

Wyoming Municipal Power Agency

Financial Statements and
Supplementary Information

June 30, 2022 and 2021

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

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Independent Auditors' Report

To the Board of Directors of
Wyoming Municipal Power Agency

Opinion

We have audited the accompanying financial statements of Wyoming Municipal Power Agency (Wyoming Municipal Power Agency), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Wyoming Municipal Power Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wyoming Municipal Power Agency as of June 30, 2022 and 2021, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wyoming Municipal Power Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that rise substantial doubt about the Wyoming Municipal Power Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wyoming Municipal Power Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Wyoming Municipal Power Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
October 17, 2022

REQUIRED SUPPLEMENTARY INFORMATION

WYOMING MUNICIPAL POWER AGENCY

Management's Discussion and Analysis (Unaudited)
As of and for the Years Ended June 30, 2022, 2021 and 2020

This section presents management's analysis and overview of Wyoming Municipal Power Agency's (WMPA or the Agency) financial condition and activities as of and for the years ended June 30, 2022, 2021, and 2020. This information should be read in conjunction with the financial statements, including the notes to the financial statements, which follow this section.

MESSAGE FROM THE EXECUTIVE DIRECTOR

Wyoming Municipal Power Agency's mission is, "To provide Wyomingites with cost-based, reliable, and environmentally responsible electric power." We stand by these principles along with our member communities and have since our formation in 1976. Each member community appoints one director for the board.

For most of our existence, Wyoming Municipal Power Agency (WMPA) achieved our mission by operating as a generation and transmission entity. We utilized two federal hydro contracts, owned shares of two coal generating stations, and had high voltage transmission ownership and contractual rights.

Recent changes such as the addition of wind and solar resources presented challenges for the electric industry because those resources only produce power when the wind blows or the sun shines. Several area utilities and the Southwest Power Pool came together and created the Southwest Power Pool Western Energy Imbalance Service market to share resources to maintain grid reliability. Due to WMPA's small staff size, we were looking at significant changes which included additional staff or a closer relationship with a larger entity. WMPA staff analyzed over 50 scenarios that modeled wholesale rates and the Board of Directors hired an outside professional firm to review these models for accuracy. Based on those findings, selling our generation and most of our transmission assets and joining with a potential partner was the ideal solution.

Ultimately, in 2021, we became a Class A member of Basin Electric Power Cooperative (BEPC) to continue to supply low-cost energy to WMPA members. WMPA and BEPC have had a long history of collaboration throughout the years and share the same philosophies. Along with this opportunity, WMPA was able to sell off the coal generating assets and some transmission assets and continue utilizing the federal hydroelectric power contracts.

WMPA defeased all outstanding bonds and became debt free in August 2021. WMPA reduced rates by 3.6% for the fiscal year 2022.

The Wyoming Municipal Power Agency is positioned to adapt to the many challenges and opportunities in the industry ahead.

Rosemary Henry – Executive Director

WYOMING MUNICIPAL POWER AGENCY

Management's Discussion and Analysis (Unaudited)
As of and for the Years Ended June 30, 2022, 2021 and 2020

OVERVIEW OF FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the basic financial statements. The financial statements report information about WMPA using accrual accounting.

The statements of net position present information on all of the Agency's assets and liabilities, deferred outflows and inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statements of revenues, expenses, and changes in net position present information showing how the Agency's net position changed during the most recent fiscal years. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these financial statements for some items that will only result in cash flows in future fiscal periods.

In summary, WMPA made significant changes during the fiscal years ended June 30, 2022 and 2021. Management believes WMPA is well positioned for the future in a changing industry.

The notes to financial statements provide required disclosures and other information necessary to understand the data provided in the financial statements.

The financial statements were prepared by WMPA staff from detailed books and records of WMPA.

WYOMING MUNICIPAL POWER AGENCY
Management's Discussion and Analysis
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FINANCIAL ANALYSIS

WMPA's overall financial position as of June 30, 2022, 2021, and 2020, and the changes in financial position for each of the years then ended, are summarized in the following tables. This information is derived from the financial statements and detailed books and records of WMPA.

Condensed Statements of Net Position:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net capital assets	\$ 466,685	\$ 9,273,157	\$ 90,742,254
Other noncurrent assets	5,131,055	4,941,361	10,654,240
Current assets	11,749,295	11,821,043	22,981,836
Total assets	<u>17,347,035</u>	<u>26,035,561</u>	<u>124,378,330</u>
Deferred outflows of resources		689,827	5,101,509
Total assets and deferred outflows	<u>17,347,035</u>	<u>26,725,388</u>	<u>129,479,839</u>
Net investment in capital assets	\$ 466,685	\$ 1,839,149	\$ 2,512,230
Restricted for debt service and by bond indentures		840,566	807,563
Unrestricted	15,488,094	11,346,589	26,838,483
Total net position	<u>15,954,779</u>	<u>14,026,304</u>	<u>30,158,276</u>
Noncurrent liabilities	-	6,624,327	93,061,338
Current liabilities	1,392,256	3,874,757	4,810,225
Total liabilities	<u>1,392,256</u>	<u>10,499,084</u>	<u>97,871,563</u>
Deferred inflows of resources	-	2,200,000	1,450,000
Total net position, liabilities and deferred inflows	<u>\$ 17,347,035</u>	<u>\$ 26,725,388</u>	<u>\$ 129,479,839</u>

- WMPA's ratio of net position and debt is:
 - 92% net position to 8% debt for 2022,
 - 52% net position to 48% debt for 2021 and
 - 24% net position to 76% debt for 2020
- For every dollar of current liability, there is \$7.14 of current unrestricted cash and investments for every dollar of liability, \$2.18 in 2021, \$2.86 in 2020.

