



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

April 22, 2021

Heather Overby

Statement of Net Position – March 2021

CURRENT ASSETS

	Mar 2021	
Cash and Investments	\$14,863,867	(1)
Other Receivables	6,203,666	(2)
Interest Receivable	0	
Prepayments & Other Current Assets	0	
Total Current Assets	\$21,067,533	

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

Statement of Net Position – March 2021

NON-CURRENT ASSETS

Pledged Collateral	3,189,818	(3)
Investment in SEDC	949	
Fixed Assets Clearing Account	74,729	
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	(397,159)	
Total Non-Current Assets	\$4,458,852	
Total Assets	\$25,526,385	

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

Statement of Net Position – March 2021

LIABILITIES

Accounts Payable	11,119,286	(4)
Accrued Employee Benefits	156,039	
Accrued Interest Payable	0	
Total Current Liabilities	\$11,275,326	
Deferred Lease Liability	38,029	(5)
Line of Credit	0	(6)
Total Non-Current Liabilities	\$38,029	
Total Liabilities	\$11,313,354	

NET POSITION

Invested in capital assets, net of related debt	1,268,085	
Restricted	384	
Unrestricted	12,944,562	
Total Net Position	\$14,213,031	(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– March 2021

OPERATING REVENUE

	Mar 2021	YTD FY2021	
Sales to Members	\$5,405,538	\$56,698,532	(8)
RTO Market Revenue	\$11,030	\$213,996	(9)
Transmission Services	\$121,283	\$840,420	(10)
Miscellaneous Revenue	\$0	\$0	
Total Operating Revenue (Expenses)	\$5,537,851	\$57,752,949	

OPERATING EXPENSES

Transmission	\$689,731	\$5,948,538	(11)
Production	\$4,885,548	\$47,515,953	(12)
Admin. and General	\$215,811	\$1,847,068	
Depreciation	\$15,564	\$139,781	
Total Purchase Power and Operating Expenses	\$5,806,654	\$55,451,339	
Operating Income	(\$268,803)	\$2,301,609	

NON-OPERATING REVENUE

Interest Expense on Debt	(\$4,521)	(\$4,773)	
Interest Income	\$357	\$12,200	
Other Non-Operating Expenses (Income)	(\$6,582)	(\$41,555)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$10,746)	(\$34,128)	

NET POSITION CHANGES

Change in Net Position	(\$279,549)	\$2,267,482	(13)
Net Position at Beginning of Period	\$14,492,580	\$11,945,549	
Net Position at End of Period	\$14,213,031	\$14,213,031	

- 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 – March 2021

CASH FROM OPERATING ACTIVITIES	Mar 2021	YTD FY2021	
Net Income	(\$279,549)	\$2,267,482	(14)
Depreciation	15,564	139,781	
Accounts Receivable	1,323,255	1,416,580	(15)
Prepayments & Other Current Assets	1,236	11,123	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	(955,115)	2,644,577	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	1,250	4,833	
Other Current Liabilities	6,703	40,547	
Deferred Credits	(263)	(632)	
Net Cash Provided by (Used in) Operation	\$113,082	\$6,524,291	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant	(18,860)	(90,494)	
Net Change in Other Prop & Invest	(205)	(511,539)	
Other - Asset Retirement Obligations	0	0	
Net Cash Provided by (Used in) Investing	(\$19,065)	(\$602,033)	
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Long Term Borrowings	0	0	
Other	0	0	
Net Cash Provided By (Used in) Financing	\$0	\$0	
NET INCREASE (DECREASE) IN CASH & TEMP INVESTMENTS			
Net Increase (Decrease) in Cash & Temp Investments	\$94,017	\$5,922,258	
Cash & Temp Investments Beginning of Period	\$14,769,850	\$8,941,609	
Cash & Temp Investments End of Period	\$14,863,867	\$14,863,867	(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 – March 2021



