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MUNICIPAL ENERGY AGENCY OF NEBRASKA

Financial Statements

May 31, 2021

Municipal Energy Agency of Nebraska
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MEAN Overall Financial Results:

Net revenue/(loss) in May was \$894,000 compared to a budget of \$219,000 for a positive variance of \$675,000. See below for further explanation of operating variances.

Operating Revenues – Operating revenues for May were less than budget, \$9.5M compared to \$9.7M. MWhs sold to Participants were 2% less than budget resulting in revenues from Participant energy sales being \$109,000 less than budget. Decreased MWh generation in the West and increased MWh usage from West participants caused sales to non-participants to be less than budget by \$56,000.

Electric Energy Costs – Total electric energy costs for May were \$6.8M compared to a budget of \$7.5M, 10% less than budget.

Purchased Power expenses for May were nearly identical to budget at \$5.4M. Significant components of purchased power expense include:

Contracted Purchases - MWhs purchased from contracted resources were less than budget by 15% primarily due to decreased MWh generation from PPGA WEC2, NPPD GGS, NPPD CNS, Kimball Wind PPA, BHPL NS2 & Wygen III and WSEC 4 Waverly Assignment. The overall \$/MWh was greater than budget by 8%. The combination of these factors decreased contracted purchases costs by \$486,000.

- The following partly contributed to the decrease in costs:
 - PPGA WEC2 capital costs were less than budget due to timing of projects.
 - PPGA WEC2 O&M costs were less than budget due to decreased maintenance of boiler plant costs.
 - Decreased MWh generation at BHPL NS2 & Wygen III and Kimball Wind PPA led to a decrease in contracted energy costs.
 - Decreased MWh generation at PPGA WEC2, NPPD GGS, NPPD CNS and WSEC 4 Waverly Assignment led to a decrease in fuel costs.
- The following partly offset the decrease in costs:
 - WAPA Displacement Agreement contracted energy costs were greater than budget due to increased market prices.
 - NPPD Elkhorn Ridge Wind and NPPD Laredo Ridge Wind A&G costs were greater than budget due to compensable curtailments.

Market Activity

- Total MWhs purchased for load in SPP and MISO were very close to budget. Overall \$/MWh was 7% less than budget. As a result, total costs for purchases for load decreased compared to budget by \$108,000.
 - MISO MWhs purchased were less than budget at a lower \$/MWh compared to budget for decreased costs.
 - SPP MWhs purchased were nearly identical to budget at a greater \$/MWh compared to budget for increased costs.
- West load was greater than budget and West generation was less than budget resulting in market MWh purchased in the West being greater than budget, which led to increased West Market Purchases.
- WEIS Market costs were less than budget.

- Generation sales revenues received were less than budget. Total MWhs generated were less than budget by 43%. \$/MWh received was slightly less than budget resulting in generation sales revenue received to be less than budget by \$868,000.
 - MISO units (WSEC 4, WSEC 4 Assignment and Louisa) net generated significantly less MWhs compared to budget but \$/MWh received were greater than budget. Overall, this led to a decrease in MISO generation sales revenues received compared to budget.
 - SPP units (WEC 1, PPGA WEC 2, Wessington Springs, LRS Unit 1, NPPD CNS, NPPD GGS and NPPD wind facilities) net generated less MWhs than budget but \$/MWh received were greater than budget. This resulted in a decrease in SPP generation sales revenues received compared to budget.

Production expenses for May were \$1.0M compared to a budget of \$1.7M, 39% less than budget. Significant components of production expense include:

- MWhs produced from owned resources were 63% less than budget primarily due to decreased MWh generation from WSEC4. The overall \$/MWh was greater than budget by 65%. The combination of these factors decreased production costs by \$646,000.
- The following contributed to the decrease in costs:
 - Decreased MWh generation at WSEC4 decreased fuel costs.
 - WSEC4 O&M costs were less than budget due to decreased maintenance of boiler plant costs.
- The following partly offset the decrease in costs:
 - Wygen I O&M costs were greater than budget due to increased labor and outside services costs.

Transmission expenses for May were \$283,000 compared to a budget of \$387,000, 27% less than budget. Significant variances include:

- Transmission 30.9 Credits were greater than budget due to Annual True-Up received.

Administrative and General (A&G) – Total A&G for May was 10% less than budget for a positive variance of \$96,000 with fluctuations occurring in a variety of expense categories.

