



*Municipal Energy
Agency of Nebraska*

Financial Statements

August 31, 2021

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MEAN Overall Financial Results:

Current month results reflect net revenue/(loss) of \$(45,000) which is less than budget by \$157,000. Investment return accounts for \$6,000 of the variance due to the low interest rate environment. See below for further explanation of the \$150,000 operating income variance.

Operating Revenues – Total MWhs sold were 5% greater than budget. Operating revenues of \$9.8M were greater than budget by \$315,000. MWhs sold to Participants were 8% greater than budget resulting in revenues from Participant energy sales being \$534,000 greater than budget. Increased MWh usage by West Participants compared to budget resulted in less MWhs sold to non-participants, decreasing sales to non-participants by \$244,000.

Electric Energy Costs – Total electric energy costs of \$8.0M were \$535,000 greater than budget.

Purchased Power expenses of \$6.3M were \$651,000 greater than budget. Significant components of purchased power expense include:

Contracted Purchases – individual production by contracted resources was both greater than and less than budget; in total, MWhs purchased from contracted resources were greater than budget by 1%. The overall \$/MWh was 5% greater than budget. The combination of these factors increased contracted purchases costs by \$377,000.

- The following contributed to the increase in costs:
 - Increased market prices resulted in an increase in WAPA Displacement Agreement contracted energy costs.
 - Increased MWh generation at MEAN wind resources increased contracted energy costs.
- The following partly offset the increase in costs:
 - Decreased MWh generation at NPPD GGS decreased fuel costs.
 - PPGA WEC2 A&G costs were less than budget due to an increase in dry fly ash sales.

Market Activity - increased load compared to budget along with elevated market prices increased market activity costs by \$274,000.

- The following contributed to the increase in costs:
 - Total MWhs purchased for load in SPP and MISO were greater than budget by 10%. Overall \$/MWh was 70% greater than budget. As a result, total costs for purchases for load significantly increased compared to budget.
 - MISO MWhs purchased were greater than budget at a greater \$/MWh for increased costs.
 - SPP MWhs purchased were greater than budget at a greater \$/MWh for increased costs.
 - MWh usage by West Participants was greater than budget resulting in additional market MWh purchases, increasing West market purchase costs.
- The following partly offset the increase in costs:
 - Monthly WEIS Market activity resulted in a credit.
 - Total MWhs generated in MISO and SPP were greater than budget by 1%. Overall \$/MWh received was 48% greater than budget. As a result, generation sales revenues received were greater than budget.
 - MISO units (WSEC 4, WSEC 4 Assignment and Louisa) net generated more MWhs than budget and \$/MWh received was greater than budget. This resulted in an increase in MISO generation sales revenues received.

- 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 and \$/MWh received was greater than budget. This resulted in an increase in SPP generation sales revenues received.

Production expenses of \$1.3M were \$143,000 less than budget. MWhs produced were less than budget by 7%.

- The following contributed to the decrease in costs:
 - Decreased MWh generation from LRS 1, 2, & 3 resulted in a decrease in fuel costs.
 - Timing of coal purchases at WSEC4 led to decreased fuel costs.
 - LRS coal costs were less than anticipated resulting in decreased fuel costs.

Transmission expenses of \$360,000 were \$27,000 greater than budget.

- Significant variances include:
 - Changes in rates in SPP & MISO resulted in increased costs.

Administrative and General (A&G) – total A&G of \$808,000 was \$67,000 less than budget. Fluctuations occurred in a variety of expense categories.

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 the month were \$97,000 compared to a budget of \$244,000, 61% 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 \$707,000 compared to a budget of \$1,596,000, 56% less than budget. Variances include:

- BHPL Wygen I – \$32,000 greater than budget.
- LRS – \$254,000 less than budget.
- WSEC 4 – \$667,000 less than budget.

