

TEXAS MUNICIPAL POWER AGENCY
March 31, 2017
SECOND QUARTER HIGHLIGHTS

Key Statistics	March 31, 2017	
	Quarter Ending	Fiscal Year To Date
Net generation MWHs	455,710	989,663
Equivalent availability	98.90%	98.92%
Net capacity factor	44.91%	48.21%

Fuel expense is higher in FY17 compared to last year because generation was higher. Last year a planned outage occurred during the second quarter of FY16.

Production operation and maintenance expenses are lower in FY17 because maintenance costs were incurred during the scheduled maintenance outage during the second quarter of FY16.

Renewals and replacements are lower in FY17 because vehicle purchases were coded directly to expense. Renewals and replacements are larger scale non-routine maintenance projects.

Investment revenue is lower in FY17 because the use of the Reserve and Contingency Funds to pay down the Series 1993 bonds in September 2016.

Other miscellaneous income is higher in FY17 because the receipt of \$1,089K from CenterPoint Energy for a transmission line easement.

Interest expense on debt is lower in FY17 because the defeasance of the Series 1993 bonds and the Agency continuing to pay down debt. A large portion of TMPA's debt, mainly generation debt, will be paid off by 2018.

Amortization of excess cost on advance refunding of debt is lower in FY17 because the defeasance of the Series 1993 bonds.

Second Quarter Report
Period Ended March 31, 2017

Texas Municipal Power Agency
P. O. Box 7000 Bryan, Texas 77805
(936) 873-2013 www.texasmpa.org



TEXAS MUNICIPAL POWER AGENCY

Serving the Cities of
Bryan, Denton, Garland & Greenville

BOARD OF DIRECTORS

Bryan – David Bairrington
Kean Register

Denton – Bill Cheek, Jr.
Chris Watts

Garland – Tom Jefferies
James B. Ratliff

Greenville – Dave Dreiling
Sue Ann Harting

OTHER PRINCIPAL OFFICIALS

General Manager
Bob Kahn

Power Plant Manager
Craig York

Regulatory and Compliance Manager
Jan Horbaczewski

Director of Finance & Support Services
Lyndi Birkhead

Human Resources Director
Connie Merhley

TEXAS MUNICIPAL POWER AGENCY
Statements of Net Position
Assets and Deferred Outflows of Resources

TEXAS MUNICIPAL POWER AGENCY
Statements of Revenues, Expenses and Changes in Net Position
(Unaudited)

	<u>3/31/2017</u>	<u>9/30/2016</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>(Dollars in Thousands)</u>	
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	\$ 17,349	\$ 20,760
Inventories		
Fuel Stock	15,982	21,365
Materials and Supplies	7,059	7,138
Accounts Receivable and Other	9,853	10,257
Accrued Interest Receivable	-	-
Total Current Unrestricted Assets	<u>50,243</u>	<u>59,520</u>
Current Restricted Assets		
Cash and Cash Equivalents	70,559	10,840
Prepaid Insurance	286	567
Total Current Restricted Assets	<u>70,845</u>	<u>11,407</u>
Total Current Assets	<u>121,088</u>	<u>70,927</u>
Noncurrent Assets		
Electric Plant		
In Service	1,139,829	1,139,381
Less Accumulated Depreciation	<u>(737,102)</u>	<u>(726,571)</u>
Total Net Plant	402,727	412,810
Construction Work in Progress	13,658	11,696
Total Electric Plant	<u>416,385</u>	<u>424,506</u>
Other Assets		
Restricted Cash and Investments	18,404	25,470
Regulatory Assets	<u>(9,492)</u>	<u>59,579</u>
Total Other Assets	8,912	85,049
Total Noncurrent Assets	<u>425,297</u>	<u>509,555</u>
Total Assets	<u>546,385</u>	<u>580,482</u>
Deferred Outflows of Resources		
Unamortized Excess Cost on Advance Refunding of Debt	623	843
Total Deferred Outflows of Resources	<u>623</u>	<u>843</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 547,008</u>	<u>\$ 581,325</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	\$ 119,410	\$ 119,410
Zero Coupon Bond Interest Payable	-	-
Accrued Interest Payable	937	955
Accounts Payable	4,353	8,284
Unearned Revenue	13,471	29,635
Accrued Distribution to Member Cities	3,025	2,894
Accrued Compensation and Pension	1,147	1,737
Accrued Mine Reclamation Cost	2,406	2,406
Total Current Liabilities	<u>144,749</u>	<u>165,321</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	207,930	207,930
Unamortized Premium	2,081	2,305
Zero Coupon Bond Interest Payable	-	-
Tax Exempt Commercial Paper	89,115	89,115
Total Long Term Debt	<u>299,126</u>	<u>299,350</u>
Other Employee Retirement Benefits	17,693	16,260
Accounts Payable	(10)	-
Unearned Revenue	49,511	66,986
Accrued Mine Reclamation Cost	1,014	1,014
Contribution in Aid of Construction	-	-
Total Other Long-Term Obligations	<u>68,208</u>	<u>84,260</u>
Total Noncurrent Liabilities	<u>367,334</u>	<u>383,610</u>
Total Liabilities	<u>512,083</u>	<u>548,931</u>
Net Position		
Net Investment in Capital Assets	(38,226)	(18,213)
Restricted for Insurance Claims	3,611	3,315
Unrestricted	69,540	47,292
Total Net Position	<u>34,925</u>	<u>32,394</u>
Total Liabilities and Net Position	<u>\$ 547,008</u>	<u>\$ 581,325</u>

	Year to Date	
	Second Quarter Ended	
	31-Mar	
	<u>2017</u>	<u>2016</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Power Sales	\$ 114,230	\$ 112,446
Transmission Revenues	22,020	21,096
Other Operating Revenues	831	837
Total Operating Revenues	<u>137,081</u>	<u>134,379</u>
Operating Expenses		
Fuel	23,529	18,383
Production - Operation and Maintenance	7,768	12,594
Transmission - Operation and Maintenance	1,299	1,158
Administrative and General	5,312	5,450
Transmission System Access Fee	12,090	11,490
Depreciation Expense	10,531	10,444
Renewals and Replacements	2	91
Total Operating Expenses	<u>60,531</u>	<u>59,610</u>
Income from Operations	<u>76,550</u>	<u>74,769</u>
Other Income (Expenses)		
Investment Revenue	195	430
Miscellaneous Other Income (Expenses), Net	1,152	84
Total Other Income	<u>1,347</u>	<u>514</u>
Interest Charges		
Interest Expense on Debt	5,629	10,366
Amortization of Excess Cost on Advance Refunding of Debt	(4)	2,013
Total Interest Charges	<u>5,625</u>	<u>12,379</u>
Regulatory Assets Recovered in the Current Year	(69,070)	(61,265)
Unearned Revenue Recognized in the Current Year	17,475	17,475
Net Revenues before Refunds	20,677	19,114
Refunds to Member Cities	18,146	17,366
Change in Net Position	2,531	1,748
Net Position		
Balance as of September 30	32,394	34,076
Balance as of March 31	<u>\$ 34,925</u>	<u>\$ 35,824</u>

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2016 audited annual financial statements.