

THE KANSAS POWER POOL, A MUNICIPAL ENERGY AGENCY

General

The Kansas Power Pool, A Municipal Energy Agency (the “KPP”) is a municipal energy agency created under the laws of the State of Kansas. The KPP was created by an Agreement executed by the original Members in October and November of 2004. The KPP was created for the purpose of permitting cities within the State of Kansas that own and operate retail electric utility systems and that become parties to such contract (the “Members”) to secure, by joint action among themselves, or by contract with other utilities, an adequate, reliable and economical supply of electric power and energy. The KPP provides its Members with a pooling of resources and collective resource planning for current asset operations and future resources to meet system growth. The Members are served by a Network Integrated Transmission Service that enhances capabilities between the Members and available network resources.

Established by six charter Members, the KPP grew to a membership of 41 municipally-owned retail electric systems by 2011 ranging in size from approximately 151 meters to approximately 7,651 meters. Of those 41 Members, 32 Members received wholesale energy services from the KPP through an Amended Operating Agreement with the KPP giving them voting privileges. A 33rd Member entered into a transmission-only agreement with the KPP. The remaining 8 Members take no services from the KPP, nor do they have voting privileges. Of the 33 Members receiving services, 21 Member cities signed twenty-year power purchase contracts with the KPP in 2012 for all of their wholesale energy needs. During 2012, the KPP added two Member cities, the Cities of Mulvane and Waterville, Kansas. Both of these new Members signed twenty-year power purchase contracts with the KPP and began taking wholesale energy in June 2013, bringing the number of long-term power purchase contracts to 23. From 2010 to 2012, twelve Members without long-term power purchase contracts with the KPP gave notice of their intent to terminate their membership. With a requirement of two years’ notice, the terminations were completed by the end of the first quarter 2014. During 2017, the City of Glasco began taking wholesale electric service from the KPP, bringing the full-service membership of the KPP to 24. Since the signing of the 2012 power purchase contracts, 23 of the 24 Members are now bound with a power purchase contract term described as the later of twenty years from the First Supplemental Power Purchase Contract date or the date upon which the principal, premium, and interest on all bonds are paid in full and the bonds are retired. The remaining Member is still bound to their power purchase contract signed in 2012 and terminating in 2032. By Kansas law, no City can enter into a contract having a term longer than 40 years. The KPP’s financial forecasts provided herein reflect these membership changes. The KPP is constantly analyzing services that will add value to the KPP membership profile. The KPP’s current service territory is spread throughout the eastern two-thirds of Kansas.

Prior to April 2012, the KPP had exclusively used purchased power contracts and Member-owned generation under contract to provide the electric power and energy requirements of certain Members. In order to obtain a diversified portfolio of cost-based, reliable resources on a long-term basis to meet its Members’ growing load requirements and to replace power and energy that previously had been purchased under long and short-term contracts, the KPP purchased, in April 2012, a 7.00% undivided interest in the Dogwood Energy Facility, located at 2511 East 175th Street near Pleasant Hill, Missouri, financed with the proceeds of the Series A, 2012 Bonds. The Dogwood Energy Facility is a Combined Cycle Unit, a modern and efficient clean generating source and is currently the lowest cost energy resource available to buy and to operate. The facility is a 2x2x1 combined-cycle power generation plant consisting of two (2) Siemens 501F-D2 combustion turbine generators, two (2) Toshiba heat recovery steam generators, one (1) Toshiba steam turbine generator and ancillary facilities. The capacity of the facility is 620 MW. Natural gas is supplied to the facility by Panhandle Eastern Pipe Line Company, LP and Southern Star Central Gas Pipeline, Inc.

Since the initial 2012 acquisition of a share of the Dogwood Energy Facility, the KPP acquired an additional 20 MW’s of the Dogwood facility, bringing its share of the facility to approximately 10%. This acquisition was made possible with the proceeds from the 2015 Series A revenue bond issue. The newly acquired capacity replaced 15.5 MW’s from the terminated energy contract with Kansas City Board of Public

Utilities from its Nearman generating facility, which had become one of the KPP's most expensive energy sources.

In 2016, the KPP entered into a power purchase contract for 25 MW's of wind energy from the newly constructed Marshall County Wind Farm in northcentral Kansas. This contract, along with existing wind and hydroelectric contracts, has increased the KPP's energy portfolio to about 20% from renewable energy sources.

In 2017, KPP advance refunded a portion of the 2012A bond issue with the private placement of a tax exempt, bank qualified revenue bond issue in the principal amount of \$9.8 million, which calculates to a present value savings of 5.26%.

In 2020, KPP advance refunded a portion of the 2012A bond issue with the private placement of Convertible Electric Utility Refunding Revenue Bond issues in the principal amount of \$1.965 million and \$3.910 million, which calculates to a present value savings of 5.80%.

In 2020, KPP advance refunded a portion of the 2013A bond issue with the private placement of a Convertible Electric Utility Refunding Revenue Bond issue in the principal amount of \$1.115 million, which calculates to a present value savings of 5.80%.

Organization and Management

A Board of Directors (the "Board"), providing for nine members, directs the business affairs of the KPP. Annual elections for the members of the Board and Officers are held in December of each year. The Board Members and Officers at the time of this report are listed below:

Board Position	Name	City Title	City Utility	Board Term Expires
President	Gus Collins	Director of Utilities	Winfield	2021
1 st Vice President	Scott Glaves	Superintendent of Utilities	Clay Center BPU	2021
2 nd Vice President	Jason Newberry	Assistant City Manager of Utilities and IT	Wellington	2021
Secretary/Treasurer	Lou Thurston	Mayor	Hillsboro	2024
Member	John Wheeler	Former City Council Member	Marion	2021
Member	Tim Johnson	Public Works Director	Augusta	2024
Member	Chris Komarek	City Administrator	Ellinwood	2024
Member	Brad Modlin	Director of Utilities	Mulvane	2024
Member	Rex Reynolds	City Council Member	Mt. Hope	2023

The management of the KPP is under the direction of its General Manager and Chief Executive Officer. The following are the members of the KPP's management staff and their backgrounds.

Mark Chesney, General Manager/ CEO, joined the Kansas Power Pool as General Manager and CEO on October 31, 2012. Mark is responsible for the administration and overall management of the KPP. Before joining the KPP, Mark served as General Manager for the Tahlequah Public Works Authority in northeast Oklahoma, Operations Manager for the Utah Municipal Power Agency headquartered in Provo, Utah, and Assistant General Manager for Energy Marketing and Development for the Grand River Dam Authority in Oklahoma. He earned a Master's in Business Administration, with Honors, from Oklahoma City University and a Bachelor of Science in Business Administration from the University of Central Oklahoma.

Larry Holloway, Assistant General Manager – Operations, joined the Kansas Power Pool in 2009 as Operations Manager. Larry is responsible for managing the operations of the KPP, including the coordination of KPP load and resources in the Southwest Power Pool Integrated Market, acquisition of generation resources and transmission service, cost and load forecasting for the KPP budget, annual development of the KPP budget and member rates, KPP member capacity accreditation testing and compliance, and participation in the Southwest Power Pool. Prior to joining the KPP, Larry was employed by the Kansas Corporation Commission as Chief of Energy Operations where he primarily served as the KCC's electric utility policy expert. Larry holds engineering undergraduate degrees in Mechanical and Civil Engineering and a Master's in Mechanical Engineering from the University of Kansas as well as a Master of Engineering Management from Washington State University. Larry is also a registered Civil and Mechanical Engineer in the State of Oregon. He was promoted to KPP Assistant General Manager for Operations in 2014.

Vickie Matney, Controller, joined the Kansas Power Pool in 2008 and currently serves as Controller. Vickie is responsible for all accounting functions, including accounts receivable, accounts payable, financial statements, bank reconciliations, payroll, billing, bond accounting, budgeting, continuing disclosure, Dogwood Energy Plant accounting, insurance, and overseeing the annual financial audit. For 18 years prior to coming to the KPP, Vickie was employed by the Wichita Eagle. Vickie has attended Wichita State University and has an Associate Degree in Liberal Arts from Butler County Community College and holds a Bachelor of Business Administration Degree in Accounting from Friends University.

Brooke A. Carroll, CPA, CPM, Director of Administrative Services, joined the Kansas Power Pool in January of 2019 as the Director of Administrative Services. Brooke is responsible for maintaining and promoting positive relationships with member city staff, along with offering a financial review of member cities' financial well-being relating to its electric utility. Brooke also offers administrative support to KPP and member cities regarding fund balance review, distribution system assessments, special projects, other financial matters, and marketing. Brooke was the former City Administrator for Cherryvale, Kansas. In addition, she is also a licensed CPA in the state of Kansas. Brooke graduated from Utah Valley University in 1999 with a Bachelors degree in Business Administration with an Accounting Emphasis and she is also a 2018 graduate from the University of Kansas' Certified Public Management Program.

James Ging, Director of Engineering Services, joined the Kansas Power Pool as Director of Engineering Services in January 2017. James is responsible for coordination of KPP load and resources in the Southwest Power Pool Integrated Market, acquisition of generation resources and transmission service, cost and load forecasting for the KPP budget, annual development of the KPP budget and member rates, KPP member capacity accreditation testing and compliance, and participation in the Southwest Power Pool. Before joining KPP, James was the Director of the Electric and Water for the City of Winfield. James was with the City of Winfield for 21 years. While at the City of Winfield he earned his Bachelors in Electrical Engineering from Wichita State University. James also attended Spartan School of Aviation where he obtained an Associate of Science and received Airframe and Power Plant Mechanic certification.

