



*Municipal **Energy**  
Agency of Nebraska*

**Financial Statements**

**September 30, 2021**

**Municipal Energy Agency of Nebraska**  
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<u>Table of Contents</u>	<u>Page</u>
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:

Current month results reflect net revenue/(loss) of \$438,000 which is greater than budget by \$258,000. Investment return is less than budget by \$10,000 due to the low interest rate environment. See below for further explanation of the \$267,000 operating income variance.

*Operating Revenues* – Total MWhs sold were 1% greater than budget. Operating revenues of \$9.4M were greater than budget by \$42,000. MWhs sold to Participants were 5% greater than budget resulting in revenues from Participant energy sales being \$246,000 greater than budget. Increased Participant load and decreased MWh generation in the West compared to budget resulted in less MWhs sold to non-participants, decreasing sales to non-participants by \$229,000.

*Electric Energy Costs* – Total electric energy costs of \$7.1M were \$164,000 less than budget.

Purchased Power expenses of \$5.3M were \$135,000 less than budget. Significant components of purchased power expense include:

**Contracted Purchases** – MWhs purchased from contracted resources were less than budget by 4%. The overall \$/MWh was 4% greater than budget. The combination of these factors led to Contracted Purchases costs being almost identical to budget.

- The following contributed to the increase in costs:
  - PPGA WEC2 O&M costs were greater than budget due to increased boiler plant maintenance costs, Air Quality Control System costs, and miscellaneous steam power expenses.
  - Increased market prices resulted in an increase in WAPA Displacement Agreement contracted energy costs.
- The following offset the increase in costs:
  - Decreased MWh generation at PPGA WEC 2 decreased fuel costs.
  - Decreased MWh generation at BHPL NS2 & Wygen III and all NPPD wind units decreased contracted energy costs.
  - PPGA WEC2 capital additions costs were less than budget due to timing of capital projects.

**Market Activity** – increased load compared to budget, elevated market prices, and decreased generation lead to a decrease in market activity by \$138,000.

- The following contributed to the decrease in costs:
  - Monthly WEIS Market activity resulted in a credit.
  - West Energy Imbalance costs were less than budgeted.
  - Total MWhs generated in MISO and SPP were less than budget by 4%. Overall \$/MWh received was 45% greater than budget. As a result, generation sales revenues received were significantly greater than budget.
    - MISO units (WSEC 4, WSEC 4 Assignment and Louisa) net generated less MWhs than budget, but \$/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 but \$/MWh received was greater than budget. This resulted in an increase in SPP generation sales revenues received.
- The following partly offset the decrease in costs:

- Total MWhs purchased for load in SPP and MISO were greater than budget by 8%. Overall \$/MWh was 38% 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 generation in the West was less than budget resulting in increased West market purchase costs.

Production expenses of \$1.4M were \$35,000 less than budget. MWhs produced were less than budget by 11%.

- The following contributed to the decrease in costs:
  - Decreased MWh generation from Wygen I and WSEC 4 resulted in a decrease in fuel costs.
- The following partly offset the decrease in costs:
  - WSEC4 O&M costs were greater than budget due to an increase in steam expenses and general O&M costs.

Transmission expenses of \$344,000 were \$7,000 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 \$830,000 was \$57,000 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 \$255,000 compared to a budget of \$312,000, 19% 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 \$961,000 compared to a budget of \$1,908,000, 50% less than budget. Variances include:

- BHPL Wygen I – \$155,000 greater than budget.
- LRS – \$307,000 less than budget.
- WSEC 4 – \$795,000 less than budget.

