

TEXAS MUNICIPAL POWER AGENCY
June 30, 2023
THIRD 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 June 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.

Third Quarter Report
Period Ended June 30, 2023

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

Director of Finance & Support Services
Lyndi Birkhead

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

	<u>6/30/2023</u>	<u>9/30/2022</u>	
	(Unaudited)	(Audited)	
	(Dollars in Thousands)		
Assets			
Current Assets			
Current Unrestricted Assets			
Cash and Cash Equivalents	\$ 8,045	\$ 16,375	
Accounts Receivable and Other	<u>8,797</u>	<u>7,347</u>	
Total Current Unrestricted Assets	<u>16,842</u>	<u>23,722</u>	
Current Restricted Assets			
Cash and Cash Equivalents	7,208	980	
Prepays/Other	<u>200</u>	<u>341</u>	
Total Current Restricted Assets	<u>7,408</u>	<u>1,321</u>	
Total Current Assets	<u>24,250</u>	<u>25,043</u>	
Noncurrent Assets			
Electric Transmission Plant			
In Service	324,396	323,444	
Less Accumulated Depreciation	<u>(151,554)</u>	<u>(145,077)</u>	
Total Net Transmission	<u>172,842</u>	<u>178,367</u>	
Construction Work in Progress	<u>5,461</u>	<u>3,699</u>	
Total Electric Transmission Plant	<u>178,303</u>	<u>182,066</u>	
Other Assets			
Restricted Cash and Investments	5,460	5,133	
Regulatory Assets	<u>2,096</u>	<u>2,097</u>	
Total Other Assets	<u>7,556</u>	<u>7,230</u>	
Total Noncurrent Assets	<u>185,859</u>	<u>189,296</u>	
Total Assets	<u>210,109</u>	<u>214,339</u>	
Total Assets and Deferred Outflows of Resources	<u>\$ 210,109</u>	<u>\$ 214,339</u>	
Liabilities and Net Position			
Liabilities			
Current Liabilities			
Current Maturities of Revenue Bonds	\$ 6,575	\$ 6,575	
Accrued Interest Payable	1,728	432	
Accounts Payable	670	838	
Accrued Distribution to Member Cities	1,600	16,246	
Accrued Compensation and Pension	112	123	
Accrued Mine Reclamation Cost	<u>1,172</u>	<u>805</u>	
Total Current Liabilities	<u>11,857</u>	<u>25,019</u>	
Noncurrent Liabilities			
Long Term Debt			
Revenue Bonds	174,765	174,765	
Unamortized Premium	7,102	8,098	
Tax Exempt Commercial Paper	<u>23,100</u>	<u>23,100</u>	
Total Long Term Debt	<u>204,967</u>	<u>205,963</u>	
Other Employee Retirement Benefits	1,524	1,293	
Accrued Mine Escrow Liability	<u>204</u>	<u>204</u>	
Total Other Long-Term Obligations	<u>1,728</u>	<u>1,497</u>	
Total Noncurrent Liabilities	<u>206,695</u>	<u>207,460</u>	
Total Liabilities	<u>218,552</u>	<u>232,479</u>	
Deferred Inflows of Resources			
Deferred Gain on Refunding	<u>5,598</u>	<u>5,842</u>	
Total Deferred Inflows of Resources	<u>5,598</u>	<u>5,842</u>	
Net Position			
Net Investment in Capital Assets	(26,169)	(30,201)	
Unrestricted	<u>12,128</u>	<u>6,219</u>	
Total Net Position	<u>(14,041)</u>	<u>(23,982)</u>	
Total Liabilities and Net Position	<u>\$ 210,109</u>	<u>\$ 214,339</u>	

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

	Year to Date	
	Third Quarter Ended	
	30-Jun	
	<u>2023</u>	<u>2022</u>
	(Dollars in Thousands)	
Operating Revenues		
Member City Payments	\$ 1,450	\$ 2,134
Transmission Revenues	24,595	23,506
Other Operating Revenues	8	39
Total Operating Revenues	<u>26,053</u>	<u>25,679</u>
Operating Expenses		
Production - Operation and Maintenance	756	1,322
Transmission - Operation and Maintenance	3,045	3,605
Administrative and General	1,963	2,028
Depreciation Expense	6,477	6,118
Total Operating Expenses	<u>12,241</u>	<u>13,073</u>
Income from Operations	<u>13,812</u>	<u>12,606</u>
Other Income (Expenses)		
Investment Revenue	519	29
Contributed Capital	-	-
Miscellaneous Other Income (Expenses), Net	41	324
Total Other Income	<u>560</u>	<u>353</u>
Interest Charges		
Interest Expense on Debt	4,578	4,174
Amortization of Excess Cost on		
Advance Refunding of Debt	(1,241)	(1,369)
Total Interest Charges	<u>3,337</u>	<u>2,805</u>
Regulatory Assets Recovered in the Current Year	<u>(2)</u>	<u>155</u>
Net Revenues before Refunds/Distributions	<u>11,033</u>	<u>10,309</u>
Mine Distributions to Cities	<u>1,108</u>	<u>70,786</u>
Change in Net Position before Sale of Mine/Sale of Plant	<u>9,925</u>	<u>(60,477)</u>
Gain on Sale of Mine	<u>16</u>	<u>57,104</u>
Change in Net Position	<u>9,941</u>	<u>(3,373)</u>
Net Position		
Balance as of September 30	(23,982)	(7,393)
Balance as of June 30	<u>\$ (14,041)</u>	<u>\$ (10,766)</u>

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.