Membership

The Agreement pursuant to which the KPP was created (the “Agreement Creating”) contains provisions permitting additional cities of the State of Kansas that own and operate retail electric utility systems to become Members of the KPP, subject to satisfaction of the requirements for membership set forth therein. To become a Member, any qualified city must execute and deliver an ordinance of the governing body of the City expressing its intent to become a member of the KPP. The governing body of the City shall also adopt a resolution consenting to an amendment to the Agreement Creating adding the City as a Member. The Board of Directors of the KPP must consent to the addition of the City as a Member by a majority vote. Under the First Amendment to the Agreement Creating and the Second Amended Operating Agreement, any such additional Member having also signed the Second Amended Operating Agreement will be entitled to appoint a voting member to the Membership Committee and will be eligible to participate in all activities undertaken by the KPP on behalf of its Members.

Annual Budgets

Upon review, the KPP Board of Directors approves an annual budget (the “Annual Budget”) prior to the commencement of each fiscal year. The Annual Budget includes all projected expenses of the KPP. The Membership Committee approves wholesale rates calculated to generate revenue to cover all financial obligations of the KPP for the following fiscal year.

Member City Loads

The KPP's Members are varied in population and energy needs. The annual peak demand of each of the Members for the calendar year 2020 is as follows:

2020 KPP Peak Demand (MW's)		
Member Cities Served	Non-Coincident Peak Demand (MW's)	Percent of Total
Attica	1.645	0.84%
Augusta	21.232	10.86%
Burlington	8.092	4.14%
Clay Center PUC	11.164	5.71%
Ellinwood	4.911	2.51%
Erie	3.218	1.65%
Glasco	0.8320	0.43%
Greensburg	3.103	1.59%
Haven	3.073	1.57%
Hillsboro	6.951	3.56%
Holyrood	1.000	0.51%
Kingman	8.380	4.29%
Lucas	1.731	0.89%
Luray	0.6680	0.34%
Marion	5.083	2.60%
Minneapolis	4.831	2.47%
Mount Hope	1.791	0.92%
Mulvane	10.270	5.25%
Oxford	2.423	1.24%
St Marys	5.272	2.70%
Udall	1.580	0.81%
Waterville	1.192	0.61%
Wellington	27.313	13.97%
Winfield	59.800	30.60%
Total	195.5550	100.00%

Rates and Charges

The rates established and approved by the KPP Membership Committee for services to Members are based on recovery of all the KPP's expenses, including all amounts required to satisfy any rate covenants of the KPP. Rates are established to charge each Member its proportionate share of all costs associated with the KPP's performance under the Operating Agreement. The costs of certain projects financed by the KPP under the terms of the Power Purchase Contracts are charged only to specific members. Therefore, rates for some members are increased to cover such project financing costs. Charges based on all rates are assessed and billed monthly. Each Member is required to pay all such charges when due, as provided in the Operating Agreement. Rates are established annually. To recognize the variances between budgeted and actual revenues, the KPP employs a monthly Energy Cost Adjustment to recover necessary revenue to meet budgeted revenue objectives. If the KPP Membership Committee fails to establish rates in accordance with the Operating Agreement, rates may be adjusted as deemed necessary to prevent an event of default under any bond indenture, lease, or loan agreement.

The table below shows the system average cost per MWh for all energy delivered during the last five calendar years. Costs include all pooled fixed and variable costs. System average rates include average bill credits for the use of Member Capacity.

Average Cost of Delivered Energy	
Year	Cost/MWh
2016	\$65.26
2017	\$67.47
2018	\$66.20
2019	\$64.48
2020	\$63.47

Current Power Supply Operations

To meet the power and energy requirements of the Members in 2020, the KPP obtained power and energy from the following resources: (i) power purchased under long-term firm energy contracts, unit-contingent energy contracts and interruptible contracts; (ii) Member Capacity; (iii) integrated market purchases; and (iv) power delivered pursuant to the KPP's ownership interest in the Dogwood Energy Facility. In 2020, the KPP purchased 839,799 MWh's of energy; in 2019, the KPP purchased 861,374 MWh's of energy; in 2018, the KPP purchased 885,798 MWh's of energy; in 2017, the KPP purchased 857,263 MWh's of energy; and in 2016, the KPP purchased 873,356 MWh's of energy.

When a KPP Member signs the Operating Agreement, the Member agrees to pool its generation resources to serve the entire membership. These pooled resources include purchase power agreements that Members have made with various entities. The only exception is for six Members having a power purchase agreement with the Western Area Power Administration, which does not allow its energy contracts to be pooled. The KPP pays the costs of pooled resources and incorporates them into its power supply portfolio. In addition, the Members agree to pledge the use of member-owned municipal generation to serve the pool, while the KPP pays the fuel and variable operating expenses if these units are called upon to serve the pool.

In addition to pooled resources, the KPP also has power purchase agreements with suppliers, including a 59 MW power purchase contract with Westar Energy (now Evergy), an agreement to purchase 12.5 MW's from the Greensburg Wind Farm, and a power purchase contract for 25 MW's of wind generation from the Marshall County Wind Farm. With the acquisition of an additional 20 MW's of capacity in July 2015, the KPP now has 62 MW's of generation from its ownership in the Dogwood Facility and contracts with Tenaska Power Services to supply short term market energy.

In August 2018, the KPP Board of Directors approved an engineering contract to be signed with ZEMAC for installing six 25KW solar arrays in KPP member cities. These projects are a joint effort between KPP and the member city where the solar arrays will reside. The City of Winfield completed the installation in November 2019. The City of Marion have received the materials and expect construction to be completed in 2021. The City of Waterville will move forward with the solar project in 2021.

To provide transmission of its wholesale services to its Members, the KPP has obtained Network Integrated Transmission Service ("NITS") through the regional transmission operator, the Southwest Power Pool ("SPP"). The KPP also has an agreement with the Tenaska Power Services Co. ("Tenaska") for scheduling services. Tenaska arranges and schedules power deliveries and makes the associated transmission service requests for the KPP's resources and market purchases. Tenaska provides this service through its 24-hour, 7-day a week market and scheduling desk.

Power Purchase Contracts

The KPP's existing long-term firm power purchase contracts include: (i) contract with Westar Energy for 59 MW of baseload power from the Jeffrey Energy Center, which will terminate January 2023; (ii) a 12.5 MW contract with the Greensburg Wind Farm that expires in 2030; and (iii) a 25 MW contract with the Marshall County Wind Farm that expires in 2036.