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

	<b>2021</b>	<b>2020</b>
<b>Assets and Deferred Outflows of Resources</b>		
Assets		
Cash and cash equivalents	\$ 36,525,982	\$ 26,596,397
Investments	20,500,911	18,500,000
Accounts receivable	20,248,108	19,602,134
Prepaid expenses and other	302,315	124,145
Productive capacity operating assets	2,543,149	2,775,769
Restricted investments		
Debt service funds	5,888,814	5,866,342
Debt service reserve funds	11,647,581	11,580,113
Total restricted investments	17,536,396	17,446,454
Productive capacity, net	105,194,698	110,501,735
Capital assets, net	4,656,695	4,959,394
Costs recoverable from future billings	41,305,202	41,250,791
Total assets	248,813,456	241,756,820
Deferred outflows of resources		
Deferred cost of refunded debt	7,328,812	7,815,200
Total assets and deferred outflows of resources	\$ 256,142,268	\$ 249,572,020
<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	12,537,779	9,470,965
Accrued interest payable	2,990,654	3,113,718
Total current liabilities	21,103,433	17,914,683
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	13,043,755	14,004,196
Total long-term debt, net	141,943,755	148,479,196
Deferred Inflows of Resources		
Deferred revenue - rate stabilization		
Capital funds	5,923,672	4,323,672
General funds	22,622,284	16,410,917
Total deferred revenue - rate stabilization	28,545,956	20,734,589
Net Position		
Net investment in capital assets	16,265,183	16,016,454
Restricted for debt service	6,258,906	6,258,906
Unrestricted	42,025,036	40,168,193
Total net position	64,549,125	62,443,553
Total liabilities, deferred inflows of resources and net position	\$ 256,142,268	\$ 249,572,020

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

	Current Month				Fiscal YTD				Fiscal Year
	Actual	Budget	+ / -	% + / -	Actual	Budget	+ / -	% + / -	Budget
<b>Electric Energy Sales - MWh's</b>									
Schedule M	129,551	124,323	5,228	4%	822,960	785,704	37,257	5%	1,631,262
Schedule K/K-1	9,684	9,559	124	1%	63,187	62,153	1,034	2%	130,000
Schedule J	4,910	3,951	960	24%	29,308	22,809	6,499	28%	51,626
Non-participants	5,367	9,743	(4,376)	-45%	26,194	67,843	(41,648)	-61%	71,877
Total electric energy sales - MWh's	149,513	147,577	1,936	1%	941,650	938,509	3,141	0%	1,884,766
<b>Operating Revenues</b>									
Electric energy sales									
Schedule M	\$ 8,384,283	\$ 8,187,111	\$ 197,172	2%	\$ 52,055,625	\$ 50,651,128	\$ 1,404,497	3%	\$ 103,699,183
Schedule K/K-1	702,500	697,223	5,277	1%	4,433,248	4,389,398	43,850	1%	9,022,498
Schedule J	254,797	210,864	43,933	21%	1,520,854	1,200,242	320,612	27%	2,736,651
Non-participants	102,466	331,954	(229,488)	-69%	629,732	1,509,426	(879,694)	-58%	1,618,319
Total electric energy sales	9,444,046	9,427,152	16,894	0%	58,639,459	57,750,194	889,265	2%	117,076,651
Transfer from / (provision for) rate stab									
Rate stabilization - general	(109,713)	(109,713)	-	0%	(232,574)	(232,574)	-	0%	-
Total trans from / (prov for) rate stab	(109,713)	(109,713)	-	0%	(232,574)	(232,574)	-	0%	-
Other	88,148	63,435	24,713	39%	502,346	397,861	104,485	26%	814,433
Total operating revenues	9,422,481	9,380,874	41,607	0%	58,909,231	57,915,481	993,750	2%	117,891,084
<b>Operating Expenses</b>									
Electric energy costs									
Purchased power	5,314,758	5,450,192	(135,434)	-2%	35,367,774	33,355,623	2,012,151	6%	68,910,706
Production	1,420,381	1,455,807	(35,426)	-2%	7,342,108	9,256,635	(1,914,527)	-21%	18,248,382
Transmission	343,584	337,022	6,562	2%	1,996,791	2,157,800	(161,009)	-7%	4,442,481
Total electric energy costs	7,078,724	7,243,021	(164,297)	-2%	44,706,673	44,770,058	(63,385)	0%	91,601,569
Administrative and general									
Payroll and benefits	502,143	516,185	(14,042)	-3%	2,947,159	3,112,110	(164,951)	-5%	6,233,161
Internal office	60,656	95,553	(34,897)	-37%	441,600	650,540	(208,940)	-32%	1,304,217
Member	18,270	20,982	(2,712)	-13%	229,495	322,834	(93,339)	-29%	641,117
Consultants and outside services	248,711	254,432	(5,722)	-2%	1,669,883	1,520,442	149,441	10%	3,105,688
Total administrative and general	829,779	887,152	(57,373)	-6%	5,288,137	5,605,926	(317,789)	-6%	11,284,183
Depreciation and amortization	585,620	589,067	(3,447)	-1%	3,517,214	3,534,402	(17,188)	0%	7,068,792
Total operating expenses	8,494,123	8,719,240	(225,117)	-3%	53,512,024	53,910,386	(398,362)	-1%	109,954,544
<b>Operating Income/(Loss)</b>	928,358	661,634	266,724	40%	5,397,207	4,005,095	1,392,112	35%	7,936,540
<b>Nonoperating Revenues/(Expenses)</b>									
Net costs to be recovered in future periods	(52,031)	(50,908)	(1,123)	-2%	(312,185)	(305,448)	(6,737)	-2%	(610,896)
Investment return	18,856	28,410	(9,554)	-34%	149,477	170,460	(20,983)	-12%	340,900
Interest expense	(458,938)	(458,937)	(1)	0%	(2,753,627)	(2,753,622)	(5)	0%	(5,507,254)
Other	1,560	-	1,560	100%	1,560	-	1,560	100%	-
Net nonoperating revenues/(expenses)	(490,552)	(481,435)	(9,117)	-2%	(2,914,775)	(2,888,610)	(26,165)	-1%	(5,777,250)
<b>Net Revenue / (Loss)</b>	\$ 437,805	\$ 180,199	\$ 257,606	143%	\$ 2,482,432	\$ 1,116,485	\$ 1,365,947	122%	\$ 2,159,290

