

**TEXAS MUNICIPAL POWER AGENCY
December 31, 2017
FIRST QUARTER HIGHLIGHTS**

Key Statistics	December 31, 2017	
	Quarter Ending	Fiscal Year To Date
Net generation MWHs	0	0
Equivalent availability	0%	0%
Net capacity factor	0%	0%

Power sales are lower because the plant is now in a seasonal operations mode. This also results in lower other operating revenues since fly ash to sell has been depleted.

Operating expenses for fuel and production O&M are lower as a result of no generation in the first quarter. Transmission O&M is higher because of the issuance costs related to the Series "A" Bank Notes which will be used to fund future Transmission projects.

Depreciation expense is lower because of the impairment of generation assets at the end of fiscal year 2017.

Investment revenue is higher because of a higher restricted cash funding for the 2017 Series Transmission bonds, which were issued in December 2017.

Other miscellaneous income is lower because of the receipt of \$1,039K from CenterPoint Energy for a transmission line easement in fiscal year 2017.

Advance Refunding of Debt is higher because of the premium on the 2017 Series Transmission bonds, which were issued in December 2017.

Refunds to Members Cities are lower because debt service coverage, which is refunded to the Member Cities monthly, was reduced as debt was paid off.

**First Quarter Report
Period Ended December 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

Mine and Land Manager
Jan Horbaczewski

Director of Finance & Support Services
Lyndi Birkhead

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>12/31/2017</u>	<u>9/30/2017</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>(Dollars in Thousands)</u>	
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	\$ 27,376	\$ 40,466
Inventories		
Fuel Stock	3,674	-
Materials and Supplies	3,624	3,615
Accounts Receivable and Other	6,496	8,577
Accrued Interest Receivable	-	-
Total Current Unrestricted Assets	<u>41,170</u>	<u>52,658</u>
Current Restricted Assets		
Cash and Cash Equivalents	3,018	666
Prepaid Insurance	610	515
Total Current Restricted Assets	<u>3,628</u>	<u>1,181</u>
Total Current Assets	<u>44,798</u>	<u>53,839</u>
Noncurrent Assets		
Electric Plant		
In Service	385,472	385,292
Less Accumulated Depreciation	<u>(188,505)</u>	<u>(186,738)</u>
Total Net Plant	196,967	198,554
Construction Work in Progress	10,923	9,801
Total Electric Plant	<u>207,890</u>	<u>208,355</u>
Other Assets		
Restricted Cash and Investments	13,904	10,316
Regulatory Assets	106,774	134,182
Total Other Assets	<u>120,678</u>	<u>144,498</u>
Total Noncurrent Assets	<u>328,568</u>	<u>352,853</u>
Total Assets	<u>373,366</u>	<u>406,692</u>
Deferred Outflows of Resources		
Unamortized Excess Cost on Advance Refunding of Debt	293	403
Total Deferred Outflows of Resources	<u>293</u>	<u>403</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 373,659</u>	<u>\$ 407,095</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	\$ 71,722	\$ 93,805
Zero Coupon Bond Interest Payable	-	-
Accrued Interest Payable	2,167	514
Accounts Payable	109	3,280
Unearned Revenue	23,300	32,037
Accrued Distribution to Member Cities	241	3,024
Accrued Compensation and Pension	367	5,301
Accrued Mine Reclamation Cost	2,453	2,453
Total Current Liabilities	<u>100,359</u>	<u>140,414</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	191,075	105,840
Unamortized Premium	8,618	1,869
Zero Coupon Bond Interest Payable	-	-
Tax Exempt Commercial Paper	10,100	100,115
Total Long Term Debt	<u>209,793</u>	<u>207,824</u>
Other Employee Retirement Benefits	14,069	13,362
Accounts Payable	-	-
Unearned Revenue	-	-
Accrued Mine Reclamation Cost	608	608
Contribution in Aid of Construction	-	-
Total Other Long-Term Obligations	<u>14,677</u>	<u>13,970</u>
Total Noncurrent Liabilities	<u>224,470</u>	<u>221,794</u>
Total Liabilities	<u>324,829</u>	<u>362,208</u>
Net Position		
Net Investment in Capital Assets	19,515	1,740
Restricted for Insurance Claims	2,099	2,093
Unrestricted	27,216	41,054
Total Net Position	<u>48,830</u>	<u>44,887</u>
Total Liabilities and Net Position	<u>\$ 373,659</u>	<u>\$ 407,095</u>

	Year to Date	
	First Quarter Ended	
	31-Dec	
	<u>2018</u>	<u>2017</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Power Sales	\$ 27,764	\$ 58,035
Transmission Revenues	11,147	10,873
Other Operating Revenues	264	426
Total Operating Revenues	<u>39,175</u>	<u>69,334</u>
Operating Expenses		
Fuel	75	12,588
Production - Operation and Maintenance	1,915	3,510
Transmission - Operation and Maintenance	817	448
Administrative and General	2,101	2,396
Transmission System Access Fee	6,128	6,004
Depreciation Expense	1,766	5,266
Renewals and Replacements	1	2
Total Operating Expenses	<u>12,803</u>	<u>30,214</u>
Income from Operations	<u>26,372</u>	<u>39,120</u>
Other Income (Expenses)		
Investment Revenue	131	67
Miscellaneous Other Income (Expenses), Net	9	1,068
Total Other Income	<u>140</u>	<u>1,135</u>
Interest Charges		
Interest Expense on Debt	2,214	2,825
Amortization of Excess Cost on Advance Refunding of Debt	962	(2)
Total Interest Charges	<u>3,176</u>	<u>2,823</u>
Regulatory Assets Recovered in the Current Year	<u>(27,408)</u>	<u>(34,535)</u>
Unearned Revenue Recognized in the Current Year	<u>8,737</u>	<u>8,737</u>
Net Revenues before Refunds	<u>4,665</u>	<u>11,634</u>
Refunds to Member Cities	<u>722</u>	<u>9,073</u>
Change in Net Position	<u>3,943</u>	<u>2,561</u>
Net Position		
Balance as of September 30	44,887	32,395
Balance as of December 31	<u>\$ 48,830</u>	<u>\$ 34,956</u>

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2017 audited annual financial statements.