



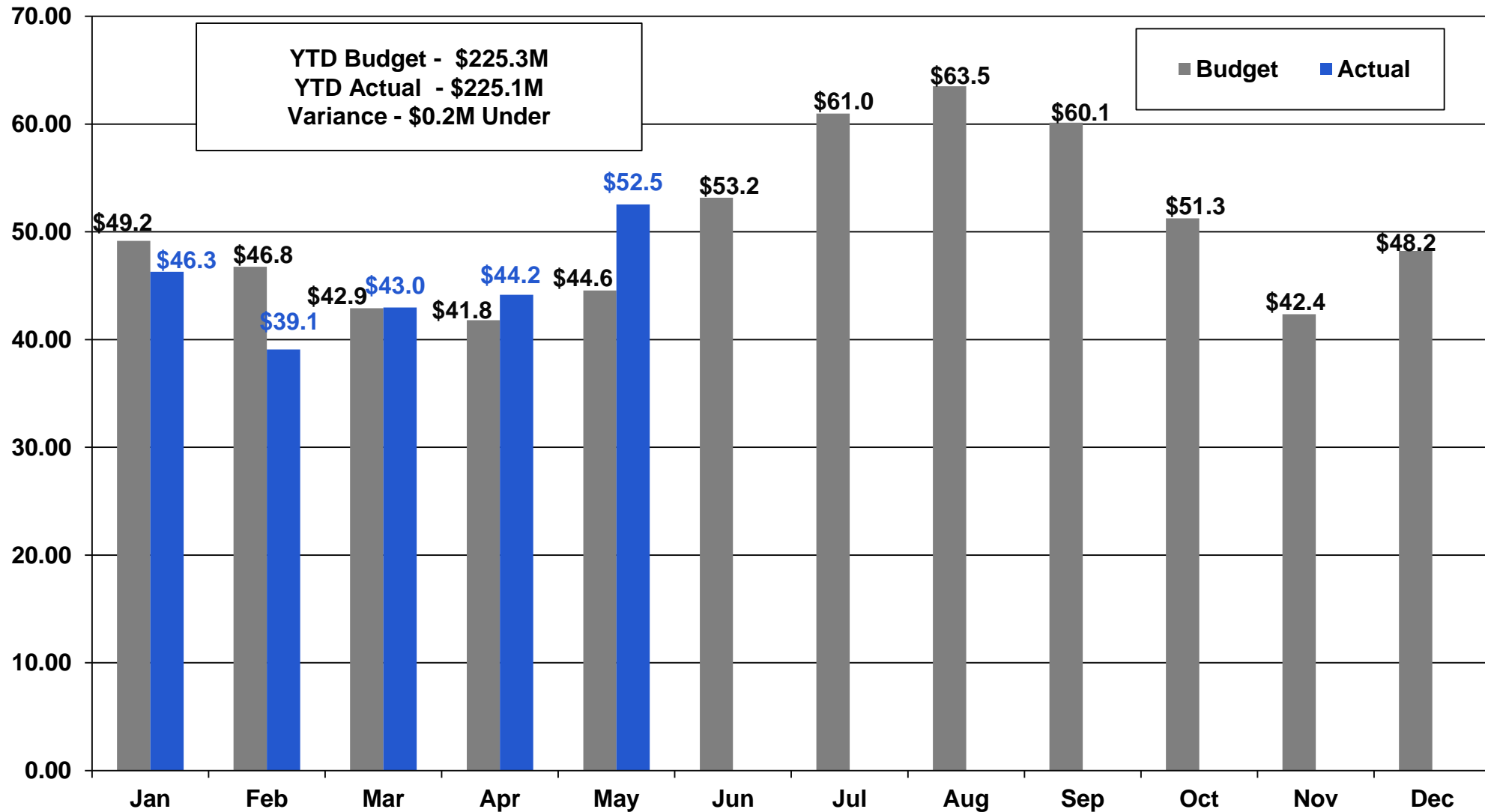
Report on May 2017 Financials

Tracy Golden, CPA
Chief Financial Officer

