

TEXAS MUNICIPAL POWER AGENCY
June 30, 2018
THIRD QUARTER HIGHLIGHTS

Key Statistics	June 30, 2018	
	Quarter Ending	Fiscal Year To Date
Net generation MWHs	209,927	209,927
Equivalent availability	14.84%	14.84%
Net capacity factor	6.82%	6.82%

Power sales are lower because the plant is now in seasonal operations running only during the summer which also results in lower other operating revenues as fly ash is only produced during operations.

Operating expenses for fuel and production O&M are lower as a result of seasonal operations. Production and administrative costs are lower as a result of the reduction in work force that occurred at the beginning of fiscal year 2018.

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

Renewals and replacements are lower in FY18 because there have been less major purchases. Renewals and replacements are larger scale non-routine maintenance projects and system upgrades.

Other miscellaneous income is lower compared to fiscal year 2017 because of one-time receipts of \$1,039K from CenterPoint Energy and \$922K from Cross Texas Transmission for transmission line easements.

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

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

Third Quarter Report
Period Ended June 30, 2018

Texas Municipal Power Agency
P. O. Box 7000 Bryan, Texas 77805
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

	6/30/2018 <u>(Unaudited)</u>	9/30/2017 <u>(Audited)</u>
	(Dollars in Thousands)	
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	\$ 19,634	\$ 40,466
Inventories		
Fuel Stock	10,886	-
Materials and Supplies	3,420	3,615
Accounts Receivable and Other	9,653	8,577
Accrued Interest Receivable	-	-
Total Current Unrestricted Assets	<u>43,593</u>	<u>52,658</u>
Current Restricted Assets		
Cash and Cash Equivalents	5,421	666
Prepaid Insurance	998	515
Total Current Restricted Assets	<u>6,419</u>	<u>1,181</u>
Total Current Assets	<u>50,012</u>	<u>53,839</u>
Noncurrent Assets		
Electric Plant		
In Service	385,133	385,292
Less Accumulated Depreciation	(192,145)	(186,738)
Total Net Plant	<u>192,988</u>	<u>198,554</u>
Construction Work in Progress	12,321	9,801
Total Electric Plant	<u>205,309</u>	<u>208,355</u>
Other Assets		
Restricted Cash and Investments	12,624	10,316
Regulatory Assets	39,647	134,182
Total Other Assets	<u>52,271</u>	<u>144,498</u>
Total Noncurrent Assets	<u>257,580</u>	<u>352,853</u>
Total Assets	<u>307,592</u>	<u>406,692</u>
Deferred Outflows of Resources		
Unamortized Excess Cost on Advance Refunding of Debt	73	403
Total Deferred Outflows of Resources	<u>73</u>	<u>403</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 307,665</u>	<u>\$ 407,095</u>
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	\$ 19,244	\$ 93,805
Zero Coupon Bond Interest Payable	-	-
Accrued Interest Payable	3,192	514
Accounts Payable	5,465	3,280
Unearned Revenue	5,825	32,037
Accrued Distribution to Member Cities	241	3,024
Accrued Compensation and Pension	516	5,301
Accrued Mine Reclamation Cost	2,453	2,453
Total Current Liabilities	<u>36,936</u>	<u>140,414</u>
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	191,075	105,840
Unamortized Premium	8,247	1,869
Tax Exempt Commercial Paper	10,100	100,115
Total Long Term Debt	<u>209,422</u>	<u>207,824</u>
Other Employee Retirement Benefits	15,484	13,362
Accrued Mine Reclamation Cost	608	608
Total Other Long-Term Obligations	<u>16,092</u>	<u>13,970</u>
Total Noncurrent Liabilities	<u>225,514</u>	<u>221,794</u>
Total Liabilities	<u>262,450</u>	<u>362,208</u>
Net Position		
Net Investment in Capital Assets	22,963	1,740
Restricted for Insurance Claims	321	2,093
Unrestricted	21,931	41,054
Total Net Position	<u>45,215</u>	<u>44,887</u>
Total Liabilities and Net Position	<u>\$ 307,665</u>	<u>\$ 407,095</u>

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

	Year to Date Third Quarter Ended 30-Jun	
	2018	2017
	(Dollars in Thousands)	
Operating Revenues		
Power Sales	\$ 88,349	\$ 171,479
Transmission Revenues	33,305	33,189
Other Operating Revenues	388	1,623
Total Operating Revenues	<u>122,042</u>	<u>206,291</u>
Operating Expenses		
Fuel	5,405	34,327
Production - Operation and Maintenance	6,410	12,248
Transmission - Operation and Maintenance	2,573	2,263
Administrative and General	5,540	7,677
Transmission System Access Fee	18,152	18,139
Depreciation Expense	5,410	15,806
Renewals and Replacements	(3)	26
Total Operating Expenses	<u>43,487</u>	<u>90,486</u>
Income from Operations	<u>78,555</u>	<u>115,805</u>
Other Income (Expenses)		
Investment Revenue	454	427
Miscellaneous Other Income (Expenses), Net	79	2,112
Total Other Income	<u>533</u>	<u>2,539</u>
Interest Charges		
Interest Expense on Debt	7,462	8,474
Amortization of Excess Cost on Advance Refunding of Debt	810	(7)
Total Interest Charges	<u>8,272</u>	<u>8,467</u>
Regulatory Assets Recovered in the Current Year	(94,534)	(103,605)
Unearned Revenue Recognized in the Current Year	26,212	26,211
Net Revenues before Refunds	2,494	32,483
Refunds to Member Cities	2,166	27,219
Change in Net Position	328	5,264
Net Position		
Balance as of September 30	44,887	32,394
Balance as of June 30	<u>\$ 45,215</u>	<u>\$ 37,658</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.