



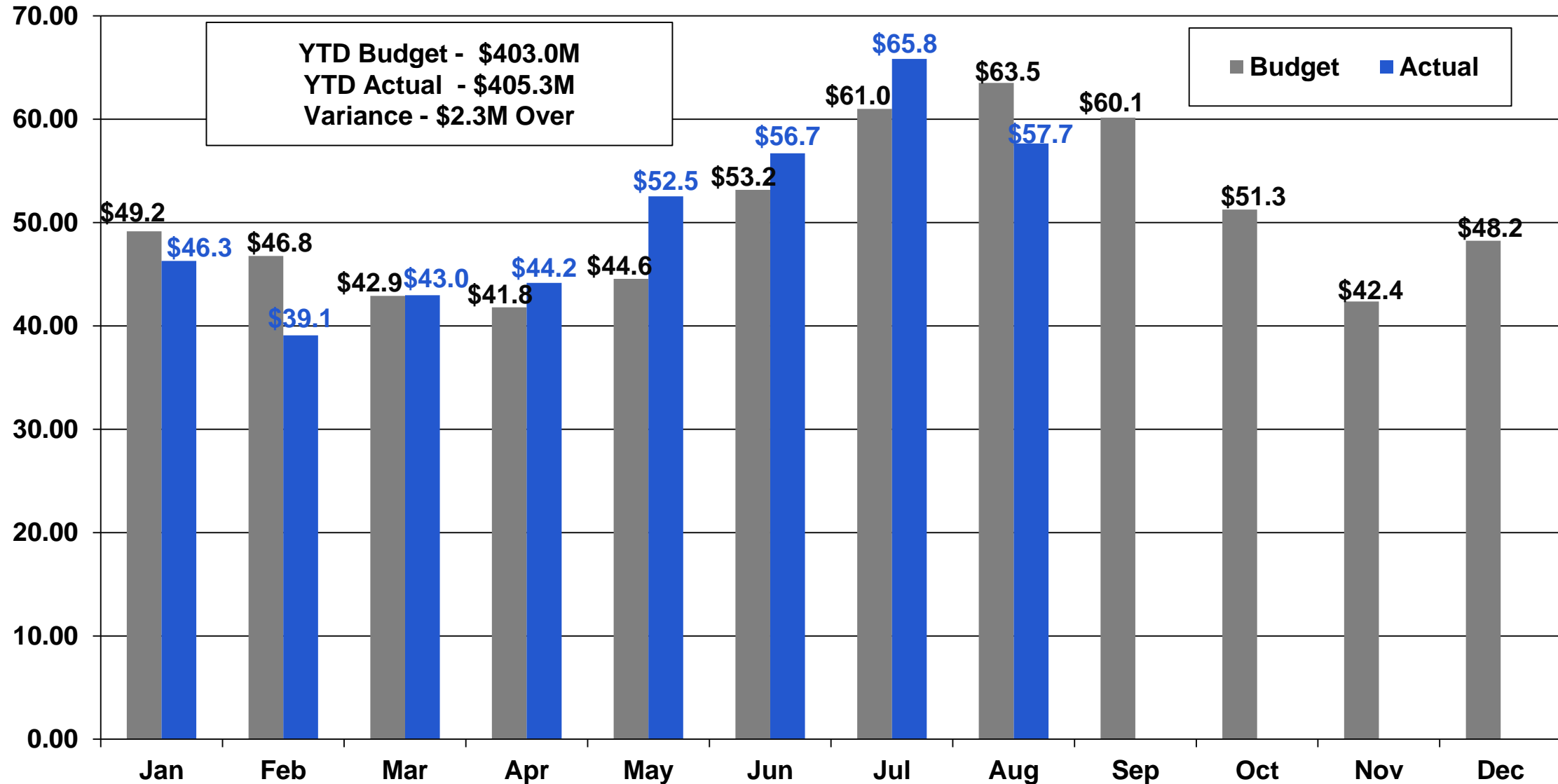
# Report on August 2017 Financials

Freddy Wolff, CPA  
Controller

