



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

August 27, 2020

Heather Overby

# Statement of Net Position – July 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

## Statements of Net Position Jul-20

HRO

	June 2020	
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 11,393,069	(1)
Other receivables	8,300,355	(2)
Interest receivable	-	
Prepayments	9,887	
<b>Total Current Assets</b>	<b>19,703,311</b>	

- 1) Checking account cash
- 2) Billing to AR & Transmission service members and ancillary services

# Statement of Net Position – July 2020

## NON-CURRENT ASSETS

Restricted Assets	
Pledged collateral	2,679,582 <sup>(3)</sup>
Total Restricted Assets	<u>2,679,582</u>
Unrestricted Assets	
Investment in SEDC	757
Total Unrestricted Assets	<u>757</u>
Capital Assets	
Fixed Asset Clearing Account	10,605
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	<u>(272,796)</u>
Net Capital Assets	<u>1,312,559</u>
<b>Total Non-Current Assets</b>	<b>3,992,898</b>
<b>Total Assets</b>	<b>23,696,209</b>

3) Collateral represents  
\$1.9m at MISO and  
\$800k at PJM

# Statement of Net Position – July 2020

<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 10,443,204	(4)
Accrued Employee Benefits	125,225	
Accrued interest payable	132	
<b>Total Current Liabilities</b>	<b>10,568,561</b>	
<b>NON-CURRENT LIABILITIES</b>		
Deferred Lease Liability	38,975	(5)
Line of Credit	-	(6)
<b>Total Non-Current Liabilities</b>	<b>38,975</b>	
<b>Total Liabilities</b>	<b>10,607,536</b>	
<b>Net Position</b>		
Invested in capital assets, net of related debt	1,301,954	
Restricted	-	
Unrestricted	11,786,719	
<b>TOTAL NET POSITION</b>	<b>13,088,673</b>	(7)

- 4) AP represents purchased power
- 5) Deferred Lease Liability represents the difference in average monthly rent for term of office lease and actual lease payments
- 6) Line of Credit paid off in August 2019
- 7) Positive net position - LTD

# Statement Revenue, Expenses, and Changes in Net Position– July 2020

	July 2020	YTD FY21	
<b>OPERATING REVENUES</b>			
Sales to members	\$ 7,765,323	\$ 7,765,323	(8)
RTO Market Revenue	\$ 17,571	\$ 17,571	(9)
Transmission Services	\$ 84,527	\$ 84,527	(10)
Miscellaneous Revenue	\$ -	\$ -	
<b>TOTAL OPERATING REVENUE</b>	<b>7,867,421</b>	<b>7,867,421</b>	
<b>OPERATING EXPENSES</b>			
Transmission	\$ 760,344	\$ 760,344	(11)
Production	\$ 5,756,323	\$ 5,756,323	(12)
Administrative and General	\$ 188,472	\$ 188,472	
Depreciation	\$ 15,418	\$ 15,418	
<b>TOTAL PURCHASE POWER AND OPERATING EXPENSES</b>	<b>6,720,557</b>	<b>6,720,557</b>	
<b>OPERATING INCOME</b>	<b>1,146,864</b>	<b>1,146,864</b>	
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest expense on debt	\$ -	\$ -	
Interest income	\$ 1,111	\$ 1,111	
Other non-operating expenses (income)	\$ (4,852)	\$ (4,852)	
Regulatory Credit/Debit - Cost to Be Recovered	-	-	
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(3,741)</b>	<b>(3,741)</b>	
<b>CHANGE IN NET POSITION</b>	<b>1,143,124</b>	<b>1,143,124</b>	(13)
<b>NET POSITION AT BEGINNING OF PERIOD</b>	<b>\$ 11,945,549</b>	<b>\$ 11,945,549</b>	
<b>NET POSITION AT END OF PERIOD</b>	<b>\$ 13,088,673</b>	<b>\$ 13,088,673</b>	

- 8) Sales to AR Members
- 9) RTO Auction Revenue Rights
- 10) Sales of transmission and ancillary services
- 11) Transmission from MISO, PJM, and KU net of depancaking credit
- 12) All purchased power including PPA, ITO, and SEPA
- 13) Positive Net Income

# Indirect Statement of Cash Flows – July 2020

CONSOLIDATED STATEMENT OF CASH FLOWS	CY Month Ended 7/31/2020	CY YTD FY 2020	
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
NET INCOME	\$ 1,143,124	\$ 1,143,124	(14)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:			
DEPRECIATION	\$ 15,418	\$ 15,418	
CHANGES IN CURRENT & DEFERRED ITEMS:			
ACCOUNTS RECEIVABLE	\$ (680,109)	\$ (680,109)	
PREPAYMENTS & OTHER CURRENT ASSETS	\$ 1,236	\$ 1,236	
DEFERRED DEBITS	\$ -	\$ -	
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	
ACCOUNTS PAYABLE	\$ 1,973,487	\$ 1,973,487	(15)
COLLATERAL DEPOSITS	\$ -	\$ -	
TAXES & INTEREST ACCRUED	\$ (27)	\$ (27)	
OTHER CURRENT LIABILITIES	\$ 9,733	\$ 9,733	
DEFERRED CREDITS	\$ 314	\$ 314	
OTHER	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) OPERATION	\$ 2,463,176	\$ 2,463,176	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
ADDITIONS TO PLANT	\$ (10,605)	\$ (10,605)	
NET CHANGE IN OTHER PROP & INVEST	\$ (1,111)	\$ (1,111)	
OTHER - ASSET RETIREMENT OBLIGATIONS	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) INVESTING	\$ (11,716)	\$ (11,716)	
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>			
LONG TERM BORROWINGS	\$ -	\$ -	
OTHER	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) FINANCING	\$ -	\$ -	
<b>NET INCREASE (DECREASE) IN CASH &amp; TEMP INVESTMENTS</b>	\$ 2,451,460	\$ 2,451,460	
<b>CASH &amp; TEMP INVESTMENTS BEGINNING PERIOD</b>	\$ 8,941,609	\$ 8,941,609	
<b>CASH &amp; TEMP INVESTMENTS END OF PERIOD</b>	\$ 11,393,069	\$ 11,393,069	(16)

14) Net Income

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

16) Cash balance in checking account

# Financial Metrics – July 2020

## KYMEA Financial Metrics

<b>Days Cash on Hand</b>	<b>53.25</b>
<b>Leverage</b>	<b>7.11</b>
<b>Coverage of Full Obligations</b>	<b>1.03</b>
<b>Debt Service Coverage</b>	<b>1.03</b>