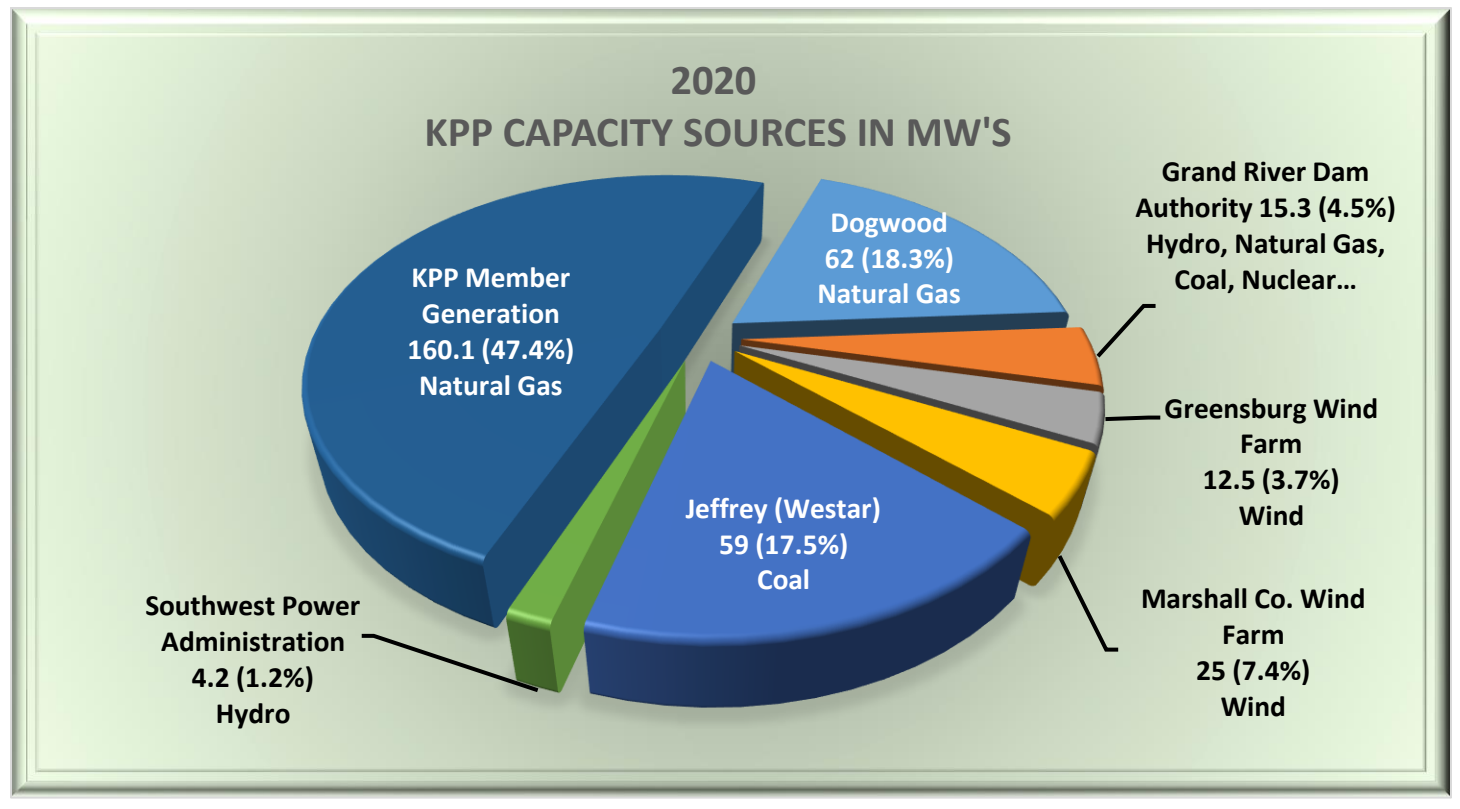
Member Generating Capacity

In 2020, the KPP has accepted 29 units as SPP Designated Network Resources with a total tested capacity of approximately 160.1 MW's of Member Capacity. Members that own Member Capacity receive a capacity payment for the KPP's use of Member Capacity. The capacity payment represents the KPP membership tested value for the capacity and energy. Most of the units dedicated to the KPP are less than 10 MW's and are principally older, diesel, or dual fuel generators which are rarely dispatched.

KPP Member Capacity

Network Resources of KPP Member Cities	Fuel Type	Tested Capacity (MW)
Augusta (4 generators)	Dual Fuel	20.8
Burlington (3 generators)	Dual Fuel, Diesel	8.4
Clay Center (6 generators)	Dual Fuel	22
Ellinwood (2 generators)	Dual Fuel	3.2
Kingman (5 generators)	Dual Fuel	16.7
Minneapolis (3 generator)	Dual Fuel	6.0
Mulvane (2 generators)	Dual Fuel	7.6
Wellington (2 generators)	Natural Gas	39
Winfield (2 generators)	Natural Gas	36.4
Total Member Capacity		160.1

The owners of Member Capacity are responsible for providing fuel and for keeping the units in good working order. All Member generating facilities have had and continue to receive proper maintenance and regularly scheduled overhauls. Since their initial in-service dates, many of the generating facilities have been refurbished, upgraded, and/or expanded. The owners also are responsible for ensuring the units are in compliance with the existing requirements of the Federal Clean Air Act covering fuel consumption restrictions.



Historical and Projected Energy Requirements

From its inception in 2005 until 2014, KPP's energy requirements grew significantly with the addition of Member cities. In 2012, the KPP Membership voted to issue bonds for the acquisition of a portion of the Dogwood Energy Facility, which was KPP's first generation asset. To secure the financing, KPP asked its Member cities to sign power purchase contracts with a twenty-year term, which was also the term of the financing. Some cities decided to leave the KPP and gave their required two-year notice of withdrawal at that time. By the end of January 2014, all of the terminating members had withdrawn from the KPP. The KPP added two new Members in 2013 and another member in July 2017 to bring the long-term membership total to its current level of twenty-four cities. The Trans-Canada pumping station in KPP's member city Clay Center has halted construction, and it is unknown if it will come online in the near future.

Historical and Projected KPP Member Energy Requirements			
Year	Historical Energy Requirements (MWh)	Year	Projected Energy Requirements (MWh)
2016	873,356	2021	886,216
2017	857,263	2022	881,729
2018	885,798	2023	883,254
2019	861,374	2024	892,992
2020	839,799	2025	894,739

Future KPP Power Supply Resources

Based upon projections, the KPP needed to secure additional capacity and energy by as early as 2016 to replace the Nearman resource that ended on December 31, 2015. The KPP issued revenue bonds on July 29, 2015 to acquire an additional 20 MW ownership in the Dogwood facility. The KPP also signed a power purchase agreement from a new wind farm to be constructed in Marshall County, Kansas. In June 2016, the KPP began taking 25 MW's of this renewable energy source from the Marshall Wind Project, which is owned and operated by BHE Wind. This power purchase contract runs for twenty years.

In 2013, the KPP extended and amended an existing 50 MW contract with a supplier to 59 megawatts of capacity through December 2022. KPP is underway in executing a long-term power supply plan intended not only to replace the capacity from that contract but also to achieve a lower cost structure following that replacement. Said power supply plan will result in the installation of low heat rate, high capacity factor, gas-fired, quick-start technology well suited to overcome the intermittent characteristics of renewable energy resources within the Southwest Power Pool. Tax exempt bonds are intended for use in financing the project. Accordingly, the KPP should be poised to acquire more fixed assets while reducing cost.

The KPP has begun a battery storage project with the assistance of Kelson Energy. It will be located at the City of Minneapolis, a KPP member. The city is connected on a long distribution line of Evergy. In the past this has caused the city to experience low voltage issues and long restoration periods in the wake of storms. The project will provide Minneapolis with voltage support and black start capabilities of their internal generation. The KPP will also offer this resource into the SPP integrated market, allowing their membership experience with a battery resource.

Historical and Projected KPP Loads and Resources

The KPP previously has met the Members' power and energy requirements through a combination of purchased power and the use of Member Capacity. As the table below indicates, the KPP expects to utilize direct ownership interests in baseload generating facilities and unit contingent purchased power contracts to meet a substantial portion of its future obligations to the Members.

Historical and Projected KPP Loads and Resources							
Fiscal Year Ending December 31	Annual Peak Load	Peak Capacity Requirement	Dedicated Member Capacity	Contract Purchases	KPP Owned Capacity	Total Capacity	Surplus/ (Deficit)
Historical:							
2017	219	245	157	80	62	299	54
2018	213	239	155	81.8	62	298.8	59.8
2019	215	241	154	97.8	62	313.8	72.8
2020	216	242	155	97.8	62	314.8	60.8
Projected:							
2021	209	234	160	87	62	309	75
2022	208	233	160	62	62	284	51
2023	208	233	160	27	62	249	16

Transmission

The KPP currently provides transmission services for all Members through the regional transmission organization Southwest Power Pool. All KPP Members' load is provided transmission service as part of KPP's Network Integrated Transmission Service.

In preparation for the Southwest Power Pool's implementation of an integrated market in 2014, the Kansas Power Pool secured firm transmission and congestion rights for all generation resources transmission paths necessary to serve KPP's member city loads. This firm transmission provides the ability to serve KPP's load from any one or combination of all KPP generation resources. KPP has also made the necessary arrangements with the Southwest Power Pool to secure a firm transmission path for the 10.3% participation in the Dogwood Energy Facility.

The KPP is well under way building an interconnection substation and facilities to MKEC 115KV transmission line North and East of Cunningham, Kansas. Construction is expected to be completed in May 2021. The Substation will provide the City of Kingman 100% connection to the high voltage transmission grid easing the need for internal generation to support the load of Kingman. This connection also allows the City of Kingman the ability to generate back to the SPP integrated power market.

The KPP applied the practice of locational arbitrage within the Southwest Power Pool Integrated Market beginning in May 2015. Locational arbitrage is the practice of bringing in more revenue in certain locations where transmission congestion occurs by offering excess energy on a real-time basis rather than selling it in the day ahead market at a lower rate. The KPP takes energy at the source of two wind farms where transmission congestion occurs at certain times of the day.

KPP is the sole purchaser of the output of the Greensburg wind project which completed ten years of commercial operation in the summer of 2020. Consequently, and because the project developer now no longer receives the Production Tax Credit, KPP has been free to implement changes in market operations practices which have provided for additional market and transmission cost and price benefits to KPP.

Lines of Credit

The KPP has maintained a \$6,000,000 Line of Credit with Bank of the West since 2014. No draws on the line of credit were made by the KPP during 2012-2020. The Line of Credit is collateralized by a security interest in the KPP's accounts, inventory, instruments, and general intangibles and matures annually. In addition, the Line of Credit may be terminated by either the KPP or the lender upon thirty days' prior written notice.

Financial Condition

The Statement of Revenues, Expenses, and Changes in Net Position below has been prepared by the KPP based upon audited financial statements for fiscal years 2017 through 2020. The KPP's audited financial statements for the fiscal years ended December 31, 2020 and December 31, 2019 accompany this report. The information set forth in the table below should be read in conjunction with such financial statements.