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

	2021	2020
Assets and Deferred Outflows of Resources		
Assets		
Cash and cash equivalents	\$ 33,493,998	\$ 26,380,091
Investments	19,751,265	18,500,000
Accounts receivable	21,055,111	21,117,816
Prepaid expenses and other	360,756	140,802
Productive capacity operating assets	2,464,474	2,936,883
Restricted investments		
Debt service funds	4,931,772	4,894,655
Debt service reserve funds	11,622,170	11,569,526
Total restricted investments	16,553,943	16,464,182
Productive capacity, net	105,497,068	110,882,906
Capital assets, net	4,685,408	4,989,748
Costs recoverable from future billings	41,357,232	41,189,692
Total assets	245,219,255	242,602,120
Deferred outflows of resources		
Deferred cost of refunded debt	7,369,345	7,855,733
Total assets and deferred outflows of resources	\$ 252,588,600	\$ 250,457,853
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	9,950,035	10,926,254
Accrued interest payable	2,492,211	2,594,765
Total current liabilities	18,017,246	18,851,019
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	13,123,791	14,084,233
Total long-term debt, net	142,023,791	148,559,233
Deferred Inflows of Resources		
Deferred revenue - rate stabilization		
Capital funds	5,923,672	4,323,672
General funds	22,512,571	16,570,906
Total deferred revenue - rate stabilization	28,436,243	20,894,578
Net Position		
Net investment in capital assets	16,608,792	16,327,376
Restricted for debt service	6,258,906	6,258,906
Unrestricted	41,243,622	39,566,742
Total net position	64,111,319	62,153,023
Total liabilities, deferred inflows of resources and net position	\$ 252,588,600	\$ 250,457,853

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

	Current Month				Fiscal YTD				Fiscal Year
	Actual	Budget	+ / -	% + / -	Actual	Budget	+ / -	% + / -	Budget
Electric Energy Sales - MWh's									
Schedule M	159,973	147,772	12,201	8%	693,409	661,380	32,029	5%	1,631,262
Schedule K/K-1	10,950	10,976	(26)	0%	53,504	52,594	910	2%	130,000
Schedule J	5,658	4,233	1,425	34%	24,397	18,858	5,539	29%	51,626
Non-participants	3,863	8,362	(4,499)	-54%	20,827	58,100	(37,273)	-64%	71,877
Total electric energy sales - MWh's	180,444	171,343	9,101	5%	792,137	790,932	1,205	0%	1,884,766
Operating Revenues									
Electric energy sales									
Schedule M	\$ 9,544,444	\$ 9,081,213	\$ 463,231	5%	\$ 43,671,342	\$ 42,464,017	\$ 1,207,325	3%	\$ 103,699,183
Schedule K/K-1	756,680	757,940	(1,260)	0%	3,730,748	3,692,175	38,573	1%	9,022,498
