



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

November 18, 2020

Heather Overby

Statement of Net Position – October 2020



KENTUCKY MUNICIPAL ENERGY AGENCY

Statements of Net Position Oct-20

HRO

	October 2020	
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 13,745,037	(1)
Other receivables	5,931,487	(2)
Interest receivable	-	
Prepayments	6,179	
Total Current Assets	19,682,703	

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

Statement of Net Position – October 2020

NON-CURRENT ASSETS

Restricted Assets		
Pledged collateral	2,689,719	(3)
Total Restricted Assets	<u>2,689,719</u>	
Unrestricted Assets		
Investment in SEDC	757	
Total Unrestricted Assets	<u>757</u>	
Capital Assets		
Fixed Asset Clearing Account	-	
Office Buildout	260,238	
Meters - AR Project	215,985	
Meter Comm Equipment	330,672	
General Plant	783,619	
Less Accumulated Depreciation	<u>(319,341)</u>	
Net Capital Assets	<u>1,271,174</u>	
Total Non-Current Assets	3,961,650	
Total Assets	23,644,353	

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

Statement of Net Position – October 2020

LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 8,729,873 (4)
Accrued Employee Benefits	141,139
Accrued interest payable	259
Total Current Liabilities	8,871,271
NON-CURRENT LIABILITIES	
Deferred Lease Liability	39,341 (5)
Line of Credit	- (6)
Total Non-Current Liabilities	39,341
Total Liabilities	8,910,612
Net Position	
Invested in capital assets, net of related debt	1,271,174
Restricted	-
Unrestricted	13,462,567
TOTAL NET POSITION	14,733,741 (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– October 2020



	October 2020	YTD FY21	
OPERATING REVENUES			
Sales to members	\$ 5,118,977	\$ 26,837,904	(8)
RTO Market Revenue	\$ 20,604	\$ 149,661	(9)
Transmission Services	17,647	\$ 247,056	(10)
Miscellaneous Revenue	-	-	
TOTAL OPERATING REVENUE	5,157,227	27,234,621	
OPERATING EXPENSES			
Transmission	521,044	2,673,800	(11)
Production	4,712,858	20,878,140	(12)
Administrative and General	217,289	827,937	
Depreciation	15,564	61,963	
TOTAL PURCHASE POWER AND OPERATING EXPENSES	5,466,755	24,441,840	
OPERATING INCOME	(309,528)	2,792,781	
NON-OPERATING REVENUES (EXPENSES)			
Interest expense on debt	\$ (126)	(126)	
Interest income	\$ 10,303	11,578	
Other non-operating expenses (income)	\$ (3,034)	(16,041)	
Regulatory Credit/Debit - Cost to Be Recovered	-	-	
TOTAL NONOPERATING REVENUES (EXPENSES)	7,143	(4,590)	
CHANGE IN NET POSITION	(302,385)	2,788,191	(13)
NET POSITION AT BEGINNING OF PERIOD	\$ 15,036,126	11,945,549	
NET POSITION AT END OF PERIOD	\$ 14,733,741	14,733,741	

- 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 – October 2020

CONSOLIDATED STATEMENT OF CASH FLOWS	CY Month Ended 10/31/2020	CY YTD FY 2021	
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
NET INCOME	\$ (302,385)	\$ 2,788,191	(14)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:			
DEPRECIATION	\$ 15,564	\$ 61,963	
CHANGES IN CURRENT & DEFERRED ITEMS:			
ACCOUNTS RECEIVABLE	\$ 1,262,492	\$ 1,688,759	
PREPAYMENTS & OTHER CURRENT ASSETS	\$ 1,236	\$ 4,943	
DEFERRED DEBITS	\$ -	\$ -	
OTHER REG ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ -	\$ -	
ACCOUNTS PAYABLE	\$ (921,470)	\$ 257,382	(15)
COLLATERAL DEPOSITS	\$ -	\$ -	
TAXES & INTEREST ACCRUED	\$ 1,238	\$ 2,874	
OTHER CURRENT LIABILITIES	\$ 5,568	\$ 25,647	
DEFERRED CREDITS	\$ (263)	\$ 681	
OTHER	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) OPERATION	\$ 61,979	\$ 4,830,440	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
ADDITIONS TO PLANT	\$ -	\$ (15,764)	
NET CHANGE IN OTHER PROP & INVEST	\$ (9,973)	\$ (11,248)	
OTHER - ASSET RETIREMENT OBLIGATIONS	\$ -	\$ -	
NET CASH PROVIDED BY (USED IN) INVESTING	\$ (9,973)	\$ (27,012)	
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	\$ 52,006	\$ 4,803,428	
CASH & TEMP INVESTMENTS BEGINNING PERIOD	\$ 13,693,032	\$ 8,941,609	
CASH & TEMP INVESTMENTS END OF PERIOD	\$ 13,745,037	\$ 13,745,037	(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 – October 2020



