounts payable - spec. const.. ....									
234	Payable to municipal - utility revenue. ....									
234	Other payables to municipality. ....									359,986.81
<b>Total accounts payable - general (page 2, item 46). ....</b>										<b>8,191,073.62</b>
ACCT. NO.	<b>OTHER CURRENT AND ACCRUED LIABILITIES</b>									
239	Matured long-term debt (pages 23, 24, and 25). ....									
240	Matured interest (pages 23, 24, and 25). ....									
241	Tax collections payable. ....									
242	Miscellaneous - accrued insurance. ....									
242	Miscellaneous - employees' accrued leave. ....									427,239.15
242	Miscellaneous - other. ....									188,793.34
<b>Total other current and accrued liabilities (page 2, item 53). ....</b>										<b>616,032.49</b>
<b>OTHER DEFERRED CREDITS (Account 253)</b>										
Payables for plant purchases; (item 149) . . . . .										
Other items (List): Deferred Inflow Pension GASB 68. ....										355,820.00
Total other deferred credits (page 2, item 56) . . . . .										
<b>Total other deferred credits (page 2, item 56) . . . . .</b>										<b>355,820.00</b>

## Bowling Green Municipal Utilities

REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

### PAYMENTS OF AD VALOREM TAXES OR TAX EQUIVALENTS

TO WHOM PAID	PERIOD COVERED	AMOUNT	TO WHOM PAID	PERIOD COVERED	AMOUNT
States (list): KY	1/1/2017 12/31/2017	90,788.92	Cities (list):	1/1/2017 12/31/2017 1/1/2017 12/31/2017	116,135.88 325,837.56
			BOWLING GREEN - GENERAL BOWLING GREEN - SCHOOL		
Total states. ....		90,788.92			
Counties (list): WARREN COUNTY - GENERAL WARREN COUNTY - SCHOOL	1/1/2017 12/31/2017	120,833.12			
	1/1/2017 12/31/2017	121,837.86			
Total counties. ....		242,670.98			
			Total cities. ....		441,973.44
			Total paid. ....		775,433.34

If all the tax equivalent is paid to a city and the city makes redistribution payments to states or counties, show these redistribution payments above and mark them with an \*. Also give method of determining amounts redistributed.

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>BASIS FOR COMPUTATION OF ACCRUAL FOR AD VALOREM PROPERTY TAX OR TAX EQUIVALENT</b>						
<input type="checkbox"/> TAX, OR <input checked="" type="checkbox"/> TAX EQUIVALENT	TN. EQUAL- IZATION RATIO	STATE ASSESS- MENT RATIO	TAX ASSESSMENT OR VALUATION	RATE PER \$100	TAX OR EQUIVALENT FOR TAX PERIOD	AMOUNT APPLICABLE FOR FISCAL YEAR
PERIOD	DISTRICT					
			8,202,621.00	.2060	16,897.40	8,448.70
			9,475,369.00	.4000	37,901.48	18,950.74
			26,155,154.00	.2600	68,003.40	34,001.70
			16,046,098.00	1.0810	173,458.32	86,729.16
			7,216,511.00	.8972	64,745.85	32,372.93
			24,423,008.00	.4000	97,692.03	48,846.02
			27,337,269.00	.2587	70,721.52	35,360.76
			8,208,101.00	.2146	17,613.76	8,806.88
			6,512,729.00	.4000	26,050.92	13,025.46
			11,291,171.00	.7400	83,554.67	41,777.34
			991,590.00	.5562	5,515.13	2,757.57
			7,538,618.00	.4000	30,154.47	15,077.24
			27,337,269.00	.1500	41,005.90	20,502.95
			16,592,410.00	.1500	24,888.61	12,444.31
			8,208,101.00	.0058	476.89	238.45
			7,039,474.00	.4000	28,157.90	14,078.95
					786,838.24	393,419.12
						390,000.00
						(7,985.78)
						775,433.34

Where more than one tax period is applicable to the current fiscal year, show beginning and ending dates of each tax period. Compute tax or tax equivalent for each tax period and show amount prorated to this fiscal year. For tax equivalents show all the components of the tax base and applicable tax equivalent by taxing districts. When tax equivalent payments are determined other than by applying applicable tax rates to net plant, describe basis, explain any change from previous period, and include data showing breakdown of net plant by taxing districts and applicable tax rates. Use extra sheets if needed.





