

OHIO MUNICIPAL ELECTRIC  
GENERATION AGENCY JOINT  
VENTURE 2  
FRANKLIN COUNTY, OHIO

*REGULAR AUDIT*

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023







65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Management  
OMEGA JV-2, 4, 5, 6 and MESA  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have reviewed the *Independent Auditor's Report* of OMEGA JV-2, 4, 5, 6 and MESA, Franklin County, prepared by Rea & Associates, Inc., for the audit period January 1, 2024 through December 31, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. OMEGA JV-2, 4, 5, 6 and MESA is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh".

Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

**June 26, 2025**

**This page intentionally left blank.**

**Ohio Municipal Electric Generation Agency Joint Venture 2**  
**Franklin County, Ohio**  
*Table of Contents*  
*December 31, 2024 and 2023*

	<i>Page</i>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position .....	9
Statements of Revenues, Expenses and Changes in Net Position .....	10
Statements of Cash Flows .....	11
Notes to the Basic Financial Statements .....	12
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	23

**This page intentionally left blank.**

---

## INDEPENDENT AUDITOR'S REPORT

Ohio Municipal Electric Generation Agency Joint Venture 2  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Ohio Municipal Electric Generation Agency Joint Venture 2, Franklin County, Ohio (OMEGA JV2), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise OMEGA JV2's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Municipal Electric Generation Agency Joint Venture 2, Franklin County, Ohio, as of December 31, 2024 and 2023, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OMEGA JV2, 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 raise substantial doubt about OMEGA JV2'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.

### **Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 OMEGA JV2'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 OMEGA JV2'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 management's discussion and analysis, 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 GAAS, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025 on our consideration of OMEGA JV2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OMEGA JV2's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OMEGA JV2's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)

## Financial Statement Overview

This discussion and analysis provide an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 2 ("OMEGA JV2") for the years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV2 prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. OMEGA JV2's basic financial statements include the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows.

The statements of net position provide information about the nature and amount of assets, deferred outflow of resources, liabilities, and deferred inflow of resources of OMEGA JV2 as of the end of the year. The statements of revenues, expenses and changes in net position report revenues and expenses for the year. The statements of cash flows report cash receipts, cash payments and net changes in cash resulting from operating, investing and capital and related financing activities.

## Financial Highlights

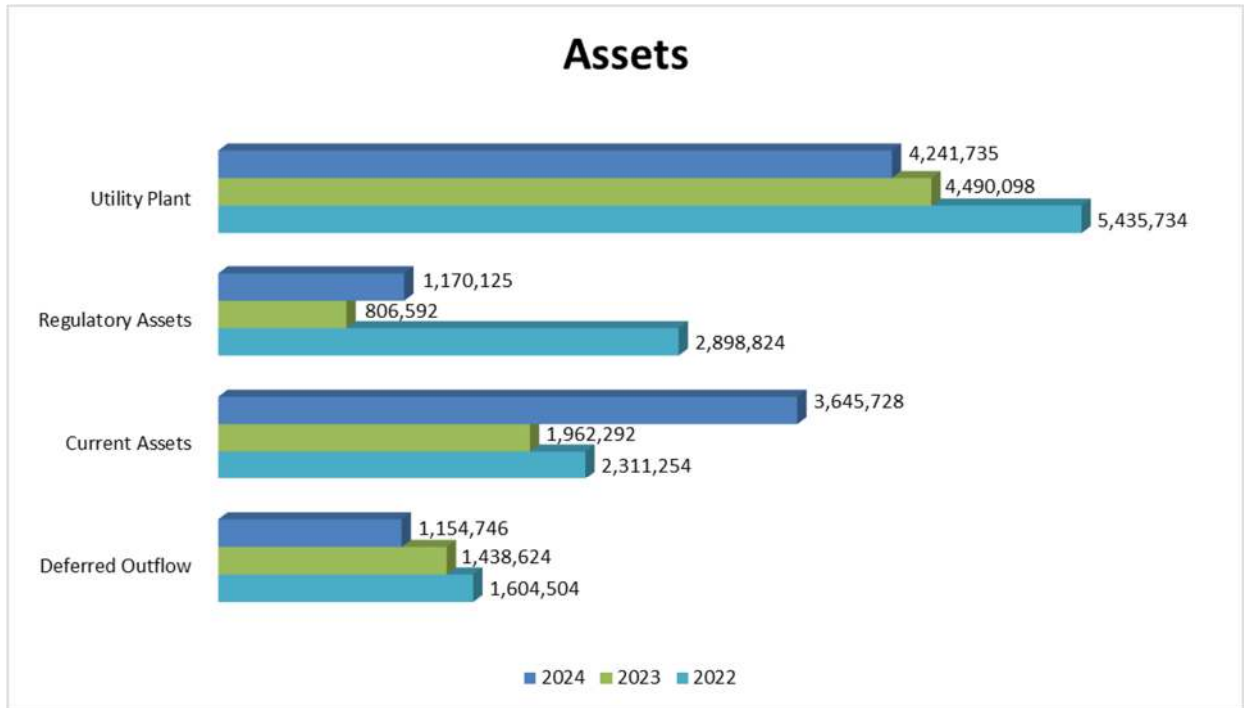
The following table summarizes the financial position of OMEGA JV2 as of December 31:

### Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets and Deferred Outflow of Resources</b>			
Electric plant and equipment, net of accumulated depreciation	\$ 4,241,735	\$ 4,490,098	\$ 5,435,734
Regulatory assets	1,170,125	806,592	2,898,824
Current assets	3,645,728	1,962,292	2,311,254
Deferred outflow from resources	1,154,746	1,438,624	1,604,504
<b>Total Assets and Deferred Outflow of Resources</b>	<b><u>\$ 10,212,334</u></b>	<b><u>\$ 8,697,606</u></b>	<b><u>\$ 12,250,316</u></b>
<b>Net Position, Liabilities, and Deferred Inflow of Resources</b>			
Net Position - investment in capital assets	\$ 4,241,735	\$ 4,490,098	\$ 5,435,734
Net Position - unrestricted	(6,756,415)	(6,459,871)	(6,468,196)
Current liabilities	774,405	834,223	1,755,565
Noncurrent liabilities	2,324,873	2,190,558	2,018,653
Deferred inflow of resources	9,627,736	7,642,598	9,508,560
<b>Total Net Position, Liabilities, and Deferred Inflow of Resources</b>	<b><u>\$ 10,212,334</u></b>	<b><u>\$ 8,697,606</u></b>	<b><u>\$ 12,250,316</u></b>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Utility Plant (capital assets)** decrease of \$248,000 in 2024 was caused by annual depreciation partially offset by construction work in progress. The decrease of \$946,000 in 2023 was caused by annual depreciation. Additional information on OMEGAs JV2's capital assets can be found in Note 3 of the basic financial statements.

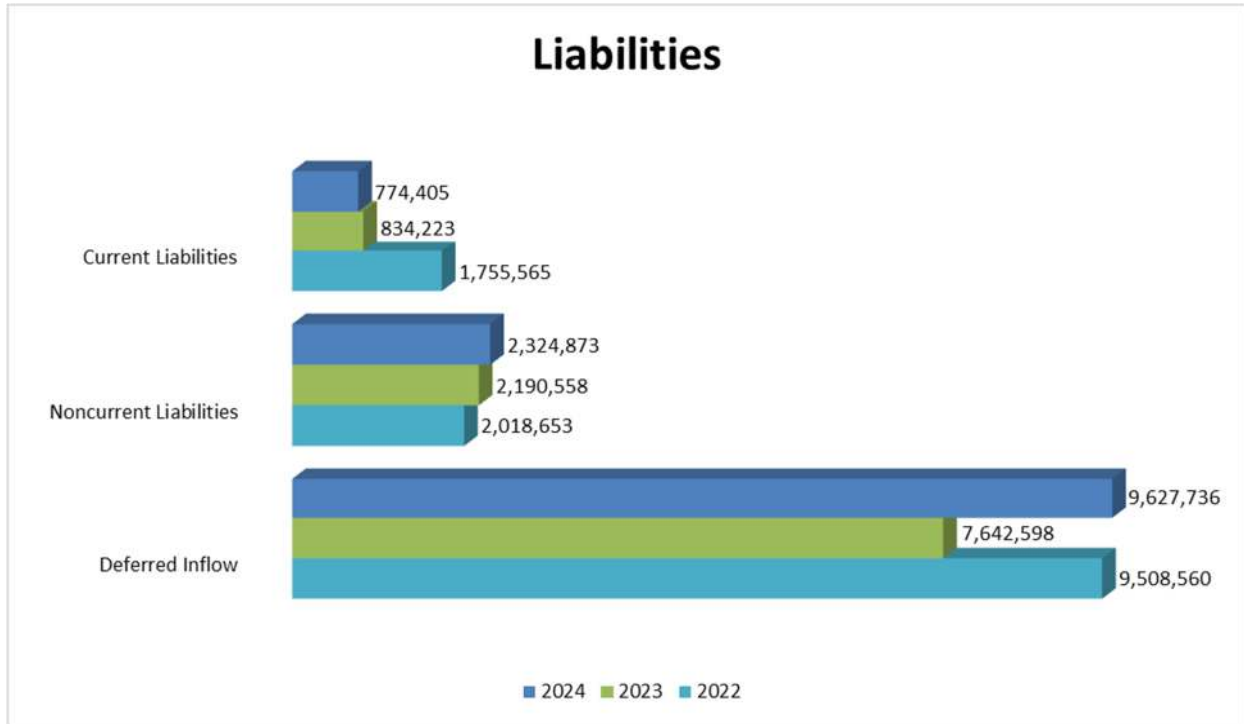
**Regulatory Assets** hold deferred expenses related to recovery of ARO from members through billing. In 2024 member billing increased by \$364,000. Regulatory assets also include deferred operational and maintenance related expenses that are recovered through member billing. In 2023 we recovered \$1,100,000 in deferred expenses.

**Current Assets** had an \$1,683,000 increase in 2024 related to an increase in the ICS sweep account opened in 2023. In 2023, the decrease of \$349,000 is caused by a decrease of \$610,000 in Cash and Temporary investments partially offset by increases in related party receivables of \$158,000, Inventory of \$66,000 and Prepaid expenses of \$38,000.

**Deferred Outflows** are costs associated with the Asset Retirement Obligation (ARO). These are estimated values prepared by an independent engineering consultant. These estimates decreased in 2024 by \$284,000 and in 2023 by \$166,000.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Current Liabilities** decreased in 2024 by \$60,000 due to a reduction in accounts payable. In 2023 a decrease of \$921,000 occurred due to reduction in accounts payable \$808,000 and property taxes \$113,000.

**Noncurrent Liabilities** increased each year due to the Asset Retirement Obligation (ARO), which is our monthly ARO accretion expense and changes to estimated values calculated by the independent engineering consultant.

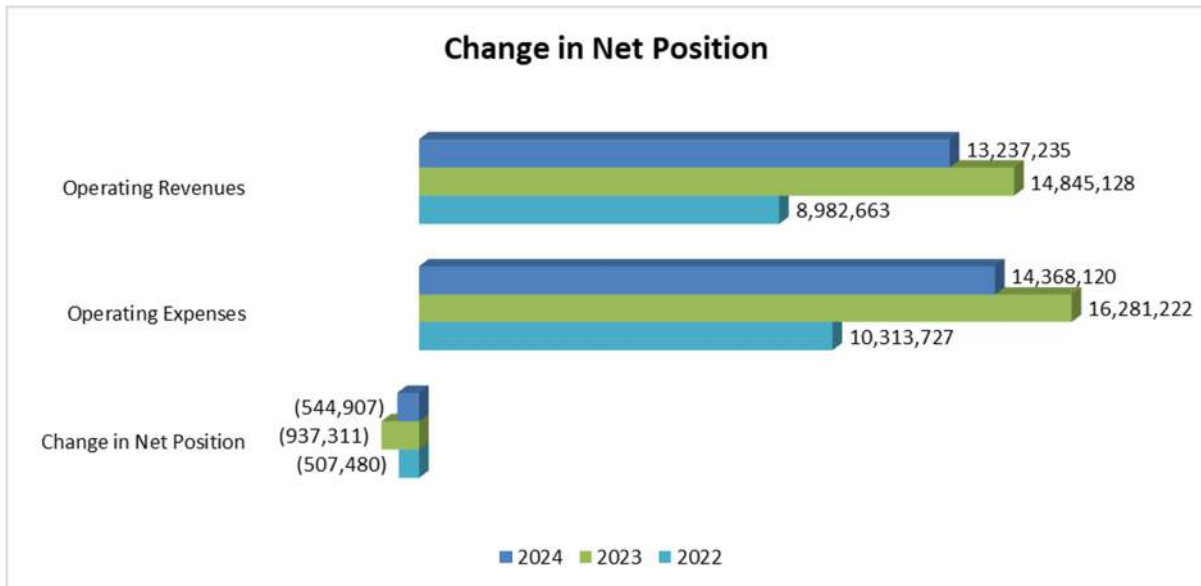
**Deferred Inflow** increased \$1,985,000 from 2023 to 2024 as a result of operational and maintenance amounts billed to participants intended to recover future expenses and capital improvements. The decrease of \$1,900,000 in 2023 was caused by operational and maintenance expenses being performed.

## OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)

### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating Revenues	\$ 13,237,235	\$ 14,845,128	\$ 8,982,663
Operating Expenses	14,368,120	16,281,222	10,313,727
Operating Loss	\$ (1,130,885)	\$ (1,436,094)	\$ (1,331,064)
Non-operating revenues/expenses			
Investment Income	\$ 91,054	\$ 43,683	\$ 15,693
Other non-operating revenue/expenses	-	-	393,742
Future recoverable costs	494,924	455,100	414,149
Non-operating revenues/expenses	\$ 585,978	\$ 498,783	\$ 823,584
Change in Net Position	\$ (544,907)	\$ (937,311)	\$ (507,480)



## OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)

---

**Operating Results** OMEGA JV2's rates are set by the Board of Participants and are intended to cover budgeted operating and capital expenses plus actual fuel expenses. Financing participants make these payments directly to AMP.

**Operating Revenues** decreased \$1,600,000 in 2024, driven by decreased deferred revenue offset by increased capacity and transmission credits received. An increase of \$5,900,000 occurred in 2023 related to capacity and transmission credits received. Capacity rates are determined by the regional transmission organization (RTO) auction process. Capacity revenue is passed back directly to members as a reduction of their bill and is shown as an expense to the project.

**Operating Expenses** decreased \$1,900,000 in 2024. This decrease related to lower capacity expenses and a decrease in depreciation expense. An increase of \$6,000,000 in 2023 related to capacity expenses partially offset by increased operating revenue from capacity credits.

**Changes in Net Position.** Ending net position changes year to year of this report due to depreciation expense.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

STATEMENTS OF NET POSITION  
December 31, 2024 and 2023

<b>ASSETS</b>	2024	2023
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 2,965,466	\$ 1,278,671
Receivables from related parties	171,136	158,308
Inventory	312,922	298,079
Prepaid expenses	196,204	227,234
Total Current Assets	3,645,728	1,962,292
<b>NONCURRENT ASSETS</b>		
Electric Plant and Equipment		
Electric generators	65,562,718	65,562,718
Construction work in progress	288,215	15,979
Accumulated depreciation	(61,609,198)	(61,088,599)
Net Electric Plant and Equipment	4,241,735	4,490,098
Regulatory assets	1,170,125	806,592
Total Non-Current Assets	5,411,860	5,296,690
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred outflow from asset retirement obligation	1,154,746	1,438,624
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 10,212,334</b>	<b>\$ 8,697,606</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 773,866	\$ 833,724
Payable to related parties	539	499
Total Current Liabilities	774,405	834,223
<b>NONCURRENT LIABILITIES</b>		
Asset retirement obligation	2,324,873	2,190,558
Total Noncurrent Liabilities	2,324,873	2,190,558
Total Liabilities	3,099,278	3,024,781
<b>DEFERRED INFLOW OF RESOURCES</b>		
Rates intended to recover future costs	9,627,736	7,642,598
<b>NET POSITION</b>		
Investment in capital assets	4,241,735	4,490,098
Unrestricted	(6,756,415)	(6,459,871)
Total Net Position	(2,514,680)	(1,969,773)
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 10,212,334</b>	<b>\$ 8,697,606</b>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Electric revenue	\$ 13,237,235	\$ 14,845,128
<b>OPERATING EXPENSES</b>		
Related party services	1,041,572	1,234,839
Capacity	8,913,566	10,545,304
Depreciation	520,599	961,615
Accretion of asset retirement obligation	519,231	430,794
Fuel	965,318	764,136
Maintenance	906,663	934,110
Utilities	127,119	173,049
Insurance	378,919	378,232
Professional services	561,583	367,485
Other operating expenses	433,550	491,658
Total Operating Expenses	14,368,120	16,281,222
Operating Loss	(1,130,885)	(1,436,094)
<b>NON-OPERATING REVENUES / EXPENSES</b>		
Investment income	91,054	43,683
Future recoverable costs	494,924	455,100
Total Non-Operating Revenues / Expenses	585,978	498,783
<b>Change in net position</b>	(544,907)	(937,311)
NET POSITION, Beginning of Year	(1,969,773)	(1,032,462)
<b>NET POSITION, END OF YEAR</b>	\$ (2,514,680)	\$ (1,969,773)



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from participants	\$ 15,209,545	\$ 12,821,463
Cash paid to related parties for personnel services	(895,589)	(1,039,504)
Cash payments to suppliers and related parties for goods and services	(12,445,979)	(12,420,087)
Net Cash Provided by / (Used in) Operating Activities	1,867,977	(638,128)
 <b>CASH FLOWS FROM CAPITAL AND RELATED INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(272,236)	(15,979)
Net Cash Used in Capital and Related Investing Activities	(272,236)	(15,979)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	91,054	43,683
Net Cash Provided by Investing Activities	91,054	43,683
 <b>Net Change in Cash and Cash Equivalents</b>	1,686,795	(610,424)
 CASH AND CASH EQUIVALENTS, Beginning of Year	1,278,671	1,889,095
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,965,466	\$ 1,278,671
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,130,885)	\$ (1,436,094)
Depreciation	520,599	961,615
Accretion of asset retirement obligation net of change in ARO estimate	494,924	455,100
Changes in assets, liabilities and deferred inflow of resources		
Receivables from participants	-	605
Receivables from related parties	(12,828)	(158,308)
Inventory	(14,843)	(66,039)
Prepaid expenses	31,030	(37,720)
Deferred outflow from asset retirement obligation and related deferred outflow	418,193	337,785
Accounts payable and accrued expenses	(59,858)	(834,341)
Payable to related parties	40	(87,001)
Regulatory assets	(363,533)	2,092,232
Deferred inflow of resources	1,985,138	(1,865,962)
 <b>NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</b>	\$ 1,867,977	\$ (638,128)

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

Ohio Municipal Electric Generation Agency Joint Venture 2 (“OMEGA JV2”) was organized by 36 subdivisions of the State of Ohio (the “Participants”) on November 21, 2000, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code and commenced operations on December 1, 2000. Its purpose is to provide backup and peaking capacity to the Participants. The Participants are members of American Municipal Power, Inc. (“AMP”). On December 27, 2001, OMEGA JV2 purchased 138.650 MW of electric plant generating units (the “Project”) from AMP. The Project is referred to as “distributed generation” because the units are sited near the Participants’ municipal electric systems where it is anticipated they will serve. The Project consists of two 32 MW used gas-fired turbines, one 11 MW used gas-fired turbine and thirty four 1.825 MW new and one 1.6 MW used oil-fired and diesel turbines. The Agreement continues until 60 days subsequent to the termination or disposition of the Project and for as long as required by the financing agreement; provided, however, that each Participant shall remain obligated to pay to OMEGA JV2 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

The following summarizes the significant accounting policies followed by OMEGA JV2.

### ***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 economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place or deferred until a future period in which they will be recovered through rates.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### ***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION***

#### ***Deposits and Investments***

For purposes of the statements of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Deposits and Investments (cont.)***

OMEGA JV2 has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government or its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions.

OMEGA JV2 has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Gains and losses on investment transactions are determined on a specific identification basis. Market values may have changed significantly after year end.

***Receivables/Payables***

Accounts receivable are amounts due from participants at the end of the year. Due to the participant relationship and the high degree of collectability, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

***Inventory***

Inventory consists of fuel used to operate the Project and is stated at the lower of first-in, first-out (“FIFO”) cost or market.

***Prepaid Expenses***

Prepaid expenses represent costs of insurance paid during the current calendar year for coverage in subsequent years.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Electric Plant and Equipment***

Electric plant generating units and vehicles are recorded at cost. Depreciation is provided on the straight-line method over 13-20 years for generators and 3-10 years for vehicles, the estimated useful lives of the assets. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When electric plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

Electric plant assets are assessed for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset may have significantly and unexpectedly declined. If it is determined that impairment has occurred, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

***Asset Retirement Obligations and Deferred Outflow of Resources***

OMEGA JV2 records, at fair value, legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. When an asset retirement obligation is initially recorded, a deferred outflow of resources is also recorded at the same value as the liability. The deferred outflow of resources is reduced and an expense is recognized in a systematic and rational manner over the tangible capital asset's estimated useful life. Upon settlement of the liability, the difference between the accrued liability and the amount to settle the liability is recorded as a settlement gain or loss.