THE KANSAS POWER POOL

Statements of Revenues, Expenses and Changes in Net Position

	<u>2017*</u>	<u>2018*</u>	<u>2019*</u>	<u>2020*</u>
<i>Operating Revenues</i>	\$60,244,346	\$63,492,538	\$58,326,190	\$54,135,640
<i>Operating Expenses</i>				
Purchased Power	37,515,847	38,812,928	33,894,687	30,388,555
Transmission Expense	12,087,528	12,466,766	12,550,127	12,629,188
Dogwood Operating Expense	1,505,846	1,518,930	1,638,993	1,672,637
Amortization of Unrecovered Development Costs	567,159	521,749	520,511	520,511
Depreciation Expense	<u>1,226,995</u>	<u>1,490,152</u>	<u>1,542,908</u>	<u>1,561,629</u>
Total Operating Expenses	52,903,375	54,810,525	50,147,226	46,772,520
<i>Administrative and General Expenses</i>				
Salaries and benefits	1,110,748	1,176,844	1,326,533	1,223,732
Legal expenses	297,961	368,367	239,624	280,580
Consulting fees	69,535	86,104	65,055	72,069
Outside services	219,019	251,018	281,722	283,542
Insurance	140,850	138,921	140,738	171,106
Dues and memberships	185,905	199,569	207,623	216,599
Miscellaneous	289,406	386,253	396,666	231,655
Rent	43,179	50,096	47,323	61,478
Payment in Lieu of Taxes	<u>108,625</u>	<u>108,625</u>	<u>108,625</u>	<u>108,625</u>
Total Admin & General Expenses	2,465,228	2,765,797	2,813,909	2,649,386
<i>Operating Income (Loss)</i>	4,875,743	5,916,216	5,365,055	4,713,734
<i>Non-Operating Revenue (Expense)</i>				
Interest Income	91,739	211,498	368,319	228,916
Interest Expense on Debt & Payables	(2,006,713)	(2,002,584)	(1,908,239)	(1,746,849)
Amortization of bond prem. & disc., net	153,794	127,800	120,293	125,957
Net costs recoverable	(79,550)	(86,751)	(86,752)	(96,781)
Total Non-Operating	(1,840,730)	(1,750,037)	(1,506,379)	(1,488,757)
<i>Deferred Inflows (Rate Stabilization)</i>	(1,177,000)	(2,400,000)	(2,000,000)	
<i>Change in Net Position</i>	1,858,013	1,766,179	1,858,676	3,224,977
<i>Net Position, Beginning of Year</i>	14,085,577	15,943,590	17,709,769	19,568,445
<i>Net Position, End of Year</i>	\$15,943,590	\$17,709,769	\$19,568,445	22,793,422

*Summaries are based on Audited Financials of the KPP for the years 2017, 2018, 2019, and 2020.

Policy Results

From a financial perspective, the KPP Board has a Fund Reserve Policy that establishes a 90-day average daily expense minimum for the ending net position. In addition, the Board created an Emergency Stabilization Fund to offset extraordinary expenses or loss of revenue to hedge against wholesale rate spikes for its Member utilities. Net position in excess of the 1.30 debt service coverage ratio objective is made part of this fund, which remains part of the KPP operating fund, but is segregated for emergency stabilization purposes. The Emergency Stabilization Fund at the end of 2020 was at \$11,337,000. Pursuant to Board policy objectives, KPP expense days covered by unrestricted cash increased from 50.9 at the end of 2012 to 160 at the end of 2020. KPP's current ratio also improved from 3.84 in 2012 to 5.52 in 2020.

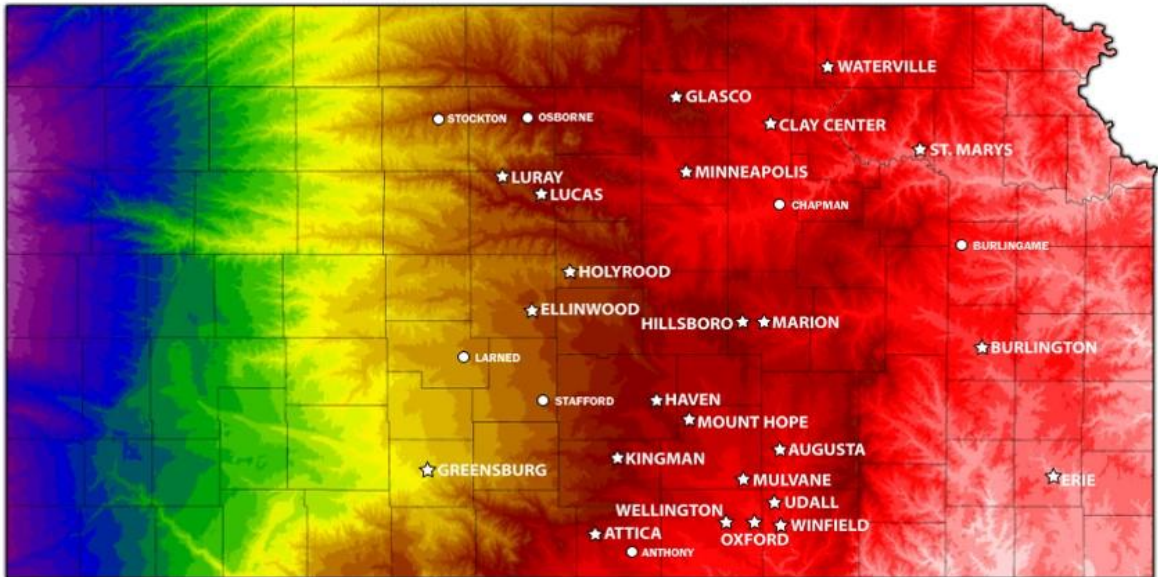
Cybersecurity

Kansas Power Pool has made great progress in cybersecurity preparedness. Besides implementing many of the standard cybersecurity tools and processes within the organization itself, KPP has extended this culture of cybersecurity to member cities. KPP, with the help of a grant from the American Public Power Association, created the cybersecurity curriculum around the APPA Cybersecurity Scorecard. The APPA Scorecard is based upon the Department of Energy Cybersecurity Capability Maturity Model. A series of classes based on this curriculum was then offered to member cities to help them increase their cybersecurity stance. KPP is following up on these classes with quarterly Cyber Working Group meetings for member cities to provide additional training and support in this critical area. KPP also received additional APPA funding to pilot a Shared Cyber Analyst (SCA) program for member cities. The SCA program provides a trained cyber specialist to help cities, many of which don't have cyber expertise, enhance their posture and response in this critical area.

THE MEMBER CITIES

General

The Members are incorporated cities located in Kansas or Boards of Public Utility organized by a city located in Kansas. The locations of the Members are illustrated on the map below.



Stars represent 24 full service cities of KPP
Circles represent 7 member cities taking no KPP services

Each Participant owns and operates an electric distribution system for the sale of electric power and energy to customers located within its corporate boundaries and adjacent areas. A City Council or City Commission governs each Participant's electric system, except that the Clay Center Board of Public Utilities is operated by the Board of Public Utilities. Rates and charges for electric service are set by the authority vested in each City Council, City Commission, or Board of Public Utilities, and are not subject to regulation by any federal authority. Distribution of electricity is provided through distribution systems that have been owned and operated by the respective Members, in many cases, for more than 100 years. Supply of electric power and energy is provided by means of city-owned generating units and/or by power purchase contracts with electric suppliers managed or owned by the KPP.

The Members have diverse economic bases, comprised of various sectors including health care, education, agriculture, service industries, commercial businesses, and light and/or heavy manufacturing. Certain information regarding the Cities of Augusta, Burlington, Clay Center, Kingman, Mulvane, Wellington, and Winfield (the "Large Participants") is set forth in **APPENDIX A** hereto. The information contained in **APPENDIX A** hereto has been prepared by the KPP from data provided by the Large Participants as appropriate and is based on audited financial information when available.

The Power Purchase Contracts

In 2017, 23 KPP member cities signed a twenty-year extension of the Power Purchase Contract, which terminates the later of twenty years from the date of the contract or the date upon which the principal, premium (if any), and interest on all bonds are paid in full and the bonds are retired, except that the term may not exceed forty years from the effective date of the contract pursuant to Kansas statutes. No Power Purchase Contracts are subject to cancellation or termination prior to the end of the contract term.

The Power Purchase Contracts require the KPP to sell, and the Participants to purchase, all the Participants' required electrical power from the KPP, with the single exception of energy for six KPP Members from the Western Area Power Administration (WAPA), which may not be used as a KPP pooled resource. The Participants agree to pay the costs of power, which is defined to include the following:

(A) all costs of producing and delivering to the Participant electric power and energy from time to time under the Power Purchase Contract (including, but not limited to, costs which vary with the amount of electric power produced or delivered, general and administrative expenses, engineering expenses, legal and financial advisory expenses and other costs not otherwise set forth herein);

(B) an equitably allocated portion of monthly costs of operating the KPP (including internal personnel costs, rents, administrative and general expenses and working capital, engineering expenses, capital equipment expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, insurance premiums and taxes or payments in lieu of thereof) all to the extent not directly attributable or traceable to supplying power and energy and other services to the Participants or any other Members, and not included in the costs specified in the other items of this definition;

(C) any and all charges or tariffs for electric power set by any Governmental Authority multiplied by the amount of electric power subject to such charges or tariffs provided to the Participant; and

(D) an equitably allocated portion of any additional amount not specified in the other items of this definition which must be paid by the KPP.

