

# **MEAN**

MUNICIPAL ENERGY AGENCY OF NEBRASKA

**Financial Statements**

**June 30, 2021**

**Municipal Energy Agency of Nebraska**  
**Financial Statements**  
**June 30, 2021**

Table of Contents	Page
Balance Sheets	1
Statement of Revenues and Expenses – Actual vs. Budget	2
Statement of Revenues and Expenses – Actual vs. Prior Year	3
Statements of Cash Flows	4

MEAN Overall Financial Results:

Net revenue/(loss) in June was \$886,000 compared to a budget of \$39,000 for a positive variance of \$847,000. See below for further explanation of operating variances.

*Operating Revenues* – Operating revenues for June were greater than budget, \$10.3M compared to \$9.6M. MWhs sold to Participants were 11% greater than budget resulting in revenues from Participant energy sales being \$629,000 greater than budget. Increased MWh usage from West participants along with decreased west generation lead to less MWhs sold to non-participants than budgeted. However, due to high market prices, sales to non-participants were greater than budget by \$72,000.

*Electric Energy Costs* – Total electric energy costs for June were \$7.5M compared to a budget of \$7.6M, 1% less than budget.

Purchased Power expenses for June were \$6.0M compared to a budget of \$5.6M, 7% greater than budget. Significant components of purchased power expense include:

**Contracted Purchases** - MWhs purchased from contracted resources were greater than budget by 1% primarily due to increased MWh generation from Hastings WEC1, PPGA WEC2, Louisa Waverly Assignment, and NPPD GGS. The overall \$/MWh was about equal to budget. The combination of these factors increased contracted purchases costs by \$16,000.

- The following partly contributed to the increase in costs:
  - WAPA Displacement Agreement contracted energy costs were greater than budget due to increased market prices.
  - Increased MWh generation at Hastings WEC1, Louisa Waverly Assignment, and NPPD GGS led to an increase in fuel costs.
  - NPPD Elkhorn Ridge Wind and NPPD Laredo Ridge Wind A&G costs were greater than budget due to compensable curtailments.
- The following partly offset the increase 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.
  - PPGA WEC2 A&G costs were less than budget due to greater than anticipated Dry Fly ash sales.
  - Decreased MWh generation at BHPL NS2 & Wygen III, HCPD Wessington Springs Wind, Kimball Wind PPA, NPPD wind facilities, and DMEA Shavano Falls led to a decrease in contracted energy costs.
  - Decreased MWh generation at NPPD CNS and WSEC 4 Waverly Assignment led to a decrease in fuel costs.

**Market Activity**

- Total MWhs purchased for load in SPP and MISO were greater than to budget by 11%. Overall \$/MWh was 92% greater than budget. As a result, total costs for purchases for load significantly increased compared to budget by \$1,819,000.
  - MISO MWhs purchased were greater than budget at a much greater \$/MWh compared to budget for increased costs.
  - SPP MWhs purchased were greater than budget at a much 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 at high market prices.
- WEIS Market costs were less than budget.
- Generation sales revenues received were greater than budget. Total MWhs generated were less than budget by 3%. \$/MWh received was much greater than budget resulting in generation sales revenue received to be greater than budget by \$1,366,000.
  - MISO units (WSEC 4, WSEC 4 Assignment and Louisa) net generated less MWhs compared to budget but \$/MWh received were much greater than budget. Overall, this led to an increase 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 more MWhs than budget and \$/MWh received were much greater than budget. This resulted in an increase in SPP generation sales revenues received compared to budget.

Production expenses for June were \$1.2M compared to a budget of \$1.6M, 26% less than budget. Significant components of production expense include:

- MWhs produced from owned resources were 15% less than budget primarily due to decreased MWh generation from WSEC4. The overall \$/MWh was less than budget by 13%. The combination of these factors decreased production costs by \$413,000.
- The following contributed to the decrease in costs:
  - Decreased MWh generation at LRS Unit 3 and 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:
  - Increased MWh generation at LRS Unit 1 led to increased fuel costs.

Transmission expenses for June were \$336,000 compared to a budget of \$374,000, 10% less than budget. Significant variances include:

- Transmission 30.9 Credits were greater than budget due to changes in rates and loads.

*Administrative and General (A&G)* – Total A&G for June was 7% less than budget for a positive variance of \$67,000 with fluctuations occurring in a variety of expense categories.

*Operating Income/(Loss)* – June operating income/(loss) was \$1,372,000 compared to a budget of \$520,000 for a positive variance of \$852,000.