September 18, 2017

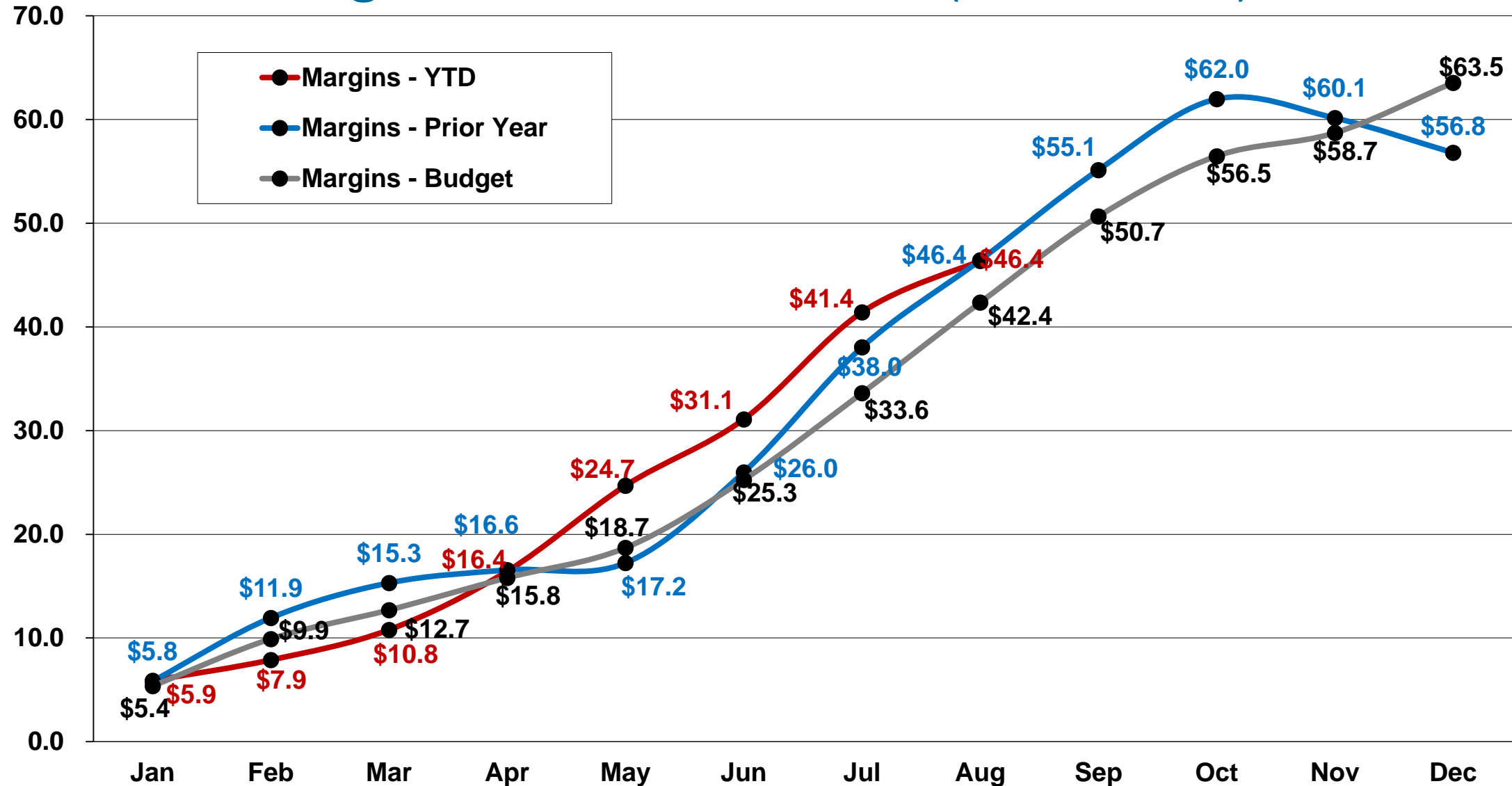
# Revenues – Actual vs Budget (in millions)