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Regulatory Assets***

OMEGA JV2 records regulatory assets (expenses to be recovered in rates in future periods). Regulatory assets include O&M expenses not yet recovered through billings to Participants. Pursuant to the Agreement, Participants are required to pay all costs related to operations, maintenance, and retirement of the jointly owned electric plant.

Regulatory assets consisted of the following at December 31:

Description	2024	2023
Future expenses related to Asset Retirements	\$ 1,170,125	\$ 776,240
Future expenses related to Debt Service	-	30,352
	\$ 1,170,125	\$ 806,592

***Deferred Inflow of Resources***

OMEGA JV2 records deferred inflows of resources (rates collected for expenses not yet incurred). The balance consists of revenue related to amounts prepaid by the Participants for major repairs and maintenance and are recorded as income when the related expenditure occurs.

Deferred inflow of resources consisted of the following at December 31:

	2024	2023
Future expenses related to overhaul maintenance and fixed O&M	\$ 9,627,736	\$ 7,642,598
	\$ 9,627,736	\$ 7,642,598

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Net Position***

The Project is owned by the Participants in undivided interests held either directly or in trust. Due to potential legal impediments to their holding of direct interests in the Project, some participants purchase capacity and energy from the Project and have their undivided ownership interests held in trust for them by other Participants acting as trustees. The respective ownership shares are as follows:

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>	
Hamilton	32,000	23.87	%
Bowling Green	19,198	14.32	
Niles	15,400	11.48	
Cuyahoga Falls	10,000	7.46	
Wadsworth	7,784	5.81	
Painesville	7,000	5.22	
Dover	7,000	5.22	
Galion	5,753	4.29	
Amherst	5,000	3.73	
St. Mary's	4,000	2.98	
Montpelier	4,000	2.98	
Shelby	2,536	1.89	
Versailles	1,660	1.24	
Edgerton	1,460	1.09	
Yellow Springs	1,408	1.05	
Oberlin	1,217	0.91	
Pioneer	1,158	0.86	
Seville	1,066	0.80	
Grafton	1,056	0.79	
Brewster	1,000	0.75	
Monroeville	764	0.57	
Milan	737	0.55	
Oak Harbor	737	0.55	
Elmore	364	0.27	
Jackson Center	300	0.22	
Napoleon	264	0.20	
Lodi	218	0.16	
Genoa	199	0.15	
Pemberville	197	0.15	
Lucas	161	0.12	

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Net Position (cont.)***

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>	
South Vienna	123	0.09	%
Bradner	119	0.09	
Woodville	81	0.06	
Haskins	73	0.05	
Arcanum	44	0.03	
Custar	<u>4</u>	<u>0.00</u>	*
Totals	134,081	<u>100.00</u>	%
Reserves	<u>4,569</u>		
kW Capacity of the Project	<u><u>138,650</u></u>		

\* Represents less than 0.01%

***REVENUE AND EXPENSES***

OMEGA JV2 distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the OMEGA JV2's principal ongoing operations. The principal operating revenues of OMEGA JV2 are charges to participants for energy and capacity. Operating expenses include the cost of generation, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Electric revenue is recognized as earned when service is delivered. OMEGA JV2's rates for electric power are designed to cover annual operating costs, excluding depreciation. Rates are set annually by the Board of Participants.

Rates for electric service pursuant to contracts with the Participants are not designed to recover contributed capital used to acquire the electric plant generators. Rates charged to OMEGA JV2 financing participants for debt service are paid to AMP to retire the Project financing obligations. Accordingly, OMEGA JV2 will generate negative operating margins during the operating life of the electric generators.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

---

For purposes of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less. Restricted cash accounts, if any, are treated as investments in the statements of cash flows since they are not available for use.

Carrying Value as of December 31:

	<u>2024</u>	<u>2023</u>
Checking	\$ 242,086	\$ 1,021,215
Insured Cash Sweep	<u>2,723,380</u>	<u>257,456</u>
	<u>\$ 2,965,466</u>	<u>\$ 1,278,671</u>

***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a bank failure, OMEGA JV2's deposits may not be returned to it. OMEGA JV2 has custodial credit risk on its cash and temporary investments balances to the extent the balances exceed the federally insured limit. Balances not insured by the FDIC are covered by the pledged pool collateral or through the State of Ohio's pooled collateral system administered by the Ohio Treasurer's Office. OMEGA JV2's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2024 and 2023, there were no deposits exposed to custodial credit risk.

***Credit Risk***

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. OMEGA JV2 invests in instruments approved under the entity's investment policy. The Board of Participants has authorized OMEGA JV2 to invest in funds in accordance with the ORC. Allowable investments include United States Treasury and federal and state government agency obligations, money market funds, and commercial paper with the highest classification by at least two nationally recognized standard rating services. As of December 31, 2024 and 2023, OMEGA JV2 had no investments with credit risk.

***Interest Rate Risk***

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. OMEGA JV2's investment policy limits the maturity of commercial paper and bankers acceptances to 180 days. As of December 31, 2024 and 2023, OMEGA JV2 had no investments with interest rate risk.



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 3 – ELECTRIC PLANT AND EQUIPMENT**

Electric plant and equipment activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Additions / Transfers	Retirements / Transfers	Ending Balance
Electric generators	\$ 65,562,718	\$ -	\$ -	\$ 65,562,718
Construction Work-in-Progress	15,979	272,236	-	288,215
Less: Accumulated Depreciation	(61,088,599)	(520,599)	-	(61,609,198)
Electric Plant and Equipment, Net	<u>\$ 4,490,098</u>	<u>\$ (248,363)</u>	<u>\$ -</u>	<u>\$ 4,241,735</u>

	<b>2023</b>			
	Beginning Balance	Additions / Transfers	Retirements / Transfers	Ending Balance
Electric generators	\$ 65,562,718	\$ -	\$ -	\$ 65,562,718
Construction Work-in-Progress	-	15,979	-	15,979
Less: Accumulated Depreciation	(60,126,984)	(961,615)	-	(61,088,599)
Electric Plant and Equipment, Net	<u>\$ 5,435,734</u>	<u>\$ (945,636)</u>	<u>\$ -</u>	<u>\$ 4,490,098</u>

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 4 – ASSET RETIREMENT OBLIGATIONS**

OMEGA JV2 has an obligation to remove electric generators from the sites where the units are located and to perform certain restoration activities at the sites.

Asset retirement obligation activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Revisions To Estimates	Accretion Expense	Ending Balance
Asset retirement obligation	\$ 2,190,558	\$ (384,916)	\$ 519,231	\$ 2,324,873
	<b>2023</b>			
	Beginning Balance	Revisions To Estimates	Accretion Expense	Ending Balance
Asset retirement obligation	\$ 2,018,653	\$ (258,889)	\$ 430,794	\$ 2,190,558

Asset retirement obligations are determined based on detailed cost estimates, adjusted for factors that an outside third party would consider (i.e., inflation, overhead and profit), escalated using an inflation factor to the estimated removal dates, and then discounted using a credit adjusted risk-free interest rate. The removal date for each unit was determined based on the estimated life of the units. The accretion of the liability and amortization of the property and equipment will be recognized over the estimated useful lives of each unit. Estimated values of ARO assets and obligations were prepared by an independent engineering consultant.

**NOTE 5 – NET POSITION**

GASB No. 63 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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 position 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.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 2**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 – NET POSITION (cont.)**

Unrestricted - This component of net position consists of net position that does not meet the definition of "restricted" or "investment in capital assets."

The following calculation supports the investment in capital assets:

Description	2024	2023
Electric Plant, Equipment Assets	\$ 65,562,718	\$ 65,562,718
Construction work in progress	288,215	15,979
Accumulated Depreciation	(61,609,198)	(61,088,599)
Investment in Capital Assets	<u>\$ 4,241,735</u>	<u>\$ 4,490,098</u>

**NOTE 6 – COMMITMENTS AND CONTINGENCIES**

***ENVIRONMENTAL MATTERS***

The Project is subject to regulation by federal, state and local authorities related to environmental and other matters. Changes in regulations could adversely affect the operations and operating cost of OMEGA JV2.

On February 17, 2010, the US EPA promulgated the RICE NESHAP Rule establishing emission limits and work practice standards for compression ignited diesel engines at area sources. OMEGA JV2's engines were affected by this rule and were in compliance by May 2013.

Many metropolitan and industrialized counties in Ohio may be declared non-attainment with the 2015 ozone standard. This determination by U.S. EPA could result in mandatory local reductions of nitrogen oxides, volatile organic compounds and/or fine particulate matter. In addition to emissions reductions required to achieve local compliance, additional reductions may be required to help achieve compliance in down-wind, neighboring states. Ohio Environmental Protection Agency may restrict the hours of operation or require additional pollution control equipment for the portions of the Project that are determined to impact non-attainment areas in Ohio or elsewhere.

**NOTE 7 – RISK MANAGEMENT**

OMEGA JV2 is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, excess liability, general liability, pollution liability, directors' and officers' insurance, fiduciary liability, crime and fidelity coverage. No claims have been filed in the past three years. There were no significant reductions in coverage compared to the prior year.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 8 – RELATED PARTY TRANSACTIONS**

---

OMEGA JV2 has entered into the following agreements:

- Pursuant to an Agreement, AMP was designated as an agent and provides various management and operational services, including dispatching electrical control. In addition, as OMEGA JV2's agent, AMP entered into an agreement with Municipal Energy Services Agency ("MESA"), a related joint venture, for MESA to provide certain engineering, finance, administration and other services. AMP may also provide these services. The services from MESA are now billed directly to AMP with AMP passing the costs to OMEGA JV2 with no markup. The combined cost of these services for the years ended December 31, 2024 and 2023 was \$1,041,572 and \$1,234,839, respectively. OMEGA JV2's payables to AMP as of December 31, 2024 and 2023 were \$0. There was no payable to MESA at December 31, 2024 or December 31, 2023. The payable to OMEGA as of December 31, 2024 and 2023 was \$539 and \$499. Ohio Municipal Electric Association ("OMEA") provided certain legislative services for OMEGA JV2.
- As OMEGA JV2's agent, AMP also collects payments on behalf of OMEGA JV2 before transferring those funds to OMEGA JV2. As of December 31, 2024 and 2023, OMEGA JV2 had receivables from AMP of \$171,136 and \$158,308, respectively.
- Participants with units sited in their communities provide utilities to the generating units. OMEGA JV2 incurred expenses of \$127,119 and \$173,049 for these services for the years ended December 31, 2024 and 2023, respectively.

---

### **NOTE 9 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

---

For the year ended December 31, 2024, the OMEGA JV2 has implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of OMEGA JV2.

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Ohio Municipal Electric Generation Agency Joint Venture 2  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 2, Franklin County, Ohio (OMEGA JV2), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise OMEGA JV2's basic financial statements, and have issued our report thereon dated April 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OMEGA JV2's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OMEGA JV2's internal control. Accordingly, we do not express an opinion on the effectiveness of OMEGA JV2's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OMEGA JV2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

OHIO MUNICIPAL ELECTRIC  
GENERATION AGENCY JOINT  
VENTURE 4  
FRANKLIN COUNTY, OHIO

*REGULAR AUDIT*

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023



**Ohio Municipal Electric Generation Agency Joint Venture 4**  
**Franklin County, Ohio**  
*Table of Contents*  
*December 31, 2024 and 2023*

	<i>Page</i>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position .....	10
Statements of Revenues, Expenses and Changes in Net Position .....	11
Statements of Cash Flows .....	12
Notes to the Basic Financial Statements .....	13
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	20



---

## INDEPENDENT AUDITOR'S REPORT

Ohio Municipal Electric Generation Agency Joint Venture 4  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Ohio Municipal Electric Generation Agency Joint Venture 4, Franklin County, Ohio, (OMEGA JV4), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise OMEGA JV4's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Municipal Electric Generation Agency Joint Venture 4, Franklin County, Ohio, as of December 31, 2024 and 2023, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OMEGA JV4, 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 raise substantial doubt about OMEGA JV4'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.

### **Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 OMEGA JV4'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 OMEGA JV4'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 management's discussion and analysis, 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 GAAS, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025 on our consideration of OMEGA JV4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OMEGA JV4's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OMEGA JV4's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023

(Unaudited)

### Financial Statement Overview

This discussion and analysis provide an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 4 ("OMEGA JV4") for the years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV4 prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. OMEGA JV4's basic financial statements include the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows.

The statements of net position provide information about the nature and amount of assets, liabilities and deferred inflow of resources of OMEGA JV4 as of the end of the year. The statements of revenues, expenses and changes in net position report revenues and expenses for the year. The statements of cash flows report cash receipts, cash payments, and net changes in cash resulting from operating, investing and non-capital and related financing activities.

### Financial Highlights

The following table summarizes the financial position of OMEGA JV4 as of December 31:

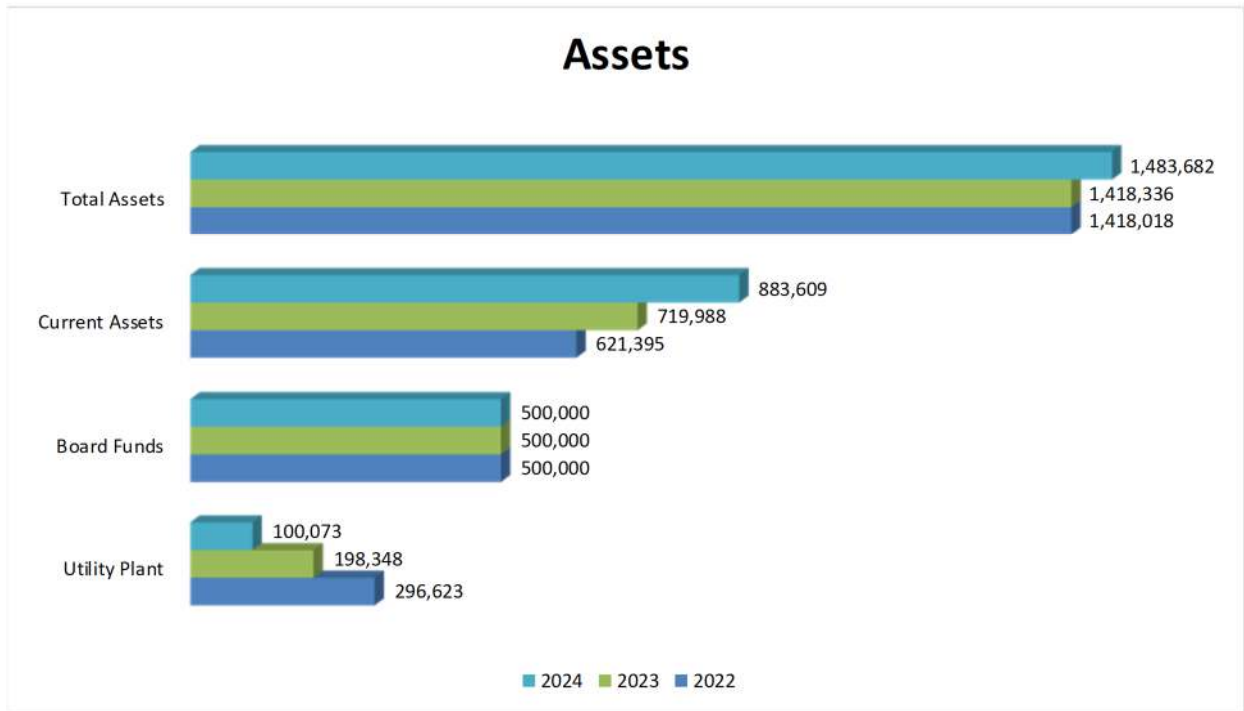
#### Condensed Statements of Net Position

	2024	2023	2022
<b>Assets</b>			
Electric plant and equipment, net of accumulated depreciation	\$ 100,073	\$ 198,348	\$ 296,623
Board designated funds	500,000	500,000	500,000
Current assets	883,609	719,988	621,395
<b>Total Assets</b>	<b>\$ 1,483,682</b>	<b>\$ 1,418,336</b>	<b>\$ 1,418,018</b>
<b>Net Position and liabilities</b>			
Net Position - investment in capital assets	\$ 100,073	\$ 198,348	\$ 296,623
Net Position - unrestricted	1,340,381	1,187,116	1,093,228
Current liabilities	43,228	32,872	28,167
<b>Total Net Position and liabilities</b>	<b>\$ 1,483,682</b>	<b>\$ 1,418,336</b>	<b>\$ 1,418,018</b>

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023

(Unaudited)



**Utility Plant (capital assets)** represent the transmission lines in the joint venture. Its reduction year-to-year is the annual depreciation of \$98,000. These assets will be fully depreciated at the end of 2025. Additional information on OMEGA JV4's capital assets can be found in Note 3 to the basic financial statements.

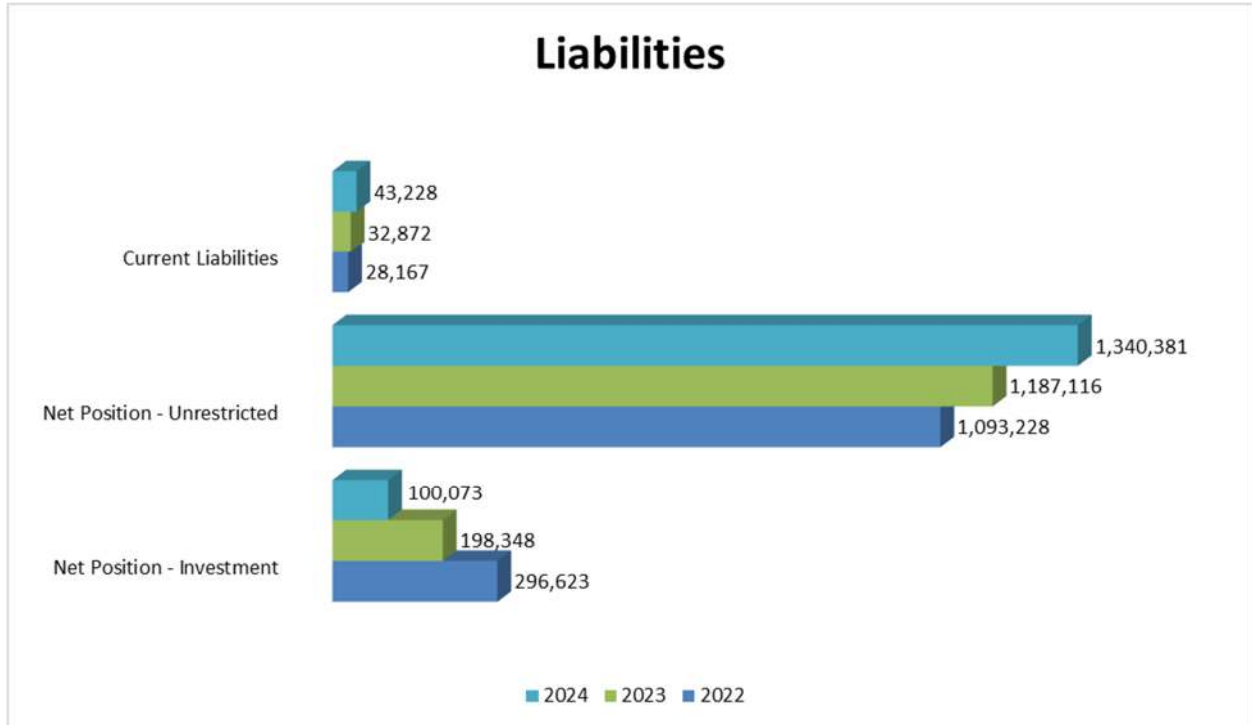
**Board funds** have not changed year-to-year and are designated for the potential decommissioning of transmission lines.

**Current assets** have an increase year-to-year averaging \$130,000. Driving this is an increase in operating cash and the opening of an Income Cash Sweep (ICS) account in 2023 that pays interest monthly.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023

(Unaudited)



**Net Position – Investment** shows the net book value of our capital assets. Net capital assets at 2024 was \$100,000. This balance will be zero at the end of 2025 when the assets are fully depreciated.