**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**GENERAL INFORMATION**

1. Give the form of management of municipal system. (Power board, Mayor and council, etc.)  
 Board of Directors and General Manager
  
2. In the case of a Power Board (or Utilities Board), list any other departments of the city over which it exercises control.  
 Water/Sewer Division, General Services Division
  
3. (a) Give the statutes under which the electric system was created.  
 Kentucky House Bill #146
  
- (b) Give the statutes under which the electric system is currently operating if different from the above.  
 Same
  
4. (a) Are customers' accounts billed by an outside organization?       Y        
 If so, give name. If not, give the type in-house hardware.       NISC
  
- (b) At June 30:
  - 1) What percentage is added to customer bills for late payments?       5.00       %
  - 2) How many days are allowed between date of bill and last day before gross billing applies?       15       days
  - 3) Is an "Even Monthly Payment" (budget billing) plan available for electric consumers?       Y       Yes        No
  - 4) Amount of security deposit required for residential service:  
 Owner with Electric Heat Varying deposit amounts may be required based  
 Owner without Electric Heat on Utility Credit Rating  
 Tenant with Electric Heat  
 Tenant without Electric Heat  
 Other (describe)
  
- 5) Are there any customer deposits that qualify (deposits exceeding 1 month's average bill and held longer than 12 months) for the payment of interest under the service practice standard entitled Deposit? If yes, what rate of interest is paid?
 

Class	Yes/No	Interest Rate
Residential	Y	.1500 %
C & I Part A	Y	.1500 %
C & I Part B	Y	.1500 %
  
- 6) Is interest on deposits:
 

Refunded by check annually? .....	<u>      </u> Yes	<u>      N      </u> No
Credited on customer's power bill annually? .....	<u>      </u> Yes	<u>      N      </u> No
Credited to a deposit account annually? .....	<u>      Y      </u> Yes	<u>      </u> No
Handled differently (Explain)		
  
- 7) Are prior written notice and due process afforded to customers before termination for nonpayment?
 

Prior written notice? .....	<u>      Y      </u> Yes	<u>      </u> No
Due process? .....	<u>      Y      </u> Yes	<u>      </u> No
  
- 8) Is information about policies and rates available upon request and application for service?
 

Upon request? .....	<u>      Y      </u> Yes	<u>      </u> No
Upon application for service? .....	<u>      Y      </u> Yes	<u>      </u> No
  
- 9) Are the media used to inform customers about policies and rates?
 

Policies? .....	<u>      Y      </u> Yes	<u>      </u> No
If yes, how many times during the past 12 months? .....	<u>      5      </u> Times	
Rates? .....	<u>      </u> Yes	<u>      N      </u> No
If yes, how many times during the past 12 months? .....	<u>      0      </u> Times	
  
- 10) Is the most recent 12 months' prior usage available to customers upon request? .....
- 11) The cost of a membership certificate is \_\_\_\_\_

**GENERAL INFORMATION (CONTINUED)**

5. Give the name of the audit firm conducting this year's audit:  
 BKD, LLP

6. If water, gas, or other services are operated in connection with electric services, furnish the following information in connection with joint operations.

Water	Wastewtr	General	Internet		
X	X		X		

(a) Indicate the joint operations with the Electric Utility:

(b) Indicate the % of non-electric ownership of any jointly owned buildings:

(c) Percentage of building space rented to others \_\_\_\_\_ %

(d) Percentage of building space rented from others 48.5000 %

(e) 1) Date of last joint expense study: 7/31/2015

2) Joint expense study was prepared by: \_\_\_\_\_ TVA  Distributor \_\_\_\_\_ Other

3) Indicate the amount of the unresolved annual inequity as reflected by the TVA study:

4) Give the current status of the latest joint expense study:  
 Joint expense study is current.