Operating Income/(Loss) – May operating income/(loss) was \$1,375,000 compared to a budget of \$701,000 for a positive variance of \$674,000.

Another factor that can have a significant impact on fiscal year results is capital purchases at owned generation facilities. These purchases use cash and increase Productive Capacity on the Balance Sheets.

Productive Capacity additions for May were \$183,000 compared to a budget of \$351,000, 48% less than budget. Variances from budget are expected due to changes in project scope, cost estimates, and timing.

Total fiscal year-to-date Productive Capacity additions were \$247,000 compared to a budget of \$1,010,000, 76% less than budget. Variances include:

- BHPL Wygen I – \$76,000 greater than budget.
- LRS – \$100,000 less than budget.
- WSEC 4 – \$739,000 less than budget.

Municipal Energy Agency of Nebraska
Balance Sheets
May 31, 2021 and 2020

	2021	2020
Assets and Deferred Outflows of Resources		
Assets		
Cash and cash equivalents	\$ 31,659,837	\$ 27,608,363
Investments	20,002,457	19,000,000
Accounts receivable	16,442,903	12,962,319
Prepaid expenses and other	417,010	186,790
Productive capacity operating assets	3,316,758	3,258,892
Restricted investments		
Debt service funds	1,978,884	1,954,651
Debt service reserve funds	11,643,237	11,565,291
Total restricted investments	13,622,121	13,519,942
Productive capacity, net	106,708,123	112,347,366
Capital assets, net	4,773,293	5,058,292
Costs recoverable from future billings	41,513,325	41,006,394
Total assets	238,455,826	234,948,358
Deferred outflows of resources		
Deferred cost of refunded debt	7,490,942	7,977,330
Total assets and deferred outflows of resources	\$ 245,946,768	\$ 242,925,688
Liabilities, Deferred Inflows of Resources and Net Position		
Current liabilities		
Current maturities of long-term debt		
2012 Series A bonds	\$ 2,930,000	\$ 2,790,000
2013 Series A and B bonds	1,090,000	1,055,000
2016 Series A bonds	1,555,000	1,485,000
Total current maturities of long-term debt	5,575,000	5,330,000
Accounts payable and accrued expenses	6,849,939	7,700,991
Accrued interest payable	996,885	1,037,906
Total current liabilities	13,421,823	14,068,896
Long-term debt, net		
2012 Series A bonds	38,675,000	41,605,000
2013 Series A and B bonds	25,770,000	26,860,000
2016 Series A bonds	64,455,000	66,010,000
Premium on long-term debt	13,363,902	14,324,343
Total long-term debt, net	142,263,902	148,799,343
Deferred Inflows of Resources		
Deferred revenue - rate stabilization		
Capital funds	5,923,672	4,323,672
General funds	20,647,433	15,530,276
Total deferred revenue - rate stabilization	26,571,105	19,853,948
Net Position		
Net investment in capital assets	17,945,311	17,558,569
Restricted for debt service	6,258,906	6,258,906
Unrestricted	39,485,722	36,386,026
Total net position	63,689,938	60,203,500
Total liabilities, deferred inflows of resources and net position	\$ 245,946,768	\$ 242,925,688

Municipal Energy Agency of Nebraska
Statement of Revenues and Expenses - Actual vs. Budget
For Period Ended May 31, 2021

