



LINCOLN ELECTRIC SYSTEM
Revenue & Expense Statement (Condensed)
OCTOBER 2018

(Dollar amounts in 000)

	2018 Actual	2018 Budget	Difference	Percentage Difference	Comments
YEAR TO DATE					
1) Total Revenue	\$281,398	\$275,404	\$5,994	2%	Retail revenue is at budget through October. Wholesale revenue is 20.3% above budget YTD primarily due to higher than budgeted sales into the SPP IM. For October, sales into the SPP market exceeded budget by 73% and revenue was above budget by 192%, primarily due to higher demand for LES units in the marketplace as a result of offer curve adjustments.
2) Power Costs	107,950	114,920	(6,970)	-6%	Produced Power costs are 6% below budget on a YTD basis primarily due to lower than budgeted LRS operation and maintenance costs and lower TBGS maintenance costs. Purchased Power costs are 6% below budget primarily due to favorable pricing in SPP IM, lower WS3 energy expenses and lower renewable wind expenses.
3) Other Operating Expenses	59,544	71,678	(12,134)	-17%	Other Operating expenses (operation & maintenance, administrative & general) continue to be under budget (-17%) due to the timing of project spending in categories including line clearance, wheeling, transmission (balanced portfolio credit), sustainable energy program participation, consulting services, and software purchases.
4) Depreciation	42,771	42,568	203	0%	
5) Total Expenses	210,265	229,166	(18,901)	-8%	
6) Operating Income	71,133	46,238	24,895	54%	
7) Non-Operating Expense (Income)	33,653	34,862	(1,209)	-3%	
8) Change in Net Position (Net Revenue)	\$37,480	\$11,376	\$26,104	229%	
9) Debt Service Coverage Year-end Projection	2.76				
10) Days Cash on Hand (Days) as of End of Month	213				

LINCOLN ELECTRIC SYSTEM

FINANCIAL AND OPERATING STATEMENT

October 2018



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NOTE: Federal Energy Regulatory Commission accounting guidance for the Southwest Power Pool Integrated Market (SPP IM) transactions (purchases, sales and other charges) requires netting together these transactions based on the time increments. If, during the time increment, sales to SPP are greater than purchases from SPP, the net amount is recorded as wholesale revenue. If, during the time increment, purchases from SPP are greater than sales to SPP, the net amount is recorded as purchased power cost. Because of this netting process, the energy (MWH's) amounts no longer directly correlate to wholesale revenue.



LINCOLN ELECTRIC SYSTEM
REVENUE & EXPENSE STATEMENT
CURRENT MONTH

OCTOBER 2018

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET		LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR		
			AMOUNT	%		AMOUNT	%	
OPERATING REVENUES								
1. Retail	\$18,565,974	\$20,289,236	(\$1,723,262)	-8.5%	\$18,226,951	\$339,023	1.9%	
2. Wholesale	6,086,757	2,957,705	3,129,052	105.8%	2,017,879	4,068,878	201.6%	
3. Other Revenue	734,214	676,099	58,115	8.6%	584,115	150,099	25.7%	
4. City Dividend	657,297	644,070	13,227	2.1%	619,744	37,553	6.1%	
5. Total Operating Revenues	26,044,242	24,567,110	1,477,132	6.0%	21,448,689	4,595,553	21.4%	
OPERATING EXPENSES								
6. Purchased Power	5,678,686	5,801,388	(122,702)	-2.1%	7,362,644	(1,683,958)	-22.9%	
7. Produced Power	5,226,995	5,238,813	(11,818)	-0.2%	3,090,064	2,136,931	69.2%	
8. Operations	1,532,742	2,592,371	(1,059,629)	-40.9%	2,248,435	(715,693)	-31.8%	
9. Maintenance	1,336,453	761,848	574,605	75.4%	301,280	1,035,173	343.6%	
10. Administrative & General	3,651,754	3,776,392	(124,638)	-3.3%	3,570,178	81,576	2.3%	
11. Depreciation	4,289,374	4,315,538	(26,164)	-0.6%	4,268,516	20,858	0.5%	
12. Total Operating Expenses	21,716,004	22,486,350	(770,346)	-3.4%	20,841,117	874,887	4.2%	
13. OPERATING INCOME	4,328,238	2,080,760	2,247,478	108.0%	607,572	3,720,666	612.4%	
NONOPERATING EXPENSES (INCOME)								
14. Interest Expense	2,219,407	2,199,896	19,511	0.9%	1,757,969	461,438	26.2%	
15. Capitalized Interest	(214,516)	(158,323)	(56,193)	35.5%	(67,502)	(147,014)	217.8%	
16. Payments in Lieu of Taxes	1,072,893	982,749	90,144	9.2%	885,638	187,255	21.1%	
17. City Dividend Expense	635,337	635,337	0	0.0%	622,269	13,068	2.1%	
18. Other	64	0	64	--	71	(7)	-9.9%	
19. Total Other Expense	3,713,185	3,659,659	53,526	1.5%	3,198,445	514,740	16.1%	
20. Interest Income	(382,836)	(234,772)	(148,064)	63.1%	(140,911)	(241,925)	171.7%	
21. Total Nonoperating Expense (Income)	3,330,349	3,424,887	(94,538)	-2.8%	3,057,534	272,815	8.9%	
22. Income Before Contributions	997,889	(1,344,127)	2,342,016	-174.2%	(2,449,962)	3,447,851	-140.7%	
CONTRIBUTED CAPITAL								
23. Contributed Capital Received	194,460	107,317	87,143	81.2%	179,046	15,414	8.6%	
24. Contributed Capital Used	(194,460)	(107,317)	(87,143)	81.2%	(179,046)	(15,414)	8.6%	
25. Net Contributed Capital	0	0	0	--	0	0	--	
26. CHANGE IN NET POSITION	\$997,889	(\$1,344,127)	\$2,342,016	-174.2%	(\$2,449,962)	\$3,447,851	-140.7%	