KEY FINANCIAL METRICS

FY2021 Actuals Through March 2021 + Budget

Days Cash on Hand

72.69 ▲

Target: 63.00

Leverage

6.96 ▲

Target: 7.08

Coverage of Full Obligations

1.06 ▼

Target: 1.03

Debt Service Coverage

1.06 ▼

Target: 1.04

Financial Metrics – March 2021

Days Cash On Hand

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

\$14.9M

Unrestricted Cash

\$14.1M EOY Projection

\$204,493

Adjusted Operating Expense per Day

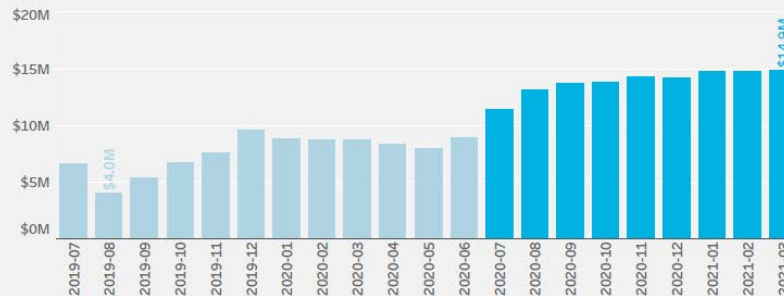
\$74.64M / 365 days

72.69

Days Cash on Hand

Target: 63.00

Cash on Hand through Current Month



Unrestricted Cash

Adjusted Operating Expenses

Days Cash On Hand

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

\$14.9M

Unrestricted Cash

\$14.1M EOY Projection

\$204,493

Adjusted Operating Expense per Day

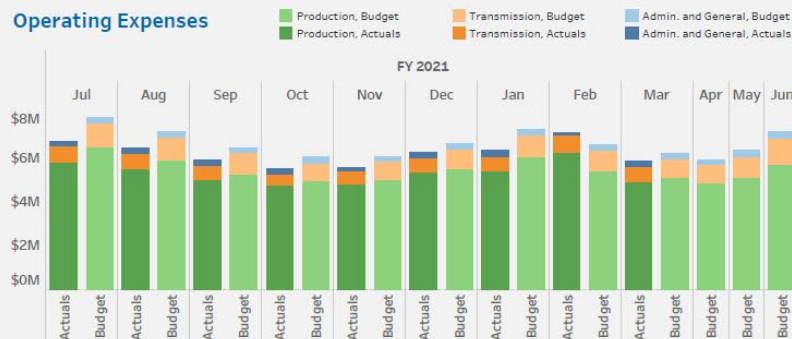
\$74.64M / 365 days

72.69

Days Cash on Hand

Target: 63.00

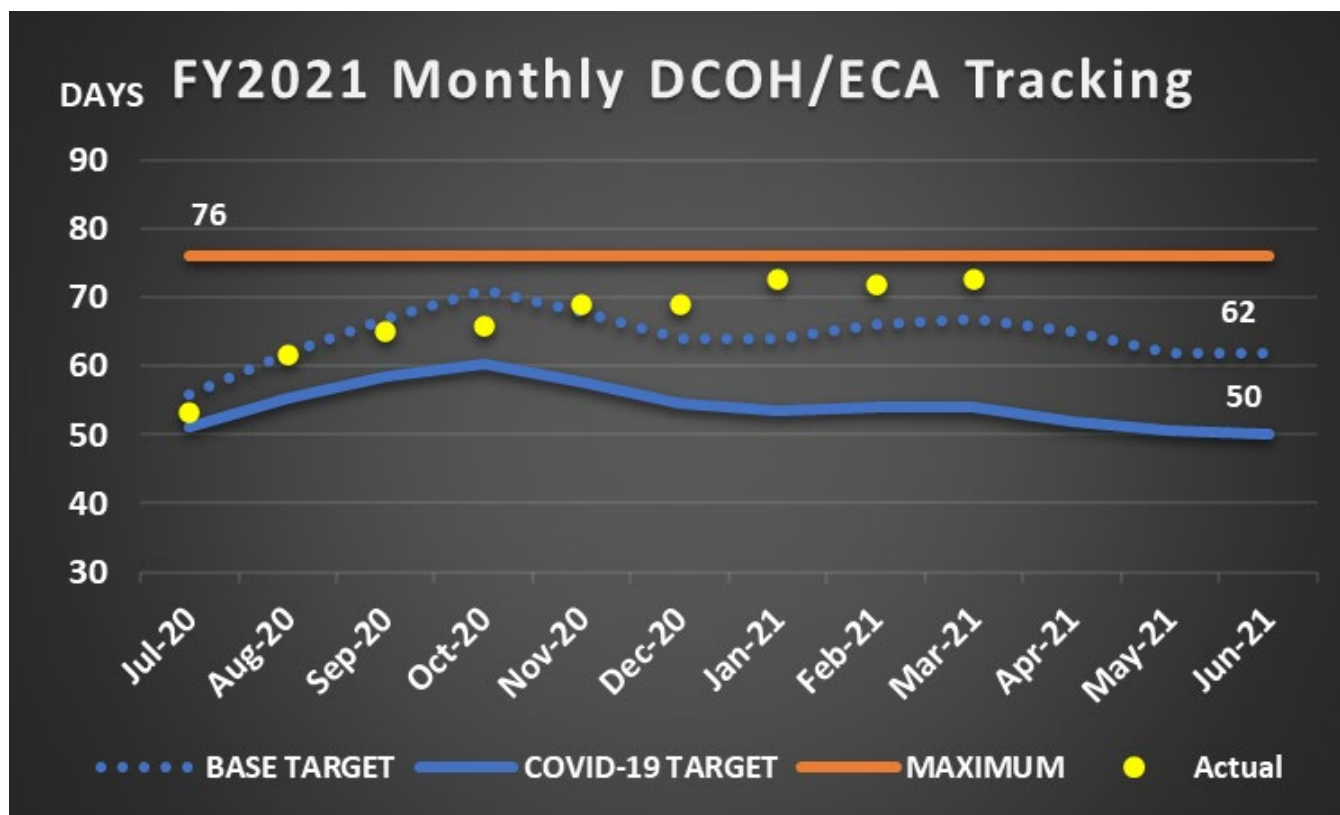
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – March 2021



Financial Metrics – March 2021

Leverage

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

6.96

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.

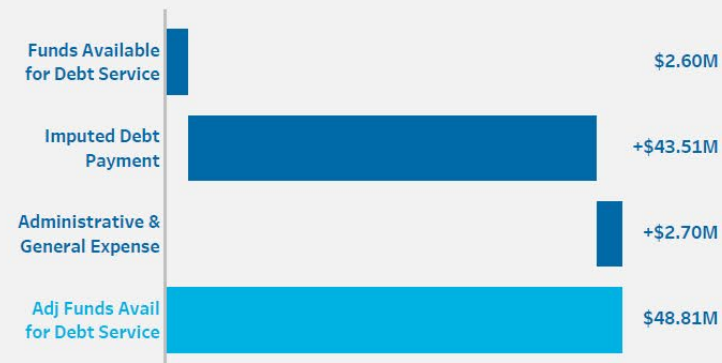
6.96

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – March 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

\$43.51M

Administrative &
General Expense

\$2.70M

EBITDA &
Interest Income

\$2.60M

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

\$43.51M

EBITDA &
Interest Income

\$2.60M