WYOMING MUNICIPAL POWER AGENCY
Management's Discussion and Analysis
As of and for the Years Ended June 30, 2022, 2021 and 2020

FINANCIAL ANALYSIS (cont.)

Statements of Revenues, Expenses, and Changes in Net Position:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue, power sales	\$ 21,081,826	\$ 20,062,173	\$ 20,851,122
Operating expenses:			
Power purchased	16,060,577	9,502,251	4,754,310
Power produced	-	3,862,763	6,759,484
Other costs of sales	366,089		
Administrative and general	511,427	917,215	875,279
Outside services employed	93,499	272,942	430,722
Depreciation	61,919	1,772,174	3,038,699
Total operating expenses	<u>17,093,511</u>	<u>16,327,345</u>	<u>15,858,494</u>
Operating income	3,988,315	3,734,828	4,992,628
Nonoperating income (expense):			
Interest expense, net of amount capitalized	(60,333)	(2,334,275)	(4,337,250)
Loss on debt defeasance	(473,831)	(18,454,858)	
Asset retirement and environmental expense of plant decommissioning	(1,300,000)		
Gain (Loss) on fair value of investments	(349,945)	(182,028)	204,328
Amortization of bond premium, loss and bond related future recoverable costs	4,512	1,241,017	54,142
Gain on sale of assets	(13,658)	(315,463)	529
Net investment income	133,415	178,807	425,645
Total non-operating income	<u>(2,059,840)</u>	<u>(19,866,800)</u>	<u>(3,652,606)</u>
Net income	1,928,475	(16,131,972)	1,340,022
Net position, beginning of year	14,026,304	30,158,276	28,818,254
Net position, end of year	<u>\$ 15,954,779</u>	<u>\$ 14,026,304</u>	<u>\$ 30,158,276</u>

See independent Auditors' Report

WYOMING MUNICIPAL POWER AGENCY
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FINANCIAL ANALYSIS (cont.)

WMPA operating revenue increased mainly due to the use of the rate stabilization, which was established to help offset the defeasance costs. Revenue sources include:

	Surplus Sales*		Member Sales		Total Sales		Rate Stabilization	Operating Revenues
	\$ Sales	% Total	\$ Sales	% Total	\$ Sales	% Total		
2022	\$ -	0.0%	\$ 18,881,826	100.0%	\$ 18,881,826	100.0%	2,200,000	\$ 21,081,826
2021	1,015,852	4.9%	19,796,321	95.1%	20,812,173	100.0%	(750,000)	20,062,173
2020	1,895,563	9.1%	18,955,559	90.9%	20,851,122	100.0%		20,851,122
2019	4,361,210	18.2%	19,660,270	81.8%	24,021,480	100.0%		24,021,480
2018	3,730,610	15.6%	20,153,308	84.4%	23,883,918	100.0%	(750,000)	23,133,918

	Surplus Sales*		Member Sales		Total Power Sales	
	MWh Sales	MWh %	MWh Sales	MWh %		
2022	-	0.0%	247,940	100.0%	247,940	100.0%
2021	45,550	15.4%	250,226	84.6%	295,776	100.0%
2020	90,152	26.7%	247,008	73.3%	337,160	100.0%
2019	134,840	34.6%	255,139	65.4%	389,979	100.0%
2018	175,720	40.2%	261,652	59.8%	437,372	100.0%

Surplus Sales* WMPA did not have any surplus sales beginning in February 2021.

OTHER INFORMATION

WMPA's membership agreement with Basin obligates WMPA to purchase all power and energy from Basin except for energy and power purchased through pre-existing contracts with Western Area Power Administration (Western). Thus, in fiscal year 2022, there were no power production costs, but power purchase expenses increased significantly.

In 2020, WMPA operated as a generation and transmission entity. In 2021, WMPA made significantly changes to its structure. Fiscal year 2022 shows the final transitional steps, which includes the sale of WMPA's last generating unit, some high voltage transmission, and the complete defeasance of outstanding bonds.

WYOMING MUNICIPAL POWER AGENCY
Management's Discussion and Analysis
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OTHER INFORMATION (Cont.)

On October 22, 2020, WMPA executed an agreement to become a member of Basin from February 1, 2021, through December 31, 2050. As part of the membership agreement with Basin, WMPA agreed to purchase all capacity and energy needs that exceed its federal hydrologic contracts from Basin. As a Class A Member of Basin, WMPA will no longer have surplus sales.

Contact Information

This financial report is designed to provide a general overview of WMPA's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Janet Babcock at the Wyoming Municipal Power Agency, P.O. Box 900, Lusk, Wyoming 82225.