## YTD 2017



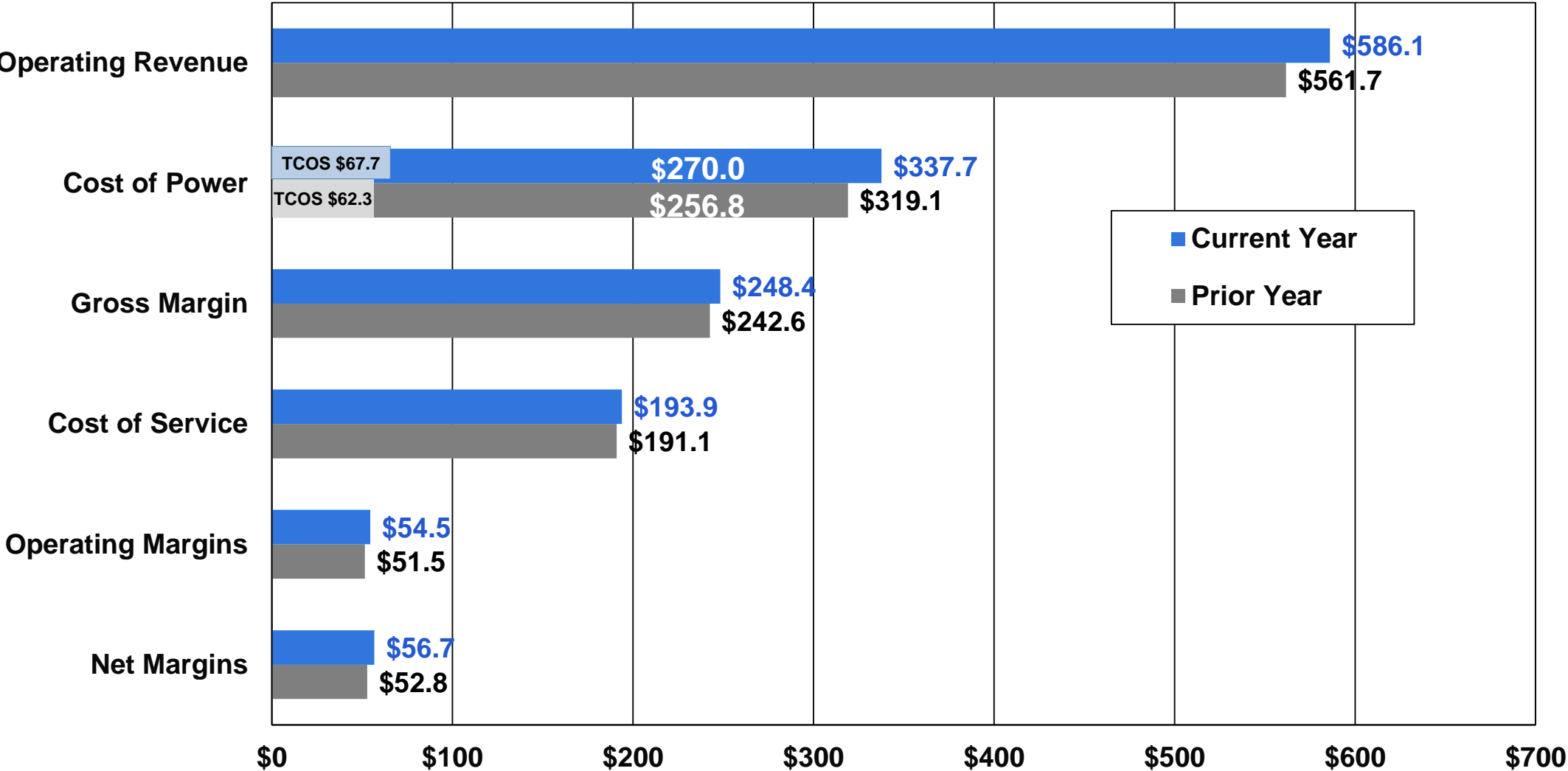
# Net Margins Year-to-Date

Actual vs Budget 2017 vs Prior Year (in millions)