LINCOLN ELECTRIC SYSTEM
REVENUE & EXPENSE STATEMENT
YEAR-TO-DATE

OCTOBER 2018

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR		
			AMOUNT	%		AMOUNT	%	
OPERATING REVENUES								
1. Retail	\$235,996,187	\$235,986,212	\$9,975	0.0%	\$228,644,011	\$7,352,176	3.2%	
2. Wholesale	33,024,483	27,461,568	5,562,915	20.3%	33,539,211	(514,728)	-1.5%	
3. Other Revenue	6,150,077	5,679,184	470,893	8.3%	6,168,276	(18,199)	-0.3%	
4. City Dividend	6,227,310	6,276,670	(49,360)	-0.8%	6,123,795	103,515	1.7%	
5. Total Operating Revenues	281,398,057	275,403,634	5,994,423	2.2%	274,475,293	(5,796,378)	2.5%	
OPERATING EXPENSES								
6. Purchased Power	59,214,986	62,789,824	(3,574,838)	-5.7%	67,689,727	(8,474,741)	-12.5%	
7. Produced Power	48,734,913	52,130,636	(3,395,723)	-6.5%	53,335,799	(4,600,886)	-8.6%	
8. Operations	17,443,590	25,322,579	(7,878,989)	-31.1%	19,742,368	(2,298,778)	-11.6%	
9. Maintenance	6,691,593	7,333,255	(641,662)	-8.8%	6,036,855	654,738	10.8%	
10. Administrative & General	35,408,432	39,022,655	(3,614,223)	-9.3%	34,500,088	908,344	2.6%	
11. Depreciation	42,771,191	42,568,188	203,003	0.5%	42,369,780	401,411	0.9%	
12. Total Operating Expenses	210,264,705	229,167,137	(18,902,432)	-8.2%	223,674,617	(13,409,912)	-6.0%	
13. OPERATING INCOME	71,133,352	46,236,497	24,896,855	53.8%	50,800,676	20,332,676	40.0%	
NONOPERATING EXPENSES (INCOME)								
14. Interest Expense	20,805,460	20,921,951	(116,491)	-0.6%	19,269,879	1,535,581	8.0%	
15. Capitalized Interest	(1,373,786)	(1,627,345)	253,559	-15.6%	(498,825)	(874,961)	175.4%	
16. Payments in Lieu of Taxes	10,762,351	11,681,981	(919,630)	-7.9%	11,108,045	(345,694)	-3.1%	
17. City Dividend Expense	6,248,830	6,248,826	4	0.0%	6,120,304	128,526	2.1%	
18. Other	(1,272)	0	(1,272)	--	2,420	(3,692)	-152.6%	
19. Total Other Expense	36,441,583	37,225,413	(783,830)	-2.1%	36,001,823	439,760	1.2%	
20. Interest Income	(2,788,522)	(2,362,921)	(425,601)	18.0%	(1,316,156)	(1,472,366)	111.9%	
21. Total Nonoperating Expense (Income)	33,653,061	34,862,492	(1,209,431)	-3.5%	34,685,667	(1,032,606)	-3.0%	
22. Income Before Contributions	37,480,291	11,374,005	26,106,286	229.5%	16,115,009	21,365,282	132.6%	
CONTRIBUTED CAPITAL								
23. Contributed Capital Received	749,407	1,073,170	(323,763)	-30.2%	800,428	(51,021)	-6.4%	
24. Contributed Capital Used	(749,407)	(1,073,170)	323,763	-30.2%	(800,428)	51,021	-6.4%	
25. Net Contributed Capital	0	0	0	--	0	0	--	
26. CHANGE IN NET POSITION	\$37,480,291	\$11,374,005	\$26,106,286	229.5%	\$16,115,009	\$21,365,282	132.6%	