Schedule J	298,390	226,135	72,255	32%	1,266,057	989,378	276,679	28%	2,736,651
Non-participants	75,617	319,848	(244,231)	-76%	527,266	1,177,472	(650,206)	-55%	1,618,319
Total electric energy sales	10,675,131	10,385,136	289,995	3%	49,195,413	48,323,042	872,371	2%	117,076,651
Transfer from / (provision for) rate stab									
Rate stabilization - general	(929,195)	(929,195)	-	0%	(122,861)	(122,861)	-	0%	-
Total trans from / (prov for) rate stab	(929,195)	(929,195)	-	0%	(122,861)	(122,861)	-	0%	-
Other	88,440	63,572	24,868	39%	414,198	334,426	79,772	24%	814,433
Total operating revenues	9,834,376	9,519,513	314,863	3%	49,486,750	48,534,607	952,143	2%	117,891,084
Operating Expenses									
Electric energy costs									
Purchased power	6,299,150	5,648,429	650,721	12%	30,053,015	27,905,431	2,147,584	8%	68,910,706
Production	1,337,250	1,480,014	(142,764)	-10%	5,921,726	7,800,828	(1,879,102)	-24%	18,248,382
Transmission	360,351	333,436	26,915	8%	1,653,207	1,820,778	(167,571)	-9%	4,442,481
Total electric energy costs	7,996,751	7,461,879	534,872	7%	37,627,949	37,527,037	100,912	0%	91,601,569
Administrative and general									
Payroll and benefits	482,587	516,185	(33,598)	-7%	2,445,016	2,595,925	(150,909)	-6%	6,233,161
Internal office	57,939	88,002	(30,064)	-34%	380,944	554,987	(174,043)	-31%	1,304,217
Member	16,785	36,584	(19,799)	-54%	211,226	301,852	(90,626)	-30%	641,117
Consultants and outside services	250,901	234,057	16,844	7%	1,421,172	1,266,010	155,162	12%	3,105,688
Total administrative and general	808,212	874,828	(66,616)	-8%	4,458,358	4,718,774	(260,416)	-6%	11,284,183
Depreciation and amortization	585,620	589,067	(3,447)	-1%	2,931,594	2,945,335	(13,741)	0%	7,068,792
Total operating expenses	9,390,583	8,925,774	464,809	5%	45,017,901	45,191,146	(173,245)	0%	109,954,544
Operating Income/(Loss)	443,793	593,739	(149,946)	-25%	4,468,849	3,343,461	1,125,388	34%	7,936,540
Nonoperating Revenues/(Expenses)									
Net costs to be recovered in future periods	(52,031)	(50,908)	(1,123)	-2%	(260,154)	(254,540)	(5,614)	-2%	(610,896)
Investment return	22,160	28,410	(6,250)	-22%	130,621	142,050	(11,429)	-8%	340,900
Interest expense	(458,938)	(458,937)	(1)	0%	(2,294,689)	(2,294,685)	(4)	0%	(5,507,254)
Net nonoperating revenues/(expenses)	(488,808)	(481,435)	(7,373)	-2%	(2,424,222)	(2,407,175)	(17,047)	-1%	(5,777,250)
Net Revenue / (Loss)	\$ (45,015)	\$ 112,304	\$ (157,319)	-140%	\$ 2,044,627	\$ 936,286	\$ 1,108,341	118%	\$ 2,159,290

