



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

June 24, 2021

Heather Overby

Statement of Net Position – May 2021

CURRENT ASSETS

May 2021

| | | |
|------------------------------------|---------------------|-----|
| Cash and Investments | \$14,121,568 | (1) |
| Other Receivables | 6,703,854 | (2) |
| Interest Receivable | 0 | |
| Prepayments & Other Current Assets | 0 | |
| Total Current Assets | \$20,825,423 | |

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

Statement of Net Position – May 2021

NON-CURRENT ASSETS

| | | |
|---------------------------------|---------------------|-----|
| Pledged Collateral | 3,189,832 | (3) |
| Investment in SEDC | 949 | |
| Fixed Assets Clearing Account | 92,206 | |
| Office Buildout | 260,238 | |
| Meters - AR Project | 215,985 | |
| Meter Comm Equipment | 330,672 | |
| General Plant | 784,575 | |
| Construction Work In Progress | 0 | |
| Less Accumulated Depreciation | (428,309) | |
| Total Non-Current Assets | \$4,446,149 | |
| Total Assets | \$25,271,572 | |

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

Statement of Net Position – May 2021

LIABILITIES

| | | |
|--------------------------------------|---------------------|-----|
| Accounts Payable | 11,176,135 | (4) |
| Accrued Employee Benefits | 161,797 | |
| Accrued Interest Payable | 9,042 | |
| Total Current Liabilities | \$11,346,973 | |
| Deferred Lease Liability | 37,504 | (5) |
| Line of Credit | 0 | (6) |
| Total Non-Current Liabilities | \$37,504 | |
| Total Liabilities | \$11,384,477 | |

NET POSITION

| | | |
|---|---------------------|-----|
| Invested in capital assets, net of related debt | 1,255,367 | |
| Restricted | 384 | |
| Unrestricted | 12,631,343 | |
| Total Net Position | \$13,887,094 | (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– May 2021

OPERATING REVENUE

| | May 2021 | YTD FY2021 | |
|---|--------------------|---------------------|------|
| Sales to Members | \$6,105,288 | \$67,906,280 | (8) |
| RTO Market Revenue | \$12,412 | \$237,715 | (9) |
| Transmission Services | \$75,983 | \$996,621 | (10) |
| Miscellaneous Revenue | \$6,000 | \$8,000 | |
| Total Operating Revenue (Expenses) | \$6,199,683 | \$69,148,616 | |

OPERATING EXPENSES

| | | | |
|--|--------------------|---------------------|------|
| Transmission | \$919,651 | \$7,637,155 | (11) |
| Production | \$4,847,848 | \$57,047,530 | (12) |
| Admin. and General | \$236,883 | \$2,296,944 | |
| Depreciation | \$15,575 | \$170,931 | |
| Total Purchase Power and Operating Expenses | \$6,019,957 | \$67,152,560 | |
| Operating Income | \$179,726 | \$1,996,056 | |

NON-OPERATING REVENUE

| | | | |
|--|-------------------|-------------------|--|
| Interest Expense on Debt | (\$9,042) | (\$13,814) | |
| Interest Income | \$7 | \$12,214 | |
| Other Non-Operating Income (Expense) | (\$5,761) | (\$52,911) | |
| Regulatory Credit/Debit - Cost to be Recovered | \$0 | \$0 | |
| Total Non-Operating Revenues (Expenses) | (\$14,795) | (\$54,511) | |

NET POSITION CHANGES

| | | | |
|--|---------------------|---------------------|-------------|
| Change in Net Position | \$164,931 | \$1,941,545 | (13) |
| Net Position at Beginning of Period | \$13,722,164 | \$11,945,549 | |
| Net Position at End of Period | \$13,887,094 | \$13,887,094 | |