LINCOLN ELECTRIC SYSTEM
REVENUES, ENERGY & CUSTOMERS
CURRENT MONTH

OCTOBER 2018

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET		LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$9,064,434	\$9,273,277	(\$208,843)	-2.3%	\$9,129,315	(\$64,881)	-0.7%
2. Commercial (a)	9,985,133	10,247,355	(262,222)	-2.6%	9,722,411	262,722	2.7%
3. Industrial	2,802,982	3,005,347	(202,365)	-6.7%	2,850,940	(47,958)	-1.7%
4. Street Light	213,404	194,245	19,159	9.9%	194,528	18,876	9.7%
5. Total Billed	22,065,953	22,720,224	(654,271)	-2.9%	21,897,194	168,759	0.8%
6. Unbilled Change	(3,499,979)	(2,430,988)	(1,068,991)	0.0%	(3,670,243)	170,264	0.0%
7. Total Retail	18,565,974	20,289,236	(1,723,262)	-8.5%	18,226,951	339,023	1.9%
8. SPP Sales	4,445,893	1,523,193	2,922,700	191.9%	712,218	3,733,675	524.2%
9. Contract Sales	1,640,864	1,434,512	206,352	14.4%	1,305,661	335,203	25.7%
10. Total Wholesale	6,086,757	2,957,705	3,129,052	105.8%	2,017,879	4,068,878	201.6%
11. Total	\$24,652,731	\$23,246,941	\$1,405,790	6.0%	\$20,244,830	\$4,407,901	21.8%
ENERGY (Megawatt-Hours)							
12. Residential	82,488	85,368	(2,880)	-3.4%	84,234	(1,746)	-2.1%
13. Commercial (a)	121,419	128,478	(7,059)	-5.5%	120,862	557	0.5%
14. Industrial	38,215	42,402	(4,187)	-9.9%	41,748	(3,533)	-8.5%
15. Street Light	1,716	1,758	(42)	-2.4%	1,747	(31)	-1.8%
16. Total Billed	243,838	258,006	(14,168)	-5.5%	248,591	(4,753)	-1.9%
17. Unbilled Change	(14,921)	(17,253)	2,332	0.0%	(13,400)	(1,521)	0.0%
18. Total Retail	228,917	240,753	(11,836)	-4.9%	235,191	(6,274)	-2.7%
19. SPP Sales	173,262	99,943	73,319	73.4%	35,852	137,410	383.3%
20. Contract Sales	55,855	54,632	1,223	2.2%	38,262	17,593	46.0%
21. Total Wholesale	229,117	154,575	74,542	48.2%	74,114	155,003	209.1%
22. Total	458,034	395,328	62,706	15.9%	309,305	148,729	48.1%
CUSTOMERS							
23. Residential	123,349	123,207	142	0.1%	122,126	1,223	1.0%
24. Commercial (a)	16,939	16,843	96	0.6%	16,759	180	1.1%
25. Industrial	175	176	(1)	-0.6%	176	(1)	-0.6%
26. Street Light	5	5	0	0.0%	5	0	0.0%
27. Total Retail	140,468	140,231	237	0.2%	139,066	1,402	1.0%
28. Wholesale	7	7	0	0.0%	7	0	0.0%
29. Total	140,475	140,238	237	0.2%	139,073	1,402	1.0%



LINCOLN ELECTRIC SYSTEM
REVENUES, ENERGY & CUSTOMERS
YEAR-TO-DATE

OCTOBER 2018

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
REVENUE							
1. Residential	\$108,121,996	\$103,759,823	\$4,362,173	4.2%	\$101,699,856	\$6,422,140	6.3%
2. Commercial (a)	98,904,279	99,187,052	(282,773)	-0.3%	97,484,922	1,419,357	1.5%
3. Industrial	26,569,441	27,995,909	(1,426,468)	-5.1%	27,189,323	(619,882)	-2.3%
4. Street Light	2,121,639	1,944,641	176,998	9.1%	1,929,823	191,816	9.9%
5. Total Billed	235,717,355	232,887,425	2,829,930	1.2%	228,303,924	7,413,431	3.2%
6. Unbilled Change	278,832	3,098,787	(2,819,955)	0.0%	340,087	(61,255)	0.0%
7. Total Retail	235,996,187	235,986,212	9,975	0.0%	228,644,011	7,352,176	3.2%
8. SPP Sales	19,124,885	13,886,777	5,238,108	37.7%	20,817,647	(1,692,762)	-8.1%
9. Contract Sales	13,899,598	13,574,791	324,807	2.4%	12,721,564	1,178,034	9.3%
10. Total Wholesale	33,024,483	27,461,568	5,562,915	20.3%	33,539,211	(514,728)	-1.5%
11. Total	\$269,020,670	\$263,447,780	\$5,572,890	2.1%	\$262,183,222	\$6,837,448	2.6%
ENERGY (Megawatt-Hours)							
12. Residential	1,113,564	1,049,439	64,125	6.1%	1,021,648	91,916	9.0%
13. Commercial (a)	1,279,542	1,286,979	(7,437)	-0.6%	1,255,694	23,848	1.9%
14. Industrial	380,186	414,660	(34,474)	-8.3%	395,764	(15,578)	-3.9%
15. Street Light	17,304	17,625	(321)	-1.8%	17,670	(366)	-2.1%
16. Total Billed	2,790,596	2,768,703	21,893	0.8%	2,690,776	99,820	3.7%
17. Unbilled Change	(2,983)	14,750	(17,733)	0.0%	790	(3,773)	0.0%
18. Total Retail	2,787,613	2,783,453	4,160	0.1%	2,691,566	96,047	3.6%
19. SPP Sales	803,620	553,058	250,562	45.3%	782,025	21,595	2.8%
20. Contract Sales	498,587	464,751	33,836	7.3%	413,020	85,567	20.7%
21. Total Wholesale	1,302,207	1,017,809	284,398	27.9%	1,195,045	107,162	9.0%
22. Total	4,089,820	3,801,262	288,558	7.6%	3,886,611	203,209	5.2%
CUSTOMERS AVERAGE							
23. Residential	122,804	122,590	214	0.2%	121,492	1,312	1.1%
24. Commercial (a)	16,897	16,795	102	0.6%	16,667	230	1.4%
25. Industrial	176	176	0	0.0%	176	0	0.0%
26. Street Light	5	5	0	0.0%	5	0	0.0%
27. Total Retail	139,882	139,566	316	0.2%	138,340	1,542	1.1%
28. Wholesale	7	7	0	0.0%	7	0	0.0%
29. Total	139,889	139,573	316	0.2%	138,347	1,542	1.1%