Wyoming Municipal Power Agency

Statements of Net Position

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,227,095	\$ 3,855,752
Investments	1,714,244	4,598,782
Accounts receivable	1,682,326	1,908,607
Other receivable	114,000	228,941
Plant operation assets	-	1,199,821
Prepaid expenses	11,630	29,140
Total current assets	<u>11,749,295</u>	<u>11,821,043</u>
Capital Assets		
Utility plant	2,179,868	29,598,123
Less accumulated depreciation	<u>(1,713,183)</u>	<u>(20,324,966)</u>
Net capital assets	<u>466,685</u>	<u>9,273,157</u>
Noncurrent Assets		
Investments	5,010,279	3,596,002
Restricted investments	-	1,021,566
Other	120,776	143,301
Future recoverable costs	-	180,492
Total noncurrent assets	<u>5,131,055</u>	<u>4,941,361</u>
Total assets	<u>17,347,035</u>	<u>26,035,561</u>
Deferred Outflows of Resources		
Unamortized loss on refunding	-	689,827
Liabilities		
Current Liabilities		
Current installments of long-term debt	-	1,680,000
Accounts payable and accrued liabilities	1,392,256	2,013,757
Accrued interest (payable from restricted assets)	-	181,000
Total current liabilities	<u>1,392,256</u>	<u>3,874,757</u>
Noncurrent Liabilities		
Long-term debt, less current installments	-	5,560,000
Premium on long-term debt	-	1,064,327
Total noncurrent liabilities	<u>-</u>	<u>6,624,327</u>
Total liabilities	<u>1,392,256</u>	<u>10,499,084</u>
Deferred Inflows of Resources		
Rate stabilization	-	2,200,000
Net Position		
Net investment in capital assets	466,685	1,839,149
Restricted for debt service and by bond indentures	-	840,566
Unrestricted	<u>15,488,094</u>	<u>11,346,589</u>
Total net position	<u>\$ 15,954,779</u>	<u>\$ 14,026,304</u>

See notes to financial statements

Wyoming Municipal Power Agency

Statements of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2022 and 2021

	2022	2021
Operating Revenues		
Power sales	\$ 18,881,826	\$ 20,812,173
Revenues recognized from (deferred to) rate stabilization	2,200,000	(750,000)
Total operating revenues	21,081,826	20,062,173
Operating Expenses		
Power purchased	16,060,577	7,806,259
Power produced	-	3,862,763
Other costs of sales	366,089	1,858,692
Administrative and general	511,427	921,150
Outside services employed	93,499	106,307
Depreciation	61,919	1,772,174
Total operating expenses	17,093,511	16,327,345
Operating Income	3,988,315	3,734,828
Nonoperating Revenues (Expenses)		
Interest expense	(60,333)	(2,334,275)
Loss on debt defeasance	(473,831)	(17,267,985)
Asset retirement and environmental expense of plant decommissioning	(1,300,000)	(200,000)
Gain (loss) on fair value of investments	(349,945)	(182,028)
Amortization of bond premium, loss and bond related future recoverable costs	4,512	54,144
Gain (loss) sale of asset	(13,658)	(115,463)
Investment income	133,415	178,807
Total nonoperating revenues (expenses)	(2,059,840)	(19,866,800)
Change in net position	1,928,475	(16,131,972)
Net Position, Beginning	14,026,304	30,158,276
Net Position, Ending	\$ 15,954,779	\$ 14,026,304

See notes to financial statements

Wyoming Municipal Power Agency

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Receipts from customers	\$ 19,223,048	\$ 21,051,843
Payments to suppliers	(16,073,232)	(10,855,433)
Payments to employees	(297,768)	(319,826)
Net cash provided by operating activities	<u>2,852,048</u>	<u>9,876,584</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of utility plant	(78,528)	(2,826,585)
Proceeds from sale of assets for debt defeasance	8,783,574	82,208,044
Loss on sale of plant assets	(14,262)	-
Cost of asset retirement and environmental expense of plant decommissioning	(1,300,000)	-
Debt defeasance costs	(26,038)	(151,932)
Interest paid	(181,000)	(4,306,550)
Payments on long-term debt	-	(1,605,000)
Payments to escrow during defeasance	(7,937,620)	(96,252,926)
Net cash used in capital and related financing activities	<u>(753,874)</u>	<u>(22,934,949)</u>
Cash Flows From Investing Activities		
Purchases of investment securities	(5,084,707)	(8,376,813)
Maturities of investment securities	7,224,462	15,696,833
Net investment income	133,414	238,870
Net cash provided by investing activities	<u>2,273,169</u>	<u>7,558,890</u>
Net change in cash and cash equivalents	4,371,343	(5,499,475)
Cash and Cash Equivalents, Beginning	3,855,752	9,355,227
Cash and Cash Equivalents, Ending	<u>\$ 8,227,095</u>	<u>\$ 3,855,752</u>
Reconciliation of Operating Income to Net Cash Flows		
From Operating Activities		-
Operating income	\$ 3,988,315	\$ 3,734,828
Adjustments to reconcile operating income to net cash provided by operating activities:		
Noncash items included in operating income:		
Depreciation	61,919	1,772,174
Amortization	6,337	-
Changes in assets and liabilities:		
Accounts receivable	226,281	446,049
Other receivable	114,941	(206,379)
Plant operation assets	1,235,723	2,558,696
Prepaid expenses	17,510	2,709
Other noncurrent assets	22,525	(143,301)
Rate stabilization	(2,200,000)	750,000
Accounts payable and accrued liabilities	(621,503)	961,808
Net cash provided by operating activities	<u>\$ 2,852,048</u>	<u>\$ 9,876,584</u>
Reconciliation of Cash and Cash Equivalents to Statements of Net Position Accounts		
Cash and cash equivalents	\$ 8,227,095	\$ 3,855,752
Investments	6,724,523	8,194,784
Restricted investments	-	1,021,566
Total cash and investments	<u>14,951,618</u>	<u>13,072,102</u>
Less noncash equivalents	(6,724,523)	(9,216,350)
Total cash and cash equivalents	<u>\$ 8,227,095</u>	<u>\$ 3,855,752</u>

See notes to financial statements

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

1. Summary of Significant Accounting Policies

The financial statements of Wyoming Municipal Power Agency (WMPA) have been prepared in conformity with accounting principles generally accepted in the United States of America (USA). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The significant accounting principles and policies utilized by WMPA are described below:

Reporting Entity

WMPA is a body corporate and politic organized under the Wyoming Joint Powers Act. WMPA has eight member municipalities joined together to finance, acquire and operate the power supply facilities necessary to meet the electrical energy requirements of their consumers.