Certain of the Power Purchase Contracts also require the Participant to pay the KPP a Debt Repayment charge connected to any projects which the KPP has financed specifically for such Participant. The term "Debt Repayment" includes (to the extent not recovered by the KPP under another portion of the Costs of Power):

(A) the Participant's Allocable Portion of the amount necessary to pay the monthly debt service requirement on any Bonds issued to finance or refinance any Project to fully reimburse all actual costs of acquisition, construction and installation of any Project, including, but not limited to, Costs of Issuance, the cost of borrowing, financing costs, interest costs, and out-of-pocket administrative costs associated therewith;

(B) the Participant's Allocable Portion of any other amount which must be realized by the KPP to meet the requirement of any rate or tax compliance covenant made by the Participant or KPP connected to the issuance of tax-exempt Bonds;

(C) prior to the issuance of such Bonds, the amount necessary to pay the monthly interest carrying costs of KPP for funds expended on the Project computed based on the greater of the Carrying Interest Rate set forth on Schedule I for the applicable Project or the highest amount then being incurred by KPP for any borrowed funds; and

(D) the amount necessary to pay the monthly debt service requirement on any funds expended on any Project by the KPP amortized by the KPP to fully reimburse all actual costs of acquisition, construction and installation of any Project, including, but not limited to, Costs of Issuance, the cost of borrowing, financing costs, interest costs, and out-of-pocket administrative costs associated therewith.

Payments by the Participants constitute Operations and Maintenance Expenses of such Participants respective electric systems.

Transmission Arrangements

Under the Amended Operating Agreements and the Power Purchase Contracts, the KPP is obligated to deliver power and energy to the Participants at the interconnection point with the Participant. The KPP delivers power and energy to the Participants through a Network Integration Transmission Service agreement with the Southwest Power Pool.

Litigation

The KPP is occasionally an intervenor and becomes involved in other KCC administrative matters from time to time in order to monitor proceedings and protect its interests on regulatory matters. As an intervenor, the KPP may request additional information or file testimony. The KPP is not currently named as a party to any pending litigation.

Debt Service Requirements

The following table sets forth the debt service requirements for the Series A, 2012 Bonds; the Series B, 2012 Bonds; the Series C, 2012 Bonds; the Series A, 2013 Bonds; the Series A, 2015 Bonds; the

	<u>Series A, 2012 Bonds</u>		<u>Series B, 2012 Bonds</u>		<u>Series C, 2012 Bonds</u>		<u>Series A, 2013 Bonds</u>		<u>Series A, 2015 Bonds</u>	
<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	1,265,000	430,000	305,000	47,850	115,000	37,030	310,000	88,056	745,000	497,000
2021	1,325,000	366,750	315,000	38,700	120,000	32,430	325,000	75,656	770,000	474,650
2022	1,395,000	300,500	325,000	29,250	125,000	27,630	330,000	67,125	790,000	451,550
2023	1,465,000	230,750	650,000	19,500	215,000	22,630	340,000	58,050	815,000	427,850
2024	1,535,000	157,500	0	0	25,000	14,030	350,000	47,850	845,000	395,250
2025	1,615,000	80,750	0	0	30,000	12,880	360,000	37,350	880,000	361,450
2026	0	0	0	0	30,000	11,500	375,000	25,650	915,000	326,250
2027	0	0	0	0	30,000	10,120	385,000	12,994	960,000	280,500
2028	0	0	0	0	35,000	8,740	0	0	1,010,000	232,500
2029	0	0	0	0	35,000	7,130	0	0	1,060,000	182,000
2030	0	0	0	0	35,000	5,520	0	0	1,100,000	139,600
2031	0	0	0	0	85,000	3,910	0	0	2,390,000	95,600
Total	<u>\$8,600,000</u>	<u>\$1,566,250</u>	<u>\$1,595,000</u>	<u>\$135,300</u>	<u>\$880,000</u>	<u>\$193,550</u>	<u>\$2,775,000</u>	<u>\$412,731</u>	<u>\$12,280,000</u>	<u>\$3,864,200</u>

Series A, 2017 Bonds; the Series A, 2020 Bonds; the Series B, 2020 Bonds; and the Series C, 2020 Bonds on an accrual basis:

	<u>Series A, 2017 Bonds</u>		<u>Series A, 2020 Bonds</u>		<u>Series B, 2020 Bonds</u>		<u>Series C, 2020 Bonds</u>		
<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	0	318,500	20,000	43,671	75,000	86,898	10,000	24,780	\$4,418,785
2021	105,000	318,500	5,000	50,570	45,000	111,982	5,000	32,266	\$4,516,504
2022	110,000	315,088	10,000	50,440	45,000	110,668	5,000	28,600	\$4,515,851
2023	110,000	311,513	10,000	50,180	60,000	97,370	5,000	28,470	\$4,916,313
2024	120,000	307,938	10,000	49,920	60,000	95,810	10,000	28,340	\$4,051,638
2025	120,000	304,038	10,000	49,660	60,000	94,250	10,000	28,080	\$4,053,458
2026	125,000	300,138	10,000	49,400	1,760,000	92,690	10,000	27,820	\$4,058,448
2027	130,000	296,075	10,000	49,140	1,805,000	46,930	10,000	27,560	\$4,053,319
2028	130,000	291,850	1,880,000	48,880	0	0	410,000	27,300	\$4,074,270
2029	2,090,000	287,625	0	0	0	0	420,000	16,640	\$4,098,395
2030	2,155,000	219,700	0	0	0	0	220,000	5,720	\$3,880,540
2031	4,605,000	149,663	0	0	0	0	0	0	\$7,329,173
Total	<u>\$9,800,000</u>	<u>\$3,420,625</u>	<u>\$1,965,000</u>	<u>\$441,861</u>	<u>\$3,910,000</u>	<u>\$736,598</u>	<u>\$1,115,000</u>	<u>\$275,576</u>	<u>\$53,966,691</u>

* See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

In September 2017, the KPP issued bank qualified revenue bonds in the amount of \$9.8 million as an advance refunding for a portion of KPP's 2012A revenue bonds. The 2012A issuance was originally done in April 2012, in connection with the purchase of 40 MW of the Dogwood Energy Facility. The advance refunding had a present value savings of 5.26%.

In February 2020, the KPP issued convertible electric utility refunding revenue bonds in the amount of \$1,965,000 and \$3,910,000 as an advance refunding for a portion of KPP's 2012A revenue bonds. The 2012A issuance was originally done in April 2012, in connection with the purchase of 40MW of the Dogwood Energy Facility. An additional \$1,115,000 in convertible electric utility refunding bonds was issued in February 2020 as an advance refunding for a portion of KPP's 2013A revenue bonds. The 2013A issuance was originally done in May 2013, in connection with the member city project of Clay Center, Kansas. The advance refunding had a present value savings of 5.80%.

APPENDIX A

Large Pool Power Purchasers 2020 Top Ten Customers By Revenue					
City	Total Revenue	Revenue	Customer	Industry	% of Total Revenue
Augusta	\$ 8,819,891	\$ 633,580	DJ Engineering	Manufacturing	7.18%
		\$ 370,134	USD #402	Education	4.20%
		\$ 242,249	Wal-Mart Stores, Inc.	Retail	2.75%
		\$ 184,291	Dillon's	Grocery	2.09%
		\$ 109,093	Lakepoint Nursing Home	Healthcare	1.24%
		\$ 98,303	Global Parts	Manufacturing	1.11%
		\$ 78,574	McDonalds	Restaurant	0.89%
		\$ 69,240	STM Botanica, Inc.	Manufacturing	0.79%
		\$ 57,262	St. James Catholic School	Education	0.65%
		\$ 44,655	Liberty Machining, Inc.	Service	0.51%
	Total	\$ 1,887,381		Total	21.40%
Burlington	\$ 3,566,626	\$ 361,045	USD #244	Education	10.12%
		\$ 292,688	Coffey County Hospital	Healthcare	8.21%
		\$ 270,139	Charloma	Manufacturing	7.57%
		\$ 93,412	Coffey County Courthouse	Government	2.62%
		\$ 69,125	USD #244 Recreation Center	Education	1.94%
		\$ 63,448	Life Care Center	Healthcare	1.78%
		\$ 60,143	Hoover's	Grocery	1.69%
		\$ 45,686	CenturyLink	Telecommunication	1.28%
		\$ 33,331	Casey's	Grocery	0.93%
		\$ 23,856	Pete's	Grocery	0.67%
	Total	\$ 1,312,872		Total	36.81%
Clay Center	\$ 5,323,429	\$ 377,814	Clay County Medical Center	Healthcare	7.10%
		\$ 245,066	Hutchinson/Mayrath	Manufacturing	4.60%
		\$ 160,373	USD #379	Education	3.01%
		\$ 133,719	Central Valley Ag	Agriculture	2.51%
		\$ 109,723	Ray's Applemarket	Grocery	2.06%
		\$ 70,772	Presbyterian Manor	Healthcare	1.33%
		\$ 66,247	Clay Center Locker	Processing	1.24%
		\$ 59,643	Kier Enterprise	Grocery	1.12%
		\$ 52,787	Apollo Towers	Housing	0.99%
		\$ 46,650	Medicalodges of Clay Center	Healthcare	0.88%
	Total	\$ 1,322,793		Total	24.85%