**Net Position – Unrestricted** has increased from transmission services charged.

**Current Liabilities** represent balances in accounts payable. This fluctuates year-to-year at an immaterial level and carries an average balance of \$35,000.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023

(Unaudited)

---

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

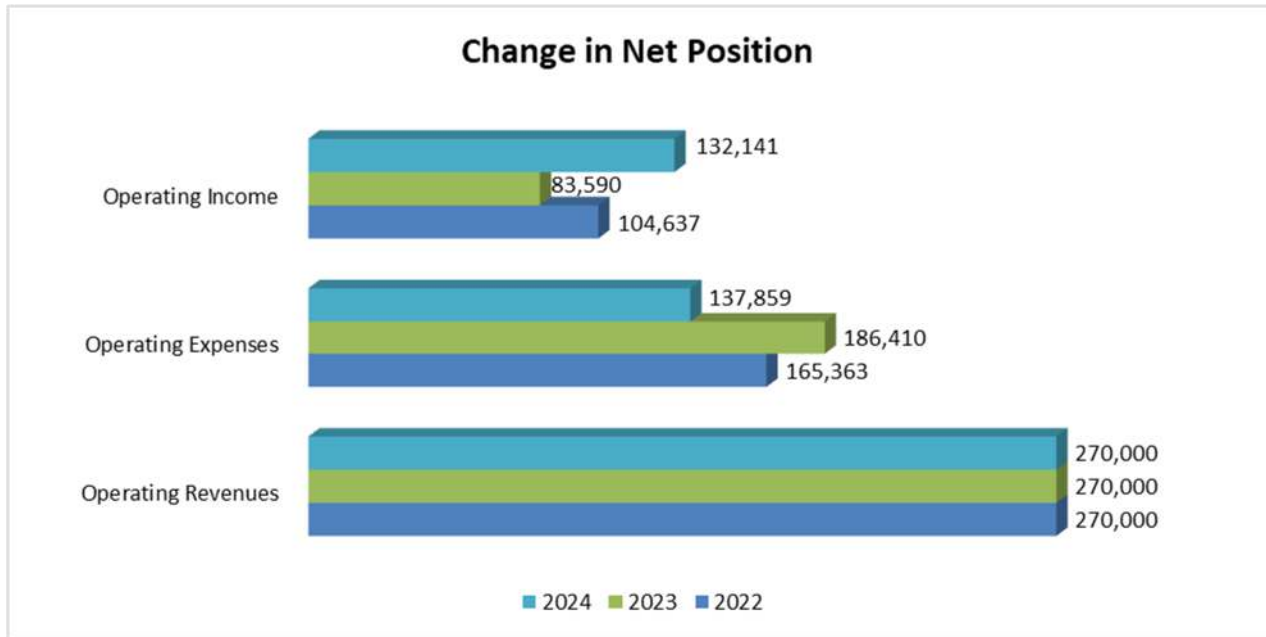
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 270,000	\$ 270,000	\$ 270,000
Operating Expenses	137,859	186,410	165,363
Operating Income	<u>132,141</u>	<u>83,590</u>	<u>104,637</u>
Non-operating revenues/expenses			
Investment Income	<u>57,849</u>	<u>47,023</u>	<u>11,724</u>
Income before distributions	<u>189,990</u>	<u>130,613</u>	<u>116,361</u>
Distributions to participants	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 135,000</u>
Change in Net Position	<u>\$ 54,990</u>	<u>\$ (4,387)</u>	<u>\$ (18,639)</u>

**This space is intentionally left blank.**

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023

(Unaudited)



**Operating Revenues** from this joint venture are steady from year-to-year. Revenues are expected to remain at \$270,000 annually during the life of the joint venture.

**Operating Expenses** year-to-year fluctuations are caused by multiple drivers. In 2024, expense decrease of \$49,000 was primarily caused by prior year right of way clearing of \$40,000 and pole repair at Bryan of \$5,000. Operating expenses for the joint venture are consistently below budget in spite of the fluctuations in some expenses.

Because the operating revenues and expenses have been within budget **Operating Income** has been near expectations year-to-year and should continue to be for the remaining life of the joint venture.

**Ending Net Position** in 2024 increased \$55,000 due to lower operating expenses and higher investment income related to the ICS Sweep account. 2023 had an decrease of \$4,000 related to higher operating expenses.



# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023

(Unaudited)

---

## **Overall Financial Position Explanation**

With income and expenses in line with budgeted amounts the overall financial position in this joint venture is as expected. All current information indicates that joint venture operating results will continue as expected.

There have been no changes in **Capital Assets (Transmission Lines)** for the reporting periods except for normal depreciation. Joint Venture 4 does not carry any **Long-term Debt**.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

STATEMENTS OF NET POSITION  
December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 861,109	\$ 674,988
Receivables from unrelated parties	22,500	45,000
Total Current Assets	883,609	719,988
<b>NONCURRENT ASSETS</b>		
Utility Plant		
Transmission line	2,645,438	2,645,438
Accumulated depreciation	(2,545,365)	(2,447,090)
Net Utility Plant	100,073	198,348
Other Assets		
Board designated funds	500,000	500,000
Total Non-Current Assets	600,073	698,348
<b>TOTAL ASSETS</b>	<b>\$ 1,483,682</b>	<b>\$ 1,418,336</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 19,950	\$ 19,423
Payable to related parties	23,278	13,449
Total Current Liabilities	43,228	32,872
<b>NET POSITION</b>		
Investment in capital assets	100,073	198,348
Unrestricted	1,340,381	1,187,116
Total Net Position	1,440,454	1,385,464
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,483,682</b>	<b>\$ 1,418,336</b>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Transmission revenue	\$ 270,000	\$ 270,000
<b>OPERATING EXPENSES</b>		
Related party services	16,264	29,951
Depreciation	98,275	98,275
Maintenance	2,752	4,798
Professional services	20,568	53,386
Total Operating Expenses	<u>137,859</u>	<u>186,410</u>
Operating Income	<u>132,141</u>	<u>83,590</u>
<b>NONOPERATING REVENUES/EXPENSES</b>		
Investment income	57,849	47,023
Total Non-Operating Revenues/Expenses	<u>57,849</u>	<u>47,023</u>
Income before distributions	<u>189,990</u>	<u>130,613</u>
<b>DISTRIBUTIONS TO PARTICIPANTS</b>		
City of Bryan	(56,700)	(56,700)
Village of Pioneer	(40,500)	(40,500)
Village of Montpelier	(33,750)	(33,750)
Village of Edgerton	(4,050)	(4,050)
<b>Total Distributions</b>	<u>(135,000)</u>	<u>(135,000)</u>
Change in net position	54,990	(4,387)
NET POSITION, Beginning of Year	<u>1,385,464</u>	<u>1,389,851</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 1,440,454</u>	<u>\$ 1,385,464</u>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from participants	\$ 270,000	\$ 270,000
Cash paid to related parties for personnel services	(6,435)	(19,027)
Cash payments to suppliers and related parties for goods and services	(293)	(84,072)
Net Cash Provided by Operating Activities	263,272	166,901
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Distributions to participants	(135,000)	(135,000)
Net Cash Used in Non-Capital Financing Activities	(135,000)	(135,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	57,849	47,023
Net Cash Provided by Investing Activities	57,849	47,023
<b>Net Change in Cash and Cash Equivalents</b>	186,121	78,924
CASH AND CASH EQUIVALENTS, Beginning of Year	1,174,988	1,096,064
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 1,361,109	\$ 1,174,988
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 132,141	\$ 83,590
Depreciation	98,275	98,275
Changes in assets and liabilities		
Receivables	22,500	(19,669)
Accrued expenses	527	(5,777)
Payable to related parties	9,829	10,482
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 263,272	\$ 166,901

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

Ohio Municipal Electric Generation Agency Joint Venture 4 (“OMEGA JV4” or “JV4”) was organized by four subdivisions of the State of Ohio (the “Participants”) on December 1, 1995, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose is to undertake the Williams County Transmission Project (the “Project”). The Participants are members of American Municipal Power, Inc. (“AMP”). OMEGA JV4 owns and operates the Project. The Project consists of a 69 KV three-phase transmission line located in Williams County, Ohio. The Agreement continues until 60 days subsequent to the termination or disposition of the Project; provided, however, that each Participant shall remain obligated to pay to OMEGA JV4 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

The following summarizes the significant accounting policies followed by OMEGA JV4.

### ***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 economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### ***ASSETS, LIABILITIES, AND NET POSITION***

#### ***Deposits and Investments***

For purposes of the statements of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

OMEGA JV4 has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government or its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, AND NET POSITION (cont.)***

***Deposits and Investments (cont.)***

OMEGA JV4 has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

***Receivables/Payables***

Accounts receivable are amounts due from participants at the end of the year. Due to the participant relationship and the high degree of collectability, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

***Board Designated Funds***

OMEGA JV4's Board of Participants have designated funds for the potential decommissioning of transmission lines.

***Utility Plant***

The transmission line is recorded at cost. Depreciation is provided on the straight-line method from 19 to 30 years, based on the estimated useful life of the assets. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When utility plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

The transmission line is assessed for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset may have significantly and unexpectedly declined. If it is determined that impairment has occurred, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, AND NET POSITION (cont.)***

***Asset Retirement Obligations***

OMEGA JV4 records, at fair value, legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. When a liability is initially recorded, the cost of the related long-lived asset is increased. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the difference between the accrued liability and the amount to settle the liability is recorded as a settlement gain or loss. Depreciation expense and accretion expense incurred, but not yet recovered through rates, are offset by regulatory assets to be recovered through future billings to Participants. OMEGA JV4 has determined that there is no asset retirement obligation associated with the transmission line or utility poles. OMEGA JV4 determined there were no legal requirements currently in place that would mandate special disposal of the utility poles and transmission lines as they are replaced.

***Net Position***

All property constituting OMEGA JV4 is owned by the Participants as tenants in common in undivided shares, each share being equal to that Participant's percentage ownership interest as follows:

<u>Municipality</u>	<u>Percent Project Ownership and Entitlement</u>	
Bryan	42.00	%
Pioneer	30.00	
Montpelier	25.00	
Edgerton	3.00	
	100.00	%

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***REVENUE AND EXPENSES***

OMEGA JV4 distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with OMEGA JV4's principal ongoing operations. The principal operating revenues of OMEGA JV4 are charges to a single customer for transmission services. Operating expenses include the cost of transmission services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Operating revenues are recognized when transmission service is delivered. OMEGA JV4's rates for transmission service are set by contracts with the customers. Periodically OMEGA JV4 will distribute earnings to its participants based on available operating cash. These distributions are approved by the Board of Participants.

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

For purposes of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less. Restricted cash accounts, if any, are treated as investments in the statements of cash flows since they are not available for use. Carrying value as of December 31:

	2024	2023
Checking	\$ 233,702	\$ 147,839
Insured Cash Sweep	1,127,407	1,027,149
	\$ 1,361,109	\$ 1,174,988

***Custodial Credit Risk***

Custodial risk is the risk that in the event of a bank failure, OMEGA JV4's deposits may not be returned to it. OMEGA JV4 has custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. Balances not insured by the FDIC are covered by the pledged pool collateral or through the State of Ohio's pooled collateral system administered by the Ohio Treasurer's Office. OMEGA JV4's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2024, and 2023, there were no deposits exposed to custodial credit risk.



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)**

***Credit Risk***

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. OMEGA JV4 invests in instruments approved under the entity's investment policy. The Board of Participants has authorized OMEGA JV4 to invest in funds in accordance with the Ohio Revised Code. Allowable investments include United States Treasury and federal and state government agency obligations, money market funds, and commercial paper with the highest classification by at least two nationally recognized standard rating services. As of December 31, 2024, and 2023, OMEGA JV4 had no investments with credit risk.

***Interest Rate Risk***

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. OMEGA JV4's investment policy limits the maturity of commercial paper and bankers' acceptances to 180 days. As of December 31, 2024, and 2023, OMEGA JV4 had no investments with interest rate risk.

**NOTE 3 – UTILITY PLANT**

Utility plant activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Additions	Retirements	Ending Balance
Transmission lines	\$ 2,645,438	\$ -	\$ -	\$ 2,645,438
Less: Accumulated Depreciation	(2,447,090)	(98,275)	-	(2,545,365)
Utility Plant, Net	\$ 198,348	\$ (98,275)	\$ -	\$ 100,073
	<b>2023</b>			
	Beginning Balance	Additions	Retirements	Ending Balance
Transmission lines	\$ 2,645,438	\$ -	\$ -	\$ 2,645,438
Less: Accumulated Depreciation	(2,348,815)	(98,275)	-	(2,447,090)
Utility Plant, Net	\$ 296,623	\$ (98,275)	\$ -	\$ 198,348

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 4**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 4 – NET POSITION**

GASB No. 63 requires the classification of net position into three components – Investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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 position 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 - This component of net position consists of net position that does not meet the definition of "restricted" or "investment in capital assets."

The following calculation supports the investment in capital assets:

Description	2024	2023
Plant in service	\$ 2,645,438	\$ 2,645,438
Accumulated Depreciation	(2,545,365)	(2,447,090)
Investment in Capital Assets	\$ 100,073	\$ 198,348

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The Project is subject to regulation by federal, state and local authorities related to environmental and other matters. Changes in regulations could adversely affect the operations and operating cost of OMEGA JV4.

**NOTE 6 – SIGNIFICANT CUSTOMERS**

Transmission revenue in 2024 and 2023 was 100% derived from a non-participant. The contract with the non-participant can be cancelled on or after October 31, 2009 upon written notice six months prior to cancellation. As of December 31, 2024, no notice of cancellation had been received. A decision by the non-participant to purchase transmission service from a different provider would cause a significant decline in OMEGA JV4's transmission revenue and possibly impair the carrying value of the transmission lines if replacement customers could not be found.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 4

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 7 – RISK MANAGEMENT**

---

OMEGA JV4 is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, excess liability, general liability, pollution liability, directors' and officers' insurance, fiduciary liability, crime and fidelity coverage. OMEGA JV4 is self-insured for property damage risks related to its transmission line. No claims have been filed in the past three years. There were no significant reductions in coverage compared to the prior year.

---

## **NOTE 8 – RELATED PARTY TRANSACTIONS**

---

OMEGA JV4 has entered into the following agreements:

- As OMEGA JV4's agent, AMP entered into an agreement with the Municipal Energy Services Agency ("MESA"), a related joint venture, for MESA to provide certain engineering, finance, administration and other services to OMEGA JV4. AMP may also provide these services. The expenses related to these services were \$16,264 and \$29,951 for the years ended December 31, 2024 and 2023, respectively. OMEGA JV4 did not have a payable to MESA at either December 31, 2024 and 2023. OMEGA JV4 had a payable to AMP of \$23,278 and \$13,449 at December 31, 2024 and 2023, respectively.

---

## **NOTE 9 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

---

For the year ended December 31, 2024, the OMEGA JV4 has implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of OMEGA JV4.

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Ohio Municipal Electric Generation Agency Joint Venture 4  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 4, Franklin County, Ohio (OMEGA JV4), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise OMEGA JV4's basic financial statements, and have issued our report thereon dated April 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OMEGA JV4's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OMEGA JV4's internal control. Accordingly, we do not express an opinion on the effectiveness of OMEGA JV4's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OMEGA JV4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

OHIO MUNICIPAL ELECTRIC  
GENERATION AGENCY JOINT  
VENTURE 5  
FRANKLIN COUNTY, OHIO

*REGULAR AUDIT*

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023



**Ohio Municipal Electric Generation Agency Joint Venture 5**  
**Franklin County, Ohio**  
*Table of Contents*  
*December 31, 2024 and 2023*

	<i>Page</i>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position .....	9
Statements of Revenues, Expenses and Changes in Net Position .....	10
Statements of Cash Flows .....	11
Notes to the Basic Financial Statements .....	12
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	27

---

## INDEPENDENT AUDITOR'S REPORT

Ohio Municipal Electric Generation Agency Joint Venture 5  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Ohio Municipal Electric Generation Agency Joint Venture 5, Franklin County, Ohio, (OMEGA JV5), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise OMEGA JV5's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Municipal Electric Generation Agency Joint Venture 5, Franklin County, Ohio, as of December 31, 2024 and 2023, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OMEGA JV5, 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 raise substantial doubt about OMEGA JV5'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.



### **Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 OMEGA JV5'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 OMEGA JV5'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 management's discussion and analysis, 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 GAAS, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025 on our consideration of OMEGA JV5's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OMEGA JV5's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OMEGA JV5's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023 (Unaudited)

### Financial Statement Overview

This discussion and analysis provides an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 5 ("OMEGA JV5") for the years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV5 prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. OMEGA JV5's basic financial statements include the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

The statement of net position provides information about the nature and amount of assets and deferred outflows of resources and liabilities and deferred inflow of resources of OMEGA JV5 as of the end of the year. The statement of revenues, expenses and changes in net position reports revenues and expenses and the change in net position for the year. The statement of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing and capital and related financing activities.

### Financial Highlights

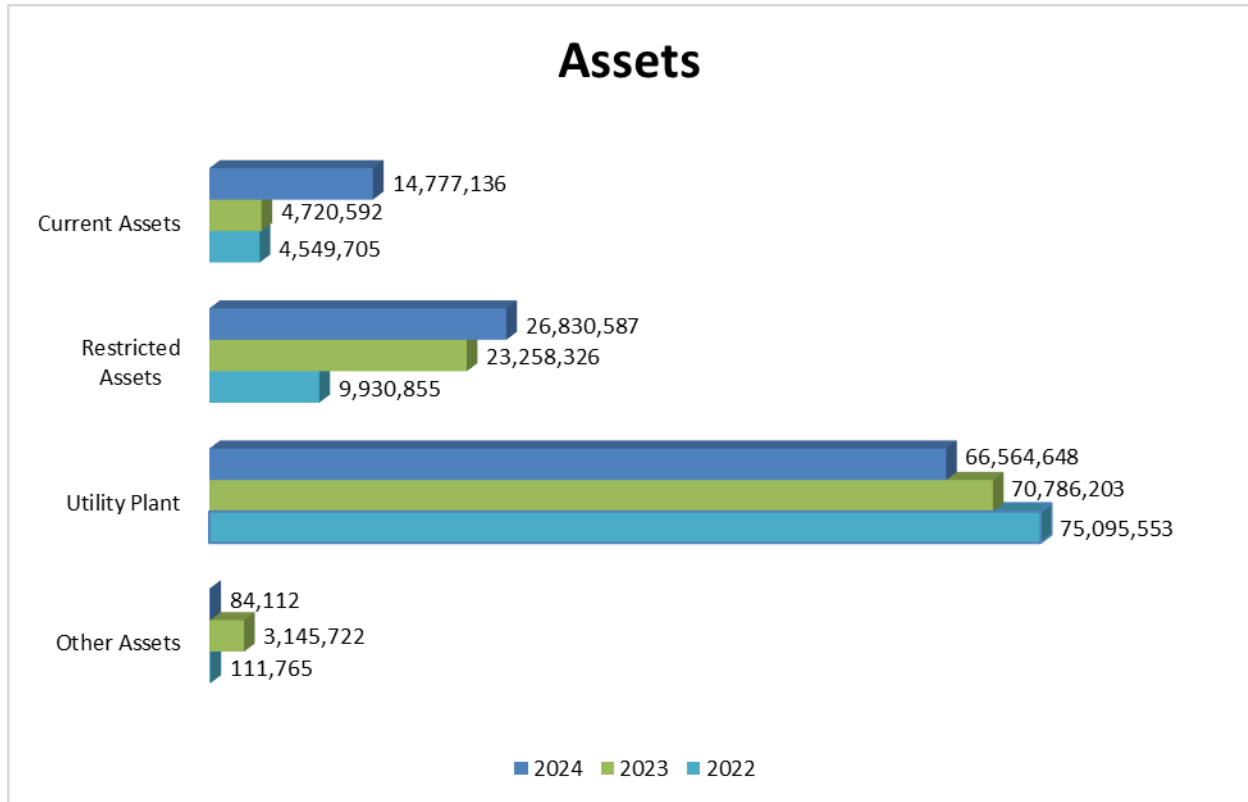
The following table summarizes the financial position of OMEGA JV5 as of December 31:

#### Condensed Statements of Net Position

	2024	2023	2022
<b>Assets</b>			
Current assets	\$ 14,777,136	\$ 4,720,592	\$ 4,549,705
Restricted assets - noncurrent	26,830,587	23,258,326	9,930,855
Electric plant and land	66,564,648	70,786,203	75,095,553
Other assets	84,112	3,145,722	111,765
<b>Total Assets</b>	<b>\$ 108,256,483</b>	<b>\$ 101,910,843</b>	<b>\$ 89,687,878</b>
<b>Net Position, Liabilities, and Deferred Inflow of Resources</b>			
Net investment in capital assets	\$ 16,672,391	\$ 23,542,589	\$ 30,359,979
Net Position - restricted	26,830,587	23,258,326	9,930,855
Net Position - unrestricted	(40,515,091)	(43,813,028)	(37,302,947)
Net beneficial interest certificates	38,977,257	47,243,614	44,735,574
Current liabilities	13,553,495	5,775,533	5,597,890
Other noncurrent liabilities	317,673	317,673	317,673
Deferred inflow of resources	52,420,171	45,586,136	36,048,854
<b>Total Net Position, Liabilities, and Deferred Inflow of Resources</b>	<b>\$ 108,256,483</b>	<b>\$ 101,910,843</b>	<b>\$ 89,687,878</b>

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Current Assets** increased in 2024 by \$10,000,000 related to the opening and use of Insured Cash Sweep (ICS) account. In 2023 there was a \$170,000 increase due to small increases of cash and prepaid insurance with a slight decrease in receivables.

