

TEXAS MUNICIPAL POWER AGENCY
June 30, 2017
THIRD QUARTER HIGHLIGHTS

Key Statistics	June 30, 2017	
	Quarter Ending	Fiscal Year To Date
Net generation MWHs	489,735	1,479,398
Equivalent availability	83.93%	93.93%
Net capacity factor	47.71%	48.04%

Other operating revenues are higher than last year because of higher sales of fly ash.

Fuel expense is higher in FY17 compared to last year because generation is higher.

Administrative and general expenses are higher in FY17 because in FY16 a downward adjustment was made to the agency's Other Postemployment Benefits liability resulting from changes to retiree benefits, which reduced expenses.

Renewals and replacements are lower in FY17 because there have been less major purchases. 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 \$2M for transmission line easements.

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.

Third Quarter Report
Period Ended June 30, 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
Roderick Hutchinson

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>6/30/2017</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	\$ 21,215	\$ 20,760
Inventories		
Fuel Stock	10,222	21,365
Materials and Supplies	6,899	7,138
Accounts Receivable and Other	11,405	10,257
Accrued Interest Receivable	-	-
Total Current Unrestricted Assets	<u>49,741</u>	<u>59,520</u>
Current Restricted Assets		
Cash and Cash Equivalents	103,078	10,840
Prepaid Insurance	911	567
Total Current Restricted Assets	<u>103,989</u>	<u>11,407</u>
Total Current Assets	<u>153,730</u>	<u>70,927</u>
Noncurrent Assets		
Electric Plant		
In Service	1,139,933	1,139,381
Less Accumulated Depreciation	<u>(742,378)</u>	<u>(726,571)</u>
Total Net Plant	397,555	412,810
Construction Work in Progress	14,498	11,696
Total Electric Plant	<u>412,053</u>	<u>424,506</u>
Other Assets		
Restricted Cash and Investments	13,179	25,470
Regulatory Assets	<u>(44,027)</u>	<u>59,579</u>
Total Other Assets	<u>(30,848)</u>	<u>85,049</u>
Total Noncurrent Assets	<u>381,205</u>	<u>509,555</u>
Total Assets	<u>534,935</u>	<u>580,482</u>
Deferred Outflows of Resources		
Unamortized Excess Cost on Advance Refunding of Debt	513	843
Total Deferred Outflows of Resources	<u>513</u>	<u>843</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 535,448</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	3,590	955
Accounts Payable	6,142	8,284
Unearned Revenue	5,388	29,635
Accrued Distribution to Member Cities	-	2,894
Accrued Compensation and Pension	1,659	1,737
Accrued Mine Reclamation Cost	2,406	2,406
Total Current Liabilities	<u>138,595</u>	<u>165,321</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	207,930	207,930
Unamortized Premium	1,968	2,305
Zero Coupon Bond Interest Payable	-	-
Tax Exempt Commercial Paper	89,115	89,115
Total Long Term Debt	<u>299,013</u>	<u>299,350</u>
Other Employee Retirement Benefits	18,409	16,260
Accounts Payable	(15)	-
Unearned Revenue	40,774	66,986
Accrued Mine Reclamation Cost	1,014	1,014
Contribution in Aid of Construction	-	-
Total Other Long-Term Obligations	<u>60,182</u>	<u>84,260</u>
Total Noncurrent Liabilities	<u>359,195</u>	<u>383,610</u>
Total Liabilities	<u>497,790</u>	<u>548,931</u>
Net Position		
Net Investment in Capital Assets	(16,247)	(18,213)
Restricted for Insurance Claims	1,944	3,315
Unrestricted	51,961	47,292
Total Net Position	<u>37,658</u>	<u>32,394</u>
Total Liabilities and Net Position	<u>\$ 535,448</u>	<u>\$ 581,325</u>

	Year to Date	
	Third Quarter Ended	
	30-Jun	
	<u>2017</u>	<u>2016</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Power Sales	\$ 171,479	\$ 167,014
Transmission Revenues	33,189	32,229
Other Operating Revenues	1,623	968
Total Operating Revenues	<u>206,291</u>	<u>200,211</u>
Operating Expenses		
Fuel	34,327	25,344
Production - Operation and Maintenance	12,248	16,577
Transmission - Operation and Maintenance	2,263	2,159
Administrative and General	7,677	4,213
Transmission System Access Fee	18,139	17,274
Depreciation Expense	15,806	15,665
Renewals and Replacements	26	148
Total Operating Expenses	<u>90,486</u>	<u>81,380</u>
Income from Operations	<u>115,805</u>	<u>118,831</u>
Other Income (Expenses)		
Investment Revenue	427	744
Miscellaneous Other Income (Expenses), Net	2,112	108
Total Other Income	<u>2,539</u>	<u>852</u>
Interest Charges		
Interest Expense on Debt	8,474	15,691
Amortization of Excess Cost on Advance Refunding of Debt	(7)	3,019
Total Interest Charges	<u>8,467</u>	<u>18,710</u>
Regulatory Assets Recovered in the Current Year	(103,605)	(95,855)
Unearned Revenue Recognized in the Current Year	26,211	26,211
Net Revenues before Refunds	32,483	31,329
Refunds to Member Cities	27,219	26,048
Change in Net Position	5,264	5,281
Net Position		
Balance as of September 30	32,394	34,076
Balance as of June 30	<u>\$ 37,658</u>	<u>\$ 39,357</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.