



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

January 28, 2021

Heather Overby

# Statement of Net Position – December 2020

## CURRENT ASSETS

	Dec 2020	
Cash and Investments	\$14,228,305	(1)
Other Receivables	6,911,475	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	3,708	
Total Current Assets	\$21,143,487	

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

# Statement of Net Position – December 2020

## NON-CURRENT ASSETS

Pledged Collateral	2,689,772	(3)
Investment in SEDC	757	
Fixed Assets Clearing Account	1,856	
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	(350,468)	
Total Non-Current Assets	\$3,932,432	
Total Assets	\$25,075,918	

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

# Statement of Net Position – December 2020

## LIABILITIES

Accounts Payable	10,324,650	(4)
Accrued Employee Benefits	143,108	
Accrued Interest Payable	126	
<b>Total Current Liabilities</b>	<b>\$10,467,884</b>	
Deferred Lease Liability	38,816	(5)
Line of Credit	0	(6)
<b>Total Non-Current Liabilities</b>	<b>\$38,816</b>	
<b>Total Liabilities</b>	<b>\$10,506,700</b>	

## NET POSITION

Invested in capital assets, net of related debt	1,240,046	
Restricted	259	
Unrestricted	13,329,172	
<b>Total Net Position</b>	<b>\$14,569,218</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– December 2020

## OPERATING REVENUE

	Dec 2020	YTD FY2021	
Sales to Members	\$6,169,583	\$38,232,193	(8)
RTO Market Revenue	\$12,394	\$177,880	(9)
Transmission Services	\$84,442	\$448,290	(10)
Miscellaneous Revenue	\$0	\$0	
<b>Total Operating Revenue (Expenses)</b>	<b>\$6,266,419</b>	<b>\$38,858,363</b>	

## OPERATING EXPENSES

Transmission	\$607,253	\$3,859,975	(11)
Production	\$5,351,734	\$31,010,923	(12)
Admin. and General	\$257,311	\$1,260,376	
Depreciation	\$15,564	\$93,090	
<b>Total Purchase Power and Operating Expenses</b>	<b>\$6,231,861</b>	<b>\$36,224,364</b>	
<b>Operating Income</b>	<b>\$34,558</b>	<b>\$2,633,999</b>	

## NON-OPERATING REVENUE

Interest Expense on Debt	(\$126)	(\$252)	
Interest Income	\$20	\$11,631	
Other Non-Operating Expenses (Income)	(\$3,151)	(\$21,709)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(\$3,257)</b>	<b>(\$10,330)</b>	

## NET POSITION CHANGES

Change in Net Position	\$31,301	\$2,623,669	(13)
<b>Net Position at Beginning of Period</b>	<b>\$14,537,917</b>	<b>\$11,945,549</b>	
<b>Net Position at End of Period</b>	<b>\$14,569,218</b>	<b>\$14,569,218</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 – December 2020

<b>CASH FROM OPERATING ACTIVITIES</b>			
	<b>Dec 2020</b>	<b>YTD FY2021</b>	
Net Income	\$31,301	\$2,623,669	(14)
Depreciation	15,564	93,090	
Accounts Receivable	(771,788)	708,771	(15)
Prepayments & Other Current Assets	1,236	7,415	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	601,435	1,850,220	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	1,397	4,680	
Other Current Liabilities	2,937	27,616	
Deferred Credits	(263)	156	
<b>Net Cash Provided by (Used in) Operation</b>	<b>(\$118,181)</b>	<b>\$5,315,617</b>	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
Additions to Plant	(174)	(17,620)	
Net Change in Other Prop & Invest	(20)	(11,301)	
Other - Asset Retirement Obligations	0	0	
<b>Net Cash Provided by (Used in) Investing</b>	<b>(\$194)</b>	<b>(\$28,922)</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	(\$118,374)	\$5,286,695	
Cash & Temp Investments Beginning of Period	\$14,346,679	\$8,941,609	
<b>Cash &amp; Temp Investments End of Period</b>	<b>\$14,228,305</b>	<b>\$14,228,305</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 – December 2020



## KEY FINANCIAL METRICS

FY2021 Actuals Through December 2020 + Budget

Days Cash on Hand

68.88 ▼

Target: 63.00

Leverage

6.87 ▼

Target: 7.08

Coverage of Full Obligations

1.07 ▲

Target: 1.03

Debt Service Coverage

1.07 ▲

Target: 1.04

# Financial Metrics – December 2020

## Days Cash On Hand

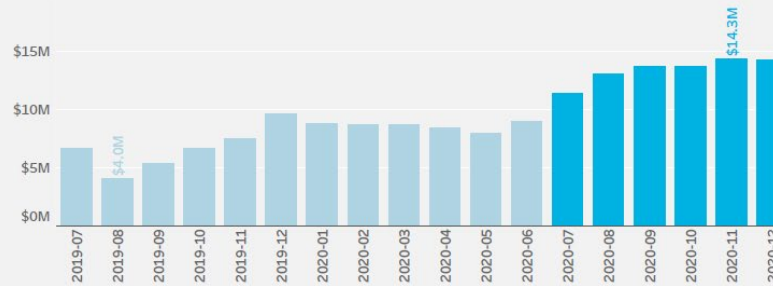
Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rcl} \$14.2\text{M} & \div & \$206,559 \\ \text{Unrestricted Cash} & \text{Adjusted Operating Expense per Day} & \\ \$13.9\text{M EOY Projection} & \$75.39\text{M} / 365 \text{ days} & \\ & = & 68.88 \\ & & \text{Days Cash on Hand} \\ & & \text{Target: 63.00} \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