In fiscal year 2020, power supply needs were met through WMPA's ownership interests in the Laramie River Station (LRS) and Dry Fork Station (DFS) generation facilities and through purchase contracts with Western Area Power Administration (WAPA) and Tri-State Generation and Transmission Association (TSGT).

On July 30, 2021, WMPA sold its ownership interest in the Dry Fork generation facility to Basin Electric Power Cooperative (BEPC). WMPA became a member of BEPC on February 1, 2021. As part of the membership agreement with BEPC, WMPA agreed to purchase from BEPC all capacity and energy requirements that exceed its federal hydrologic contracts.

In fiscal year 2022, WMPA sold its ownership interest in Missouri Basin Power Project (MBPP) to TSGT. WMPA purchases its power supply through Purchased Power Contracts with WAPA and BEPC.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. WMPA follows the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission.

Preparation of financial statements in conformity with accounting principles generally accepted in the USA requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Wyoming Municipal Power Agency

Notes to Financial Statements

June 30, 2022 and 2021

The WMPA's regulated accounting policies conform to GASB Statement No. 62. Accordingly, certain transactions that result from the rate-making process are recorded that would not be recorded under USA generally accepted accounting principles for nonregulated entities.

Use of Estimates

The preparation of the financial statements in conformity with the USA generally accepted accounting principles requires management of WMPA to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions used in preparing the financial statements.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position

Deposits and Investments

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

WMPA has adopted an investment policy. That policy follows the state statute for allowable investments.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note 2. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements as gains or losses on fair value of investments. Market values may have changed significantly after year-end.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

Receivables/Payables

Receivables represent amounts due to WMPA from municipalities for power sales. No allowance for uncollectible accounts is necessary given the history of collections. Payables represent amounts owed by WMPA for operations.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Plant Operation Assets

The operation of the MBPP generation facilities and transmission assets required the establishment of certain operating assets, primarily fuel and supply inventories and operating cash. These assets were managed by the operating agent for the MBPP are reported net of operational liabilities managed by the respective agent. All MBPP assets were sold in fiscal year 2022.

Utility Plant

Utility plant is recorded at cost, including interest capitalized. Depreciation is provided over estimated useful lives of the property by use of the straight-line method. Cost of labor, materials, supervision and other expenses incurred in making repairs and minor replacements and in maintaining the plant in efficient operating condition is charged to expense. Plant accounts are charged with the costs of betterments and replacements of plant, except minor replacements and the accumulated provision for depreciation is charged with retirements, together with removal costs less salvage.

Future Recoverable Costs

Future recoverable costs represent debt issuance costs that have been deferred and are being amortized on a straight-line basis over the life of the revenue bonds. These costs are being recovered in rates charged to WMPA members.

Prepaid Expenses

Prepayments represent costs of services and insurance policies paid during the current audit year for coverage in subsequent years.

Long-Term Obligations

Long-term debt and other obligations are reported as WMPA liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Gains or losses on prior refunding are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year-end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year-end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Deferred Outflow of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until that future time.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Revenues and Expenses

Revenues are recorded when earned. Operating revenues and expenses generally result from the sale of capacity and energy to its members in connection with the WMPA's ongoing operations. The principal operating revenues are charges to customers for services. Operating expenses include the cost of service, administrative expenses and depreciation on capital assets. All income and expenses not meeting this definition are reported as nonoperating income and expenses.

Loss on Debt Defeasance

The charge resulting from the debt defeasance is recognized in the period in which the transaction was incurred.

Rates

WMPA designs its electric service rates to recover estimated costs of providing power supply services. In compliance with power sales contracts, rates and charges for providing power supply are reviewed annually by WMPA's board of directors. Any changes in rates must be approved by the board of directors. In accordance with its bond resolution, WMPA shall establish rates that, together with other revenues, are reasonably expected to pay its operating costs (not including depreciation and amortization) and at least 1.1 times its aggregate debt service. Power supply services by WMPA are not subject to state or federal rate regulation.

WMPA's Board of Directors may annually determine whether revenues that provide margin above 1.1 times debt service coverage shall be deferred and deposited to the Rate Stabilization Fund. As allowed through the application of the provisions of GASB Statement No. 62, the margin may be deposited in the Rate Stabilization Fund and reported as a deferred inflow of resources on the accompanying Statements of Net Position to be distributed in future years to cover costs that otherwise would be recovered through rates to members and reported as operating revenues in the Statements of Revenues, Expenses and Changes in Net Position. Beginning on June 30, 2018, WMPA utilized the Rate Stabilization Fund and deferred \$750,000 to future periods. As of June 30, 2021, the fund had a balance of \$2,200,000. In fiscal year 2022, WMPA withdrew the remaining \$2,200,000 from the rate stabilization fund to cover the defeasance and environmental costs.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Effect on Current Period Financial Statements

GASB has approved the following statements:

- Statement No. 99, *Omnibus 2022*, effective for fiscal years beginning after June 15, 2022.
- Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023.

