



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

December 16, 2020

Heather Overby

# Statement of Net Position – November 2020

## CURRENT ASSETS

	Nov 2020	
Cash and Investments	\$14,346,679	(1)
Other Receivables	6,139,687	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	4,943	
<b>Total Current Assets</b>	<b>\$20,491,309</b>	

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

# Statement of Net Position – November 2020

## NON-CURRENT ASSETS

Pledged Collateral	2,689,752	(3)
Investment in SEDC	757	
Fixed Assets Clearing Account	1,682	
Office Buildout	260,238	
Meters - AR Project	215,985	
Meter Comm Equipment	330,672	
General Plant	783,619	
Construction Work In Progress	0	
Less Accumulated Depreciation	(334,905)	
<b>Total Non-Current Assets</b>	<b>\$3,947,801</b>	
<b>Total Assets</b>	<b>\$24,439,111</b>	

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

# Statement of Net Position – November 2020

## LIABILITIES

Accounts Payable	9,721,944	(4)
Accrued Employee Benefits	140,171	
Accrued Interest Payable	0	
<b>Total Current Liabilities</b>	<b>\$9,862,115</b>	
Deferred Lease Liability	39,079	(5)
Line of Credit	0	(6)
<b>Total Non-Current Liabilities</b>	<b>\$39,079</b>	
<b>Total Liabilities</b>	<b>\$9,901,194</b>	

## NET POSITION

Invested in capital assets, net of related debt	1,255,610	
Restricted	259	
Unrestricted	13,282,307	
<b>Total Net Position</b>	<b>\$14,537,917</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– November 2020

## OPERATING REVENUE

	Nov 2020	YTD FY2021	
Sales to Members	\$5,268,675	\$32,062,610	(8)
RTO Market Revenue	\$15,825	\$165,486	(9)
Transmission Services	\$72,822	\$363,848	(10)
Miscellaneous Revenue	\$0	\$0	
<b>Total Operating Revenue (Expenses)</b>	<b>\$5,357,322</b>	<b>\$32,591,944</b>	

## OPERATING EXPENSES

Transmission	\$578,922	\$3,252,722	(11)
Production	\$4,781,049	\$25,659,189	(12)
Admin. and General	\$175,128	\$1,003,065	
Depreciation	\$15,564	\$77,526	
<b>Total Purchase Power and Operating Expenses</b>	<b>\$5,550,663</b>	<b>\$29,992,503</b>	
<b>Operating Income</b>	<b>(\$193,341)</b>	<b>\$2,599,441</b>	

## NON-OPERATING REVENUE

Interest Expense on Debt	\$0	(\$126)	
Interest Income	\$33	\$11,611	
Other Non-Operating Expenses (Income)	(\$2,517)	(\$18,558)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(\$2,483)</b>	<b>(\$7,073)</b>	

## NET POSITION CHANGES

Change in Net Position	(\$195,824)	\$2,592,368	(13)
<b>Net Position at Beginning of Period</b>	<b>\$14,733,741</b>	<b>\$11,945,549</b>	
<b>Net Position at End of Period</b>	<b>\$14,537,917</b>	<b>\$14,537,917</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) Negative MTD Net Income / Positive YTD Net Income

# Indirect Statement of Cash Flows – November 2020

<b>CASH FROM OPERATING ACTIVITIES</b>	<b>Nov 2020</b>	<b>YTD FY2021</b>	
Net Income	(\$195,824)	\$2,592,368	(14)
Depreciation	15,564	77,526	
Accounts Receivable	(208,200)	1,480,559	(15)
Prepayments & Other Current Assets	1,236	6,179	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	991,403	1,248,785	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	409	3,283	
Other Current Liabilities	(968)	24,679	
Deferred Credits	(263)	418	
<b>Net Cash Provided by (Used in) Operation</b>	<b>\$603,357</b>	<b>\$5,433,797</b>	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
Additions to Plant	(1,682)	(17,446)	
Net Change in Other Prop & Invest	(33)	(11,281)	
Other - Asset Retirement Obligations	0	0	
<b>Net Cash Provided by (Used in) Investing</b>	<b>(\$1,715)</b>	<b>(\$28,728)</b>	
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>			
Long Term Borrowings	0	0	
Other	0	0	
<b>Net Cash Provided By (Used in) Financing</b>	<b>\$0</b>	<b>\$0</b>	
<b>NET INCREASE (DECREASE) IN CASH &amp; TEMP INVESTMENTS</b>			
Net Increase (Decrease) in Cash & Temp Investments	\$601,642	\$5,405,070	
Cash & Temp Investments Beginning of Period	\$13,745,037	\$8,941,609	
<b>Cash &amp; Temp Investments End of Period</b>	<b>\$14,346,679</b>	<b>\$14,346,679</b>	<b>(16)</b>