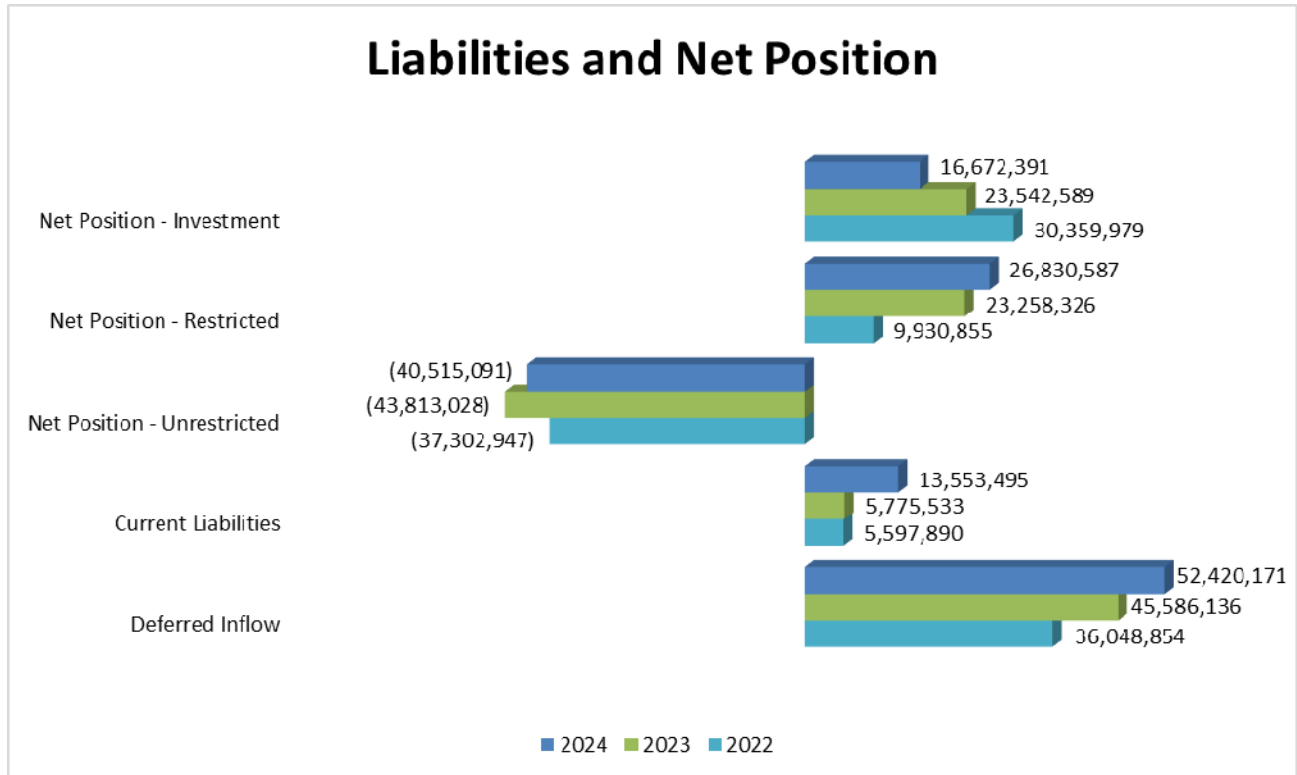
**Restricted Assets** The main driver for the increases from 2022 to 2024 is collection of funds for bond retirement starting in 2025. Billing to Participants applied to bonds that mature in 2025, see note 7.

**Utility Plant (capital assets)** steady decrease from 2022 to 2024 is driven by the annual depreciation of assets. Additional information on OMEGA JV5's capital assets can be found in Note 4 to the basic financial statements.

**Other Assets** decreased in 2024 due to netting of regulatory assets and liabilities related to operation and maintenance costs. The is the same cause of changes in 2023.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Net Position – Investment in Capital Assets** annual change represents the small increase in plant assets less depreciation and the amortization of the 2001 bond discount.

**Net Position – Restricted** increased in 2024 due to the collection of funds for bonds that mature in 2025. 2023 increased due to the collection of funds for bond retirement starting in 2025.

**Net Position – Unrestricted** fluctuated to reflect the stability of the overall net position while reflecting the changes in investment in capital assets and restricted net position.

**Current Liabilities** increased by \$7,800,000 in 2024 related to short-term debt coming due in 2025 that was partially offset by decreased payables to related parties. 2023 had a minimal increase of \$200,000 caused by increased accounts payable and accrued expenses of \$1,600,000 and decreased related party payable of \$1,400,000.

**Deferred Inflow** represents the advance collection in rates for debt service payments to begin in 2025, see note 7.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)

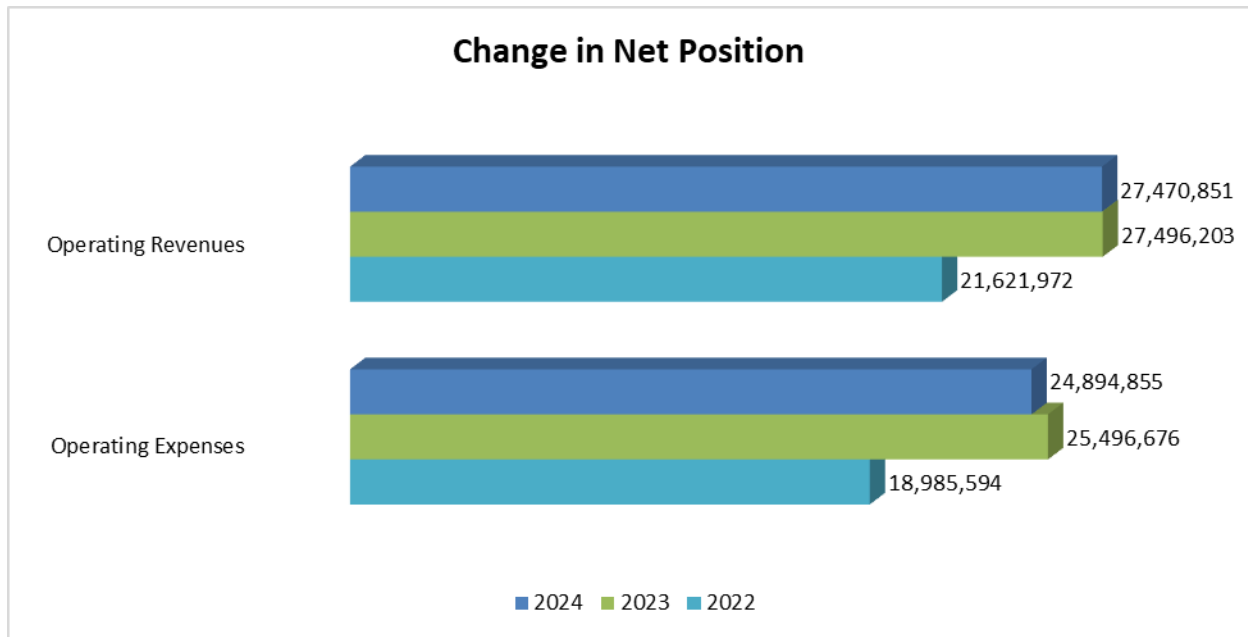
**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	2024	2023	2022
Operating Revenues	\$ 27,470,851	\$ 27,496,203	\$ 21,621,972
Operating Expenses	24,894,855	25,496,676	18,985,594
Operating Income	2,575,996	1,999,527	2,636,378
Non-operating revenues/expenses			
Investment Income (Loss)	215,366	748,292	(225,561)
Interest Expense	(2,777,535)	(2,733,992)	(2,396,990)
Amortization	(13,827)	(13,827)	(13,827)
Total net Non-operating expenses	(2,575,996)	(1,999,527)	(2,636,378)
Change in Net Position	\$ -	\$ -	\$ -

**This space is intentionally left blank.**

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Operating Revenue** are earned through electric rates, which are set by the Board of Participants based on budgets and are intended to cover budgeted operating expenses and debt service. Capacity revenue is earned and received from the regional transmission organization and passed back to members through credits on their bill with an equal expense. The 2023 increase is related to Renewable Energy Credits (REC) revenue.

**Operating Expenses** decreased in 2024 by \$600,000 due to lower property taxes and Renewable Energy Credits (REC) expense. The \$6,500,000 increase in 2023 was primarily driven by higher Renewable Energy Credits (REC) expense. These credits are given to participants on monthly invoicing for RECs earned in the year.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

STATEMENTS OF NET POSITION  
December 31, 2024 and 2023

<b>ASSETS</b>	2024	2023
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 13,035,050	\$ 2,645,542
Receivables from participants	1,522,473	1,647,530
Accrued Interest Receivable	80,310	148,050
Prepaid expenses	139,303	279,470
Total Current Assets	14,777,136	4,720,592
<b>NONCURRENT ASSETS</b>		
Restricted Assets		
Restricted Assets - funds held by trustee	26,830,587	23,258,326
Electric Plant and Land		
Electric plant in service	180,941,125	180,834,439
Construction work in progress	544,042	294,729
Land	431,881	431,881
Accumulated depreciation	(115,352,400)	(110,774,846)
Net Electric Plant and Equipment	66,564,648	70,786,203
Other Assets		
Prepaid bond insurance / Unamortized COI, net	84,112	97,939
Regulatory assets	-	3,047,783
Total Non-Current Assets	93,479,347	97,190,251
<b>TOTAL ASSETS</b>	<b>\$ 108,256,483</b>	<b>\$ 101,910,843</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,781,241	\$ 2,242,895
Short Term Bond Pay Debt	10,915,000	-
Payable to related parties	857,254	3,532,638
Total Current Liabilities	13,553,495	5,775,533
<b>NONCURRENT LIABILITIES</b>		
2001 beneficial interest certificates	45,210,000	56,125,000
Unamortized discount	(6,232,743)	(8,881,386)
Asset retirement obligation	317,673	317,673
Total Noncurrent Liabilities	39,294,930	47,561,287
Total Liabilities	52,848,425	53,336,820
<b>DEFERRED INFLOW OF RESOURCES</b>		
Rates intended to recover future costs	52,420,171	45,586,136
<b>NET POSITION</b>		
Net investment in capital assets	16,672,391	23,542,589
Restricted	26,830,587	23,258,326
Unrestricted	(40,515,091)	(43,813,028)
Total Net Position	2,987,887	2,987,887
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 108,256,483</b>	<b>\$ 101,910,843</b>



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Electric revenue	\$ 27,470,851	\$ 27,496,203
<b>OPERATING EXPENSES</b>		
Purchased power	5,130,637	4,912,396
Capacity	5,800,818	5,050,764
Related party services	970,957	913,470
Depreciation	4,577,553	4,505,585
Maintenance	1,133,292	1,401,869
Utilities	230,146	196,085
Insurance	386,236	386,647
Professional services	41,109	57,204
Payment in lieu of taxes	839,998	1,679,950
Renewable Energy Credits	4,671,392	5,403,416
Other operating expenses	1,112,717	989,290
Total Operating Expenses	24,894,855	25,496,676
Net Operating Income	2,575,996	1,999,527
<b>NON-OPERATING REVENUES/EXPENSES</b>		
Investment income	215,366	748,292
Interest expense	(2,777,535)	(2,733,992)
Amortization of insurance	(13,827)	(13,827)
Total Non-Operating Revenues/Expenses	(2,575,996)	(1,999,527)
<b>Change in net position</b>	-	-
NET POSITION, Beginning of Year	2,987,887	2,987,887
<b>NET POSITION, END OF YEAR</b>	\$ 2,987,887	\$ 2,987,887

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from participants	\$ 34,429,943	\$ 37,371,315
Cash paid to related parties for personnel services	(1,261,550)	(1,161,631)
Cash payments to suppliers and related parties for goods and services	(19,004,839)	(22,716,721)
Net Cash provided by Operating Activities	14,163,554	13,492,963
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Interest payments on debt issuance	(128,892)	(225,952)
Acquisition of capital assets	(355,999)	(196,236)
Net Cash used in Capital and Financing Activities	(484,891)	(422,188)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments purchased	(3,572,261)	(13,327,471)
Investment income received	283,106	669,424
Net Cash used in Investing Activities	(3,289,155)	(12,658,047)
<b>Net Change in Cash and Cash Equivalents</b>	10,389,508	412,728
CASH AND CASH EQUIVALENTS, Beginning of Year	2,645,542	2,232,814
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 13,035,050	\$ 2,645,542

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 2,575,996	\$ 1,999,527
Depreciation	4,577,553	4,505,585
Changes in assets, liabilities and deferred inflow of resources		
Receivables from participants	125,057	337,830
Receivables from related parties	-	133,784
Prepaid expenses	140,168	(150,905)
Accounts payable and accrued expenses	(461,654)	1,146,179
Payable to related parties	(2,675,384)	(968,536)
Regulatory assets	3,047,783	(3,047,783)
Deferred inflow of resources	6,834,035	9,537,282
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 14,163,554	\$ 13,492,963

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

Ohio Municipal Electric Generation Agency Joint Venture 5 (“OMEGA JV5”) was organized by 42 subdivisions of the State of Ohio (the “Participants”) on April 20, 1993, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. Its purpose was to undertake the Belleville Hydroelectric Project (the “Project”). The Participants are members of American Municipal Power, Inc. (“AMP”). OMEGA JV5 constructed and owns and operates the Project. The Project operations consist of:

- The Belleville hydroelectric generating plant and associated transmission facilities (“Belleville Hydroelectric Facilities”);
- Backup generation facilities, including contracts for the output thereof; and
- Power purchased on behalf of OMEGA JV5 participants.

The Belleville Hydroelectric Facilities consists of a run-of-the-river hydroelectric plant designed for a capacity of 42 megawatts and approximately 26.5 miles of 138-kilovolt transmission facilities. The plant is located in West Virginia, on the Ohio River, at the Belleville Locks and Dam.

The Project was constructed with proceeds from the issuance of beneficial interest certificates (the “Certificates”). The Certificates evidence the obligation of the Participants to pay for the cost of the Project from revenues of their electric systems. The Agreement continues until 60 days subsequent to the termination or disposition of the Project and thereafter until the date the principal of, premium, if any, and interest on all bonds have been paid or deemed paid in accordance with any applicable trust indenture; provided, however, that each Participant shall remain obligated to pay to OMEGA JV5 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

The following summarizes the significant accounting policies followed by OMEGA JV5.

### ***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 economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place or deferred until a future period in which they will be recovered through rates.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION***

***Deposits and Investments***

For purposes of the statements of cash flows, cash and temporary investments have original maturities of three months or less from the date of acquisition, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

OMEGA JV5 has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government or its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions.

OMEGA JV5 has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

***Receivables/Payables***

Accounts receivable are amounts due from participants at the end of the year. Due to the participant relationship and the high degree of collectability, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

***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 and listed in the current and non-current sections.

***Prepaid Expenses***

Prepaid expenses represent costs of insurance paid during the current calendar year for coverage in subsequent years.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)***

***OMEGA JV5 Plant***

OMEGA JV5 plant is recorded at cost and consists of the hydroelectric plant, equipment, transmission facilities, and backup generating units. Depreciation is provided on the straight-line method over the estimated useful life of the assets ranging from 5 to 40 years. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When OMEGA JV5 plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

OMEGA JV5 plant assets are assessed for impairment whenever events or changes in circumstances indicate that the service of the capital asset may have significantly and unexpectedly declined. If it is determined that impairment has occurred, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

***Asset Retirement Obligations***

OMEGA JV5 records, at fair value, legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. When a liability is initially recorded a deferred outflow is created. Over time, the liability is accreted to its present value each period, and the deferred outflow is expensed over the useful life of the related asset. Upon settlement of the liability, the difference between the accrued liability and the amount to settle the liability is recorded as a settlement gain or loss. Depreciation expense and accretion expense incurred, but not yet recovered through rates, are offset by regulatory assets to be recovered through future billings to Participants. Estimated values of ARO assets and obligations were prepared by an independent engineering consultant.

***Regulatory Assets***

OMEGA JV5 records regulatory assets (expenses to be recovered in rates in future periods).

***Deferred Inflow of Resources***

OMEGA JV5 records deferred inflows of resources (rates collected for expenses not yet incurred). In addition, this consists of revenue related to amounts prepaid by the Participants for operation and maintenance expenses and are recorded as income when the related expenditure occurs.

***Long-Term Obligations***

Long-term debt and other obligations are reported as OMEGA JV5 liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

*ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)*

***Net Position***

All property constituting OMEGA JV5 is owned by the Participants as tenants in common in undivided shares, each share being equal to that Participant's percentage ownership interest as follows:

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>	
Cuyahoga Falls	7,000	16.67	%
Bowling Green	6,608	15.73	
Niles	4,463	10.63	
Napoleon	3,088	7.35	
Jackson	3,000	7.14	
Hudson	2,388	5.69	
Wadsworth	2,360	5.62	
Oberlin	1,270	3.02	
New Bremen	1,000	2.38	
Bryan	919	2.19	
Hubbard	871	2.07	
Montpelier	850	2.02	
Minster	837	1.99	
Columbiana	696	1.66	
Wellington	679	1.62	
Versailles	460	1.10	
Monroeville	427	1.02	
Oak Harbor	396	0.94	
Lodi	395	0.94	
Pemberville	386	0.92	
Edgerton	385	0.92	

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, DEFERRED INFLOW/OUTFLOW OF RESOURCES AND NET POSITION (cont.)***

***Net Position (cont.)***

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>	
Arcanum	352	0.84	%
Seville	344	0.82	
Brewster	333	0.79	
Pioneer	321	0.76	
Genoa	288	0.69	
Jackson Center	281	0.67	
Grafton	269	0.64	
Elmore	244	0.58	
Woodville	209	0.50	
Milan	163	0.39	
Bradner	145	0.35	
Beach City	128	0.30	
Prospect	115	0.27	
Haskins	56	0.13	
Lucas	54	0.13	
Arcadia	46	0.11	
South Vienna	45	0.11	
Waynesfield	35	0.08	
Eldorado	35	0.08	
Republic	35	0.08	
Custar	<u>24</u>	<u>0.06</u>	
Totals	<u>42,000</u>	<u>100.00</u>	%

***REVENUE AND EXPENSES***

OMEGA JV5 distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the OMEGA JV5's principal ongoing operations. The principal operating revenues of OMEGA JV5 are charges to participants for sales of electric power. Operating expenses include the cost of generation and transmission, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Operating revenues are recognized when earned as service is delivered. OMEGA JV5's rates for electric power are designed to cover annual operating costs except depreciation. Debt service is billed separately to the Participants. Rates are set annually by the Board of Participants. Periodically OMEGA JV5 will distribute earnings to its participants based on available operating and rate stabilization cash. These distributions are approved by the Board of Participants. No distributions were made in 2024 or 2023.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

	Carrying value as of December 31,	
	2024	2023
Checking/Money Market	\$ 238,045	\$ 2,653,114
Government Money Market Mutual Fund	14,335,798	4,224,231
Insured Cash Sweep	25,291,794	19,026,522
Total Cash and temporary investments and funds held by trustee	\$ 39,865,637	\$ 25,903,868

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for accounts as of December 31, 2024 and 2023. Deposits in the insured cash sweep account are fully insured.

***Custodial Credit Risk***

**Deposits**

Custodial risk is the risk that in the event of a bank failure, OMEGA JV5's deposits may not be returned to it. OMEGA JV5 has custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. Balances not insured by the FDIC are covered by the pledged pool collateral or through the State of Ohio's pooled collateral system administered by the Ohio Treasurer's Office. OMEGA JV5's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2024 and 2023, there were no deposits exposed to custodial credit risk.

**Investments**

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, OMEGA JV5 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. OMEGA JV5's investment policy does not address this risk. As of December 31, 2024 and 2023, there were no investments exposed to custodial credit risk.

***Credit Risk***

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

OMEGA JV5 invests in instruments approved under the entity's investment policy. The Board of Participants has authorized OMEGA JV5 to invest in funds in accordance with the Ohio Revised Code. Allowable investments include United States Treasury and federal and state government agency obligations, money market funds, and commercial paper with the highest classification by at least two nationally recognized standard rating services at the time of purchase.



**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)**

For years ended December 31, 2024 and 2023, OMEGA JV5's investments were rated as follows:

Investment type	Standard & Poors	Moody's Investors Services
Government Money Market Mutual Fund	AAAm	Aaa

***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. OMEGA JV5's investment policy requires diversification of investments to limit losses from over-concentration of assets in a specific maturity, a specific issuer or a specific type of security, except for US Treasury and fixed rate non-callable Federal Agency securities.

***Interest Rate Risk***

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. OMEGA JV5's investment policy limits the maturity of commercial paper and bankers acceptances to 180 days.

OMEGA JV5 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 or liabilities as of the reporting date; Level 2 inputs are significant other observable inputs other than quoted prices in active markets included in Level 1; Level 3 inputs are the lowest priority unobservable inputs.

OMEGA JV5 has the following recurring fair value measurements for the years ended December 31:

		Investment	Maturity Date	Weighted Average Maturity (days)	Fair Value
2024	Level 1	Government Money Market Mutual Fund	n/a	n/a	14,335,798
2023	Level 1	Government Money Market Mutual Fund	n/a	n/a	4,224,231

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets include those assets comprising the Debt Service Reserve, Certificate Payment Fund, and Reserve and Contingency Funds, which are established and maintained pursuant to the fund agreement for the Certificates. Substantially all assets in the Certificate Payment Fund are available only to meet principal and interest payments on the Certificates. As part of the refunding of the 1993 Certificates in February 2004, the Debt Service Reserve Fund was liquidated. Assets in the Reserve and Contingency Fund are to be used for the following purposes: (i) subject to certain conditions, to remedy deficiencies in bond debt service payments; (ii) to pay for operating expenses to the extent that other operating funds are not sufficient; (iii) to pay for major repairs and maintenance; and (iv) to provide for the decommissioning of the Project.