- 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 – May 2021

| CASH FROM OPERATING ACTIVITIES | May 2021 | YTD FY2021 |
|--|------------------|--------------------|
| Net Income | \$164,931 | \$1,941,545 |
| Depreciation | 15,575 | 170,931 |
| Accounts Receivable | (339,351) | 916,391 |
| Prepayments & Other Current Assets | | 11,123 |
| Deferred Debits | 0 | 0 |
| Other Reg Assets & Deferred Outflow of Resources | 0 | 0 |
| Accounts Payable | 275,400 | 2,699,695 |
| Collateral Deposits | 0 | 0 |
| Taxes & Interest Accrued | 9,803 | 15,606 |
| Other Current Liabilities | (478) | 46,305 |
| Deferred Credits | (263) | (1,157) |
| Net Cash Provided by (Used in) Operation | \$125,617 | \$5,800,439 |

CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES

| | | |
|---|----------------|--------------------|
| Additions to Plant | (747) | (108,927) |
| Net Change in Other Prop & Invest | (7) | (511,553) |
| Other - Asset Retirement Obligations | 0 | 0 |
| Net Cash Provided by (Used in) Investing | (\$754) | (\$620,480) |

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 | \$124,863 | \$5,179,959 |
| Cash & Temp Investments Beginning of Period | \$13,996,705 | \$8,941,609 |
| Cash & Temp Investments End of Period | \$14,121,568 | \$14,121,568 |

(14)

(15)

(15)

(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 – May 2021



KEY FINANCIAL METRICS

FY2021 Actuals Through May 2021 + Budget

Days Cash on Hand

69.52 ▲

Target: 63.00

Leverage

6.97 ▼

Target: 7.08

Coverage of Full Obligations

1.06 ▲

Target: 1.03

Debt Service Coverage

1.06 ▲

Target: 1.04

Financial Metrics – May 2021

Days Cash On Hand

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

\$14.1M

Unrestricted Cash

\$14.0M EOY Projection

\$203,135

Adjusted Operating Expense per Day

\$74.14M / 365 days

69.52

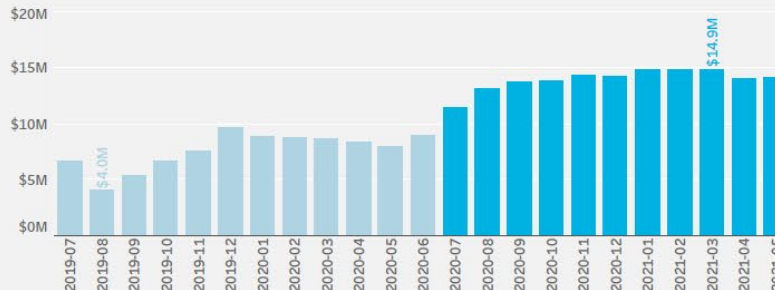
Days Cash on Hand

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.

