



Finance Committee
Virtual Meeting
Municipal Energy Agency of Nebraska
Office of NMPP Energy – 8377 Glynoaks Dr, Lincoln, NE 68516
May 15, 2025 – 10:30 a.m. (CT)

• AGENDA •

All agenda items are for discussion and action will be taken as deemed appropriate. Potential action items may include but not be limited to items indicated with an asterisk.*

1. Call to Order
 - A. Nebraska Open Meetings Act - Section 84-1412(8)
 - B. Roll Call
2. Public Comment Period2
(Public Participation Policy applies. See www.nmppenergy.org/about/board-meetings)
3. Consent Agenda
 - A. Approval of minutes from the January 22, 2025 meeting
 - B. Next meeting
 - C. Consent Resolution*3
4. Financial Report.....4
 - A. Forvis Mazars Pre-Audit Communication Letter5
5. Considerations related to Preliminary Fiscal Year 2024-2025 Financial Results6
6. Adjourn

MEAN Finance Committee

PUBLIC COMMENT PERIOD

Date:	May 15, 2025
Initiator/Staff Information Source:	Committee Chair
Action Proposed:	Informational

Members of the public are invited to attend the meeting and speak during the Public Comment Period, subject to the Public Participation Policy published under MEAN's board information section on NMPP Energy's website [**https://www.nmppenergy.org/about/board-meetings**](https://www.nmppenergy.org/about/board-meetings). The Comment Period will be available on a first-come, first-served basis. The sign-up form for individuals interested in making public comments at the May 15, 2025 meeting is available at the link above or here: [Sign Up Form](#)

MEAN Finance Committee

CONSENT AGENDA

Date: May 15, 2025
Initiator/Staff Information Source: Stacy Hendricks
Action Proposed: Approval

Minutes

Minutes of the January 22, 2025 meeting were previously distributed and are included as Attachment A of the meeting packet. If any changes or corrections need to be made, please contact Stacy Hendricks at 800-234-2595.

Next Meeting

The next meeting of the MEAN Finance Committee will be held on May 21, 2025 at the Younes Conference Center South, located at 416 W Talmadge Rd. in Kearney, Nebraska.

Consent Resolution

WHEREAS, certain business of the Finance Committee of the Municipal Energy Agency of Nebraska (MEAN) transpires on a regular and routine basis or is not of a controversial nature; and,

WHEREAS, roll-call votes on each individual issue greatly extended the meeting time.

NOW, THEREFORE, BE IT RESOLVED BY THE MEAN Finance Committee that in the interest of economizing time, yet complying with the Open Meetings Act of the State of Nebraska, which requires roll-call voting, the following issues are hereby consolidated in this Consent Resolution:

BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the minutes of the January 22, 2025 meeting are hereby approved.

BE IT FURTHER RESOLVED BY the MEAN Finance Committee that the next meeting will be held on Wednesday, May 21, 2025 at the Younes Conference Center South, 416 W Talmadge Rd., Kearney, Nebraska.

MEAN Finance Committee

FINANCIAL REPORT

Date: May 15, 2025
Initiator/Staff Information Source: Jamie Johnson
Action Proposed: Information

MEAN financials for December 2024, January 2024 and February 2024 have been previously distributed. Jamie Johnson, Director of Finance and Accounting, will review the financials for MEAN including preliminary Fiscal Year 2024-2025 results in greater detail at the meeting.

A summary for MEAN is included below and on the following page.