Kingman	\$ 5,212,514	\$ 1,098,970	Great Lakes Polymer (West)	Manufacturing	21.08%
		\$ 384,303	Great Lakes Polymer (East)	Manufacturing	7.37%
		\$ 235,300	USD #331	Education	4.51%
		\$ 128,143	Kingman Hospital	Healthcare	2.46%
		\$ 124,606	White's IGA	Grocery	2.39%
		\$ 73,600	Wheatlands Nursing Home	Medical	1.41%
		\$ 58,073	McDonald's	Restaurant	1.11%
		\$ 55,439	Casey's	Grocery	1.06%
		\$ 35,094	Great Lakes Polymer (Netwrap)	Manufacturing	0.67%
		\$ 33,166	Sonic	Restaurant	0.64%
	Total	\$ 2,226,694		Total	42.72%
Mulvane	\$ 4,482,192	\$ 363,075	USD #263	Education	8.10%
		\$ 185,404	City of Mulvane	Government	4.14%
		\$ 91,401	Buffco	Manufacturing	2.04%
		\$ 72,693	Villa Maria	Healthcare	1.62%
		\$ 54,409	DES 1001 (Dillon's)	Grocery	1.21%
		\$ 52,086	Mulvane Coop	Agriculture	1.16%
		\$ 51,956	Maria Court	Healthcare	1.16%
		\$ 49,174	KMI	Industrial	1.10%
		\$ 43,631	Casey's	Grocery	0.97%
		\$ 36,069	Stroots	Food	0.80%
	Total	\$ 999,896		Total	22.31%
Wellington	\$ 12,597,234	\$ 1,213,366.21	Tect Aerospace	Aircraft	9.63%
		\$ 801,745.26	GKN Precisions	Aircraft	6.36%
		\$ 603,732.99	Elkhorn Valley Packing	Processing	4.79%
		\$ 402,711.14	USD 353	School	3.20%
		\$ 395,686.03	Walmart Stores Inc	Retail/Grocery	3.14%
		\$ 233,924.62	Triumph Accessory Services	Aircraft	1.86%
		\$ 202,429.48	Dillons Stores	Retail/Grocery	1.61%
		\$ 171,612.53	Kansas Plastics	Manufacturing	1.36%
		\$ 166,807.56	Scoular Company	Agriculture	1.32%
		\$ 139,475.70	Sumner County Law Enforcement	Government	1.11%
	Total	\$ 4,331,492		Total	34.38%
Winfield	\$ 18,212,771	\$ 3,300,347	Rubbermaid	Manufacturing	18.12%
		\$ 1,746,661	Westrock-Calmar	Manufacturing	9.59%
		\$ 1,395,713	General Electric	Manufacturing	7.66%
		\$ 930,792	Western Industries	Manufacturing	5.11%
		\$ 587,146	Winfield Correctional Facility	Government	3.22%
		\$ 421,587	William Newton Hospital	Healthcare	2.31%
		\$ 406,567	Winfield Consumer Products	Manufacturing	2.23%
		\$ 334,079	Wal-Mart Stores, Inc.	Retail	1.83%
		\$ 332,048	Galaxy Technologies	Manufacturing	1.82%
		\$ 215,536	Southern Kansas Cotton Growers	Agriculture	1.18%
	Total	\$ 9,670,476		Total	53.10%

	2019 Debt Service Coverage Ratio						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington	Winfield
Audit Submitted	2019	2019	2019	2019	2019	2019	2019
Basis of Accounting	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year 2019							
Customer Revenue	\$ 9,168,725	\$ 3,936,641	\$ 6,501,406	\$ 5,651,315	\$ 5,041,214	\$ 18,500,948	\$ 26,929,900
Other Revenue	\$ 342,351	\$ 92,832	\$ 63,341	\$ 410,836	\$ 123,027	\$ 528,557	\$ 103,221
Total Operating Revenue	\$ 9,511,076	\$ 4,029,473	\$ 6,564,747	\$ 6,062,151	\$ 5,164,241	\$ 19,029,505	\$ 27,033,121
Purchased Power Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Operating Expense	\$ 7,726,668	\$ 3,991,166	\$ 6,827,480	\$ 4,854,362	\$ 4,073,525	\$ 12,402,714	\$ 23,331,106
Total Operating Expense	\$ 7,726,668	\$ 3,991,166	\$ 6,827,480	\$ 4,854,362	\$ 4,073,525	\$ 12,402,714	\$ 23,331,106
Net Revenues	\$ 1,784,408	\$ 38,307	\$ (262,733)	\$ 1,207,789	\$ 1,090,716	\$ 6,626,791	\$ 3,702,015
Non-Operating Expense:							
Transfers Out (In)	\$ 1,502,800	\$ 95,000	\$ 138,109	\$ 560,000	\$ -	\$ 3,005,850	\$ 2,716,830
Other Non-Operating Expenses	\$ 9,570	\$ -	\$ 110,358	\$ 138,750	\$ 1,004,208	\$ 2,206,218	\$ 495,676
Total Non-Operating Expense	\$ 1,512,370	\$ 95,000	\$ 248,467	\$ 698,750	\$ 1,004,208	\$ 5,212,068	\$ 3,212,506
Net Income	\$ 272,038	\$ (56,693)	\$ (511,200)	\$ 509,039	\$ 86,508	\$ 1,414,723	\$ 489,509
Depreciation & Amortization	\$ -	\$ 312,897	\$ 564,579	\$ -	\$ -	\$ -	\$ -
Net Transfers Out	\$ 1,502,800	\$ 95,000	\$ 138,109	\$ 560,000	\$ -	\$ 3,005,850	\$ 2,716,830
Capital Outlay	\$ 9,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 495,676
Debt Service or Transfers To	\$ -	\$ -	\$ 369,155	\$ -	\$ 412,395	\$ 1,961,718	\$ -
Available For Debt Service	\$ 1,784,408	\$ 351,204	\$ 560,643	\$ 1,069,039	\$ 498,903	\$ 6,382,291	\$ 3,702,015
Debt Service	\$ 535,794	\$ -	\$ 369,155	\$ 449,750	\$ 412,395	\$ 1,961,718	\$ -
Debt Service Coverage	3.33	N/A	1.52	2.38	1.21	3.25	N/A

	2018 Debt Service Coverage Ratio						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington	Winfield
Audit Submitted	2018	2018	2018	2018	2018	2018	2018
Basis of Accounting	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year 2018							
Customer Revenue	\$ 9,599,000	\$ 4,125,235	\$ 6,544,731	\$ 5,514,227	\$ 5,245,108	\$ 18,444,073	\$ 26,909,901
Other Revenue	\$ 327,517	\$ 96,674	\$ 29,092	\$ 259,489	\$ 65,253	\$ 522,499	\$ 91,783
Total Operating Revenue	\$ 9,926,517	\$ 4,221,909	\$ 6,573,823	\$ 5,773,716	\$ 5,310,361	\$ 18,966,572	\$ 27,001,684
Purchased Power Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,974,459
Other Operating Expense	\$ 8,142,757	\$ 4,196,565	\$ 6,898,455	\$ 4,573,522	\$ 4,378,037	\$ 13,341,326	\$ 4,568,556
Total Operating Expense	\$ 8,142,757	\$ 4,196,565	\$ 6,898,455	\$ 4,573,522	\$ 4,378,037	\$ 13,341,326	\$ 23,543,015
Net Revenues	\$ 1,783,760	\$ 25,344	\$ (324,632)	\$ 1,200,194	\$ 932,324	\$ 5,625,246	\$ 3,458,669
Non-Operating Expense:							
Transfers Out (In)	\$ 1,486,800	\$ 95,000	\$ 147,331	\$ 551,000	\$ -	\$ 2,671,452	\$ 3,117,906
Other Non-Operating Expenses	\$ 7,259	\$ -	\$ 9,260	\$ 208,217	\$ 580,228	\$ 2,089,009	\$ 464,769
Total Non-Operating Expense	\$ 1,494,059	\$ 95,000	\$ 156,591	\$ 759,217	\$ 580,228	\$ 4,760,461	\$ 3,582,675
Net Income	\$ 289,701	\$ (69,656)	\$ (481,223)	\$ 440,977	\$ 352,096	\$ 864,785	\$ (124,006)
Depreciation & Amortization	\$ -	\$ 315,795	\$ 582,817	\$ -	\$ -	\$ -	\$ -
Net Transfers Out	\$ 1,486,800	\$ 95,000	\$ 147,331	\$ 551,000	\$ -	\$ 2,671,452	\$ 3,117,906
Capital Outlay	\$ 7,259	\$ -	\$ -	\$ 65,717	\$ -	\$ -	\$ 464,769
Debt Service or Transfers To	\$ -	\$ -	\$ 350,994	\$ -	\$ 384,027	\$ 1,927,968	\$ -
Available For Debt Service	\$ 1,783,760	\$ 341,139	\$ 599,919	\$ 1,057,694	\$ 736,123	\$ 5,464,205	\$ 3,458,669
Debt Service	\$ 529,894	\$ -	\$ 350,994	\$ 451,000	\$ 384,027	\$ 1,927,968	\$ -
Debt Service Coverage	3.37	N/A	1.71	2.35	1.92	2.83	N/A