KEY FINANCIAL METRICS

FY2021 Actuals Through October 2020

Days Cash on Hand

65.75 ▲

Target: 63.00

Leverage

6.95 ▼

Target: 7.08

Coverage of Full Obligations

1.06 ▲

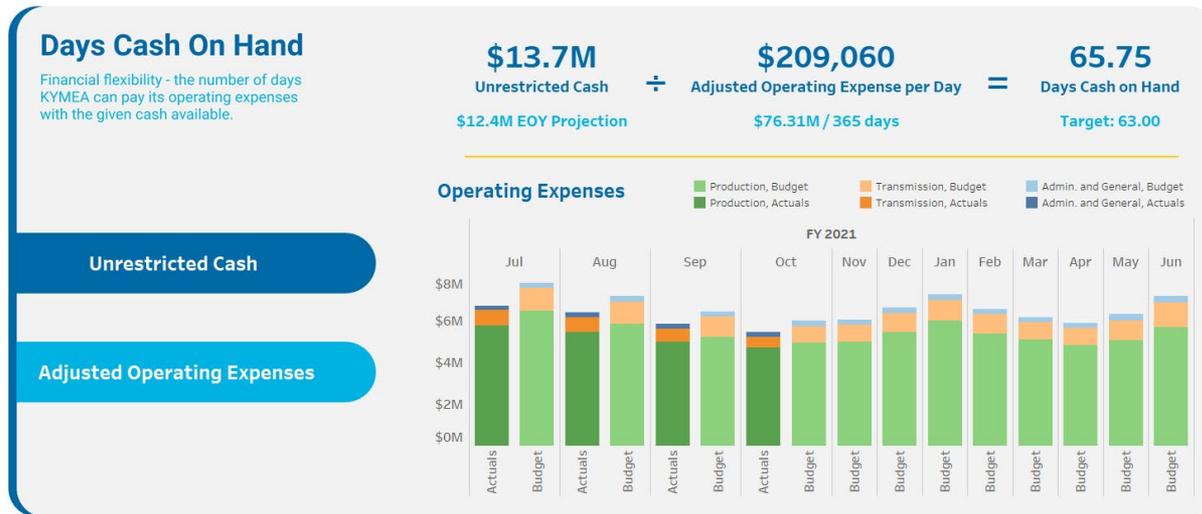
Target: 1.03

Debt Service Coverage