Municipal Energy Agency of Nebraska

Balance Sheets - PRELIMINARY

	March 2025	March 2024	\$ +/-
Assets and Deferred Outflows of Resources			
Unrestricted funds	\$ 50,045,906	\$ 50,243,899	\$ (197,993)
Accounts receivable	22,651,855	18,463,127	4,188,728
Prepaid expenses and other	600,779	400,943	199,836
Productive capacity operating assets	3,788,084	4,354,061	(565,977)
Restricted funds	19,707,825	19,300,423	407,402
Productive capacity and lease assets, net	110,902,181	115,262,407	(4,360,226)
Capital and subscription assets, net	5,909,200	6,375,709	(466,509)
Costs recoverable from future billings	39,513,568	40,805,737	(1,292,169)
Deferred outflows - deferred loss on refunding	4,443,480	4,760,872	(317,392)
Deferred outflows - costs for asset retirement obligation	433,292	749,476	(316,184)
Total assets and deferred outflows of resources	\$ 257,996,170	\$ 260,716,654	\$ (2,720,484)
Liabilities, Deferred Inflows of Resources, and Net Position			
Accounts payable and accrued expenses	11,079,689	12,291,923	(1,212,234)
Accrued interest payable	2,482,962	2,636,308	(153,346)
Lease liability	22,640,114	22,898,414	(258,300)
Subscription liabilities	2,081,133	2,354,181	(273,048)
Long-term debt, net	122,683,752	129,439,415	(6,755,663)
Asset retirement obligation	433,292	749,476	(316,184)
Deferred inflows of resources - rate stabilization	26,600,000	27,600,000	(1,000,000)
Deferred inflows of resources - deferred gain on refunding	2,193,100	2,506,400	(313,300)
Net position	67,802,128	60,240,537	7,561,591
Total liabilities, deferred inflows, and net position	\$ 257,996,170	\$ 260,716,654	\$ (2,720,484)

Municipal Energy Agency of Nebraska					
Statements of Revenues and Expenses - PRELIMINARY					
For the Fiscal Year Ended: April 2024 through March 2025					
	Fiscal Year to Date			Prior Year	vs. Prior Year
	Actual	Budget	+/-		+/-
Electric Energy Sales - MWh's	2,192,244	1,880,774	311,470	2,029,706	162,538
Operating Revenues					
Electric energy sales	\$ 134,618,112	\$ 126,098,412	\$ 8,519,700	\$ 124,347,443	\$ 10,270,669
Transfer from/(provision for) rate stabilization	1,000,000	1,000,000	-	1,000,000	-
Other	1,038,714	787,763	250,951	2,068,349	(1,029,635)
Total operating revenues	136,656,826	127,886,175	8,770,651	127,415,792	9,241,034
Operating Expenses					
Electric energy costs	105,236,745	102,762,817	2,473,928	104,601,506	635,239
Administrative and general	12,132,376	12,241,981	(109,605)	11,026,431	1,105,945
Depreciation and amortization	9,089,132	8,810,503	278,629	8,832,561	256,571
Total operating expenses	126,458,253	123,815,301	2,642,952	124,460,498	1,997,755
Operating Income/(Loss)	10,198,573	4,070,874	6,127,699	2,955,294	7,243,279
Nonoperating Revenues/(Expenses)					
Net costs to be recovered in future periods	(1,292,170)	(1,025,262)	(266,908)	(1,076,251)	(215,919)
Investment return	3,105,629	2,524,000	581,629	3,182,110	(76,481)
Interest expense	(4,450,441)	(4,450,199)	(242)	(4,743,211)	292,770
Net Nonoperating Revenues/(Expenses)	(2,636,982)	(2,951,461)	314,479	(2,637,352)	370
Change in Net Position	\$ 7,561,591	\$ 1,119,413	\$ 6,442,178	\$ 317,942	\$ 7,243,649

Forvis Mazars Pre-Audit Communication Letter

A copy of the Pre-Audit Communication Letter from Forvis Mazars, included as Attachment B, provides an overview of the audit process. Johnson will review this letter at the meeting.

MEAN Finance Committee

**CONSIDERATIONS RELATED TO PRELIMINARY FISCAL YEAR 2024-2025
FINANCIAL RESULTS**

Date:	May 15, 2025
Initiator/Staff Information Source:	Jamie Johnson
Action Proposed:	Information

In accordance with MEAN's Financial and Administrative Policies and Guidelines, MEAN annually evaluates its preliminary Fiscal Year change in net position upon closing of MEAN's annual financial records including all year end accruals and Fiscal Year transactions. After evaluation of preliminary results, the MEAN Board may authorize charges or credits to MEAN Participants. The MEAN Board may also authorize the transfer of a portion of MEAN's preliminary Fiscal Year change in net position into the rate stabilization account or from the rate stabilization account in order to meet MEAN's rate stabilization account funding objective, while maintaining debt service coverage ratios established by bond covenants; provided, however, such transfer shall be rounded to the nearest multiple of \$100,000.

The preliminary net revenue for the Fiscal Year ended March 31, 2025, is approximately \$7.56 million. Preliminary net revenue includes the transfer from the Rate Stabilization Account of \$1.0 million from the fixed costs component which was included in the Fiscal Year 2024-2025 approved budget.