Comparative Data

Certain amounts presented in the prior year data may have been reclassified to be consistent with the current year's presentation.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

2. Deposits and Investments

The indenture under which the revenue bonds were issued provides for the creation and maintenance of certain deposit and investment accounts. Deposits and investments at June 30, 2022 and 2021 are shown below:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Operating	\$ 8,227,095	\$ 3,949,209
General reserve	6,724,523	5,901,327
Rate stabilization reserve	-	1,450,000
Rate stabilization deferred	-	750,000
Restricted account:		-
Debt service account	-	<u>1,021,566</u>
	<u>\$ 14,951,618</u>	<u>\$ 13,072,102</u>

The General Reserve Account is used to meet deficiencies of other accounts or funds or for any other lawful purpose of WMPA. The Rate Stabilization Fund was established to fund unexpected shortfalls in revenue required by the Bond Resolution for debt service coverage. Income received is deposited into the Revenue Account. Transfers are made from the Revenue Account to the Operating Account to pay operating expenses. The Debt Service Account and the Debt Service Reserve were required by the Bond Resolution. Amounts on deposit in the Debt Service Account are applied to pay the principal and interest on the bonds. Upon the issuance of the revenue bonds, funds were deposited into the Debt Service Reserve Account and are available to make up any shortfalls in the Debt Service Account if needed. Amounts in the Reserve and Contingency accounts are to be applied to the cost of major renewals, replacements and improvements. All bonds were defeased by June 30, 2022, so no bond resolutions are required.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, WMPA's deposits may not be returned to WMPA.

At June 30, 2022 and 2021, all of the bank balances were covered by federal depository insurance, collateralized with securities held by the Federal Reserve Bank or invested in U.S. Treasury funds.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, WMPA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

WMPA is allowed to invest in U.S. Treasury obligations and certificates of deposit. As of June 30, 2022 and 2021, WMPA's certificates of deposit were covered by federal depository insurance or collateralized with securities held by the Federal Reserve Bank.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. WMPA has a formal investment policy limiting investment maturities to 10 years or fewer as a means of managing its exposure to fair value losses arising from increasing interest rates. Historically, WMPA has invested in bank certificates of deposit or U.S. obligations, per its investment policy, which are not exposed to increased interest rate risk that could adversely affect the fair value of the investments.

WMPA's securities are categorized as follows:

		Fair Value at June 30, 2022			
		Less than 3 months	Between 3 months and 1 year	Between 1 year and 5 years	Fair Value
Investment type:					
Certificates of deposit	\$	850,315	\$ 1,714,243	\$ 2,966,701	\$ 5,531,259
U.S. Treasury obligations		-	-	2,043,578	2,043,578
Total	\$	850,315	\$ 1,714,243	\$ 5,010,279	\$ 7,574,837

		Fair Value at June 30, 2021			
		Less than 3 months	Between 3 months and 1 year	Between 1 year and 5 years	Fair Value
Investment type:					
Certificates of deposit	\$	-	\$ 4,598,783	\$ 3,341,432	\$ 7,940,215
U.S. Treasury obligations		-	1,021,565	254,570	1,276,135
Total	\$	-	\$ 5,620,348	\$ 3,596,002	\$ 9,216,350

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2022 and June 30, 2021, WMPA's investments in Certificate of Deposits (negotiable) were rated as follows:

<u>Moody's Rating</u>	<u>2022</u>	<u>2021</u>
Aa1	\$ 244,647	\$ 251,564
Aa2	-	-
Aa3	862,207	443,640
Aa4	-	239,539
A+	-	202,050
A	-	249,999
A1	247,993	249,466
A3	627,999	982,409
Baa1	45,459	353,224
Baa2	-	448,335
Baa3	219,113	647,618
Ba1	-	236,120
Not Rated	<u>3,283,843</u>	<u>3,636,251</u>
Total	<u>\$ 5,531,261</u>	<u>\$ 7,940,215</u>

Concentration of Credit Risk

Concentration of credit risk is the risk associated with the amount of investments the WMPA has with any one issuer. As of June 30, 2022 and 2021, WMPA does not hold an individual investment that exceeds 5% of the portfolio.

WMPA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

The valuation methods for recurring fair value measurements are as follows:

- Matrix pricing technique

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investment type:				
U.S. Treasury obligations	\$ 2,043,578	\$ -	\$ -	\$ 2,043,578
Certificate of deposits	-	5,531,261	-	5,531,261
Total	\$ 2,043,578	\$ 5,531,261	\$ -	\$ 7,574,839

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Investment type:				
U.S. Treasury obligations	\$ 1,276,135	\$ -	\$ -	\$ 1,276,135
Certificate of deposits	-	7,940,215	-	7,940,215
Total	\$ 1,276,135	\$ 7,940,215	\$ -	\$ 9,216,350

3. Changes in Utility Plant

A summary of changes in capital assets for 2022 is as follows:

	Balance July 1, 2021	Increases	Decreases	Adjustment	Balance June 30, 2022
Plant in service, nondepreciable	\$ 197,040	\$ -	\$ (185,638)	\$ -	\$ 11,402
Plant in service, depreciable	29,398,823	78,434	(27,308,791)	-	2,168,466
Acquisition adjustment	2,260	-	(2,260)	-	-
Less accumulated depreciation	(20,324,966)	(102,029)	18,713,208	604	(1,713,183)
Total	\$ 9,273,157	\$ (23,595)	\$ (8,783,481)	\$ 604	\$ 466,685