June 17, 2017

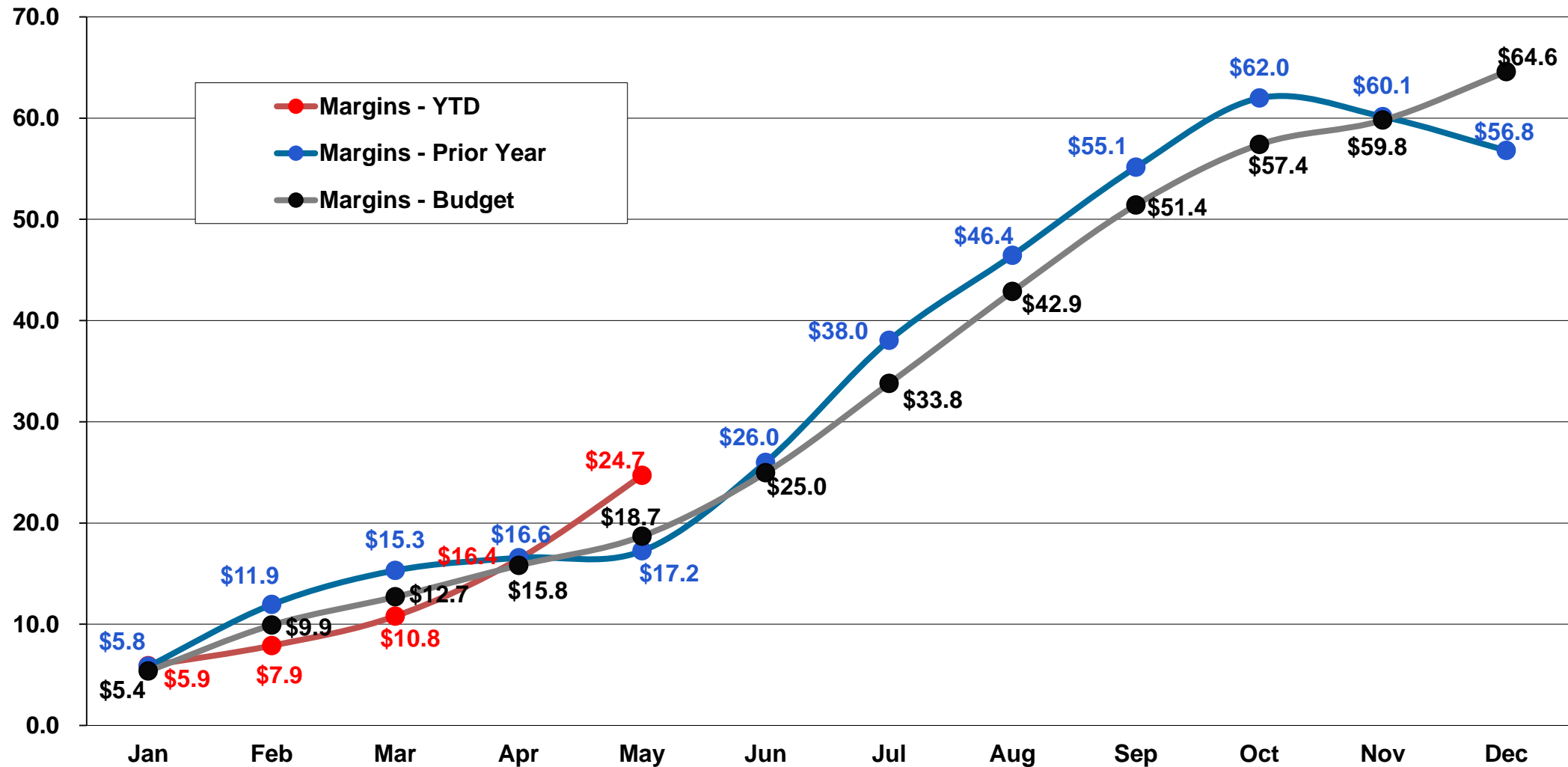
Revenues – Actual vs Budget (in millions)

