



KENTUCKY MUNICIPAL ENERGY AGENCY



Financial Presentation

July 21, 2021

Heather Overby

Statement of Net Position – June 2021

DRAFT

CURRENT ASSETS

	Jun 2021
Cash and Investments	\$14,432,906 (1)
Other Receivables	7,641,063 (2)
Interest Receivable	0
Prepayments & Other Current Assets	0
Total Current Assets	\$22,073,969

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

Statement of Net Position – June 2021

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NON-CURRENT ASSETS

Pledged Collateral	3,189,845	(3)
Investment in SEDC	949	
Fixed Assets Clearing Account	104,330	
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	(443,884)	
Total Non-Current Assets	\$4,442,710	
Total Assets	\$26,516,679	

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

Statement of Net Position – June 2021

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LIABILITIES

Accounts Payable	11,981,639	(4)
Accrued Employee Benefits	162,824	
Accrued Interest Payable	13,271	
Total Current Liabilities	\$12,157,733	
Deferred Lease Liability	37,241	(5)
Line of Credit	0	(6)
Total Non-Current Liabilities	\$37,241	
Total Liabilities	\$12,194,975	

NET POSITION

Invested in capital assets, net of related debt	1,251,916	
Restricted	3,189,845	
Unrestricted	9,879,944	
Total Net Position	\$14,321,705	(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– June 2021

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OPERATING REVENUE

	Jun 2021	YTD FY2021	
Sales to Members	\$7,265,849	\$75,172,129	(8)
RTO Market Revenue	\$35,097	\$272,812	(9)
Transmission Services	\$95,612	\$1,092,233	(10)
Miscellaneous Revenue	\$4,000	\$12,000	
Total Operating Revenue (Expenses)	\$7,400,558	\$76,549,174	

OPERATING EXPENSES

Transmission	\$1,199,331	\$8,836,485	(11)
Production	\$5,474,466	\$62,521,996	(12)
Admin. and General	\$266,345	\$2,563,289	
Depreciation	\$15,575	\$186,506	
Total Purchase Power and Operating Expenses	\$6,955,717	\$74,108,277	
Operating Income	\$444,841	\$2,440,898	

NON-OPERATING REVENUE

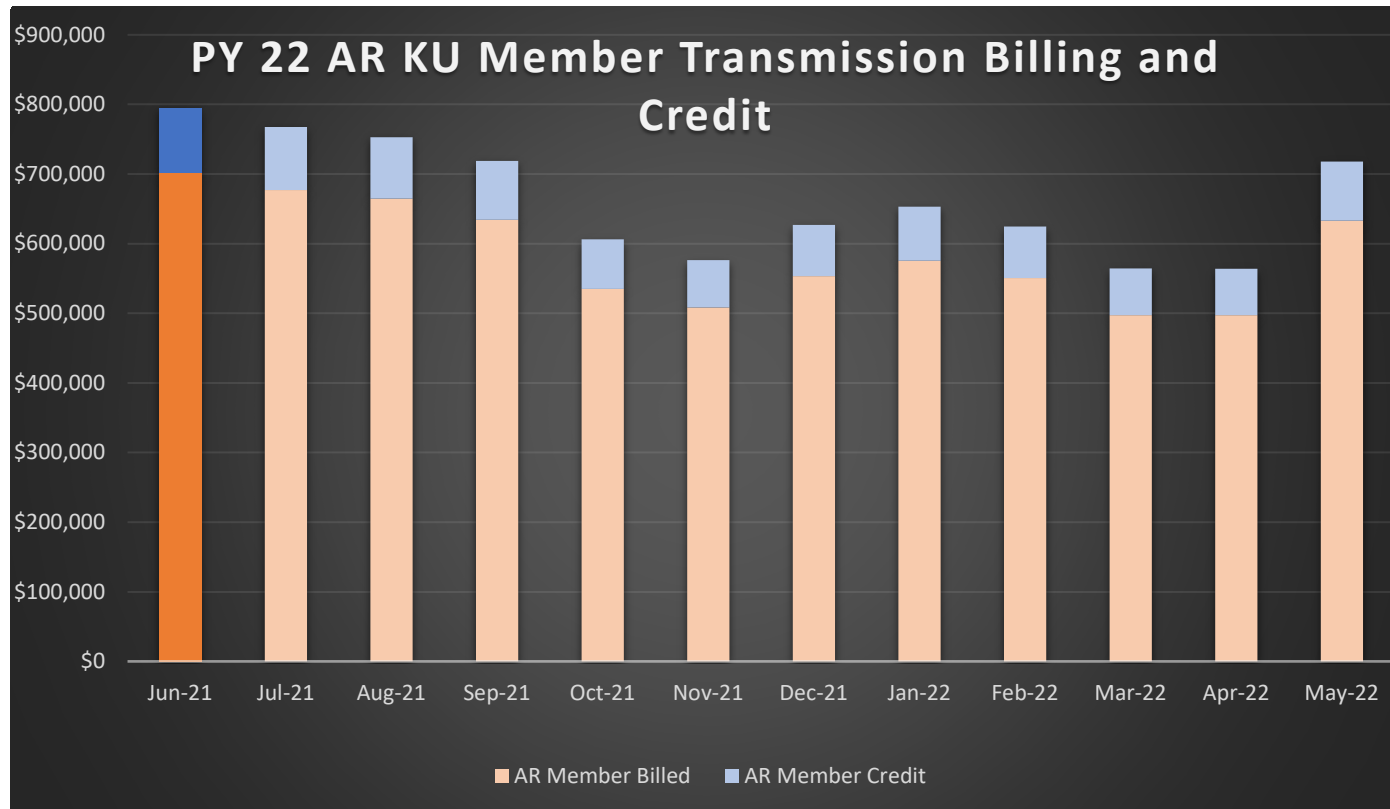
Interest Expense on Debt	(\$4,229)	(\$18,044)	
Interest Income	\$13	\$12,227	
Other Non-Operating Income (Expense)	(\$6,015)	(\$58,926)	
Regulatory Credit/Debit - Cost to be Recovered	\$0	\$0	
Total Non-Operating Revenues (Expenses)	(\$10,231)	(\$64,742)	

