

# **MEAN**

MUNICIPAL ENERGY AGENCY OF NEBRASKA

**Financial Statements**

**July 31, 2021**

**Municipal Energy Agency of Nebraska**  
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**MEAN Overall Financial Results:**

Net revenue/(loss) in July was \$(420,000) compared to a budget of \$39,000 for a negative variance of \$459,000. See below for further explanation of operating variances.

*Operating Revenues* – Operating revenues for July were greater than budget, \$10.0M compared to \$9.9M. MWhs sold to Participants were 5% greater than budget resulting in revenues from Participant energy sales being \$353,000 greater than budget. Increased MWh usage from West participants along with decreased west generation lead to less MWhs sold to non-participants than budgeted resulting in sales to non-participants to be less than budget by \$266,000.

*Electric Energy Costs* – Total electric energy costs for July were \$8.4M compared to a budget of \$7.9M, 7% greater than budget.

Purchased Power expenses for July were \$6.5M compared to a budget of \$6.0M, 8% greater than budget. Significant components of purchased power expense include:

**Contracted Purchases** - MWhs purchased from contracted resources were greater than budget by 5% primarily due to increased MWh generation from PPGA WEC2. The overall \$/MWh was about 3% greater than budget. The combination of these factors increased contracted purchases costs by \$582,000.

- The following 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 WEC2 led to an increase in fuel costs.
  - PPGA WEC2 O&M costs were greater than budget due to increased maintenance of boiler plant costs and Air Quality Control System consumables costs.

**Market Activity**

- Total MWhs purchased for load in SPP and MISO were greater than to budget by 4%. Overall \$/MWh was 50% greater than budget. As a result, total costs for purchases for load significantly increased compared to budget by \$1,687,000.
  - MISO MWhs purchased were greater than budget at a 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 greater than budget by 7%. \$/MWh received was greater than budget resulting in generation sales revenue received to be greater than budget by \$1,352,000.
  - MISO units (WSEC 4, WSEC 4 Assignment and Louisa) net generated MWhs nearly identical to budget but \$/MWh received were 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 greater

than budget. This resulted in an increase in SPP generation sales revenues received compared to budget.

Production expenses for July were nearly identical to budget at \$1.5M. Significant components of production expense include:

- MWhs produced from owned resources were 2% less than budget primarily due to decreased MWh generation from WSEC4. The overall \$/MWh was greater than budget by 4%. The combination of these factors increased production costs by \$33,000.
- The following contributed to the increase in costs:
  - Timing of coal purchases at WSEC4 led to increased fuel costs.
- The following partly offset the increase in costs:
  - LRS O&M costs were less than budget due to decreased boiler plant maintenance costs.

Transmission expenses for July were \$382,000 compared to a budget of \$351,000, 9% greater than budget. Significant variances include:

- MISO Long Term Point-to-Point costs were greater than budget due to increased transmission rates.

*Administrative and General (A&G)* – Total A&G for July was 3% greater than budget for a negative variance of \$29,000 with fluctuations occurring in a variety of expense categories.

*Operating Income/(Loss)* – July operating income/(loss) was \$67,000 compared to a budget of \$520,000 for a negative variance of \$453,000.

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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 July were \$244,000 compared to a budget of \$170,000, 43% greater 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 \$610,000 compared to a budget of \$1,351,000, 55% less than budget. Variances include:

- BHPL Wygen I – \$30,000 greater than budget.
- LRS – \$190,000 less than budget.
- WSEC 4 – \$581,000 less than budget.