LINCOLN ELECTRIC SYSTEM
OPERATING EXPENSE STATEMENT
CURRENT MONTH

OCTOBER 2018

DESCRIPTION	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE FROM BUDGET		LAST YEAR MONTH ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
POWER COST							
1. SPP Purchased Power	\$347,337	\$467,458	(\$120,121)	-25.7%	\$700,674	(\$353,337)	-50.4%
2. Non-Owned Asset Power	5,331,349	5,333,930	(2,581)	0.0%	6,661,970	(1,330,621)	-20.0%
3. Total Purchased Power	5,678,686	5,801,388	(122,702)	-2.1%	7,362,644	(1,683,958)	-22.9%
4. Produced Power	5,226,995	5,238,813	(11,818)	-0.2%	3,090,064	2,136,931	69.2%
5. Total Power Cost	10,905,681	11,040,201	(134,520)	-1.2%	10,452,708	452,973	4.3%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	2,399,896	2,096,434	303,462	14.5%	1,421,601	978,295	68.8%
7. Transmission	469,299	1,257,785	(788,486)	-62.7%	1,128,114	(658,815)	-58.4%
8. Total O & M Expense	2,869,195	3,354,219	(485,024)	-14.5%	2,549,715	319,480	12.5%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	157,917	176,191	(18,274)	-10.4%	217,772	(59,855)	-27.5%
10. Communication & Corporate Records	159,237	253,217	(93,980)	-37.1%	183,544	(24,307)	-13.2%
11. Corporate Operations	478,860	463,414	15,446	3.3%	592,272	(113,412)	-19.1%
12. Customer Services	994,759	1,006,059	(11,300)	-1.1%	841,847	152,912	18.2%
13. Financial Services	309,299	339,025	(29,726)	-8.8%	313,656	(4,357)	-1.4%
14. Power Supply	319,883	341,285	(21,402)	-6.3%	329,293	(9,410)	-2.9%
15. Technology Services	1,231,799	1,197,201	34,598	2.9%	1,091,794	140,005	12.8%
16. Total A & G Expense	3,651,754	3,776,392	(124,638)	-3.3%	3,570,178	81,576	2.3%
17. DEPRECIATION	4,289,374	4,315,538	(26,164)	-0.6%	4,268,516	20,858	0.5%
18. TOTAL OPERATING EXPENSE	\$21,716,004	\$22,486,350	(\$770,346)	-3.4%	\$20,841,117	\$874,887	4.2%



LINCOLN ELECTRIC SYSTEM
OPERATING EXPENSE STATEMENT
YEAR-TO-DATE

OCTOBER 2018

DESCRIPTION	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE FROM BUDGET		LAST YEAR YEAR TO DATE ACTUAL	VARIANCE FROM LAST YEAR	
			AMOUNT	%		AMOUNT	%
POWER COST							
1. SPP Purchased Power	\$6,903,913	\$8,620,796	(\$1,716,883)	-19.9%	\$3,723,883	\$3,180,030	85.4%
2. Non-Owned Asset Power	52,311,073	54,169,028	(1,857,955)	-3.4%	63,965,844	(11,654,771)	-18.2%
3. Total Purchased Power	59,214,986	62,789,824	(3,574,838)	-5.7%	67,689,727	(8,474,741)	-12.5%
4. Produced Power	48,734,913	52,130,636	(3,395,723)	-6.5%	53,335,799	(4,600,886)	-8.6%
5. Total Power Cost	107,949,899	114,920,460	(6,970,561)	-6.1%	121,025,526	(13,075,627)	-10.8%
OPERATION & MAINTENANCE (O&M)							
6. Energy Delivery	18,357,434	20,322,709	(1,965,275)	-9.7%	15,210,057	3,147,377	20.7%
7. Transmission	5,777,749	12,333,125	(6,555,376)	-53.2%	10,569,166	(4,791,417)	-45.3%
8. Total O & M Expense	24,135,183	32,655,834	(8,520,651)	-26.1%	25,779,223	(1,644,040)	-6.4%
ADMINISTRATIVE & GENERAL (A&G)							
9. Administration	1,947,934	2,063,770	(115,836)	-5.6%	1,915,510	32,424	1.7%
10. Communication & Corporate Records	1,879,539	2,463,385	(583,846)	-23.7%	1,612,185	267,354	16.6%
11. Corporate Operations	5,006,119	4,822,531	183,588	3.8%	4,705,783	300,336	6.4%
12. Customer Services	8,469,478	10,063,282	(1,593,804)	-15.8%	9,320,501	(851,023)	-9.1%
13. Financial Services	3,073,198	3,393,909	(320,711)	-9.4%	2,998,231	74,967	2.5%
14. Power Supply	3,207,060	3,394,306	(187,246)	-5.5%	3,275,985	(68,925)	-2.1%
15. Technology Services	11,825,104	12,821,472	(996,368)	-7.8%	10,671,893	1,153,211	10.8%
16. Total A & G Expense	35,408,432	39,022,655	(3,614,223)	-9.3%	34,500,088	908,344	2.6%
17. DEPRECIATION	42,771,191	42,568,188	203,003	0.5%	42,369,780	401,411	0.9%
18. TOTAL OPERATING EXPENSE	\$210,264,705	\$229,167,137	(\$18,902,432)	-8.2%	\$223,674,617	(\$13,409,912)	-6.0%



