

# SECOND QUARTER REPORT

## FINANCIAL REVIEW

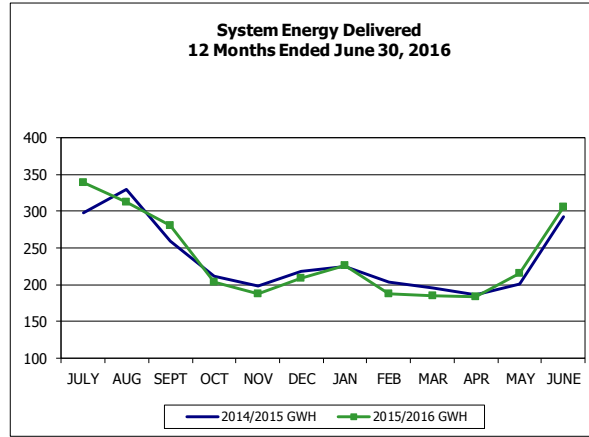
Net revenues for the quarter ending June 30, 2016, and the 12 months ending June 30, 2016, excluding investment mark to market, were slightly lower than the same period in 2015. The decrease in operating revenue was primarily due to lower natural gas prices, while the decrease in net operating revenue was due, in part, to the additional increase in depreciation for the addition of the Charles D. Lamb Energy Center.

The market value adjustment for investments was favorable \$1.5 million for the 12 months ended June 30, 2016, compared to a favorable \$1.2 million for the same period in 2015. The authority typically holds all investments to maturity, so no market value gains or losses during the term of the investment are normally realized.

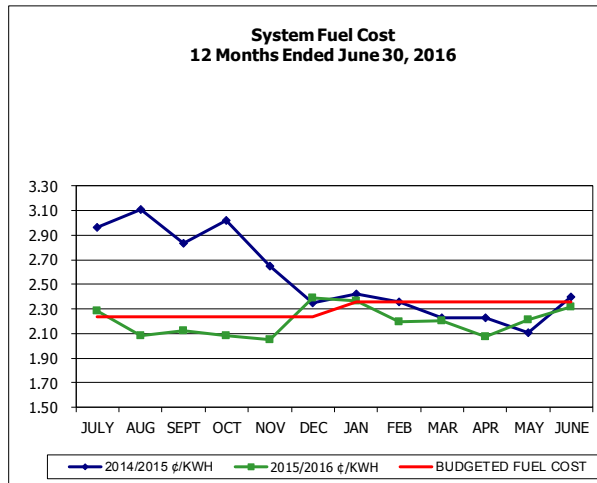
## OTHER ACTIVITY

Over the past year, the Authority has added three Oklahoma member cities, and a Texas city under a 10-year power sales contract. The City of Mooreland, OK began taking service in March 2015, Fort Supply, OK in May 2015, and Cordell, OK in June 2016. The City of Electra, TX began service in January 2016.

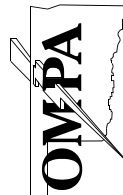
**David W. Osburn, General Manager**  
**August 18, 2016**



Energy deliveries for the year ended June 30, 2016 were comparable to the year ended June 30, 2015. Beginning in the third quarter of 2014, energy costs have declined significantly due to a decline in natural gas prices. Energy costs have remained relatively low since then.



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 Edmond, Oklahoma 73083-1960

Owned by the members we serve.



Oklahoma Municipal Power Authority (OMPA)

**Second Quarter Financial Report**  
**For Period Ended June 30, 2016**

OMPA Website Address: [www.ompacom](http://www.ompacom)

**BALANCE SHEETS**  
(UNAUDITED, DOLLARS IN THOUSANDS)

	<b>JUNE 30</b>	
	<b>2016</b>	<b>2015</b>
<b>ASSETS AND OTHER DEBITS</b>		
<b>UTILITY PLANT:</b>		
Electric Plant in Service	\$701,023	\$688,421
Fuel Reserves	2,955	2,885
Construction in Progress	23,231	22,300
Electric Plant Leased to FPL	38,926	40,984
Accumulated Depreciation	<u>(277,079)</u>	<u>(254,272)</u>
	489,056	500,318
<b>RESTRICTED FUNDS</b>	118,603	130,145
<b>CURRENT ASSETS:</b>		
Cash and Investments	29,801	27,907
Net Receivables	20,443	18,643
Inventory	13,966	10,533
Prepayments	11,085	10,679
Interest Receivable	<u>270</u>	<u>319</u>
	75,565	68,081
<b>OTHER ASSETS</b>	<u>139,050</u>	<u>142,067</u>
	<u>\$822,274</u>	<u>\$840,611</u>
<b>LONG TERM DEBT:</b>		
Series 1992 Bonds Payable	\$52,720	\$61,905
Series 2005 Bonds Payable	32,400	36,100
Series 2007 Bonds Payable	135,375	135,375
Series 2008 Bonds Payable	6,000	9,000
Series 2010 Bonds Payable	155,685	160,560
Series 2013 Bonds Payable	172,485	172,485
Series 2014 Bonds Payable	123,180	123,180
Unamort. Prem. / (Disc.)	<u>19,044</u>	<u>20,944</u>
	696,889	719,549
Note Payable - FPL Energy	38,926	40,984
<b>CURRENT LIABILITIES:</b>		
Accounts Payable	16,591	15,050
Bond Interest Payable	15,329	15,747
Other Liabilities	<u>9,149</u>	<u>6,724</u>
	41,069	37,521
<b>DEFERRED REVENUE</b>	10,996	10,996
<b>ACCUMULATED NET REVENUES</b>	<u>34,394</u>	<u>31,561</u>
	<u>\$822,274</u>	<u>\$840,611</u>

