



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

October 22, 2020

Heather Overby

Statement of Net Position – September 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Sep-20

HRO

	September 2020	
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 13,693,032	(1)
Other receivables	7,193,978	(2)
Interest receivable	-	
Prepayments	7,415	
Total Current Assets	20,894,425	

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

Statement of Net Position – September 2020

NON-CURRENT ASSETS

Restricted Assets

Pledged collateral	2,679,746	(3)
Total Restricted Assets	2,679,746	

Unrestricted Assets

Investment in SEDC	757
Total Unrestricted Assets	757

Capital Assets

Fixed Asset Clearing Account	-
Office Buildout	260,238
Meters - AR Project	215,985
Meter Comm Equipment	330,672
General Plant	783,619
Construction work in progress	-
Less Accumulated Depreciation	(303,777)
Net Capital Assets	1,286,737

Total Non-Current Assets	3,967,240
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Total Assets	24,861,665
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3) Collateral represents
\$1.9m at MISO and
\$800k at PJM

Statement of Net Position – September 2020

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	\$	9,650,232	(4)
Accrued Employee Benefits		135,571	
Accrued interest payable		132	
Total Current Liabilities		9,785,935	

NON-CURRENT LIABILITIES

Deferred Lease Liability		39,604	(5)
Line of Credit		-	(6)
Total Non-Current Liabilities		39,604	

Total Liabilities		9,825,539	
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Net Position

Invested in capital assets, net of related debt		1,286,737	
Restricted		-	
Unrestricted		13,749,389	
TOTAL NET POSITION		15,036,126	(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– September 2020

	September 2020	YTD FY21	
OPERATING REVENUES			
Sales to members	\$ 6,544,994	\$ 21,718,928	(8)
RTO Market Revenue	\$ 17,678	\$ 129,058	(9)
Transmission Services	78,727	229,409	(10)
Miscellaneous Revenue	-	-	
TOTAL OPERATING REVENUE	6,641,399	22,077,395	
OPERATING EXPENSES			
Transmission	659,547	2,152,756	(11)
Production	4,969,092	16,165,282	(12)
Administrative and General	210,003	610,648	
Depreciation	15,564	46,399	
TOTAL PURCHASE POWER AND OPERATING EXPENSES	5,854,206	18,975,085	
OPERATING INCOME	787,193	3,102,310	
NON-OPERATING REVENUES (EXPENSES)			
Interest expense on debt	\$ -	\$ -	
Interest income	\$ 32	\$ 1,275	
Other non-operating expenses (income)	\$ (4,040)	\$ (13,008)	
Regulatory Credit/Debit - Cost to Be Recovered	-	-	
TOTAL NONOPERATING REVENUES (EXPENSES)	(4,008)	(11,733)	
CHANGE IN NET POSITION	783,185	3,090,577	(13)
		\$ -	
NET POSITION AT BEGINNING OF PERIOD	\$ 14,252,941	\$ 11,945,549	
NET POSITION AT END OF PERIOD	\$ 15,036,126	\$ 15,036,126	

- 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 – September 2020

CONSOLIDATED STATEMENT OF CASH FLOWS	CY Month Ended 9/30/2020	CY YTD FY 2021	
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
NET INCOME	\$ 783,185	\$ 3,090,577	(14)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:			
DEPRECIATION	\$ 15,564	\$ 46,399	
CHANGES IN CURRENT & DEFERRED ITEMS:			
ACCOUNTS RECEIVABLE	\$ 865,578	\$ 426,268	
PREPAYMENTS & OTHER CURRENT ASSETS	\$ 1,236	\$ 3,708	
DEFERRED DEBITS	\$ -	\$ -	
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	
ACCOUNTS PAYABLE	\$ (1,070,698)	\$ 1,178,852	(15)
COLLATERAL DEPOSITS	\$ -	\$ -	
TAXES & INTEREST ACCRUED	\$ 1,101	\$ 1,637	
OTHER CURRENT LIABILITIES	\$ 5,043	\$ 20,079	
DEFERRED CREDITS	\$ 314	\$ 943	
OTHER	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) OPERATION	\$ 601,322	\$ 4,768,462	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
ADDITIONS TO PLANT	\$ (5,159)	\$ (15,764)	
NET CHANGE IN OTHER PROP & INVEST	\$ (32)	\$ (1,275)	
OTHER - ASSET RETIREMENT OBLIGATIONS	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) INVESTING	\$ (5,192)	\$ (17,039)	
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
LONG TERM BORROWINGS	\$ -	\$ -	
OTHER	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) FINANCING	\$ -	\$ -	
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS	\$ 596,130	\$ 4,751,422	
CASH & TEMP INVESTMENTS BEGINNING PERIOD	\$ 13,096,901	\$ 8,941,609	
CASH & TEMP INVESTMENTS END OF PERIOD	\$ 13,693,032	\$ 13,693,032	(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 – September 2020