	Current Month				Fiscal YTD				Fiscal Year
	Actual	Budget	+ / -	% + / -	Actual	Budget	+ / -	% + / -	Budget
Electric Energy Sales - MWh's									
Schedule M	111,309	114,587	(3,278)	-3%	227,336	228,190	(853)	0%	1,631,262
Schedule K/K-1	9,627	9,951	(324)	-3%	19,220	19,727	(507)	-3%	130,000
Schedule J	3,841	3,086	755	24%	7,774	6,315	1,459	23%	51,626
Non-participants	5,239	14,365	(9,126)	-64%	8,799	24,696	(15,897)	-64%	71,877
Total electric energy sales - MWh's	130,016	141,991	(11,974)	-8%	263,129	278,928	(15,799)	-6%	1,884,766
Operating Revenues									
Electric energy sales									
Schedule M	\$ 7,682,995	\$7,812,175	\$ (129,180)	-2%	\$ 15,559,635	\$ 15,599,647	\$ (40,012)	0%	\$103,699,183
Schedule K/K-1	700,307	714,286	(13,979)	-2%	1,399,006	1,420,962	(21,956)	-2%	9,022,498
Schedule J	195,229	160,593	34,636	22%	394,365	325,627	68,738	21%	2,736,651
Non-participants	89,303	144,948	(55,645)	-38%	113,974	325,416	(211,442)	-65%	1,618,319
Total electric energy sales	8,667,834	8,832,002	(164,168)	-2%	17,466,980	17,671,652	(204,672)	-1%	117,076,651
Transfer from / (provision for) rate stab									
Rate stabilization - general	800,579	800,579	-	0%	1,742,277	1,742,277	-	0%	-
Total trans from / (prov for) rate stab	800,579	800,579	-	0%	1,742,277	1,742,277	-	0%	-
Other	74,317	71,998	2,319	3%	149,042	143,896	5,146	4%	814,433
Total operating revenues	9,542,730	9,704,579	(161,849)	-2%	19,358,298	19,557,825	(199,527)	-1%	117,891,084
Operating Expenses									
Electric energy costs									
Purchased power	5,470,197	5,458,068	12,129	0%	11,245,277	10,615,679	629,598	6%	68,910,706
Production	1,005,937	1,652,118	(646,181)	-39%	1,905,281	3,261,093	(1,355,812)	-42%	18,248,382
Transmission	283,244	386,746	(103,502)	-27%	574,706	762,689	(187,983)	-25%	4,442,481
Total electric energy costs	6,759,378	7,496,932	(737,554)	-10%	13,725,264	14,639,461	(914,197)	-6%	91,601,569
Administrative and general									
Payroll and benefits	488,576	516,185	(27,609)	-5%	1,002,289	1,047,370	(45,081)	-4%	6,233,161
Internal office	62,742	126,208	(63,466)	-50%	157,064	242,858	(85,794)	-35%	1,304,217
Member	8,719	36,584	(27,865)	-76%	171,783	217,462	(45,679)	-21%	641,117
Consultants and outside services	261,475	238,832	22,643	9%	543,006	523,114	19,892	4%	3,105,688
Total administrative and general	821,513	917,809	(96,296)	-10%	1,874,142	2,030,804	(156,662)	-8%	11,284,183
Depreciation and amortization	586,494	589,067	(2,573)	0%	1,172,987	1,178,134	(5,147)	0%	7,068,792
Total operating expenses	8,167,385	9,003,808	(836,423)	-9%	16,772,393	17,848,399	(1,076,006)	-6%	109,954,544
Operating Income/(Loss)	1,375,345	700,771	674,574	96%	2,585,905	1,709,426	876,479	51%	7,936,540
Nonoperating Revenues/(Expenses)									
Net costs to be recovered in future periods	(52,031)	(50,908)	(1,123)	-2%	(104,062)	(101,816)	(2,246)	-2%	(610,896)
Investment return	29,281	28,410	871	3%	59,278	56,820	2,458	4%	340,900
Interest expense	(458,938)	(458,937)	(1)	0%	(917,876)	(917,874)	(2)	0%	(5,507,254)
Net nonoperating revenues/(expenses)	(481,687)	(481,435)	(252)	0%	(962,659)	(962,870)	211	0%	(5,777,250)
Net Revenue / (Loss)	\$ 893,658	\$ 219,336	\$ 674,322	307%	\$ 1,623,246	\$ 746,556	\$ 876,690	117%	\$ 2,159,290

Municipal Energy Agency of Nebraska
Statement of Revenues and Expenses - Actual vs. Prior Year
For Period Ended May 31, 2021 and 2020

