

TEXAS MUNICIPAL POWER AGENCY
March 31, 2021
SECOND QUARTER HIGHLIGHTS

Member City Payments are lower because of decreased demand billing to the Member Cities primarily related to decommissioning charges that were included last year. TMPA's power plant was sold in February 2021, and therefore, no further decommissioning charges will be incurred.

Transmission Revenues are lower because TMPA's interim Transmission Cost of Service filing was approved by the Public Utility Commission of Texas in December 2020.

Other Operating Revenues are lower because of less revenue from oil & gas leases and no longer having lake revenues since the sale of the plant.

Administrative and General Expenses are lower primarily because of property insurance being charged directly to the Generation and Transmission divisions this year. In previous years, these costs were charged to A&G and allocated to the divisions. Therefore, Transmission Expenses are higher because of the property insurance being charged directly to the division.

Investment Revenue is lower because interest rates have plunged over this last year.

Contributed Capital is higher because of an increased adjustment to the TXDOT contribution of a project billed in September 2020.

Miscellaneous Other Expense is higher because of the loss on the retirement of the Hog Creek assets which were included in the sale of the plant.

Regulatory assets are lower because TMPA no longer defers depreciation on transmission assets or on transmission retirements. The only deferrals are the mine reclamation and postemployment benefit liabilities.

Second Quarter Report
Period Ended March 31, 2021

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 – Buppy Simank
Kean Register

Denton – Bill Cheek, Jr.
Chris Watts

Garland – Tom Jefferies
James B. Ratliff

Greenville – Sue Ann Harting
Summer Spurlock

OTHER PRINCIPAL OFFICIALS

General Manager
Bob Kahn

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

	<u>3/31/2021</u>	<u>9/30/2020</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>(Dollars in Thousands)</u>	
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	\$ 10,040	\$ 28,672
Accounts Receivable and Other	8,853	10,617
Total Current Unrestricted Assets	18,893	39,289
Current Restricted Assets		
Cash and Cash Equivalents	3,425	9,389
Member Receivable - Decommission Obligation	-	16,350
Prepays	553	748
Total Current Restricted Assets	3,978	26,487
Total Current Assets	22,871	65,776
Noncurrent Assets		
Electric Plant		
In Service	369,776	370,631
Less Accumulated Depreciation	(183,774)	(180,079)
Total Net Plant	186,002	190,552
Construction Work in Progress	8,935	6,892
Total Electric Plant	194,937	197,444
Other Assets		
Restricted Cash and Investments	17,555	17,548
Restricted Member Receivable - Decommission Obligation	-	83,027
Regulatory Assets	4,443	4,369
Total Other Assets	21,998	104,944
Total Noncurrent Assets	216,935	302,388
Total Assets	239,806	368,164
Total Assets and Deferred Outflows of Resources		
	\$ 239,806	\$ 368,164
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	\$ 4,580	\$ 4,580
Accrued Interest Payable	753	754
Accounts Payable	638	2,313
Accrued Distribution to Member Cities	-	26,350
Accrued Compensation and Pension	145	307
Accrued Mine Reclamation Cost	2,551	2,551
Decommissioning Cost	-	25,954
Total Current Liabilities	8,667	62,809
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	177,985	177,985
Unamortized Premium	6,396	6,683
Tax Exempt Commercial Paper	31,100	31,100
Total Long Term Debt	215,481	215,768
Other Employee Retirement Benefits	1,892	1,819
Accrued Mine Reclamation Cost	-	-
Decommissioning Cost	-	99,966
Total Other Long-Term Obligations	1,892	101,785
Total Noncurrent Liabilities	217,373	317,553
Total Liabilities	226,040	380,362
Net Position		
Net Investment in Capital Assets	(4,144)	(4,220)
Unrestricted	17,910	(7,978)
Total Net Position	13,766	(12,198)
Total Liabilities and Net Position		
	\$ 239,806	\$ 368,164

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

	Year to Date	
	Second Quarter Ended	
	31-Mar	
	<u>2021</u>	<u>2020</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Member City Payments	\$ 2,775	\$ 7,993
Transmission Revenues	19,063	23,272
Other Operating Revenues	56	99
Total Operating Revenues	21,894	31,364
Operating Expenses		
Production - Operation and Maintenance	2,569	2,398
Transmission - Operation and Maintenance	1,502	1,214
Administrative and General	1,337	1,999
Transmission System Access Fee	-	1
Depreciation Expense	4,025	3,708
Total Operating Expenses	9,433	9,320
Income from Operations	12,461	22,044
Other Income (Expenses)		
Investment Revenue	18	364
Contributed Capital	103	-
Miscellaneous Other Income (Expenses), Net	(589)	(466)
Total Other Income	(468)	(102)
Interest Charges		
Interest Expense on Debt	4,694	4,886
Amortization of Excess Cost on Advance Refunding of Debt	(287)	(326)
Total Interest Charges	4,407	4,560
Regulatory Assets Recovered in the Current Year	74	1,511
Net Revenues before Refunds	7,660	18,893
Change in Net Position before Sale of Plant	7,660	18,893
Sale of Plant	18,304	-
Change in Net Position	25,964	18,893
Net Position		
Balance as of September 30	(12,198)	(15,473)
Balance as of March 31	\$ 13,766	\$ 3,420

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2020 audited annual financial statements.