14) Net Income

15) Timing of Accounts Receivable and Accounts Payable have largest monthly effect of operational items on cash

16) Cash balance in checking account

# Financial Metrics – November 2020



## KEY FINANCIAL METRICS

FY2021 Actuals Through November 2020 + Budget

Days Cash on Hand

69.09 ▲

Target: 63.00

Leverage

6.89 ▼

Target: 7.08

Coverage of Full Obligations

1.07 ▲

Target: 1.03

Debt Service Coverage

1.07 ▲

Target: 1.04

# Financial Metrics – November 2020

## Days Cash On Hand

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

**\$14.3M**

Unrestricted Cash

\$13.5M EOY Projection

**\$207,651**

Adjusted Operating Expense per Day

\$75.79M / 365 days

**69.09**

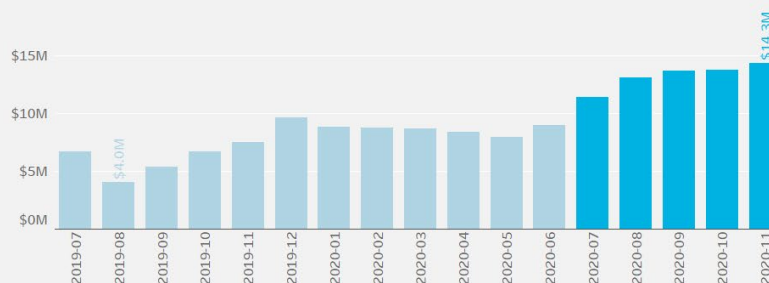
Days Cash on Hand

Target: 63.00

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.

