



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

February 25, 2021

Heather Overby

# Statement of Net Position – January 2021

## CURRENT ASSETS

	Jan 2021	
Cash and Investments	\$14,806,963	(1)
Other Receivables	7,229,529	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	2,472	
<b>Total Current Assets</b>	<b>\$22,038,964</b>	

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

# Statement of Net Position – January 2021

## NON-CURRENT ASSETS

Pledged Collateral	2,689,792	(3)
Investment in SEDC	757	
Fixed Assets Clearing Account	1,914	
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	(366,032)	
<b>Total Non-Current Assets</b>	<b>\$3,916,946</b>	
<b>Total Assets</b>	<b>\$25,955,910</b>	

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

# Statement of Net Position – January 2021

## LIABILITIES

Accounts Payable	10,972,989	(4)
Accrued Employee Benefits	143,899	
Accrued Interest Payable	126	
<b>Total Current Liabilities</b>	<b>\$11,117,013</b>	
Deferred Lease Liability	38,554	(5)
Line of Credit	0	(6)
<b>Total Non-Current Liabilities</b>	<b>\$38,554</b>	
<b>Total Liabilities</b>	<b>\$11,155,567</b>	

## NET POSITION

Invested in capital assets, net of related debt	1,224,483	
Restricted	259	
Unrestricted	13,575,861	
<b>Total Net Position</b>	<b>\$14,800,343</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– January 2021

## OPERATING REVENUE

	Jan 2021	YTD FY2021	
Sales to Members	\$6,416,800	\$44,648,993	(8)
RTO Market Revenue	\$12,392	\$190,272	(9)
Transmission Services	\$133,696	\$581,986	(10)
Miscellaneous Revenue	\$0	\$0	
<b>Total Operating Revenue (Expenses)</b>	<b>\$6,562,887</b>	<b>\$45,421,250</b>	

## OPERATING EXPENSES

Transmission	\$654,177	\$4,514,152	(11)
Production	\$5,386,509	\$36,397,432	(12)
Admin. and General	\$268,002	\$1,528,378	
Depreciation	\$15,564	\$108,654	
<b>Total Purchase Power and Operating Expenses</b>	<b>\$6,324,252</b>	<b>\$42,548,616</b>	
<b>Operating Income</b>	<b>\$238,635</b>	<b>\$2,872,634</b>	

## NON-OPERATING REVENUE

Interest Expense on Debt	\$0	(\$252)	
Interest Income	\$199	\$11,830	
Other Non-Operating Expenses (Income)	(\$7,709)	(\$29,418)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(\$7,510)</b>	<b>(\$17,840)</b>	

## NET POSITION CHANGES

Change in Net Position	\$231,125	\$2,854,794	(13)
<b>Net Position at Beginning of Period</b>	<b>\$14,569,218</b>	<b>\$11,945,549</b>	
<b>Net Position at End of Period</b>	<b>\$14,800,343</b>	<b>\$14,800,343</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 MTD Net Income/ Positive YTD Net Income

# Indirect Statement of Cash Flows – January 2021

<b>CASH FROM OPERATING ACTIVITIES</b>			
	<b>Jan 2021</b>	<b>YTD FY2021</b>	
Net Income	\$231,125	\$2,854,794	(14)
Depreciation	15,564	108,654	
Accounts Receivable	(318,054)	390,717	(15)
Prepayments & Other Current Assets	1,236	8,651	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	649,785	2,500,004	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	(1,446)	3,234	
Other Current Liabilities	791	28,407	
Deferred Credits	(263)	(107)	
<b>Net Cash Provided by (Used in) Operation</b>	<b>\$578,737</b>	<b>\$5,894,354</b>	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
Additions to Plant	(58)	(17,678)	
Net Change in Other Prop & Invest	(20)	(11,321)	
Other - Asset Retirement Obligations	0	0	
<b>Net Cash Provided by (Used in) Investing</b>	<b>(\$78)</b>	<b>(\$29,000)</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	\$578,659	\$5,865,354	
Cash & Temp Investments Beginning of Period	\$14,228,305	\$8,941,609	
Cash & Temp Investments End of Period	\$14,806,963	\$14,806,963	(16)