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

	<b>2021</b>	<b>2020</b>
<b>Assets and Deferred Outflows of Resources</b>		
Assets		
Cash and cash equivalents	\$ 32,012,229	\$ 23,983,315
Investments	20,501,731	18,250,000
Accounts receivable	20,663,910	20,466,131
Prepaid expenses and other	362,993	162,459
Productive capacity operating assets	2,582,069	3,077,920
Restricted investments		
Debt service funds	3,906,030	3,910,947
Debt service reserve funds	11,677,791	11,588,727
Total restricted investments	15,583,821	15,499,675
Productive capacity, net	105,957,448	111,400,018
Capital assets, net	4,714,120	5,018,801
Costs recoverable from future billings	41,409,263	41,128,593
Total assets	243,787,584	238,986,910
Deferred outflows of resources		
Deferred cost of refunded debt	7,409,877	7,896,265
Total assets and deferred outflows of resources	\$ 251,197,461	\$ 246,883,175
<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	9,861,482	8,495,179
Accrued interest payable	1,993,769	2,075,812
Total current liabilities	17,430,251	15,900,991
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	13,203,828	14,164,270
Total long-term debt, net	142,103,828	148,639,270
Deferred Inflows of Resources		
Deferred revenue - rate stabilization		
Capital funds	5,923,672	4,323,672
General funds	21,583,376	16,005,134
Total deferred revenue - rate stabilization	27,507,048	20,328,806
Net Position		
Net investment in capital assets	17,110,410	16,772,937
Restricted for debt service	6,258,906	6,258,906
Unrestricted	40,787,018	38,982,266
Total net position	64,156,334	62,014,109
Total liabilities, deferred inflows of resources and net position	\$ 251,197,461	\$ 246,883,175

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

	Current Month				Fiscal YTD				Fiscal Year
	Actual	Budget	+ / -	% + / -	Actual	Budget	+ / -	% + / -	Budget
<b>Electric Energy Sales - MWh's</b>									
Schedule M	160,628	153,935	6,693	4%	533,436	513,608	19,828	4%	1,631,262
Schedule K/K-1	12,537	11,500	1,037	9%	42,554	41,618	936	2%	130,000
Schedule J	5,688	4,590	1,098	24%	18,739	14,625	4,114	28%	51,626
Non-participants	3,683	11,631	(7,948)	-68%	16,964	49,738	(32,774)	-66%	71,877
Total electric energy sales - MWh's	182,536	181,655	881	0%	611,693	619,589	(7,896)	-1%	1,884,766
<b>Operating Revenues</b>									
Electric energy sales									
Schedule M	\$ 9,573,315	\$9,321,094	\$ 252,221	3%	\$ 34,126,899	\$ 33,382,804	\$ 744,095	2%	\$103,699,183
Schedule K/K-1	824,826	780,311	44,515	6%	2,974,068	2,934,235	39,833	1%	9,022,498
Schedule J	298,844	243,018	55,826	23%	967,667	763,243	204,424	27%	2,736,651
Non-participants	95,247	361,484	(266,237)	-74%	451,649	857,624	(405,975)	-47%	1,618,319
Total electric energy sales	10,792,233	10,705,907	86,326	1%	38,520,282	37,937,906	582,376	2%	117,076,651
Transfer from / (provision for) rate stab									
Rate stabilization - general	(880,156)	(880,156)	-	0%	806,334	806,334	-	0%	-
Total trans from / (prov for) rate stab	(880,156)	(880,156)	-	0%	806,334	806,334	-	0%	-
Other	94,272	63,572	30,700	48%	325,757	270,854	54,903	20%	814,433
Total operating revenues	10,006,349	9,889,323	117,026	1%	39,652,374	39,015,094	637,280	2%	117,891,084
<b>Operating Expenses</b>									
Electric energy costs									
Purchased power	6,495,288	6,015,956	479,332	8%	23,753,865	22,257,002	1,496,863	7%	68,910,706
Production	1,524,190	1,491,448	32,742	2%	4,584,477	6,320,814	(1,736,338)	-27%	18,248,382
Transmission	382,192	351,127	31,065	9%	1,292,856	1,487,342	(194,486)	-13%	4,442,481
Total electric energy costs	8,401,670	7,858,531	543,139	7%	29,631,198	30,065,158	(433,960)	-1%	91,601,569
Administrative and general									
Payroll and benefits	473,625	516,185	(42,560)	-8%	1,962,429	2,079,740	(117,311)	-6%	6,233,161
Internal office	96,260	126,318	(30,058)	-24%	323,005	466,985	(143,980)	-31%	1,304,217
Member	11,098	22,503	(11,405)	-51%	194,440	265,268	(70,828)	-27%	641,117
Consultants and outside services	370,245	256,732	113,513	44%	1,170,271	1,031,953	138,318	13%	3,105,688
Total administrative and general	951,227	921,738	29,489	3%	3,650,146	3,843,946	(193,800)	-5%	11,284,183
Depreciation and amortization	586,494	589,067	(2,573)	0%	2,345,974	2,356,268	(10,294)	0%	7,068,792
Total operating expenses	9,939,391	9,369,336	570,055	6%	35,627,318	36,265,372	(638,054)	-2%	109,954,544
<b>Operating Income/(Loss)</b>	66,958	519,987	(453,029)	-87%	4,025,056	2,749,722	1,275,334	46%	7,936,540
<b>Nonoperating Revenues/(Expenses)</b>									
Net costs to be recovered in future periods	(52,031)	(50,908)	(1,123)	-2%	(208,123)	(203,632)	(4,491)	-2%	(610,896)
Investment return	23,985	28,410	(4,425)	-16%	108,461	113,640	(5,179)	-5%	340,900
Interest expense	(458,938)	(458,937)	(1)	0%	(1,835,751)	(1,835,748)	(3)	0%	(5,507,254)
Net nonoperating revenues/(expenses)	(486,983)	(481,435)	(5,548)	-1%	(1,935,414)	(1,925,740)	(9,674)	-1%	(5,777,250)
<b>Net Revenue / (Loss)</b>	\$ (420,025)	\$ 38,552	\$ (458,577)	-1190%	\$ 2,089,642	\$ 823,982	\$ 1,265,660	154%	\$ 2,159,290