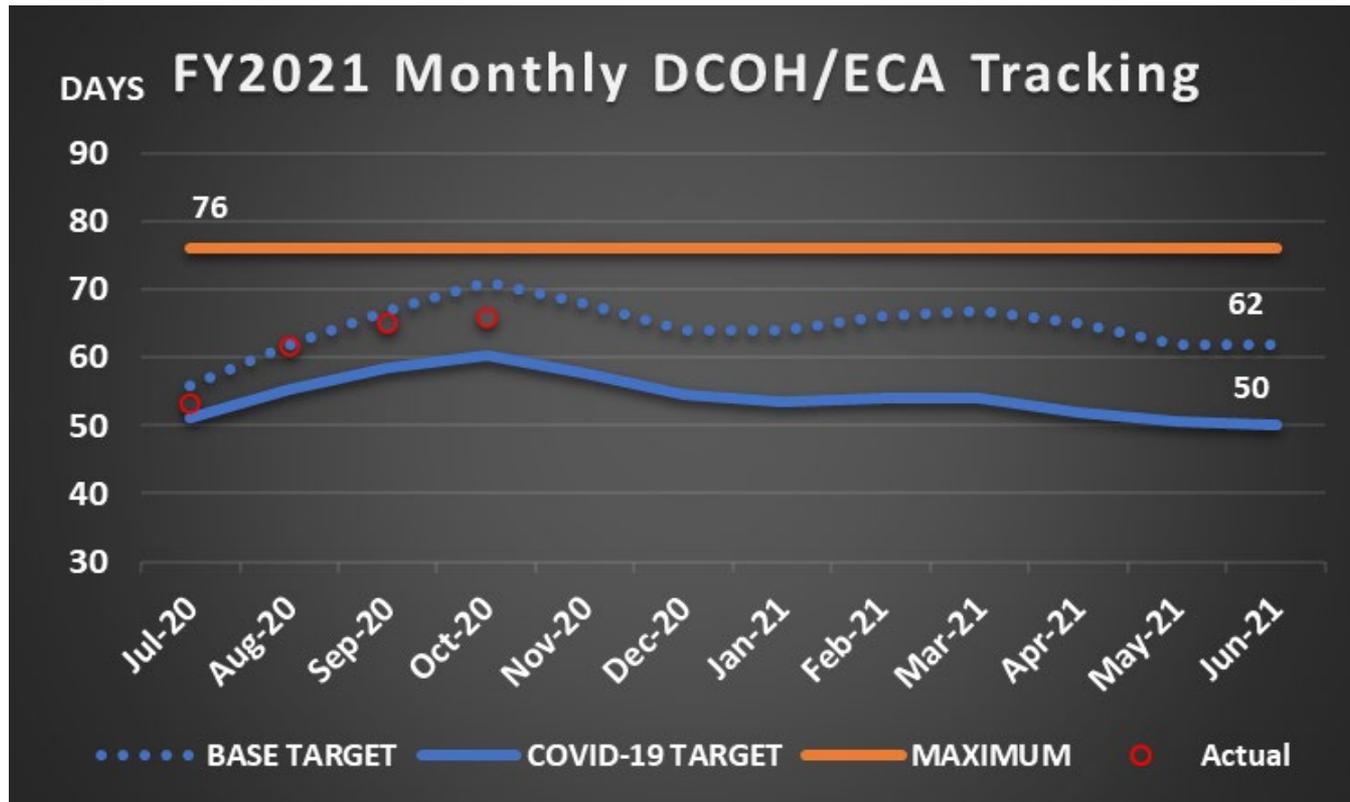
1.07 ▲

Target: 1.04

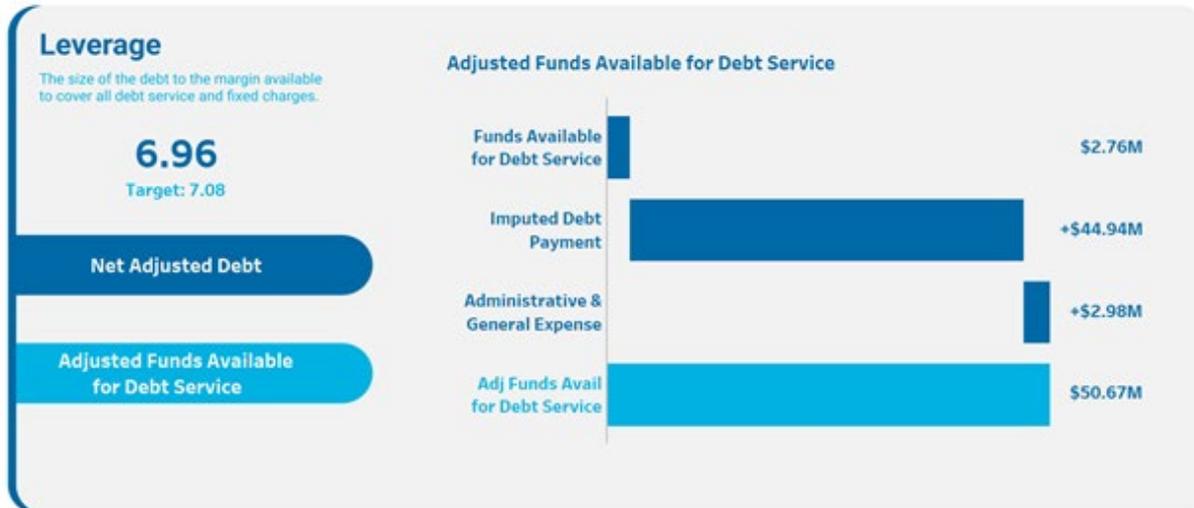
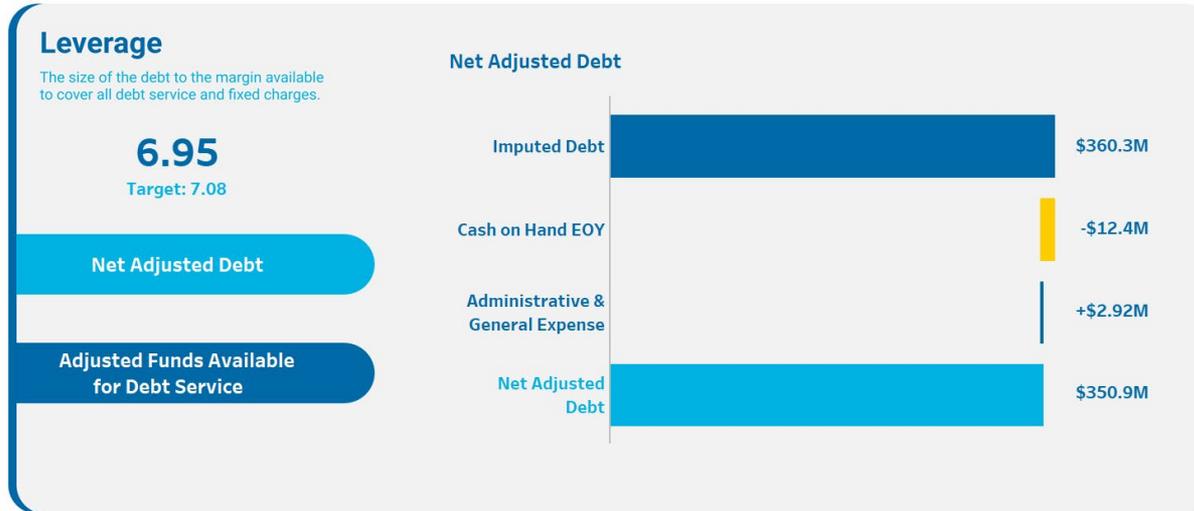
Financial Metrics – October 2020



Financial Metrics – October 2020



Financial Metrics – October 2020



Financial Metrics – October 2020