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 – January 2021



## KEY FINANCIAL METRICS

FY2021 Actuals Through January 2021 + Budget

Days Cash on Hand

72.58 ▲

Target: 63.00

Leverage

6.86 ▼

Target: 7.08

Coverage of Full Obligations

1.07 ▼

Target: 1.03

Debt Service Coverage

1.07 ▼

Target: 1.04

# Financial Metrics – January 2021

## Days Cash On Hand

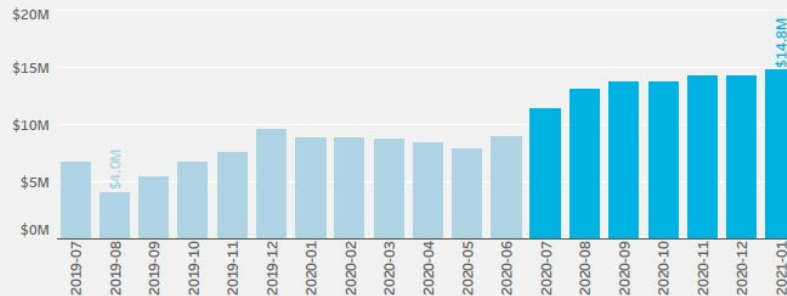
Financial flexibility - the number of days KYMEA can pay its operating expenses with the given cash available.

$$\begin{array}{rcl} \$14.8\text{M} & \div & \$203,999 \\ \text{Unrestricted Cash} & \text{Adjusted Operating Expense per Day} & \\ \$14.5\text{M EOY Projection} & \$74.46\text{M} / 365 \text{ days} & = 72.58 \\ & & \text{Days Cash on Hand} \\ & & \text{Target: 63.00} \end{array}$$

Unrestricted Cash

Adjusted Operating Expenses

Cash on Hand through Current Month



## Days Cash On Hand

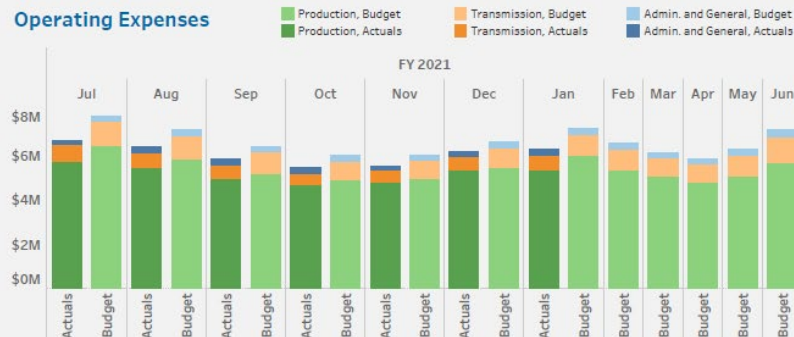
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Unrestricted Cash