\$14.1M

Unrestricted Cash

\$14.0M EOY Projection

\$203,135

Adjusted Operating Expense per Day

\$74.14M / 365 days

69.52

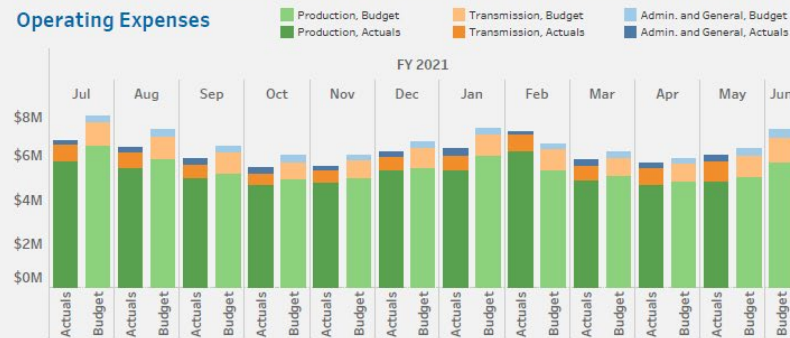
Days Cash on Hand

Target: 63.00

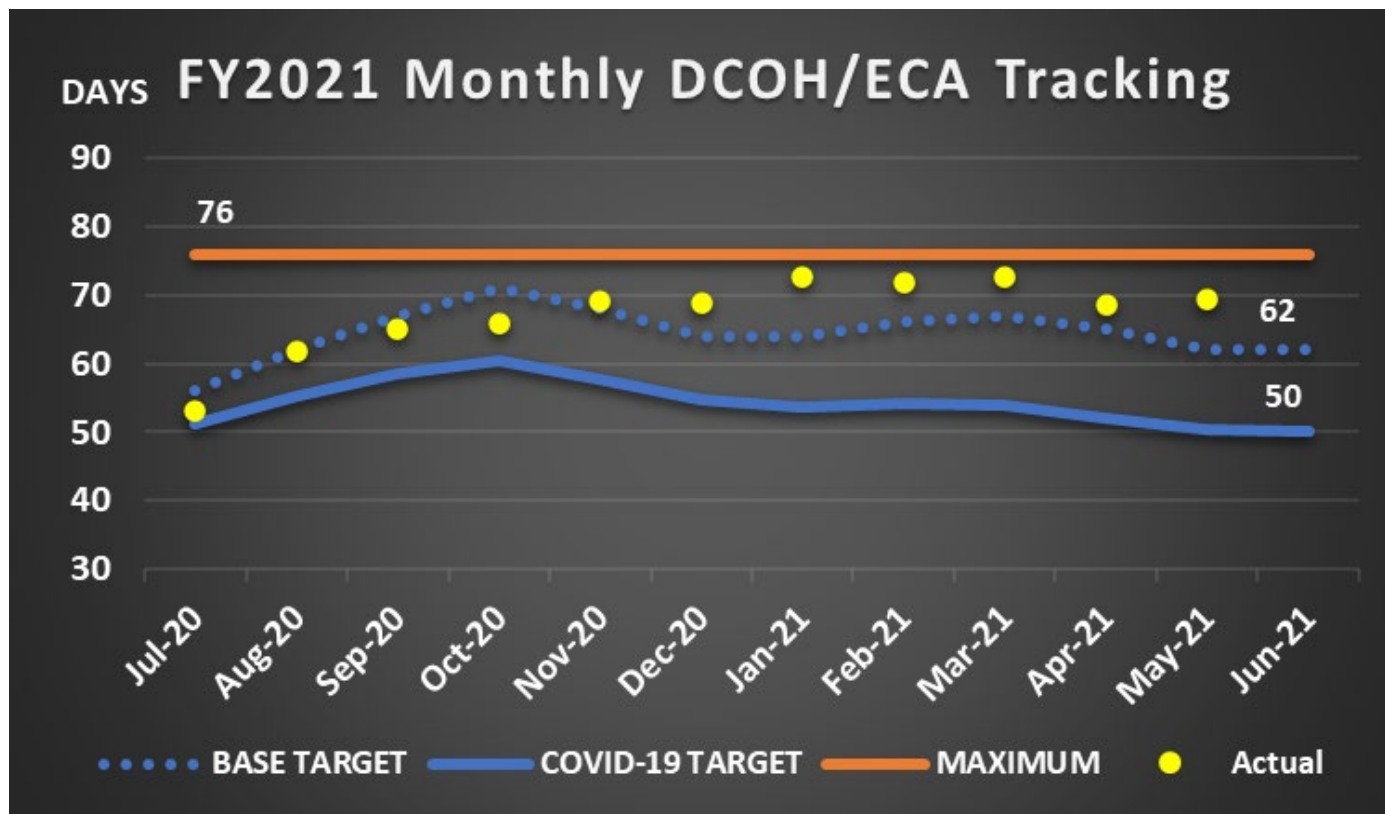
Unrestricted Cash

Adjusted Operating Expenses

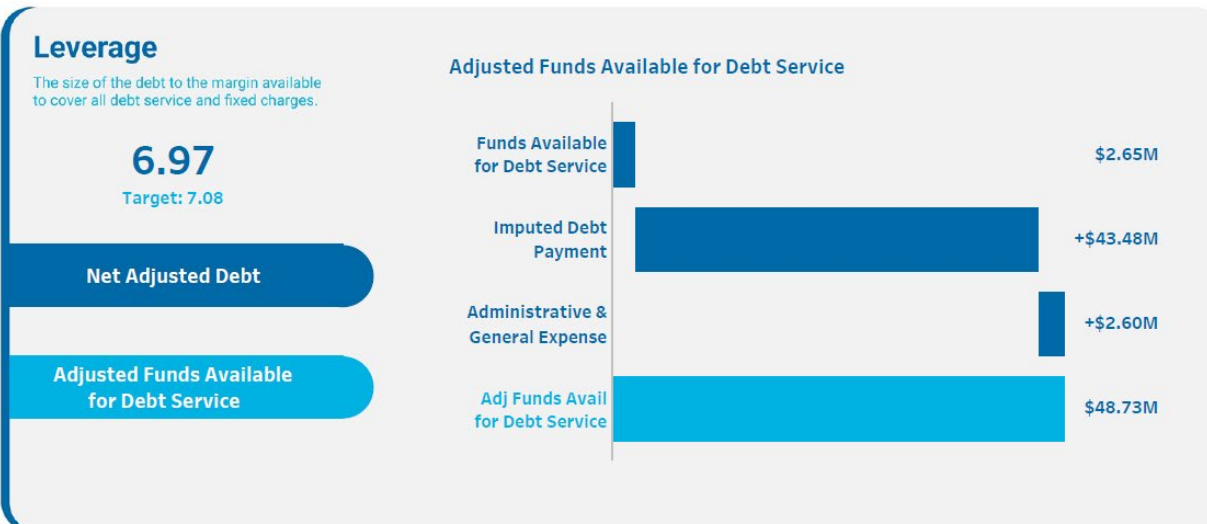
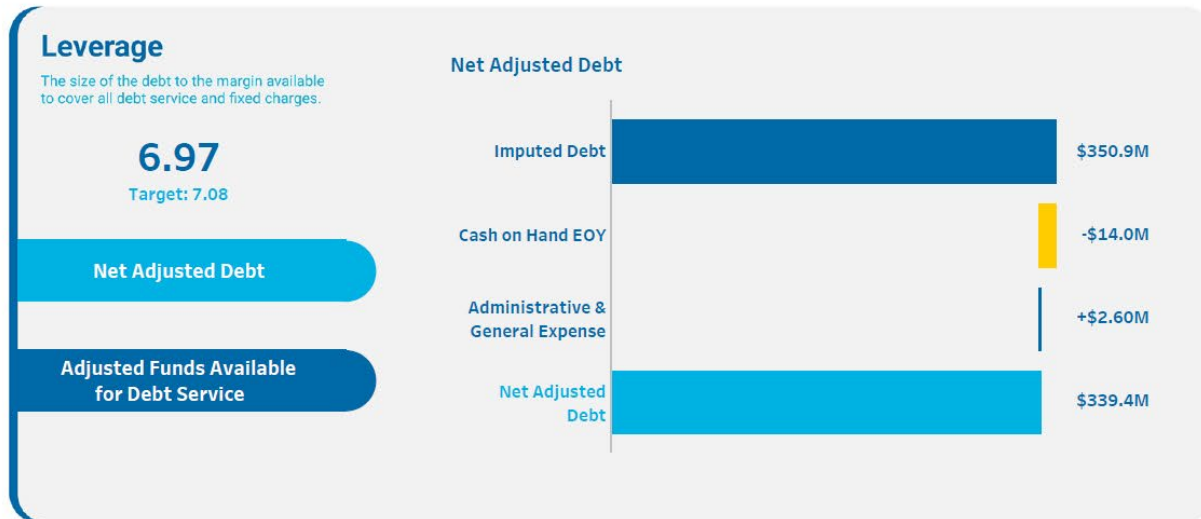
Operating Expenses



Financial Metrics – May 2021



Financial Metrics – May 2021



Financial Metrics – May 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

\$43.48M

Administrative &
General Expense

\$2.60M

EBITDA &
Interest Income

\$2.65M

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

\$43.48M

EBITDA &
Interest Income

\$2.65M