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

	Month				Fiscal YTD			
	Current	Prior Year	+ / -	% + / -	Current	Prior Year	+ / -	% + / -
Electric Energy Sales - MWh's								
Schedule M	159,973	157,807	2,166	1%	693,409	674,642	18,767	3%
Schedule K/K-1	10,950	11,236	(286)	-3%	53,504	49,028	4,476	9%
Schedule J	5,658	5,090	568	11%	24,397	23,217	1,180	5%
Non-participants	3,863	6,465	(2,601)	-40%	20,827	43,851	(23,024)	-53%
Total electric energy sales - MWh's	180,444	180,599	(154)	0%	792,137	790,739	1,399	0%
Operating Revenues								
Electric energy sales								
Schedule M	\$ 9,544,444	\$ 9,473,448	\$ 70,996	1%	\$ 43,671,342	\$ 42,964,380	\$ 706,963	2%
Schedule K/K-1	756,680	768,989	(12,309)	-2%	3,730,748	3,538,649	192,099	5%
Schedule J	298,390	266,156	32,234	12%	1,266,057	1,190,927	75,130	6%
Non-participants	75,617	125,507	(49,890)	-40%	527,266	675,384	(148,118)	-22%
Total electric energy sales	10,675,131	10,634,100	41,031	0%	49,195,413	48,369,340	826,073	2%
Transfer from / (provision for) rate stab								
Rate stabilization - general	(929,195)	(565,772)	(363,423)	-64%	(122,861)	318,804	(441,665)	-139%
Total trans from / (prov for) rate stab	(929,195)	(565,772)	(363,423)	-64%	(122,861)	318,804	(441,665)	-139%
Other	88,440	75,336	13,104	17%	414,198	367,086	47,112	13%
Total operating revenues	9,834,376	10,143,664	(309,288)	-3%	49,486,750	49,055,230	431,520	1%
Operating Expenses								
Electric energy costs								
Purchased power	6,299,150	6,572,108	(272,958)	-4%	30,053,015	30,266,379	(213,363)	-1%
Production	1,337,250	1,343,062	(5,812)	0%	5,921,726	5,568,428	353,299	6%
Transmission	360,351	285,211	75,139	26%	1,653,207	1,700,600	(47,393)	-3%
Total electric energy costs	7,996,751	8,200,381	(203,630)	-2%	37,627,949	37,535,407	92,542	0%
Administrative and general								
Payroll and benefits	482,587	489,115	(6,528)	-1%	2,445,016	2,503,645	(58,629)	-2%
Internal office	57,939	62,099	(4,161)	-7%	380,944	381,229	(285)	0%
Member	16,785	6,476	10,309	159%	211,226	191,131	20,094	11%
Consultants and outside services	250,901	287,364	(36,463)	-13%	1,421,172	1,202,948	218,224	18%
Total administrative and general	808,212	845,055	(36,843)	-4%	4,458,358	4,278,953	179,405	4%
Depreciation and amortization	585,620	584,443	1,177	0%	2,931,594	2,916,979	14,616	1%
Total operating expenses	9,390,583	9,629,879	(239,296)	-2%	45,017,901	44,731,339	286,562	1%
Operating Income/(Loss)	443,793	513,785	(69,992)	-14%	4,468,849	4,323,892	144,957	3%
Nonoperating Revenues/(Expenses)								
Net costs to be recovered in future periods	(52,031)	61,099	(113,130)	-185%	(260,154)	305,496	(565,650)	-185%
Investment return	22,160	43,478	(21,318)	-49%	130,621	259,483	(128,862)	-50%
Interest expense	(458,938)	(479,448)	20,511	4%	(2,294,689)	(2,397,242)	102,553	4%
Total nonoperating revenues/(expenses)	(488,808)	(374,871)	(113,937)	-30%	(2,424,222)	(1,832,263)	(591,959)	-32%
Net Revenue / (Loss)	\$ (45,015)	\$ 138,914	\$ (183,929)	-132%	\$ 2,044,627	\$ 2,491,629	\$ (447,002)	-18%

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

	Current Month	Fiscal YTD
Operating Activities		
Cash received from participants and customers		
Schedule M	\$10,833,245	\$49,398,761
Schedule K/K-1	825,987	4,125,093
Schedule J	539,107	1,472,945
Scheduling services	246,919	4,039,889
Non-participants	806,231	6,473,743
Other	178,090	1,271,277
Total cash received from participants and customers	13,429,579	66,781,708
Cash paid to suppliers	(11,188,291)	(51,542,631)
Cash received from (paid to) coalition members, net		
NMPP	(519,498)	(2,603,749)
NPGA	36,277	181,673
ACE	38,010	205,665
Net cash provided by (used in) operating activities	1,796,077	13,022,666
Capital and Related Financing Activities		
Debt service activity		
Transfer to debt service accounts	(963,026)	(4,815,128)
Interest received on debt service investments	-	48,516
Additions of productive capacity	(126,071)	(706,156)
Purchase of capital assets	-	(7,916)
Net cash provided by (used in) capital and related financing activities	(1,089,096)	(5,480,684)
Investing Activities		
Interest received on investments	24,708	104,967
Purchases, sales, and maturities of investments, net	750,080	(1,000,700)
Net cash provided by (used in) investing activities	774,788	(895,733)
Increase (Decrease) In Cash and Cash Equivalents	1,481,768	6,646,249
Cash and Cash Equivalents, Beginning of Period	32,012,229	26,847,749
Cash and Cash Equivalents, End of Period	<u>\$33,493,998</u>	<u>\$33,493,998</u>