



KENTUCKY MUNICIPAL ENERGY AGENCY



# Financial Presentation

March 25, 2021

Heather Overby

# Statement of Net Position – February 2021

## CURRENT ASSETS

	Feb 2021	
Cash and Investments	\$14,769,850	(1)
Other Receivables	7,526,921	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	1,236	
Total Current Assets	\$22,298,007	

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

# Statement of Net Position – February 2021

## NON-CURRENT ASSETS

Pledged Collateral	3,189,805	(3)
Investment in SEDC	757	
Fixed Assets Clearing Account	55,870	
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	(381,596)	
<b>Total Non-Current Assets</b>	<b>\$4,455,351</b>	
<b>Total Assets</b>	<b>\$26,753,358</b>	

- 3) Collateral represents \$2.4m at MISO and \$800k at PJM

# Statement of Net Position – February 2021

## LIABILITIES

Accounts Payable	12,073,151	(4)
Accrued Employee Benefits	149,336	
Accrued Interest Payable	0	
<b>Total Current Liabilities</b>	<b>\$12,222,487</b>	
Deferred Lease Liability	38,291	(5)
Line of Credit	0	(6)
<b>Total Non-Current Liabilities</b>	<b>\$38,291</b>	
<b>Total Liabilities</b>	<b>\$12,260,779</b>	

## NET POSITION

Invested in capital assets, net of related debt	1,208,919	
Restricted	384	
Unrestricted	13,283,661	
<b>Total Net Position</b>	<b>\$14,492,580</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– February 2021

## OPERATING REVENUE

	Feb 2021	YTD FY2021	
Sales to Members	\$6,644,001	\$51,292,994	(8)
RTO Market Revenue	\$12,694	\$202,966	(9)
Transmission Services	\$137,152	\$719,138	(10)
Miscellaneous Revenue	\$0	\$0	
<b>Total Operating Revenue (Expenses)</b>	<b>\$6,793,847</b>	<b>\$52,215,098</b>	

## OPERATING EXPENSES

Transmission	\$744,654	\$5,258,806	(11)
Production	\$6,232,973	\$42,630,405	(12)
Admin. and General	\$102,879	\$1,631,257	
Depreciation	\$15,564	\$124,217	
<b>Total Purchase Power and Operating Expenses</b>	<b>\$7,096,069</b>	<b>\$49,644,685</b>	
<b>Operating Income</b>	<b>(\$302,222)</b>	<b>\$2,570,412</b>	

## NON-OPERATING REVENUE

Interest Expense on Debt	\$0	(\$252)	
Interest Income	\$13	\$11,843	
Other Non-Operating Expenses (Income)	(\$5,555)	(\$34,973)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(\$5,542)</b>	<b>(\$23,382)</b>	

## NET POSITION CHANGES

Change in Net Position	(\$307,764)	\$2,547,030	(13)
<b>Net Position at Beginning of Period</b>	<b>\$14,800,343</b>	<b>\$11,945,549</b>	
<b>Net Position at End of Period</b>	<b>\$14,492,580</b>	<b>\$14,492,580</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 – February 2021

<b>CASH FROM OPERATING ACTIVITIES</b>	<b>Feb 2021</b>	<b>YTD FY2021</b>	
Net Income	(\$307,764)	\$2,547,030	(14)
Depreciation	15,564	124,217	
Accounts Receivable	(297,392)	93,325	(15)
Prepayments & Other Current Assets	1,236	9,887	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	1,099,688	3,599,692	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	349	3,583	
Other Current Liabilities	5,437	33,844	
Deferred Credits	(263)	(369)	
<b>Net Cash Provided by (Used in) Operation</b>	<b>\$516,855</b>	<b>\$6,411,209</b>	
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>			
Additions to Plant	(53,956)	(71,634)	
Net Change in Other Prop & Invest	(500,013)	(511,334)	
Other - Asset Retirement Obligations	0	0	
<b>Net Cash Provided by (Used in) Investing</b>	<b>(\$553,969)</b>	<b>(\$582,968)</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	(\$37,113)	\$5,828,241	
Cash & Temp Investments Beginning of Period	\$14,806,963	\$8,941,609	
Cash & Temp Investments End of Period	\$14,769,850	\$14,769,850	(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 – February 2021



## KEY FINANCIAL METRICS

FY2021 Actuals Through February 2021 + Budget

Days Cash on Hand

71.89 ▼

Target: 63.00

Leverage

6.95 ▲

Target: 7.08

Coverage of Full Obligations

1.06 ▼

Target: 1.03

Debt Service Coverage

1.06 ▼

Target: 1.04

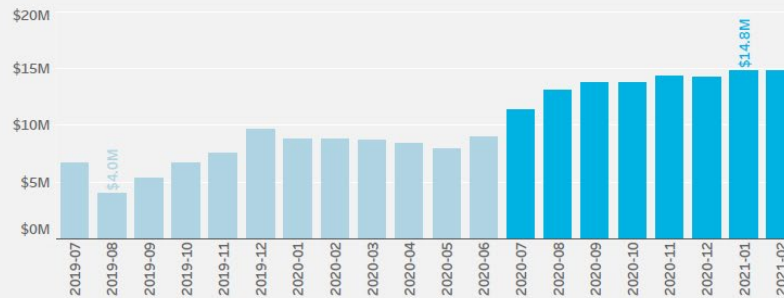
# Financial Metrics – February 2021

## Days Cash On Hand

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

$$\begin{array}{rcl} \$14.8\text{M} & \div & \$205,449 \\ \text{Unrestricted Cash} & \text{Adjusted Operating Expense per Day} & \\ \$14.2\text{M EOY Projection} & \$74.99\text{M} / 365 \text{ days} & \\ & = & 71.89 \\ & & \text{Days Cash on Hand} \\ & & \text{Target: 63.00} \end{array}$$