NET POSITION CHANGES

Change in Net Position	\$434,610	\$2,376,155	(13)
Net Position at Beginning of Period	\$13,887,094	\$11,945,549	
Net Position at End of Period	\$14,321,705	\$14,321,705	

- 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

KU Transmission Billing and Credit –June 2021



Cumulative AR Transmission Credit: \$93,395

Indirect Statement of Cash Flows – June 2021

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CASH FROM OPERATING ACTIVITES	Jun 2021	YTD FY2021	
Net Income	\$434,610	\$2,376,155	(14)
Depreciation	15,575	186,506	
Accounts Receivable	(937,209)	(20,817)	(15)
Prepayments & Other Current Assets		11,123	
Deferred Debits	0	0	
Other Reg Assets & Deferred Outflow of Resources	0	0	
Accounts Payable	804,488	3,504,182	(15)
Collateral Deposits	0	0	
Taxes & Interest Accrued	5,245	20,852	
Other Current Liabilities	1,027	47,332	
Deferred Credits	(263)	(1,419)	
Net Cash Provided by (Used in) Operation	\$323,474	\$6,123,913	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Additions to Plant	(12,123)	(121,050)	
Net Change in Other Prop & Invest	(13)	(511,566)	
Other - Asset Retirement Obligations	0	0	
Net Cash Provided by (Used in) Investing	(\$12,137)	(\$632,616)	
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	\$311,337	\$5,491,297	
Cash & Temp Investments Beginning of Period	\$14,121,568	\$8,941,609	
Cash & Temp Investments End of Period	\$14,432,906	\$14,432,906	(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 – June 2021

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KEY FINANCIAL METRICS

FY2021 Actuals Through June 2021 + Budget

Days Cash on Hand

71.26 ▲

Target: 63.00

Leverage

6.98 ▲

Target: 7.08

Coverage of Full Obligations

1.06 ▼

Target: 1.03

Debt Service Coverage

1.06 ▼

Target: 1.04

Financial Metrics – June 2021

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Days Cash On Hand

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

\$14.4M

Unrestricted Cash

\$14.4M EOY Projection

\$202,525

Adjusted Operating Expense per Day

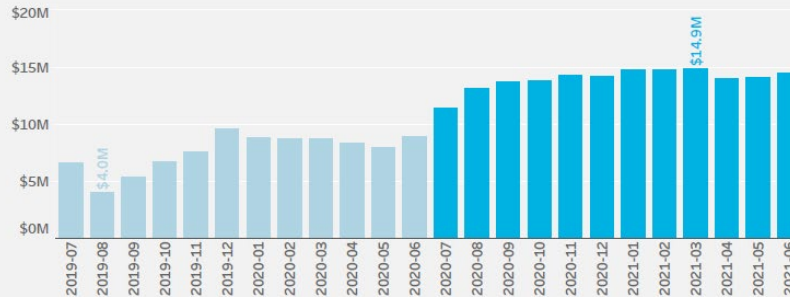
\$73.92M / 365 days

71.26

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.