Wyoming Municipal Power Agency

Notes to Financial Statements

June 30, 2022 and 2021

A summary of changes in capital assets for 2021 is as follows:

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustment</u>	<u>Balance June 30, 2021</u>
Plant in service, nondepreciable	\$ 197,040	\$ -	\$ -	\$ -	\$ 197,040
Plant in service, depreciable	132,134,582	2,511,123	(105,246,882)	-	29,398,823
Acquisition adjustment	2,260	-	-	-	2,260
Less accumulated depreciation	<u>(41,591,628)</u>	<u>(1,772,174)</u>	<u>23,038,836</u>	<u>-</u>	<u>(20,324,966)</u>
Total	<u>\$ 90,742,254</u>	<u>\$ 738,949</u>	<u>\$ (82,208,046)</u>	<u>\$ -</u>	<u>\$ 9,273,157</u>

On August 1, 2021, WMPA sold its share of the MBPP to TSGT. WMPA's 1.37% ownership interest MBPP included the Laramie River Station (LRS), a three-unit, 1,710-megawatt, coal-fired power supply station in eastern Wyoming and a related transmission system. WMPA's portion of the costs of \$27,375,500 related to LRS is included in generation and transmission plant in service at June 30, 2021. As of June 30, 2022 WMPA holds no interest in MBPP.

WMPA sold its 7.1% ownership interest in the Dry Fork Station (DFS) on February 1, 2021. DFS is a 405-megawatt, mine-mouth pulverized coal generation facility near Gillette.

4. Long-Term Obligations

Long-term obligation activity for the year ended June 30, 2022 as follows:

	<u>Balance July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2022</u>	<u>Due in One Year</u>
Refunding bonds, 2017A Series A 4.00%-5.00% July 1, 2017 to Jan 1, 2047	\$ 7,240,000	\$ -	\$ (7,240,000)	\$ -	\$ -
Premium on long-term debt	<u>1,064,327</u>	<u>-</u>	<u>(1,064,327)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,304,327</u>	<u>\$ -</u>	<u>\$ (8,304,327)</u>	<u>\$ -</u>	<u>\$ -</u>

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Long-term obligation activity for the year ended June 30, 2021 as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due in One</u> <u>Year</u>
Refunding bonds, 2017A					
Series A 4.00%-5.00%					
July 1, 2017 to Jan 1,					
2047	\$ 86,795,000	\$ -	\$ (79,555,000)	\$ 7,240,000	\$ 1,680,000
Premium on long-term					
debt	7,871,338	-	(6,807,011)	1,064,327	297,021
	<u>\$ 94,666,338</u>	<u>\$ -</u>	<u>\$ (86,362,011)</u>	<u>\$ 8,304,327</u>	<u>\$ 1,977,021</u>
Total					

Debt Defeasance

On August 1, 2021, WMPA sold its interest in the MBPP, which includes LRS and high voltage transmission TSGT. On August 25, 2021, WMPA fully defeased the remaining Revenue Refunding Bonds, Series 2017 Series A. The total outstanding funds of \$7,240,000 were placed into escrow and invested in accordance with the Bond Resolution.

<u>Maturity Date</u>	<u>Maturity Amount</u>	<u>Original Bond CUSIP No*</u>
January 1, 2022	1,680,000	983366DQ5
January 1, 2023	1,760,000	983366DR3
January 1, 2024	1,855,000	983366DS1
January 1, 2025	1,945,000	983366DT9

The Power Supply Refunding Bonds, 2017 Series A bonds were not callable until 2027. Thus, WMPA was obligated to pay all of the interest due through January 1, 2027 for the benefit of the bondholders. \$637,287 of the costs in the Unusual and Nonoperating section of the Statement of Revenues, Expenses and Changes in Net Position were for this interest paid up to the bond callable date.

On February 1, 2021, WMPA sold its interest in the DFS to BEPC. WMPA added internal funds to partially defease the Power Supply System Revenue Refunding Bonds, 2017 Series A. The total funds used for defeasance were \$ 96,252,926, which were placed into escrow and invested in accordance with the Bond Resolution.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

The bonds from January 1, 2026 through January 1, 2047 were defeased on March 17, 2021 as shown in the schedule below:

<u>Maturity Date</u>	<u>Maturity Amount</u>	<u>Original Bond CUSIP No*</u>
January 1, 2026	2,040,000	983366DU6
January 1, 2027	2,140,000	983366DV4
January 1, 2028	2,250,000	983366DW2
January 1, 2029	2,360,000	983366DX0
January 1, 2030	2,480,000	983366DY8
January 1, 2031	2,605,000	983366D25
January 1, 2032	2,735,000	983366EA9
January 1, 2033	2,870,000	983366EB7
January 1, 2034	3,015,000	983366EC5
January 1, 2035	3,165,000	983366ED3
January 1, 2036	3,320,000	983366EE1
January 1, 2042	23,540,000	983366EF8
January 1, 2047	25,430,000	983366EG6

The Power Supply Refunding Bonds, 2017 Series A bonds were not callable until 2027. Thus, WMPA was obligated to pay all of the interest due through January 1, 2027 for the benefit of the bondholders. \$18,302,926 of the costs in the Unusual and Nonoperating section of the Statement of Revenues, Expenses and Changes in Net Position were for this interest paid up to the bond callable date.