## Days Cash On Hand

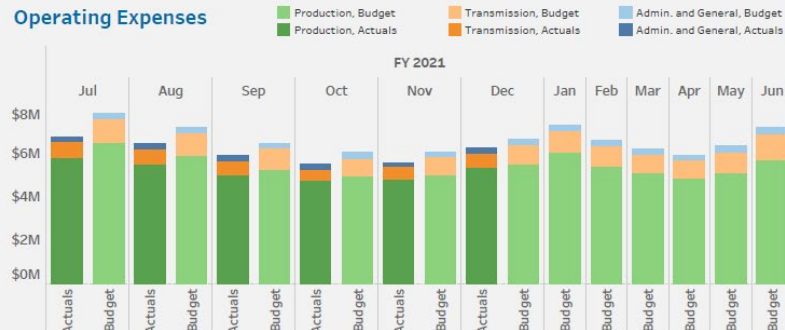
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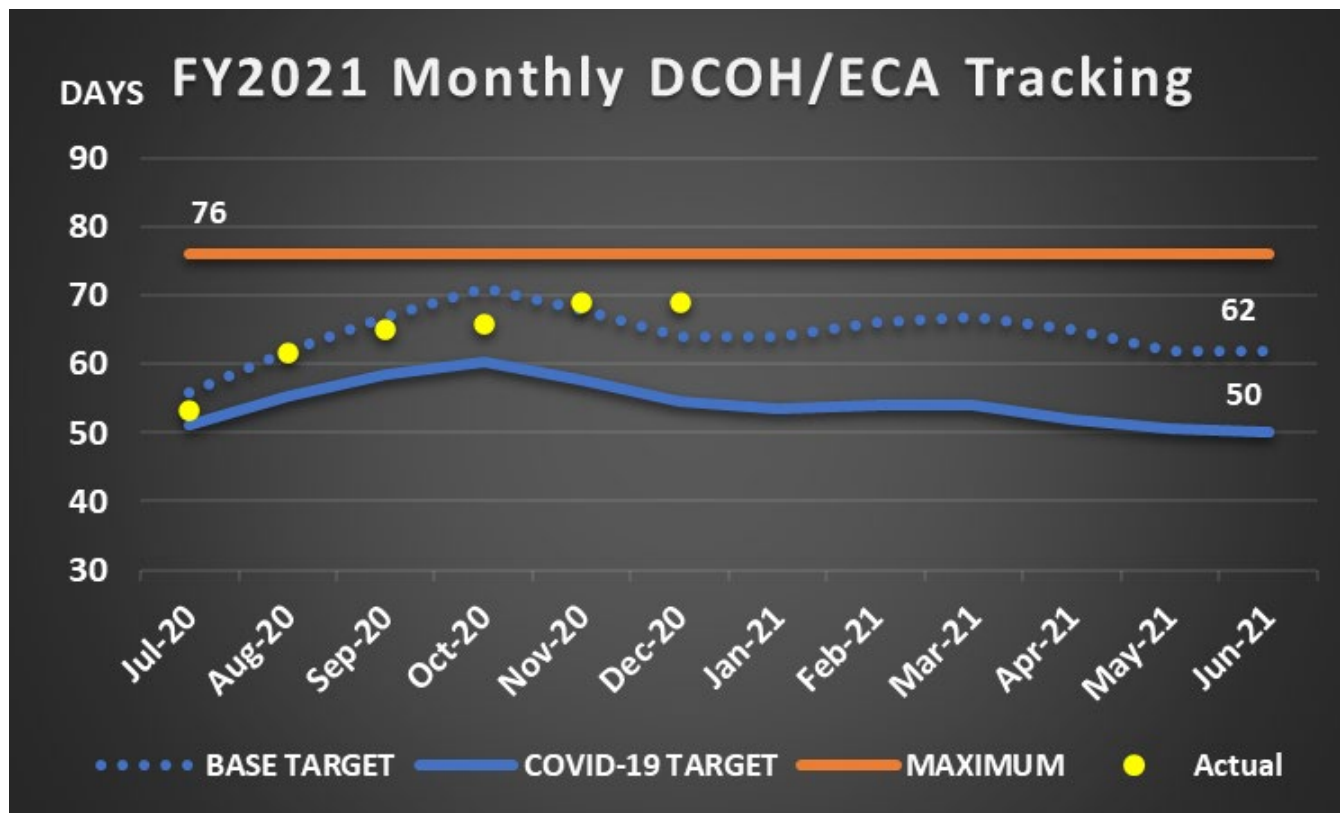
Adjusted Operating Expenses

Operating Expenses





# Financial Metrics – December 2020



# Financial Metrics – December 2020

## Leverage

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

**6.87**

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.

**6.87**

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

### Adjusted Funds Available for Debt Service



# Financial Metrics – December 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

\$44.15M

Administrative & General Expense

\$2.85M

EBITDA & Interest Income

\$3.27M

## 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

\$44.15M

EBITDA & Interest Income

\$3.27M