YTD 2017



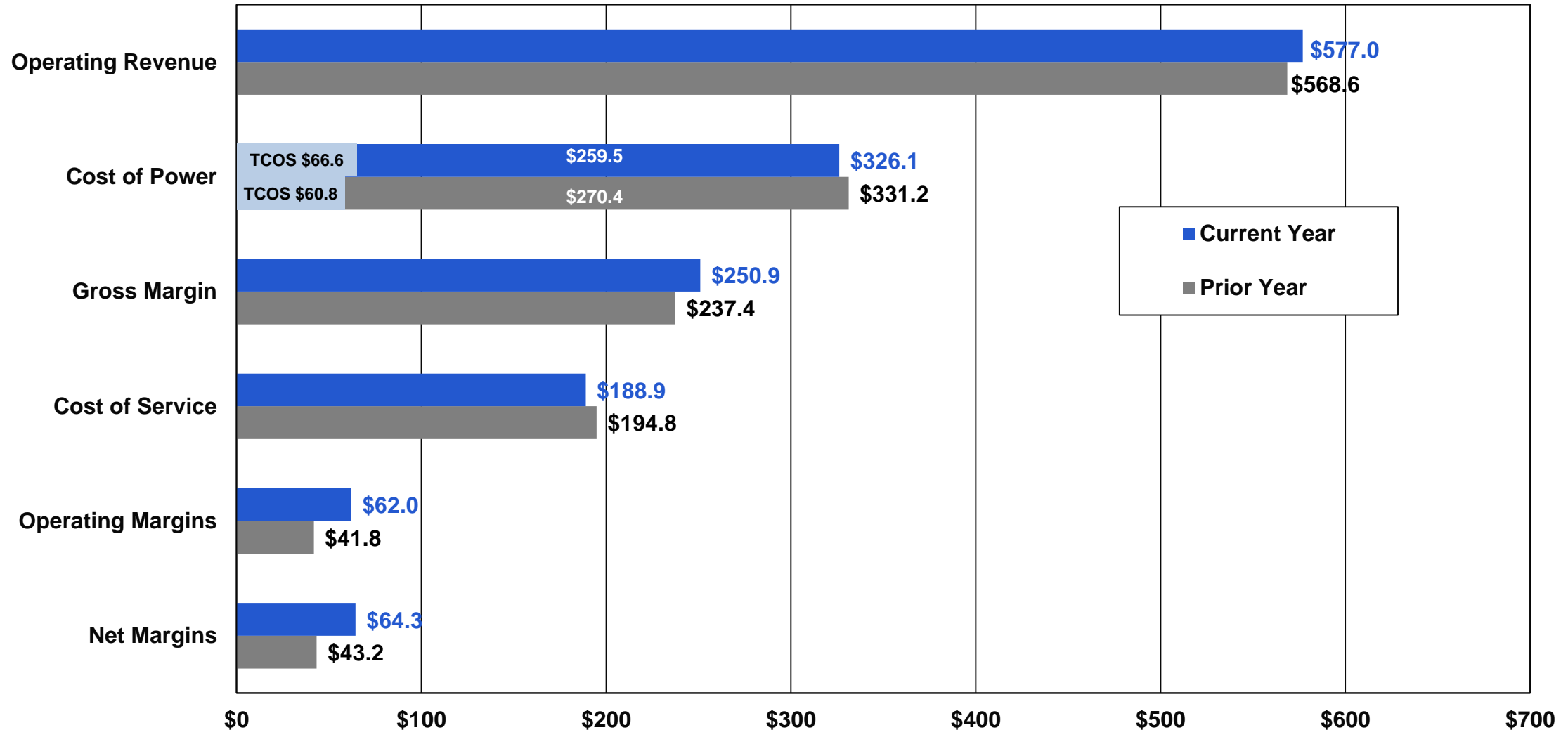
Net Margins Year-to-Date

Actual vs Budget 2017 vs Prior Year (in millions)