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

	Month				Fiscal YTD			
	Current	Prior Year	+ / -	% + / -	Current	Prior Year	+ / -	% + / -
<b>Electric Energy Sales - MWh's</b>								
Schedule M	160,628	158,662	1,967	1%	533,436	516,835	16,601	3%
Schedule K/K-1	12,537	11,121	1,416	13%	42,554	37,791	4,762	13%
Schedule J	5,688	5,452	235	4%	18,739	18,127	612	3%
Non-participants	3,683	10,410	(6,727)	-65%	16,964	37,386	(20,423)	-55%
<b>Total electric energy sales - MWh's</b>	<b>182,536</b>	<b>185,645</b>	<b>(3,109)</b>	<b>-2%</b>	<b>611,693</b>	<b>610,140</b>	<b>1,553</b>	<b>0%</b>
<b>Operating Revenues</b>								
Electric energy sales								
Schedule M	\$ 9,573,315	\$ 9,494,252	\$ 79,063	1%	\$ 34,126,899	\$ 33,490,932	\$ 635,966	2%
Schedule K/K-1	824,826	764,048	60,778	8%	2,974,068	2,769,660	204,408	7%
Schedule J	298,844	281,773	17,071	6%	967,667	924,771	42,896	5%
Non-participants	95,247	206,887	(111,640)	-54%	451,649	549,877	(98,228)	-18%
<b>Total electric energy sales</b>	<b>10,792,233</b>	<b>10,746,960</b>	<b>45,272</b>	<b>0%</b>	<b>38,520,282</b>	<b>37,735,240</b>	<b>785,042</b>	<b>2%</b>
Transfer from / (provision for) rate stab								
Rate stabilization - general	(880,156)	(659,568)	(220,588)	-33%	806,334	884,576	(78,242)	-9%
<b>Total trans from / (prov for) rate stab</b>	<b>(880,156)</b>	<b>(659,568)</b>	<b>(220,588)</b>	<b>-33%</b>	<b>806,334</b>	<b>884,576</b>	<b>(78,242)</b>	<b>-9%</b>
Other	94,272	73,701	20,571	28%	325,757	291,750	34,008	12%
<b>Total operating revenues</b>	<b>10,006,349</b>	<b>10,161,093</b>	<b>(154,744)</b>	<b>-2%</b>	<b>39,652,374</b>	<b>38,911,566</b>	<b>740,808</b>	<b>2%</b>
<b>Operating Expenses</b>								
Electric energy costs								
Purchased power	6,495,288	6,080,295	414,993	7%	23,753,865	23,694,271	59,594	0%
Production	1,524,190	1,257,415	266,775	21%	4,584,477	4,225,366	359,110	8%
Transmission	382,192	351,581	30,611	9%	1,292,856	1,415,389	(122,532)	-9%
<b>Total electric energy costs</b>	<b>8,401,670</b>	<b>7,689,291</b>	<b>712,378</b>	<b>9%</b>	<b>29,631,198</b>	<b>29,335,026</b>	<b>296,172</b>	<b>1%</b>
Administrative and general								
Payroll and benefits	473,625	492,650	(19,026)	-4%	1,962,429	2,014,530	(52,100)	-3%
Internal office	96,260	77,053	19,206	25%	323,005	319,129	3,876	1%
Member	11,098	3,450	7,648	222%	194,440	184,655	9,785	5%
Consultants and outside services	370,245	228,759	141,486	62%	1,170,271	915,584	254,687	28%
<b>Total administrative and general</b>	<b>951,227</b>	<b>801,913</b>	<b>149,315</b>	<b>19%</b>	<b>3,650,146</b>	<b>3,433,898</b>	<b>216,247</b>	<b>6%</b>
Depreciation and amortization	586,494	584,346	2,147	0%	2,345,974	2,332,536	13,439	1%
<b>Total operating expenses</b>	<b>9,939,391</b>	<b>9,075,550</b>	<b>863,840</b>	<b>10%</b>	<b>35,627,318</b>	<b>35,101,460</b>	<b>525,858</b>	<b>1%</b>
<b>Operating Income/(Loss)</b>	<b>66,958</b>	<b>1,085,543</b>	<b>(1,018,585)</b>	<b>-94%</b>	<b>4,025,056</b>	<b>3,810,106</b>	<b>214,949</b>	<b>6%</b>
<b>Nonoperating Revenues/(Expenses)</b>								
Net costs to be recovered in future periods	(52,031)	61,099	(113,130)	-185%	(208,123)	244,397	(452,520)	-185%
Investment return	23,985	50,408	(26,423)	-52%	108,461	216,005	(107,545)	-50%
Interest expense	(458,938)	(479,448)	20,511	4%	(1,835,751)	(1,917,794)	82,043	4%
<b>Total nonoperating revenues/(expenses)</b>	<b>(486,983)</b>	<b>(367,941)</b>	<b>(119,042)</b>	<b>-32%</b>	<b>(1,935,414)</b>	<b>(1,457,392)</b>	<b>(478,022)</b>	<b>-33%</b>
<b>Net Revenue / (Loss)</b>	<b>\$ (420,025)</b>	<b>\$ 717,602</b>	<b>\$ (1,137,627)</b>	<b>-159%</b>	<b>\$ 2,089,642</b>	<b>\$ 2,352,715</b>	<b>\$ (263,073)</b>	<b>-11%</b>