KEY FINANCIAL METRICS

FY2021 Actuals Through September 2020

Days Cash on Hand

65.03 ▲

Target: 67.00

Leverage

6.96 ▼

Target: 7.08

Coverage of Full Obligations

1.06 ▲

Target: 1.03

Debt Service Coverage

1.06 ▲

Target: 1.04

Financial Metrics – September 2020

Days Cash On Hand

Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

\$13.7M

Unrestricted Cash

\$12.8M EOY Projection

\$210,576

Adjusted Operating Expense per Day

\$76.86M / 365 days

65.03

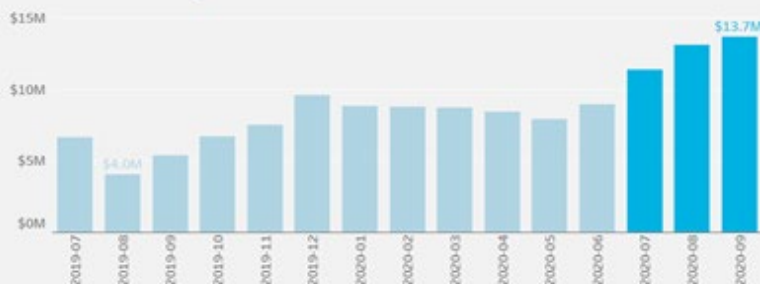
Days Cash on Hand

Target: 67.00

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



Days Cash On Hand

Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

\$13.7M

Unrestricted Cash

\$12.8M EOY Projection

\$210,576

Adjusted Operating Expense per Day

\$76.86M / 365 days

65.03

Days Cash on Hand

Target: 67.00

Unrestricted Cash

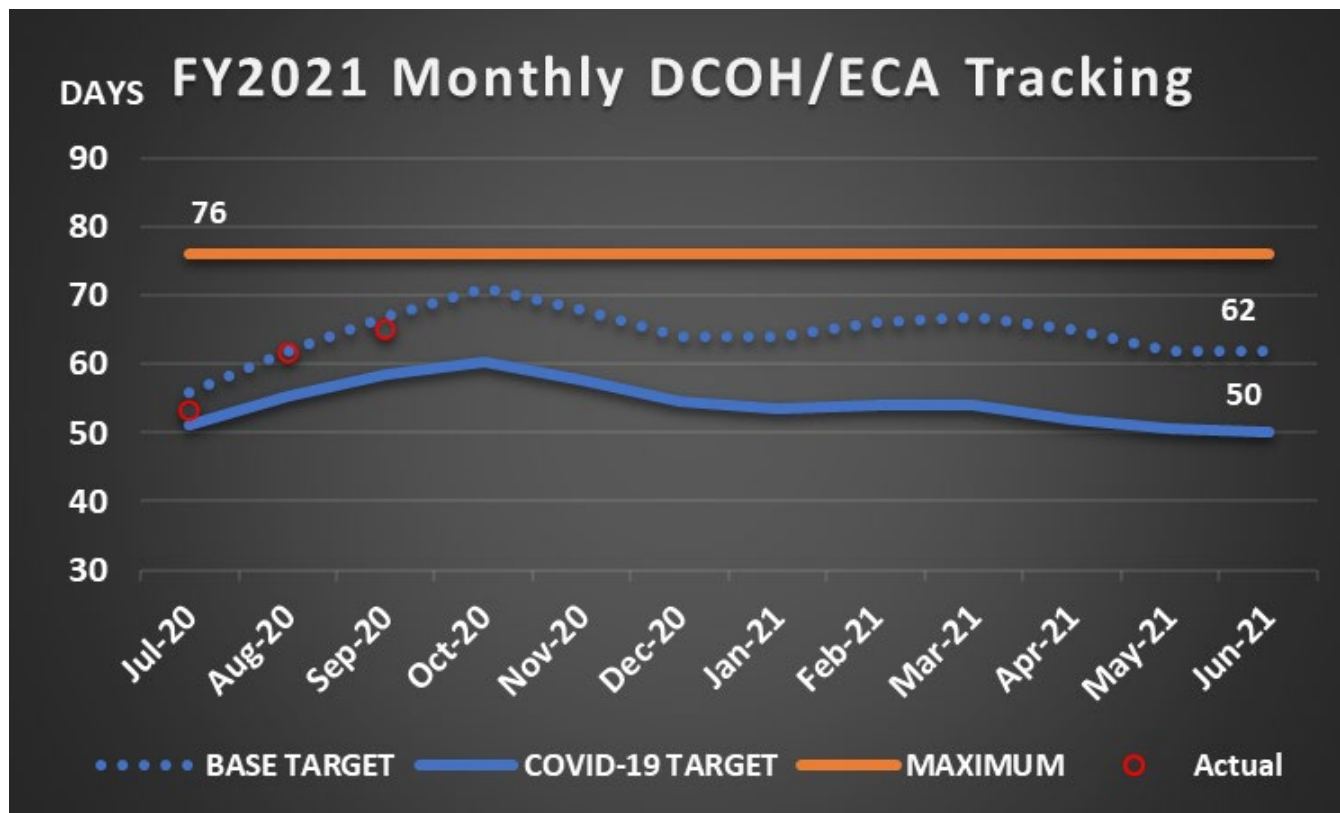
Adjusted Operating Expenses