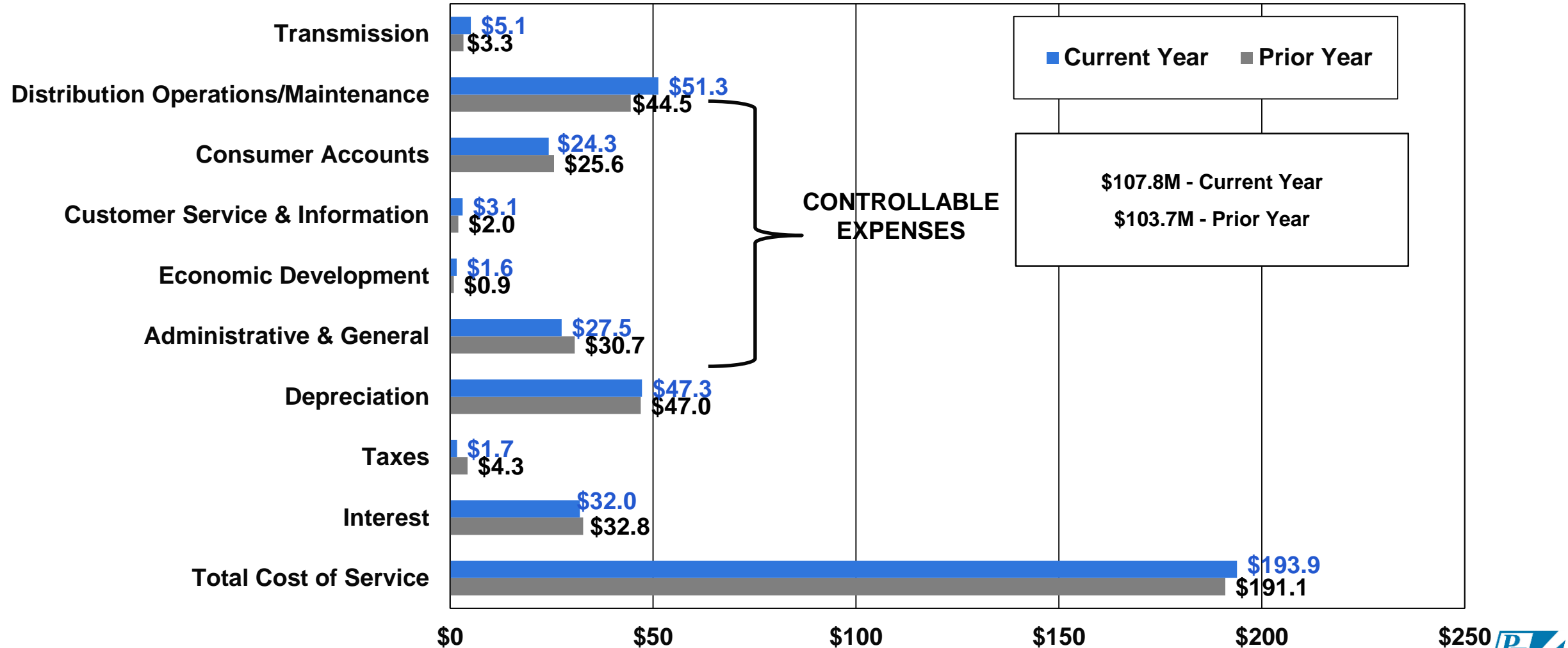


# Summary of Revenues, Expenses & Margins

Rolling 12 Months through August 2017 (in millions)



# Cost of Service Rolling 12 Months through August 2017 (in millions)



# Controllable Expenses

	ACTUAL YTD AUGUST 2017	BUDGET YTD AUGUST 2017	VARIANCE
Distribution Operations/Maintenance	\$ 35,013,319	\$ 33,630,051	\$ 1,383,268
Consumer Accounts	15,747,825	17,439,348	(1,691,523)
Customer Service & Information	1,990,321	2,732,421	(742,100)
Economic Development	1,024,651	1,225,028	(200,377)
Administrative & General	17,495,082	18,318,263	(823,181)
<b>TOTAL</b>	<b>\$ 71,271,198</b>	<b>\$ 73,345,111</b>	<b>\$ (2,073,913)</b>

Annualized Controllable Expense per Consumer\*                      \$366.02                      \$376.67                      -\$10.65

Controllable Expense per Consumer History:

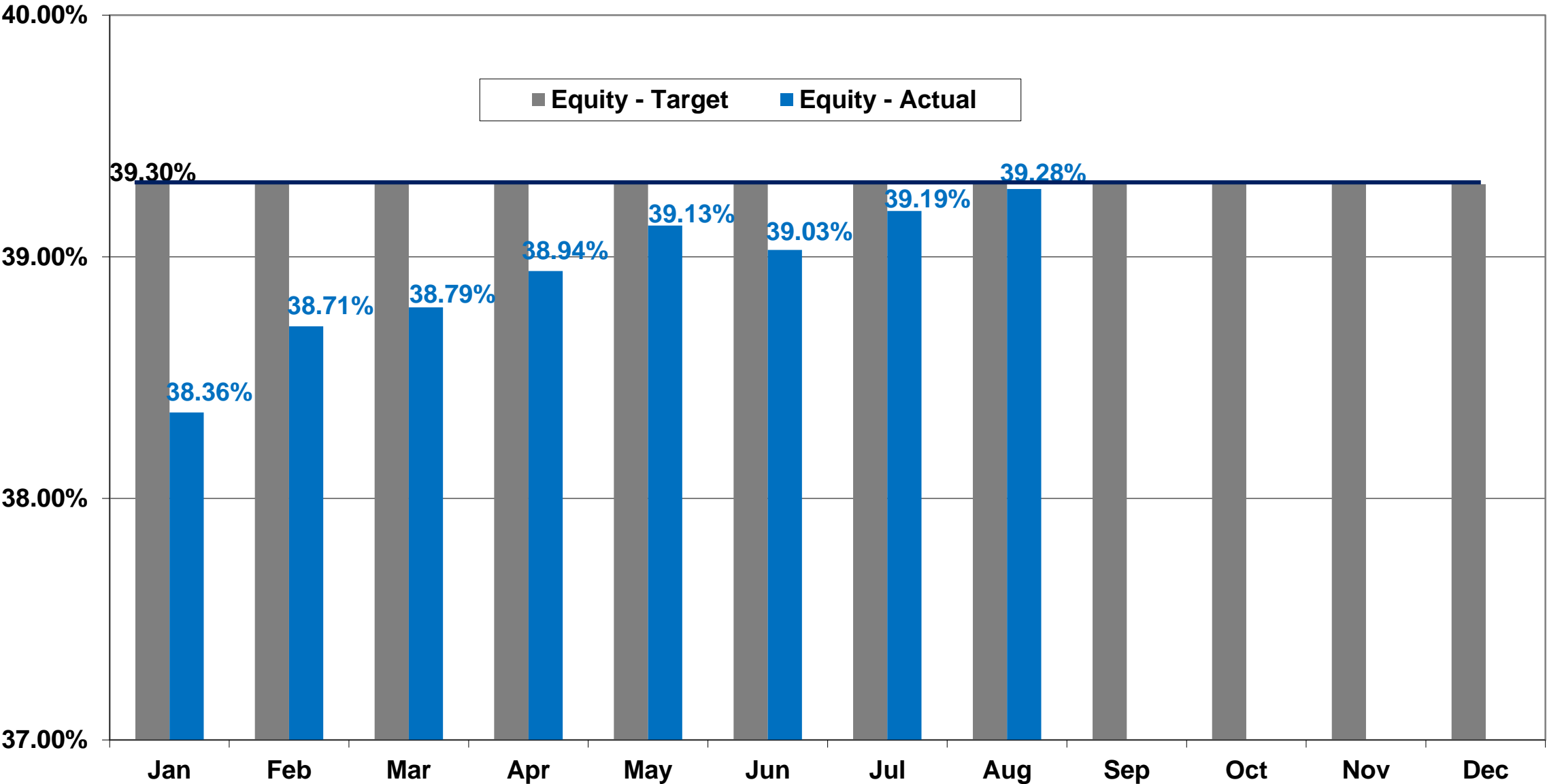
2013	\$414.20
2014	\$405.14
2015	\$382.62
2016	\$377.14

*\*Note: Annualized meters = 2016 YE Meter Count (287,422) + 2017 Current Month Meter Count 296,742 / 2 = 292,082 \* # of months YTD (8)*