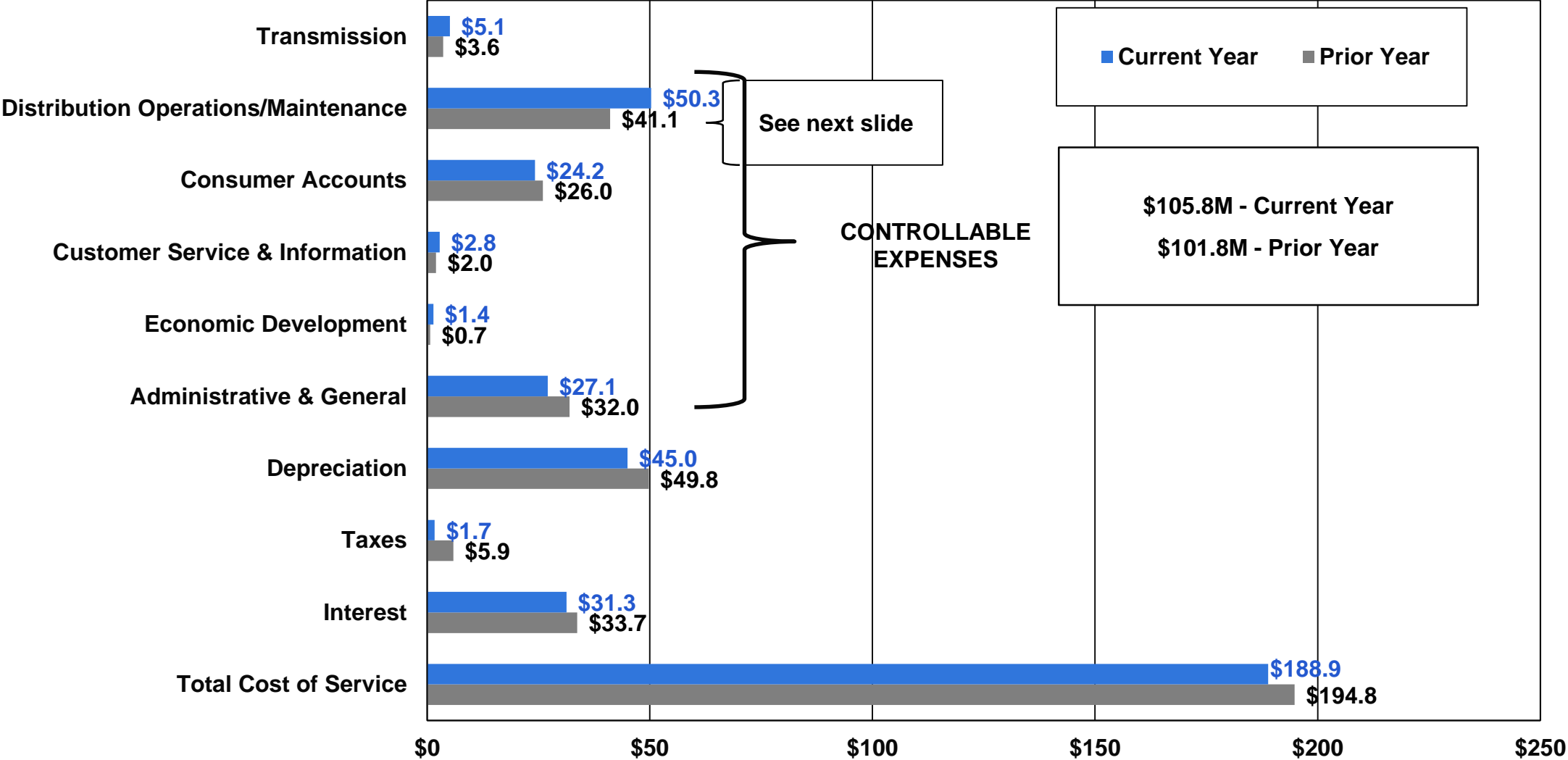
Summary of Revenues, Expenses & Margins

Rolling 12 Months through May 2017 (in millions)



Cost of Service Rolling 12 Months through May 2017

(in millions)



Distribution Operations/Maintenance CY vs PY

| Description | | CY vs PY | |
|---|--------------------------|--------------------|-----------------------------|
| | | | |
| GIS Inventory-Amort/Deferral Removal | | 3,197,511 | |
| Transmission & Distribution Outside Services - OH | | 1,150,635 | |
| Transportation Overhead Costs | | 780,638 | |
| Engineering Services | | 776,129 | |
| Equipment & Tools | | 597,231 | |
| Telecommunications | | 544,075 | |
| Line Locates | | 412,950 | |
| Payroll - Labor & Benefits | | 362,921 | |
| Crew Cost - indirect | | 380,135 | |
| Information/Data Services | | 223,668 | |
| Contract/Temp Labor | | 177,420 | |
| LCRA Radio Services | | 171,638 | |
| Equipment Rent/Lease | | 159,010 | |
| Property Taxes | | 151,905 | |
| | Total | 9,085,868 | |
| | Prior 12 months | 50.3 | |
| | Current 12 months | <u>41.1</u> | <u>114,132</u> Other |
| | Increase | <u>9.2</u> | <u>9,200,000</u> |

Controllable Expenses

| | ACTUAL YTD MAY 2017 | BUDGET YTD MAY 2017 | VARIANCE |
|---|------------------------|------------------------|-----------------------|
| Distribution Operations/Maintenance | \$ 19,448,679 | \$ 20,591,377 | \$ (1,142,698) |
| Consumer Accounts | 9,010,855 | 10,787,029 | (1,776,174) |
| Customer Service & Information | 1,174,760 | 1,565,376 | (390,616) |
| Economic Development | 603,590 | 806,580 | (202,990) |
| Administrative & General | 10,689,640 | 11,499,686 | (810,046) |
| TOTAL | \$ 40,927,524 | \$ 45,250,048 | \$ (4,322,524) |
| Annualized Controllable Expense per Consumer* | \$338.28 | \$374.01 | -\$35.73 |
| Controllable Expense per Consumer History: | | | |
| 2013 | \$414.20 | | |
| 2014 | \$405.14 | | |
| 2015 | \$382.62 | | |
| 2016 | \$377.14 | | |