**GOVERNING BOARD**

AMOUNT PAID\*

DIRECTORS OR MEMBERS OF GOVERNING BOARD		TERM EXPIRES	AMOUNT PAID*	
NAME AND PRINCIPAL OCCUPATION			FEES	TRAVEL
Donna Harmon	CFO, Trace Die Cast, Inc	06/30/2017		
Rick Williams	City Commissioner	12/31/2017		
Steve Snodgrass	Realtor	06/30/2016		
Sarah Glenn Grise	Secretary of Citizens First Corp Board of	06/30/2018	2,400.00	
Todd Davis	Homebuilder, DTD, Inc	06/30/2019	2,400.00	
Total . . . . .			4,800.00	

\*Show total amounts paid from electric system funds for fiscal year.  
 Method of determining amounts paid to board members is as follows:  
 Board members are paid \$200 per month. The Board payments are split on a 50/50 basis with the Water/Sewer Division. Donna Harmon and Steve Snodgrass were paid by the Water/Sewer Division. The City Commissioner representatives are not paid.



**GENERAL INFORMATION**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

2017 Page 1, 2 and 3

Item 26 Other deferred debits increased by additional Deferred Outflow of \$629,388 related to GASB 68; see note and entry below

Item 27 Total includes account Other Deferred Debits which increased by additional Deferred Outflow of \$629,388 related to GASB 68; see note and entry below

Item 39.2 Postretirement benefits increased by Net Pension liability of \$1,188,564 related to GASB 68; see note and entry below

Item 44 Total includes Postretirement benefits which increased by Net Pension liability of \$1,188,564 related to GASB 68; see note and entry below

Item 53 Accrued payroll in prior year was approximately \$448,000 vs current year of \$154,000 difference of \$294,000 driven by end of month.

Item 56 Other deferred credits decreased by Deferred inflow made up of audit aje decrease of \$580,217 and current year aje of \$136,414 related to GASB 68; see note and entry below

Item 59 - Electric Sales Revenue - Revenues increased due in part to increased kwh sales of 2.8% which can always fluctuate depending on weather and TVA rate increase in October 2016 of 1.5%

Item 93 Prior year amount was corrected through audit aje of \$105,777 reclassing remaining bond discount on refinanced bond to deferred outflow

Total debt expense Prior year Includes Amortization of debt expense which was corrected through audit aje to reclass amortization of remaining discount costs related to Refinancing of 2006 Bonds totaling \$105,777.10 as deferred outflow

Item 96 - Net Income (loss) affected by GASB 68 entry causing an additional Expense of \$695,590 for the current year vs additional expense of \$1,510,070. in prior year. See note and entry below

Item 98 Net Income (loss) affected by GASB 68 entry causing an additional Expense of \$695,590 for the current year vs additional expense of \$1,510,070. in prior year. See note and entry below

Page 5 & 6

Acct 586 Credit balance was created in prior year. Install labor was reconfigured during the year as well as large number of meters being purchased in correlation with the new voltage regulation/ami project. Capitalized install labor greatly exceeded actual labor during the prior year. Current year Install labor was reconfigured considering the new AMI rollout to more accurately record the bulk install of new meters.

Acct 912 Increase due an increase in Water Heater purchases for that program.

Total Sales Expense Includes Acct 912 which increased due an increase in Water Heater purchases for that program.

Acct 926 Decrease from prior year due to smaller amount of expense in Employee Benefits related to GASB 68; note and entry below

Total administrative and general expenses Includes Acct 926 which decreased due to decreased Employee Benefits expense related to GASB 68; note and entry below

Page 7

Gross Receipts tax included in Sales Revenues totaled \$2,401,413.72

Item 697 - Outdoor lighting customers number differ from TVA stats. BGMU is investigating difference of 204 customers reported at year end.

Page 9 & 10

Acct 355 Pole additions were due in part to large storm in spring of 2017. Installed approximately 15 poles, majority of them large totaling over \$103,000

Acct 361 - Capitalized Substation paving and fence in the amount of \$49,035.50

Acct 362 Completed/closed new Campbell Lane Substation totaling \$2,374,024

Acct 370 AMI project continues, purchased and capitalized approximately \$313,500 of new meter costs relating to project

Acct 394 - Increase of \$53,466.49 includes purchase of Transformer filtration/Drying unit in amount of \$24,141.43, a Light tower for \$7,480 and various other smaller purchases

Acct 395 - Increase of \$43,770.21 includes purchase of Infrared Camera in the amount of \$41,270.