The Certificates' trust agreement limits permissible restricted investments to those authorized for municipalities by Chapter 135 of the Ohio Revised Code and also permits investments approved in writing by the AMBAC Assurance Corporation ("AMBAC") and MBIA Insurance Corporation ("MBIA"). The trust agreement does not restrict the duration of investments to the limitations imposed by Chapter 135. At December 31, 2024 and 2023, all investments were purchased in the name of the restricted funds' trustee and are held by the trustee. The investments held by the trustee are uninsured and unregistered.

The following calculation supports the amount of restricted Net Position:

	2024	2023
Restricted Assets		
Certificate payment fund	\$ 6,292,048	\$ 12,990,647
Reserve and contingency fund	3,218,997	3,113,674
Accretion Bond Fund	17,318,087	7,152,619
Bond redemption fund	1,455	1,386
Total restricted assets	\$ 26,830,587	\$ 23,258,326

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 4 – UTILITY PLANT**

Utility plant activity for the years ended December 31 is as follows:

	<b>2024</b>				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Electric Plant and Equipment	\$180,834,439	\$ 106,686	\$ -	\$ -	\$180,941,125
Construction work in progress	294,729	249,313	-	-	544,042
Land	431,881	-	-	-	431,881
Total Utility Plant in Service	<u>181,561,049</u>	<u>355,999</u>	<u>-</u>	<u>-</u>	<u>181,917,048</u>
Less: Accumulated depreciation	<u>(110,774,846)</u>	<u>(4,577,553)</u>	<u>-</u>	<u>-</u>	<u>(115,352,399)</u>
Utility Plant, Net	<u>\$ 70,786,203</u>	<u>\$(4,221,554)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,564,649</u>

	<b>2023</b>				Ending Balance
	Beginning Balance	Additions	Transfers	Retirements	
Electric Plant and Equipment	\$180,153,992	\$ -	\$ 686,958	\$ (6,511)	180,834,439
Construction work in progress	785,452	196,235	(686,958)	-	294,729
Land	431,881	-	-	-	431,881
Total Utility Plant in Service	<u>181,371,325</u>	<u>196,235</u>	<u>-</u>	<u>(6,511)</u>	<u>181,561,049</u>
Less: Accumulated depreciation	<u>(106,275,772)</u>	<u>(4,505,585)</u>	<u>-</u>	<u>6,511</u>	<u>(110,774,846)</u>
Utility Plant, Net	<u>\$ 75,095,553</u>	<u>\$(4,309,350)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,786,203</u>

**NOTE 5 – PREPAID BOND INSURANCE**

In connection with the issuance of the 2001 Certificates, OMEGA JV5 paid \$407,000 on behalf of the participants for municipal bond insurance. In consideration for the payment of the premium and subject to the terms of the policy, the insurance company agrees to pay to the State Street Bank and Trust Company of New York, as trustee, or its successor, for benefit of the bondholders, that portion of the principal and interest on the 2001 Certificates that becomes due for payment but remains unpaid by reason of nonpayment by the Participants. This cost is being amortized over the maturities of the 2001 Certificates.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 6 – ASSET RETIREMENT OBLIGATIONS**

Asset retirement obligations are determined based on detailed cost estimates, adjusted for factors that an outside third party would consider (i.e., inflation, overhead and profit), escalated using an inflation factor to the estimated removal dates, and then discounted using a credit adjusted risk-free interest rate. The removal date for each unit was determined based on the estimated life of the unit. The accretion of the liability and amortization of the property and equipment will be recognized over the estimated useful life of each unit. Estimated values of ARO assets and obligations were prepared by an independent engineering consultant.

**NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE**

***2001 Beneficial Interest Certificates***

The interest component of the 2001 Certificates will accrete from the date of issuance, compounded semiannually on February 15 and August 15 of each year, commencing February 2002, with the original discount amount of \$42,225,017, and will be payable at maturity as a component of the maturity. The 2001 Certificates are not subject to redemption prior to maturity.

The 2001 Beneficial Interest Certificates (the “2001 Certificates”) outstanding at December 31, 2024 are as follows:

<u>Maturity date</u>	<u>Maturity Amount</u>	<u>Yield to Maturity</u>
2025	\$ 10,915,000	5.51%
2026	10,915,000	5.52%
2027	10,915,000	5.53%
2028	10,915,000	5.54%
2029	10,465,000	5.55%
2030	2,000,000	5.56%
Subtotal	\$ 56,125,000	
Unamortized discount	(6,232,743)	
Total	<u>\$ 49,892,257</u>	

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)**

---

Except for the limited step-up provisions in the event of default by a Participant as described in Section 18 of the Joint Venture Agreement, the 2004 Certificates and the 2001 Certificates are payable solely from bond debt service payments to be made by the OMEGA JV5 Participants pursuant to an agreement dated as of January 1, 1993. The bond debt service payments are obligations of the OMEGA JV5 Participants, payable from the revenues of their municipal electric systems, subject only to the prior payment of the operation and maintenance expenses thereof. For accounting purposes, the obligation for repayment of the Certificates is reflected in the financial statements of OMEGA JV5.

The terms of the trust agreement related to the Certificates contain various covenants, the most restrictive of which require the timely payment of debt service and for the Participants of OMEGA JV5 to comply with the provisions of the Joint Venture Agreement.

Under the Joint Venture Agreement, the Participants must manage electric system revenues and expenditures so that, in each year, those revenues received in that year cover the greater of (i) operating and maintenance (“O&M”) expenses plus 110% of its OMEGA JV5 bond debt service payments and any other senior electric revenue debt, or (ii) O&M expenses plus 100% of its OMEGA JV5 bond debt service payments and all other electric system debt whether revenue or general obligation (“debt service coverage ratio”).

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)**

Long-term liability activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Additions	Reductions	Ending Balance
2001 Certificates	56,125,000	-	-	56,125,000
Less: Unamortized discount	(8,881,386)	-	2,648,643	(6,232,743)
	<b>\$ 47,243,614</b>	<b>\$ -</b>	<b>\$ 2,648,643</b>	<b>\$ 49,892,257</b>
Asset Retirement Obligation	317,673	-	-	317,673
Total	<b>\$ 47,561,287</b>	<b>\$ -</b>	<b>\$ 2,648,643</b>	<b>\$ 50,209,930</b>
	<b>2023</b>			
	Beginning Balance	Additions	Reductions	Ending Balance
2001 Certificates	56,125,000	-	-	56,125,000
Less: Unamortized discount	(11,389,426)	-	2,508,040	(8,881,386)
	<b>\$ 44,735,574</b>	<b>\$ -</b>	<b>\$ 2,508,040</b>	<b>\$ 47,243,614</b>
Asset Retirement Obligation	317,673	-	-	317,673
Total	<b>\$ 45,053,247</b>	<b>\$ -</b>	<b>\$ 2,508,040</b>	<b>\$ 47,561,287</b>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 7 – BENEFICIAL INTEREST CERTIFICATES AND NOTE PAYABLE (cont.)**

---

Deferred inflow of resources at December 31 is as follows:

	2024	2023
Debt service billed to Participants for Certificates in excess of related expenses	\$ 32,847,993	\$ 34,118,588
Debt service billed to Participants for funding the Reserve and Contingency Fund and accumulated interest	10,688,469	5,021,795
Renewable Energy Credits	8,883,709	6,445,753
Total Deferred Inflow of Resources	\$ 52,420,171	\$ 45,586,136

---

**NOTE 8 – NET POSITION**

---

GASB No. 63 requires the classification of net position into three components—net position invested 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 - The component consists of the portion 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 OMEGA JV5's policy to use restricted resources first, then unrestricted resources as they are needed.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 5**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 8 – NET POSITION (cont.)**

Net investment in capital assets at December 31 is as follows:

	2024	2023
Plant assets	\$ 180,941,125	\$ 180,834,439
Construction work in progress	544,042	294,729
Land	431,881	431,881
Accumulated depreciation	(115,352,400)	(110,774,846)
Subtotal	\$ 66,564,648	\$ 70,786,203
Related debt:		
2001 beneficial interest certificates	56,125,000	56,125,000
Unamortized discount - 2001 beneficial interest certificates	(6,232,743)	(8,881,386)
Subtotal	\$ 49,892,257	\$ 47,243,614
Total Net Investment in Capital Assets	\$ 16,672,391	\$ 23,542,589

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

***ENVIRONMENTAL MATTERS***

OMEGA JV5 facilities are subject to regulation by federal, state and local authorities related to Environmental and other matters. In 2018, certain generating assets were shut down and decommissioned. Consequently, the risks inherent to operating air emissions sources have been ameliorated. Ohio EPA regulates the shutdown of industrial facilities through the Cessation of Regulated Operations program, and there are no outstanding CRO issues at any of these former operating locations.

***OTHER COMMITMENTS***

OMEGA JV5 has agreed to make certain payments in lieu of taxes to Wood County, West Virginia. The payments in lieu of taxes will be approximately \$840,000 annually until the later of September 1, 2028 or until such time as the Project ceases commercial operations.

**NOTE 10 – RISK MANAGEMENT**

OMEGA JV5 is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, excess liability, general liability, pollution liability, directors' and officers' insurance, fiduciary liability, crime and fidelity coverage. No claims have been filed in the past three years. There were no significant reductions in coverage compared to the prior year.



# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 5

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 11 – RELATED PARTY TRANSACTIONS

---

OMEGA JV5 has entered into the following agreements:

- Pursuant to the Agreement, AMP was designated as an agent and provides various management and operational services for OMEGA JV5. The cost of these services for the years ended December 31, 2024 and 2023 was \$177,952 and \$186,081, respectively. OMEGA JV5's payables to AMP as of December 31, 2024 and 2023 were \$856,843 and \$432,247, respectively.

As Agent, AMP also collects payments on behalf of OMEGA JV5 before transferring those funds to OMEGA JV5. As of December 31, 2024 and 2023, OMEGA JV5 had no receivables from AMP.

- As OMEGA JV5's agent, AMP purchases power on behalf of OMEGA JV5. Power purchases for the years ended December 31, 2024 and 2023 amounted to \$4,973,156 and \$3,684,706, respectively.
- As OMEGA JV5's agent, AMP entered into an agreement with Municipal Energy Services Agency ("MESA"), a related joint venture, for MESA to provide certain engineering, finance, administration and other services. The expense related to these services was \$788,075 and \$722,688 for the years ended December 31, 2024 and 2023, respectively. OMEGA JV5 had no receivables from MESA as of December 31, 2024 and 2023.
- During the year, Ohio Municipal Electric Association ("OMEA") provided certain legislative services for OMEGA JV5. OMEA is the legislative liaison for AMP and 80 Ohio community-owned-and-operated municipal electric systems. The expense related to these services was \$4,930 and \$4,701 for the years ended December 31, 2024 and 2023, respectively. OMEGA JV5 had payables to OMEA of \$411 and \$391 at December 31, 2024 and 2023, respectively.
- In 2022, OMEGA JV5 borrowed an additional \$4,500,000 from AMP. At December 31, 2023, the amount outstanding was \$3,100,000 as shown in related party payables on the Statement of Net Position. The amount was fully paid as of December 31, 2024.

---

### NOTE 12 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

---

For the year ended December 31, 2024, the OMEGA JV5 has implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of OMEGA JV5.

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Ohio Municipal Electric Generation Agency Joint Venture 5  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 5, Franklin County, Ohio (OMEGA JV5), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise OMEGA JV5's basic financial statements, and have issued our report thereon dated April 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OMEGA JV5's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OMEGA JV5's internal control. Accordingly, we do not express an opinion on the effectiveness of OMEGA JV5's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OMEGA JV5's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

OHIO MUNICIPAL ELECTRIC  
GENERATION AGENCY JOINT  
VENTURE 6  
FRANKLIN COUNTY, OHIO

*REGULAR AUDIT*

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023



**Ohio Municipal Electric Generation Agency Joint Venture 6**  
**Franklin County, Ohio**  
*Table of Contents*  
*December 31, 2024 and 2023*

	<i>Page</i>
Independent Auditor's Report .....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position .....	9
Statements of Revenues, Expenses and Changes in Net Position .....	10
Statements of Cash Flows .....	11
Notes to the Basic Financial Statements .....	12
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	22

---

## INDEPENDENT AUDITOR'S REPORT

Ohio Municipal Electric Generation Agency Joint Venture 6  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Ohio Municipal Electric Generation Agency Joint Venture 6, Franklin County, Ohio, (OMEGA JV6), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise OMEGA JV6's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ohio Municipal Electric Generation Agency Joint Venture 6, Franklin County, Ohio, as of December 31, 2024 and 2023, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of OMEGA JV6, 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.

#### Emphasis of Matter – Project Shutdown

As discussed in Note 11 to the financial statements, OMEGA JV6 is in the process of decommissioning the project. Our opinion is not modified with respect to this matter.

#### 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 raise substantial doubt about OMEGA JV6'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.

### **Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 OMEGA JV6'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 OMEGA JV6'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 management's discussion and analysis, 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 GAAS, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025 on our consideration of OMEGA JV6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OMEGA JV6's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OMEGA JV6's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025



# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023 (Unaudited)

### Financial Statement Overview

This discussion and analysis provides an overview of the financial performance of Ohio Municipal Electric Generation Agency Joint Venture 6 ("OMEGA JV6") for the years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

OMEGA JV6 prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. OMEGA JV6's basic financial statements include the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows.

The statements of net position provide information about the nature and amount of assets, deferred outflow of resources, liabilities and deferred inflow of resources of OMEGA JV6 as of the end of the year. The statements of revenues, expenses and changes in net position report revenues and expenses for the year. The statements of cash flows report cash receipts, cash payments, and net changes in cash resulting from operating and investing activities.

### Financial Highlights

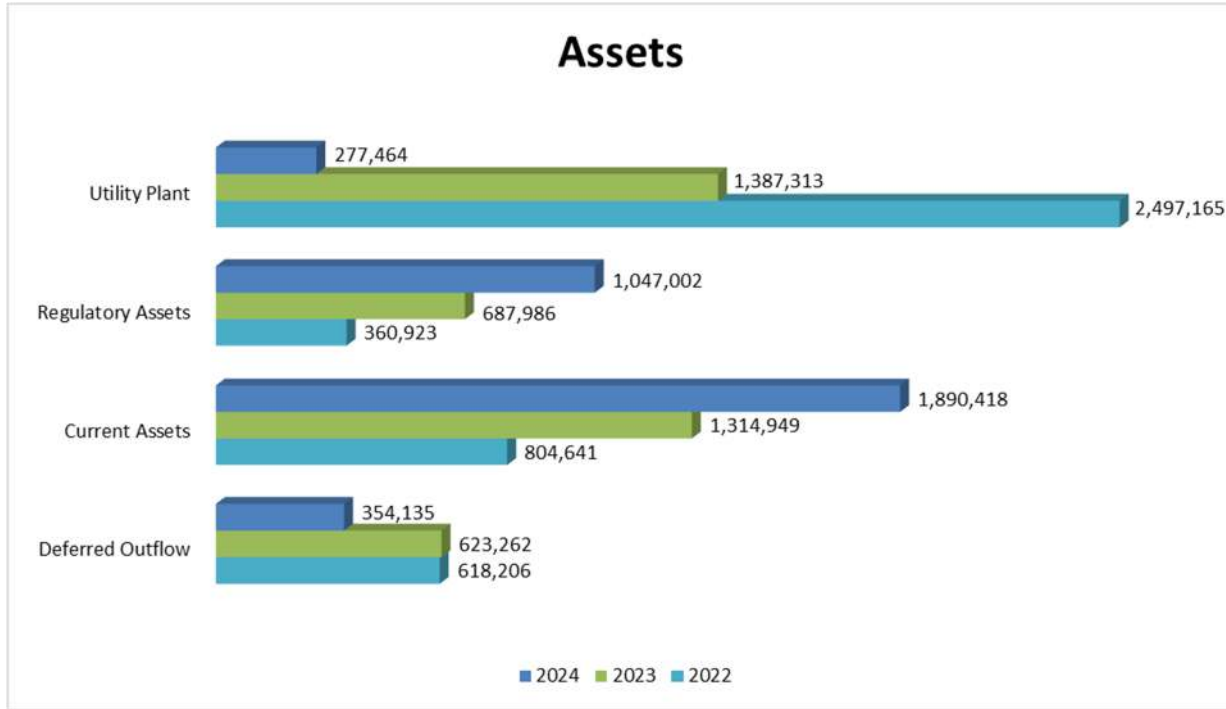
The following table summarizes the financial position of OMEGA JV6 as of December 31:

#### Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets and Deferred outflow of resources</b>			
Electric plant and equipment, net of accumulated depreciation	\$ 277,464	\$ 1,387,313	\$ 2,497,165
Regulatory assets	1,047,002	687,986	360,923
Current assets	1,890,418	1,314,949	804,641
Deferred outflow of resources	354,135	623,262	618,206
<b>Total Assets and Deferred outflow of resources</b>	<b><u>\$ 3,569,019</u></b>	<b><u>\$ 4,013,510</u></b>	<b><u>\$ 4,280,935</u></b>
<b>Net Position, Liabilities, and Deferred inflow of resources</b>			
Net Position - investment in capital assets	\$ 277,464	\$ 1,387,313	\$ 2,497,165
Net Position - unrestricted	640,091	374,013	238,463
Current liabilities	96,385	104,721	92,327
Asset retirement obligations	1,401,137	1,311,246	979,130
Deferred inflow of resources	1,153,942	836,217	473,850
<b>Total Net Position, Liabilities, and Deferred inflow of resources</b>	<b><u>\$ 3,569,019</u></b>	<b><u>\$ 4,013,510</u></b>	<b><u>\$ 4,280,935</u></b>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Utility Plant (capital assets)** decreased from 2022 through 2024 due to annual depreciation. Additional information on OMEGA JV6's capital assets can be found in Note 3 to the basic financial statements.

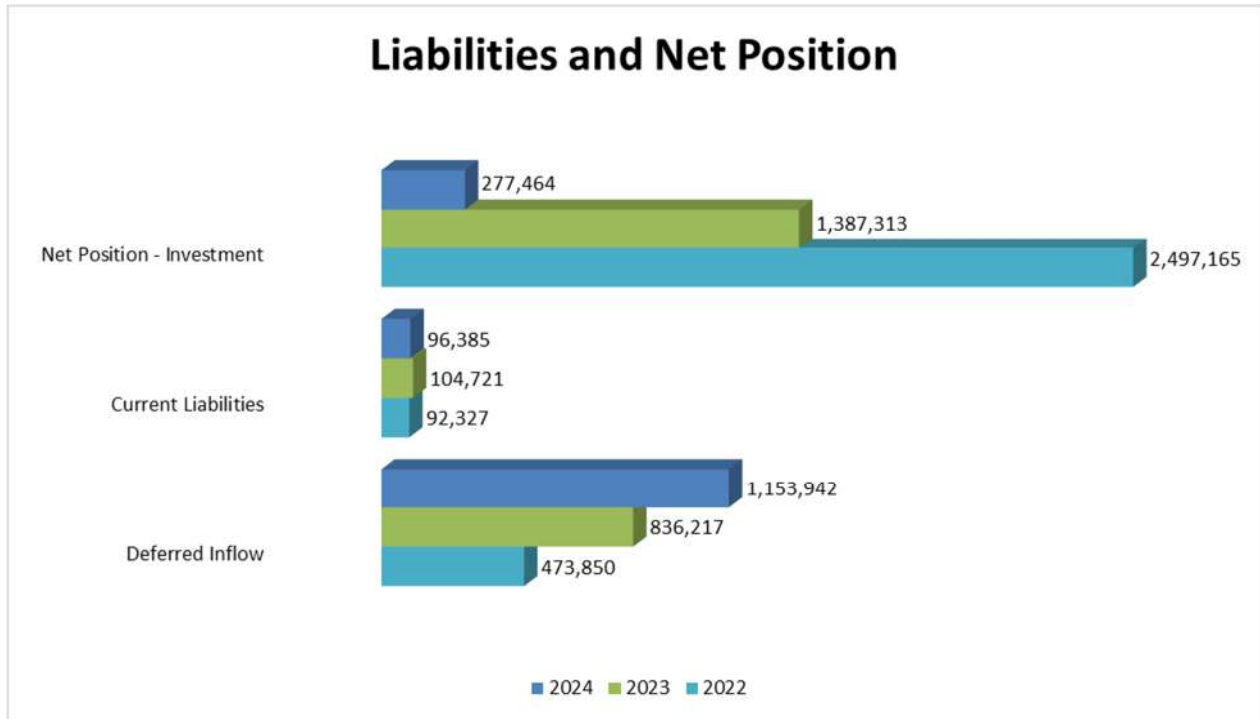
**Regulatory Assets** represent future recoverable costs related to the accumulated depreciation expense on asset retirement obligations (ARO) and accretion expense.

**Current Assets** from 2022 to 2024 has increased an average of \$540,000 that is attributable to the opening and use of Insured Cash Sweep (ICS) accounts.

**Deferred Outflow** has a \$270,000 decrease 2023 to 2024 related to a revaluation of ARO and accumulated depreciation. The \$5,000 change from 2022 to 2023 is more representative of this category's activity, which is accumulated depreciation and asset retirement cost.

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



The change in **Net Position – Investment** is directly related to decreases in capital assets caused by annual depreciation.

**Current Liabilities** had a \$8,000 decrease from 2023 to 2024 caused by lower payable amounts to vendors, while 2023 had a \$12,000 increase related to increased payables to related parties.