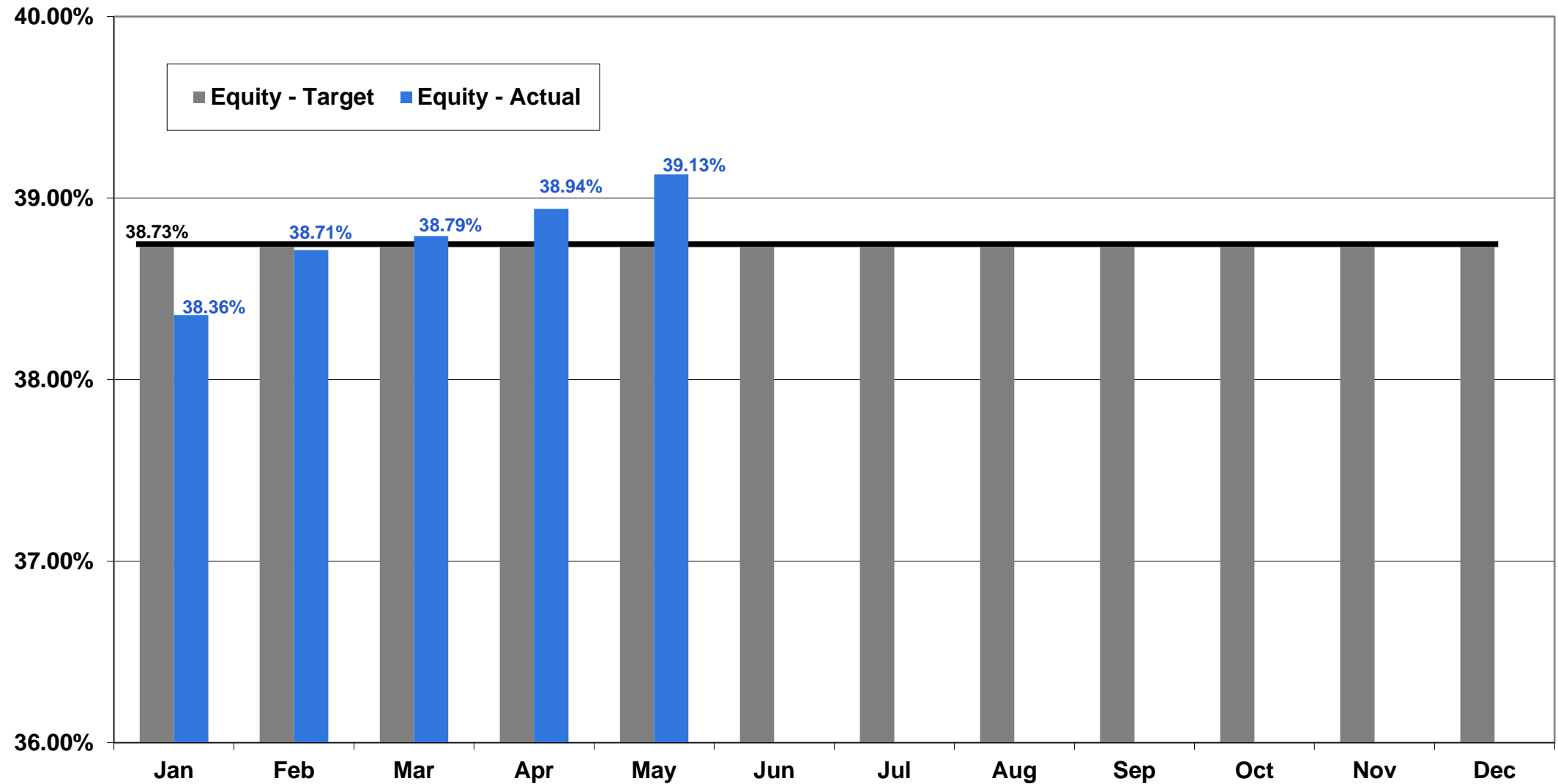
**Note: Annualized meters = (2016 YE Meter Count (287,422) + 2017 Current Month Meter Count (293,315) / 2 = 290,369) * # of months YTD*