**LINCOLN ELECTRIC SYSTEM
BALANCE SHEET**

OCTOBER 2018

ASSETS & DEFERRED OUTFLOWS OF RESOURCES

LIABILITIES AND NET POSITION

DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1	DESCRIPTION	END OF MONTH BALANCE	VARIANCE SINCE JANUARY 1
CURRENT ASSETS:			CURRENT LIABILITIES:		
1. Revenue Fund (including CDFUO)	\$123,897,245	\$66,917,851	OTHER LIABILITIES		
2. Payments in Lieu of Taxes Fund	\$10,234,152	(\$1,539,539)	1. Accounts Payable	\$16,001,927	(\$5,506,824)
3. Rate Stabilization Fund	34,220,980	389,784	2. Accrued Payments in Lieu of Taxes	11,196,876	(2,139,088)
4. Bond Principal & Interest Funds	8,651,124	(5,927,997)	3. City Dividend for Utility Ownership Payable	1,270,674	(1,218,402)
5. Other Restricted/Designated Funds	3,329,598	354,474	4. Commercial Paper Notes	65,500,000	(30,000,000)
6. Restricted/Designated Funds Total	46,201,702	(5,183,739)	5. Accrued Liabilities	14,852,810	2,939,391
7. Total Current Asset Funds	180,333,099	60,194,573	6. MBPP-BNSF-STB Settlement	0	0
8. Receivables Less Uncollectible Allowance	21,356,170	1,252,499	7. Total Other Liabilities	108,822,287	(35,924,923)
9. Unbilled Revenue	14,365,622	278,832	CURRENT LIABILITIES - RESTRICTED ASSETS		
10. Accrued Interest Receivable	1,103,348	753,031	8. Current Portion of Long-Term Debt	22,750,000	3,270,000
11. Materials, Supplies & Fuel Inventory	13,961,166	1,234,345	9. Accrued Interest	5,071,842	(3,155,229)
12. Plant Operation Assets	13,797,059	(3,205,092)	10. Other Current Liabilities	1,456,818	58,716
13. Other Current Assets	2,625,824	206,521	11. Total Current Liabilities - Restricted Assets	29,278,660	173,487
14. Total Current Assets	247,542,288	60,714,709	12. Total Current Liabilities	138,100,947	(35,751,436)
NONCURRENT ASSETS:			NONCURRENT LIABILITIES:		
15. Bond Reserve Funds	19,250,754	2,517,808	13. 2003 Bonds	1,150,000	0
16. Self Funded Benefits Reserve Fund (IBNP)	537,747	5,311	14. 2012-A Bonds	217,020,000	0
17. Segregated Funds	650,489	0	15. 2013 Bonds	75,525,000	0
18. Restricted Fund Total	20,438,990	2,523,119	16. 2015-A Bonds	167,800,000	0
19. Unamortized Debt Expense	2,881,492	623,152	17. 2016 Bonds	80,095,000	(19,480,000)
20. Other Noncurrent Assets	3,374,038	914,326	18. 2018 Bonds	121,205,000	121,205,000
21. Total Noncurrent Assets	26,694,520	4,060,597	19. Total Revenue Bonds	662,795,000	101,725,000
CAPITAL ASSETS:			20. Less Current Maturities	22,750,000	3,270,000
22. Utility Plant in Service	1,555,388,356	33,621,601	21. Less Unamortized Discounts/Premiums	(68,407,405)	(14,512,582)
23. Accumulated Depreciation & Amortization	(771,264,958)	(36,719,564)	22. Note Purchase Agreement	1,500,000	1,500,000
24. Construction Work in Progress	141,395,585	26,291,305	23. Revolving Credit Agreement	0	(30,000,000)
25. Total Capital Assets	925,518,983	23,193,342	24. Net Long Term Debt	709,952,405	84,467,582
DEFERRED OUTFLOWS OF RESOURCES:			25. Liabilities Payable from Segregated Funds	646,137	0
26. Deferred Loss on Refunded Debt	13,682,410	(1,772,211)	26. Other Noncurrent Liabilities	532,436	0
			27. Total Liabilities	849,231,925	48,716,146
			NET POSITION:		
			28. Net Investment in Capital Assets	161,517,198	(62,028,156)
			29. Restricted for Debt Service	3,679,830	(2,704,554)
			30. Restricted for Employee Health Insurance Claims	426,527	(508,524)
			31. Unrestricted	198,582,721	102,721,525
			32. Total Net Position	364,206,276	37,480,291
27. TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$1,213,438,201	\$86,196,437	33. TOTAL LIABILITIES & NET POSITION	\$1,213,438,201	\$86,196,437