**Deferred Inflows** increased from 2022 to 2024 due to lower fixed operation and maintenance expenses collected in rates.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)

The following table summarizes the changes in revenues, expenses and net position of OMEGA JV6 for the year ended December 31:

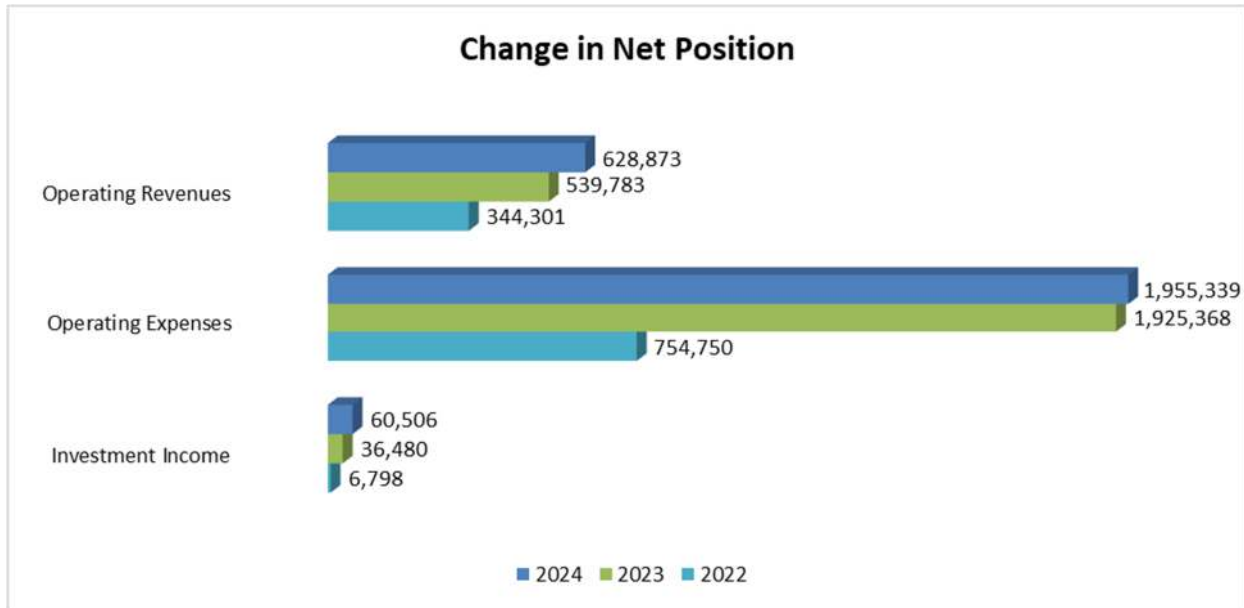
**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 628,873	\$ 539,783	\$ 344,301
Operating Expenses	<u>1,955,339</u>	<u>1,925,368</u>	<u>754,750</u>
Operating Loss	<u>\$ (1,326,466)</u>	<u>\$ (1,385,585)</u>	<u>\$ (410,449)</u>
Non-operating revenues/expenses			
Investment Income	\$ 60,506	\$ 36,480	\$ 6,798
Loss on retirement of assets	-	-	(924,163)
Future recoverable costs	<u>422,189</u>	<u>374,803</u>	<u>103,942</u>
Non-operating revenues/expenses	<u>\$ 482,695</u>	<u>\$ 411,283</u>	<u>\$ (813,423)</u>
Change in Net Position	<u><u>\$ (843,771)</u></u>	<u><u>\$ (974,302)</u></u>	<u><u>\$ (1,223,872)</u></u>

**This space is intentionally left blank.**

# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Operating Revenues** 2024 increased from higher renewable energy credits that was partially offset by lower fixed electric revenue. The 2023 increase was caused by higher fixed electric revenue.

**Operating Expenses** increased by \$30,000 in 2024 caused by higher accretion of ARO expense which was partially offset by lower IT related expenses. The increase of \$1,200,000 from 2022 to 2023 was caused by the need to accelerate depreciation expense in 2023 due to a change in estimated useful lives of capital assets.

**Investment Income** increased in 2024 due to the utilization of ICS accounts. In 2023 the increase of \$30,000 is attributed to the opening and use of our ICS accounts.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF NET POSITION  
December 31, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and temporary investments	\$ 1,757,200	\$ 1,192,664
Receivables from participants	75,789	56,265
Receivables from related parties	-	6,575
Prepaid expenses	57,429	59,445
Total Current Assets	1,890,418	1,314,949
<b>NONCURRENT ASSETS</b>		
Electric Plant and Equipment		
Electric plant	6,656,946	6,656,946
Accumulated depreciation	(6,379,482)	(5,269,633)
Net Electric Plant and Equipment	277,464	1,387,313
Regulatory assets	1,047,002	687,986
Total Non-Current Assets	1,324,466	2,075,299
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred outflow from asset retirement obligation	354,135	623,262
	\$ 3,569,019	\$ 4,013,510
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 29,809	\$ 91,627
Payable to related parties	66,576	13,094
Total Current Liabilities	96,385	104,721
<b>NONCURRENT LIABILITIES</b>		
Asset retirement obligation	1,401,137	1,311,246
Total Noncurrent Liabilities	1,401,137	1,311,246
Total Liabilities	1,497,522	1,415,967
<b>DEFERRED INFLOW OF RESOURCES</b>		
Rates intended to recover future costs	1,153,942	836,217
<b>NET POSITION</b>		
Investment in capital assets	277,464	1,387,313
Unrestricted	640,091	374,013
Total Net Position	917,555	1,761,326
	\$ 3,569,019	\$ 4,013,510
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>OPERATING REVENUES</b>		
Electric revenue	\$ 628,873	\$ 539,783
<b>OPERATING EXPENSES</b>		
Related party services	83,575	92,399
Capacity	-	2,097
Depreciation	1,109,852	1,109,852
Accretion of asset retirement obligation	422,189	374,805
Maintenance	242,760	233,437
Insurance	27,122	29,515
Professional services	24,486	20,525
Other operating expenses	45,355	62,738
Total Operating Expenses	1,955,339	1,925,368
Operating Loss	(1,326,466)	(1,385,585)
<b>NONOPERATING REVENUES/EXPENSES</b>		
Investment income	60,506	36,480
Future recoverable costs	422,189	374,803
Total Non-Operating Revenues/Expenses	482,695	411,283
<b>Change in net position</b>	(843,771)	(974,302)
NET POSITION, Beginning of Year	1,761,326	2,735,628
<b>NET POSITION, END OF YEAR</b>	\$ 917,555	\$ 1,761,326

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from participants	\$ 927,074	\$ 889,583
Cash paid to related parties for personnel services	(38,581)	(109,861)
Cash payments to suppliers and related parties for goods and services	(384,463)	(328,213)
Net Cash provided by Operating Activities	504,030	451,509
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	60,506	36,480
Net Cash Provided by Investing Activities	60,506	36,480
<b>Net Change in Cash and Cash Equivalents</b>	564,536	487,989
CASH AND CASH EQUIVALENTS, Beginning of Year	1,192,664	704,675
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 1,757,200	\$ 1,192,664

<b>RECONCILIATION OF OPERATING LOSS TO NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (1,326,466)	\$ (1,385,585)
Depreciation	1,109,852	1,109,852
Accretion of asset retirement obligation	422,189	374,805
Changes in assets, liabilities and deferred inflow of resources		
Receivables from participants	(19,524)	(12,567)
Receivables from related parties	6,575	(6,575)
Prepaid expenses	2,016	(3,177)
Regulatory Assets	(359,016)	(327,063)
Deferred outflow from asset retirement obligation	269,127	(5,056)
Asset Retirement Obligation	89,891	332,116
Accounts payable and accrued expenses	(61,821)	4,257
Payable to related parties	53,482	8,135
Deferred inflow of resources	317,725	362,367
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 504,030	\$ 451,509



# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

Ohio Municipal Electric Generation Agency Joint Venture 6 (“OMEGA JV6”) was organized by ten subdivisions of the State of Ohio (the “Participants”) and commenced operations on December 15, 2003 (“Inception”), pursuant to a joint venture agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code (ORC). Its purpose is to provide low-polluting capacity to the Participants. The Participants are members of American Municipal Power, Inc. (“AMP”). In December 2003 and December 2004, OMEGA JV6 purchased 3.6 MW of electric plant generating units (the “Project”) from AMP for a total capacity of 7.2 MW. The Agreement continues until 60 days subsequent to the termination or disposition of the Project and for as long as required by the financing agreement; provided, however, that each Participant shall remain obligated to pay to OMEGA JV6 its respective share of the costs of terminating, discontinuing, retiring, disposing of, and decommissioning the Project.

The following summarizes the significant accounting policies followed by OMEGA JV6.

### ***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 economic assets used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place or deferred until a future period in which they will be recovered through rates.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

### ***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW 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, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Deposits and Investments (cont.)***

OMEGA JV6 has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government or its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions.

OMEGA JV6 has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

***Receivables/Payables***

Accounts receivable are amounts due from related parties, as such, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

***Prepaid Expenses***

Prepaid expenses represent costs of insurance and maintenance contracts paid during the current calendar year for coverage in subsequent years.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Electric Plant***

Electric plant is recorded at cost. Depreciation is provided on the straight-line method over 22 years, the estimated useful lives of the assets. Major renewals, betterments and replacements are capitalized, while maintenance and repair costs are charged to operations as incurred. When electric plant assets are retired, accumulated depreciation is charged with the cost of the assets plus removal costs, less any salvage value.

Electric plant assets are assessed for impairment whenever events or changes in circumstances indicate that the service utility of the capital asset may have significantly and unexpectedly declined. If it is determined that impairment has occurred, an impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its estimated fair value.

***Asset Retirement Obligations and Deferred Outflow of Resources***

OMEGA JV6 records, at fair value, legal obligations associated with the retirement or removal of long-lived assets at the time the obligations are incurred and can be reasonably estimated. When an asset retirement obligation is initially recorded, a deferred outflow of resources is also recorded at the same value as the liability. The deferred outflow of resources is reduced and an expense is recognized in a systematic and rational manner over the tangible capital asset's estimated useful life. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, the difference between the accrued liability and the amount required to settle the liability is recorded as a settlement gain or loss.

***Regulatory Assets***

OMEGA JV6 records regulatory assets (expenses to be recovered in rates in future periods). Regulatory assets include O&M expenses not yet recovered through billings to Participants.

Regulatory assets consisted of the following at December 31:

	2024	2023
Future expenses related to asset retirement obligations	<u>\$ 1,047,002</u>	<u>\$ 687,986</u>

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***ASSETS, LIABILITIES, DEFERRED OUTFLOW/INFLOW OF RESOURCES AND NET POSITION (cont.)***

***Deferred Inflow of Resources***

OMEGA JV6 records deferred inflows of resources (rates collected for expenses not yet incurred). Pursuant to the Agreement, Participants are required to pay all costs related to operations, maintenance and retirement of the jointly owned electric plant.

Deferred inflow of resources consisted of the following at December 31:

	2024	2023
Future expenses related to Fixed O&M costs	\$ 1,153,942	\$ 836,217

***Net Position***

All property constituting OMEGA JV6 is owned by the Participants as tenants in common in undivided shares, each being equal to that Participants' percentage ownership interest as follows:

<u>Municipality</u>	<u>Project kW Entitlement</u>	<u>Percent Project Ownership and Entitlement</u>	
Bowling Green	3,075	56.94	%
Cuyahoga Falls	1,350	25.00	
Napoleon	225	4.17	
Wadsworth	187.5	3.47	
Oberlin	187.5	3.47	
Montpelier	75	1.39	
Edgerton	75	1.39	
Pioneer	75	1.39	
Monroeville	75	1.39	
Elmore	75	1.39	
Totals	5,400	100.00	%

***REVENUE AND EXPENSES***

OMEGA JV6 distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the OMEGA JV6's principal ongoing operations. The principal operating revenues of OMEGA JV6 are charges to participants for energy and capacity. Operating expenses include the cost of generation, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***REVENUE AND EXPENSES*** (cont.)

Electric revenue is recognized when earned as service is delivered. OMEGA JV6’s rates for electric power are designed to cover annual operating costs, except depreciation. Rates are set annually by the Board of Participants. Accordingly, OMEGA JV6 will generate negative operating margins during the operating life of the electric plant.

Beginning January 1, 2009, renewable energy attributes from OMEGA JV6 were sold by AMP on behalf of the participants. These revenues will be realized upon delivery of the attributes.

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

For purposes of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less. Restricted cash accounts, if any, are treated as investments in the statements of cash flows, since they are not available for use.

	<b>2024</b>	<b>2023</b>
Checking	\$ 207,365	\$ 481,392
Insured Cash Sweep	1,549,834	711,272
	\$ 1,757,200	\$ 1,192,664

***Custodial Credit Risk***

Custodial risk is the risk that in the event of a bank failure, OMEGA JV6’s deposits may not be returned to it. OMEGA JV6 had custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. Balances not insured by the FDIC are covered by the pledged pool collateral or through the State of Ohio’s pooled collateral system administered by the Ohio Treasurer’s Office. OMEGA JV6’s investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2024 and 2023, there were no deposits exposed to custodial credit risk.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 3 – ELECTRIC PLANT AND EQUIPMENT**

Electric plant and equipment activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Additions	Retirements	Ending Balance
Electric plant	\$ 6,656,946	\$ -	\$ -	\$ 6,656,946
Less: Accumulated depreciation	(5,269,633)	(1,109,849)	-	(6,379,482)
Electric Plant, Net	\$ 1,387,313	\$ (1,109,849)	\$ -	\$ 277,464
	<b>2023</b>			
	Beginning Balance	Additions	Retirements	Ending Balance
Electric plant	\$ 6,656,946	\$ -	\$ -	\$ 6,656,946
Less: Accumulated depreciation	(4,159,781)	(1,109,852)	-	(5,269,633)
Electric Plant, Net	\$ 2,497,165	\$ (1,109,852)	\$ -	\$ 1,387,313

During 2022, it was determined that the shutdown of Turbine #3 was other than a short-term shutdown and the Participants approved its retirement. The costs associated with this turbine were written off with the assumption that there was no salvage value. In addition, it was determined that the remaining life of the operating turbines was less than OMEGA JV6 had been depreciating the assets and that the net book value would be depreciated with a shorter life than was previously expected beginning in 2023. The participants approved the plan to retire the remaining operating units in 2025.

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 4 – ASSET RETIREMENT OBLIGATIONS**

OMEGA JV6 has an obligation to remove electric plant from the sites where the units are located and to perform certain restoration activities at the sites.

Asset retirement obligation activity for the years ended December 31 is as follows:

	<b>2024</b>			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	\$ 1,311,246	\$ 422,189	\$ (332,298)	\$ 1,401,137
	<b>2023</b>			
	Beginning Balance	Accretion Expense	Change in Estimate	Ending Balance
Asset retirement obligation	\$ 979,130	\$ 374,805	\$ (42,689)	\$ 1,311,246

Asset retirement obligations are determined based on detailed cost estimates, adjusted for factors that an outside third party would consider (i.e., inflation, overhead and profit), escalated using an inflation factor to the estimated removal dates, and then discounted using a credit adjusted risk-free interest rate. The removal date for each unit was determined based on the estimated life of the units. The accretion of the liability and amortization of the property and equipment will be recognized over the estimated useful life of each unit. OMEGA JV6 updated its estimate of its asset retirement obligation based on an updated legal and technical study performed during 2023.

**This space is intentionally left blank.**

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 – NET POSITION**

GASB No. 63 requires the classification of net position into three components – investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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 position 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 - This component of net position consists of net position that does not meet the definition of "Restricted" or "Investment in capital assets."

The following calculation supports the investment in capital assets:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Electric plant	\$6,656,946	\$6,656,946	\$6,656,946
Less: Accumulated depreciation	(6,379,482)	(5,269,633)	(4,159,781)
Total Investment in Capital Assets	\$ 277,464	\$1,387,313	\$2,497,165

**This space is intentionally left blank.**



# OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 6

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 6 – COMMITMENTS AND CONTINGENCIES**

---

### ***ENVIRONMENTAL MATTERS***

The Project is subject to regulations by federal, state and local authorities related to environmental and other matters. Changes in regulations could adversely affect the operations and operating cost of OMEGA JV6.

Bird and bat collisions with the turning blades of wind turbines have resulted in wildlife losses in some wind turbine locations. There have been anecdotal reports of some dead bats observed near the project by an outside college study group. If a regulatory agency evaluates wildlife collisions and concludes there is a problem, fines may be assessed or operational restrictions imposed against OMEGA JV6.

---

## **NOTE 7 – RISK MANAGEMENT**

---

OMEGA JV6 is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, excess liability, and general liability, pollution liability, directors' and officers' insurance, fiduciary liability, crime and fidelity coverage. There have been no claims in the past three years. There were no significant reductions in coverage compared to the prior year.

---

## **NOTE 8 – SIGNIFICANT CUSTOMERS**

---

OMEGA JV6 has two participants that comprised 82% of electric service revenue in 2024 and 82% of electric service revenue in 2023.

---

## **NOTE 9 – RELATED PARTY TRANSACTIONS**

---

OMEGA JV6 has entered into the following agreements:

- Pursuant to an Agreement, AMP was designated as an agent and provides various management and operational services. OMEGA JV6 incurred expenses related to these services in the amount of \$2,963 and \$2,304 for the years ended December 31, 2024 and 2023, respectively, and had a payable of \$66,576 and \$13,094 to AMP at December 31, 2024 and 2023, respectively.
- As OMEGA JV6's agent, AMP entered into an agreement with Municipal Energy Services Agency ("MESA"), a related joint venture, for MESA to provide certain engineering, finance, administration and other services. AMP may also provide these services. The expenses related to these services were \$80,612 and \$90,095 for the years ended December 31, 2024 and 2023, respectively. OMEGA JV6 had a payable to MESA of \$0 at each of the years ended December 31, 2024 and 2023.

**OHIO MUNICIPAL ELECTRIC GENERATION AGENCY  
JOINT VENTURE 6**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

**NOTE 10 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

---

For the year ended December 31, 2024, the OMEGA JV6 has implemented GASB Statement No. 100, Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of OMEGA JV6.

---

**NOTE 11 – SUBSEQUENT EVENT**

---

The maintenance contract for all turbines ended in March 2025. After that date all working turbines will continue to operate until repairs are needed. In April 2025, the remaining operational turbine went down for maintenance repairs. Due to the expiration of JV6's maintenance contract the turbine will not be repaired and the project decommissioning process will begin.

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Ohio Municipal Electric Generation Agency Joint Venture 6  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Ohio Municipal Electric Generation Agency Joint Venture 6, Franklin County (OMEGA JV6), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise OMEGA JV6's basic financial statements, and have issued our report thereon dated April 28, 2025, wherein we noted OMEGA JV6 will shutdown and begin project decommissioning.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered OMEGA JV6's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OMEGA JV6's internal control. Accordingly, we do not express an opinion on the effectiveness of OMEGA JV6's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether OMEGA JV6's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

MUNICIPAL ENERGY SERVICES  
AGENCY  
FRANKLIN COUNTY, OHIO

*REGULAR AUDIT*

FOR THE YEARS ENDED  
DECEMBER 31, 2024 AND 2023



**Municipal Energy Services Agency**  
**Franklin County, Ohio**  
*Table of Contents*  
*December 31, 2024 and 2023*

	<i>Page</i>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position .....	9
Statements of Revenues, Expenses and Changes in Net Position .....	10
Statements of Cash Flows .....	11
Notes to the Basic Financial Statements .....	12
Required Supplementary Information:	
Schedule of MESA’s Proportionate Share of Net Pension Liability.....	37
Schedule of MESA Pension Contributions.....	38
Schedule of MESA’s Proportionate Share of the Net OPEB Liability / (Asset) .....	39
Schedule of MESA OPEB Contributions.....	41
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	42

---

## INDEPENDENT AUDITOR'S REPORT

Municipal Energy Services Agency  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of the Municipal Energy Services Agency, Franklin County, Ohio, (MESA), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise MESA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Municipal Energy Services Agency, Franklin County, Ohio, as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (Government Auditing Standards) issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MESA, 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 raise substantial doubt about MESA'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.

### **Auditor's 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 auditor's report that includes our opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 MESA'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 MESA'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 management's discussion and analysis and pension and other post-employment benefit schedules, 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 GAAS, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025 on our consideration of MESA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MESA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MESA's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

# MUNICIPAL ENERGY SERVICES AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023 (Unaudited)

### Financial Statement Overview

This discussion and analysis provides an overview of the financial performance of Municipal Energy Services Agency ("MESA") for the years ended December 31, 2024 and 2023 with selected comparative information for the year ended December 31, 2022. The information presented should be read in conjunction with the basic financial statements and the accompanying notes.

MESA prepares its basic financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). MESA's basic financial statements include the statements of net position; the statements of revenues, expenses and changes in net position; and the statements of cash flows.

The statements of net position provide information about the nature and amount of assets, deferred outflow of resources, liabilities and deferred inflow of resources of MESA as of the end of the year. The statements of revenues, expenses and changes in net position report revenues and expenses for the year. The statements of cash flows reports cash receipts, cash payments, and net changes in cash resulting from operating and investing activities.