Summary of Plant Additions & CWIP Net Activity 2017

| <u>Asset Additions by GL Account & Period with Life</u> | <u>Jan 2017</u> | <u>Feb 2017</u> | <u>Mar 2017</u> | <u>Apr 2017</u> | <u>May 2017</u> | <u>YTD Total</u> |
|---|---------------------|----------------------|----------------------|---------------------|----------------------|----------------------|
| 362.10 DP-Station Equipment (Life 45 Yrs..) | - | - | - | 9,870 | - | 9,870 |
| 364.10 DP-Poles; Towers & Fixtures (Life 42 Yrs..) | 1,828,202 | 1,269,504 | 1,581,313 | 700,715 | 1,104,052 | 6,483,785 |
| 365.10 DP-OH Conductors & Devices (Life 44 Yrs.) | 2,091,901 | 926,920 | 1,556,344 | 838,204 | 1,139,926 | 6,553,294 |
| 366.10 DP-Underground Conduit (Life 54 Yrs.) | 37 | - | 277 | 633 | - | 947 |
| 367.10 DP-URD Conductors & Devices (Life 38 Yrs..) | 1,274,582 | 775,474 | 1,131,188 | 1,840,463 | 640,308 | 5,662,015 |
| 368.10 DP-Line Transformers (Life 35 Yrs..) | 956,590 | 787,004 | 1,225,293 | 2,261,396 | 1,101,096 | 6,331,380 |
| 369.10 DP-Services (Life 39 Yrs.) | 590,873 | 113,784 | 298,921 | 542,667 | 206,214 | 1,752,458 |
| 370.10 DP-Meters (Life 8 Yrs.) | 35,333 | 14,699 | 24,799 | 24,791 | 11,628 | 111,250 |
| 370.20 DP-Meters AMR Collectors (Life 8 Yrs.) | 2,995 | 1,574 | 2,057 | 207 | (127) | 6,705 |
| 370.30 DP-Meters CT & PT TRFS (Life 35 Yrs.) | 17,213 | 5,461 | 21,654 | 7,923 | (9,200) | 43,050 |
| 373.20 DP-Light Watchman Fixture (Life 38 Yrs.) | 5,915 | 4,079 | 14,763 | 4,675 | 418,270 | 447,702 |
| 390.10 GP-Structures & Improvement (Life 42 Yrs.) | 17,570 | - | 25,757 | 40,034 | 14,704 | 98,065 |
| 391.10 GP-Office Furniture & Equipment (Life 12 Yrs.) | 193,212 | - | 13,458 | 3,161 | 3,133 | 212,965 |
| 391.20 GP-Computer Equipment & Software (Life 5 Yrs.) | - | - | - | 26,080 | - | 26,080 |
| 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 | 902,424 |
| 394.10 GP-Tools; Shop & Garage Equipment (Life 16 Yrs.) | 3,469 | - | 11,691 | - | - | 15,160 |
| 395.10 GP-Laboratory Equipment (Life 16 Yrs.) | - | - | 88,580 | - | - | 88,580 |
| 396.10 GP-Power Operated Equipment (Life 10 Yrs.) | - | 2,956,926 | - | 965,677 | 517,244 | 4,439,847 |
| 398.10 GP-Misc. Equipment-Safety (Life 16 Yrs.) | 4,306 | - | 3,979 | - | - | 8,285 |
| Total Additions | \$ 7,097,312 | \$ 6,889,733 | \$ 6,024,963 | \$ 7,300,053 | \$ 5,878,001 | \$ 33,190,061 |
| CWIP Net Change | \$ 1,936,308 | \$ 4,749,294 | \$ 8,643,947 | \$ 2,291,424 | \$ 5,927,656 | \$ 23,548,629 |
| Total Investment in Plant | \$ 9,033,620 | \$ 11,639,028 | \$ 14,668,909 | \$ 9,591,476 | \$ 11,805,657 | \$ 56,738,690 |

Equity as a Percentage of Assets

YTD 2017



Investments in Cooperatives

| | BEGINNING OF 2017 | ADDITIONS AS OF 5/31/17 | RETIREMENTS AS OF 5/31/17 | END OF 5/31/17 |
|--|-------------------------|-------------------------------|---------------------------------|----------------------|
| 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 | | | \$1,000 |
| Guadalupe Valley Telephone Cooperative | \$67,510 | | | \$67,510 |
| National Rural Telecommunication Coop (Texas VI) | \$19,299 | | | \$19,299 |
| 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 | \$295,578 | (\$335,657) | \$7,251,672 |



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