Page 11

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**GENERAL INFORMATION (CONTINUED)**

EXPLAIN UNUSUAL INCREASES OR DECREASES IN OPERATING EXPENSES AND INCOME OVER LAST YEAR'S FIGURES; EXTRAORDINARY ITEMS PAGE 3; ITEMS MARKED \* ON PAGES 5 AND 6; AND OTHER ENTRIES TO THE ACCUMULATED PROVISION FOR DEPRECIATION ON PAGE 11.

Accumulated Depr on acct 366 is at 98%. Depreciation will be monitored so that expense will not go past costs  
 Depreciation rates listed on page 11 have been verified to rates used in our system

Page 26

Account 234 Electric Division shares costs with BGMU water/wastewater and General Services divisions and the Electric Division collects revenues for other divisions. Invoices are paid and recorded with due to and due from balances. Related party balances are reconciled and paid monthly

Note: Economic Development dollars of \$19,468 were spent in fy ending 6-30-2017

Note: No non-electric business loans have been made at this time

Note: BGMU does not have a line of credit at this time

Note: In April 2010 BGMU chose to record Unbilled Revenues to match revenues and expenses with change in payment of Power bill. At June 30, 2017 an asset of \$2,058,145 for unbilled A/R has been recorded on the balance sheet

Note: Customer deposits are not restricted and are included in account 131

Note: Regarding large Capital spending projects for FY 2017 an upgrade is scheduled for our South Industrial Substation budgeted in the amount of \$1,400,000

Note: The Governmental Accounting Standards Board issued a new pension accounting rule for state and local governments (GASB 68) in the prior year. The new ruling requires BGMU to record an outstanding pension liability on the Balance Sheet. The full net resulting entry was this

Acct 186.2	Deferred Outflow Pension GASB	629,388.00
Acct 926	Employee Benefits	695,590.00
Acct 253.2	Deferred Inflow Pension GASB 68	136,414.00
Acct 228.2	Net Pension Liability	1,188,564.00

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**KEY PERSONNEL**

KEY PERSONNEL	TITLE OR OCCUPATIONS	PERCENTAGE OF WAGES CHARGED TO THE ELECTRIC DEPARTMENT
Mark Iverson	General Manager	50.00
Gary Bridges	Chief Financial Officer	50.00
Chad Spencer	Supvr. Engineering	100.00
Mike Hall	Director of Information Systems	50.00
Holly Vaughn	Controller	70.00
Debby Cherry	Exec. Asst./Exec. Sec.-Board	50.00
Bridgette Gentry	Supvr. of Customer Relations	50.00
Craig Peay	Safety Director	50.00
Kathleen Fuller	Supvr. Services/Dispatchers	100.00
Jeff White	Electric Operations Manager	100.00
<b>(895) TOTAL NUMBER OF EQUIVALENT FULL-TIME EMPLOYEES: 94</b>		

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<b>RETAINED EARNINGS ADJUSTMENT(S)</b>			
<b>Order</b>	<b>Amount</b>	<b>Description</b>	<b>Reason</b>
1	\$214,115.00	To adjust for GASB 68 Deferred inflow	Audit aje
2	(\$105,336.00)	To record Def Outflow - Bond Refund	Audit aje
3	(\$160,587.00)	To reverse Cap Contr as part of GASB 68 entry	Audit aje
4	\$10,497.00	Correct reversal of GASB 68 Def outflow	Audit aje
5	(\$624,545.00)	To correct deferred inflows GASB 68	Audit aje
<b>Total</b>	<b>(\$665,856.00)</b>		



**POLE INFORMATION**

**Number of Poles:** 8,773

**Attaching parties different than standard** Y

**Explanation:**

*Using the Urban number of 5*

**Pole height different than standard assumption?** Y

**Explanation:**

*Plan on using a greater average of 43.8 ft*

**Discount factor different than standard assumption?** Y

**Explanation:**

*A calculation will be made identifying the "nonpole" items inside Pole account 364, then minor units as a percentage of true "pole costs" inside account 364 will be calculated. These two numbers will be used to calculate the true discount factor for our utility*

**Customers Per Mile:** 82.63

**Comments:**

*BGMU requested to delay implementation until 2018.*

**ATTACHING ENTITY INFORMATION**

**Order No.** 1

**Attaching Entity**

*Bowling Green Municipal Utilities Fiber Division*

**Term of Current Contract**

*No Contract on file*

**Early Termination** Y

**Details**

*Billed annually in January of each year. Terminable as allowed by Kentucky Law.*