LINCOLN ELECTRIC SYSTEM
STATEMENT OF CASH FLOWS

OCTOBER 2018

	CURRENT MONTH	YEAR-TO-DATE
CASH FLOW FROM OPERATING ACTIVITIES:		
1. Received from Sales to Customers and Users	\$37,698,198	\$295,216,523
2. Paid to Suppliers for Goods & Services	(19,879,311)	(156,090,489)
3. Paid to Employees for Services	(3,240,115)	(28,267,127)
4. Cash Flow from Operating Activities (a)	14,578,772	110,858,907
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
5. Payments in Lieu of Taxes	(93,764)	(12,901,441)
6. City Dividend for Utility Ownership Payments	0	(7,467,232)
7. Other	0	1
8. Cash Flow from (used for) Non-capital Financing Activities	(93,764)	(20,368,672)
CASH FLOWS FROM INVESTING ACTIVITIES:		
9. Net (Purchases) Sales of Investments	(13,211,910)	(70,747,026)
10. Interest Income	165,943	1,831,978
11. Cash Flow from (used for) Investing Activities	(13,045,967)	(68,915,048)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
12. Acquisition and Construction of Capital Assets	(5,580,101)	(64,748,826)
13. Salvage on Retirement of Plant	51,024	553,681
14. Cost of Removal of Property Retired	(128,764)	(1,817,622)
15. Debt Issuance Cost Paid	0	(872,230)
16. Debt Premiums Collected	0	19,612,552
17. Net Capital Contributions	194,460	749,406
18. Net Proceeds form Issuance of Long-Term Debt	0	122,705,000
19. Principal Payments on Long-Term Debt	0	(79,480,000)
20. Interest Payments on Long-Term Debt	(3,147)	(26,509,996)
21. Cash Flow from (used for) Capital Financing Activities	(5,466,528)	(29,808,035)
22. Net Increase (Decrease) in Cash and Cash Equivalents	(4,027,487)	(8,232,848)
23. Cash and Cash Equivalent Beginning of Period	19,236,826	23,442,187
24. Cash and Cash Equivalent End of Period (b)	\$15,209,339	\$15,209,339
STATEMENT OF CASH FLOW FOOTNOTES		
(a) Reconciliation of operating income to cash flows from operating activities		
1. Net Operating Revenue	\$4,328,238	\$71,133,352
2. Noncash items included in operating income	4,380,306	43,679,831
3. Changes in Assets & Liabilities Increase/(Decrease)	5,870,228	(3,954,276)
4. Net cash flows from operating activities	\$14,578,772	\$110,858,907
(b) Cash and cash equivalents are defined as cash and investments with original maturities of three months or less.		



LINCOLN ELECTRIC SYSTEM DEBT SERVICE COVERAGE

OCTOBER 2018

DESCRIPTION	----- CURRENT MONTH -----			----- YEAR-TO-DATE -----		
	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR	ACTUAL THIS YEAR	BUDGET THIS YEAR	ACTUAL LAST YEAR
1. Total Operating Revenues	\$26,044,242	\$24,567,110	\$21,448,689	\$281,398,057	\$275,403,634	\$274,475,293
2. Total Operating Expenses	21,716,004	22,486,350	20,841,117	210,264,705	229,167,137	223,674,617
3. Less Depreciation	(4,289,374)	(4,315,538)	(4,268,516)	(42,771,191)	(42,568,188)	(42,369,780)
4. Operating Expense Net of Depreciation	17,426,630	18,170,812	16,572,601	167,493,514	186,598,949	181,304,837
5. Net Operating Revenue for Debt Service	8,617,612	6,396,298	4,876,088	113,904,543	88,804,685	93,170,456
6. Interest Income (a)	328,357	198,359	111,187	2,213,246	1,998,791	1,037,052
7. Other Income	0	0	0	0	0	0
8. Rate Stabilization Fund	0	0	0	0	0	0
9. AVAILABLE FOR DEBT SERVICE	8,945,969	6,594,657	4,987,275	116,117,789	90,803,476	94,207,508
10. DEBT SERVICE (b)	4,324,651	4,430,031	3,643,885	38,828,189	39,040,580	35,401,186
11. DEBT SERVICE COVERAGE	2.07	1.49	1.37	2.99	2.33	2.66

(a) Excludes interest from Rate Stabilization Fund.