	Month				Fiscal YTD			
	Current	Prior Year	+ / -	% + / -	Current	Prior Year	+ / -	% + / -
Electric Energy Sales - MWh's								
Schedule M	111,309	107,566	3,743	3%	227,336	218,189	9,147	4%
Schedule K/K-1	9,627	8,523	1,105	13%	19,220	16,986	2,235	13%
Schedule J	3,841	3,607	233	6%	7,774	7,501	272	4%
Non-participants	5,239	12,392	(7,152)	-58%	8,799	18,546	(9,747)	-53%
Total electric energy sales - MWh's	130,016	132,088	(2,072)	-2%	263,129	261,222	1,907	1%
Operating Revenues								
Electric energy sales								
Schedule M	\$ 7,682,995	\$ 7,540,677	\$ 142,317	2%	\$ 15,559,635	\$ 15,212,397	\$ 347,239	2%
Schedule K/K-1	700,307	652,927	47,380	7%	1,399,006	1,303,140	95,867	7%
Schedule J	195,229	183,260	11,969	7%	394,365	378,567	15,798	4%
Non-participants	89,303	166,429	(77,126)	-46%	113,974	233,800	(119,826)	-51%
Total electric energy sales	8,667,834	8,543,293	124,541	1%	17,466,980	17,127,903	339,077	2%
Transfer from / (provision for) rate stab								
Rate stabilization - general	800,579	416,406	384,173	92%	1,742,277	1,359,434	382,843	28%
Total trans from / (prov for) rate stab	800,579	416,406	384,173	92%	1,742,277	1,359,434	382,843	28%
Other								
Total operating revenues	9,542,730	9,032,916	509,814	6%	19,358,298	18,634,019	724,280	4%
Operating Expenses								
Electric energy costs								
Purchased power	5,470,197	5,998,952	(528,755)	-9%	11,245,277	11,823,915	(578,637)	-5%
Production	1,005,937	769,469	236,468	31%	1,905,281	1,820,829	84,452	5%
Transmission	283,244	340,066	(56,822)	-17%	574,706	726,638	(151,932)	-21%
Total electric energy costs	6,759,378	7,108,488	(349,109)	-5%	13,725,264	14,371,381	(646,117)	-4%
Administrative and general								
Payroll and benefits	488,576	509,719	(21,143)	-4%	1,002,289	1,046,732	(44,443)	-4%
Internal office	62,742	66,175	(3,432)	-5%	157,064	154,640	2,423	2%
Member	8,719	5,231	3,489	67%	171,783	170,600	1,183	1%
Consultants and outside services	261,475	192,086	69,389	36%	543,006	460,165	82,841	18%
Total administrative and general	821,513	773,211	48,302	6%	1,874,142	1,832,137	42,005	2%
Depreciation and amortization								
Total operating expenses	8,167,385	8,464,704	(297,319)	-4%	16,772,393	17,368,545	(596,152)	-3%
Operating Income/(Loss)								
	1,375,345	568,212	807,133	142%	2,585,905	1,265,473	1,320,432	104%
Nonoperating Revenues/(Expenses)								
Net costs to be recovered in future periods	(52,031)	61,099	(113,130)	-185%	(104,062)	122,198	(226,260)	-185%
Investment return	29,281	55,848	(26,567)	-48%	59,278	113,331	(54,052)	-48%
Interest expense	(458,938)	(479,448)	20,511	4%	(917,876)	(958,897)	41,021	4%
Total nonoperating revenues/(expenses)	(481,687)	(362,501)	(119,187)	-33%	(962,659)	(723,368)	(239,291)	-33%
Net Revenue / (Loss)								
	\$ 893,658	\$ 205,711	\$ 687,946	334%	\$ 1,623,246	\$ 542,106	\$ 1,081,140	199%

Municipal Energy Agency of Nebraska
Statements of Cash Flows
For Period Ended May 31, 2021

	Current Month	Fiscal YTD
Operating Activities		
Cash received from participants and customers		
Schedule M	\$9,288,076	\$18,354,744
Schedule K/K-1	861,816	1,697,703
Schedule J	306,838	483,433
Scheduling services	1,557,869	3,301,073
Non-participants	458,469	4,256,478
Other	101,438	741,014
Total cash received from participants and customers	12,574,506	28,834,444
Cash paid to suppliers	(10,092,311)	(19,914,635)
Cash received from (paid to) coalition members, net		
NMPP	(496,145)	(1,033,168)
NPGA	36,542	71,860
ACE	42,664	91,369
Net cash provided by (used in) operating activities	2,065,256	8,049,870
Capital and Related Financing Activities		
Debt service activity		
Transfer to debt service accounts	(963,026)	(1,926,051)
Interest received on debt service investments	-	48,516
Additions of productive capacity	(114,301)	(148,228)
Purchase of capital assets	-	(7,916)
Net cash provided by (used in) capital and related financing activities	(1,077,327)	(2,033,679)
Investing Activities		
Interest received on investments	25,563	46,678
Purchases, sales, and maturities of investments, net	(250,759)	(1,250,780)
Net cash provided by (used in) investing activities	(225,196)	(1,204,102)
Increase (Decrease) In Cash and Cash Equivalents	762,733	4,812,088
Cash and Cash Equivalents, Beginning of Period	30,897,104	26,847,749
Cash and Cash Equivalents, End of Period	\$31,659,837	\$31,659,837