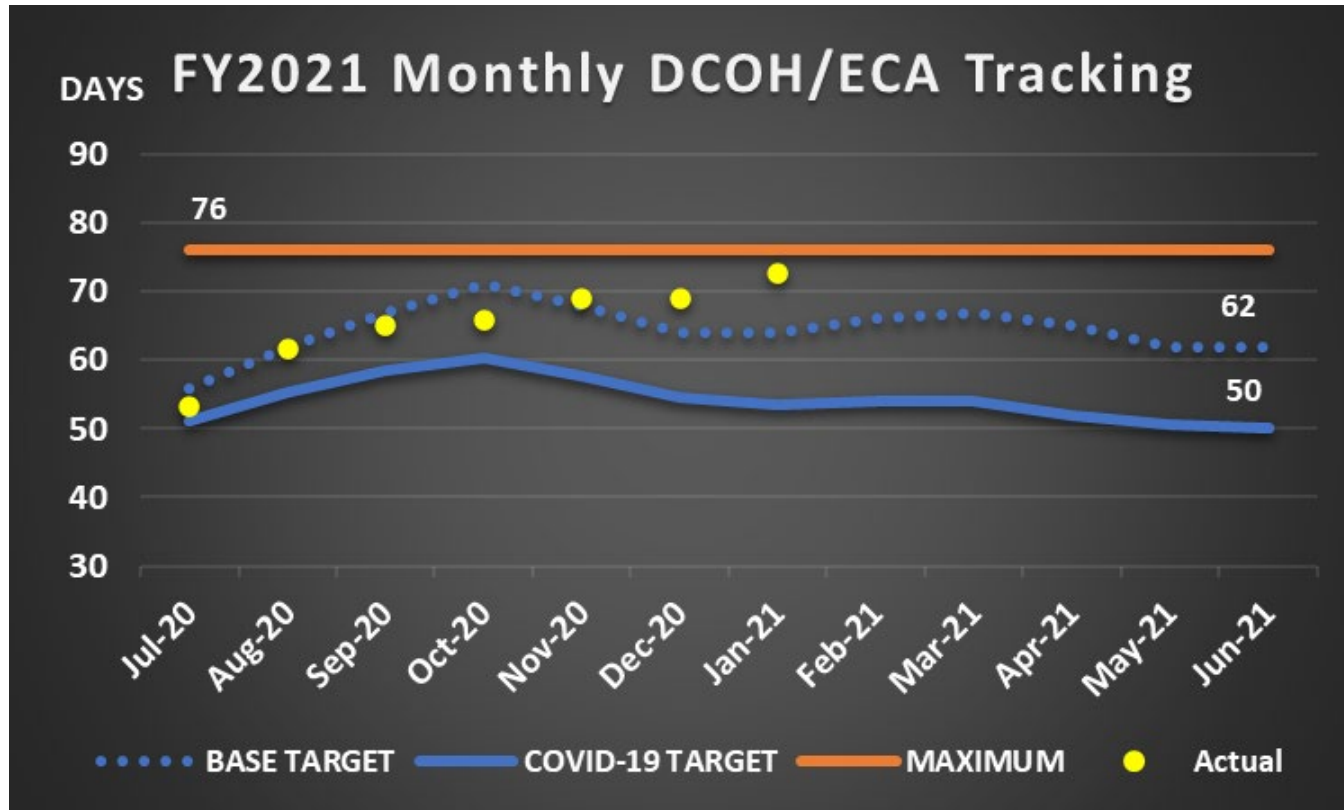
Adjusted Operating Expenses

Operating Expenses





# Financial Metrics – January 2021



# Financial Metrics – January 2021

## Leverage

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

**6.86**

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.

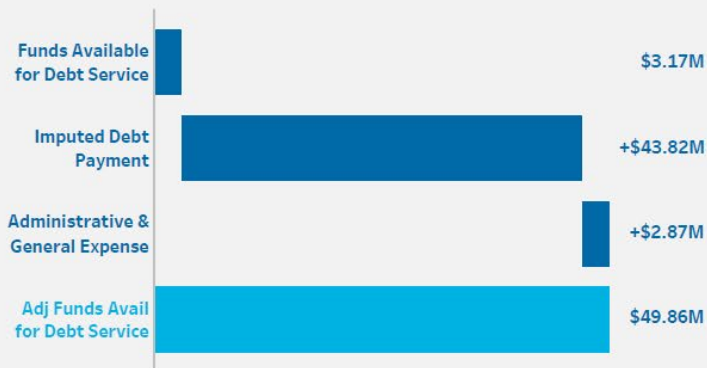
**6.86**

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

### Adjusted Funds Available for Debt Service



# Financial Metrics – January 2021

## 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

\$43.82M

Administrative &  
General Expense

\$2.87M

EBITDA &  
Interest Income

\$3.17M

## 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

\$43.82M

EBITDA &  
Interest Income

\$3.17M