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 June were \$119,000 compared to a budget of \$171,000, 31% 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 \$366,000 compared to a budget of \$1,181,000, 69% less than budget. Variances include:

- BHPL Wygen I – \$53,000 greater than budget.
- LRS – \$168,000 less than budget.
- WSEC 4 – \$700,000 less than budget.

**Municipal Energy Agency of Nebraska**  
**Balance Sheets**  
**June 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
<b>Assets and Deferred Outflows of Resources</b>		
Assets		
Cash and cash equivalents	\$ 29,721,822	\$ 24,080,433
Investments	20,252,100	18,500,000
Accounts receivable	20,880,916	19,245,898
Prepaid expenses and other	404,019	176,612
Productive capacity operating assets	3,104,134	3,219,130
Restricted investments		
Debt service funds	2,947,663	2,952,018
Debt service reserve funds	11,672,036	11,566,555
Total restricted investments	14,619,699	14,518,573
Productive capacity, net	106,270,269	111,895,206
Capital assets, net	4,743,707	5,028,962
Costs recoverable from future billings	41,461,294	41,067,494
Total assets	241,457,962	237,732,306
Deferred outflows of resources		
Deferred cost of refunded debt	7,450,409	7,936,797
Total assets and deferred outflows of resources	\$ 248,908,371	\$ 245,669,104
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
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	8,450,928	9,097,193
Accrued interest payable	1,495,327	1,556,859
Total current liabilities	15,521,255	15,984,052
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	13,283,865	14,244,307
Total long-term debt, net	142,183,865	148,719,307
Deferred Inflows of Resources		
Deferred revenue - rate stabilization		
Capital funds	5,923,672	4,323,672
General funds	20,703,220	15,345,566
Total deferred revenue - rate stabilization	26,626,892	19,669,238
Net Position		
Net investment in capital assets	17,465,345	17,177,682
Restricted for debt service	6,258,906	6,258,906
Unrestricted	40,852,109	37,859,920
Total net position	64,576,360	61,296,507
Total liabilities, deferred inflows of resources and net position	\$ 248,908,371	\$ 245,669,104

**Municipal Energy Agency of Nebraska**  
**Statement of Revenues and Expenses - Actual vs. Budget**  
**For Period Ended June 30, 2021**

	Current Month				Fiscal YTD				Fiscal Year
	Actual	Budget	+ / -	% + / -	Actual	Budget	+ / -	% + / -	Budget
<b>Electric Energy Sales - MWh's</b>									
Schedule M	145,471	131,483	13,988	11%	372,808	359,673	13,135	4%	1,631,262
Schedule K/K-1	10,797	10,391	406	4%	30,017	30,118	(101)	0%	130,000
Schedule J	5,278	3,721	1,557	42%	13,051	10,036	3,016	30%	51,626
Non-participants	4,482	13,411	(8,929)	-67%	13,281	38,107	(24,826)	-65%	71,877
Total electric energy sales - MWh's	166,028	159,006	7,022	4%	429,157	437,934	(8,777)	-2%	1,884,766
<b>Operating Revenues</b>									
Electric energy sales									
Schedule M	\$ 8,993,948	\$ 8,462,063	\$ 531,885	6%	\$ 24,553,584	\$ 24,061,710	\$ 491,874	2%	\$ 103,699,183
Schedule K/K-1	750,235	732,962	17,273	2%	2,149,241	2,153,924	(4,683)	0%	9,022,498
Schedule J	274,458	194,598	79,860	41%	668,823	520,225	148,598	29%	2,736,651
Non-participants	242,428	170,724	71,704	42%	356,402	496,140	(139,738)	-28%	1,618,319
Total electric energy sales	10,261,070	9,560,347	700,723	7%	27,728,050	27,231,999	496,051	2%	117,076,651
Transfer from / (provision for) rate stab									
Rate stabilization - general	(55,787)	(55,787)	-	0%	1,686,490	1,686,490	-	0%	-
Total trans from / (prov for) rate stab	(55,787)	(55,787)	-	0%	1,686,490	1,686,490	-	0%	-
Other	82,444	63,386	19,058	30%	231,485	207,282	24,203	12%	814,433
Total operating revenues	10,287,727	9,567,946	719,781	8%	29,646,025	29,125,771	520,254	2%	117,891,084
<b>Operating Expenses</b>									
Electric energy costs									
Purchased power	6,013,300	5,625,367	387,933	7%	17,258,577	16,241,046	1,017,531	6%	68,910,706
Production	1,155,006	1,568,273	(413,267)	-26%	3,060,287	4,829,366	(1,769,079)	-37%	18,248,382
Transmission	335,959	373,526	(37,567)	-10%	910,665	1,136,215	(225,550)	-20%	4,442,481
Total electric energy costs	7,504,265	7,567,166	(62,901)	-1%	21,229,528	22,206,627	(977,099)	-4%	91,601,569
Administrative and general									
Payroll and benefits	486,516	516,185	(29,669)	-6%	1,488,805	1,563,555	(74,750)	-5%	6,233,161
Internal office	69,681	97,809	(28,128)	-29%	226,745	340,667	(113,922)	-33%	1,304,217
Member	11,559	25,303	(13,744)	-54%	183,342	242,765	(59,423)	-24%	641,117
Consultants and outside services	257,020	252,107	4,913	2%	800,026	775,221	24,805	3%	3,105,688
Total administrative and general	824,776	891,404	(66,628)	-7%	2,698,918	2,922,208	(223,290)	-8%	11,284,183
Depreciation and amortization	586,494	589,067	(2,573)	0%	1,759,481	1,767,201	(7,720)	0%	7,068,792
Total operating expenses	8,915,534	9,047,637	(132,103)	-1%	25,687,927	26,896,036	(1,208,109)	-4%	109,954,544
<b>Operating Income/(Loss)</b>	1,372,193	520,309	851,884	164%	3,958,098	2,229,735	1,728,363	78%	7,936,540
<b>Nonoperating Revenues/(Expenses)</b>									
Net costs to be recovered in future periods	(52,031)	(50,908)	(1,123)	-2%	(156,092)	(152,724)	(3,368)	-2%	(610,896)
Investment return	25,197	28,410	(3,213)	-11%	84,475	85,230	(755)	-1%	340,900
Interest expense	(458,938)	(458,937)	(1)	0%	(1,376,813)	(1,376,811)	(2)	0%	(5,507,254)
Net nonoperating revenues/(expenses)	(485,771)	(481,435)	(4,336)	-1%	(1,448,430)	(1,444,305)	(4,125)	0%	(5,777,250)
<b>Net Revenue / (Loss)</b>	\$ 886,421	\$ 38,874	\$ 847,547	2180%	\$ 2,509,667	\$ 785,430	\$ 1,724,237	220%	\$ 2,159,290