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

	Month				Fiscal YTD			
	Current	Prior Year	+ / -	% + / -	Current	Prior Year	+ / -	% + / -
<b>Electric Energy Sales - MWh's</b>								
Schedule M	129,551	120,622	8,929	7%	822,960	795,264	27,696	3%
Schedule K/K-1	9,684	9,563	121	1%	63,187	58,591	4,597	8%
Schedule J	4,910	4,407	504	11%	29,308	27,624	1,684	6%
Non-participants	5,367	7,154	(1,787)	-25%	26,194	51,005	(24,811)	-49%
Total electric energy sales - MWh's	<u>149,513</u>	<u>141,746</u>	<u>7,767</u>	<u>5%</u>	<u>941,650</u>	<u>932,485</u>	<u>9,165</u>	<u>1%</u>
<b>Operating Revenues</b>								
Electric energy sales								
Schedule M	\$ 8,384,283	\$ 8,053,317	\$ 330,966	4%	\$ 52,055,625	\$ 51,017,697	\$ 1,037,928	2%
Schedule K/K-1	702,500	697,340	5,160	1%	4,433,248	4,235,989	197,260	5%
Schedule J	254,797	226,817	27,980	12%	1,520,854	1,417,744	103,110	7%
Non-participants	102,466	82,157	20,309	25%	629,732	757,541	(127,809)	-17%
Total electric energy sales	<u>9,444,046</u>	<u>9,059,630</u>	<u>384,415</u>	<u>4%</u>	<u>58,639,459</u>	<u>57,428,971</u>	<u>1,210,489</u>	<u>2%</u>
Transfer from / (provision for) rate stab								
Rate stabilization - general	(109,713)	159,989	(269,702)	-169%	(232,574)	478,793	(711,367)	-149%
Total trans from / (prov for) rate stab	<u>(109,713)</u>	<u>159,989</u>	<u>(269,702)</u>	<u>-169%</u>	<u>(232,574)</u>	<u>478,793</u>	<u>(711,367)</u>	<u>-149%</u>
Other	88,148	75,486	12,662	17%	502,346	442,572	59,774	14%
Total operating revenues	<u>9,422,481</u>	<u>9,295,105</u>	<u>127,376</u>	<u>1%</u>	<u>58,909,231</u>	<u>58,350,335</u>	<u>558,895</u>	<u>1%</u>
<b>Operating Expenses</b>								
Electric energy costs								
Purchased power	5,314,758	5,499,621	(184,862)	-3%	35,367,774	35,766,000	(398,226)	-1%
Production	1,420,381	1,365,669	54,712	4%	7,342,108	6,934,097	408,011	6%
Transmission	343,584	393,927	(50,343)	-13%	1,996,791	2,094,527	(97,736)	-5%
Total electric energy costs	<u>7,078,724</u>	<u>7,259,217</u>	<u>(180,493)</u>	<u>-2%</u>	<u>44,706,673</u>	<u>44,794,624</u>	<u>(87,951)</u>	<u>0%</u>
Administrative and general								
Payroll and benefits	502,143	494,249	7,894	2%	2,947,159	2,997,894	(50,735)	-2%
Internal office	60,656	57,179	3,478	6%	441,600	438,407	3,193	1%
Member	18,270	13,405	4,865	36%	229,495	204,536	24,959	12%
Consultants and outside services	248,711	223,687	25,023	11%	1,669,883	1,426,635	243,247	17%
Total administrative and general	<u>829,779</u>	<u>788,520</u>	<u>41,260</u>	<u>5%</u>	<u>5,288,137</u>	<u>5,067,473</u>	<u>220,664</u>	<u>4%</u>
Depreciation and amortization	585,620	583,851	1,769	0%	3,517,214	3,500,830	16,384	0%
Total operating expenses	<u>8,494,123</u>	<u>8,631,588</u>	<u>(137,465)</u>	<u>-2%</u>	<u>53,512,024</u>	<u>53,362,926</u>	<u>149,098</u>	<u>0%</u>
<b>Operating Income/(Loss)</b>	<u>928,358</u>	<u>663,517</u>	<u>264,840</u>	<u>40%</u>	<u>5,397,207</u>	<u>4,987,409</u>	<u>409,798</u>	<u>8%</u>
<b>Nonoperating Revenues/(Expenses)</b>								
Net costs to be recovered in future periods	(52,031)	61,099	(113,130)	-185%	(312,185)	366,595	(678,780)	-185%
Investment return	18,856	43,801	(24,945)	-57%	149,477	303,285	(153,808)	-51%
Interest expense	(458,938)	(479,448)	20,511	4%	(2,753,627)	(2,876,691)	123,064	4%
Other	1,560	1,560	-	0%	1,560	1,560	-	0%
Total nonoperating revenues/(expenses)	<u>(490,552)</u>	<u>(372,988)</u>	<u>(117,565)</u>	<u>-32%</u>	<u>(2,914,775)</u>	<u>(2,205,251)</u>	<u>(709,524)</u>	<u>-32%</u>
<b>Net Revenue / (Loss)</b>	<u>\$ 437,805</u>	<u>\$ 290,530</u>	<u>\$ 147,276</u>	<u>51%</u>	<u>\$ 2,482,432</u>	<u>\$ 2,782,158</u>	<u>\$ (299,726)</u>	<u>-11%</u>

