

INDIANA MUNICIPAL POWER AGENCY

Quarterly Report
September 30, 2018

MANAGEMENT DISCUSSION

Sales to Municipalities increased approximately \$34.4 million for the nine months ended September 30, 2018 compared to the same period in 2017. Year-to-date energy sales increased by approximately 5.5%.

As a result of higher energy sales during the first nine months of 2018, total operating expenses increased approximately \$25.5 million above 2017. Total year-to-date non-operating expenses are consistent with 2017.

IMPA's net income for the first nine months of 2018 was approximately \$30.7 million. IMPA's average cost per kWh for the same period was 7.17 cent per kWh. Debt service coverage for the rolling 12 months ended September 30, 2018 was 1.45 times.

CONDENSED CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (\$ millions)

For the periods ended September 30, 2018 and 2017

	2018	2017
Sales to municipalities	\$ 349.0	\$ 314.6
Other revenues	5.4	4.0
Total Operating Revenues	354.4	318.6
Purchased power, fuel, and production expenses	183.1	172.6
Transmission and local facilities	35.0	33.2
Other operating expenses	71.1	57.9
Total Operating Expenses	289.2	263.7
Total Operating Income	65.2	54.9
Interest expenses	44.8	42.1
Interest income	(3.2)	(1.3)
Other non-operating expenses (income)	(7.1)	(6.0)
Total Non-Operating Expenses (Income)	34.5	34.8
Net Income	30.7	20.1
Net Position at Beginning of Year	323.0	299.9
Net Position at End of Period	\$ 353.7	\$ 320.0

CONDENSED CONSOLIDATED STATEMENTS OF NET POSITION (\$ millions)

For the periods ended September 30, 2018 and 2017

	2018	2017
Utility plant, net	\$ 1,248.7	\$ 1,244.4
Cash and investments	306.8	193.0
Other current assets	155.6	175.3
Deferred outflows	155.5	132.3
Total Assets	\$ 1,866.6	\$ 1,745.0
Net investment in capital assets	\$ (110.5)	\$ (34.3)
Restricted	136.5	129.4
Unrestricted	327.7	224.9
Total Net Position	353.7	320.0
Non-current liabilities	1,367.5	1,281.5
Current liabilities	145.4	143.5
Total Liabilities	1,512.9	1,425.0
Total Net Position and Liabilities	\$ 1,866.6	\$ 1,745.0