\$14.4M

Unrestricted Cash

\$14.4M EOY Projection

\$202,525

Adjusted Operating Expense per Day

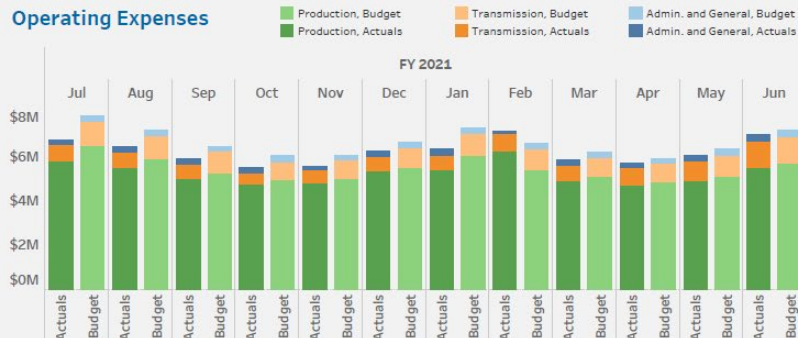
\$73.92M / 365 days

71.26

Days Cash on Hand

Target: 63.00

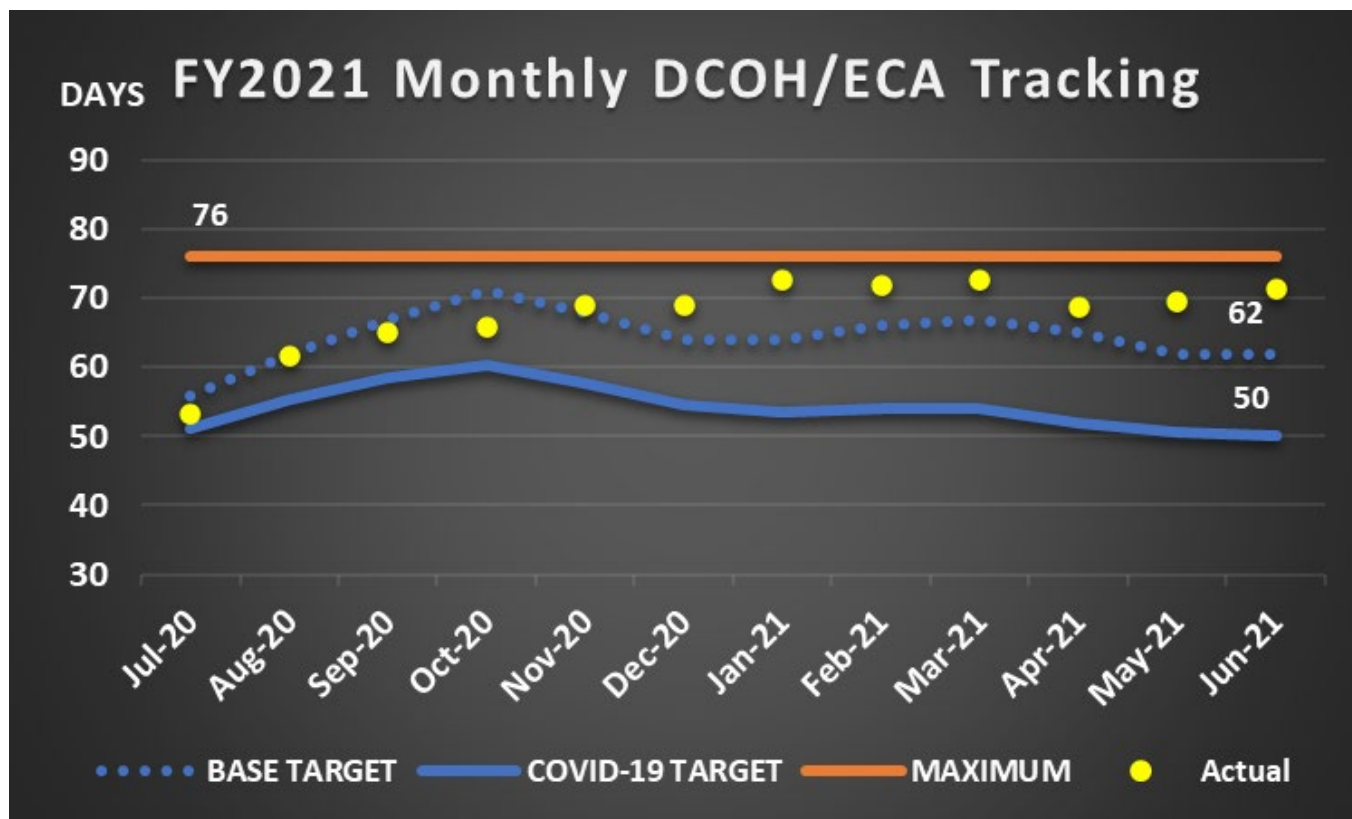
Operating Expenses



Unrestricted Cash

Adjusted Operating Expenses

Financial Metrics – June 2021



Financial Metrics – June 2021

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Leverage

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

6.98

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.

6.98

Target: 7.08

Net Adjusted Debt

Adjusted Funds Available
for Debt Service

Adjusted Funds Available for Debt Service



Financial Metrics – June 2021

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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

\$2.56M

EBITDA &
Interest Income

\$2.54M

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

\$2.54M