Cash on Hand through Current Month



Unrestricted Cash

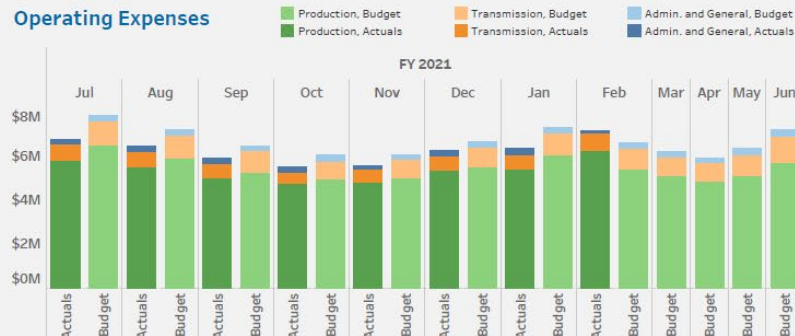
Adjusted Operating Expenses

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Operating Expenses

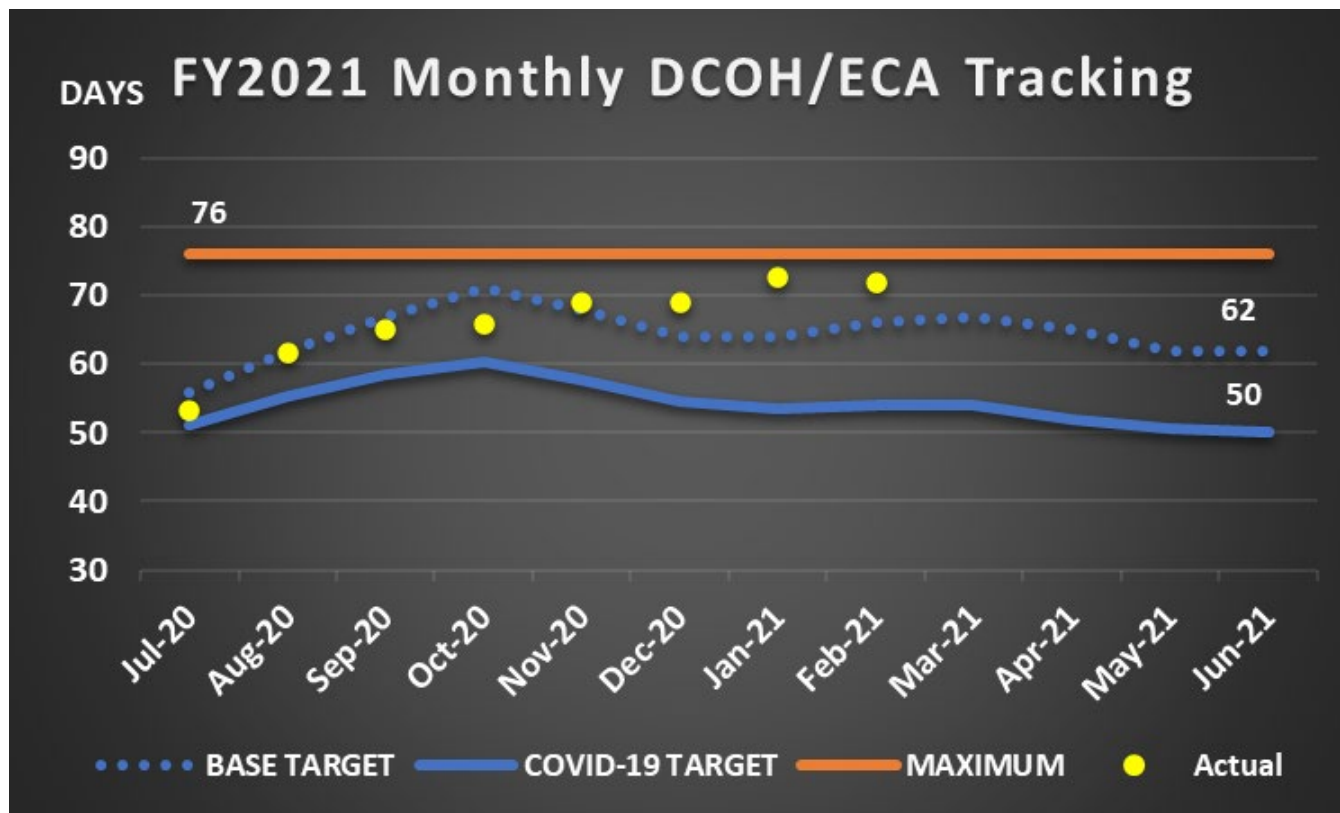


Unrestricted Cash

Adjusted Operating Expenses



# Financial Metrics – February 2021



# Financial Metrics – February 2021

## Leverage

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

**6.95**

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.

**6.95**

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available  
for Debt Service

## Adjusted Funds Available for Debt Service



# Financial Metrics – February 2021

## 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

\$43.64M

Administrative &  
General Expense

\$2.72M

EBITDA &  
Interest Income

\$2.67M

## 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

\$43.64M

EBITDA &  
Interest Income

\$2.67M