Debt Service Coverage

Restrictive covenants require WMPA to set rates that would enable it to maintain debt service coverage of 1.1 on an annual basis. The debt service coverage for 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Available for debt service:		
Operating revenues	\$ 21,081,826	\$ 20,062,173
Investment income	133,415	178,807
Less operation and maintenance expenses	<u>(17,031,592)</u>	<u>(14,555,171)</u>
Net defined earnings	<u>\$ 4,050,234,</u>	<u>\$ 5,685,809</u>
Debt service requirements:		
Highest annual debt service	<u>\$ 2,045,000</u>	<u>\$ 2,045,000</u>
Coverage factor	1.1	1.1
Minimum required earnings	<u>\$ 2,249,500</u>	<u>\$ 2,249,500</u>
Debt service coverage ratio	<u>1.98</u>	<u>2.78</u>

Wyoming Municipal Power Agency

Notes to Financial Statements

June 30, 2022 and 2021

5. Net Position

GASB No. 34 requires the classification of net position into three components - net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – The components of net position consist of net position that does not meet the definition of *restricted* or *net investment in capital assets*.

When both restricted and unrestricted resources are available for use, it is the WMPA's policy to use restricted resources first, then unrestricted resources as they are needed.

The following calculation supports the net investment in capital assets:

	<u>2022</u>	<u>2021</u>
Plant in service	\$ 2,179,868	\$ 29,598,123
Accumulated depreciation	(1,713,183)	(20,324,966)
Subtotal	<u>466,685</u>	<u>9,273,157</u>
Less capital related debt		
Current portion of capital related long-term debt	-	1,680,000
Long-term portion of capital related long-term debt	-	5,560,000
Unamortized debt premium	-	1,064,327
Unamortized loss on advance refunding	-	(689,827)
Future recoverable costs	-	(180,492)
Subtotal	<u>-</u>	<u>7,434,008</u>
Net investment in capital assets	<u>\$ 466,685</u>	<u>\$ 1,839,149</u>

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

6. Pension Plan

On January 1, 2015, WMPA sponsored a Simplified Employee Pension Plan (the New Plan), which is a defined-contribution pension plan. The New Plan covers all employees who have reached the age of 21. WMPA contributes an annual amount equal to 10.5% of each participant's compensation, plus approximately 5.7% of each participant's compensation that exceeds the social security taxable wage base in effect as of the beginning of the year. Employees do not contribute to the New Plan. Participants are fully vested at the commencement of their participation in the New Plan. On the January 1, 2015, the New Plan replaced the prior Plan, as described below.

Prior to January 1, 2015, WMPA sponsored the Wyoming Municipal Power Agency Money Purchase Pension Plan (the Plan), which is a defined-contribution pension plan. The Plan covered all employees who have reached the age of 21 and completed six months of service on the anniversary date of the Plan. WMPA is required to contribute an annual amount equal to 10.5% of each participant's compensation, plus approximately 5.7% of each participant's compensation that exceeds the social security taxable wage base in effect as of the beginning of the year. Employees do not contribute to the Plan. Participant vesting begins with 20% vesting after the second year of service and increases 20% each year thereafter to 100%.

WMPA's total payroll expense in 2022 and 2021 was \$297,768 and \$319,826, respectively. WMPA made required contributions to the Plan of \$22,190 and \$46,078 in 2022 and 2021, respectively.

7. Power Contracts

From July 1, 2020 until January 31, 2021 WMPA had contracts for federal firm electric service, reserves, transmission service, dispatch, energy imbalance, regulation, and surplus sales with WAPA, Western Area Missouri Colorado, Black Hills Energy Corporation, and Tri-State Generation and Transmission Association, Inc (TSGT). WMPA also had an agreement with the Southwest Power Pool (SPP) for Western Energy Imbalance Services (WIES.) The aforementioned agreements expire on various dates between the years of 2021 and 2057. These contracts constitute a framework for the operation of WMPA within the Balancing Authority.

On January 31, 2021, WMPA terminated its agreement with TSGT. Also, on January 31, 2021, WMPA sold its share of Dry Fork Station (DFS) to BEPC.

On February 1, 2021, WMPA become a member of BEPC. As part of the membership agreement with BEPC, WMPA agreed to purchase all capacity and energy needs that exceed its federal firm electric service contracts.

As a result of WMPA's BEPC membership, WMPA's share of the Missouri Basin Power Project (MBPP), which included Laramie River Station (LRS), could no longer be utilized for WMPA's load. Thus, WMPA began selling its output of LRS to BEPC. On July 31, 2021, WMPA sold its share of MBPP to TSGT.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

During WMPA's fiscal year 2022, WMPA purchased power from WAPA for according to its federal firm electric service contracts, which expire between 2054 and 2057. WMPA purchased all additional capacity and energy needs from BEPC, according to its membership agreement, which expires in 2050. WMPA continued to purchase transmission service from WAPA, but significantly less than it did prior to becoming a BEPC member. WMPA assigned, modified, and terminated many of the contracts that were in place on January 31, 2021.

Substantially all operating revenues are from take-and-pay power supply contracts with WMPA's eight member municipalities. The member contracts extend to February 1, 2048 and thereafter until terminated by either party upon proper notice.