**Municipal Energy Agency of Nebraska**  
**Statement of Revenues and Expenses - Actual vs. Prior Year**  
**For Period Ended June 30, 2021 and 2020**

	Month				Fiscal YTD			
	Current	Prior Year	+ / -	% + / -	Current	Prior Year	+ / -	% + / -
<b>Electric Energy Sales - MWh's</b>								
Schedule M	145,471	139,984	5,487	4%	372,808	358,174	14,634	4%
Schedule K/K-1	10,797	9,685	1,112	11%	30,017	26,670	3,347	13%
Schedule J	5,278	5,173	104	2%	13,051	12,675	377	3%
Non-participants	4,482	8,431	(3,949)	-47%	13,281	26,977	(13,696)	-51%
<b>Total electric energy sales - MWh's</b>	<b>166,028</b>	<b>163,273</b>	<b>2,755</b>	<b>2%</b>	<b>429,157</b>	<b>424,495</b>	<b>4,661</b>	<b>1%</b>
<b>Operating Revenues</b>								
Electric energy sales								
Schedule M	\$ 8,993,948	\$ 8,784,284	\$ 209,665	2%	\$ 24,553,584	\$ 23,996,680	\$ 556,904	2%
Schedule K/K-1	750,235	702,472	47,763	7%	2,149,241	2,005,612	143,630	7%
Schedule J	274,458	264,432	10,026	4%	668,823	642,998	25,824	4%
Non-participants	242,428	109,190	133,238	122%	356,402	342,990	13,412	4%
<b>Total electric energy sales</b>	<b>10,261,070</b>	<b>9,860,377</b>	<b>400,693</b>	<b>4%</b>	<b>27,728,050</b>	<b>26,988,280</b>	<b>739,770</b>	<b>3%</b>
Transfer from / (provision for) rate stab								
Rate stabilization - general	(55,787)	184,710	(240,497)	-130%	1,686,490	1,544,144	142,346	9%
<b>Total trans from / (prov for) rate stab</b>	<b>(55,787)</b>	<b>184,710</b>	<b>(240,497)</b>	<b>-130%</b>	<b>1,686,490</b>	<b>1,544,144</b>	<b>142,346</b>	<b>9%</b>
Other	82,444	71,367	11,077	16%	231,485	218,049	13,437	6%
<b>Total operating revenues</b>	<b>10,287,727</b>	<b>10,116,454</b>	<b>171,273</b>	<b>2%</b>	<b>29,646,025</b>	<b>28,750,473</b>	<b>895,552</b>	<b>3%</b>
<b>Operating Expenses</b>								
Electric energy costs								
Purchased power	6,013,300	5,790,061	223,238	4%	17,258,577	17,613,976	(355,399)	-2%
Production	1,155,006	1,147,122	7,884	1%	3,060,287	2,967,951	92,336	3%
Transmission	335,959	337,170	(1,211)	0%	910,665	1,063,808	(153,143)	-14%
<b>Total electric energy costs</b>	<b>7,504,265</b>	<b>7,274,353</b>	<b>229,911</b>	<b>3%</b>	<b>21,229,528</b>	<b>21,645,735</b>	<b>(416,206)</b>	<b>-2%</b>
Administrative and general								
Payroll and benefits	486,516	475,147	11,369	2%	1,488,805	1,521,879	(33,075)	-2%
Internal office	69,681	87,435	(17,754)	-20%	226,745	242,076	(15,331)	-6%
Member	11,559	10,605	954	9%	183,342	181,205	2,137	1%
Consultants and outside services	257,020	226,660	30,359	13%	800,026	686,825	113,201	16%
<b>Total administrative and general</b>	<b>824,776</b>	<b>799,848</b>	<b>24,928</b>	<b>3%</b>	<b>2,698,918</b>	<b>2,631,985</b>	<b>66,933</b>	<b>3%</b>