# Summary of Plant Additions & CWIP Net Activity 2017

<b>Asset Additions by GL Account &amp; Period with Life</b>	<b>Jan 2017</b>	<b>Feb 2017</b>	<b>Mar 2017</b>	<b>Apr 2017</b>	<b>May 2017</b>	<b>Jun 2017</b>	<b>Jul 2017</b>	<b>Aug 2017</b>	<b>YTD Total</b>
353.10 TP-Station Equipment (Life 52.5 Yrs.)	-	-	-	-	-	15,176	20,223	9,094	44,493
362.10 DP-Station Equipment (Life 45 Yrs.)	-	-	-	9,870	-	6,002	-	163,435	179,307
364.10 DP-Poles; Towers & Fixtures (Life 42 Yrs.)	1,828,202	1,269,504	1,581,313	700,715	1,104,052	389,258	1,312,063	1,435,838	9,620,944
365.10 DP-OH Conductors & Devices (Life 44 Yrs.)	2,091,901	926,920	1,556,344	838,204	1,139,926	493,336	1,542,461	1,568,980	10,158,071
366.10 DP-Underground Conduit (Life 54 Yrs.)	37	-	277	633	-	-	497	-	1,443
367.10 DP-URD Conductors & Devices (Life 38 Yrs.)	1,274,582	775,474	1,131,188	1,840,463	640,308	194,309	808,833	251,149	6,916,306
368.10 DP-Line Transformers (Life 35 Yrs.)	956,590	787,004	1,225,293	2,261,396	1,101,096	484,099	775,591	2,651,042	10,242,112
369.10 DP-Services (Life 39 Yrs.)	590,873	113,784	298,921	542,667	206,214	79,764	1,513,936	133,847	3,480,005
370.10 DP-Meters (Life 8 Yrs.)	35,333	14,699	24,799	24,791	11,628	9,828	2,390,111	20,504	2,531,693
370.20 DP-Meters AMR Collectors (Life 8 Yrs.)	2,995	1,574	2,057	207	(127)	806	1,947,301	1,452	1,956,264
370.30 DP-Meters CT & PT TRFS (Life 35 Yrs.)	17,213	5,461	21,654	7,923	(9,200)	5,994	5,925	3,445	58,414
373.20 DP-Light Watchman Fixture (Life 38 Yrs.)	5,915	4,079	14,763	4,675	418,270	7,820	599,210	7,622	1,062,354
390.10 GP-Structures & Improvement (Life 42 Yrs.)	17,570	-	25,757	40,034	14,704	284,554	526,865	37,038	946,522
390.20 GP-Leased Bldg. Improvement (Life 42 Yrs.)	-	-	-	-	-	-	344,975	150,353	495,328
391.10 GP-Office Furniture & Equipment (Life 12 Yrs.)	193,212	-	13,458	3,161	3,133	49,020	3,198	-	265,182
391.20 GP-Computer Equipment & Software (Life 5 Yrs.)	-	-	-	26,080	-	(315)	401,556	13,884	441,206
391.90 GP-Office Furn. & Equip-Capital Lease (Life 3 Yrs.)	-	-	(3,801)	-	-	-	-	-	(3,801)
392.10 GP-Transportation Equipment (Life 8 Yrs.)	75,113	34,310	28,690	33,557	730,754	-	-	85,648	988,072
394.10 GP-Tools; Shop & Garage Equipment (Life 16 Yrs.)	3,469	-	11,691	-	-	13,278	-	-	28,438
395.10 GP-Laboratory Equipment (Life 16 Yrs.)	-	-	88,580	-	-	9,034	29,635	-	127,249
396.10 GP-Power Operated Equipment (Life 10 Yrs.)	-	2,956,926	-	965,677	517,244	-	391,373	416,183	5,247,403
397.20 GP-SCADA AM/FM (Life 10 Yrs.)	-	-	-	-	-	-	792,985	-	792,985
398.10 GP-Misc. Equipment-Safety (Life 16 Yrs.)	4,306	-	3,979	-	-	-	36,295	-	44,580
<b>Total Additions</b>	<b>\$7,097,312</b>	<b>\$ 6,889,733</b>	<b>\$ 6,024,963</b>	<b>\$7,300,053</b>	<b>\$ 5,878,001</b>	<b>\$ 2,041,960</b>	<b>\$13,443,034</b>	<b>\$ 6,949,515</b>	<b>\$ 55,624,570</b>
<b>CWIP Net Change</b>	<b>\$1,936,308</b>	<b>\$ 4,749,294</b>	<b>\$ 8,643,947</b>	<b>\$2,291,424</b>	<b>\$ 5,927,656</b>	<b>\$12,352,938</b>	<b>\$ 898,406</b>	<b>\$ 4,896,712</b>	<b>\$ 41,696,685</b>
<b>Total Additions</b>	<b>\$9,033,620</b>	<b>\$11,639,028</b>	<b>\$14,668,909</b>	<b>\$9,591,476</b>	<b>\$11,805,657</b>	<b>\$14,394,899</b>	<b>\$14,341,440</b>	<b>\$11,846,227</b>	<b>\$ 97,321,255</b>

# Equity as a Percentage of Assets YTD 2017



Annual Target Equity Range of 32% to 45%



# Investments in Cooperatives

	BEGINNING OF 2017	ADDITIONS AS OF 8/31/17	RETIREMENTS AS OF 8/31/17	END OF 8/31/17
National Rural Utility Cooperative Finance Corporation	\$4,054,247			\$4,054,247
Texas Electric Cooperative	\$2,869,254	295,578	(295,132)	\$2,869,700
CoBank	\$1,000	20,171		\$21,171
Guadalupe Valley Telephone Cooperative	\$67,510		(5,892)	\$61,618
National Rural Telecommunication Coop (Texas VI)	\$19,299		(4,076)	\$15,223
National Rural Telecommunication Coop	\$83,340			\$83,340
Cooperative Response Center, Inc.	\$14,773			\$14,773
National Information Solutions Coop	\$182,328		(40,525)	\$141,803
TOTAL	\$7,291,751	\$315,749	(\$345,625)	\$7,261,875



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