Operating Expenses

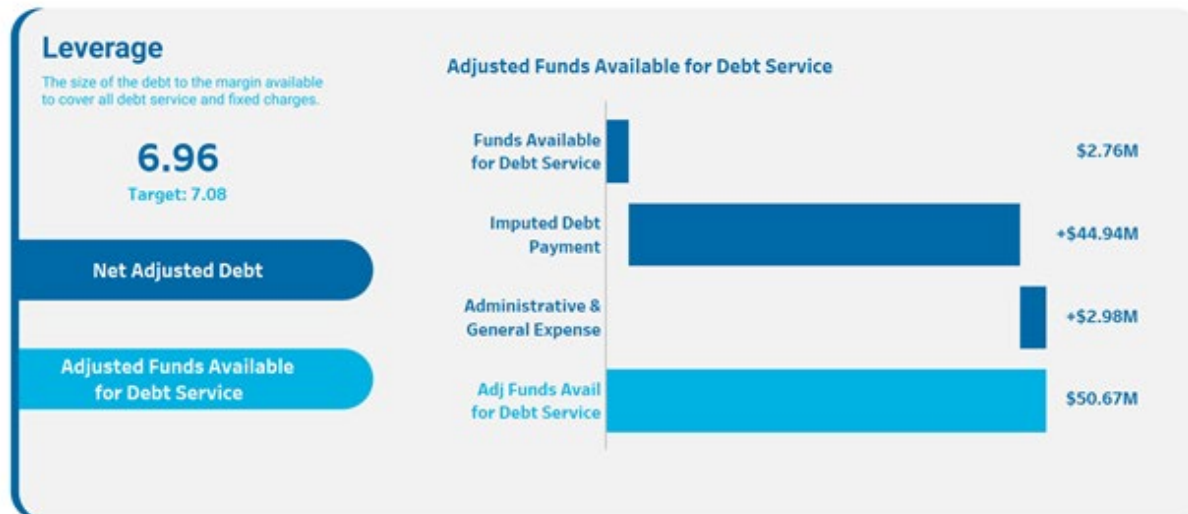
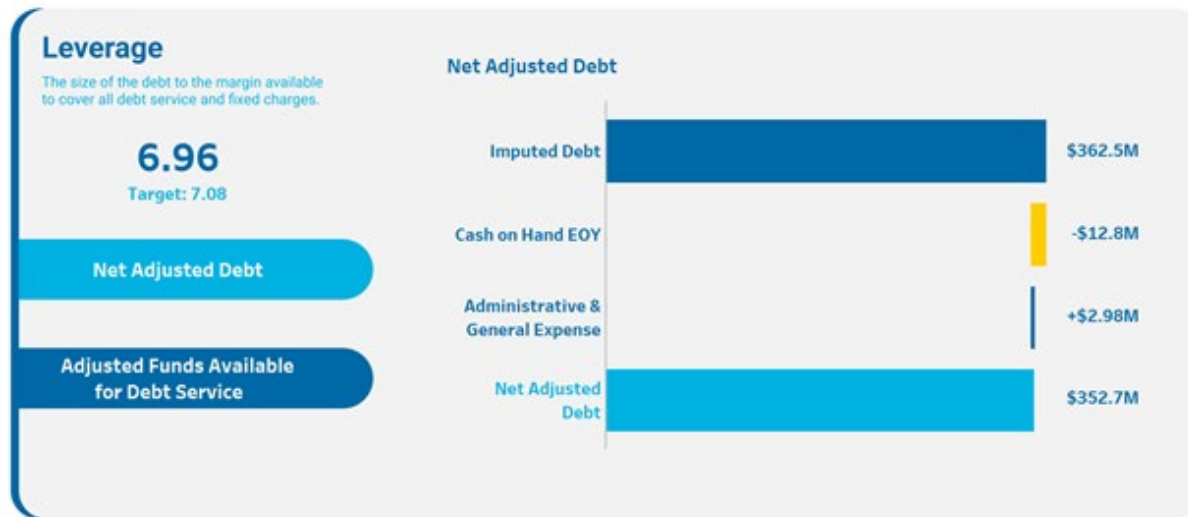
Production, Budget
Production, Actuals
Transmission, Budget
Transmission, Actuals
Admin. and General, Budget
Admin. and General, Actuals



Financial Metrics – September 2020



Financial Metrics – September 2020



Financial Metrics – September 2020

Coverage of Full Obligations

1.06

The funds available from operations to cover current debt service and fixed charges requirements.

Target: 1.03

Funds Available for Debt Service ÷ Total Debt Service & Fixed Charges

Imputed Debt Payment

\$44.94M

Administrative & General Expense

\$2.98M

EBITDA & Interest Income

\$2.76M

Debt Service Coverage

1.06

The funds available from operations to cover current debt service.

Target: 1.04

Funds Available for Debt Service ÷ Total Debt Service

Imputed Debt Payment

\$44.94M

EBITDA & Interest Income

\$2.76M