Depreciation and amortization	586,494	583,163	3,331	1%	1,759,481	1,748,189	11,292	1%
<b>Total operating expenses</b>	<b>8,915,534</b>	<b>8,657,364</b>	<b>258,170</b>	<b>3%</b>	<b>25,687,927</b>	<b>26,025,909</b>	<b>(337,982)</b>	<b>-1%</b>
<b>Operating Income/(Loss)</b>	<b>1,372,193</b>	<b>1,459,090</b>	<b>(86,897)</b>	<b>-6%</b>	<b>3,958,098</b>	<b>2,724,563</b>	<b>1,233,534</b>	<b>45%</b>
<b>Nonoperating Revenues/(Expenses)</b>								
Net costs to be recovered in future periods	(52,031)	61,099	(113,130)	-185%	(156,092)	183,298	(339,390)	-185%
Investment return	25,197	52,266	(27,069)	-52%	84,475	165,597	(81,122)	-49%
Interest expense	(458,938)	(479,448)	20,511	4%	(1,376,813)	(1,438,345)	61,532	4%
<b>Total nonoperating revenues/(expenses)</b>	<b>(485,771)</b>	<b>(366,083)</b>	<b>(119,688)</b>	<b>-33%</b>	<b>(1,448,430)</b>	<b>(1,089,451)</b>	<b>(358,980)</b>	<b>-33%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ 886,421</b>	<b>\$ 1,093,007</b>	<b>\$ (206,586)</b>	<b>-19%</b>	<b>\$ 2,509,667</b>	<b>\$ 1,635,113</b>	<b>\$ 874,555</b>	<b>53%</b>

**Municipal Energy Agency of Nebraska**  
**Statements of Cash Flows**  
**For Period Ended June 30, 2021**

	<b>Current Month</b>	<b>Fiscal YTD</b>
<b>Operating Activities</b>		
Cash received from participants and customers		
Schedule M	\$7,982,402	\$26,337,146
Schedule K/K-1	781,385	2,479,088
Schedule J	207,661	691,094
Scheduling services	305,165	3,606,238
Non-participants	715,425	4,971,903
Other	99,648	840,662
Total cash received from participants and customers	10,091,686	38,926,131
Cash paid to suppliers	(10,162,468)	(30,077,104)
Cash received from (paid to) coalition members, net		
NMPP	(527,488)	(1,560,656)
NPGA	36,377	108,237
ACE	38,449	129,818
Net cash provided by (used in) operating activities	(523,444)	7,526,426
<b>Capital and Related Financing Activities</b>		
Debt service activity		
Transfer to debt service accounts	(963,026)	(2,889,077)
Interest received on debt service investments	-	48,516
Additions of productive capacity	(220,177)	(368,405)
Purchase of capital assets	-	(7,916)
Net cash provided by (used in) capital and related financing activities	(1,183,203)	(3,216,882)
<b>Investing Activities</b>		
Interest received on investments	18,632	65,309
Purchases, sales, and maturities of investments, net	(250,000)	(1,500,780)
Net cash provided by (used in) investing activities	(231,368)	(1,435,471)
<b>Increase (Decrease) In Cash and Cash Equivalents</b>	(1,938,015)	2,874,073
<b>Cash and Cash Equivalents, Beginning of Period</b>	31,659,837	26,847,749
<b>Cash and Cash Equivalents, End of Period</b>	\$29,721,822	\$29,721,822