**STATEMENTS OF NET REVENUES**  
(UNAUDITED, DOLLARS IN THOUSANDS)

<b>OPERATING REVENUES</b>
<b>OPERATING EXPENSES:</b>
Purchase Power
Generation
Transmission
Administrative
Depreciation
Other Operating Expenses
<b>NET OPERATING REVENUES</b>
<b>OTHER REVENUES (EXPENSES):</b>
Gain/Loss on Assets
Investment Income
Net Increase (Decrease) in Fair Value of Investments
Other Income (Expenses)
<b>INTEREST AND DEBT EXPENSE:</b>
Interest on Long-Term Debt
Amortization of Finance Costs
<b>NET DEFERRED COSTS TO RECOVER IN FUTURE YEARS</b>
<b>NET REVENUES</b>

**NOTES:**

Restricted funds include both current and noncurrent assets held in Trust.

These Statements have been prepared by OMPA, without audit. In the opinion of Management, all adjustments necessary to fairly present OMPA's financial position and results of operations at June 30, 2016 and 2015 have been made.

	<b>QUARTER ENDED JUNE 30</b>		<b>TWELVE MONTHS ENDED JUNE 30</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	\$45,653	\$44,750	181,697	\$187,440
	8,828	9,156	34,906	34,673
	16,279	15,212	67,582	74,801
	4,867	4,765	18,963	18,387
	1,935	1,832	7,540	7,071
	5,966	5,510	23,626	21,165
	<u>390</u>	<u>389</u>	<u>1,490</u>	<u>1,688</u>
	38,265	36,864	154,107	157,785
	7,388	7,886	27,590	29,655
	-	-	-	-
	592	469	2,274	1,864
	53	(1,038)	1,555	1,187
	<u>(21)</u>	<u>(21)</u>	<u>(84)</u>	<u>(84)</u>
	624	(590)	3,745	2,967
	6,475	6,741	26,433	27,090
	<u>296</u>	<u>350</u>	<u>1,293</u>	<u>1,729</u>
	6,771	7,091	27,726	28,819
	<u>(77)</u>	<u>148</u>	<u>(776)</u>	<u>223</u>
	<u>\$1,164</u>	<u>\$353</u>	<u>\$2,833</u>	<u>\$4,026</u>

Certain additional information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that this information be read in conjunction with the audited financial statements and notes included in OMPA's 2015 Annual Report.

**PARTICIPATING CITIES**

Altus Municipal Authority  
Blackwell Municipal Authority  
Comanche Public Works Authority  
Copan Public Works Authority  
Duncan Public Utilities Authority  
Edmond Public Works Authority  
Eldorado Public Works Authority  
Fairview Utilities Authority  
Fort Supply Public Works Authority  
Frederick Public Works Authority  
Geary Utilities Authority  
Goltry Public Works Authority  
Granite Public Works Authority  
Hominy, Oklahoma, Public Works Authority  
Kingfisher Public Works Authority  
Laverne Public Works Authority  
Lexington Public Works Authority  
Mangum Utilities Authority  
Manitou Public Works Authority  
Marlow Municipal Authority  
Mooreland Public Works Authority  
New Cordell Utilities Authority  
Newkirk Municipal Authority  
Okeene Public Works Authority  
Olustee Public Works Authority  
Orlando Public Works Authority  
Pawhuska Public Works Authority  
Perry Municipal Authority  
Ponca City Utility Authority  
Pond Creek Public Works Authority  
Prague Public Works Authority  
Purcell Public Works Authority  
Ryan Utilities Authority  
Spiro Municipal Improvement Authority  
Tecumseh Utility Authority  
Tonkawa Municipal Authority  
Walters Public Works Authority  
Watonga Public Works Authority  
Waynoka Utilities Authority  
Wetumka Municipal Authority  
Wynnewood City Utilities Authority  
Yale Water and Sewage Trust

**BOARD OF DIRECTORS**

Charles Lamb, **Chairman**  
Robert Johnston, **Vice Chairman**  
Homer Nicholson, **Secretary**  
Mary Rupp, **Treasurer**  
Dale Bunn  
Leslie Swinerton  
Jim Greff  
Matt Wojnowski  
Jason McPherson  
David Yeager  
Dave Slezickey

**EXECUTIVE STAFF**

David W. Osburn, **General Manager**  
John Vansant, **CFO and Director of Corporate Services**  
Drake N. Rice, **Director of Member Services**  
Jim McAvoy, **Director of Engineering**  
Randy Elliott, **General Counsel**