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

	<b>Current Month</b>	<b>Fiscal YTD</b>
<b>Operating Activities</b>		
Cash received from participants and customers		
Schedule M	\$12,228,370	\$38,565,516
Schedule K/K-1	820,019	3,299,107
Schedule J	242,744	933,838
Scheduling services	186,732	3,792,969
Non-participants	695,609	5,667,512
Other	252,525	1,092,987
Total cash received from participants and customers	14,425,999	53,351,929
Cash paid to suppliers	(10,277,237)	(40,354,341)
Cash received from (paid to) coalition members, net		
NMPP	(523,594)	(2,084,250)
NPGA	37,159	145,396
ACE	37,837	167,655
Net cash provided by (used in) operating activities	3,700,163	11,226,389
<b>Capital and Related Financing Activities</b>		
Debt service activity		
Transfer to debt service accounts	(963,026)	(3,852,103)
Interest received on debt service investments	-	48,516
Additions of productive capacity	(211,680)	(580,085)
Purchase of capital assets	-	(7,916)
Net cash provided by (used in) capital and related financing activities	(1,174,705)	(4,391,588)
<b>Investing Activities</b>		
Interest received on investments	14,950	80,259
Purchases, sales, and maturities of investments, net	(250,000)	(1,750,780)
Net cash provided by (used in) investing activities	(235,050)	(1,670,521)
<b>Increase (Decrease) In Cash and Cash Equivalents</b>	2,290,407	5,164,280
<b>Cash and Cash Equivalents, Beginning of Period</b>	29,721,822	26,847,749
<b>Cash and Cash Equivalents, End of Period</b>	<u>\$32,012,229</u>	<u>\$32,012,029</u>