(b) Includes Bond Principal & Interest only.



LINCOLN ELECTRIC SYSTEM INVESTMENT REPORT

OCTOBER 2018

FUND / INVESTMENT	PURCHASE DATE	MATURITY DATE	CPN/DCNT RATE	YIELD	(a) CASH EQUIVALENTS	SECURITIES	PAR VALUE
CASH - REVENUE FUND / WORKING FUND					\$1,167,631		\$1,167,631
SHORT TERM FEDERAL INVESTMENT TRUST (STFIT)					11,473,834		11,473,834
REVENUE FUND							
Federated Treasury Obligations Fund *				1.800%	211,137		211,137
Torchmark Corporation Commercial Paper	06/28/2018	11/20/2018	2.530%	2.556%		7,423,573	7,500,000
Hannover Funding Co. LLC Commercial Paper	06/28/2018	12/12/2018	2.750%	2.786%		7,404,323	7,500,000
Korea Development Bank Commercial Paper	06/28/2018	01/04/2019	2.430%	2.462%		7,403,813	7,500,000
Shinhan Bank NY Branch Commercial Paper	06/28/2018	02/22/2019	2.650%	2.697%		7,368,052	7,500,000
U.S. Treasury Note	06/28/2018	03/15/2019	1.000%	2.220%		7,435,425	7,500,000
Banco Santander SA/NY Commercial Paper	07/26/2018	04/01/2019	2.600%	2.648%		7,482,967	7,620,000
ING (U.S.) Funding LLC Commercial Paper	07/10/2018	04/05/2019	2.530%	2.579%		4,988,869	5,085,000
U.S. Treasury Note	06/28/2018	04/30/2019	1.250%	2.301%		7,434,750	7,500,000
U.S. Treasury Note	06/28/2018	05/15/2019	3.125%	2.311%		7,552,800	7,500,000
Societe Generale Commercial Paper	08/27/2018	05/24/2019	2.570%	2.621%		7,497,643	7,645,000
Bedford Row Funding Corp Commercial Paper	08/28/2018	05/24/2019	2.540%	2.589%		3,433,572	3,500,000
Bank of China (Hong Kong) Commercial Paper	09/21/2018	06/18/2019	2.680%	2.735%		5,761,812	5,880,000
Federal Home Loan Banks Bond	06/29/2018	06/21/2019	1.125%	2.350%		7,411,692	7,500,000
Agricultural Bank of China Ltd. Commercial Paper	10/10/2018	07/05/2019	2.800%	2.860%		7,461,165	7,620,000
U.S. Treasury Note	06/28/2018	07/15/2019	0.750%	2.345%		7,376,979	7,500,000
Banco del Estado de Chile Commercial Paper	10/22/2018	07/19/2019	2.800%	2.860%		7,499,140	7,660,000
Discount \ (Premium)						108,068	
Total Revenue Fund					211,137	111,044,643	112,721,137
PILOT FUND							
Federated Treasury Obligations Fund *				1.800%	28,477		28,477
MUFG Bank, Ltd., NY Branch Commercial Paper	04/20/2018	01/14/2019	2.400%	2.444%		864,219	880,000
J.P. Morgan Securities Commercial Paper	05/18/2018	02/11/2019	2.450%	2.496%		962,059	980,000
J.P. Morgan Securities Commercial Paper	06/20/2018	03/15/2019	2.530%	2.579%		946,825	965,000
Natixis, New York Branch Commercial Paper	07/20/2018	04/05/2019	2.480%	2.525%		1,119,660	1,140,000
Federal Home Loan Banks Bond	03/22/2018	04/08/2019	1.150%	2.120%		990,029	1,000,000
Canadian Imperial Holdings Inc Commercial Paper	08/20/2018	04/26/2019	2.440%	2.482%		1,445,191	1,470,000
Bayerische Landesbank, NY Commercial Paper	10/19/2018	04/26/2019	2.640%	2.677%		1,375,665	1,395,000
Bedford Row Funding Corp Commercial Paper	09/28/2018	04/29/2019	2.510%	2.548%		1,408,763	1,430,000
U.S. Treasury Note	02/20/2018	04/30/2019	1.625%	2.105%		1,083,869	1,090,000
Discount \ (Premium)						9,395	
Total PILOT Fund					\$28,477	\$10,205,675	\$10,378,477

(a) Cash and cash equivalents are defined as cash & investments with original maturities of three months or less.

* Interest rate as of end of month.