Beginning Date	Ending Date	Curr. Rental Rate	Calc. Rental Rate TVA Methodology	TVA Approved Attachment Rate
		\$30.46		\$0.00

**Rate Escalation Method**

*Handy Whitman Index*

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**ATTACHING ENTITY INFORMATION CONTINUED**

**Order No.** 2

**Attaching Entity**

*Time Warner Cable*

**Term of Current Contract**

*Evergreen*

**Early Termination** Y

**Details**

*Evergreen type. No ending date in contract. Terminable upon 12 months notice prior to next term*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
9/2/1980		\$30.46		\$0.00

**Rate Escalation Method**

*Handy Whitman Index*

**Order No.** 3

**Attaching Entity**

*Medical Center of Bowling Green*

**Term of Current Contract**

*Letter of agreement. No ending date in agreement.*

**Early Termination** Y

**Details**

*Billed annually in January of each year. Terminable as allowed by Kentucky law*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
11/9/2005		\$30.46		\$0.00

**Rate Escalation Method**

*consumer price index*

**ATTACHING ENTITY INFORMATION CONTINUED**

**Order No.** 4

**Attaching Entity**

*City of Bowling Green*

**Term of Current Contract**

*Written contract. No ending date specified in contract.*

**Early Termination**                    Y

**Details**

*Billed annually in January of each year. Terminable by default with 45 day written notice by either party*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
10/1/2007		\$30.46		\$0.00

**Rate Escalation Method**

*Handy Whitman Index*

**Order No.** 5

**Attaching Entity**

*AT&T*

**Term of Current Contract**

*Joint use agreement*

**Early Termination**                    Y

**Details**

*Joint use agreement/Terminable upon 180 days notice prior to end of current term.*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
1/1/2017	12/31/2017	\$30.46		\$30.46

**Rate Escalation Method**

*Handy Whitman Index*

**Bowling Green Municipal Utilities**  
**REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**ATTACHING ENTITY INFORMATION CONTINUED**

**Order No.** 6

**Attaching Entity**

*Windstream*

**Term of Current Contract**

*Memorandum of Understanding. No written ending date.*

**Early Termination**                    Y

**Details**

*Billed annually in January of each year. Terminable as allowed by Kentucky law*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
6/25/2015		\$30.46		\$0.00

**Rate Escalation Method**

*Handy Whitman Index*

**Order No.** 7

**Attaching Entity**

*Bluegrass Network*

**Term of Current Contract**

*Memorandum of Understanding*

**Early Termination**                    Y

**Details**

*Continues until superceded by Pole Attachment agreement*

<b>Beginning Date</b>	<b>Ending Date</b>	<b>Curr. Rental Rate</b>	<b>Calc. Rental Rate TVA Methodology</b>	<b>TVA Approved Attachment Rate</b>
9/12/2016	12/31/2017	\$30.46		\$0.00

**Rate Escalation Method**

*Handy Whitman Index*

**ATTACHING ENTITY INFORMATION CONTINUED**

Order No. 8

**Attaching Entity**

*WKU*

**Term of Current Contract**

*Memorandum of Understanding. No written ending date.*

**Early Termination**                      Y

**Details**

*Billed annually in January of each year. Terminable as allowed by Kentucky law*

Beginning Date	Ending Date	Curr. Rental Rate	Calc. Rental Rate TVA Methodology	TVA Approved Attachment Rate
12/6/2016		\$30.46		

**Rate Escalation Method**

*Handy Whitman Index*

**FUNCTIONAL ACCOUNTING**

This information is for Cooperatives following functional accounting only

<b>A. Tax Amount Transferred (Pulled from Page 29 Transferred)</b>	\$0.00
<b>B. Administrative &amp; General Accounts (a/c 920 thru 931)</b>	\$0.00
<b>C. Maintenance of General Plant (a/c 935)</b>	\$0.00
<b>D. Maintenance of Overhead Lines (a/c 593)</b>	\$0.00
<b>E. All other accounts used in functional accounting</b>	\$0.00
<b>F. Total Taxes Transferred (Total B through E)</b>	\$0.00
<b>G. Verification (A minus F should be \$0)</b>	\$0.00