

TEXAS MUNICIPAL POWER AGENCY
March 31, 2023
SECOND QUARTER HIGHLIGHTS

Member City Payments are lower because of decreased demand billing to the Member Cities resulting from the sale of the mine in December 2021.

Other Operating Revenues are lower because there is no longer revenue from oil & gas leases as a result of the sale of the mine in December 2021.

Production Expenses are lower primarily because of the sale of the mine in December 2021.

Investment Revenue is higher as interest rates have risen significantly during the last year.

Miscellaneous Other Income is lower because less easement revenue has been received thus far this year and the microwave tower contracts were paid.

Regulatory Assets Recovered in the Current Year are lower because the mine acid seep costs through March 2023 have been charged against regulatory assets instead of waiting until the end of the fiscal year. The only deferrals are the mine reclamation and postemployment benefit liabilities.

TMPA distributed \$70.7M to the Cities for the sale of the mine land in December 2021. Additional distributions of portions of the Mine Escrow Holdback were made in fiscal year 2023. The Gain on the Sale of the Mine was \$57.1 million after retiring the mine assets.

Second Quarter Report
Period Ended March 31, 2023

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 – Andrew Nelson
Kean Register

Denton – Bill Cheek, Jr.
Jesse Davis

Garland – Tom Jefferies
James B. Ratliff

Greenville – Sue Ann Harting
Summer Spurlock

OTHER PRINCIPAL OFFICIALS

General Manager
Bob Kahn

Director of Finance & Support Services
Lyndi Birkhead

Compliance, Land & Mine Manager
Daniel Meadows

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

	<u>3/31/2023</u>	<u>9/30/2022</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>(Dollars in Thousands)</u>	
Assets		
Current Assets		
Current Unrestricted Assets		
Cash and Cash Equivalents	\$ 5,708	\$ 16,375
Accounts Receivable and Other	7,641	7,347
Total Current Unrestricted Assets	13,349	23,722
Current Restricted Assets		
Cash and Cash Equivalents	4,268	980
Prepays/Other	422	341
Total Current Restricted Assets	4,690	1,321
Total Current Assets	18,039	25,043
Noncurrent Assets		
Electric Transmission Plant		
In Service	323,444	323,444
Less Accumulated Depreciation	(149,235)	(145,077)
Total Net Transmission	174,209	178,367
Construction Work in Progress	5,278	3,699
Total Electric Transmission Plant	179,487	182,066
Other Assets		
Restricted Cash and Investments	5,329	5,133
Regulatory Assets	2,019	2,097
Total Other Assets	7,348	7,230
Total Noncurrent Assets	186,835	189,296
Total Assets	204,874	214,339
Total Assets and Deferred Outflows of Resources	\$ 204,874	\$ 214,339
Liabilities and Net Position		
Liabilities		
Current Liabilities		
Current Maturities of Revenue Bonds	\$ 6,575	\$ 6,575
Accrued Interest Payable	432	432
Accounts Payable	1,222	838
Accrued Distribution to Member Cities	1,600	16,246
Accrued Compensation and Pension	118	123
Accrued Mine Reclamation Cost	572	805
Total Current Liabilities	10,519	25,019
Noncurrent Liabilities		
Long Term Debt		
Revenue Bonds	174,765	174,765
Unamortized Premium	7,435	8,098
Tax Exempt Commercial Paper	23,100	23,100
Total Long Term Debt	205,300	205,963
Other Employee Retirement Benefits	1,446	1,293
Accrued Mine Escrow Liability	204	204
Total Other Long-Term Obligations	1,650	1,497
Total Noncurrent Liabilities	206,950	207,460
Total Liabilities	217,469	232,479
Deferred Inflows of Resources		
Deferred Gain on Refunding	5,679	5,842
Total Deferred Inflows of Resources	5,679	5,842
Net Position		
Net Investment in Capital Assets	(28,470)	(30,201)
Unrestricted	10,196	6,219
Total Net Position	(18,274)	(23,982)
Total Liabilities and Net Position	\$ 204,874	\$ 214,339

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

	<u>Year to Date</u>	
	<u>Second Quarter Ended</u>	
	<u>31-Mar</u>	
	<u>2023</u>	<u>2022</u>
	<u>(Dollars in Thousands)</u>	
Operating Revenues		
Member City Payments	\$ 967	\$ 1,423
Transmission Revenues	15,784	15,445
Other Operating Revenues	8	42
Total Operating Revenues	16,759	16,910
Operating Expenses		
Production - Operation and Maintenance	457	831
Transmission - Operation and Maintenance	2,099	2,513
Administrative and General	1,284	1,390
Depreciation Expense	4,158	4,088
Total Operating Expenses	7,998	8,822
Income from Operations	8,761	8,088
Other Income (Expenses)		
Investment Revenue	309	5
Contributed Capital	-	-
Miscellaneous Other Income (Expenses), Net	12	145
Total Other Income	321	150
Interest Charges		
Interest Expense on Debt	3,030	2,771
Amortization of Excess Cost on Advance Refunding of Debt	(826)	(913)
Total Interest Charges	2,204	1,858
Regulatory Assets Recovered in the Current Year	(79)	104
Net Revenues before Refunds/Distributions	6,799	6,484
Mine Distributions to Cities	1,091	70,786
Change in Net Position before Sale of Mine/Sale of Plant	5,708	(64,302)
Gain on Sale of Mine	-	57,104
Change in Net Position	5,708	(7,198)
Net Position		
Balance as of September 30	(23,982)	(7,393)
Balance as of March 31	\$ (18,274)	\$ (14,591)

These unaudited financial statements should be read in conjunction with the Notes to the financial statements appearing in the Agency's September 30, 2022 audited annual financial statements.