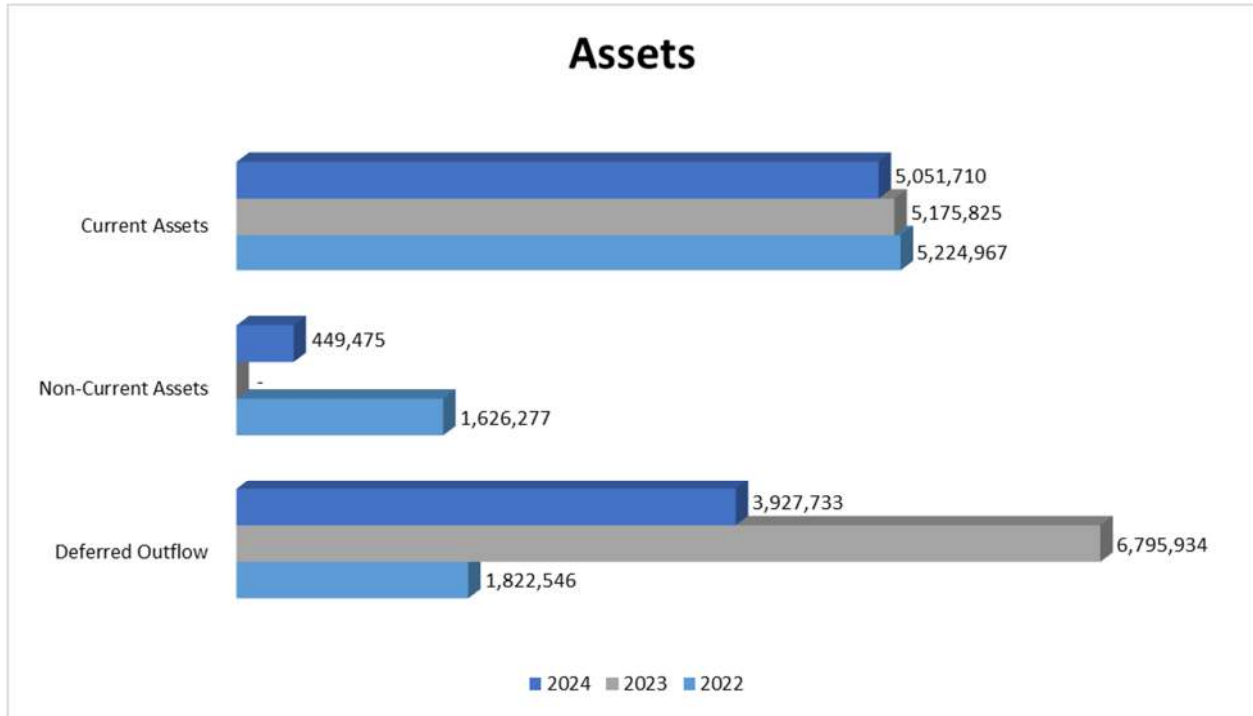
### Financial Highlights

The following table summarizes the financial position of MESA as of December 31:

Condensed Statements of Net Position			
	2024	2023	2022
<b>Assets and Deferred outflow of resources</b>			
Current Assets	\$ 5,051,710	\$ 5,175,825	\$ 5,224,967
Non-current Assets	449,475	-	1,626,277
Deferred Outflow	3,927,733	6,795,934	1,822,546
<b>Total Assets and Deferred Outflow of Resources</b>	<b>\$ 9,428,918</b>	<b>\$ 11,971,759</b>	<b>\$ 8,673,790</b>
<b>Liabilities and Deferred inflow of resources</b>			
Current Liabilities	\$ 2,471,651	\$ 2,656,194	\$ 2,654,837
Non-current Liabilities	14,397,896	16,635,248	6,764,769
Deferred Inflows	491,976	393,183	7,198,862
Net Position	(7,932,605)	(7,712,866)	(7,944,678)
<b>Total Net Position, Liabilities, and Deferred Inflow of Resources</b>	<b>\$ 9,428,918</b>	<b>\$ 11,971,759</b>	<b>\$ 8,673,790</b>

# MUNICIPAL ENERGY SERVICES AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



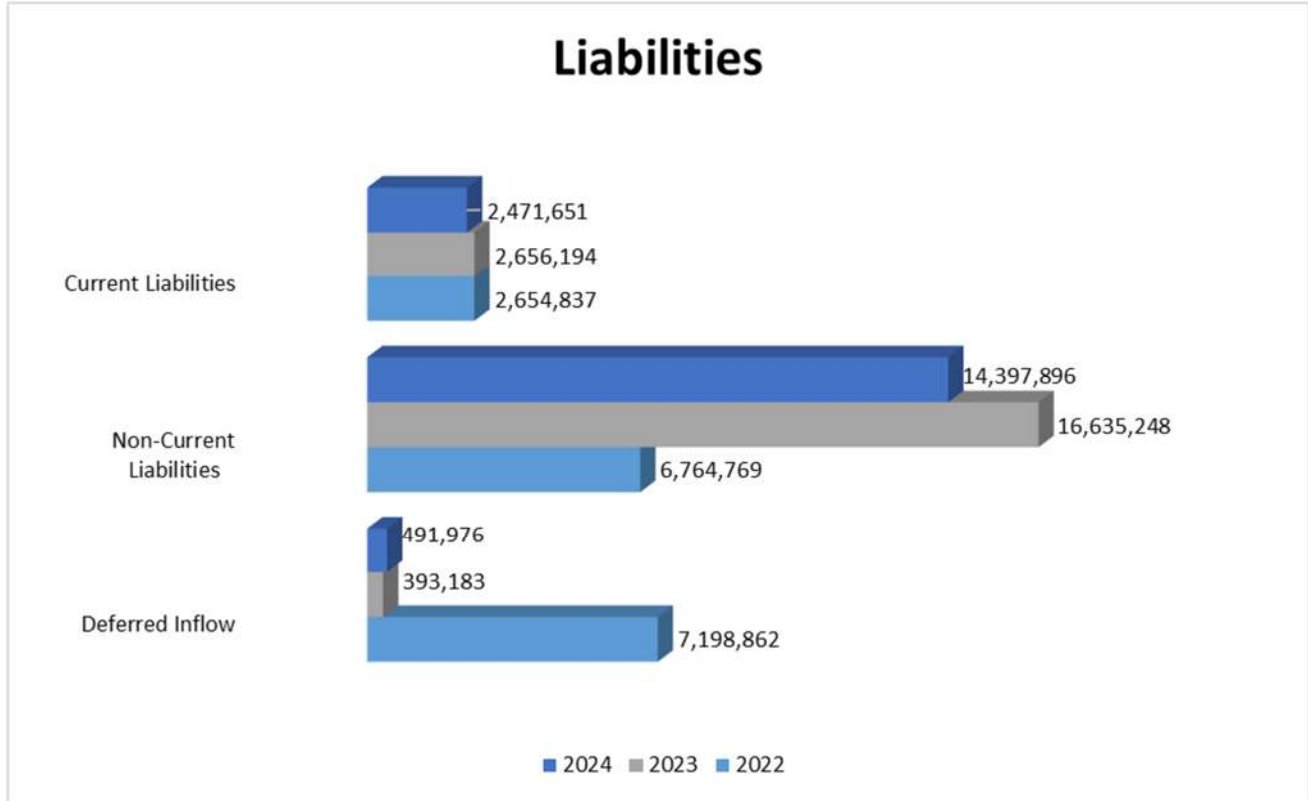
**Current Assets** decreased \$125,000 in 2024 because of lower receivables from related parties, partially offset by increased cash and short term investments. The 2023 decrease was caused by reduced cash and short term investments partially offset by increased receivables from related parties.

**Non-Current Assets** increased in 2024 to represent an overfunded position of OPEB benefits, while the balance was a liability in 2023 representing an underfunding of OPEB benefits. The main reason for the decrease in 2023 was also attributable to fluctuations in Net OPEB Assets.

**Deferred Outflow** changes are attributable to differences between projected and actual expense for the pension plan and a change in assumptions for OPEB and Pension.

# MUNICIPAL ENERGY SERVICES AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2024 and 2023  
(Unaudited)



**Current Liabilities** show minimal changes from 2022 to 2024 related to differences in accrued salaries and benefits.

**Non-Current Liabilities** decreased \$2,400,000 in 2024 due to fluctuations in OPEB and pension liabilities. 2023 had a \$9,900,000 increase caused by significant increases in pension and OPEB liabilities.

**Deferred Inflow** increases and decreases between the reported periods are attributable to differences between projected and actual expense for the pension plan and a change in assumptions for OPEB and Pension.

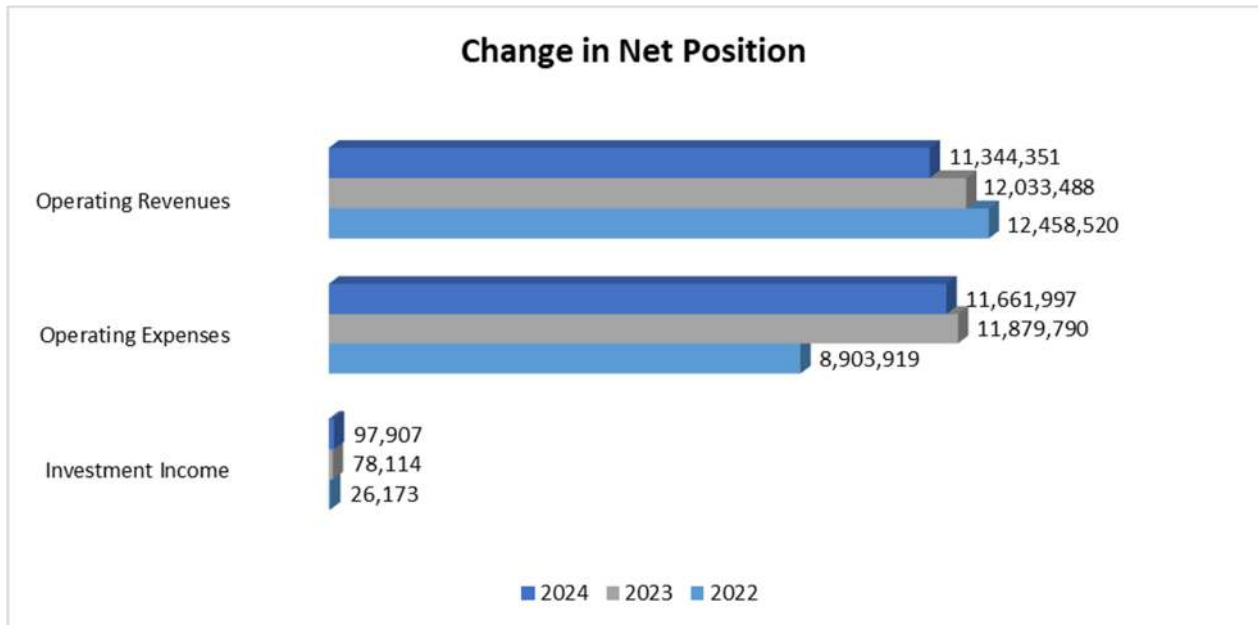
# MUNICIPAL ENERGY SERVICES AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS December 31, 2024 and 2023 (Unaudited)

The following table summarizes the changes in revenues, expenses and net position of MESA for the years ended December 31:

### Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
Operating Revenues	\$ 11,344,351	\$ 12,033,488	\$ 12,458,520
Operating Expenses	11,661,997	11,879,790	8,903,919
Operating Income	<u>(317,646)</u>	<u>153,698</u>	<u>3,554,601</u>
Non-operating revenue			
Investment Income	97,907	78,114	26,173
Change in Net Position	<u>\$ (219,739)</u>	<u>\$ 231,812</u>	<u>\$ 3,580,774</u>



# MUNICIPAL ENERGY SERVICES AGENCY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024 and 2023

(Unaudited)

---

**Operating Revenues** MESA has two primary sources of revenues; projects for members and providing personnel services to related parties. Revenues decreased \$690,000 in 2024 from lower services of \$416,000 and projects of \$270,000. The decrease in 2023 comes from lower services of \$249,000 and projects of \$176,000.

**Operating Expenses** decreased in 2024 by \$218,000 due to lower labor and services costs. The \$2,975,000 increase in 2023 was caused by increased salaries and benefits and fluctuations in Net OPEB and pension liabilities.

**Investment Income** for MESA is limited to interest earned in the checking account for operating funds. Increases from 2022 through 2024 are related to higher interest rates.

If you have questions about this report, or need additional financial information, contact management at 614.540.1111 or 1111 Schrock Road – Suite 100, Columbus, OH 43229.

## MUNICIPAL ENERGY SERVICES AGENCY

### STATEMENTS OF NET POSITION December 31, 2024 and 2023

	2024	2023
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash and short term investments	\$ 2,483,190	\$ 1,665,288
Receivables from AMP members	235,431	171,659
Receivables from related parties	2,330,861	3,334,836
Prepaid expenses	2,228	4,042
Total Current Assets	5,051,710	5,175,825
<b>NONCURRENT ASSETS</b>		
Net OPEB Asset	449,475	-
Total Non-current Assets	449,475	-
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
OPEB	389,966	943,188
Pension	3,537,767	5,852,746
Total Deferred Outflow	3,927,733	6,795,934
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 9,428,918</b>	<b>\$ 11,971,759</b>
 <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 49,838	\$ 113,101
Accrued Salaries and related benefits	1,662,940	1,710,349
Accrued Vacation	758,873	832,744
Total Current Liabilities	2,471,651	2,656,194
<b>NONCURRENT LIABILITIES</b>		
Accrued Sick Leave	2,580,059	2,519,631
Net OPEB Liability	-	318,349
Net Pension Liability	11,817,837	13,797,268
Total Noncurrent Liabilities	14,397,896	16,635,248
Total Liabilities	16,869,547	19,291,442
<b>DEFERRED INFLOW OF RESOURCES</b>		
OPEB	257,534	123,637
Pension	234,442	269,546
Total Deferred Inflow	491,976	393,183
<b>NET POSITION</b>		
Restricted for Net OPEB Asset	449,475	-
Unrestricted	(8,382,080)	(7,712,866)
Total Net Position	(7,932,605)	(7,712,866)
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION</b>	<b>\$ 9,428,918</b>	<b>\$ 11,971,759</b>

**MUNICIPAL ENERGY SERVICES AGENCY**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Services	\$ 10,969,668	\$ 11,386,281
Project revenue	374,683	647,207
Total Operating Revenues	<u>11,344,351</u>	<u>12,033,488</u>
<b>OPERATING EXPENSES</b>		
Salaries and related benefits	11,069,133	10,799,428
Professional fees	244,434	204,913
Direct project expenses	319,682	798,494
Insurance	28,563	48,056
Other operating expenses	185	28,899
Total Operating Expenses	<u>11,661,997</u>	<u>11,879,790</u>
Operating Income (Loss)	<u>(317,646)</u>	<u>153,698</u>
<b>NONOPERATING REVENUES</b>		
Investment income	97,907	78,114
Total Non-Operating Revenues	<u>97,907</u>	<u>78,114</u>
<b>Change in net position</b>	(219,739)	231,812
NET POSITION, Beginning of Year	<u>(7,712,866)</u>	<u>(7,944,678)</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ (7,932,605)</u>	<u>\$ (7,712,866)</u>



## MUNICIPAL ENERGY SERVICES AGENCY

### STATEMENTS OF CASH FLOWS Years Ended December 31, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from AMP members for services	\$ 310,911	\$ 763,085
Cash received from related parties for services	11,973,643	9,987,934
Cash payments to employees for services	(11,116,542)	(10,810,767)
Cash payments to suppliers and related parties for good and services	(448,017)	(1,350,421)
Net Cash Provided by (Used in ) Operating Activities	719,995	(1,410,169)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income received	97,907	78,114
Net Cash Provided by Investing Activities	97,907	78,114
<b>Net Change in Cash and Cash Equivalents</b>	817,902	(1,332,055)
CASH AND CASH EQUIVALENTS, Beginning of Year	1,665,288	2,997,343
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 2,483,190	\$ 1,665,288
 <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Operating (loss) income	\$ (317,646)	\$ 153,698
Changes in assets, deferred inflows and outflows of resources and liabilities:		
Receivables from AMP	(63,772)	115,878
Receivables from related parties	1,003,975	(1,398,347)
Prepaid expenses	1,814	(444)
Deferred inflows and outflows, net	2,966,994	(11,779,067)
Accounts payable and accrued expenses	(63,263)	39,805
Accrued salaries and related benefits	(47,409)	(11,339)
Accrued vacation and sick leave	(13,443)	(77,578)
Net change in pension & OPEB liabilities/assets	(2,747,255)	11,547,225
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ 719,995	\$ (1,410,169)

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

Municipal Energy Services Agency (“MESA”) was organized by 31 subdivisions of the State of Ohio (the “Participants”) on December 31, 1996, pursuant to a Joint Venture Agreement (the “Agreement”) under the Ohio Constitution and Section 715.02 of the Ohio Revised Code. As of December 31, 2024, there were 54 Participants in MESA. Its purpose is to provide access to a pool of personnel experienced in planning, engineering, construction, safety training, finance, administration and other aspects of the operation and maintenance of municipal electric and other utility systems. The participants are members of American Municipal Power, Inc. (“AMP”). MESA also provides personnel and administrative services to AMP, the Ohio Municipal Electric Generation Agency Joint Ventures: 2, 4, 5, and 6 (“OMEGA JVs”) and the Ohio Municipal Electric Association (“OMEA”). The Agreement continues until December 31, 2008, and thereafter for successive terms of three years so long as at least two participants have not given notice of termination of participation. There have been no notices of termination received as of December 31, 2024.

The following summarizes the significant accounting policies followed by MESA.

#### ***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 economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

#### ***ASSETS, LIABILITIES AND NET POSITION***

##### ***Deposits and Investments***

For purposes of the statements of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition, except that restricted cash accounts, if any, are treated as investments in the statement of cash flows.

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

---

MESA has elected to comply with Ohio Revised Code (ORC) section 135.14. Under ORC 135.14, investments are limited to:

1. Deposits at eligible institutions pursuant to ORC section 135.08, 135.09 and 135.18.
2. Bonds or other obligations of the state.
3. Bonds or securities issued or guaranteed by the federal government and its agencies.
4. Bankers acceptances, with certain conditions.
5. The local government investment pool.
6. Commercial paper, with certain conditions.
7. All investments must have an original maturity of 5 years or less.
8. Repurchase agreements with public depositories, with certain conditions

MESA has adopted an investment policy. That policy follows the state statute for allowable investments and specifies the maximum concentration of investments in each eligible security.

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 quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Market values may have changed significantly after year end.

#### ***Receivables/Payables***

Accounts receivable are amounts due from participants, related parties, and other members of AMP at the end of the year. Due to the participant relationship and the high degree of collectability, no allowance for uncollectible accounts is necessary. Accounts payable are amounts due to vendors for services incurred.

#### ***Prepaid Expenses***

Prepaid expenses represent costs of insurance paid during the current calendar year for coverage in subsequent years.

#### ***Accrued Vacation and Sick Leave***

For MESA, compensated absences cover leave for which employees may receive cash payments either when used as time off or as a payout for unused leave upon termination of employment. These payments may occur during employment or at termination. Generally, compensated absences do not follow a fixed payment schedule.

Liabilities should be recognized for unused leave if it is attributable to services already rendered, the leave accumulates, and it is more likely than not that it will be used or paid out in cash. For MESA, this includes sick and vacation leave.

Liabilities for compensated absences should be recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

---

A key component in determining the estimate of the amount of accumulated compensated absences that will be used as time off is the flows assumption. The flows assumption determines whether leave used by employees will be attributed first to (a) the recognized liability at the date of the financial statements (a first-in, first-out (FIFO) flows assumption) or (b) the leave earned in the next reporting period (a last-in, first-out (LIFO) flows assumption). MESA uses the LIFO flows assumption. Vacation leave for which employees can receive compensation in a future period is recorded as earned by the employees. Sick leave is recorded for those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

#### ***Pensions / Other Postemployment Benefits (OPEB)***

For purposes of measuring the net pension and net OPEB liabilities/assets, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the pension and OPEB plans and addition to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension and OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension and OPEB plans report investments at fair value.

#### ***Deferred Outflows and Inflows of Resources***

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For MESA, deferred outflows of resources reported for pension and OPEB plans are explained further in Notes 5 and 6.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow until that time. For MESA, deferred inflows of resources are reported for pension and OPEB, explained further in Notes 5 and 6.

#### ***Service Revenue and Expenses***

Revenues are recognized as services are performed. Service revenue is charged to AMP, the OMEGA JVs, and OMEA at a rate to recover the cost of salaries incurred related to work performed for each entity plus an overhead rate ranging from 0% to 100%. To the extent that the overhead amount charged is different from actual overhead charges incurred, MESA adjusts the amount charged to AMP. AMP absorbs any undercharges and uses any excess charges to offset other administrative expenses incurred, which benefits all members of AMP.