	2017 Debt Service Coverage Ratio						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington	Winfield
Audit Submitted	2017	2017	2017	2017	2017	2017	2017
Basis of Accounting	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year 2017							
Customer Revenue	\$ 9,106,059	\$ 3,972,534	\$ 6,277,866	\$ 5,247,209	\$ 4,717,299	\$ 18,005,775	\$ 27,565,693
Other Revenue	\$ 174,141	\$ 81,497	\$ 122,573	\$ 233,315	\$ 86,161	\$ 632,057	\$ 56,576
Total Operating Revenue	\$ 9,280,200	\$ 4,054,031	\$ 6,400,439	\$ 5,480,524	\$ 4,803,460	\$ 18,637,832	\$ 27,622,269
Purchased Power Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,912,105
Other Operating Expense	\$ 7,555,127	\$ 3,872,348	\$ 6,553,165	\$ 4,507,966	\$ 4,059,578	\$ 12,868,995	\$ 4,423,800
Total Operating Expense	\$ 7,555,127	\$ 3,872,348	\$ 6,553,165	\$ 4,507,966	\$ 4,059,578	\$ 12,868,995	\$ 24,335,905
Net Revenues	\$ 1,725,073	\$ 181,683	\$ (152,726)	\$ 972,558	\$ 743,882	\$ 5,768,837	\$ 3,286,364
Non-Operating Expense:							
Transfers Out (In)	\$ 1,413,300	\$ 95,000	\$ 144,033	\$ 548,050	\$ -	\$ 3,210,939	\$ 2,672,737
Other Non-Operating Expenses	\$ 15,801	\$ -	\$ 19,054	\$ 247,524	\$ 415,641	\$ 1,962,659	\$ 714,408
Total Non-Operating Expense	\$ 1,429,101	\$ 95,000	\$ 163,087	\$ 795,574	\$ 415,641	\$ 5,173,598	\$ 3,387,145
Net Income	\$ 295,972	\$ 86,683	\$ (315,813)	\$ 176,984	\$ 328,241	\$ 595,239	\$ (100,781)
Depreciation & Amortization	\$ -	\$ 323,052	\$ 585,201	\$ -	\$ -	\$ -	\$ -
Net Transfers Out	\$ 1,413,300	\$ 95,000	\$ 144,033	\$ 548,050	\$ -	\$ 3,210,939	\$ 2,672,737
Capital Outlay	\$ 15,801	\$ -	\$ -	\$ 97,524	\$ -	\$ -	\$ 714,408
Debt Service or Transfers To	\$ -	\$ -	\$ 354,463	\$ -	\$ 351,334	\$ 1,811,537	\$ -
Available For Debt Service	\$ 1,725,073	\$ 504,735	\$ 767,884	\$ 822,558	\$ 679,575	\$ 5,617,715	\$ 3,286,364
Debt Service	\$ 528,544	\$ -	\$ 354,463	\$ 448,050	\$ 351,334	\$ 1,811,537	\$ -
Debt Service Coverage	3.26	NA	2.17	1.84	1.93	3.10	NA

	2016 Debt Service Coverage Ratio						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington	Winfield
Audit Submitted	2016	2016	2016	2016	2016	2016	2016
Basis of Accounting	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year 2016							
Customer Revenue	\$ 8,863,556	\$ 4,092,926	\$ 6,021,124	\$ 5,339,948	\$ 4,665,061	\$ 17,323,261	\$ 27,290,563
Other Revenue	\$ 146,100	\$ 76,446	\$ 106,060	\$ 263,104	\$ 151,028	\$ 1,593,366	\$ 205,113
Total Operating Revenue	\$ 9,009,656	\$ 4,169,372	\$ 6,127,184	\$ 5,603,052	\$ 4,816,089	\$ 18,916,627	\$ 27,495,676
Purchased Power Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,830,279
Other Operating Expense	\$ 7,546,532	\$ 3,735,282	\$ 6,715,047	\$ 4,564,748	\$ 4,143,576	\$ 13,022,284	\$ 4,897,645
Total Operating Expense	\$ 7,546,532	\$ 3,735,282	\$ 6,715,047	\$ 4,564,748	\$ 4,143,576	\$ 13,022,284	\$ 24,727,924
Net Revenues	\$ 1,463,124	\$ 434,090	\$ (587,863)	\$ 1,038,304	\$ 672,513	\$ 5,894,343	\$ 2,767,752
Non-Operating Expense:							
Transfers Out (In)	\$ 1,615,000	\$ 95,000	\$ 138,554	\$ 724,635	\$ -	\$ 3,052,692	\$ 2,693,421
Other Non-Operating Expenses	\$ 378,982	\$ -	\$ (487,313)	\$ 158,134	\$ 696,664	\$ 1,805,504	\$ 667,249
otal Non-Operating Expense	\$ 1,993,982	\$ 95,000	\$ (348,759)	\$ 882,769	\$ 696,664	\$ 4,858,196	\$ 3,360,670
Net Income	\$ (530,858)	\$ 339,090	\$ (239,104)	\$ 155,535	\$ (24,151)	\$ 1,036,147	\$ (592,918)
Depreciation & Amortization	\$ -	\$ 313,013	\$ 593,950	\$ -	\$ -	\$ -	\$ -
Net Transfers Out	\$ 1,615,000	\$ 95,000	\$ 138,554	\$ 724,635	\$ -	\$ 3,052,692	\$ 2,693,421
Capital Outlay	\$ 378,982	\$ -	\$ -	\$ 23,134	\$ -	\$ -	\$ 667,249
Debt Service or Transfers To	\$ -	\$ -	\$ 351,951	\$ -	\$ 391,450	\$ 1,741,532	\$ -
Available For Debt Service	\$ 1,463,124	\$ 747,103	\$ 845,351	\$ 903,304	\$ 367,299	\$ 5,830,371	\$ 2,767,752
Debt Service	\$ 531,894	\$ -	\$ 351,951	\$ 469,574	\$ 391,450	\$ 1,741,532	\$ -
Debt Service Coverage	2.75	NA	2.40	1.92	0.94	3.35	NA

	2015 Debt Service Coverage Ratio						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington	Winfield
Audit Submitted	2015	2015	2015	2015	2015	2015	2015
Basis of Accounting	Fund	Fund	Fund	Fund	Fund	Fund	Fund
	Audited	Audited	Audited	Audited	Audited	Audited	Audited
Fiscal Year 2015							
Customer Revenue	\$ 8,566,748	\$ 4,011,188	\$ 6,198,088	\$ 4,999,886	\$ 4,420,342	\$ 15,982,291	\$ 26,725,157
Other Revenue	\$ 130,684	\$ 68,105	\$ 167,103	\$ 155,677	\$ 79,638	\$ 5,702,426	\$ 253,243
Total Operating Revenue	\$ 8,697,432	\$ 4,079,293	\$ 6,365,191	\$ 5,155,563	\$ 4,499,980	\$ 21,684,717	\$ 26,978,400
Purchased Power Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,594,686
Other Operating Expense	\$ 7,299,704	\$ 3,760,922	\$ 6,275,980	\$ 4,058,001	\$ 4,098,809	\$ 12,445,872	\$ 4,729,698
Total Operating Expense	\$ 7,299,704	\$ 3,760,922	\$ 6,275,980	\$ 4,058,001	\$ 4,098,809	\$ 12,445,872	\$ 23,324,384
Net Revenues	\$ 1,397,728	\$ 318,371	\$ 89,211	\$ 1,097,562	\$ 401,171	\$ 9,238,845	\$ 3,654,016
Non-Operating Expense:							
Transfers Out (In)	\$ 1,500,800	\$ 95,000	\$ 141,491	\$ 724,635	\$ -	\$ 3,207,884	\$ 3,221,495
Other Non-Operating Expenses	\$ 537,038	\$ -	\$ 34,317	\$ 164,675	\$ 539,967	\$ 7,531,157	\$ 648,671
otal Non-Operating Expense	\$ 2,037,838	\$ 95,000	\$ 175,808	\$ 889,310	\$ 539,967	\$ 10,739,041	\$ 3,870,166
Net Income	\$ (640,110)	\$ 223,371	\$ (86,597)	\$ 208,252	\$ (138,796)	\$ (1,500,196)	\$ (216,150)
Depreciation & Amortization	\$ -	\$ 338,873	\$ 585,306	\$ -	\$ -	\$ -	\$ -
Net Transfers Out	\$ 1,500,800	\$ 95,000	\$ 141,491	\$ 724,635	\$ -	\$ 3,207,884	\$ 3,221,495
Capital Outlay	\$ 537,038	\$ -	\$ -	\$ 29,675	\$ -	\$ -	\$ 648,671
Debt Service or Transfers To	\$ -	\$ -	\$ 358,538	\$ -	\$ 365,049	\$ 7,451,419	\$ -
Available For Debt Service	\$ 1,397,728	\$ 657,244	\$ 998,738	\$ 962,562	\$ 226,253	\$ 9,159,107	\$ 3,654,016
Debt Service	\$ 529,794	\$ -	\$ 358,538	\$ 624,635	\$ 365,049	\$ 7,451,419	\$ -
Debt Service Coverage	2.64	NA	2.79	1.54	0.62	1.23	NA