**\$14.3M**

Unrestricted Cash

\$13.5M EOY Projection

**\$207,651**

Adjusted Operating Expense per Day

\$75.79M / 365 days

**69.09**

Days Cash on Hand

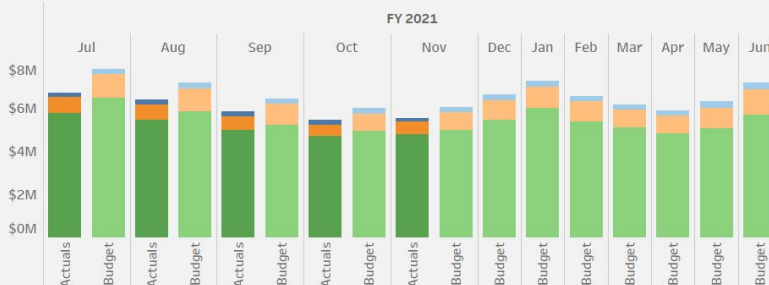
Target: 63.00

Unrestricted Cash

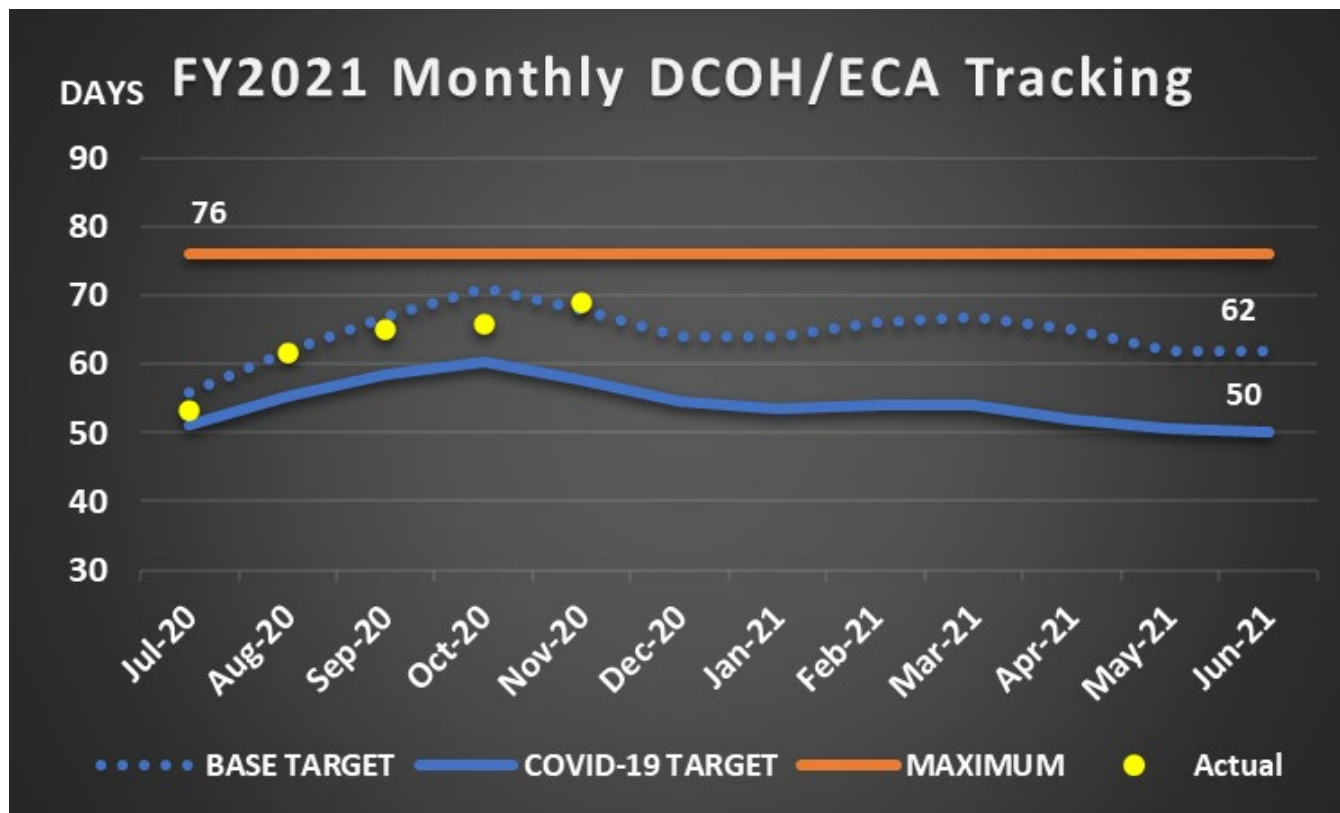
Adjusted Operating Expenses

### Operating Expenses

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



# Financial Metrics – November 2020



# Financial Metrics – November 2020

## Leverage

The size of the debt to the margin available to cover all debt service and fixed charges.

**6.89**

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

## Net Adjusted Debt



## Leverage

The size of the debt to the margin available to cover all debt service and fixed charges.

**6.89**

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

## Adjusted Funds Available for Debt Service



# Financial Metrics – November 2020

## Coverage of Full Obligations

**1.07**

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

\$44.45M

Administrative & General Expense

\$2.84M

EBITDA & Interest Income

\$3.24M

## Debt Service Coverage

**1.07**

The funds available from operations to cover current debt service.

Target: 1.04

Funds Available for Debt Service ÷ Total Debt Service

Imputed Debt Payment

\$44.45M

EBITDA & Interest Income

\$3.24M

**Reconciliation Transactions Report**

12/07/20 03:05:43 PM

11/01/20-11/30/20 131.00 CASH

User Id: 2014

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Statement Ending Balance :	14,347,070.00
Outstanding Payments(-) :	391.04
Adjustments in Transit(+) :	.00
Deposits in Transit(+) :	.00
Adjusted Bank Balance :	<hr/> 14,346,678.96
Book Balance :	14,346,678.96
Pending Adjustments :	.00
Adjusted Book Balance :	<hr/> 14,346,678.96
Difference :	.00