LINCOLN ELECTRIC SYSTEM INVESTMENT REPORT

OCTOBER 2018

FUND / INVESTMENT	PURCHASE DATE	MATURITY DATE	CPN/DCNT RATE	YIELD	(a) CASH EQUIVALENTS	SECURITIES	PAR VALUE
BOND RESERVE FUNDS							
Federated Treasury Obligations Fund *				1.800%	\$35,463		\$35,463
Federal National Mortgage Association Bond	05/28/2015	02/01/2019	0.000%	1.650%		1,416,805	1,505,000
Federal Home Loan Mortgage Corporation Bond	06/28/2018	08/15/2019	1.375%	2.400%		2,916,449	2,950,000
Federal National Mortgage Association Bond	09/01/2016	08/28/2019	1.150%	1.150%		355,000	355,000
Federal Home Loan Banks Bond	08/28/2018	08/21/2020	2.625%	2.630%		2,344,766	2,345,000
Federal National Mortgage Association Bond	09/01/2016	08/28/2020	1.400%	1.400%		1,400,000	1,400,000
Federal National Mortgage Association Bond	09/01/2016	08/28/2020	1.400%	1.400%		2,340,000	2,340,000
Federal Home Loan Banks Bond	03/14/2018	08/28/2020	2.400%	2.400%		3,750,000	3,750,000
Federal National Mortgage Association Bond	06/28/2018	06/28/2021	2.800%	2.800%		4,600,000	4,600,000
Discount \ (Premium)						92,271	
Total Bond Reserve Funds					35,463	19,215,291	19,280,463
BOND PRINCIPAL & INTEREST FUNDS							
Federated Treasury Obligations Fund *				1.800%	66,673		66,673
ERP Operating LP Commercial Paper	10/31/2018	02/07/2019	2.670%	2.690%		2,436,974	2,455,000
Bayerische Landesbank, NY Commercial Paper	09/28/2018	02/25/2019	2.530%	2.557%		2,399,436	2,425,000
JP Morgan Securities LLC Commercial Paper	10/31/2018	07/26/2019	2.900%	2.964%		1,878,549	1,920,000
International Bank for Reconstruction and Dev Note	09/28/2018	08/15/2019	0.875%	2.610%		1,866,569	1,895,000
Discount \ (Premium)						2,923	
Total Bond Principal & Interest Funds					66,673	8,584,451	8,761,673
RATE STABILIZATION FUND							
Federated Treasury Obligations Fund *				1.800%	115,480		115,480
Federal National Mortgage Association Bond	02/10/2017	12/14/2018	1.125%	1.140%		6,323,252	6,325,000
Federal Farm Credit Banks Bond	06/29/2017	06/12/2019	1.375%	1.391%		5,048,485	5,050,000
Federal National Mortgage Association Bond	12/11/2017	11/26/2019	1.750%	1.820%		1,729,662	1,732,000
Federal Home Loan Mortgage Corporation Bond	01/30/2018	11/27/2019	0.500%	2.150%		8,091,809	8,150,000
Federal Farm Credit Banks Bond	12/20/2017	12/12/2019	100.500%	1.916%		5,135,888	5,140,000
Federal Farm Credit Banks Bond	01/12/2018	01/10/2020	100.500%	1.970%		2,549,006	2,550,000
Federal Farm Credit Banks Bond	06/29/2018	06/11/2020	200.500%	2.580%		5,197,014	5,200,000
Discount \ (Premium)						30,384	
Total Rate Stabilization Fund					\$115,480	\$34,105,500	\$34,262,480

(a) Cash and cash equivalents are defined as cash & investments with original maturities of three months or less.

* Interest rate as of end of month.



**LINCOLN ELECTRIC SYSTEM
INVESTMENT REPORT**

OCTOBER 2018

FUND / INVESTMENT	PURCHASE DATE	MATURITY DATE	CPN/DCNT RATE	YIELD	(a) CASH EQUIVALENTS	SECURITIES	PAR VALUE
SELF-FUNDED HEALTH & DENTAL CLAIMS FUND							
Federated Treasury Obligations Fund *				1.800%	\$828,549		\$828,549
Federal Home Loan Bank Discount Note	09/28/2018	12/13/2018	2.140%	2.150%	995,482		1,000,000
Discount \ (Premium)							
Total Self-Funded Health & Dental Claims Fund					1,824,031	0	1,828,549
SELF-FUNDED HEALTH & DENTAL RESERVE FUND (INCURRED BUT NOT PRESENTED)							
Federated Treasury Obligations Fund *				1.800%	8,051		8,051
Federal Farm Credit Banks Bond	01/12/2018	12/14/2018	1.300%	1.781%		527,679	530,000
Discount \ (Premium)						2,017	
Total Self-Funded Health & Dental Reserve Fund					8,051	529,696	538,051
SEGREGATED ACCOUNT							
Federated Treasury Obligations Fund *				1.800%	235,892		235,892
Federal National Mortgage Association Bond	12/29/2017	12/14/2018	1.125%	1.780%		198,760	200,000
U.S. Treasury Bill	06/29/2018	06/20/2019	2.231%	2.300%		1,271,321	1,300,000
U.S. Treasury Note	09/17/2018	12/31/2019	1.875%	2.661%		405,949	410,000
Discount \ (Premium)						1,464	
Total Segregated Account					235,892	1,877,494	2,145,892
COST OF ISSUANCE ACCOUNT							
Federated Treasury Obligations Fund *				1.800%	42,670		42,670
Discount \ (Premium)							
Total Cost of Issuance Account					42,670	0	42,670
TOTAL					\$15,209,339	\$185,562,750	\$202,600,857

(a) Cash and cash equivalents are defined as cash & investments with original maturities of three months or less.

* Interest rate as of end of month.