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

	<b>Current Month</b>	<b>Fiscal YTD</b>
<b>Operating Activities</b>		
Cash received from participants and customers		
Schedule M	\$10,723,521	\$60,122,282
Schedule K/K-1	937,253	5,062,346
Schedule J	309,769	1,782,714
Scheduling services	305,991	4,345,880
Non-participants	490,956	6,964,699
Other	617,220	1,888,497
Total cash received from participants and customers	13,384,710	80,166,418
Cash paid to suppliers	(8,122,789)	(59,665,420)
Cash received from (paid to) coalition members, net		
NMPP	(511,509)	(3,115,258)
NPGA	36,865	218,537
ACE	38,802	244,467
Net cash provided by (used in) operating activities	4,826,079	17,848,744
<b>Capital and Related Financing Activities</b>		
Debt service activity		
Transfer to debt service accounts	(963,026)	(5,778,154)
Interest received on debt service investments	-	48,516
Additions of productive capacity	(93,946)	(800,102)
Purchase of capital assets	-	(7,916)
Net cash provided by (used in) capital and related financing activities	(1,056,971)	(6,537,656)
<b>Investing Activities</b>		
Interest received on investments	12,877	117,845
Purchases, sales, and maturities of investments, net	(750,000)	(1,750,700)
Net cash provided by (used in) investing activities	(737,123)	(1,632,855)
<b>Increase (Decrease) In Cash and Cash Equivalents</b>	3,031,985	9,678,233
<b>Cash and Cash Equivalents, Beginning of Period</b>	33,493,998	26,847,749
<b>Cash and Cash Equivalents, End of Period</b>	\$36,525,982	\$36,525,982