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

---

#### *Project Revenue and Expenses*

MESA performs short-term and long-term construction and technical service projects for the members of AMP. Short-term service project revenues are recognized when costs are incurred. Long-term project revenues are recognized in accordance with the American Institute of Certified Public Accountants Statement of Position 81-1 (“SOP 81-1”), *Accounting for Performance of Construction-Type and Certain Production-Type Contracts* for time and materials contracts. In accordance with SOP 81-1, revenue from time and material contracts is recognized to the extent of billable rates times hours delivered plus materials and expenses incurred. Materials and expenses are typically billed at cost. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted projects are made in the period in which such losses are identified. Changes in project performance, project conditions and estimated profitability are recognized in the period in which the revisions become known.

Costs and recoveries in excess of billings from projects constructed on behalf of members represent unbilled services and reimbursable materials and expenses associated with ongoing projects. Billings in excess of costs and recoveries for projects constructed on behalf of members represent advanced billings for services to be performed at a future date for ongoing projects. Direct project expenses include an allocation of operating expenses.

MESA distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with MESA’s principal ongoing operations. Operating expenses for MESA include the cost of sales and services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

---

### NOTE 2 – CASH AND TEMPORARY INVESTMENTS

---

For purposes of the statements of cash flows, cash and cash equivalents consist of unrestricted cash and highly liquid short-term investments with original maturities of three months or less. Restricted cash accounts, if any, are treated as investments in the statements of cash flows, since they are not available for use.

The following table reflects cash and temporary investments carrying value as of December 31:

	2024	2023
Checking	\$ 1,181,245	\$ 902,052
Insured Cash Sweep	1,301,945	763,236
	<u>\$ 2,483,190</u>	<u>\$ 1,665,288</u>

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest and noninterest bearing accounts as of December 31, 2024 and 2023.

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 2 – CASH AND TEMPORARY INVESTMENTS (CONT'D)

---

#### ***Custodial Credit Risk***

Custodial credit risk is the risk that in the event of a bank failure, MESA's deposits may not be returned to it. MESA has custodial credit risk on its cash and temporary investments balance to the extent the balance exceeds the federally insured limit. Balances not insured by the FDIC are covered by the pledged pool collateral or through the State of Ohio's pooled collateral system administered by the Ohio Treasurer's Office. However, MESA's investment policy requires that amounts in excess of FDIC limits be collateralized by government securities. As of December 31, 2024 and 2023 there were no deposits exposed to custodial credit risk.

#### ***Credit Risk***

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations.

MESA invests in instruments approved under the entity's investment policy. The Board of Participants has authorized MESA to invest in funds in accordance with the Ohio Revised Code. Allowable investments include United States Treasury and federal and state government agency obligations, money market funds, and commercial paper with the highest classification by at least two nationally recognized standard rating services.

#### ***Interest Rate Risk***

Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. MESA's investment policy limits the maturity of commercial paper and bankers acceptances to 180 days.

---

### NOTE 3 – HEALTH INSURANCE

---

MESA is self-insured for health, dental and prescription drug benefits. The programs are administered by a third-party, which provides claims review and processing services. MESA records a liability for incurred but unreported claims at year end upon an actuarial estimate based on past experience and current claims outstanding. Claims outstanding are included in accrued salaries and related benefits payable.

Changes in funds' claim liability amount in 2024, 2023 and 2022 were:

Year	Beginning Balance	Current year claims and change in Estimate	Claim Payments	Ending Balance
2024	\$ 323,851	\$ 2,051,406	\$ 2,035,367	\$ 339,890
2023	\$ 300,147	\$ 2,520,863	\$ 2,497,159	\$ 323,851
2022	\$ 321,167	\$ 2,040,716	\$ 2,061,736	\$ 300,147

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

### NOTE 4 – LONG TERM LIABILITY

Long-term liability activity for the years ended December 31, 2024 and 2023 are as follows:

	<b>2024</b>				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued sick leave	\$ 2,519,631	\$ 389,668	\$ 329,240	\$ 2,580,059	\$ -
Net OPEB liability	318,349	-	318,349	-	-
Net pension liability	13,797,268	-	1,979,431	11,817,837	-
<b>Total</b>	<b>\$ 16,635,248</b>	<b>\$ 389,668</b>	<b>\$ 2,627,020</b>	<b>\$ 14,397,896</b>	<b>\$ -</b>
	<b>2023</b>				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued sick leave	\$ 2,570,130	\$ 430,619	\$ 481,118	\$ 2,519,631	\$ -
Net OPEB liability	-	318,349	-	318,349	-
Net pension liability	4,194,639	9,602,629	-	13,797,268	-
<b>Total</b>	<b>\$ 6,764,769</b>	<b>\$ 10,351,597</b>	<b>\$ 481,118</b>	<b>\$ 16,635,248</b>	<b>\$ -</b>

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 5 – DEFINED BENEFIT PENSION PLANS

---

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

#### ***Net Pension Liability/Net OPEB Liability (Asset)***

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee— on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents MESA's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits MESA's obligation for the liability to annually required payments. MESA cannot control benefit terms or the manner in which pensions/OPEB are financed; however, MESA does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* and *net OPEB liability (asset)*. Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in accounts payable.

The remainder of this note includes the pension disclosures. See Note 6 for the OPEB disclosures.



# MUNICIPAL ENERGY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)**

---

### ***Plan Description – Ohio Public Employees Retirement System (OPERS)***

Plan Description – MESA employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. In October 2023, the legislature approved House Bill (HB) 33 which allows for the consolidation of the combined plan with the traditional plan with the timing of the consolidation at the discretion of OPERS. As of December 31, 2023, the consolidation has not been executed. This is the latest information available. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

*This space is intentionally left blank*

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

### NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

State and local members who retire before meeting the age-and-years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests at retirement.

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

When a benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the member's original base retirement benefit at the date of retirement and is not compounded. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

*This space is intentionally left blank*

**MUNICIPAL ENERGY SERVICES AGENCY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)**

	State and Local
<b>2024 Statutory Maximum Contribution Rates</b>	
Employer	14.0 %
Employee	10.0 %
 <b>2024 Actual Contribution Rates</b>	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0
Total Employer	14.0 %
 Employee	 10.0 %

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll. MESA's contractually required contribution was \$959,271 for 2024. Of this amount, \$153,583 is reported as an accrued salaries and related benefits.

***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

The net pension liability for OPERS was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MESA's proportion of the net pension liability was based on MESA's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	2024 OPERS	2023 OPERS
Proportion of the Net Pension Liability:		
Current Measurement Period	0.045140%	0.046707%
Prior Measurement Period	0.046707%	0.048212%
Change in Proportion	-0.001567%	-0.001505%
 Proportionate Share of the Net		
Pension Liability	\$ 11,817,837	\$ 13,797,268
Pension Expense	\$ 1,259,715	\$ 1,656,881

**MUNICIPAL ENERGY SERVICES AGENCY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)**

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2024, MESA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>2024</u> <u>OPERS</u>	<u>2023</u> <u>OPERS</u>
<b>Deferred Outflows of Resources</b>		
Net Difference between Projected and Actual Earnings on Pension Plan Investments	\$ 2,385,343	\$ 3,932,657
Differences between Expected and Actual Experience	193,153	458,288
Changes of Assumptions	-	145,758
MESA Contributions Subsequent to the Measurement Date	959,271	1,316,043
Total Deferred Outflows of Resources	<u>\$ 3,537,767</u>	<u>\$ 5,852,746</u>
<b>Deferred Inflows of Resources</b>		
Changes in Proportionate Share and Differences in Contributions	\$ 234,442	\$ 269,546
Total Deferred Inflows of Resources	<u>\$ 234,442</u>	<u>\$ 269,546</u>

*This space is intentionally left blank*

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

### **NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)**

\$959,271 reported as deferred outflows of resources related to pension resulting from MESA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS
2025	\$ 417,183
2026	744,344
2027	1,522,191
2028	(339,664)
Total	\$ 2,344,054

#### **Actuarial Assumptions – OPERS**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	OPERS Traditional Plan
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees (Current Year)	2.3 percent, simple through 2024, then 2.05 percent, simple
Post-January 7, 2013 Retirees (Prior Year)	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)**

---

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a gain of 11.2 percent for 2023.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized below:

*This space is intentionally left blank*

## MUNICIPAL ENERGY SERVICES AGENCY

### NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

#### NOTE 5 – DEFINED BENEFIT PENSION PLANS (CONT'D)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	24.00%	2.85%
Domestic Equities	21.00	4.27
Real Estate	13.00	4.46
Private Equity	15.00	7.52
International Equities	20.00	5.16
Risk Parity	2.00	4.38
Other investments	5.00	3.46
Total	100.00%	

**Discount Rate** The discount rate used to measure the total pension liability for the current year was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of MESA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents MESA's proportionate share of the net pension liability calculated using the current period discount rate assumption of 6.9 percent, as well as what MESA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
MESA's Proportionate Share of the Net Pension Liability	\$ 18,604,451	\$ 11,817,837	\$ 6,173,346

# MUNICIPAL ENERGY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 6 - DEFINED BENEFIT OPEB PLANS**

---

### ***Net OPEB Liability***

See Note 5 for a description of the net OPEB liability.

### ***Ohio Public Employees Retirement System (OPERS)***

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. Substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care. The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code. Retirees may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice and other eligible expenses. An OPERS vendor is available to assist with the selection of a health care program.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

*This space is intentionally left blank*



# MUNICIPAL ENERGY SERVICES AGENCY

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

---

## **NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

---

OPERS members retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Age 65 or older Retirees** Minimum of 20 years of qualifying service credit

**Age 60 to 64 Retirees** Based on the following age-and-service criteria:

**Group A** 30 years of total service with at least 20 years of qualified health care service credit;

**Group B** 31 years of total service credit with at least 20 years of qualified health care service credit; or

**Group C** 32 years of total service cred with at least 20 years of qualified health care service credit.

**Age 59 or younger** Based on the following age-and-service criteria:

**Group A** 30 years of qualified health care service credit;

**Group B** 32 years of qualified health care service credit at any age or 31 years of qualified health care service credit and at least age 52; or

**Group C** 32 years of qualified health care service credit and at least age 55.

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

*This space is intentionally left blank*

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

### **NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022, as summarized in the following table:

<b>Group A</b>	<b>Group B</b>	<b>Group C</b>
<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>	<b>Age and Service Requirements December 1, 2014 or Prior</b>
Any Age with 10 years of service credit	Any Age with 10 years of service credit	Any Age with 10 years of service credit
<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>	<b>January 1, 2015 through December 31, 2021</b>
Age 60 with 20 years of service credit or Any Age with 30 years of service credit	Age 52 with 31 years of service credit or Age 60 with 20 years of service credit or Any Age with 32 years of service credit	Age 55 with 32 years of service credit or Age 60 with 20 years of service credit

See the Age and Service Retirement section of the OPERS ACFR for a description of Groups A, B and C.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The base allowance is determined by OPERS and is currently \$1,200 per month for non-Medicare retirees and \$350 per month for Medicare retirees. The retiree receives a percentage of the base allowance, calculated based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance for both non-Medicare and Medicare retirees.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### **NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

---

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2024, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2024, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan. Beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan which has continued through 2024. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2024 was 4.0 percent. Effective July 1, 2022, a portion of the health care rate was funded with reserves which has continued through 2024.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. MESA's contractually required contribution was \$0 for 2024.

**MUNICIPAL ENERGY SERVICES AGENCY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

***Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB***

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2022, rolled forward to the measurement date of December 31, 2023, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. MESA's proportion of the net OPEB liability was based on MESA's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	2024 OPERS	2023 OPERS
Proportion of the Net OPEB Liability (Asset):		
Current Measurement Period	0.049802%	0.050490%
Prior Measurement Period	0.050490%	0.051922%
Change in Proportion	-0.000688%	-0.001432%
Proportionate Share of the Net		
OPEB Liability (Asset)	\$ (449,475)	\$ 318,349
OPEB Expense	\$ (80,705)	\$ (572,650)

At December 31, 2024, MESA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

*This space is intentionally left blank*

**MUNICIPAL ENERGY SERVICES AGENCY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

	2024 OPERS	2023 OPERS
<b>Deferred Outflows of Resources</b>		
Net Difference between Projected and Actual		
Earnings on OPEB Plan Investments	\$ 269,936	\$ 632,249
Changes of Assumptions	115,718	310,939
Changes in Proportionate Share and Differences in Contributions	4,312	-
Total Deferred Outflows of Resources	\$ 389,966	\$ 943,188
<b>Deferred Inflows of Resources</b>		
Differences between Expected and Actual Experience	\$ 63,973	\$ 79,409
Changes of Assumptions	193,216	25,585
Changes in Proportionate Share and Differences in Contributions	345	18,643
Total Deferred Inflows of Resources	\$ 257,534	\$ 123,637

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS
2025	\$ (8,979)
2026	22,435
2027	210,122
2028	(91,146)
Total	\$ 132,432

*This space is intentionally left blank*

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)

---

#### **Actuarial Assumptions – OPERS**

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.70 percent
Prior Year Single Discount Rate	5.22 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.77 percent
Prior Year Municipal Bond Rate	4.05 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2038
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

### **NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

During 2023, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was a gain of 14.0 percent for 2023.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	37.00%	2.82%
Domestic Equities	25.00	4.27
Real Estate Investment Trust	5.00	4.68
International Equities	25.00	5.16
Risk Parity	3.00	4.38
Other investments	5.00	2.43
Total	100.00%	

**MUNICIPAL ENERGY SERVICES AGENCY**

NOTES TO FINANCIAL STATEMENTS  
December 31, 2024 and 2023

**NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)**

**Discount Rate** A single discount rate of 5.70 percent was used to measure the OPEB liability on the measurement date of December 31, 2023; however, the single discount rate used at the beginning of the year was 5.22 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.77 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2070. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2070, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of MESA’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** The following table presents MESA’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.70 percent, as well as what MESA’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (4.70 percent) or one-percentage-point higher (6.70 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
MESA's Proportionate Share of the Net OPEB Liability (Asset)	\$ 247,018	\$ (449,475)	\$ (1,026,419)

**Sensitivity of MESA’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

*This space is intentionally left blank*



# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 6 - DEFINED BENEFIT OPEB PLANS (CONT'D)

---

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2024 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Trend Rate	1% Increase
MESA's Proportionate Share of the Net OPEB Liability (Asset)	\$ (468,139)	\$ (449,475)	\$ (428,297)

---

### NOTE 7 – RISK MANAGEMENT

---

MESA is covered under the insurance policies of AMP and is billed for its proportionate share of the insurance expense. AMP maintains insurance policies related to commercial property, motor vehicle liability, workers' compensation, health care excess liability, general liability, directors' and officers' insurance, fiduciary liability, and crime and fidelity coverage. In addition, MESA maintains an errors and omissions policy related to engineering services it performs. No claims have been filed in the past three years. There were no significant reductions in coverage compared to the prior year.

*This space is intentionally left blank*

# MUNICIPAL ENERGY SERVICES AGENCY

## NOTES TO FINANCIAL STATEMENTS December 31, 2024 and 2023

---

### NOTE 8 – RELATED PARTY TRANSACTIONS

---

Pursuant to the Agreement, AMP was designated as an agent and provides MESA various management and operational services. As MESA's agent, AMP enters into agreements with related entities to have MESA provide services. Revenues earned from these agreements for the years ended December 31 are as follows:

Entity	2024	2023
AMP	\$ 10,969,668	\$ 11,386,281
AMP Members	374,683	647,207
<b>Total</b>	<b>\$ 11,344,351</b>	<b>\$ 12,033,488</b>

At December 31, 2024 and 2023, MESA had receivables from affiliates of \$2,330,861 and \$3,334,836 respectively, and receivables from AMP members of \$235,431 and \$171,659 respectively.

---

### NOTE 9 – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

---

For the year ended December 31, 2024, MESA has implemented GASB Statement No. 100, *Accounting Changes and Error Corrections-an amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of MESA.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences to promote consistency and better meet the information needs of financial statement users. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. These changes were incorporated into MESA's 2024 financial statements; however, there was no effect on beginning net position.

**MUNICIPAL ENERGY SERVICES AGENCY**

Required Supplementary Information  
 Schedule of MESA's Proportionate Share of the Net Pension Liability  
 Ohio Public Employees Retirement System - Traditional Pension Plan  
 Last Ten Years (1)

	MESA's Proportion of the Net Pension Liability	MESA's Proportionate Share of the Net Pension Liability	MESA's Covered Payroll	MESA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.082551%	\$ 9,925,281	\$ 10,529,417	94.26%	86.45%
2016	0.074879%	12,969,890	8,015,192	161.82%	81.08%
2017	0.068961%	15,659,775	9,623,717	162.72%	77.25%
2018	0.061443%	9,558,911	9,488,431	100.74%	84.66%
2019	0.054081%	14,755,183	8,391,079	175.84%	74.70%
2020	0.050542%	9,989,883	7,421,957	134.60%	82.17%
2021	0.051329%	7,600,707	8,457,214	89.87%	86.88%
2022	0.048212%	4,194,639	6,997,014	59.95%	92.62%
2023	0.046707%	13,797,268	7,240,150	190.57%	75.74%
2024	0.045140%	11,817,837	9,400,307	125.72%	79.01%

(1) Amounts presented for each year were determined as of the MESA's measurement date, which is the prior year-end.

**Changes in Assumptions – OPERS**

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount Rate	6.90%	7.20%	7.20%	7.50%	8.00%

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

**Changes in Benefit Terms – OPERS**

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

**MUNICIPAL ENERGY SERVICES AGENCY**

Required Supplementary Information

Schedule of MESA Pension Contributions

Ohio Public Employees Retirement System - Traditional Pension Plan

Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	MESA's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 961,823	\$ (961,823)	\$ -	\$ 8,015,192	12.00%
2016	1,154,846	(1,154,846)	-	9,623,717	12.00%
2017	1,233,496	(1,233,496)	-	9,488,431	13.00%
2018	1,174,751	(1,174,751)	-	8,391,079	14.00%
2019	1,039,074	(1,039,074)	-	7,421,957	14.00%
2020	1,184,010	(1,184,010)	-	8,457,214	14.00%
2021	979,582	(979,582)	-	6,997,014	14.00%
2022	1,013,621	(1,013,621)	-	7,240,150	14.00%
2023	1,316,043	(1,316,043)	-	9,400,307	14.00%
2024	959,271	(959,271)	-	6,851,936	14.00%

**MUNICIPAL ENERGY SERVICES AGENCY**

Required Supplementary Information

Schedule of MESA's Proportionate Share of the Net OPEB Liability (Asset)

Ohio Public Employees Retirement System

Last Eight Years (1) (2)

	MESA's Proportion of the Net OPEB Liability (Asset)	MESA's Proportionate Share of the Net OPEB Liability (Asset)	MESA's Covered Payroll	MESA's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.075904%	\$ 7,666,578	\$ 9,623,717	79.66%	54.05%
2018	0.066795%	7,253,458	9,488,431	76.45%	54.14%
2019	0.057587%	7,508,010	8,391,079	89.48%	46.33%
2020	0.053943%	7,450,972	7,421,957	100.39%	47.80%
2021	0.054984%	(979,584)	8,457,214	-11.58%	115.57%
2022	0.051922%	(1,626,277)	6,997,014	-23.24%	128.23%
2023	0.050490%	318,349	7,240,150	4.40%	94.79%
2024	0.049802%	(449,475)	9,400,307	-4.78%	107.76%

(1) Information prior to 2017 is not available. The MESA will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the MESA's measurement date, which is the prior year-end.

**MUNICIPAL ENERGY SERVICES AGENCY**

Required Supplementary Information

Schedule of MESA's Proportionate Share of the Net OPEB Liability (Asset)

Ohio Public Employees Retirement System

Last Ten Years

***Changes in Assumptions - OPERS***

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

<b><u>Assumption</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
Discount Rate	5.70%	5.22%	6.00%	6.00%	3.16%	3.96%
Municipal Bond Rate	3.77%	4.05%	1.84%	2.00%	2.75%	3.71%
Health Care Cost Trend Rate	5.50%	5.50%	5.50%	8.50%	10.50%	10.00%

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

***Changes in Benefit Terms – OPERS***

For calendar year 2023, the cost of living adjustments increased from 2.20 percent simple to 2.30 percent simple.

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

**MUNICIPAL ENERGY SERVICES AGENCY**

Required Supplementary Information

Schedule of MESA OPEB Contributions

Ohio Public Employees Retirement System

Last Ten Years

	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	MESA's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 160,304	\$ (160,304)	\$ -	\$ 8,015,192	2.00%
2016	192,474	(192,474)	-	9,623,717	2.00%
2017	112,966	(112,966)	-	9,488,431	1.00%
2018	-	-	-	8,391,079	0.00%
2019	-	-	-	7,421,957	0.00%
2020	-	-	-	8,457,214	0.00%
2021	-	-	-	6,997,014	0.00%
2022	-	-	-	7,240,150	0.00%
2023	-	-	-	9,400,307	0.00%
2024	-	-	-	6,851,936	0.00%

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Municipal Energy Services Agency  
Franklin County, Ohio  
1111 Schrock Road, Suite 100  
Columbus, OH 43229

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Municipal Energy Services Agency (MESA), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise MESA's basic financial statements, and have issued our report thereon dated April 28, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MESA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MESA's internal control. Accordingly, we do not express an opinion on the effectiveness of MESA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether MESA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Dublin, Ohio  
April 28, 2025

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**OMEGA JV-2, 4, 5, 6 AND MESA**

**FRANKLIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 7/8/2025**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)