



# Financial Presentation

July 23, 2020

# Statement of Net Position – June 2020

1. Checking account cash

2. Billing to AR &  
Transmission service  
members and ancillary  
services



KENTUCKY MUNICIPAL ENERGY AGENCY

**DRAFT**

## Statements of Net Position Jun-20

HRO

		<u>June 2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$	8,941,609 <sup>1</sup>
Other receivables		7,620,246 <sup>2</sup>
Interest receivable		-
Prepayments		11,123
<b>Total Current Assets</b>		<b>16,572,978</b>

# Statement of Net Position – June 2020

3. Collateral represents \$1.9M  
at MISO and \$800k at PJM.



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	June 2020
<b>NON-CURRENT ASSETS</b>	
Restricted Assets	
Pledged collateral	2,678,471
Total Restricted Assets	2,678,471
Unrestricted Assets	
Investment in SEDC	757
Total Unrestricted Assets	757
Capital Assets	
Fixed Asset Clearing Account	-
Office Buildout	253,638
Meters - AR Project	225,359
Meter Comm Equipment	330,672
General Plant	765,081
Construction work in progress	-
Less Accumulated Depreciation	(257,378)
Net Capital Assets	1,317,372
<b>Total Non-Current Assets</b>	<b>3,996,600</b>
<b>Total Assets</b>	<b>20,569,578</b>

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# Statement of Net Position – June 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

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HRO

June  
2020

### LIABILITIES

#### CURRENT LIABILITIES

Accounts Payable	\$	8,460,255
Accrued Employee Benefits		115,492
Accrued interest payable		132
<b>Total Current Liabilities</b>		<b>8,575,879</b>

#### NON-CURRENT LIABILITIES

Deferred Lease Liability	38,661
Line of Credit	-
<b>Total Non-Current Liabilities</b>	<b>38,661</b>

**Total Liabilities** 8,614,539

### Net Position

Invested in capital assets, net of related debt	1,317,372
Restricted	-
Unrestricted	10,637,667
<b>TOTAL NET POSITION</b>	<b>11,955,039</b>

4. AP represents purchase power.

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5. Deferred Lease Liability represents the difference in average monthly rent for term of office lease and actual lease payments.

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6. Line of Credit paid off in August 2019.

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7. Positive net position - LTD

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# Revenue, Expenses, and Changes in Net Position – June 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

HRO

## CONSOLIDATED STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION

**DRAFT**

	June 2020	YTD FY20	
<b>OPERATING REVENUES</b>			<b>8</b>
Sales to members	\$ 7,043,346	\$ 78,654,904	<b>9</b>
RTO Market Revenue	\$ 22,043	\$ 219,381	<b>10</b>
Transmission Services	87,958	1,199,321	
Miscellaneous Revenue	-	-	
<b>TOTAL OPERATING REVENUE</b>	<b>7,153,347</b>	<b>80,073,606</b>	
<b>OPERATING EXPENSES</b>			<b>11</b>
Transmission	690,741	7,401,625	
Fuel	-	-	<b>12</b>
Production	5,194,741	60,300,174	
Administrative and General	232,350	2,385,868	
Depreciation	15,418	176,121	
Future recoverable costs	-	-	
<b>TOTAL PURCHASE POWER AND OPERATING EXPENSES</b>	<b>6,133,250</b>	<b>70,263,787</b>	
<b>OPERATING INCOME</b>	<b>1,020,097</b>	<b>9,809,819</b>	
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest expense on debt	(132)	(26,302)	
Interest income	-	19,722	
Other non-operating expenses (income)	(5,712)	(52,718)	
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(5,844)</b>	<b>(59,298)</b>	
<b>CHANGE IN NET POSITION</b>	<b>1,014,253</b>	<b>9,750,520</b>	
<b>NET POSITION AT BEGINNING OF PERIOD</b>	<b>\$ 10,940,786</b>	<b>2,204,519</b>	
<b>NET POSITION AT END OF PERIOD</b>	<b>\$ 11,955,039</b>	<b>11,955,039</b>	<b>13</b>

8. Sales to AR Members

9. RTO Auction Revenue Rights,  
and Resource Adequacy  
Auction in MISO and PJM

10. Sales of transmission and  
ancillary services

11. Transmission from MISO,  
PJM, and KU net of  
depancaking credit

12. All purchase power  
including PPA, ITO, and SEPA

13. Positive net income



CONSOLIDATED STATEMENT OF CASH FLOWS

	CY Month Ended 6/30/2020	CY YTD FY 2020
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
NET INCOME	\$ 1,014,253	\$ 9,750,520
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:		
DEPRECIATION	\$ 15,418	\$ 176,121
CHANGES IN CURRENT & DEFERRED ITEMS:		
ACCOUNTS RECEIVABLE	\$ (978,206)	\$ 354,866
MATERIALS & SUPPLIES	\$ -	\$ -
PREPAYMENTS & OTHER CURRENT ASSETS	\$ 1,236	\$ (9,927)
DEFERRED DEBITS	\$ -	\$ 11,928
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -
ACCOUNTS PAYABLE	\$ 973,405	\$ 447,793
COLLATERAL DEPOSITS	\$ -	\$ -
TAXES & INTEREST ACCRUED	\$ 1,093	\$ (12,150)
OTHER CURRENT LIABILITIES	\$ 7,430	\$ 26,978
DEFERRED CREDITS	\$ 1,661	\$ 6,205
OTHER	\$ -	\$ -
<b>NET CASH PROVIDED BY (USED IN) OPERATION</b>	<b>\$ 1,036,290</b>	<b>\$ 10,752,335</b>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
ADDITIONS TO PLANT	\$ (1,418)	\$ (130,035)
NET CHANGE IN OTHER PROP & INVEST	\$ -	\$ (403,117)
PLANT SOLD (PURCHASED) - NONINSTALLMENT METHOD	\$ -	\$ -
OTHER - ASSET RETIREMENT OBLIGATIONS	\$ -	\$ -
<b>NET CASH PROVIDED BY (USED IN) INVESTING</b>	<b>\$ (1,418)</b>	<b>\$ (533,152)</b>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
LONG TERM BORROWINGS	\$ -	\$ -
PAYMENT ON LONG TERM DEBT	\$ -	\$ (9,032,768)
OTHER	\$ -	\$ -
<b>NET CASH PROVIDED BY (USED IN) FINANCING</b>	<b>\$ -</b>	<b>\$ (9,032,768)</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; TEMP INVESTMENTS</b>	<b>\$ 1,034,872</b>	<b>\$ 1,186,415</b>
<b>CASH &amp; TEMP INVESTMENTS BEGINNING PERIOD</b>	<b>\$ 7,906,737</b>	<b>\$ 7,755,194</b>
<b>CASH &amp; TEMP INVESTMENTS END OF PERIOD</b>	<b>\$ 8,941,609</b>	<b>\$ 8,941,609</b>

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# Indirect Cash Flow— June 2020

14. Net Income

15. Timing of Accounts Payable has largest effect of operational items on cash.

16. Cash balance in checking account

# Financial Metrics – June 2020

KYMEA Financial Metrics		FY20
Days Cash on Hand		46.69
Leverage		5.89
Coverage of Full Obligations		1.24
Debt Service Coverage		1.31