8. Compensated Absences

WMPA's employees earn vacation days at specific rates during their employment. In the event of termination, an employee is reimbursed for accumulated vacation time up to a maximum allowed accumulation of no more than 30 days (240 hours). WMPA's employees are entitled to one sick day for each full calendar month of continuous service from the date of employment, not to exceed 120 working days (960 hours). Upon termination, an employee is reimbursed for accumulated hours that exceed 65 days (520 hours) up to a maximum of 55 days (440 hours). At June 30, 2022 and 2021, WMPA's accrued balances were \$37,974 and \$42,702 for vacation and sick leave, respectively.

9. Risk Management

WMPA is subject to various risks of loss related to unemployment, compensation, general liability and property insurance. WMPA has purchased commercially available indemnity insurance to cover these risks. Insurance settlements have not exceeded coverage for the last three years.

10. Related Party Transaction

Wholesale Power Contract

Effective February 1, 2021, WMPA became a Class A Member of BEPC. The Wholesale Power Contract between WMPA and BEPC, also effective on February 1, obligated WMPA to purchase and BEPC to supply all capacity and energy needs that exceed WMPA's supply from its pre-existing hydrologic contracts.

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

Transactions under this contract for the year ended June 30, 2022:

Purchased Power

Balance due included in Accounts Payable at June 30, 2021	\$ 1,468,169
Amount BEPC billed WMPA for power and related costs	14,415,382
Amount WMPA paid BEPC	<u>(14,738,836)</u>
Balance due included in Accounts Payable at June 30, 2022	<u>\$ 1,144,715</u>
Balance due included in Receivables at June 30, 2021	\$ 197,580
Amount WMPA billed BEPC for transmission costs	298,473
Amount BEPC paid WMPA	<u>(542,832)</u>
Balance included in Receivables from BEPC at June 30, 2022	<u>\$ -</u>

Transactions under this contract from February 1, 2021 through June 30, 2021:

Purchased Power

Amount BEPC billed WMPA for power and related costs	\$ 5,856,024
Amount WMPA paid BEPC	<u>(4,387,855)</u>
Balance due included in Accounts Payable at June 30, 2021	<u>\$ 1,468,169</u>

Reimbursed Transmission Costs

Amount WMPA billed BEPC for transmission costs	\$ 520,802
Amount BEPC paid WMPA	<u>(469,947)</u>
Balance included in Receivable from BEPC at June 30, 2021	<u>\$ 50,855</u>

Short-Term Contract for the Sale of LRS Generated Power to BEPC

From July 1, 2021 through August 1, 2021, WMPA sold its 1.37% entitlement share of power generated at the LRS, an interest derived from WMPA's 1.37% interest in the MBPP, to BEPC. Reimbursable fixed costs billed to BEPC:

Depreciation	\$ 40,110
Taxes	6,670
Amount WMPA billed BEPC for reimbursement	<u>46,770</u>
Amount BEPC paid WMPA	<u>(46,770)</u>
Balance included in receivables at June 30, 2022	<u>\$ -</u>

Wyoming Municipal Power Agency

Notes to Financial Statements
June 30, 2022 and 2021

From February 1, 2021 through June 30, 2021, WMPA sold its 1.37% entitlement share of power generated at LRS, an interest derived from WMPA's 1.37% interest in the MBPP, to BEPC. Reimbursable fixed costs billed to BEPC:

Depreciation	\$	194,150
Taxes		<u>33,348</u>
Amount WMPA billed BEPC for reimbursement		227,498
Amount BEPC paid WMPA		<u>(180,774)</u>
Balance included in receivables at June 30, 2022	\$	<u><u>46,724</u></u>

11. Subsequent Events

WMPA evaluated subsequent events through October 17, 2022, the date that the financial statements were available to be issued, for events requiring recording or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

Wyoming Municipal Power Agency

Supplementary Information

Budgetary Comparison Schedule - Budget to Actual

<i>Year Ended June 30, 2022</i>	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Power sales	\$ 19,262,821	\$ 18,992,156	\$ 18,881,826	\$ (110,330)
Revenues recognized from (deferred to) rate stabilization	2,200,000	2,200,000	2,200,000	-
Total operating revenues	21,462,821	21,192,156	21,081,826	(110,330)
Operating Expenses				
Power purchased	15,911,278	17,044,974	16,060,577	984,397
Other costs of sales	1,699,392	421,034	366,089	54,945
Administrative and general	1,016,504	670,562	511,427	159,135
Outside services employed	270,650	210,150	93,499	116,651
Depreciation	-	85,689	61,919	23,770
Total operating expenses	18,897,824	18,432,409	17,093,511	1,338,898
Operating Income	2,564,997	2,759,747	3,988,315	1,228,568
Nonoperating Revenues (Expenses)				
Interest expense	(362,000)	(60,334)	(60,333)	1
Loss on debt defeasance	-	(476,502)	(473,831)	2,671
Asset retirement and environmental expense of plant decommissioning	-	(1,300,000)	(1,300,000)	-
Net investment income	66,300	(230,000)	(216,530)	13,470
Amortization of bond premium, loss and bond related future recoverable costs	-	4,512	4,512	-
Gain (loss) sale of asset	-	(15,000)	(13,658)	1,342
Total nonoperating revenues (expenses)	(295,700)	(2,077,324)	(2,059,840)	17,484
Change in net position	2,269,297	682,423	1,928,475	1,246,052
Net Position, Beginning	14,026,304	14,026,304	14,026,304	-
Net Position, Ending	\$ 16,295,601	\$ 14,708,727	\$ 15,954,779	\$ 1,246,052

See notes to financial statements