The following table summarizes the impact from the **Energy Charge**:

	(dollars in millions)			
Service Schedule M Energy Charge	Preliminary	Current Budget	Preliminary vs. Budget	
			\$ +/-	% +/-
Cash Costs				
Purchased Power, net of Debt and Capital in FCRC	65.2	58.2	6.9	12%
Production	16.5	19.3	(2.8)	-15%
Transmission	6.3	6.6	(0.3)	-5%
MEAN Lease Liability Payment	0.9	0.9	-	0%
Administrative and General - Energy Charge	0.7	-	0.7	100%
Total Cash Costs	89.6	85.1	4.5	5%
Rate Offsets				
Total Electric Energy Sales, net of Energy Charge SSM	(26.5)	(15.8)	(10.7)	68%
Other Operating Revenues - Energy Charge Cost Offsets	(0.1)	(0.1)	(0.1)	87%
Investment Return - Operating and Rate Stabilization	(2.4)	(2.2)	(0.3)	13%
Total Rate Offsets	(29.0)	(18.0)	(11.0)	61%
Net Energy Charge Costs	60.5	67.1	(6.6)	-10%
Addition to/(Use of) Cash on Hand				
Addition to/(Use of) - Operating Fund	4.7	0.3	4.4	1,290%
Total Addition to/(Use of) Cash on Hand	4.7	0.3	4.4	1,290%
Total SSM Energy Charge	\$ 65.2	\$ 67.4	\$ (2.2)	-3%

The following table summarizes the impact from the **Fixed Cost Recovery Charge (FCRC)**:

(dollars in millions)				
Fixed Cost Recovery Charge	Preliminary	Current Budget	Preliminary vs. Budget	
			\$ +/-	% +/-
Cash Costs				
Administrative and General - FCRC	11.4	12.2	(0.8)	-7%
MEAN Subscription Liability Payment	0.4	0.4	0.0	4%
MEAN and Owned Generation Capital	4.1	3.4	0.7	22%
Contracted Generation Capital	1.6	2.3	(0.7)	-32%
MEAN Debt Service	10.7	10.7	-	0%
Contracted Generation Debt Service, net	15.8	16.3	(0.5)	-3%
Total Cash Costs	44.0	45.4	(1.4)	-3%
Rate Offsets				
Other Operating Revenues - FCRC Cost Offsets	(0.9)	(0.7)	(0.2)	27%
Investment Return - Debt Service	(0.7)	(0.4)	(0.3)	80%
Total Rate Offsets	(1.6)	(1.1)	(0.5)	45%
Net FCRC Costs	42.4	44.3	(1.9)	-4%
Addition to/(Use of) Cash on Hand				
Addition to / (Use of) Rate Stabilization - Fixed Costs	(1.0)	(1.0)	-	0%
Addition to/(Use of) Operating Fund	1.5	(0.4)	1.9	-451%
Total Addition to/(Use of) Cash on Hand	0.5	(1.4)	1.9	-132%
Total Fixed Cost Recovery Charge	\$ 42.9	\$ 42.9	\$ -	0%

The following table summarizes MEAN's **Coverage Analysis** for Fiscal Year 2024-2025.

	Preliminary	Current
	2024-2025	Budget
	2024-2025	2024-2025
Net Revenue / (Loss)	\$ 7,561,591	\$ 1,119,413
Change in Unrestricted Funds - Accrual Basis		
Operating Fund	\$ 6,159,401	\$ (76,891)
Rate Stabilization Fund	(1,000,000)	(1,000,000)
Total	<u>\$ 5,159,401</u>	<u>\$ (1,076,891)</u>
Debt Service Coverage - policy target of 1.20X; requirement of 1.00X		
Excluding Use of Other Available Funds	1.77	1.19
Including Use of Other Available Funds	1.85	1.28
Cash Reserve (Rate Stabilization Fund - Reserve + Operating Fund)		
<u>Minimum</u> , Per Policy	<u>\$ 44,197,734</u>	<u>\$ 44,197,734</u>
Cash Reserve - End of Fiscal Year	<u>\$ 49,436,050</u>	<u>\$ 41,004,137</u>
Amount Over/(Under) <u>Minimum</u>	<u>\$ 5,238,316</u>	<u>\$ (3,193,597)</u>

Staff will discuss recommendations related to preliminary year end results at the meeting.