	Operating Expense Days Covered by Unrestricted Fund Balance						
City of	Augusta	Burlington	Clay Center	Kingman	Mulvane	Wellington*	Winfield
Fiscal Year 2019							
Electric Fund Balance	\$ 2,682,605	\$ 3,302,832	\$ 7,130,211	\$ 1,522,129	\$ 3,507,618	\$ 9,824,195	\$ 609,928
Days Cash on Hand	127	302	381	114	314	289	10
Plus Unrestricted Reserve**	\$ 3,998,444	\$ 3,302,832	\$ 7,130,211	\$ 2,822,231	\$ 3,507,618	\$ 13,002,183	\$ 609,828
Days Cash on Hand	189	302	381	212	314	383	10
Fiscal Year 2018							
Electric Fund Balance	\$ 2,410,567	\$ 3,046,678	\$ 7,641,411	\$ 1,013,090	\$ 3,421,110	\$ 8,449,355	\$ 120,419
Days Cash on Hand	108	265	404	81	285	71	2
Plus Unrestricted Reserve**	\$ 3,983,406	\$ 3,046,678	\$ 7,641,411	\$ 2,441,198	\$ 3,421,110	\$ 11,243,818	\$ 120,419
Days Cash on Hand	179	265	404	195	285	308	2
Fiscal Year 2017							
Electric Fund Balance	\$ 2,120,866	\$ 2,738,584	\$ 8,144,544	\$ 572,113	\$ 3,069,013	\$ 7,583,085	\$ 244,425
Days Cash on Hand	102	258	454	46	276	215	4
Plus Unrestricted Reserve**	\$ 4,036,963	\$ 2,738,584	\$ 8,144,544	\$ 2,143,081	\$ 3,069,013	\$ 10,393,654	\$ 244,425
Days Cash on Hand	195	258	454	174	276	295	4
Fiscal Year 2016							
Electric Fund Balance	\$ 1,824,894	\$ 2,480,665	\$ 8,460,357	\$ 395,129	\$ 2,740,772	\$ 6,970,209	\$ 345,206
Days Cash on Hand	88	242	460	32	241	195	5
Plus Unrestricted Reserve**	\$ 3,880,974	\$ 2,480,665	\$ 8,460,357	\$ 2,132,979	\$ 2,740,772	\$ 10,371,404	\$ 345,206
Days Cash on Hand	188	242	460	171	241	291	5
Fiscal Year 2015							
Electric Fund Balance	\$ 2,355,752	\$ 1,977,349	\$ 8,699,461	\$ 239,594	\$ 2,764,923	\$ 5,906,990	\$ 938,124
Days Cash on Hand	118	192	506	22	246	173	15
Plus Unrestricted Reserve**	\$ 4,225,353	\$ 1,977,349	\$ 8,699,461	\$ 1,877,888	\$ 2,764,923	\$ 7,167,839	\$ 938,124
Days Cash on Hand	211	192	506	169	246	210	15
* - Combined Utility - electric, water, and waste water							
** - Denotes the addition of the unrestricted balance of another electric fund (e.g., electric operating reserve or electric surplus) for the Days Cash on Hand calculation.							

Customer Sales (\$) and (MWH's)														
City of	Augusta		Burlington		Clay Center		Kingman		Mulvane		Wellington		Winfield	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited	
Fiscal Year 2020	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)
Peak Load (MW's)		21.232		8.092		11.164		8.380		10.270		27.313		59.698
Residential	\$ 5,012,672	37,164	\$ 1,552,400	12,401	\$ 2,476,946	19,848	\$ 2,109,549	13,354	\$ 2,892,417	24,675	\$ 5,607,957	31,687	\$ 5,116,812	57,767
Commercial	\$ 2,408,109	19,391	\$ 1,395,947	11,831	\$ 1,176,699	8,861	\$ 922,609	5,867	\$ 1,589,775	13,943	\$ 3,445,812	43,209	\$ 1,862,394	22,394
Industrial	\$ 852,599	7,302	\$ 270,139	2,428	\$ 1,669,784	15,601	\$ 2,180,356	24,046	\$ -	-	\$ 3,543,465	31,237	\$ 10,610,489	196,267
Other	\$ 546,511	4,550	\$ 348,141	2,735	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 623,076	8,328
Total Sales	\$ 8,819,891	68,407	\$ 3,566,626	29,395	\$ 5,323,429	44,310	\$ 5,212,514	43,267	\$ 4,482,192	38,618	\$ 12,597,234	106,133	\$ 18,212,771	284,756
Fiscal Year 2019	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)
Peak Load (MW's)		22.196		8.864		12.394		8.667		13.166		30.025		60.086
Residential	\$ 5,080,132	37,511	\$ 1,623,486	13,004	\$ 2,638,016	20,016	\$ 1,961,784	13,890	\$ 3,087,655	24,205	\$ 5,828,693	34,704	\$ 5,141,941	58,367
Commercial	\$ 2,636,355	21,348	\$ 1,552,203	13,392	\$ 1,341,356	9,638	\$ 891,918	6,385	\$ 1,913,172	15,373	\$ 3,966,241	28,802	\$ 2,680,601	27,652
Industrial	\$ 1,027,861	8,878	\$ 270,552	2,327	\$ 1,792,488	15,845	\$ 2,537,784	26,219	\$ -	-	\$ 4,306,412	37,349	\$ 9,422,337	181,221
Other	\$ 596,276	4,989	\$ 366,794	2,912	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 623,076	8,856
Total Sales	\$ 9,340,624	72,726	\$ 3,813,035	31,635	\$ 5,771,861	45,499	\$ 5,391,486	46,494	\$ 5,000,827	39,578	\$ 14,101,346	100,855	\$ 17,867,955	276,096
Fiscal Year 2018	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)
Peak Load (MW's)		22.290		8.832		12.508		8.634		12.464		29.217		61.447
Residential	\$ 5,213,474	38,601	\$ 1,640,981	13,223	\$ 2,737,657	20,470	\$ 1,995,212	14,152	\$ 3,264,900	24,794	\$ 5,957,972	35,946	\$ 8,582,270	60,179
Commercial	\$ 2,692,302	21,829	\$ 1,463,581	12,444	\$ 1,443,661	10,252	\$ 926,649	6,656	\$ 1,989,395	15,423	\$ 4,000,485	30,625	\$ 3,357,700	25,587
Industrial	\$ 1,035,974	8,977	\$ 283,072	2,532	\$ 1,889,012	16,196	\$ 217,654	22,377	\$ -	-	\$ 4,524,887	38,612	\$ 12,930,707	197,742
Other	\$ 601,751	5,043	\$ 348,864	2,760	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 1,082,004	8,714
Total Sales	\$ 9,543,501	74,450	\$ 3,736,497	30,959	\$ 6,070,330	46,918	\$ 3,139,515	43,185	\$ 5,254,295	40,217	\$ 14,483,344	105,183	\$ 25,952,681	292,222
Fiscal Year 2017	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)
Peak Load (MW's)		22.582		8.965		13.115		8.506		12.596		30.023		63.563
Residential	\$ 4,041,652	36,007	\$ 1,581,332	12,604	\$ 2,561,195	19,089	\$ 1,897,070	\$ 13,387	\$ 2,878,613	22,974	\$ 5,627,336	33,540	\$ 7,062,653	59,709
Commercial	\$ 2,128,298	21,365	\$ 2,073,884	17,155	\$ 1,412,432	10,056	\$ 1,053,519	\$ 6,598	\$ 1,807,840	14,141	\$ 1,599,933	29,492	\$ 2,608,265	23,100
Industrial	\$ 789,018	8,613	\$ 267,065	2,494	\$ 1,769,067	15,003	\$ 1,986,713	\$ 21,574	\$ -	-	\$ 4,326,221	36,830	\$ 24,804,688	200,191
Other	\$ 497,419	5,218	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	22,597	\$ 888,165	8,868
Total Sales	\$ 7,456,387	71,203	\$ 3,922,281	32,253	\$ 5,742,694	44,148	\$ 4,937,302	\$ 41,559	\$ 4,686,453	37,115	\$ 11,553,490	122,459	\$ 35,363,771	291,868
Fiscal Year 2016	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)	Sales (\$)	Sales (MW's)
Peak Load (MW's)		22.264		9.218		12.425		8.361		12.822		29.370		64.376
Residential	\$ 4,214,965	37,769	\$ 1,654,062	13,294	\$ 2,492,026	19,855	\$ 1,987,834	14,074	\$ 2,991,720	24,183	\$ 5,585,462	35,134	\$ 6,749,172	59,230
Commercial	\$ 2,147,747	21,555	\$ 1,866,786	15,928	\$ 1,413,041	10,557	\$ 992,601	7,144	\$ 1,769,643	13,775	\$ 5,910,966	46,905	\$ 2,733,144	25,695
Industrial	\$ 786,953	8,610	\$ 239,517	2,197	\$ 1,723,365	15,599	\$ 2,000,726	20,562	\$ -	-	\$ 2,033,400	20,052	\$ 15,820,009	201,520
Other	\$ -	-	\$ -	368	\$ -	-	\$ -	-	\$ -	-	\$ -	7,344	\$ 973,301	9,035
Total Sales	\$ 7,149,665	67,934	\$ 3,760,365	31,787	\$ 5,628,432	46,011	\$ 4,981,161	41,780	\$ 4,761,363	37,958	\$ 13,529,828	109,435	\$ 26,275,626	295,480